



California Association for
Micro Enterprise Opportunity

1 Hallidie Plaza, Suite 715
San Francisco, CA 94102
ph 415.992.4480
fax 415.445.9529
www.microbiz.org

January 28, 2019

The Honorable Diane Feinstein
U.S. Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein,

On behalf of the California Association for Micro Enterprise Opportunity (CAMEO), we write to express the difficulty our members faced during the government shutdown. CAMEO is California's statewide microbusiness network made up of over 170 organizations, agencies, and individuals dedicated to furthering micro-business development in California.

During the 35-day government shutdown, adverse consequences for the 3.9 million small businesses across the state of California continued to grow. Cash flow, access to capital, and the inability to collect payments were only a few of the many challenges California businesses faced during this shutdown. Small businesses depend on loan assistance and resources through the Small Business Administration (SBA), which were unavailable during the shutdown. With the SBA's loan processing centers unable to operate, small businesses are estimated to have lost out on \$117 million in capital every day. Further, the delay in issuance of grants that assist entrepreneurs resulted in a loss of critical training programs that support thousands of new jobs across California.

In FY18, California companies received \$58.2 billion in contracts from the federal government. Of that contract value, 14.4% came from departments and agencies currently impacted by the shutdown, an amount of \$8.4 billion. This impacted hundreds of thousands of federal employees and contractors in California who did not receive pay. According to a report released by House Small Business Committee Chair Nydia Velazquez, small firms nationally forgo 6,875 contract actions, worth \$301 million a day during a shutdown. Given California's sizeable contracting base, this is a significant impact on our state's businesses and to the larger U.S. economy.

Government shutdowns are detrimental to small businesses and the 245,000 federal workers in California. We urge you to support legislation to prevent federal government shutdowns in the future such as the Stop STUPIDITY Act, which was introduced by Senator Mark Warner and would put an automatic continuing resolution in place in the event of an appropriations lapse.

Keeping the federal government open is vital to the small businesses that support California's economy. Thank you in advance for your consideration. If you have any questions, please feel free to contact me at (415) 992-4480.

Sincerely,



Carolina Martinez
CEO
California Association of Micro Enterprise Opportunity

