



Lieutenant Governor Daniel J. McKee

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Lt. Governor McKee Proposes New Financial Support Programs for Small Business Negatively Impacted by COVID-19

PROVIDENCE, RI—Lt. Governor Dan McKee, Chair of Rhode Island’s Small Business Advocacy Council, today urged the state to create 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. Lt. Governor McKee first highlighted this plan during a virtual town hall meeting with small business owners on Tuesday, May 19.

“If the state must keep certain small businesses closed or require them to operate on a limited basis to protect the health of Rhode Islanders, then the state should also be prepared to support these businesses with aggressive financial support programs until they are permitted to fully reopen,” said Lt. Governor McKee. “The reduction in economic activity has been devastating for many small business owners who put their life savings, their hearts and their souls into running a small business. Help from the state must come swiftly and be directed to the small businesses that need it most.”

The Lt. Governor recommends that the state’s programs 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:** Lt. Governor McKee proposes using 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:** Lt. Governor McKee urges 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 including zero-interest or deferred payments.

“Launching a local grant program and leveraging millions of dollars in state guarantees along with hundreds of millions of dollars in loans will help prevent a major collapse of Rhode Island’s small business community,” said Lt. Governor McKee. “Too many small businesses are financially fragile because they have been unable to reopen their doors or operate at fully capacity—without immediate support, many of these businesses will fail.”

Lt. Governor McKee hosts virtual town hall meetings for small businesses every Tuesday and Friday at noon. Rhode Islanders can participate in the discussion on the [Lt. Governor’s Facebook page](#).

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