Governor Mills Announces Phase 2 of Maine Economic Recovery Grant Program Funding for Expanded Pool of Maine Businesses & Non-Profits

September 21, 2020

Governor Janet Mills announced today that her Administration will launch a second phase of the Maine Economic Recovery Grant Program beginning Wednesday, September 23, 2020.

Phase 2 will make available approximately $95 million in remaining funds from Phase 1 and expand access to the program by increasing the number of eligible businesses and non-profits. Under Phase 2, businesses and non-profits that employ up to 250 people will be eligible for grant rewards. Previously, small businesses and non-profits with up to 50 people were eligible. Additionally, licensed childcare and behavioral health organizations will be eligible in this round. The Department of Economic and Community Development estimates that nearly 3,000 more businesses and non-profit organizations will be eligible for grants as a result of the program's expansion.

Additionally, the Governor announced that up to $5 million of the $95 million will be dedicated to support the viability of businesses less than a year old, which were not previously eligible. The Maine Technology Institute (MTI), which offers grants, loans, equity investments, and services to support Maine's innovation economy, will lead the application review and financial disbursement of awards in their seven sectors.

The Maine Economic Recovery Grant Program is intended to help sustain the viability of Maine's small businesses and nonprofits - not to replace lost profits – by providing short-term financial relief for businesses and non-profit organizations that incurred business disruptions as a result of the COVID-19 pandemic. Expanding the size of businesses also expands its scope since some types of businesses typically have more than 50 workers. Applications for Phase 2 will be accepted Wednesday, September 23, 2020 through Friday, October 23, 2020, at 11:59 p.m. with grants expected to be awarded in late November.

> *"In the first phase of our program, we focused laser like on the economic viability of small businesses and non-profits, entities that may have fallen through the cracks of other relief programs and needed support. Now, with $95 million remaining grant funding, we are launching the second phase to make sure that as many eligible businesses as possible can have some financial relief," said Governor Mills. "While these grants cannot wholly replace or repair the economic damage this pandemic has caused, we hope that they will help sustain businesses through this difficult time. As always, I continue to urge Congress to step up to provide greater relief to the people and State of Maine."*

For additional information about the program, please visit the Department of Economic and Community's website.

The Economic Development Districts, which administer the program across the state, report to the Department of Economic and Community Development that approximately 2,100 businesses and organizations submitted eligible applications in Phase 1, with 89 percent of these applications coming from small businesses and 11 percent from non-profits. Of the small business applications, they estimate that

approximately 30-35 percent of them came from the hospitality sector, which includes lodging establishments and restaurants, with the rest representing a broad cross section of economic sectors. The Department anticipates $105 million in awards, averaging approximately $45,000, to be made in early October, although final eligibility and financial verification steps are being completed now.

Phase 1 of the program was intentionally designed to support small businesses and non-profit organizations. The Administration, in partnership with the Economic Recovery Committee and Economic Development Districts, designed the program in this manner to ensure that small businesses that may have been unable to access other grant or funding opportunities had the ability to apply in this initial phase.

> *"We are pleased to be able to move to Phase 2 of the grant program. The expansion of the businesses and non-profits eligible will allow these funds to support additional businesses," said Heather Johnson, Commissioner of the Department of Economic and Community Development. "We recognize that these awards won't fully replace losses, but we are aiming to help keep as many businesses viable as possible while they develop a path forward."*

Grants may be used to cover expenses, including but not limited to: payroll costs and expenses; rent or mortgage payments for business facilities; utilities payments; necessary operating expenses; expenses incurred to replenish inventory or other necessary re-opening expenses; purchase of personal protective equipment required by the business or business related equipment. Funds must be spent on operations that are strictly within Maine. Recipients are liable for any misuse of funds, and the grants are subject to audit.

The Maine Economic Recovery Grant Program builds on the Mills Administration's support for Maine businesses and employees, which includes a commitment of $270 million to backfill Maine's Unemployment Trust Fund to support Maine businesses amidst the increased demand for unemployment benefits, as well as $8.4 million to support childcare services so Maine people can go back to work. Earlier this year, at the request of Governor Mills, the Small Business Administration allowed Maine businesses to apply for economic support loans. Additionally, the Governor and the Legislature worked together in a bipartisan manner to establish a consumer loan guarantee program through FAME, in partnership with financial institutions, to provide low- or no- interest loans for eligible people in Maine.

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