Social Entrepreneurs for Economic Development (SEED) Grant Orientation

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PREFATORY NOTES

This presentation is intended as a summary of the SEED Solicitation for Proposals (SFP), released by ETP on January 26, 2026.

The contents of this presentation, and any verbal communication with ETP and/or the Labor and Workforce Development Agency concerning this SFP, are not binding on the State and shall in no way alter any specification, term, or condition of the SFP.

SEED Initiative Goals

- Serve vulnerable communities facing significant barriers to employment.
- Promote entrepreneurship of individuals who may be precluded from obtaining gainful employment.
- Partner with non-profit Community Based Organizations (CBO) that have expertise and track records of serving SEED target populations in culturally and linguistically effective ways.
- Promote equity and inclusion, including racial, gender, and geographic equity.
- Support business innovation that is socially responsible, effective, and sustainable.

SEED Target Populations

- Individuals with limited English proficiency, regardless of immigration or citizenship status.
- Individuals who are neither U.S. citizens nor lawful permanent residents.

SEED is open to all individuals in the target populations, including those who may not be lawfully present in the U.S., DACA or TPS recipients, other immigrants, refugees, asylees, and U.S. citizens.

Eligible Applicants

Only Non-profit CBOs

- must be a 501(c)(3) or
- a fiscally sponsored program of a 501(c)(3)

Must submit proof of non-profit status with application.

Joint proposals consisting of multiple CBOs may also apply.

The lead CBO and all participating CBOs must submit proof of non-profit status with application.

SEED Program Framework

SEED Entrepreneurship Program

(approximately $5,250,000 in funds available)

SEED Worker Cooperative and Employee Ownership Program

(approximately $1,500,000 in funds available)

Entrepreneurship Program

Program Components

A proposal must include all five of the following:

- Entrepreneurial training development and implementation
- Community outreach
- Selection of micro-grant awardees
- Disbursement of micro-grants
- Provision of technical assistance

All program components must be appropriately coordinated and implemented to create one integrated program.

Funding Available

$5,250,000 available

- No individual cap on grant awards.
- Total funding for the SEED Entrepreneurship Program is limited to the $5,250,000.
- ETP also reserves the right to adjust the individual grant award amount.

Funding Allocation

Micro-grant Allocation ($3,937,500)

75% of the total funding available is allocated for micro-grants to be disbursed to individuals.

Average micro-grant amount is $2,500 to $5,000. Limited to one micro-grant per individual and one per business entity.

Program Implementation Allocation ($1,312,500)

25% of the total funding available is allocated for CBO grantees to implement all program components supporting the micro-grants.

Allowable Use of Funds

- 75% of the total grant award request must be allocated toward micro-grants. No program expenses (direct or indirect) can be included.
- 25% of the total grant award request must be sufficient to cover all costs (direct and indirect) of program implementation.
- The maximum percentage of indirect costs is 6% of the CBO's total grant award.

Funding Disbursement

- 25% of the CBO grantee's total grant award will be disbursed to the CBO at the beginning of their grant term.
- Once the CBO grantee has selected 25% of its total projected number of micro-grant awardees, the second 25% of the total grant award will be disbursed.
- Once the CBO grantee has selected 50% of its total projected number of micro-grant awardees, the third 25% of the total grant award will be disbursed.
- Once the CBO grantee has selected 75% of its total projected number of micro-grant awardees, the final 25% of the total grant award will be disbursed.

Payments may be withheld if a quarterly or other required report is past due or was submitted with incomplete information.

Recuperation of Funds

- At the end of the first six (6) months of the grant term, ETP will assess if the CBO is meeting its projected estimates of the number of micro-grant awardees.
- If the assessment shows the CBO has selected fewer than 25% of its projections, ETP may reduce the remaining funds originally awarded to the CBO grantee.
- If the grant award is “right-sized,” new performance benchmarks will be set and the balance remaining between the original grant award and the “right-sized” amount shall be returned to ETP.
- Grant funds that are not spent by the CBO during the grant term must be returned to the State.

