



**STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR**

CHRISTOPHER T. SUNUNU
Governor

June 11, 2021

Taylor Caswell
Director
Governor's Office of Emergency Relief and Recovery
100 North Main Street, Suite 100
Concord, N.H. 03301

Dear Director Caswell,

Pursuant to my authority under RSA 21-P:43; RSA 4:45; RSA 4:47; and Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, 2020-16, 2020-17, 2020-18, 2020-20, 2020-21, 2020-23, 2020-24, 2020-25, 2021-01, 2021-02, 2021-04, 2021-05, 2021-06, 2021-08, and 2021-10 I have approved your written request, in attachment, to take the following actions related to the CARES Act Coronavirus Relief Funds:

1. Authority for the Governor's Office for Emergency Relief and Recovery (GOFERR) to amend the Main Street Relief Fund (MSRF), initially authorized on June 8, 2020 and as subsequently amended, including MSRF 1.0, MSRF 2.0 and the Self Employed Livelihood Fund (SELF), General Assistance and Preservation Fund (GAP), authorized on August 6, 2020, and the Live Venue Relief Program, authorized on October 14, 2020, to allow the recipients of awards for revenue loss that were unable demonstrate sufficient revenue loss of at least the amount of the award, to alternatively demonstrate COVID-19 related expenses to offset up to the full amount of recoupment that would otherwise be owed. No additional funds, effective through December 31, 2021. (100% Federal Funds)

The Department of Administrative Services is authorized to take the actions necessary to effectuate this authorization.

Sincerely,

A handwritten signature in blue ink that reads "Chitah T. Sununu".

Christopher T. Sununu
Governor

CC: Charles Arlinghaus, Commissioner, Department of Administrative Services



STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE

for

EMERGENCY RELIEF AND RECOVERY

June 11, 2021

His Excellency, Governor Christopher T. Sununu
State House
Concord, NH 03301

REQUESTED ACTION UNDER RSA 21-P:43; RSA 4:45; RSA 4:47; AND EXECUTIVE ORDER 2020-04, AS EXTENDED BY EXECUTIVE ORDERS 2020-05, 2020-08, 2020-09, 2020-10, AND 2020-14, 2020-15, 2020-16, 2020-17, 2020-18, 2020-20, 2020-21, 2020-23, 2020-24, 2020-25, 2021-01, AND 2021-02, 2021-04, 2021-05, 2021-06, 2021-08 AND 2021-10

Dear Governor Sununu,

The Governor's Office for Emergency Relief and Recovery (GOFERR) requests retroactive authority to amend the accept and expend Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding for the Main Street Relief Fund, initially authorized on June 8, 2020 and as subsequently amended, including MSRF 1.0, MSRF 2.0 and SELF, the General Assistance and Preservation Fund (GAP), authorized on August 6, 2020, and the Live Venue Relief Program, authorized on October 14, 2020, to allow the recipients of awards for revenue loss that were unable demonstrate sufficient revenue loss of at least the amount of the award, to alternatively demonstrate COVID-19 related expenses to offset up to the full amount of recoupment that would otherwise be owed. This authorization is a modification of the original program that will not require any additional funds, effective upon approval by the Governor through December 31, 2021. 100% Federal Funds.

EXPLANATION

The MSRF 1.0, MSRF 2.0, SELF, GAP For-profit Business Relief, and the Live Venue Relief programs were based only on projected revenue losses in March through December 2020 and required reporting in 2021 to confirm that the awardees had at least as much revenue loss as the amount of the award to demonstrate that they had sustained a negative impact from the public health emergency. Other programs, such as the relief programs for non-profits and healthcare were allowed to demonstrate negative impact by both revenue loss as well as COVID-related expenses. GOFERR also received significant input that revenue loss alone for the for-profit sector did not capture the true extent of negative impact of the public health emergency on the for-profit business sector.

There have been sufficient statistical studies by outside entities to support a presumption of an average level of COVID-related business expense for small business. One study examined data from 300 small business owners who received funding via the Paycheck Protection Program (PPP). That study was updated in December and included even more small business data. Two key findings in that study (and the December update) were that businesses will need to invest approximately \$29,230 in personal protective equipment (PPE) and renovations to deal with COVID-19. That amounts to a 15-point reduction in gross margins on average, and the average cost of recovery (PPE + renovations) was \$21,553 for businesses that were closed due to COVID-19.

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Website: <http://www.goferr.nh.gov/> • Email: info@goferrnh.gov
TDD Access: Relay NH 1-800-735-2964

A summary of that study's approach: "The Biz2Credit Small Business Economic Indicator study is a proprietary analysis of financial data gathered from over 11,000 small businesses who have applied for financing on the Biz2Credit funding platform. In 2020, the study shows the effects of the COVID-19 pandemic on the economic health and viability of small companies (under 500 employees) in the United States . . . The analysis compares detailed cash flow data in the pre-coronavirus period (January - February 2020) and the first six months of the pandemic (March – September 2020). The data was collected from nearly 11,000 small businesses across the country in all industry sectors when companies applied for funding via the company's online financing platform."

This modification relief program will have a three-tiered approach for awardees to demonstrate proof of COVID-19 related business expenses. The first tier for those businesses with \$10,000 or less in recoupment owed, a de minimis presumption amount of up to \$10,000 based on the average established by the above study should be adopted. Awardees would receive a communication informing them of the de minimis amount and an opt out ability, so that by taking no action they accept the change and owe no recoupment. The second tier for those with between \$10,000 and up to \$20,000 in recoupment owed, would be required to apply and provide a figure for actual COVID-related business expenses but will be allowed to self-attest to their COVID-related expenses in reliance on the above study that supports a presumption of average business expenses well in excess of that amount. The third tier would be for those businesses that reporting indicates owe in excess of \$20,000 in recoupment owed. They would need to apply and provide documentation as proof of expenses, such as QuickBooks printouts of expenses. An allowable list of business expense that excludes payroll to avoid any issue with other COVID funding under PPP will be included.

Based on the foregoing, GOFERR respectfully requests that the authorization approved on June 10, 2021 for the MSRF 1.0, MSRF 2.0, SELF and GAP For-profit Business Relief programs be amended to add the Live Venue Relief Program, as requested herein, to allow the use actual COVID-19 related business expenses to offset up to the full amount of the recoupment owed.

Respectfully submitted,



Taylor Caswell
Executive Director, GOFERR