

**City of Albuquerque
Small Business
Regulatory Advisory Commission**



Chair: Myra Ghattas
Vice Chairman: Tim Nisly

Ex-Officio Member: Synthia R. Jaramillo
City Legal: Leigh Brunner
Staff: M. Mitchell
D. Sayers
C. Nunez

Commissioners: Paulette Baca
Matthew Biggs
Kenneth J. Carson
Cailyn Kilcup
Michael M. Silva Jr.

Commissioners highlighted yellow were present for the meeting.

February 2, 2021
10:00 AM – 11:30 AM
Zoom Conference Call

Join Zoom Meeting
<https://cabq.zoom.us/j/9697603096>

Meeting ID: 969 760 3096

Find your local number: <https://cabq.zoom.us/u/acvh98go08>

AGENDA

I. Approval of minutes – Chair

MOTION to Approve January Minutes: COMMISSIONER Paulette Baca
SECOND by COMMISSIONER Mike Silva
MOTION PASSED UNANIMOUSLY

II. Additions/deletions to agenda – Chair

III. Discussion with Secretary Bill McCamley

- Opening remarks from Secretary about current state of NM Workforce Solutions
 - NM has been focused on the State’s population health amid the COVID-19 pandemic. The Governors priority is saving lives.
- Discussion regarding State Unemployment Tax Rates
 - W-2 Employers pay a tax into a trust fund. The way the tax is assessed is complex and based on a formula that tries to balance the funds and tax rates. It is set up to follow a regular economic cycle that does not reflect a pandemic.
 - Factors that go into the tax rate:

1. Number of employees laid off by the business. Based on a retroactive three-year review. July 1st, 2017 – June 30, 2020.
 2. How healthy is the trust fund? The higher the trust fund is, the lower the taxes.
 3. Coalition that is specific to the industry a business is.
- Generally, when the economy is doing well, taxes are lower.
 - In a three-month period, the fund went from a generally higher situation to worse than the great recession.
 - Fund: \$465m in March 2020 to \$0m in September 2020.
 - **Hold Harmless:** If you let people go between March 16, - June 30, 2021 we are holding employers harmless for the people they laid off. The employees let go during that time will not be included in the calculation.
 - Because of that law, about 70% of people did not see an increase in their rate. Some even saw their tax rate decrease.
 - If a business feels that their rates are not correct, there is a Rate Review process.
 - Due to new program and state laws, there are some people where the rate increase shouldn't have happened and will be fixed manually.
 - If the legislators continue to keep rates low, the State will have to continue borrow money for unemployment funds. If the debt (\$206m) is not paid off by Feb of 2022, the federal government will unilaterally start raising federal payroll taxes until the debt is paid off.
- Questions from Commissioners
 - Commissioner Biggs expresses concern and frustration with his business's rate increase. He also suggests the State be communicative with small businesses regarding changes.
 - (Paulette Baca) Is there a deadline to submit a rate review? How long does a rate review take? (Secretary Bill McCamley) Yes, but we are trying to be as flexible as possible. I'm really sorry for the delay but I can't give you a timeframe.
 - (Matt Biggs) I talked to another brewer and their rate increased 18x. When they filed for a protest, he was answered with "why did you take so long to file a review?" It is a very difficult challenge for us as well. My concern is that there are inconsistencies. (Secretary Bill McCamley) We have regulations we have to follow. We can be audited.
 - (Myra Ghattas) In the beginning of all of this, there was a feeling that there was a big push to get our employees on unemployment. Here we are, a year later, I stumbled across my rate and it feels like being blind-sided and it adds to the struggle.
 - (Myra Ghattas) Is Workforce Solutions the ones in charge of any PTO bills coming through? (Secretary Bill McCamley) There are 3 Bills that can affect small businesses. Just like we enforce minimum wage, we would be in charge of enforcing those bills if they passed. The bigger proposal is a California style Family Leave that would require another fund. If you have things you want to say on those, talk to your legislators.
 - Secretary Bill McCamley affirms that the State will continue to process rate reviews, despite the 30-day deadline.
 - (Paulette Baca) Is there a maximum unemployment rate? (Secretary Bill McCamley) Yes, and the maximum is 6.4%.

IV. City Update – Director Jaramillo, Sr. Economic Developer Monica Mitchell, and Small Business Office Manager David Sayers

- City of Albuquerque \$10m Small Business Economic Relief Grant
 - The grant is complete as far as identifying awardees. There are about 12 remaining checks to hand out.
- SBO Updates
 - Procurement Event
 - PPP Requirements
 - Recovery Plan
- Economic Development Updates
 - Albuquerque Home For Life is a program aimed at attracting remote works and boomerangers. In partnership with Esparza Digital+Advertising, the campaign promotes Albuquerque as a safe and healthy city.
 - ED still in process of distributing PPE boxes.
 - The Paid-Sick Leave bill was deferred until March 1st by City Council.

V. Committee Update – Chair

- Review Memo to City Council and Administration regarding O-39-20
 - Councilor Jones responded to the SBRAC Memo Chair Ghattas distributed Monday Feb 1st, 2020.
- Next steps
 - SBRAC discusses State Tax Rates
 - SBRAC discusses commission scope
 - Commissioner Nisly asks about upcoming Legislative Session and the City’s perspective. Monica suggests having a member of the Policy Department join the next meeting.
 - Commissioner Biggs brings up the issue of the past-due rent, utilities, etc. “Now that we are ‘reopening,’ there’s this perception that we’re doing fine again... This is far from over.”
 - Liquor License Bills.
 - Add State of Business section to the Agenda and review status of the Paid-Sick Leave City Council Bill

VI. Adjourn at 11:16

Notice to Persons with Disabilities

If you have a disability and require special assistance to participate in this meeting, please contact Monica Mitchell as soon as possible before the meeting date at 505-768-3226.