

NAWBO-CA July Newsletter Advocacy & Public Policy

NAWBO-CA Supported Bills Moving Ahead

News from the Governor's Office and GO-Biz

The Legislature adjourned for its summer recess on July 16 and will reconvene on Monday, August 16th. Staff and committee consultants will be in their offices to prepare amendments and committee analyses in advance of the flurry of activity that will occur during the remaining 30 days of session before they adjourn for the year on September 10th. The Governor has until October 10th to act on all bills landing on his desk.

NAWBO-CA supported bills remain alive and well and are moving to the second house. Meanwhile, there are a series of Budget trailer bills that will augment the funding and budget language contained in the budget bill that the Governor signed last month.

We have participated in a series of Zoom meetings with the Budget Committee Consultants in both houses, Speaker's office and the Senate Pro Tem's staff to ensure that there will be adequate funding for the Small Business Development Centers (SBDCs) and Women's' Business Centers (WBCs) given the demand on small and micro businesses' efforts to recover from the pandemic and wildfires that continue to plague businesses in our state.

We have several updates on the bills of interest to NAWBO-CA and have updated the status for each. The bills are also included in the attached Legislative Bill Tracking Report.

Assembly Bill 511 (Muratsuchi) This bill passed from the Senate Judiciary Committee on Consent meaning that there was no opposition. AB 511 now moves to the Senate Appropriations Committee and will be taken up after August 16th when the Legislature reconvenes on August 16th. 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 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 is now in the Senate Business, Professions and Economic Development 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 will assist women-owned businesses by creating and expanding several programs. After passing its policy committee with zero opposition, AB 1072 is now on the Consent Calendar in Senate Appropriations and will be taken up next week. 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 GO-Biz
- 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 now awaiting hearing in the Senate Business, Professions and Economic Development Committee during the week of July 12th. This bill 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 is now on the Assembly Floor to be taken up the week of August 18th. 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 is now a two-year bill and will be taken up again in January, due to the recommendation from NAWBO-CA that the bill be amended to define small businesses as those who employ 50 or less, rather than 250. 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

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](#).

Governor Newsom Joins Law Enforcement Leaders and Big 13 Mayors to Discuss State Efforts to Reduce Crime, Signs Legislation Targeting Organized Retail Theft

On July 21st, while visiting The Hangout, a Long Beach small business, Governor Newsom signed legislation to improve the state's ability to stop organized retail theft. AB 331 by Assemblymember Reginald Byron Jones-Sawyer, Sr. (D-Los Angeles), extends the sunset date of the crime of organized retail theft, as well as the California Highway Patrol Organized Retail Crime Task Force, to January 1, 2026.

"Among the most basic needs for all Californians is to feel safe at home, at the park, or walking to school," said Governor Newsom. "As we pursue nation-leading criminal justice reforms – all with an eye to making our communities safer – a more holistic approach is called for. We must invest in public safety while, at the same time, tackling the root causes of these increases." [Read more here.](#)

Recent Action by Governor Newsom

- On July 22nd, The Newsom Administration secured 12 additional firefighting aircrafts this week for exclusive use in its statewide fire response efforts. Within hours of securing these critical resources, the California Department of Forestry and Fire Prevention (CAL FIRE) dispatched nine of the 12 aircrafts immediately to new and emerging fires.
- On July 22nd, Governor Newsom signed legislation to advance the state's commitment to equitable access to California State Parks. Championed by First Partner Jennifer Siebel Newsom, whose California for ALL Kids initiatives support children's physical, mental, and social-emotional well-being, the legislation establishes a pilot program to give every fourth grader a free annual pass to select California State Parks.
- On July 20th, Governor Newsom announced that California has secured a Fire Management Assistance Grant (FMAG) from the Federal Emergency Management Agency (FEMA) to help ensure the availability of vital resources to suppress the Dixie Fire burning in Butte and Plumas Counties.
- On July 20th, at a rural elementary school in Tulare County, Governor Newsom signed legislation to advance the state's commitment to bridging the digital divide by increasing equitable, affordable access to high-speed internet service across California. Through a \$6 billion multi-year investment, more Californians will be able to access broadband coverage with the construction of a state-owned open

access middle mile network and last mile projects that connect unserved households and businesses with local networks. Read more here.

