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## MEMORANDUM

TO: Board of Selectmen  
FROM: John Coderre, Town Administrator  
SUBJECT: American Rescue Plan Act (ARPA) Update  
DATE: June 15, 2022

In preparation for our June 16<sup>th</sup> American Rescue Plan Act (ARPA) Listening/Input Session, I thought it might be helpful to provide the Board with an update regarding Northborough's ongoing and planned COVID response and recovery efforts. This information provides appropriate context for the discussions that will ensue following the planned listening session. For more detailed information regarding ARPA, interested readers are encouraged to visit the Town's dedicated [ARPA webpage](#) which includes helpful reference information, including this memo.

By way of background, on March 11, 2021, President Biden signed the \$1.9 Trillion American Rescue Plan Act of 2021 (ARPA) into law. The bill provides resources through the Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments to respond to the public health emergency caused by COVID-19. Northborough is expected to receive \$4,516,183 of direct aid, administered by the US Department of the Treasury. The timeline for expending the funds calls for amounts to be fully obligated by December 31, 2024, and fully expended by December 31, 2026.

### **ARPA Overview Spending Categories and Rules:**

The U.S Department of the Treasury released details on the ways funds can be used to address acute pandemic-response needs, fill revenue shortfalls among state and local governments, and support the communities and populations hardest-hit by the COVID-19 crisis. Information regarding eligible spending uses has been evolving since the bill was signed into law. On January 6, 2022, the U.S Treasury issued its Final Rule. The basic categories of funding eligibility are shown below.

## ARPA Funding Categories



### **Support Public Health Response**

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



### **Replace Public Sector Revenue Loss**

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



### **Water and Sewer Infrastructure**

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



### **Address Negative Economic Impacts**

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



### **Premium Pay for Essential Workers**

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



### **Broadband Infrastructure**

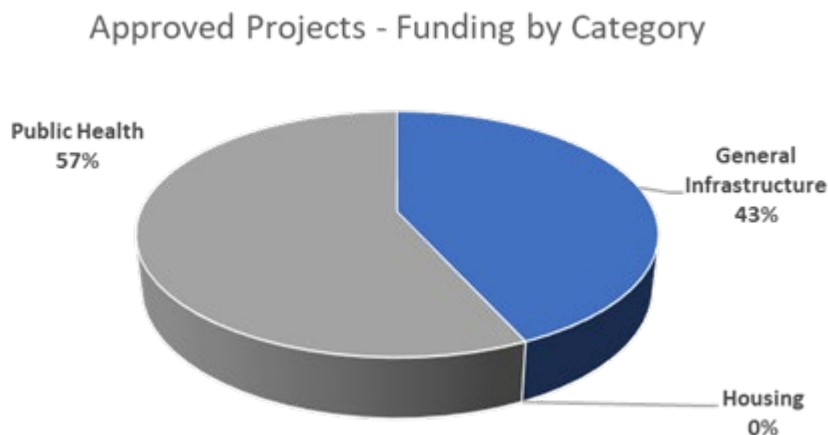
Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

ARPA funds essentially function similarly to a grant and are to be spent based on available cash-on-hand, as opposed to reimbursement. Funds are set to be deposited in two tranches, the first of which has already been received. It is important to recognize that these funds are non-recurring in nature and should be generally treated similarly to free cash or other grant funds. The Government Finance Officers Association (GFOA) strongly recommends that due to the temporary nature of ARPA funds, they should be applied to non-recurring expenses. GFOA further stresses that “Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.”<sup>1</sup> Alternatively, GFOA stresses that investment in critical infrastructure is a well-suited use of ARPA funds given their non-recurring nature, as well as the ability to target strategically important long-term assets that provide benefits over many years. Additionally, GFOA provides detailed guidance on exercising patience in obligating these funds, as there are many Federal, State and other local partnership/grant opportunities that are offering funding for many of the same projects listed as allowable uses under ARPA.

### **Requests and Committed ARPA Funds:**

At the March 14, 2022 meeting, the Board voted on time sensitive projects to be funded using \$176,000, or 3.9% of the ARPA allocation. Those projects and committed funding amounts are shown below. Following the allocations listed, there is a remaining balance of \$4,340,183.

