

California Jobs First: Regional Investment Initiative Supplemental Report – June 30, 2026

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Executive Summary

In 2025, the Regional Investment Initiative made key strides in advancing economic development and the growth of targeted industry sectors through the distribution of Implementation Grant Funding and Catalyst Funding. Each of the thirteen (13) regional collaboratives established guidelines for reviewing and awarding Catalyst Funding pre-development projects in their respective regions. The intent of the Catalyst Program was to support sector-specific pre-development activities, enabling regions to take projects from exploratory and last-mile to ready-to-go projects that can access local, state, and federal funds, as well as private and philanthropic investments. Over 285 projects across all 13 regions received funding amounts ranging from \$15,000 to \$500,000. Each of the regions have reported their awards and they are posted on the Governor's Office of Business and Economic Development's Regional Data Tool linked [here](#).

Governor Newsom released the California Jobs First State Economic Blueprint on February 27, 2025, which builds on the regional priorities and plans established through the Regional Investment Initiative. The Blueprint included statewide economic snapshots and identified priority sectors, statewide projects portfolios, business expansion, attraction, and retention strategy and workforce development strategy.

The progress achieved in 2025 is the latest result of Senate Bill 162 (Committee on Budget & Fiscal Review, Chapter 259, Statutes of 2021), which called for the implementation of the Community Economic Resilience Fund Program, since renamed the Regional Investment Initiative. Throughout the life of the program, the Inter-Agency Leadership Team, comprised of the Labor and Workforce Development Agency, and the Governor's Office of Business and Economic Development, with the administrative support of the Employment Development Department (EDD), has continued to participate in regularly scheduled reporting meetings to discuss stakeholder input, agendas, policy recommendations and program guidelines. In addition, the Governor's Office of Business and Economic Development has continued to host a monthly Community of Practice call with regional conveners and fiscal agents to share best practices and updates on Activation Plan implementation. The Activation Plans were part of the Catalyst Program deliverables required by each region to develop for their target industry sectors.

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Regional Investment Initiative

To ensure the Regional Investment Initiative effected systemic changes in regional economies, the Inter-Agency Leadership Team launched the Catalyst Program in 2024, which bridged the Planning and Implementation Phases of the Regional Investment Initiative. The Catalyst Program expanded on the work of the Planning Phase and catalyzed projects throughout the 13 Regional Investment Initiative regions across the state. The funds allocated for the Catalyst Program have accomplished two core goals: they strengthened the Jobs First Collaboratives' social infrastructure for continued regional inclusive planning and enabled regions to build a pipeline of viable, ready-to-go Regional Initiative-aligned projects. As noted below, over 285 pre-development projects were awarded throughout the 13 regions.

As the Regional Investment Initiative moves from the planning phase to implementation, Jobs First Regions are using their Activation Plans to create a pipeline of needed projects to help grow the targeted industry sectors from their regional plans. Many of the Jobs First Regions have also begun inter-regional collaboration to apply for funding of projects that cut across multiple Jobs First Regions. The Jobs First Regions have also begun to engage with additional agencies to find alignment between regional strategies and emerging agency grants and programs. For example, the Catalyst Program discussed later in the report identified \$33 million of funded projects that directly aligned with the Nature-Based Solutions initiative being led by the California Natural Resources Agency. The regional plans and funding are informing priority projects.

This report supplements the Regional Investment Initiative program data report, due annually at the end of December, which includes a detailed summary of grants awarded, fiscal and federal compliance, and progress on individual program objectives and related high road metrics, including equity, inclusivity, job quality, and sustainability, as designated in program guidelines and assessed by inter-agency program staff.

Regional Investment Initiative Program Updates

Economic Development Pilot Projects

Funding Awarded: \$40.3 million

Number of Awards: 8 projects

The Economic Development Pilot funded eight projects that align with the values of the Regional Investment Initiative program and demonstrate potential uses of implementation funds. During this reporting period, all eight projects

have moved into completion phase as the Pilot reaches the end of its 24-month period of performance. Examples of progress include:

