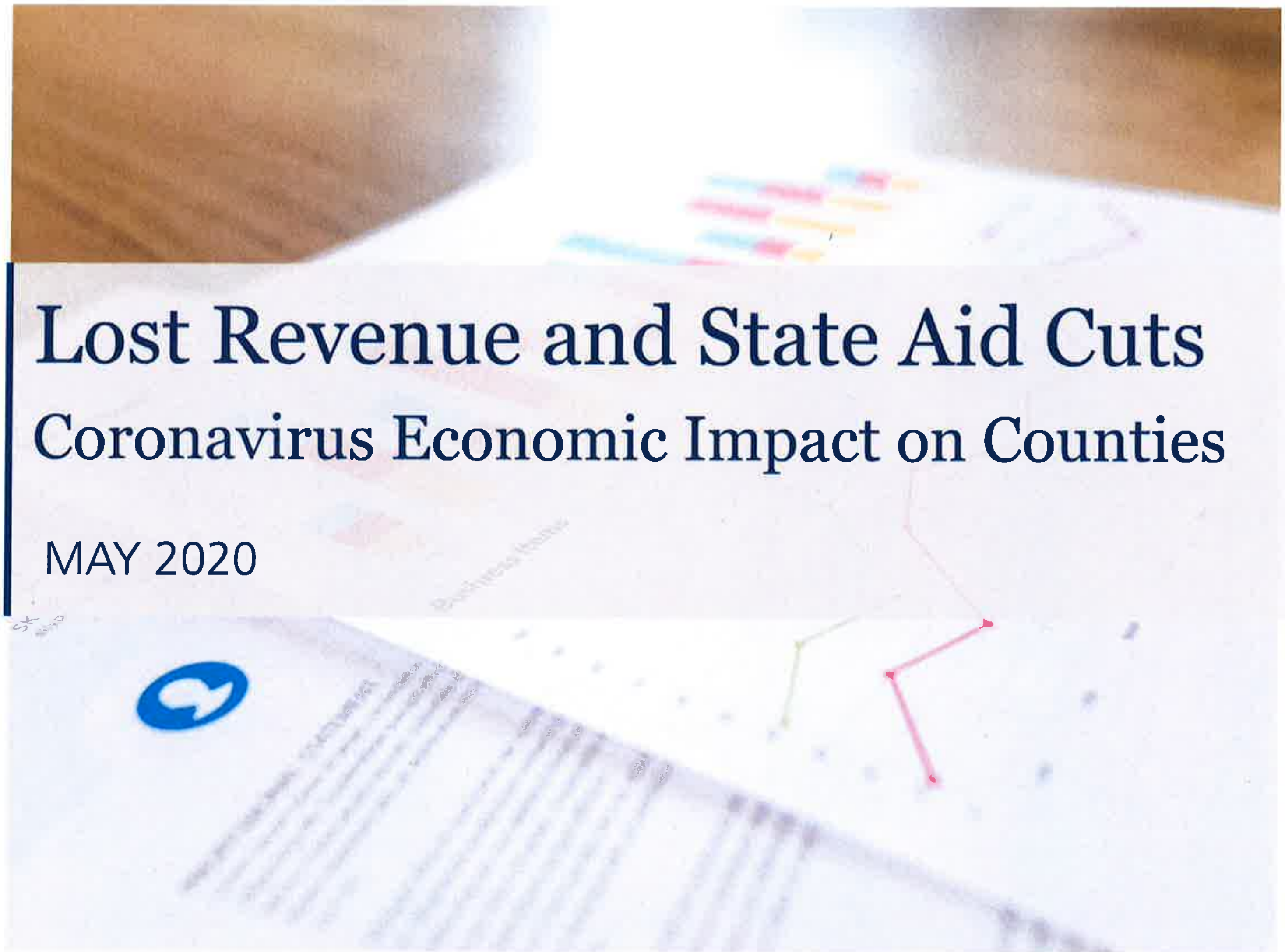
NYSAC
NEW YORK STATE
ASSOCIATION OF COUNTIES

CORONAVIRUS IMPACT
PART II



Lost Revenue and State Aid Cuts

Coronavirus Economic Impact on Counties

MAY 2020

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Introduction

The COVID-19 pandemic has impacted every aspect of our society, government and the economy like no other event in our lifetimes.

In March, the New York State Association of Counties (NYSAC) completed an initial economic analysis of the coronavirus on counties.

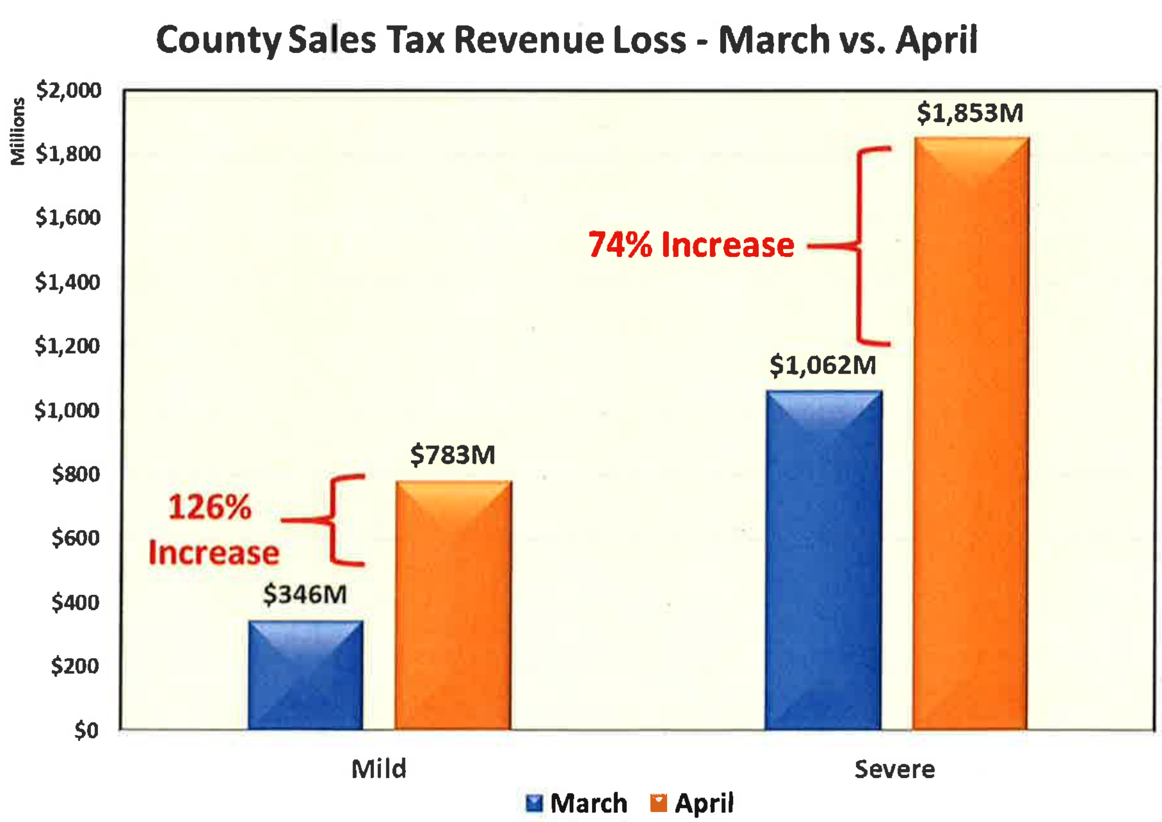
This report updates and expands that initial analysis to account for the extended public health emergency and prolonged economic slowdown.

While NYSAC continues to monitor economic data as they become available, our assessment of the high-quality available data show that:

- Initial impacts on the nation will be far sharper (happening more quickly) than falloffs in economic activity in past recessions.
- New York state will be disproportionately hard hit compared to other parts of the country.
- No region of New York will be spared, and downstate will be most affected.

The report constructs two scenarios. The first is consistent with a milder recession and a quick recovery, and the second assumes a more severe and prolonged recession with effects like those that the New York City Comptroller appears to have estimated. In both scenarios, the sharpest impacts are on industries related to tourism, recreation, and restaurants.

Figure 1



In the March report, under the mild scenario, we projected sales tax revenue in counties outside New York City would fall about 4 percent below baseline growth in 2020, for a loss of about $350 million on a full-year basis. In this May update, under the milder scenario we are projecting sales tax revenue outside New York City would fall about 9 percent, for a loss of about $780 million.

In the March release, under the more severe scenario, we projected sales tax revenue would fall about 12 percent below the baseline, or approximately $1 billion on a full-year basis. In this May update, under the severe scenario we are projecting sales tax revenue outside New York City would fall about 22 percent, for a loss of about $1.8 billion. Under both reports the numbers reflect gross local sales tax before sales tax sharing and the diversion of AIM-related payments.

The state is also facing revenue shortfalls, particularly in its income, sales, and profits-based taxes. In the Enacted State Financial Plan the state is projecting an additional shortfall of $13.3 billion and indicating that, without additional federal support to help replace lost revenues, state aid to localities may have to be cut by 20 percent to 50 percent.

This range depends on whether programs like school aid and Medicaid are protected from further cuts. If so, remaining programs would be subject to higher state aid percentage reductions to achieve the $8.2 billion in state savings established in the Enacted State Financial Plan from reduced spending for Aid to Localities programs.

County Local Revenue & State Aid Losses

Milder Recession:	**$1,521,923,023**
Severe Recession:	**$3,546,900,576**

Counties face a quadruple threat of:

1. Declining local revenues, especially sales tax, but also hotel occupancy taxes, mortgage recording taxes, gaming revenues, among other revenues;
2. Higher spending necessary to respond to the health emergency;
3. The loss of state reimbursement; and
4. The potential of significant losses for small businesses on our main streets that could threaten jobs and the property tax base over the short to mid-term.

When we consider the loss of local revenues beyond just sales tax the range of losses could be between $1.5 billion to $3.6 billion for counties over the next year.

For counties with an occupancy tax we project potential revenue losses of between 38 percent and 73 percent from base revenues depending on the severity of the downturn and consumers' response to travel and recreational activities when those sectors of the economy reopen. Under the same assumptions gaming revenue losses could range between 35 percent and 55 percent.

The more severe of the two scenarios in no way represents a worst case. Events are unfolding as rapidly as are governments' responses. So far, the federal government has enacted 4 separate COVID-19 response and recovery bills that are slated to spend nearly $3 trillion. These bills, however, provided negligible assistance to states and localities to help replace lost revenues considering the scope of the losses projected.

Without further federal assistance the fiscal outlook for counties could become catastrophic.

We cannot stress enough how uncertain any forecast is. The potential spread, severity, and duration of the virus are not well understood, and expert knowledge is evolving. The extent and duration of lockdowns, travel restrictions, and other responses that protect public health, but damage short-term economic growth continue as policy makers and public health officials learn more. The stock market had been swinging wildly, but has become more stable since federal fiscal and monetary actions were taken, but instability remains.

While our initial report projected a recession might be unavoidable, most economists agree we are in a recession now and the analysis is concentrated on its depth and duration for the most part.

COVID-19 and the Economy

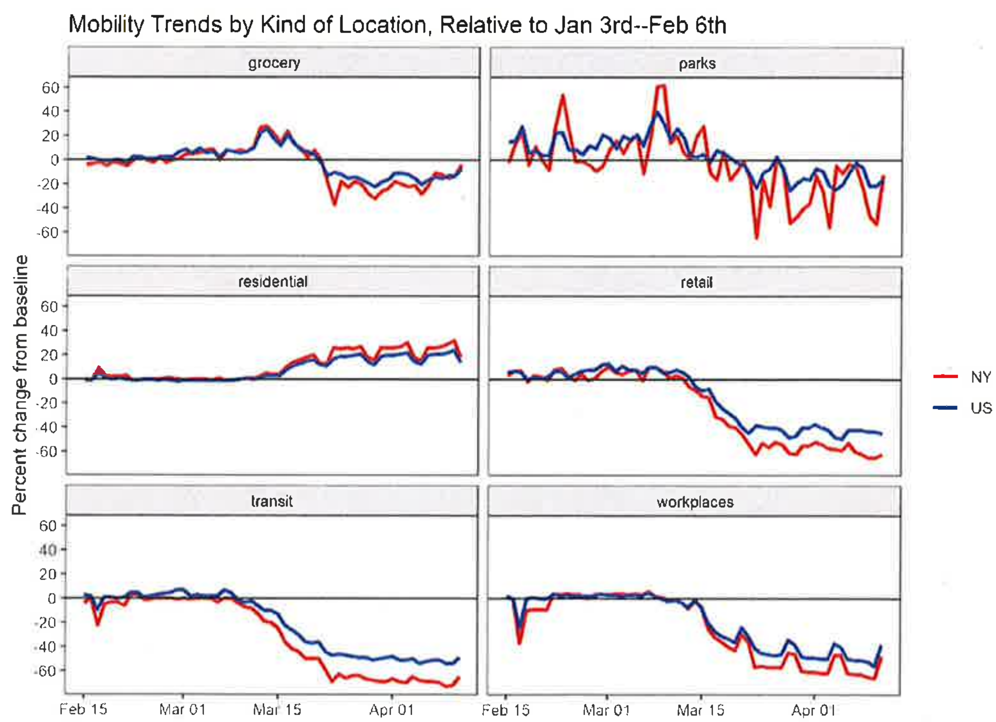
The spread of COVID-19 and the response of governments, individuals, and businesses will have major effects on the health of individuals, the health of the economy, and the finances of government. In addition to the human costs of this crisis, the economy has been hit in several significant ways.

We are now seeing the direct economic effects, such as loss of income due to sickness and death, lost work time from stay at home orders and density reduction efforts, school closure and more.

Consumption is lower as a direct result of lower income, and restrictions on travel, mass gatherings, closing of restaurants, and other activities. Business supply chains have been disrupted and the timeframe for a return to normalcy is still unknown. A recession is here, although its depth and duration remain major uncertainties.

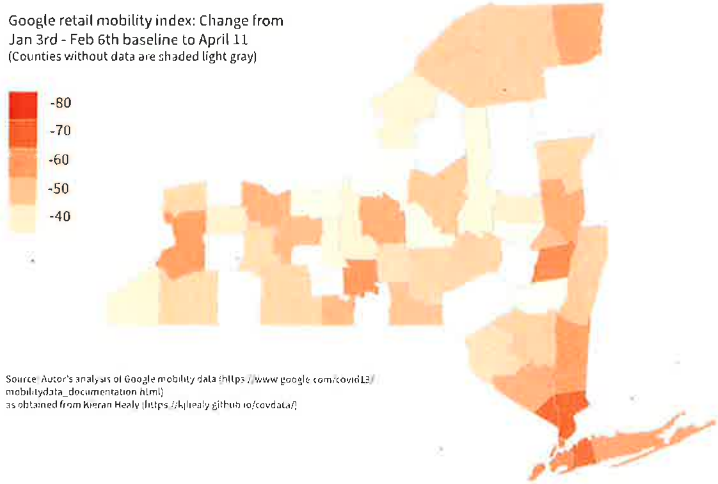
Bans on travel and mass gatherings, forced shutdowns, and fear of social contact will be especially hard on restaurants and on industries related to tourism, recreation, and the arts. Stock market selloffs and associated uncertainty are likely to hit financial service industries hard. All these industries are especially important in New York.

Figure 2



Source: Google mobility data (https://www.google.com/covid19/mobility/data_documentation.html) as obtained from Kieran Healy (https://kjhealy.github.io/covdata/)

Figure 3



Recent Economic Data

Google mobility data on where people travel (for those who allow location tracking) show:

- Sharp falloffs in travel, especially for retail-related, transit and workplaces (Figure 2); we may think of this is a proxy for reduced economic activity
- Falloffs in New York are greater than in the US as a whole (Figure 2)
- While confirmed COVID-19 spread upstate has been limited (See Appendix A), all regions of NY have seen dramatically reduced mobility, although the sharpest falloff has been downstate (Figure 3)

Recent Unemployment Data

Weekly unemployment claims show:

- Increase in New York is many multiples greater than in past recessions, even compared to the Great Recession.
- Claims in 4 weeks, ending April 18th, are about 27 times as large as they were in the same period last year (Table 1).
- Even though many counties have not yet been hit hard by COVID-19 confirmed cases, every county has seen a dramatic increase in unemployment claims (Table 1).
- Counties outside NYC, on average, have seen increases as great as those in NYC.
- Downstate counties have been hit harder than upstate.

