Memo to Congress re: SVOG Delays

In the midst of the pandemic, the House and the Senate worked together in an overwhelmingly bipartisan fashion to Save Our Stages, and thanks to you, the $16 billion emergency relief bill was signed into law on Dec. 27, 2020. You knew that if emergency relief wasn’t provided to our shuttered small businesses which had no revenue and massive overhead, not only would there be mass bankruptcies across the country, but we could also never return to our role as economic engines for our local communities.

Sadly, the help you secured for us by enacting the Shuttered Venue Operator Grant (SVOG) program has yet to arrive. While the rest of the country begins reopening, we are still waiting on the SBA to provide us with working capital.

By the Numbers:

- 165 days (5 ½ months) after enactment of the law and 45 days (1 ½ months) after the SVOG application portal opened (the second time, after the failed launch on April 8) fewer than 100 grant applications have been approved.
- Tomorrow marks the last day of the 14-day Priority 1 period in which the Small Business Administration (SBA) was supposed to process all applications for applicants experiencing greater than 90 percent revenue loss. There are nearly 5,000 such applications and SBA has only communicated that 50 applications have been processed.
- The SBA hired 500 reviewers for the SVOG program with funds appropriated by Congress. If each analyzed just one application a day, 17,000 applications would have been processed by now. But yet, the SBA has processed fewer than 100 applications in the six weeks since the application portal opened.
- More than 4,950 small business owners in the first priority period, those with the greatest need, and an additional 10,000 small businesses that fall into the second and third priority periods are still waiting for emergency relief funding. They are scared, frustrated, angry, exhausted, feeling abused, and wondering if desperately needed help will ever arrive.

Timeline of Events

- December 27, 2020: SVOG program enacted into law.
- March 22, 2021: Isabella Casillas Guzman sworn in as SBA Administrator.
- April 8, 2021: SVOG application portal opens, crashes and is closed.
- April 24, 2021: SVOG application portal reopens successfully.
- May 4, 2021: The SBA reports it “began reviewing the SVOG applications upon receipt and it is expected SVOG Priority 1 (90% revenue loss) applicants will receive notice of awards this month and disbursement by the end of May if they respond in a timely manner to the notice of award.” This did not happen.
May 26, 2021: Administrator Guzman testified before the House and Senate Small Business Committees that SVOG grants have started, and while it would be slow at first but there would be a ramp up. This did not happen.

June 3, 2021: SBA reported just 50 award notices (very few of which have actually received emergency relief funds) had been issued. Since then, there has been no update on the number of applicants receiving award notices despite SBA promising stakeholders and Congress that updates would be provided daily.

June 9, 2021: The last day of the 14-day Priority 1 period in which SBA was supposed to process all applications for applicants experiencing greater than 90 percent revenue loss. There are nearly 5,000 such applications and SBA has only communicated that 50 applications have been processed.

We are past our breaking point. We can’t hang on any longer. We want to participate in America’s economic recovery, but our venues can’t afford to re-open our businesses. We have no funds left - many of us have exhausted our PPP loans, our EIDL loans and whatever assistance we’ve been able to garner at the State and Local levels. We don’t have the capital to restock food and drinks for the customers we hope to welcome back or make offers on shows. We are losing professional staff to well-capitalized, larger corporate competitors. We are losing longtime wait staff because we can’t compete with the wages offered by bars and restaurants who received support via the quickly administered Restaurant Revitalization Fund.

The SBA, whose sole purpose is to help small businesses, is demonstrating a lack of urgency and ability to execute this desperately needed emergency relief program. The SBA’s delay is actually driving more of our small businesses under – all while the $16 billion in emergency funding waits to be administered.

We come to you once more to ask that you reach out to the SBA to urge them to do whatever possible to get this funding into the hands of small businesses owners to Save Our Stages.