



HEALS Act Human Services Summary

Last Updated July 29, 2020

On July 27th, the Senate introduced its next proposed COVID-19 stimulus package, the *HEALS Act*. The package has been introduced as multiple stand-alone bills. Significant differences remain between the Senate proposal and previously passed House proposal (HEROES Act), and negotiations are underway to finalize a relief package. This analysis summarizes key provisions of the initial Senate proposal related to human services systems. Detailed summaries and/or text of the entire Senate package are also listed below.

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Text and Summaries of bills with Senate COVID-19 proposal

- Senate Finance bill [text](#) and [summary](#)
- Senate Appropriations bill [text](#) and [summary](#)
- Senate Health, Education, Labor, and Pensions [text](#) and [summary](#)
- Liability Protections [text](#)
- Small Business Provisions [text](#)
- Restaurants Deduction [text](#)
- Trust Fund [text](#)

BASIC ASSISTANCE AND WORK SUPPORTS

- **TANF Coronavirus Emergency Fund (Senate Finance bill)**
 - Establishes the TANF Coronavirus Emergency Fund under Section 403 of the Social Security Act (42 U.S.C. 603).
 - Appropriates \$2 billion to reimburse states up to 80 percent of their increased costs for TANF basic assistance, non-recurrent short-term benefits and work supports.
 - Establishes framework for HHS to define eligible types of basic assistance, work supports, and non-recurrent short-term benefits.
 - “Basic assistance” is assistance including cash, payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs as defined by the Secretary.
 - “Work supports” are benefits provided to help families obtain, retain, or advance in employment as defined by the Secretary.
 - “Non-recurrent short-term benefits” are benefits intended to address a specific crisis or need as defined by the Secretary.
 - Defines eligibility as families with at least one child under the age of 18, in need as a result of the COVID-19 public health emergency, where “in need” is to be defined by the state.
 - Funds will be distributed through grants on a quarterly basis for the period of the 3rd and 4th quarters of fiscal year 2020 and each quarter of fiscal year 2021, to be available to states until September 30, 2022.
 - Limits grant funding to states at 80% of the difference between expenditures from Quarter 1 2020 and the total expenditures for the requesting quarter ((Requesting Quarter Expenditures – FY2020Q1 expenditures) x .8).
 - Further limits the maximum grant amount within the \$2 billion allocation for any given state to the state’s child poverty proportion for FY2020, based on the most recent data from the Bureau of the Census.

CHILD CARE

- **“Back to Work” Child Care Grants (Senate Health, Education, Labor, and Pensions)**
 - Appropriates \$10 billion to CCDBG lead agencies for issuance of sub-awards to eligible child care providers to assist in paying for fixed costs and increased operating expenses due

to COVID-19 and to re-enroll children in an environment that supports the health and safety of children and staff.

- Establishes that not less than 94% of grant funds must be sub-awarded to eligible child care providers, not less than 1% of grant funds be used for technical assistance, and the remainder of funds to be used for program administration and reporting.
- Limits use of funding for a transitional period of no more than 9 months.
- Permits CCDBG lead agencies to designate a third party to carry out responsibilities of the lead agency and oversee activities.
- Requires CCDBG lead agencies to provide assurance that they will require child care provider sub-awardees to:
 - Have been an eligible child care provider prior to March 1, 2020
 - Agree to follow all applicable health and safety requirements, including enhanced protocols for child care services related to COVID-19
 - Agree to comply with documentation and reporting requirements
 - Certify in good faith that the child care program will remain open for no less than one year after receiving a subaward
- Specifies funding must be made available regardless of whether the eligible child care provider is providing services for which assistance is made available under CCDBG.
- Requires CCDBG lead agencies to review state and local requirements that hinder opening of new licensed child care programs to meet the needs of working families.
- Grants are only available through the end of September and are meant to be used to help child care providers transition their businesses over a period of nine months.
- Limits use of funding for specified activities.
 - Sanitation and other cleaning costs
 - Recruitment, retention, and compensation of child care staff
 - Payment of fixed operating costs associated with providing child care services
 - Purchase of equipment and services needed for safe delivery of child care services in accordance with public health requirements
 - Replacement of materials no longer safe to use as result of the COVID-19 emergency
 - Facility changes and repairs to address enhanced protocols for child care services
 - Purchase or updating equipment and supplies to serve children during non-traditional hours
 - Adaptation of programs and curricula for children who have not had recent access to child care settings
 - Reimbursement for the aforementioned eligible expenses incurred prior to receipt of a subgrant
- Establishes detailed reporting criteria for CCDBG lead agencies, including criteria for subgrant awards, subgrantee characteristics, number of eligible providers in operation, number of child care slots, number and percent of subgrant award recipients, and use of funding by subgrantees.

