

California State Senate

SENATOR
JOSH BECKER

THIRTEENTH SENATE DISTRICT



March 22, 2024

Senator Scott Wiener
Chair, Senate Budget Committee
1021 O St., Suite 8620
Sacramento, CA 95814

Senator Steve Padilla
Chair, Senate Budget Subcommittee #4 on
State Administration and General
Government
1020 N Street, Room 502
Sacramento, CA 95814

Re: Request for \$1.5 million to fund the Employee Ownership Hub within the Governor's Office of Business and Economic Development.

Dear Senators Wiener and Padilla:

The undersigned legislator respectfully request an investment of \$1.5 million to fund the Employee Ownership Hub within the Governor's Office of Business and Economic Development (GO-Biz). The Hub will support employees becoming owners and create opportunities for wealth-building, community stability, as well as union partnership, and help California create a more inclusive, equitable and stable economy fit for the 21st century.

The Employee Ownership Hub was created through SB 1407 (Becker, 2022), the California Employee Ownership Act, which passed with unanimous bipartisan support. The California Office of the Small Business Advocate (CalOSBA), the division of GO-Biz charged with implementing the Employee Ownership Hub, cannot implement the bill without a modest budget allocation to fund the Hub Manager position and initial programming for the first three years.

As numerous studies have shown, the benefits of employee-owned businesses include stronger business performance, quality jobs and wealth building opportunities for workers,

and stronger and more resilient local economies.¹ Though California has more employee-owned businesses than any other state, awareness of employee ownership remains low in spite of its long-proven benefits to businesses, workers, and communities. The funds requested here are critical to sharing information on and reducing barriers to employee ownership, thus maximizing benefits for California workers, businesses, and local economies.

The federal government may make funds available to states for employee ownership starting in fiscal year 2025,² but those states with a demonstrated commitment to employee ownership will be best positioned to activate and leverage these resources. Without the Employee Ownership Hub, California could end up leaving millions of federal dollars on the table and fall behind other states in expanding worker ownership.

Thank you for your consideration of this request. For questions regarding this request please contact Senator Becker's office at (916) 651-4013 or email Senator Becker's staff, Amaya Childes, at Amaya.Childes@sen.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Becker", with a long, sweeping horizontal line extending to the right.

Josh Becker
Senator, 13th District

¹Hilary Abell. (May 2020). [The Case for Employee Ownership: Why philanthropy and government should invest in this powerful business model](#). Project Equity; Oakland, CA.

² US Federation of Worker Cooperatives (2023). [WORK Act Signed Into Law Authorizing \\$50M for Worker Ownership](#).