

AAR Meeting Notes June 23, 2022

Facilitation Team – Phyllis Shulman, Kevin Harris, Hazel Wilburn, Kevin Baker, Christina Sanders, Brian Anderson

Attendance:

Opening Remarks/Welcome

- **Adam Wasserman (AW):** Welcome everyone!
- **Phyllis Shulman (PS):** The main purpose today is to review agency decision making and the impacts to the economy and the issues that came from that. If you have ideas for improvement of disaster response, please share them during the discussion so we can capture them. It is important to glean from you areas for improvement. We will have 3 presenting entities today from different perspectives. Some announcements: A number of people have volunteered to be involved in a discussion about what it really means to have equity throughout this process. Please fill out your availability on the doodle poll, and if you are interested put your name in the chat. We will try and set that up in the next couple of weeks.
- **Stacey Dym:** We should capture impacts on non-profits. A lot of times agencies do not have a category for non-profits to apply for impact funding.
- **PS:** Thank you. A reminder that we are scheduling individual interviews a few at a time. If we are contacting you, but you don't want to be interviewed please let us know so we can take you off the list. The interviews are another way to get your input and have more time to talk about details. The steering committee has been going through the ideas and suggestion submitted by people, and we are incorporating them as we can. They are being looked at. Some guidance for the workgroups will be forthcoming, including on how to incorporate equity.
- **Kevin Harris:** I have added those reminders onto the slides.
- **Kevin Baker (KB):** I am going to share a couple of things before our first speaker. I am going to open with asking us to breathe. To breathe deeply, and when we breathe out to let go of negative energy. We need to always remember that wherever we are in this country, we are on Indigenous land. That their descendants are still struggling with discrimination. We should also remember the contributions of those of African descent. We should remember the 7 directions. We should reflect on who we are, whose we are, and how we show up in the world. Everyone unmute and say your name. Thank you. Some facts about Juneteenth. Some have heard that there were African Americans then, but that term only became used in the 1980's, before that there were kidnapped Africans. It is also thought that all slaves were freed on that date, but those that had been loyal to the Union were not freed till the 13th amendment. These are some things we need to remember. Please sign up for the equity meeting. Right now there is one scheduled but there will likely be more. We would also like those involved in the equity group to give input to the guidance to the workgroups. One thing we have heard is that equity needs to

be embedded in this process. I like the term embody. For this to happen, we need to do our personal work to embody the principles of race and social justice and diversity equity and inclusion. For so long we have othered DEI. We see it as something outside of ourselves. I have a question for you. When we talk about systems of white supremacy and racism, who are we talking about? Who participates in them?

- **Fernando Martinez (FM):** We all participate in them either by choice or survival.
- **KB:** We need to stop othering and look in the mirror. What is my role? We need to work on ourselves so that wherever we are equity is embedded. For years we used the wrong language. There were fights and protests for equality. Ultimately, we were asking for the wrong thing. Policy change happened, but hearts and minds did not change and thus nothing changed. We must recognize the challenge of this work. We now use the word equity: that everyone gets what they need to be successful. Fairness is not our goal. Our goal is to provide everyone what they need to be successful, and that will be different for everyone. Enslavement was not fair. Laws that were created by local state and federal government were not fair. We all must do our own work. We should post in our houses: "Truth ain't hate."
- **KB:** Fernando is here to talk about COVID response impacts on minority owned businesses. I'd like to point out that there was already an issue with this before COVID.
- **FM:** Thank you. We only researched businesses and did not include impacts on nonprofits. In the research our partners conducted, they did not include the impact on Native Americans. The professor said that that population was so negligible that they could not extrapolate on impacts. That was offensive to me. We should focus on all our business sectors. If universities see the Native American community as negligible, that is a problem.
- We are a 501c3, founded in 1973. It was realized then that the government was not doing business with people of color and an executive order directed that to change. We are the premier advocacy group in this area.
 - 4 pillars of action: Certify, develop, connect, advocate.
 - Certify: We validate that any business wanting to join is owned by ethnic minority
 - Develop: Provide education
 - Connect: Use our network of members to provide networking opportunities
 - Advocacy: Education and promote minority businesses
- \$27 billion in state revenue risk
- Historical recovery from big event is about 3 years. Katrina employment started to rise after 3 months. COVID is expected to become an annual strain.
- Conducted town halls and surveys separately:
 - There were 5 key results
 - Leadership, Cash & Cost Management, Reinvention & Pivot, Communications, Entrepreneurship.

