

ENTREPRENEURSHIP ADVANTAGE

GREATER LA REGION

Collaborating in Uncertain Times

May 14, 2020



Welcome

Heidi Pickman

VP, Programs and
Policy

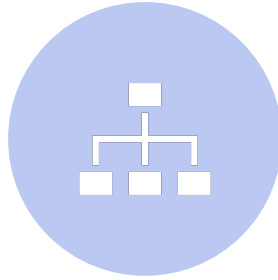
CAMEO

General Info

- ▶ Everyone's audio is muted
 - ▶ Zoom menu --- drag cursor down screen.
 - ▶ Mic icon on left.
 - ▶ Chat box.
- ▶ We are recording and you are free to share. We will send all registrants a link as soon as we can
- ▶ You will receive a copy of today's slides.



NAME



ORGANIZATION



WHAT DO YOU
DO?



ENTREPRENEURSHIP ADVANTAGE

GREATER LA REGION

Agenda

- ▶ **COVID-Related Employment Issues** (Bianca Blomquist, Small Business Majority)
- ▶ **PPP Guidelines** (Lawrence R. Johnson, Small Business Development Center at El Camino College)
- ▶ **COVID-19 Discussion and Sharing** (Anna-Marie, Western Regional Manager, Inner City Capital Connections ICCC)



Purpose

EA

► Create economic opportunity for entrepreneurs and small businesses in LA County by connecting human, technical and capital resources through regional collaboration.

Today

► Bring EA members to discuss best practices, strategies, and challenges in light of COVID-19's effects on the small-business sector



Bianca Blomquist

► CA Policy & Engagement
Small Business Majority

COVID-Related Employment Issues

Entrepreneurship Advantage COVID-Related Employment Issues

Thursday, May 14, 2020

Bianca Blomquist

California Policy & Engagement

Small Business Majority



About Small Business Majority



- **Small business education and advocacy organization** – founded and run by small business owners. Been in business since 2005.
- **National** – 6 offices in Washington, D.C., California, Colorado, Illinois, Maryland and Virginia
- **Focus on issues of top importance to small businesses** (<100 employees) and the self-employed, including access to capital, healthcare, retirement, entrepreneurship, taxes and more; work supported by extensive research
- Our online resource hub located at **Venturize.org** brings resources and education to small business owners in key areas of running and growing a small business.

About Small Business Majority: Our Model

RESEARCH

Start with extensive research (polling, economic studies) to gauge small business owner views and speak to their bottom line



EDUCATION

Partner with business groups to hold seminars and roundtables to educate small business owners and get their personal views



ADVOCACY

Enact change by elevating small business views in public policy debates



NETWORK

Use real small business voices with lawmakers and the media
(more than 20,000 earned media hits)



> Topics of discussion

EDD Work Share Program

Unemployment insurance

- Pandemic Unemployment Compensation (PUC)
- Pandemic Unemployment Assistance (PUA)
- Disaster Relief Assistance for Immigrants (CDSS)

Covered California, Medi-Cal and CHIP

Resources, tools and how to get involved

Purpose of the Work Share Program

Purpose:

- Sustain economic prosperity in California communities
- Employees “share” a reduction in hours and wages until business conditions improve
- Pay employees a percentage of UI benefits based on percentage of reduction in workweek

Advantages:

- Minimizes or eliminates the need for layoffs
- Allows you to retain trained employees
- Avoids the cost of recruiting, hiring, and training new employees
- Employees do not have to apply for full unemployment
- Any business or industry can apply

