

# **NACo BRIEF: SUMMARY OF LEGISLATIVE ACTION ON COVID-19**

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## **SUMMARY**

Over the last several months, Congress and the administration have been working to address national challenges related to COVID-19. In a short period, they quickly passed four bipartisan emergency packages which are directing billions of dollars to Coronavirus response and relief efforts. In the ensuing months, negotiations on a final package between the House and Senate stalled, with each chamber opting to act on its own relief bill. In this NACo brief, find short summaries of major enacted and proposed COVID-19 legislation and accompanying additional resources.

## **LEGISLATIVE SUMMARIES**

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## Coronavirus Preparedness and Response Supplemental Appropriations Act ([P.L. 116-123](#))

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### OVERVIEW

Enacted on March 6, 2020, this \$8.3 billion emergency supplemental appropriations package included comprehensive resources to enhance the national response to coronavirus, as well as key provisions to support state and local efforts to address cases of the illness

### KEY PROVISIONS

**Prevention Assistance:** \$2.2 billion in public health funding to support prevention, preparedness and response efforts, including a \$1 billion set-aside for State and Local Public Health Emergency Preparedness (PHEP) grants to support states, counties, cities and tribes

**Research Funding:** \$3 billion in funding for research and development of coronavirus vaccines and diagnostic tools, and \$100 million in supplemental appropriations for Community Health Centers (CHC)

**Public Health Funding:** \$3.1 billion in funding will support the Public Health and Social Services Emergency Fund under the U.S. Department of Health and Human Services Office of the Assistant Secretary for Preparedness and Response.

### NACo RESOURCES

[NACo's Analysis of Federal Legislation on Coronavirus Pandemic](#)

[NACo Blog Analysis: Congress, president move quickly on emergency aid to combat coronavirus](#)

## Families First Coronavirus Response Act (FFCRA, [P.L. 116-127](#))

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### OVERVIEW

Enacted on March 18, 2020, this multibillion-dollar emergency aid package includes five main provisions meant to respond to the deepening economic crisis caused by the coronavirus outbreak: support for free testing, food assistance, Medicaid FMAP rates, unemployment aid and paid sick and medical leave.

### KEY PROVISIONS

**Free Coronavirus testing:** The FFCRA ensures that all individuals, including those with private insurance, Medicare Advantage or Original Medicare, Medicaid, CHIP, VA, FEHBP and TRICARE, as well as the uninsured, will have access to tests at no cost.

**Food assistance:** The FFCRA includes more than \$1 billion to provide nutritious foods to low-income pregnant women and mothers with young children, help food banks and provide meals to seniors. It protects students' access to school meals in the event of school closures and provides \$400 million to assist local food banks to meet increased demand for low-income Americans during the emergency.

**Medicaid FMAP Rates:** The FFCRA increases by 6.2 percent the Federal Medical Assistance Percentage (FMAP) that the federal government provides to state and territorial Medicaid programs. This temporary increase will prevent states from cutting Medicaid benefits. It requires states to maintain eligibility standards that are no less restrictive than the date of enactment.

**Unemployment Aid:** The FFCRA gives states the resources and flexibility to provide unemployment benefits to laid off and furloughed workers, as well as to those workers who exhaust their allotted paid leave. It provides \$1 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions.

**Paid Sick and Medical Leave:** The FFCRA establishes an Emergency Paid Leave Program that replaces a significant share of lost wages so that those who take leave to avoid spreading the virus or due to illness or caregiving responsibilities can pay their bills. The bill requires employers with fewer than 500 employees and government employers to provide employees two weeks of paid sick leave, paid at two-thirds the employee's regular rate to care for a child whose school has closed, or if childcare provider is unavailable, due to the coronavirus.

## NACo RESOURCES

[NACo Blog Analysis: Congress and White House pass second COVID-19 legislative package, looks to a third](#)

[National Call on COVID-19 Response Efforts, Featuring Special Guest U.S. Secretary of Labor Eugene Scalia](#)

[NACo Paid Leave Brief](#)

[NACo Calls on Congress to Make Counties Eligible for Stabilization Fund in COVID-19 Package](#)

[NACo Statement on Passage of the Families First Coronavirus Response Act](#)

## Coronavirus Aid, Relief and Economic Security Act (CARES, [P.L. 116-136](#))

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### OVERVIEW

Enacted on March 27, 2020, the CARES Act provided \$2 trillion in federal spending and loans toward coronavirus relief efforts, representing the largest rescue package in U.S. history. Along with funding a wide range of emergency appropriations, the legislation also allocated hundreds of billions in loans and grants to major industries and small businesses, direct cash payments to taxpayers and significantly expanded unemployment benefits.

