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Fourth COVID-19 Relief Package (P.L. 116-139): In Brief

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On April 23, 2020, Congress passed its fourth measure including supplemental appropriations to respond to the COVID-19 pandemic. The Paycheck Protection Program and Health Care Enhancement Act (the act; P.L. 116-139) includes enhancements for the Small Business Administration's Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), and Emergency EIDL grants, and emergency supplemental appropriations for the Department of Health and Human Services (HHS) and Small Business Administration (SBA). The President signed the bill into law on April 24, 2020.

The Congressional Budget Office estimates that the act will result in \$321.3 billion in additional direct spending for the PPP, and \$162.1 billion in additional discretionary spending, including \$50 billion for EIDL and \$10 billion for Emergency EIDL grants.

This report provides a brief overview of that measure.

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Introduction

On April 23, 2020, Congress passed its fourth measure including supplemental appropriations to respond to the Coronavirus Disease 2019 (COVID-19) pandemic. The Paycheck Protection Program and Health Care Enhancement Act (the act; P.L. 116-139) includes enhancements for the Small Business Administration's Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), and Emergency EIDL grants, and emergency supplemental appropriations for the Department of Health and Human Services (HHS) and Small Business Administration (SBA).

The Congressional Budget Office estimates that the act will result in \$321.3 billion in additional direct spending for the PPP, and \$162.1 billion in additional discretionary spending, including \$50 billion for EIDL and \$10 billion for Emergency EIDL grants.¹

Legislative History

H.R. 266 was first passed by the House on January 11, 2019, as an FY2020 annual appropriations measure unrelated to COVID-19. The bill was read twice and placed on the Senate Legislative Calendar on January 15, 2019, but the Senate did not act on the original legislation. The Senate agreed to take up the measure on April 21, 2020. The bill was laid before the Senate by unanimous consent and an amendment in the nature of a substitute replaced the original text with that of the "Paycheck Protection Program and Health Care Enhancement Act." The Senate passed the bill the same day by voice vote.

The House of Representatives took up the amended bill on April 23, 2020, suspending the rules and passing it by a vote of 388-5, with one Member voting present.² The President signed the bill into law on April 24, 2020, as P.L. 116-139.

Provisions of the Paycheck Protection Program and Health Care Enhancement Act

Division A—Small Business Programs

The Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136; the CARES Act) established the Paycheck Protection Program (PPP), and provided it \$349 billion.³ The PPP authorized loans with a two-year term at a 1% interest rate to small businesses and other organizations adversely affected by COVID-19. Loan payments are deferred for six months and feature loan forgiveness up to the amount borrowed under specified conditions related to the borrower's retention of employees and employee wages.⁴

¹ Congressional Budget Office, "H.R. 266, Paycheck Protection Program and Health Care Enhancement Act," April 22, 2020, at <https://www.cbo.gov/publication/56338>.

² Roll call vote 104, available at <http://clerk.house.gov/evs/2020/roll104.xml>.

³ In addition to the \$349 billion for the Paycheck Protection Program (PPP), the CARES Act also included \$675 million for the SBA's salaries and expenses account, \$25 million for the SBA's Office of Inspector General (OIG), \$265 million for entrepreneurial development programs, \$17 billion for subsidies for certain loan payments, and \$10 billion for Emergency Economic Injury Disaster Loan (EIDL) grants, for a total of almost \$377 billion in total appropriations to the SBA.

⁴ For more details on the Paycheck Protection Program, see CRS Report R46284, *COVID-19 Stimulus Assistance to*

The SBA started accepting PPP loan applications on April 3, 2020. Because the program neared its \$349 billion authorization limit, the SBA stopped accepting new PPP loan applications on April 15, 2020. Over 1.66 million loans were approved by nearly 5,000 lenders. Most of the loans (74%) were for under \$150,000.⁵

The CARES Act also enhanced SBA Economic Injury Disaster Loans (EIDL) from January 31, 2020, through December 31, 2020, expanding eligibility and taking other steps, such as establishing Emergency EIDL grants of up to \$10,000, to make resources more broadly and quickly available to small businesses. The Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. 116-123) had provided the SBA an additional \$20 million to support EIDL. The CARES Act appropriated \$10 billion for Emergency EIDL grants.⁶

