

McConnell Unveils Marker for Next Coronavirus Relief Bill

On July 27 U.S. Senate Majority Leader Mitch McConnell (R-KY) unveiled the details of the next coronavirus relief package the chamber is expected to work on—the *Health, Economic Assistance, Liability Protection and Schools (HEALS) Act*. Given that the House has already passed its version of their relief package (the *Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act*) in May, Monday’s release established the Senate GOP’s starting point for negotiations. And although negotiations are just getting underway, there is less than two weeks left before the Senate is expected to adjourn for the August recess beginning August 10.

The stage is set for what could be a flurry of negotiations over the next two weeks with the House, Senate and White House finding an agreement just as both chambers begin their recess. While not covering all provisions, below is a quick overview to highlight some of the differences between each chamber’s approach.

	HEROES Act (House)	HEALS Act (Senate)
Approximate price tag:	\$3 trillion	\$1 trillion
Aid to state and local governments:	<p>\$915B in direct aid:</p> <ul style="list-style-type: none"> Funding dispersed in 2020 and in 2021 Eligibility criteria expanded compared to CARES Act Lost or foregone revenues are eligible use of funds 	No new aid provided for state and local governments
Use of Coronavirus Relief Fund (CFR) Assistance for Lost/Foregone Revenue:	No adjustment, recipients cannot use funds for lost/foregone revenue	<p>Loosens restriction on CFR funds; key points:</p> <ul style="list-style-type: none"> Period over which funds can be used to cover pandemic relief expenditures is extended Revenue shortfalls are an eligible use but a government can only use 25 percent of relief funds received for this purpose CFR funds cannot be used for pensions, OPEB

		or replenishing rainy day funds
Unemployment:	Extends current federal supplement of \$600 extra per week through January 2021	<ul style="list-style-type: none"> • Reinstates federal supplement to unemployment insurance payments, drops from the current \$600 to \$200 per week • Supplement would continue through September 2020 after which states would be expected to establish a formula to replace up to 70 percent of an individual's lost wages
Direct Stimulus Payments:	Provides another round of direct payments—\$1,200/individual or \$2,400/married filing jointly—to American families; increases the amount of money per child to \$1,200 for up to three children per family	Provides another round of direct payments—\$1,200/individual or \$2,400/married filing jointly—to American families; additional payments for qualified dependents to include adult dependents
Education:	In addition to other program funding, \$90B appropriated for Education Stabilization Fund created under the CARES Act	In addition to other program funding, \$70B allocated for K-12 spending, but \$30B is reserved only for schools that physically reopen
Liability Protection:	Does not address	Liability shield established for businesses, schools, hospitals facing claims over episodes related to coronavirus

Both proposals are essentially the starting points for negotiation but your outreach is still needed, in particular to **urge your Senators to meet the House proposal providing for additional funding to help state and local governments address revenue shortfalls as a result of the pandemic.** GFOA will continue to monitor the negotiations and report developments as they occur. [Click here](#) for more resources.