



## M E M O R A N D U M

To: Governors' Offices, Governors' Economic Policy Advisors and Economic Development Leaders  
Re: State Initiatives for Small Business Recovery During the COVID-19 Pandemic Economic Crisis  
From: National Governors Association Center for Best Practices – Workforce Development and Economic Policy Program  
Date: December 14, 2020

### **Purpose**

This memo summarizes a variety of types of state small business initiatives launched or expanded during the COVID-19 pandemic and economic crisis.

### **Key Takeaways**

The state small business initiatives described in this memo are organized into four areas in which Governors and states have been taking the most action:

- **Funding support directed to small businesses**, including support directed to small businesses via federal Coronavirus Relief Funding, support targeting specific business sectors, support for pivoting business operations toward COVID-19 needs, and more.
- **Support for small business employees**, including for employees returning to work, quarantined employees, employees working in hazardous industries, and coordination of federally-funded layoff aversion programs.
- **Strategies to build community resilience**, including support for local community economic development strategies supporting small businesses, broadband grants, and grants to promote consumer confidence and marketplace resilience.
- **Strategies with specific purposes for assisting small businesses**, including funding strategies that reward data-driven recovery plans, liability protections, support for small business technical assistance, and more.

### **Executive Summary**

States have designed many innovative programs to assist small businesses, particularly with funds provided through the federal Coronavirus Relief Fund under the CARES Act. These programs vary, depending on the circumstances and needs of the small businesses in their states. This memo includes a variety of small business initiatives, including descriptions with one or more state examples of each.

This summary of state programs is not exhaustive, but rather a sampling of state activities from approximately June to October 2020. A number of examples of earlier state actions to help small businesses during the pandemic—actions implemented in March, April and May 2020—are listed in the “[State Commerce/Economic Development Actions Table](#)” (updated May 21, 2020), available on the [NGA Coronavirus website](#).

## State funding support directed to small businesses via CRF

- **New Jersey is on its third phase of funding for small business recovery:** Governor Phil Murphy and the New Jersey Economic Development Authority (NJEDA) have announced several phases of assistance to small businesses in the COVID-19 pandemic. In Phase 1, NJEDA offered \$100 million in funding programs to COVID-impacted businesses such as NJEDA's Small Business Emergency Assistance Grant Program. On July 28, Gov. Murphy [announced](#) an additional \$15 million in CRF (Phase 2) for small businesses. On October 13, Gov. Murphy [announced](#) an additional \$100 million in CRF (Phase 3) to support businesses, including \$70 million to be distributed to restaurants, microbusinesses, and other small businesses, \$10 million to support small businesses purchasing personal protective equipment through NJEDA, and for additional purposes. In order to support an equitable recovery, 33 percent of each of these funding sources are being directed to support entities located in Opportunity Zone census tracts.
- **Wyoming allocates \$100 million to help businesses recover:** As of July 9, Wyoming had [allocated](#) \$100 million in CRF to the Business Interruption Stipend Program created by the state legislature during a special session, along with \$7 million for the state to purchase PPE for businesses and state government. The business relief program is administered by the Wyoming Business Council, the state's economic development agency.

## State small business funding support for on-demand workers

- **Nebraska reopens Small Businesses Stabilization grants with expanded eligibility:** On July 13, the Nebraska [Department of Economic Development](#) (DED) began accepting new applicants under the [Small Business Stabilization](#) grant program. Due to receiving fewer applications than projected during the first round, DED estimated it could award up to 14,000 more grants of \$12,000 apiece. DED Director Anthony Goins said, "Now, businesses with 1-75 employees are eligible, so long as the business withholds income taxes for at least one employee and has suffered employment or revenue losses as a result of COVID-19." The new eligibility requirements mean that 1099 contractors and the self-employed who withhold state income taxes are now eligible for funds. Funding for the program is made possible by a \$392 million allocation of CRF.<sup>1</sup>

