



STATE OF RHODE ISLAND
OFFICE OF GOVERNOR DANIEL J. MCKEE

February 15, 2022

The Honorable Marvin Abney
Chairman, House Committee on Finance
Room 35, Rhode Island State House
Providence, RI 02903

RE: 2022- H 7123– Article 1 § 16: State Fiscal Recovery Fund – Federal Funds

Dear Chairman Abney:

I write to offer my strong support of House Bill 7123 – Article 1§ 16, State Fiscal Recovery Fund – Federal Funds. This letter specifically will address small business initiatives.

Throughout the pandemic the Executive Office of Commerce has worked to address businesses' challenges head-on. Whether it is creating a Small Business Grant Program that helped 3,700 businesses using leftover CARES Act funds, or launching Back to Business RI to address labor shortages, or creating Rhode Island Ready to encourage industrial site development, or supporting the codification of outdoor dining and liquor-to-go, my administration stands ready to help our business recover from this pandemic and well beyond.

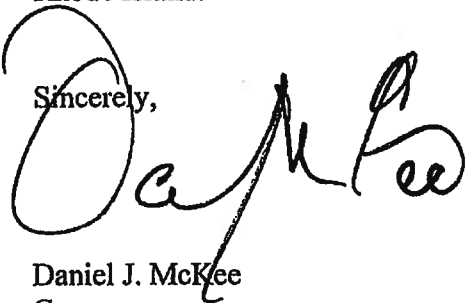
- **Main Street Revitalization:** The Main Street Revitalization program will provide \$5 million in funding for improvements such as signage, lighting, façade, and sidewalk improvements in municipal commercial districts. Municipalities and non-profits can also access technical assistance funds through this program to help develop and execute main street improvement projects to bolster our local economies and vibrant community centers.
- **Assistance to Impacted Industries:** The tourism, hospitality, and events industry was one of the first and most severely impacted industries through this pandemic, but they are also one of the most important pillars of the Rhode Island economy. Therefore, I have proposed investing \$28.5 million to support a broad-based recovery, including direct assistance to businesses, outdoor and public space capital improvements, and tourism marketing in coordination with state tourism regions and the airport corporation.
- **Minority Business Accelerator:** For far too long, minority entrepreneurs and minority-owned businesses have faced barriers in starting and growing their businesses; that is

why our Administration is committed to supporting our minority-owned businesses in their pandemic recovery and long-term business development, through a \$10 million investment. These funds will support the creation of a minority business support center, which can be used for co-working and programming. It will also increase access to capital through grants and low-interest loans, provide financial and technical assistance from improvements to customer-facing marketing strategies to back-end office functions, and offer entrepreneurship training.

- **Small Business Access to Capital:** Many small businesses are facing short- and medium-term disruptions caused by the pandemic that could have deleterious effects on otherwise fiscally sound business models. That is why I propose allocating \$20 million to create a program to help them through these pandemic-related struggles. Funds could be used on expenses such as real estate costs, short and long-term working capital, refinancing debt, and the purchase of furniture, fixtures, and supplies. This program will also seek to leverage other private and public resources, such as the SBA 7(a) loan program, to maximize the reach and effectiveness of this immediate relief.
- **Small Business Financial and Technical Assistance:** The pandemic is still affecting our small business community. To help strengthen its recovery, our Administration proposes a \$45 million investment in our small businesses to help them weather the storm and make the most of lessons learned through the creativity and persistence they have shown over the past two years. The Small Business Financial and Technical Assistance program would support small businesses that have been disproportionately impacted by the pandemic, providing direct payments to address the negative impacts of the pandemic, technical assistance for long-term business capacity building, capital improvements for public health updates and outdoor programming, development of e-commerce platforms, and administrative expenses.

I thank Commerce Secretary Stefan Pryor and his team for their continued work to help our businesses rebound after two years of uncertainty. These initiatives provide critical support for our small businesses as we strive to overcome the adverse economic effects of the pandemic and maintain our long-term economic growth by making it easier and simpler to do business in Rhode Island.

Sincerely,



Daniel J. McKee
Governor

CC: The Honorable Members of the House Committee on Finance
Nicole McCarty, Esq.