

117TH CONGRESS  
1ST SESSION

# S. 252

To amend title VI of the Social Security Act to provide additional funding for States, Tribal governments, and local communities due to the Coronavirus Disease 2019 (COVID–19) public health emergency, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2021

Mr. REED introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title VI of the Social Security Act to provide additional funding for States, Tribal governments, and local communities due to the Coronavirus Disease 2019 (COVID–19) public health emergency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State & Local Emer-  
5 gency Stabilization Fund Act of 2021”.

1 **SEC. 2. ADDITIONAL FUNDING FOR CORONAVIRUS RELIEF**  
 2 **FOR STATES, TRIBAL GOVERNMENTS, AND**  
 3 **LOCAL COMMUNITIES.**

4 Title VI of the Social Security Act (42 U.S.C. 801  
 5 et seq.) is amended by adding at the end the following:

6 **“SEC. 602. ADDITIONAL FUNDING FOR CORONAVIRUS RE-**  
 7 **LIEF FOR STATES, TRIBAL GOVERNMENTS,**  
 8 **AND LOCAL COMMUNITIES.**

9 “(a) APPROPRIATION.—

10 “(1) IN GENERAL.—Out of any money in the  
 11 Treasury of the United States not otherwise appro-  
 12 priated, there are appropriated for making payments  
 13 under this section to States, Tribal governments,  
 14 and local communities described in subsection (c)(6),  
 15 \$600,000,000,000 for fiscal year 2021. The amount  
 16 appropriated under this paragraph and paid in ac-  
 17 cordance with this section shall be in addition to the  
 18 amount appropriated under subsection (a) of section  
 19 601 and paid to States, Tribal governments, and  
 20 units of local government under that section.

21 “(2) RESERVATION OF FUNDS.—Of the amount  
 22 appropriated under paragraph (1), the Secretary  
 23 shall reserve—

24 “(A) \$3,000,000,000 of such amount for  
 25 making payments to United States Virgin Is-  
 26 lands, Guam, the Commonwealth of the North-

1 ern Mariana Islands, and American Samoa  
2 under subsection (c)(7);

3 “(B) \$10,000,000,000 of such amount for  
4 making payments to Tribal governments under  
5 subsection (c)(8);

6 “(C) \$59,000,000,000 of such amount for  
7 the portion of the payments made to the 50  
8 States, the District of Columbia, and the Com-  
9 monwealth of Puerto Rico that is determined  
10 under subsection (c)(5); and

11 “(D) \$205,000,000,000 of such amount  
12 for making payments to local communities  
13 under subsection (c)(6).

14 “(b) DEADLINE FOR PAYMENTS.—The Secretary  
15 shall make the payments determined under subsection (c)  
16 not later than 15 days after the date of enactment of this  
17 section.

18 “(c) PAYMENT AMOUNTS.—

19 “(1) IN GENERAL.—Subject to paragraph (2),  
20 the amount paid under this section for fiscal year  
21 2021 to a State that is 1 of the 50 States, the Dis-  
22 trict of Columbia, or the Commonwealth of Puerto  
23 Rico, shall be the sum of—

1           “(A) the relative population proportion  
2 amount determined for the State under para-  
3 graph (3) for such fiscal year; and

4           “(B) the relative coronavirus infection rate  
5 proportion amount determined for the State  
6 under paragraph (5) for such fiscal year.

7           “(2) MINIMUM PAYMENT.—

8           “(A) IN GENERAL.—No State that is 1 of  
9 the 50 States, the District of Columbia, or the  
10 Commonwealth of Puerto Rico, shall receive a  
11 payment under this section for fiscal year 2021  
12 that is less than \$5,000,000,000.

13           “(B) PRO RATA ADJUSTMENTS.—The Sec-  
14 retary shall adjust on a pro rata basis the  
15 amount of the payments for each of the 50  
16 States, the District of Columbia, and the Com-  
17 monwealth of Puerto Rico, determined under  
18 this subsection without regard to this subpara-  
19 graph to the extent necessary to comply with  
20 the requirements of subparagraph (A).

