

Summary of Key Policies - HEROES Act vs. HEALS Act

July 31, 2020

Policy	House HEROES Act (\$3.4 trillion)	Senate HEALS Act (\$1.1 trillion)
State & Local Aid		
Direct State/Local Assistance - Funding	<ul style="list-style-type: none"> • \$500 billion for state governments. • Localities: \$375 billion in two tranches, the first \$250 billion within 30 days of enactment, and the remaining \$125 billion between April 15, 2021 and May 3, 2021. • Of the first tranche: <ul style="list-style-type: none"> ○ \$125 billion for counties based on population ○ \$87.5 billion to CDBG entitlement municipalities (population > 50k) ○ \$37.5 billion to non-entitlement municipalities (population < 50k) • Of the second tranche: <ul style="list-style-type: none"> ○ \$62.5 billion for counties based on population ○ \$43.75 billion to CDBG entitlement municipalities (population > 50k) ○ \$18.75 billion to non-entitlement municipalities (population < 50k) 	<ul style="list-style-type: none"> • No additional funding.

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Direct State/Local Assistance - Flexibility & Eligibility	<ul style="list-style-type: none"> • An increased number of localities would also be eligible to participate in the Municipal Liquidity Facility as issuers. • Funds can be used for COVID-related expenses, to replace foregone revenues not projected on January 31, 2020, or to respond to negative economic impacts of COVID. • Includes amendment to retroactively allow CRF from CARES to be used to address lost revenue not projected on January 31, 2020. 	<ul style="list-style-type: none"> • Extends period over which CARES Act funds can be used by 90 days beyond end of state/local government's 2021 fiscal year. • Expansion of allowable uses of relief funds to cover revenue shortfalls; governments receiving relief funds can use up to 25 percent of those funds to cover revenue shortfalls.
Tax Provisions		
Federal Pandemic Unemployment Compensation (FPUC)	<ul style="list-style-type: none"> • Maintains \$600 enhanced payment for the unemployed through January 2021. 	<ul style="list-style-type: none"> • Extends FPUC at \$200 per week rather than \$600 per week for two months. • By October 5, states must either switch to wage replacement or apply for waiver to keep doing FPUC at \$200 a week for an additional two months. • Wage replacement would be structured as 70 percent of prior wages, with an overall cap of \$500 per week.
Supplemental Emergency Unemployment Relief for Governmental Entities and Nonprofits	<ul style="list-style-type: none"> • Extends financial relief provided to reimbursable employers in the CARES Act through January 31, 2021, and makes technical corrections to ensure that states can waive 50 percent of the amount owed by such employers. 	<ul style="list-style-type: none"> • Provides payment to states to reimburse nonprofits, government agencies and Indian tribes for half of the costs they incur through December 31, 2020 to pay unemployment benefits. This provision increases the percentage from 50 to 75 percent.

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Stimulus Payments	<ul style="list-style-type: none"> Provides additional economic stimulus payments in the form of a refundable tax credit of \$1,200 for single filers, \$2,400 for joint filers, plus \$1,200 for each dependent (up to three dependents per household), with a phase-out for higher incomes. 	<ul style="list-style-type: none"> Qualified individuals earning an adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent, are eligible for a \$1,200 (\$2,400 married) rebate; additional \$500 dependent rebate will now be provided to taxpayers with dependents of any age. Phases-out once the income exceeds \$99,000 (\$146,500 head of household with one child or \$198,000 joint filers with no children).
Earned Income Tax Credit	<ul style="list-style-type: none"> Expands the eligibility and the amount of the earned income tax credit for taxpayers with no qualifying children. Increases the maximum credit amount from \$538 to \$1,487. 	N/A
Employee Retention Tax Credit (ERTC)	<ul style="list-style-type: none"> Increases the per-employee limit for the Employee Retention Credit (ERC) from 50 percent of \$10,000 (or \$5,000 for the year) to 80 percent of \$45,000 (or \$36,000 for the year) per employee. 	<ul style="list-style-type: none"> Increases the applicable percentage of qualified wages reimbursed through the credit to 65 percent and enhances coordination between the credit and the PPP by allowing employers to be eligible for both programs. The maximum credit amount was also increased from \$10,000 per year to \$10,000 per quarter (with a maximum of \$30,000 per year). Lowers the amount of reduction in gross receipts to qualify from a 50 percent decline to a 25 percent decline.
Work Opportunity Tax Credit	<ul style="list-style-type: none"> Temporarily adds 2020 qualified COVID-19 unemployment recipients as a new WOTC targeted group and increases the credit amount applicable to the new targeted group to 50 percent of the first \$10,000 of qualified first-year wages. This provision also removes the limitation on rehires for 2020 qualified recipients. 	<ul style="list-style-type: none"> In an effort to promote the rehiring of workers, the bill offers businesses a 50% tax break on the first \$10,000 of wages paid to employees that had previously been receiving unemployment benefits.

