

FACT SHEET: GOVERNOR NEWSOM ECONOMIC DEVELOPMENT EFFORTS

Economic development and creating equitable growth across California's economy has been a top priority of Governor Newsom and his administration, both before and now in the midst of the global pandemic.

EMERGENCY MEASURES TO STABILIZE CA'S ECONOMY AMID THE PANDEMIC

In the immediate aftermath of the pandemic, Governor Newsom and his administration took immediate action to stabilize California's economy, businesses and workforce. Those actions include:

Supports for Businesses and Economy

- **Great Plates Delivered**, a first-in-the-nation meal delivery service for California's older adults, has served 5,683,026 meals through 703 provider food service companies/restaurants, over half of which identified as minority-owned. The program has supported over 8,337 jobs as of 8/4.
- **#ShopSafeShopLocal**, a statewide campaign to rally Californians to safely spend locally and online; and help keep small business employees, owners, and others healthy by engaging in practices like wearing a mask, adhering to social distancing guidelines and following all public health protocols.
- **SafelyMakingCA.org**, a new resource for small businesses to access the PPE they need to protect employees and customers and for California manufacturing companies to access PPE specs and find a new revenue source.
- **Work Share**. EDD enhanced the federal Work Sharing Program, which helps businesses avert layoffs by reducing staff hours and allowing staff to receive both part-time earnings and a prorated percentage of UI benefits, thereby keeping their jobs and allowing the business to remain open. The program has seen a 3,400 percent increase in applications filed between March and May. Currently, 8,863 employers are participating in Work Share, which has helped to avert layoffs of almost 42,107 participating employees.
- **Education**. Boards and commissions have educated licensees on new public health guidance.
- **Tax relief**. The state leveraged federal legislation through AB 103 (Chaptered June 29, 2020), relieving tax-rated employers of COVID-19-related charges to their reserve account balance and experience rating through December 31, 2020. As a result, employers will avoid significant increases to their Unemployment Insurance tax rate due to layoffs beyond their control.

- **Telehealth.** Expanded telehealth services to ensure that health care safety net and other providers could continue to safely see patients and to keep reimbursement flowing to health care providers.

Supports for Small Businesses and Self-Employed Californians

- Provided relief to small businesses, including a 90-day extension in state and local taxes and an extension of all licensing deadlines and requirements for several industries.
- Waived penalties on property taxes for small businesses experiencing economic hardship based on COVID-19 through May 2021 and extended the deadline for filing property tax statements.
- Allowed small businesses to defer payment of sales and use taxes of up to \$50,000 for up to 12 months.
- Provided \$50 million in loan guarantees for small businesses that may not be eligible for federal relief, including low-wealth and undocumented immigrant communities.
 - The 2020-21 Budget included an additional \$50 million one-time General Fund allocation to IBank's SBFC, for its guarantee programs, with flexibility to direct capital to meet market demand. It also included an extra \$25 million to expand lender liquidity and free up more capital for small business loans.
- Small Business Support for Paid Family Leave (Employment Training Panel)
 - Developed a long-term, step-by-step plan to expand job protections.
 - The 2020-21 Budget includes a \$1 million General Fund allocation for the ETP's Small Business Paid Family Leave Pilot Training Program to help small businesses hire and train new employees and retrain existing employees and front-line workers.
- California's network of small business centers (86 active) supporting businesses as they navigate resources during the pandemic.
 - From 3/15-5/15/20, 64 of the 86 centers increased support with a 10x increase in financing assistance from 224 loans (\$30 million) to 2,513 loans (\$346.26 million), nearly 3x in consulting from 8,228 to 23,253 businesses and nearly 4x training from 5,146 to 20,719 individuals. Also provided support in 31 languages, including weekly webinars that reached 12,496 SMBs in English and Spanish.
- California secured an SBA disaster declaration early on 3/17/20 to open up the Economic Injury Disaster Loans (EIDL) program for California small businesses and private non-profit organizations. Early action proved impactful:
 - As of 7/27, California has received approval for 469,484 EIDLs, representing 15.73 percent of the total nationwide; and \$29,697,072,596 or 18.13 percent of the total.