### KEY PROVISIONS

**Establishes new [Coronavirus Relief Fund \(CRF\)](#) for state and local governments to address spending shortages related to the coronavirus pandemic:** The bill provides \$150 billion in aid to states, tribal governments, territories and local governments with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency.

**Gives U.S. Treasury new authority to authorize loans and make municipal bond purchases to aid state and local governments:** The bill creates a \$500 billion Economic Stabilization Fund that authorizes the U.S. Treasury to purchase obligations of states, local governments and political subdivisions of them, to cover losses incurred as a result of COVID-19.

**Provides hospitals and health care facilities with additional funding for response efforts:** The bill provides \$100 billion in funding for local hospitals to address medical surge capacity issues and offset the cost of increased healthcare related expenses and loss revenue.

**Protects payments to hospitals serving the uninsured and underinsured:** The bill would delay statutory cuts to Medicaid Disproportionate Share Hospital (DSH) payments until FY 2021 to help hospitals, including eligible county-owned hospitals, serving indigent and underinsured people make up for revenue losses and continue to provide high quality care to all patients especially during this time of crisis.

**Extends the Temporary Assistance for Needy Families (TANF) program:** The bill delays the expiration of TANF from May 22, 2020 to November 30, 2020, providing important short-term certainty for county human services agencies and helping vulnerable county residents maintain access to this safety net program.

### NACo RESOURCES

[NACo Coronavirus Relief Fund Hub](#)

[NACo Brief: Coronavirus Relief Fund](#)

[NACo Analysis of the Third COVID-19 Supplemental: The Coronavirus Aid, Relief, and Economic Security Act](#)

[NACo Letter to Congressional Leadership on Continued Coronavirus Response](#)

[Statement: NACo Welcomes Passage of Third Coronavirus Relief Package](#)

## **Paycheck Protection Program and Health Care Enhancement Act ([P.L. 116-139](#))**

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### **OVERVIEW**

Enacted on April 24, 2020, this \$484 billion “interim” relief package primarily renewed a program to provide loans to small businesses and offered additional funding to support hospitals and enhanced COVID-19 testing.

### **KEY PROVISIONS**

**New funding for small businesses:** The Paycheck Protection Program and Health Care Enhancement Act provided \$320 billion to replenish the Small Business Administration’s (SBA) Paycheck Protection Program (PPP), a loan initiative aimed at helping small businesses weather the economic fallout from the COVID-19 response.

**More support for hospitals and healthcare providers.** The interim relief package allocated an additional \$75 billion to support local hospitals and health care providers by providing reimbursements for COVID-19 related expenses, lost revenue and public health services for uninsured Americans who have been infected by COVID-19.

**New funding for target COVID-19 testing in rural areas and for the uninsured.** The interim package provided \$25 billion for “necessary expenses to research, develop, validate, manufacture, purchase, administer and expand capacity for COVID-19 tests” to help effectively monitor and suppress the COVID-19 pandemic.

**Mandates states and localities to report how resources will be used for testing and COVID-19 community mitigation policies.** Alongside increased funding for testing, the legislation would also requires that state and localities that receive funds provide a plan for COVID-19 testing to the HHS Secretary no later than 30 days following the bill’s enactment.

### **NACo RESOURCES**

[NACo Blog Analysis: \\$484 billion coronavirus relief package](#)

[NACo Statement: U.S. Senate Interim Coronavirus Relief Package a Positive Step, More Resources Needed at the County Level](#)

## The Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES, [H.R. 6800](#))

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### OVERVIEW

On May 12, the Democratic Leadership in the U.S. House of Representatives introduced H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act. The chamber passed the \$3 trillion legislation three days later, mostly along party lines. The HEROES Act would provide approximately \$187 billion in direct and flexible funding to counties through a new Coronavirus Local Fiscal Relief Fund. The funding could also be used for lost revenue.

