



NYSAC[®]
NEW YORK STATE
ASSOCIATION OF COUNTIES

Understanding Federal Stimulus Action in Washington

May 28, 2020

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NYSAC





STIMULUS

PACKAGE



FEDERAL COVID-19 ACTION

COVID-19 Relief Package 1

Coronavirus Preparedness and Response Supplemental Appropriations Act

- **\$2.2 billion in public health funding** to support prevention, preparedness and response efforts
- **\$3 billion in funding for research and development** of coronavirus vaccines and diagnostic tools, and \$100 million for Community Health Centers (CHC)
- **\$3.1 billion in additional funding to key federal health agencies** to support public health and social services

COVID-19 Relief Package 2

Families First Coronavirus Response Act

- **Free coronavirus testing**
- **\$1 billion for nutrition assistance programs**
- **Increased the Federal Medical Assistance Percentage (FMAP)** by 6.2 percent
- **\$1 billion in emergency grants** to assist states in processing and paying UI benefits
- Major overhaul of **paid sick and paid family leave requirements**

COVID-19 Relief Package 3

Coronavirus Aid, Relief, and Economic Security (CARES) Act

- **\$150 billion Coronavirus Relief Fund** for states and local governments
- Established Economic Stabilization Fund to support **municipal bond market**
- Extends federal welfare program
- **\$100 billion for local hospitals and health care facilities**
- **Delay cuts to Medicaid DSH payments** until FY 2021
- **\$440 billion in appropriations**

COVID-19 Relief Package 4

Paycheck Protection Program and Health Care Enhancement Act

- **\$320 billion for SBA's Paycheck Protection Program**
- **\$75 billion to support local hospitals and health care providers**
- **\$25 billion for COVID-19 testing in rural areas** to help monitor and suppress the pandemic

HEALTH AND ECONOMIC RECOVERY OMNIBUS EMERGENCY SOLUTIONS (HEROES) ACT

- On May 15, U.S. House passed the *Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act* (H.R. 6800) by a vote of 208-199.
- Covering more than 1,800 pages, it includes many NACo priorities and other provisions that would impact county governments.
- Most importantly, it would provide **approximately \$187.5 billion in direct, flexible funding** to all counties based on population (through the U.S. Treasury Department), as part of new Coronavirus Local Fiscal Relief Fund. The funding would be eligible to cover lost revenue.

NEW COVID-19 PLAN: HEROES ACT

Other Provisions:

- A **14 percent increase in Medicaid FMAP** from July 1, 2020 through June 2021
- Temporarily increases in payments to hospitals serving a disproportionate share of low income and uninsured patients
- \$3.6 billion in **election assistance and security grants**
- Technical fix making **county employers eligible to receive payroll tax credits**
- Suspension of the \$10,000 **cap placed on state and local tax (SALT) deductions** for 2020 and 2021
- Removal the **25 percent local match for FEMA funds** provided under COVID-19 emergency disaster declarations
- \$5 billion for the **Community Development Block Grant (CDBG)** for local communities
- An additional **\$11.5 billion for Homeless Assistance Grants**
- An increase **food stamp benefits by 15 percent and increase the minimum benefit for small households**
- **\$15 billion for federal highways** through Surface Transportation Block Grant Program
- \$15.75 billion for **local and regional transit systems**
- \$2 billion for a **temporary expansion of the FCC's Rural Health Care Program (RHCP)**

STATE MUNICIPAL ASSISTANCE FOR RESPONSE AND TRANSITION ACT (SMART) ACT

- On May 18, Sens. Bob Menendez and Bill Cassidy, and Rep. Tom Reed and Mikie Sherrill along with a bipartisan group of Senators and House members introduced the SMART Act.
- Would provide \$500 billion in pandemic relief for state, territory, tribal and local governments. Of this funding, counties would receive approximately \$80 billion in funding (passed through the states) under a three-part funding formula, based on population, COVID-19 infection rates and lost revenue.

