

## *House Democrats Unveil the Heroes Act*

On May 12, 2020, House Democrats unveiled the Heroes Act ([H.R.6800](#)), a mammoth relief package for the COVID-19 pandemic offering more than \$3 trillion in aid for what would be the biggest federal response so far to the health and economic emergency. It is unlikely the bill will make it to President Trump's desk for his signature in this form but instead is a starting point in negotiations with the Senate. DTA is pleased that H.R.6800 focuses on support for essential workers, including dentists, and access to personal protective equipment. The legislation also attempts to establish a federal structure for assisting with the supply chain for necessary medical products and supplies during this difficult period. However, it stops short of federalizing the supply chain as some Democratic Senators have called for.

The sweeping legislation would provide another round of cash payments to many individuals and families, more loans to businesses, housing assistance, medical research funding, an extension of expanded unemployment insurance benefits, tax breaks and more. Aid to cash-strapped states and local governments alone could amount to about \$1 trillion.

The Heroes Fund is a voluntary grant program that employers can apply for to pay essential workers premium pay. Premium pay is \$13/hour for work performed since January 27th through 60 days after the end of the public health emergency. It is capped at \$10k for most workers.

The bill, set for a House floor vote Friday, May 15th, is likely to serve as the opening bid from Democrats in what could be protracted negotiations on a compromise measure. Republicans have sought to pump the brakes on additional aid, while expressing concern over rising red ink.

Among the new bill's major elements:

- **Price Gouging.** Prohibits the sale of consumer goods and services at unconscionably excessive prices. Goods and services include personal protective equipment, drugs, hand sanitizers, and healthcare services, among others. It also authorizes the Federal Trade Commission and State attorneys general to enforce the law and impose civil penalties on price gougers. No state laws would be preempted by the title.
- **Medical Supplies Response Coordinator.** Requires the President to appoint a Medical Supplies Response Coordinator. A Medical Supplies Response Coordinator would serve as the point of contact for the health care system, supply chain officials, and states on medical supplies, including personal protective equipment (PPE), medical devices, drugs, and vaccines. The appointee is required to have health care training and an understanding of medical supply chain logistics.
- **Expanded Paid Sick Leave and FLMA.** Eliminates the health care, first responder, and small employer exemptions to the EPSLA and EFMLA. Expands the Emergency Paid Sick Leave Act (EPSLA) to employers of any size (rather than the current law's "less than 500 employees" cutoff).
- **Small-business loans.** The SBA's Paycheck Protection Program would be made more flexible by extending loan forgiveness periods and removing a restriction on how much loan money must be spent on payroll. It would also enable small businesses to take typical deductions for covered expenses such as payroll and rent which would reverse a recent IRS notice on the subject.

- **State and local aid.** Almost \$916 billion in direct aid would be provided to make up for lost revenues suffered by states and local governments from the economic shutdown.
- **Food assistance.** About \$10 billion would be used to cover increased participation in the food stamps program and to expand benefit levels by 15 percent.
- **Housing.** The bill proposes \$75 billion to help homeowners unable to make mortgage payments or pay property taxes and utilities. And it would provide \$100 billion in rental assistance for low-income tenants.
- **Broadband.** About \$5.5 billion would go to emergency home internet connections and the creation of Wi-Fi hot spots for broadband service.
- **Postal Service.** \$25 billion would be available to make up for lost Postal Service revenue from the pandemic.
- **Education.** More than \$100 billion would be used for education, mostly for a State Fiscal Stabilization Fund to help states deal with the strain from shuttered schools.
- **Public health fund.** \$100 billion for hospitals and other health care providers for pandemic-related costs, and \$75 billion for virus testing.
- **Medicaid.** States would get a boost in federal Medicaid funding, with the federal matching share increased by 14 percentage points.
- **Health insurance.** Workers who are laid off or furloughed could maintain their employer's health coverage through the COBRA program with full premium subsidies for about nine months.
- **Unemployment insurance.** An expanded benefit of \$600 per week, set to expire in August, would be extended through Jan. 31, 2021.
- **Hazard pay.** A \$200 billion "Heroes Fund" would give grants to employers to provide premium pay for "essential" workers. Dentists are listed as essential workers.
- **Rebate checks.** Taxpayers would receive another round of direct payments of up to \$1,200 per adult and \$1,200 per dependent for up to three dependents. The credit begins phasing out after \$75,000 of adjusted gross income, as in the previous payment round.
- **Tax relief.** The \$10,000 limit on deductions for state and local taxes would be lifted for the 2020 and 2021 tax years. And an employee retention tax credit would be made more generous by covering the reimbursement costs of 80 percent of wages instead of 50 percent.
- **Election security.** \$3.6 billion in state grants to prepare for elections during the pandemic.

Senate Majority Leader Mitch McConnell attacked the bill as a nonstarter even before it was introduced. McConnell has said that, at minimum, additional aid to states and local governments beyond the \$150 billion provided in the March bill must be paired with liability protections for businesses allowed to reopen.