Project	Cost Estimate
Proctor School Roof Drain Repairs	\$38,000
Assabet Park Fence	\$20,000
Pickleball Court Alternates	\$18,000
Be Well Northborough Initiatives	\$100,000
Affordable Housing (NAHC)	\$100,000 (No longer committed due to lack of State grant funding)
<b>TOTAL</b>	<b>\$176,000</b>

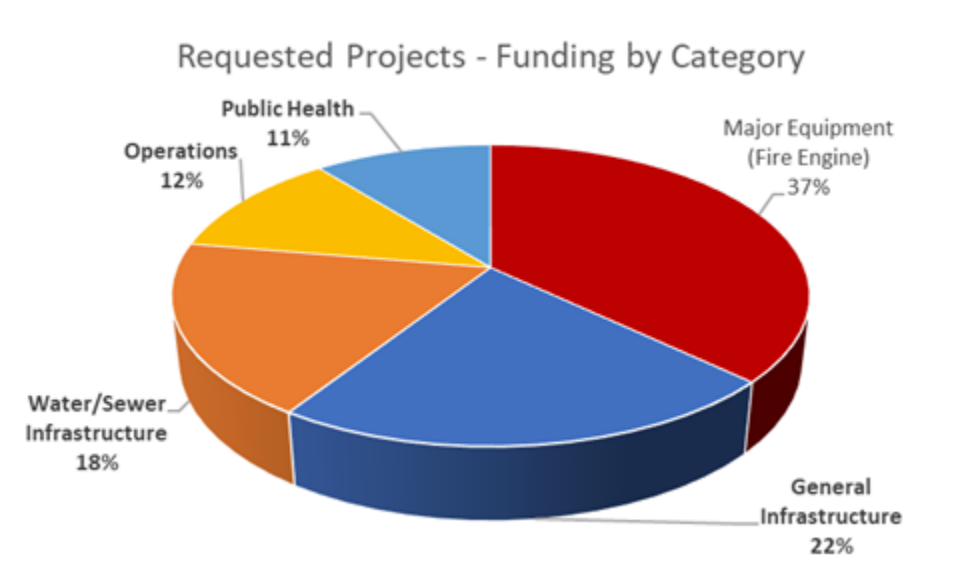


In addition to the approved projects above, staff also presented additional projects at the March 14, 2022 Board of Selectmen meeting that sought to address several immediate capital needs that would otherwise require appropriations or the issuance debt, which would directly impact taxpayers. Keeping the GFOA best practices and recommendations above in mind, most of the proposals consider reducing long-term infrastructure needs or major equipment replacements. In an effort to effectively manage the borrowing needs of the community in anticipation of a substantial fire station building project, and possible town

<sup>1</sup> “GFOA American Rescue Plan Act Guiding Principles”, <https://www.gfoa.org/american-rescue-plan-spending-guiding-principles>.

hall renovation, staff's recommendation was to leverage a portion of the ARPA funds to help address the backlog of projects from the Town's Six-year Capital Improvement Program. As previously discussed, the capital projects offered for consideration, such as the Fire Engine Replacement and the Sidewalk Repair Plan, are known needs that will require funding either with one-time ARPA grant funds or general tax dollars.

Project	Category	Cost Estimate
Fire Engine Replacement	Major Equipment Replacement	\$ 800,000
Highway Garage Tight Tank	Water/Sewer Infrastructure	\$ 400,000
Proctor School Roof Drain Repairs	General Infrastructure	\$ 38,000
Master Plan - Sidewalk Plan Phase 1	General Infrastructure	\$ 400,000
<del>Affordable Housing (NAHC)<sup>2</sup></del>	<del>Housing</del>	<del>\$ 100,000</del>
FY23 Operating Budget Subsidy for OPEB	Operations	\$ 250,000
Assabet Park Fence	General Infrastructure	\$ 20,000
Pickleball Alternates	General Infrastructure	\$ 18,000
Be Well Northborough Initiative	Public Health	\$ 100,000
COVID Expense Reserve	Public Health	\$ 132,092
	<b>TOTAL</b>	<b>\$ 2,158,092</b>



In addition to the projects that were proposed for consideration using the first half of the ARPA funding, it is anticipated that costs associated with the full Proctor School roof replacement would be considered in the second round, as well as projects and initiatives still to come from the Downtown Master Plan/Vision process. It is anticipated that the business community would be heavily involved in the Downtown process, which may lead to appropriate grant or incentive programs designed to enhance the overall economic vitality of the Town as a whole. A few of these additional projects are included here for purposes of discussion and possible consideration.