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Safe and Healthy Workplace Tax Credit	N/A	<ul style="list-style-type: none"> Creates a refundable payroll tax credit equal to 50 percent of an employer's qualified employee protection, workplace configuration and workplace technology expenses. Cap is equal to \$1,000 for each of the first 500 employees, plus \$750 for each employee between 500 and 1,000, plus \$500 for each employee that exceeds 1,000.
Independent Contractors	<ul style="list-style-type: none"> Provides a 90 percent refundable individual income tax credit for certain self-employed individuals who have experienced a significant loss of income. 	<ul style="list-style-type: none"> Establishes a safe harbor allowing marketplace platform companies to provide certain COVID-19 related assistance to service providers without jeopardizing their independent contractor status.
Paid Sick and Family Leave	<ul style="list-style-type: none"> Extends refundable payroll tax credits for paid sick and family leave through the end of 2021. 	N/A
CDBG	<ul style="list-style-type: none"> \$5 billion, available until 2023. Continued waiver of the public services cap. Additional waiver for duration of rental assistance from 3 months up to 12 months. 	N/A
SNAP Benefits	<ul style="list-style-type: none"> Increases maximum SNAP benefit by 15% through September 2021 and provides \$10 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act. Waives all work requirements; and prevents funding for finalization of various USDA rules that would constrain SNAP eligibility. 	N/A

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Broadband	<ul style="list-style-type: none"> • \$1.5 billion to close the homework gap: funds for Wi-Fi hotspots and connected devices for students and library patrons. • \$4 billion for emergency home connectivity needs. • \$8.8 billion to the Emergency Broadband Connectivity Fund, available through FY 2021. • Households with a laid off or furloughed worker would get a \$50 benefit (\$75 on tribal lands) for use towards the monthly price of internet, with ISPs required to provide access at reduced prices. 	N/A
Paycheck Protection Program (PPP)		
Program Extension	<ul style="list-style-type: none"> • Extends authorization for the PPP through December 31, 2020 	<ul style="list-style-type: none"> • Extends authorization for the PPP through December 31, 2020
7(a) Loans to Recovery Sector Businesses	<ul style="list-style-type: none"> • Waives fees associated with the SBA 7(a) and 504 loan programs for borrowers and lenders; increases the annual lending limit of the 7(a) program from \$30 billion to \$75 billion. 	<ul style="list-style-type: none"> • Authorizes \$100 billion in long-term, low-cost loans to recovery sector businesses, which include seasonal businesses and businesses located in low income census tracts that meet the applicable SBA revenue size standard, have no more than 500 employees, and demonstrate at least a 50 percent reduction in gross revenues.

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PPP Second Draw Loans	<ul style="list-style-type: none"> • Appropriates an additional \$10 billion for Emergency EIDL Grants to remain available until expended. • Provides funds for Community Development Financial Institutions (CDFIs), Minority Development Institutions (MDIs), SBA microlenders, and SBA Certified Development Companies (CDCs). 	<ul style="list-style-type: none"> • \$190 billion of committed and appropriated funds to support PPP and PPP Second Draw Loans; eligibility are businesses with 300 or fewer employees and create an additional set aside of funds for businesses with 10 or fewer employees to ensure equitable access to forgivable loans. • \$25 billion for entities with 10 or fewer employees. • \$10 billion for loans made by community lenders. • Maximum loan size would equal 2.5 times average monthly payroll costs.
Program Enhancements	<ul style="list-style-type: none"> • Adds flexibility in the covered period for borrowers by extending the eight-week period to 24 weeks and extends the covered period from June 30 to December 31, 2020 • Expands eligibility for the PPP to all 501(C) nonprofits. 	<ul style="list-style-type: none"> • Expands forgivable expenses to include covered supplier costs, covered worker protection expenditures, and covered operations expenditures. • Allows borrowers to select a preferred 8-week period through 2020 to use the forgivable loan proceeds. • Simplifies the forgiveness application process for loans under \$2 million. • Expands PPP eligibility to include certain 501(c)(6) organizations, including Chambers of Commerce and Destination Marketing Organizations with 300 or fewer employees.