NACo PRINCIPLES FOR BIPARTISAN COVID-19 ACTION

- Ensure **counties of all sizes receive direct and flexible fiscal relief** under a new round of federal COVID-19 aid
- Add **“lost revenue” along with “expenditures” as eligible activities** for existing CARES Act’s Coronavirus Relief Fund and any new federal fiscal aid
- Support **50 percent split for counties and 50 percent split for cities** and other municipalities as part of new round of federal COVID-19 aid for local governments
- Allocate **county portion based on population formula**, with a minimum allocation per county
- Provide public accountability safeguards that still **empower state and local officials to address the COVID-19 pandemic broadly**, based on local economic, health, safety and workforce needs

HEROES VS SMART

County Principle	Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800)	State Municipal Assistance for Response and Transition (SMART) Act (Bill not yet numbered)
Direct funding to counties of all sizes	Yes. Counties of all sizes would be eligible to receive direct funding from the U.S. Treasury , based on county population (with potential exception for CDBG entitlement counties).	Counties of all sizes would be eligible for funding. However, money would flow through the states , and states would be required to allocate one third of funds for direct payments to local governments within 15 days, with remaining amounts distributed based on two-tier factors and timelines of state infection rates and certification of lost revenue per county.
Amount of funding for counties	Provides \$187.5 billion for counties. Of that amount, two-thirds (\$125 billion) would be awarded within 30 days of the bill's enactment, with remaining one-third (\$62.5 billion) allocated one year following the bill's enactment.	Provides \$80 billion for counties of the \$500 billion total allocation for all states and local governments. County relief would be divided across three tranches of funding: (1) based on population, (2) dependent on the states' infection rate on June 1, and (3) based on lost revenue, available after December 31, 2020.
Cities and counties split evenly	Yes	Yes
County allocation based on population	Yes	<p>Yes – approximately one-third is award based on a county population formula.</p> <p>Overall, one-third would be drawn from the “population” tranche.</p> <p>The second third would be drawn from the states' infection rate tranche and allocated to counties based on population.</p> <p>The last third is distributed based on counties' lost revenue.</p>

HEROES VS SMART (cont.)

County Principle	Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800)	State Municipal Assistance for Response and Transition (SMART) Act (Bill not yet numbered)
<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>Would allow for funds to be used to meet the 25 percent local match for FEMA Public Assistance but would not waive the local match. For the purpose of determining lost revenue in 2020, the 25 percent local match for non-COVID disasters would be deducted from 2020's total county revenue.</p>
<p>Maintenance of Effort (MOE) requirements</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>

HEROES VS SMART (cont.)

County Principle	Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800)	State Municipal Assistance for Response and Transition (SMART) Act (Bill not yet numbered)
Lost revenue looking forward and retroactive under CARES	Yes	Yes
Details of lost revenue funding	Would add “lost revenue” as an eligible funding activity for existing Coronavirus Relief Fund and any new federal fiscal aid.	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.
Guardrails around eligible funding use	State and local officials can use the funding to address the COVID-19 pandemic broadly based on local economic, health, safety and workforce needs	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.

NACo's COVID-19 FEDERAL ADVOCACY RESOURCES



Federal Policy Resources

Find analysis of the latest federal action, letters, policy news and action alerts, as well as resources from federal agencies and the White House, including best practices, FAQs and more

[LEARN MORE](#)

Visit www.naco.org/covid19 to view NACo's legislative analysis, advocacy tools, federal agency resources and more

Next Steps: Engaging Congress

- Leader McConnell has mentioned that state and local aid will likely be part of the next package.
- The Senate is key, but we should continue to focus on the House.
- Grateful for the New York delegation's leadership, but need to keep the pressure up.

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The New York County Perspective



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Phase 1:

The Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, ([H.R. 6074](#))
Date Signed into Law: March 6, 2020

- **This was a \$7.8 billion dollar package**, plus a \$500 million authorization to enhance telehealth services, included support for state and local governments' prevention and response efforts, and the purchase of critical medical supplies (PPE).
 - No less than \$950 million in CDC funding for states and local gov.'s
 - Half of this funding must be allocated within 30 days of enactment.
 - \$40 million of this must be allocated to tribes.
 - No less than \$100 million for community health centers.

