



Alaska Small Business  
Development Center

*UNIVERSITY of ALASKA ANCHORAGE*

# COVID-19 AND ALASKA'S BUSINESS SECTOR

Jon Bittner, State Director  
Alaska SBDC



# The Alaska SBDC COVID-19 Resource Center

The impact of Coronavirus disease (COVID-19) on Alaskan communities and businesses is changing daily. The Alaska SBDC is here to support and prepare small businesses in the days, weeks, and months to come. In our COVID-19 Resource Center, you will find guidance, updates, and resources to help adapt in an unpredictable situation.

**Visit: [aksbdc.org/covid19/](https://aksbdc.org/covid19/)**

- Assisting you in preparing to submit disaster relief funding or bank loan applications
- Completing financial analyses and modeling on your business
- Providing no-cost training for financial modeling, SBA programs, transitioning to online operations, and more



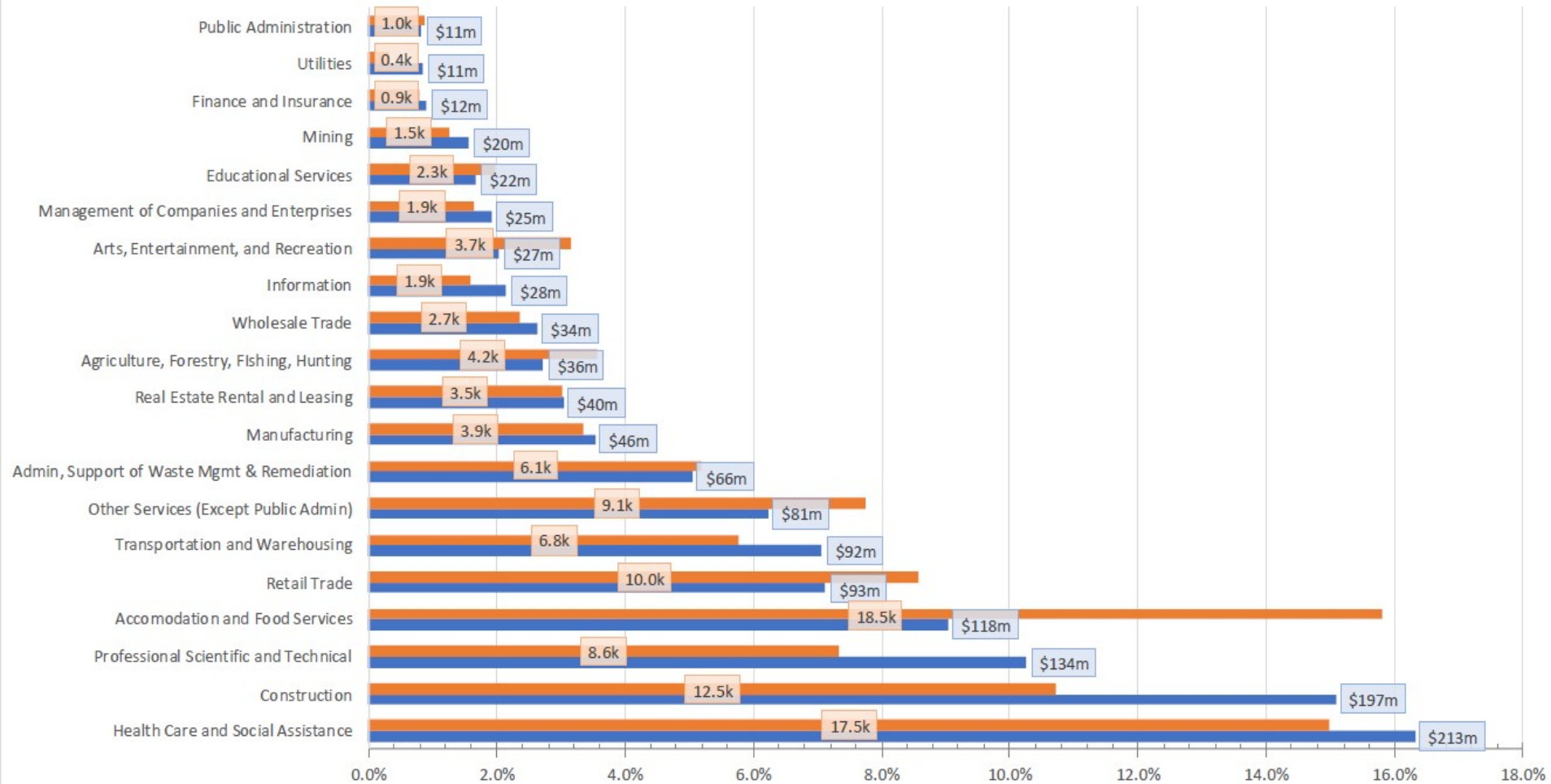
# CARES ACT FUNDING IN ALASKA

# All CARES Distributions - By Region and Program (\$Millions)



## Share of Total Alaska PPP \$ Disbursements (%) vs Share of Jobs Reported (%)

Jobs Reported Total \$

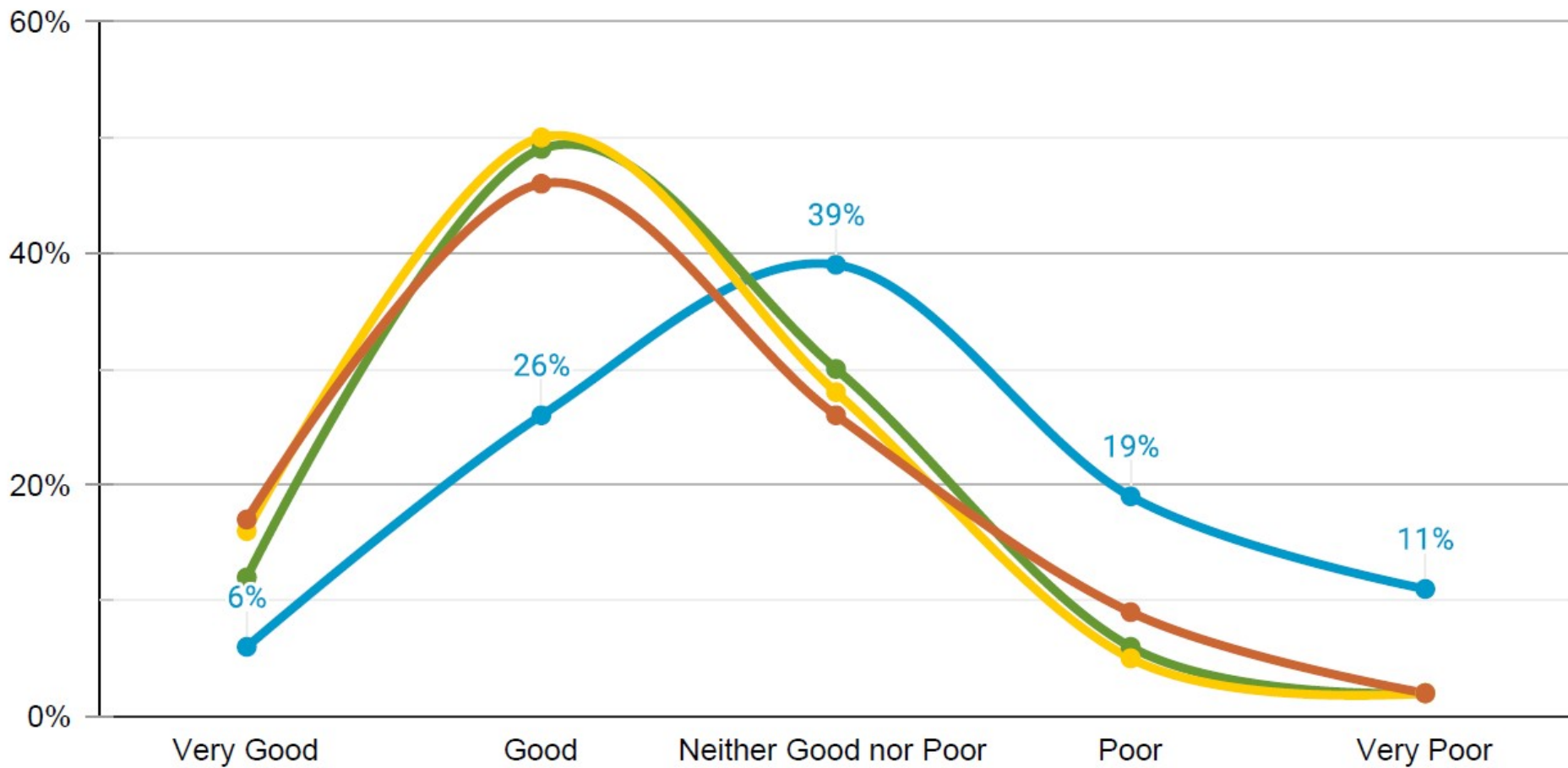




# ALASKA SMALL BUSINESS SURVEY RESULTS

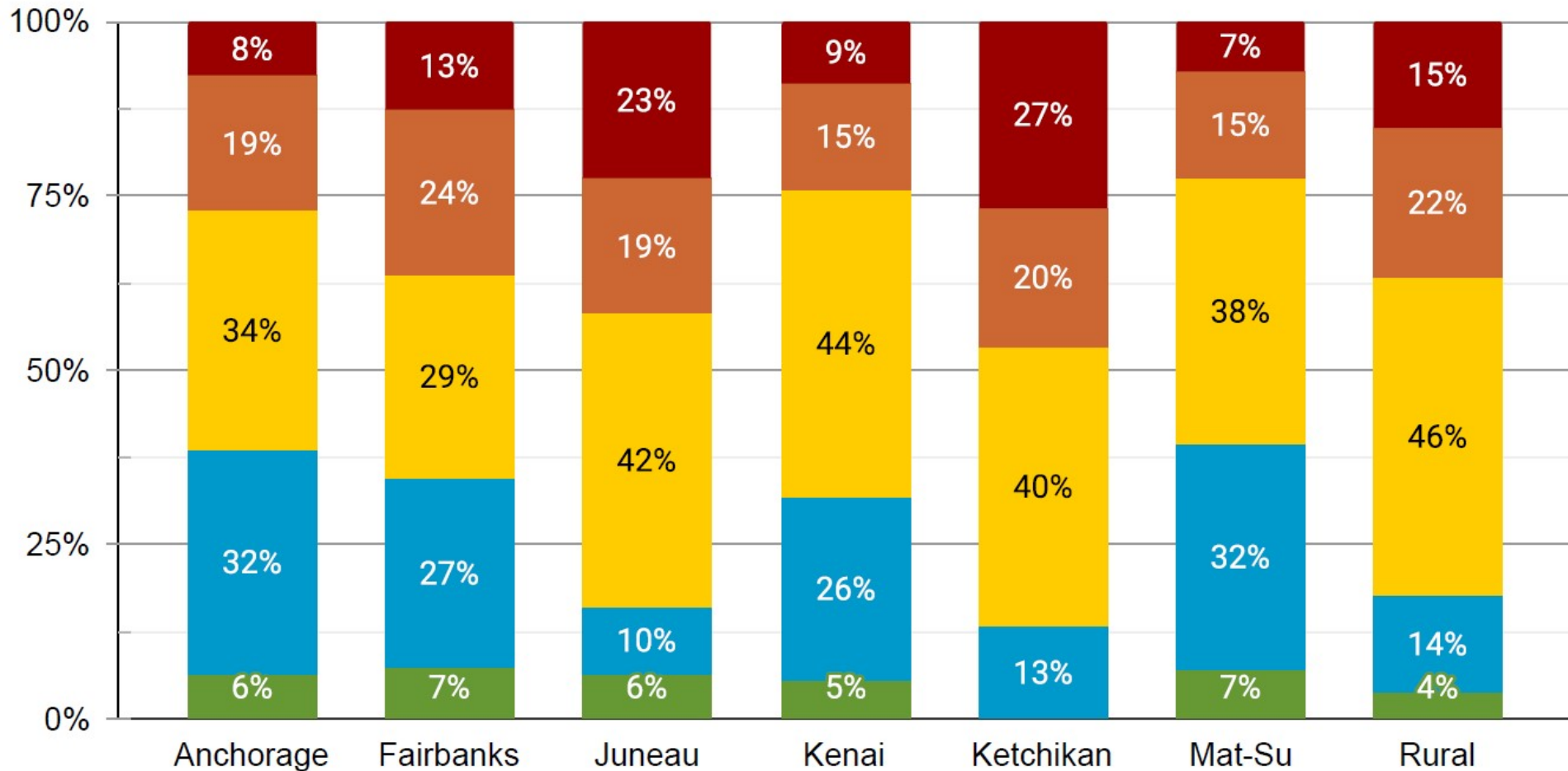
# What do you predict your company's financial situation will be in 12 months?

