Legislation: House-passed and Senate Republican proposal

House HEROES Act: $3 trillion passed by House in mid-May
Senate HEALS Act: $1 trillion package of several bills introduced yesterday by Senate Republicans

*Negotiation began last night between Administration and Democratic leaders. Need for compromise package with time frame for action still up in the air.*
Common elements: House and Senate details differ

- Individual Stimulus Payments
- Pandemic Unemployment Insurance
- Employee Retention Tax Credit (ERTC)
- PPE Tax Credit
- PPP Improvements
- Reopening Support for Schools
Areas of contention

• State stabilization funding: essential for our social service agencies
• Medicaid enhancement: crucial for health care agencies and other providers
• Liability protection: nonprofits covered
Unemployment Insurance/Stimulus Payments

- Pandemic Unemployment Supplement ($600 per week in House; $200 in Senate)
- Another round of stimulus payment ($1200/individual plus dependents)
- Nonprofit that self-insure unemployment: increase from 50 % to 75 %
Employee Retention Tax Credit (ERTC)

- Expands CARES Act provision providing tax credit retaining employees on payroll
  - Employers no longer must choose between ERTC and PPP loans

- Refundable payroll tax credit up to 65% - 80% of first $10K - $12K of wages and benefits per employee per quarter
  - Operations fully or partially suspended by COVID-19 shut down order
  - Gross receipts decline substantially (Applies at 10-25% decrease in revenue)
PPE Tax Credit

- Refundable payroll tax credit equal to 50% qualified employee protection expenses such as PPE, cleaning supplies, workplace configuration
- Credit up to $1K for each first 500 employees with phase down for larger employers
- Self-employed individuals able to claim credit
Extended PPP Loans

• PPP Improvements: expands forgivable expenses
  • Simplified forgiveness application for smaller loans
  • 8-week period for forgiveness more flexible

• PPP Second Draw
  • 300 employees and 50 percent reduction in gross revenues
  • 2.5 times average monthly payroll costs up to $2 million
  • $190 billion in funding
Reopening Support for Schools

- $100-105 billion for education support
  - SENATE:
    - 2/3 tied to reopening
    - Private schools eligible
  - HOUSE: Private schools may be ineligible
State Funding Relief / Medicaid Boost

- **State Stabilization Fund:**
  - House: $500 billion in state and $375 in local government fiscal assistance
  - Senate: No additional funding but provides some flexibility in use of CARES Act funding dollars

- **Medicaid:** Important for communal health and human service agencies
  - House: 14% FMAP increase
  - Senate: No increase
Liability Protection

• Senate:
  • 5-year liability protection for businesses and nonprofits unless reckless disregard
  • Federal pre-emption on litigation

• House:
  • Do not want to include
Questions & Answers
FOR MORE INFORMATION

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