Worker Cooperative and Employee Ownership Program

Program Components

A proposal must include all four of the following:

- Support low-wage industries
- Development and implementation of training curriculum
- Disbursement of micro-grants
- Provision of technical assistance

All program components must be appropriately coordinated and implemented to create one integrated program.

Funding Available

$1,500,000 available

- No individual cap on grant awards.
- Total funding for the SEED Worker Cooperative and Employee Ownership Program is limited to the $1,500,000.
- ETP also reserves the right to adjust the individual grant award amount.

Allowable Use of Funds

- 15% of the total grant award request must be allocated toward micro-grants. No program expenses (direct or indirect) can be included.

  Due to the collective nature of worker cooperatives and employee-owned businesses, micro-grants are not restricted to one micro-grant per worker cooperative or business entity.

- 15% of the total grant award request must be sufficient to cover all indirect costs.

Funding Disbursement

- 30% of the CBO grantee's total grant award will be disbursed upon submission of a master action plan and timetable.
- 35% of the total grant award will be disbursed upon submission of training curriculum, materials, and implementation plan.
- 35% of the total grant award will be disbursed upon submission of a final plan and timetable for micro-grant distribution.

Each disbursement payment is made upon ETP's determination that the deliverable is complete. Deliverables do not need to be made in any particular sequence.

Payments may be withheld if a quarterly or other required report is past due or was submitted with incomplete information.

Recuperation of Funds

- At the end of the first six (6) months of the grant term, ETP will assess if the CBO has met any two of the three performance benchmarks.
- The grant award may be “right-sized,” if two performance benchmarks have not been met. Any such reduction in funds shall be returned to ETP.
- Grant funds that are not spent by the CBO during the grant term shall be returned to the State.

Report and Recordkeeping Requirements

Reports and Recordkeeping

Progress Reports:

CBO grantees are required to submit quarterly progress reports and a final report. Submission dates and the form and content of reports will be provided during a grantee orientation.

Adequate Recordkeeping:

CBO grantees are required to maintain project and fiscal records sufficient to satisfy reporting requirements and to enable evaluation of project effectiveness and proper use of funds. Records must be retained for at least four years after the date of final payment of the grant award.

Joint Proposals:

Lead CBO is responsible for progress reports and ensuring that all program data and documentation for all participating CBOs are captured and reported in a timely, complete, and accurate manner.

Significant Dates, Proposal Requirements, and Evaluation

SEED Significant Dates

Event	Date
SFP release	January 26, 2026
Applications/Proposals due	**February 26, 2026 by 5:00 P.M. PST**
Proposal review and evaluation	March 2026
Award announcements	April 2026
Estimated project start date	September 2026

Note: All dates after the final proposal submission deadline are approximate and may be adjusted as conditions dictate, without addendum to this SFP.

Proposal Submission

ETP will accept proposals between **January 26, 2026 and February 26, 2026 until 5:00 P.M. PST. – late proposals will not be accepted**.

Exceptions will not be allowed and there is no appeal for not meeting the proposal deadline.

Submission method is via ETP's Cal-E-Grants website:

https://caetp.my.site.com/calegrants/s/

Required Documents

- Proof of non-profit status must be submitted by the CBO applicant.

  Joint Proposals: Lead CBO must submit proof of non-profit status for itself and for each of the CBOs participating in the joint proposal.

- STD 204 Form (Department of Finance standardized form)
- STD 205 Form (Department of Finance standardized form)

Evaluation and Scoring

Proposals will go through a two-part review process: (1) technical review; and (2) scoring.

- Initial technical review ensures that applications adhere to the proposal submission requirements.
- Scores will be ranked highest to lowest.

Scores will serve as a key basis for making award determinations.

Final awards will be based on which combination of proposals will achieve the most balance in terms of equity and/or geographic considerations and have the potential to have the most impact consistent with the statutory purpose of SEED.

Additional Information

ETP Website has support documents and information:

https://etp.ca.gov/fundingopportunities/grants/seed-3/

Thank you

Any questions?