## State funding support that includes nonprofit organizations

- **Colorado announces Energize Colorado Gap Fund supporting small businesses and nonprofits:** On October 9, Governor Jared Polis [announced](#) that the state would be allocating \$6 million to the Energize Colorado Gap Fund. The Fund will provide more than \$31 million in loans and grants specifically targeted towards businesses and nonprofits that have been hardest hit by the statewide shutdown and have limited or no access to other means of financing through federal, state or local programs.
- **New Hampshire Governor authorizes GAP Fund for businesses and nonprofits:** Governor Chris Sununu [authorized](#) the allocation and expenditure of \$30 million of CRF flex funds for the General Assistance and Preservation Fund to provide emergency financial relief to businesses and nonprofits impacted by the COVID-19 pandemic but unable to access support from other state and federal programs.

## State funding targeting specific business sectors

- **Alabama assists timber sector:** With COVID-19 depressing the value of timber, on August 31, Governor Kay Ivey [announced](#) a program to help compensate timber landowners for their losses and allow them to continue as responsible stewards of the state's forestlands. Gov. Ivey [allocated](#) \$10

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<sup>1</sup> Eligibility is certified at the [Get Nebraska Growing](#) website, and businesses have access to a [user guide](#) and [step-by-step instructional video](#). The DED hotline for questions or technical difficulties is 855-264-6858.

million of CRF toward statewide grants of up to \$10,000 to assist timber owners who harvested timber from March through July 2020. The state's forestry industry has an economic impact of more than \$23 billion and provides more than 40,000 jobs covering 23 million acres of timberland.

- **Indiana announces CRF for meat processing sector:** On September 30, Lt. Governor Suzanne Crouch [announced](#) \$4 million in CRF for the establishment of a Meat Processing Expansion and Development Grant to support local and small meat processing agribusinesses.<sup>2</sup>
- **West Virginia governor awards grants to help fairs and festivals survive the pandemic:** On August 18, Governor Jim Justice held a virtual ceremony to [award more than a million dollars in grant funds](#) to help ensure the survival of fairs and festivals across the state. Gov. Justice awarded 64 additional grants, worth \$1,144,010 from the Governor's Contingency Fund, to help organizations that host fairs, festivals or similar events bridge the gap in a year where their events were forced to cancel due to the pandemic. On top of that amount, Gov. Justice also awarded more than \$1.5 million the previous week to 330 fairs and festivals across the state.
- **New Mexico launches outdoor recreation business alliance:** On August 24, Economic Development Department Cabinet Secretary Alicia Keyes announced a partnership with a new business alliance focused on the state's outdoor recreation economy called "endeavOR New Mexico." This new nonprofit alliance will expand the outdoor recreation economy in the state, engage the outdoor recreation community, and enhance outdoor recreation offerings and experiences. Governor Michelle Lujan Grisham has recognized outdoor recreation as a key industry to diversify the economy. Locally owned and run businesses form the backbone of this sector, which directly supports \$1.2 billion in income and more than 33,500 jobs, according to a report commissioned by the Economic Development Department's Outdoor Recreation Division. Member benefits include networking, promotion of destinations, news, best practices and professional development assistance.<sup>3</sup>

## State support to small businesses pivoting operations toward COVID-19 needs

- **Hawai'i Business Pivot Grants:** On October 20, Governor David Ige, in partnership with the state's Chamber of Commerce, [announced](#) the launch of a Business Pivot Grant program. The grants will distribute \$25 million in financial and training support to struggling small businesses and help them adjust to marketplace changes resulting from the pandemic. The program will provide approximately 2,500 small businesses with reimbursement grants to cover expenses up to \$10,000 incurred while implementing changes to their operations, products and services. Funded by CRF, the program provides qualifying businesses reimbursement for eligible expenses incurred since March 20, 2020, including investing in e-commerce, reconfiguring workspaces, adding safety equipment and implementing new business processes.
- **Missouri grant programs for businesses:** On July 14, Governor Mike Parson [announced](#) a total of \$50 million in new grant programs for Missouri businesses. This includes \$30 million for grants providing relief to small businesses and family-owned farms for reimbursement of business interruption costs due to COVID-19. Funds can cover facility redesign and labor, air filtration systems, e-commerce website design, worker salaries during closure or reduced hours, and necessary costs to make the business more resilient, among others. It also includes \$20 million for a PPE Retooling Grant Program designed to help companies produce PPE in Missouri as part of the state's Show Me Strong Recovery Plan.