- The Alchemist project held a groundbreaking event in Sacramento in April 2025, marking the launch of a workforce and entrepreneurship-focused initiative designed to support small business development and economic mobility. The project is intended to provide training, technical assistance, and access to resources for underserved entrepreneurs, with a focus on strengthening local business ecosystems. Upon completion, the project will serve as a hub for business incubation and workforce development, supporting job creation, increasing small business sustainability, and expanding equitable access to economic opportunities in the Sacramento region.
- Renovation of the Carnegie Center in Siskiyou County is complete, and a ribbon-cutting ceremony occurred June 17, 2026. The historic facility has been transformed into the Carnegie Business Innovation Center, a regional hub for entrepreneurship, workforce development, and cross-sector collaboration. The center now provides coworking space, training facilities, and business support services through the Siskiyou Rural Jobs Accelerator Program. Program impacts include the creation or retention of 42 high-wage jobs, support for more than 100 businesses, new business formation, and long-term regional coordination across public, private, and nonprofit partners. The facility now serves as a permanent asset to sustain economic development and innovation in a rural region.
- The Noyo Harbor Ice House project reached a key milestone event in October 2025, marked by a construction walkthrough and site readiness activities as the facility moved toward operational status. This milestone reflected completion of essential infrastructure and the initiation of system start-up protocols for ice production and cold storage operations that support the working waterfront. The Ice House is a core infrastructure investment within the Noyo Harbor District's broader economic development strategy, designed to strengthen the regional fishing industry by improving cold storage capacity, reducing product loss, and enabling fishermen to maintain higher-quality catch for broader market access. The facility directly supports dockside sales and seafood distribution, which have already increased income opportunities for the local fleet.

All eight projects funded will have expended their funding and completed their projects by the end of the grant's period of performance.

Tribal Investment Initiative

Funding Awarded: \$15 million

Number of Awards: 14

The Tribal Investment Initiative Request for Proposals opened in February 2025. A total of 27 project applications were submitted, confirmed for completion of application and scored by a team of civil-servant staff members from both Labor and Workforce Development Agency and the Governor's Office of Business and Economic Development. Following scoring, the projects were evaluated and reviewed by the Jobs First Co-Chairs and the projects awarded funding were:

- Berry Creek Rancheria of Maidu Indians
- California Heritage Indigenous Research Project
- California Indian Museum and Cultural Center's (CIMCC)
- Kashia Band of Pomo Indians
- Mechoopda Indian Tribe of Chico Rancheria
- Native Development Network (NDN)
- Native First Lending
- Owens Valley Career Development Center (OVCDC)
- Pit River Tribe
- Scotts Valley Energy Corporation
- Southern California Tribal Chairmen's Association (SCTCA)
- Table Mountain Rancheria (TMR)
- The Sierra Fund
- Tule River Economic Development Corporation

Due to the amount of highly qualified project applications received during Round 1, the Jobs First Council Co-Chairs determined to award the complete \$15 million available funding in Round 1, removing the need for multiple funding rounds. Contracts began being delivered and executed in June 2025, with final executions completed by November 2025.

Catalyst Program

Funding Awarded: \$182 million

Number of Awards: 13

The Catalyst Program began May 1, 2024, with each of California's 13 economic regions receiving \$14 million in Catalyst funding. The funding was intended to invest in sector-specific pre-development activities, enabling regions to take projects from exploratory and last-mile to ready-to-go projects that can access local, state, and federal funds, as well as private and philanthropic

investments. The following is a breakdown of how the funding was allocated and used in 2025-26:

- \$9 million for project pre-development work to prepare regionally prioritized projects to pursue additional implementation funding. Regional collaboratives developed their own eligibility and review criteria for selecting projects and all funding needed to be awarded by November 2025. More than 285 pre-development projects were awarded funding at the regional level through Catalyst Funding. A list of these projects and their respective regions is located on the Governor's Office of Business and Economic Development Regional Data Tool linked [here](#). The projects span many of the target sectors identified in a region's economic strategy and also support "anchor" sectors such as childcare, healthcare and infrastructure.
- Regional collaboratives used \$1.5 million to retain the services of industry sector coordinators to develop Activation Plans for the target industry sectors identified in their regional strategies. The Governor's Office of Business and Economic Development provided a template for these plans. Activation Plans were completed by June 2025. These Activation Plans are serving as a roadmap for the regional collaboratives to use for building initiatives that will grow and expand their target industry sectors. They are intended to be updated as needed.
- \$2 million was used by regional collaboratives to support continued regional engagement and convening activities including in-person meetings, summits and advancement of Activation Plans.

\$1.5 million was used by regional collaboratives to support ongoing administrative and reporting responsibilities. Additional funding was utilized by the Fiscal Agent to cover costs related to the administration of this program. Including but not limited to legal and accounting fees related to contracting and sub granting funding, required monitoring activities.

