

NAWBO-CA June Newsletter
Advocacy & Public Policy

NAWBO-CA Supported Bills Moving Ahead

News from the Governor's Office and GO-Biz

NAWBO National Virtual Advocacy Days

Join the Advocacy and Public Policy (APP) Committee TODAY

June is already shaping up to be an active month as several bills supported by NAWBO-CA and important to women business owners are moving ahead through the legislative process.

Legislation that would increase access to capital and expand procurement opportunities for women-owned businesses are advancing largely due to NAWBO-CA's support. We have proved to be a major influence with the Legislature as the Budget Committee reviews NAWBO-CA's support of important funding to the Small Business Development Centers (SBDCs) whose mission is to provide assistance and guidance to small and start-up businesses at no charge.

The list of key bills important to women business owners is listed below, along with the status of each bill. We are also including the support letters for each bill.

Assembly Bill 511 (Muratsuchi) This bill passed off the Assembly Floor with a unanimous vote on June 1st and will be heading to the Senate next week. Senate Rules will make the determination of which policy committee AB 511 will go to in the next week or so. The bill will likely be assigned to the Senate Banking and Finance Committee. Sponsored by Small Business California and supported by NAWBO-CA, this bill would provide an access to capital option to start-up and small businesses by establishing an equity crowdfunding platform in California. AB 511 would enable investors to directly connect with the start-up or small business via a portal managed by the Department of Financial Protections and Innovation (DFPI), formally the Department of Business Oversight (DBO). The federal JOBS Act of 2012 was approved under the Obama Administration for the purposes of encouraging start-ups and small businesses to seek investment capital through an equity crowdfunding model. Since 2012, securities laws have changed so AB 511 is necessary in order for California's crowdfunding laws to be compliant with federal securities laws. If enacted, California will join 35 other states who have established crowdfunding as a very viable option for start-up and small businesses to access capital from interested investors.

Assembly Bill 915 (Chiu) Sponsored by the Cal Asian Chamber of Commerce, this bill cleared the Assembly Floor on May 28th with unanimous support. AB 915 codifies former Governor Schwarzenegger's Executive Order that placed a voluntary "goal" for state agencies to do at

least 25% of their contracting with small businesses. AB 915 would codify the EO to require that state agencies contract with at least 25% women-owned businesses, including members of the LGBTQ community and minority-owned businesses.

Assembly Bill 1072 (Reyes) This bill is packed with ways to provide assistance to women-owned businesses by creating and expanding several programs and is on a fast track to the Senate after passing off the Assembly Floor 79-0 on June 1st. Supported by NAWBO-CA and 16 other trade associations and organizations that represent small businesses, AB 1072 creates a more decisive programmatic relationship between the state's small business procurement advocates and the statewide network of 80+ small business technical assistance centers that participate in the Small Business Technical Assistance Expansion (TAEP). This bill accomplishes the following:

- 1) Links Procurement Advocates and Technical Assistance Programs with DGS to assist state agencies to improve small business and disabled business enterprise procurement participation
- 2) Transfers the Small Business Technical Assistance Expansion Program (TAEP) program from the Governor's Office of Business and Economic Development (GO-Biz) to the Office of the Small Business Advocate, which is a division within GOBiz
- 3) Adds "disadvantaged business enterprise" to the priority list of entities being served by the TAEP program
- 4) Requires state TAEP funds to be used to support a range of programs and services delivered through one or more small business technical assistance centers, including business start-ups, business restructuring, business expansion and retention, accessing capital, participating in government procurement opportunities, becoming and maintaining competitiveness in foreign markets, regulatory compliance, and emergency preparedness
- 5) Authorizes state TAEP funds to be utilized to support emergent small business technical assistance activities, such as those that are created in response to natural disasters and other state of emergencies, economic crises, and new economic market sectors and factors, such as cyber and technology modalities
- 6) Authorizes state TAEP funds to be applied to costs related to activities that will effectively expand small business technical assistance to priority businesses including marketing, travel, and administrative costs, but limits those costs to five percent of the grant
- 7) Extends the sunset on the TAEP program from January 1, 2024 to January 1, 2027

Assembly Bill 1573 (Assembly Jobs, Economic Development and the Economy Committee) As a companion bill to AB 1072 (Reyes), this bill passed off the Assembly Floor with a unanimous vote and is also on a fast track to the Senate. AB 1573 would authorize the establishment of the Small Business Retention Program which would be delivered through the SB TAEP administrative structure, contingent on the approval of supplemental funding. The purpose of

the Small Business Retention Program is to support local small business retention programs by providing state matching funds and expand the network of small business technical assistance centers and providers who will collectively contribute their on-the ground experience to an early warning system to alert the Governor's Office of Business and Economic Development and other state, federal, and local partners of trending business challenges and individual negative business outcomes.

