

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 265 Author:(Caloza)

As Amended Ver:August 29, 2025

Majority vote

SUMMARY

The Small Business Recovery Fund Act creates a \$100 million state-funded grant program to support small businesses affected by a declared state of emergency. Administered by CalOSBA, it offers grants of \$2,500 to \$100,000 with matching requirements, supports technical assistance, and requires reporting to the legislature. The program runs through January 1, 2032.

Senate Amendments

Narrow the scope of the grant program to remove nonprofits and include only small businesses.

COMMENTS

The California Office of the Small Business Advocate (OSBA), part of GO-Biz, supports small businesses through consulting, technical assistance, and grant programs. OSBA has led efforts like the Capital Infusion Program and COVID-19 relief grants, helping thousands of small businesses statewide. OSBA also oversees the Technical Assistance Program (TAP), which funds training in areas such as business planning, capital access, marketing, and disaster recovery. In January 2025, devastating wildfires—including the Palisades and Eaton Fires—destroyed over 16,000 structures in L.A. County, highlighting the urgent need for small business recovery and resilience programs amid increasing wildfire severity driven by climate change.

According to the Author

The author states, "Small businesses and nonprofits anchor our communities, and they have been deeply impacted by the Los Angeles County wildfires of 2025. Not only are they anchors in our communities, but they also provide a lifeline to the local economy by ensuring that jobs are being created and essential services are being provided. The lives and livelihoods of so many families and communities were torn apart. Our recovery must be swift, inclusive, and effective. AB 265 will do just that."

Arguments in Support

The California Charter Schools Association (CCSA), representing nearly 1,300 charter schools, supports the creation of a \$100 million Small Business Recovery Fund to assist small businesses and nonprofits affected by emergencies. The recent Eaton Canyon and Pacific Palisades wildfires caused significant disruptions, many impacted businesses, particularly those owned by minorities, women, and underserved communities face challenges accessing federal aid. CCSA highlights the wildfires' effects on charter schools and communities, stressing the importance of supporting recovery efforts for these vital local institutions.

Arguments in Opposition

The California Association of Nonprofits has withdrawn its support for AB 265 following amendments that exclude nonprofits from the recovery fund; originally designed to assist both small businesses and nonprofits after emergencies. The organization argues this change lacks clear justification, contradicts past state relief efforts, and overlooks the critical role nonprofits play in disaster response, particularly in communities affected by events like the 2025 Los

Angeles wildfires. They are calling for AB 265 to be made a two-year bill to allow for collaboration and the restoration of nonprofit eligibility, ensuring equitable recovery support.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, this bill will result in 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.

VOTES:

ASM ECONOMIC DEVELOPMENT, GROWTH, AND HOUSEHOLD IMPACT: 8-0-0

YES: Solache, Castillo, Bonta, Patel, Petrie-Norris, Soria, Stefani, Wallis

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Sanchez, Dixon, Ta, Tangipa

ASSEMBLY FLOOR: 79-0-0

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

UPDATED

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