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Economic Affairs Interim Committee

66th Montana Legislature

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April 15, 2020

Brent Donnelly
Montana District Director
Small Business Administration
10 West 15th Street - 1100
Helena MT 59626

Dear Mr. Donnelly:

The Economic Affairs Interim Committee has asked that a letter be sent to the Small Business Administration to urge flexibility in administering the current Paycheck Protection Program, particularly in allowing a flexible start date or use of funds for longer than the 8 weeks if that allows a firm to retain workers and reopen.

While recognizing that the purpose of the Paycheck Protection Program is to help employers keep their workers on the payroll and off of unemployment, many nonessential businesses are closed and expect that they will need start up assistance. They might benefit from any of the following:

- An extension of the period over which the loan funds may be expended;
- A delayed start date not necessarily based on approval of the funds but receipt;
- Use of funds for training and other employee activities on a phased-in basis; or
- Flexibility related to eligibility, especially for restaurants that have gaming activities.

Given the expected gap between the layoff time and a rehiring time, businesses may be expected to see employees use a combination of unemployment and the Paycheck Protection Program, but employers are in the best position to know how to bring their businesses up to speed and need the flexibility to implement those options.

As the Montana legislative committee with oversight of industries and businesses as well as employment, the Economic Affairs Interim Committee (EAIC) finds that flexibility in federal rules for the PPP loans will best meet the needs of all concerned.

Thank you, Mr. Donnelly, for conveying this information to the SBA as rules are continually developed for the PPP loans or for new guidance coming forth from the SBA if Congress passes additional legislation related to bringing America back to work.

Sincerely,

Rep. Sharon Stewart Peregoy/fh

Rep. Sharon Stewart Peregoy
EAIC Presiding Officer