Table 1

Initial unemployment claims by county

County	4 weeks ending April 18, 2020	Comparable weeks, year ago	Change	This year as multiple of year ago
Albany	13,645	655	12,990	19.8
Allegany	1,749	123	1,626	13.2
Broome	10,846	567	10,279	18.1
Cattaraugus	5,031	312	4,719	15.1
Cayuga	4,635	186	4,449	23.9
Chautauqua	7,856	331	7,525	22.7
Chemung	4,706	206	4,500	21.8
Chenango	2,044	112	1,932	17.3
Clinton	4,610	245	4,365	17.8
Columbia	2,456	104	2,352	22.6
Cortland	2,551	151	2,400	15.9
Delaware	1,590	138	1,452	10.5
Dutchess	16,613	567	16,046	28.3
Erie	70,155	2,639	67,516	26.6
Essex& Hamilton*	1,857	124	1,733	15.0
Franklin	2,275	156	2,119	14.6
Fulton	2,633	126	2,507	20.9
Genesee	3,546	173	3,373	20.5
Greene	2,370	143	2,227	16.6
Herkimer	3,336	198	3,138	16.8
Jefferson	5,575	299	5,276	18.6
Lewis	1,144	112	1,032	10.2
Livingston	3,655	206	3,449	17.7
Madison	4,224	116	4,108	36.4
Monroe	44,376	1,905	42,471	23.3
Montgomery	2,919	166	2,753	17.6
Nassau	89,594	2,489	87,105	36.0
Niagara	19,118	764	18,354	25.0
Oneida	13,075	561	12,514	23.3
Onondaga	30,489	1,116	29,373	27.3
Ontario & Yates*	7,662	335	7,327	22.9
Orange	22,012	822	21,190	26.8
Orleans	2,297	112	2,185	20.5
Oswego	7,497	585	6,912	12.8
Otsego	2,296	126	2,170	18.2
Putnam	5,528	182	5,346	30.4
Rensselaer	7,680	373	7,307	20.6
Rockland	14,077	446	13,631	31.6
St. Lawrence	4,518	351	4,167	12.9
Saratoga	12,934	424	12,510	30.5
Schenectady	9,130	402	8,728	22.7
Schoharie	1,199	98	1,101	12.2
Schuyler & Steuben*	6,479	283	6,196	22.9
Seneca	1,904	83	1,821	22.9
Suffolk	107,058	2,966	104,092	36.1
Sullivan	3,589	189	3,400	19.0
Tioga	2,764	112	2,652	24.7
Tompkins	4,031	111	3,920	36.3
Ulster	10,931	430	10,501	25.4
Warren	4,218	210	4,008	20.1
Washington	3,067	168	2,899	18.3
Wayne	5,124	255	4,869	20.1
Westchester	48,675	1,696	46,979	28.7
Wyoming	2,307	135	2,172	17.1
NY Outside NYC	675,650	25,884	649,766	26.1
New York City	579,146	20,906	558,240	27.7
Total in-state	1,254,796	46,790	1,208,006	26.8

Source: New York State Department of Labor
* Combined by NY Department of Labor to avoid disclosure risk

Figure 4

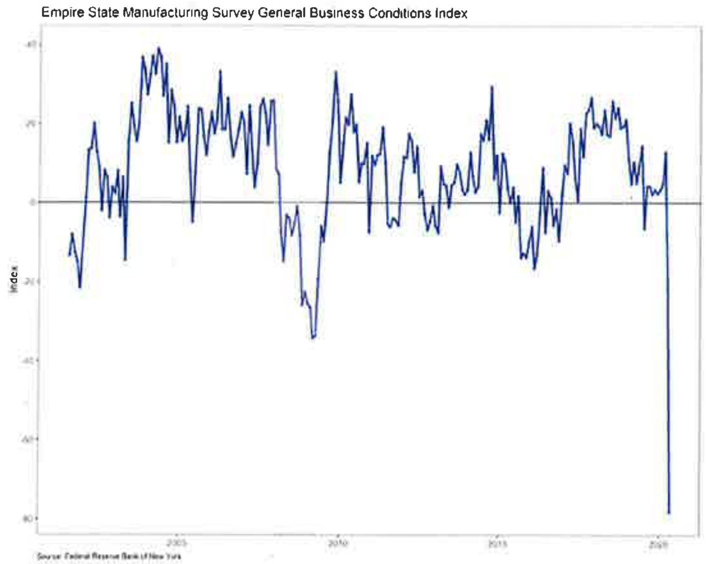
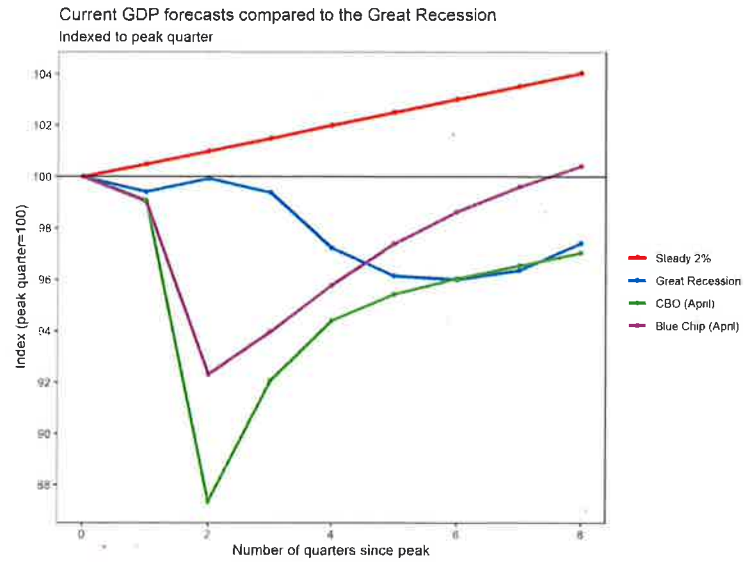


Figure 5



Recent Manufacturing Data

The Empire State Manufacturing Survey from the New York Federal Reserve Bank fell by far more in March than it did at the depth of the Great Recession (Figure 4)

- The first robust piece of data, GDP for the first quarter of 2020, was released on April 29. GDP shrank at an annual rate of 4.8%, the worst rate in a decade and worse than many forecasters expected.

Implications for Economic Forecasts

Past flu and pandemic-related economic shocks have tended to be V-shaped, with a sharp but relatively brief downturn, followed by a sharp rebound. Early data for this shock suggested it will be a deep V, possibly with a longer recovery period than past flu/pandemic downturns.

- Economic forecasters have been reducing their forecasts significantly since social distancing and stay at home orders were first implemented.
- The Blue-Chip consensus, released in early April, indicated a sharp but relatively brief recession.
- Congressional Budget Office forecast, released on April 24, calls for a much sharper and longer recession.
- Both Blue-Chip and CBO estimate a recession that is far worse than the Great Recession (Figure 5).
- The first-quarter decline in real GDP of 4.8% is worse than was contemplated in the Blue Chip and CBO forecasts, suggesting that forecasts may come down further when next revised.
- The New York State Division of Budget (DOB) has released a new, sharply lower economic forecast (Figure 6).
    - ◇ The national forecast appears similar to the CBO forecast.

Figure 6

U.S. ECONOMIC INDICATORS (Calendar Year Growth)

	CY 2019 Actual	CY 2020 Forecast	CY 2021 Forecast
Real U.S. Gross Domestic Product	2.3	-5.7	2.8
Consumer Price Index (CPI)	1.8	0.8	1.9
Personal Income	4.4	0.2	-0.8
Nonagricultural Employment	1.4	-5.3	2.4
Civilian Unemployment Rate	3.7	9.2	8.0

Source: Haver Analytics; DOB staff estimates.

◇ Specifically, for New York, DOB forecasts that:

- employment will fall by 7%
- wages will fall by 7.2%, driven by a 50% drop in financial and insurance sector bonuses (important source of personal income tax collections)
- unemployment rate will average 11.4% through SFY 2021, highest level recorded under current calculation method.

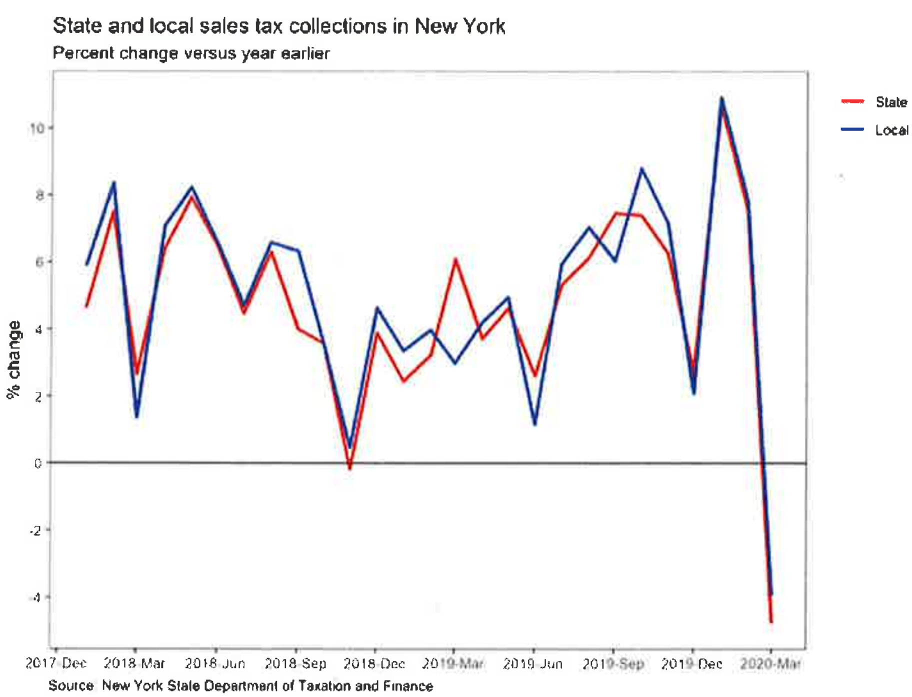
Without further federal assistance the fiscal outlook for counties could become catastrophic.

Potential Scenarios: County Sales Tax

Sales tax is one of the first taxes to be impacted in New York, as people and businesses scale back purchases in response to lockdowns, sheltering in place, and social distancing. The economic and virus outbreak data above indicates that the impact of COVID-19 and the economic shutdown will be worse in downstate counties than in upstate counties, but upstate counties still will be hit hard.

- The sales tax impact will be seen more quickly in New York state than in many other states because New York requires large vendors to remit estimated sales tax by electronic funds transfer late in the month, for sales through the 22nd of the month. The economic shutdown related to COVID-19 began primarily in the last two weeks of March, and so the EFT payment for sales through March 22 included some of this impact. This payment was reflected in sales tax collections for March and in distributions to counties in early April.

Figure 8



◇ Thus, March sales tax collections will begin to reflect the impact of COVID-19. Sales tax collections for the state and collected by the state for localities were down approximately 4% in March. (Figure 8) Declines are likely to accelerate in subsequent months when sales tax cash is distributed to counties.

- New York state has revised its sales tax forecast downward sharply, and now expects the state share of sales tax to decline by 15.5% year-over-year in fiscal year 2021 (which includes 9 months of the 2020 calendar year and 3 months of the 2021 calendar year).

- Local governments have begun to reduce their sales tax forecasts:
    - ◇ The New York City Independent Budget Office reduced its estimate of sales tax revenue for the city's current 2020 fiscal year, which ends in June, by $1.1 billion (13%), and reduced its estimate for fiscal year 2022 by $3.1 billion (36%). (New York City Independent Budget Office. "COVID-19's Toll on the Local Economy: A Preliminary Estimate of Job Losses & Tax Revenue Declines." New York City Independent Budget Office, April 2020. https://ibo.nyc.ny.us/iboreports/COVID-19-toll-on-the-local-economy-a-preliminary-estimate-of-job-losses-and-tax-revenue-declines-april-2020.pdf.)
    - ◇ Nassau County has reduced its 2020 sales tax estimate by $136m (Scott Eidler. "Laura Curran: $261 Million Deficit Due to COVID-19 Pandemic." Newsday, April 21, 2020. https://www.newsday.com/news/health/coronavirus/nassau-nifa-barsky-1.44014884.)
    - ◇ Suffolk County has estimated that its sales tax will fall short by at least $100 million in 2020 (Rachelle Blidner. "Legislative Report: Suffolk Could See $100 Million Deficit in Sales Tax Revenues." Newsday, April 27, 2020. https://www.newsday.com/news/health/coronavirus/suffolk-taxes-deadline-1.44211332.)
- In March, before the Covid-19 crisis was as great as it is now, and when many economic forecasters were forecasting a mild recession, we estimated that county sales taxes outside New York City, on average, would decline about 4% under a mild-recession scenario, and about 12% under a more-severe scenario. Events have since passed this analysis by.
    - ◇ We CAUTION that the March estimates and the current estimates rely on a simple assumption – That industries are hit equally across the state – for example:

      If restaurant sales decline by 80% in Dutchess County, then they decline by 80% in Albany County. Under this assumption, differences across counties are driven by differences in the composition of their sales tax bases, not by differences in how each industry will be affected.

      In reality, downstate counties are likely to be hit relatively harder than upstate counties. This is apparent in the unemployment claims data and Google Mobility data shown on Page 5. We encourage county finance officials to take advantage of knowledge and data they have on their local economies as they revise their sales tax forecasts.

We have updated these scenarios, as follows:

- Our new mild scenario assumes that several industries are hit harder than in the March report, and lockdowns and social distancing last longer than in the March report. On average, restaurants, bars, hotels, and other tourism-related industries suffer an initial loss of 40 percent. These reductions are in full effect for a quarter, after which restrictions begin to ease in the ensuing three quarters although reductions are about one-quarter as large as the initial shock at the end of a year. This is a longer and more severe period of restrictions than in the March report. It is consistent with a shorter and less severe recession than the CBO currently forecasts. Taxable sales are expected to be 9% lower, on average, than a baseline scenario.

- In the severe scenario the initial impacts are roughly twice as large as in the mild scenario. For example, initial reductions in taxable sales associated with bars and restaurants are 80%. Restrictions are assumed to be eased very slowly so that after 9 months impacts are still 75% as large as the initial impact. Taxable sales are expected to be 22% lower, on average, than a baseline scenario.

These scenarios should be taken only as indicators of the range of impacts, rather than as specific forecasts. Table 2 and Table 3 shows potential impacts under these assumptions. These estimates reflect gross local sales tax before sales tax sharing and the diversion of AIM-related payments.

Endnotes

Special thanks to Don Boyd for his contribution to this report, and other sources.

1. Congressional Budget Office, "A Potential Influenza Pandemic: Possible Macroeconomic Effects and Policy Issues" (Congressional Budget Office, July 2006), https://www.cbo.gov/sites/default/files/109th-congress-2005-2006/reports/12-08- birdflu.pdf.

2 If the virus wanes in warmer months, a second wave could occur when weather again gets colder.

3 Warwick J. McKibbin and Roshen Fernando, "The Global Macroeconomic Impacts of COVID-19: Seven Scenarios," SSRN Electronic Journal, 2020, https://doi.org/10.2139/ssrn.3547729.

4 For example: Mark Zandi, Steven G. Cochrane, and Xiao Chun Xu, "COVID-19 Alternative Scenarios," February 2020, https://www.moodysanalytics.com/-/media/article/2020/global-convid19-scenario-narratives.pdf.; Fynnwin Prager, Dan Wei, and Adam Rose, "Total Economic Consequences of an Influenza Outbreak in the United States: Economic Consequences of Influenza," Risk Analysis 37, no. 1 (January 2017): 4–19, https://doi.org/10.1111/risa.12625.; Warwick J. McKibbin and Alexandra A. Sidorenko, "Global Macroeconomic Consequences of Pandemic Influenza" (Lowy Institute for International Policy, February 2006), http://www.lowyinstitute.org/sites/default/files/pubfiles/McKibbin_Sidorenko%2C_Global_ macroeconomic_1.pdf.

5 UCLA Anderson School of Management, "2020 Recession," UCLA Anderson School of Management, March 16, 2020, https://www.anderson.ucla.edu/centers/ucla-anderson-forecast/2020-recession.

6 "Comptroller Stringer: City Must Take Immediate Action to Prepare For Economic Impacts of COVID-19 and Protect Vital Services for Most Vulnerable New Yorkers," New York City Comptroller Scott Stringer, March 16, 2020, https://comptroller. nyc.gov/newsroom/comptroller-stringer-city-must-take-immediate-action-to-prepare-for-economic-impacts-of-covid-19-and- protect-vital-services-for-most-vulnerable-new-yorkers/.

Table 2 *Milder Recession*

	Total Taxable sales 2018-19	Total Taxable Sales Loss	Potential Sales Tax Loss[2]	% loss[1]
Albany	$6,839,042,563	($624,953,757)	($24,998,150)	-9.1%
Allegany	$473,025,920	($38,667,628)	($1,740,043)	-8.2%
Broome	$3,397,608,371	($304,581,198)	($12,183,248)	-9.0%
Cattaraugus	$1,103,934,335	($98,329,813)	($3,933,193)	-8.9%
Cayuga	$1,160,012,283	($104,109,510)	($4,164,380)	-9.0%
Chautauqua	$1,678,406,305	($160,367,274)	($6,414,691)	-9.6%
Chemung	$1,509,742,024	($137,271,708)	($5,490,868)	-9.1%
Chenango	$624,253,793	($52,815,238)	($2,112,610)	-8.5%
Clinton	$1,412,166,690	($131,681,335)	($5,267,253)	-9.3%
Columbia	$1,078,451,233	($96,746,233)	($3,869,849)	-9.0%
Cortland	$741,501,943	($67,882,050)	($2,715,282)	-9.2%
Delaware	$563,629,542	($48,990,976)	($1,959,639)	-8.7%
Dutchess	$5,282,491,169	($473,305,153)	($17,748,943)	-9.0%
Erie	$16,656,715,738	($1,548,523,269)	($73,554,855)	-9.3%
Essex	$778,576,299	($89,861,102)	($3,594,444)	-11.5%
Franklin	$615,572,608	($53,643,795)	($2,145,752)	-8.7%
Fulton	$733,845,628	($67,281,961)	($2,691,278)	-9.2%
Genesee	$1,034,298,129	($104,856,265)	($4,194,251)	-10.1%
Greene	$818,429,279	($82,265,291)	($3,290,612)	-10.1%
Hamilton	$98,362,724	($11,324,608)	($452,984)	-11.5%
Herkimer	$761,603,264	($73,001,521)	($3,102,565)	-9.6%
Jefferson	$1,941,700,670	($189,228,325)	($7,569,133)	-9.7%
Lewis	$308,119,622	($27,550,938)	($1,102,038)	-8.9%
Livingston	$863,999,016	($78,926,581)	($3,157,063)	-9.1%
Madison	$830,761,281	($76,495,177)	($3,059,807)	-9.2%
Monroe	$12,686,837,360	($1,143,225,938)	($45,729,038)	-9.0%
Montgomery	$761,057,461	($68,913,268)	($2,756,531)	-9.1%
Nassau	$28,160,209,719	($2,586,890,485)	($109,942,846)	-9.2%

Niagara	$3,372,600,762	($318,462,357)	($12,738,494)	-9.4%
Oneida	$3,391,123,270	($313,779,110)	($14,904,508)	-9.3%
Onondaga	$9,060,195,469	($827,500,211)	($33,100,008)	-9.1%
Ontario	$2,436,735,042	($227,943,198)	($7,978,012)	-9.4%
Orange	$7,697,541,554	($684,404,428)	($25,665,166)	-8.9%
Orleans	$417,422,404	($34,130,127)	($1,365,205)	-8.2%
Oswego	$1,155,859,912	($105,668,641)	($4,226,746)	-9.1%
Otsego	$966,689,964	($102,625,160)	($4,105,006)	-10.6%
Putnam	$1,575,849,375	($134,737,463)	($5,389,499)	-8.6%
Rensselaer	$2,260,212,659	($205,753,669)	($8,230,147)	-9.1%
Rockland	$5,402,264,754	($459,239,160)	($18,369,566)	-8.5%
Saratoga	$4,576,730,579	($449,817,041)	($13,494,511)	-9.8%
Schenectady	$2,524,314,300	($222,702,153)	($8,908,086)	-8.8%
Schoharie	$398,670,324	($36,801,405)	($1,472,056)	-9.2%
Schuyler	$284,709,264	($31,985,645)	($1,279,426)	-11.2%
Seneca	$655,434,453	($64,399,800)	($2,575,992)	-9.8%
St Lawrence	$1,466,072,854	($126,181,330)	($5,047,253)	-8.6%
Steuben	$1,458,470,647	($135,103,529)	($5,404,141)	-9.3%
Suffolk	$34,945,084,640	($3,154,492,285)	($134,065,922)	-9.0%
Sullivan	$1,149,216,973	($107,518,698)	($4,300,748)	-9.4%
Tioga	$605,422,022	($51,046,270)	($2,041,851)	-8.4%
Tompkins	$1,655,147,748	($154,906,065)	($6,196,243)	-9.4%
Ulster	$3,044,442,117	($296,200,082)	($11,848,003)	-9.7%
Warren	$1,913,987,519	($223,380,780)	($6,701,423)	-11.7%
Washington	$671,497,065	($55,987,523)	($1,679,626)	-8.3%
Wayne	$1,132,343,446	($99,861,163)	($3,994,447)	-8.8%
Westchester	$21,749,646,736	($1,908,814,363)	($76,352,575)	-8.8%
Wyoming	$463,996,357	($41,240,795)	($1,649,632)	-8.9%
Yates	$318,900,130	($28,310,619)	($1,132,425)	-8.9%
Counties	**$209,664,937,308**	**($19,144,683,463)**	**($783,158,063)**	**-9.1%**

[1] Estimated Percent Change from baseline

[2] Before Sales Tax Sharing and State Diversion for AIM-related payments

This chart includes a column for total taxable sales to give a sense of the size of the economic transactions that could be lost. The consumer is the heart of the economy and the loss of these transactions will have a significant impact.