<sup>2</sup> The \$100,000 for the Affordable Housing Project was rescinded due to a lack of overall state grant funding for the project

Project	Explanation	Cost Estimate
Proctor Elementary School Flat Roof Replacement	On February 28 <sup>th</sup> the Board of Selectmen authorized the School Superintendent to file a Statement of Interest (SOI) with the Massachusetts School Building Authority (MSBA) regarding replacement of the 40,000 square foot flat sections of the Proctor Elementary School roof. The Town previously replaced the peaked metal roof sections several years ago. The Town is seeking MSBA's assistance in paying for approximately 45% of the total project cost, which is estimated to be between \$1.5 and \$1.65 million. The school department received \$38,000 of ARPA funding in March of 2022 to make immediate repairs to the downspouts and drains in order to resolve some of the ponding water issues on the roof. It is anticipated that approximately \$880,000 in FY2024 ARPA funding would be needed to match MSBA's grant, if approved. Additional interim repair funds may also be needed to temporarily stabilize the roof so the Town could hold out for the MSBA grant. If unsuccessful in obtaining the MSBA grant, the Town may need to fund the full replacement cost.	\$880,000 (if MSBA grant received) to \$1.65 million
Hybrid Meeting Room Modifications	The Legislature extended the ability for communities to continue with remote meetings until December of 2023. In anticipation of that date, and to create a hybrid meeting space that incorporates in person participation, as well as remote participation, funding will need to be identified to complete modifications to the Selectmen's Meeting Room at Town Hall. The cost will depend on the scope of the project which has yet to be determined.	\$50,000 to \$100,000
Staffing Study	As the Town continues to grow and expand departmental services and responsibilities, it is important to ensure that adequate resources are being committed to allow successful execution of our stated priorities. During the recent pandemic, several departments experienced extended periods of overwhelming workload. The purpose of a comprehensive staffing study is to determine whether the Town is structured and staffed to effectively deliver services to the community, identify opportunities to improve efficiency and effectiveness, and evaluate the policies, procedures, and best practices used by the Town.	\$100,000
Diversity, Equity & Inclusion Strategic Plan	In January of 2022, the Diversity, Equity and Inclusion Committee made recommendations to the Board of Selectmen, one of which was to conduct a DEI Strategic Plan. Should the Board choose to adopt that recommendation, funding will need to be identified to complete such study. To read the full	\$100,000

	recommendations of the Committee, please visit: <a href="https://www.town.northborough.ma.us/diversity-and-inclusion-committee">https://www.town.northborough.ma.us/diversity-and-inclusion-committee</a> .	
Master Plan Implementation Downtown Revitalization	April 2022 Town Meeting approved \$150,000 for a Downtown Master Plan/Visioning process, which will include input from staff, board and committee members, residents, and most importantly, business owners. The second phase of the project will be implementing the vision, which will likely include various capital investments, as well as partnership initiatives with downtown businesses.	TBD
White Cliffs Reuse	As the White Cliffs Reuse Committee continues its work in search of a permanent solution to restore the building, additional stabilization and/or preservation funding may be required to make the building attractive to a potential private partner. ARPA funds may also be used to leverage potential grants or private investment in the facility.	TBD
Board of Selectmen Strategic Plan	Strategic planning is a long-standing “best practice” in public finance. This is for good reason, as it is important to think strategically and long-term in a volatile and resource-constrained environment. The Government Finance Officers Association (GFOA) recently updated its criteria as part of the Distinguished Budget Award program, with new emphasis on strategic planning. The Board may wish to use ARPA funds to engage an independent third party to work with Town Officials to go through a formal strategic planning process.	TBD
Additional COVID Expense Reserve	Initial staff proposals included holding \$132,092 aside as a COVID expense reserve in anticipation of additional waves or variants that require direct action from the Town to address the needs of the community and Town operations. Given recent information (detailed below) from DESE, the Board should consider an additional reserve to address any unforeseen COVID expenses until funds need to be full obligated in December of 2024. Prior to that date, the Board may wish to reconsider the reserve, applying new information prior to full expenditure in December of 2026.	Unknown