- Additionally, California has received approval for 809,792 EIDL Advances of up to \$10k representing 14.01 percent of the total; and \$2,666,662,000 or 13.33 percent of the total disbursed.
 - Agricultural businesses, including small agricultural cooperatives and small businesses engaged in aquaculture, are now eligible for the program.
- CalOSBA, with its centers and networks, supported outreach, webinars and trainings on the Paycheck Protection Program (PPP), SBA's forgivable loan program.
 - As of 8/8, California has received 623,360 approved PPP loans, which is 11.96 percent of the total loans.
 - The total amount funded is \$68,644,418,670, which is 13.07 percent of the national total.

Workforce Supports

- Built a pipeline of PPE for essential workers and industry organizations and distributed PPE to help workers stay safe, including:
 - 13M+ for Agricultural sector
 - 7M+ for business and office workers
 - 1M+ for Construction sector
 - 1M+ for Transit and Transportation workers
 - 500K+ for Child Care sector
- Issued an executive order that creates a time-limited rebuttable presumption for accessing workers' compensation benefits applicable to Californians who must work outside of their homes during the stay at home order.
- Expanded [paid sick leave](#) for food sector workers, including farmworkers.
- Provided hotels for health care workers serving COVID-19-positive patients and established Housing for the Harvest, which supports isolation and quarantine for COVID-19-positive and exposed farmworkers.
- Expanded Paid Family Leave to Californians unable to work because they are caring for an ill or quarantined family member.
- [Prioritized testing](#) for essential workers.
- Worked with the Legislature to provide emergency child care vouchers for essential workers and families at risk and waived family fee requirements to receive care. Provided support for child care providers to stay open or re-open, including payment protection, PPE and deep cleaning stipends.

Public Awareness

- Employer education has helped businesses modify their workplace environments and mitigate risk for infection of employees and patrons. Examples include:

- CDPH released an [Employer Playbook](#) to ensure that employers and workers have information about what to do when workers become positive for COVID-19, to prevent and limit outbreaks.
 - Cal/OSHA, Labor Commissioner's Office, EDD Farmworker Services Group, and ALRB will continue to develop staff outreach plans that include field visits to worksites and meetings with CBOs and employer associations.
- Worker education engages workers through worker advocacy organizations, employer associations, and other key messengers to conduct outreach and education. Examples include:
 - CBO workplace safety training curriculum;
 - Industry-specific training curriculum for high-risk industries;
 - In-language, worker-friendly and culturally-responsive outreach content including for low-literacy populations.

ECONOMIC DEVELOPMENT HAS BEEN A TOP PRIORITY FOR THE NEWSOM ADMINISTRATION

Since taking office in January 2019, fostering sustainable and equitable economic growth has been a top priority for Governor Newsom and his administration. The Newsom Administration has made progress in a number of areas, including:

- **Supporting Job Creation.** The California Competes Tax Credit awards millions of dollars each year to businesses that pledge to invest in job creation, with a special focus on businesses in economically disadvantaged communities. Between April 2019 and June 2020, 97 companies have been awarded tax credits. These companies have committed to creating 20,043 new, quality full-time jobs and make more than \$4.5 billion in new investments across California.
- **Helped Prevent Energy Market Collapse.** After PG&E declared bankruptcy and millions of Californians experienced power outages due to aging infrastructure, the state stepped in to hold California utilities accountable, create an insurance fund for catastrophic wildfires and ensure there was a back-up plan for PG&E.
- **Expanded Paid Family Leave.** Last year, the Governor's Budget expanded Paid Family Leave from six to eight weeks, moving two-thirds towards the goal of six months of paid family leave for two parents to bond with a new child. The 2020-21 Budget includes \$1 million to support the training needs of small businesses with employees utilizing the PFL program.
- **Expanded California Earned Income Tax Credit.** Last year, Governor Newsom significantly expanded CalEITC, investing \$1 billion to help Californians become more financially secure. He expanded the program so Californians making up to \$30,000 per year now qualify and added a

new Young Child Tax Credit for families with children under the age of six. As of July 29, 2020, more than \$1 billion has gone back into the pockets of more than 3.6 million working Californians and their families.

