



## **House Select Committee on COVID-19, Subcommittee on Economic Support Remote**

**April 7, 2020**

**Room 1228 Legislative Building**

**10:00 AM**

The House Select Committee on COVID-19, Subcommittee on Economic Support Remote met on Tuesday, April 7<sup>th</sup>, at 10:00 AM. The meeting was held remotely with limited seating in Room 1228 of the Legislative Building in Raleigh. Representative Jason Saine presided. Members attending online or in person were: Representative Julia Howard, Co-Chair, Representative Jason Saine, Co-Chair, Representative Michael Wray, Co-Chair Representative Kelly Alexander, Representative John Autry, Representative Chaz Beasley, Representative Jimmy Dixon, Representative Kyle Hall, Representative Yvonne Holley, Representative Chris Humphrey, Representative Howard Hunter, Representative Jake Johnson, Representative Brenden Jones, Representative Keith Kidwell, Representative Nasif Majeed, Representative Pat McElraft, Representative Chuck McGrady, Representative Robert Reives, Representative William Richardson, Representative Stephen Ross, Representative Michael Speciale, Representative Phil Shepard, Representative John Szoka, Representative Brian Turner, Representative Harry Warren. Cindy Avrette, Rodney Bizzell, Madison Lahey, Phyllis Pickett, Jeremy Ray, and Greg Roney, staff. Cody Huneycutt, committee clerk.

### **I. Welcome and Opening Remarks**

Representative Saine called the meeting to order at 10:03 AM and welcomed members, staff, and visitors listening online. Representative Saine introduced the Sergeants-At-Arms, Jonas Cherry and Reggie Sills.

### **II. Unemployment Benefits: Overview of Federal Programs enacted by CARES Act**

Representative Saine recognized Jeremy Ray, Legislative Analysis Division, NC General Assembly and Madison Lahey, Fiscal Research Division, NC General Assembly to provide an Overview of Federal Programs enacted by CARES Act. Following the update, Representative Saine opened the committee for questions:

Rep. Humphrey- Asked if contractors who have been denied NC UI benefits were automatically enrolled in the federal UI plan.

Jeremy Ray- I think Asst. Sec. Taylor would be best to answer that question.

Asst. Sec. Taylor- Pandemic Unemployment Assistance. It will require a separate application process. DES got the guidelines Sunday night and we looked through them all day on Monday. Even before receiving the guidelines, we have been meeting with our programmers to work on a streamlined application process.

### **III. Unemployment Benefits: Update by Division of Employment Security**

Representative Saine recognized Lockhart Taylor Assistant Secretary, DES, Department of Commerce to update the committee on unemployment benefits. Following the presentation, Representative Saine opened the committee for questions:

Rep. Jones- Asked if the 90% rejection rate he read in the News and Observer was factual.

Asst. Sec. Taylor- We keep hearing that as well. No sir, we don't believe that's true. We believe they looked at the recipient rate that is calculated by the USDOL.

Rep. Jones- Asked if only 10% of applicants received benefits.

Asst. Sec. Taylor- We do not believe that is the case. We are having to tell some applicants/ self-employed that they are not eligible because they never reported wages to DES. But that does not mean that an applicant is not eligible for the federal benefits.

Rep. Saine- I received the same question from a constituent. Thank you for answering that. I did ask The News and Observer to review the article. (Comment)

Rep. Autry- Asked how long after the Governor's Executive Order before DES start ramping up its staff.

Asst. Sec. Taylor- Immediately. Raju Gadriraju may be better suited to answer that question.

Raju Gadriraju, Chief Information Officer, DES, Department of Commerce - DES started making the plans as fast as we could. We started adding bigger servers and adding extra phone lines. DES has also hired new employees and are training them.

Rep. Autry- Asked how a person knows when their online application has been accepted.

Asst. Sec. Taylor- They receive a confirmation number.

Rep. Autry- I have had a constituent that contacted me and said that they had logged in and had problems.

Asst. Sec. Taylor- Please send the persons information to me and we will help that individual out.

Rep. Johnson- Asked if the guidelines are set by the federal or state government as it pertains to independent contractors.

Asst. Sec. Taylor- The feds set the criteria.

Rep. Johnson- Have you received them.