Table 3 *Severe Recession*

	Total Taxable sales 2018-19	Total Taxable Sales Loss	Potential Sales Tax Loss[2]	% loss[1]
Albany	$6,839,042,563	($1,520,347,742)	($60,813,910)	-22.2%
Allegany	$473,025,920	($93,514,215)	($3,740,569)	-19.8%
Broome	$3,397,608,371	($739,543,896)	($29,581,756)	-21.8%
Cattaraugus	$1,103,934,335	($239,326,451)	($9,573,058)	-21.7%
Cayuga	$1,160,012,283	($250,938,765)	($10,037,551)	-21.6%
Chautauqua	$1,678,406,305	($384,516,418)	($15,380,657)	-22.9%
Chemung	$1,509,742,024	($334,029,484)	($13,361,179)	-22.1%
Chenango	$624,253,793	($127,200,790)	($5,088,032)	-20.4%
Clinton	$1,412,166,690	($318,090,564)	($12,723,623)	-22.5%
Columbia	$1,078,451,233	($234,234,164)	($9,369,367)	-21.7%
Cortland	$741,501,943	($164,351,086)	($6,574,043)	-22.2%
Delaware	$563,629,542	($117,869,754)	($4,714,790)	-20.9%
Dutchess	$5,282,491,169	($1,151,320,170)	($46,052,807)	-21.8%
Erie	$16,656,715,738	($3,755,815,561)	($150,232,622)	-22.5%
Essex	$778,576,299	($214,954,283)	($8,598,171)	-27.6%
Franklin	$615,572,608	($129,338,599)	($5,173,544)	-21.0%
Fulton	$733,845,628	($162,436,912)	($6,497,476)	-22.1%
Genesee	$1,034,298,129	($249,741,078)	($9,989,643)	-24.1%
Greene	$818,429,279	($198,610,276)	($7,944,411)	-24.3%
Hamilton	$98,362,724	($26,223,713)	($1,048,949)	-26.7%
Herkimer	$761,603,264	($175,182,738)	($7,007,310)	-23.0%
Jefferson	$1,941,700,670	($450,474,228)	($18,018,969)	-23.2%
Lewis	$308,119,622	($66,339,104)	($2,653,564)	-21.5%
Livingston	$863,999,016	($189,897,466)	($7,595,899)	-22.0%
Madison	$830,761,281	($183,824,509)	($7,352,980)	-22.1%
Monroe	$12,686,837,360	($2,768,869,793)	($110,754,792)	-21.8%
Montgomery	$761,057,461	($166,900,676)	($6,676,027)	-21.9%
Nassau	$28,160,209,719	($6,298,942,448)	($251,957,698)	-22.4%

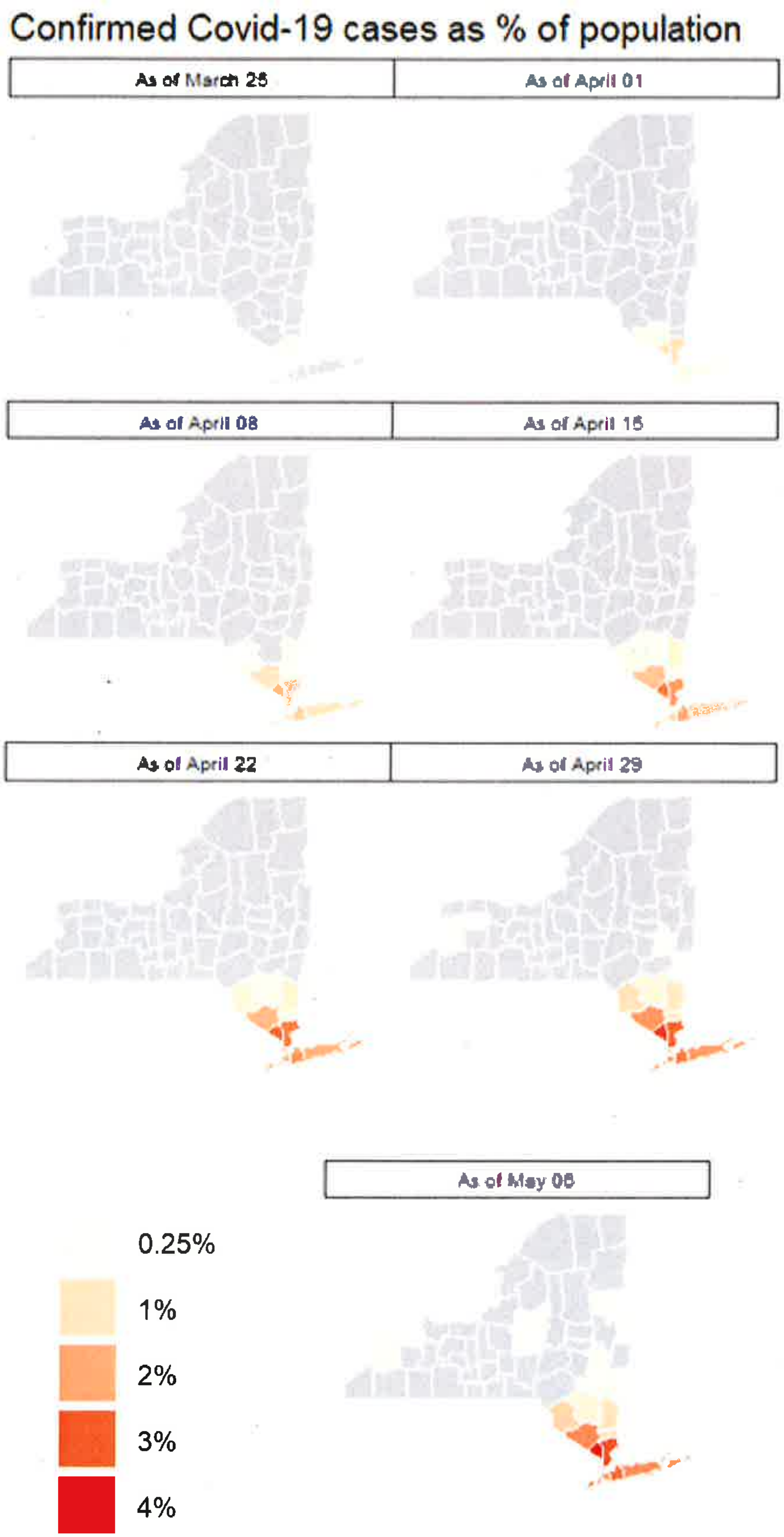
Niagara	$3,372,600,762	($763,116,825)	($30,524,673)	-22.6%
Oneida	$3,391,123,270	($759,465,967)	($30,378,639)	-22.4%
Onondaga	$9,060,195,469	($2,000,829,744)	($80,033,190)	-22.1%
Ontario	$2,436,735,042	($550,786,945)	($22,031,478)	-22.6%
Orange	$7,697,541,554	($1,660,160,561)	($66,406,422)	-21.6%
Orleans	$417,422,404	($82,778,443)	($3,311,138)	-19.8%
Oswego	$1,155,859,912	($253,415,228)	($10,136,609)	-21.9%
Otsego	$966,689,964	($241,585,406)	($9,663,416)	-25.0%
Putnam	$1,575,849,375	($326,629,799)	($13,065,192)	-20.7%
Rensselaer	$2,260,212,659	($498,597,329)	($19,943,893)	-22.1%
Rockland	$5,402,264,754	($1,119,374,188)	($44,774,968)	-20.7%
Saratoga	$4,576,730,579	($1,078,542,077)	($43,141,683)	-23.6%
Schenectady	$2,524,314,300	($542,357,855)	($21,694,314)	-21.5%
Schoharie	$398,670,324	($88,202,304)	($3,528,092)	-22.1%
Schuyler	$284,709,264	($75,139,288)	($3,005,572)	-26.4%
Seneca	$655,434,453	($155,675,640)	($6,227,026)	-23.8%
St Lawrence	$1,466,072,854	($305,073,160)	($12,202,926)	-20.8%
Steuben	$1,458,470,647	($324,807,568)	($12,992,303)	-22.3%
Suffolk	$34,945,084,640	($7,589,931,090)	($303,597,244)	-21.7%
Sullivan	$1,149,216,973	($255,257,019)	($10,210,281)	-22.2%
Tioga	$605,422,022	($123,768,660)	($4,950,746)	-20.4%
Tompkins	$1,655,147,748	($374,175,205)	($14,967,008)	-22.6%
Ulster	$3,044,442,117	($715,961,973)	($28,638,479)	-23.5%
Warren	$1,913,987,519	($523,268,945)	($20,930,758)	-27.3%
Washington	$671,497,065	($135,318,550)	($5,412,742)	-20.2%
Wayne	$1,132,343,446	($240,341,915)	($9,613,677)	-21.2%
Westchester	$21,749,646,736	($4,663,987,324)	($186,559,493)	-21.4%
Wyoming	$463,996,357	($98,486,808)	($3,939,472)	-21.2%
Yates	$318,900,130	($67,457,899)	($2,698,316)	-21.2%
Counties	**$209,664,937,308**	**($46,327,328,598)**	**($1,853,093,144)**	**-22.1%**

[1] Estimated Percent Change from baseline

[2] Before Sales Tax Sharing and State Diversion for AIM-related payments

This chart includes a column for total taxable sales to give a sense of the size of the economic transactions that could be lost. The consumer is the heart of the economy and the loss of these transactions will have a significant impact.

Appendix A



Source: Author's analysis of data from New York Times (https://github.com/nytimes/covid-19-data).
Population data are for 2019. Counties with infection rate < 0.25% are shaded grey.

Appendix B

Potential Occupancy Tax and Gaming Revenue Losses

	Potential Occupancy Tax Loss[2]		Potential Gaming Tax Loss		Potential Combined Loss	
	Milder	Severe	Milder	Severe	Milder	Severe
Albany	$3,902,380	$6,130,625	$725,010	$1,087,515	**$4,627,390**	**$7,218,141**
Allegany*	$49,747	$79,063	$96,132	$144,199	**$145,879**	**$223,261**
Broome	$893,219	$1,398,933	$1,447,385	$2,171,077	**$2,340,604**	**$3,570,010**
Cattaraugus*	$163,418	$276,288	$698,886	$1,048,329	**$862,304**	**$1,324,618**
Cayuga	$231,195	$366,137	$184,726	$277,088	**$415,921**	**$643,226**
Chautauqua*	$808,329	$1,326,776	$264,960	$397,440	**$1,073,289**	**$1,724,216**
Chemung*	$295,710	$464,741	$392,918	$589,377	**$688,628**	**$1,054,118**
Chenango	$18,211	$29,640	$116,517	$174,775	**$134,728**	**$204,415**
Clinton	$273,061	$439,686	$197,032	$295,548	**$470,093**	**$735,234**
Columbia	$0	$0	$125,027	$187,541	**$125,027**	**$187,541**
Cortland	$195,987	$303,896	$113,883	$170,825	**$309,870**	**$474,720**
Delaware	$75,957	$125,162	$95,074	$142,611	**$171,031**	**$267,773**
Dutchess	$1,512,918	$2,403,620	$589,487	$884,230	**$2,102,404**	**$3,287,850**
Erie*	$5,229,849	$8,338,100	$1,291,814	$1,937,722	**$6,521,663**	**$10,275,822**
Essex	$1,154,964	$1,979,744	$94,452	$141,678	**$1,249,416**	**$2,121,422**
Franklin	$246,039	$421,347	$924,456	$1,386,684	**$1,170,495**	**$1,808,031**
Fulton	$106,731	$170,177	$132,347	$198,521	**$239,078**	**$368,697**
Genesee*	$191,471	$296,802	$117,998	$176,997	**$309,469**	**$473,799**
Greene	$0	$0	$97,533	$146,300	**$97,533**	**$146,300**
Hamilton	$0	$0	$11,602	$17,402	**$11,602**	**$17,402**
Herkimer	$0	$0	$148,930	$223,396	**$148,930**	**$223,396**
Jefferson	$227,589	$357,340	$278,843	$418,265	**$506,432**	**$775,605**
Lewis	$39,001	$65,985	$62,526	$93,788	**$101,526**	**$159,773**
Livingston*	$76,162	$119,514	$128,435	$192,653	**$204,597**	**$312,167**
Madison	$154,240	$238,551	$810,000	$1,215,000	**$964,240**	**$1,453,551**
Monroe*	$4,000,244	$6,314,523	$1,461,929	$2,192,893	**$5,462,173**	**$8,507,416**
Montgomery	$30,612	$52,246	$119,687	$179,531	**$150,299**	**$231,777**
Nassau[1]	$2,882,554	$4,590,358	$24,000,000	$36,000,000	**$26,882,554**	**$40,590,358**
Niagara*	$1,963,929	$3,029,549	$326,574	$489,861	**$2,290,503**	**$3,519,411**
Oneida	$837,725	$1,335,640	$5,325,524	$7,988,286	**$6,163,249**	**$9,323,926**
Onondaga	$3,125,132	$4,940,413	$1,078,046	$1,617,070	**$4,203,178**	**$6,557,483**
Ontario*	$512,211	$817,801	$211,982	$317,973	**$724,192**	**$1,135,774**
Orange	$2,018,901	$3,152,166	$738,747	$1,108,120	**$2,757,648**	**$4,260,286**
Orleans*	$9,839	$16,274	$84,224	$126,337	**$94,063**	**$142,610**
Oswego	$97,316	$162,237	$281,867	$422,801	**$379,184**	**$585,038**
Otsego	$823,892	$1,266,424	$143,714	$215,570	**$967,606**	**$1,481,995**
Putnam	$0	$0	$0	$0	**$0**	**$0**
Rensselaer	$256,577	$407,679	$379,968	$569,951	**$636,544**	**$977,631**
Rockland	$619,337	$993,326	$0	$0	**$619,337**	**$993,326**
Saratoga	$455,386	$714,941	$523,390	$785,085	**$978,776**	**$1,500,026**
Schnectady	$576,767	$911,728	$1,054,558	$1,581,837	**$1,631,325**	**$2,493,565**
Schoharie	$34,005	$54,070	$78,051	$117,076	**$112,055**	**$171,146**
Schuyler*	$290,689	$458,816	$88,481	$132,722	**$379,170**	**$591,538**
Seneca	$87,731	$138,602	$852,985	$1,279,477	**$940,715**	**$1,418,079**
St. Lawrence	$181,875	$289,188	$924,456	$1,386,684	**$1,106,331**	**$1,675,872**
Steuben*	$460,518	$732,691	$194,421	$291,632	**$654,939**	**$1,024,323**
Suffolk	$5,815,682	$9,033,716	$5,200,000	$7,800,000	**$11,015,682**	**$16,833,716**
Sullivan	$819,736	$1,320,712	$1,003,744	$1,505,616	**$1,823,480**	**$2,826,328**
Tioga	$55,129	$87,417	$495,442	$743,164	**$550,572**	**$830,581**
Tompkins	$1,125,889	$1,717,517	$732,812	$1,099,219	**$1,858,701**	**$2,816,736**
Ulster	$1,018,440	$1,674,640	$361,618	$542,427	**$1,380,058**	**$2,217,068**
Warren	$2,293,256	$3,591,223	$157,637	$236,455	**$2,450,893**	**$3,827,679**
Washington	$7,762	$13,965	$150,663	$225,994	**$158,425**	**$239,960**
Wayne*	$0	$0	$289,287	$433,930	**$289,287**	**$433,930**
Westchester	$3,230,966	$5,162,199	$0	$0	**$3,230,966**	**$5,162,199**
Wyoming*	$22,618	$34,153	$82,795	$124,192	**$105,412**	**$158,345**
Yates*	$119,382	$199,039	$49,785	$74,677	**$169,167**	**$273,716**
GRAND TOTALS	$49,612,679	$78,532,865	$55,538,360	$83,307,540	$105,151,039	$161,840,405

[1] NYSAC estimates from Nassau County - OTB and VLT data.

[2] Represents all occupancy tax in a county, including taxes assessed by other muncipalities within the county.

* Annualized for 2020 Seneca Nation payment if it occurs.

Appendix C

Potential State Aid Losses*

	Estimated Reimbursement/Aid Cut (-20%)	Estimated Reimbursement/Aid Cut (-50%)		Estimated Reimbursement/Aid Cut (-20%)	Estimated Reimbursement/Aid Cut (-50%)
Albany	$12,141,622	$30,354,055	**Oneida**	$16,212,570	$40,531,426
Allegany	$4,323,327	$10,808,317	**Onondaga**	$22,100,000	$55,250,000
Broome	$12,570,719	$31,426,798	**Ontario**	$6,139,571	$15,348,929
Cattaraugus	$5,700,752	$14,251,879	**Orange**	$18,994,258	$47,485,644
Cayuga	$4,996,099	$12,490,247	**Orleans**	$2,349,259	$5,873,147
Chautauqua	$6,556,782	$16,391,954	**Oswego**	$6,506,893	$16,267,233
Chemung	$4,600,000	$11,500,001	**Otsego**	$3,991,629	$9,979,073
Chenango	$3,091,454	$7,728,634	**Putnam**	$4,439,444	$11,098,611
Clinton	$4,940,000	$12,350,000	**Rensselaer**	$9,485,400	$23,713,500
Columbia	$4,384,872	$10,962,180	**Rockland**	$17,419,864	$43,549,659
Cortland	$3,375,206	$8,438,016	**Saratoga**	$6,301,118	$15,752,795
Delaware	$2,787,695	$6,969,238	**Schnectady**	$10,042,485	$25,106,212
Dutchess	$17,385,108	$43,462,769	**Schoharie**	$3,804,851	$9,512,127
Erie	$42,176,801	$105,442,002	**Schuyler**	$1,566,694	$3,916,735
Essex	$3,047,824	$7,619,559	**Seneca**	$2,694,844	$6,737,109
Franklin	$4,267,501	$10,668,752	**St. Lawrence**	$5,795,030	$14,487,575
Fulton	$2,794,864	$6,987,160	**Steuben**	$5,300,372	$13,250,930
Genesee	$3,376,671	$8,441,678	**Suffolk**	$66,489,068	$166,222,670
Greene	$3,495,250	$8,738,124	**Sullivan**	$4,713,101	$11,782,752
Hamilton	$891,977	$2,229,941	**Tioga**	$2,466,707	$6,166,768
Herkimer	$3,258,283	$8,145,708	**Tompkins**	$6,820,000	$17,050,000
Jefferson	$6,413,987	$16,034,969	**Ulster**	$10,759,784	$26,899,459
Lewis	$2,096,603	$5,241,508	**Warren**	$3,412,120	$8,530,301
Livingston	$5,083,600	$12,708,999	**Washington**	$2,964,393	$7,410,983
Madison	$4,492,168	$11,230,419	**Wayne**	$4,687,437	$11,718,592
Monroe	$40,020,000	$100,050,000	**Westchester**	$67,391,964	$168,479,909
Montgomery	$2,728,339	$6,820,849	**Wyoming**	$3,360,613	$8,401,533
Nassau	$55,098,200	$137,745,500	**Yates**	$1,784,016	$4,460,041
Niagara	$8,025,081	$20,062,703	**GRAND TOTALS**	**$592,114,267**	**$1,480,285,668**

* Based on SFY $8.2 billion cut in Aid to Localities reflected in the Enacted State Financial Plan, with low end range based on equal across-the-board cuts and high end based on holding school aid and Medicaid harmless.

