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March 9, 2021

Senator Matt Dolan
Chair, Ohio Senate Finance Committee
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Dolan:

I am writing on behalf of the 21,000 members in support of Senate Bill 108. Thank you for the opportunity to provide comments on this important bill. We are grateful to Senators Huffman and Romanchuk for their sponsorship of this legislation aimed at providing financial relief to bars, restaurants, and the lodging industry.

By way of background, a typical NFIB member in Ohio employs 20 or fewer and does less than $2 million in annual receipts. Our members come from all industry types and each of the 88 counties. Our members range in size from sole proprietors to large operations employing hundreds.

At the onset of the COVID pandemic, our team was fielding hundreds of inquiries from members seeking clarification on what steps they needed to take to keep their businesses in operation and their employees working. Unfortunately, many of our members in the bar and restaurant industry were unable to remain open at the onset of the pandemic. We worked to allow these industries to reopen for carryout and supported the liquor buyback program. Unfortunately, some of these businesses were unable to survive and have shut their doors. Today, those that are still in operation, are doing so in a restricted manner with limited customer capacity and thus reduced revenue. The lodging industry has also experienced a substantial financial downturn as individuals traveled less and restrictions implemented by many businesses on employee travel because of the pandemic.

The COVID pandemic had and continues to have a significant financial impact on so many small businesses. Below are the results of a survey we conducted of our members late last year on the impacts of the pandemic. The data demonstrates why Senate Bill 108 is needed.

- 77% of our members took some sort of government loan (PPP, EIDL, etc.)
- 88% of those that took a loan had used it up by late Q3 of 2020
- 70% said they would take advantage of a state program, like the Small Business Relief Grant Program
- 50% of our members indicated a need of $25,000 or greater
- The greatest need was for wages and compensation, closely followed by utility costs
- 30% of our members were required to close because of executive orders
- 94% of our members were opened within 3 months
- 55% percent of our members experienced a year-over-year revenue loss of at least 20%
- 15% of our members experienced year-over-year revenue loss greater than 50%

We know significant resources came in the form of loans from the federal government. The Paycheck Protection Program (PPP) was a lifeline for businesses throughout Ohio and the country. Round one of PPP delivered over $18.5 billion to nearly 150,000 Ohio businesses, an average loan size of roughly $123,000.[1] As of February 28, 2021, round two of PPP in Ohio has brought an additional $4.85 billion to over 64,000 businesses, an average loan size just under $76,000.[2] As our members indicated, and as demonstrated by the large number of businesses that availed themselves of round two of PPP, the need for financial relief remains great.

The state of Ohio also allocated resources late last year through the Small Business Relief Grant program as proposed by Governor DeWine's administration and approved through the quick action of the Controlling Board, putting $125 million into the hands of many small business owners. Additionally, Ohio implemented the Bar and Restaurant Assistance Fund making available $2,500 to all on-premises liquor permit holders with an active license as of October 23, 2020, irrespective of whether the establishment was open. Senate Bill 108 builds upon this program by providing an additional $100 million in grants to bars and restaurants. Further,

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[1] https://www.sba.gov/sites/default/files/2020-08/PPP_Report%20-%202020-08-10-508.pdf
[2] https://www.sba.gov/sites/default/files/2021-03/PPP_Report_Public_210228-508.pdf

Senate Bill 108 will provide $25 million in grants to the lodging industry. The size of the grants will be based upon factors like revenue loss, employee count, and occupancy rates. On behalf of our members and all businesses in these industries, we appreciate the special recognition of the severe impact these entities continue to experience during the pandemic.

We urge the members of the Senate Finance Committee to move expeditiously to pass Senate Bill 108 to provide financial relief for bars, restaurants, and the lodging industry.

Thank you for your consideration.

Sincerely,

Christopher J. Ferruso
Ohio Legislative Director