

# NACo KEY TAKEAWAYS FROM THE PROBLEM SOLVERS CAUCUS COVID-19 RELIEF FRAMEWORK:



## MARCH TO COMMON GROUND FRAMEWORK

September 16, 2020

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### SUMMARY

After weeks of stalled negotiations over the next round of federal coronavirus aid, on September 15, 2020 the bipartisan Problem Solvers Caucus unveiled a new \$1.5 trillion “framework” to help break the gridlock on the latest COVID-19 negotiations ahead of the November election. This framework contains broad objectives for a future relief bill but not any legislative text.

The [“March to Common Ground” framework](#) contains many county priorities including increased food assistance and emergency funding for child care, re-upping the Paycheck Protection Program, reviving unemployment benefits and providing new aid to state and local governments. The framework also includes new funding for virus testing and tracing, elections, the U.S. Postal Service and extends the 2020 Census.

Along with \$1.5 trillion in new proposed new spending, the framework takes into account \$130 billion in unspent CARES Act funds and includes potential spending increases (of roughly \$400 billion) or reductions (of roughly \$200 billion) based on the ongoing severity of the pandemic. The metrics for triggering these provisions involve hospitalizations and vaccine progress, but the framework does not include additional details.

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### PROVIDES MORE AID TO STATE AND LOCAL GOVERNMENTS

The framework would allocate \$500 billion to state and local governments. The new money in the Problem Solvers plans would be divided three ways: \$130 billion for future COVID-19 expenses for both state and local governments, \$120 billion for local revenue shortfalls and \$250 billion for state revenue shortfalls.

**However, of concern to counties, the framework also includes an automatic trigger to reduce the state and local funds by \$130 billion if conditions warrant. Without additional details of how new money would be distributed to local governments, NACo cannot assess the impact of this provision.**

New NACo research shows that [counties anticipate \\$202 billion impact](#) to budgets through Fiscal Year 2021, with widespread economic consequences as a result of the COVID-19 pandemic.

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## BOOSTS FUNDING FOR TESTING AND HEALTHCARE

**Testing and contact tracing:** The framework would allocate \$25 billion in additional funding for COVID-19 testing and contact tracing efforts, a key component of counties' COVID-19 tracking and response efforts. The additional funding would support local efforts to reduce transmission of the virus through rapid and reliable testing and build up a workforce of contact tracers for effective tracing of the virus. The framework does not mention additional reporting requirements for fund recipients or the development of a national testing plan, as was included in previous legislative proposals.

**Healthcare provider support:** The framework would provide \$30 billion in additional funding for health care providers. This new funding would be in addition to the already \$175 billion that has been allocated over the last three COVID-19 stimulus packages. There was no indication of whether these funds will be distributed through the Provider Relief Fund or other mechanisms. However, the framework does specify that these additional funds may be used for the expansion of tele-health services, a delivery model that has emerged as an essential component of the county response to COVID-19.

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## PROVIDES NEW ASSISTANCE FOR INDIVIDUALS, CHILDREN AND FAMILIES

**Economic Impact Payments (EIP):** The framework includes \$280 billion for a second round of direct \$1,200 financial assistance payments to income-eligible individuals provided under the CARES Act. It makes notable changes of expanding the additional \$500 per-child payments to apply to adult dependents. The framework also includes an automatic "trigger" to reissue these payments based on undefined hospitalization and vaccine metrics. The framework's EIP provision would ease the financial burdens facing county residents impacted by the pandemic, helping to stimulate local economies and reduce additional demand for front-line county services.

**Food and nutrition assistance:** The framework includes a 15 percent benefit increase in the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants and Children (WIC) through March 2021. Counties administer SNAP in ten states, while in many states, WIC clinics operate in partnership with county health departments. Counties support [benefit increases](#) in SNAP and WIC to help low-income county residents afford food during the pandemic as we work to effectively serve these vulnerable populations. However, the framework does not address the county priority to extend administrative flexibilities in [SNAP](#) and [WIC](#).

