



June 10, 2026

The Honorable Jose Luis Solache
Chair, Assembly Economic Development, Growth, and Household Impact Committee
1020 N Street, Room 359
Sacramento, CA 95814

RE: Support for SB 1340 – Small Business Contracts

Dear Chair Solache,

On behalf of the California Retailers Association (CRA), I am writing in support of SB 1340 which requires a state agency's small business liaison to annually submit contract information to the California Office of Small Business Advocate (CalOSBA) and requires that the information be made available on CalOSBA's website.

CRA is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, on-line marketplaces, restaurants, convenience stores, supermarkets and grocery stores, chain drug and specialty retail such as auto, vision, jewelry, hardware and home stores. The California Retailers Association works on behalf of California's retail industry, a driving force of California's economy, with over 400,000 retail establishments, an annual gross domestic product of \$330 billion and one fourth of California's total employment.

AB 2019 (Petrie-Norris, Ch. 730, Stats. 2022) required all state agencies, departments, boards, and commissions to achieve a minimum goal of 25% procurement participation for small business. In 2025, CalOSBA reported California had a total of 4.3 million small businesses. These businesses drive economic growth and mobility, creating 7.6 million jobs. Further, small businesses make up 42.3% (\$70.1 billion) of the state's exports annually.

Despite small businesses being significant contributors to our economy, only 62.67% of state agencies met the mandated participation goal in fiscal year 2023-24 – the same year the total awarded state dollars to small businesses and micro businesses decreased by \$2.97 billion. SB 1340 will strengthen transparency and fiscal accountability to ensure small businesses are given opportunities to effectively participate in the state's procurement processes. This bill establishes a standardized report to evaluate state agency performance, identify participation gaps, and help determine whether small businesses are receiving meaningful access to state contracts.

CRA is committed to guaranteeing small businesses are given a fair portion of state contracts to help support California's economy. For these reasons, the California Retailers Association supports SB 1340 and requests your "AYE" vote on this important measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sarah Pollo Moo", with a long horizontal flourish extending to the right.

Sarah Pollo Moo
Vice President, Operations and Sustainability Compliance
California Retailers Association

Cc: Carla Castilla, Chief Consultant, Assembly Committee on Economic Development, Growth, and Household Impact
Members of the Committee on Economic Development, Growth, and Household Impact