The SBA also stopped accepting new COVID-19-related EIDL loan applications on April 15, 2020, because that program neared its appropriations limit for credit subsidies.⁷ COVID-19-related EIDL applications which had already been received continue to be processed on a first-come first-served basis. The SBA approved nearly 30,000 COVID-19-related EIDLs totaling nearly \$5.7 billion, and 755,476 Emergency EIDL grants totaling nearly \$3.3 billion.⁸

Division A of P.L. 116-139 increases the PPP authorization limit from \$349 billion to \$659 billion, and increases the direct appropriation in the CARES Act for the program from \$349 billion to more than \$670 billion to support that authorization amount.

Division A of the act also:

- requires that no less than \$30 billion of the additional PPP authorization amount be set aside for loans issued by insured depository institutions and credit unions with consolidated assets of \$10 billion to \$50 billion;
- requires that no less than \$30 billion of the additional PPP authorization amount be set aside for loans issued by community financial institutions (including community development financial institutions (CDFIs), minority depository institutions, community development corporations, and SBA microloan intermediaries), and insured depository institutions and credit unions with consolidated assets less than \$10 billion; and

Small Businesses: Issues and Policy Options, by Robert Jay Dilger, Bruce R. Lindsay, and Sean Lowry.

⁵ U.S. Small Business Administration (SBA), “Statement from Secretary Steven T. Mnuchin and Administrator Jovita Carranza on the Success of the Paycheck Protection Program,” April 17, 2020, at <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/statement-secretary-steven-t-mnuchin-and-administrator-jovita-carranza-success-paycheck-protection>.

⁶ For more details on the EIDL program, see CRS Insight IN11232, *SBA Economic Injury Disaster Loans for COVID-19*, by Bruce R. Lindsay.

⁷ SBA, “Statement by Secretary Mnuchin and Administrator Carranza on the Paycheck Protection Program and Economic Injury Disaster Loan Program,” April 15, 2020, at <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/statement-secretary-mnuchin-and-administrator-carranza-paycheck-protection-program-and-economic> (hereinafter SBA, “Statement by Secretary Mnuchin and Administrator Carranza on the Paycheck Protection Program and Economic Injury Disaster Loan Program.”)

⁸ SBA, “COVID-19 EIDL Loans Report,” April 20, 2020, at <https://www.sba.gov/document/report—covid-19-eidl-loans-report>; and SBA, “COVID-19 EIDL Advance Report,” April 20, 2020, at <https://www.sba.gov/document/report—covid-19-eidl-advance-report>.

- makes agricultural enterprises with not more than 500 employees eligible for EIDL and Emergency EIDL grants during the covered period (January 31, 2020, through December 31, 2020).⁹

Division B—Additional Emergency Appropriations for Coronavirus Response

Division B of P.L. 116-139 is a supplemental appropriations measure providing \$100 billion for the Department of Health and Human Services (HHS) through the Public Health and Social Services Emergency Fund (PHSSEF) and \$62 billion for the Small Business Administration (\$50 billion for EIDL, \$10 billion for Emergency EIDL grants, and \$2.1 billion for SBA salaries and expenses). All of the supplemental appropriations are designated as being emergency requirements under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177, as amended), and thus do not count against the statutory limits on discretionary spending for FY2020.

Each appropriation in P.L. 116-139, Division B, explicitly provides its resources “to prevent, prepare for, and respond to coronavirus, domestically or internationally.”

Table 1 details the supplemental appropriations included in Division B, as well as subdivision and transfers of those appropriations outlined in P.L. 116-139.

⁹ Under the Small Business Act (P.L. 85-536, as amended), agricultural enterprises, other than small agricultural cooperatives, small aquaculture enterprises, and eligible small nurseries, are not eligible for EIDL.

