

# Holland & Knight

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## Memorandum

**Date:** May 15, 2020  
**To:** Local Government Clients  
**From:** Holland & Knight LLP  
**Re:** Local Government Provisions of Interest in the HEROES Act

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On May 12, House Speaker Nancy Pelosi (D-Calif.) and House Democrats introduced the "Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act" ([H.R. 6800](#)) to address the evolving impact of the coronavirus (COVID-19) pandemic on Americans.

The HEROES Act creates new state and local Coronavirus Relief Funds (CRF) through the U.S. Department of the Treasury to help first responders, frontline health workers, transit employees, teachers and other workers providing vital services. The House of Representatives was scheduled to vote on this bill on Friday, May 15. It is expected that the Senate will begin moving a package forward in the coming weeks.

This Holland & Knight memo briefly summarizes provisions of importance to local governments included in the HEROES Act.

### **Local Government Funding**

#### **Local Governments** – \$375 billion available

- \$250 billion awarded within 30 days of bill enactment to all municipalities and counties.
  - \$125 billion to counties based on population.
  - \$125 billion to municipalities using a modified Community Development Block Grant (CDBG) formula, including:
    - \$87.5 billion awarded to entitlement municipalities (generally defined as those with populations of at least 50,000).
    - \$37.5 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
- \$125 billion awarded one year after date of bill enactment to all municipalities and counties, including:
  - \$62.5 billion to municipalities using a modified CDBG formula.
    - \$43.75 billion to entitlement municipalities (generally defined as those with populations of at least 50,000).

- \$18.75 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
    - \$62.5 billion to counties based on population.
- Funds can be used for COVID-19-related expenses, to replace foregone revenues not projected on Jan. 31, 2020, or to respond to negative economic impacts of COVID-19.
- Includes amendment to retroactively allow CRF from CARES Act to be used to address lost revenue not projected on Jan. 31, 2020.

States – \$500 billion available

- \$250 billion awarded within 30 days of enactment to the 50 states and the District of Columbia
  - \$51 billion divided equally among 50 states and District of Columbia.
  - \$49 billion awarded based on the state's share of COVID-19 cases.
  - \$150 billion awarded based on the state's share of population.
- \$250 billion awarded by May 3, 2021, to the 50 states and District of Columbia.
  - \$51 billion divided equally among 50 states and District of Columbia.
  - \$199 billion based on the state's share of unemployed individuals.

**Housing and Homelessness**

- Authorizes \$100 billion for an Emergency Rental Assistance (ERA) program that would allocate funding to states, territories, counties and cities to help renters pay their rent and utility bills during the COVID-19 pandemic, and help rental property owners of all sizes continue to cover their costs.
  - Provides \$75 billion to states, territories and tribes to address the ongoing needs of homeowners struggling to afford their housing, directly or indirectly, because of the impacts of the COVID-19 pandemic by providing direct assistance with mortgage payments, property taxes, property insurance, utilities and other housing-related costs.
- Protects renters and homeowners from evictions and foreclosures:
  - Extends and expands the eviction moratorium and foreclosure moratorium in the CARES Act to include all renters and homeowners, improves the forbearance provided under the CARES Act, and specifies the loan modifications and loss mitigation that should be available to homeowners following a moratorium to prevent any homeowner from facing a lump sum payment that they cannot afford.
- Community Development Block Grants (CDBG):
  - Authorizes \$5 billion in CDBG funding to provide states and local governments with additional flexible resources to mitigate and address the health and economic impacts of COVID-19. Continues waiver of the public services cap and provides additional waiver for duration of rental assistance beyond three months.
- Public Housing and Tenant-Based Rental Assistance
  - Authorizes \$2 billion for the public housing operating fund and \$3 billion for the Housing Choice Voucher program, including \$500 million for administrative fees

- to help public housing authorities (PHAs) absorb reductions in tenant rent contributions and mitigate other costs associated with the COVID-19 pandemic.
- Provides supplemental funding for supportive housing for the elderly, supportive housing for persons with disabilities, supportive housing for persons with AIDS and project-based Section 8 rental assistance.
  - Authorizes \$500 million in funding for the U.S. Housing and Urban Development (HUD) Section 202 Supportive Housing for the Elderly program to ensure sufficient staffing, services and other resources for 3,500 senior and disabled resident communities during the COVID-19 pandemic. This section would also authorize \$200 million in funding for the HUD Section 811 Supportive Housing for Persons with Disabilities program, \$15 million for the Housing Opportunities for People with AIDS program (HOPWA) and \$750 million for Project-Based Section 8 rental assistance.
- Fair Housing
  - Authorizes \$14 million to ensure individuals are protected from housing-related hate crimes and increasing forms of housing discrimination from coronavirus-motivated bias through adequate and accessible housing discrimination complaint intake, investigations and public education of housing rights.
- Housing Counseling Services
  - Authorizes \$100 million in funding to support housing counseling services that help homeowners, renters and people experiencing or at-risk of homelessness to navigate their housing options and rights, including protections and resources provided through COVID-19 relief legislation.
- Emergency Rental Assistance Voucher Program
  - Authorizes \$1 billion for Housing Choice Vouchers targeted to people experiencing or at-risk of homelessness and survivors of domestic violence.
- Homeless Assistance
  - Authorizes \$11.5 billion for the Emergency Solutions Grants program to enable state and local governments to finance housing- and health-related services for the hundreds of thousands of people currently experiencing homelessness.

