

1 [Urging to Fund the California Employee Ownership Hub]  
2

3 **Resolution urging the appropriation of \$1,500,000 over three years to fund the**  
4 **Employee Ownership Hub within the Governor's Office of Business and Economic**  
5 **Development to support and expand employee ownership in California.**  
6

7 WHEREAS, Senate Bill No. 1407 (SB 1407), sponsored by Senator Josh Becker and  
8 also known as the California Employee Ownership Act, was passed unanimously and signed  
9 by Governor Gavin Newsom in 2022 to foster the growth of employee-owned businesses in  
10 California; and

11 WHEREAS, The Employee Ownership Hub, established under SB 1407 and housed  
12 within the Governor's Office of Business and Economic Development, lacks the necessary  
13 budget allocation to fully operationalize, including funding for a Hub Manager and initial  
14 programming; and

15 WHEREAS, Employee-owned businesses have been shown to enhance business  
16 performance, create quality jobs, build wealth for workers, contribute to more resilient local  
17 economies, and retain jobs during many recessions; yet awareness and implementation of  
18 employee ownership models remain limited in California compared to other states like  
19 Colorado, Washington, Massachusetts, and Vermont; and

20 WHEREAS, Employee-owned businesses have consistently demonstrated resilience  
21 during economic downturns by retaining jobs at significantly higher rates, thereby reducing  
22 unemployment costs to the state, and notably, during the pandemic, employee-owned  
23 businesses were found to be three to four times more likely to retain their staff across all  
24 levels; and  
25

1           WHEREAS, Worker cooperatives in San Francisco are lauded for their ability to  
2 provide stable, quality jobs and for promoting equity among workers as a means to reduce  
3 economic disparities, increase worker ownership and participation in the economy, contribute  
4 to local economic stability, and embody a business model that prioritizes community and  
5 worker well-being over profit maximization, aligning closely with San Francisco's values of  
6 inclusivity and sustainability; and

7           WHEREAS, A significant number of California's small businesses face a potential  
8 closure crisis as business owners retire, with the "Silver Tsunami" indicating that six out of ten  
9 business owners plan to sell in the next decade, but only one in five businesses find a buyer,  
10 thus endangering nearly 359,500 California businesses, 4 million employees, and \$864 billion  
11 in revenue without effective succession planning strategies; now, therefore, be it

12           RESOLVED, That the San Francisco Board of Supervisors supports California Senate  
13 Bill 1407; and, be it

14           FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
15 Francisco hereby urges the appropriation of \$1.5 million over three years to fund the  
16 Employee Ownership Hub within the Governor's Office of Business and Economic  
17 Development to support and expand employee ownership in California and ensure the state's  
18 economic stability and inclusivity in the 21st century; and, be it

19           FURTHER RESOLVED, That the Clerk of the Board send a copy of this Resolution to  
20 California Governor Newsom, California State Senator Scott Wiener, Senator Steve Padilla,  
21 Assembly Member Jesse Gabriel, and Assembly Member Sharon Quirk Silva.



City and County of San Francisco  
Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 240484

Date Passed: May 14, 2024

Resolution urging the appropriation of \$1,500,000 over three years to fund the Employee Ownership Hub within the Governor's Office of Business and Economic Development to support and expand employee ownership in California.

May 14, 2024 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Ronen, Safai, Stefani and Walton  
Excused: 1 - Melgar

File No. 240484

I hereby certify that the foregoing Resolution was ADOPTED on 5/14/2024 by the Board of Supervisors of the City and County of San Francisco.

f Angela Calvillo  
Clerk of the Board

\_\_\_\_\_  
Unsigned

London N. Breed  
Mayor

\_\_\_\_\_  
5/24/2024

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

\_\_\_\_\_  
5/24/2024

Date