Additionally, AB 1573 would require the Small Business Retention Program to provide a preference to applications that propose new or enhanced services to underserved business groups, including women, minority, and veteran-owned businesses, and businesses in low-wealth, rural, and disaster-impacted communities included in a state or federal emergency declaration or proclamation. This is the same preference as used for other SB TAEP grants.

Women-owned businesses are among the state's top job creators and innovators. Based on prior program experience, technical assistance to women-owned small businesses resulted in many advantages, including lower default rates, higher sales tax revenues, and new hires. The California Small Business Technical Assistance Expansion Program (SB TAEP) was established in 2018 for the purpose of providing direct assistance to small businesses within a statewide network of 80+ federally-designated small business technical assistance centers. During the pandemic, these centers have worked collaboratively with local governments, chambers of commerce, and economic development organizations to meet the needs of small businesses struggling to survive during mandatory shutdowns, partial re-openings, and evolving regulatory obligations.

Budget Request to Increase SB TAEP Funding NAWBO-CA joined 16 other business trade associations in contacting the members of the Budget Committee and Budget Subcommittee #4 (State Administration) to request that supplemental funding be included to support the economic recovery of California Small Businesses. Programmatic elements for this funding are included in AB 1072 (Reyes) and AB 1573 (JEDE). California small businesses, primarily, women-owned businesses need a comprehensive initiative to support and energize an inclusive economic recovery. The Budget Request includes the following:

- Launch and brand a **California Business Retention Network** using the existing **Small Business Technical Assistance Enhancement Program** (SB TAEP) as the foundation for an expanded technical assistance delivery network that meets the needs of all Californians, including underserved business groups.
- **\$17 million** in supplemental funding to expand the **capacity of the federally-designated small business technical assistance providers** to meet the demands of small businesses

recovering from the COVID-19 recession.

- **\$7 million** to expand ***SB TAEP to include local governments and nonprofits***, such as chambers of commerce and economic development corporations, to support business retention needs of small businesses impacted by COVID-19.
- **\$3 million** in supplemental funding to ***Capital Infusion Program*** to ensure California small businesses are prepared to access the **\$895 million** the state will receive under the federal ***State Small Business Credit Initiative*** (SSBCI).

The California Small Business Technical Assistance providers are essential and crucial resources to the entrepreneurial and small business community. They provide an invaluable service in providing resources, trainings, and expert consulting to small businesses. Currently, the Budget Committee is reviewing our request to include funding for these programs.

Senate Bill 655 (Bradford) This bill passed the Senate Floor on May 28th with a unanimous vote and has been assigned to the Assembly Insurance Committee. The bill will likely be heard during the first or second week in June. Sponsored by Insurance Commissioner Ricardo Lara, this bill will codify reporting requirements for underrepresented groups on insurance company governing boards, lower the existing California premium reporting threshold value for board and supplier diversity data from \$100 million to \$75 million, and define the term Diverse Investment Managers in the COIN (CA Organized Investment Network) program. This bill will require insurance companies to report their plans for increasing the numbers of women, LGBTQ+ and people of color on their boards to better represent California's insurance consumers. This bill also codifies Senator Bradford's recommendation to target insurance investments in affordable housing and environmental projects.

Senate Bill 777 (Bradford) This bill passed the Senate Floor by unanimous vote on June 2nd and is heading to the Assembly Rules Committee for its policy committee assignment. Sponsored by the author, this bill would enact the California Jumpstart Act, which allows credits similar to the federal New Markets Tax Credits (NMTC) against the gross premiums tax equal to the amount of a "relief contribution," commencing in the 2024 taxable year. The bill directs the CA Pollution Control Finance Authority (CPCFA) to administer the credit. If designated by CPCFA, SB 777 allows relief funds to allocate tax credits to investors in an amount equal to its "relief contributions." The relief fund must then make "relief investments" in "small businesses" in a "relief zone."

The bill defines "small business" as one that as of the date of investment: • Employs fewer than 250 employees. • Has gross receipts, less returns and allowances reportable to the state, of less than ten million dollars (\$10,000,000) during the previous taxable year. • Has its principal business operations, as defined, in a relief zone in the state. • Is engaged in any of several kinds of business by reference to North American Industrial Classification System Code, or if not,

CPCFA determines that an investment will create desirable economic outcomes. However, a business cannot violate state law and qualify.

Senate Bill 777 defines “relief investment” as one that: • Has a stated maturity of at least two years, • Does not result in acquisition of a majority investment as an initial investment, • Is secured by a first mortgage on real estate, and has an interest rate of less than 4% plus the effective federal funds rate on the date of the relief investment, • Is not secured by a first mortgage on real estate, and has an interest rate of less than 9% plus the federal funds rate on the date of the relief investment, • Has a flexible term, which requires deferred payment of principal and interest for at least one year, and is convertible into equity, and • Does not include an origination fee.

