Special Districts Funding Virtual Summit
Unpacking The CARES Act & New Funding Available For Special Districts

#specialdistricts
FEATURED SPEAKERS

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AGENDA

✓ CARES Act Overview
✓ Major Vertical Breakdowns
✓ Secondary Funding Opportunities
✓ Where to Start
✓ Live Q&A
CARES Act
COVID-19 IMPACT ON SPECIAL DISTRICTS

Please select any of the following impacts that your organization is experiencing due to COVID-19? (select top 3)

- ✓ Decrease in revenues
- ✓ Disruption of services
- ✓ Increased IT demands & needs
COVID-19 RESPONSE

TOP RESPONSES

✓ Implementation of remote work
✓ Shifting programs or services
✓ Launching digital services
CARES ACT: $2.2 TRILLION STIMULUS

✓ Congress passed and the President signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27.

✓ The stimulus is the largest economic relief package in U.S. history, allocating $2.2 trillion in financial support to individuals, households, non-profits, state and local government and businesses.

✓ The CARES Act includes several funding streams, largely formula-based that grant funding to state and local government organizations.
CARES ACT & SPECIAL DISTRICTS

40% of special districts have applied for CARES Act funding.
HOW WILL USE USE THE CARES ACT FUNDING?

TOP USES

- Personal protective equipment
- Offsetting revenue declines
- Technology upgrades & enhancements
HOUSING AND THE CARES ACT

Community Development Block Grant (CDBG)

$5 billion to address COVID-19 and provide services to senior citizens, the homeless and public health services.

$2 billion distributed using the normal formula (70% to entitlement cities and counties and 30% to the states).

Homeless Assistance Grant

$1 billion to the states based on a formula developed by HUD for COVID-19; the states will allocate the funds to entitlement and non-entitlement communities.

$2 billion to the states and localities based on a formula to be developed by HUD in 30 days.

$4 billion to state and local governments to address coronavirus among the homeless population.

Source: Center for Digital Government
HOUSING: CARES ACT USE-CASES

Community Development Block Grant (CDBG)
- New housing construction
- Conversion and acquisition of existing structures for housing
- Rehabilitation
- Acquisition and installation of public works facilities
- Provision of new or increased public services (meal delivery, testing, training, equipment etc.)

Homeless Assistance Grant
- Outreach
- Creating and operating shelters/Re-housing
- Providing essential services
- Administrative costs
HOUSING: KEY DATES AND INFO

Community Development Block Grant (CDBG)

✓ Administered by Housing and Urban Development

✓ Funding awarded based on formula (FY20) ESG Formula in two waves:

  **Wave 1:** $2 billion issued in early April

  **Wave 2:** $3 billion
  • $1 billion based on public health need
  • $2 billion based on impact on health and economy

Homeless Assistance Grant

✓ Funding awarded based on formula (FY20) ESG Formula in two waves:

  **Wave 1:** $1 billion issued in early April

  **Wave 2:** $3 billion (based on new formula TBD to be issued by HUD)
CARES Act

TRANSIT
TRANSIT AND THE CARES ACT

Federal Transit Administration

$25 billion
to all transit providers, allocating grant funding in proportion to selected (FY 2020) program.

All operating and capital costs related to COVID-19 are eligible to keep transit systems running.

Federal Aviation Administration Grants

$9.9 billion
available in emergency assistance to commercial service airports through the Airport Improvement Program (AIP).

Source: Center for Digital Government
TRANSIT: USE-CASES

Transit

✓ Funds can cover operating expenses to maintain, manage and operate public transportation.

✓ Funds can support capital projects and other related expenses in relation to prevention and response to COVID-19.

Aviation

✓ Signage, road and tarmac construction and other capital-related projects.

✓ Offsetting costs associated with COVID-19.
Transit

- Funds were awarded based on a series of formulas including the urban, rural, state of good repair and growing high-density states formula.
- $22.7 billion is directed to large and small urban transit systems and $2.2 billion is directed to rural areas.

Aviation

- Funds have already been awarded to airports across the U.S.
- Have four years to use funds.
- Link to airport allocations.

Source: Center for Digital Government
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<th>UTILITIES AND THE CARES ACT</th>
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**Low Income Home Energy Assistance Program (LIHEAP)**

- Funding to address the growing number of low-income households impacted by furloughs and layoffs.
- CARES Act includes **$900 million** in additional LIHEAP funding through September 2021.
- This represents a **27% increase** over FY 2020 levels and is expected to be disbursed over the next 16-18 months.

**Paycheck Protection Program**

- The CARES Act includes **$349 billion** in lending to small businesses.

