



H.R. 266: COVID-19 Small Business, Hospital and Testing Funds

On April 21, 2020 the Senate passed a \$484 billion coronavirus emergency relief package that provides additional funding support to the Paycheck Protection Program (PPP), that was created as part of the earlier approved CARES Act (P.L. 106-136) to help small businesses. In addition to increased funding for PPP, which had run out of funds, the bill also provides additional assistance for emergency disaster loans and grants, hospitals, health care providers and testing. Like state and local aid, testing is a key to reopening the economy. The bill helps to ensure testing resources and a plan for widespread testing beyond health settings and data reports to hold it accountable, but more will be needed. The bill is expected to be approved by the House and become law later this week.

Unfortunately, the bill did not include additional, needed relief to state and local governments. AFSCME is continuing to advocate for additional flexible grants and is working closely with other advocates. AFSCME President Lee Saunders reminded Congress that, “Day and night, public service workers remain on the front lines of the coronavirus pandemic, doing everything in their power to mitigate the impact on their communities. And yet, this latest relief package from Congress doesn't do nearly enough to help them do their life-saving work.” He added that, “Congress needs to get right back to work and pass a new bill that includes \$700 billion in aid to state and local governments.”

Additional support for needed state and local aid has come from the four large public sector unions, AFSCME, NEA, AFT and SEIU, who sent a letter to Congress making the case for more aid. The national organizations representing the nation’s governors, state legislators, mayor, county executives, and other state and local elected officials have also expressed strong support for immediate aid. Many members of Congress and even President Trump has said it should be addressed in the next coronavirus relief package, on which Congress is already working.

AFSCME continues to encourage affiliate leaders and activists to press Congress for additional relief as soon as possible.

SUMMARY OF MAJOR PROVISIONS

- 1. HEALTH CARE FUNDING** –Provides \$75 billion for reimbursement to hospitals and health care providers to address COVID-19 related expenses and lost revenue.
 - Distribution of funding would be under the same terms as the CARES Act. This funding is in addition to the \$100 billion provided in the CARES Act. Funding can go to public entities, providers enrolled in Medicare and Medicaid, and other for-profit and nonprofit entities that provide diagnoses, testing, or care for individuals with COVID-19.

2. **TESTING** – Provides \$25 billion for testing including \$11 billion to States, Localities, Territories and Tribal Governments.
- The \$25 billion can be used for necessary expenses for COVID-19 tests, and for conducting surveillance and contact tracing. Specific funding is provided for:
 - \$11 billion to states, localities, territories, and tribes to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts, and support employer testing. Funds are also made available to employers for testing.
 - \$2 billion provided to states consistent with the Public Health Emergency Preparedness grant formula, ensuring every state receives funding.
 - \$4.25 billion provided to states, localities, and territories based on relative number of COVID-19 cases.
 - \$750 million provided to tribes, tribal organizations, and urban Indian health organizations in coordination with Indian Health Service.
 - \$825 million for Community Health Centers and rural health clinics.
 - Up to \$1 billion may be used to cover costs of testing for the uninsured.
 - Requires plan from states, localities, territories, and tribes on how resources will be used for testing and easing COVID-19 community mitigation policies.
 - Requires Federal Department of Health and Human Services (HHS) strategic plan and data within 30 days related to providing assistance to states for testing and increasing testing capacity, with first report due within 21 days.
3. **SMALL BUSINESS LOANS** – Expands the small business loan program by \$310 billion with assurances that money gets to smaller businesses and minority communities. Some non-profits are also eligible.
- Paycheck Protection Program, Economic Injury Disaster Loans, and Emergency Grants - Increases the authorization level for the Paycheck Protection Program from \$349 billion to \$659 billion.
 - Increases the authorization level for the Emergency Economic Injury Disaster (EIDL) Grants from \$10 billion to \$20 billion. Allows agricultural enterprises as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)) with not more than 500 employees to receive EIDL grants and loans.
 - Creates a set-aside for Insured Depository Institutions, Credit Unions, and Community Financial Institutions for the Paycheck Protection Program.

- Defines Community Financial Institutions as minority depository institutions, certified development companies, microloan intermediaries, and State or Federal Credit Unions.
 - This section sets aside the following amounts for the Paycheck Protection Program to be made by the following institutions:
 - \$30 billion for loans made by Insured Depository Institutions and Credit Unions that have assets between \$10 billion and \$50 billion; and
 - \$30 billion for loans made by Community Financial Institutions, Small Insured Depository Institutions, and Credit Unions with assets less than \$10 billion.
- 4. DISASTER LOANS** – Provides \$10 billion to expand the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program to cover businesses, cooperatives, employee stock ownership plans, and tribal businesses with 500 or fewer employees, as well as sole proprietors and independent contractors. The SBA was authorized to advance as much as \$10,000 to EIDL recipients to pay sick leave to workers affected by COVID-19, retain employees, and make other covered payments. Advance funds don't have to be repaid.
- This bill would provide a second tranche of \$10 billion to replenish the coronavirus-related program.
 - It would also provide \$50 billion for additional SBA guarantees under its broader disaster loan program,
 - Designates the amounts provided under Division as emergency spending for budgetary purposes.

April 22, 2020