As referenced above, town staff strongly recommends holding an additional reserve aside to address unknown future COVID-19 needs as we move through the phases of ARPA funding obligation and expenditure. The Town may not see any additional financial support from the State or Federal Government to address any new variants or waves that come following the initial delivery of both the CARES Act funding (now completed) and ARPA funding. It is critical that Northborough set aside

adequate funding to prepare for the possibility of needing additional resources, PPE, testing, or funding for vaccination clinics in the future.

On May 25, new COVID-19 guidance was released by Massachusetts Department of Elementary and Secondary Education (DESE). Among this guidance was an update for the COVID-19 Testing Program for the Summer and Fall of 2022. For Summer 2022, the state will continue to provide self-tests (at-home antigen tests) for symptomatic testing for school-based programs. CIC services (state testing services), software, and staffing will no longer be available. Schools and districts will need to provide staff for in-school testing throughout the summer.

Beginning in Fall 2022, the state will no longer be providing test kits or COVID testing services to schools starting in September. Districts can decide if they would like to continue testing for the school year and how that will work in their schools. However, DESE and DPH strongly recommend that schools and districts who plan to implement their own testing programs, only use it for symptomatic rapid testing. These test kits can be purchased through the statewide contract.

	Spring 2022	Summer 2022	Fall 2022
<b>Surveillance (both pooled and self-tests) &amp; Test and Stay testing</b>	Current program continues	No state program support	No state program support
<b>Symptomatic testing</b>	Current program continues	Schools will have access to state-provided self-tests for school-based summer programs	Schools can purchase self-tests through statewide contract
<b>CIC Health Support (including managing consent forms)</b>	Current program continues	CIC Health services no longer available through the state	CIC Health services no longer available through the state

In order to ensure that we have adequate funding to support a potential testing program at the schools in the Fall, the Town should hold a portion of the ARPA funds as a COVID expense reserve.



## **Review of Grant Funding and Programming to Address Effects of Covid-19**

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Shifting gears from the ARPA rules and potential projects, the balance of this memo provides a brief summary of the many programs, initiatives, and resources currently in place or planned as part of Northborough's ongoing COVID response and recovery.

In addition to ARPA funds, Town staff has leveraged significant grant funding from state and federal entities to address the mental health, public health, and overall wellness of the community. Many of the programs and grants detailed below are directly related to specific public health needs that have arisen out of the pandemic. These include additional mental health support and resources, programs to address food insecurity, as well as transportation assistance.

- 1. Public Health Excellence Grant for Shared Services:** In 2021, the Town was awarded a Department of Public Health Grant in the amount of \$950,000 over three years. In response, the Town created the Greater Boroughs Partnership for Health (GBPH), a public health partnership comprised of Northborough, Southborough, Westborough, and Boylston, to centrally deliver identified services through the grant. The grant provides 1.5 FTE contracted public health nurses to support the ongoing public health needs for all community members. Additionally, the grant supports a shared Health Inspector/Agent (Northborough employee) who provides routine food and housing inspections for Northborough, Boylston, and Southborough. The grant covers the cost of new food and housing inspectional software and equipment for all four towns. Lastly, this grant has supported the purchase of medical supplies including at-home COVID-19 tests.
- 2. Local Health Support for COVID-19 Case Investigation and Contact Tracing:** In 2021, the Town was awarded a Department of Public Health Grant in the amount of \$320,00 over two years. This grant supports the towns of Northborough, Boylston, Southborough, and Westborough and provides 1 FTE contracted public health nurse and a part-time Epidemiologist (Northborough employee) to continue to monitor and provide data on COVID-19 and its variants. This grant was used to purchase medical supplies including at-home COVID-19 test kits, PPE, and nursing supplies to support a new home wellness check program.
- 3. Greater Boroughs Partnership for Health Home Wellness Check Program:** Starting this summer, GBPH public health nurses supported by the above-mentioned grants are providing free home wellness checks to residents in need. The Health Department is collaborating with the Senior Center and Fire Department to identify residents who may benefit from this voluntary program. Nurses conducting home wellness checks will assess health needs and connect residents to resources. The program is designed to address issues such as medical needs and isolation in response to COVID-19. Follow-up visits will be scheduled as needed.
- 4. MetroWest Health Foundation Youth Mental Health Grant:** Northborough Public Schools collaborated with the Health Department and was awarded a \$100,000 grant from the MetroWest Health Foundation in June of 2022, to expand mental health services to students. This grant will allow Northborough Public Schools to contract with Assabet Valley Collaborative's Family Success Partnership (FSP) to provide in-person licensed clinician hours at Northborough Public Schools. In addition, FSP will provide consultation and professional development services to support the staff at Northborough Public Schools, challenged with meeting the increasing mental health needs of students. To implement this new program, FSP will be contracted to provide 20 in-person hours weekly in the Northborough Public Schools during the academic year, with an anticipated start date of September 2022. <https://mwhealth.org/stories/1-7-million-in-grants-awarded-to-local-nonprofit-organizations>

