

## Grant Assistance Impact on Various Business Sizes (PPP and EIDL Exclusion)

The following chart illustrates how prior receipt of EIDL and/or PPP funds impact eligibility for state grant dollars for businesses of various sizes. Of note:

- **Rounds 1/2:** all businesses who received EIDL or PPP were excluded
- **Round 3:** the subtraction formula effectively added eligibility only for (in green, below):
  - Businesses with 1 FTE who only received EIDL (a significant group) or 2-3 FTE who only received EIDL *and* could meet the proof of expenses required for the 'High' state award threshold (far fewer);
  - Businesses with 21-25 FTE who only received EIDL (an insignificant group, because most businesses of this size also got PPP).

Most other businesses continued to be excluded, because federal assistance (while modest relative to the size of business) surpassed the state award limit.

- **Round 4:** a proposal from Business Oregon to allow up to \$50,000 in prior federal funds would still exclude the vast majority of PPP recipients above 6-7 FTE.
- **Recommendation:** The best way to maximize survival of businesses is to allow layering of state funds with EIDL/PPP.
  - Businesses would still have to meet income loss requirements;
  - Awards would still be capped at \$25,000 or \$50,000 for the largest businesses, ensuring that aid is proportionate to both size of business and size of loss - no business can get a disproportionate share.
  - PPP and EIDL were only ever intended to provide partial, short term relief; businesses need matching/layered funds to cover additional losses, stay solvent, and rebuild.

BizO Award Thresholds					State Funding Eligibility Using <b>Round 3 Subtraction Formula</b> (Assuming BizO <i>Standard Limit</i> )**		
# of Employees	EIDL Advance Grant Max	Conservative PPP Estimate*	Standard	High (Requires proof of fixed expenses**)	If A Business Received:		
					Only EIDL	Only PPP	PPP + EIDL
1	\$1,000	\$5,000	\$2,500	\$5,000	\$1,500	-\$2,500	-\$3,500
5	\$5,000	\$25,000	\$2,500	\$5,000	-\$2,500	-\$22,500	-\$27,500
10	\$10,000	\$50,000	\$5,000	\$10,000	-\$5,000	-\$45,000	-\$55,000
15	\$10,000	\$75,000	\$7,500	\$15,000	-\$2,500	-\$67,500	-\$77,500
20	\$10,000	\$100,000	\$10,000	\$20,000	\$0	-\$90,000	-\$100,000
25	\$10,000	\$125,000	\$12,500	\$25,000	\$2,500	-\$112,500	-\$122,500

\*Assumes 8 weeks payroll at average staff salary of \$30K/yr (does **not** include rent, retirement, insurance or other eligible expenses)

\*\*To qualify for the High award, a business must prove 8 weeks of **fixed** expenses greater than the Standard limit; because this excludes staff, inventory, and other large expenses, CDFIs report that more than 90% of awards have been Standard rate.