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May 14, 2020

RE: HEROES Act – HR 6800

Dear Members of the California Congressional Delegation:

On behalf of the California State Association of Counties (CSAC), I'm writing to you regarding the *Health and Economic Recovery Omnibus Emergency Solutions Act* (HEROES Act). As the House prepares to consider the bill (HR 6800), I strongly urge you to vote in favor of this important piece of COVID-19 response legislation.

Despite the investment of considerable resources at the local level aimed at combatting the coronavirus pandemic, counties cannot continue to meet the unprecedented demands for public health, emergency response, and other vital public services without additional federal support. Coupled with rapidly declining local revenues, the increasing needs for county-delivered safety net services makes our situation untenable and puts the health and security of the public at risk.

The *HEROES Act* would provide desperately needed federal assistance to California's counties at a time when support is needed the most. Consistent with CSAC's objectives for the next coronavirus relief bill, HR 6800 includes funding for a number of critically important programs, as well as added administrative flexibility and helpful reforms to existing programs. To follow are key provisions that would assist California's counties in their frontline response to the COVID-19 pandemic.

Coronavirus Local Fiscal Relief Fund

The *HEROES Act* includes a \$375 billion "Coronavirus Local Fiscal Relief Fund." Under the bill, the federal dollars would be split evenly between counties and cities and could be used to cover costs or replace foregone revenues stemming from the COVID-19 public health emergency or its negative economic impacts. Funds would be available until expended.

As you're well aware, the previously enacted *CARES Act* (PL 116-136) only provided direct fiscal relief to localities with populations above 500,000. HR 6800 addresses this disparity. Pursuant to the bill, federal aid would be provided to **all** counties and cities, with funding to county governments allocated based on relative population.

CSAC also supports provisions of the legislation that would amend the *CARES Act* to allow entities that received Coronavirus Relief Fund (CRF) payments to use the dollars to cover lost, delayed, or decreased revenue stemming from the pandemic. As passed by Congress, the *CARES Act* only permits states and local governments to spend CRF dollars to cover a limited number of COVID-19-related expenditures. This added flexibility is an important and much needed modification to PL 116-136.

Inclusion of robust, flexible, and direct federal aid to all counties has been and remains CSAC's top priority for the next COVID-19 response bill. Without this essential federal support, the local response to the public health crisis will be gravely compromised and the prospect of reopening California and initiating an economic recovery will be significantly hindered.

Increased Funding for Public Health

The *HEROES Act* builds upon previous congressional investments in public health programs. CSAC strongly supports the additional \$2.1 billion in Centers for Disease Control and Prevention (CDC) funding, which will enable public health departments to continue to conduct essential activities, including surveillance, epidemiology, infection control, mitigation, communications, and other preparedness and response measures.

Investments in Health and Human Services

CSAC supports provisions of the *HEROES Act* that would provide a temporary 14 percentage point increase in the federal financial match for Medicaid/Medi-Cal and Title IV-E foster care (up from the 6.2 percentage point increase in the *CARES Act*). As unemployment increases and as families continue to lose their health insurance coverage during the pandemic, more individuals will become eligible for Medicaid and foster care services. The temporary increase in federal matching funds will help alleviate pressure on these local systems.

HR 6800 also includes investments in a number of important health and human services programs, including significantly increased funding for the Social Services Block Grant (SSBG). Additional investments in child care, the Low-Income Home Energy Assistance Program (LIHEAP), family violence prevention services, *Child Abuse Prevention and Treatment Act* (CAPTA) grants, and community-based child abuse prevention grants all will help counties in efforts to respond to increased demand for these safety-net services.

CSAC also supports provisions of the *HEROES Act* that would extend California's 1115 Medicaid waiver through December 31, 2021, as well as language that would bar the U.S. Department of Health and Human Services from implementing the Medicaid Fiscal Accountability Rule.

Finally, we support provisions of HR 6800 that would provide administrative flexibility and waivers of performance penalties for child welfare, the Temporary Assistance for Needy Families (TANF) program, and child support through January 31, 2021. Likewise, our association supports language of the bill that would provide states with flexibility in determining how daily child welfare activities would be conducted, including language that would allow electronic visits for foster youth over the age of 18 if a caseworker makes an in-person visit not less than once every six months.

