



July 13, 2020

Honorable Senate President Courtney, Honorable Speaker Kotek, and Members of the Oregon Emergency Board,

Thank you for the work that the Joint Emergency Board is doing related to assistance for Oregon businesses. We are writing to make you aware of a shared concern related to Item 1¹ on the July 14, 2020 Agenda. Specifically, we have concerns about the following condition for small businesses seeking to access the \$22.5 million in Oregon Business Development Department (OBDD) grant funding:

“The additional funds could be distributed to businesses that received support from the CARES Act’s Paycheck Protection Program or the Economic Injury Disaster Loan program, although business awards must be reduced *by the amounts received from those programs.*” (our emphasis)

We appreciate that this is less restrictive than the existing program criteria but **we ask that only the “forgivable advance” portion of the Economic Injury Disaster Loan (EIDL) program be deducted from future state small business assistance.** Many small businesses received only \$1,000 in EIDL money that was not subject to repayment (\$1,000 per employee up to a \$10,000 maximum), but **these businesses may have received a loan as well.** Based on July 3rd statistics from the U.S. Small Business Administration² there were 54,300 Oregon businesses that received a forgivable advance, for a total of \$173,314,000, or an average of \$3,192 per business. Sole Proprietors, single member LLCs, and single person corporations would have received only \$1,000 in forgivable funds.

Based on the above Emergency Board recommendation language it appears OBDD is being instructed to deduct the both the forgivable advance and any EIDL loan amount from a future state funded grant. **Disallowing the smallest of Oregon businesses from accessing future grant funding because they had to incur debt seems counter to the intent of the program** and we ask that you modify this language before the recommendation is moved.

Thank you for considering our request and for the work you are doing to make sure Oregonians have a job to return to when the pandemic eventually subsides.

¹ <https://olis.oregonlegislature.gov/liz/201911/Downloads/CommitteeMeetingDocument/224675>

² <https://www.sba.gov/sites/default/files/2020-07/EIDL%20COVID-19%20Advance%207.3.20-508.pdf>