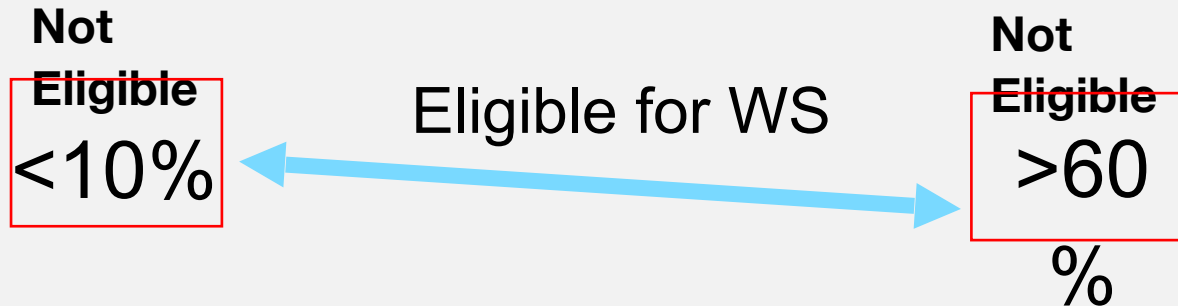
Work Share employer plan eligibility



- At least 2 employees participating
- At least 10% of the workforce or work unit(s)
- Must maintain same level of retirement and health benefits as prior to the start of the program

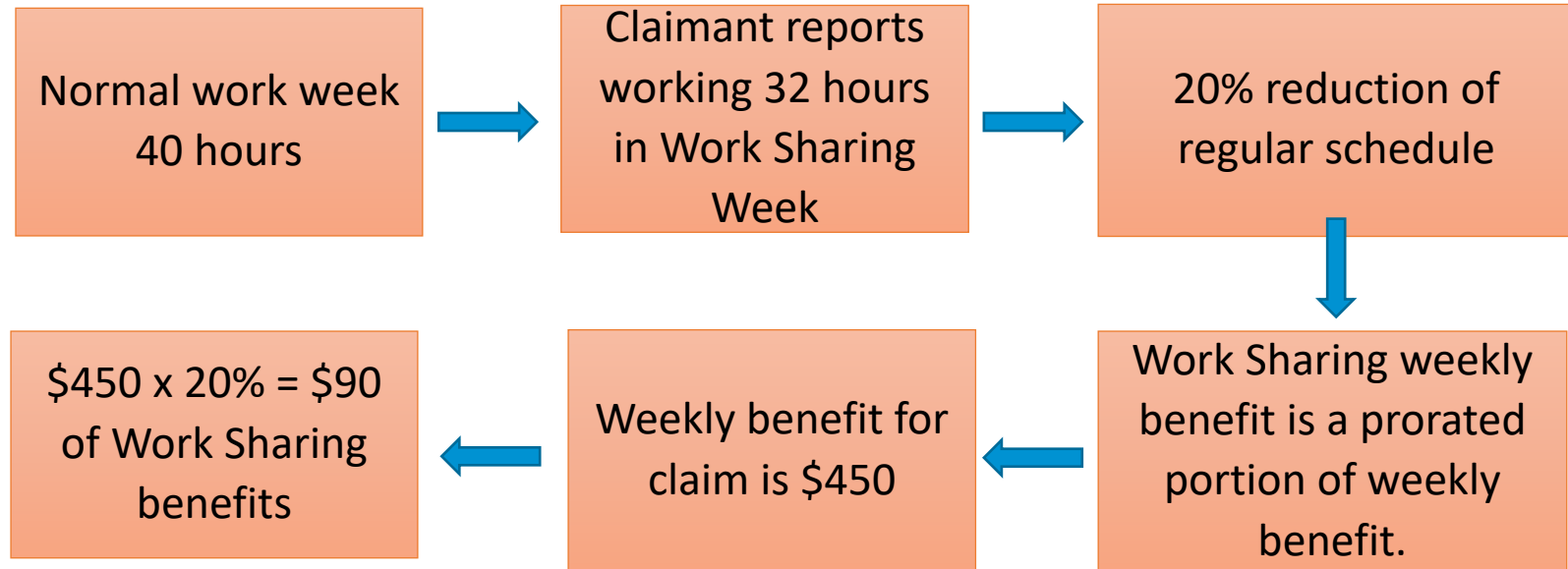
Work Share employer plan eligibility

Reduction in Work and Wages



Calculating Work Share benefit payment

Example (assuming \$450 weekly benefit amount):



Employee eligibility

The employee must:

- Be regularly employed by an employer whose Work Sharing Plan Application has been approved by the EDD.
- Be a part of the employer's permanent, regular workforce and not a leased, intermittent, temporary, or seasonal employee.
- The employee must have completed a normal work week (with no hour or wage reductions) prior to participating in Work Sharing.