- **Child Care and Development Block Grant (Senate Appropriations)**
 - Appropriates \$5 billion available through September 2021 to supplement state general revenue funds for child care assistance for low-income families.
 - Exempts funding from CCDBG requirements to ensure that a substantial portion of amounts be used towards assistance to low-income working families and a minimum amount of funds towards direct services (Section 658E(c)(3)(D) – (E) of the Child Care and Development Block Grant Act).
 - Exempts funding from CCDBG requirements for activities to improve the quality of child care as specified in Section 658G of the Child Care and Development Block Grant Act.
- Authorizes the provision of child care assistance to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to coronavirus by public officials, without regard to the income eligibility.
- 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.
- Payments made may be obligated in the current federal fiscal year or the succeeding two fiscal years.
- Permits funding to be used to reimburse obligations incurred prior to enactment of the Act for eligible expenditures.
- Establishes funding is available to eligible child care providers even if providers were not receiving CCDBG assistance prior to the public health emergency.

CHILD WELFARE

- **Support for Older Youth (Senate Finance)**
 - Provides \$50 million in new funding for the John H. Chafee Foster Care Program for Successful Transition to Adulthood to address immediate COVID-19-related challenges.
 - Temporarily allows states to use more than 30% of Chafee funding for FY 2020 for room and board payments to address increased housing needs due to COVID-19.
 - Temporarily suspends Education and Training Voucher requirements that youth must be enrolled in a post-secondary education or training program or making satisfactory progress toward completion of that program if it is not possible for the youth to do so due to COVID-19.
- **Court Improvement Program (Senate Finance)**
 - Provides \$10 million in additional allocations to the Court Improvement Program (CIP) to support adapting court practices and procedures in light of the continued effects of the COVID-19 pandemic.
 - The additional funding will be used to continue virtual child welfare hearings and encourage fiscally supported strong involvement in the court process from birth parents, foster parents and youth.

- **Title IV-B (Senate Appropriations)**
 - Appropriates \$75 million for child welfare services authorized by subpart 1 of part B of Title IV of the Social Security Act.
 - Funding is available without regard to matching requirements under section 424(a) of that Act or any applicable reductions in Federal financial participation under section 424(f) of that Act.
 - Funds appropriated may be made available to restore amounts, either directly or through reimbursement, for obligations incurred to prevent, prepare for, and respond to coronavirus prior to the date of enactment of this Act.

- **CAPTA (Senate Appropriations)**
 - Appropriates \$50 million for Community-Based Grants for the Prevention of Child Abuse and Neglect (CAPTA Title II).
 - Funds will be made available without regard to requirements set forth in Section 203(b)(1) of CAPTA (70%/30% allocation method) and Section 204(4) (20% non-federal match requirement).
 - Funds appropriated may be made available to restore amounts, either directly or through reimbursement, for obligations incurred to prevent, prepare for, and respond to coronavirus prior to the date of enactment of this Act.

- **Family Violence Prevention and Service Grants (Senate Appropriations)**
 - Appropriates \$65 million for Family Violence Prevention and Service grants without regard to matching requirements.
 - \$2 million of appropriated funds reserved for the National Domestic Violence Hotline.
 - Permits HHS to make funds available for providing temporary housing and assistance to victims of family, domestic, and dating violence.