## **Workforce**

U.S. Department of Labor – \$3.1 billion to support workforce training and worker protection activities related to coronavirus:

- \$485 million for Adult Employment and Training Activities (available through June 31, 2021) including: Incumbent Worker Training, Transitional Jobs, On-the-Job Training, Individualized Career Services, Supportive Services, facilitation of remote access to training through the one-stop system using technology and needs-related payments.
- \$597 million for Dislocated Worker Employment and Training Activities (available through June 30, 2021) including: Incumbent Worker Training, Transitional Jobs, On-the-Job Training, Individualized Career Services, Supportive Services, facilitation of remote access to training through the one-stop system using technology and needs-related payments.
- \$400 million for the Dislocated Workers Assistance National Reserve.

- \$518 million for Youth Activities (available through June 30, 2021) including: Supportive Services, Summer Youth Employment and facilitation of remote access to training through the one-stop system using technology.
- \$25 million for Migrant and Seasonal Farmworkers, including emergency supportive services.
- \$500 million to support the recruitment, placement and training of individuals in COVID-19 contact tracing and related positions, with a focus on recruiting from impacted local communities and building a culturally competent workforce. The bill also provides for transitional assistance and support post-employment.
- Emergency Flexibility for Temporary Assistance for Needy Families (TANF) Programs
  - In order to allow compliance with social distancing, shelter-in-place and other public health guidance, the HEROES Act suspends the federal work participation rate requirements and the federal time limit for the TANF program during the COVID-19 emergency, and creates penalties for any state or tribal TANF program that fails to "stop the clock" on federal time limits for families, and/or that sanctions families for failure to work or participate in "work participation" activities. The policy suspensions expire Jan. 31, 2021.
- Carl D. Perkins Career and Technical Education (CTE)
  - Provides legislative flexibility for programs under the Perkins CTE in response to COVID-19, such as allowing Perkins CTE entities to retain funds at the local level instead of returning unspent academic year funds to the state.
  - Authorizes supplemental funds for Perkins CTE to be used for expanding or modernizing digital, physical or technology infrastructure; provides incentives for students and employers to participate in work-based learning; expands or adapts program offerings in response to the economic impact of COVID-19 and provides professional development and training activities.
- Adult Education and Literacy Response Activities
  - Provides flexibility for the Adult Education and Family Literacy Act to allow for program administration and state leadership funds to be used for online service delivery, and requires the Secretary of Education to provide guidance on virtual proctoring of adult education.
  - Authorizes supplemental funds for adult education programs, and requires not less than 10 percent of funds be used for correctional education and expanding the infrastructure needed for online or digital educational resources, creating or expanding digital literacy curriculum, and partnering more closely with the workforce development system to implement strategies such as integrated education and training.

## **Education**

U.S. Department of Education – \$100.15 billion to support the educational needs of states, school districts and institutions of higher education in response to coronavirus

- \$90 billion for a State Fiscal Stabilization Fund for grants to states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. This flexible funding can support:

- costs associated with making up instructional time, including teacher, school leader and classified school employee personnel costs.
- providing school-based support for impacted students, families and staff, including counseling, mental health services, family engagement efforts and the coordination of physical health services.
- costs associated with sanitation and cleaning for schools and school transportation.
- professional development for school-based staff on trauma-informed care to restore the learning environment.
- purchasing educational technology, including assistive technology, that aids in regular and substantive interactions between students and their classroom instructor.
- coordination efforts between state educational agencies and public health departments for emergency planning, response and recovery.
- authorized activities under education statutes, including Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA), McKinney-Vento Homeless Assistance Act, Adult Education and Family Literacy Act and Perkins Act.
- training and professional development for college and university faculty and staff to use technology and services related to distance education.
- general expenditures for institutions of higher education for expenses associated with a disruption in services or operations related to coronavirus, including defraying expenses due to lost revenue, reimbursement for expenses already incurred and payroll.
- emergency financial aid to postsecondary students for housing, food, technology, healthcare and child care.
- \$10.15 billion to help alleviate burdens associated with the coronavirus for both colleges and students, including \$1.7 billion for Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions, \$20 million for Howard University, \$11 million for Gallaudet University, \$11 million for the National Technical Institute for the Deaf and \$8.4 billion for other institutions of higher education.
- Prohibits the Secretary of Education from imposing restrictions on the populations of students who may receive funds under Section 18004 of the CARES Act, which creates the Higher Education Emergency Relief Fund.
- Student Loan Debt
  - Forgives Student Loan Debt: Extends existing CARES Act student loan payment and consumer protections, such as debt collection prohibitions, to private loan borrowers, who are currently not covered by the CARES Act, and provides up to \$10,000 in debt relief to be applied to a private student loan. The Treasury Department will make monthly payments on behalf of the borrower up to \$10,000 until September 2021.

### Broadband

- \$1.5 billion authorized to close the homework gap by providing funding for Wi-Fi available hotspots and connected devices for students and library patrons, and \$4 billion for emergency home connectivity needs.

- \$8.8 billion to the Emergency Broadband Connectivity Fund, available through FY 2021. Households with a laid off or furloughed worker would get a \$50 benefit (\$75 on tribal lands), for use toward the monthly price of internet, with internet service providers (ISPs) required to provide access at reduced prices.

### **Nutrition**

- Increases maximum Supplemental Nutrition Assistance Program (SNAP) benefit by 15 percent through September 2021 and provides \$10 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act; waives all work requirements and prevents funding for finalization of various U.S. Department of Agriculture (USDA) rules that would constrain SNAP eligibility.
- Special Supplemental Nutrition Program for Women Infants and Children (WIC) – Provides an additional \$1.1 billion to provide access to nutritious foods to low-income pregnant women or mothers with young children who lose their jobs or are laid off due to COVID-19.
- The Emergency Food Assistance Program (TEFAP) – \$150 million to help local food banks meet increased demand for low-income Americans during the emergency.
- Child Nutrition Programs –\$3 billion in additional funding to provide emergency financial relief to school meal providers and USDA's Child and Adult Care Food Program.

### **Small Businesses**

- Support for Small Businesses, Minority-Owned Businesses and Nonprofits – Restrictions on collections of debt during a national disaster or emergency. Provides a temporary moratorium on small business and nonprofit debt collection during this COVID-19 crisis, and for 120 days thereafter.
- Repayment Period and Forbearance for Small Businesses and Nonprofit Organizations – Ensures reasonable forbearance and repayment options for small businesses and nonprofit organizations when payments resume following the debt collection moratorium provided by Section 601.

### **Amendments to Paycheck Protection Program (PPP)**

- No specific additional funding included; extends the covered period from June 30, 2020, to Dec. 31, 2020.
- Extends eligibility to all nonprofits of all sizes and clarifies the eligibility of housing cooperatives.
- Clarifies that loan terms extend through the end of the covered period.
- Establishes a minimum maturity on PPP loans of five years to enable borrowers to amortize loans over a longer period of time, which lowers monthly payments.
- Clarifies that PPP loans cannot be calculated on a compound basis, saving borrowers money over the long-term.
- Modifications to PPP funds, including:

- a carve out of 25 percent of the existing funds on the date of enactment to be used specifically for small businesses with 10 or fewer employees to guarantee they are fully able to access PPP assistance.
- a carve out of 25 percent of the existing funds on the date of enactment solely for the use of all nonprofits, no matter their size or type, but requiring that at least half this amount go to small nonprofits under the 500-employee threshold.
- establishes an additional set-aside of existing funds of the lesser of 25 percent or \$10 billion specifically for community financial institutions, such as Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), U.S. Small Business Association (SBA) microlenders, and SBA Certified Development Companies (CDCs).
- Mandates that any returned amounts, because of the cancellation of a covered loan, shall be redistributed through loans to small businesses with 10 or fewer employees.
- Alleviates burdens to borrowers deemed ineligible because of prior criminal history.
- Establishes Technical Assistance Grants (TAG) for small community financial institutions and small depository institutions and credits with assets of less than \$10 billion.
- Bifurcates the SBA's traditional lending authority in the SBA 7(a) program from that of the PPP authority to certify the 7(a) lending program continues operation after PPP appropriations run out.
- Inclusion of Service Corps of Retired Executives (SCORE) and Veteran Business Outreach Centers (VBOCs) in Entrepreneurial Development Programs.
  - Includes SCORE and VBOCs as eligible SBA entrepreneurial development resource partners so that they can access \$10 million each in previously appropriated sums for the purpose of assisting businesses during the pandemic.

