Welcome to #WIGWednesday
April 29, 2020

What the CARES Act Means for Small Businesses, Individuals and Non-Profits

Moderated by:

Senator Becky Massey (TN)
Women In Government’s Board of Directors

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APRIL 29, 2020
#GoodDeedDone

WIG Board Director Senator Mattie Hunter (IL) with IL Senator Cristina Castro and Rep. Sonya Harper distributing bleach to underserved seniors and other constituents and food pantries during the COVID-19 Pandemic. Thank you to the American Chemistry Council for the donation!
Let’s be social!
#ConnectingLegislativeLeaders
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Women In Government
Moderated by:

Senator Becky Massey (TN)
Women In Government welcomes you to #WIGWednesday!

1. All participants are muted through the system.

2. We will have a Q&A period at the end of the presentation, be sure to use the Chat Box feature to ask questions!

3. This virtual round-table event will be recorded and provided on our website once the event is over.
Featured Speaker

Katie Vlietstra - Wonenburg, Principal
Public Private Strategies
FAMILIES ACT: WHAT’S IN IT FOR SMALL BUSINESS

- The President signed the Families First Coronavirus Response Act on March 18th, 2020, which:
  - Creates the Emergency Family and Medical Leave Expansion Act and the Emergency Paid Sick Leave Act
- The Department of Labor can exempt businesses with fewer than 50 employees from the family and medical leave expansion requirements
- Applies to companies with **500 or fewer employees**
- Employers must provide employees with paid sick leave & expanded family & medical leave for specified reasons related to COVID-19
  - Up to two weeks paid sick leave
  - Up to $511 daily and $5,110 total
- **Specified Reasons** include employee is: subject to quarantine, experiencing COVID-19 symptoms, caring for someone who is quarantined, caring for child whose school or place of care is closed
Economic Injury Disaster Loan Emergency Advance

- $10 billion program that provides:
  - $10,000 emergency “advance/grant” that does not need to be paid back
  - Funding for low-interest loans that can be used to cover operating expenses
- Eligible businesses
  - Operational on Jan. 31, 2020
  - Any business with 500 or fewer employees
  - Any private nonprofit that has 500 or fewer employees - or otherwise meets the SBA’s size requirements
  - Sole proprietorships and independent contractors
  - Tribal businesses, cooperatives, and employee-owned businesses
- Apply directly on the SBA Website
PAYCHECK PROTECTION PROGRAM LOANS

- $349B available for small businesses via SBA
  - PPP Loans via SBA 7(a) lenders
- The maximum PPP loan is 250% of one month’s payroll costs up to $10M
  - Payroll expense includes: Wages, tips, taxes, health care, paid sick/family leave, vacation, retirement benefits
- Loans can be used for: payroll, rent, commercial mortgage payments, utilities
- Designed to cover anticipated expenses from Feb. 15-June 30

WHO’S ELIGIBLE FOR PPP SMALL BUSINESS LOANS

- Companies with fewer than 500 employees
- Independent contractors & sole proprietors
- 501c3 nonprofits
CARES ACT: WHAT’S IN IT FOR SMALL BUSINESS

ADDITIONAL SMALL BUSINESS TAX PROVISIONS IN LAW

- **Employee Retention Credit** for Employers Subject to Closure or Experiencing Economic Hardship
  - A refundable payroll tax credit for 50% of wages for certain employees
  - Not available to employers receiving assistance through the Paycheck Protection Program.
  - The credit is provided through December 31, 2020

- **Delay of Payment of Employer Payroll Taxes** through the end of 2020,
  - Deferred amounts due in two equal installments at the end of 2021 & end of 2022
ADDITONAL FUNDING FOR PPP, EIDL and NEW FUNDING FOR CDFIs

- The Congress approved a second infusion of funds for PPP, EIDL with a few carveouts:
  - $30 billion of the PPP loan funds for banks and credit unions
  - $30 billion for even smaller institutions
  - $60 billion in loans and grants for a separate Economic Injury Disaster Loan program, and makes farms and ranches eligible for the loans

- PPP Re-opened for applications on Monday, April 27

- Additionally, Treasury provided further guidance that
  - "All borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application," the guidance states. "Borrowers still must certify in good faith that their PPP loan request is necessary."
Results: Severe Impact to Small Businesses

What specific business concerns do you have in relation to the pandemic?

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying employees</td>
<td>66%</td>
</tr>
<tr>
<td>Cash flow challenges</td>
<td>85%</td>
</tr>
<tr>
<td>Paying overhead</td>
<td>68%</td>
</tr>
<tr>
<td>Business closure</td>
<td>50%</td>
</tr>
<tr>
<td>Lack of customers</td>
<td>72%</td>
</tr>
<tr>
<td>Inability to pay debt</td>
<td>61%</td>
</tr>
</tbody>
</table>

- **Recent Washington Post-ABC News poll:** 90% of Americans ‘support providing billions in financial assistance to small businesses’
As of April 6, 75% of respondents need the money from the PPP loan within a month or say their business will fail; 21% have a week or less.

How long can you wait for the money from a PPP loan before your business fails?

- A few days: 7%
- A week or less: 14%
- Two weeks: 21%
- Three weeks: 10%
- A month: 23%
- Two months: 13%
- Three months or more: 7%
- I'm not concerned about when: 4%
Questions & Answers

Katie Vlietstra - Wommenburg, Principal
Public Private Strategies
We hope you enjoyed our #WIGWednesday session

Please join us for these upcoming #WIGWednesdays programs:

**May 6, 2020**: *Disparities in COVID-19 Among People of Color* Moderated by Senator Gloria Butler (GA) and Delegate Sample-Hughes (MD) with Featured Speakers Dr. Sandra Ford, CEO of DeKalb County Health Dept., GA and Dr. Leana Wen, visiting professor at the School of Public Health and George Washington University

*And...* a special presentation on *FirstNet, the First Responders Network* created after 9/11 and put to the test by COVID-19

**May 13, 2020**: *The Value of Good Chemistry During Challenging Times* with Featured Speaker Komal Jain Executive Director of the Center for Biocide Chemistries, American Chemistry Council
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Contact us: RSVP@womeningovernment.org