

HEROES Act would provide \$3 trillion in additional benefits but unlikely to progress

By Priya Sankar

Original post [here](#).

The \$3 trillion Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, which the House of Representatives passed on [May 15](#), is the fourth and largest legislative rescue package proposed by the US Congress in response to the COVID-19 pandemic. It would help to mitigate the economic impact of continued shelter-in-place orders and soaring unemployment rates.

Some [key allocations](#) of the HEROES Act include:

- \$915 billion to state, local, tribal and territorial governments
- \$650 billion for additional Economic Impact Payments to individuals
- A \$200 billion fund for hazard pay to essential workers
- \$100 billion in grants to low-income renters
- \$100 billion in support to state education programs

The HEROES Act allocates \$500 billion in direct, flexible aid to state governments, \$375 billion to local governments, \$20 billion to tribal governments and \$20 billion to US territories.

The HEROES Act calls for a second round of Economic Impact Payments (EIP) to individuals, and would provide \$1,200 for each dependent without regard to age, up to three dependents per family. The bill retains the \$1,200 payment per individual for a potential maximum of \$6,000 per two-parent family. The CARES Act limited dependent benefits to \$500 per child under 18. Both the CARES Act and the HEROES Act reduce the amount of the payment above certain income thresholds. Because its benefits to those with dependents are greater, the HEROES Act would provide a reduced benefit to some persons who would not receive a payment under the CARES Act. The Act appropriates [\\$650 billion for EIP payments](#) as compared to the [\\$292 billion estimated cost](#) of similar payments under the CARES Act.

The HEROES Act also supports families with \$10.1 billion for child care and other services like support for utilities for low-income families. Emergency family medical leave would be extended from December 2020 to December 2021. This is a marked increase from the [CARES Act](#) allocation of \$3.5 billion for the child care development block grant to states.

The bill would establish a \$200 billion “Heroes’ Fund” to provide hazard pay to essential workers. Employers could apply for grants to provide their employees with a \$13 per hour premium in addition to their regular wages, up to a total of \$10,000 per employee, or \$5,000 for highly compensated essential workers. The bill also would appropriate \$850 million so states can provide child care for essential workers; other provisions would increase the production and availability of personal protective equipment.

Supplemental unemployment benefits of \$600 per week, which the CARES Act provided through [the end of July](#), would be extended until January 2021.

The HEROES Act would set aside over \$14 billion in food aid, including \$10 billion to support increased use of SNAP benefits, \$3 billion for child nutrition programs, and \$1.1 in food assistance for women, infants, and children.

The HEROES Act also would set aside funds for renters and homeowners. The CARES Act had provided that individuals could take advantage of forbearance for their rent and mortgage payments for up to one year for properties financed with federal government guarantees. Title II of the HEROES Act would allocate \$100 billion in grants for low-income renters at risk of eviction once that forbearance ends. It also would provide \$75 billion for states, territories, and tribes to distribute to homeowners for mortgage assistance and other housing costs.

The bill also would provide \$10 billion in grants to small businesses that have suffered losses due to the pandemic. It would ease many of the requirements for small business loans, providing flexibility in payment deferrals, waiving fees, and increasing the guarantee provision. It also would increase the employee retention tax credit from 50% to 80% of applicable wages.

The bill also calls for extending the CARES Act student loan payment plans to those who borrowed from private lenders, providing up to \$10,000 in relief to be applied to such loans, paid monthly until September 2021. In addition, \$100 billion would go to states to support education programs.

The HEROES Act would support the United States Postal Service with \$25 billion, as it would otherwise [run out of money](#) this autumn. This money is available until September 2022, and would also support providing personal protective equipment for postal workers.

The bill calls for over \$30 billion to support transportation, both for highways and for support to transit agencies to maintain basic services.

The bill sets aside \$75 billion for additional COVID-19 testing, contact tracing, and treatment efforts, aiming to ensure that all Americans could receive COVID-19 treatment for free. It also supports the National Institutes of Health with \$4.7 billion, the Center for Disease Control with \$2.1 billion, underserved populations with \$7.6 billion, and the Indian Health Service with \$2.1 billion.

The bill proposes \$16.5 billion be set aside for direct grants to agricultural producers.

The bill would allocate \$3.6 billion in grants to states to support election security efforts.

The bill is viewed as partisan, as it passed the House with mainly Democratic support. It is not expected to become law. "Instead of going big, it seems you went crazy. This is a political messaging bill that has no chance of becoming law," House Minority Leader Kevin McCarthy, R-Calif. [said on the floor](#). The [Trump Administration](#) does not support the bill. The White House issued a statement saying: "This proposed legislation, however, is more concerned with delivering on longstanding partisan and ideological wishlists than with enhancing the ability of our Nation to deal with the public health and economic challenges we face." While [Senate Majority Leader Mitch McConnell](#) has refused to consider the bill, he stated on May 30 that the Senate would likely consider a "4th and final" stimulus bill "in about a month" and that the focus would be on jobs and schools and possibly additional assistance to small businesses.

Allocation	Purpose
\$915 billion	Aid to state, local, territorial, and tribal governments
\$650 billion	Direct payments to individuals and dependents
\$200 billion	Heroes' Fund - Hazard pay to essential workers
\$14 billion	Food aid - including SNAP benefits and child food aid
\$100 billion	Grants for low-income renters
\$10 billion	Grants to small businesses
\$100 billion	Support to state education programs
\$25 billion	Support to US Postal Service
\$30 billion	Support for transportation including highways and transit agencies
\$75 billion	COVID-19 testing, contact tracing, and treatment
\$4.7 billion	National Institutes of Health
\$2.1 billion	Center for Disease Control
\$2.1 billion	Indian Health Service
\$16.5 billion	Direct grants to agricultural producers
\$3.6 billion	Grants to states for election security efforts