- When businesses did not ask for help early, they got hit hard. If they were only 1 dimensional, they were also likely to go under. 84 businesses were lost, 75% of which were lost due to COVID.
- Some businesses had previous experience with downturns such as 2008. They immediately went into cash conservation, and they really understood cash flow. They were able to work with their suppliers and others early. That fast movement, that determination to win really allowed them to stay in business.
- Our region declined significantly in many economic indicators.
 - We did a calculation to count the economic cost per case of COVID in our region. Dividing the economic cost by the number of cases. It came out to \$88,218 estimated economic cost per case. Some long-term costs are not included in this calculation, including long haul health issues, and lost educational opportunities. This cost is unknown at this point.
- The businesses of color will be hit hardest.
- We did a live survey at an event to add to the dialogue. We asked what impact did COVID have on your business and others with your circle of influence?
 - Those businesses with both public and private contracts were insulated, as the public sector was spending but private was not. But now with the decline in tax revenues the pendulum is swinging back.
 - Employee burnout was also mentioned. The employment protection payments were focused on those businesses with high-end customers.
 - Cash flow was a n issue for Minority Business Entities (MBE) surveyed.
 - Constrained supply chain flow
- Important lessons learned:
 - Effective forecast to mitigate risk.
 - Cash flow management is imperative
 - Shift your services to meet market pain
 - Important to be mindful to what employees are going through.
- COVID hit minority businesses most heavily, but we have always been at a disadvantaged, and that is why my organization exists.
- **KB:** Lets open it up to questions
- **Chandra Fox:** This was very helpful, especially the data. In the coaching and education you provide, does that include continuity of operations planning, not just cash flow, but managing and storing records, do they have an alternate location or plan to do business.
- **FM:** We do have records management training, but focused on protecting immigration status. We do succession planning training, and how is your infrastructure designed so you can expand or contract as needed. We have not gotten into disaster response. It is something we will be looking at in the near future.
- **Winona:** Are your slides available?
- **FM:** Yes, happy to share them. We post them on our blog as well so they are open to the public.

- **Matt Stoutenburg:** Was wondering about the impact of business loss insurance on your constituents. A lot of things around COVID aren't covered but wanted to hear more about your experience.
- **FM:** We knew there would be no coverage for many things. Sometimes you may get support from the government but sometimes you won't. An example, in one area with tourist businesses they were getting a lot of compensation when the buildings were razed, but an area with predominantly black owned businesses were not given as much money. 80% of our MBE's applied for PPP in the second wave, and some got it. We gave as much information that we could to sustain their businesses, but that is the most we could do.
- **Stacy Dym:** As a small nonprofit and not a lawyer, I now know force majeure means. There were contracts we could not get out of, and we had to pay a lot to get out of leases we no longer needed.
- **FM:** We do a lot of internal business in the network so there was a lot of mutual support. A lot of our businesses were able to renegotiate leases, negotiate down the terms of their contracts. Those that acted quickly at least. At the council itself, we cancelled contracts and a lot of our partners allowed us to suspend or council contracts. MBE's responded well to that issue.
- Our events we plan a year ahead. The venue we were working with, allowed us to move our deposits to the next year, and then to the second year. They worked with us. So now we are working with them.
- **Kevin Harris (KH):** 2 questions: When a crisis hits, who do you consider to be trusted advisors to MBE's that they are willing to go to for help.
 - **FM:** One of our pillars is advocacy. I trust most of our corporate members. Some of them are just checking a box, and we kind of know who they are. I go to the leaders of businesses and work with them to get and give advice. There are some people at the University of Washington that I trust. There are peers across the country that I trust and seek advice from.
- **KH:** What are you hoping for in terms of responses, or coalition building that your organization has for this task force?
 - **FM:** What I ask of this task force: I think this task force can affect change in a positive way by being truthful and public centric rather than politically centric. We are ranked 34th in efficiencies in response efforts. We overstepped our bounds and didn't let the market balance itself. All the restrictions and restraints meant that businesses and people suffered. I really want this to result in a clear report of here is what happened, here are the results, here is how we compare to other states, and here is what we should do in the future.
- **KB:** What was the impact on very small businesses, and entrepreneurs that didn't have the resources to even apply for PPP.
 - **FM:** We put out a survey but didn't get many responses. We don't have much data on those types of businesses. They suffered, but we don't know much more than that.

