



State of Rhode Island and Providence Plantations
Office of Lieutenant Governor Daniel J. McKee

May 26, 2020

The Honorable Gina M. Raimondo
Governor of Rhode Island
State House, Room 224
Providence, RI 02903

Dear Governor Raimondo:

First and foremost let me thank you for your efforts during this difficult time. The health of our residents remains the top priority, and you continue to set the standard of critical leadership.

As Chair of Rhode Island's Small Business Advocacy Council, I have held dozens of online meetings and conference calls over the past few months to hear concerns and ideas from hundreds of small business owners across Rhode Island. I appreciate your office's willingness to receive feedback from my team as we work with small businesses and help them navigate this pandemic.

I would like to recommend that the state creates a CARES Act-funded grant program and a state-guaranteed loan strategy to help compensate small businesses that have been most financially impacted by COVID-19. The programs should focus on small businesses with 50 employees or fewer that are not allowed to reopen on June 1 or are operating on a limited basis due to COVID-19 regulations issued by the state.

- **CARES Act Small Business Grant Program:** I urge the state to use a significant portion of Rhode Island's \$1.25 billion federal CARES Act funds to issue grants to help small businesses cover overhead costs such as rent, utilities, state and local taxes and payroll. Qualifying small businesses should be able to apply for the grants on a monthly basis as long as they are unable to reopen or required to limit operations.
- **State-guaranteed Small Business Loan Program:** I propose the creation of a state-guaranteed loan program in partnership with local financial institutions. The program should allow qualified small businesses to borrow funds on favorable terms like zero-interest or deferred payments.

I look forward to continuing my work with your office. Thank you for your attention to these issues.

Sincerely,

Daniel J. McKee
Lieutenant Governor

CC: The Honorable Nicholas Mattiello, Speaker of the RI House of Representatives
The Honorable Dominick Ruggerio, President of the RI Senate