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Liability Provisions		
Liability Protections	<ul style="list-style-type: none"> • No applicable language. • Requires the Occupational Safety and Health Administration (OSHA) to issue an emergency standard for workplace coronavirus safety. 	<ul style="list-style-type: none"> • Provides liability protections unless there is "gross negligence" or "intentional misconduct" for businesses, schools, charities and other organizations from COVID-19 related lawsuits • Covers claims from December 1, 2019 through October 1, 2024. • Places cap on damage awards; compensatory damages limited to economic losses incurred as a result of injury, as long as harm was not a result of "willful misconduct"
Education and Childcare		
Funding for Schools	<ul style="list-style-type: none"> • \$107 billion in education funding, including \$58 billion for K-12 schools; \$27 billion for colleges and universities and \$10 billion for cash-strapped colleges 	<ul style="list-style-type: none"> • \$105 billion in education funding, including \$70 billion for K-12 schools; \$29 billion for colleges and universities and \$5 billion to a flexible fund. • For the K-12 funds, 1/3 of the money would be available immediately; and 2/3 of the money be available would go to schools that institute reopening plans.

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Student Loan Repayment	<ul style="list-style-type: none"> • Provides up to \$10,000 in debt relief to be applied to a private student loan. • Requires private student servicing companies to offer income driven repayment plans. 	<p>Simplifies repayment options into two options:</p> <ol style="list-style-type: none"> 1. Standard 10-year mortgage-style payment plan; <u>or</u> 2. Income-based payment plan that limits payments to 10 percent of discretionary income
Amendments to Education Provisions in the CARES Act	<ul style="list-style-type: none"> • Waives the nonfederal match requirement for nonprofit employers for award years 2019-2020 and 2020-2021. • Extends flexibility to allow institutions to pay federal work-study students unable to complete their jobs. • Clarifies that a foreign institution is eligible to offer courses via distance declaration and allows foreign institutions to enter into agreements with U.S.- based institutions. 	<ul style="list-style-type: none"> • Clarifies that the CARES Act waiver for matching funds in Federal Work Study extends to participating nonprofit organizations. • Extends CARES authority to reallocate Supplemental Education Opportunity Grant or Federal Work Study funds through the end of the 2020-2021 award year. • Extends CARES waivers to foreign institutions through the end of the 2020-2021 award year. • Clarifies that CARES Act relief for federal student loan borrows also applies to students in in-school deferment.
Child Care	<ul style="list-style-type: none"> • Provides an additional \$7 billion for childcare providers via the Child Care Development Block Grant (CCDBG) program. • \$850 million to Social Services Block Grant program for child and family services for essential workers • Allows for carryover of unused benefits or contributions remaining in a dependent care flexible spending plan through 2021. 	<ul style="list-style-type: none"> • \$15 billion in emergency assistance for childcare providers via the existing CCDBG program. • \$10 billion for Back to Work Child Care Grants to help qualified childcare providers pay for increase costs and operating expenses associated with re-enrolling child amid the pandemic.

