



SMALL BUSINESS ROUNDTABLE

APRIL 16, 2020 CONVENING

Hosted by the Assembly
Committee on Jobs, Economic
Development, and the Economy
Assemblymember Sabrina
Cervantes, Chair

AGENDA

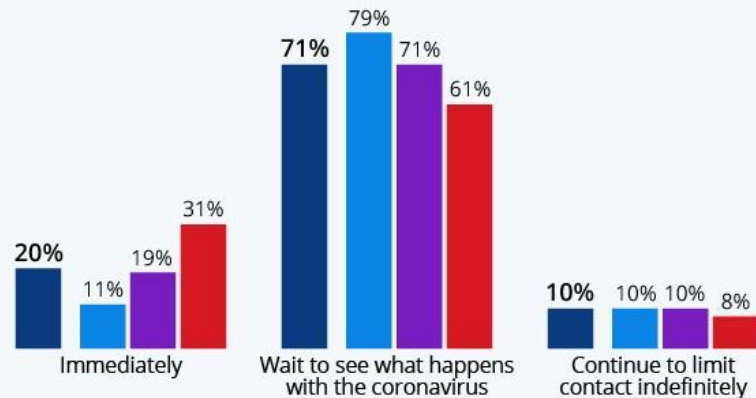
- I. Welcome and Introductions
- II. Strategies for Economic Recovery
- III. Significant Issues Facing Small Businesses, and Service and Program Delivery Challenges in Meeting Those Needs
- IV. Discussion on COVID-19 Legislation and Budget Proposals
- V. Collecting Discussion Topics for Next Meeting
- VI. Final Comments and Adjournment

WELCOME AND INTRODUCTIONS

Americans Hesitant to Return to Normal

Americans's readiness to return to normal activities, by party affiliation

■ All U.S. adults ■ Democrat ■ Independent ■ Republican



Based on a survey conducted April 3-5, 2020

Source: Gallup



statista

Thank you for participating in today's convening.

We know your time is valuable.

Today's webinar will begin with a roll call based on the RSVPs.

DATA POINTS — CLEARLY LAGGING INDICATORS

FEDERAL Employment

(March 2020)

- ❖ Total nonfarm payroll employment fell by 701,000 in March 2020, and the unemployment rate rose by 0.9% to 4.4%.
- ❖ This is the largest over-the-month increase in the unemployment rate since January 1975.
- ❖ Employment in leisure and hospitality fell by 459,000 jobs.

CALIFORNIA Employment

(February 2020 - March data available 4/16)

- ❖ Total nonfarm employment in California in February 2020 was 17.6 million with 2 million jobs being classified as being within the leisure and hospitality sector.
- ❖ 925,450 UI claims were filed for the week ending April 4 (last week's numbers available later today).
- ❖ California UI claims for the week ending April 4, 2020, saw a 2,418% increase in UI claims processed by EDD over the same week a year earlier.

SUMMARY OF LAST MEETING

- A. 46 people participated in the April 2, 2020 roundtable.
- B. Main discussion points included:
 - New state disaster response actions
 - Rollout of the federal CARES Act funding in California
 - Identification of collaboration opportunities and program delivery gaps.
- C. Major take-away – While the federal programs are starting to roll-out, small businesses remain confused about how to access and/or combine resources.
- D. Findings and Follow-up From the Roundtable:
 - There is a need to expand the administrative capacity of state-funded programs. While the business assistance centers are experiencing substantially more requests, their administrative capacity is not being increased.
 - While online applications are useful for businesses with adequate digital capacity, this digital-only application environment does not always work for business owners from underserved groups who face tech challenges, from broadband speed to having to apply online using a phone.
 - It is important to focus on the \$5 billion in federal CARES Act funds being awarded through CDBG.
 - There is a substantial need to develop regional service and program delivery strategies that maximize new funding and more effectively reach underserved groups and geographic areas.