SB 777 defines “relief zones” similarly to NMTC, specifically as: • A census tract with a poverty rate above 20%, • A census tract with a median family income where: o If the census tract is not located in a metropolitan area, the statewide median family income. o If the census tract is located in a metropolitan area, the greater of the statewide median family income and the metropolitan area median family income. • All locations in the state but outside of census places with a population greater than or equal to 50,000 as of the latest decennial census. • Any High Unemployment Area (HUA) in the state as designated by the Employment Training Panel at the time of investment.

The California Jumpstart Act will be executed by experienced fund managers who will ensure the program is executed to the highest standards of professionalism and accountability. Specifically, this bill is sponsored by a group of investors that want to invest their capital in underserved communities by establishing start-up businesses with a workforce of 250 or less employees.

These bills are important to NAWBO-CA’s members because California women business owners often lack access to capital and rely heavily on bank financing, credit-card debt, home equity, and limited personal finances for additional liquidity. This need for capital has only intensified after a year of pandemic shutdowns.

News From the Governor and GO-Biz

The Governor recently announced that COVID-19 updates and resources can be found at the one-stop website: covid19.ca.gov. Please also visit GO-Biz's COVID-19 resource website: [GO-Biz's COVID-19 resource website](#). Below is the latest news for businesses from the Governor’s Office of Business and Economic Development (GO-Biz).

Vax for the Win: California's New Vaccine Incentive Program

Governor Newsom [announced](#) a new multi-faceted vaccine incentive program, Vax for the Win, designed to motivate Californians to get vaccinated.

All Californians aged 12+ who are at least partially vaccinated are automatically eligible for the cash prize drawings taking place in June. Thirty winners in total will be selected for the “\$50,000 Fridays” cash prize drawings on June 4 and June 11, totaling \$1.5 million. On June 15, \$1.5 million will be awarded to 10 lucky Californians – for a grand total of \$15 million in cash prizes. Winners must complete their vaccination in order to claim their prize. If someone under 18 wins, the cash will be put in a savings account for them until they turn 18.

Beginning on May 27, the next two million people who begin and complete their COVID-19 vaccination will automatically be eligible to receive a \$50 prepaid or grocery card, worth a total of \$100 million. It gives them the option to select from a \$50 Virtual Prepaid Card (which can be spent online, in-store where major debit cards are accepted, or added to a mobile wallet to be used to shop in stores that accept mobile wallets), or a \$50 grocery gift card from Kroger (which includes Ralphs, Food 4 Less and Foods Co.) or Albertsons (which includes Safeway, Albertsons, Vons, Pavilions and Andronico’s Community Markets), while supplies last. Click [here](#) to learn more about Vax for the Win details, including rules for eligibility.

California to Provide Employers with Toolkit to Make COVID-19 Vaccinations More Convenient for Workers

Governor Newsom announced the state’s new [Employer Vaccination Toolkit](#), which will create a new process for employers to request a workplace clinic or local provider partner, making COVID-19 vaccines even more accessible for their employees.

The Employer Vaccination Toolkit provides employers with vaccine education materials, information on COVID-19 Supplemental Paid Sick Leave and other guidance for employees, and an online form to request vaccination support.

Employers interested in requesting group appointments at nearby providers, or setting up a mobile or pop-up vaccination clinic at their workplace, must complete an [online form](#). A representative will follow up within three business days, and requests will be filled as resources allow. There is no financial cost to the employer.

Recent Action by Governor Newsom

- On May 25, Governor Newsom announced a historic agreement with Secretary of the Interior Deb Haaland, White House National Climate Advisor Gina McCarthy, and Under Secretary of Defense for Policy Dr. Colin Kahl to advance offshore wind development. The agreement opens up the West Coast for offshore wind development for the first time in history, a promising development that could help achieve the state's clean energy goals, bolster renewable energy sources and create new jobs and investments in California. [Read more here.](#)
- On May 24, Governor Newsom highlighted the recent addition of six CAL FIRE HAWK helicopters to CAL FIRE's fleet and discussed his proposed \$2 billion investment in combating wildfires and emergency preparedness – the largest in California history. [Read more here.](#)

GO-Biz Updates California Opportunity Zone Site

On May 26, the Governor's Office of Business and Economic Development released a comprehensive update to the [California Opportunity Zone site](#).

“Geographically targeted economic development tools, such as Opportunity Zones, Promise Zones, and other place-based programs, are top of mind for many local economic development organizations when thinking about post-pandemic recovery,” said Dee Dee Myers, Senior Advisor to Governor Newsom and Director of GO-Biz. “As we enter our California Comeback, communities need every tool in the toolkit. The new Opportunity Zone site provides vital information to ensure your transformative investments support a sustainable and inclusive economic recovery for California.”