To learn more:

- Visit EDD's Work Sharing Program Webpage
edd.ca.gov/Unemployment/Work_Sharing_Program.htm

To download the necessary forms:

- Work Sharing Employer Requirements and Criteria (DE 8686RQ)
edd.ca.gov/pdf_pub_ctr/de8686rq.pdf
- Work Sharing Plan Application (DE 8686)
edd.ca.gov/pdf_pub_ctr/de8686.pdf
- Unemployment Insurance, An Alternative to Layoffs: Work Sharing (DE 2329)
edd.ca.gov/pdf_pub_ctr/de2329.pdf
- Work Sharing Unemployment Insurance Program Fact Sheet (DE 8714BB)
edd.ca.gov/pdf_pub_ctr/de8714bb.pdf

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Expansion to unemployment insurance

- Pandemic Unemployment Assistance (PUA) is a program created by the federal CARES Act that enabling states to expand their own unemployment insurance programs.
- In California, many are ineligible for unemployment benefits because their employers (often - themselves) have not paid into unemployment insurance.
- PUA will help unemployed Californians who are **not usually eligible for regular state UI benefits**, who are out of business or those for whom services are significantly reduced as a direct result of the pandemic.

Eligibility requirements

Who can apply?

- Part-time workers; furloughed employees; anyone who can no longer physically go into work; self-employed; gig workers; independent contractors; freelancers; people who just started a job, but lost it due to COVID
 - Anyone who lost their job starting on Jan. 27, 2020 because of COVID
- Application opened Tuesday, April 28



All verification for unemployment **is done online or via mail**. If someone calls you or HR staffer and asks for employee information on the phone **it is a scam**.

What does PUA look like in California?

- **Phase 1:** At least **\$167 per week** for each week you were unemployed from **February 2, 2020 to March 28, 2020** (due to a COVID-19 related reason)
- **Phase 2:** At least **\$167 plus \$600 per week** for each week you were unemployed from **March 29, 2020 to July 25, 2020** (due to a COVID-19 related reason)
- **Phase 3:** At least **\$167 per week**, for each week from **July 26, 2020 to December 26, 2020**, that you are unemployed (due to a COVID-19 related reason)
 - Up to a total of 39 weeks (minus any weeks of regular UI and certain extended UI benefits that you may have received)

What if I'm not sure?

- If you are unsure if you are an independent contractor or an employee who could be eligible for benefits, [file for regular Unemployment Insurance benefits](#)¹ and EDD will determine your eligibility.
- After you have filed, refer to EDD's [step-by-step UI claims process](#)² You'll learn what to expect and the actions you need to take through the course of your claim for receiving benefit payments as long as you're eligible.
- [JEDI Online](#)³ is also a good resource for self-employed small business owners.

¹edd.ca.gov/Unemployment/Filing_a_Claim.htm

²edd.ca.gov/about_edd/coronavirus-2019/unemployment-claims.htm

³jedionline.org/PUA-Program-Updates

What if I make *some* income?

- In the week that you received the income you will enter that information when you go online to re-certify for benefits for that week.
- For a step-by-step tutorial on navigating the new PUA page, visit Jedionline.org/PUA-Program-Updates

You can also find your nearest Women's Business Center, Small Business Development Center and Veteran's Business Center at Venturize.org

What if I make *some* income?

- Example:
 - May 5th client received income for a week's long project in the amount of \$500.
 - When client certifies for the week of May 3rd – 9th client reports that \$500 of income. If that project has ended and they have no income for the week of May 10th – 17th client reports zero.
 - UI benefits may be reduced for that week but does not limit one's ability to collect future weekly benefits.

What if I'm not sure?

- If your client is unsure if they are an independent contractor or an employee who could be eligible for benefits, [file for regular Unemployment Insurance benefits](#)¹ and EDD will determine eligibility.
- After filing, refer to EDD's [step-by-step UI claims process](#)². There they can learn what to expect and the actions needed to take through the course of the claim for receiving benefit payments as long as they're eligible.

