



April 2, 2020

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Section 36.00—The California Infrastructure and Economic Development Bank, Small Business Finance Center

Pursuant to the provisions of Section 36.00, Chapter 2, Statutes of 2020, the following report is respectfully submitted.

Augmentation to the following non-Budget Act item is needed to provide support to California's small businesses that are experiencing extreme financial hardships due to the COVID-19 pandemic and mitigation efforts being used to reduce the pandemic.

- \$50,000,000 to Item 0509-601-0001 for the Small Business Finance Center at the California Infrastructure and Economic Development Bank (IBank) to mitigate barriers to capital for those small businesses that do not qualify for federal disaster funds, including businesses in low-wealth and immigrant communities. The augmentation will be used to recapitalize IBank's Small Business Loan Guarantee Program (SBLGP). The program utilizes Financial Development Corporations and Community Development Financial Institutions to provide loans to small businesses, which are guaranteed by the SBLGP.

Finance concurs with the necessity of these changes to the enacted budget and will be approving these augmentations not sooner than 72 hours from the above date.

If you have any questions or need additional information regarding this matter, please contact Amy Jarvis, Program Budget Manager, at amy.jarvis@dof.ca.gov or 916-445-8913.

KEELY MARTIN BOSLER

Director

By:

RICHARD GILLIHAN

Chief Operating Officer

cc: On following page

cc: Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Budget Fiscal Director, Senate Republican Fiscal Office
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Lenny Mendonca, Director, Governor's Office of Business and Economic
Development
Scott Wu, Executive Director, California Infrastructure and Economic
Development Bank