

Summary of Next Phase of Federal Assistance for COVID-19



Courtesy of National Association of Towns & Townships (NATaT)

On the afternoon of 4/21, the 25-page [bill text](#) for the COVID-19 interim “3.5” legislation, the **“Paycheck Protection Program and Health Care Enhancement Act”** was publicly released. The Senate will likely pass the bill today by Unanimous Consent, followed by a recorded vote in the House on Thursday morning. A one-page summary of the Department of Health and Human Services provisions in the bill is available [here](#) and a section-by-section summary of the entire bill is available [here](#).



The bill includes an additional \$310 billion for the Paycheck Protection Program (PPP); \$50 billion for Economic Injury Disaster Loans (EIDL); \$10 billion for EIDL Emergency Grants; \$75 billion for hospitals; and \$25 billion for COVID-19 testing. The bill also provides “\$11 billion for states, localities, territories, and tribes to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts, and support employer testing” and also “[r]equires [a] plan from States, localities, territories, and tribes on how resources will be used for testing and easing COVID-19 community mitigation policies.”

Unfortunately, the legislation contains no new flexibility language regarding the CARES Act’s Coronavirus Relief Fund (i.e., explicitly allowing or requiring each state to provide some of their allocation to localities with populations under 500,000 or allowing those funds to be used to make up for lost revenue) nor does the bill include any of the Democratic leadership’s proposed \$150 billion in additional fiscal relief for states, counties, non-county units of local government, tribes, and territories.

However, President Trump [tweeted](#) that *“I urge the Senate and House to pass the Paycheck Protection Program and Health Care Enhancement Act with additional funding for PPP, Hospitals, and Testing. After I sign this Bill, we will begin discussions on the next Legislative Initiative with fiscal relief to State/Local Governments for lost revenues from COVID 19, much needed Infrastructure Investments for Bridges, Tunnels, Broadband, Tax Incentives for Restaurants, Entertainment, Sports, and Payroll Tax Cuts to increase Economic Growth.”*

Additionally, Senate Minority Leader Chuck Schumer (D-NY) wrote in a [letter](#) to members of the Senate Democratic Caucus that *“I am also disappointed that Republicans turned a deaf ear to governors, mayors, tribal leaders, and county and local officials from both parties who have been pleading for more federal support. Congressional Republicans and the Trump administration must work with us on providing states and localities the help they need to protect the jobs of our firefighters, police officers, teachers, and other public employees and the important services they provide. As a part of this agreement, we were able to secure a commitment from Secretary Mnuchin that he will support additional state and local relief in the next COVID-19 legislation, as well as a provision providing the flexibility to use all past and future relief dollars to offset lost revenues. State, local, and tribal funding will remain a top priority for Senate Democrats in the next round of legislation.”* **So it appears that the additional flexibility and direct financial assistance to your locality will be included in the eventual “Phase 4” COVID-19 legislative package.**

Lastly, as of Tuesday afternoon, the Treasury Department still had not yet released any additional guidance regarding how current Coronavirus Relief Funds (CRF) may be used by states and localities with populations greater than 500,000. CRF flexibility may be included in that guidance.