



A Union of Professionals

Summary of The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, H.R. 6800 (House coronavirus relief package—May 2020)

STATE AND LOCAL RELIEF

State fiscal relief: \$500 billion in funding to assist state governments with the fiscal effects of the public health emergency caused by the coronavirus.

Local fiscal relief: \$375 billion in funding to assist local governments with the fiscal effects of the public health emergency caused by the coronavirus.

Tribal and territorial fiscal relief: \$40 billion in funding to assist tribal and territorial governments with the fiscal effects of the public health emergency caused by the coronavirus.

CARES Act Coronavirus Relief Fund repayment to D.C.: Additional \$755 million for the District of Columbia.

EDUCATION

State Fiscal Stabilization Fund: \$90 billion divided among elementary and secondary schools (65 percent), public postsecondary institutions (30 percent), and state activities (5 percent). States must commit to maintain their own K-12 and higher education funding in order to access this funding. This flexible funding can support:

- Making up instructional time, including teacher, school leader and classified school employee personnel costs;
- School-based supports for affected students, families and staff, including counseling, mental health services, family engagement efforts and the coordination of physical health services;
- Sanitation and cleaning for schools and school transportation;
- Professional development for school-based staff on trauma-informed care to restore the learning environment;
- Educational technology, including assistive technology;
- Coordination between state educational agencies and public health departments for emergency planning, response and recovery;
- Activities under education statutes including ESEA, IDEA, and the McKinney-Vento Homeless Assistance Act;
- Training for college and university faculty and staff to use technology and services related to distance education;

The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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- General expenditures for institutions of higher education for expenses associated with a disruption in services or operations related to the coronavirus, including defraying expenses due to lost revenue, reimbursement for expenses already incurred, and payroll; and
- Emergency financial aid to postsecondary students for housing, food, technology, healthcare and child care.

HBCUs/Minority-serving institutions: \$10.15 billion to historically black colleges and universities and minority-serving institutions.

Child care: \$7 billion for Child Care and Development Block Grants to provide tuition and co-payment relief for families; provide payments to providers for closures or decreased enrollment due to COVID-19; help ensure providers will be able to reopen or remain open; and provide child care assistance to healthcare sector employees, emergency responders, sanitation workers, farm workers and other workers deemed essential, without having to meet the income eligibility requirements.

Broadband: \$1.5 billion to close the homework gap by providing funding for Wi-Fi hotspots and connected devices for students and library patrons, and \$4 billion for emergency home connectivity needs.

Student debt relief:

- Cancels \$10,000 of student loan debt for federal loan borrowers.
- Cancels \$10,000 of private student loan debt.
- Applies the CARES Act relief of no interest and suspended payments to all loans (including private).
- Extends the CARES Act relief of no interest/no payments until January 2022.
- Includes full student loan relief for borrowers who, according to Education Department findings, were defrauded by the schools they attended.
- Makes some Public Service Loan Forgiveness Program improvements (e.g., applicants don't have to be employed in public service at time of forgiveness, and medical workers in public hospitals in Texas and California may qualify even though hired by a private employer).

HEALTHCARE

Public Health and Social Services Emergency Fund: \$175 billion to reimburse for healthcare-related expenses or lost revenue attributable to the coronavirus, as well as to support testing and contact tracing to effectively monitor and suppress COVID-19.

Medical Supplies Response Coordinator: Requires the president to appoint a Medical Supplies Response Coordinator. A Medical Supplies Response Coordinator would serve as the point of contact for the healthcare system, supply chain officials and states on medical supplies, including personal protective equipment, medical devices, drugs and vaccines. The appointee is required to have healthcare training and an understanding of medical supply chain logistics.

OSHA emergency temporary and permanent standards: Requires the Occupational Safety and Health Administration to issue an emergency temporary standard within seven days of enactment to protect healthcare and other workers at occupational risk of exposure to COVID-19.

Medicaid: Increases Federal Medical Assistance Percentage payments to state Medicaid programs by a total of 14 percentage points starting July 1, 2020, through June 30, 2021.

COBRA/Preserving health benefits for workers: Provides approximately nine months of full premium subsidies to allow workers to maintain their employer-sponsored coverage if they are eligible for COBRA due to a layoff or reduction in hours, and for workers who have been furloughed but are still active in their employer-sponsored plan.

COVID-19 testing strategy: Requires the Department of Health and Human Services to update the COVID-19 strategic testing plan required under the Paycheck Protection Program and Health Care Enhancement Act no later than June 15, 2020. The updated plan must identify the types and levels of testing necessary to monitor and contribute to the control of COVID-19 and inform any reduction in social distancing. In addition, the updated strategic testing plan must include specific plans and benchmarks with clear timelines, regarding how to ensure sufficient availability and allocation of all testing materials and supplies, sufficient laboratory and personnel capacity, and specific guidelines to ensure adequate testing in vulnerable populations and populations at increased risk related to COVID-19, including older individuals, and rural and other underserved areas. This plan must also involve testing capacity in non-healthcare settings in order to help expand testing availability and make testing more accessible, as well as address how to implement the testing strategy in a manner that will help to reduce disparities with respect to COVID-19.

