



Gaithersburg-Germantown Chamber of Commerce, Inc.

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Special Appropriation to the County Government's FY20 Operating Budget, Department of Finance -
\$5,000,000 for Economic Development Fund, Public Health Emergency Grant Program

PUBLIC HEARING - April 21, 2020

SUPPORT

The Gaithersburg-Germantown Chamber of Commerce supports the \$5 million special appropriation to increase the Public Health Emergency Grant Program.

I have been participating in daily zoom meetings with the administrators of the grant. As the days go by, it is increasingly apparent that the initial \$20 million appropriation is a drop in the bucket. As of Monday morning (4/20/20) there were over 5,000 applications. If only 20% of the existing applications were eligible for funding, the emergency grant program would be depleted. Adding an additional \$5 million is necessary, but it does not go far enough.

One of the issues with the existing program is the focused time frame for eligible loss. As it stands, the grant will apply:

- Only to businesses that have incurred significant losses in the month of March.
- With a priority for businesses who have sustained (and can demonstrate) at least a 50% loss of revenue in the month March.

The major issue is that the crisis didn't end on March 31st. In fact, for many companies it didn't even START by March 31st. In mid-March, many businesses were still continuing to generate revenue and using existing cash balances to make up any shortage in receivables. The largest economic impact for most small businesses will happen in April or May or well into the summer.

For my members, business continues to slow down or even come to a halt. These businesses did not receive any state aid before it dried up in early April, they won't qualify for the County grants, and most are still in limbo for federal aid. At the end of the day, these businesses will need relief just as much as the businesses that were impacted earlier in the pandemic.

I know that \$25M is a lot of money for the County at this time of uncertain tax revenue, but it will not go far enough. The funds will be given to a very small sliver of businesses, leaving the majority of businesses struggling to survive. We will need a second wave of financial support for businesses, not only to keep people employed, but to get our local economy back on track.

I ask that you and your colleagues begin to think about PHEG-2 and what that might entail.