BUSINESS BRIEFING

Special Business Briefing – ND Smart Restart Guidelines; NEW funding for EIDL/PPP and NEW financial support available through BND!

April 30, 2020

Michelle Kommer, Commerce Commissioner
Al Haut, U.S. SBA District Director
Eric Hardmeyer, President & CEO Bank of ND
Bryan Klipfel, Executive Director Job Service & WSI
Jon Godfread, Insurance Commissioner

#InThisTogetherND
CONGRESSIONAL DELEGATION REMARKS

U.S. Senator John Hoeven

U.S. Congressman Kelly Armstrong

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The information you receive today does not serve as legal or financial advice. You should consult with your financial services professional before making any decisions regarding your business.

4/30/2020
TODAY’S GOAL

The goal today is to PROVIDE YOU NEWLY AVAILABLE INFORMATION, including “ND Smart Restart” information and new information on federal and state resources.
Submit your questions to businesshelpCOVID19@nd.gov

Find out more about the ND Smart Restart at BeLegendary.link/NDSmartRestart
This recording and materials will be available for later use. Please spread the word to North Dakota businesses through your social media, business and trade groups, and other ways.
AGENDA

- ND Smart Restart!
- CARES Act – PPP and EIDL refunding & FAQ’s
- Bank of North Dakota – New Emergency Financing
- Unemployment Insurance Updates
- Insurance Updates
- Closing Remarks
ND SMART RESTART

Michelle Kommer, Commerce Commissioner

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EXECUTIVE ORDER

- EXECUTIVE ORDER 2020.6-3
- EXECUTIVE ORDER 2020.6-4
8 CRITERIA FOR A ND SMART RESTART

- Widespread rapid testing
- Robust contact tracing
- Targeted, effective containment
- Protections for most vulnerable
- Sufficient health care capacity
- Ample PPE availability
- New standard operating procedures for businesses
- Prepared for resurgence

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YOU CAN HELP SAVE LIVES.
Download the Care19 app today!
Available now!

BeLegendary.link/Care19
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ND SMART RESTART GUIDELINES

ND Smart Restart includes standards for all industries.

- Adhering to CDC and NDDoH guidelines
- Completing workplace assessment
- Limiting occupancy to ensure 6ft distancing
- Posted signage with guidance
- Encourage cloth face coverings
- Contactless payment systems
- Provide sanitizer, soap & water
- Regularly disinfect high-touch surfaces
- Policies and procedures for isolation
- Encourage use of Care19 app to improve contact tracing

Details available online at ndresponse.gov

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Executive Order 2020-06.3 included the following sectors, which we are addressing in phase one:

- Restaurants, bars, breweries, cafes (*offsite sales remained open*)
- Recreation facilities, health clubs, athletic facilities
- Licensed cosmetologists: estheticians, manicurists, salons, barbershops
- Personal care: tattoo body art, tanning, massage
Industry associations partnered in creating protocols.

- State Board of Cosmetology
- American Massage Therapy Association
- ND Barbers Association
- ND Parks and Recreation Association
- ND Destination Marketing Association
- ND Retail Association
- Over 60 ND citizen volunteers from 23 communities

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LIST OF PROTOCOLS

Protocols:
1. Restaurants, bars, breweries, distilleries, and food trucks
2. Hair salons, nail salons, barbershops, tanning salons, waxing studios and other cosmetology related businesses
3. Medical spas
4. Massage therapy
5. Fitness centers
6. Tattoos and body piercing
ND SMART RESTART

Industries should adhere to universal protocols and industry-specific standards below.

- Restaurants and Bars
  - ND SMART Restart guidelines for reopening restaurants, bars, breweries, distilleries, food trucks
- Fitness Centers
  - ND SMART Restart guidelines for reopening fitness centers
- Personal Services
  - ND SMART Restart guidelines for reopening hair and spa salons, tattoo parlors, and Other cosmetology-related businesses
- Coming Soon
  - Guidelines for remanufacturing, athletic centers, pool venues, and theaters

Links and Resources

- Agriculture
  - COVID-19 Guidance for Agriculture
- COVID-19 Farmer Market Guidance
- COVID-19 Bar and Distillery Guidance
- COVID-19 Guide for Processing, Manufacturing, Agriculture, and Agricultural Operators that are Essential and Critical:
  - New-Step Construction Workers Safety
  - Small Package for Critical Infrastructure Workers
- Manufacturing
  - Help keep manufacturing workers safe!
  - Fix, resume, protect, act: ND SMART Restart for Continued and Critical Operations
- AARP: Fix, resume, protect, act: ND SMART Restart for Continued and Critical Operations
- SafeParks for Critical Infrastructure Workers
- Arkansas Department of Health
- Washington Department of Health
- Business Toolkit
  - Save lives, support local business

Employee and Customer Safety and Trust

- Prime and top-notch customer experience
- Make customers feel safe and secure
- Ensure the safety and well-being of employees, customers, and vendors
- Employees and customers should work together to ensure safety

Additional Resources

- Guidance for Preparing Workplaces for COVID-19
- North Dakota Resident and Visitor Guidance
- ND Smart Restart

More information on ND Smart Restart can be found at ndresponse.gov.

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ND SMART RESTART

Since the first case of COVID-19 was confirmed in North Dakota on March 11, we have learned much about the disease and about ourselves.

Over the past few weeks, I challenged all of us to go strong ‘North Dakotans tough’ and embrace being ‘North Dakotans smart,’ and you have answered the call. In every corner of our state, you have demonstrated the power of individual responsibility in slowing the spread of the coronavirus.

The vast majority of North Dakota’s economy remained open through the past few weeks, and our success hinged on a few fundamentals: high compliance, a willingness to act if necessary, and North Dakotans’ desire to do their part.