## State support targeting specific populations to promote inclusivity and equity

- **Indiana extends Small Business Restart Grants program, expands eligibility:** Since launching Small Business Restart Grants on June 3, Indiana has issued \$1.01 million in grants to 246 small businesses across 83 counties. More than 17 percent of this grant funding has been awarded to 46 certified minority-owned businesses and 58 certified women-owned businesses. On September 23,

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<sup>2</sup> A press release is linked [here](#), and the applicant portal is [here](#).

<sup>3</sup> Learn more about endeavorOR New Mexico by visiting [endeavorNM.org](https://endeavorNM.org) or emailing [director@endeavorNM.org](mailto:director@endeavorNM.org).

Governor Eric Holcomb announced changes to the Restart Grants to increase the number of small businesses utilizing the program and to increase the award amount that eligible businesses may be qualified to receive. Of the state's \$30 million CRF allocation, at least \$5 million is now reserved for certified minority- and women-owned businesses.<sup>4</sup>

- **North Carolina announces program for minority and women-owned small businesses:** On October 1, Governor Roy Cooper [announced](#) that minority and women-owned businesses hit hardest by the pandemic will have access to guidance and \$12 million in grants to help them weather the crisis. The North Carolina [Department of Administration](#) has launched a new grant program, [RETOOLNC](#), to help North Carolina Historically Underutilized Businesses and Disadvantaged Business Enterprise firms impacted by COVID-19.<sup>5</sup>
- **Tennessee targets specific populations:** On October 7, Governor Bill Lee and the Tennessee Financial Stimulus Accountability Group [announced](#) an initial \$50 million in CRF for the new [Supplemental Employer Recovery Grant](#) program to provide additional relief to small businesses suffering during the COVID-19 pandemic. This new wave of funding includes specific support for minority-owned, women-owned and veteran-owned businesses, as well as businesses owned by disabled persons.
- **Virginia expands eligibility for Economic Recovery Fund for small businesses and nonprofits:** On July 27, Governor Ralph Northam [announced](#) \$70 million for small businesses and nonprofits disrupted by COVID-19. The funding was made available through Rebuild VA, a new state [economic recovery fund](#) administered by the Department of Small Business and Supplier Diversity (SBSD) — which worked with the Department of Housing and Community Development, the Virginia Tourism Corporation, and the Virginia Economic Development Partnership to develop the new initiative. To accomplish the Northam Administration's objectives for diversity, equity and inclusion, half of the program funds were to be distributed to eligible small businesses and nonprofits operating in low-income and economically disadvantaged communities.<sup>6</sup>