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MARCH 2020

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Disclaimer: This economic analysis and report were completed in the earliest days of Covid 19 crisis in New York State. The economic impact is now expected to be more severe than presented in the initial report as more recent economic data is worse than initially projected by many economists, and the timeline for a return to normalcy continues to be unclear.

Introduction

NYSAC has developed early estimates of how the coronavirus pandemic may impact sales tax receipts for counties outside of New York City. Given the short time frame and rapidly changing events, it is important to view the following estimates as suggestive of what could happen rather than precise estimates.

The report constructs two scenarios. The first is consistent with a mild recession and a quick recovery, and the second assumes a more severe and prolonged recession with effects like those that the New York City Comptroller appears to have estimated. In both scenarios, the sharpest impacts are on industries related to tourism, recreation, and restaurants.

Under the mild scenario, sales tax revenue in counties outside New York City would fall about 4 percent below baseline growth in 2020, for a loss of about $350 million on a full-year basis. Under the more severe scenario, sales tax revenue would fall about 12 percent below the baseline, or approximately $1 billion on a full-year basis. The state, also, will be struggling with revenue shortfalls, particularly in its income, sales, and profits-based taxes.

As the state struggles fiscally, it is anticipated that significant state aid reimbursement cuts to counties and local government will follow, and those cuts could be significant. Counties face a quadruple threat of declining local revenues, especially sales tax, but also mortgage recording taxes and hotel occupancy taxes; higher spending necessary to respond to the health emergency; the loss of state reimbursement; and the potential of significant losses for small businesses on our main streets that could threaten jobs and the property tax base over the short to mid-term.

The more-severe of the two scenarios in no way represents a worst case. Events are unfolding rapidly as are governments' responses. In the last day several well-regarded economic forecasting firms have lowered their forecasts further. More will follow suit.

We cannot stress enough how uncertain any forecast is. The potential spread, severity, and duration of the virus are poorly understood, and expert knowledge is evolving. The extent and duration of lockdowns, travel restrictions, and other responses that protect public health but damage short-term economic growth have been increasing as policy makers and public health officials learn more. The stock market has been swinging wildly. Economic forecasters have been rushing to release unscheduled forecast revisions in an effort to keep up with events: several forecasters have changed their outlook from moderate growth to recession in the last few days. Policymakers understandably want estimates that won't change, but it would be unwise to expect that. Rather, they will need to monitor events and forecasts closely and update their plans periodically in coming months as the scope and extent of the current crisis becomes clearer.

COVID-19 and the Economy

The spread of COVID-19 and the response of governments, individuals, and businesses will have major effects on the health of individuals, the health of the economy, and the finances of government. In addition to the human costs of this crisis, the economy will be hit in several significant ways.

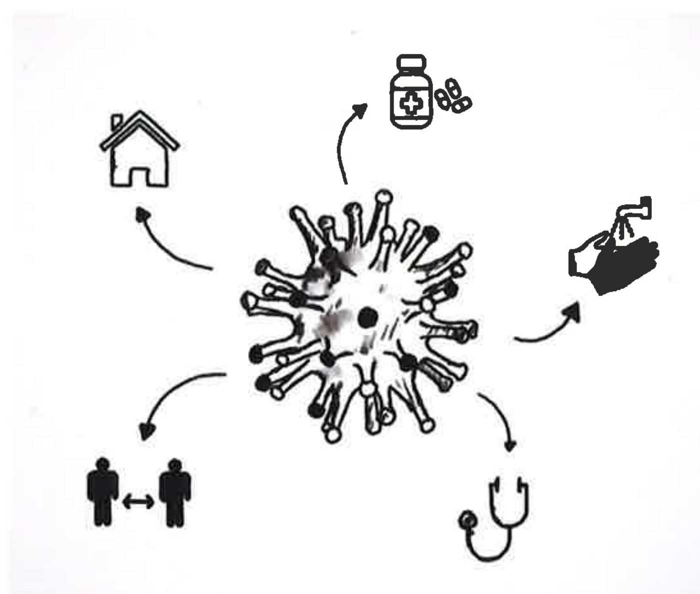
There will be direct economic effects, such as loss of income due to sickness and death, lost work time of caregivers and of parents with children out of school. Consumption will be lower as a direct result of lower income, and restrictions on travel, mass gatherings, closing of restaurants, and other activities. Business supply chains will be disrupted and the costs of doing business will rise.

In addition, fear and uncertainty will lead to difficult-to-predict responses, including panic selling in the stock market and further cutbacks in consumption to conserve resources for hard times ahead.

Bans on travel and mass gatherings, forced shutdowns, and fear of social contact will be especially hard on restaurants and on industries related to tourism, recreation, and the arts. Stock market selloffs and associated uncertainty are likely to hit financial service industries hard. All these industries are especially important in New York.

Governments will respond in many ways, including public health policies that could limit the damage to the health and safety to Americans, with relief policies that help soften some of the problems caused by the coronavirus, and with fiscal and monetary policies intended to stimulate the economy. A major reason for the falloff in consumer spending is the fear of social contact. That fear may remain, even if people have more money in their pockets from direct federal payments, potentially dampening the effect of fiscal policy.

A recession now seems inevitable, although its depth and duration remain major uncertainties.



Sharp retrenchment in the near term could create pent up demand, contributing to a sharp recovery once storm clouds break – for example, people who push off purchases of cars, washing machines, and other durable goods may rush out to fulfill these needs and wants once the situation improves.

Some economists and forecasters have constructed scenarios that examine the potential impacts of pandemics on the economy. For example in 2006 the Congressional Budget Office (CBO) constructed a severe pandemic-scenario for a hypothetical virus that infected 30 percent of the U.S. population and had 2.5 percent case-fatality rate, leading to more than 2 million deaths.[i] Based on their analysis of responses to the SARS epidemic of 2003, the estimated that a pandemic with similar economic effects could lead to a reduction in gross domestic product (GDP) of a little more than 4 percent vs. a baseline scenario. In their severe scenario, they assumed that demand would decline by 80 percent in industries associated with tourism such as hotels, restaurants, and arts and recreation and by 67 percent in travel-related industries Ominously, they noted that pandemics often have a second wave after conditions improve, as people resume normal activity and restrictions ease.[ii]

A medium-severity COVID-19 pandemic scenario by Warwick J. McKibbin and Roshen Fernando, which assumed a 20 percent infection rate and a 2.5 percent case-fatality rate in China, and lesser health effects in the United States, led to a 4.8 percent reduction in GDP compared to the baseline forecast.[iii] Several other studies have attempted to estimate the economic impacts of pandemic scenarios.[iv]

December 31, 2019
Cases of pneumonia reported in Wuhan, China

January 7, 2020
Chinese authorities identify a novel coronavirus

January 21, 2020
Officials in Washington state confirm the first case in US

January 29, 2020
The White House announces the formation of a new task force that will help monitor and contain the spread of the virus

February 11, 2020
The WHO names the coronavirus COVID-19.

March 1, 2020
First confirmed case of COVID-19 in New York.

March 7, 2020
Governor Cuomo declares a state of emergency for New York, after 89 cases had been confirmed.

March 12, 2020
Gov. Cuomo announces restrictions on mass gatherings

March 14, 2020
First two fatalities in the state

March 17, 2020
1,374 confirmed cases and 15 deaths in the state.

March 17, 2020
The first US clinical trial of a COVID-19 vaccine candidate, which is Moderna's mRNA-1273, starts

Macroeconomic forecasters have been revising their forecasts to reflect rapidly unfolding events, policy responses, and what is known from prior studies such as those noted above. The speed with which forecasters have lowered their economic forecasts is astonishing, not because of shortcomings on their part but because events are moving so quickly. Between March 11 and March 13 IHS Markit, a major forecaster, went from affirming a forecast of no recession to forecasting that there will be a substantial contraction. Between March 12 and March 16, the UCLA Anderson Forecast, also highly regarded, went from growth to recession.[v] Moody's Analytics and JP Morgan also have said that the economy is entering recession. Additional forecasters will follow suit as they update their forecasts.

A recession now seems inevitable although its depth and duration remain major uncertainties.

Counties that have declared states of emergency
As of March 16, 2020

Potential Scenarios: County Sales Tax

The sales tax is the largest source of locally generated revenue in the average county, accounting for 43 percent of local revenue. The industries likely to be hit especially hard are tourism-related industries, as noted in the CBO analysis mentioned above. For the counties outside New York City, these industries account for approximately 12 percent of taxable sales on average; in New York City they account for approximately 24 percent of sales.

Recently the New York City Comptroller released estimates of tax revenue loss under assumptions that hotels would be at only 20 percent occupancy through June followed by a gradual recovery, restaurant sales would decline by 80 percent, and real estate sales and retail sales would decline by 20 percent.[vi] It is estimated that NYC will lose $3.2 billion in revenue over the next 6 months alone. These declines are similar to the declines in demand estimated in the CBO report.

After reviewing these and other studies, two recession scenarios can be constructed.

In the milder scenario, sales in restaurants, hotels, and other tourism-related industries fall by 40 percent for a 3-month period, transportation-related sales fall by 33 percent for that period, and other retail sales fall by 10 percent. The economy begins to recover after the initial sharp fall, with sales reverting to baseline after an additional 6 months of gradually lessening weakness. The recession that still has significant impacts on county sales tax revenue because it hits key revenue-producing industries that are especially important to the sales tax. For counties outside New York City, taxable sales on a full-year basis fall by approximately 4 percent relative to the baseline, or about $350 million.

In the more severe scenario, which incorporates assumptions like those of Comptroller Stringer and the CBO's severe scenario, sales tax revenue in the counties outside New York City would fall about 12 percent below the baseline, or approximately $1 billion on a full-year basis.

Mild Scenario

	Total Taxable sales 2018-19	Loss in Taxable Sales	Potential Sales Tax Loss[2]	% loss[1]
Albany	6,839,042,563	(280,729,444)	($11,229,178)	(4.1)
Allegany	473,025,920	(15,903,808)	($715,671)	(3.4)
Broome	3,397,608,371	(131,193,858)	($5,247,754)	(3.9)
Cattaraugus	1,103,934,335	(42,842,796)	($1,713,712)	(3.9)
Cayuga	1,160,012,283	(42,870,527)	($1,714,821)	(3.7)
Chautauqua	1,678,406,305	(71,408,069)	($2,856,323)	(4.3)
Chemung	1,509,742,024	(58,823,820)	($2,352,953)	(3.9)
Chenango	624,253,793	(20,114,722)	($804,589)	(3.2)
Clinton	1,412,166,690	(55,005,570)	($2,200,223)	(3.9)
Columbia	1,078,451,233	(38,359,764)	($1,534,391)	(3.6)
Cortland	741,501,943	(28,596,798)	($1,143,872)	(3.9)
Delaware	563,629,542	(19,309,983)	($772,399)	(3.4)
Dutchess	5,282,491,169	(205,384,549)	($7,701,921)	(3.9)
Erie	16,656,715,738	(709,573,624)	($33,704,747)	(4.3)
Essex	778,576,299	(43,623,101)	($1,744,924)	(5.6)
Franklin	615,572,608	(21,632,035)	($865,281)	(3.5)
Fulton	733,845,628	(26,315,689)	($1,052,628)	(3.6)
Genesee	1,034,298,129	(46,843,126)	($1,873,725)	(4.5)
Greene	818,429,279	(35,554,176)	($1,422,167)	(4.3)
Hamilton	98,362,724	(5,004,829)	($200,193)	(5.1)
Herkimer	761,603,264	(30,340,226)	($1,289,460)	(4.0)
Jefferson	1,941,700,670	(83,907,783)	($3,356,311)	(4.3)
Lewis	308,119,622	(10,446,388)	($417,856)	(3.4)
Livingston	863,999,016	(32,714,947)	($1,308,598)	(3.8)
Madison	830,761,281	(32,164,661)	($1,286,586)	(3.9)
Monroe	12,686,837,360	(507,963,715)	($20,318,549)	(4.0)
Montgomery	761,057,461	(26,309,679)	($1,052,387)	(3.5)
Nassau	28,160,209,719	(1,168,981,902)	($49,681,731)	(4.2)

Niagara	3,372,600,762	(146,872,359)	($5,874,894)	(4.4)
Oneida	3,391,123,270	(134,442,958)	($6,386,041)	(4.0)
Onondaga	9,060,195,469	(363,019,392)	($14,520,776)	(4.0)
Ontario	2,436,735,042	(101,114,222)	($3,538,998)	(4.1)
Orange	7,697,541,554	(293,804,860)	($11,017,682)	(3.8)
Orleans	417,422,404	(13,989,622)	($559,585)	(3.4)
Oswego	1,155,859,912	(40,872,349)	($1,634,894)	(3.5)
Otsego	966,689,964	(49,221,682)	($1,968,867)	(5.1)
Putnam	1,575,849,375	(55,813,006)	($2,232,520)	(3.5)
Rensselaer	2,260,212,659	(84,199,082)	($3,367,963)	(3.7)
Rockland	5,402,264,754	(202,886,757)	($8,115,470)	(3.8)
Saratoga	4,576,730,579	(198,209,713)	($5,946,291)	(4.3)
Schenectady	2,524,314,300	(90,438,733)	($3,617,549)	(3.6)
Schoharie	398,670,324	(14,572,248)	($582,890)	(3.7)
Schuyler	284,709,264	(15,342,643)	($613,706)	(5.4)
Seneca	655,434,453	(27,844,216)	($1,113,769)	(4.2)
St Lawrence	1,466,072,854	(52,911,739)	($2,116,470)	(3.6)
Steuben	1,458,470,647	(56,667,416)	($2,266,697)	(3.9)
Suffolk	34,945,084,640	(1,405,488,364)	($59,733,255)	(4.0)
Sullivan	1,149,216,973	(46,331,384)	($1,853,255)	(4.0)
Tioga	605,422,022	(19,635,471)	($785,419)	(3.2)
Tompkins	1,655,147,748	(72,504,027)	($2,900,161)	(4.4)
Ulster	3,044,442,117	(130,425,646)	($5,217,026)	(4.3)
Warren	1,913,987,519	(108,856,294)	($3,265,689)	(5.7)
Washington	671,497,065	(20,111,998)	($603,360)	(3.0)
Wayne	1,132,343,446	(38,505,497)	($1,540,220)	(3.4)
Westchester	21,749,646,736	(859,456,186)	($34,378,247)	(4.0)
Wyoming	463,996,357	(17,253,933)	($690,157)	(3.7)
Yates	318,900,130	(11,757,803)	($470,312)	(3.7)
Counties	$209,664,937,308	($8,464,469,187)	($346,475,112)	(4.0)

[1] Estimated Percent Change from baseline

[2] Before Sales Tax Sharing and State Diversion for AIM-related payments

This chart includes a column for total taxable sales to give a sense of the size of the economic transactions that could be lost. The consumer is the heart of the economy and the loss of these transactions will have a significant impact.

Severe Scenario

County	Potential Sales Tax Loss[2]	% loss[1]
Albany	($34,117,128)	(12.5)
Allegany	($2,172,427)	(10.2)
Broome	($16,001,776)	(11.8)
Cattaraugus	($5,275,644)	(11.9)
Cayuga	($5,221,800)	(11.3)
Chautauqua	($8,688,207)	(12.9)
Chemung	($7,192,509)	(11.9)
Chenango	($2,433,466)	(9.7)
Clinton	($6,698,961)	(11.9)
Columbia	($4,701,953)	(10.9)
Cortland	($3,475,531)	(11.7)
Delaware	($2,354,966)	(10.4)
Dutchess	($23,520,291)	(11.9)
Erie	($102,906,146)	(13.0)
Essex	($5,478,240)	(17.6)
Franklin	($2,666,973)	(10.8)
Fulton	($3,197,016)	(10.9)
Genesee	($5,662,685)	(13.7)
Greene	($4,380,882)	(13.4)
Hamilton	($622,223)	(15.8)
Herkimer	($3,952,390)	(12.2)
Jefferson	($10,109,201)	(13.0)
Lewis	($1,270,544)	(10.3)
Livingston	($3,956,143)	(11.4)
Madison	($3,879,031)	(11.7)
Monroe	($61,751,198)	(12.2)
Montgomery	($3,201,743)	(10.5)
Nassau	($151,919,659)	(12.7)

Niagara	($17,753,189)	(13.2)
Oneida	($19,448,989)	(12.1)
Onondaga	($44,016,383)	(12.1)
Ontario	($10,798,707)	(12.7)
Orange	($33,544,339)	(11.6)
Orleans	($1,704,954)	(10.2)
Oswego	($4,928,668)	(10.7)
Otsego	($5,943,379)	(15.4)
Putnam	($6,790,421)	(10.8)
Rensselaer	($10,234,463)	(11.3)
Rockland	($24,871,809)	(11.5)
Saratoga	($24,069,512)	(13.1)
Schenectady	($11,034,502)	(10.9)
Schoharie	($1,770,389)	(11.1)
Schuyler	($1,859,435)	(16.3)
Seneca	($3,395,533)	(13.0)
St Lawrence	($6,421,942)	(11.0)
Steuben	($6,879,200)	(11.8)
Suffolk	($181,800,109)	(12.2)
Sullivan	($5,630,233)	(12.2)
Tioga	($2,399,960)	(9.9)
Tompkins	($8,743,966)	(13.2)
Ulster	($15,962,875)	(13.1)
Warren	($9,943,563)	(17.3)
Washington	($1,837,298)	(9.1)
Wayne	($4,662,493)	(10.3)
Westchester	($105,423,913)	(12.1)
Wyoming	($2,080,736)	(11.2)
Yates	($1,424,817)	(11.2)
NY Outside NYC	($1,062,184,509)	(12.3)

[1] Estimated Percent Change from baseline

[2] Before Sales Tax Sharing and State Diversion for AIM-related payments

Endnotes

Special thanks to Don Boyd for his contribution to this report.

1 Congressional Budget Office, "A Potential Influenza Pandemic: Possible Macroeconomic Effects and Policy Issues" (Congressional Budget Office, July 2006), https://www.cbo.gov/sites/default/files/109th-congress-2005-2006/reports/12-08-birdflu.pdf.

2 If the virus wanes in warmer months, a second wave could occur when weather again gets colder.

3 Warwick J. McKibbin and Roshen Fernando, "The Global Macroeconomic Impacts of COVID-19: Seven Scenarios," SSRN Electronic Journal, 2020, https://doi.org/10.2139/ssrn.3547729.