The new site incorporates feedback and input shared to GO-Biz by the 2020 Opportunity Zone Survey following the release of the [2020 Opportunity Zone & Promise Zone Update](#). It features a multitude of funding opportunities, resources, best practices, and tools to support investment, economic development, and business development in economically-distressed communities throughout California. [Read more here.](#)

GO-Biz Director Releases Joint Statement with California Labor Secretary on April Employment Numbers

Following the California Employment Development Department's [release of the state's employment data from April](#), Director of the Governor's Office of Business and Economic Development Dee Dee Myers issued the following joint statement with California Labor Secretary Julie A. Su:

"While California's employment numbers remain steady for a consecutive month, we are confident that California's future is bright. Governor Newsom's recent announcement of the California Comeback Plan will provide much needed support to California's workers and businesses who have been deeply impacted due to the pandemic," said Julie Su, Labor Secretary. "The plan also includes major targeted investments in California's workforce and economic resilience that will train tens of thousands of Californians in high demand sectors, creating new pathways to good quality jobs."

"The California Comeback Plan also includes the largest small business grant program in the country, providing much needed assistance to California's 4.1 million small businesses who employ half of the state's workforce," said Dee Dee Myers, Director of the Governor's Office of Business and Economic Development. "California is roaring back, as we accounted for nearly 40 percent of the nation's job growth in April – led by our leisure and hospitality industry – and are well positioned for continued recovery as we fully reopen June 15."

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“California’s businesses have stepped up throughout the pandemic to protect the public and their employees,” said Dee Dee Myers, Senior Advisor to Governor Newsom and Director of GO-Biz. “Setting up vaccination sites at workplaces will improve vaccine access – providing additional protections to workers, customers and community members – and help our economy come roaring back.”

The Employer Vaccination Toolkit provides employers with vaccine education materials, information on COVID-19 Supplemental Paid Sick Leave and other guidance for employees, and an online form to request vaccination support.

Employers interested in requesting group appointments at nearby providers, or setting up a mobile or pop-up vaccination clinic at their workplace, must complete an [online form](#). A representative will follow up within three business days, and requests will be filled as resources allow. There is no financial cost to the employer.

Beyond the Blueprint for a Safer Economy

California announced the details of the state's full reopening plan. Beginning June 15, 2021, businesses will be able to return to usual operations with limited exceptions for mega events. The updated framework clarifies that physical distancing and capacity limitations will no longer be required for most businesses.

[Read more here.](#)

Recent Action by Governor Newsom

- On May 20, Governor Newsom signed legislation that extends expedited California Environmental Quality Act (CEQA) review for key developments and expands the streamlining process to include small-scale housing projects – boosting the state’s economic recovery with the creation of more housing and good jobs. [Read more here.](#)
 - On May 20, Governor Newsom issued an executive order to assist communities recovering from devastating wildfires last year. The order extends the state’s prohibition on price gouging for the following counties impacted by wildfires in August and September 2020: Butte, Napa, Santa Cruz, Sonoma, Fresno, Lassen, Mendocino, Monterey, Shasta, Siskiyou, Solano, Trinity and Tulare. The text of today’s executive order can be found [here](#).
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Masks Required in California Until June 15, 2021

This week, California Health and Human Services Secretary Dr. Mark Ghaly announced California will [keep its existing guidance](#) around masks in place until June 15 when California aims to fully reopen the economy. This four-week period will give Californians time to align with new CDC masking guidance while we continue our relentless focus on delivering vaccines, particularly in underserved communities. A new Mask Up, California flyer and toolkit has been created to explain current California masking guidelines. The flyer is in [English](#) and [Spanish](#).

SBA offers debt relief to existing SBA loan borrowers whose businesses have been impacted by COVID-19. [Read more](#)

NAWBO NATIONAL VIRTUAL ADVOCACY DAYS

Mark your calendar June 7th and June 8th! NAWBO's 2021 Advocacy Day activities will take place through a virtual setting from Monday, June 7th through Tuesday June 8th. The week will then close out with NAWBO members connecting with the offices of their elected representatives.

This year's Advocacy Days will focus on 5 key themes:

- Speaking to the Microbusiness, Reinvigorating, and Encouraging the Emerging Entrepreneur
- Accessing Capital
- Breaking the Middle Barrier
- Utilizing and Receiving Technology
- Caring for the Business Owner and Caretaking Flexibilities for the Employee

These key themes reflect the needs and interests of NAWBO members as they have navigated the COVID-19 pandemic.

[Access more information and register online](#)

JOIN THE PUBLIC POLICY COMMITTEE

We encourage anyone interested in advocacy to join the Public Policy Committee. It's open to all members and we meet on the 4th Friday of the month from 8:00 – 9:00 a.m. If you're interested, email **NAWBO-CA's Advocacy and Public Policy Director Robin Allen** at robinharris1@hotmail.com. The bigger the team, the greater the outcomes!