Table 1. Supplemental Appropriations in P.L. 116-139, Division B

Thousands of dollars of discretionary budget authority

SUBCOMMITTEE	Appropriation		Amount
Agency	<i>Subappropriation / Transfer</i>		<i>[non-add]</i>
Labor, HHS, and Education and Related Agencies			
Department of Health and Human Services (HHS)	Office of the Secretary	Public Health and Social Services Emergency Fund—TOTAL	100,000,000
		Public Health and Social Services Emergency Fund—Provider Relief Fund	75,000,000
		Public Health and Social Services Emergency Fund—Testing and contact tracing	25,000,000
		<i>Testing funding for states, localities, territories, and tribes</i>	<i>[not less than 11,000,000]</i>
		<i>Transfer to CDC-Wide Activities and Program Support</i>	<i>[not less than 1,000,000]</i>
		<i>Transfer to National Institutes of Health (NIH)—National Cancer Institute</i>	<i>[not less than 306,000]</i>
		<i>Transfer to NIH—National Institute of Biomedical Imaging and Bioengineering</i>	<i>[not less than 500,000]</i>
		<i>Transfer to NIH—Office of the Director</i>	<i>[not less than 1,000,000]</i>
		<i>Biomedical Advanced Research and Development Authority</i>	<i>[not less than 1,000,000]</i>
		<i>Transfer to the Food and Drug Administration, Salaries and Expenses</i>	<i>[22,000]</i>
		<i>Transfer to HRSA—Primary Health Care for Health Centers Grants</i>	<i>[600,000]</i>
		<i>Testing resources for rural health clinics</i>	<i>[225,000]</i>
		<i>Testing resources for the uninsured</i>	<i>[not more than 1,000,000]</i>
	<i>Transfer to the HHS Office of Inspector General (General Provision)</i>	<i>[not more than 6,000]</i>	
Financial Services and General Provisions Government-Wide			
Small Business Administration	Salaries and Expenses	2,100,000	
	Disaster Loan Program Account	50,000,000	
	Emergency Economic Injury Disaster Loan (EIDL) Grants	10,000,000	

Source: CRS analysis of P.L. 116-139, Division B.

Notes: CDC = Centers for Disease Control and Prevention; HRSA = Health Resources and Services Administration; NIH = National Institutes of Health.

Title I—Department of Health and Human Services

Title I provides \$100 billion in emergency supplemental appropriations to the HHS Public Health and Social Services Emergency Fund (PHSSEF), an account used in appropriations acts to provide the HHS Secretary with one-time or emergency funding, as well as annual funding for the office of the HHS Assistance Secretary for Preparedness and Response (ASPR).

Of the \$100 billion, \$75 billion is additional funding for the HHS “Provider Relief Fund,” established with an initial appropriation of \$100 billion in the CARES Act.¹⁰ These funds remain available until expended, and are to be used “to prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus....” Both P.L. 116-139 and the CARES Act define eligible providers broadly as any that provide “diagnoses, testing, or care for individuals with possible or actual cases of COVID-19....” HHS has made initial distributions from the Provider Relief Fund.¹¹

The remaining \$25 billion, also available until expended, is provided to augment national capacity for COVID-19 containment, such as expanded testing capacity—including supplies such as personal protective equipment (PPE)—and workforce and technical capacity for disease surveillance and contact tracing. Among other allowable uses, these funds may be used to build, purchase, renovate, or rent non-federally owned facilities. Of the \$25 billion, the act requires the HHS Secretary to transfer specified amounts to HHS agencies as follows:

- Not less than \$11 billion for states, localities, territories, tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes.
 - Of this amount, not less than \$2 billion is for states, localities, and territories according to the formula for the CDC Public Health Emergency Preparedness cooperative agreement in FY2019; and¹²
 - not less than \$4.25 billion is for the same awardees according to a formula based on relative number of cases of COVID-19.
 - Of that \$4.25 billion, not less than \$750 million is for tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes.
- Not less than \$1 billion for CDC for surveillance, epidemiology, and laboratory capacity expansion; contact tracing; data systems modernization; outreach; and workforce support to expand and improve COVID-19 testing.
- Not less than \$1.806 billion for the National Institutes of Health (NIH) as follows:

¹⁰ For more information on the new fund, see U.S. Department of Health and Human Services (HHS), “CARES Act Provider Relief Fund” (a name given to this fund by HHS), April 22, 2020, at <https://www.hhs.gov/provider-relief/index.html>.

