

Item 8: Oregon Business Development Department

COVID-19 Emergency Business Assistance

Analyst: Steve Bender

Request: Establish a \$25,000,000 Other Funds expenditure limitation for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Oregon Business Development Department for business, innovation and trade, for the Emergency Business Assistance Grant Fund program.

Description: Many small businesses in Oregon face cash flow shortfalls due to the economic conditions arising from efforts to reduce the number and severity of COVID-19 infections. Some businesses were 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 provide an additional \$25 million to supplement \$10 million that the Emergency Board approved in April 2020 for emergency small business assistance. The Emergency Board action in April established the Emergency Business Assistance Grant Fund program in the Oregon Business Development Department (OBDD). This program supports 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. OBDD contracts with Community Development Financial Institutions (CDFI) to distribute support to eligible businesses, and offers a 1:1 match to leverage local business assistance funds that are operated by tribal and local governments for the purpose of providing comparable COVID-19-related business assistance. Businesses will apply directly to the CDFIs or to the tribal or local government programs for grants or loans to help meet costs incurred during the current emergency.

Funds would be provided from the state's distribution of CARES Act Coronavirus Relief Fund (CRF) monies. The Department of Administrative Services would transfer \$25 million of CRF funds to OBDD for this program. CRF funds are restricted to necessary expenditures incurred due to the public health emergency related to COVID-19 during the period from March 1, 2020 through December 30, 2020. Grant recipients would not receive payment for services provided or costs incurred after these dates.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of establishing a \$25,000,000 Other Funds expenditure limitation for the Oregon Business Development Department (OBDD), for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to OBDD for business, innovation and trade, for the Emergency Business Assistance Grant Fund program.