

House Finance Committee

Emailed Public Testimony

for Hearing June 17<sup>th</sup>, 2020

Small business impacts related to the Paycheck  
Protection Program (PPP), Economic Injury  
Disaster Loan (EIDL), and Coronavirus Aid Relief,  
and Economic Security (CARES Act)

this packet contains emails received  
by 4:30pm June 17<sup>th</sup>.

**From:** Lori Berrigan [REDACTED].com>  
**Sent:** Wednesday, June 17, 2020 2:50 PM  
**To:** House Finance <House.Finance@akleg.gov>  
**Subject:** Funding of Early Childhood Education in Alaska

Dear Legislators,

I am the owner and administrator of a childcare in Palmer Alaska. As you know, private childcares and preschools are part of the essential services to keep our economy running.

In February, before the pandemic, we were serving 78 children and 54 families. Today we serve 35 children and 26 Families. Our enrollment is half of what we were prior to the pandemic. We do not expect enrollment to reach pre-pandemic levels for at least a few months to a year. This of course will depend on the number of active Covid-19 cases in the state and if and when public school opens in the fall.

While many of us received and utilized the PPP loan to keep our staff employed, most of us will have to lay off part of our staff due to decreased enrollments. I myself have exhausted our PPP loan as I followed the original guidelines set by the SBA. 75% spent on salary over 8 weeks and that our staff FTE must equal the pre-pandemic number. If additional funding is not received, I will need to lay off at least half of my staff in July.

Once staff is laid off, this will make it very difficult to be ready to increase enrollment as needed in the fall. One of our biggest challenges in early childhood education is finding and training new staff. Training new staff takes time and resources. Staff turnover also decreases the quality of our programs. Remember, quality early childhood education is essential as this is the time in a child's life when 90% of the architecture of the brain develops laying the foundation for all future learning.

As many of you know, licensed childcare centers were told that we would receive three months of funds of our pre-pandemic enrollment via the building capacity grants. So far, we have received one month and have been told the funds are now exhausted and that the CARES ACT funds will not be used to help childcare centers. These are funds we counted on and used in our budgets as we were told they would be coming and now are left wondering how we will meet both the needs of our community and be prepared in the fall.

In order to be ready to accept new enrollments and meet the needs of our community this fall, additional funding will be required. This could come via fulfilling the promise of the building capacity grants or allowing those of us who qualified for SBA funding to apply for the AK CARES Grant Program available via the State.

Sincerely,  
Lori Berrigan  
Palmer LifeWays

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**-From:** ALCC Admins ALCC Admins <alccjuneau@gmail.com>  
**Sent:** Wednesday, June 17, 2020 3:50 PM  
**To:** House Finance <House.Finance@akleg.gov>  
**Subject:** House finance committee public statement for 6/17/20 meeting

**Hello,**

I am the Administrator of a licensed childcare facility in Juneau Alaska for 35 children between the ages of six weeks and six years old. We are hoping to reopen next month, however I have grave concerns about our ability to operate and remain open.

I have heard from other child care centers that are open and struggling with staff absenteeism based on the need to not work for 72 hours after symptoms have passed. While none have yet had to shut down the center for the day due to low staff numbers, they are running on the most minimal ratios to remain in compliance with regulations rather than with a healthy amount of staff.

I had planned our budget based on having three months of money from the CCPO as promised in their email. Our center has applied for and used the PPP loan because we had planned on re-opening based on this budget. I would be using the money to have to float staff on to account for higher staff absenteeism in order to meet health mandates.

I am horrified to find out that this administration has chosen to not give childcare providers in the state of Alaska this promised money as intended. The 26 page grant program is a confusing application that sounds like its only for a school district, and I'm sure many providers missed out on putting in a letter of intent by the deadline that just passed.

Childcare IS an essential service. Childcare providers across the state need money NOW. I have already seen some facilities closing their doors. The situation is THAT time critical. As we say in the classroom, please make good choices.

Thank you for taking the time to read this as I cannot call in today.

Katie Stabnau

**Administrator Katie Stabnau**

**\*\*Emails will be checked intermittently during closure due to COVID-19 in our community.\*\***

**Aurora Lights Childcare Center (ALCC)**

**Phone: [907-780-4323](tel:907-780-4323)**

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From: Crisi Matthews [REDACTED]om>  
Sent: Wednesday, June 17, 2020 12:06 PM  
To: House Finance <House.Finance@akleg.gov>  
Subject: AK CARES

As a business owner of 6 different sales tax generating businesses in the city of Homer we were quite disappointed that we worked very hard to try to secure PPP and because we were in the first round of funding for that we receive very little because the calculation was done over a 12 month spread and our payroll is primarily a summer season generator. We have prepared to return the measly \$3,000 we received from PPP to be eligible for Alaska CARES funding. We were told that we would be ineligible because that money has been received even if we returned it and even if we haven't spent it. We followed all the legislative call ins and also called into ATIA and the senators' Town hall meetings urging us to apply as soon as possible for PPP. We followed that just to find it made us ineligible for the actual funding coming to our state and community. It is disheartening that money set aside to help businesses such as ours will be withheld because of the small amount we received in PPP.

