

# CARES ACT FUNDING PROPOSAL

*Town of Vienna Council Worksession - May 18, 2020*

# CARES ACT RELIEF FUND

*—The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress in March 2020 in an effort to provide fast and direct economic assistance for workers, families, and small businesses in the United States. The CARES Act also established a relief fund of \$150 billion to be used for specific purposes by States and certain local governments.*

# SUMMARY

*—In April 2020, the Department of Treasury provided guidance to State and local governments that received CARES Act funding, noting that payments from the fund may only be used to cover costs that are:*

## NECESSARY EXPENDITURES

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency.

## NOT BUDGETED IN FY20

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

## EXPENSES BETWEEN MARCH AND DECEMBER 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

# EXAMPLE EXPENSES

—*Nonexclusive examples of eligible expenditures.*

## PUBLIC HEALTH MEASURES

- Expenses for communication and enforcement by State, and local governments of public health orders related to COVID-19.
- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

## ECONOMIC SUPPORT

- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

## PAYROLL

- Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

- 01 *Expenses for the State share of Medicaid.*
- 02 *Damages covered by insurance.*
- 03 *Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.*
- 04 *Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.*
- 05 *Reimbursement to donors for donated items or services.*
- 06 *Workforce bonuses other than hazard pay or overtime.*
- 07 *Severance pay.*
- 08 *Legal settlements.*

# INELIGIBLE EXPENSES



*The above is a list of examples of costs that would not be eligible expenditures of payments from the Cares Act Fund.*

# TOWN OF VIENNA PROPOSAL

## OVERVIEW

*—An overview of the funding request related to providing relief to residents, business and employees impacted by the health crisis.*



\$2,886,552



## TOV FUNDING RECEIVED

Fairfax County submitted a request to receive direct payment from the CARES Act relief fund in April 2020. Fairfax County received \$200,235,484.90 from the U.S. Treasury. The amount that the County received is based on the County's population (above 500,000), which also includes the population of the towns of Clifton, Herndon, and Vienna. Fairfax County staff calculated the towns' share of the funding based on the latest available population figures from the U.S. Census Bureau.

*Personal Protective Equipment & Supplies*

*Equipment & Software to Support Teleworking*

*Cleaning Services for Public Buildings*

*Paid Leave & Hazard Pay*

*Expenses Necessary to Support the Reopening of Businesses*

*Overtime & Hazard Pay for Front Line Employees*

*Consulting Fees*

*Economic Support / Grant Program*

**PROPOSED USES FOR FUNDING** 

## PERSONAL PROTECTIVE EQUIPMENT & SUPPLIES

- Funding would be for all departments to cover primarily masks, gloves, sanitizing wipes and sprays as well as N-95 masks for public safety. In addition, there may be more significant expenses in departments with public contact such as police, public works and parks maintenance staff.

## EQUIPMENT & SOFTWARE TO SUPPORT TELEWORKING

- Over 30 employees have been working at home in response to the pandemic.

## CLEANING SERVICES FOR PUBLIC BUILDINGS

- Deep cleaning and surface cleaning for all buildings.

## PAID LEAVE

- Funding request would cover employee costs for up to 12 weeks of family medical leave to care for school-age children, or caring for a relative with COVID-19.
- Funding would also cover up to 2 weeks of sick leave for employees who have been diagnosed with COVID-19.

## OVERTIME & HAZARD PAY

- Funding can be used for public safety and other employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. This would include Town police and other front-line staff such as employees working in sanitation, general maintenance, water and sewer, and parks maintenance that have come into direct contact with the public while performing essential functions that are directly related to the prevention or mitigation of the spread of COVID-19.

## CONSULTING FEES

- Consultants will be necessary to support developing economic development programs to support businesses under the economic support provisions of the CARES Act and associated legal fees to develop and review economic support programs.

## ECONOMIC SUPPORT & GRANT PROGRAM

- This proposed initiative would be used to support the severe and immediate impact of the pandemic on the business community. The CARES funding can support “...grants to small businesses to reimburse the costs of business interruption caused by required closures.” Additional economic support would include funding to provide marketing and communications support to the economic development division and businesses, educational programming, technical assistance, and obtaining PPE and supplies.