#### Amendments to PPP Loan Forgiveness

- Adds flexibility in the covered period for borrowers by extending the eight-week period to 24 weeks and extends the covered period from June 30, 2020 to Dec. 31, 2020.
- Creates a safe harbor for borrowers who cannot rehire in the prescribed timeframe.
- Eliminates the 75/25 rule on use of loan proceeds, which requires at least 75 percent of the PPP proceeds to be used to cover payroll costs and no more than 25 percent to be used for non-payroll costs.
- Clarifies the coordination between the Employee Retention Tax Credit and the PPP loans to ensure borrowers can take advantage of both types of assistance.
- Ensures the principal and interest loan assistance is not treated as taxable income to small business borrowers.
- Prohibits Conflicts of Interest for Small Business Programs under the CARES ACT – Clarifies that the conflict of interest standards set forth in the law apply to PPP funds.
- Flexibility in Deferral of Payments of 7(a) Loans – Allows the SBA Administrator to give lenders the ability to extend loan deferments, including payment of principal and interest for one year if the borrower provides documentation justifying the additional deferment and gives the Administrator the ability to purchase the loan in order to provide the stated relief if the loan cannot be purchased on the secondary market.

- Alleviates burdens to disaster loan borrowers deemed ineligible due to prior criminal history.
- Temporary Fee Reductions – Reduces the cost of capital by waiving fees associated with the 7(a) and 504 loan programs for borrowers and lenders, including the Community Advantage and Export loan programs.
- Guarantee Amounts – Incentivizes lenders to make loans by temporarily increasing the guarantee up to 90 percent on 7(a) loans and for 504 loans, increasing the guarantee to 90 percent on loans up to \$350,000 and 75 percent on loans greater than \$350,000.

## **Financial Services**

- Suspends Negative Credit Reporting and Strengthens Consumer Protections
  - Suspends negative consumer credit reporting during the COVID-19 pandemic and other declared major disasters plus 120 days. Credit score furnishers would be prohibited from implementing new credit scoring models that would lower existing consumer credit scores during the COVID-19 pandemic or during other major disaster periods.
  - Permanently bans the reporting of medical debt arising out of COVID-19 treatments.
- Restricts collections of debt during a national disaster or emergency.
- Provides a temporary moratorium on consumer debt collection during the COVID-19 crisis and for 120 days thereafter.
- Ensures reasonable forbearance and repayment options for consumers when payments resume following the moratorium provided by Section 402, including simply maintaining the same payment schedule by extending the maturity by the same period of time payments were suspended under Section 402.
- Provides creditors access to a Federal Reserve facility to receive a low-interest, long-term loan where payments would be deferred until a borrower resumes making payments to the creditor pursuant to the debt collection moratorium and forbearance provided in this title.
- Main Street Lending Program Requirements
  - Mandates that the Federal Reserve's Main Street Lending Program, which was established utilizing CARES Act funds and is backstopped by the Treasury Department, include nonprofit organizations as eligible borrowers, and stipulates that the Fed immediately offer a low-cost loan option tailored to the unique needs of nonprofits with deferred payments, and the loan may be forgiven solely for nonprofits predominantly serving low-income communities that are ineligible for a PPP loan.
- Options for Small Businesses and Nonprofits Under the Main Street Lending Program – Mandates that the Federal Reserve, through the Main Street Lending Program, shall provide at least one low-cost loan option that small businesses and small nonprofits are eligible for that does not have a minimum loan size, overriding the current \$500,000 minimum loan size to participate in the program.
- Secure And Fair Enforcement (SAFE) Banking



- Allows cannabis-related legitimate businesses, that in many states have remained open during the COVID-19 pandemic as essential services, along with their service providers, to access banking services and products, as well as insurance.
- Requires reports to Congress on access to financial services and barriers to marketplace entry for potential and existing minority-owned cannabis-related legitimate businesses.
- Community Development Financial Institutions (CDFI) Fund – Authorizes an emergency appropriation of \$2 billion to the CDFI Fund, of which \$800 million would be set aside for minority-owned lenders, including minority depository institutions (MDIs), to support small businesses, minority-owned businesses and underserved communities.
- Strengthens MDIs, CDFIs and newly designated "impact banks" that predominantly serve low-income communities through partnerships, technical assistance and federal deposits, and is similar to H.R. 5322, Ensuring Diversity in Community Banking Act.

## **U.S. Department of Transportation (DOT)**

### Highways

- \$15 billion in highway formula funds (funding is from the Treasury's General Fund vs. Highway Trust Fund) to mitigate the effects of COVID-19 including staff salaries and other administrative expenses. The funding will be distributed to states in the same way as FY 2020 highway funding was distributed. States may also use their remaining FY 2020 highway funding for administrative and operations expenses.