## Layered state funding and incentives

- **Delaware implements array of direct supports for recovery:** Delaware's Hospitality Emergency Loan Program was one of the first COVID-specific support programs in the country launched at the state level to get resources directly into the hands of business owners. On March 18, Governor John Carney [announced](#) this program, which was eagerly tapped by the state's small businesses. Later in August, Delaware launched [Relief Grants](#), which broadened the eligibility criteria and increased the available funding to \$100 million for up to \$100,000 grants for businesses. On September 9, Gov. Carney announced a [Nonprofit Support Fund](#). This \$25 million program provides up to \$100,000 directly to 501c3 organizations.
- **Illinois grants for businesses and communities:** On June 23, Governor J.B. Pritzker and the [Illinois Department of Commerce and Economic Opportunity](#) [released](#) applications for two grant programs totaling \$85 million: 1) Business Interruption Grants, intended to provide relief for thousands of affected businesses, and 2) Rebuild Distressed Communities Grants. On September 10, Gov Pritzker [announced](#) a new \$16.6 million investment to expand job opportunities for Illinoisans who had lost their jobs. The Department of Commerce and Economic Opportunity is distributing funding to place, train and hire nearly 1,300 residents for an array of jobs related to the pandemic. It includes \$8.3 million from the Disaster Recovery Grant Program and \$8.3 million from the Employment Recovery Grant Program, both part of the U.S. Department of Labor's National Dislocated Worker Program. In addition, the Governor and [Connect Illinois](#) [announced](#) \$50 million in grants matched by \$65 million in nonstate funding to expand broadband access.

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<sup>4</sup> For more information on support for Indiana's entrepreneurs and small businesses, visit [StayINBiz.org](#). More details on the Restart program are available at [backontrack.in.gov](#).

<sup>5</sup> Additional resources for small businesses impacted by the pandemic are available through the North Carolina [Department of Commerce](#).

<sup>6</sup> Information on eligibility, covered expenses and application submission is available at [governor.virginia.gov/RebuildVA](#).

## State funding support targeting new startups

- **Maine announces second phase of economic recovery grants, expands pool of recipients:** On October 15, Governor Janet Mills and Commissioner of Economic and Community Development Heather Johnson [announced](#) that the state had begun distributing the first round of financial awards to small businesses and nonprofits through the Maine Economic Recovery Grant Program. The program was backed by \$200 million in CRF. On September 21, Gov. Mills [announced](#) a second phase of the Economic Recovery Grant Program to make sure that as many eligible businesses as possible could have some financial relief. Under Phase 2, businesses and nonprofits employing up to 250 people are eligible for grants; up to \$5 million of the \$95 million available is dedicated to support the viability of businesses less than a year old.

## State funding support for businesses forced to close

- **Iowa reopens Small Business Program:** On September 2, Governor Kim Reynolds [announced](#) that the Iowa Small Business Relief Grant Program would be reopened to provide relief grants to bars, taverns and other establishments impacted by the August 27 COVID-19 disaster proclamation that closed bars in six counties. Eligible businesses will receive a one-time \$10,000 grant to assist with cash flow.

## State-supported loan programs

- **Montana announces working capital loan program:** On September 3, Governor Steve Bullock [announced](#) the new Montana Working Capital program, which builds off the Montana Loan Deferment program by allowing businesses to take out a new loan to be used for payroll, employee benefits, lease or rent, inventory, utilities and insurance. Through the unused portion of the \$125 million allocated to the Loan Deferment program, new borrowers can work through an approved lender to take out a loan, with 35 percent of it granted through CRF. The borrower would be responsible for making payments on the remaining 65 percent of the loan.
- **North Dakota implements loan interest buydown program:** On September 22, Governor Doug Burgum and the North Dakota Industrial Commission [approved](#) a \$50 million interest buydown program to be administered by the Bank of North Dakota for businesses with decreased revenue related to the pandemic. The COVID PACE Recovery II program will be funded by CRF assigned to the Bank of North Dakota. North Dakota business owners may work with their local lender to apply for the buydown of up to \$50,000. Upon closure of the application period, the Bank of North Dakota will apply a formula to award the funds that ensures businesses with the largest percentage decreases in revenue will benefit. The awards will be given based on that percentage until expended. The Commission, consisting of the Governor as chairman and including the state's Attorney General and Agriculture Commissioner, oversees the Bank of North Dakota.