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- **Disaster Relief Assistance for Immigrants**

Covered California, Medi-Cal and CHIP

Resources, tools and how to get involved

Disaster Relief Assistance for Immigrants

Who is eligible?



- Eligible Californians may receive one-time COVID-19 disaster relief assistance at a value of \$500.
- A limit of two adults per household can receive this assistance (maximum assistance of \$1,000 per household).



Disaster Relief Assistance for Immigrants

How will it work?



- The CA Dept. of Social Services (CDSS) will select community-based nonprofits to deliver the assistance directly to qualified individuals.
- CDSS' goal is for Californians to access this relief starting mid-May 2020.



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Resources, tools and how to get involved

What is considered “countable income?”

- California has the only state subsidy program to help middle class Californians pay for health insurance.
- All unemployment benefits (traditional and Pandemic Unemployment Compensation [PUC]) are included in recipient’s income for purposes of eligibility for financial help through Covered California



Call **1-833-ASK-SBDC** for free one on one support.

“Countable income,” continued

- Pandemic Unemployment Compensation (PUC) is not considered countable income for financial help and premium assistance for Medi-Cal and CHIP, but traditional benefits are considered for Medi-Cal and for CHIP

	Covered California with Financial Help	Medi-Cal
CARES Act Tax Credits or Stimulus Payments	No	No
Extra \$600 per week PUC Payment	Yes	No
Traditional Unemployment Benefits	Yes	Yes

Note

- Because this is a brand-new program, each state will need time to develop all the necessary system programming, forms, processes and procedures
- PUA is a brand-new program and rivals the size of the regular UI program that EDD already administers (in other words, PUA is huge and complex)



Call **1-833-ASK-SBDC** for free one on one support.

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Resources, tools and how to get involved

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COVID-19 displaced workers



Governor Newsom joined Bitwise Industries in announcing OnwardCa.org, a platform connecting COVID-19 displaced workers with more than 70,000 job opportunities in critical industries.

Resources, tools and how to get involved

COVID-19 resource portal



Visit our online resource hub:

www.smallbusinessmajority.org/covid-19-daily-updates-for-small-businesses

Find resources, links to upcoming webinars and policy updates surrounding the COVID-19 outbreak on our website.



Resources, tools and how to get involved

Venturize



Visit our online resource hub to find info on state and local emergency relief funds:

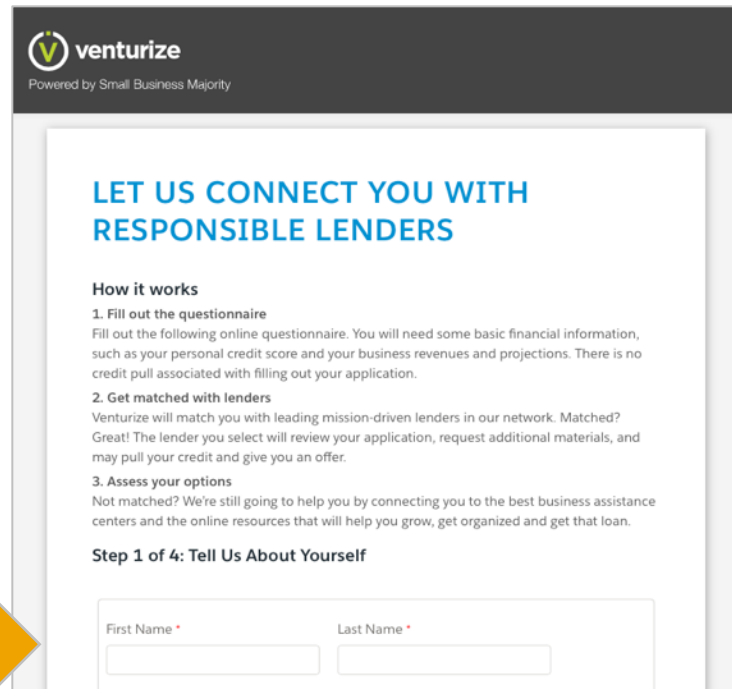
www.venturize.org

Venturize.org is a free online resource hub for small business owners like you who need help accessing tools and resources to grow their businesses. Venturize offers unbiased information about small business loans, retirement and healthcare.



