



ALERTS

Economic Tools For Local Governments And Small Businesses In Wake Of COVID-19

March 19, 2020

As local governments and small businesses across the nation struggle to continue operations and grapple with the unpredictability of the market during the COVID-19 pandemic, state and federal governments are putting forth additional efforts to help offset the damage done at the local level. The aim of these initiatives is to stem further economic hardship and assist with recovery.

Some governmental agencies at the state and federal levels have taken steps to help, such as the National League of Cities, Small Business Administration, Indiana Economic Department Corporation, and Indiana Department of Workforce Development.

National League of Cities and the Coronavirus Preparedness & Response Supplemental Appropriations Act

Earlier this week, the National League of Cities – comprising 19,000 cities, towns and villages across the United States – sent a letter to congressional leadership thanking Congress for passing the “[Coronavirus Preparedness & Response Supplemental Appropriations Act](#).” The legislation allows local units of government a pathway to receive federal funding to “maintain housing stability, job and wage support, educational opportunities, and the health and well-being of [our] residents in the face of this ongoing and global health crisis.”

The letter further encourages Congress to use local governments and provide funding directly to local units in order to help offset the economic impact of COVID-19. Below is a breakdown of the recent congressional

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appropriation:

- \$8.3 billion for new emergency supplemental funds to address the coronavirus public health emergency
- \$3 billion for research and development of vaccines, therapeutics, and diagnostics
- \$2.2 billion in public health funding for prevention, preparedness, and response (\$950 million of which is to support state and local health agencies)
- \$1 billion for procurement of pharmaceuticals and medical supplies to support healthcare preparedness and Community Health Centers
- \$61 million to facilitate the development and review of medical countermeasures, devices, therapies, and vaccines, and to help mitigate potential supply chain interruptions
- \$1.25 billion to address coronavirus abroad to help keep Americans safe here at home
- An estimated \$7 billion in low-interest loans to affected small businesses to help cushion the economic blow of this public health emergency

Other important provisions include:

- Ensuring state and local governments are reimbursed for costs incurred while assisting the federal response
- A requirement to reimburse \$136 million to important health accounts, including mental health and substance abuse treatment and prevention and heating and cooling assistance for low-income families, that was transferred by the administration to support its response

Indiana Economic Development Corporation and U.S. Small Business Administration Loans

With more than 512,000 small businesses throughout the state, Indiana Gov. Eric Holcomb requested and the U.S. Small Business Administration (SBA) issued an Economic Injury Disaster Loan declaration supporting small businesses affected by the coronavirus outbreak in Indiana. The program provides targeted, low-interest loans of up to \$2 million in order to help small businesses overcome the temporary loss of revenue as a result of coronavirus. Nonprofits would also be eligible for loan assistance through the program.

The [application process](#) involves three steps:

1. Apply for the loan at disasterloan.sba.gov/ela or 1-800-659-2955
2. Property verified (based on estimate of total physical loss to damaged property) and loan processing decision is made by SBA

3. Loan closed and funds disbursed

The deadline to apply for these disaster loans is Dec. 18, 2020.

Indiana Department of Workforce Development

The Indiana Department of Workforce Development is putting together resources, including two upcoming webinars, to help Hoosiers understand unemployment eligibility requirements, FAQs and how to apply for benefits.

The 30-minute live programs will be held at 10:30 a.m. ET on Tuesday, March 24, and at 3 p.m. ET on Wednesday, March 25. To register, visit <https://on.in.gov/UI2020>

For more information, contact the Barnes & Thornburg attorney with whom you work or Jake German at 317-231-7538 or jacob.german@btlaw.com

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