



## COMPARISON CHART: PROPOSALS FOR STATE AND LOCAL FISCAL AID

	House HEROES Act ( <a href="#">H.R. 6800</a> )	SMART Act ( <a href="#">S.3752/H.R.6954</a> )	Senate Heals Act (Package of Individual Bills)	House HEROES Act 2.0 ( <a href="#">H.R. 8406</a> )
<b>DIRECT FUNDING FOR STATES</b>	<b>\$500 billion</b> for state governments	<b>\$420 billion</b> for state governments	No new funding provided for state governments	<b>\$238 billion</b> for state governments based on the state's share of unemployed workers
<b>DIRECT FUNDING TO COUNTIES OF ALL SIZES</b>	<b>\$187.5 billion</b> total for county governments, including \$125 billion within 30 days of the bill's enactment and an additional \$62.5 billion one year following the bill's enactment. Aid would flow directly from U.S. Treasury to each county, based primarily on county population	<b>\$80 billion</b> total for county governments. County relief would be divided across three tranches of funding: the first is based on population, the second is dependent on the states' infection rate on June 1, and the third is based on lost revenue and is available after December 31, 2020	No new funding for county governments	<b>\$89.5 billion</b> total for county governments. Aid would flow directly from U.S. Treasury to each county, based primarily on county population
<b>LOST REVENUE LOOKING FORWARD AND RETROACTIVE UNDER CARES ACT</b>	Adds "lost revenue" as an eligible funding activity for existing \$150 billion for state and local aid provided under the CARES Act Coronavirus Relief Fund and any new federal fiscal aid	Adds "lost revenue" as an eligible funding activity for existing \$150 billion for state and local aid provided under the CARES Act Coronavirus Relief Fund and any new federal fiscal aid. However, funding to address lost revenue would not be available until after December 31, 2020 and would be subject to certain conditions and approval by the state's governor	Expands allowable uses of CARES Act Coronavirus Relief Fund payments for a limited amount for "lost revenue" incurred during March 1, 2020 to 90 days after the last day of the governments' 2021 fiscal year.  <b>NOTE:</b> Under Section 401, a direct recipient (I.e. State, Tribal government, Territory, County and/or City above 500,000 population) could use up to 25 percent of their CRF allocation for "lost revenue", ONLY after the	Expands the use of funds to cover lost, delayed, or decreased revenue stemming from the COVID public health emergency and extends the date of expenditure for CARES funds to December 31, 2021. New money would also be flexible and eligible to be used for lost revenue.

			<p>government <b>certifies that it has distributed at least 25 percent of CRF funds it received to downstream governments (I.e. for counties this would mean other local governments within the county)</b></p> <p>Based on preliminary NACo estimates, those counties above 500,000 population who were direct recipients would be forced to redistribution more than \$4.7 billion of CRF dollars to other local governments in order to use their CRF allocation to recover a portion of their “lost revenue” during the COVID-19 pandemic</p>	
<p><b>GUARDRAILS AROUND ELIGIBLE USE OF FUNDING</b></p>	<p>State and local officials would be allowed to use the funding to address the COVID-19 pandemic—specifically to mitigate, cover costs or replace foregone revenues not projected on January 31, 2020 stemming from the public health emergency, or its negative economic impacts, with respect to COVID-19</p>	<p>Funding may be used to support necessary COVID-19 expenditures occurring between March 1, 2020 and December 30, 2020, including the Stafford Act match. States would not be permitted to deposit SMART Act funding into pension funds.</p>	<p>Prohibits use of CRF funds for pensions or postemployment benefits, for both current and former employees</p> <p>Prohibits use of CRF funds for replenishing “rainy day” accounts</p> <p>Recipients of CRF funds shall not impose additional conditions, requirements, or restrictions on downstream governments on how relief funds may be used beyond those specified in the CARES Act and modifications made under the HEALS package</p>	<p>State and local officials would be allowed to use the funding to address the COVID-19 pandemic—specifically to mitigate, cover costs or replace foregone revenues not projected on January 31, 2020 stemming from the public health emergency, or its negative economic impacts, with respect to COVID-19</p>
<p><b>IMPORTANT DATES FOR USE OF FUNDS</b></p>	<p>Maintains CARES Act deadlines for use of existing</p>	<p>Lost revenue estimates occur on December 31, 2020 and infection rate data is based</p>	<p>Extends date for existing CARES Act funds until 90</p>	<p>Extends date for existing CARES Act funds to December 31, 2020<sup>1</sup></p>

	<p>CRF funds at December 30, 2020</p> <p>Funding to address lost revenue would not be available until after December 31, 2020.</p>	<p>on infections rates as of June 1, 2020.</p>	<p>days after the end of the recipients' fiscal year 2021</p> <p>Expands allowable uses of CRF payments to include lost revenue incurred during March 1, 2020 to 90 days after the last day of the recipients' fiscal year 2021</p>	<p>New funding under HEROES 2.0 may be used until expended</p>
<p><b>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) MATCH</b></p>	<p><b>Would remove the 25 percent local match for FEMA public assistance funds</b> and provide clarity on additional eligible costs and activities</p>	<p>Does not address the FEMA match issue</p>	<p>Does not address the FEMA match issue but does provide an additional \$930 million for FEMA grant programs</p>	<p><b>Would remove the 25 percent local match for FEMA public assistance funds</b> and provide clarity on additional</p>
<p><b>MAINTENANCE OF EFFORT (MOE) REQUIREMENTS</b></p>	<p>N/A</p>	<p>States may only receive money if, to the extent allowable by state law, they agree to base any cut to local government on "emergency need" and that the cuts be "balanced to ensure all units of local government are treated fairly." States must agree to primarily use economic conditions, budgetary shortfall, and revenue loss for each respective county and municipality, as compared to 2019 levels, to determine whether any such cut is balanced and appropriate. "The State legislative body shall have the authority to disapprove such a cut."</p>	<p>A recipient of CRF funds shall use funds that it receives to supplement, but not supplant, any non-federal funds that the recipient would otherwise provide, distribute, or use for assistance to other units of government</p>	<p>N/A</p>
<p><b>DETERMINING AUDIT RISK FACTORS</b></p>	<p>If Treasury's IG determines that an entity has failed to comply with the guardrails around the eligible use of CRF</p>	<p>N/A</p>	<p>Requires Treasury's IG in its audit determination to consider prioritizing audits of (1) governments that did not</p>	<p>If Treasury's IG determines that an entity has failed to comply with the guardrails around the eligible use of CRF</p>

	<p>funding, the value of the misused funds will be booked as a debt to the Federal Government and any remaining funds must be returned to Treasury.</p>		<p>distribute at least 25 percent of the total amount of the payments received under this section to localities within the jurisdiction, if any; or (2) governments that imposed a condition, requirement, or restriction on funds distributed to a locality that do not align with either the CARES Act or the provisions in this Act.</p>	<p>funding, the value of the misused funds will be booked as a debt to the Federal Government and any remaining funds must be returned to Treasury.</p>
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