

## A Plan for Pennsylvania's Businesses: Relief, Reopening, Recovery

Pennsylvania's businesses are in an unprecedented position, many shuttered across the state to protect against the spread of the deadly coronavirus, others changing their entire business plans around to help meet the many needs of people across the state. Many businesses have had to furlough or lay off employees, and others that have relied on in-person transactions have had to move to remote platforms overnight. While the needs are varied among the business community, the severity of the impact of the coronavirus on the overall economy is, and will remain, unforeseen for some time.

The Wolf Administration has worked diligently with federal, state, and local government partners, the business community, and other critical external partners to ensure businesses can avail themselves of all the tools that are available to offer a modicum of **relief** in the face of this crisis.

- The Department of Revenue (DOR) has extended tax filing deadlines to assist with short-term liquidity for businesses.
- DOR has also worked to reduce or suspend enforcement actions including: liens filed will be reduced, bank attachment actions will not be taken, license inspections, revocations, and citations will be limited, and tax clearance requirements will be the more lenient debt collector standards. DOR is also providing flexible terms for new payment plans allowing up to \$12,000 for up to a year.
- The Department of Community and Economic Development (DCED) made more than \$60 million available for small businesses through the Pennsylvania Industrial Development Authority (PIDA) COVID-19 Working Capital Access Program. Although the funds were depleted in four days and the department received more than 900 applications, we are looking at ways to recapitalize the program given the need as a bridge to federal stimulus funds.
- DCED has also allowed for three-month loan payment deferrals for loans administered by the department.
- In alignment with federal CARES Act, Pennsylvania banks and mortgage servicers are implementing 60-day foreclosure moratoriums and 180-day forbearances on all federally backed loans. In addition, there is now a 120-day moratorium on evictions from properties with federally backed loans.
- The PA State Treasury, the PA Department of Banking and Securities, and the PA Housing and Finance Agency have come together to develop a series of relief recommendations and are working collaboratively with banks and other creditors to push for broad flexibilities and relief actions to assist businesses and consumers across the state.
- With the passage of the federal CARES Act, businesses of all shapes and sizes will be able to access billions of dollars in federal resources to assist with everything from payroll support, more favorable loan terms, and fully refundable tax credits for businesses that are trying to keep workers employed while keeping their doors shut to the public.

With new case counts showing that these aggressive efforts have flattened the curve, the Governor and his administration will begin to plan for a **reopening** process that protects Pennsylvanians and helps to stabilize the economy.

To that end, the Administration will work with economic and public health experts to determine the metrics used for safe reopening by taking a regional, sector-based approach. In consultation with Team

PA, the Department of Health, the Department of Community and Economic Development, the Department of Labor and Industry, the Pennsylvania Emergency Management Agency, and others, the Administration will develop guidance for businesses, local governments, workers, customers, and others and guide a safe reopening process.

### Reopening Principles

1. Our approach will be data driven and reliant upon quantifiable criteria to drive a targeted, evidence-based, regional approach to reopenings in Pennsylvania.
2. We will put forth guidance and recommendations for employers, individuals, and health care facilities and providers for assured accountability as we reopen.
3. Reopening necessitates that adequate personal protective equipment and diagnostic testing are available.
4. Reopening requires a monitoring and surveillance program that allows the commonwealth to deploy swift actions for containment or mitigation.
5. Protections for vulnerable populations must remain steadfast throughout the reopening process, such as limitations on visitors to congregate care facilities and prisons.
6. Limitations on large gatherings unrelated to occupations should remain in place for the duration of the reopening process.

While the plan for long-term **recovery** still lies ahead, there are already lessons learned from this disaster that allow us to put markers down for where we need to go once the disaster subsides.