4 For example: Mark Zandi, Steven G. Cochrane, and Xiao Chun Xu, "COVID-19 Alternative Scenarios," February 2020, https://www.moodysanalytics.com/-/media/article/2020/global-convid19-scenario-narratives.pdf.; Fynnwin Prager, Dan Wei, and Adam Rose, "Total Economic Consequences of an Influenza Outbreak in the United States: Economic Consequences of Influenza," Risk Analysis 37, no. 1 (January 2017): 4–19, https://doi.org/10.1111/risa.12625.; Warwick J. McKibbin and Alexandra A. Sidorenko, "Global Macroeconomic Consequences of Pandemic Influenza" (Lowy Institute for International Policy, February 2006), http://www.lowyinstitute.org/sites/default/files/pubfiles/McKibbin_Sidorenko%2C_Global_macroeconomic_1.pdf.

5 UCLA Anderson School of Management, "2020 Recession," UCLA Anderson School of Management, March 16, 2020, https://www.anderson.ucla.edu/centers/ucla-anderson-forecast/2020-recession.

6 "Comptroller Stringer: City Must Take Immediate Action to Prepare For Economic Impacts of COVID-19 and Protect Vital Services for Most Vulnerable New Yorkers," New York City Comptroller Scott Stringer, March 16, 2020, https://comptroller.nyc.gov/newsroom/comptroller-stringer-city-must-take-immediate-action-to-prepare-for-economic-impacts-of-covid-19-and-protect-vital-services-for-most-vulnerable-new-yorkers/.

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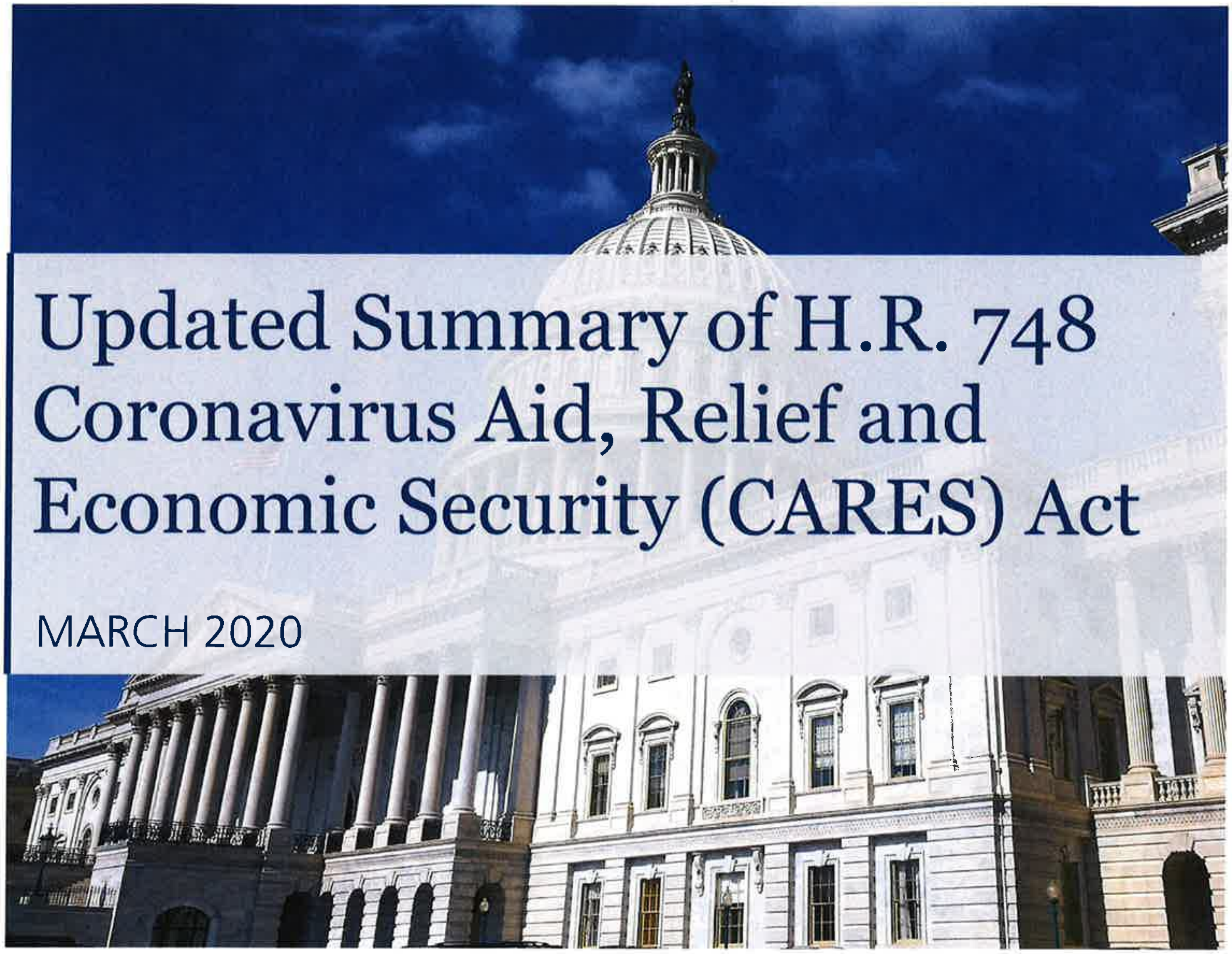

Updated Summary of H.R. 748 Coronavirus Aid, Relief and Economic Security (CARES) Act

MARCH 2020

HON. JOHN F. MARREN
President

STEPHEN J. ACQUARIO
Executive Director

Counties Working For You

540 Broadway, 5th Floor
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Introduction

Congress has enacted three major COVID-19 emergency response bills that have been signed into law that provide funds for a variety of programs and entities to help in the immediate response to the pandemic. This report provides a summary of the third package that will provide about $2 trillion in federal fiscal stimulus to help address some of the economic fallout from the planned, temporary shutdown of large segments of the economy to help stop the spread of the virus. This report provides some details for the measure's impact on counties and the State of New York. Below is a summary of the major provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020

Coronavirus Relief Fund for States & Local Governments ($150 billion)

Provides funds to states (and local governments with a population of 500,000 or more) to cover the costs of direct COVID-19 response that were unbudgeted in the most recently adopted state or local government budget and incurred between March 1, 2020 and December 31, 2020.

- $11 billion is set aside for the District of Columbia and the U.S. Territories, with $139 billion available for states based on their overall population (minimum of $1.25B for any state).
    - Based on 2019 census data we estimate the State of New York and its subdivisions would be eligible to apply for reimbursements of about $7.5 billion. Under the bill, at least 55 percent of this amount ($4.13B) is reserved for the state (it is assumed this the state share would grow if local jurisdictions do not claim all they are entitled to). The remaining amount is available for local governments above 500,000 to apply for reimbursement, for counties this would be (New York City, Suffolk, Nassau, Westchester, Erie and Monroe).
    - Jurisdictions above 500,000 in NYS would be able to apply directly to the federal government to cover their direct COVID-19 local costs based on their share of the statewide population, multiplied by 45% of the amount set aside for the entire state. Under this scenario the following jurisdictions could apply for COVID-19 reimbursements directly:
        - New York City – $1.45 billion
        - Suffolk County – $256 million
        - Nassau County – $235 million
        - Westchester County – $167 million
        - Erie County – $159 million
        - Monroe County – $128 million

These are initial NYSAC estimates and we are seeking confirmation of how the calculation will work. It is unclear how the Town of Hempstead would be treated as they are part of Nassau County, but over 500,000 in population.

Small Business Interruption Assistance ($349 billion)

- **Payroll Protection Loan Programs** – Loans through SBA would be available for the period February 15, 2020 through December 31, 2020, for firms with 500 or fewer employees, includes not-for-profits ESOPs, independent contractors, sole proprietors, cooperatives, among others. More details can be found here: Small Business CARES Act - bit.ly/SmallBusinessCARESAct

- **Maximum Loan Amounts** – the lessor of the average total monthly payments by the applicant for payroll incurred during the 1-year period before the date on which the loan is made, multiplied by 2.5 or $10,000,000. Fees for loans would be waived. Loan proceeds can be used for general businesses expenses including rent, mortgage, salaries, paid sick leave, utilities, etc.
- **Loan Forgiveness** – A portion of these loans could be forgiven for a covered period (February 15, 2020 through June 30, 2020). The forgiveness of indebtedness on a covered loan in an amount equal to the cost of maintaining payroll continuity during the covered period. Loan forgiveness reduced if payroll not maintained during loan period.
- **Special provisions are included to recognize entrepreneurial enterprises and women- and minority-owned business**

Enhanced Unemployment Compensation

- **Federal Pandemic Unemployment Compensation** – Unemployment insurance programs are expanded to workers not generally eligible for unemployment in all states including contractors, self-employed, gig economy workers and part time. The bill provides:
  - Enhanced unemployment payment of $600 on top of the computed weekly amount in such state. This enhanced payment application period is available through July 31, 2020.
  - General unemployment is extended from 26 weeks to 39 under this emergency.
  - The pandemic UI benefit is payable to unemployed individuals that may have exhausted regular state and federal UI benefits for any benefit year that ended before July 1, 2019.
  - The benefit paid to workers and all administrative costs will be 100% federally funded.
  - Federal pandemic UI compensation received by individuals will not be counted as income for purposes of determining eligibility for Medicaid or CHIP benefits.

Relief for Individuals & Families ($306 billion)

- **Tax credits/rebates of up to $1,200 for individuals and $2,400 for couples**, with an income cap that begins to phase out at $75,000 (limit is $99,000) in adjusted gross income for an individual and $150,000 (limit is $198,000) for couples based on 2018 or 2019 filed tax returns (the phaseout is 5% of AGI above the threshold amount). Additional $500 per child also part of the package. All recipients must have a valid taxpayer identification number.
  - Rebates will be direct deposited by the federal government for taxpayers that have direct deposit details with the IRS after January 1, 2018 and could happen within a few weeks of the bill being signed into law. Others would receive checks in the mail but that is expected to take several weeks or months. No action is required by the tax payer in either case.
- **Withdraws from Retirement Accounts** – Allows special coronavirus related withdrawals from retirement accounts without penalties. Waives minimum distribution rules for 2020 from 401, 403, 457 and other individual retirement accounts.
- **Expands Charitable Deductions** – For taxpayers that do not itemize it offers a temporary deduction for tax year's beginning in 2020, up to $300. Includes other temporary increases and changes to charitable contribution limits.
- **Allows Delay in Mortgage Payments for Federally Backed Loans** – Allows a borrowing that is directly or indirectly negatively impacted by the COVID-19 emergency to delay mortgage payments for up to 180 days without accruing interest penalties. The borrower must contact their lender to seek this deferral.

Business Tax Assistance ($275 billion)

- **Provides Refundable Tax Credits to Small Businesses ($54 billion)** – Allows small employers to receive a refundable tax credit against employment taxes and health insurance premiums paid during which time revenues drop significantly due to COVID-19 quarantines or other restrictions on commerce during 2020. Governments (state, federal, local) are not eligible for credits under this section. Employers taking SBA loans described above are not eligible for credits under this section. For salary expenses paid after March 12, 2020 and before January 1, 2021.
- **Delay of Estimated Tax Payments & Payroll Taxes ($12 billion)** – The proposal provides $350 billion in payment deferrals over the next two years, which is largely paid back in years 3 and 4. The payroll tax deferral period would run from the day the bill is signed through January 1, 2021.
- **Modifications to Net operating Losses ($195 billion)** – Applies to time periods (going retroactive) carryback and carryforward of losses for tax purposes for corporations, partnerships, LLCs and other businesses that are not corporations.
- **Raises Limit on Business Interest Deduction ($13 billion)** – Increases the deduction to 50% from 30 percent for tax years 2019 and 2020.

Special Aid to Heavily Impacted Industries, States and Localities ($500 billion in loans)

These provisions are intended "...to provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus, the Secretary is authorized to make loans, loan guarantees, and other investments in support of eligible businesses, States, and municipalities." These loans will be paid back with interest and possibly through stock ownership for the government – similar to TARP during the financial crisis.

$500 Billion in loan assistance:

- $25 billion for passenger airlines
- $4 billion for air cargo
- $17 billion for businesses critical to maintaining national security
- $454 billion for all others to improve liquidity to support:
    - purchasing obligations or other interests directly from issuers of such obligations or other interests;
    - purchasing obligations or other interests in secondary markets or otherwise; or
    - making loans, including loans or other advances secured by collateral.
- Interest rates to be set by the federal reserve in an amount that reflects a properly operating market. Special restrictions on private businesses that use this instrument in relation to paying dividends; share buybacks; executive compensation; maintaining employment levels to at least 90 percent of the levels prior to the emergency declaration through September 20, 2020; and/or the requirement to provide warrants, stocks or other equity instruments in the business receiving the loans.
    - This section does not allow for loan forgiveness to reduce the loan amount.

Health Response Provisions

- Enhances coordination between federal agencies in regard to control and utilization of the national public health strategic stockpile.
- Requires a study on the U.S. medical supply chain security and identify vulnerabilities. This includes meeting with stakeholders including local public health officials, among a large swath of private and public health care entities and systems.
- Develop procedures to maintain production of critical medical supplies and equipment, and to expedite treatment approvals during emergencies.
- **Requires group health plans and health insurance issuers** to not impose cost sharing (deductibles, copays, coinsurance, or need for prior approval) for COVID-19 testing, lab services, office visits, urgent care, etc.
- Provides for supplemental payments to health centers - $1.32 billion.
- Provides additional telehealth grants of $29 million per year for 5 years.
- Additional rural health grants of $80 million per year for 5 years.
- **Provides liability protections for volunteer health care workers** during the public health emergency for COVID-19. Preempts all related state and local laws.
- **Office for Aging** – provides flexibility to state and local offices for aging to shift funding between programs as necessary.
    - Expands eligibility in recognition of social distancing practices.
- Prioritizes zoonotic vaccine development.
- HSAs – modifies allowable expenditures to include certain OTC products.

Hospitals & Health Care Providers

- Suspends Medicare sequestration through 2020.
- Provides a 20% add on to Medicare prospective payment system for hospitals for each COVID inpatient case during emergency period.
- Delays DSH cuts until September 30, 2021.
- **$100 billion for health care providers (available until expended)** – to care for COVID-19 patients, testing, lab work, equipment & workforce needs, retrofitting facilities and increasing surge capacity. Senator Schumer estimates the amount coming to New York facilities could be up to $25 billion in the coming years.
- **Community Health Centers** – funding is increased from $2.5 billion to $4 billion for in 2020.

Education Provisions

- **$30.8 billion for a State Education Stabilization Fund** – funding is provided to states through September 30, 2021. New York State currently receives about 7% of federal k-12 education funding. States can use the funds to support state aid to education and to support local school districts directly. Funding is highly flexible but requires a state MOE of no less than the average of the prior 3 years in state funding support to k-12 and higher education. Similar provisions were provided under ARRA and viewed as direct fiscal relief to states by the federal government.
- Waives federal matching fund requirements for institutions of higher learning.

- Expands College Work Study program.
- **Suspends federal student loan payments** through September 30, 2020 with no interest accumulation during the suspension period.

Paid Leave

- **Caps Medical and Family Leave Act of 1993** pay to $200 per day, $10,000 in total per employee.
- **Caps Emergency Paid Sick Leave Act (COVID-19)** pay to:
  - $511 per day, $5,110 total per employee if;
    - They are unable to work due to being quarantined by federal, state, or local public health official
    - Advised by a public health official to self-quarantine
    - Have symptoms that may lead to COVID-19
  - $200 per day, $2,000 in aggregate if:
    - Taking care of an individual as described above
    - Taking care of a child not in school or day care due to COVID-19 precautions
    - Experiencing a similar health condition related to this health emergency

Additional Appropriations

- **Agriculture** - $9.5 billion available until expended, to prevent, prepare for, and respond to coronavirus by providing support for agricultural producers impacted by coronavirus, including producers of specialty crops, producers that supply local food systems, including farmers markets, restaurants, and schools, and livestock producers, including dairy producers
- **Child Nutrition** - $8.8 billion available until expended to prevent prepare for and respond to coronavirus
- **SNAP** - $15.8 billion available until September 30, 2021 to address increases in applications and expenditures due to the public health emergency during this period
- **Local Law Enforcement Grants** - $850 million allocated through Byrne program
- **FEMA** – $45 billion for disaster response, available to states and municipalities nationwide
- **CDC Grants to states and localities** - $1.5 billion for grants to or cooperative agreements with States, localities, territories, tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes, including to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities
- **Child Care Development Block Grant** - $3.5 billion
- **Airport Grants in Aid** - $10 billion
- **Transit Grants** - $25 billion, an estimated $3.8 billion for the MTA

- **Community Development Block Grant** - $5 billion; with $2 billion to grantees that received allocations pursuant to that same formula in fiscal year 2020; $1 billion for areas heavily impacted by coronavirus response based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions, and other factors; $2 billion directly awarded to states and localities most heavily impacted by coronavirus.
- **Homeless Assistance Grants** - $4 billion; half to grantees in same amount as last year and half to states and localities impact most heavily by coronavirus
- **Public Health and Social Services Emergency Fund** - $27 billion to remain available until September 30, 2024, to prevent, prepare for, and respond to coronavirus, domestically or internationally, including the development of necessary countermeasures and vaccines, prioritizing platform-based technologies with U.S.-based manufacturing capabilities, the purchase of vaccines, therapeutics, diagnostics, necessary medical supplies, as well as medical surge capacity, addressing blood supply chain, workforce modernization, telehealth access and infrastructure, and other preparedness and response activities ($16 billion set aside for the Strategic National Stockpile)

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NACo ANALYSIS OF THE THIRD COVID-19 SUPPLEMENTAL: THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (H.R. 748)

Counties Are on the Front Lines of Coronavirus Response Efforts

Counties are responding to the coronavirus 2019 (COVID-19) pandemic and are on the front lines of our nation's local public health emergency response and overall public safety efforts. Now, more than ever, we need strong federal, state and local intergovernmental partnership to address this crisis.

As the ground troops in the fight against the COVID-19 pandemic, counties are rapidly disseminating factual and timely updates to the public, while pursuing containment and mitigation strategies. Counties invest $83 billion annually in community health systems and support 903 hospitals, 824 long-term care facilities and over 1,900 public health departments. These local agencies are essential components of the Centers for Disease Control and Prevention's COVID-19 efforts at the local level.

FEDERAL COVID-19 ACTION TAKEN	
March 6	President signed the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123). NACo summary here.
March 13	President declared a national emergency related to COVID-19. The declaration can be read here.
March 18	President signed H.R. 6201, the Families First Coronavirus Response Act into law. NACo summary here.
March 25	U.S. Senate passed The CARES Act (H.R. 748). Bill text here. *House to vote March 27.*

Counties nationwide are committed to working with both Congress and the administration to advance legislation that assists with the mitigation of this public health crisis and its potential far reaching economic, health and safety impacts on our nation.

Closely following the passage of the second supplemental package (H.R. 6201), Congress quickly shifted gears towards a third legislative package that would further address the economic impact of the coronavirus. The "Coronavirus Aid, Relief, and Economic Security (CARES) Act" (H.R. 748) and associated emergency supplemental appropriations was passed by the U.S. Senate on March 25 and would provide $2 trillion towards coronavirus relief efforts.