- On July 19th, at a Homekey site in Sebastopol, Governor Newsom signed the largest funding and reform package for housing and homelessness in California history as part of the \$100 billion California Comeback Plan. The package includes \$10.3 billion for affordable housing and \$12 billion over two years towards tackling the homelessness crisis head-on – helping tens of thousands of people off the streets while also demanding greater accountability and more urgency from local governments.

Let's Get to Immunity - Resources and Tools

- COVID-19 Toolkits: Visit the COVID-19 Vaccination Toolkit on Google Drive for additional resources and tools.
- Business Toolkits: Click here to download English and Spanish Business Toolkit that you can use for your community!
- Half Sheet Flyers: Click here to download half sheet flyers, which can be used for outreach and educational activities. Flyers available in the following languages: Arabic, Chinese, East Armenian, English, Farsi, Hmong, Japanese, Khmer, Korean, Punjabi, Russian, Spanish, Tagalog, Vietnamese and West Armenian.

Digital COVID-19 Vaccine Record

The Digital COVID-19 Vaccine Record (DCVR) is an electronic vaccination record that offers private and secure access to your vaccination information. The digital record displays the same information as your paper CDC vaccine card and is an easy way to make sure you always have a record of your COVID-19 vaccine with you. To retrieve your record, please visit www.myvaccinerecord.cdph.ca.gov.

U.S. Economic Development Administration: Communities Across the Country will be able to Apply for \$3 Billion in Funding Immediately

On July 22nd, U.S. Secretary of Commerce Gina M. Raimondo announced six programs, collectively called Investing in America's Communities, that the Economic Development Administration (EDA) will execute to equitably invest the \$3 billion it received from President Biden's American Rescue Plan.

- [Build Back Better Regional Challenge](#) (\$1 billion) will capitalize on American ingenuity and American workers by providing a transformational investment to regions across the country to revitalize their economies.
- [Good Jobs Challenge](#) (\$500 million) is designed to help get Americans back in good-paying jobs. The program will develop and strengthen regional workforce training systems and sector-based partnerships with a focus on programs targeted at women, people of color and historically underserved communities.
- [Economic Adjustment Assistance](#) (\$500 million) grants will help hundreds of communities across the nation plan, build, innovate, and put people back to work through projects tailored to meet local needs.
- [Indigenous Communities](#) (\$100 million) program will work hand-in-hand with Tribal Governments and Indigenous communities to develop and execute economic development projects they need to recover from the pandemic and build economies for the future.

- [Travel, Tourism and Outdoor Recreation](#) (\$750 million) program will focus on revitalizing the hard-hit travel, tourism, and outdoor recreation industries and accelerate the recovery of communities that rely on these sectors.
- [Statewide Planning, Research and Networks](#) (\$90 million) grants include funding for state planning efforts as well as grants to build Communities of Practice to extend technical assistance to support EDA's work with grantees.

California Eviction Protections Extended Through Sept. 30th 2021

Income-eligible renters and their landlords impacted by COVID-19 will now be eligible to receive 100% of unpaid or future rent. Additionally, CA COVID-19 Rent Relief applicants who were previously paid at a lower amount will also be compensated the difference to receive 100% coverage – no need to reapply!

California's critical eviction protections have also been extended through September 30, 2021, to help keep Californians housed.

Visit HousingIsKey.com or call 830-430-2122 to apply. If you've already applied to the program, log in to the application portal to check your status.