Additionally the current travel-required testing protocol is unavailable to most out of state travelers and we continue to experience on-going cancellations for our hotel, our charter and our cafe has been closed for now.

Most businesses on the peninsula filed their sales tax when the monies are actually received for reservations we take all year long. Therefore the cut off date of March as a basis for local sales tax reporting to be eligible for local funding also makes most seasonal summer businesses ineligible for local funding despite the fact they bring in four times the revenue in that summer month timeframe.

Most of the funding we have requested through Alaska cares funding is to help pay local vendors to keep their businesses moving also for services and items received at the onset of Covid. It would be helpful for the legislature to reevaluate the framework for how this money is disbursed to Alaskan businesses as the current criteria omits quite a few of them! Please allow businesses to return their PPP or lessen the AK CaRES award monies by that figure to the small businesses applying.

Respectfully delivered on the go with dictation!

Crisi Matthews

Homer Shores Boardwalk

907-[REDACTED]-[REDACTED]

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**From:** Kueni Maake [REDACTED]@hotmail.com>  
**Sent:** Wednesday, June 17, 2020 9:13 AM  
**To:** House Finance <House.Finance@akleg.gov>  
**Subject:** Childcare Needed in Alaska

To Whom It May Concern:

Alaska needs a strong childcare system to be able to expand and pivot caring for young children in many new ways and to include care for school-age. Funding is one area needed. I urge you and any State official to help out by investing in young children and working families.

Sincerely yours,

Kueni Maake  
Owner/Director  
ABC Center  
Juneau

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**From:** Heather Cortez <[REDACTED]com>  
**Sent:** Wednesday, June 17, 2020 8:29 AM  
**To:** House Finance <House.Finance@akleg.gov>  
**Subject:** Ak Cares Program

Hi

I wanted to write to urge this committee to re-examine this program. This article, attached, explains the issue that so many businesses have, including mine. Please change this exclusion so the true nature of the program can be executed, helping Alaskan businesses survive this. It's the small Alaska businesses that make Alaska, or any destination, unique. As a child, visiting Homer meant seeing the little shops and I vividly remember getting a big colorful kite every year to fly on the spit. People come from all over to visit us and its businesses like the little kite shop that make us, not the Fred Meyers or Bed bath and Beyond. I am a third generation Alaskan and as much as I get excited for the lower 48 chains to come up, a small gift shop is so much more important.

**Please amend this exclusion as many of us applied for the federal money at the CONSTANT urging from the SBA and the local Alaska Small Business Development Center. If many of us had known it would preclude us from these grants, we would not have applied.**

Thank you!  
Heather Cortez

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**From:** Julie Saupe <[jsaupe@anchorage.net](mailto:jsaupe@anchorage.net)>  
**Sent:** Wednesday, June 17, 2020 12:17 PM  
**To:** House Finance <[House.Finance@akleg.gov](mailto:House.Finance@akleg.gov)>  
**Cc:** Bill Popp <[bpopp@aedcweb.com](mailto:bpopp@aedcweb.com)>  
**Subject:** AK CARES program needs

Dear Co-Chair Johnston, Co-Chair Foster and Members of the House Finance Committee,

On behalf of my Co-Chair Bill Popp and the members of the Anchorage Economic Resiliency Task Force (ERTF), I have attached a letter requesting your assistance to expand the eligibility standards for AK CARES Act funding. As you have heard, the current eligibility requirements **have left a significant portion of Alaska businesses and non-profits behind, with no chance to secure this much needed assistance.**

In advance of your meeting this afternoon, I encourage you to take a moment to read the concerns of the ERTF. Many of our Task Force members are “in the trenches” and working daily with the businesses and non-profits that are most in need. We are asking for your help and work to find a solution, even if it means convening a special session.

Thank you for your time and service,  
Julie

Julie Saupe | President & CEO  
Visit Anchorage | 524 W Fourth Avenue | Anchorage, AK 99501  
907-276-4118  
**LEARN MORE** [Anchorage.net](http://Anchorage.net)  
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## ERTF Members