There is still much we do not know, including when businesses can begin to reopen safely. But the broad contours of a policy agenda in the future must include the following:

- An evidence-based state innovation strategy that allows Pennsylvania to attract the best and brightest people and companies.
  - The Governor's 20-21 proposed budget includes [a Pennsylvania innovation plan](#) that proposes a \$12.35 million funding increase to drive an evidence-based, statewide innovation strategy.
- Vigorous financial support for small businesses, both short term to limit the number of businesses that would otherwise have to close their doors for good while we shelter in place, and long term as small businesses restructure and recover in a post-COVID-19 economy.
  - Recapitalization of the COVID-19 Working Capital Access Program (CWCA) to provide relief to businesses that will still need working capital funds to reopen after the shutdown.
  - The creation of a grant program for our smallest businesses, which make no more than \$3 million in gross annual receipts or employ up to 30 full-time employees.
- Economic development incentives to attract companies willing to create and retain good-paying jobs.
  - Creation of a construction job tax credit for manufacturing or processing facilities to receive a tax credit that is created during the construction phase.

- Exploration of residential and commercial/business construction incentives to stimulate new development.
- Exploration of manufacturing tax credits for manufacturers who convert or retrofit their facilities or operations in order to produce personal protective equipment to help with the COVID-19 response.
  - Provide a tax credit for businesses that convert or retrofit their existing facility and operations to produce or aid in the production of PPE to assist with COVID-19 response.
- Investment, upgrade, and extension of Pennsylvania’s broadband network to ensure all Pennsylvanians have access to the internet.
  - [Governor Wolf’s Restore Pennsylvania Proposal](#).
- Resources for students, families, workers and/or incentivizing businesses to expand access to broadband to support remote learning and job search activities (e.g. hot spots, grants for internet, etc.).
  - Develop a donation drive for laptops and mobile hotspots and repurpose excess state-owned hotspots to kick off the drive with a partnership between the Department of Community and Economic Development and the Department of Education. Encourage private and public partners to donate their unused or surplus of hotspot devices for students in need.
- Investments in our diverse agriculture industry, robust food processing sector, farmers markets, and the many industries that support a safe food supply. While this industry is life-sustaining, it has suffered a severe disruption in its supply chain, and recovery must ensure the certainty and future of Pennsylvania’s agriculture industry to continue to produce a safe, secure food supply.
  - Governor Wolf proposed full funding of \$23.1 million for the historic PA Farm Bill in his FY 20-21 budget proposal, in addition to a \$1 million increase to the PA Agriculture Surplus System (PASS) Program to improve food security while supporting PA agriculture. PA Farm Bill programs such as the Small Meat Processor grants, Urban Agriculture Infrastructure Grants and the Ag Business Development Center all help to increase processing infrastructure and strengthen local food systems, and provide tools to help producers bring more products to market and plan a path to recovery and resiliency.
  - Establish a food processing reimbursement fund through the Department of Agriculture that would cover the costs borne by food processing facilities to invest in worker safety measures.
  - Fund a state match for double up SNAP bucks. The USDA’s Gus Shumacher Nutrition Incentive Program (former Double Up SNAP Bucks) is a program that increases the purchasing power of SNAP recipients by providing a dollar-for-dollar match to buy fresh fruits, vegetables, dairy, and meat products at participating grocery stores and farmers markets. Through USDA funding, a pilot program has been administered by the Food Trust in Philadelphia and Pittsburgh to a limited degree. A state-level investment million would allow DHS in consultation with PDA to develop and administer a statewide program to maximize the buying power of SNAP recipients to purchase additional

Pennsylvania products at grocery stores and farmers markets. This investment would leverage additional federal dollars.

- Fund and codify in statute the Pennsylvania Fresh Food Financing Initiative to provide grants and low-interest loans for the construction, rehabilitation, or expansion of grocery stores, farmers markets, and other healthy food retail establishments in low- to moderate-income areas in need and other underserved communities.
  - H2A employers and employees pay into the UC fund even though those workers aren't eligible for UC. Changing this requirement to pay into the state's unemployment fund would save money for our farm families and their seasonal H-2A employees.
- Robust funding for nonprofit organizations and local governments with less than 500,000 residents.
  - Investment and upgrades for the commonwealth's mass transit systems, highway, and bridge infrastructure.