The massive rescue package — the biggest in U.S. history — would provide hundreds of billions of dollars in loans and grants to major industries and small businesses, direct cash payments to taxpayers and significantly expand unemployment benefits. Most importantly, it provides additional resources that counties can use towards our response efforts.

The analysis that follows highlights relevant components of the CARES Act for county governments, including a section-by-section breakdown outlining items of significance for county policy priorities.

Executive Summary: Highlights for Counties

The legislation includes several key provisions and funding for county governments to assist our efforts with the coronavirus. The following are highlights:

- **Establishes new Coronavirus Relief Fund for state and local governments to address spending shortages related to the coronavirus pandemic:** The bill provides $150 billion in aid to states, tribal governments, territories and local governments with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency. *NACo is asking Congress and the U.S. Treasury Department for clarification on details of this fund—including eligibility for counties with populations under 500,000.*

- **Silent on county eligibility for payroll tax credits:** The bill did not include a technical fix so that county governments are eligible for payroll tax credits established under the second supplemental appropriations bill (H.R. 6201/P.L. 116-127).

- **Gives U.S. Treasury new authority to authorize loans and make municipal bond purchases to aid state and local governments:** The bill would create a $500 billion Economic Stabilization Fund that authorizes the U.S. Treasury to purchase obligations of states, local governments and political subdivisions of them, to cover losses incurred as a result of COVID-19. Thus, the Federal Reserve is permitted to participate as an investor in securities that mature in greater than six months. This fund also provides loans and loan guarantees to small businesses.

- **Provides hospitals and health care facilities with additional funding for response efforts:** The bill provides $100 billion in funding for local hospitals to address medical surge capacity issues and offset the cost of increased healthcare related expenses and loss revenue. Eligible health care providers include public entities, Medicare or Medicaid enrolled suppliers or providers and other health care facilities.

- **Protects payments to hospitals serving the uninsured and underinsured:** The bill would delay statutory cuts to Medicaid Disproportionate Share Hospital (DSH) payments until FY 2021 to help hospitals, including eligible county-owned hospitals, serving indigent and underinsured people make up for revenue losses and continue to provide high quality care to all patients especially during this time of crisis.

- **Extends the Temporary Assistance for Needy Families (TANF) program:** The bill delays the expiration of TANF from May 22, 2020 to November 30, 2020, providing important short-term certainty for county human services agencies and helping vulnerable county residents maintain access to this safety net program.

The legislation also provides $330 billion through emergency supplemental appropriations including some of the following highlights:

- **$16 billion to replenish the Strategic National Stockpile** of pharmaceuticals, personal protective equipment, and other medical supplies, which are distributed to state and local health agencies, hospitals and other healthcare entities facing shortages during emergencies.

- **$1 billion for the Defense Production Act** to bolster domestic supply chains, enabling industry to quickly **ramp up production of personal protective equipment, ventilators, and other urgently needed medical supplies, and billions of dollars more for federal, state and local health agencies to purchase such equipment.**

- **$4.3 billion to support federal, state and local public health agencies** to prevent, prepare for, and respond to the coronavirus, including for the purchase of personal protective equipment; laboratory testing to detect positive cases; infection control and mitigation at the local level to prevent the spread of the virus; and other public health preparedness and response activities.

- **$45 billion for FEMA's Disaster Relief Fund,** to provide for the immediate needs of state, local, tribal and territorial governments, as well as private non-profits performing critical and essential services. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures and community services nationwide.

- **$10 billion in grants to help airports** as the aviation sector grapples with the steepest and potentially sustained decline in air travel in history. This funding will be distributed by formulas broken down later in this document.

- **$56 million for small and rural airports in** additional FY 2020 discretionary appropriations to maintain regularly scheduled air service to small and rural communities.

- **$25 billion in aid for transit systems** for operational support to help protect public health and safety while ensuring access to jobs, medical treatment, food and other essential services. 100 percent of transit funding is allocated through formula grants to state, regional and local transit agencies, including those in rural areas.

- **$400 million in election assistance** for the states to help prepare for the 2020 election cycle, including to increase the ability to vote by mail, expand early voting and online registration and increase the safety of voting in-person by providing additional voting facilities and more poll workers.

- **More than $6.5 billion for CDBG, the Economic Development Administration, and the Manufacturing Extension Partnership** to help mitigate the local economic crisis and rebuild impacted industries such as tourism or manufacturing supply chains.

- **More than $7 billion for affordable housing and homelessness assistance programs** to help low-income and working class Americans avoid evictions and minimize any impacts caused by loss of employment, and child care, or other unforeseen circumstances related to COVID-19, and support additional assistance to prevent eviction and for people experiencing homelessness.

- **$850 million in additional funding for the Byrne Justice Assistance Grant (JAG) Program** to help counties—among other eligible entities—address the needs of local police departments and jails, including the purchase of personal protective equipment and other needed medical items and to support overtime for officers on the front lines.

- **$200 million for telehealth support from the Federal Communications Commission** to aid healthcare providers with equipment and services.

- **$15.5 billion in additional funding for the Supplemental Nutrition Assistance Program (SNAP)** to support states and localities in deploying program flexibilities and meeting growing need for food assistance as a result of coronavirus.

- **$3.5 billion in additional funding for the Child Care Development Block Grant** to provide childcare assistance to health care sector employees, emergency responders, sanitation workers and other workers deemed essential during the response to the coronavirus.

- **$30.75 billion for grants to provide emergency support to local school systems** and higher education institutions to continue to provide educational services to students and support the ongoing functionality of school districts and institutions.

- **$955 million for the Administration for Community Living (ACL)** to assist local Area Agencies on Aging in providing services to seniors and their caregivers, including home-based support, senior nutrition programs and elder protection.

- **$88 million in additional funding for food systems** and safety including $55 million in additional funding for animal and plant health inspections and an additional $33 million for the Food and Safety Inspection Service.

- **$1 billion and additional administrative flexibility for the Community Services Block Grant** for local Community Action Agencies to provide anti-poverty programs and services to residents experiencing increasing unemployment and financial instability as a result of the coronavirus.

- **$19.6 billion in funding to support our nation's veterans during the COVID-19 pandemic,** including key testing, treatment and telehealth program resources.

DETAILED SUMMARY: SECTION BY SECTION

Division A: Keeping Workers Paid and Employed, Health Care System Enhancements, and Economic Stabilization

Title I: Keeping American Workers Paid and Employed Act

Sec. 1106. Loan forgiveness.

- **Directs Small Business Administration (SBA) to Provide Loan Forgiveness (page 43):** The bill establishes that a borrower is eligible for loan forgiveness equal to the amount spent by the borrower during an 8-week period after the origination date of the loan for payroll costs; interest on any mortgages incurred prior to February 15, 2020; payment of rent on any lease established prior to February 15, 2020 and any utility payments for which service began before February 15, 2020.

  Amounts forgiven may not exceed the principal amount of the loan. Eligible payroll costs do not include compensation above $100,000 in wages. Forgiveness on a covered loan is equal to the payroll costs incurred during the covered 8-week period.

Sec. 1107. Direct appropriations.

- **Directs $349 billion in loan guarantees (page 52): The bill includes $349 billion in loan guarantees through SBA.**

- **Provides $265 million for Small Business Entrepreneurial Development Programs (page 53):** The bill allots $265 million for SBA entrepreneurial development programs to support small business centers, women's business centers for technical assistance and resource partner associations to provide online information and training.

- **Allots $10 billion for Small Business Administration – Emergency EIDL Grants (page 54):** The bill includes $10 billion for the SBA Emergency Economic Injury Disaster Loans grants to help struggling small businesses cover expenses.

- **Includes $17 billion in additional funding for Small Business Administration – Business Loan programs (page 54):** The bill includes $17 billion for the SBA Business Loan Program subsidies to make six months of principal and interest payments for all SBA backed business loans.

Sec. 1108. Minority business development agency.

- **Provides funding for Minority Business Development Agency (page 61):** The bill authorizes $10 million for the Minority Business Development Agency within the Department of Commerce to provide grants to Minority Business Centers and Minority Chambers of Commerce for counseling, training and education on federal resources and business response to COVID-19 for small businesses. It also waives the Minority

Business Center program's non-federal match requirement for three months beginning on the date of enactment.

Title II: Assistance for American Workers, Families, and Businesses

Subtitle A – Unemployment Insurance Provisions

Sec. 2102. Pandemic Unemployment Assistance.

- **Provides new temporary Pandemic Unemployment Assistance (page 84):** The bill includes new pandemic unemployment assistance through December 31, 2020 to provide unemployment benefits for those individuals that lose job as a direct result of COVID-19 and are not eligible for other unemployment compensation such as self-employed, independent contractors, and those with limited work history.

Sec. 2103. Emergency unemployment relief for governmental entities and nonprofit organizations.

- **Provides emergency unemployment relief for governmental entities and nonprofit organizations (page 96):** The bill includes payments to states to reimburse government agencies, nonprofits and Indian tribes for half of the costs incurred through December 31,2020 to pay for unemployment benefits.

Sec. 2104. Emergency increase in unemployment compensation benefits.

- **Includes an increase in unemployment compensation benefits (page 96)**: The bill includes an additional $600 per week payment to each recipient of Unemployment Insurance or Pandemic Unemployment Assistance for up to four months.

Sec. 2106. Emergency State staffing flexibility.

- **Provides flexibility for personnel standards (page 111):** The bill provides for flexibility on a merit basis for temporary staff, rehiring retirees or former employees on a non-competitive basis, and other temporary actions to quickly process applications and claims

Sec. 2107. Pandemic emergency unemployment compensation.

- **Provides Emergency Unemployment Compensation (page 112):** The bill provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after the state unemployment benefits are no longer available in states that enter into federal-state agreements.

Subtitle B – Rebates and Other Individual Provisions

Sec. 2201. 2020 recovery rebates for individuals.

- **Provides direct financial assistance payments to qualifying individuals (page 144):** The bill provides one-time, direct financial assistance payments of $1,200 to individuals with Adjusted Gross Income (AGI) up to $75,000 or $2,400 for married couples with combined AGI up to $150,000. Payments would increase by an additional $500 per qualifying child. The rebate amount is reduced by $5 for each $100 that a taxpayer's income exceeds the phase-out threshold. These payments will be administered by the Internal Revenue Service (IRS) and function as fully refundable tax credits, meaning individuals with no taxable income as well as those whose income comes entirely from non-taxable means-tested benefit programs will qualify for assistance. IRS will determine benefit levels and eligibility by using 2019 income tax filings and 2018 tax data and Social Security data when 2019 filings are not available.

Title III: Supporting America's Health Care System in the Fight Against the Coronavirus

Subtitle A – Health Provisions

PART I – ADDRESSING SUPPLY SHORTAGES

SUBPART A – MEDICAL PRODUCT SUPPLIES

Sec. 3102. Requiring the strategic national stockpile to include certain types of medical supplies.

- **Increases availability of personal protective equipment (PPE) and diagnostics through the Strategic National Stockpile (page 217):** The bill would require the inclusion of "personal protective equipment, ancillary medical supplies, and other applicable supplies required for the administration of drugs, vaccines and other biological produces, medical devices and diagnostic tests in the stockpile," which would benefit the more than 900 county owned hospitals and nearly 1,900 local health departments who need access to critical equipment for COVID-19 response efforts. The Strategic National Stockpile is the nation's largest supply of life-saving pharmaceuticals and medical supplies for use in a public health emergency and administered by the U.S. Department of Health and Human Services Office of the Assistant Secretary for Preparedness and Response.

PART II – ACCESS TO HEALTH CARE FOR COVID-19 PATIENTS

SUBPART A – COVERAGE OF TESTING AND PREVENTIVE SERVICES

SUBPART B – SUPPORT FOR HEALTH CARE PROVIDERS

Sec. 3211. Supplemental awards for health centers.

- **Increases funding to support health centers addressing COVID-19 (page 235):** The bill would provide $1.32 billion in Fiscal Year (FY) 2020 for supplemental awards for the prevention, diagnosis, and treatment of COVID-19. These services would be administered by the Health Resources and Services Administration (HRSA) and directed to community health centers. This is a big win for counties given our role as safety net providers for low-income and indigent residents, who often receive care through a county operated health center. The supplemental funds will offset the tremendous financial burden on local county systems of care, who are already investing over $80 billion in community health and hospital services each year.

Sec. 3212. Telehealth network and telehealth resource centers grant programs.

- **Provides funding to support telehealth projects addressing COVID-19 (page 236):** The bill would provide $29 million for each fiscal year through FY 2025 for "evidence-based projects that utilize telehealth technologies through telehealth networks."

Sec. 3213. Rural health care services outreach, rural health network development, and small health care provider quality improvement grant programs.

- **Provides $79.5 million for rural outreach and improvements to healthcare services in rural communities (page 246):** The bill would provide $79.5 million for each fiscal year until FY 2025 for rural outreach and critical medical services improvements in rural communities. The funding is aimed at assisting small rural healthcare providers increase care coordination, enhance chronic disease management and improve patient health outcomes.

SUBPART C – MISCELLANEOUS PROVISIONS

Sec. 3222. Nutrition services.

- **Increases flexibility for senior nutrition programs (page 266):** The bill increases options to provide home delivery and waives nutrition requirements for Older Americans Act (OAA) meal programs during the public health emergency to ensure local Area Agencies on Aging are able to maintain meal services for older members of the community.

Sec. 3223. Continuity of service and opportunities for participants in community service activities under title V of the Older Americans Act of 1965.

- **Supports ongoing employment activities for older Americans (page 268):** The bill allows the Secretary of Labor to extend older adults' participation in community service projects under the Older Americans Act and make administrative adjustments to facilitate their continued employment under the program.

Sec. 3224. Guidance on protected health information.

- **Provides guidance on the sharing of protected patient health information (page 269):** The bill directs that "Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall issue guidance on the sharing of patients' protected health information." The guidance will include information on data sharing compliance with the Health Insurance Portability and Accountability Act (HIPAA). During this time of national emergency, it is essential that local public health agencies are able to quickly and efficiently share health records data, in order to effectively communicate community spread and provide comprehensive treatment for infected COVID-19 patients. This guidance will enhance local public health coordination while still protecting the privacy of our residents.

PART IV—HEALTH CARE WORKFORCE

Sec. 3401. Reauthorization of health professions workforce programs.

- **Increases funding for medical training programs with an emphasis on rural and tribal areas (page 282):** The legislation provides $23.7 billion per year for FY 2021 through 2025 for public health workforce programs to "plan, develop, and operate a program that identifies or develops innovative models of providing care, and trains primary care physicians on such models." It also directs that the HRSA administered grants prioritize awards for rural areas and particularly tribes and tribal organizations in rural areas, which will receive approximately $49 million per year FY 2021 through 2025. This is an important investment for counties as nearly a quarter of the public sector health workforce has been cut since 2008, and a win for rural counties, who have been hard hit with the increased demand for services despite workforce and resource shortages.

Sec. 3402. Health workforce coordination.

- **Instructs the Secretary of HHS to create a plan to strengthen the healthcare workforce (page 288):** The bill directs the Secretary of Health and Human Services to, in no later than one year of the bill's enactment, "develop a comprehensive and coordinated plan with respect to the health care workforce development programs of the Department of Health and Human Services, including education and training programs." This guidance would include identifying current gaps and barriers and coordinating with other agencies to fund and administer related programs. Counties are addressing major public health issues year-round including HIV, food-borne illnesses and the nation's opioid and substance abuse epidemic. This new guidance will ensure that there is federal support in helping our local healthcare workforce prepare to take on the demands of all public health issues both in and outside of national emergencies.

Sec. 3403. Education and training relating to geriatrics.

- **Establishes a grant program for geriatric education and training programs to build up the geriatric healthcare workforce (page 290):** The bill requires the HHS Secretary to establish the Geriatrics Workforce Enhancement Programs, which will award grants, contracts, or cooperative agreements to "support the training of health professionals in geriatrics, including traineeships or fellowships" with the aim of addressing health care gaps for older adults. This provision is important for counties, which operate over 800 nursing homes that care for our rapidly expanding population of aging Americans.

Sec. 3404. Nursing workforce development.

SUBTITLE B – EDUCATION PROVISIONS

Sec. 3507. Exclusion from Federal Pell Grant duration limit.

- **Provides flexibility for Pell Grant recipients impacted by coronavirus (page 317):** The bill allows Pell Grant recipients who do not complete a school term due to the coronavirus to exclude that school term from the six-year maximum eligibility limitation for Federal Pell Grants. These grants are awarded to students with exceptional financial need who have yet to earn a degree.

Sec. 3508. Institutional refunds and Federal student loan flexibility.

- **Protects students who drop out of school due to coronavirus from federally mandated repayment requirements for grants and loans (page 317):** The bill waives the requirement for students who dropped out as a result of COVID -19 and their college or university to reimburse the Secretary of Education for Pell Grants or student loans.

Sec. 3511. National emergency educational waivers.

- **Allows waivers for federal education requirements (page 323):** The bill provides the Secretary of Education with the authority to grant requests from state and local educational agencies for waivers of federal requirements under the Elementary and Secondary Education Act (ESEA), except civil rights laws. The bill directs that such waivers must be "necessary and appropriate due to the COVID-19 declaration of disaster."

Sec. 3513. Temporary Relief for Federal Student Loan Borrowers

- **Provides short-term relief for federally-owned student loans (page 333):** The bill requires the Secretary of Education to defer student loan payments, principal, and interest for six months, through September 30, 2020, without penalty to the borrower for all federally owned loans. This provides relief for over 95 percent of student loan borrowers.

Sec. 3515. Workforce response activities.

- **Allows local workforce boards flexibility in the use of Workforce Innovation and Opportunity Act funds (WIOA) (page 341):** The bill provides boards with the ability to use WIOA funds for administrative costs, including online resources, and lets governors utilize reserved workforce funds on rapid response activities for COVID-19.

SUBTITLE C – LABOR PROVISIONS

Sec. 3601. Limitation on paid leave.

- **Establishes ceiling for paid leave (page 349):** Establishes a limit on the amount of paid leave an employer must provide to no more than $200 per day and/or $10,000 per employee under this subtitle.

Sec. 3602. Emergency Paid Sick Leave Act Limitation.

- **Creates limitations on paid sick leave (page 350):** The bill creates limitations and distinctions therein to require employers to provide no more than $511 per day and/or $5,110 in the aggregate for an employee for who is unable to work due to direct effects of COVID-19 OR $200 per day and $2,000 in the aggregate for an employee caring for an individual experiencing the effects of COVID-19.

Sec. 3603. Unemployment insurance.

- **Increases access to unemployment insurance applications and assistance (page 350):** The bill directs each state to ensure that applications for unemployment compensation, and assistance during the application process, are accessible in at least two of the following: in person, by phone or online.

Sec. 3605. Paid leave for rehired employees.

- **Creates paid leave program for recently rehired employees (page 352):** The bill allows an employee who was laid off by an employer March 1, 2020, or later to have access to paid family and medical leave in certain instances if they are rehired by the employer and had worked for them at least 30 days prior to being laid off.