● 2020 ● 2019 ● 2018 ● 2017



# What do you predict your company's financial situation will be in 12 months?

Very Poor   Poor   Neither Good nor Poor   Good   Very Good







# NEW RELIEF BILL

## Funding For New and Existing Programs

- \$900 Billion included
- Individual payments up to \$600 per person started going out Jan 1
- \$300 supplemental payments to Unemployment Insurance
- Additional funding included for PPP, EIDL, EIDL Advance
- New programs for live venues, fisheries, childcare, and agriculture were added
- Tax incentives were extended or added as well
- The funding is rolling out over the next few weeks starting with the individual payments and PPP
- EIDL advance and other programs will follow shortly



# PAYCHECK PROTECTION PROGRAM

## Changes to the PPP

- \$284 Billion added to the program
- Funding set aside for first time PPP and underserved businesses
- 300 employees or less with 25% reduction in gross revenues
- Must have fully spent first PPP
- 501(c)6s have been added to eligible entities
- Adds PPE expenses, costs associated with outdoor dining, and supplier costs as eligible expenses
- EIDL Advance no longer deducted from PPP forgiveness
- PPP and other relief funds are no longer taxable as income and deductions are allowed for otherwise deductible expenses
- Currently applications only processed through CFIs, no Alaska CFI is participating



# SHUTTERED VENUE OPERATORS

## Program Details

- \$10 billion allocated to grants
- Eligible entities include live venues, independent movie theaters, and cultural institutions
- If you receive a Shuttered Venue grant you are ineligible for PPP and vice versa
- Must have been fully operational as of Feb 29, 2020
- Must show at least a 25% reduction in gross revenue
- Grants are equal to 45% of gross revenue earned during 2019 up to \$10 million
- Entities that receive a SOS may receive a supplemental grant if, as of April 1, 2021, their revenue for Q1 is not more than 30% of revenue for Q1 of 2019
- Supplemental grants are equal to 50% of initial grant
- Grants will be distributed by priority based on revenue loss (1st 14 days – 90%, next 14 days – 70%, then open)



# SBA DEBT RELIEF PAYMENTS

## **\$3.5 billion in latest relief bill**

- Funding to resume debt relief payments for principal and interest (P&I) on 7a, 504, and microloan programs
- All borrowers with qualifying loans approved by SBA prior to the CARES Act will receive three additional months of P&I starting in February
- After first three months, the borrowers who are the smallest and hardest hit will receive an additional five months of P&I capped at \$9,000 per borrower per month
- SBA will also resume P&I payments for the first six months for new loans approved between Feb 1 2021 – Sept 30, 2021



# EIDL ADVANCE GRANTS

## **\$20 billion in latest relief bill**

- Small businesses and nonprofits in low-income communities are eligible for up to \$10,000
- Any small business or nonprofit in low-income communities that received an EIDL Advance previously less than \$10,000 will receive additional funding to bring their total to \$10,000
- 30% loss of revenues between 2019 and 2020
- SBA will reach out to those who have already received an EIDL Advance who are eligible for more and will provide them with additional information
- EIDL Advance no longer deducted from PPP forgiveness
- These funds are not yet being disbursed



# OTHER RELIEF BILL PROGRAMS

## **Agriculture**

- \$13 billion set aside for direct payments to farmers who have suffered losses due to COVID-19

## **Fisheries**

- \$300 million set aside for assistance to fisheries in coastal and great lakes states
- \$30 million set aside for Tribal fisheries of federally recognized Tribes and Alaska Native groups

## **Child Care**

- \$10 billion set aside for emergency funds for childcare providers through the Child Care and Development Block Grant (CCDBG) program
- Funds can be used for personnel, sanitization and cleaning, PPE, fixed costs, rent, utilities, and other costs



Alaska Small Business  
Development Center

---

UNIVERSITY of ALASKA ANCHORAGE

**THANK YOU!**

**JON BITTNER**

**(907) 529-1103**

**[JON.BITTNER@AKSBDC.ORG](mailto:JON.BITTNER@AKSBDC.ORG)**