The HEROES Act was considered “dead on arrival” in the Senate due to its large price tag and broad scope. It has seen no further action.

### KEY PROVISIONS

While the HEROES Act’s new state and local fiscal relief funds are the most significant aspects of the legislation for counties, the bill includes many other provisions of note for local governments, and, if enacted into law, would:

**Medicaid Inmate Exclusion Policy (MIEP):** Allow inmates to access Medicaid 30 days prior to their release

**Federal Medical Assistance Percentage (FMAP):** Increase Medicaid FMAP by 14 percent from July 1, 2020 through June 2021

**Medicaid Fiscal Accountability Regulation (MFAR):** Place a moratorium on MFAR until the end of the public health emergency

**Payments to hospitals:** Increase (temporarily) payments to hospitals serving a disproportionate share of low-income and uninsured patients

**FEMA local match requirement:** Waive the 25 percent local match requirement for FEMA funding under the Emergency Disaster Declaration

**Payroll tax deductions:** Make county employers eligible for CARES Act payroll tax deductions

**State and Local Tax (SALT):** Suspend the \$10,000 cap placed on SALT deductions for FY 2020 and FY 2021

**Community Development Block Grant (CDBG):** Provide an additional \$5 billion for the CDBG for local communities by the current formula

**Supplemental Nutrition Assistance Program (SNAP):** Increase SNAP benefits by 15 percent

**Social Services Block Grant (SSBG):** Provide \$9.6 billion in emergency funding for the SSBG, half of which states must pass through to local governments or community-based organizations

**Homeless Assistance Grants:** Authorize an additional \$11.5 billion for Homeless Assistance Grants that enable state and local governments to finance housing and health-related services for people currently experiencing homelessness

**Local farmers:** Provide \$50 million to support local farmers, farmers markets and other local food outlets impacted by COVID-19 market disruptions and temporarily waive matching requirements

**Transportation:** Provide \$15 billion for highways and \$15.75 billion for transit

## NACo RESOURCES

[NACo Analysis for Counties: The Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act \(H.R. 6800\)](#)

[NACo Statement: Counties Welcome Passage of Coronavirus Relief Package with Essential Aid for Local Governments](#)

## The Health, Economic Assistance, Liability Protections & Schools Act (HEALS, Not Numbered)

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### OVERVIEW

On July 27, the Republican leadership in U.S. Senate introduced the Health, Economic Assistance, Liability Protections & Schools (HEALS) Act. The package would provide \$1 trillion in funding to target key aspects of the nation's coronavirus response and efforts to reopen the economy. The HEALS Act is not numbered and instead represents a collection of bills introduced by several Republican Senators.

The HEALS Act did not gather enough support within the Senate to be brought to a vote but did provide a foundation for subsequent proposals.

### KEY PROVISIONS

**Aid to State and Local Governments:** HEALS Act does not allocate additional state and local aid beyond what was already allocated under the CARES Act's \$150 billion Coronavirus Relief Fund (CRF). The legislation would, however, make several retroactive changes to the CRF including extending the date for allowable necessary expenditures and expanding the allowable uses of relief payments to include lost revenue. **However, conditions associated with the latter flexibility could potentially divert existing funds away from county governments ([see more details here.](#))**

**Unemployment Compensation:** Would extend supplemental Unemployment Insurance (UI) payments at \$200 (formerly \$600) per week through September 2020. Beginning in October, this payment would be replaced with a combined state UI payment (up to \$500) that would replace only 70 percent of an unemployed worker's lost wages.

**Health and Human Services Provisions:** Would extend telehealth waivers and flexibilities for Federally Qualified Health Centers and Rural Health Centers, establish protocol for enhancing testing, infection control and transparency in nursing facilities, and authorize a \$2 billion emergency fund with a 20 percent match for states for the Temporary Assistance for Needy Families program (TANF).

**Supplemental Appropriations:** Would provide \$302 billion in supplemental appropriations across various programs to support COVID-19 response

**Paycheck Protection Program:** Would extend the Paycheck Protection Program (PPP) for businesses with fewer than 300 workers and implement a streamlined loan forgiveness program for small loans under \$150,000 with an intermediate process for loans under \$2 million.

