
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 265 (Caloza) - Small Business and Nonprofit Recovery Fund Act

Version: June 26, 2025

Urgency: No

Hearing Date: August 29, 2025

Policy Vote: B., P. & E.D. 11 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: AB 265 establishes the Small Business and Nonprofit Recovery Fund Act and, upon appropriation by the Legislature, directs the Office of Small Business Advocate (OSBA) to develop and implement a grant program for small businesses and qualified nonprofits directly impacted by a declared state or local emergency, as specified.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 29, 2025

Fiscal Impact:

- Unknown General Fund cost pressures, likely ranging in the tens to hundreds of millions of dollars, to fund the grant program.
- The Governor's Office of Business and Economic Development (GO-Biz), which houses OSBA, reports the need for a one-time General Fund appropriation of at least \$650,000 to support the establishment of the new grant program. Ongoing costs to administer the program would depend on the amount of funds appropriated. While it is unknown at what level the program would be funded at, GO-Biz notes that the standard practice is five percent of the amount allocated for awards for a third-party fiscal agent capable of deploying grant funds at the scale intended by this bill.

Committee Amendments: Narrow the scope of the grant program to include only small businesses.

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