- **For California businesses:** A short set of questions will connect **small businesses** to lenders that prioritize supporting small businesses and offer more affordable terms than many traditional financial institutions.
- All lenders are long-standing partners who share our mission: to ensure small businesses get affordable, responsible sources of capital to start, grow and sustain their enterprises.

matchfinder.venturize.org



The screenshot shows the MatchFinder application interface. At the top, there is a dark grey header with the "venturize" logo (a green 'v' in a circle) and the text "Powered by Small Business Majority". Below the header, the main content area has a white background. The title "LET US CONNECT YOU WITH RESPONSIBLE LENDERS" is displayed in blue. Underneath, the section "How it works" lists three steps: 1. Fill out the questionnaire, 2. Get matched with lenders, and 3. Assess your options. Each step has a brief description. At the bottom, the section "Step 1 of 4: Tell Us About Yourself" contains two input fields labeled "First Name *" and "Last Name *".

venturize
Powered by Small Business Majority

LET US CONNECT YOU WITH RESPONSIBLE LENDERS

How it works

- 1. Fill out the questionnaire**
Fill out the following online questionnaire. You will need some basic financial information, such as your personal credit score and your business revenues and projections. There is no credit pull associated with filling out your application.
- 2. Get matched with lenders**
Venturize will match you with leading mission-driven lenders in our network. Matched? Great! The lender you select will review your application, request additional materials, and may pull your credit and give you an offer.
- 3. Assess your options**
Not matched? We're still going to help you by connecting you to the best business assistance centers and the online resources that will help you grow, get organized and get that loan.

Step 1 of 4: Tell Us About Yourself

First Name * Last Name *

Help us find spokespeople

- We're dedicated to ensuring that lawmakers and the media hear from real small business owners about how they're being impacted by COVID-19.
- Through our spokesperson program, we connect business owners with media opportunities and chances to testify and share their story with lawmakers.
- **Join our sign on campaign and call on Congress to bail out Main Street:**
<https://go.smallbusinessmajority.org/l/229072/2020-03-19/6z7mt>





Stay in Touch!



Bianca Blomquist

California Policy & Engagement

(612) 309-0095 | bblomquist@smallbusinessmajority.org

Online Community Forum

community.smallbusinessmajority.org

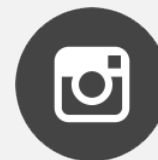
Connect with us!



Small Business Majority



@SmlBizMajority



smlbizmajority

Lawrence R. Johnson

Lead Program Advisor

► **Small Business Development Center at El Camino College**

COVID-19 Relief Programs Update

EIDL VS PPP HIGHLIGHTS

EIDL Goal: Provide access to working capital for biz operations

PPP Goal: Provide aid to retain workforce w/debt forgiveness for payroll

Economic Injury Disaster Loan (EIDL)	Program	Paycheck Protection Program (PPP)
Up to \$2 Million	\$Amount	2.5 x avg. mo payroll (Sch. C income) up to \$10 million
Up to 30 years-1 st payment deferred 12 months	Term	2 yrs—6 months deferred payment
3.75% APR-for profit & 2.75% APR for--nonprofit	% Rate	Fixed 1% APR
Up to \$10k cash advance forgivable	Forgiven	Up to 100% if conditions are met
Fixed debt, payroll, AP, utilities	Use of Funds	Payroll, mortgage interest, rent & utilities
Covid19relief.sba.gov	Available	Banks, community banks etc.

THINGS TO KEEP IN MIND

What costs are eligible for payroll?

- Compensation (*salary, wage, commission, or similar compensation, payment of cash tip or equivalent*)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of employees

What costs are not eligible for payroll?