21           “(3) RELATIVE POPULATION PROPORTION  
22 AMOUNT.—For purposes of paragraph (1)(A), the  
23 relative population proportion amount determined  
24 under this paragraph for a State for fiscal year  
25 2021 is the product of—

1           “(A) the amount appropriated under sub-  
2           section (a)(1) for fiscal year 2021 that remains  
3           after the application of the reservations made  
4           under subsection (a)(2); and

5           “(B) the relative State population propor-  
6           tion (as defined in paragraph (4)) determined  
7           for such fiscal year.

8           “(4) RELATIVE STATE POPULATION PROPOR-  
9           TION DEFINED.—For purposes of paragraph (3)(B),  
10          the term ‘relative State population proportion’  
11          means, with respect to each of the 50 States, the  
12          District of Columbia, and the Commonwealth of  
13          Puerto Rico, the quotient of—

14               “(A) the population of the State, District  
15               of Columbia, or Commonwealth of Puerto Rico  
16               (as applicable); and

17               “(B) the sum of the populations of each of  
18               the 50 States, the District of Columbia, and the  
19               Commonwealth of Puerto Rico.

20           “(5) RELATIVE CORONAVIRUS INFECTION RATE  
21           PROPORTION AMOUNT.—For purposes of paragraph  
22           (1)(B), the relative coronavirus infection rate pro-  
23           portion amount determined under this paragraph for  
24           each of the 50 States, the District of Columbia, and

1 the Commonwealth of Puerto Rico, for fiscal year  
2 2021 is the product of—

3 “(A) the amount reserved under subsection  
4 (a)(2)(C); and

5 “(B) the quotient of—

6 “(i) the coronavirus infection rate de-  
7 termined for the State, District of Colum-  
8 bia, or Commonwealth of Puerto Rico (as  
9 applicable); and

10 “(ii) the sum of the coronavirus infec-  
11 tion rates determined for each of the 50  
12 States, the District of Columbia, and the  
13 Commonwealth of Puerto Rico.

14 “(6) PAYMENTS TO LOCAL COMMUNITIES.—

15 “(A) IN GENERAL.—From the amount re-  
16 served under subsection (a)(2)(D), the Sec-  
17 retary shall pay—

18 “(i) 70 percent of the amount so re-  
19 served directly to the metropolitan cities  
20 and urban counties (as those terms are de-  
21 fined in section 102 of the Housing and  
22 Community Development Act of 1974 (42  
23 U.S.C. 5302)) in the State that received  
24 allocations under section 106(b) of the  
25 Housing and Community Development Act

1 of 1974 (42 U.S.C. 5306(b)) for fiscal year  
2 2020, pursuant to the same formula used  
3 to make such allocations under that section  
4 for such fiscal year; and

5 “(ii) subject to subparagraph (C), 30  
6 percent of the amount so reserved directly  
7 to each of the 50 States, to be distributed  
8 by such States upon receipt on a pass-  
9 through basis, and without requiring any  
10 application, to units of general local gov-  
11 ernment in nonentitlement areas (as such  
12 terms are defined in such section 102) in  
13 such States, in amounts equal to the rel-  
14 ative sum of the populations of such units  
15 of general local government in each such  
16 State as a proportion of the total popu-  
17 lation of all such units of general local gov-  
18 ernment in all of the 50 States.

19 “(B) UNITS OF GENERAL LOCAL GOVERN-  
20 MENT IN NONENTITLEMENT AREAS WITH OVER-  
21 LAPPING POPULATIONS OR CONSOLIDATED GOV-  
22 ERNMENTS.—If 2 or more units of general local  
23 government in nonentitlement areas have over-  
24 lapping populations or have formed a consoli-  
25 dated government—

1           “(i) the aggregate population of the  
2 overlapping units of general local govern-  
3 ment or the aggregate population of such  
4 consolidated government (as applicable)  
5 shall be the population used for purposes  
6 of determining the amount to be paid di-  
7 rectly to a State under clause (ii) of sub-  
8 paragraph (A); and