We encourage you to embrace the North Dakota Smart Restart plan as a roadmap to a safer, smarter and higher tomorrow for employees, employers and customers alike.

In the coming weeks, we will continue to work with industry leaders to plan for re-opening in a smart and collaborative manner.

Despite our challenging times, I remain confident that North Dakota will turn upon itself, rise from the ashes and thrive in these uncertain times. We will move forward as one North Dakota — on liberty and union, now and forever. A new and adaptable, and stronger than ever.

ND SMART RESTART Protocols

We encourage North Dakotans to embrace this North Dakota Smart Restart plan as a roadmap to a safer, smarter and healthier tomorrow for employees, employers and customers alike. This applies not only to those businesses affected by executive orders, but all businesses as we enter this new normal.
CARES ACT - PPP/EIDL REFUNDING & FAQ’S

Al Haut, U.S. SBA District Director

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UPDATE / FAQ’S

U.S. Small Business Administration

- General SBA
- PPP Specific
- Coronavirus
- SBA EIDL

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BANK OF NORTH DAKOTA – NEW EMERGENCY FINANCING

Eric Hardmeyer
President & CEO
Bank of ND
General Program Overview

Intent

• To assist those businesses financially impacted by the COVID-19 Pandemic.
• To provide low cost, long-term working capital to North Dakota businesses providing cash flow to re-start business.
• To provide a stabilization period of up to 6-months as economy restarts.

Program Capacity

• $50,000,000 for the SELF Program
• $1,800,000,000 for the CPR Program utilizing $200,000,000 in buydown
Overall Guidelines

• Program intent is to re-start business. Agriculture producers and governmental entities are not eligible.
• Business must be located in North Dakota or if HQ is outside ND, loan may only support ND operations.
• Business is eligible for only one of the programs offered. Multiple locations may not apply as individual locations.

*BND is relying on Lead Lenders to adhere to program guidelines.
Small Employer Loan Fund (SELF)
SELF Loan

Eligibility
The borrower must be a ND business, with an employee count of 10 full-time equivalents (FTE) or less that was conducting business March 13, 2020.

Loan amount
The maximum loan amount is equal to six months of operating expenses plus interest as well as any amount needed to replenish inventory, or a maximum loan of $50,000, whichever is less.
SELF Loan – Use of Proceeds

Proceeds may be used to:
• Support working capital needs, recurring expenses and replenish inventory
• Term out COVID-19-related bridge loans originated on or after March 13, 2020. This amount may not exceed 20% of the maximum loan amount.

Loan funds may not be used to:
• Fund capital purchases or business expansion
• Refinance existing debt
• Provide distributions or dividends to owners
Interest Rate and Fees

- Interest rate is fixed at 1%
- BND will pay a one-time service fee to the lead financial institution of $250 or 1% of loan amount on loans over $25,000
SELF Loan – Collateral Requirements

• No collateral is required for loans $25,000 and under
• A shared lien on all business assets is required for loans over $25,000
• All loans require unlimited personal guarantees
COVID-19 PACE Recovery Program (CPRP)
CPRP Loan

Eligibility
The borrower can be any person or entity whose business is located in North Dakota. Loan funds may only be used to support operations in the state of North Dakota.

Loan amount
- For businesses of 500 or fewer employees: Maximum loan amount is the lesser of $5,000,000 or six months of operating expenses plus interest
- For businesses of 501 employees or more: Maximum loan amount is the lesser of $10,000,000 or six months of operating expenses plus interest
CPRP Loan – Use of Proceeds

Proceeds may be used to:

• Support working capital needs in the state of North Dakota
• Term out COVID-19-related bridge loans originated on or after March 13, 2020. This amount may not exceed 20% of the maximum loan amount.

Loan funds may not be used:

• For capital purchases or business expansion
• To refinance any existing debt
• For the relocation of the business
Interest Rate and Fees

• Interest rate will be fixed at 3.75% for up to five years. BND to net 3.50%. The lead lender to retain a 0.25% service fee. Borrower will receive a 1% interest rate for the term of the buydown or until buydown funding is exhausted.

• The buydown of the interest rate to 1% will only occur on permanent financing.
UNEMPLOYMENT INSURANCE UPDATES

Bryan Klipfel, Executive Director
Job Service & WSI

#InThisTogetherND
Unemployment Insurance Claims

FPUC

PUA

PEUC
EMERGENCY UNEMPLOYMENT RELIEF

- State and Local Governmental Entities
- Certain Nonprofit Organizations
- Federally Recognized Indian Tribes
TRUST FUND

What is it?

Balance

Looking Forward
FAQ’S

If I’m self-employed and don’t feel I can meet the ND Smart Restart protocols, am I still eligible for unemployment insurance?

What if my employees refuse to come back to work?

Job Service EMPLOYER Questions: 701-328-2814
INSURANCE UPDATES

Jon Godfread, Insurance Commissioner

#InThisTogetherND
Health Insurance Covers Medically Necessary Testing and Treatments

- Public Health Surveillance – Is not considered medically necessary
- Employment Screenings – Is not considered medically necessary
CLOSING REMARKS

**MAY 7:** Please join us for a **SPECIAL EDITION Business Briefing** with President of the Minneapolis Federal Reserve, Neel Kashkari, to discuss the economic impact of COVID-19 pandemic, including North Dakota-specific observations and his thoughts on what the future holds. The session will be moderated “interview style”, with your questions presented to President Kashkari by Commissioner Michelle Kommer; so please be sure to submit your questions at the time of registration!

**Arik Spencer,**
President & CEO
Greater ND Chamber