14%

Consulting, Communications & Legal  
Services

19%

COVID 19 Leave & Payroll

20%

Cleaning Supplies & Building  
Reopening

47%

Economic Support to Businesses &  
Residents

**% OF CATEGORY  
SPENDING  
OVERALL**

# FUNDING REQUEST DETAILS

*—Details of selected funding requests for public safety, economic development and residents.*



**PUBLIC SAFETY** →

# PRISONER TRANSPORT VEHICLE

The police department is proposing to include within their CARES Act expenditures the purchase of a Prisoner Transport Vehicle (PTV). This vehicle has internal compartmental construction that allows for transporting prisoners lessening the number of times that officers would have direct contact with the prisoner.

- Currently, Fairfax County utilizes this vehicle to transport prisoners.
- Every District Station in Fairfax County has at least one PTV.
- The funding request is between \$60,000 and \$65,000 to purchase the vehicle.



# SUPPORT FOR RESIDENTS

The Town will earmark \$100,000 to support Vienna residents to prevent eviction or foreclosure. As the Town does not have the infrastructure set up to distribute funds for those purposes, the Town will consider using a service organization such as Committee for Helping Others for the benefit of Vienna citizens.

# PROPOSAL FOR ECONOMIC SUPPORT

*—An opportunity to provide funding to support the recovery of businesses impacted by the health crisis in Vienna.*

## \$20 MILLION FOR BASIC NEEDS

An amount of \$20 million was recommended to be utilized for increased support to the County's non-profit partners to support basic needs in the community. Funding will support direct client assistance and staff directly supporting food and financial assistance.

## \$5 MILLION FOR NONPROFIT SUSTAINABILITY

An amount of \$5 million was recommended to be utilized to support non-profit organizations in the County through a sustainability program. The program will support projects that address an identified area of organizational capacity to include: employee retention, equipment and materials, rent payments, debt payments and technology upgrades.

## \$25 MILLION GRANT PROGRAM

County staff was given the authorization to create a grant program to provide immediate relief to small businesses and non-profits impacted by the COVID-19 pandemic.

# COUNTY SUPPORT FOR BUSINESSES & RESIDENTS

*—Proposed recommendations that the County will take to support businesses with CARES Act funding.*

# VIENNA FUNDING REQUEST: \$1.5MM - 1.6MM

*—The economic development division is requesting the use of approximately 47% of the total Town of Vienna funding from the CARES Act to support small business. Here are the main spending categories proposed in this request:*

## CUSTOMIZED GRANT FUND

This grant fund can be used to fill gaps not met by the County's grant fund. Working with consultants, the Town can set up a fund to help provide business with funding aimed at specific purposes such as technical assistance, marketing support, workforce support and other needs identified through a research and assessment process.

## MARKETING & COMMUNICATION

The economic development division can provide streamlined and professional support to the business community through marketing and promotion. This is an area discussed heavily in the Town's business survey conducted in April 2020.

## EDUCATIONAL PROGRAMMING

Technical assistance activity is essential to protect the retention of businesses within Vienna. Providing expertise and programming related to preparing for and recovering in the health crisis will be important. Funding would be used to hire support in creating and maintaining programming geared towards business recovery.

# ADDITIONAL USES FOR ECONOMIC FUNDING

*—The economic development division is requesting the use of approximately 47% of the total Town of Vienna funding from the CARES Act to support small business. Here are the additional spending categories proposed in this request:*

**HIRING SUPPORT TO ASSIST  
BUSINESSES WITH APPLICATIONS**

**OBTAINING PPE SUPPLIES  
FOR BUSINESSES**

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# 88%

of the funding request would be spent on a customized grant program for small business

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# 12%

would be spent to provide support in several areas including but not limited to communications support and educational programming

# GRANT FUND: NEXT STEPS TO CONSIDER (6-8 WEEKS)



## DISCOVERY PHASE

Research and analysis would take place with a consultant. Target objectives, input from Council, Town's attorney, businesses, and other key stakeholders would take place.

## ASSESSMENT OF MARKET

Once the Town's capacity and legal concerns or challenges are understood, an assessment of the program's potential impact on our local community and the existing needs given the programs that currently exist to support businesses in the area.

## PLANNING & DESIGN

A draft of the program would be brought to Council for approval. At this time, the division with the Council would report on the information from the discovery and assessment phases.

## IMPLEMENTATION

We could only move to implementation phase with Council support. If Council agrees to move forward with the program, a grant program would begin and regular updates would be provided.

# FAIRFAX COUNTY ECONOMIC DEVELOPMENT

## AUTHORITY

The Fairfax County Economic Development Authority (FCEDA) helps businesses thrive with market intelligence, site selection assistance and business investment services. They also serve as a liaison to our county and state governments.

