Governor Mills Announces First Round of Economic Recovery Grants to Maine Small Businesses & Non-Profits

October 15, 2020

Governor Janet Mills and Commissioner of Economic and Community Development Heather Johnson announced today that the Mills Administration has begun distributing the first round of financial awards to Maine small businesses and non-profits through the Maine Economic Recovery Grant Program. Grant letters notifying the recipients of their award were sent yesterday in collaboration with Maine's seven Economic Development Districts, which will distribute funds by early November. The program, backed by $200 million in Federal CARES Act Coronavirus Relief Funds (CRF), provides some financial relief for businesses and non-profit organizations that incurred business disruptions as a result of the COVID-19 pandemic.

The 2,329 awards, which include 2,072 to small businesses and 257 to non-profits, total $105 million dollars and average just over $45,000 per award with recipients spanning the entire state. The hospitality sector, particularly lodging and accommodations, represent the largest percentage of recipients, drawing 35 percent of the awards. The grants are intended to help sustain the viability of Maine's small businesses and nonprofits - not to replace lost profits - and will provide short-term relief to help stabilize Maine's economy. At the same time, the Administration continues to focus on the state's long-term goals described in the state's 10-year strategic economic development plan. The program draws on a recommendation from the Governor's Economic Recovery Committee.

> *"There is no question that Maine's small businesses are struggling to survive unprecedented economic hardships caused by the COVID-19 pandemic,"* ***said Governor Mills****. "While these funds will not make them whole, they offer some lifeline to keep afloat those small businesses that are at the core of our economy. I encourage all eligible businesses and nonprofits to apply for the second round of this relief as I continue to call on Congress to provide more direct aid to the State of Maine."*

The Mills Administration worked with the seven Economic Development Districts across the state to operationalize the program. Based on eligibility requirements, which align with allowable uses of CARES Act CRF monies under guidance provided by the U.S. Treasury Department, the Economic Development Districts determined the eligibility of each application, consulting with state agencies when needed. If a small business or non-profit were determined to not meet eligibility requirements, they were also notified yesterday, including a justification for the denial so that the organization can determine their eligibility for Phase 2 of the grant program.

On September 21st, Governor Mills announced the second phase of the Economic Recovery Grant Program. This second phase expands access to the program by increasing the number of eligible organizations. Under Phase 2, businesses and non-profits that employ up to 250 people are eligible for grant awards. In addition, licensed childcare and behavioral health organizations will be eligible in this round, along with businesses and non-profits that are less than one year old. The application portal for Phase Two of the Economic Recovery Grant Program remains open until October 23, 2020.

"There are a number of areas of our economy that have been severely impacted as a result of the pandemic," ***said Heather Johnson, Commissioner of Economic and Community Development****. "We hope this program can help support businesses during this difficult time."*

Grants awarded through the Maine Economic Recovery Grant Program may be used to cover expenses including: 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.

Maine small businesses and non-profits interested in applying for the program can do so at the Department of Economic and Community's website. The website also includes additional information and answers to frequently asked questions.

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