STATE AND LOCAL FINANCIAL RELIEF

- **Flexibility in Use of CARES Act State and Local Relief Funding (Senate Finance)**
 - Retains provisions under Title V of the CARES Act for allowable uses of federal relief payments to state and local governments for all necessary expenses accrued due to the public health emergency. Extends the deadline for those expenses from December 30, 2020 to 90 days after the end of fiscal year 2021 on September 30th 2021.
 - Expands allowable uses of relief payments to include covering any revenue shortfalls from taxes, fees, or other sources of funds, relative to revenue levels of FY 2019. State, local or other government entities may use relief payments to cover revenue shortfalls from the time period of March 1, 2020 until 90 days after the end of FY 2021 on September 30, 2021.
 - Governments must certify they have distributed at least 25% of Coronavirus Relief Fund (CRF) funding to downstream governments and no more than 25% of total CRF funding can be used toward covering revenue shortfalls.
 - Prohibits the use of CRF funding for pensions/post-employment benefits and replenishing rainy day funds. Also establishes a Maintenance of Effort requirement that states use CRF funds to supplement state or local funding and not replace what would normally be provided.

PANDEMIC UNEMPLOYMENT COMPENSATION (Senate Finance)

- **Federal Pandemic Unemployment Compensation (FPUC)**
 - *Extends FPUC at a Reduced Rate until October 2020* – FPUC, the additional \$600/week payment to individuals receiving unemployment insurance benefits, would continue at a reduced rate of \$200/week through October 5, 2020.
 - *Extends FPUC based on a share of lost income from October 2020 until December 2020.* – Starting October 5, 2020 the \$200 payment would be replaced by an additional UI payment/week of \$500 or less, such that the total amount of benefits (UI base pay + FPUC) equals 70% of the individual's lost wages. States unable to pay FPUC based on this calculation may apply for a waiver to continue paying a fixed amount. FPUC payments made after October 5 must count as income with regards to other federal benefits programs.
 - Requires states to notify individuals and employers within 30 days of enactment of the state's return to work requirements, the individual's rights to refuse to return to work or to refuse suitable work, and how an individual can contest the denial of a claim as a result of these requirements.

- **Pandemic Unemployment Assistance (PUA)**
 - Requires states to follow the same procedures for verifying eligibility for PUA, the program established under the CARES Act to provide support to those not traditionally eligible for UI, as Disaster Unemployment Assistance (DUA).
 - Clarifies that only individuals who have lost their principal source of income are eligible for PUA.
 - Clarifies that states may handle appeals from the PUA program in the same way they handle appeals for state UI benefits, instead of requiring that these appeals be handled by the regional offices for the Department of Labor.

- **Supplemental Emergency Unemployment Relief for Government & Nonprofit Employers**
 - Increases reimbursement payments established under the CARES Act from a 50 percent reimbursement rate to a 75 percent reimbursement for nonprofits, government agencies, and Indian tribes for costs incurred through December 31, 2020 to pay unemployment benefits.

WORKFORCE DEVELOPMENT

- **Department of Labor Appropriations (Senate Appropriations)**
 - Provides emergency funding for the Department of Labor (DOL), including \$500 million specifically for employment and training activities, including individual training accounts, incumbent worker training, transitional jobs, customized training, and on-the job training.
 - Provides \$450 million in Workforce Innovation and Opportunity Act (WIOA) grants for states and communities to respond to the workforce impacts and layoffs resulting from the coronavirus.

- Provides \$350 million for reemployment services, job search assistance, placement assistance for job seekers, and services offered to employers such as referral of job seekers and special recruitment services.
- **Workforce Development Flexibilities (Senate Health, Education, Labor, and Pensions)**
 - Provides the Secretary with the authority to provide waivers from the Carl D. Perkins Career and Technical Education Act of 2006, the Adult Education and Family Literacy Act, and the General Education Provisions Act that are necessary and appropriate due to the COVID-19 declaration of disaster.
 - Authorizes 40% of funds provided under WIOA to be used by local workforce boards on incumbent worker training or transitional jobs.
 - Provides the Secretary of Labor with the authority to waive requirements for Job Corps and YouthBuild related to enrollment age and program length.
 - Authorizes additional funding to support youth activities under WIOA, for the Reentry Employment Opportunities program at the DOL, National Dislocated Worker grants, and to support apprenticeship.
 - Authorizes funding for a formula grant to States to support job training, including through activities authorized under the Workforce Innovation and Opportunity Act such as customized training, on-the-job training, Individual Training Accounts, or transitional jobs.