## COMMUNITY BUSINESS PARTNERSHIP

Community Business Partnership (CBP) is a non-profit, 501(c)(3) tax exempt organization working in collaboration with a number of local, regional and national organizations to promote small business growth in Fairfax County and beyond. The CBP established the Business Finance Center in 1998 as its primary financing conduit to deploy capital to its target market of underserved entrepreneurs and business owners.

# POTENTIAL PARTNERS FOR GRANT PROGRAM

*—In order to execute a successful grant program, relationships with partners will be key.*

# NEXT STEPS FOR EXPENDITURE OF FUNDS

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## STEP 1

Staff will develop a list of proposed programs and expenditures for CARES Act Fund.

## STEP 2

Staff will present a proposal to Council at a worksession on May 18.

## STEP 3

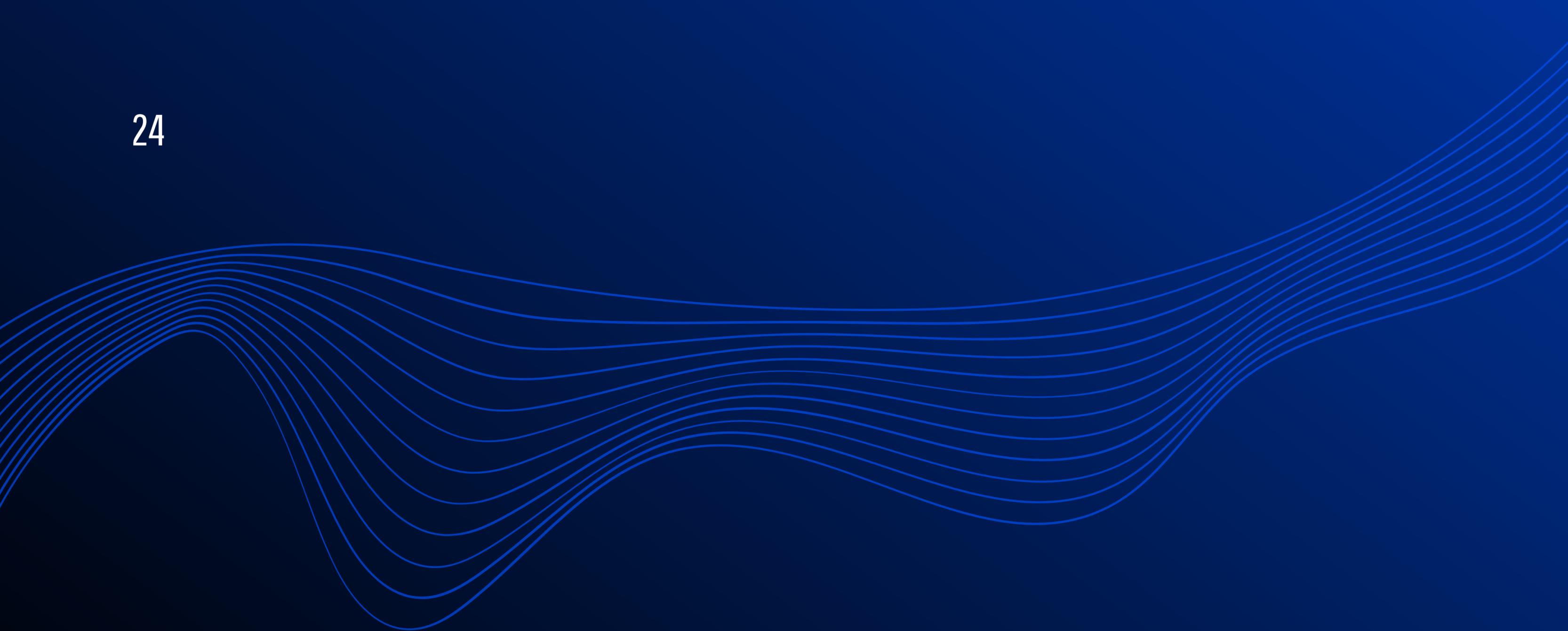
Council can vote to appropriate the CARES Act Fund on June 1.

## STEP 4

Funds not spent in FY20 will be rolled into FY21 after July 1.

## STEP 5

The finance department will monitor the use of the funds and will provide council with periodic updates.



# DISCUSSION & QUESTIONS