- **Supporting California's World-Renowned Film Industry.** The California Film Tax Credit (FTC) Program supports the continued vitality of the state's world-renowned film industry by offering credits to productions in California. California's FTC Program 2.0, which ended on 6/30/20, allocated \$330 million per FY for this purpose, and program 3.0 maintains this amount in credits per FY through 2025. The credits from FTC 2.0 have resulted in \$8.4 billion in direct in-state spending by recipients.
- **California Infrastructure Economic Development Bank (IBANK) an Infrastructure State Revolving Fund (ISRF).** In 2019, IBank did more than 579 small business loan guarantees for more than \$509.6 million in economic activity. 15,780 small business jobs were created or retained from IBank's 2018-19 loan guarantees. IBank did more than \$643 million in financing in FY 18-19.
- **California Business Investment Services (CalBIS).** In 2019, the CalBIS team assisted 70 clients, securing commitments to create over 4,500 high-quality jobs and \$4 billion in additional investments. The CalBIS team is especially proud of their efforts last year to shift projects initially planned for California's three largest metro areas to inland California, to advance equity in the state's economic development process. The team has also secured agreements on a collaborative effort around expansion of California's Commercial Space Industry through an MOU that was recently executed, on August 5, 2020.
- **Minimum Franchise Tax Waiver.** Estimated \$100 million allocated in the 2020-21 Budget to waive the \$800 minimum franchise tax for the first year of business creation and remove a barrier to entrepreneurship and job creation.
- **Support for Small Businesses.** Funded a support network of 86 small business centers (that speak more than 30 different languages among them) at \$20 million/year. Since launching 10/18, centers have consulted/trained 137,764 small businesses and helped them access \$825,756,454 in funding (loans, investments, grants, etc.). Added new rural satellite offices in Kern, the Far North, Tuolumne and soon in Inyo and Mono and subgrants to local ethnic chambers and to fund expanded language capacity.
- **Entrepreneurship Task Force.** In May 2019, the Office of the Small Business Advocate (CalOSBA) launched the Entrepreneurship Task Force to serve as a bridge between the State of California and the entrepreneurial community – sharing ideas and solutions to propel California's next generation of innovative entrepreneurs and small and medium businesses.

- **Social Entrepreneurs for Economic Development (SEED).** Allocated \$10 million in the 2020-21 Budget for SEED to provide micro-grants to immigrant social entrepreneurs.
- **Implemented the Proposition 64 California Community Reinvestment Grants (CalCRG) Program** and awarded \$28.5 million to organizations across the state to counteract the impacts of the War on Drugs.
- **Zero Emission Vehicle Unit.** In 2019, California added 115,745 Zero Emission Vehicles (ZEVs) to our roads in the first three quarters of the year, bringing the total number of ZEVs in the Golden State to 655,088, close to half of all ZEVs in the United States. In terms of charging infrastructure, this year alone, California added 3,818 public charging outlets to the state, increasing the grand total of public charging outlets to 22,226. We added four hydrogen stations, including the first two in San Francisco.
- **Incentives to Increase Housing Production.** The 2019/20 Budget included \$1.75 billion to support housing production in the state, including \$500 million for the Infill Infrastructure Grant Program to support developers and local governments, \$500 million in state housing tax credits, \$250 million for local governments to plan for housing, and \$500 million in a mixed-income loan program to accelerate production of affordable housing. The 2020/21 Budget provided an additional \$500 million in state housing tax credits to increase affordable housing production.
- **Expanded Child Care and Early Learning Access.** Last year, Governor Newsom significantly raised the importance of early childhood as both an investment in our state's economic future and immediate economic support for working families. Last year's budget increased child care and preschool access for 22,000 children and made investments in workforce and facilities. Additionally, the budget called for a Master Plan for Early Learning and Care due in October 2020 to create a roadmap for California to achieve universal preschool and expand access to affordable, high-quality child care. This year's budget focused on pandemic relief for working families and child care programs and providers by providing emergency child care vouchers, payment protection and PPE.
- **Caltrans Project Acceleration.** Caltrans has accelerated projects to achieve cost savings, support the creation of new jobs in the transportation sector, and improve roads while minimizing disruption to the public and increasing worker safety. The Federal Highway Administration estimates that approximately 13,000 jobs are created for every billion dollars spent on highway infrastructure. While fuel tax revenues used to fund transportation projects are expected to decline as a result of the pandemic, the 2020/21 Budget maintained current planning and engineering staffing levels to continue developing and designing previously programmed projects.