## Cash grants based on losses estimated from earlier business tax returns

- **Vermont launches Economic Recovery Grant Program:** On July 6, the Vermont Agency of Commerce and Community Development and the Department of Tax [launched](#) the Economic Recovery Grant Program which was proposed by Governor Phil Scott's administration and amended by the state legislature. The program uses CRF to provide direct cash grants to businesses that lost revenue due to COVID-19. An initial \$50 million was allocated for businesses paying rooms & meals or sales & use taxes; an additional \$20 million was available to all other private businesses and nonprofits, with the grants allocated on a first-come, first-served basis.



## State support for small business employees returning to work

- **Idaho supports businesses and citizens during the pandemic:** On July 13, Governor Brad Little [announced](#) that nearly 2,000 businesses had sought more than 10,000 Idaho Return to Work bonuses for their employees. Idaho had set aside \$100 million in CRF to cover the bonuses. One-time cash bonuses of up to \$1,500 for full-time work and up to \$750 for part-time work were provided to workers after their return to the workplace.<sup>7</sup> On July 31, the state [reported](#) on the success of this and other programs supporting businesses and citizens during the pandemic.

## State support for quarantined employees in small businesses

- **Utah announces Quarantined Employee Grant for small businesses:** On October 1, Governor Gary Herbert [announced](#) the launch of a new \$2 million Small Business Quarantined Employee Grant. The grant was created using CRF as a way to provide an important lifeline to small businesses experiencing payroll issues during the pandemic. Small businesses with fewer than 50 employees would be able to spend grant funds on employee reimbursement for staff who either: 1) tested positive for COVID-19 and had to isolate/quarantine; or 2) had confirmed exposure to someone who tested positive and was asked to isolate/quarantine. Employers could then pay employees who were asked to stay home for up to 40 hours a week for a period of up to two calendar weeks.

## State support covering employees working in hazardous industries

- **Vermont expands hazard pay grants:** On October 22, Governor Phil Scott [announced](#) the second round of the Frontline Employee Hazard Pay Grant Program, which was passed by the legislature. This round expands the types of employers who are now eligible to apply, and includes employees who worked for an eligible employer last spring during the worst of the pandemic in Vermont but are no longer working for that employer. The first round of the Hazard Pay Grant Program distributed approximately \$28 million to those primarily in the health care and human services fields. The first round covered approximately 370 employers, equating to approximately 15,650 employees who received a grant. The second round expands the employer type to include sectors such as pharmacies, grocery stores and certain retail, and appropriates an additional \$22.5 million. This round is being administered by the Department of Financial Regulation, in consultation with the Agency of Human Services.

## State coordination of federal and state-funded layoff aversion programs

- **Maryland updates relief for small businesses and nonprofits:** On June 30, Governor Larry Hogan [announced](#) new relief to help small businesses and nonprofits affected by COVID-19. These investments through CRF included \$45 million to expand the [Small Business COVID-19 Emergency Relief Grant Fund](#) and \$5 million for the [Small Business Development Financing Authority](#) to provide financing to businesses owned by economically- and socially-disadvantaged entrepreneurs. On August 31, Gov. Hogan [announced](#) more than \$10 million had been awarded to 445 small businesses through the Maryland Department of Labor's COVID-19 Layoff Aversion Fund, saving more than 8,800 jobs. The Layoff Aversion Fund was introduced by the Governor in March to provide financial assistance to small businesses.
- **Virginia re-engages Labor Department's Short-Time Compensation Program:** At the time the CARES Act was passed, the Commonwealth of Virginia did not have an active [Short-Time Compensation](#) program through the U.S. Department of Labor.<sup>8</sup> Also known as work sharing or shared-work programs, the Dept. of Labor's program is an alternative to layoffs for employers experiencing a reduction in business activities. It allows employees facing a reduction in wages to

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<sup>7</sup> More information is available at <https://rebound.idaho.gov/return-to-work-bonuses/>.

