



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2369

PRINTERS NO. 3857

PRIME SPONSOR: Gaydos

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0
Pennsylvania Economic Development Financing Authority Funds	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Creates COVID-19 Grant and Loan Programs. This legislation would take effect immediately.

ANALYSIS: This legislation creates COVID-19 Grant and Loan Programs under the Community Development Bank Grant and Loan Program in the Job Enhancement Act (Act 67 of 1996).

The program requires the Pennsylvania Economic Development Financing Authority ("PEDFA") to issue grants and loans to community development financial institutions ("CDFIs") from an appropriation of the General Assembly of Federal dollars received by the Commonwealth under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to assist COVID-19 impacted businesses.

- Any grant issued to a CDFI must be used for technical assistance, training or other support to a COVID-19 impacted business.
- Any loan provided to a CDFI must be used to make loans to a COVID-19 impacted business.

Of an amount appropriated, this legislation permits DCED/PEDFA to retain a portion of the appropriation for the administrative costs of the program, not to exceed \$700,000. PEDFA must consult with, and submit a report annually, to the Appropriations Committees of the House of Representatives and the Senate. The report must include the amount of money appropriated for the program, the name and location of the CDFIs accredited by DCED for the program, and the number of grants and loans disbursed to COVID-19 impacted businesses.

PEDFA may not issue a grant or loan to a CDFI more than five years after the effective date of the legislation.

A “COVID-19 impacted business” is defined as a business materially impacted by the novel coronavirus, known as COVID-19, identified in the proclamation of disaster emergency issued by the governor on March 6, 2020 and any renewal of the state of disaster emergency.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth funds; it provides for distribution of business grants and loans and administrative costs through PEDFA if federal CARES Act monies are appropriated for this purpose in other legislation. It should be noted that Act 2A of 2020, which was recently enacted, appropriated \$225 million from the federal CARES Act for “COVID Relief-Statewide Small Business Assistance”.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 10, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.