

Coronavirus Economic Advisory Council Menu (03.27.2020)

Business Financial Assistance Tools	Concept	Amount
Business Oregon Lending/Forgivable Lending (existing)	Business Oregon has multiple programs that can offer loans and/or forgivable loans directly to individual businesses. (See, e.g., BO concepts #1 & #3.)	Flexible
Local/Regional Bridge Lending (existing)	Capitalize emergency/bridge lending funds at CDFIs or Economic Development Districts. (Very similar to BO concept #2, but allow for possibility that a CDFI or other lender may be the best recipient.)	\$2.5M+
Layoff Aversion Grants through WIBs (existing)	Under existing rules, use of funds is highly flexible, from subsidizing payroll to funding IT infrastructure to expand use of tele-work.	Flexible
On the Job Training (OJT) Grants through WIBs (existing)	Possibly target rehiring of people laid off due to COVID 19 response into response sectors. (OJT funds partially reimburse wage costs to employers during training period. Typically max \$3K/hire.)	Flexible
Public/Private Recovery Fund	Create a structure (perhaps through Oregon Growth Board) that would leverage both private and public investment. Likely more focused on medium term recovery as opposed to immediate business survivability.	Flexible
Business Technical Assistance Approaches	Concept	
DMO/Chamber Business Communications Support	Local chambers and Destination Management Orgs' funding will be very heavily impacted by TLT losses. Funding to keep this channel of business communication may be needed.	Flexible
SBDC Technical Assistance Fund	Expand funding for SBDC advisor staff-up to meet large number of technical assistance requests, particularly with new federal tools that are expected.	Flexible
Virtual Business Recovery Center	Establish virtual Business Recovery Center(s), either statewide or with regional foci. Additional funds may be necessary for call management system, advertising, and (possibly) additional staff. Possible model: create an 800 number regional network supported by an additional FT adviser in each of our 19 host institutions (42 locations) statewide. This hotline will support a statewide capital access team and host of 140 SBDC small business advisers and partner referrals to assist loan applications, tune around strategies and community resource referrals. (Est. cost \$1.5M)	\$1.5M
Individual Assistance Approaches	Concept	

Dislocated Worker Training Funds/WIBs (existing)	Expand funding for training/retraining into sectors of high need, e.g., healthcare, transportation	Flexible
Worker Relief Fund	Address cracks in social safety net (e.g., lack of UI for independent contractors).	Flexible
Other	Concept	
Maritime Workforce Taskforce Recommendations	They recommended that \$500,000 be invested in a Maritime strategy that enhances maritime training resources and creates a network of three coastal WIBs, three community colleges, high schools, maritime experts and employers up and down the coast to integrate their efforts in a robust coordination effort to support the industry. To date these recommendations have not been funded and this multi-party, fully supported strategy is ready to be activated.	\$500K

**Possible Criteria For Targetting Assistance/Eligible Businesses**

- Employers that will prioritize the prevention of worker layoffs with funds
- Employers that will prioritize maintaining worker benefits with funds such as healthcare, retirement, etc.
- Employers that will commit in writing to accepting a UI claim filed by their employees
- Employers that have a strong health and safety record
- Employers that don't have a history of wage, hour, civil rights, or labor law violations
- For employers that are not covered by FMLA/OFLA, a commitment to reinstating employees when business resumes
- Small businesses, with fewer than 50 employees, who are the least likely to have resources available.
- Businesses directly impacted by Governor Executive Order closures.
- Residential building contractors and sub contractors. Many of these small entities are seeing their work slow or stop during this crisis; what's sad is that some of these small shops had just recovered from the last financial crisis
- Landlords/housing owners/property management. With the eviction moratorium in force, these entities may face a financial hardship in the short run as they have to lay people off in order to keep properties afloat, pay mortgages on properties, etc.
- Sales drop of over 50% from March 16 – March 25 of 2020 when compared to the same 10-day time period in 2019.
- "But for" argument -- evidence that assistance is needed to avoid closure and/or layoffs.
- Completed small business recovery plan.
- Small business sectors most adversely impacted by COVID-19.
- Emergency childcare providers
- Geographically isolated businesses, where access to other services is limited
- Traded sector employers who are operating on a limited basis due to supply chain disruption or reduced demand.

**Strategic Considerations**

- Prioritize using state funds to match existing regional/local investments in support funds .... OR community need/vulnerability.
- Speed with which funds can be put "on the street" ... OR rigorous vetting/high degree of accountability.

Small Business Sustainability Fund/Business Oregon (existing)	<p><b>Rural Assistance:</b> Business Oregon will add a “resiliency” loan clause to its existing Small Business Sustainability Fund to support goods/service industries in rural communities. The fund is intended to stabilize and grow businesses that may be at risk, but can also demonstrate strong potential of long-term success if an identified financing gap is filled. This includes companies with less than three years of operating history. Seventy percent of SBSF funds are targeted to serve businesses in rural (communities outside of metropolitan planning areas with a population of 30,000 or less) or underrepresented (owned by people of color, tribal populations, immigrants, women, and veterans) businesses. SBSF offers forgivable loans up to \$75,000 for such businesses.</p>
Regional Loan Fund Assistance/Business Oregon (existing)	<p><b>Regional Loan Fund Assistance:</b> Many regions across Oregon are identifying local funds to support businesses impacted by the disruption of revenue due to COVID-19 containment practices. Business Oregon will support the eleven Oregon Economic Development Districts with loan loss reserve grant funding up to \$200,000 per district. Funds may be used to provide loan loss reserves to existing revolving loan funds or leverage a new fund specifically created for businesses recovering from the impact of COVID-19.</p>
Small Business Assistance Fund/Business Oregon (New)	<p><b>Small Business Assistance Program:</b> Most businesses are impacted by the loss of revenue. Business Oregon will create a new program, “Small Business Assistance Program” to help businesses cover expenses until operations resume and/or stabilize. Loan proceeds may be used to cover lease/rent payments, pay utilities, and other fixed operating costs but may not be used to cover payroll expenses. Staff have been working on developing a streamlined application, review, and approval process intended to get money into the hands of small business owners within 2-3 weeks with submission of a complete application. Loan terms will be favorable in that no payment will be required for the first 6 months; interest rates would be low (2%) with interest-only payments for 6 months; followed by principal/interest payments amortized over 48 months. Maximum loan amount not to exceed \$25,000. Eligible for all businesses with 25 or fewer employees effective March 1, 2020.</p>