



MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

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To: Ald. Michael Murphy
From: Luke Knapp, Legislative Fiscal Analyst
Date: May 19, 2020
Subject: Cares Act – Municipal Use

Recently, you asked the Legislative Reference Bureau for information on how peer cities have been utilizing federal funds provided from the recently passed Coronavirus Aid, Relief, and Economic Security (CARES) Act, and whether these expenditures were done by legislative action or through the executive branch. The CARES Act created a Coronavirus relief fund which provides \$150 billion for state, local and tribal governments to use to cover costs related to COVID-19 that were not previously budgeted for and incurred between March 1 and December 30, 2020. Most funds go directly to the states, but the bill also allocates direct financial assistance to cities above 500,000 in population. The 500,000-population size limit for direct payments to a municipality makes comparisons with some of Milwaukee's peer cities difficult, as some of those cities have populations below this threshold. Below is a list of how some peer cities to Milwaukee have allocated the funds.

Columbus, OH

On May 14, 2020, Mayor Ginther and City Council President Hardin announced that Columbus received \$157 million from the CARES Act. The Columbus City Council voted Monday, May 18, 2020 to accept and appropriate the funds which were divided into the following categories:

- \$80 million for direct spending for COVID-19 expenses such as medical expenses for testing, EMS response, personal protective equipment (or PPE).
- \$51 million for human services such as shelter for those experiencing homelessness, food and rental assistance.
- \$26 million for economic impact such as small business assistance and technology for teleworking.

Additionally, the City Council voted on allocating \$3 million for a Tenant-Based Rental Assistance Program to provide urgent relief to those residents struggling to stay in their homes.

Madison, WI

On April 29, 2020, the City of Madison and Dane County announced budget amendments for how to utilize the \$694,068 received by the county as part of CARES Act funding. \$250,000 was allocated to support people who are in isolation to prevent

the spread of COVID-19. Additionally, funding was used to create eight staff positions; two Public Health Nurse positions with an emphasis on infection control, four Disease Intervention Specialist positions to do contact tracing, and two communications positions to support tailored messaging and outreach. The aim was to build up internal infrastructure within the Public Health Department. The funding allocation still has to be approved by both the City of Madison and Dane County.

Kansas City, MO

Because of its population being below 500,000, Kansas City did not directly receive payments from the federal government. Instead, Jackson County received the funds to disburse. On May 18, 2020 Kansas City's wrote a public letter to Jackson County requesting that Kansas City receive a commiserate portion of available funding to its share of Jackson County's population, which would come out to \$54.59 million. The mayor proposed the following allocation of funds were Kansas City to receive the \$54.59 million:

- \$11.3 million for the Health Department to support increased testing, particularly for asymptomatic persons, contact tracing, compliance, and community outreach about COVID-19.
- \$12.5 million for Fire and Police spending, with the majority of funding needed for the purchase of protective equipment and to pay additional staff wages made necessary by changed protocols, and for overtime related to quarantines among the fire and police department personnel exposed to COVID-19 (requiring other workers to cover shifts).
- \$3.3 million in sanitation, equipment purchasing, and staffing expenses for city departments and staff subject to quarantines, workforce changes, and overtime relating to preparing City buildings and operations to be safer.
- \$18 million in Small Business Assistance to reimburse the costs of business interruptions caused by required closures and other necessary public health measures.
- \$10 million in Housing (rental, mortgage) assistance, support for landlords who have cancelled, suspended, or modified rent obligations during the pandemic, and legal aid support for low- and moderate-income households directly threatened by eviction or foreclosure due to a loss of income from COVID-19.
- \$5.5 million in general social service assistance (food banks, utility assistance, support for homeless shelters, and other temporary housing providers for individuals facing economic hardship due to COVID-10.
- \$1.5 million to business relief for arts-based organizations, including support for local artists deprived of work during the pandemic and since the beginning of stay-at-home orders.

Many other cities have not formally allocated available funds through the legislative process. Additionally, many medium-sized cities face the struggle of being below the 500,000-population threshold to receive direct funds, and are in the process of requesting funds from the county government. However, it is clear that most cities have been using the funds to cover:

- Associated costs in health departments for addressing COVID-19 (staffing for contact tracing, expanded testing, protective equipment, etc.).
- Associated overtime costs of fire and police in relation to COVID-19.
- Rental and mortgage assistance programs to assist residents who may have lost their jobs due to the pandemic and are at-risk of losing their homes.
- Small-business loan programs to assist with the economic impact of forced closure due to the COVID-19 pandemic.

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