<sup>8</sup> The Commonwealth of Virginia previously had a short-time compensation program from 2014-2016.

collect a percentage of full unemployment compensation benefits to replace a portion of their lost wages while maintaining attachment to their employer. In Virginia, as a result of quick legislative and gubernatorial action, SB 548 authorized the Virginia Employment Commission to set up a short-time compensation program by January 1, 2021. However, there is a push to move this earlier to take advantage of the 100 percent Dept. of Labor financing of the programs' benefits for up to 26 weeks through the end of 2020. Twenty-seven states are currently participating in the DOL layoff aversion program.<sup>9</sup>

## **State support for local community economic development strategies supporting small businesses**

- **Florida awards grants to rural communities for economic development planning:** On August 7, Governor Ron DeSantis [announced](#) \$280,000 was awarded to eight small and rural communities through the Competitive Florida Partnership grant program administered by the Florida Department of Economic Opportunity. The program establishes a partnership between the communities and the Department of Economic Opportunity to create a strategic vision to advance economic development needs. Each of the eight communities is receiving \$35,000 to fund the development of a strategic plan for economic growth and diversity.
- **New Mexico announces funding for local governments to address small businesses through a Small Business Recovery Loan Fund:** On July 27, Governor Michelle Lujan Grisham [announced](#) \$178 million of CRF for local and tribal governments: \$150 million is available for cities and counties, and \$28 million for tribal governments. Of the local government allocation, \$50 million is designated for the establishment of grant programs to support small businesses impacted by COVID-19, including childcare options available for parents whose children's school schedules have been impacted by the health emergency. On August 5, Gov. Lujan Grisham [announced](#) an additional Small Business Recovery Loan Fund. The Small Business Recovery Act of 2020 allocates \$400 million in funds from the New Mexico State Severance Tax Fund to provide loans to businesses and nonprofits that have experienced financial hardship due to the public health order resulting from the pandemic.

## **State broadband grants supporting commerce and small business development**

- **Arkansas proposes \$100 million for broadband grants:** In early August, the Arkansas CARES Act steering committee [proposed](#) providing \$100 million in CRF to the [Rural Connect](#) broadband grant program administered by the [State Broadband Office](#). The office, housed in the Arkansas [Department of Commerce](#), previously received \$19.3 million in CRF earlier this year, as well as \$5.7 million in state funds last year. Governor Asa Hutchinson created the 15-member steering committee to recommend the best uses of the CRF.
- **Kansas creates Office of Broadband Development in Commerce Department:** On October 8, Governor Laura Kelly [issued](#) an executive order that creates the Office of Broadband Development in the state's Commerce Department. Along with creating the office, Kansas officials announced a \$49.3 million investment in 67 projects at 160 locations around the state.

## **State grants to promote consumer confidence and marketplace resilience**

- **North Dakota launches Economic Resiliency Grants:** Jace Beehler, policy director in the North Dakota Governor's Office, shared information on an [Economic Resiliency Grant](#) to help restore consumer confidence and reinvigorate the economy while ensuring the health and safety of customers and employees. The state Commerce Department is making the grants available to companies for costs associated with improvements to their businesses for the purpose of reducing the spread of

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<sup>9</sup> An [NGA memo](#) provides more state strategies and examples.

infection and instilling consumer confidence in the marketplace. The grants will be awarded at up to \$50,000 per eligible business and up to \$100,000 per eligible business with multiple locations.<sup>10</sup>

## Strategies that reward data-driven economic recovery plans

- **Washington State announces funding for small businesses and nonprofits:** On June 30, Governor Jay Inslee [announced](#) distribution of nearly \$365 million in federal funding to help with COVID-19 relief, including \$20 million in grants for small businesses, support for local economic development organizations providing assistance to businesses, and support for data-driven recovery plans by region and by industry.

