

Item 5: Oregon Business Development Department /

Department of Administrative Services

COVID-19 Emergency Business Assistance

Analyst: Steve Bender

Request: Increase the Other Funds expenditure limitation for the Oregon Business Development Department, initially established at the July 14, 2020 meeting of the Emergency Board, by \$20,000,000 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 providing financial assistance to small businesses affected by economic conditions associated with the COVID-19 pandemic; and approve modifications in the use of funds previously provided to the Oregon Business Development Department for this 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, reduced operations to address health and economic concerns, or faced ongoing financial challenges from the resulting economic conditions.

The requested Emergency Board action would provide an additional \$20.0 million from the state's share of funds available through the Coronavirus Relief Fund (CRF) to the Oregon Business Development Department (OBDD) to supplement \$32.5 million of monies previously provided for an emergency small business assistance program for firms impacted by the COVID-19 pandemic. OBDD would use the funds to assist businesses with up to 100 employees. Previous funding was limited to businesses with no more than 25 employees. The Department would also use these funds to expand program eligibility to firms that have received between \$100,000 and \$1.0 million in federal aid for pandemic impacts from either the Paycheck Protection Program, the Economic Injury Disaster Loan program, or other federal CARES Act programs. Prior funding for this program was restricted to firms that received \$100,000 or less in federal aid. Another program change specific to the \$20.0 million of additional funds is that OBDD would grant these funds directly to businesses. Prior funding for the emergency small business assistance program has been distributed either through local government business assistance funds or by Community Development Financial Institutions (CDFI's) or Economic Development Districts (EDD's). This modification is requested to address capacity issues and to increase the likelihood that the available funds can be fully distributed prior to the deadlines imposed by the federal CARES Act. Grant awards would be capped at \$200,000.

Other parameters for the new funding would continue the program provisions approved by the Emergency Board at its September 25, 2020 meeting. These parameters include that the program grant amount would not be reduced by the amount of federal aid received, and that businesses would be eligible for grant funds if they have experienced at least a 25% decline in revenue as a result of the pandemic. OBDD may retain no more than \$100,000 of the funds for administrative costs.

OBDD would prioritize geographic equity in the distribution of the funds. In prior funding rounds, the Department allocated distributions to distinct regions based on population. No region received less than 5% of funds (North Central) and no region received more than 14% (Portland Metro). Otherwise,

funds would be distributed within each region on a first come, first served basis without prioritization based on industry sector.

All support will be provided from the state's distribution of CARES Act Coronavirus Relief Fund monies. DAS will transfer an additional \$20.0 million of CRF funds to OBDD for the emergency small business assistance 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.

