

H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act

On April 23, the House passed H.R. 266, the *Paycheck Protection Program and Health Care Enhancement Act*. At the time of this writing, the President has not yet signed the legislation, but is expected to do so on Friday, April 24.

Small Business Provisions:

The bill includes:

- **\$310 billion in additional lending authority for the Paycheck Protection Program (PPP).** Of that total amount, \$60 billion will be set aside for smaller lenders. This includes \$30 billion for small community-based lenders with total assets under \$10 billion and \$30 billion for small and mid-sized lenders that have assets between \$10 billion and \$50 billion. The goal of these set asides is to ensure that more of the PPP money gets out to small businesses in areas that are underbanked, like many rural communities. This is well-intended but additional work needs to be done to ensure that these dollars actually reach those who need it.
- **\$50 billion for the Economic Injury Disaster Loan Program (EIDL).** This money is allotted by SBA to small businesses to quickly cover expenses like payroll, rent, and utilities.
- **\$10 billion for Economic Injury Disaster Grants.** The Economic Injury Disaster Grant program provides up to a \$10,000 immediate cash infusion to small businesses and nonprofits. This money does not need to be repaid.

There were some improvements to the PPP program as well. Congress expanded eligibility to include farmers and other agricultural enterprises. This is a substantive change from the CARES Act and should provide additional relief to farmers by allowing them to access PPP loans.

Please note: this newly authorized funding is expected to be expended very quickly, so eligible entities are encouraged to apply as soon as possible.

Health Care Provisions:

The *Paycheck Protection Program and Health Care Enhancement Act* includes \$100 billion supplementary funding for our nation's health care system.

- The legislation provided \$75 billion for reimbursements to hospitals and health care providers to support the need for COVID-19 related expenses. This funding is in addition to the \$100 billion provided by the CARES Act.
- There was an additional \$25 billion allocated to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests.
 - \$11 billion set aside for states, localities, and Tribes to administer COVID-19 tests and trace contacts for those who are infected.
 - \$750 million specifically allocated to Tribes, Tribal organizations, and urban Indian health organizations in coordination with the Indian Health Service for these purposes.
 - \$825 million for Community Health Centers and rural health clinics.
- In order to access money, States, localities, and Tribes must specify how the resources will be used for testing and easing COVID-19 community mitigation policies. It also requires a strategic plan from States on how they will use the federal dollars to increase testing and test capacity.

Where This Legislation is Lacking:

- The *Paycheck Protection Program and Health Care Enhancement Act* includes no additional economic stimulus funding for cities, states, and Tribal governments. Rep. O'Halleran continues to urge Congressional Leadership to quickly provide more direct support to State, local, and Tribal governments.
 - On [Tuesday](#), Congressman O'Halleran sent a letter to Congressional Leadership urging them to include State, local, and Tribal governments in the final legislative package.
 - This followed a [letter](#) sent last Friday from Congressman O'Halleran urging Congressional Leadership to amend the Community Development Block Grant (CDBG) funding formula. Thirteen of Arizona's 15 counties did not receive federal funding through the CDBGs funded by the CARES Act.
- This legislation also does not amend the PPP program to allow other 501(c) categories to receive the PPP loans. This actively being considered for future COVID-19-related packages.