9           “(ii) the chief executive officer of the  
10 State shall distribute the portion of such  
11 payment that is based on such population  
12 among the units of general local govern-  
13 ment with such overlapping populations or  
14 that are part of such consolidated govern-  
15 ment, in amounts equal to the relative pop-  
16 ulations of such units of general local gov-  
17 ernment as a proportion of such payment  
18 portion, unless—

19           “(I) the units of general local  
20 government involved notify such chief  
21 executive officer of their agreement  
22 regarding how such payment portion  
23 is to be distributed among them,  
24 based on the aggregate population of  
25 such units of general local govern-



1                   ment, in which case such chief execu-  
2                   tive officer shall make distributions in  
3                   accordance with that agreement; or

4                   “(II) in the case of a consoli-  
5                   dated government, the consolidated  
6                   government notifies such chief execu-  
7                   tive officer of a determination of the  
8                   consolidated government regarding  
9                   how such payment portion is to be  
10                  distributed among the units of local  
11                  government represented by the con-  
12                  solidated government, based on the  
13                  aggregate population of such units of  
14                  general local government, in which  
15                  case such chief executive officer shall  
16                  make distributions in accordance with  
17                  that determination.

18                  “(C) TREATMENT OF STATES NOT ACTING  
19                  AS PASS-THROUGH AGENTS.—In the case of a  
20                  State that is 1 of the 50 States and that has  
21                  not elected to distribute amounts allocated  
22                  under section 106(d)(1) of the Housing and  
23                  Community Development Act of 1974 (42  
24                  U.S.C. 5306(d)(1)), the Secretary shall act in  
25                  place of the State for purposes of determining

1 the amount of, and distributing on a pass-  
2 through basis, and without requiring any appli-  
3 cation, payments to units of general local gov-  
4 ernment in nonentitlement areas in that State  
5 under subparagraph (A)(ii).

6 “(7) PAYMENTS TO TERRITORIES.—The  
7 amount paid under this section to the United States  
8 Virgin Islands, Guam, the Commonwealth of the  
9 Northern Mariana Islands, or American Samoa,  
10 shall be the amount equal to the product of—

11 “(A) the amount reserved under subsection  
12 (a)(2)(A); and

13 “(B) each such territory’s share of the  
14 combined total population of all such territories,  
15 as determined by the Secretary.

16 “(8) PAYMENTS TO TRIBAL GOVERNMENTS.—  
17 The amounts paid under this section to Tribal gov-  
18 ernments from the amount reserved under sub-  
19 section (a)(2)(B) shall be determined in the same  
20 manner as the amounts paid to Tribal governments  
21 under section 601(c)(7), except that in determining  
22 such amounts, the most recent number of enrolled  
23 Tribal members or other appropriate measure may  
24 be used.

25 “(9) DATA.—For purposes of determining—

1           “(A) the population of each of the 50  
2 States, the District of Columbia, the Common-  
3 wealth of Puerto Rico, the United States Virgin  
4 Islands, Guam, the Commonwealth of the  
5 Northern Mariana Islands, American Samoa,  
6 and units of general local government, the Sec-  
7 retary shall use the most recent year for which  
8 data are available from the Bureau of the Cen-  
9 sus; and

10           “(B) the relative coronavirus infection rate  
11 proportion amounts under paragraph (5), the  
12 Secretary shall use the most recent daily up-  
13 dated data on the number of COVID–19 cases  
14 published on the Internet by the Centers for  
15 Disease Control and Prevention.

16           “(d) OTHER PROVISIONS.—

17           “(1) IN GENERAL.—The amounts paid under  
18 this section shall be subject to—

19           “(A) the use of funds and oversight re-  
20 quirements of subsections (d) and (f) of section  
21 601 in the same manner as such requirements  
22 apply to the amounts paid under that section;  
23 and

1           “(B) the definitions of each paragraph of  
2           section 601(g) other than paragraph (2) of that  
3           section.

4           “(2) IG FUNDING AUTHORITY.—Notwith-  
5           standing section 601(f)(3), the Inspector General of  
6           the Department of the Treasury may use the  
7           amount appropriated under that section to carry out  
8           oversight and recoupment activities under this sec-  
9           tion in addition to the oversight and recoupment ac-  
10          tivities carried out under section 601(f).

