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ADDITIONAL GUIDANCE

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Treasury and SBA have added question 46 to the FAQ document which addresses the issue of whether PPP borrowers made a good faith certification when they applied for the loan. In short—borrowers with loan amounts of less than $2 million will be deemed to have made this certification. Borrowers with loan amounts greater than $2 million still have a basis for making the certification. This appears to be a logical extension from previous guidance, but stops short of providing the additional guidance we need on certification for loans greater than $2 million, as well as the question of forgiveness. We will circulate new information that addresses these questions as it becomes available.

Question 46: How will SBA review borrowers’ good-faith certification concerning the necessity of their loan request?

Answer: When submitting a PPP application, all borrowers must certify in good faith that “[c]urrent economic uncertainty makes this loan request
necessary to support the ongoing operations of the Application.” SBA, in consultation with the Department of the Treasury, has determined that the following safe harbor will apply to SBA’s review of PPP loans with respect to this issue: Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than $2 million will be deemed to have made the required certification concerning the necessity of the request in good faith.

SBA has determined that this safe harbor is appropriate because borrowers with loans below this threshold are generally less likely to have had access to adequate sources of liquidity in the current economic environment than borrowers that obtained larger loans. This safe harbor will also promote economic certainty as PPP borrowers with more limited resources endeavor to retain and rehire employees. In addition, given the large volume of PPP loans, this approach will enable SBA to conserve its finite audit resources and focus its reviews on larger loans, where the compliance effort may yield higher returns.

Importantly, borrowers with loans greater than $2 million that do not satisfy the safe-harbor may still have an adequate basis for making the required good-faith certification, based on their individual circumstances in light of the language of the certification and SBA guidance. SBA has previously stated that all PPP loans in excess of $2 million, and other PPP loans as appropriate, will be subject to review by SBA for compliance with program requirements set forth in the PPP Interim Final Rules and in the Borrower Application Form. If SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request, SBA will seek repayment of the outstanding PPP loan balance and will inform the lender that the borrower is not eligible for loan forgiveness. If the borrower repays the loan after receiving notification from SBA, SBA will not pursue administrative enforcement or referrals to other agencies based on its determination with respect to the certification concerning necessity of the loan request. SBA’s determination concerning the certification regarding the necessity of the loan request will not affect SBA’s loan guarantee.

THANK YOU SPONSORS!
Get out for Golf!—June 17
It’s time FORE! some fun!

Limited to 32 golfers!
Tee times start @ 1:00 P.M.
(9-minute interval)
1 golfer per cart / each golfer has their own cart.
Check-in starting @ 12:00 NOON.

Warm-up range balls and use of practice facility prior to play is included.

WHERE
Langdon Farms Golf Club

Social distancing must be maintained at all times!
Click HERE to READ THE RULES on Langdon Farms website.
(It may take a few seconds for “COVID-19 Precautions” to pop up.)

Registration is free with a $200 ACEC/PAC donation.
(Personal donations only—corporate donations are not allowed for federal PACs.) You will automatically be entered into the Fall PAC sweepstakes.

Click HERE to register. Click on the Member Registration button (top right of page) or email mwebber@acecOregon.org.

Click HERE to make your ACEC/PAC donation.

QUESTIONS? / NEED HELP?
Contact mwebber@acecOregon.org.

No lunch, no dinner, no alcohol.
HOWEVER, the clubhouse offers take-out.
AND, the PNCE Trust is offering pre-packaged snack bags!
Coba’s Capitol Comments

Oregon will begin to re-open this Friday as Governor Brown will announce the counties eligible to begin the phase 1 process.

The Oregon Transportation Commission will meet online at 8:30 A.M. on Thursday, May 14 with a busy and informative agenda. The 10:10 A.M. presentation on the status of the state highway fund will be of interest to ACEC members working with ODOT. It is expected the OTC will rely on a workgroup to develop budget and policy changes to maintain the integrity of the highway fund.

https://www.oregon.gov/odot/Get-Involved/OTCSupportMaterials/05_14_20_AGENDA.pdf

The OTC meeting will be online and available here: https://www.youtube.com/user/OregonDOT/live

The May 20 quarterly revenue forecast is fast approaching, and state agencies are busy preparing 17% across the board cuts at the Governor’s request. The revenue forecast will be $3+ billion short of the last forecast in February. For perspective, the legislative adopted budget for the two-year budget from July 1, 2019 through June 30, 2021 had $22.4 billion in general fund. Assuming half will be spent by June 30, 2020 this means most of these cuts will come from the remaining $11 billion in the second half of the biennium, or the fiscal year from July 1, 2020 to June 30, 2021. Cuts other than across the board will need legislative approval and will be the reason the Governor and legislative leaders will agree to a special session in June or July. However, some legislative leaders are optimistic the federal government will again pass a major package to help keep state and local government budgets robust and negate the need for major cuts. Just yesterday the House leadership released a $3 trillion package that has a major investment in state and local governments. Negotiations at the federal level continue.

The quarterly legislative committee meetings will take on a new look as they will begin May 22 online and continue through the week of May 25. All committees will be available to watch live or from the archives at the legislative website: https://www.oregonlegislature.gov/.

ACEC COVID-19 Business Impact Survey – Wave 6

The survey includes an executive summary that highlights not only important significant results but also calls out differences in these results by firm size. A few bullet points are below—the executive summary and full report provide more detail. Please
let us know if you have other questions or suggestions for the next survey.

88% of respondents applied for a PPP loan. 94% of those were approved.

86% of PPP loans were for less than 2 million. 96% of firms with more than 200 FTEs received a loan for more than $2 million.

64% plan to use all of the PPP loan. 22% plan to use some of the loan and return some of it. Only 2% plan to return it all.

Firms report working on new projects directly related to the COVID-19 pandemic response (up from 8% to 12%.)

Firms feel it will take 12 to 18 months for a return to normal (up from 27% to 36%.)

Fourteen percent of firms have already re-opened at least some of their offices.

The number of firms that have created a plan for re-opening has more than doubled (20% to 42%.)

A majority of firms plan to implement a large number of safety measures once they re-open. Maintaining social distancing (95%) and allowing staff to work remotely to care for others (85%) top the list.

Nearly half of firms (49%) say they will restrict or prohibit domestic travel for training/events/conferences after stay-at-home orders are lifted.

ACEC Engineering Influence podcasts

- Leading your Firm Through the COVID-19 Crisis with Michael Cooper, President of HED
- A Conversation with Langan’s CEO, Dave Gockel, on COVID-19 Response and the USNS Comfort
Comments? Questions? Please e-mail mwebber@acecOregon.org or adavis@acecOregon.org.

AMERICAN COUNCIL OF ENGINEERING COMPANIES OF OREGON

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