



## NACo Legislative Summary of the Senate COVID Relief Package: The Health, Economic Assistance, Liability Protections & Schools (HEALS) Act

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On July 27, Republicans in the U.S. Senate released their proposal for a fifth COVID-19 relief package. The *Health, Economic Assistance, Liability Protections & Schools Act (HEALS Act)* 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 actually a collection of bills introduced by several Republican Senators.

- [\*The American Workers, Families, and Employers Assistance Act\*](#)
- [\*The Safely Back to School and Back to Work Act\*](#)
- [\*The Restoring Critical Supply Chains and Intellectual Property Act\*](#)
- [\*The TRUST Act\*](#)
- [\*The SAFE TO WORK Act\*](#)
- [\*The Safely Back to School and Back to Work Act\*](#)
- [\*The Coronavirus Response Additional Supplemental Appropriations Act, 2020\*](#)
- [\*The Supporting Americas Restaurant Workers Act\*](#)
- [\*The Continuing Small Business Recovery and Paycheck Protection Program Act\*](#)

### **Aid to State and Local Governments**

#### [\*The American Workers, Families, and Employers Assistance Act\*](#)

This part of the *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 \(CRF\)](#), despite [new NACo research](#) that county governments face a [\\$202 billion impact](#) to our budgets through fiscal year (FY) 2021 as a result of the COVID-19 pandemic.

The legislation would, however, make several retroactive changes to the CRF including:

- **Extend the end date for allowable necessary expenditures** from December 30, 2020 to 90 days after the last day of the governments' fiscal year (FY) 2021
- **Expand allowable uses of relief payments to include lost revenue** incurred during March 1, 2020 to 90 days after the last day of the government's FY 2021.
- **However, the flexibility given under the legislation could potentially divert existing funds away from county governments.** 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). 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.

- **Prohibits states from imposing additional conditions, requirements or restrictions on local governments** on how relief funds may be used beyond the U.S. Treasury’s CRF guidance, which will protect counties from arduous requirements coming from state governments.
- **Prohibits use of CRF funds for pensions or postemployment benefits**
- **Prohibits use of CRF funds for replenishing “rainy day” funds**
- **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**

### **Federal Pandemic Unemployment Compensation**

[\*The American Workers, Families, and Employers Assistance Act\*](#)

The *HEALS Act* would extend supplemental Unemployment Insurance (UI) payments at \$200 (currently \$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. The [pandemic UI payments](#) help eligible county residents with paying their basic necessities and maintaining housing and stability while out of work due to COVID-19.

### **Health and Human Services Provisions**

[\*The American Workers, Families, and Employers Assistance Act\*](#)

- **Would extend telehealth waivers through the end of 2021 and extend telehealth flexibilities for Federally Qualified Health Centers (FQHCs) and Rural Health Centers** for five years beyond the end of the public health emergency. Telehealth has been a vital tool for county health providers in responding to the pandemic in our communities, helping improve health care access and provide necessary services to vulnerable and remote residents.
- **Would establish federal strike teams for Medicare- and Medicaid-enrolled nursing facilities** to respond to COVID-19 related crises during the emergency period; and would establish protocol for enhancing testing, infection control and transparency in nursing facilities. There was no new funding included in this provision, which would assist nursing facilities with fulfilling the federal mandate of testing, and the purchase of personal protective equipment and medical supplies. Nationally, counties own, operate, and support [758 skilled nursing facilities and nursing homes](#); this provision would provide federal support to state and local infection control strike teams working to reduce the spread of COVID-19 in these facilities.
- **Would authorize a \$2 billion emergency fund to reimburse states for 80 percent of increased spending on cash assistance and other short-term services through the Temporary Assistance for Needy Families Program (TANF)**. TANF is county-administered in 8 states; these funds would increase those counties’ ability to assist vulnerable residents in response to the pandemic.

### **Supplemental Appropriations**

[\*The Coronavirus Response Additional Supplemental Appropriations Act, 2020\*](#)

This part of the *HEALS Act* would provide \$302 billion in supplemental appropriations across various programs important to counties, including:

- **\$16 billion for COVID-19 testing**, a key component of counties' COVID-19 tracking and response efforts
- **\$25 billion for the hospital/provider fund** (bringing the total to \$200 billion), which would reimburse county hospital and health care providers for COVID-19 related expenses and losses
- **\$2 billion for the Mental Health Services Block Grant** (with behavioral health providers receiving no less than 50 percent of funds), which counties use to provide a range of behavioral health services for adults and children, including employment, housing assistance, case management and school-based support services, among other resources
- **\$1.5 billion for the Substance Abuse and Prevention Treatment (SAPT) Block Grant**, which helps county behavioral health providers serve vulnerable low-income populations, including individuals with HIV/AIDs, pregnant and parenting women and youth
- **\$600 million for Certified Community Behavioral Health Clinics**, which integrates mental health and substance use services in approximately 190 counties across 8 states
- **\$15 billion for child care**, including \$5 billion through the Child Care and Development Block Grant (CCDBG) and \$10 billion in a new flexible grant program, which would bolster county-administered child care programs and increase access to safe, affordable child care for county residents and county employees
- **\$105 billion for elementary, secondary and post-secondary education**, including \$70 billion for the Elementary and Secondary School Emergency Relief Fund, one-third of which would be disbursed immediately with the remainder available for reopening costs. These funds would provide some fiscal relief for those county governments that contribute funding to local school districts but may also limit flexibility and increase administrative burden for local county health and education officials. The bill does not offer targeted funding to increase access to broadband for distance learning
- **\$1.5 billion for the Low-Income Home Energy Assistance Program (LIHEAP)**, which is administered by county governments in 13 states
- **\$2.2 billion for Tenant-Based Rental Assistance (Section 8 vouchers)**, which would maintain housing opportunities for low-income families in counties who are experiencing a loss of income due to coronavirus
- **\$1 billion for Public Housing Operating Fund** to assist Public Housing Agencies including those operated by counties to maintain public housing programs and help contain the spread of coronavirus
- **\$930 million for FEMA grant programs**, to be divided in the following ways: \$365 million for Assistance to Firefighter Grants for the purchase of personal protective equipment and supplies, including reimbursements; \$365 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants; and \$200 million for the Emergency Food and Shelter Program
- **\$500 million for grants to states for dislocated worker employment and training activities**, which assist counties in funding employment and training opportunities to get residents back to work
- **\$150 million for grants to states for youth workforce investment activities**, which assist counties in funding education and training opportunities for youth to secure employment opportunities
- **\$150 million for adult employment and training activities**, which assist counties in serving adult populations that need training services to reenter the workforce
- **\$448 million to support field operations and data processing related to the 2020 Census**. The decennial census is critical to county governments. Census population counts guide the allocation of more than \$1.5 trillion of federal funding to state and local governments for health care, economic development, infrastructure, education and other local services. Counties support full funding for the U.S. Census Bureau.
- **\$10 billion for airports through the Airport Improvement Program (AIP)** that would remain available for use through September 30, 2025 at a 100 percent federal cost share. AIP provides formula grants to airports, of which counties directly support 34 percent. AIP funds can be used for capital projects, operations and maintenance (O&M), and planning activities that enable airports to make critical infrastructure upgrades.
- **\$75 million for the Essential Air Service (EAS)** to mitigate the loss of overflight fees collected due to the pandemic that would typically fund the program. The EAS supports counties by ensuring continued air service to

eligible communities (often small and/or rural areas) through subsidies to air carriers that enable the carriers to continue providing service between these communities and major airports.

- **BUILD Grants.** The *HEALS Act* would also rescind any unobligated balances for USDOT's Better Utilizing Investments to Leverage Development (BUILD) discretionary grant program that were awarded in FY 2018 and, instead, appropriate new funds in the same amount on September 30, 2020 to remain available through FY 2021. This would allow counties who received BUILD grant awards in FY 2018 an additional year to obligate the funds for the wide range of transportation infrastructure projects eligible under the BUILD grant program.
- **Highway Trust Fund.** Finally, this legislation would require the U.S. Department of Treasury (DOT) to identify trust funds with more than \$20 billion in outlays, including the Highway Trust Fund (HTF). In the case of the HTF, 12 lawmakers (comprised of three each of Senate Democrats, Senate Republicans, House Democrats and House Republicans) would be appointed to develop strategies and legislative text to return the fund to working order by June 1, 2021.

### **Paycheck Protection Program**

#### **[Continuing Small Business Recovery and Paycheck Protection Program Act](#)**

This part of the *HEALS Act* 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**

#### **[Safeguarding America's Frontline Employees to Offer Work Opportunities Required to Kickstart the Economy \(SAFE TO WORK\) Act](#)**

The *HEALS Act* would provide liability protections for employers, schools and health care providers to discourage lawsuits related to COVID-19, including county employers.

### **County priorities not included in the *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.

To learn more about counties response to COVID-19 and to access additional resources please visit [naco.org/resources/covid19](https://naco.org/resources/covid19).