

Small Business Roundtable

April 2, 2020 Convening

Hosted by the Assembly Committee on Jobs, Economic Development, and the Economy

Agenda

- I. Welcome and Introductions
- II. New State Small Business Initiatives
- III. Resources Approved Under CARES Act
- IV. Resource Delivery Strategies
- V. Economic Recovery Strategies
- VI. Next Steps

Data Points

- US unemployment claimed by first-time filers climbs to 6.6 million for the week ending March 28, 2020
- Governor reported that EDD had received over 1.9 million unemployment claims since March 12, 2020
- SBDCs in California have seen a 500% uptick in demand, based on anecdotal information
- Baseline: February 2020 unemployment rate in California was 3.9%

Focus of Today's Discussion

- What is the state's current technical assistance capacity to meet the needs of small businesses, workers, communities, and other economic development stakeholders?
- What impact will state actions and the CARES Act have on technical assistance and program funding capacity?
- What strategies are being deployed to ensure all areas of the state and population groups are being served?
- Who is tracking and/or involved in delivering CARES Act funding and programs?
- 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?

New State Proposals – Announced April 2

- One-Year Deferment of Sales Tax: Governor announced a one-year moratorium on the payment of sales and use taxes up to \$50,000 per small business. Zero interest. Builds on prior state action that delayed the filing and payment of sales and use taxes to July 1, 2020.
 - The deferment effectively provides a bridge loan to give businesses time to apply for and receive federal loans, including SBA's Economic Injury Disaster Loan and the Paycheck Protection Plan.
 - Will be helpful to restaurants and small retail post-COVID-19 emergency.
- Funding for Microlending: Transfers \$50 million to the IBank Small Business Finance Center for the purpose of re-capitalizing the Small Business Loan Guarantee Program. Maximum loan of \$50,000. Eligible small businesses are those are not eligible for the federal programs.
- Launch of OnwardCA.org: New web platform to more effectively connect workers with available employment opportunities. Focus on, but not limited to, jobs within four areas – health care, agriculture, logistics, and groceries. More than 70,000 jobs currently listed.

Resources Approved Under CARES Act

- What is in the CARES Act? The US Senate Committee on Appropriations prepared a meta-level summary of the CARES Act.
 - https://ajed.assembly.ca.gov/sites/ajed.assembly.ca.gov/files/Coronavirus%20Supplemental%20Appropriations%20Summary_FINAL.pdf
- What do Small Businesses Need to Know about the CARES Act? The US Senate Committee on Small Business and Entrepreneurship prepared a Small Business Guide.
 - <http://irp-cdn.multiscreensite.com/45d2c930/files/uploaded/Small%20Business%20Owner's%20Guide%20to%20the%20CARES%20Act%20%5Bfinal%5D.pdf>
- What is in the CARES Act for California? CALED prepared a California-Focused Summary of CARES Act.
 - <https://caled.org/economic-development-resources-for-the-novel-coronavirus-and-covid-19/>

Resource Delivery Strategies

- Who are the business and community assistance stakeholders and what is their current relationship to stakeholders that have money to loan?
- Where are the gaps and what will it take to meet the challenge?
- How will public and private stakeholders work together to help small businesses and communities access funds, advocate for their needs, and be successful post the COVID-19 emergency?

Recovery Strategies

- Which organizations are working on recovery strategies?
- What issues are being targeted?
- Where are the similarities?
- Are there opportunities to combine action items?

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: Three times a week JEDE sends economic and business development updates to over 250 professionals engaged in meeting the small business and local community needs caused by the coronavirus emergency.
- JEDE Resource Webpages:
 - 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>

Summary of April 2, 2020, Meeting

- 46 people participated in the April 2, 2020 roundtable. Thank you CAMEO for hosting.
- Main discussion points included: New State Disaster Response Actions; rollout of CARES Act funding in California; and identification of collaboration opportunities and program delivery gaps.
- Major take-aways: Next week will be a big week for small businesses. However, roll-out of the federal programs is still being pulled together.
- Follow-up:
 - There is a need to expand the administrative capacity of state-funded programs.
 - Online applications are useful for businesses with adequate digital capacity, but business owners from underserved groups may face tech challenges in a digital-only application environment.
 - CARES Act provides \$5 billion in new CDBG funds. The economic and business development stakeholders will be engaging on funding for non entitlement communities and the state's share of the \$1 billion in discretionary funding.
 - There is a need to develop regional service and program delivery strategies that maximize new funding and more effectively reach underserved groups and geographic areas.