TO: YWCA Leaders  
CC: YWCA Board of Directors  
YWCA USA Staff  
FROM: YWCA USA Public Policy & Advocacy Department  
DATE: May 15, 2020  
RE: COVID-19 Legislative Update  

On Tuesday, May 12, 2020, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800) was introduced in the U.S. House of Representative. This memo provides a detailed analysis of the bill with a focus on highlighting the emergency funding levels. The analysis also includes additional information about the paid sick and family leave mandates, broader nonprofit sector relief provisions, and additional select sections of the bill that may affect many YWCAs.

This memo shares preliminary analysis of the HEROES Act as originally introduced by the U.S. House of Representatives. Legislative text may change based upon committee and floor action. As this bill continues to navigate its way through the legislative process, YWCA USA will continue to monitor its developments and advocate for additional relief to address the immediate funding, staffing, and safety crises caused by the COVID-19 pandemic. Any stimulus package considered must maintain or strengthen the provisions initially introduced in the HEROES Act and consider additional measures to help our nation’s charitable organizations meet critical needs.

Please note that this is the first step in what is likely to be a lengthy process. We expect to see tweaks and changes to the legislation as it moved through the House Rules Committee and to the floor of the House of Representatives. A vote is expected in the House late Friday, May 15, 2020. From the House, the bill will then move to the Senate, where it will meet significant opposition. We do not anticipate immediate action by the Senate, and it will likely take several weeks for this legislative process to play out.

We encourage you, your colleagues, family, and friends to continue taking action through our action center to ensure your Members of Congress hear you voices on priorities critical to YWCAs across the country. We’d like to emphasize that so much is likely to change as this legislation moves through the House of Representatives and the Senate and not to get too enthused or discouraged by this initial bill. There is still a long row to hoe, and we are well-positioned to make sure your voices are heard in this process.

Please feel free to direct any questions to advocacy@ywca.org!

### LEGISLATIVE PROVISIONS IN THE HEROES ACT (H.R. 6800)

1. **What we asked for:** $340 million in Emergency Funding to Domestic & Sexual Violence Service Providers through existing funding streams at the Department of Health & Human Services, Department of Housing & Urban Development, and U.S. Department of Justice:

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<tr>
<th>YWCA Requests</th>
<th>HEROES Act (H.R. 6800)</th>
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<tbody>
<tr>
<td>$100 million for Family Violence Prevention Services Act (FVPSA)</td>
<td>$48 million + $2 million for Hotline</td>
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<tr>
<td>$140 million for VAWA</td>
<td>$100 million</td>
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$100 million for HUD’s Continuum of Care (CoC) Domestic Violence initiative

$0 but includes $1 billion for incremental housing vouchers where DV/SA survivors are eligible and $11.5 billion for ESG

Stabilize VOCA

Fix included that could mean up to $4 billion in 2020 and match is waived

Hazard pay for DV/SA providers

DV/SA providers would be eligible for pandemic premium pay + above the line $500 deduction for supplies

Maximum funding, including waiving any required match so DV/SA service providers can utilize funds as needed

VAWA and FVPSA match requirements waived during COVID-19 pandemic

YWCA also advocated for adequate funding to support local service providers, including:

- HHS’ Family Violence Prevention Services Act
- DOJ’s Violence Against Women Act (VAWA). The HEROES Act specifically included:
  - $30 million for grants to combat violence against women
  - $15 million for transitional housing assistance grants
  - $15 million for sexual assault victims assistance
  - $10 million for rural domestic violence and child abuse enforcement assistance
  - $10 million for legal assistance for victims
  - $4 million for tribal governments
  - $16 million to support families in the justice system;
- DOJ’s Victims of Crime Act (VOCA) which supports domestic violence shelters, rape crisis centers, and child abuse treatment programs,
- HUD’s programs to address the impact of COVID-19 on victims who require short and long-term housing
- The HEROES Act also includes grants to assist low-income women and survivors of domestic violence in obtaining qualified domestic relations orders. The provision directs Department of Labor to award grants of at least $250,000 to established community-based organizations on a competitive basis to assist low-income women and survivors of domestic violence obtain qualified domestic relations orders to ensure these women actually receive the benefits entitled through those orders.