5. **MetroWest Health Foundation COVID-19 Emergency Response Grant:** The Town was awarded a \$50,000 grant to support COVID-19 outreach, education, testing, and vaccination. This grant supports a temporary part-time Outreach Coordinator through the Health Department who is assisting with distribution of COVID-19 test kits, education and outreach, vaccination efforts and development of a community resource guide. Essential Protection Kits which include COVID-19 test kits, KN95 masks, surgical masks, sanitizers, and other information were distributed to all town residents who are receiving meals-on-wheels through Baypath Elder Services. Additionally, these kits were distributed through the Senior Center and the Northborough Food Pantry.
6. **Baypath Elder Services Grab and Go Produce Program:** Baypath Elder Services is directly funding a new fresh produce distribution program for residents aged 60 and older. This program will begin in July and continue through September. Baypath Elder Services is contracting with a local farm to deliver fresh, local produce every two weeks to the Senior Center. Senior Center staff and volunteers will assist with packing 25 bags of produce each week to distribute to residents who come to the Senior Center. The goal of this program is two-fold – provide fresh produce to seniors as well as encourage seniors to visit the senior center for social engagement opportunities.
7. **Baypath Elder Services Title IIIB Medical Transportation Aid:** The Northborough Senior Center has acquired grant funding to provide a taxi transportation option for seniors to healthcare facilities outside of the Central Massachusetts area. The funding will allow those with limited income and family resources to access transportation needed to reach healthcare appointments. This program is intended to augment the Town's existing transportation program which is funded by the Worcester Regional Transit Authority (WRTA) and managed through the Northborough Senior Center.
8. **Jail Diversion Clinician Grant Program:** For the past three years the police departments of Northborough, Westborough, and Southborough have partnered with the Advocates Jail Diversion Program. This Massachusetts Department of Mental Health grant funded position provides a master's level clinician to be imbedded within the three departments on a full-time basis, working out of the three stations on a rotating schedule. As the program name indicates, it is intended to divert persons in mental health crisis or substance use disorders from arrest, and the criminal justice system, to community-based support, resources, and treatment. Moving forward, Northborough and Southborough have partnered in a new DMH grant application for a shared clinician dedicated to just the two towns.
9. **INTERFACE Referral Service:** In 2021, the Town contracted with William James College's Interface Referral Service. Interface is a free, confidential service connecting residents and public-school students to mental health providers. Residents in need of mental health services are typically connected to a licensed clinician specializing in their area of concern within two weeks. Interface referred over fifty cases in FY2022 and connected children and adults in need with counseling services. This service delivery model has been very effective at connecting an unlimited number of residents with ongoing support and therapy, which allows Town resources to remain focused on short-term crisis intervention and resource referral assistance. For more details about Interface service, please visit <http://interface.williamjames.edu/>.



10. **Be Well Northborough Initiative:** Given the extensive resources dedicated to managing the COVID-19 emergency responses, the Town also wanted to address the more general underlying feelings of anxiety and isolation experienced by residents due to the extended nature of the pandemic. The result was the creation of the “Be Well Northborough” wellness initiative.