**Rental assistance:** The framework would provide \$25 billion in rental assistance for the most vulnerable families and other rent stabilization programs and/or would extend the eviction moratorium through January 2021. Recently, the U.S. Centers for Disease Control and Prevention

(CDC) authorized a [national moratorium on evictions](#) due to COVID-19, effective September 4 through December 31, 2020.

**Child care relief:** The framework includes a provision from the Senate HEALS Act to provide \$15 billion to support the child care sector. Of these funds, \$10 billion would go to states for them to subgrant directly to providers in the form of temporary grants, while \$5 billion would go through the Child Care Development Block Grant (CCDBG), which is county-administered in eight states. Counties [support additional federal resources to help us boost the supply of safe and affordable child care during the pandemic](#) and beyond.

**Emergency education funding:** The framework would provide \$100 billion in emergency funding to support K-12 education (including virtual, hybrid and/or in-person learning). In a departure from the Senate HEALS Act, none of these funds would be contingent on school reopening for in-person learning. Additionally, it would offer \$30 billion in emergency relief for higher education. Counties would benefit from these additional and flexible federal resources for school districts to respond to COVID-19.

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## REVIVES FEDERAL SUPPLEMENTAL UNEMPLOYMENT BENEFITS

The framework would authorize \$120 billion in enhanced unemployment assistance, including an additional \$450 per week for unemployed workers for an eight-week transition period. After this transition period, an unemployed worker would then be eligible to receive up to \$600 per week (not to exceed what he/she would have earned if working in 2019), for up to 13 weeks beginning in October 2020 through January 2021.

In August, via an [executive memorandum](#), President Trump directed an additional \$300 per week enhanced UI benefit. Most states have been approved to provide extended UI benefits. These UI benefits would last through December 27, 2020.

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## RE-UPS THE PAYCHECK PROTECTION PROGRAM

The framework would authorize \$250 billion to allow eligible businesses, with priority for distressed businesses to draw down a second round of loans from the Payment Protection Program (PPP) established under the CARES Act. These small businesses must demonstrate at least a 35 percent reduction in revenues. Additionally, the framework would allow for some loan forgiveness and include carve outs for community and small banks. The proposal would also authorize \$50 billion for targeted employee retention tax credits.

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## OTHER NOTEWORTHY PROVISIONS

### **Restores 2020 Census field operations deadline to October 31, 2020**

to give the agency enough time to conduct a complete and accurate count.

### **\$400 million in election assistance to ensure the November election is conducted in a safe, secure and efficient manner.**

[Counties are fundamental in the administration](#) of the November election. Under the framework, funding can be used for poll worker salaries, temporary staffing and polling location PPE.

**\$15 billion for the U.S. Postal Service (USPS)** and elimination of the full pre-funding requirement, which currently requires USPS to pre-fund health care benefits for future retirees.

### **\$12 billion for broadband hot spots in underserved**

**communities.** Nearly two-thirds (65 percent) of U.S. counties experience the internet at speeds below minimum standards set by the Federal Communications Commission (FCC), with that number even higher in rural America where 77 percent of counties operate below the FCC standard. To better understand the vast differences in broadband infrastructure across the country, NACo developed the [TestIT app](#) that allows individuals to provide data on how they experience cellular and broadband internet every day. To view NACo's report on these findings, [click here](#).

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## LIABILITY PROTECTIONS

The framework would provide robust enforcement of worker safety and liability protections for employers that follow enhanced U.S. Occupational Safety and Health Administration (OSHA) guidelines, including businesses, schools and institutions to discourage frivolous lawsuits related to COVID-19.

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## NEXT STEPS

The Problem Solvers plan is almost exactly halfway between the \$3.4 trillion House passed HEROES Act ([HR 6800](#)) and the [\\$300 billion proposal](#) Senate Republicans offered on the floor last week. Their proposal, however, includes automatic triggers based on hospitalization rates and progress toward vaccine development that could increase the cost by as much as \$400 billion or reduce it by up to \$200 billion.

While the framework has been met with opposition from both chambers, it has the potential to help restart COVID-19 relief negotiations before Congress breaks for recess in early October.

After the Problem Solvers Caucus framework was released, House Speaker Nancy Pelosi (D-Calif.) announced that the U.S. House will remain in session until the chambers have an agreement on another round of emergency coronavirus relief.