

May 6, 2020 – 9:30 AM

Please note resources and updates are evolving rapidly.

Resources

- The U.S. Department of the Treasury and Small Business Administration (SBA) released additional guidance regarding the Paycheck Protection Program:
 - [Summary of Paycheck Protection Program Round 2 Data](#)
 - [Frequently Asked Questions](#) (See Question 43)
- Additional assistance promoted by the SBA includes:
 - Funding: [SBA 7\(a\), 504 and microloans](#), on which the SBA is offering [Debt Relief](#); or, [SBA Express Bridge Loans](#).
 - Advising: The [SBA Resource Partner Network](#) for business resiliency readiness advising and training.
 - Tax Relief: [IRS information](#) about tax relief for businesses.
 - State Resources: [Ohio government COVID-19 response and programs](#)
- The U.S. Treasury also updated guidance on the [CARES Act Coronavirus Relief Fund \(CRF\)](#) to include answers to additional [Frequently Asked Questions \(FAQ\)](#), including covering first responder payroll expenses.
- In case you missed it, the Federal Reserve announced on April 30 that it is expanding the scope and eligibility for the Main Street Lending Program by creating a third loan option with increased risk sharing by lenders for borrowers with greater leverage (the Priority Loan Facility); lowering the minimum loan size for loans through the Main Street New Loan and Priority Loan Programs to \$500,000; and changing the employee and revenue threshold sizes from 10,000 and \$2.5B (2019 revenue) to 15,000 and \$5B (2019 revenue), respectively.
 - Business that are ineligible for Paycheck Protection Program (PPP) loans are now ineligible for any Main Street loan.
 - The Federal Reserve also issued FAQs which provide clarifications, such as requiring revenue and employee counts to include affiliates, and allowing eligible borrowers to receive multiple loans.
- In addition, the Federal Reserve [expanded](#) access to its Paycheck Protection Program Liquidity Facility (PPPLF) to additional lenders last week, and expanded the collateral that can be pledged.
 - The changes will facilitate lending to small businesses via the Small Business Administration's (SBA) Paycheck Protection Program (PPP).
- The IRS released [Notice 2020-32](#); for more information on the guidance [click here](#).

State Updates

- Ohio now has at least 20,969 coronavirus cases, including 1,135 people who have died.
 - The 79 deaths reported Tuesday by the Ohio Department of Health was the second highest total since the outbreak of the coronavirus in early March.

- State information for children with special healthcare needs is [here](#), guidance on Ohio travel is [here](#), a checklist for businesses and employers is [here](#), and a guide for businesses that are preparing to open is [here](#).
- Due to the economic impact of COVID-19, Governor DeWine announced \$775 million in reductions to Ohio's General Revenue Fund for the remainder of Fiscal Year 2020 which ends on June 30. At the end of February and prior to the onset of the COVID-19 pandemic, state revenues for the fiscal year were ahead of estimates by over \$200 million. As of the end of April, Ohio's revenues were below the budgeted estimates by \$776.9 million.
- Additional details are expected, but because Ohio is mandated to balance its budget each year, and in addition to identifying areas of savings, the following budget reductions will be made for the next two months:
 - Medicaid: \$210 million
 - K12 Foundation Payment Reduction: \$300 million
 - Other Education Budget Line Items: \$55 million
 - Higher Education: \$110 million
 - All Other Agencies: \$100 million
- Governor DeWine said they wanted to let schools know what they will be confronted with into the next year, and they hope cuts beyond the initial ones announced on Tuesday will be minimal.
- The budget reductions are in addition to Governor DeWine's March 23 directive to freeze hiring, new contracts, pay increases, and promotions at all state agencies, boards, and commissions. The new budget reductions will not apply to critical services available to Ohioans or COVID-19 pandemic services. At this time, money to balance the Fiscal Year 2020 budget will not be drawn from Ohio's Budget Stabilization Fund, otherwise known as the "rainy-day fund."
- Projections by Ohio Office of Budget and Management (OBM) Director Kim Murnieks indicate that the state's revenues will continue to be below estimates in the coming months as Ohio moves through the COVID-19 crisis.
- The Governor is reviewing reports from the working groups advising him on the reopening of restaurants, bars, day cares and salons and he hopes to make an announcement this week.
- House Minority Leader Emilia Sykes and Representative Beth Liston discussed House Democratic Caucus priorities yesterday, including but not limited to addressing health disparities, expanding broadband access to make learning from home more accessible, and the need for contingency plans for schools in the fall.
- A task force of school superintendents, principals and teachers is considering different options for the fall. One option is dividing students into two groups, sending one group to school for two days and the other on two separate days, so the school would have fewer students at a time. No decision has been made, Governor DeWine said.
- The Ohio Turnpike Commission has imposed a hiring freeze and plans to reduce some work shifts, among other cost-cutting measures.

Federal Updates

- U.S. deaths from the novel coronavirus surged past 70,000 on Tuesday, according to a Reuters tally.
 - Nearly 1.2 million people in the United States have tested positive for COVID-19 - more than the combined total of the next largest outbreaks in Spain, Italy, the United Kingdom, France and Germany.
- The White House is in the early stages of winding down its coronavirus task force, Vice President Mike Pence's office confirmed Tuesday.
 - Vice President Pence, who has led the task force for two months, said it would probably wrap up its work around the end of the May, and shift management of the public health response back to the federal agencies whose work it was created to coordinate.
- U.S. House Democratic leaders have resolved to push for \$25 billion in funding for the U.S. Postal Service in the next coronavirus relief bill.
 - In the House, chairs of the committees were asked by Speaker Nancy Pelosi on Monday to submit priorities to the Speaker's office by Friday for inclusion in the fourth stimulus package.
 - A fourth stimulus package may happen before legislative work on the FY 21 appropriations bills begin.
- Senator Rob Portman discussed reforms he believes are needed for the federal Paycheck Protection Program (PPP), including making it inclusive of those with past criminal records and ensuring business support is given in “the most targeted way possible.”
 - Portman noted the PPP will run out of funding again in the coming days, and answered a press question by agreeing that data on recipients should be made public as long as the level of disclosure does not harm small businesses.
 - He also called for the program to be changed to offer more flexibility to support small businesses that will not reopen for some time, such as restaurants.
- Ohio members of Congress want Ohioans who can't access the internet to be able to track the economic stimulus payments the federal government is issuing to help people pay their bills during the coronavirus pandemic.
 - They'd like the IRS to consider creating a telephone hotline for those who can't access the agency's online portal, or to let congressional offices work with IRS liaisons to update information for their constituents.
- Two businessmen have been charged with defrauding the federal relief program meant to help small businesses pay their employees during the pandemic, U.S. Department of Justice officials announced Tuesday.
- The Census Bureau is to resume some 2020 census field operations in select locations. Click here.

Local Updates

- Coronavirus cancellations, delays and restrictions in Northeast Ohio for Wednesday, May 6, 2020

- More than 1,200 independent music venues and promoters around the country, including several local establishments, have joined together to form the National Independent Venue Association (NIVA).
 - The organization's goal is "securing financial support to preserve the national ecosystem of independent venues and promoters" during the COVID-19 outbreak.
 - Northeast Ohio venues, including the Grog Shop, Music Box Supper Club, Beachland Ballroom and The Happy Dog.