



2020 EMERGENCY RESPONSE REPORT
INDIANA ECONOMIC DEVELOPMENT CORPORATION

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SUMMARY

Despite the disruptive impact of the COVID-19 pandemic, the Indiana Economic Development Corporation (IEDC) was able to not only maintain existing operations but also play an integral role in the Holcomb Administration's effective response to the outbreak. As it became clear unprecedented actions would need to be taken to help slow the spread of the virus, the IEDC was asked to take the lead on managing the essential business hotline in response to Governor Holcomb's stay-at-home order, procuring PPE, and implementing programs to help businesses impacted by the virus weather the financial storm and restart operations as the state's economy re-opened.

Our capacity to quickly pivot and respond when and where needed is in part due to the strong and capable team at the IEDC, but also due to the unique structure of the organization. Foresight and leadership from the General Assembly to establish a public-private partnership that was nimble enough to respond to the needs of our private sector partners at the speed of business greatly benefited the state in its response to the pandemic. At the outset of the outbreak, the IEDC quickly transitioned to work with companies around the state and across the globe to acquire and distribute critical personal protective equipment (PPE) for our front line workers, engaged inter-agency partners to establish an online marketplace for businesses that needed assistance with obtaining PPE for their employees, and stand up a small business support program to help minimize the damaging impacts the disease was inflicting on the state's economy.

Below is an overview of IEDC operations and steps the corporation took to help respond to the pandemic.

IEDC Operations

Business attraction, retention, and expansion efforts are typically focused on in-person outreach and the cultivation of face-to-face relationships, which includes meetings, trade shows, visits, and international trade missions. The advent of COVID-19 in Asia and Europe provided early disruptions for the IEDC's business development team, both on the national and international level. In March, the difficult decision was made to postpone the first-ever Indiana Global Economic Summit, following the indefinite postponement of international travel. Due to quarantine and international entry restrictions across the globe, travel has not yet resumed. The IEDC's international business development team instead shifted efforts to PPE acquisition for the State of

COVID-19 IMPACT ON OPERATIONS

Indiana, which included vetting and researching products from foreign companies, coordinating with foreign suppliers, and working with U.S. embassies and consulates to vet products and weed out counterfeits. It is because of this high level of organization and coordination that Indiana did not fall victim to fraudulent PPE schemes, unlike many other states.

The IEDC's domestic business development team suspended business retention and expansion visits across the state and instead shifted efforts to virtual means. Despite the disruption to our business development efforts, the IEDC was able to secure commitments from companies on 109 projects since the outset of the pandemic in Indiana, accounting for more than 12,000 jobs and \$1.7 billion in capital investment. Additionally, in June, the IEDC hit a major milestone. In just the first three years of the Holcomb Administration, the IEDC has assisted businesses that have committed to create 100,000 Hoosier jobs.

While the operations of every department at the IEDC were disrupted by the transition to remote work, normal operations continued. The pandemic hit in the midst of the IEDC's annual compliance reporting period during which companies with active IEDC incentive agreements report to the IEDC's account management team on performance during the previous calendar year. This year, the account management staff processed more than 1,000 reports from companies across the state, all while working from home.

Other departments likewise continued their work while at the same time contributing to the state's COVID-19 response.

Small Business Assistance

At the first signs of economic shutdown, the Indiana Small Business Development Center (SBDC), housed within the IEDC, mobilized to help qualify the state for the U.S. Small Business Administration's (SBA) Economic Injury Disaster Loans (EIDL) and, following federal approval, saw a massive uptick in interactions from clients whose businesses were affected by COVID-19. Since the onset of the pandemic, Indiana SBDC has assisted nearly 2,000 unique businesses and individuals with disaster-related counseling or training, has helped clients support more than 6,400 full-time jobs and 2,600 part-time jobs, and Indiana SBDC staff and advisors have spent nearly 3,200 hours assisting businesses and individuals with disaster-related counseling and training, as of September 2, 2020.

One of the core statutory requirements for the Indiana SBDC is to provide disaster assistance and resiliency programs to small business clients. SBA, with Congressional approval, has boosted these efforts through a one-time, 18-month extension of supplemental funds through the CARES Act to support increased outreach and enhanced programming from the Indiana SBDC to better assist small businesses to prepare for the effects of sudden natural or manmade disasters in areas such as supply chain, operations, finance, payroll, distribution, and the sale of products or services. The Indiana SBDC is engaged in rolling out programming to meet these performance objectives, among others.

In addition to the counseling and assistance services provided by the SBDC, the IEDC also provided necessary assistance to small businesses by establishing a PPE marketplace to make it easier for small business owners to access equipment for their employees and safely re-open. Initially, the IEDC procured the PPE and distributed it to businesses free of charge. The platform has now been transitioned to a PPE Directory, through which

businesses can connect with manufacturers and suppliers to obtain the PPE directly.

The IEDC also established a Small Business Restart Grant program, providing companies significantly injured by the economic downturn that could not access one of the federal assistance programs with a lifeline to help pay for fixed expenses related to their business operations including lease or mortgage payments and utility bills. The program was funded using \$30 million from the state's CARES Act distribution, with at least \$5 million being reserved for minority- and women-owned businesses.

PPE Procurement

As highlighted above, the IEDC served as the primary procurement entity for the state's PPE needs. A rapid yet cautious pursuit of reliable sources of PPE ensured the state acquired necessary equipment for our front-line workers while avoiding fraudulent schemes and overpriced supplies like many other states around the country. The effort relied on the coordinated efforts of a significant portion of the IEDC's staff including our international business development team who vetted foreign suppliers, the account management and legal staff.

The IEDC's account management and legal teams were mobilized to assist in contracting and managing the Small Business PPE Marketplace and Directory, beyond their full workload of ensuring incentive compliance, managing finances, and handling contractual obligations. Additional hours related to PPE continue to be spent writing contracts, registering vendors, creating and tracking procurements, tracking deliveries, paying invoices, matching invoices with deliveries, and associated budgeting and financial accounting of PPE. Additionally, this team participated in conversations with the U.S. Centers for Disease Control and Prevention and the Food and Drug Administration on how to successfully procure respirators from China.

It is worth noting that, following the immense need for PPE for first responders at the start of the pandemic, the IEDC has worked to source additional PPE needs through Indiana manufacturers. The State of Indiana now hosts the Indiana Small Business PPE Marketplace, which allows Hoosier businesses to order a variety of Indiana-made PPE items available for purchase. All vendors featured in the directory have been vetted by the IEDC and are required to be headquartered or incorporated in Indiana, to provide free shipping to Indiana businesses and schools, and to abide by additional requirements including prioritizing orders placed through the Directory and the ability to process online and credit card orders.

Legislative Recommendations

Thanks to the foresight of the General Assembly in establishing the IEDC as a flexible organization, there were no significant challenges presented by the pandemic that would warrant changes in legislation in order to prepare for future emergencies. Further, the IEDC does not see a need to permanently repeal any regulations or laws that were partially or fully suspended due to COVID-19, as the IEDC is not a rulemaking body nor were operations significantly affected in light of the pandemic.