11          “(3) NONAPPLICATION.—Except as otherwise  
12          provided in this section, the requirements applicable  
13          to the amount appropriated for fiscal year 2020  
14          under section 601(a)(1) (as added by section 5001  
15          of Public Law 116–136) shall not apply to the  
16          amount appropriated under subsection (a) of this  
17          section for such fiscal year.”.

18 **SEC. 3. ADDITIONAL AUTHORITY TO USE PAYMENTS TO**  
19 **MAKE UP REVENUE SHORTFALLS.**

20          (a) IN GENERAL.—Subsection (d) of section 601 of  
21 the Social Security Act (42 U.S.C. 801) is amended to  
22 read as follows:

23          “(d) USE OF FUNDS.—

24                  “(1) IN GENERAL.—A State, Tribal govern-  
25          ment, and unit of local government may use the

1 funds provided under a payment made under this  
2 section for any expenditures during the period that  
3 begins on January 1, 2020, and ends on June 30,  
4 2022—

5 “(A) to prevent, prepare for, or respond to  
6 the public health emergency with respect to the  
7 Coronavirus Disease 2019 (COVID–19) or the  
8 declaration by the President under section 401  
9 or 501, respectively, of the Robert T. Stafford  
10 Disaster Relief and Emergency Assistance Act  
11 (42 U.S.C. 5170, 5191) of a major disaster or  
12 emergency with respect to COVID–19; or

13 “(B) to provide services, benefits, or assist-  
14 ance, or support programs, projects, and oper-  
15 ations, accounted for in the budget for the  
16 State, Tribal government, or unit of local gov-  
17 ernment approved for any fiscal year occurring  
18 during the period that begins on January 1,  
19 2020, and ends on June 30, 2022 (without re-  
20 gard to any relation to the Coronavirus Disease  
21 2019 (COVID–19)).

22 “(2) NON-FEDERAL FUNDING.—For the pur-  
23 pose of meeting the non-Federal share requirement  
24 of any Federal grant-in-aid program or other form  
25 of Federal assistance, including assistance provided

1 under the Robert T. Stafford Disaster Relief and  
2 Emergency Assistance Act (42 U.S.C. 5121 et seq.)  
3 and the Medicaid program established under title  
4 XIX, funds provided under a payment made under  
5 this section to a State, Tribal government, or unit  
6 of local government are deemed to be non-Federal  
7 funds.

8 “(3) LIMITATION.—A State, Tribal government,  
9 or unit of local government may not use funds pro-  
10 vided under a payment made under this section to  
11 provide any kind of tax cut, rebate, deduction, cred-  
12 it, or any other tax benefit, or to reduce or eliminate  
13 any fee imposed by the State, Tribal government, or  
14 unit of local government, during the period described  
15 in paragraph (1).”.

16 (b) EFFECTIVE DATE.—The amendment made to  
17 subsection (d) of section 601 of the Social Security Act  
18 (42 U.S.C. 801) by subsection (a) shall take effect imme-  
19 diately upon the enactment of this Act and shall not be  
20 subject to any interpretation, guidance, rulemaking, or  
21 any other administrative action that limits, interferes  
22 with, delays, or impedes, or has the effect of limiting,  
23 interfering with, delaying, or impeding, the flexible spend-  
24 ing authorities set forth in subsections (d)(1)(A) and

1 (d)(1)(B) of section 601 of the Social Security Act (42  
2 U.S.C. 801), as so amended.

3 **SEC. 4. EMERGENCY DESIGNATION.**

4 (a) IN GENERAL.—The amounts provided under this  
5 Act and the amendments made by this Act are designated  
6 as an emergency requirement pursuant to section 4(g) of  
7 the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C.  
8 933(g)).

9 (b) DESIGNATION IN SENATE.—In the Senate, this  
10 Act is designated as an emergency requirement pursuant  
11 to section 4112(a) of H. Con. Res. 71 (115th Congress),  
12 the concurrent resolution on the budget for fiscal year  
13 2018.

○