

Date of Hearing: January 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 685 (Solache) – As Amended January 12, 2026

Policy Committee: Economic Development, Growth, and Household Impact Vote: 8 - 0

Urgency: Yes State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the Small Business Resiliency and Innovation Act, appropriating \$26 million General Fund to the Small Business Resiliency and Innovation Fund in the State Treasury. The funds are to be administered by the California Office of the Small Business Advocate (Cal OSBA) for the existing Capital Infusion Program (CIP) and the Small Business Technical Assistance Program (SB-TAP). The bill also requires the Governor's Office and Economic Development (GO-Biz) to submit an expenditure report to the Legislature by January 1, 2030.

FISCAL EFFECT:

One-time General Fund costs of \$26 million. The bill requires the Cal OSBA to administer the funds appropriated by this bill in the following manner: \$7 million for the SB-TAP, \$17 million for the CIP, and \$2 million for increased staff, administrative support, and accountability activities carried out by the Cal OSBA.

Currently, SB-TAP receives \$23 million General Fund annually through the state budget to support federally or privately awarded programs providing technical assistance to small businesses and entrepreneurs, including assistance with procurement opportunities, while the state maintains an annual funding level of \$3 million for the CIP.

COMMENTS:

1) **Purpose.** According to the author:

The Capital Infusion Program and Small Business Technical Assistance Program provide essential wraparound technical assistance that offer proven strategies in supporting regional economic recovery, resilience, and innovation. With the increased frequency of natural disasters and economic pressures outside of our control, California must prioritize greater resources for small business resilience and innovation.

2) **Background.** SB-TAP, established within OSBA, assists small businesses through one-on-one consulting and training offered for free or at low-cost by entering into grant agreements with small business technical assistance centers. Current law charges OSBA with

administering the program by approving grants to eligible small business technical assistance centers. OSBA also administers the California Dream Fund program which provides “microgrants” through TAP, up to \$10,000 each, to support small business creation in underserved communities facing capital and opportunity gaps.

The CIP, typically administered alongside TAP, helps small businesses access capital by providing expert guidance on loan and grant applications. These programs together reinforce a dual support structure for small businesses which includes building knowledge and confidence through advising and facilitating access to capital markets and funding readiness. This bill would significantly augment both programs on an ongoing basis in recognition of the return on investment in California’s small business economy. Further, recent cuts to federally funded programs supporting these state funded programs and the business benefitting from them present a need for the state to mitigate the impact of federal funding cuts.

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