### Transit

- \$15.75 billion operating assistance grants related to COVID-19 response at 100 percent federal share. Funding can be used for "reimbursement 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 the administrative leave of operations or contractor personnel due to reductions in service."
  - \$11.75 billion will be distributed by formula to "urbanized areas with populations over 3,000,000": 15 percent distributed under the Section 5307 Urbanized Area Formula and 85 percent under the Section 5337 State of Good Repair Formula.
  - \$4 billion will be available for "grants to transit agencies that, as a result of coronavirus, require significant additional assistance to maintain basic transit services." The DOT must issue a Notice of Funding Opportunity (NOFO) within 30 days of bill enactment, and the application deadline will be within 45 days of bill enactment. DOT must award grants no later than 45 days after the application deadline. DOT "shall give priority to transit agencies with the largest revenue loss as a percentage of their operating expenses."

### Aviation

- Directs the DOT to develop a national aviation preparedness plan for communicable disease outbreaks, to ensure that federal, state and local governments, airports, airlines

and other aviation industry and labor stakeholders are better prepared for a future public health crisis.

- During COVID-19, require the airlines to: 1) require flight attendants and passengers on airplanes to wear masks or other facial coverings; 2) require pilots to wear a mask or facial covering while outside the flight deck and submit to the FAA a proposal and safety risk assessment to allow pilots to wear such materials while in the flight deck; 3) provide pilots, flight attendants and customer-facing employees with masks or protective facial coverings, gloves, hand sanitizer and alcohol wipes; 4) ensure aircraft and enclosed facilities are cleaned, disinfected and sanitized frequently in accordance with Centers for Disease Control and Prevention (CDC) guidance; 5) ensure cleaning workers are provided masks or protective facial coverings and gloves; and 6) establish guidelines for notifying employees of a confirmed COVID-19 diagnosis.

### **First Responders**

- Provides Medical Equipment for First Responders and Essential Workers through COVID-19 Emergency Medical Supplies Enhancement – Expands the use and oversight of Defense Production Act (DPA) authorities with the goal of increasing the production and supply of critical medical supplies and equipment, such as:
  - diagnostic tests, including serological tests, for COVID–19 and the reagents and other materials necessary for producing or conducting such tests.
  - personal protective equipment (PPE), including face shields, N-95 respirator masks, and any other masks determined by the Secretary of Health and Human Services to be needed to respond to the COVID-19 pandemic, and the materials to produce such equipment.
  - medical ventilators, the components necessary to make such ventilators, and medicines needed to use a ventilator as a treatment for any individual who is hospitalized for COVID-19.
  - pharmaceuticals and any medicines determined by the U.S. Food and Drug Administration (FDA) or another federal government agency to be effective in treating COVID-19 (including vaccines for COVID-19) and any materials necessary to produce or use such pharmaceuticals or medicines (including self-injection syringes or other delivery systems).
  - any other medical equipment or supplies determined by the Secretary of Health and Human Services or the Secretary of Homeland Security to be scarce and critical materials essential to the national defense.
- Proposes changes to supply chain mobilization to decrease the disruption of critical deliveries to state and local governments.
- Requires longer term planning to ensure that the United States is better prepared for future pandemics.

### **Federal Emergency Management Agency (FEMA)**

- Assistance to Firefighter Grants (AFG) – Provides \$500 million for the purchase of PPE, mental health evaluations, training, infectious disease decontamination, and sanitizing facilities and equipment. Waives cost-sharing requirements for cash-strapped fire

departments and waives certain other program requirements in order to help expedite grant awards.

- Staffing for Adequate Fire & Emergency Response (SAFER) – \$500 million for the SAFER program to fund staffing shortages, high backfill expenses and hazard pay associated with the COVID-19 response. Waives cost-sharing requirements for cash-strapped fire departments and waives certain other program requirements in order to help expedite grant awards.
- Emergency Food and Shelter Program – \$200 million for shelter, food and supportive services through local service organizations.
- Emergency Management Performance Grants (EMPG) – \$100 million can be used to assist emergency managers with implementing community lifelines.
- Adjusts the cost share under any Stafford Act declaration from 75 federal/25 non-federal to fully federal.

## **U.S. Department of Justice**

### **State and Local Law Enforcement Activities**

- Office of Justice Programs/Bureau of Justice Assistance
  - Second Chance Act – \$250 million to assist with offender reentry programs and research to prevent and prepare for coronavirus. No match required and supplanting allowed.
  - Byrne-Justice Assistance Grant (JAG) Funding – \$300 million to assist with equipment and PPE needs of law enforcement. Same purposes and subject to same conditions as CARES Act funding.
- Community Oriented Policing Services Office (COPS)
  - COPS Hiring Grants – \$300 million to assist with hiring and rehiring of career law enforcement officers. May also include the purchase of PPE. No match required and supplanting allowed.

