

**Department of Commerce, Community, and Economic Development**  
**Investments**  
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<b>Subject of RPL:</b> State of Alaska COVID-19 Small Business Relief	<b>ADN/RPL #:</b> 08-2020-0251
<b>Amount requested:</b> \$ 300,000,000	<b>Appropriation Authority:</b> Sec. 1 Ch 1 FSSLA 2019 Pg 6 Ln 14 (Investments) Sec 1 Ch 8 SLA 2020 Pg 5 Ln 16 (Investments)
<b>Funding source:</b> Federal Receipts (1002) FY2020 Operating (Supplemental Multi-year FY2020-2021)	<b>Statutory Authority:</b> AS 18.56, AS 44.88, AS 16.10.300-370, AS 16.10.500-560, AS 44.88.400-430, AS 44.33.765, AS 44.33.650-690, AS 44.33.950-990, AS 16.10.890-945, AS 16.10.801-840, AS 45.88.010-090, AS 42.45.250-299, AS 16.10.345-370

**PURPOSE**

Multi-year (FY2020 – FY2021) federal authorization is required to expend increased federal revenues.

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund with the stated purpose of distributing \$150,000,000,000 to states for, “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”

Alaska has received \$1,250,000,000 from this fund and will direct \$300,000,000 to small business relief. The Investments Section of the Department of Commerce, Community and Economic Development will temporarily bolster their existing loan programs to provide support to struggling small businesses and may distribute funding through the reimbursable services agreement (RSA) process to the Alaska Housing Finance Corporation (AHFC), and the Alaska Industrial Development and Export Authority (AIDEA) as needs arise.

Loans will be made through existing programs to entities in need of financial support as a result of the ongoing COVID-19 Public Health Emergency. Certain requirements of receiving loans may be waived as part of this process. The goal of this funding element is to put money in the hands of these businesses to avoid foreclosure while the crisis passes.

**PREVIOUS LEGISLATIVE CONSIDERATION**

The Legislature has not considered a federal appropriation for contingency items. There are no previous RPLs for this activity.

**TIMING ISSUES**

The CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing of the CARES Act and passage of the FY21 Budget, the Governor’s Office did not have enough information to request an appropriation during the current legislative process.

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