- **Linda Womack:** I was going to include in my presentation. Round one of the PPP request many MBE's didn't qualify because they didn't meet the requirements (sole proprietors, etc.)
- **FM:** Big loans went to big companies because they had personal bankers that could get the paperwork in order. And the bankers got a commission on it.
- **PS:** What do you think needs to be in place to support MBEs?
 - **FM:** Help smaller businesses get through all the administrative stuff that needs to happen. Maybe building a hub where we can hire some people to do background administrative stuff and taking 10 hours/month off a business owners' plate.
 - MBE's fail because of lack of cash flow. These small businesses cannot wait several months to get paid. Corporations should have to pay within 30 days. If we fix that piece, that would help. Because
- **KB:** I heard it stated earlier that we need to think about this more publicly, and not politically. There is a scholar that says that oppression is politically motivated and carried out. I think that it is because our political leaders are not willing to do the work to change that in our society.
- **KH:** We will now take a 10-minute break.
- **KH:** I am introducing Tommy Gantz. Thank you for being here. Tommy is the AWB director for government affairs. She has worked in the past as a supply chain analyst in the private sector.
- **Tommy Gantz (TG):** We are the state Chamber of Commerce. 7000 members, 700,000 employees. 65% of our members have 10 or fewer employees.
 - We did a member survey of the challenges faced by our members.
 - Childcare availability has grown in importance recently
 - Lack of qualified workers
 - Inflation
 - We had manufacturers that transitioned to PPE production at the request of the Governor, but it did not work out ideally. We had 500 manufacturers respond to the request, and we realized Commerce was focused on large manufacturers, so small ones were left behind. so we started a rebound and recovery task force to help.
 - We created a website with a lending tree model that people could come on the website and request PPE, and it would connect them directly to smaller manufacturers who could fill that need. There were over 5000 requests for PPE.
 - We put out resources for small businesses such as downloadable signage, notification of policies, etc. Over 2000 downloads in the first week.
 - Based on reports we have collected, small businesses were hit hardest, and were more likely to close. We found that small businesses of color, or women owned businesses were disproportionately impacted.
 - Small businesses are also more likely to have workers who are low wage or have chronic diseases, so they have additional challenges during the pandemic.
 - We advocate for businesses. Some things we worked on were Tax Increment Financing,

- For future pandemics, we think that the magnitude of the impacts to business varied depending upon government responses. There were winners and losers. For example, big box stores with food and clothes were allowed to stay open, while the small clothes stores were required to close.
- Employers need more reliable information about how an event is affecting their community, their industry, and local guidelines.
- Washington was 6th in mortality, but one of the worst in terms of economic impact.
- PPP Loans were also a struggle for some of our members.
- One of the biggest challenges was that they were required to enforce the local regulations and restrictions. This was a huge burden on small businesses struggling to stay open.
- We have worked with Eastern WA University to create a vital statistics page that allows for analysis of current indicators in our state and allows for comparison across states or counties.

- **Commerce presentation**

- **Linda Womack (LW):** Director of WA MBDA
- **Aditi Mukherji (AM):** My colleagues and I have been working on evaluating programs related to COVID response.
- **AM:** Presented slides on metrics of impacts of COVID by business sector. There were impacts at the beginning, and a large peak in 2021.
- The most impacted sectors were leisure and hospitality, transportation.
- Unemployment insurance claims were also collected by racial group. Most impacted was pacific islander. Claims spiked in 2020, and have been declining since.
- Inactive closures have also been counted. (businesses who have closed permanently, or have stopped business processes) Most impacted sectors were whole sale manufacturing, construction, and services.
- These trends are mirrored by national figures, including trends of impacts on small businesses and especially minority owned businesses and businesses owned by women.
- There were also supply chain challenges.
- Commerce has provided support during the pandemic:
 - Over \$500 million in grants over 5 rounds. First round was open to everyone, last round was on specific industries.
- We have specific support for those most severely impacted.
- Accommodation and food services had over 50% of the grants.
- **LW :** Underserved communities and businesses were disproportionately impacted by the pandemic. Commerce has prioritized these businesses in the grant award process.
- LW went over the grant programs that are in place and are upcoming. For example, the Small Business Flex Fund.

- There were a broad range of programs. This is the most effective strategy in limiting economic damage.
- Extending crisis planning support to small businesses is crucial to increasing the resilience of businesses.
- Funding for small business disaster relief should always be part of response.
- **KH:** Are there any specific areas that stand out to you.
- **LW:** There is a broad definition for small business vs. micro business. When it is so broad, some get missed. We need to specify that definition. Second, it is hard to collect minority data. We need to work together to collect good data so we can see where the funding is going, where the gaps are, and how to support organizations that do this work.
- **Chris Cory:** For AWB. You mentioned that WA protected health but were bottom of the pack in protecting economic interests of businesses and employees. Have you found any that could do both?
- **Tommy Gantz:** WA was one of the last to lift restrictions. As a data person, it needs to be accurate and complete. Each state is trying to share the information. I didn't see another state that had the same level of restrictions.
- **Sen Lynda Wilson:** I noticed that both organizations mentioned that collecting minority data is difficult and that you are working on this issue. That would be helpful. When talking about the broad range of programs, it seems to be focused on the pandemic rather than disasters in general. I would push back on the idea that grants are the most effective in limiting economic damage. I think the best thing for businesses is to be in business. We need to keep businesses open.
- **TG:** I volunteer in a museum, and I saw the impact of grants for non-profits, and I understand the need to spend afterward to spur economic growth, but I think it would be better to allow businesses to stay open in a safe way.
 - **KH:** We are going to do breakout groups to have more detailed conversations. The presenters will bounce between the groups. We would like you to be curious and share your stories on economic impacts. Think about the asks. Each of you will be assigned randomly to the color groups. What other information would you like to have available? What did you like that you want to highlight?