Asst. Sec. Taylor- Sunday night at 8:45.

Rep. Johnson- Asked if self-employed individuals apply through the same portal as others that apply through.

Asst. Sec. Taylor- I don't expect those to be able to apply this week but they will go through the same portal.

Rep. Johnson- Asked if the benefit payments would be retroactive.

Asst. Sec. Taylor- Yes.

Rep. Johnson- Asked if DES had received 450,000 claims thus far.

Asst. Sec. Taylor- Yes, DES is currently at 450,000 applicants.

Asst. Sec. Taylor- I would like to clarify that barbers, hair stylists, and church employees will qualify for the federal UI. (Comment)

Rep. Saine- The News and Observer has updated their article (Comment)

Rep. Speciale- Asked about a constituent that had called multiple times and filed on March 19<sup>th</sup> and asked how he should answer the inquiry.

Asst. Sec. Taylor- Once you have your claim filed, you can check the status of their claim unless you file on a weekend. It will update on Monday if you file on the weekend.

Rep. Speciale- Asked if an individual who has applied for UI could find updates online.

Asst. Sec. Taylor- Yes, they can track the status.

Rep. K. Hall- Asked when attached claims benefit would start.

Asst. Sec. Taylor- We hope tomorrow.

Rep. Szoka- Asked about National Guard members being denied.

Antwan Keith, Chief Deputy of Programs, DES, Department of Commerce- There is a question that asks if a military member is on active duty. They need to answer that question 'no' unless they are on active duty.

Rep. Szoka- Asked if DES could put a memo on the website to address the National Guard issue. Chief Deputy of Programs, DES Antwan Keith- We are working on that.

#### **IV. Bill Draft: COVID-19 UI Response Act Bill Draft: UI Laws Technical, Clarifying, and Administrative Changes**

Representative Saine recognized Cindy Avrette, Legislative Analysis Division, NC General Assembly to present COVID-19 UI Response Act Bill Draft: UI Laws Technical, Clarifying, and Administrative Changes bill drafts. Following the presentation, Representative Saine opened the committee for questions:

Rep. Howard. The committee may want to put both bills into one bill to expedite the process. (Comment)

Rep. Autry- I'd oppose putting both bills into one. (Comment)

Rep. Saine- We are not voting on these today. Please review them and let Rep. Howard know. (Comment)

#### **V Department of Revenue: Update on Relief to Taxpayers**

Representative Saine recognized Anthony Edwards Assistant Secretary, Tax Administration, Department of Revenue and Alan Woodard Assistant Secretary, Tax Enforcement, Department of Revenue to update the committee on relief to taxpayers. Following the presentation, Representative Saine opened the committee for questions:

No questions were presented.

#### **VI. Bill Draft: COVID-19 Tax Relief Act**

Representative Saine recognized Cindy Avrette, Legislative Analysis Division, NC General Assembly to present the COVID-19 Tax Relief Act. Following the presentation, Representative Saine opened the committee for questions

Rep. Richardson- Asked How the tax collections for the state were looking as now.

Rep. Saine- Tax collections are something we are monitoring that. We don't know yet.

Rep. Richardson- Wouldn't it be wise to start the short session in August.

Rep. Saine- I agree with you assessment. I think will have to come into session and take up emergency bills and delay the budget process.

## **VII. COVID-19 Industry Impacts**

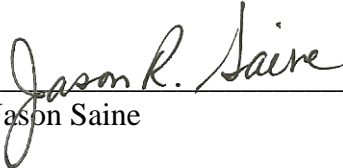
Representative Saine recognized Gregg Thompson, NC State Director, NFIB and Ray Starling, General Counsel, NC Chamber to present on COVID-19 industry impacts. Following the presentation, Representative Saine opened the committee for questions:

No questions were presented.

## **VIII. Closing Remarks and Adjournment**

Rep. Wray- Thanked all the presenters, chairs of the committee, and staff.

There being no further business, the meeting adjourned at 12:20 PM. The next meeting will be held on Tuesday, April 14, 2020 at 10:00 AM remotely or in 1228 of the Legislative Building.

  
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Representative Jason Saine  
Presiding

  
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Cody Huneycutt  
Committee Clerk