On March 14, \$100,000 in funding for the Be Well Northborough initiative was approved by the Board of Selectmen. Be Well Northborough is a collaborative health and wellness initiative aimed at helping our community recover from the COVID-19 pandemic. The initiative is focused on curating new and existing health and wellness resources in our community through a shared community calendar and outreach activities with the goal of collaboratively engaging with the community to promote general health and wellness.

The Be Well Northborough Working Group was formed with the goal of collaborating across town departments to offer new programming and raise awareness of existing resources available that will help our community recover from the COVID-19 pandemic and address issues such as social isolation, mental health, substance use, and overall wellness. The Be Well Northborough Working Group includes department heads from Police, Fire, Recreation, Family and Youth Services, Northborough Senior Center/Council on Aging, Health, Library, and Schools, as well as the Assistant Town Administrator/Diversity & Inclusion Committee staff liaison.

To date, the Be Well Northborough Initiative has funded and/or developed numerous programs and is currently in discussions with several additional community partners to discuss funding for future initiatives. For more information on planned programs, future initiatives, or to suggest a program, please visit: <https://www.town.northborough.ma.us/bewell> or visit our newly created Community Calendar at: <https://www.town.northborough.ma.us/>.

### **Local Business Resources and Support**

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Throughout the pandemic, local businesses have dealt with significant challenges in dealing with the effects of COVID-19, including everything from managing the constantly evolving safety measures, significantly reduced demand for services and supply chain issues, as well as changes to available workforce. The State of Massachusetts and Federal Government has been responsive to the needs of small businesses across the Commonwealth. Throughout the pandemic, the Town of Northborough worked closely with the 495 MetroWest Partnership and the Corridor 9 Chamber of Commerce to publicize and share information about these valuable resources. A summary of the key programs is included in an attachment to this memo. While many of the programs are now expired, some could potentially receive an additional round of funding.

Most of the programs detailed in the attachment resulted in direct financial assistance to businesses in the early stages of the pandemic, prior to detailed health data on the spread of the virus, the development of the vaccine, and the curb of the spread. As we move forward, most existing businesses no longer require the acute support provided at the start of the pandemic. Rather, they will likely be seeking long-term partnerships and infrastructure support to ensure that their businesses can fully recover and thrive. To that end, the Town has an important role to play in supporting the next phase of recovery, which we intend to achieve, in part, through a focus on a downtown revitalization initiative. Programs that support the general promotion of a healthy business environment, including wayfinding assistance, shared parking initiatives, walkability improvements, destination focal points, and programs that incentivize

businesses to make the kind of changes or aesthetic improvements to be identified during the upcoming Downtown Master Plan/Visioning process.

There has been a significant amount of State and Federal support provided for small and mid-size businesses through the pandemic. However, the Town recognizes that the availability of ARPA funding provides a unique opportunity to partner with businesses to create mutually beneficial outcomes. As you know, the Master Plan Implementation Committee has been meeting over the last several months and identified downtown revitalization as its top priority. Town Meeting approved \$150,000 in funding to begin the Downtown Visioning process, which will include input from staff, board and committee members, residents, and most importantly, business owners. Through that process, it is our goal to identify partnership opportunities with businesses and possible grant or loan programs to encourage improvements that reflect the agreed upon priorities of all community stakeholders.

**Conclusion:**

As you can see from the information provided, Northborough has done exceedingly well throughout the pandemic and emerged as a regional leader in addressing the critical public health impacts of COVID-19. As we look forward to continued recovery efforts, the proposed ARPA projects and initiatives outlined in this memo seek to restore cuts from prior years related to lost revenues, as well as use other dedicated grants and programs whenever possible in order to save ARPA funds for priorities not eligible for other federal and state assistance programs. Additionally, the Town seeks to follow GFOA best practices and Town's Fiscal Policies regarding use of one-time revenues to avoid creating new programs or add-ons to existing programs that require ongoing financial commitment. We recognize the Board's commitment to hearing public input on how ARPA funding can best serve the community. We welcome that input and look forward to establishing a path forward for obligating and expending the ARPA funds in the best interest of the community.

# ATTACHMENT

The following programs have been available to businesses at various times during the pandemic.