Governor Newsom Signs Executive Order Expediting Cal/OSHA's Revised COVID-19 Regulations to Ensure Consistency with Public Health Guidance

Following the vote by the Occupational Safety and Health Standards Board to adopt revised COVID-19 Prevention Emergency Temporary Standards, Governor Newsom signed an executive order enabling the revisions to take effect, immediately waiving, the normal 10-day review period by the Office of Administrative Law. The revised standards provide clarity and consistency for employers and employees as California fully reopens its economy.

Among other updates, Cal/OSHA's revisions align with the latest guidance from the California Department of Public Health – based on guidelines issued by the Centers for Disease Control and Prevention – on face coverings and eliminate physical distancing requirements, except for certain employees during outbreaks. Unless they show symptoms, fully vaccinated employees do not need to be offered testing or be excluded from work after close contact with a COVID-19-positive person. [Read more here.](#)

Cal/OSHA has published a list of [Frequently Asked Questions](#) on their website with information on what's changing and what is required of employers.

Additional Recent Actions Taken by Governor Newsom

- On June 17, Governor Newsom signed an emergency proclamation to free up additional energy capacity. In preparation for the extreme temperatures, California energy agencies are calling on individuals and businesses to “flex their power” by reducing energy use in the evenings, through Friday, June 18. The text of the proclamation can be found [here](#).
- On June 16, Governor Newsom launched a new Advisory Council on Physical Fitness and Mental Well-Being. Placing a special emphasis on child physical and mental health, the Advisory Council will be led and convened by First Partner Jennifer Siebel Newsom, whose California for ALL Kids initiatives support

children's physical, mental and social-emotional well-being, and Pro Football Hall of Fame inductee Ronnie Lott. [Read more here.](#)

- On June 16, Governor Newsom visited Six Flags Magic Mountain, highlighting more attractions Californians can look forward to revisiting this summer as the state turns to post-pandemic life. The Governor announced that California is partnering with Six Flags Entertainment Corporation to provide 50,000 free tickets – a \$4.5 million value – to Californians who receive at least their first dose of the COVID-19 vaccine at participating providers starting June 16, while supplies last. The ticket giveaway, donated by Six Flags, is part of California's historic Vax for the Win program and will support vaccination efforts in areas heavily impacted by the pandemic. [Read more here.](#)

- On June 14, Governor Newsom highlighted his proposed California Comeback Plan investments to jump-start the state's travel economy as it fully reopens, and announced a new Vax for the Win California Dream Vacations giveaway in partnership with Visit California to thank Californians for doing their part to get vaccinated and encourage them to revisit the state's landmark destinations this summer. [Read more here.](#)

California Defies Doom with No. 1 U.S. Economy

In a recent op-ed by Matthew Winkler, Editor-in-Chief Emeritus of Bloomberg News, he writes, "no one anticipated the latest data readout showing the Golden State has no peers among developed economies for expanding GDP, creating jobs, raising household income, manufacturing growth, investment in innovation, producing clean energy and unprecedented wealth through its stocks and bonds. All of which underlines Governor Gavin Newsom's announcement last month of the [biggest state tax rebate in American history.](#)" [Read more here.](#)

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

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

"California has reopened, and we're ready to roar back. Nine out of 11 sectors added jobs in May, including Leisure and Hospitality, which created more than 50,000 new jobs for the fourth consecutive month," said Dee Dee Myers, Director of the Governor's Office of Business and Economic Development. "California continues to drive the nation's recovery, accounting for almost 23 percent of the job growth nationwide over the past four months. All signs continue to point to a strong and equitable recovery as we move beyond the pandemic."

"Californians came together to get us to this point and now we must focus on what a strong, resilient economy that values working people looks like," said Julie Su, Labor Secretary. "As California reopens and workplaces across California transition to new [Emergency Temporary Standards](#), the work ahead is about not just getting Californians back to work but creating quality jobs, preparing Californians for those jobs, ensuring access for those too often left behind, and supporting employers who are investing in their workforce."

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.