Breakout group discussion

- **PS:** I noticed in one group there was discussion about the need to improve communication from local health agencies to state health agencies.
- **FM:** The information from King County was straight forward, and some people thought it was too honest.
 - The person from the public school system seemed honest, but other government officials seemed not very real. I think that put us in the situation we are now in
- **PS:** So, what is needed to build trust in a spokesperson?

- **FM:** When I look at individuals like you or Kevin I know you are being authentic. People couldn't talk because the governor was going to announce it tomorrow at 5:00. We need to know the information now. People are suffering. Businesses need to know. It needs to be timely, and by people who are credible. Transparency and honesty from credible people.
- **Samantha Louderback:** A lot of the enforcement was put on the industry. Now our employers are facing lawsuits for firing people who would not wear a mask. We have notified the governor's office. When emergency rules are put into place, there should be protections for those who are asked to enforce the rule.
- **KH:** We are compiling a list based on today and past meetings of issues that are not addressed in the legislation. The steering committee with your input will have to decide on what issues to prioritize.
- **PS:** What do you think could be put in place in the future on the issue of enforcement.?
- **SL:** Some amendments could be included that hold the business not liable for the issues that arise from enforcement. Usually, it is the state agency doing the enforcement, but in this case, it was the business.
- **Tristan Allen:** At all levels of government, we need more inclusive emergency planning to include businesses and associations. A positive example is the coordination with the grocery industry. We communicated well, and they let us know what they needed to stay open. If we can do that with more industries prior to an emergency that would be helpful.
- **KH:** Tommy mentioned that supply chain issues are extremely complex. The working groups can tackle those big issues.
- **PS:** These issues being brought up can be brought up in the Business Impacts Working Group. What specifically can be done to fulfill things like inclusive planning.
- **Melanie Bacon:** When setting up focus groups, will you be providing them with a list of these additional issues?
- **KH:** Great discussion and presentations today. Thank you.
- **PS:** This is the tip of the iceberg in coming up with ideas. We don't want to lose those. Next meeting is July 28th. The website has the slides and recording. Any last comments?
- **Nate Weed:** Thank you for engaging today.

Attendance List

Adam Wasserman

Aditi Mukherji

Brendan McCluskey

Brianne Probasco

Chandra Fox

Chris Corry

Darcy Jaffe

Erik Riske

Fernando Martinez

Kerstyn Dolack

Matt Stoutenburg

Melanie Bacon

Nari Heshmati

Nomi

Saundra Richartz

Ryan Moore

Sen Lynda Wilson

Theresa Adkinson

Tommy Gantz

Travis Nichols

Tristan Allen

WD Hauge

Christina Sanders

Kevin Baker

Phyllis Shulman

Hazel Wilburn

Brian Anderson

Kevin Harris

- BA

Brian Anderson (Co-host, me)
- HW

Hazel Wilburn (Host)
- Kevin Harris/Ruckelshaus Ce... (Co-host)
- Christina Sanders (Co-host)
- Kevin Baker (Co-host)
- Phyllis Shulman (Co-host)
- AW

Adam Wasserman
- AM

Aditi Mukherji (she/her)
- Brendan McCluskey
- BP

Brianne Probasco (she/her), WA Assoc for ...
- CF

Chandra Fox
- Chris Corry
- Darcy Jaffe
- ER

Erik Riske - MIL
- FM

Fernando Martinez
- KM




























Kerstyn M. Dolack
- MS

Matt Stoutenburg
- MB

Melanie Bacon, Island County Commission...
- NH

Nari Heshmati MD
- N

Nomi
- Richartz, Sandra
-

- | | |
|--|---|
|  Richartz, Sandra |   |
|  RLW0303 |   |
|  Ryan Moore |   |
|  Sen Lynda Wilson |   |
|  Theresa Adkinson |   |
|  Tommy Gantz |   |
|  Travis Nichols (WA DOH) (he/him) |   |
|  Tristan Allen |   |
|  wd hauge |   |