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Rent and Housing Assistance		
Rent and Housing Assistance	<ul style="list-style-type: none"> • \$100 billion in emergency rental assistance. • \$75 billion in homeowner assistance. • Extends and expands eviction and foreclosure moratorium. • Includes all renters and homeowners. • Improves CARES Act forbearance. • Provides for loan modification and loss mitigation so that homeowners can avoid a lump sum payment after forbearance concludes • \$309 million for rural rental assistance via U.S. Department of Agriculture (USDA)) • \$2 billion for the public housing operating fund 	<ul style="list-style-type: none"> • \$3 billion tenant rental assistance. • Does not extend moratorium on evictions and mortgage foreclosures. • \$113.4 million for rental assistance via USDA.
Additional Appropriations		
Department of Homeland Security (DHS)	<ul style="list-style-type: none"> • \$1.3 billion for Federal Emergency Management Agency (FEMA) grants. <ul style="list-style-type: none"> ○ \$500 million for Assistance to Firefighter grants ○ \$500 million for SAFER grants ○ \$200 million for Emergency Food & Shelter grants ○ \$100 million for Emergency Management grants • Adjusts the cost share under any Stafford Act declaration from 75 federal/25 non-federal to 100 federal 	<ul style="list-style-type: none"> • \$930 million for FEMA grants <ul style="list-style-type: none"> ○ \$365 million for Assistance to Firefighter grants ○ \$365 million for SAFER grants ○ \$200 million for Emergency Food & Shelter grants

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Department of Justice (DOJ)	<ul style="list-style-type: none"> • \$250 million for Second Chance Act. No match required and supplanting allowed. • \$300 million to Byrne-JAG Funding. Same purposes and subject to same conditions as CARES Act funding. • \$300 million for COPS Hiring Grants to assist with hiring and rehiring of career law enforcement officers. May also include the purchase of PPE. No match required and supplanting allowed. • \$100 million for a variety of Violence Against Women Prevention and Prosecution Programs. • \$600 million available for grants, contracts, cooperative agreements, and other assistance as authorized by the Pandemic Justice Response Act. 	N/A
Labor, Health and Human Services (HHS), Education and Related Agencies	<ul style="list-style-type: none"> • \$3.1 billion to the Department of Labor (DOL) to support workforce training and worker protection activities relating to the pandemic • Department of Health and Human Services (HHS): <ul style="list-style-type: none"> ○ \$2.1 billion for the Centers for Disease Control and Prevention (CDC). \$100 million of this is available to tribes, tribal organizations, urban Indian health organizations or health service providers to tribes for health-related activities. ○ \$4.74 billion for the National Institutes of Health (NIH). \$175 billion to the 	<ul style="list-style-type: none"> • \$2.5 billion to the DOL to support workforce training and worker protection activities relating to the pandemic • HHS: <ul style="list-style-type: none"> ○ \$3.4 billion for the CDC. \$125 million shall be allocated to tribes, tribal organizations, urban Indian health organizations or health service providers to tribes for carrying out surveillance, epidemiology, laboratory capacity, infection control, immunization activity, mitigation,

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	<p>Public Health and Social Services Emergency Fund</p> <ul style="list-style-type: none"> ○ \$3 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA) ○ \$175 million for the Centers for Medicare and Medicaid Services (CMS) ○ \$10 billion for the Administration for Children and Families (ACF) ○ \$100 million for the Administration for Community Living (ACL) ○ \$7.6 billion for the Health Resources and Services Administration (HRSA) ○ \$4.57 billion for the Assistant Secretary for Preparedness and Response ● \$3 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA): <ul style="list-style-type: none"> ○ \$1.5 billion for Substance Abuse Prevention and Treatment Block Grant ○ \$1 billion for Community Mental Health Services Block Grant ○ \$265 million for emergency response grants to address behavioral health needs 	<p>communications and other preparedness and response activities</p> <ul style="list-style-type: none"> ○ \$15.5 billion for the National Institutes of Health (NIH) ○ \$78.1 for the Public Health and Social Services Emergency Fund ○ \$4.5 billion for the SAMHSA ○ \$150 million for the CMS ○ \$16.7 billion for the ACF ○ \$75 million for the Administration for Community Living ● \$4.5 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA): <ul style="list-style-type: none"> ○ \$2 billion for Mental Health Services Block Grant (at least half must be directed to behavioral health providers) ○ \$1.5 billion for Substance Abuse and Prevention Treatment Block Grant ○ \$600 million for Certified Community Behavioral Health Clinics

