

LEGISLATIVE PRIORITY

Government has an important role to play in supporting the business community

BY JAMES DECHENE AND VERITY WATSON

THE SPREAD OF and reaction to COVID-19 has the world changing minute by minute, and the business community has come together in these uncertain times to focus not only on keeping their doors open and their employees paid but also continuing to be a helpful presence in their communities.

It's not an understatement to say we are currently navigating in uncharted waters. In an effort to provide some stability for employers during these times, the State Chamber of Commerce, along with other chambers across the state, industry associations and other business-focused groups are committed to finding ways for employers to keep their lights on and continue to operate.

Some of these recommendations have already been implemented as of mid-March. Currently the waiting period to file for unemployment benefits has been reduced to seven days. Workers are now allowed to supplement their income with part-time employment while still collecting benefits. Tipped employees are not being classified as minimum wage as long as they claim their tips, increasing them to a higher unemployment benefit rate. Alcohol regulations have been relaxed to increase sales at local restaurants. Zero percent loans have been made available for businesses forced to close under the State of Emergency order.

As we continue to see fallout from this crisis, there are a few more areas where targeted government action could have very positive impacts for struggling businesses. These include:

- Additional changes needed to unemployment insurance:
 - Do not penalize employers when unemployment claims are made. Modification scores should be frozen during this time so businesses who are forced to lay off, especially those closed by executive order, are not further negatively impacted.
 - Increase eligible amounts from \$400 to \$600 per week.
- Many businesses have limited access to cash on hand. We should explore ways to keep cash in the hands of businesses through temporary exemptions from gross receipts and payroll taxes. Zero interest bridge loans and small business loans should be



explored as a way to infuse businesses with cash.

These unique circumstances demand unique solutions. Other recommendations being floated include the state utilizing its top bond rating to borrow funds necessary to fully fund the unemployment insurance trust fund, to provide employers with rent relief, and to cover payroll taxes paid by employers. As mentioned earlier, access to capital remains a critical component for

businesses looking to reopen, to remain open, and stay solvent during these difficult times. The ability for the state to provide this safety net is a much-needed service toward its maintenance of a strong bonding rating was designed to achieve.

As we look forward to the eventual reconvening of the General Assembly, the business community's message is clear—a plea for action only on critical legislation. Budget, Bond, and Grants-in-Aid bills are a priority, as are any bills providing relief to employers, employees, and at-risk citizens. During these uncertain times legislative focus should remain on how we will recover as a community.

The impact of the COVID-19 crisis has the potential to dwarf the economic impact of the Great Recession. In 2008-2009, extraordinary measures were undertaken by the Markell Administration and the General Assembly to keep Delaware going, and just a few short years ago we faced a \$350 million budget deficit that also took extraordinary measures to overcome. With the help and planning of the Carney Administration and the General Assembly, Delaware can position itself to come out of this crisis better positioned for the future.



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