Bill Popp, co-chair  
*Anchorage Economic  
Development Corporation*

Julie Saupe, co-chair  
*Visit Anchorage*

Jon Bittner  
*Alaska Small Business  
Development Center*

Bruce Bustamante  
*Anchorage Chamber  
of Commerce*

Drew Cason  
*Anchorage Home Builders  
Association*

Judith Crotty  
*Wells Fargo*

Monica Emerton  
*Green Connection & BOMA*

Mara Kimmel  
*Municipality of Anchorage*

Nolan Klouda  
*UAA Center for Economic  
Development*

Heather MacAlpine  
*Office of Equal Opportunity*

Amanda Moser  
*Anchorage Downtown Partnership*

Nikole Nelson  
*Alaska Legal Services Corporation*

Sarah Daulton Oates  
*Alaska CHARR*

Debbie Rinckey  
*Chugiak-Eagle River  
Chamber of Commerce*

Kirk Rose  
*Anchorage Community Land Trust*

Chris Schutte  
*Office of Economic and Community  
Development*

Alex Slivka  
*Office of Management and Budget*

Jasmine Smith  
*The Business Boutique*

Ethan Tyler  
*CIRI*

Silvia Villamides  
*Alaska Hospitality Retailers*

Jonathan White  
*Steam Dot Coffee Company*

Laurie Wolf  
*The Foraker Group*

Geoff Wright  
*Pango Technology, Inc.*

June 17, 2020

Subject: Support for Expansion of AK Cares Act Eligibility

Dear Co-Chairs Foster and Johnston and Members of the House Finance Committee:

As members of Mayor Berkowitz's Economic Resiliency Task Force, we have been tasked with advocating for the needs of our business community - and Alaska businesses and non-profits need help **now**. We are disappointed to see the limited eligibility of AK CARES funds to Alaska's small businesses and non-profits devastated by COVID-19 who have been waiting for a life raft.

We understand that the State's task of rolling out a new program on short notice that attempts to meet the enormous need is a difficult and rocky process. We ask that Governor Dunleavy, the Alaska Legislature, and partners administering the program understand that it is even more challenging on the other side. Small business owners were asked to put their businesses on the line, and did so for the public good. Many of these businesses and non-profits now find that they have been excluded from access to that life raft due to limited eligibility restrictions. Many non-profits are in the same position, while also being expected to respond to the community's needs during and after the pandemic.

The current AK CARES program - with eligibility standards that exclude businesses receiving even micro-amounts of federal support and a lack of inclusion for non-profits cannot provide the support they need and deserve. The current eligibility structure is also causing some businesses to forgo other available federal funding so that they can apply for AK CARES. This will result in significantly less funding hitting the state during a time when we need it most.

We've talked to numerous small business owners and non-profit leaders who've tried to secure funding through the PPP, the EIDL, the Municipality of Anchorage's grant, private grants and loans through financial and philanthropic institutions. After much effort, many have seen rejection after rejection, confusing and difficult application processes, and busy phone lines. Small businesses and non-profits are exhausted, disillusioned, and working harder than ever to make it. We have the opportunity to help these businesses with the AK CARES funds.

**We stand with small businesses and non-profits in asking the State of Alaska to expand eligibility, and make different pots of relief money work together to best support Alaska's business and non-profit community and to ensure that the application process is simple and accessible.**

The State has been tasked with distributing \$290 million in two tranches to small businesses and non-profits. While the initial \$150 million that is currently being administered by Credit Union 1 is a good opportunity to reach businesses that didn't access other relief funding, **we recommend that the second tranche include those who have received federal relief funds, prioritizing those who have only received small amounts as well prioritizing non-profits (including 501c6's), as they have been largely left out of existing relief in our state.**

## ERTF Members

Bill Popp, co-chair  
*Anchorage Economic  
Development Corporation*

Julie Saupe, co-chair  
*Visit Anchorage*

Jon Bittner  
*Alaska Small Business  
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Bruce Bustamante  
*Anchorage Chamber  
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Drew Cason  
*Anchorage Home Builders Association*

Judith Crotty  
*Wells Fargo*

Monica Emerton  
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Mara Kimmel  
*Municipality of Anchorage*

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Sarah Daulton Oates  
*Alaska CHARR*

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Silvia Villamides  
*Alaska Hospitality Retailers*

Jonathan White  
*Steam Dot Coffee Company*

Laurie Wolf  
*The Foraker Group*

Geoff Wright  
*Pango Technology, Inc.*

In the meantime during this first deployment of \$150 million, we recommend continued effort communicate the opportunity and application process, and get money out the door quickly.

Businesses and non-profits are the backbone of our economy, the gathering spaces for our community, the first responders to crisis, and the employers who closed their doors to protect our health. They have been tossed a few life preservers when Alaska's boat overturned. Now that a rescue boat is here, we need to make sure it has a spot for everyone- whether they received a life preserver or not.

We urge Governor Dunleavy and the Alaska Legislature to do what it takes to ensure all small businesses and non-profits get the help they need- **even if it requires a special session.** We realize that what we're asking for isn't easy. Changes to this program will require hard work on behalf of the Legislature and the Governor. Our small businesses have made hard decisions, too; they've laid off workers, shut their doors, and cut costs where they could. Now, we're asking the State of Alaska to stand up for them before we lose them.

Thank you for your consideration.

Sincerely,



Bill Popp  
ERTF Co-Chair



Julie Saupe  
ERTF Co-Chair