Elimination of Non-Federal Cost Share for FEMA Public Assistance

CSAC strongly supports provisions of the *HEROES Act* that would provide a 100 percent Federal cost share for assistance provided under any *Stafford Act* declaration for the COVID-19 pandemic. Given the unprecedented nature of the public health emergency, state and local governments are not able to shoulder the 25 percent cost share required under FEMA's Public Assistance program.

Payroll Tax Credits for Paid Sick Leave & Family Medical Leave

CSAC supports language included in HR 6800 that would ensure that local governments and other public agencies have access to tax credits to help offset the costs of complying with new mandates of the *Families First Coronavirus Response Act* (PL 116-127). Under PL 116-127, all employers are required to provide expanded paid sick leave and family medical leave; however, the law specifies that only private sector employers are eligible to receive tax credits to help mitigate the increased costs of the mandate. The *HEROES Act* addresses this disparity.

Increased Nutrition Assistance

CSAC supports the nutrition investments in the *HEROES Act*, including the temporary 15 percent increase in the Supplemental Nutrition Assistance Program (SNAP/CalFresh) benefit. We also support provisions of the legislation that would increase the minimum SNAP benefit from \$16 to \$30 per month. Similarly, California's counties support the bill's increased investments in the Special Supplemental Nutrition Program for Women Infants and Children (WIC), the Emergency Food Assistance Program (TEFAP), the emergency financial relief to school meal providers, and USDA's Child and Adult Care Food Program.

Housing and Homelessness Programs

HR 6800 includes additional support for a number of important housing and homelessness programs, including: \$4 billion for tenant-based rental assistance programs; \$5 billion for the Community Development Block Grant (CDBG) program; \$11.5 billion for HUD's Emergency Solutions Grants to help combat homelessness; \$100 billion in emergency rental assistance; and, \$75 billion in homeowner assistance funds to help prevent homeowner mortgage defaults, foreclosures, and displacements of individuals and families experiencing financial hardship. These investments would go a long way toward assisting California's counties in efforts to provide housing security to those impacted by COVID-19, as well as local efforts to address the homelessness crisis.

Support for Surface Transportation

The *HEROES Act* would provide nearly \$15 billion in General Fund assistance to State departments of transportation and large urban areas to mitigate the effects of the COVID-19 pandemic. Funds would be available for various infrastructure needs and could be used to cover staff salaries and other administrative expenses. CSAC urges Congress to ensure that funds could be passed through to local governments of all sizes.

The bill also would ensure that remaining fiscal year 2020 *FAST Act* highway formula funds would be provided at a 100 percent Federal share and would allow funds to be used to cover operational, maintenance, and administrative expenses, including payroll.

With regard to public transit, CSAC supports the additional federal support for transit agencies for operating assistance.

Justice, Public Safety, and Emergency Management

CSAC supports additional investments for key justice, public safety, and emergency management programs, including funding for Byrne Justice Assistance Grants, the Community Oriented Policing

Services (COPS) program, *Violence Against Women Act* (VAWA), and key FEMA grant programs. California’s counties also support provisions of the bill that would waive local match requirements for these programs.

Broadband

HR 6800 includes \$1.5 billion to “close the homework gap” by providing funding for Wi-Fi hotspots and connected devices for students and library patrons, as well as \$4 billion for emergency home connectivity needs. CSAC supports these investments. Congress also should provide funds for the deployment of broadband infrastructure, particularly for unserved and underserved rural areas. Such an investment would help create stronger small businesses and more jobs in communities that have been left behind.

SAFE Banking

HR 6800 includes language clarifying that state-legal cannabis operations would have improved access to traditional banking services. The language is consistent with the House-approved *SAFE Banking Act* (HR 1595), which has been endorsed by CSAC.

State and Local Tax Deduction

The *Tax Cuts and Jobs Act of 2017* (PL 115-97) limited the state and local tax (SALT) deduction to \$10,000 through 2028. The *HEROES Act* would fully restore the SALT deduction for the 2020 and 2021 tax years. Our association is in favor of this modification.

In closing, CSAC is incredibly appreciative of your ongoing work during this unprecedented challenge. We stand ready to continue working with you to ensure that all levels of government are providing a coordinated response to this public health and economic crisis.

Respectfully,



Graham Knaus
Executive Director