### **Office of Violence Against Women**

- Violence Against Women Prevention and Prosecution Programs – \$100 million
  - \$30 million for grants to combat violence against women.
  - \$15 million for transitional housing assistance grants for victims of domestic violence.
  - \$15 million for sexual assault victims assistance.
  - \$10 million for rural domestic violence and child abuse enforcement grants.
  - \$10 million for legal assistance for victims.
  - \$4 million for tribal governments.
  - \$16 million to support families in justice system.

### Authorizes and Funds Pandemic Justice Response Act

- Requires the release of prisoners and those in the custody of U.S. Marshals Service who are within a year of being released, or those who are juveniles, over 50 years old or have a health condition such as diabetes, heart disease, HIV, cancer or are pregnant.
- Requires only those without a risk of violence be eligible, and the Bureau of Prisons and U.S. district court judges also must take into account and prioritize placements that enable adequate social distancing, which include home confinement or other forms of low in-person-contact supervised release.
- \$600 million available for grants, contracts, cooperative agreements and other assistance as authorized by the Pandemic Justice Response Act.
  - \$500 million to establish and implement policies and procedures to prevent, detect, and stop the presence and spread of COVID-19 among arrestees, detainees, mates, correctional facility staff and visitors to the facilities; and for pretrial citation and release grants, as authorized by the Act.
  - \$25 million for COVID-19 testing.
  - \$75 million for juvenile specific services as authorized by the Act.

### Environment

#### Environmental Justice Grant Programs

- Authorizes \$50 million for the U.S. Environmental Protection Agency (EPA) to award grants for projects that investigate or address the disproportionate impacts of the COVID-19 pandemic in environmental justice communities.

#### Low-Income Household Drinking Water and Wastewater Assistance

- Authorizes \$1.5 billion for grants to states and tribes to assist households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce rates charged to such households for such services. Amounts allotted to the states based on the following:
  - The percentage of households in the state, or under the jurisdiction of the tribe, with income equal to or less than 150 percent of the federal poverty line.
  - The percentage of such households in the state that spend more than 30 percent of monthly income on housing.
  - The extent to which the state has been affected by the public health emergency, including the rate of transmission of COVID-19 in the state, the number of COVID-19 cases compared to the national average, and economic disruptions resulting from the public health emergency.
- States that receive grants shall enter into agreements with public water systems; owners and operators of treatment works; municipalities; nonprofit organizations associated with providing drinking water, wastewater and other social services to rural and small communities to assist in identifying low-income households.

## Residential Water Service Continuity

- Any entity receiving these grants to the maximum extent practicable, establish or maintain in effect policies to ensure that, with respect to any service provided by a public water system or treatment works to an occupied residence:
  - no such service is or remains disconnected or interrupted during the emergency period because of nonpayment.
  - all reconnections of service are conducted in a manner that minimizes risk to the health of individuals receiving such service.
  - no fees for late payment of bills for the service are charged or accrued during the emergency period.

## U.S. Department of Health and Human Services (HHS)

### Health Resources and Services Administration (HRSA)

- \$7.6 billion for approximately 1,000 federally qualified health centers serving underserved populations and areas to expand the capacity to provide testing, triage and care for COVID-19 and other healthcare services, including costs related to conducting mobile testing, staffing and training.
- \$10 million to Ryan White HIV/AIDS clinics to support extended operational hours, increased staffing hours, additional equipment and additional home delivered meals and transportation needs of clients, who disproportionately suffer from comorbidities and underlying immunosuppression that puts them at greater risk for COVID-19 complications.

### Centers for Disease Control and Prevention (CDC)

- \$2.13 billion to support federal, state and local public health agencies to prevent, prepare for, and respond to the coronavirus, including:
  - \$1 billion for Public Health Emergency Preparedness cooperative agreements with participating states and cities.
  - \$1 billion for core public health infrastructure for state, local, territorial and tribal public health departments.
  - \$130 million for public health data surveillance and analytics infrastructure modernization.

### Public Health and Social Services Emergency Fund

- \$175 billion to reimburse for healthcare-related expenses or lost revenue attributable to the coronavirus, as well as to support testing and contact tracing to effectively monitor and suppress COVID-19, including:
  - \$100 billion in Hospitals/Health Providers Relief grants for hospital and healthcare providers to be reimbursed for healthcare-related expenses or lost revenue directly attributable to the public health emergency resulting from

coronavirus, with certain payment parameters related to eligible expenses and lost revenue.

