



COUNTY OF MENDOCINO

Board of Supervisors

DARCIE ANTLE
CLERK OF THE BOARD

501 Low Gap Rd. Room 1010
Ukiah, CA 95482

Email: bos@mendocinocounty.org
Website: www.mendocinocounty.org

Office: (707) 463-4221
Fax: (707) 463-5649

May 17, 2024

The Honorable Scott Wiener
Chair, Senate Budget Committee
California State Capitol
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
California State Capitol
Sacramento, CA 95814

The Honorable Stephen Padilla
Chair, Senate Budget Subcommittee #4
California State Capitol
Sacramento, CA 95814

The Honorable Sharon Quirk-Silva
Chair, Assembly Budget Subcommittee #5
California State Capitol
Sacramento, CA 95814

Re: Proposed 50% Budget Cut to Small Business Technical Assistance Program (TAP) and Capital Infusion Program (CIP) at GO-Biz- OPPOSE

Dear Budget Chairs and Budget Subcommittee Chairs,

On behalf of Mendocino County, we write to express our respectful opposition to the Governor's proposed 50% budget cut to the State's core business support services, specifically the Small Business Technical Assistance Program (TAP) and the Capital Infusion Program (CIP) at GO-Biz. We understand the financial challenges currently facing our state; however, it is imperative that the budget not be balanced at the expense of the vital services that support our rural small businesses.

The proposed \$13 million reduction in funding for TAP and CIP is more than just a number on a balance sheet. It threatens to dismantle an ecosystem that supports over 100,000 California businesses through training and consulting. These programs, with their consistent year-over-year positive outcomes, are not just about numbers. They are about generating sales and income tax revenues, job creation, and revenue growth. These cuts risk losing over \$35 million in federal funding, a loss that will be felt in every district, disproportionately harming the most marginalized businesses in our state.

Since 2019, West Business Development Center, our technical assistance provider in Mendocino County, supported by these funds, has facilitated the launch of 160 new businesses, created 772 new jobs, and infused over \$32 million dollars of capital directly into our small business community. These figures represent tangible businesses, jobs, and economic growth in our community, emphasizing the effectiveness of TAP and CIP and the importance of their continued funding.

A significant portion of Mendocino's economy is sustained by businesses employing fewer than 20 individuals, comprising almost 89% of the 2,465 businesses in the county as of 2018. This figure attests

to the entrepreneurial drive of the local populace. However, the pandemic and subsequent economic downturn resulted in a 31% closure rate of small businesses countywide by the conclusion of 2020, contributing to a 28.5% decline in overall small business revenue. As the region progresses in its economic recovery and growth, numerous small business proprietors require assistance to effectively navigate the evolving economy. Established in 1988 and overseeing microenterprise technical assistance CDBG contracts for the County of Mendocino since 1995, West has delivered comprehensive business advisory services encompassing financial planning, marketing strategies, and operational guidance for over 3,000 microenterprises and burgeoning entrepreneurs in Mendocino County, equipping them with the knowledge and skills necessary to establish and manage their enterprises.

Small businesses are the backbone of California's economy, and the proposed \$13 million cut to TAP and CIP will not only gut the system that supports over 100,000 businesses in California with training and consulting but also significantly impact job creation. These fundamental programs show consistent year-over-year results, are net-positive in sales and income tax revenue generation, and leverage over \$35 million in federal funding that could be lost. Every district will see reduced jobs and revenue growth. Worse, California's most marginalized businesses will be hurt most severely.

We call on the respective California Budget Committees to stand in solidarity with California's small businesses and maintain current funding for TAP and CIP.

For these reasons, the County of Mendocino must respectfully oppose the proposed budget cuts to GO-Biz's Small Business Technical Assistance Program (TAP) and the Capital Infusion Program (CIP).

Sincerely,



Maureen Mulheren, Chair
Mendocino County Board of Supervisors

CC: The Honorable Jim Wood, 2nd District
The Honorable Mike McGuire, 2nd District