- Employee/owner compensation over \$100,000
- Taxes imposed or withheld under Chapters 21, 22, and 24 of the IRS code
- Compensation of employees whose principal place of residence is outside of the U.S

What are allowable uses of loan proceeds

- Payroll costs
- Employee salaries, commissions, or similar compensations
- Costs to continue group health care benefits during periods of paid sick, medical, or family leave & insurance premiums
- Payments of interest on any mortgage obligation
- Rent/rent under lease agreement, utilities

SBA RESOURCES



- SBDC Hosted by El Camino College

southbaysbdc.org *(make sure and sign-up as a client)*

- For additional information, visit:

sba.gov/disaster

- Call SBA's Customer Service Center at:

[800-659-2955](tel:800-659-2955)

- SBA Los Angeles District Office:

sba.gov/ca/la



Funded in part through a cooperative agreement
with the U.S. Small Business Administration.



COVID 19 RELIEF PROGRAMS



Larry Johnson
Small Business Development Center (SBDC)
Hosted by El Camino College
Lrjohnson@elcamino.edu

310-200-2091
<https://southbaysbdc.org>



Funded in part through a cooperative agreement
with the U.S. Small Business Administration.





Policy Updates on PPP

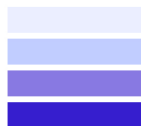
- ▶ The House bill that was released today includes a whole bunch of PPP changes - some of the major ones include:
 - ▶ More money with a set aside for CDFIs specifically to get out to the community & a set aside for businesses with <10 employees and non-profits
 - ▶ Adds flexibility in the covered period for borrowers by extending the 8-week period to 24weeks and extends the covered period from June 30 to December 31
 - ▶ Extends maturity date of loan from 2 to 5 years
 - ▶ More flexibility on 75% for payroll / 25% expenses
 - ▶ Clarifies Forgiveness needs to make clear
- ▶ Timing: will probably move through the House within a week, but the Senate is in no rush to pass anything.



Anna Marie Cruz

▶ Western Regional Manager
Initiative for a Competitive Inner City

Entrepreneurship Advantage Vice-Chair



COVID-19 Resources

[Coronavirus Economic Vulnerability Map](#)

- ▶ Categorizes high and low poverty areas and their vulnerability to this crisis
- ▶ Useful for identifying where to focus resources, interventions, and possible partners/collaborators

Other Resources

- ▶ [CAMEO COVID-19 Resource Page](#)
- ▶ [Crowdfunding COVID-19 Resources Page](#)
- ▶ [Fact Sheet on Heroes Act](#)
- ▶ [Coronavirus Economic Vulnerability Map](#)

Discussion

- ▶ What are some new programs that your organization is undertaking to address COVID-19?
- ▶ What are LA-based resources that you would strongly recommend to network members?
- ▶ What challenges have you been experiencing? What gaps are you seeing?
- ▶ What information or resources would be helpful for you/your clients as you navigate COVID-related issues (i.e. legal, policy)?



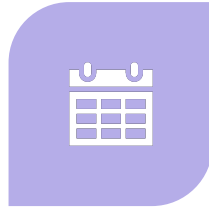
Thank You!

- ▶ CAMEO
- ▶ CIT One West, Wells Fargo, Bank of the West, and First Republic Bank
- ▶ EA Steering Committee Members
- ▶ EA Members

Get Involved



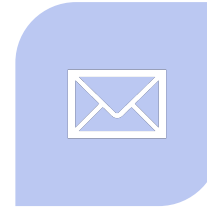
CONNECT WITH US ON
LINKEDIN: [HTTPS://
WWW.LINKEDIN.COM/
GROUPS/12306659/](https://www.linkedin.com/groups/12306659/)



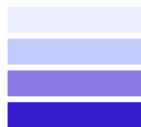
SAVE THE DATE:
EA SUMMER
CONVENING, JULY 9



DONATE OR
VOLUNTEER



SEND INFO ABOUT
YOUR ORG AND
UPCOMING EVENTS TO:
[MCRUZ@CAMEONETWO
RK.ORG](mailto:MCRUZ@CAMEONETWORK.ORG)



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Questions?

For questions or comments, email
mcruz@cameonetwork.org