¹¹ HHS, “HHS Announces Additional Allocations of CARES Act Provider Relief Fund,” press release, April 22, 2020, at <https://www.hhs.gov/about/news/index.html>.

¹² The allocation formula for this grant provides a base amount and an additional amount according to population to all 50 states, the territories, and Washington DC, New York City, Los Angeles County, and Chicago. FY2019 allocations are at Centers for Disease Control and Prevention, Public Health Emergency Preparedness (PHEP) Cooperative Agreement, FY2019 funding table, https://www.cdc.gov/cpr/readiness/00_docs/PHEP_Budget_Period_1_FY_2019_Funding_Table_August_2_2019.pdf.

- not less than \$306 million for the National Cancer Institute to develop, validate, improve, and implement serological testing and associated technologies for COVID-19;
- not less than \$500 million for the National Institute of Biomedical Imaging and Bioengineering for research, development, and implementation of point-of-care and other rapid testing for COVID-19; and
- not less than \$1 billion for the NIH Office of the Director, broadly to support the agency’s research and development efforts regarding COVID-19 testing.
- Not less than \$1 billion for the Biomedical Advanced Research and Development Authority (BARDA) for advanced research, development, manufacturing, production, and purchase of diagnostic, serologic, or other COVID-19 tests or related supplies, and other activities related to COVID-19 testing.
- \$22 million for the Food and Drug Administration (FDA), Salaries and Expenses, for activities associated with diagnostic, serological, antigen, and other COVID-19 tests, and related administrative activities.
- \$600 million for the Health Resources and Services Administration (HRSA) for grants under the Health Centers program, covering a broader range of facilities than was previously eligible.¹³
- \$225 million for HRSA for rural health clinics, using the distribution procedures developed for the Provider Relief Fund established under the CARES Act.¹⁴
- Not more than \$1 billion to cover the cost of testing for the uninsured, using the National Disaster Medical System (NDMS) Definitive Care Reimbursement Program according to the Families First Coronavirus Response Act, P.L. 116-127.¹⁵

Numerous reporting requirements apply to this \$25 billion appropriation.

General provisions in Title I allow the HHS Secretary to transfer PHSSEF funds to HHS agencies, as specified, with attendant reporting to the appropriations committees; and require the Secretary to transfer up to \$6 million to the HHS Office of Inspector General for oversight of activities funded by this act through the PHSSEF.

Title II—Independent Agencies

Because Division A provides significant additional authorization, resources, and direction for SBA’s PPP and EIDL programs, the Title II provisions are for the most part straightforward. \$50 billion is provided for the cost of EIDL, and \$10 billion for Emergency EIDL grants, to fulfil the authorization in Division A. The \$2.1 billion included for SBA’s Salaries and Expenses

¹³ These funds may also be awarded to entities that are eligible for, but not currently receiving such funds (i.e., Federally Qualified Health Center “look-alikes”). For more information on these facilities, see U.S. Department of Health and Human Services, Health Resources and Services Administration, “Health Center Program Look-Alikes,” at <https://bphc.hrsa.gov/programopportunities/lookalike/index.html>.

¹⁴ For more information on the new fund, see U.S. Department of Health and Human Services (HHS), “CARES Act Provider Relief Fund” (a name given to this fund by HHS), April 22, 2020, at <https://www.hhs.gov/provider-relief/index.html>.

¹⁵ 134 Stat. 182. See also “Title V. Department of Health and Human Services, Public Health and Social Services Emergency Fund” in CRS Report R46316, *Health Care Provisions in the Families First Coronavirus Response Act, P.L. 116-127*, coordinated by Sarah A. Lister and Paulette C. Morgan.

appropriation remains available until the end of FY2021, to support the agency's increased rate of operations in providing COVID-19 pandemic relief.

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