

November 7, 2023

**Lindsay Kurrle, Secretary, Agency of Commerce & Community Development
Joint Fiscal Committee Testimony re: BEGAP Program & Funding**

- BEGAP program timeline: BEGAP applications opened August 3rd, supplemental payment calculations and awards were started on September 21, and the application officially closed on October 23rd.
- At the September 21st Emergency Board Meeting an amendment to the BEGAP program was approved that allowed the Agency of Commerce to recalculate awards.
- That program amendment meant that applicants who had \$1M or less of net-uncovered damages, were able to receive up to 30% of the net damages reported, and we removed the cap of 20k.
 - For applicants who had net uncovered damage of more than \$1M, we kept the cap of lesser of 20% or 500k, but removed the FTE requirement and removed the property limit for awards – allowing businesses with multiple sites impacted by the flooding events to receive more than 1 award.
- Through that amendment ACCD was able to issue 269 supplemental payments to businesses with net-uncovered damages.
- Supplement payments will total approximately \$5M more in grant awards.
- Those businesses did not have to apply again for the program.
- 496 applications were approved
- 269 supplemental payments were dispersed
 - for a total of a little over \$18M

The program balance is about **\$2.06M**, and we have 52 additional applications that are recommended for approval that our team is working through on a first come, first served basis that will spend down the remaining \$2M.

During the last few days the application was open, ACCD did get an influx of unanticipated applications.

Unfortunately the applications received in those last few days surpassed the available funding capacity, and we are unable to provide grants to all the businesses that applied.

Timeline for full pay-out of the program *should be* by thanksgiving.

Sum of total damages reported for the program was over \$204M, and the total net and uncovered damages was reported to be \$159M.

\$139M in net uncovered damages, when you remove the BEGAP program grant spending (\$20M). This is a conservative estimate that likely does not capture the full scope of physical damage, and/or the impact of economic harm.

Thank you.