



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

April 14, 2020

Room 1228 Legislative Building

10:00 AM

The House Select Committee on COVID-19, Subcommittee on Economic Support Remote met on Tuesday, April 14th, 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 Phil Shepard, Representative Michael Speciale, 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 Ley Cooke.

II. Overview and Update: Rapid Recovery Loan Program Golden Leaf Foundation

Representative Saine recognized Kasey Ginsberg, Director of Government Affairs/ Director of Programs Golden Leaf Foundation to provide an update on the Golden Leaf Foundation. Following the update, Representative Saine opened the committee for questions:

Rep. Majeed- Asked how much money Golden Leaf had secured so far.

Kasey Ginsberg- \$15M so far with more funding sources pending.

III. Bill Drafts for Committee Consideration

Representative Saine recognized Dan Ettefagh, Bill Drafting Division, NC General Assembly, Madison Lahey, Fiscal Research Division, NC General Assembly, Jeff Cherry, Bill Drafting Division, NC General Assembly, and Kristine Leggett, Fiscal Research Division, NC General Assembly to present the Small Business Emergency Loans sponsored by Representatives Wray, Ross, and B. Jones. Following the presentation, Representative Saine opened the committee for questions:

Rep. Humphrey- Asked if \$25M would be enough and how many of the estimated 913,000 small business in North Carolina had less than 50 employees.

Rep. Saine- We have talked with the sponsors. This is designed to help what golden leaf has started. \$25M may not enough. This may not be the final time we have to visit this issue.

Speaker Moore- We know there is a critical need for helping small businesses. My hope is that we can make the program more robust.

Kasey Ginsberg- 1/3 of small businesses have 50 or fewer employees. The size of these loans encourages the smaller employers.

Rep. K. Hall- Asked if there was a timeline when loans can be originated.

Kasey Ginsberg- The day the loan closes, maybe a day or 2 different.

Rep. K Hall- Asked how the current program compared to other Golden Leaf programs.

Kasey Ginsberg- These are shorter term loans with shorter amounts that include the same bridge structure.

Rep. Warren- Asked if the program calls for loan repayments going back into the pool for additional loans up to 6 months after the end of the State of Emergency declaration, at which time all loan repayments revert to the General Fund, less the caveats allowed for administration of the loans as delineated in the draft.

Dan Ettefagh - That is correct.

Rep. Autry- Asked if Golden Leaf's assistance was always structured as a loan.

Kasey Ginsberg- Yes.

Rep. Autry- Asked how many loans were issued after Hurricane Floyd and how many of those loans were repaid.

Kasey Ginsberg- I don't have data for Hurricane Floyd. I can get numbers to you.

Rep. Autry- Asked if any loans from Hurricanes Dorian or Florence were forgiven.

Kasey Ginsberg- No.

Rep. Johnson- Asked if a business could receive a federal loan as well as a Golden Leaf loan.

Dan Ettefagh – Yes.

Rep. Saine- Removed the Emergency Assistance for Commercial Fishermen sponsored by Representative Richardson from the agenda.

Rep. Richardson- I think its best I get a completed draft without kinks. (Comment)

IV. Bill Draft and Summary: COVID-19 Response Act – Economic Support

Representative Saine recognized Cindy Avrette, Legislative Analysis Division, NC General Assembly and Rodney Bizzell, Fiscal Research Division, NC General Assembly to present COVID-19 UI Response Act Bill Draft:

Motion by Rep. Howard

Rep. Saine called for a roll call vote. With 21 voting in the affirmative and none in the negative, the motion was carried unanimously.

V. Closing Remarks and Adjournment

Rep. Szoka- Asked if we could receive an update from the Governor's Office about reopening the economy at next weeks' meeting.

Rep. Saine- We will reach out and invite someone from the Office of the Governor to provide the committee with an update.

There being no further business, the meeting adjourned at 10:53 AM. The next meeting will be held on Tuesday, April 21, 2020 at 10:00 AM remotely or in 1228 of the Legislative Building.

Representative Jason Saine
Presiding

Cody Huneycutt
Committee Clerk