2. What we asked for: Additional Emergency Funding through CCDBG to Support Child Care Providers

We have joined broad childcare coalition requests for additional funding through the Child Care and Development Block Grant (CCDBG) to ensure providers can continue to meet needs during the crisis and are able to help families get back to work as the nation’s economy recovers. Maximum funding flexibility is needed to enable childcare providers to purchase supplies, ensure safe and sanitary conditions at centers, and maintain operations.

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<td>$50 billion for CCDBG</td>
<td>$7 billion for CCDBG</td>
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<tr>
<td>Hazard pay for child care providers</td>
<td>Child care providers considered essential workers eligible for pandemic premium pay</td>
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3. What we asked for: At least $3.6 billion to ensure both the public’s safety and an equitable voting process

Systemic and structural racism - and active efforts to suppress voter participation - continue to disenfranchise communities of color. COVID-19 has further obstructed access to the voting booth making it even more important for Congress to pass additional measures that would fully fund and direct states to administer the 2020 elections in a safe, fair, and accessible manner.

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<td>$3.6 billion</td>
<td>$3.6 billion for states to have safe and accessible elections in 2020</td>
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• Expansion of early and in-person voting to ensure a more secure, efficient, and accessible election while protecting public health and safety

4. What we asked for: Strengthen support for the nonprofit sector in their service on the front lines of responding to the COVID-19 crisis and their critical role in helping to re-open the country

YWCA has joined 450 charitable partners in expressing our gratitude that the HEROES Act recognizes the important role nonprofits play in strengthening our communities by including the following bipartisan initiatives:

• Expansion of eligibility of the Paycheck Protection Program to nonprofits with 500 or more employees with set-asides for nonprofits;
• Including nonprofits of all sizes in the Main Street Lending program with loan forgiveness for nonprofits that primarily serve low-income communities;
• Enhancing employee retention credits;
• Clarifying state flexibility around unemployment insurance

The HEROES Act also recognizes the essential work of many nonprofit employees, including child care and domestic violence providers and social service workers, by including them in the definition of “essential workers” who are eligible for “hazard pay”. This bill also increases emergency funding to support nonprofits working with vulnerable families.

ADDITIONAL PROVISIONS IN THE HEROE S ACT

Updates to the Paycheck Protection Program (PPP), including:

• Changes CARES Act to allow organizations that receive PPP funds to defer payment of payroll taxes
• The covered period for PPP loans would be extended to December 31, 2020
• PPP funds could be stretched over 24 weeks instead of 8 weeks originally passed in the CARES Act
• Creates a new set aside of funds with 25% specifically for nonprofits
• Makes technical corrections to expressly allow forgiveness of payments on interest on pre-existing debt
• Organizations that receive PPP loans would be allowed to defer payroll tax payments and coordination between PPP and employee retention tax credit would be improved so that groups could utilize both
• Bans the forgiveness limits on non-payroll expenses (i.e. the 75%/25% rule)

Updates to the Emergency Injury Disaster Loan (EIDL) Loans, including:

• An infusion of $10 billion for emergency grants

Updates to the Main Street Loan Program, including:

• Requires the Federal Reserve to set-up a low-cost loan option tailored to the unique needs of nonprofits, including ability to defer payments
• Allows loan forgiveness for nonprofits that predominantly service low-income communities

Pandemic Premium Pay (Hazard Pay):

