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April 5, 2020

Ms. Keely Martin Bosler, Director
Department of Finance
Room 1145, State Capitol
Sacramento, California 95814

Dear Ms. Bosler:

In a letter dated April 2, 2020, you notified the Joint Legislative Budget Committee (JLBC), pursuant to Section 36.00, Chapter 2, Statutes of 2020, of your intention to augment a non-budget act item to provide support to California's small businesses that are experiencing financial hardships due to the mitigation efforts implemented to reduce the spread of the COVID-19 outbreak.

Specifically, Item 0509-601-0001 is augmented by \$50,000,000 for the Small Business Finance Center at the California Infrastructure and Economic Development Bank (IBank) to recapitalize the Small Business Loan Guarantee Program (SBLGP). The Small Business Finance Center will work with the Financial Development Corporations and the Community Development Financial Institutions to provide loans, which are guaranteed by the SBLGP, to small businesses that do not qualify for federal disaster funds.

Given the severity of the COVID-19 crisis, I concur with the spending request. To ensure that those businesses that do not qualify for federal disaster relief funds are receiving priority for the state loan guarantees, I respectfully request that the Department of Finance provides the JLBC with updates about the recipients of these loan guarantees. I request that the Administration reports to the JLBC, and makes available online, the total number and amounts of loan guarantees made by the SBLGP and the statistics about the recipient businesses including, but not limited to, the principal activity of the business and the number of employees.

I urge the Administration to continue prioritizing measures that help mitigate the financial hardships that businesses and employees are experiencing due to the COVID-19 outbreak. To that end, I request that the IBank and the Small Business Finance Center provide monthly updates to the JLBC on the expenditure of this augmentation, the general information about the principal business activities and the number of people employed by the businesses that are awarded loan guarantee assistance.

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Finally, I strongly urge the Administration to continue to explore options for additional financial assistance that could provide immediate relief to affected businesses and unemployed workers, including those businesses and workers who do not qualify for federal aid programs related to the COVID-19 crisis.

Sincerely,

A handwritten signature in black ink that reads "H Mitchell". The signature is written in a cursive, slightly slanted style.

Holly J. Mitchell
Chair

cc: Members of the Joint Legislative Budget Committee