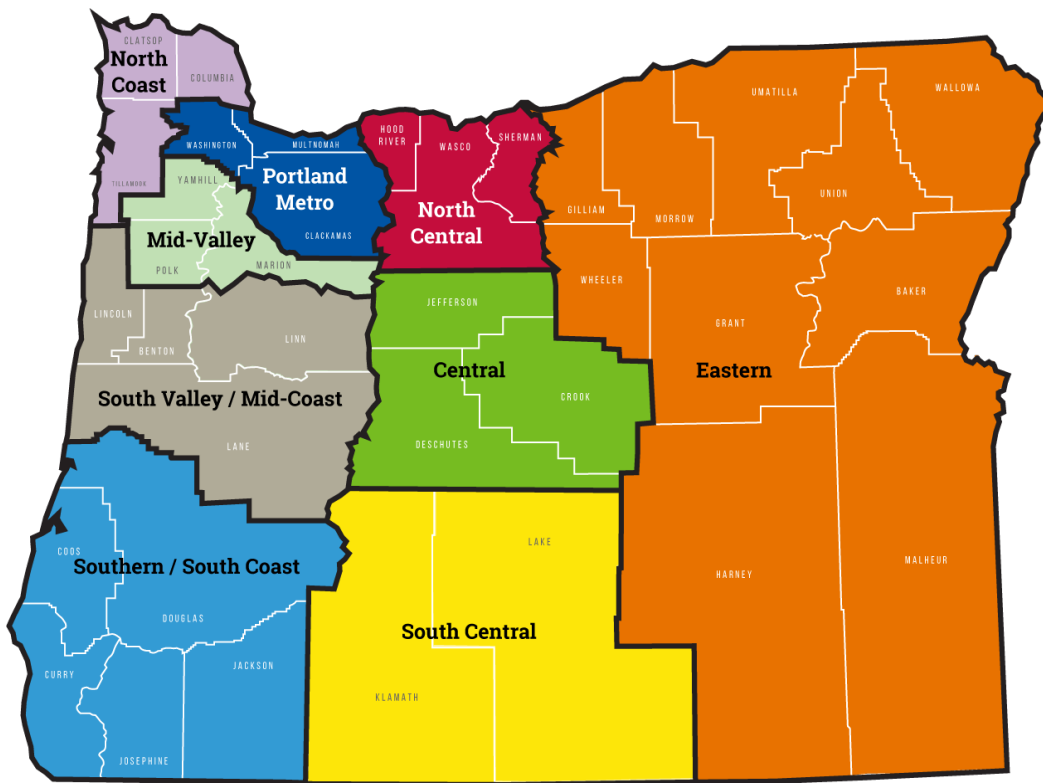
The Department of Administrative Services will use Federal Funds expenditure limitation previously provided for purchase of personal protective equipment (PPE) to transfer the additional CRF funding to OBDD. Excess Federal Funds expenditure limitation is now available due to the state receipt of \$75.0 million in funding from the Federal Emergency Management Agency (FEMA) as reimbursement for the purchase of PPE. This FEMA reimbursement makes the original CRF monies available for eligible CRF uses (see Item #3 on the agenda).

In addition, the request asks the Emergency Board to modify the use of previously approved funds for this program. The modification would authorize OBDD to reallocate any funds from the first three funding rounds of the program that are returned by intermediaries by November 13, 2020 (estimated to total approximately \$3.0 million) to CDFI's and EDD's for distribution under the provisions of Round 4 of the program as modified by the Emergency Board at its September 25, 2020 meeting.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of an increase of \$20,000,000 in the Other Funds expenditure limitation for the Oregon Business Development Department, initially established at the July 14, 2020 meeting of the Emergency Board, 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 providing financial assistance to small businesses affected by economic conditions associated with the COVID 19 pandemic; and approval of the requested modifications in the use of funds previously provided to the Oregon Business Development Department for this program.

Distribution of Coronavirus Relief Funds

Regions	Sum of Award	Award % By Region	Population	Region % of Pop.	\$ Per Capita
Central	\$11,909,363	10%	240,280	6%	\$50
Eastern	\$18,823,004	16%	194,830	5%	\$97
Mid-Valley	\$9,919,436	9%	538,760	13%	\$18
North Central	\$3,010,297	3%	54,490	1%	\$55
North Coast	\$3,685,793	3%	118,580	3%	\$31
Portland Metro	\$20,472,796	18%	1,858,560	44%	\$11
South Central	\$3,836,544	3%	76,270	2%	\$50
South Valley/Mid-Coast	\$24,754,914	22%	648,050	15%	\$38
Southern/South Coast	\$14,527,320	13%	506,580	12%	\$29
Statewide	\$4,030,000	4%			
Grand Total	\$114,969,467		4,236,400		\$27