## State liability protection for businesses and workers

- **Nevada Governor signs legislation protecting businesses and workers:** On August 11, Governor Steve Sisolak [signed Senate Bill 4](#), first-in-the-nation legislation to balance the protection of workers and the needs of the business community to stay afloat during the pandemic and subsequent economic crisis. The bill was driven by the need to protect the lifeblood of the state's economy, small businesses and hospitality workers. (There are caveats. The legislation does not create an impenetrable shield for those businesses that fail to protect their customers, visitors and, most importantly, the hard-working Nevadans who drive the state's economy. Similarly, businesses that act counter to established health and safety protocols will not benefit from the protections provided by this bill.) In addition, on October 14, Gov. Sisolak [announced](#) the new [Pandemic Emergency Technical Support](#) grant program, which makes \$20 million in CRF available to small businesses, nonprofits, arts and culture organizations, and local chambers of commerce; a program being administered collaboratively by the State Treasurer's Office, the Governor's Office of Economic Development and the Department of Business and Industry.<sup>11</sup>

## State support for small business technical assistance, training and mentoring

- **Arizona announces support for small business training and mentoring:** On July 8, Governor Doug Ducey [announced](#) \$600,000 to fund the launch of the Arizona Small Business Association's Live Local program. The program's aims are to: train small businesses in finding and navigating available resources; help them build relationships within their communities, and; provide mentoring and internship programs. As part of the program, the Business Education Foundation will research the impact of small businesses to understand best practices, growth trends and policy analyses. The program also includes personalized training courses for small businesses to help them run operations smoothly, strengthen financial stability, increase networks, and attract and retain customers.

## Creation of digital tools and online resources

- **Alaska expands small business CRF:** On August 27, Governor Mike Dunleavy [announced](#) that businesses receiving any amount of federal Paycheck Protection Program or Economic Injury Disaster Loan funds would be eligible to apply for Alaska CARES grants, as would businesses that have secondary sources of income. The businesses could apply through an [online application portal](#).
- **Montana transforms annual business symposium into online hub:** On September 11, Governor Steve Bullock [announced](#) the long-running Innovate Montana Symposium would pivot to an online video portal intended to help businesses with economic recovery during the pandemic. The Governor's Office of Economic Development is working with business leaders in Montana and beyond for the video series to launch in the Fall of 2020. Example topics will include: How to Move

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<sup>10</sup> The [ERG website](#) provides information on business and expense eligibility, the application process and post-award obligations. Questions about the program can be addressed to the business help line at [businesshelpCOVID19@nd.gov](mailto:businesshelpCOVID19@nd.gov).

<sup>11</sup> More information in English and Spanish is available [here](#), and via [ask@nevadatreasurer.gov](mailto:ask@nevadatreasurer.gov) or 1-800-336-1600.



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## **Creation of state advisory committees on small business and entrepreneurship**

- **Alabama creates new state advisory unit:** As [announced](#) by Governor Kay Ivey on July 16, Alabama Secretary of Commerce Greg Canfield is on the Advisory Council to the new statewide Alabama Innovation Commission known as Innovate Alabama. Established by [Executive Order](#), this is the first statewide commission on entrepreneurship and innovation, and will serve as a platform for innovators to engage policymakers, exchange ideas and identify policies that promote innovation such as enhancing technology accelerators and addressing red tape.

## **Regulatory changes: State waivers for liquor license fees**

- **Pennsylvania announces plan to waive liquor license fees:** On October 22, Governor Tom Wolf [announced](#) a plan to waive liquor license fees to provide financial relief to restaurants and bars that have faced significant financial impacts during the COVID-19 public health crisis. In an effort to find innovative ways to help this sector, Gov. Wolf is working with the state's Liquor Control Board to waive standard licensing fees through 2021 starting January 1. More than 16,000 Pennsylvania restaurants and bars, clubs, catering clubs and hotels would see \$20 million in relief.

## **Conclusion**

The COVID-19 pandemic and resulting economic crisis have posed special challenges for state economic advisors and developers, including its particularly negative impact on small businesses. This memo summarizes a variety of innovative state initiatives and strategies for addressing the special vulnerabilities being experienced by small businesses at this time. These strategies can become important elements of state economic recovery agendas.

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