Implementation Phase

Funding Awarded (Round 1): \$80 million

Number of Awards: 11

In February of 2025, the Governor's Office of Business and Economic Development released a Request for Proposals for Round 1 of the Regional Investment Initiative Implementation Grant. Of the \$125 million in Implementation Grant Funding, approximately \$80 million was made available

for Round 1. Eligible project types for Round 1 included:

- **Ecosystem Support:** Addressing cross-cutting gaps in a sector ecosystem (e.g., support for backbone organizations, capital and technical assistance to support new and expanding businesses, targeted investment into market relevant research and development or supply chain advancements).
- **Infrastructure:** Investing in targeted infrastructure or real estate development to support sector specific activities.
- **Workforce Development:** Supporting workforce training and/or supportive services that advance critical skills for prevalent occupations for the sector.
- **Additional Anchors:** Investing in an “Anchor” activity (as defined in the state Economic Blueprint) that has been identified by employers and/or workers as a critical barrier to the creation of and access to good-paying jobs in the tradable sector identified by the regional coalition.

Through a competitive application process, 130 project applications were received and scored in May 2025. The scoring teams were comprised of staff from Labor and Workforce Development Agency and the Governor's Office of Business and Economic Development. Of those applications received, 35 were selected to advance to a June 2025 Investment Summit in San Francisco. The intent of the Investment Summit was to connect potential investors from the philanthropic and private sectors with projects they might want to support and leverage state funding to be awarded. Each project was provided five minutes for their pitch. Pitches were evaluated based on alignment with Jobs First objectives.

Following the Investment Summit and project pitches, the Jobs First Council Co-Chairs completed a final review of the projects and awarded the following 11 projects under the Regional Investment Initiative Implementation Grant:

- REACH, Central Coast – \$9,499,467.23
- Monterey Bay Economic Partnership, Central Coast - \$7,452,000
- Los Angeles Department of Economic Opportunity - \$19,000,000
- Los Angeles Economic Development Corporation - \$700,000
- Larta Institute - \$3,300,000
- BioScience LA - \$920,000
- BEAM Circular - \$10,367,000
- University of California, Agriculture and Natural Resources: \$15,125,793
- Community Foundation of Merced County - \$9,233,851.18
- North State Planning and Development - \$1,270,000
- Foundation for California Community Colleges - \$3,000,000

The awarded projects were announced in August 2025. The list of projects awarded are posted to the Governor's Office of Business and Economic Development Regional Data Map linked [here](#).

In October 2025, the application period for Regional Investment Initiative Round 2 opened, with a Notice of Intent to apply due by November 5, 2025, and a pre-application due December 3, 2025. Following an evaluation, eligible projects were invited to submit a full application by January 16, 2026. A total of 107 projects submitted full applications by the deadline. Those 107 projects were evaluated for completion and scored by staff from the Governor's Office of Business and Economic Development. A total of 31 projects were advanced to the pitch session held on April 9, 2026, during the Jobs First Investment Summit in Sacramento. Following the pitch sessions, the Jobs First Council Co-Chairs will complete a final evaluation of projects and recommend final awards of the \$47.5 million anticipated to be available to award following the approval of the State Fiscal Year 26-27 Budget in July 2026. Following the budget approval, awardees will be announced accordingly. The list of the 31 projects advancing to the pitch session is found on the Governor's Office of Business and Economic Development website linked [here](#).

Regional Investment Initiative Key Findings

Program Challenges – Capacity Building

Capacity is a challenge at the regional level, and some regions are taking steps to evaluate the formation and function of a stand-alone entity to continue building on the regional collaborative work that was started under the Jobs First initiative. These regions are looking at consolidating existing organizations into one or creating a new organization to be funded by regional partners. Some may be pursuing an Economic Development District designation under the U.S. Economic Development Administration program. The Governor's Office of Business and Economic Development is maintaining engagement and providing technical assistance for those regions seeking to form new organizations.

Regional Investment Initiative Next Steps

Final Round 2 Awards

The remaining funding of \$47.5 million budgeted for the Regional Investment Initiative Implementation Phase is on track to be awarded following the approval of the State Fiscal Year 26-27 budget.

A “no-cost” extension option is being offered to the 13 regional fiscal agents for extending their Catalyst contract scheduled to expire in September 2026.

Regional fiscal agents in good-standing with EDD are being given an option to extend their contract into June 2027 with no additional funding attached. This extension is intended to provide regional conveners and fiscal agents the ability to continue with regional convening activities under the Catalyst contract. These activities include supporting ongoing regional collaboratives, identifying funding sources to help implement projects from their regional Activation Plans, amend and/or update their Regional Strategies to reflect changes on the ground and emerging trends. EDD will evaluate the status of each region and share findings with the Inter-Agency Leadership team. The Leadership team will determine which regions are eligible for the no-cost extension.

Implementation Phase Round 1

Many of the regions have begun to coordinate with regional partners to identify projects and prioritize them for implementation. This work includes ensuring identified projects align with the recommendations and objectives of the regional strategy and collaborating with partners to bring additional funding sources to the project to complete the project.

Pre-Development projects that were funded by regions as part of their Catalyst Funding are also being prioritized to help identify funding sources for implementation.



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