Governor Hogan Announces More Than $175 Million for Businesses Impacted by Coronavirus

Loans, grants, workforce assistance to be offered through Maryland Commerce, Labor

BALTIMORE, MD (March 23, 2020) – Governor Larry Hogan today announced that Maryland has allocated more than $175 million to assist small businesses and nonprofit organizations impacted by the Coronavirus outbreak. Up to $130 million in new funding, through the Maryland Department of Commerce, will help support new loan and grant programs as well as manufacturers, and $7 million in funding through the Maryland Department of Labor is designed to help small businesses retain their workforce.

“We know that the steps we have taken to protect the health and well-being of all Marylanders have made a significant impact on our business community. Today, in addition to funding through the U.S. Small Business

Administration, we are making new financial assistance programs available to help our businesses continue to operate during this unprecedented crisis," said Governor Hogan. "These programs will offer the kind of much-needed support our businesses need right now, and help them to pay bills and retain their workforce as much as possible."

The Maryland 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 non-profits, 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. Additional eligibility requirements can be found here.

Maryland 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.

The Department 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 (MSBDFA), 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.

"It is our top priority to support our business community as much as we can during this difficult time," said Maryland Commerce Secretary Kelly M. Schulz. "We have heard from hundreds of businesses about their greatest need right now which is working capital, and designed these programs to have the most significant impact possible."

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 who have workers delivering essential services, and implementing other creative strategies to mitigate potential layoffs or closures in the business community.

The Department's Division of Unemployment Insurance is fully operational and remains dedicated to helping both employers and employees who have been affected by COVID-19. Marylanders that have been laid off can immediately file a claim by phone, email, or submit an application online. Maryland does not have a waiting period like many other states do. No matter when or how they file, Marylanders become eligible for benefits starting after the day after they separated from employment.

During this state of emergency, the department will allow workers who have not been terminated to collect unemployment insurance if their employer has been closed due to COVID-19, if they have been quarantined, or if they are caring for a family member who is quarantined. Labor has temporarily waived work search requirements for all current and new unemployment insurance benefit recipients. For more information about eligibility for benefits during COVID-19, visit the frequently asked questions page.

Due to an unprecedented volume of inquiries, Labor has also extended call center hours and added network servers to allow more users to simultaneously file a claim online. Bulk Claims Services are now available for

servers to allow more users to simultaneously file a claim online. Bulk Claims Services are now available for any employers with 25 or more employees who will be impacted by a coronavirus-related layoff or shutdown. For more information, visit mdunemployment.com.

"As state and federal governments take unprecedented actions to save the lives of Marylanders during the coronavirus outbreak, the Maryland Department of Labor is here to support and protect our state's businesses and workforce," said Maryland Department of Labor Secretary Tiffany Robinson. "Through the new COVID-19 Layoff Aversion Fund, we look forward to implementing creative strategies to keep Marylanders working and to help businesses continue operations."

This assistance comes in addition to the U.S. Small Business Administration (SBA) Economic Injury Disaster Loans (EIDL), for which Maryland received the designation last week. The program provides low-interest federal disaster loans for small businesses impacted by the Coronavirus and will help alleviate financial strain and allow businesses to pay bills, payroll, and accounts payable, with long-term payments stretching up to 30 years. Small businesses and private non-profit organizations can apply directly to the SBA for financial assistance at this link.

For additional business resources available during the COVID-19 outbreak, please visit businessexpress.maryland.gov/coronavirus.

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