May 20, 2020

The Honorable Philip Ting The Honorable Jim Cooper

Chair, Assembly Budget Committee Chair, Assembly Budget Subcommittee 4

State Capitol State Capitol

Sacramento, California 95814 Sacramento, California 95814

**RE**: Budget items that support small business – **SUPPORT**

Dear Chairs Cooper and Ting:

CAMEO – California Association for Micro Enterprise Opportunity is pleased to supportseveralproposals in Governor Newsom’s May Revised Budget that clearly show much needed support for small businesses in these times of crisis.

* Maintenance of the $20 million to GO-Biz for the Small Business Technical Assistance Expansion Program and Capital Infusion Program.
* Increase of $50 million to $100 million to operate the Small Business Disaster Loan Guarantee Program.
* A $10 million one-time General Fund investment for the establishment of the Entrepreneurship Pathways Grant Program.
* $758,000 for four permanent positions to the California Business Investment Program at GO Biz.
* Waive the $800 minimum franchise tax for small and medium size business during their first year of business creation.

Almost three-quarters (73%) of [small businesses have experiences a severe-to-moderate negative impact by the COVID-19 pandemic](https://smallbusinessmajority.org/our-research/entrepreneurship/small-business-owners-report-devastating-impacts-covid-19-need-immediate-cash-assistance), that’s according to a survey by Small Business Majority.  They also found that a third of businesses have closed.  The trends in California are no different. Smallest businesses are the canaries in the coal mine when it comes to the economy. If the state and country are going to weather this crisis to the best of our ability, that means investing in small businesses so they can pull us through. We urge you to keep these important pieces in the final California state budget.

CAMEO is California’s statewide network made up of over 230 organizations, agencies, and individuals dedicated to furthering microbusiness development in the state. Annually, CAMEO members serve about 34,000 very small businesses with training, business and credit assistance and loans. These firms – largely start-ups with less than five employees – support or create 51,000 new jobs in California and generate a total of $2.5 billion in economic activity.

If you have any questions regarding this request, please feel free to contact Heidi Pickman, 415.992.4480 or at hpickman@microbiz.org.

Sincerely,



Carolina Martinez, CEO