- Increases payments to facilities that serve a high proportion of Medicaid patients.
- \$75 billion for a national initiative on testing, contact tracing and other activities necessary to effectively monitor and suppress COVID-19, with CDC coordinating with state, territorial and tribal health departments to establish and implement this initiative.
- Requires CDC to coordinate with states and public health departments to establish an evidence-based testing system with equitable access across race, ethnicity and geography. Requires states and public health departments to establish culturally competent and multilingual contact tracing strategies.

#### Substance Abuse and Mental Health Services Administration (SAMHSA)

- \$3 billion to increase mental health support, including substance abuse treatment, and to offer increased outreach, including:
  - \$1.5 billion for the Substance Abuse Prevention and Treatment Block Grant.
  - \$1 billion for the Community Mental Health Services Block Grant.
  - \$100 million for services to homeless individuals.
  - \$100 million for Project AWARE to identify students and connect them with mental health services.
  - \$10 million for the National Child Traumatic Stress Network.
  - \$265 million for emergency response grants to address immediate behavioral health needs as a result of COVID-19.
  - \$25 million for the Suicide Lifeline and Disaster Distress Helpline.
  - **Note:** Not less \$150 million would be available for tribes, tribal organizations, urban Indian health organizations or health service providers to tribes.

#### Centers for Medicare and Medicaid Services (CMS)

- \$150 million for states to establish and implement strike teams to deploy to nursing facilities within 72 hours of three residents or employees being diagnosed with or suspected of having COVID-19.
- Health Care Fraud and Abuse Control – \$25 million to support program integrity activities related to funds provided through Medicare, Medicaid or Children's Health Insurance Program (CHIP).

#### Administration for Children and Families (ACF)

- \$1.5 billion for Low Income Home Energy Assistance Program (LIHEAP).
- \$7 billion for Child Care and Development Block Grants.
- Increases Social Services Block Grant funding to \$12.15 billion in 2020, with \$850 million appropriated directly for child and family care for essential workers.
- \$50 million for Family Violence Prevention and Services.
- \$20 million for Child Abuse Prevention and Treatment Act Grants to states.
- \$20 million for community-based Child Abuse Prevention Grants.

## Administration for Community Living

- \$100 million for Aging and Disability Services, such as home delivered and prepackaged meals, supportive services, assistance to family caregivers and developmental disabilities assistance.

## Health Policy Provisions

- Medicaid
  - Federal Medical Assistance Percentage (FMAP) Increase – Increases FMAP payments to state Medicaid programs by 14 percentage points from July 1, 2020, through June 31, 2021. Provides a further increase of 10 percentage points for activities that keep patients in the home or using community-based care rather than in facilities.
  - Prevents HHS from finalizing the Medicaid Fiscal Accountability Regulation (MFAR) through the emergency.
  - Not only suspends disproportionate share hospital (DSH) reductions, but also temporarily increases DSH allotments by 2.5 percent.
  - Eliminates cost sharing for Medicaid beneficiaries for COVID-19 treatment and vaccines during the public health emergency.
  - Ensures that uninsured individuals, whom states opt to cover through the new Medicaid eligibility pathway, will receive treatment for COVID-19 without cost sharing during the emergency.
  - Allows early Medicaid enrollment of individuals soon to be released from prison, so that they have access to healthcare.
- Medicare
  - Establishes zero cost sharing for COVID-19 treatment under Medicare Parts A and B during the emergency.
  - Provides an outlier payment for inpatient claims for any amount over the traditional Medicare payment to cover excess costs hospitals incur for more expensive COVID-19 patients until Jan. 31, 2021.
  - Establishes zero cost sharing for COVID-19 treatment under Medicare Advantage during the emergency.
  - Requires coverage under Medicare Part D drug plans without cost sharing during the emergency.
  - Accelerated and Advance Payment Program – Lowers the interest rate for loans to Medicare providers made under this program, reduces the per claim recoupment percentage and extends the period before repayment begins.
  - Creates a new special enrollment period for Medicare Parts A and B eligible individuals during the emergency.
- Private Insurance
  - Affordable Care Act (ACA) Special Enrollment Period – Provides for a two-month open enrollment period to all individuals who are uninsured, for whatever reason, to enroll in coverage through the ACA exchanges.
  - COBRA Coverage – Provides approximately nine months of full premium subsidies to allow workers to maintain their employer-sponsored coverage if they

are eligible for COBRA because of a layoff or reduction in hours; and for workers who have been furloughed but are still active in their employer sponsored plan.

