



**Avon Finance Committee**  
**April 2, 2020**

## Federal Stimulus Legislation

- **Phase I : \$8.3 billion emergency funding for federal agencies to respond to COVID-19**
- **Phase II:** FFCRA - Paid Leave for Employees
- **Phase III:** CARES Act - Direct assistance to businesses and individuals.

## Local Government Aid

- **The CARES Act provides for \$150 billion in aid to states and local governments. Colorado will receive \$2.2 billion**
- **Town will not receive any direct aid from the CARES Act as the legislation only applies to local governments with populations over 500,000**
- **There are no requirements for the State to allocate funds to the Town, and it is yet to be determined how the State intends to utilize these funds**

## Transportation

- **The CARES Act provides \$25 billion to public transit agencies**
- **\$18.7 billion will be allocated to rural communities through what are known as 5311 grants, of which Avon is a recipient**
- **It is unclear at this time how much exactly the Town will receive**
- **Reimburse public transit agencies for operating costs to maintain service and lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment and paying administrative leave of operations personnel due to reduction in service**

## FFCRA

- **Emergency FMLA**
- **Emergency Paid Leave**
- **Tax credits available to private business and non-profit employers. Similar relief currently not available to the Town**
- Applicable to any employer with fewer than 500 employees
- Limited small business exception

## FMLA

- **Require an employer to provide up to 12 weeks of leave if the employee cannot work (or telework) because he or she has to care for his or her children if the school or place of care for the child has been closed due COVID-19.**
- **First 10 days unpaid. Employee then paid at 2/3 regular rate of pay, not to exceed \$10,000.**

## Emergency Paid Leave

- **80 hours of paid sick leave to employees who are unable to work or telework due to a number of COVID-19 related reasons. Less for part-time staff. Maximum pay of \$511 per day**
- **Reasons for COVID-19 leave:**
  - (1) they are subject to a federal, state, or local quarantine or isolation order relating to COVID-19;
  - (2) they have been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
  - (3) they are experiencing symptoms of COVID-19 and seeking a medical diagnosis;
  - (4) they are caring for an individual who is subject to a quarantine or self-isolation order or who has been advised to self-quarantine;
  - (5) they are caring for a son or daughter if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions;
  - or (6) they are experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of Treasury and the Secretary of Labor

## Unemployment Insurance

- **Under Colorado law, a laid off or furloughed worker is entitled to unemployment payments at a rate of 55% of an unemployed worker's salary, capped at \$561**
- **CARES Act provides employees will receive an additional \$600 per week The additional \$600 will be available only until July 31, 2020**
- **The federal government will fund up to an additional 13 weeks, up to a maximum of 39 weeks**
- **Expands eligibility to include independent contractors, self-employed individuals and those with a limited work history**



## Payroll Protection Program

- **New SBA Loan for employers (non-profits as well) with fewer than 500 employees.**
- **Qualifying borrowers are eligible for loans up to 2.5 times their monthly payroll costs, measured over the prior twelve months, or \$10 million, whichever is less**
- **Loans provided to borrowers under the PPP are subject to forgiveness in the amount spent by the borrower during an eight week period after the origination date of the loan on the following items: 1) Payroll costs; 2) Interest payment on any mortgage put in place prior to February 15, 2020; 3) Payment of any rent on any lease in effect prior to February 15, 2020; 4) Payment of any utility charge, provide the utility service commenced prior to February 15, 2020**

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## Economic Injury Disaster Loans

- **An EIDL loan offers up to \$2 million per individual business in assistance and can provide economic support to small businesses to help overcome the temporary loss of revenue they are experiencing**
- **may be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the pandemic's impact**
- **The interest rate on a small business loan is 3.75%. The interest rate for non-profits is 2.75%. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay**

## Direct Pay

- **The CARES Act allocated \$300 billion towards a one-time stimulus check of \$1,200 to every Avon resident whose 2018 tax return, or 2019 if filed, showed income at or below \$75,000 for an individual or \$150,000 for a married couple**
- **There's no minimum threshold, so the vast majority of individuals in Avon reporting income in 2018 or 2019 will benefit**
- **Direct payments phase down after the \$75,000/\$150,000 caps and disappear completely for people making more than \$99,000 and couples making more than \$198,000**



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