

TO: ANCOR Members
FROM: Government Relations Team
RE: President Biden's American Rescue Plan: Paycheck Protection Program

While the U.S. House budget reconciliation bills contain several key ANCOR legislative priorities – including a Medicaid FMAP bump to help HCBS providers cover COVID-19 related revenue losses and additional operating costs – the legislation includes other provisions of direct importance to ANCOR members. We wanted to update you on one, in particular.

Paycheck Protection Program (PPP): The Payment Protection Program (PPP) has provided important financial support for HCBS providers across the nation during the coronavirus pandemic. The House reconciliation legislation makes two key changes to the program.

- First, while it does not remove the 500-employee limit, the bill makes larger non-profits (501(c)(3)s) eligible by looking at the employee headcount per physical location. Specifically, the measure adds \$7.25 billion to the PPP to make more non-profits eligible for emergency loans including, in this case, ANCOR members operating community-based services in multiple locations.
- Second, these provisions make “additional covered nonprofit entities” eligible for a second draw of PPP loans, as long as they have suffered at least a 25% revenue loss and do not employ more than 300 employees.

ANCOR Insider View: The PPP provisions *will likely become law* for two different reasons – one technical and one political.

- First, for technical reasons, the PPP program meets the procedural requirements for inclusion in the reconciliation budget process.
- Second – and more importantly – is that PPP has become a rare species in Washington, DC: a bipartisan initiative. The PPP program was originally a Republican idea spear headed by Sen. Marco Rubio (R-FLA), who was Chairman of the Senate Small Business Committee in the last Congress. But now, PPP funding has the strong support of both the Biden Administration as well as Sen. Ben Cardin (D-MD) who assumed the small business committee chair in the 117th Congress. In turn, millions of small business and nonprofit organizations.... including thousands of ANCOR members...received vital financial support under this loan program.