## **Immigration**

- Cash Payments to Immigrant Families – Extends CARES Act cash payments including payments made under the CARES Act to persons filing with an Individual Taxpayer Identification Number. Currently, everyone in the filing unit must use a Social Security number or the entire family is excluded. Expands eligibility for the \$500 CARES Act child payment to include "dependents" not just "children" (i.e. full-time students under age 24 plus adult dependents).
- Provides No-Cost Testing, Treatment and Vaccines for All through Medicaid – Permits testing, treatment, vaccines and other healthcare, regardless of immigration status, to a person who may be indicated to have contracted the virus. Use of Medicaid for such treatment would not be considered for public charge purposes. Under current law, nonemergency Medicaid may only be provided to certain "qualified" immigrants such as green card holders after five years in the relevant status. Undocumented immigrants, people with Deferred Action for Childhood Arrivals (DACA), Temporary Protected Status (TPS) holders, U-visa applicants and holders, and others are excluded from the definition of "qualified" immigrant and are therefore ineligible for nonemergency Medicaid. This bill would make these populations eligible for COVID-19 testing and treatment under Medicaid.
- Extension of Filing and Other Deadlines
  - Creates protections for certain noncitizens in the United States, as well as certain immigrant visa applicants, affected by processing delays and travel restrictions related to the COVID-19 public health emergency. Certain noncitizens, who were lawfully present in the United States when HHS declared a public health emergency, are protected from negative immigration consequences due to the inability to meet filing deadlines or leave the country.
  - Temporary immigration status or work authorization that is set to expire during the emergency is automatically extended for a temporary period.
  - Expiration dates of issued immigrant visas are extended for the duration of the emergency. Immigrant visa numbers that go unused at the end of the fiscal year are rolled over for use in subsequent fiscal years. And voluntary departure deadlines are extended for the duration of the emergency.
- DACA/TPS – Automatically extends work permits for individuals with DACA or Temporary Protected Status (TPS) for at least the original time period granted to the individual.
- Higher education emergency relief grants extended regardless of immigration status.

## **Census**

- Modification of 2020 Census Deadlines and Tabulation of Population – Implements an Administration request to allow a delay of the publication of apportionment and state redistricting data by 120 days. The delay is necessary due to the postponement of major



census operations caused by the coronavirus. Also requires the U.S. Census Bureau to use the same data quality standards used for the 2010 census.

- Reporting Requirement for the 2020 Census – Requires monthly reporting of detailed operational information about the 2020 census by the Census Bureau to the House Committee on Oversight and Reform, the Senate Committee on Homeland Security and Governmental Affairs, and the House and Senate Appropriations Committees.
- Clarifies that colleges and universities are permitted to provide the Census Bureau information about students living on campus for purposes of responding to the 2020 census. With many colleges closed due to the coronavirus outbreak, this ensures that the Census Bureau will still be able to get an accurate count of students by receiving information directly from schools.

### **Taxation**

- Would eliminate limitation on deduction of state and local taxes for Fiscal Year (FY) 2020 and 2021.
- Removes the exclusion disallowing the paid sick and family leave credits enacted in the Families First Coronavirus Response Act for federal, state and local governments. It makes conforming changes to the definition of qualified wages.
- Makes the child tax credit fully refundable for 2020, as well as the child and dependent care tax credit; increases the amount for the child tax credit to \$3,000 per child, including 17 year olds (\$3,600 for children under age 6).
- Expansion in the eligibility and the amount of the "childless EITC"; removes the prohibition on claiming the earned income tax credit (EITC) due to failure to meet child identification requirements; EITC "lookback" provision: can use 2019 income if 2020 earned income is less than 2019 earned income

### **Cash Assistance**

- Provides a second round of \$1,200 payments, analogous to the Economic Impact Payments in the CARES Act: \$1,200 for single taxpayers, and \$1,200 each for all dependents, up to three dependents. Payments available to immigrant families since they would rely on Individual Taxpayer ID numbers rather than SSNs.

### **Unemployment Assistance**

- Extends Pandemic Unemployment Compensation (PUC), Pandemic Emergency Unemployment Compensation (PEUC), Pandemic Unemployment Assistance (PUA) through Jan. 31, 2021.
- Extends full federal funding for extended unemployment compensation to 100 percent through June 30, 2021.

## **Arts and Cultural Institutions**

- \$10 million for the National Endowment for the Arts (NEA) for grants to support the general operations of recipients and language to permit the waiver of matching requirements.
- \$10 million for the National Endowment for the Humanities (NEH) for grants to support the general operations of recipients and language to permit the waiver of matching requirements.
- \$5 million to support libraries and museums with costs and expenses associated with coronavirus, including operational supports and providing technology and resources for their communities.