**Employer Liability Protections:** Would provide liability protections for employers, schools and health care providers to discourage lawsuits related to COVID-19, including county employers.

**County Provisions Omitted from Heals Act:** Notably there are several county priorities that were not included *HEALS Act*. First and foremost, there is no additional aid for counties for COVID-19 public health and economic response. Also, of interest to counties, there's no additional funding for nursing homes, no enhancements to the federal medical assistance percentage (FMAP), no funding for broadband internet, no new funding or extension of administrative flexibilities for the Supplemental Nutrition Assistance Program (SNAP), and does provide additional funding for election security and administration to local governments despite the unprecedented change that COVID-19 has brought to counties' role in administering elections.

## NACo RESOURCES

[NACo Legislative Summary: the HEALS Act](#)

[HEALS Act vs. HEROES Act Comparison Chart for State and Local Aid](#)

[NACo Statement: Proposed Coronavirus Relief Package Fails America's Urban Counties](#)



## Delivering Immediate Relief to America's Families, Schools and Small Businesses Act ([S. 178](#))

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### OVERVIEW

On September 8, Republican leadership in the U.S. Senate released this a targeted stimulus package worth \$500 billion in federal spending and loans, though it also contains offsets in the form of rescissions of hundreds of billions in unspent funding authorized under the CARES Act. The legislation includes employer liability protections, small business support and unemployment measures, as well as funding for child care and vaccine development. The bill offers new funding for the U.S. Postal Service (USPS) but would provide no additional state and local aid or new flexibility for existing COVID-19 aid.

On September 10, the Senate failed to advance S. 178. The vote, 52 -47, fell along party lines and did not meet the 60-vote threshold needed on a procedural step to move toward passage.

### KEY PROVISIONS

**Aid to State and Local Governments:** S. 178 would not allocate additional state and local aid beyond what was already allocated under the CARES Act's \$150 billion Coronavirus Relief Fund (CRF). The legislation would extend the end date for allowable necessary expenditures under the CRF from December 30, 2020 to September 30, 2021.

**U.S. Postal Service Assistance:** Would provide \$10 billion in funding for the U.S. Postal Service (USPS) to ensure operations are strong going into the 2020 election. Additionally, the proposal would allow the USPS to use this funding as a grant in the case the agency's revenues continue to decline.

**Employer Liability Protections:** Would provide liability protections for employers, including local government agencies, hospitals, health care workers, small and large businesses, schools, colleges and universities and religious, philanthropic and other nonprofit institutions to discourage lawsuits related to COVID-19.

**Pandemic Unemployment Insurance:** The proposal would provide states with the option to continue providing \$300 weekly in enhanced federally funded unemployment compensation benefits through December 27, 2020. This is consistent with the amount of extended federal aid that President Trump directed in an [executive memorandum](#) earlier in August, for which most states have been approved.

**Small Business Relief:** Would allow eligible small businesses to draw down on a second round of loans from the Paycheck Protection Program (PPP) worth 2.5 times average monthly payroll costs at a maximum amount of \$2 million. Eligible PPP uses would be expanded to cover certain worker protective, supplier and operational expenses and the proposal would simplify the loan forgiveness process. Small businesses

would need to demonstrate a 35 percent reduction in gross revenue to qualify.

**School Choice Provisions:** Would authorize provisions to incentivize charitable giving to Scholarship Granting Organizations, allow 529 plans to be used for K-12 costs including home schooling, and would authorize one-time emergency scholarships for home-schooling and private school tuition expenses.

**Rescinds Fund Appropriated under CARES Act:** To offset new spending, the package would reduce expenditures allocated under the CARES Act. Specifically, it would reduce the U.S. Treasury's \$500 billion Exchange Stabilization Fund, which was established to make loans to eligible businesses, states and municipalities, to \$296 billion.

**Emergency Appropriations:** Would offer \$183 in emergency appropriations for COVID-19 testing, the development of COVID-19 medical countermeasures and vaccines, K-12 schools and child care.

## **NACo RESOURCES**

[NACo Blog Analysis: Senate's Targeted COVID-19 Package Fails to Advance: Path Forward Remains Unclear](#)

[NACo Statement: Targeted Coronavirus Relief Bill Misses the Mark](#)