

**Side -by Side: Legislation to Provide Municipal Budget Aid**

	<b>HEROES Act</b>	<b>SMART Act</b>	<b>Direct Support for Communities Act</b>	<b>State &amp; Local Emergency Stabilization Fund Act</b>
Status	HR 6800 Passed the House 208-199	S 3752 Introduced in Senate	S 3632 Introduced in Senate	S 3671 Introduced in Senate
Cosponsors	Rep. Lowey, Nita M. [D-NY-17] Rep. Engel, Eliot L. [D-NY-16] Rep. Maloney, Carolyn B. [D-NY-12] Rep. Nadler, Jerrold [D-NY-10] Rep. Neal, Richard E. [D-MA-1] Rep. Pallone, Frank, Jr. [D-NJ-6] Rep. Scott, Robert C. "Bobby" [D-VA-3] Rep. Takano, Mark [D-CA-41] Rep. Velazquez, Nydia M. [D-NY-7] Rep. Waters, Maxine [D-CA-43] Rep. Grijalva, Raul M. [D-AZ-3] Rep. Lofgren, Zoe [D-CA-19]	Bill Cassidy, M.D. (R-LA) Bob Menendez (D-NJ) Joe Manchin (D-W.Va.) Cindy Hyde-Smith (R-Miss.) Cory Booker (D-N.J.) Susan Collins (R-Maine)	Senators Kirsten Gillibrand (D-NY), Chuck Schumer (D-NY), Doug Jones (D-AL), Joe Manchin (D-WV), Sherrod Brown (D-OH), Michael Bennet (D-CO), and Gary Peters (D-MI)	Senator Jack Reed (D-RI)

Combined State & Local Funding	\$875 billion	\$500 billion (Includes Territories and Tribes)	Not provided	\$600 billion (Includes Territories and Tribes)
Allocation Formula	<p>Local funds not contingent on State decisions</p> <p>County and Municipal fund equal</p> <p>Municipal funds allocated using a modified CDBG formula.</p> <p>70% overall funds reserved for entitlement and 30% for non-entitlement.</p> <p>Non-entitlement allocated per capita</p>	<p>Local funds contingent on State certification</p> <p>County and Municipal fund equal</p> <p>To the states: 1/3 population 1/3 infection rates 1/3 revenue loss</p> <p>To combined local gov: 1/3 of each of the 3 tranches allocated to their state</p> <p>To municipal gov: ½ of 1/3, or 1/6, of each of the 3 tranches allocated to their state</p> <p>Population and Infection rate funds will be allocated per capita to municipalities</p> <p>Revenue loss funds will be allocated to each municipality based on their revenue loss from January 1, 2020 to December 31, 2020</p>	<p>Same approach as HEROES Act</p> <p>County and Municipal fund equal</p> <p>Municipal funds allocated using a modified CDBG formula.</p> <p>70% overall funds reserved for entitlement and 30% for non-entitlement.</p> <p>Non-entitlement allocated per capita</p>	<p>Local funds not contingent on State decisions</p> <p>One local government fund, municipalities and counties are both subject to the modified CDBG formula</p> <p>Local government funds allocated using a modified CDBG formula.</p> <p>70% overall funds reserved for entitlement and 30% for non-entitlement.</p>

State Funding	\$500 billion	2/3 total or \$316 billion	Not provided	\$59 billion
Combined Municipality & County Funding	\$375 billion	1/3 total or \$158 billion	Not provided	\$205 billion
Municipal Funding	\$187.5 billion	½ of 1/3 total or \$79 billion	Not provided	Municipalities and counties receive shares from the same fund.
Funding minimums	None	States shall receive a combined minimum of \$2 billion from the first two tranches in addition to their allocation from the third tranche.	None	\$5 billion small state minimum
Funding Caps	None	None	None	None
Timeframe	No expenditure deadline  Allocated within 30 days of enactment  2/3 allocated in year 1  1/3 allocated in year 2	No expenditure deadline  1/3 population within 30 days of receipt by the state  1/3 infection rate as soon as practicable after June 1 ,2020  1/3 revenue loss as soon as practicable after December 31 ,2020	No expenditure deadline  Allocated within 30 days of enactment	Allocated within 15 days of enactment  For any fiscal year between 1/1/20 and 6/30/22.

Population Threshold	No	No	No	No
Eligible Uses	<ul style="list-style-type: none"> <li>-COVID-related expenses</li> <li>-replace foregone revenues not projected on January 31, 2020</li> <li>- respond to negative economic impacts of COVID.</li> </ul>	<ul style="list-style-type: none"> <li>-COVID-19 response;</li> <li>-local cost share for FEMA Public Assistance grants;</li> <li>-operational expenses;</li> <li>-to make up for lost revenue;</li> <li>-any eligible activity authorized under the CDBG program.</li> </ul>	<ul style="list-style-type: none"> <li>-essential services</li> <li>-offset lost revenues</li> <li>-increased costs from the COVID-19 emergency</li> </ul>	<ul style="list-style-type: none"> <li>- to prevent, prepare for, or respond to the public health emergency</li> <li>- to provide services, benefits, or assistance, or support programs, projects, and operations without regard to any relation to the Coronavirus Disease 19 2019 (COVID–19)</li> <li>- to satisfy FEMA and Medicaid match requirements.</li> </ul>
Address Revenue Shortfalls	Yes	Yes	Yes	Yes

Guardrails against overreach	Treasury may carry out oversight and recoupment activities	Funds may not be deposited into any State pension fund.  Treasury may carry out oversight and recoupment activities	Unclear	Maintains guardrails enacted for Coronavirus Relief Funds under the CARES Act.  Treasury may carry out oversight and recoupment activities
Technical Assistance	Not explicitly authorized	Not explicitly authorized	Not explicitly authorized	Not explicitly authorized
Intergovernmental Transfers	Unclear	Unclear	Unclear	Yes

<p>Maintenance of Effort</p>	<p>None</p>	<p><b>FAIR AND EQUITABLE BUDGETING REQUIREMENT</b></p> <p>State budget cuts to local aid must be based on emergency need and balanced to ensure all units of local government are treated fairly</p> <p>No provision for federal intervention if this condition is not met.</p>	<p>If a State chooses to withhold or interfere with local funds, HUD shall administer the municipal funds within that state</p> <p>Funds shall be used to supplement, and not supplant, any non-Federal funds that a State or such other jurisdiction would otherwise provide to units of general local government of the State or other jurisdiction</p>	<p>If a State chooses to withhold or interfere with local funds, HUD shall administer the municipal funds within that state</p> <p>No state or local government may not use funds to provide any kind of tax cut, rebate, deduction, credit, or any other tax benefit; or to reduce or eliminate any fee during the period between 1/1/20 and 6/30/22</p>
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City/County Anomalies	None	Staff said that for states with diminished or non-existent counties, the municipalities would receive the full 1/3 for local governments. Not clear if this is an explicit provision in the bill.	Metropolitan city and a county or parish that have formed a consolidated government may receive a city and county payment	Fund sharing procedures to account for overlapping jurisdictions and consolidated local governments so that overlapping jurisdictions and consolidated local governments have the option of deciding amongst themselves how to divide funding instead of Treasury deciding for the localities.
Retroactively approves eligibility for CRF revenue shortfalls	Yes	Yes	N/A – Bill intended to go into a larger package of assistance	Yes