

HEROES Act (H.R. 6800) vs. HEALS Act

PROPOSALS for STATE and LOCAL FISCAL AID



Key Issue	House HEROES Act (H.R. 6800)	Senate HEALS Act (Package of Individual Bills)
Direct funding for states	\$500 billion to assist state governments with the fiscal impacts from the public health emergency caused by the coronavirus	No new funding provided for state governments
Direct funding to counties of all sizes	\$187.5 billion 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	No new funding for county governments
Lost revenue looking forward and retroactive under CARES Act	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	<p>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...</p> <p>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 government 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)</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>Guardrails around eligible use of funding</p>	<p>State and local officials would be allowed to use the funding to address the COVID-19 pandemic broadly based on local economic, health, safety and workforce needs</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>Important dates for use of funds</p>	<p>Maintains CARES Act deadlines for use of existing CRF funds at December 30, 2020</p> <p>New round of funds may be used until expended</p>	<p>Extends date for existing CARES Act funds until 90 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>Federal Emergency Management Agency (FEMA) match</p>	<p>Would remove the 25 percent local match for FEMA public assistance funds and provide clarity on additional eligible costs and activities</p>	<p>Does not address the FEMA match issue but does provide an additional \$930 million for FEMA grant programs</p>
<p>Maintenance of Effort (MOE) requirements</p>	<p>N/A</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>Determining Audit Risk Factors</p>	<p>N/A</p>	<p>Requires Treasury’s IG in its audit determination to consider prioritizing audits of (1) governments that did not 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>

For More Information Contact Mark Ritacco at NACo (mritacco@naco.org) and please visit NACo’s COVID-19 resource page at naco.org/covid19