National system for COVID-19 testing, contact tracing, surveillance, containment and mitigation: Requires the Centers for Disease Control and Prevention to coordinate with state, local, tribal and territorial health departments to establish and implement a national evidence-based system for testing, contact tracing, surveillance, containment and mitigation of COVID-19, including offering guidance on voluntary isolation and quarantine of positive COVID-19 cases.

No cost-sharing for COVID-19 treatment: Eliminates cost-sharing for Medicare/Medicaid for COVID-19 treatment and vaccines during the COVID-19 public health emergency.

Covering the uninsured for COVID-19 treatment: Ensures that uninsured individuals whom states opt to cover through the new Medicaid eligibility pathway will be able to receive treatment for COVID-19 without cost-sharing during the COVID-19 public health emergency.

Increase DSH payments: Temporarily increases Medicaid disproportionate share hospital allotments by 2.5 percent.

PENSIONS

Multi-employer plans: Expands the authority of the Pension Benefit Guaranty Corporation to provide relief to struggling plans, repeals benefit suspension plans, delays the application of statuses to plans indicating they are endangered, adjusts funding standard account rules, doubles the PBGC guarantees for monthly benefits, and temporarily extends funding improvement and rehabilitation periods.

Single employer plans: Extends the amortization period from seven to 15 years, and extends pension interest rate smoothing that was set to expire. Both reforms significantly contribute to the health of single employer funds.

Defined contribution and IRAs: Waives minimum distributions for 2019.

ELECTIONS

Safe and secure elections: \$3.6 billion for grants to states for contingency planning, preparation and resilience of elections for federal office.

LABOR

Hazard pay: \$200 billion to ensure that essential workers who have risked their lives working during the pandemic receive hazard pay.

Department of Labor: \$3.1 billion to support workforce training and worker protection activities related, including:

- \$2 billion to support worker training;
- \$925 million to assist states in processing unemployment insurance claims;
- \$15 million for the federal administration of unemployment insurance activities;
- \$100 million for the Occupational Safety and Health Administration for workplace protection and enforcement activities in response to coronavirus, and
- Grants to support the recruitment, placement and training of individuals in COVID-19 contact tracing and related positions, with a focus on recruiting from affected local communities and building a culturally competent workforce.

NUTRITION ASSISTANCE

Supplemental Nutrition Assistance Program: \$10 billion to support increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act.

The Emergency Food Assistance Program: Includes \$150 million to help local food banks meet increased demand for low-income Americans during the emergency.

Child nutrition programs: Includes \$3 billion in additional funding to provide emergency financial relief to school meal providers and the USDA's Child and Adult Care Food Program.

Expanding nutrition in Puerto Rico: Agriculture Department will report the feasibility of implementing an Electronic Benefit Transfer (electronic food stamps) program for eligible children in Puerto Rico; the current nutrition assistance program infrastructure; and the availability of implementing the EBT program. Puerto Rico will also need to submit a plan on implementing the EBT program to the Agriculture Department.

DIRECT FINANCIAL RELIEF

Additional recovery rebates to individuals: Provides a \$1,200 refundable tax credit for each family member that will be paid out in advance payments, similar to the relief provided for in the CARES Act. The credit is \$1,200 for a single taxpayer (\$2,400 for joint filers), in addition to \$1,200 per dependent, up to a maximum of three dependents. It is phased out for higher-income households and earners as it was in the CARES Act. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for head of household filers and \$150,000 for joint filers) at a rate of \$5 per \$100 of income.

PAID LEAVE

Emergency paid family and sick leave: Eliminates the exclusions for healthcare providers and emergency responders, increases the wage replacement maximum for family care, clarifies that emergency paid leave cannot be less than minimum wages, increases the aggregate limit by \$2,000, cuts the \$200-per-day cap on employer tax credits, and eliminates the 500-plus employee exemption.

TAXES

Tax credits: Allows federal, state and local governments to claim tax credits for paid sick days and paid family and medical leave.

SALT: Eliminates the limitation on the deduction for state and local taxes for taxable years beginning on or after Jan. 1, 2020, and on or before Dec. 31, 2021.

Teacher tax deduction: Double the tax deduction, from \$250 to \$500, that educators are able to take annually for expenses incurred due to work.

First responders tax deduction: Creates a \$500 deduction for first responders.

Payroll tax credit: Extends a 30 percent payroll tax credit to employers for coronavirus-related benefits extended to employees. General fund transfers are stipulated to prevent harm to the Social Security Trust Fund.

Employee retention tax credit: Expands the employee tax credit and allows public sector employers to claim it.

Corporate tax loopholes: Restores limits on losses and carry-back claims that certain wealthy corporations can claim, which were loosened in the CARES Act, saving \$135 billion.