

Tuesday, November 9, 2021

Presentation to the Comptroller's Workgroup on Pandemic Spending



The COVID19 Pandemic had a devastating impact on the Hospitality Industry

Sectors represented by UNITE HERE

- Hotel, Restaurants and Convention Centers
- Airport food, beverage and retail,
- Airline Catering
- Institutional Food Service, Universities, business and industry
- Sports and Entertainment Venues
- Casinos

Percentage of workers laid off by sector

Sector	April 2020	June 2020	April 2021	Nov. 2021
Hotel/Convention	100%	90%	80%	80%
Institutional FS	98%	70%	60%	0%
Event Venues	100%	100%	50%	30% (adjusted for seasonality)
Airport F&B, Retail	100%	70%	30%	15%
Airline Catering	95%	70%	50%	10%
Casinos	100%	50%	30%	15%

Federal Relief Programs that directly affected Maryland Hospitality workers laid off due to the Pandemic

- Unemployment Insurance— Federal Programs administered through Maryland Department of Labor, Division of Unemployment Insurance
- Direct payments of Federal CARES Act money
- Federal Support to the Airline Industry
- Paycheck Protection Program (PPP)

Federal Unemployment Insurance Programs

PROS	CONS
Additional \$600/week	Difficulty applying for benefits
Additional \$300/week	Difficulty in receiving benefits
Extended the number of weeks to Sept 2021	Difficulty reaching DOL staff
Eligibility granted to “Gig” workers	Qualifying standards often unclear
	Gov. Hogan’s attempt to stop Federal Programs early

Successful Federal Programs for Hospitality Workers in Maryland

- Direct Federal Payments to workers and families. Continued payments to families. Child Tax Credits
- Direct CARES Act Payments to Airlines helped Airline catering employees, lost wages and supplemental pay. These programs are coming to an end Dec. 2021

Paycheck Protection Program (PPP)

What is the Paycheck Protection Program?

The Paycheck Protection Program is a loan program that originated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This was originally a \$350-billion program intended to provide American small businesses with eight weeks of cash-flow assistance through 100 percent federally guaranteed loans. The loans are backed by the Small Business Administration (SBA). You can read the bill in its entirety [here](#).

The program was then expanded by the Paycheck Protection Program and Health Care Enhancement Act in late April, adding an additional \$310 billion in funding. The [Paycheck Protection Program Flexibility Act](#) made important changes to the program allowing for more time to spend the funds, and making it easier to get a loan fully forgiven.

Then on December 27, 2020 a second stimulus package was signed into law topping up the program with an additional \$285 billion in funding and updating the eligible expenses. It also opened up a [second PPP loan](#) for businesses that used up their first PPP loan and have experienced a 25% or greater decrease in revenue.

The second round was offered to a wider range of organizations including labor unions.

Benefit of PPP program we have experienced

- PPP Loans to many Maryland hotels and restaurants that recalled workers.
- PPP Loan of \$62,896.85 was awarded to UNITE HERE Local 7 which enabled us to recall staff who are still working. The loan has been forgiven.

Sheraton Columbia Hotel is reopening as Merriweather Lakehouse Hotel

- Owner: IMH Columbia, LLC headed by local developer David Costello.
- Approved for a First Draw PPP loan on April 10, 2020 and a
- Approved for second Draw PPP loan on February 5, 2021.
- IMH Columbia LLC received a total of \$2.56 million in PPP
- In both cases, IMH Columbia reported that it would spend 100% of the combined \$2.54 million on payroll expenses to retain 120 hotel jobs.
- The reopening event was held Friday November 5, 2021
- The Hotel has refused to recall the workers. So far one housekeeper has been offered a job.

Thank you to the Office of the
Maryland Comptroller for the
opportunity to present today.