Sec. 3606. Advance refunding of credits.

- **Establishes payroll tax credit refunds (page 353):** The bill provides for advance refunding of the payroll tax credits enacted under H.R. 6201/P.L. 116-127. The credit for required paid sick leave and the credit for required paid leave can be refunded by the U.S. Treasury in advance using instructions that will be provided by the Internal Revenue Service.

SUBTITLE D – FINANCE COMMITTEE

Sec. 3701. Exemption for telehealth services.

- **Allows insurers to not face penalty for the coverage of telehealth services (page 363):** The bill creates a "safe harbor" exemption for health plans beginning before December 31, 2021 that do not have a deductible for telehealth or other remote care services.

Sec. 3704. Enhancing Medicare telehealth services for Federally qualified health centers and rural health clinics during emergency period.

- **Enhances Medicare telehealth services for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics during the emergency period (page 366):** The bill allows Federally Qualified Health Centers and Rural Health Clinics to provide telehealth services to Medicare beneficiaries in their home or other setting during the public health emergency. Medicare would reimburse for these services at a composite rate similar to payment provided for comparable telehealth services that currently exist under the Medicare Physician Fee Schedule. FQHCs and Rural Health Centers are outpatient clinics that expand health care reach in underserved areas. Rural counties and counties with workforce shortages have typically relied on Medicare's telehealth provisions to reach remote residents, and having federal support through this provision will assist with not only ensuring our residents have health care services, but that we are protecting vulnerable residents during this turbulent time.

Sec. 3705. Temporary waiver of requirement for face-to-face visits between home dialysis patients and physicians.

- **Expands access to home dialysis treatments via telehealth (page 370):** The bill would temporarily waive restrictive face to face requirements for patients with kidney disease and their doctors and allow necessary consultations to take place via telehealth. Flexibilities around telehealth provisions such as this one are extremely vital for counties as we work to protect our most vulnerable residents. This provision is particularly useful for rural counties, where the face-to-face requirement has historically been a barrier for patients receiving home dialysis treatment, however this waiver is particularly critical during the pandemic, due to the vulnerability of dialysis patients to infection.

Sec. 3720. Delaying requirements for enhanced FMAP to enable State legislation necessary for compliance.

- **Delays qualification enforcement for Medicaid Federal Assistance (page 394):** The bill would amend section 6008 of the Families First Coronavirus Response Act (Public Law 116-127) to allow states who didn't meet outlined requirements to still qualify for temporary increases to the federal medical assistance percentage (FMAP) provided through the previous legislation. Noncompliant states will have 30 days to make the changes necessary to meet qualifications outlined in the Families First Coronavirus Response Act. Medicaid is jointly funded by federal state and local governments, which in many states include counties. Increases in the federal share of the program help states and counties continue to provide lifesaving Medicaid services to residents impacted by COVID-19 at a time where the demand for the services is at an all-time high.

SUBTITLE E – HEALTH AND HUMAN SERVICES EXTENDERS

PART II – MEDICAID PROVISIONS

Sec. 3811. Extension of the Money Follows the Person rebalancing demonstration program.

- **Extends the Money Follows the Person demonstration program through 2021 (page 399):** The bill reauthorizes the Medicaid Money Follows the Person demonstration program at $337 million through FY 2020. This program provides states and local governments with enhanced federal support for services and supports to help older adults and people with disabilities moving from institutions to a community-based setting.

Sec. 3813. Delay of DSH reductions.

- **Delays Cuts in funding for Disproportionate Share Hospitals (page 401):** The bill delays funding cuts for Disproportionate Share Hospitals (DSH) until FY 2021, which would push back cuts set to take place in May of this year. Counties applaud the inclusion of this provision as Medicaid DSH payments are critical to local hospitals that serve our nation's most vulnerable citizens, by enabling local hospitals to make up for those losses and continue to provide high quality care to all patients especially during this time of crisis.

Sec. 3814. Extension of Community Mental Health Services demonstration program.

- **Extends the Community Mental Health Services demonstration program (page 402):** The bill extends the Community Mental Health Services demonstration program through November 30 at current funding levels. Additionally, the bill directs the HHS secretary to select two additional states, beyond the original eight selected states, to participate in the program, which allows them to deliver mental and substance abuse disorder treatment to Medicaid beneficiaries with enhanced federal support.

It also directs the U.S. Comptroller General to submit a report no later than 18 months after the bill's enactment that would "measure the effects of access to certified community behavioral health clinics on patient health and cost of care." Counties are essential behavioral health services providers and serve residents through over 750 behavioral health authorities; this demonstration project would help us serve residents in areas hard hit by the opioid crisis and grappling with increased rates of suicide and other mental illnesses.

PART III – HUMAN SERVICES AND OTHER HEALTH PROGRAMS

Sec. 3824. Extension of the Temporary Assistance for Needy Families program and related programs

- **Extends the Temporary Assistance for Needy Families (TANF) program for 6 months (page 411):** The bill extends beyond its current scheduled expiration date of May 22, 2020 to November 30, 2020. TANF, which falls under the authority of the Department of Health and Human Services Administration of Children and Families, provides flexible funding to states to support vulnerable families through direct cash assistance as well as childcare, education, job training and work support programs. The bill directs the Department of the Treasury to "appropriate such sums as necessary" for this purpose. The extension will provide additional resources and certainty for counties in the 10 states which delegate administration of the TANF program to county governments responsible for administering the program, representing half of the national caseload.

PART IV – PUBLIC HEALTH PROVISIONS

Sec. 3831. Extension for community health centers, the National Health Service Corps, and teaching health centers that operate GME programs.

- **Extends key health safety net programs (page 412):** The bill extends the Community Health Centers Fund, National Health Service Corps Fund and Teaching Health Center Graduate Medical Education (GME) programs at current funding through FY 2021. Community health centers will receive $4 billion for FY 2020, the National Health Service Corps will get $310 million and Teaching Health Center programs will get $21 million. These programs are vital to counties as they support the training of health providers in underserved areas and strengthen the local health care safety net.

Title IV: Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy

Subtitle A - Coronavirus Economic Stabilization Act of 2020

Sec. 4003. Emergency relief and taxpayer protections.

- **The bill provides $500 billion to the U.S. Treasury's Exchange Stabilization Fund to provide loans, loan guarantees and other investments to industries, states and municipalities (page 512):** Of this total, direct lending includes $25 billion for passenger air carriers, $4 billion for cargo air carriers and $17 billion for businesses important to maintaining national security. Additionally, of the $500 billion total, the bill allocates $454 billion towards businesses, states and municipalities, including counties, to cover losses incurred as a result of COVID-19. This level of funding is intended to support the Federal Reserve's lending facilities to eligible businesses, state and municipalities noting that the Federal Reserve's lending is a "critical tool that can be used in times of crisis to help mitigate extraordinary pressure in financial markets that would otherwise have severe adverse consequences for households, businesses and the U.S. economy."

Sec. 4005. Continuation of certain air service.

- **Maintains scheduled air service (page 531):** Authorizes the Secretary of the U.S. Department of Transportation (DOT) to require any air carrier receiving federal loans and loan guarantees to maintain scheduled air service as deemed necessary by the Secretary; in making this determination, the Secretary must consider the air service needs of small and rural communities and the need to maintain critical supply chains.

Sec. 4007. Suspension of certain aviation excise taxes.

- **Provides tax holiday to air carriers (page 532):** Provides tax relief to air carriers through a holiday on certain aviation excise taxes (26 U.S.C. 4261; 26 U.S.C. 4271) through January 1, 2021.

Sec. 4015. Non-applicability of restrictions on ESF during national emergency.

- **Allows U.S. Treasury to support money market mutual funds (page 543):** The bill temporarily authorizes the U.S. Department of Treasury to guarantee money market mutual funds. The temporary waiver runs through December 31, 2020.

Sec. 4018. Special inspector general for pandemic recovery.

- **Enhances Executive Branch oversight of federal investments (page 547):** The bill establishes the Office of the Special Inspector General for Pandemic Recovery within the U.S. Treasury and a Special Inspector General (IG) position, to be appointed by the President, who is responsible for providing oversight for investments made under this act, including the conducting, supervising and coordinating of audits and investigations regarding the making, purchase, management, and sale of loans and loan guarantees and other federal investments made by the U.S. Treasury in the COVID-19 response. The Special IG must make quarterly reports to Congress on the details of all investments made by the Treasury under this legislation.

Sec. 4020. Congressional Oversight Commission.

- **Enhances Legislative Branch oversight of federal investments (page 558):** The legislation creates a Congressional Oversight Commission whose responsibility is to oversee implementation of this subtitle by the U.S. Treasury and the Board of Governors of the Federal Reserve System by holding hearings, receiving testimony and securing from any federal agency information it deems necessary to carry out its responsibilities. The commission will consist of five members who are appointed as follows: one member appointed by the Speaker of the House; one member appointed by the House Majority Leader; one member appointed by the Senate Majority Leader; one member appointed by the Senate Minority Leader; and one member appointed by the Speaker of the House and the Senate Majority Leader, in consultation with Senate and House Minority Leaders. The commission must report to Congress every 30 days on the following: the impact of investments made under this act on the financial well-being of the nation; the extent to which information made available on transactions occurring under this act has contributed to market transparency; and the effectiveness of loans made under this act in minimizing long-term costs for taxpayers.

Sec. 4022. Foreclosure moratorium and consumer right to request forbearance.

- **Provides moratorium on foreclosures (page 567):** Contains provisions to place moratorium on foreclosures of federally-backed mortgages and establishes a consumer's right to request forbearance on federally-backed mortgage loans (p. 568). The provision also states that "no fees, penalties or interest beyond the amounts scheduled or calculated" will accrue on the borrower's account.

Sec. 4023. Forbearance of residential mortgage loan payments for multifamily properties with federally backed loans.

- **Provides a forbearance to multi-family loans (page 570):** Includes language that would allow for a multifamily loan borrower of a federally-backed mortgage to request a forbearance for "up to 30 days and two additional 30 day periods upon request," on loans due to hardship from the COVID-19 crisis so long as loan payments were current as of February 1, 2020. Additionally, the borrower is prohibited from evicting a tenant solely for unpaid rent during the forbearance period.

Sec. 4024. Temporary moratorium on eviction filings.

- **Provides moratorium on evictions (page 578):** The bill provides a 120-day moratorium on eviction filings effective the day of enactment of this legislation.

Sec. 4112. Pandemic relief for aviation workers.

- **Provides financial assistance to aviation workers (page 592):** Provides no more than $25 billion to passenger air carriers; no more than $4 billion to cargo air carriers; and no more than $3 billion to contractors to be used exclusively for employee wages, salaries and benefits in order to "preserve aviation jobs and compensate air carrier industry workers" and mitigate the interruption to the air transportation industry caused by a drop in workers.

Sec. 4113. Procedures for providing payroll support.

- **Outlines procedures for air carrier payroll support (page 593):** Directs the U.S. Department of Transportation Secretary, in providing assistance under Section 4112, to provide amounts equal to wages, salaries and benefits paid to employees from April 1 to September 30, 2019 of the following eligible entities: air carriers who have reported this financial data to DOT; air carriers who have not reported to DOT but have provided this financial data using sworn statements or other appropriate data; and contractors who have provided this financial data using sworn statements and other appropriate data.

Sec. 4114. Required assurances.

- **DOT considerations for financial assistance to air carriers (page 593):** Among other directives, the DOT Secretary must consider, through March 1, 2022, the impact on small and rural communities—including any potential interruptions to the health care supply chain—when deciding to provide, or continue providing, financial assistance to air carriers who have requested help.

Title V: Coronavirus Relief Funds

Sec. 5001. Coronavirus Relief Fund.

- **Provides funding to state, tribal and local governments for Coronavirus relief efforts (page 598)**: The bill provides $150 billion in funding for state, tribal and local governments to address necessary expenditures incurred due to the COVID-19 public health emergency. Of the $150 billion, each state shall receive no less than $1.25 billion, with additional funding being allocated based on each state's proportion of the U.S. population. Additionally, the bill directs $3 billion for the District of Columbia and U.S. Territories along with $8 billion for tribal governments. All payments shall be issued by the U.S. Secretary of Treasury within 30 days of enactment.
- **Allocates direct assistance for eligible units of local governments with populations of 500,000 and above (page 599)**: The bill directs the U.S. Treasury to make funding available directly to eligible units of local governments - including counties, municipalities, towns, villages, parishes and boroughs - with populations of 500,000 or more. The bill directs the chief executive for a respective unit of local government to certify that these funds are being used for budget costs not accounted for in the most recent adopted budget, necessary expenditures incurred due to the COVID-19 public health emergency and costs incurred between March 1 2020 and December 30, 2020, in order to be eligible. Any direct payment made to units of local governments shall be reduced from the state's total allocation and cannot exceed more than 45 percent of the state total.

Division B: Emergency Appropriations for Coronavirus Health Response and Agency Operations

Breakouts by Appropriations Subcommittee are as follows:

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies [$34.9 billion]

Commerce, Justice, Science, and Related Agencies [$3.1 billion]

Defense [$10.5 billion]

Energy and Water Development [$221.4 million]

Financial Services and General Government [$1.82 billion]

Homeland Security [$45.9 billion]

Interior, Environment, and Related Agencies [$2.0 billion]

Labor, Health and Human Services, Education, and Related Agencies [$172.1 billion]

Legislative Branch [$93 million]

Military Construction, Veterans Affairs, and Related Agencies [$19.6 billion]

State, Foreign Operations, and Related Programs [$1.1 billion]

Transportation, Housing and Urban Development, and Related Agencies [$48.5 billion]

Title I: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Department of Agriculture

Animal and Plant Health Inspection Service

- **Provides additional funding for the continuation of animal and plant health inspections (page 610):** The bill includes an additional $55 million for salaries and expenses to help continuation of animal and plant health inspections.

Food Safety and Inspection Service

- **Ensures continuation of food safety inspections (page 611):** The bill includes an additional $33 million for the Food and Safety Inspection Service for costs associated with food safety inspections, including supplementing support and temporary staff and relocation of inspectors.

Rural Development Programs

- **Provides funding for increased investment in rural business development (page 612):** The bill provides an additional $20.5 million for the Rural Business Program Account under the Rural Business Cooperative Service to support loans for rural business development programs.

- **Includes additional funding for vital distance learning and telemedicine services (page 613)**: The bill provides $25 million for the Distance Learning and Telemedicine Program, which helps to provide broadband services in rural communities to support critical health, workforce development and educational services.

- **Provides additional funding for critical rural broadband deployment (page 619):** The bill includes $100 million in grants for the ReConnect pilot program to provide broadband services to rural areas with more than 90 percent of households lacking broadband speeds of 10 Mbps downstream and 1 Mbps upstream.

Food and Nutrition Service

Creates a Supplemental Nutrition Assistance Program (SNAP) Contingency Reserve Fund (page 614): The bill provides $15.5 billion for a Contingency Reserve Fund within SNAP to support waiver authorities included in the *Families First Coronavirus Pandemic Response Act* (PL 116-127) as well as anticipated increases in program participation. The contingency fund will be available through September 30, 2021 and will be directed "as deemed necessary" by the Secretary of Agriculture. SNAP is county-administered in 10 states that account for 31 percent of the national caseload.

- **Increases funding for the Commodity Assistance Program (page 615):** The bill includes an additional $450 million for the Emergency Food Assistance Program (TEFAP) including $150 million for costs associated with the distribution of commodities.

- **Increases funding for Child Nutrition Programs (page 613):** The bill provides an additional $8.8 billion through September 30, 2021 to support federal child nutrition programs. These programs include the National School Lunch and Breakfast Programs, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP), all of which have received additional flexibilities and may see increased demand in response to the coronavirus.

Department of Health and Human Services

Food and Drug Administration

- **Provides funding to develop necessary medical countermeasures and vaccines (page 616):** The bill includes $80 million for the development of necessary medical countermeasures and vaccines, advanced manufacturing for medical products, the monitoring of medical product supply chains and related administrative activities.

Title II: Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies

Department of Commerce

- **Increases funding for the Economic Development Administration (EDA) (page 620):** The bill allocates $1.5 billion for EDA through September 30, 2022. Funding for EDA represents a key priority for counties responding to the negative economic impacts of COVID-19 in local communities.

- **Provides funding for the Manufacturing Extension Partnership (MEP) (page 631):** The bill includes $50 million for distribution to the 51 MEP centers to assist manufacturers recover from the economic impacts of the coronavirus and waives the statutory cost-match requirements for FY 2020 funding.

Department of Justice

State and Local Law Enforcement Activities - Office of Justice Programs

- **Increases funding for the Byrne Justice Assistance Grant (JAG) Program (page 627):** The bill provides an additional $850 million for the Byrne JAG program to help enable counties, among other eligible entities, to utilize emerging and evidence-based approaches to address the COVID-19 pandemic. The funds will allow state and local police departments and jails to meet local needs, including purchase of personal protective equipment and other needed medical items and to support overtime for officers on the front lines. The bill clarifies that these funds "are not subject to restrictions or special conditions" to ensure their quick obligation.

National Science Foundation

Research and Related Activities

- **Boosts funding for research grants (page 629):** The bill includes an additional $75 million in research grants and other necessary expenses to combat coronavirus. The bill also allocates an additional $1 million to administer the research grants.

Title IV: Energy and Water

Department of the Army

Corps of Engineers - Civil Department of the Army

- **Supports Emergency Operations Centers in Corps districts (page 652):** The bill includes $50 million to support Emergency Operations Centers and emergency operations in Corps districts to ensure the continuous operation of Corps projects across the country related to coronavirus prevention, preparation and response. The bill includes $20 million to support remote access for Corps employees.

Department of the Interior

Bureau of Reclamation

- **Prevents the spread of coronavirus to the nation's water and related resources (page 653):** The bill contains $12.5 million to prevent, prepare for and respond to coronavirus, domestically or internally. The bill includes $8.1 million to support remote access for Bureau of Reclamation employees to continue their daily operations.

Department of Energy

Office of Science

- **Supports operations for national laboratory scientific user facilities (page 654):** The bill includes $99.5 million to support operations of the national laboratory scientific user facilities, including equipment, enabling technologies and personnel to support research and development efforts related to coronavirus.

Title V: Financial Services and General Government Department of the Treasury

Independent Agencies

Election Assistance Commission

- **Includes additional $400 million to support elections (page 672):** The bill includes an additional $400 million to the Election Assistance Commission to provide grants to states in response to COVID-19 for the 2020 election cycle. In the United States, the nation's 3,069 counties traditionally administer and fund elections at the local level, including overseeing polling places and coordinating poll workers for federal, state and local elections. With concerns over transmission of COVID-19, counties are closely working with federal, state and local election officials to ensure the highest level of safety, security and integrity in our elections.

Federal Communications Commission

- **Includes additional $200 million for telecommunications support (page 670):** The bill includes funding for the FCC to support health care providers through telehealth services and equipment.