NEW STATE PROGRAMS ANNOUNCED

- ❖ Tax Deferrals (income, sales, payroll)
- ❖ Small Business Disaster Loan Guarantees (back-up to federal program)
- ❖ Prohibitions on Utility Shut-Offs
- ❖ Executive Orders Issued on Evictions
- ❖ Work-Share Program
- ❖ COVID-19 Coverage under Health Insurance
- ❖ Re-Open Enrollment under Covered California
- ❖ Locate Jobs Through [OnwardCA.org](https://www.onwardca.org)
- ❖ Contracting with the State through www.covid19supplies.ca.gov

THE RECESSION — HISTORICAL DATA

- ❖ **National Numbers:** February 2020 marks the end of the US's longest economic expansion of over 128 months without any significant declines in economic activity, according to the National Bureau of Economic Research. During this time period 22.2 million jobs were created across the country. This measurement includes multiple economic indicators, including jobs.
- ❖ **State Numbers:** California job gains in February 2020 contributed to a record job expansion of 120 months with the state gaining 3.4 million jobs. According to EDD, from the period of February 2010 through February 2020, California job gains represented 15% of the national job gain of 22.8 million from February 2010 through February 2020.
- ❖ 8.7 million jobs were lost nationally during the Great Recession. California is reported to have lost 1.1 million jobs, with the highest statewide rate of unemployment of 12.9% in 2009.

FOCUS OF TODAY'S DISCUSSION

- ❖ Who is working on recovery strategies and what ideas are being discussed? How can the small business and economic and workforce development community remain connected?
- ❖ What is the state's current technical assistance capacity to meet the needs of small businesses, workers, communities, and other economic development stakeholders?
- ❖ Is there a shared vision about how the state and federal programs work together – can we put that in writing?
- ❖ What strategies are being deployed to ensure all areas of the state and population groups are being served?
- ❖ What messages do policy makers and program managers need to hear?

STRATEGIES FOR ECONOMIC RECOVERY

Discussion led by Matt Horton

- ❖ A number of groups are working on broader strategies and frameworks to support California's emergence from strict COVID-19 suppression rules.
- ❖ What are the central features of those recommendations?
- ❖ Do they include methods for monitoring and tracking outcomes in real time?
- ❖ Are there opportunities for convergence?

SIGNIFICANT ISSUES FACING SMALL BUSINESSES, AND SERVICE AND PROGRAM DELIVERY CHALLENGES IN MEETING THOSE NEEDS

Below is the Start of a List of Issues

Help for small businesses in accessing Paycheck Protection Program loans

IBank program guidelines on Small Business Loan Guarantee Program

Independent contractors and Pandemic Unemployment Payments

Capacity funding for financial intermediaries

Early Warning System to track small business activities in real time

Equity protocols for program and service delivery

DISCUSSION ON COVID-19 LEGISLATION AND BUDGET PROPOSALS

- Assembly and Senate have begun budget hearings to review the impact of COVID-19 on the California Economy. More hearings are anticipated – but no details are known.
- Senate has created both a research committee and a budget subcommittee to address COVID-19
- Legislature is currently scheduled to return on Monday, May 4, 2020.
- Policy and fiscal committee staff have been told to stand-by for information on a revised legislative calendar. This means committees are currently preparing bill analyses.
- What messages do policy makers and program managers need to hear?



COLLECTING DISCUSSION TOPICS FOR NEXT MEETING

Please email suggestions if not
already raised during today's
discussion

JEDE FACILITATION TOOLS

Conference Calls: JEDE is sponsoring bi-weekly conference calls where stakeholders can share program and service delivery challenges in real time and seek resolution and mitigation actions within the broader business, economic, and workforce development community.

COVID-19 Updates: JEDE regularly sends economic and business development updates to professionals engaged in meeting the needs of small businesses and local communities caused by the coronavirus emergency.

Resource Webpages:

- JEDE COVID-19 Resource Page: <https://ajed.assembly.ca.gov/content/covid-19-resources>
- Small Business Roundtable: <https://ajed.assembly.ca.gov/content/small-business-roundtables>



FINAL COMMENTS AND ADJOURNMENT

Next Meeting in two weeks on
April 30, 2020, at 2:00 pm