

## Analysis

### Item 69: Legislative Fiscal Office

#### COVID-19 Emergency Business Assistance Program Modifications

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**Analyst:** Steve Bender

**Request:** Acknowledge receipt of a report on modifications to the COVID-19 Emergency Business Assistance Program in the Oregon Business Development Department.

**Analysis:** At its meeting on July 14, 2020, the Emergency Board provided \$22.5 million from the Coronavirus Relief Fund (CRF) to the Oregon Business Development Department (OBDD) for emergency assistance grants to small businesses adversely affected by the COVID-19 pandemic. These funds supplemented \$5.0 million of General Fund that the Emergency Board allocated to OBDD for this effort in April.

The Emergency Board identified a number of parameters related to award amounts and business eligibility. The Emergency Board expanded business eligibility to allow businesses that had received federal aid for the pandemic impacts from either the Paycheck Protection Program, the Economic Injury Disaster Loan program, or other federal CARES Act programs to remain eligible for state support as well.

Specifically, the total amount of state program grants to a business was limited to \$50,000, whether that business had received federal pandemic aid or not, but the grant amounts for businesses that had received federal aid were reduced by the amount of that aid. OBDD established further program parameters to support the equitable and efficient operation of the grant program, including a requirement that a business must have experienced at least a 50% decline in revenue as a result of the pandemic to be eligible for assistance.

To further assist Oregon small businesses in the current economic climate, two modifications are being proposed to the emergency business assistance program. The first modification is to eliminate the reduction of the amount of federal aid received from the calculation of the state assistance amount, if the amount of federal aid received is less than \$100,000. The second modification is to lower the percentage revenue decline required for program eligibility from 50% to 25%.

**Recommendation:** The Co-Chairs of the Emergency Board recommend that the Emergency Board acknowledge receipt of the report on modifications to the COVID-19 Emergency Business Assistance Program in the Oregon Business Development Department and approve the proposed modifications.