1. **Economic Injury Disaster Loan:** An Economic Injury Disaster Loan (EIDL) can provide up to \$2 million to small businesses impacted by the coronavirus shutdown. Principal and interest payments on the EIDL can be deferred for the first year. Program sunset in December of 2021.
2. **Restaurant Revitalization Fund (RRF):** The American Rescue Plan Act established the Restaurant Revitalization Fund (RRF) to provide funding to help restaurants and other eligible businesses remain open. This program provided restaurants with funding equal to their pandemic-related revenue loss up to \$10 million per business, and no more than \$5 million per physical location. Recipients were not required to repay the funding if funds are used for eligible uses no later than March 11, 2023. Eligible entities must have experienced pandemic-related revenue loss, and included restaurants; food stands, food trucks, and food carts; caterers; cars, saloons, lounges, and taverns; and snack and nonalcoholic beverage bars. Some additional businesses were eligible if onsite sales to the public comprised at least 33% of gross receipts, including bakeries; brewpubs, tasting rooms, taprooms; breweries and/or microbreweries; wineries and distilleries; and inns. SBA began accepting applications for RRF on May 3, 2021. SBA announced the closure of the program on July 2, 2021, as funds were depleted; \$72.2 billion of funds were requested of the \$28.6 billion program.
3. **Paycheck Protection Program (PPP):** The PPP provided a short-term loan to cover certain payroll costs, mortgage interest, rent, and utilities. The maximum loan amount was generally 2.5 times the average of your last 12 months of certain payroll costs, up to \$10 million. Payroll costs were capped at \$100,000 per employee. The interest rate on already distributed loans is 1%. These loans were originally due in two years, but subsequent legislation amending the PPP extended the loan term for loans made on or after June 5, 2020, to five years. Program sunset in May of 2021.
4. **Shuttered Venue Operator's Grant (SVOG):** The SVOG was established by Congress to provide over \$16 billion in grants to shuttered venues. Depending on when an entity started operating, they may be eligible for grants equal to 45% of their 2019 gross earned revenue or \$10 million, whichever is less. Eligible entities for an SVOG include live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators or owners, and talent representatives. The funds may be used to cover expenses such as payroll costs, rent payments, utility payments. Program sunset in August of 2021.
5. **Small Business Administration Debt Relief:** In April 2020, SBA offered Debt Relief to certain small businesses holding 7(a) loans. Under this relief, the SBA paid the principal and interest for six months beginning March 27, 2020 for qualified new and current holders of 7(a) loans. Businesses who already held a covered 7(a) SBA loan or received a 7(a) SBA loan were eligible to apply prior to September 27, 2020. Awarded relief was applied to covered loans beginning with payments due after March 27, 2020. This debt relief was available only to 7(a) loans and not to loans made under the Paycheck Protection Program, 504 loans, or microloans.

6. **Main Street Lending Program:** The Main Street Lending Program (MSLP) was established by the Treasury Department with \$75 billion from the CARES Act to enhance access to credit for small and medium-sized businesses during the COVID-19 pandemic which were in sound financial condition prior to the pandemic. The program was designed to help credit flow to medium-sized and small businesses that had been in good financial condition but needed loans to subsist until they have recovered from, or adapted to, the impacts of the pandemic. The program offered 4-year loans, with floating rates, and principal and interest payments deferred during the first year to assist businesses facing temporary cash flow interruptions. The loans ranged in size from \$500,000 to \$200 million. Main Street loans were not eligible to be forgiven. The loans were underwritten and approved by eligible lenders.
7. **2020 Small Business Recovery Loan Fund:** In March 2020, the Baker-Polito Administration announced a \$10 million loan fund to provide financial relief to small businesses affected by COVID-19. The \$10 million Small Business Recovery Loan Fund provided emergency capital up to \$75,000 to Massachusetts-based businesses impacted by COVID-19 with under 50 full- and part-time employees, including nonprofits. Loans were immediately available to eligible businesses with no payments due for the first 6 months
8. **CMRPC Small Business Emergency Assistance Grant Program:** In June 2020, the Central Massachusetts Regional Planning Commission (CMRPC) administered a grant assistance program to small businesses in Central Massachusetts impacted by the closure and losses as a result of the COVID-19 pandemic. The grant program was funded by the Attorney General's Office, through the Small Business Relief Partnership Grant Program. CMRPC was awarded \$45,000 to distribute funds to small businesses in Central Massachusetts.
9. **Hire Now Employer Training Grant Program:** HireNow provides funding to eligible Massachusetts employers who hire and retain Massachusetts residents. Funding is awarded at a flat rate of \$4,000 for each eligible newly hired employee. The goal of HireNow is to address hiring challenges experienced by Massachusetts employers because of the COVID-19 pandemic. HireNow provides resources to enable Massachusetts employers to broaden their recruiting practices to include workers who do not meet traditional qualifications but can fulfill job requirements with additional training upon hire. Employers are encouraged to rethink hiring practices, minimum qualifications, and onboarding processes to consider candidates with qualification that may differ from traditional standards to increase staffing levels in a tight labor market. Employers may be approved for up to \$400,000 or 100 eligible newly hired employees. The program is not currently accepting new applications for new employer registrations, but the Commonwealth is committed to reopening the program if additional funding is made available.
10. **2020-2021 Small Business Grant Relief Program:** Applications for a \$668 million state program to provide financial assistance to Massachusetts small businesses were open until January 15, 2021. Eligible businesses could receive up to \$75,000, capped at up to 3 months of operating expenses, as evidenced by 2019 Federal Tax Returns. Eligible uses of the funds included employee payroll and benefit costs, mortgage interest, rent, utilities, and interest on other debt obligations.
11. **Pandemic Unemployment Assistance:** As of April 2020, claimants were able to file for Pandemic Unemployment Assistance (PUA). PUA was available to self-employed individuals, including gig workers, freelancers, and independent contractors; those seeking part-time employment; claimants that had an insufficient work history to qualify for benefits; and

