



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

April 21, 2020

Room 1228 Legislative Building

10:00 AM

The House Select Committee on COVID-19, Subcommittee on Economic Support Remote met on Tuesday, April 21st, 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 10:02 AM and welcomed members, staff, and visitors listening online. Representative Saine introduced the Sergeants-At-Arms, Jonas Cherry and Reggie Sills.

II. Bill Draft: Small Business Emergency Loans

Representative Saine Recognized Dan Ettefagh, Bill Drafting Division, NC General Assembly, Madison Lahey, Fiscal Research Division, NC General Assembly, Representatives Wray, Ross, and B. Jones to present the Small Business Emergency Loans Bill Draft. Following the presentation, Representative Saine opened the floor for questions:

Rep. Autry- Asked what some of the benchmarks were on how a borrower certifies the loan is used on behalf of a business.

Kasey Ginsberg (Golden Leaf Foundation) - We require an agreement just like any commercial lender and goes through a compliance review.

Rep. Autry- Asked what the industry averages were for costs of administration.

Kasey Ginsberg- 5% is based on the cost of implementation.

Rep. Autry- Asked what data, metrics, recommendations were used to justify the expansion of the program to businesses of 100 employees.

Rep. Ross- We found that the 50 employee cap didn't take in all small businesses.

Rep. Autry- Asked if the bill sponsors knew how many more NC small businesses will have the opportunity to participate under latest draft version? (Expansion to 100 employees)

Rep. Wray- Asked how much money has been requested from the Golden Leaf Foundation.

Kasey Ginsberg- 4,037 applications with a total of \$139,378,479 with the average request for \$34,525.

Rep. Autry- Asked if page 1, line 11 and page 1, line 14, should 'require' be approved.

Dan Ettefagh- I think the wording is right for compliance reasons.

Rep. Shepard- Asked if there was any thought on exemptions to the permit process.

Rep. Saine- There have been discussions and we will have other opportunities after next weeks session. (Comment)

Rep. Dixon- I believe the Government Continuity Committee is taking up those types of things.(Comment)

Rep. Richardson- Asked if GLF was going to use the same lending sources that they normally use.

Kasey Ginsberg- We currently have 5 and added 2 more last week. We are currently looking for others.

Representative Alexander motioned for a favorable report.

Representative Saine called for a roll call vote.

With 25 voting in the affirmative and none in the negative, the bill received a favorable report.

III. Reviews and Updates:

- Representative Saine Recognized Jeff Sural, Broadband Director, Infrastructure Office, Department of Information Technology to provide an update. Following the update, Representative Saine opened the floor for questions:

Rep. Szoka- I believe it is appropriate that we think if broadband a service or infrastructure. It seems that it is infrastructure since the government is making kids stay home and go to school online. This may be a thought for us to think about in the future. (Comment)

- Representative Saine Recognized Thomas Stith III, Director for NC, U.S. SBA to provide an update on the Small Business Administration, available programs, funding, & initiatives. Following the presentation, Representative Saine opened the floor for questions:

Rep. Turner- Asked if people and businesses could check on the status of their EIDL application?

Mr. Stith- There is an 800 number to call and the ability to email inquiries and I can provide that to the committee.

Rep. Turner - Asked if those getting PPP should follow up with their lenders?

Mr. Stith - Yes.

Rep. Autry- Asked if Mr. Stith could provide us and email and phone number for the committee.

Mr. Stith- Absolutely.

Rep. Johnson- Asked about the current negotiations going on in Congress and if there would be a new set or updated set of guidelines for lenders as it pertains to SBA loans.

Mr. Stith- You're absolutely right.

Rep. Turner- Asked if there was a county by county breakdown?

Mr. Stith No, all I have is state numbers.

Rep. Majeed- Asked if PPP applicants are being put on the back burner if they don't have a lot of money or a relationship with the banking institution.

Mr. Stith- I have heard the same and I know congress is talking about equal access.

- Representative Saine recognized Lockhart Taylor, Assistant Secretary, DES, Department of Commerce to provide an update on the Division of Employment Security and Unemployment Insurance Claims. Following the update, Representative Saine opened the floor for questions:

Rep. Saine- Asked if DES was looking into a chat box feature.

Asst Sec. Taylor- We are working on that today and are trying to do so.

Rep. Turner- Asked who was eligible for PUA.

Asst. Sec. Taylor- Individuals who are not covered under state UI and those who have exhausted their benefits.

Rep. Turner- Asked if April 24th still looked like a good date for the rollout of the federal program.

Asst. Sec. Taylor- Yes.

Rep. Turner- Asked what the timeline was between the application being received and money being paid out.

Asst. Sec. Taylor- No.

Rep. Turner- Asked if there was no minimum level of income needed to apply for UI.

Asst. Sec. Taylor- That is correct.

Rep. McElraft- Asked when the PUA for self-employed go live?

Asst Sec. Taylor- Friday.

Rep. McElraft- Asked if payments would be retroactive.

Asst Sec. Taylor- Yes.

Rep. McElraft- Asked what was the formula for the \$600.

Asst Sec. Taylor- The same formula that is calculated in a state benefit case.

Rep. McElraft- Asked if Asst. Sec. Taylor could send the committee a link and instructions.

Asst Sec. Taylor- Yes.

Rep. McElraft- Asked if you had to have your 2019 taxes completed for PUA.

Asst. Sec. Taylor- No, You will need a W-2 or 10-99.

Rep. Speciale- Asked how many people were currently getting UI benefits.

Asst. Sec. Taylor- As of this morning 257,453 claimants are receiving benefits.

Rep. Johnson- Asked about the capacity of the phone system and is there a reason it cuts people off instead of putting them on hold.

Asst Sec. Taylor- That is certainly a capacity issue. We have made changes that have helped substantially.

Rep. Autry- Asked if there would be call center support to help with the PUA rollout?

Asst Sec. Taylor- Absolutely, call center staff will be working on Saturday.

Rep. Majeed- Asked if he could send Asst. Sec. Taylor a constituent issue.

Asst. Sec. Taylor- Absolutely.

Rep. Ross- Asked if someone had exhausted their UI benefits, could they apply for the 13 extra weeks due to the pandemic.

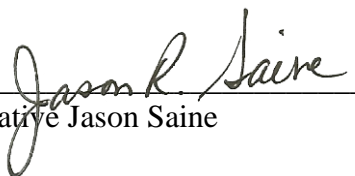
Asst. Sec. Taylor- We are programming that and I hope to hear more on that today and we will pay those benefits retroactively.

Rep. Ross- Asked if people would need to file a new application.


Asst. Sec. Taylor- No, they will need to go back and do the weekly checklist.

IV. Final Instructions to Staff, Closing Remarks, and Adjournment

With no further business before the committee, Representative adjourned the committee at 12:16.



Representative Jason Saine
Presiding



Cody Huneycutt
Committee Clerk