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	<ul style="list-style-type: none"> ○ \$25 million for Suicide Lifeline and Disaster Distress Helpline ○ \$100 million to support mental health in schools (Project AWARE) ○ At least \$150 million for tribes, tribal organizations, urban Indian Health organizations or health service providers to tribes across a variety of programs 	<ul style="list-style-type: none"> ○ \$50 million for Suicide Prevention Programs ○ \$100 million to support mental health in schools (Project AWARE) ○ \$250 million for flexible emergency grants to states
Department of Transportation (DOT)	<ul style="list-style-type: none"> ● \$15.75 billion for transit. <ul style="list-style-type: none"> ○ \$11.75 billion by formula to “urbanized areas with populations over 3,000,000” ○ \$4 billion for competitive grants to transit agencies that need “assistance to maintain basic transit services” ● \$15 billion in highway formula funds to states to mitigate the effects of COVID-19. ● No funding for airports. 	<ul style="list-style-type: none"> ● No funding for transit or highways. ● \$10 billion for airports through the Airport Improvement Program (AIP), the same amount provided under the CARES Act
Water Infrastructure	<ul style="list-style-type: none"> ● \$1,500,000,000 for Low-Income Household Drinking Water and Wastewater Assistance grants to states ● Any entity receiving these grants should not disconnect service during the emergency period because of nonpayment 	N/A

Other Key HEROES Provisions Without Equivalent HEALS Provisions

- **Immigration**
 - **Automatic extension of work permits for individuals with DACA or Temporary Protected Status.**
 - Noncitizens currently lawfully present in the United States would be **protected from negative immigration consequences** due to inability to meet filing deadlines or inability to depart the country due to COVID-19.
 - Automatic **extension of temporary immigration status, work authorization, and visas** that were to expire during COVID-19.
 - **Protects from removal and grants employment authorization** to those individuals involved in activities pertaining to critical infrastructure, such as agriculture or meat packing.
 - **Direct payments** would be extended to immigrant families as well.
 - Testing, treatment, vaccines, and other health care through Medicaid regardless of immigration status.
 - Higher education emergency relief grants extended regardless of immigration status.

- **Hazard Pay**
 - Establishes a \$200 billion “HEROES Fund” for providing hazard pay to essential workers.
 - Public and private employers would be able to pay an extra \$13 an hour, up to \$10,000 per worker (if normally paid at a wage that is equivalent to an annual salary of less than \$200,000 per year).

- **EITC**
 - Expansion in the eligibility and the amount of the “**childless EITC.**”
 - Removes the prohibition on claiming the EITC due to failure to meet child identification requirements.
 - EITC “lookback” provision: can use 2019 income if 2020 earned income is less than 2019 earned income.

- **2020 Census**
 - Deadlines for publication of apportionment and state redistricting data extended by 120 days.
 - Data quality standards of the 2010 census must be upheld.
 - Allows census to access data from higher education institutions about their students (even though they have mostly left campus now).

- **State and Local Taxes (SALT)**
 - Eliminates the \$10,000 cap on SALT deductions.

Other Key HEALS Provisions Without Equivalent HEROES Provisions

- **Liability Protections**

- 5-year liability shield: 12/1/19 to 10/1/24.
- Exclusive federal cause of action.
- Reasonable efforts to comply with guidelines = safe harbor.
 - Liability for gross negligence or willful misconduct
- Ceiling on liability.
 - Preemption of state efforts that would allow for COVID-19 lawsuits (but no preemption of workers' compensation schemes or government enforcement actions).
 - States may proceed with efforts that would further restrict liability.

- **Tax Measures**

- Refundable payroll tax credit for 50 percent of employer's total testing, PPE, cleaning, and retrofitting costs.
- Business meal deduction: 50 percent → 100 percent.
- Employee Retention Tax Credit increased to 65 percent.
- Business meal deduction expansion

- **National Security and Supply Chain Resilience**

- \$1 billion for the Secure and Trusted Communications Networks Reimbursement Program (for offsetting costs of removing equipment that pose national security threat).
- Tax credits to encourage domestic manufacturing of PPE.
- Bipartisan Safeguarding American Innovation Act for countering foreign influence on research (measure is opposed by higher education institutions).