claimants that had been laid off from churches and religious institutions who were not eligible for benefits under state law.

In addition to grant and loan programs made available to businesses throughout the Commonwealth, the Internal Revenue Service (IRS) has provided resources and guidance on several tax credits that businesses may take advantage of to mitigate the financial impacts of COVID-19.

- 12. Employee Retention Tax Credit:** The IRS will give a tax credit to eligible businesses that continue to employ their workers. The credit is applied against the Social Security payroll tax. For wages paid after March 12, 2020 and before January 1, 2021, the credit is equal to 50% of qualified wages paid during the time period and is capped at \$5000 per employee. For wages paid after January 1, 2021, the credit is equal to 70% of qualified wages paid and is capped at \$7000 per employee. If the credit exceeds the Social Security portion of the payroll tax, the excess amount can be paid to the business directly. The credit is not available on salaries paid to business owners or their relatives and the same wages claimed under the credit cannot be used to qualify for PPP loan forgiveness.
- 13. Coronavirus-Related Paid Leave for Workers and Tax Credits for Small-and Mid-Size Businesses:** The Families First Coronavirus Response Act (FFCRA), enacted March 18, 2020, gives all American businesses with fewer than 500 employees funds to provide their employees with paid leave, either for the employee's own health needs or to care for family members. The COVID-related Tax Relief Act of 2020, enacted December 27, 2020, amended and extended the tax credits (and the availability of advance payments of the tax credits) for paid sick and family leave under the FFCRA. Business owners may get immediate access to the credit by reducing the employment tax deposits you are otherwise required to make. If your employment tax deposits are not sufficient to cover the credit, you may request an advance payment from the IRS. The ARPA further amended and extended the tax credits (and the availability of advance payments of the tax credits) for paid sick and family leave.
- 14. Federal Tax Credits for Vaccinations:** A federal tax credit was made available to small and medium-sized businesses to fully offset the cost of paid leave for employees to get vaccinated and recover from any after-effects of vaccination. Funded through the American Rescue Plan, the tax credit offset the cost for businesses and nonprofits with fewer than 500 employees for up to 80 hours, limited to \$511 per day of paid sick leave offered between April 1 and September 30, 2021. The paid leave credits under the ARP were tax credits against the employer's share of the Medicare tax. The tax credits were refundable, meaning the employer was entitled to payment of the full amount of the credits if it exceeded the employer's share of the Medicare tax.

For more information on tax relief for businesses, please visit: <https://www.irs.gov/coronavirus/coronavirus-tax-relief-for-businesses-and-tax-exempt-entities>. This information is not intended to be tax advice and we recommend consulting a tax preparer or accountant prior to applying for any of the programs above.