Small Business Administration

- **Includes funding for the Direct Loans Program (page 675):** The bill provides $562 million for administrative expenses and program subsidy for SBA Disaster Loans Program, "to prevent, prepare for and respond to the coronavirus, domestically or internationally.

Department of the Treasury

- **Increases funding for the Internal Revenue Service (page 659):** The bill provides $250 million to the IRS to support taxpayer services in the extended filing season and to address the cost of implementation of the Families First Coronavirus Response Act.

Title VI: Department of Homeland Security

Federal Emergency Management Agency (FEMA)

- **Increases funding for the Disaster Relief Fund (page 702):** The bill provides an infusion of $45 billion to FEMA's Disaster Relief Fund to assist state and local governments in their efforts to mitigate the spread of COVID-19 and protect public health.

- **Provides additional funding for federal assistance (page 703):** The bill includes $400 million for prevention, preparation and response to the coronavirus and will be divided in the following ways: $100 million for Assistance to Firefighter grants for the purchase of protective gear, supplies and related reimbursements; $100 million for Emergency Management Performance Grants; and $200 million for the Emergency Food and Shelter Program.

Title VII: Interior, Environment, and Related Agencies

Department of the Interior

Office of the Secretary

- **Supports law enforcement and emergency personnel (page 711):** The bill includes $158.4 million for equipment and supplies for cleaning buildings and public areas, supports law enforcement and emergency personnel deployed to critical areas and increases telework capacity and capability for Interior employees to carry out daily operations.

Bureau of Indian Affairs

- **Boosts funding to the operation of Indian programs (page 709):** The bill includes $453 million to fund public safety and justice programs, executive direction to carry out deep cleaning of facilities, purchase of personal protective equipment, purchase of information technology to improve teleworking capability, welfare assistance and social services programs. $400 million of that amount shall be made available to meet the direct needs of the tribes.

- **Supports the operation of Indian Education programs (page 710):** The bill includes $69 million to fund tribal colleges and universities, salaries, transportation and information technology. At least $20 million must be used for tribal colleges and universities.

- **Increases funding for Indian Health Services (page 718):** The bill includes $1.032 billion for public health support, electronic health record modernization, telehealth and other information technology upgrades, Purchased/Referred Care, Catastrophic Health Emergency Fund, Urban Indian Organizations, Tribal Epidemiology Centers, Community Health Representatives and other activities to protect the safety of patients and staff. $65 million of that funding will be used for electronic health record stabilization and support and $450 million will be distributed through IHS directly operated programs.

Insular Affairs

- **Provides funding to territories to respond to coronavirus (page 712):** The bill includes $55 million to provide general technical assistance to territories in response to the coronavirus.

Environmental Protection Agency

Science and Technology

- **Boosts funding for research methods to reduce risks from environmental transmission (page 713):** The bill includes $2.25 million to prevent, prepare for and respond to coronavirus. Of that amount, $1.5 million is allocated for research on methods to reduce the risks from the environmental transmission of coronavirus via contaminated surfaces and materials.

U.S. Forest Service

Forest and Rangeland Research

- **Increases funding for experiments impacted by travel restrictions (page 715):** The bill includes $3 million to re-establish experiments conducted under the Forest Inventory and Analysis (FIA) program, which serves as a national census for forests. FIA provides long-term projections for forest growth to inform land management and planning decisions made by state and local governments.

National Forest System

- **Boosts funding for recreation sites and emergency personnel needs (page 716):** The bill provides an additional $34 million for daily cleaning and disinfecting of recreation facilities, personal protective equipment and baseline testing for first responders.

Wildland Fire Management

- **Increases funding for Wildland Fire Management (page 717):** The bill appropriates an additional $7 million for personal protective equipment and baseline testing for wildland firefighters.

Title VIII: Departments of Labor, Health and Human Services, Education, and Related Agencies

Department of Labor

- **Increase funding for Dislocated Workers National Reserve (page 726):** The bill allots $345 million for dislocated workers to remain available through September 30, 2022 to prepare for and respond to layoffs resulting from the COVID-19 pandemic.

- **Provides funding for Program Management (page 726):** The bill includes $15 billion for the Department of Labor to implement the new paid leave and emergency Unemployment Insurance related to COVID-19. Of this amount, $1 million shall be transferred to the Office of Inspector General for oversight activities.

Department of Education

- **Creates an Education Stabilization Fund (page 752):** The bill includes $30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to coronavirus. The funds will be available through September 30, 2021. The bill directs local educational agencies, states, institutions of higher education and other entities that receive this funding to continue paying employees and contractors to "the greatest extent practicable" during disruptions and closures caused by the coronavirus.

- **Elementary and Secondary Education Relief Fund (page 756):** The Education Stabilization Fund includes $13.5 billion in direct formula funding, 90 percent of which states will distribute to local educational agencies according to the formula for Title I grants under the Elementary and Secondary Education Act (ESEA) of 1965. These funds will support coronavirus-response activities such as planning for and coordinating during long-term school closures, purchasing educational technology to support online learning for all students and additional activities allowed for under ESEA.

- **Governor's Emergency Relief Fund (page 754):** The Education Stabilization Fund includes $3 billion in flexible funding for states that governors may allocate at their discretion for emergency support grants to local educational agencies that have been most significantly impacted by coronavirus. These funds will support the educational continuity for elementary and secondary school students as well as emergency support for state institutions of higher education.

- **Higher Education Emergency Relief Fund (page 760):** The Education Stabilization Fund includes $14.25 billion in funding to institutions of higher education to directly support students facing urgent needs related to coronavirus, and to support institutions as they cope with the immediate effects of coronavirus and school closures.

- **Increases Funding for Safe Schools and Citizenship Education (page 767):** The bill provides $100 million in additional funding for Safe Schools and Citizenship Education to be available through September 30, 2021. The bill directs these funds to supplement the Project School Emergency Response to Violence (SERV) program to help elementary, secondary and post-secondary schools clean and disinfect affected schools and assist in counseling and distance learning and associated costs.

Department of Health and Human Services

- **Increases funding to the Public Health and Social Services Emergency Fund (page 743):** The bill includes $27 billion to develop the necessary countermeasures and vaccines for coronavirus, prioritizes platform-based technologies with the U.S.-based manufacturing, the purchase of vaccines, therapeutics, diagnostics, necessary medical supplies, as well as medical surge capacity, addressing blood supply chain, workforce modernization, telehealth access and infrastructure, initial advanced manufacturing, novel dispensing, enhancements to the U.S. Commissioned Corps and other activities. Additionally, the bill sets aside $180 million for the "Health Resources and Services Administration - Rural Health" to help carry out telehealth and rural health activities.

- **Boosts the Strategic National Stockpile (page 744):** The bill includes $16 billion to procure personal protective equipment, ventilators and other medical supplies for federal and state response efforts. When combined with the first supplemental, the stockpile funding will see a total of an additional $17 billion.

- **Increases funding to address hospital preparedness (page 745):** The bill includes $250 million as grant funding to or cooperative agreements with entities that are either grantees or sub-grantees of the Hospital Preparedness Program.

- **Boosts funding available to the Biomedical Advanced Research and Development Authority (page 745):** The bill includes $3.5 billion to the Biomedical Advanced Research and Development Authority for necessary expenses of manufacturing, production and purchase of vaccines, therapeutics and diagnostics.

- **Provides funding for Community Health Centers (page 747):** The bill includes $275 million to expand services and capacity for rural hospitals, telehealth, poison control centers and the Ryan White HIV/AIDS program.

- **Reimburses hospitals for health care related to coronavirus (page 750):** The bill includes an additional $100 billion to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus. The recipients of payments under this section shall report and maintain documentation to ensure compliance with eligibility requirements. Eligible health care providers include public entities, Medicare or Medicaid enrolled suppliers or providers and other health care facilities.

Centers for Disease Control and Prevention

- **Includes funding to state and local public health responders (page 728):** The bill includes $4.3 billion for CDC-wide activities and program support. Of that total amount, $1.5 billion shall be for grants to or cooperative agreements with states, localities, territories, tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes, including to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications and other preparedness and response activities. This grant funding may be used for grants for the rent, lease, purchase, acquisition, construction, alteration, or renovation of non-federally owned facilities to improve preparedness and response capability at the state and local level. The bill includes $500 million to invest in better coronavirus tools and build state and local public health data infrastructure.

National Institutes of Health

- **Provides funding for vaccine research (pages 730-732):** The bill includes a total of $915.4 million for vaccine, therapeutic, and diagnostic research to increase the public's understanding of coronavirus. The total breakdown funds the National Heart, Lung, and Blood Institute at $103.4 million; the National Institute of Allergy and Infectious Diseases at $706 million; the National Institute of Biomedical Imaging and Bioengineering at $60 million; the National Library of Medicine at $10 million; and the National Center for Advancing Translational Sciences at $36 million.

Substance Abuse and Mental Health Services Administration

- **Increases funding to Health Surveillance and Program Support Efforts (page 736):** The bill provides $425 million through FY 2021. Of those funds, $250 million was provided for the Certified Community Behavioral Health Clinic Expansion Grant program, which supports local behavioral health agencies. $50 million shall be available for suicide prevention programs. $100 million is available for substance use disorder activities authorized under section 501(o) of the Public Health Services Act. $15 million is to be allocated to tribes, tribal organizations, urban Indian health organizations, or health or behavioral health service providers to tribes.

Centers for Medicare & Medicaid Services

- **Increases the program management account (page 734):** The bill includes a total of $200 million to respond to coronavirus both domestically and internationally. The bill allocates at least $100 million for necessary expenses of the survey and certification program, prioritizing nursing home facilities in localities with community transmission of coronavirus.

Agency for Toxic Substances and Disease Registry-

- **Provides funding for mapping the virus hot spots and cleaning recommendations (page 720):** The bill includes $7.5 million to support spatial analysis and Geographic Information System mapping of infectious disease hot spots, including cruise ships. $5 million will be awarded to Pediatric Environmental Health Specialty Units and state health departments to provide guidance and outreach on safe practices for home, school and daycare facilities.

Administration for Children and Families

- **Increases funding for the Low Income Home Energy Assistance Program (LIHEAP) (page 735):** The bill provides $900 million for the LIHEAP program to further support low-income, disabled and elderly populations in paying for their home heating and cooling. The funds will be available through September 30, 2021.

- **Increases funding for the Child Care Development Block Grant (CCDBG) (page 736):** The bill provides $3.5 billion for CCDBG to provide child care assistance to essential workers and support publicly-funded child care providers in deploying various emergency flexibilities in response to the COVID-19 outbreak. The additional CCDBG funds will be available through September 30, 2021 and may support child care for health care sector employees, emergency responders, sanitation workers and other workers deemed essential during the response to the coronavirus without regard to existing CCDBG income eligibility requirements. States, territories and tribes are "encouraged to place conditions on payments to child care providers that ensure that child care providers use a portion of funds received to continue to pay the salaries and wages of staff," and may also assist child care providers in the case of decreased enrollment or closures due to the coronavirus. CCDBG is state-supervised and county-operated in 12 states.

- **Increases funding for the Community Services Block Grant (CSBG) (page 738):** The bill provides $1 billion for CSBG, which provides funds to states to distribute to eligible local entities (Community Action Agencies or CAAs) to design and implement anti-poverty programs. The bill also expands the income-eligibility requirement for CSBG programs from 125 percent to 200 percent of the federal poverty line, providing CAAs with greater flexibility to address the consequences of increasing unemployment and economic disruption caused by the coronavirus.

- **Increases funding for Head Start (page 738):** The bill provides $750 million in additional funding to the Head Start program to continue serving eligible children, two-thirds of which is available for the operation of supplemental summer programs through non-competitive grant supplements to existing grantees chosen by the Office of Head Start. The influx of funding will assist those county governments serving as Head Start grantees in responding to coronavirus related needs of children and families, including making up for lost learning time.

- **Increases funding for Child Welfare Services (page 740):** The bill provides $45 million for grants to states to support the child welfare needs of families during this crisis, and to help keep families together. Counties are fully responsible for administering child welfare systems in nine states and partially responsible in three states.

Administration for Community Living

- **Increases funding for Aging and Disability Services Programs (page 741):** The bill provides $955 million to the Administration for Community Living (ACL) services for seniors and disabled individuals as well as their caregivers to be available through September 30, 2021. Of this amount, $820 million is allocated for programs under the Older Americans Act, including $200 million for in-home supportive services, $520 million for senior nutrition programs, $100 million for family caregiver services and $20 million for elder rights protection activities. The bill further allocates $50 million to support Aging Resource and Disability Centers and $85 million for independent living centers receiving federal grant funding.

Title X: Veterans Affairs and Related Agencies

- **Boosts COVID-19 treatment and testing resources for veterans (page 798):** The bill includes $19.6 billion for the U.S. Department of Veterans Affairs (VA) to support the health and well-being of our nation's veterans during the pandemic. Within this total, $15.86 billion is directed to support the increased demand for health services at VA hospitals as a result of the COVID-19 pandemic, as well as for the purchase of personal protective equipment (PPE) and test kits. Funding is also allocated for treatment of veterans at community-based urgent care clinics and emergency rooms.

- **Supports programs that help counties meet the needs of at-risk veterans (page 799):** The legislation directs $590 million to key VA programs, including the Health Care for Homeless Veterans (HCVC) program and the Supportive Services for Veterans Families (SSVF) program. Important to counties, the HCVC program provides outreach, case management and residential treatment services to assist veterans as they transition from living on the street into permanent housing. The SSVF program, meanwhile, provides funds to counties and other local entities to help very low-income veterans and their families who are homeless—or at risk of becoming homeless—obtain and retain permanent housing. The bill additionally supports the Homeless Providers Grant and Per Diem (GPD) program, which pairs VA Medical Center personnel with state, local and tribal grant recipients to fund, develop and operate transitional housing and service centers for homeless veterans.

- **Supports information technology (IT) systems for veterans health care delivery (page 800):** The legislation provides $3.1 billion through the end of FY 2021 for the "costs, operations and maintenance, and IT systems development" to increase bandwidth for veterans telemedicine and call center volume during the pandemic. This will enhance capacity for telehealth visits and allow more veterans to receive care from home, while ensuring veterans' health care providers can provide remote treatment for patients and continuity in processing veterans' benefits.

- **Prioritizes rural veterans for information technology (IT) systems for veterans health care delivery (page 805):** The bill instructs the Secretary to prioritize services delivered through telehealth or VA Video Connection for "veterans who reside in rural and highly rural areas, as defined in the Rural-Urban Commuting Areas coding system of the U.S. Department of Agriculture."

Title XII: Department of Transportation, Housing and Urban Development

U.S. Department of Transportation ($36.1 billion)

- **Maintains essential air service to small and rural communities (page 831):** The bill includes an additional $56 million to be derived from the general fund of the Treasury for the EAS and Rural Improvement Fund.

- **Provides direct grant funding for airports (page 832)**: $10 billion is directed to airports, of which counties directly support 34 percent nationally, through the Airport Improvement Program (AIP). Airports are entitled to a certain level of AIP funding each year based on passenger traffic and project needs. If capital needs are exceeded, DOT may choose to supplement airports entitlement levels by awarding discretionary funds ($400 million in general funds were transferred to AIP in regular FY 2020 appropriations). $10 billion is divided through formulas in the following ways: not less than $500 million is made available to provide a 100 percent federal share for projects completed under this section; not less than $7.4 billion is directed for any airport project that would typically be funded by user fees and is made available to all commercial airports and allocations are based on certain factors, including total enplanements and reserves versus debt; no more than $2 billion is provided for any purposes that airport revenues would typically fund to be apportioned based on statutory apportionments; and not less than $100 million is made directly available through apportionments for general aviation (GA) airports, which are those that have scheduled air service with less than 2,500 passengers annually or those who do not have scheduled air service at all.

- **Provides financial relief to local public transit agencies (page 839)**: The bill provides $25 billion for public transit allocated through formula funding to urban and rural areas, state of good repair and growing states and high density transit grant programs. One hundred percent of federal transit dollars are allocated through formulas, and depending on the structure of the transit system, state, regional or local transit agencies receive these dollars directly from DOT.

- **Waives heavy truck weight limits (pg. 875)**: Under the General Provisions title of Division B, language is included that would allow states, as a result of the presidential disaster declaration, to waive limits on truck weights for the duration of the fiscal year. States have this authority as a result of P.L. 112-141.

- **Funds safety operations and programs for heavy trucks (page 836)**: The legislation repurposes prior year unobligated contract authority and liquidates cash provided for the Federal Motor Carrier Safety Administration (FMCSA) in P.L. 105-178, P.L. 109-59 and other prior appropriation and authorization acts to provide $150,000 in additional FY 2020 obligation limitation to "support activities to prevent, prepare for, and respond to coronavirus." Forty-seven percent of all heavy truck vehicle miles traveled (VMT) occur on local rural roads, contributing to the 46 percent of vehicular fatalities that occur on these roads each year nationally.

- **Improves rail safety and operations (page 839)**: $250,000 in additional appropriations is provided for the Federal Railroad Administration (FRA) safety and operations account to respond to ongoing effects of the COVID-19 pandemic.

- **Continues federal support of Amtrak (page 840)**: Over $1 billion is provided in the bill for Amtrak through grants, with $492 million directed for Northeast Corridor Grants and $526 million for National Network Grants.

U.S. Department of Housing and Urban Development (HUD)

- **Increases the Community Development Block Grant (CDBG) (page 857):** The bill commits $5 billion to CDBG and would provide $2 billion in direct funding to states and localities under the CDBG program's current formula. The bill includes an additional $1 billion directly for states, and the remaining $2 billion would be allocated by the U.S. Housing and Urban Development Secretary based on a formula to be determined by the Secretary based on coronavirus related factors. Additionally, the bill waives the 15 percent public services cap. The funding boost represents a major win for counties, who use CDBG resources to fund vital community, infrastructure and economic development programs, and supports counties with recovery from disasters and economic downturns.

- **Includes funding for Homeless Assistance Grants (page 861):** The bill includes $4 billion for Homeless Assistance Grants to "prevent, prepare for, and respond to coronavirus, domestically or internationally, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the economic impacts created by coronavirus." Of this amount $2 billion is allocated by the current formula to assist state and local governments with homelessness prevention. The remaining $2 billion will be allocated based on a new formula developed by the HUD Secretary factoring the number of homeless and those at risk of becoming homeless.

- **Provides increased support for Tenant-Based Rental Assistance (page 848):** The bill provides $1.25 billion in additional funding for the program, which serves to preserve Section 8 voucher rental assistance for low-income families.

- **Provides increased support for Project-Based Rental Assistance (page 867):** The bill provides $1 billion for Project-Based Rental Assistance, key for promoting housing affordability for low-income families.

- **Includes increase for Housing for the Elderly - Section 202 (page 869):** The bill provides $50 million to remain available until September 30, 2023 to assist with special housing for elderly populations related to COVID-19. Of this amount $10 million shall be available for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects.

- **Provides funding for Housing for Persons with Disabilities - Section 811 (page 870):** The bill includes $15 million to remain available until September 30, 2023 for COVID-19 response and to assist owners or sponsors of properties receiving project-based assistance.

For complete NACo resources related to COVID-19, please visit www.naco.org/coronavirus