• This includes $200 billion for essential workers on the frontlines of the pandemic. Each worker would receive a pay raise equal to $13 per hour performed from January 27, 2020 until 60 days after the final day of the public health emergency
• Employees earning less than $200,000 per year can collect up to $10,000 in essential worker pay, while employees earning more than $200,000 per year can collect up to $5,000 in additional pay
• To access premium pay, the employer must apply for grants from the Treasury. The employer would calculate the total grant amount by multiplying the amounts of employees earning above and below $200,000 per year by $10,000 and $5,000, respectively
• Within 15 days, the Secretary of the Treasury would certify the total grant amount or request more information (or deny, with 10 days for administrative review). If certified, the money would be disbursed within 7 days. Retroactive payments must be disbursed to employees as a lump sum within two pay cycles; the rest is paid out as the workers perform their jobs
• “Essential workers” cannot work virtually during the pandemic and requires regular in-person interactions with clients, the public, or colleagues. This refers to first responders including employees that perform domestic and sexual violence services, and child care. An array of social and human services work is covered, including child welfare, homeless, housing, food and shelter workers.

Other updates to Nonprofit Financial Relief:
Nonprofit Unemployment Insurance Relief for Self-Insured
• Fixes the issue of nonprofits having to pay unemployment benefits and then wait to get reimbursed. However, the provision does not raise the reimbursement rate to 100 percent. Nonprofits will still be charged for half of the costs

Employee Retention Credit
• The size of the credit would increase from 50% to 80% of each employees’ qualifying wages, which would be capped at $15,000 per quarter per employee, rather than $10,000. This is for up to three quarters. Maximum credit would go from $5,000 to $36,000. Also, instead of being accessible only to businesses that experience 50% of gross receipts for the same quarter last year, the tax credit will be partially phased in for businesses that experience a decline in gross receipts of 10%- 50%. Changes would be retroactive to the effective date of the CARES Act.

New Payroll Tax Credit for Mortgage/Rent/Utility Payments
• Would also provide a 50% refundable payroll tax credit for qualified fixed costs, including rent, mortgage, and utility payments. This provision is limited to employers with 1,500 or fewer employees or gross receipts of no more than $41.5 million. With these changes, the Employee Retention refundable credit may be a better deal for some nonprofits than the Paycheck Protection Program

Restrictions on Debt Collections for Nonprofits
• Moratorium during COVID-19 crisis and 120 days thereafter

Delayed Payment of Payroll Taxes
• Removes prohibition to allow nonprofits and businesses receiving Paycheck Protection Program loan forgiveness to delay payment of the employer portion payroll taxes in 2020, payable in equal halves at the end of 2021 and 2022.

Updates for Community Development Financial Institutions (CDFIs):
• $1 billion for economic support and recovery in distressed communities by providing financial and technical assistance to CDFIs

Updates to the definition of essential workers:
• Child care and domestic violence/sexual assault providers would be considered essential workers. This allows individuals to be eligible for pandemic premium pay. To qualify, employers would apply to the U.S. Department of Treasury for grants and would be eligible for $10,000 per employee to include pay and taxes.
• Employees would be eligible to receive $13.00 per hour on top of regular wages for work performed from January 27, 2020 through 60 days after COVID emergency.

Updates to the paid sick and paid family medical leave in the Families First Coronavirus Relief Act, including:
• Eliminating the 500+ employee exemption, but does not allow these employers to claim tax credits
• Eliminates the small business self-exemption
• Clarifies the definition of emergency paid leave
• Adds job protection to emergency paid sick days
• Expands caregiving and medical reasons for taking leave, including to allow leave in the event of a public order for self-isolation
• Expands the family care definitions to cover any adult disabled family member, in addition to children, and expands the overall family definition
• Changes the paid leave aggregate limit from $10,000 to $12,000
• Clarifies that nonprofits qualify for paid sick and family medical leave provisions itemized in the Families First Coronavirus Relief Act and later updated by the HEROES Act

Updates to COVID-19 Testing, including:
• Requiring the Centers for Disease Control (CDC) and other agencies to disaggregate COVID-19 data by race, ethnicity, sex, age, disability status, socioeconomic status, and geographic locations to report and respond to health disparities