*Source: Center for Digital Government*
UTILITIES: USE-CASES

Utilities

✓ Funds can support capital projects and other related expenses in relation to responding to COVID-19, including the purchase of personal protective equipment (PPE).

✓ Low Income Home Energy Assistance Program (LIHEAP)

✓ Contact Center Improvements

✓ Health Data Surveillance

✓ Signage, road and tarmac construction and other capital-related projects.

✓ Offsetting other costs associated specifically with COVID-19.
LIBRARIES AND THE CARES ACT

✓ The CARES Act includes $50 million for the Institute of Museum and Library Services (IMLS).

✓ These funds can be used to prevent, prepare for, and respond to coronavirus, including grants to States, territories and tribes to expand digital network access, purchase internet accessible devices, and provide technical support services

IMLS Key Dates:

✓ Application deadline: June 12, 2020 (by 11:59 p.m. ET)

✓ Anticipating notification of award decisions: August 2020

✓ Performance period begins: September 1, 2020 (for up to two years)
**ADDITIONAL FUNDING OPPORTUNITIES**

✓ **NATIONAL ENDOWMENT FOR THE HUMANITIES: $75 MILLION** For grants, including funding for state humanities councils and other partners in an effort to help local, state, and regional communities provide continued access to cultural organizations and institutions of learning.

✓ **NATIONAL ENDOWMENT FOR THE ARTS: $75 MILLION** For grants, including funding to state arts agencies and other partners in an effort to help local, state, and regional communities provide continued access to cultural organizations and institutions of learning.

✓ Look for individual state funding opportunities through State Library Associations.
CARES Act

OTHER FUNDS
CARES ACT: ECONOMIC STABILIZATION

Economic Stabilization Fund

✓ $454 billion from the U.S. Treasury to purchase obligations of states, local governments and political subdivisions.

✓ In addition to state and local agencies, electric, natural gas, and water utilities qualify for these loans and loan guarantees as they pertain to expenses and capital programs.

Key Dates

This became operational on May 26, 2020. The SPV will cease purchasing Eligible Notes on December 31, 2020.

What type of financing is available?

Eligible Notes are tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), revenue anticipation notes (RANs), and other similar short-term notes issued by Eligible Issuers, provided that such notes mature no later than 36 months from the date of issuance. In each case, a note’s eligibility is subject to review by the Federal Reserve.

Source: Federal Reserve

Source: Center for Digital Government
1. To help manage the cash flow effects of income tax deferrals resulting from an extension of an income tax filing deadline; deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and requirements for the payment of principal and interest on obligations of the Eligible Issuer or its political subdivisions or other governmental entities.

2. To purchase similar notes issued by, or otherwise to assist, its political subdivisions and other governmental entities for the purposes enumerated in clause.

3. To fund the costs of issuing the Eligible Notes and paying the SPV issuance fee.

Source: Federal Reserve
COVID-19 IMPACT ON DIGITAL TRANSFORMATION

COVID-19 has accelerated our digital transformation initiatives related to:

- 22.1% Computing devices (tablets, laptops or PCs)
- 23.2% Digital services
- 25.3% Workflow/Digital content/document management
- 6.3% Other (Please specify): 18.9% COVID-19 hasn’t accelerated our digital transformation
- 2.1% Digital signatures
- 1.1% Cloud computing
- 1.1% Cybersecurity

EMERGING NEEDS

- ✓ Workflow/Content/Document Management
- ✓ Digital Services
- ✓ Computing Devices
WHERE TO START

✓ Check with appropriate federal agencies and their websites to see the latest on the funding.

✓ Engage with local government leaders to express needs and uses for Coronavirus Relief Funds.

✓ If needed, engage with Department of Treasury on Municipal Liquidity loans to offset losses related to COVID-19.

✓ Ensure that you keep detailed records of your expenses related to COVID-19 and the CARES Act.

✓ Closely monitor legislative activity with the Feds. There are several bills that can provide additional funding for infrastructure-related projects to spur job creation.
THE FUTURE OF SPECIAL DISTRICTS

- Hybrid work becomes new normal
- Social distancing meets the workplace
- Business processes reengineered for remote work
- Push to modernize for the next normal
- Blurring lines with privacy and health surveillance systems
- Focus on proactive recurrence response
- Fiscal constraints catalyze innovation
- Policies are reformed to match behavior

Source: Dustin Haisler, Joe Morris | e.Republic 2020
LIVE Q&A

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THANK YOU FOR JOINING US

This webinar will be available on-demand at: www.govtech.com/districts

For questions regarding this presentation, contact:
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