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Phase 2:

Families First Coronavirus Response Act ([H.R. 6201](#))

Date Signed into Law: March 18, 2020

- **Paid Sick Leave**
- **Food Assistance (WIC expansion)**
- **eFMAP Increase for NYS 50 to 56.2**
 - The legislation increases by 6.2 percent the Federal Medical Assistance Percentage (FMAP) that the federal government provides to state and territorial Medicaid programs. This temporary increase will prevent states from cutting Medicaid benefits. It requires states to maintain eligibility standards that are no less restrictive than the date of enactment. It also maintains a special provision that preserves the existing FMAP sharing arrangements between states and their political subdivisions – **a major win for counties in NYS!**

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Phase 3:

The Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) ([H.R. 748](#))

Date Signed into Law: March 27, 2020

- **Coronavirus Relief Fund**
 - Eligible entities include counties with a population greater than 500,000.
- **Extends expiration of TANF**
- **\$45 billion for FEMA Disaster Relief Fund**
- **\$400 million in Election Assistance – NYS BOE distributing funds to County BOE's.**
- **Extra \$600/wk. for unemployed**
- **\$377 billion for PPP and EIDA programs**

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Phase 3.5:

The Paycheck Protection Program and Healthcare Enhancement Act ([H.R. 266](#))

Date Signed into Law: April 24, 2020

- **Adds an additional \$370 billion for the PPP**
- **Adds an additional \$75 billion for hospitals (on top of \$100 billion in CARES)**
- **Appropriates \$25 billion for virus testing**

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Phase 4 (Under Negotiation):

[H.R. 6800](#) HEROES Act (Pelosi/Lowey)

[H.R. 6748](#) Direct Support for Communities Act (Schumer, Gillibrand / Delgado, Zeldin)

[S. 3752](#) SMART Act (Cassidy, Menendez/ Reed)

- **HEROES Act**

- Includes formula to share county aid by population – championed in text of **Direct Support for Communities Act**.
- Declared dead on arrival in Senate (McConnell) & President has threatened a veto.
- *Includes \$187.5 billion for counties unrestricted aid – exactly what we want!*
 - Roughly \$11 billion for all 62 NYS counties to be divided evenly by population.
- Includes \$500 billion for states.
- Removes FEMA local match requirement.
- Includes Restore T-Band Act (NYSAC & NYC priority).
- Includes 14% FMAP increase.
- HEROES county aid payments are split over two years (2/3 year 1 and 1/3 year 2).

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[S. 3752](#) SMART Act (Cassidy, Menendez/ Reed)

- **SMART Act**

- Gaining widespread bi-partisan support in both chambers. Intro'd with 3 D's and 3 R's.
- \$500 billion for states, locals, and tribal gov.'s.
- The SMART Act provides \$16 billion to tribal governments, with the remaining \$484 billion distributed to states, the District of Columbia, and Puerto Rico according to three equally weighted allocators, worth \$161.3 billion each: (1) state population; (2) COVID-19 cases as of June 1, 2020; and (3) relative revenue loss, defined as the amount by which calendar year 2019 revenues exceed those for calendar year 2020. States are guaranteed a combined minimum of \$2 billion.
 - 50% of what goes to NYS would be reserved for local gov's.
 - **Rough calculation shows NYS getting about \$50-60 billion, of which \$10-12 billion would go to all 62 counties.**
- MOE language.
- SMART payments are split over two years (2/3 year 1 and 1/3 year 2).

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NYSAC & NACO Messaging

- **Provide direct, unrestricted aid to county governments to be shared by population.**
 - This is our preferred model (HEROES/Direct Support for Communities Act).
 - Easier to communicate, more money for counties.
- Explain to your member of congress what this means for the people living in your county.
 - What specific services will be impacted without this revenue?
 - **How does that directly effect their constituents? Give hyper local examples.**
 - I.E. Rail trail is closed (7,500 annual visitors), 400 county employees will be laid off, these include public health nurses, etc. BE SPECIFIC!

Contact Information

Q & A



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