Governor Wolf Announces Financial Assistance Available to Small Businesses

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Economy, Press Release, Public Health

Today, Governor Tom Wolf announced that new funding is available to help small businesses impacted by the novel coronavirus, COVID-19, through a new program under the Pennsylvania Industrial Development Authority's (PIDA) Small Business First Fund, the COVID-19 Working Capital Access Program (CWCA).

The Commonwealth Financing Authority (CFA) recently authorized the transfer of $40 million to the Small Business First Fund for CWCA. PIDA authorized making $60 million available to provide loans of $100,000 or less to for-profit businesses with 100 or fewer full-time employees. Funds are expected to become available this week.

As of 12:00 AM, March 25, there are 276 additional positive cases of COVID-19, bringing the statewide total to 1,127 in 44 counties. The Department of Health also reported four new deaths, bringing the statewide death total to 11. County-specific information and a statewide map are available here. All people are either in isolation at home or being treated at the hospital.

Gov. Wolf has enacted stay-at-home orders for 10 counties: Allegheny, Bucks, Chester, Delaware, Erie, Lehigh, Monroe, Montgomery, Northampton, and Philadelphia counties. The newest order, for Lehigh and Northampton counties, takes effect at 8:00 PM today, Wednesday, March 25. All orders will continue until April 6, 2020.

"My top priority is to save Pennsylvania lives, then save their livelihoods. I am utilizing every resource available to assist Pennsylvania's business during this incredibly difficult time, and this small business funding availability is a step in the right direction. It will help provide a little peace of mind to hundreds of small business owners and their employees," Wolf said. "I will continue to develop ways to assist Pennsylvania's business community, as well as our workforce. I also need every Pennsylvanian to step up and do their part. The best way we can preserve our economic future is by minimizing the spread of COVID-19."

"In the wake of the unprecedented Coronavirus pandemic, it's important that state government is trying to respond to all manner of its impacts, and that includes providing support to our small business community," said Senate Democratic Leader Jay Costa, Jr. "The CFA took necessary and swift action to provide low interest loans to small businesses to help keep them afloat during these difficult times. I commend the leadership of Governor Wolf and the other caucuses of the General Assembly for working together so quickly to come up with a viable plan to provide this assistance."

For the purposes of this program a retail or service enterprise is defined as a for-profit business entity that is involved in the business-to-business service, business-to-public service, mercantile, commercial, or point of sale retail sectors. An agricultural producer is defined as a business involved in the management and use of a normal agricultural operation for the production of a farm commodity. A "farm commodity" is any Pennsylvania-grown agricultural, horticultural, aquacultural, vegetable, fruit, and floricultural product of the soil, livestock and meats, wools, hides, furs, poultry, eggs, dairy products, nuts, mushrooms, honey products and forest products.

"There's been major disruption to small businesses and their employees," said House Democratic Leader Frank Dermody. "This is a bipartisan down payment to get some working capital out quickly. Much more help is needed and we'll keep working on that." Eligible costs include working capital, which for purposes of this program is considered capital used by a small business for operations, excluding fixed assets and production machinery and equipment.

Any eligible working capital cost, as defined above, incurred by the eligible business enterprise three months prior to submission of the loan application will count as an eligible cost toward either the loan amount or, if applicable, the matching investment requirement. Retail / service enterprises are able to incur eligible working capital costs up to six months prior to submission of the loan application.

All loan applications must be submitted through a Certified Economic Development Organization (CEDO). For the list of CEDO's operating within Pennsylvania, please refer to dced.pa.gov/programs/covid-19-working-capital-access-program-cwca/.

Businesses seeking guidance from DCED can also contact its customer service resource account at ra-dcedcs@pa.gov. For the most up-to-date information on COVID-19, Pennsylvanians should follow www.governor.pa.gov and www.doh.pa.gov.