

Treasurer: Louisiana Business Grant Program to Begin in July

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Republican state Treasurer John Schroder estimated that more than 450,000 Louisiana businesses would qualify for the money, raising concerns it will run out quickly. (AP Photo/Melinda Deslatte, File)

BATON ROUGE (AP) — Some small businesses harmed by the [coronavirus](#) pandemic should start seeing grants from a \$300 million federally financed program as soon as next month, Louisiana's state treasurer said Monday.

The money is part of \$1.8 billion in direct congressional relief that Louisiana received to respond to the COVID-19 disease caused by the coronavirus. Most of the money is being used to fill state budget shortfalls amid the pandemic, but lawmakers set aside \$300 million for the small business grants.

Republican state Treasurer John Schroder estimated that more than 450,000 Louisiana businesses would qualify for the money, raising concerns it will run out quickly.

"We could knock it out in 21 days. We really have no idea," Schroder told the Joint Legislative Committee on the Budget. "It's not going to go far."

The grants are aimed at helping businesses that had to stop operating or otherwise incurred costs because of the virus outbreak. Businesses that qualify may receive up to \$15,000 each.

Under the rules enacted by lawmakers, grants for the first 21 days only will be available to businesses that didn't receive other federal aid through the Paycheck Protection Program or through a U.S. Small Business Administration disaster loan, and that didn't receive insurance for interruptions to their business.

"I'm sort of picturing a tsunami of applications," said Senate GOP leader Sharon Hewitt of Slidell.

Senate President Page Cortez and House Speaker Clay Schexnayder, both Republicans, called on the treasurer to move out the money quickly. They pointed to recovery aid from the 2016 floods still undistributed as something they don't want to happen with the business relief.

"It's very important to the Legislature that this program be enacted as quickly as possible," Cortez said. He added that lawmakers want "no fraud in the program, and we want the program complete in a four-to-six-month time period."

Schroder is seeking proposals from contractors interested in running the program and said he hopes to have a consultant selected by July 4. He said his office is modeling Louisiana's program after similar business assistance being distributed in Mississippi and Idaho.

The legislative auditor's office will be reviewing the program to look for any fraudulent activity. But Schroder said he doesn't want bureaucratic hurdles to slow delivery of assistance to business.

"Our job is to get this money out as quickly as we can," he said.

To be eligible, businesses have to be located in Louisiana. They can't have had more than 50 full-time workers as of March 1, before Louisiana saw its first confirmed case of COVID-19. And they can't be a subsidiary of or owned by a larger company with more than 50 full-time employees.

Under the plan passed by lawmakers, \$40 million of the aid is guaranteed to be spent on grants to assist minority-owned, women-owned and veteran-owned businesses. Schroder can keep up to \$15 million of the cash to administer the program.

Beyond the business grants, lawmakers have earmarked more than \$500 million from the federal COVID-19 assistance to reimburse local government agencies for expenses responding to the virus outbreak. That program is being managed by Democratic Gov. John Bel Edwards' administration.

Commissioner of Administration Jay Dardenne told the budget committee that disbursements to municipal agencies will begin on July 1.

Already, more than 140 sheriffs' offices, police juries, towns, cities and other local government entities have applied for \$165 million in expense reimbursements. Dardenne's office is combing through documentation to ensure they meet the federal criteria for reimbursement.

The largest request received so far, according to data provided by Dardenne, is a \$42 million reimbursement sought by the city of New Orleans, which was the epicenter of Louisiana's outbreak when it began. Sizable requests also were submitted by agencies from neighboring Jefferson and St. Tammany parishes, from Bossier City and from Baton Rouge.

By AP reporter Melinda Deslatte

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