Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR’s Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR’s website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

<table>
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<th>1. Date</th>
<th>2. Department</th>
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<tbody>
<tr>
<td>October 27, 2022</td>
<td>Governor’s Office of Business and Economic Development (GO-Biz)</td>
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3. Organizational Placement (Division/Branch/Office Name)

California Infrastructure and Economic Development Bank (IBank)

4. CEA Position Title

IBank Venture Specialist

5. Summary of proposed position description and how it relates to the program’s mission or purpose. (2-3 sentences)

The California Infrastructure and Economic Development Bank (IBank) proposes to allocate the above position to the CEA category. The IBank Venture Specialist will be responsible for influencing and leading the development, implementation, and evaluation of policies, processes, and program direction for IBank’s new Expanding Venture Access Capital Program.

6. Reports to: (Class Title/Level)

Deputy Director - Venture Capital (Governor Appointee)

7. Relationship with Department Director (Select one)

- □ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ✔ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): As a member of the IBank management team, the IBank Venture Specialist will function as a high-level staff specialist with regular involvement in developing, implementing and refining policy and program strategies and management.

8. Organizational Level (Select one)

- □ 1st
- □ 2nd ✔
- □ 3rd
- □ 4th
- □ 5th (mega departments only - 17,001+ allocated positions)
9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the direction of the Deputy Director - Venture Capital (Governor Appointee), the IBank Venture Specialist will require comprehensive analytical skills into the financial and underrepresented markets. The position will require private sector expertise and the ability to develop strong relationships with market participants to quickly obtain insights from those currently operating in that space. Further, the position will require a deep understanding of financial tools and creativity to develop a sustainable program that supports the objectives of the Expanding Venture Capital Access Program and IBank's mission and vision. Below are duties and responsibilities of the position:

- Lead, influence and support the development, implementation, and evaluation of policies, processes, and program direction for the new Expanding Venture Capital Access Program.

- Develop, prepare, and present and review comprehensive investment analyses and recommendations to decision makers, including Executive Management and the IBank Board.

- Stay abreast of the trends and the evolving venture capital market. Build and develop strategic and strong relationships with market participants to meet, enhance and support the objectives of the Expanding Venture Capital Access Program and IBank’s mission and vision.

- Support the Expanding Venture Capital Access Program’s administration and operations. Perform comprehensive analytical and financial reviews, highly sensitive and critical memo development, highly complex research projects, and strategic communication and coordination with service providers.

- Lead the development and organization of program compliance requirements and other program requirements and implement strategies to identify and mitigate risk, and ensure the program is in compliance with a myriad of highly complex both state and federal laws, rules and regulations. This includes supporting and preparing documentation for financial reporting, external audits, compliance reviews, and quarterly and annual reports for the U.S. Treasury.

- Represent IBank at meetings, public forums, workshops, presentations and conferences, and serve as a representative of IBank to the public, overseeing the marketing of IBank programs.
10. How critical is the program’s mission or purpose to the department’s mission as a whole? Include a description of the degree to which the program is critical to the department’s mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

**Description:** IBank’s mission is to provide financial assistance to support infrastructure and economic development in California. The Legislature’s vision in creating IBank was to promote economic revitalization, future development, a healthy climate for jobs in California, and to support the efforts of businesses attempting to expand, businesses seeking to locate in California, and local economic development organizations, public agencies, and new entrepreneurs by dedicating public fiscal resources to confront obstacles and barriers that impede economic growth.

On March 11, 2021, President Biden signed The American Rescue Plan Act, which reauthorized and funded the State Small Business Credit Initiative (SSBCI) providing a combined $10 billion to states, the District of Columbia, territories, and Tribal governments to empower small businesses to access capital needed to invest in job-creating opportunities as the country emerges from the pandemic. The funds will also support recipient jurisdictions in promoting American entrepreneurship and democratizing access to startup capital across the country, including in underrepresented communities. SSBCI provides recipient jurisdictions (states, tribes, et al) funding for: (1) credit and investment programs for existing small businesses and start-ups, and (2) technical assistance to small businesses applying or SSBCI funding and other government small business programs.