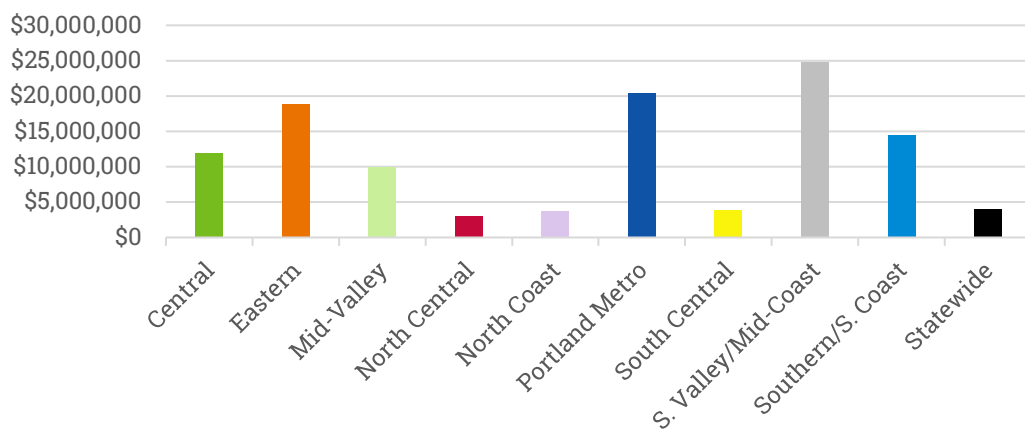
Program and Region	Sum of Award	% by Region	\$ Per Capita
Arts	\$25,745,343		
Central	\$1,292,603	5%	\$5.38
Eastern	\$1,180,882	5%	\$6.06
Mid-Valley	\$1,939,128	8%	\$3.60
North Central	\$384,688	1%	\$7.06
North Coast	\$638,993	2%	\$5.39
Portland Metro	\$15,365,493	60%	\$8.27
South Central	\$166,292	1%	\$2.18
South Valley/Mid-Coast	\$3,013,507	12%	\$4.65
Southern/South Coast	\$1,763,757	7%	\$3.48
Broadband	\$11,594,353		
Central	\$270,758	2%	\$1.13
Eastern	\$2,693,415	23%	\$13.82
Mid-Valley	\$1,266,575	11%	\$2.35
North Central	\$784,575	7%	\$14.40
North Coast	\$401,800	3%	\$3.39
Portland Metro	\$922,803	8%	\$0.50
South Central	\$150,252	1%	\$1.97
South Valley/Mid-Coast	\$3,880,210	33%	\$5.99
Southern/South Coast	\$1,223,965	11%	\$2.42
Hospitals	\$49,189,271		
Central	\$8,388,502	17%	\$34.91
Eastern	\$11,900,707	24%	\$61.08
Mid-Valley	\$3,496,233	7%	\$6.49
North Central	\$591,034	1%	\$10.85
South Central	\$1,900,000	4%	\$24.91
South Valley/Mid-Coast	\$14,684,197	30%	\$22.66
Southern/South Coast	\$8,228,598	17%	\$16.24
Small Biz	\$25,440,500		
Central	\$1,917,500	8%	\$7.98
Eastern	\$2,730,000	11%	\$14.01
Mid-Valley	\$3,217,500	13%	\$5.97
North Central	\$1,250,000	5%	\$22.94
North Coast	\$2,645,000	10%	\$22.31
Portland Metro	\$3,490,500	14%	\$1.88
South Central	\$1,620,000	6%	\$21.24
South Valley/Mid-Coast	\$3,050,000	12%	\$4.71
Southern/South Coast	\$3,230,000	13%	\$6.38
Statewide	\$2,290,000	9%	\$0.54
Tech. Asst.	\$3,000,000		
Central	\$40,000	1%	\$0.17
Eastern	\$318,000	11%	\$1.63
Portland Metro	\$694,000	23%	\$0.37
South Valley/Mid-Coast	\$127,000	4%	\$0.20
Southern/South Coast	\$81,000	3%	\$0.16
Statewide	\$1,740,000	58%	\$0.41
Grand Total	\$114,969,467		

These are awards that have been made to the recipients. While most awards are under executed contracts, some are not yet.

Population data comes from the Portland State University Population Research Center's 2019 annual population estimate.

Updated 10/30/2020 11:43am

Award \$ per Region



Award \$ per Capita by Region

