



COVID-19: Maryland Chamber Response & Resources Webinar

March 24, 2020

Recap:

1) COVID-19: Current status *(as of 3/24/20)*

Public health impact, by the numbers:

- Worldwide: 335,000 confirmed cases of coronavirus; 15,000 deaths
- In the United States: 33,000 cases; 400 deaths
- In Maryland: 349 cases; 3 deaths

Economic impact: Today, it's too early to determine the long-term impact on supply chains, manufacturing and the American economy. Given the importance of consumer spending to our economy, much will depend on the confidence of the American public. We do know that just six weeks ago, the economic picture was very bright—and those underlying strengths remain: unemployment at a 50-year low, strong wage growth and record optimism among small businesses.

2) Summary of federal and state legislative response

State response:

- We are grateful for the leadership of Governor Hogan, who has already taken a number of actions via executive order since declaring a state of emergency on March 5; these include things like extending licensing deadlines, temporarily prohibiting termination o/f residential services and evictions and loosening restrictions on alcoholic beverage delivery. These actions are in addition to all of the measures

he took relative to social distancing early on, including the closing of bars, restaurants, casinos, racetracks, etc.

- Economic Relief Package: Governor Hogan announced more than \$175 million to assist small businesses and workers affected by the COVID-19 pandemic.
- SBA Emergency Assistance: Governor Hogan announced on March 19 that the entire state of Maryland has received official designation for SBA assistance. Individual businesses can now apply directly to the SBA for low-interest loans through the Economic Injury Disaster Loan program. [Visit SBA's website](#) to apply now.
- In its remaining days before adjourning *Sine Die*, the Maryland General Assembly also passed legislation to address several ongoing COVID-19 challenges: SB 1080/HB 1663, the COVID-19 Public Health Emergency Protection Act of 2020, authorizes the governor to take actions related to health insurance, Medicaid, retailer profits, employer actions and personnel at state health care facilities. A full summary of the state legislation can be found on the [resources page](#) on our website.
- MD Department of Commerce & MD Department of Labor Programs
 1. The MD Department of Commerce will offer up to \$125 million in loans and grants to small businesses and nonprofits through the Maryland Small Business COVID-19 Emergency Relief Fund. A \$75 million loan fund and a \$50 million grant fund, with \$1 million in grants dedicated to nonprofits, will provide working capital to be used for payroll, rent, fixed-debt payments and other mission critical cash



operating costs. Businesses and nonprofits with under 50 full- and part-time employees will be eligible, and loans will range up to \$50,000 and grants up to \$10,000.

2. The MD Department of Commerce is also working on creating a \$5 million fund to incentivize businesses to manufacture personal protective equipment (PPE) and other supplies to satisfy the increasing needs of the healthcare industry.
3. Commerce also has a number of existing financing programs, like Advantage Maryland, which provides conditional loans for new businesses or business expansions; the Maryland Industrial Development Financing Authority and Fund (MIDFA), which provides loan guarantees; the Maryland Small Business Development Financing Authority (MSBDF), which provides financial assistance to economically disadvantaged businesses; and the Non-Profit Interest-Free Micro-Bridge Loan Program, which provides loans to nonprofits to support ongoing operating costs while waiting on a future government grant or contract. A total of about \$40 million is available through these existing programs.
4. Governor Hogan has allocated \$5 million and the Maryland Department of Labor has allocated \$2 million to collaboratively launch the COVID-19 Layoff Aversion Fund. A total of \$7 million in funds will be available to provide flexible rapid response services to proactively support businesses and workers undergoing economic stresses due to



COVID-19. Funding can help Maryland's workforce adhere to social distancing policies by purchasing remote access equipment and software to allow employees to work from home, providing on-site cleaning and sanitation services at businesses that have workers delivering essential services, and implementing other creative strategies to mitigate potential layoffs or closures in the business community.

Federal response: We are working very closely with the U.S. Chamber of Commerce and actively monitoring federal legislative efforts around the clock. Here is a summary of the three phases of federal economic stimulus packages:

Phase 1: Supplemental Appropriations

Phase 1 was designed to assist in the development of new COVID-19 treatments, implement public health measures to attempt to slow and prevent the spread of the disease, and provide some early relief to ailing businesses. In the supplemental appropriations legislation totaling \$8 billion, Congress and the White House agreed to provide additional funding for key agencies involved in addressing the pandemic, including the CDC, NIH and FDA. It also included funds for the Small Business Administration to help administer \$1 billion in loan subsidies.

Phase 2: Targeted Relief for Individuals

Also known as the Families First Coronavirus Response Act (HR 6201) and signed into law by President Trump last Wednesday, this legislation focuses on providing targeted relief for individuals, including:

- Unemployment compensation
- Paid emergency sick leave



- Paid family and medical leave
- Provisions for diagnostic testing
- Health services
- School nutrition programs, WIC, SNAP, Senior Food Programs
- Medical Devices Liability
- Discussion of Liquidity Impact for Small Businesses

The Act also provides a new tax credit to small employers to cover the now-required payments to employees who take time off under the new law's emergency sick-leave and family-leave provisions.

Phase 3: Broader Economic Stimulus

Also known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act as released by Senate Majority Leader Mitch McConnell, this legislation is meant to serve as the broader economic stimulus package and is estimated to inject nearly \$2 trillion into the economy. It encompasses the following:

- Small Business "Paycheck Protection Program"
- Loan Program and Credit Facility
- Business Tax Provisions
 - i.Delay of payment of employer payroll taxes
 - ii.Modifications for net operating losses
 - iii.Ability to recover AMT credits
- Pension Filings
- Banking Relief
- Payments & Relief for Individuals
- Pandemic Unemployment Assistance
- Emergency Increase in Unemployment Benefits



- Work Sharing Programs—states that have a short-term compensation program, including Maryland, can get 100% federal reimbursement for their costs related to that program
- Technical corrections to the Paid Leave in Phase 2 of the plan
- Improving Access to Healthcare
- Additional Appropriations

The above lists are by no means comprehensive, so please visit businessexpress.maryland.gov to learn more about the additional ways that the state and federal government are supporting businesses at this time.

Also, please take a look at [Shawe Rosenthal's resource page](#) for detailed answers to questions about the new paid sick leave mandates.

3) CALL TO ACTION: Join the Maryland Chamber's COVID-19 Working Group

This group is open to any member of the Chamber who wants to volunteer to aggregate the specific challenges facing the business community, determine which solutions have proven effective and which have not, and develop policy recommendations for economic recovery in the near, mid and long-term future.

The group will meet weekly via a conference call. Please contact Ashley Duckman at aduckman@mdchamber.org if you'd like to participate, or to get more information.