IBank was approved for allocation of monies to support a new venture capital program and other credit support programs to promote capital access. The Expanding Venture Capital Access Program will invest in venture capital funds and venture businesses. These investments mainly focused on:

- supporting demographically underrepresented venture capital managers
- investing in underrepresented entrepreneurs and business owners
- investing in geographic areas that are socio-economically disadvantaged or that receive very limited venture capital funding
- seeking to promote climate equity and climate justice

The Expanding Venture Capital Access Program is imperative to supporting the department’s mission as California is home to the largest and most diverse small business community in the country. This program will provide underrepresented and underserved business owners to have more access to the critical funding they need to be successful and thrive. The IBank Venture Specialist is critical to the success of the newly established Expanding Venture Capital Access Program in the formulation and establishment of the new program that conforms with IBank’s mission by providing a variety of financing mechanisms for businesses and projects in California.
11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The establishment of this new CEA position is necessary to provide strategic, high-level program development and implementation for IBank’s new Expanding Venture Access Capital Program, which is created because of the State Small Business Credit Initiative (SSBCI 2.0). The American Rescue Plan Act of 2021 included $10 billion for the reauthorization of the SSBCI, which outlines $1.5 billion of funding to strengthen state programs that support financing of small businesses. The California Infrastructure and Economic Development Bank (IBank) and the California Pollution Control Financing Authority (CPCFA) received a combined $168 million to assist small businesses in gaining access to capital and create jobs in California. More than 10,000 eligible small businesses in California received SSBCI fund support, which created or saved more than 90,000 jobs.

The $10 billion from the American Rescue Plan Act of 2021 was appropriated as follows:

- $5 billion available to states to be distributed by formula based on 2020 unemployment numbers (prorated funds)
- $1.5 billion for socially and economically disadvantaged businesses based on population residing in CDFI Investment Areas (SEDI funds)
- $1 billion incentive program to encourage investment in socially and economically disadvantaged businesses, to be allocated based on performance in tranches two and three (SEDI performance funds)
- $500 million for very small businesses (funds for small businesses with under 10 employees)
- $500 million for technical assistance such as legal, accounting, and financial advisory services for small businesses (technical assistance funds)
- $500 million for tribal governments (tribal funds)
- $1 billion to be retained by the U.S. Treasury for operations and to fill out other allocations as needed

In November 2021, the U.S. Treasury released a state-by-state allocation of the $10 billion appropriated, except the technical assistance funds, and California was allocated $1.182 billion. California’s allocations are as follows: $829 million pro-rated funds, $66 million very small businesses funds, $187 million SEDI funds, and $100 million SEDI performance funds, which will be received in three separate tranches as funds are utilized.

With this new authorization of SSBCI, IBank plans to use $200 million of California’s allocation to establish a new Expanding Venture Access Capital program. 36 other states including American Samoa, Washington DC, and Puerto Rico have used SSBCI dollars to support venture capital programs in SSBCI 1.0. California is in many ways the home of venture capital. Bay Area venture capitalists closed on more than $151 billion in funds raised over the past five years, more than the rest of the US combined. Silicon Valley remains the innovation ecosystem most envied and emulated by regions seeking to nurture entrepreneurial economic development. However, venture capital often remains inaccessible, even in California:

- The makeup of venture capitalists (VC) lacks diversity. According to Deloitte & NVCA’s VC Human Capital Survey, 78% of investment partners are white, and 84% are male.
- Most entrepreneurs are not served by venture capitalists, even though they could deliver attractive returns. Only 0.5% of startups receive VC investment, and only 17% receive any institutional private capital.
- More than 90% of VC investments in California in the last decade occurred in companies based in the Bay Area (75%), Los Angeles (12%), and San Diego (5%).

