

# HEROES Act Faces an Uphill Battle in the Senate

BY KYLE HYLAND

posted May 29, 2020



On Friday, May 15, 2020, the U.S. House of Representatives approved a \$3 trillion stimulus package dubbed the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, which is a follow-up COVID-19 relief package to the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed by President Donald Trump in late March (see [“\\$2.2 Trillion Federal Stimulus Package for COVID-19 Signed Into Law”](#) in the March 2020 *Community College Update*). The HEROES Act includes additional state and local aid, another round of direct payments to Americans, pay raises for front-line workers, and an extension of the \$600-per-week unemployment compensation until January 2021.

For education, the HEROES Act creates a \$90 billion State Fiscal Stabilization Fund for the U.S. Department of Education to distribute to states for K–12 and higher education. About 30% (approximately \$27 billion) is earmarked for higher education, which could be used for training and professional development for online learning, general expenditures for expenses associated with a disruption in services or operations related to COVID-19, and emergency financial aid that could be used for housing, food, technology, health care, and child care. The legislation also includes an additional \$10.5 billion that would go directly to colleges and universities to help with pandemic-related costs.

While the bill passed the House, it faces an uphill battle in the Republican controlled Senate and from the Trump Administration. Senate Majority Leader Mitch McConnell (R-Kentucky) has called for a pause in any new relief funding for states and local governments, while the White House issued a veto warning to the House of Representatives that if the HEROES Act were presented to the president, his advisors would recommend him to veto the measure. However, Senator McConnell did say that discussions for another COVID-19 relief bill could take place in June, but the priorities would look significantly different from the HEROES Act.

Governor Gavin Newsom is pinning a lot of hope on additional federal relief in order to prevent the state from needing to significantly reduce programs and spending to balance the 2020–21 State Budget. In fact, the May Revision includes a

mechanism that would “trigger off” reductions if the federal government provides sufficient funding to backfill the proposed cuts.

At a recent budget subcommittee hearing, a number of legislators pressed the Department of Finance (DOF) on what the Governor’s alternative plan is if the federal government does not come through with additional aid. The DOF conceded that while they are open to discussing other ways the state can generate revenue to prevent these proposed cuts, they do not have any other plans aside from what’s detailed in the May Revision.

There has been some speculation that the Legislature may look to try and approve a bill to put an initiative before voters on the November ballot to raise additional revenue for education; however, the Legislature only has until June 25 to move a bill through the legislative process and qualify an initiative for the November 3 General Election. Another less feasible option that the Legislature has is to levy taxes, which requires a two-thirds vote. While the Democrats have the supermajority required to raise taxes, it is doubtful that many moderate Democrats would support such a proposal, especially after Senator Josh Newman was recalled by voters in 2018 for his support of Senate Bill 1 (Chapter 5/2017), which raised the state’s gas and diesel taxes.

While we do not know if there will be another federal stimulus package or a legislative attempt to raise revenue via a ballot initiative or tax, it looks as though the Legislature will explore whatever options they can to prevent significant reductions to the State Budget.