

Item 2: Oregon Business Development Department

COVID-19 Emergency Business Assistance

Analyst: Steve Bender

Request: Allocate \$5,000,000 General Fund from the Emergency Fund to the Oregon Business Development Department (OBDD), for business, innovation and trade, for the purpose of providing financial assistance to small businesses affected by economic conditions associated with the COVID-19 pandemic that have not received federal emergency assistance under the federal CARES Act or any subsequent federal act that provides emergency pandemic funding, with the understanding that the Department will dedicate an additional \$5,000,000 of existing Lottery Funds and Other Funds balances to this same purpose.

Description: Many small businesses in Oregon face cash flow shortfalls owing to the economic conditions arising from efforts to reduce the number and severity of COVID-19 infections. Some businesses have been closed by executive emergency orders, while others have voluntarily closed or reduced operations to address health and economic concerns.

The requested Emergency Board action would establish a \$10 million emergency small business assistance program for small businesses with no more than 25 employees that have not received support under the Paycheck Protection Program or other provisions of the federal CARES Act. Up to \$5 million of the total \$10 million may be used for a 1:1 match to leverage local business assistance funds. OBDD would contract with Community Development Financial Institutions (CDFI) to operate the program, and businesses would apply to the CDFIs for grants or loans to help meet costs incurred during the current emergency. These funds would extend small business assistance to certain businesses that have not received assistance under the federal CARES Act.

The \$5 million of existing cash balances that would be dedicated to this program consist of Lottery Funds and Other Funds monies in the Business, Innovation and Trade Division that have not been spent or contractually obligated to other purposes.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of an allocation of \$5,000,000 from the Emergency Fund to the Oregon Business Development Department for business, innovation and trade, to provide financial assistance to small businesses affected by economic conditions associated with the COVID-19 pandemic that have not received federal emergency assistance under the federal CARES Act or any subsequent federal act that provides emergency pandemic funding, with the understanding that the Department will dedicate an additional \$5,000,000 of Lottery Funds and Other Funds monies in the Business, Innovation and Trade Division to this same purpose.