California has a unique opportunity to catalyze a more inclusive venture capital ecosystem. In September 2021, IBank hired a Special Consultant to assess the market size and pool of candidates for each of the potential investment categories and provide initial concepts for a state-run venture capital program. Based on the results of this analysis and expected further funding allocations from US Treasury, IBank intends to proceed with an approximately $200 million venture capital program mainly focused on categories 1-4:

1. Supporting underrepresented venture capital managers.
2. Investing in underrepresented entrepreneurs and business owners.
3. Investing in geographic areas that are socio-economically disadvantaged or that receive very limited venture capital funding.
4. Seeking to promote climate equity and climate justice.

The Expanding Venture Capital Access Program is highly complex to develop and manage but provides benefits other programs cannot. It can disburse large amounts of capital and is expected to have a significantly higher private capital leverage ratio. It may also provide small businesses with non-debt capital which stakeholders noted as a small business need. Therefore, it is imperative establish this new CEA position who will have a decisive role and regular involvement in the development and implementation of policies supporting IBank’s new Expanding Venture Capital Access Program.
C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

As a key member of the Department's executive team, the IBank Venture Specialist has the following responsibilities:

1. Has a major role in the development, implementation, and evaluation of IBank's new financing program (Expanding Venture Capital Access Program)'s policies, procedures, and program direction pertaining to the department's overall mission.

2. Establish, attain, and manage the goals and objectives of the SSBCI 2.0 - Venture Capital Program and ensure that they are in line with IBank's mission and vision. This includes developing and proposing policies associated with the Department's strategic plan, statutes, and funding sources, specifically to align with the department's mission and strategic plan.

3. Develop, implement, refine and support the Venture Fund investment strategy and process. Perform comprehensive analytical and financial reviews of venture capital investment opportunities to determine if investment characteristics align with the Expanding Venture Capital Access Program.

4. Lead in the establishment of new program policies and procedures to ensure compliance with legal standards or requirements. Implement strategies to identify and mitigate risk. Provide oversight to ensure the program is in compliance with a myriad of highly complex state and federal laws, rules and regulations.

5. Provide expertise to support the resolution of controversial and complex matters that arise from administering a new comprehensive statewide Venture Capital Program.
C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The IBank Venture Specialist’s primary role is to influence and provide comprehensive support in the development and implementation of the Expanding Venture Capital Access Program. The position will develop, prepare and present critical, comprehensive investment analyses and recommendations to Executive Management and the IBank Board. The IBank Venture Specialist is expected to have expertise on the venture capital market and stay connected to build strong and strategic relations with market participants. The Venture Specialist will conduct highly complex analysis and provide support that will be imperative and invaluable to influencing investment decisions and investment selection process. The IBank Venture Specialist will be accountable directly and report to the Deputy Director - Venture Capital (Governor Appointee) and will lead the efforts to develop new, and continue to refine policies, procedures, directives, and guidelines to ensure they are compliant with new and existing Federal and State law and Civil Service laws, rules, and regulations. Policy development and program implementation are essential to shape the future success of the Expanding Venture Capital Access Program. The scope of the position's authority is broad, sensitive, and impacts numerous stakeholders, with an extremely high consequence of error.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Yes, the CEA, Level A, IBank Venture Specialist will review, modify, and develop policies and implement measures related to the development of this new financing program. The development of this new program is incredibly complex and requires compliance and functionality with state law, SSBCI requirements, and U.S. Securities Exchange Commission requirements. Policies must be continuously reviewed and developed to maintain this balance. In addition, the program's requirements must be established in a way that still maintains private sector interest. The position will review, analyze and monitor relevant state laws, SSBCI requirements, and U.S. Securities Exchange Commission requirements to determine when the Expanding Venture Capital Access Program requirements need to be updated and refined to mitigate risk. A similar level of monitoring will be necessary for private sector participation in the program and making refinements to maximize the state's impact and sustainability with the program.