



May 26, 2020

Dear Members of the New York Congressional Delegation:

With close to 23,000 deaths and hundreds of thousands testing positive, New York has been devastated by the pandemic. In the first two months alone, the New York State Department of Labor reported that more than two million individuals filed for unemployment insurance. While these horrific numbers have demonstrated the urgent and prudent need for a response, these protective measures will have a long-lasting effect on our small businesses. Many of the businesses are now closed and may never recover or reopen. We know that you share in our concern over New York's small businesses that are the heart of our communities as they struggle to keep their doors open and staff employed.

Earlier this month, the New York State Senate and Assembly held a Joint Legislative Hearing to hear from small businesses, agricultural representatives, business associations, and the banking industry in order to better understand the impact of federal policies on all New Yorkers. The following are some of the key take-aways and recommendations from the hearing regarding the federal response to date and suggestions for changes as future federal measures are enacted:

Paycheck Protection Program (PPP)

- Several small businesses and business representatives testified that although the PPP was welcome assistance to keep workers on the payroll, the time frame for using it was problematic. When the first CARES Act was approved and PPP funding was made available in early April, eight weeks of assistance for closed business seemed sufficient. No one envisioned that many sectors of business such as restaurants or small retail operations could be closed to consumer foot traffic for months. In order for a small business to use the PPP as a grant instead of a loan the program requires that all employees the business received assistance for be rehired at the end of the eight week period even if sales or reopening were not possible. In the second leading apple producing state, this assistance is even less effective for many farms, where most seasonal workers are not typically hired for weeks after this funding was available. The timing is also a problem for New York's significant hospitality industry dependent on summer travel and events that are already being cancelled.
- ✓ Congress needs to provide flexibility for the loan forgiveness aspect of the PPP until December 31, 2020, with the caveat that some business sectors may need even longer due to their states/regions closure orders and re-opening procedures and limitations. Many furloughed employees are experiencing childcare issues while other employees may be earning more through enhanced unemployment benefits than the small business can provide as a salary.



## Agricultural Assistance

- Federal aid targeted for farms is just beginning to be allocated with concerns about regional and industry disparities across New York. While we support the use of funding to buy excess farm production that would otherwise go to waste and donate it to those in need, the timing of the distribution may be out of cycle for New York's fruit and vegetable farms.
  - ✓ Congress needs to explore reserving some of these funds for losses that may occur later in the year for the Northeast. The initial awards for food businesses to process and repackage foods seems to be skewed, as businesses located in the northeast region of the country are only getting 5 percent of the funding.
  - ✓ Congress must set aside specific funds that are available through the USDA or other federal agencies to reimburse farms for costs associated with workers' health and safety, including safe housing and appropriate PPE for affected workers. Additionally, Congress needs to request that the USDA produce and distribute clear guidance related to applying for federal assistance programs as well as workplace safety for farmers and workers alike.
  - ✓ Congress needs to provide federal funding to food distribution programs that is flexible and allows them to purchase regionally produced and processed food, thus ensuring food insecure individuals and families have access to fresh products from New York farms. Further, future funding should allow, as an eligible expense, the purchase and installation of the infrastructure necessary to support local food distribution programs to safely store food received from regional producers, such as additional cold storage for dairy products and foods that may only be available seasonally, such as apples and onions.

## Other Federal Issues That Need to Be Addressed

- Congress needs to request that all federal agencies issue clear guidance on how future programs will be implemented, require that all agencies create simplified application platforms and procedures that would allow every business to navigate the program and apply for necessary assistance, and finally, improve program transparency. For instance, the roll-out of PPP and EIDL has been chaotic, leaving small business owners unsure which program is best for them. It has been reported that many businesses still do not fully understand the terms, conditions, and limitations of EIDL and PPP.
- Guidance and funding for personal protective equipment and devices (PPE) need to be provided. As businesses re-open, their employees and customers need to be safe. The Centers for Disease Control needs to provide guidance industry-by-industry on what is necessary to accomplish the operational goal of workplace safety and consumer confidence. Further, many small businesses do not have the same financial resources or supply chain necessary to access and pay for appropriate PPE.

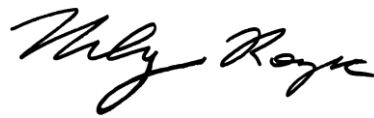
- Congress needs to ensure that all federal spending for the CARES Act and other pandemic related legislation for relief and assistance be accounted for and publicly disclosed. Transparency of spending and data related to those expenditures is essential to accountability of taxpayer funds.

As New York begins to slowly re-open the economy and re-engage businesses, your collective assistance and support are necessary as we move forward to assist our small businesses and mend our economy. Please keep us apprised of any updates as you proceed with the next rounds of stimulus funding and let us know how we can work and advocate together to help all New Yorkers through this difficult period.

Sincerely,



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Chair, Assembly Standing Committee  
on Small Business



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