



## Biden's American Rescue Plan

Last month, President Biden unveiled his "American Rescue Plan," an "emergency legislative package to fund vaccinations, provide immediate, direct relief to families bearing the brunt of COVID-19 crisis, and support struggling communities." In this document, we outline some of the critical provisions of the \$1.9T plan.

The Democrats won control of Congress when they picked up two additional seats in the Georgia runoff elections. Their new one-vote majority enables them to use a procedural method called *budget reconciliation*. This process allows the passage of legislation with a simple majority, rather than the standard Senate 60-vote threshold.

The President has stated that he wants to pass a bipartisan relief package, but that time is of the essence. Thus, Congressional Democrats are going through the process of setting up budget reconciliation, while Senate Democrats, Senate Republicans, and the White House attempt to hammer out a deal. Ten Republicans did offer a counter-proposal to this Biden plan; however, it was for one-third the amount (roughly \$650B). President Biden has stated that it does not sufficiently tackle the challenge facing the nation.

Below are some of the critical provisions of the plan that Democrats are preparing to pass. These details are from the Biden proposal and are not the final legislative language. Regardless of whether Biden and Republicans cut a deal or the Democrats use budget reconciliation, the final version that reaches the President's desk will differ from what is described below. Our team will monitor closely and keep you updated on the relevant changes.

### Paycheck Protection Program & Small Business Alliance

- **Small Business Support**
  - Fully funds states' short-time compensation (work-sharing) programs and additional weeks of benefits.
  - \$15B in grants to the hardest hit small businesses
  - Invests \$35B into state and local business financing programs.

### Unemployment Insurance & Stimulus Payments

- **Stimulus Payments**
  - **\$1400 stimulus checks with eligibility capped by income** (for a total of \$2000, including the \$600 in the last package)
  - Expands eligibility for checks to adult dependents and mixed-status households.
  - Pledges to provide the Treasury Department with needed flexibility to **provide \$1200 CARES Act checks to needy families entitled to them** but offers no clarity on how this will be accomplished.
- **Unemployment Insurance**
  - **Extends benefits provided by unemployment compensation programs** until September 2021.
    - Proposes that these programs should be automatically extended and adjusted depending on the economic situation at the time of expiration.
  - **\$400/week unemployment supplement** for particularly needy workers who need to cover essential expenses.
  - **Extends financial assistance for workers who have exhausted their regular unemployment compensation benefits.**
    - Extends financial assistance for unemployed workers who do not typically qualify for unemployment compensation benefits.
    - Fully funds states' short-time compensation programs and additional weeks of benefits.

### Education Provisions

- **The safe reopening of most K-8 schools in the first 100 days** of the Biden Administration
- \$170B to K-12 schools and institutions of higher education

- The December stimulus package included \$81.9B earmarked for education.
- **\$130B for school reopening**
  - Approved uses:
    - reduce class sizes and modify spaces for social distancing
    - improve ventilation
    - hire more janitors and implement mitigation measures
    - provide PPE
    - ensure every school has access to a nurse
    - increase transportation capacity to facilitate social distancing on the bus
    - hire counselors to support students as they transition back to the classroom
    - close the digital divide that is exacerbating inequities during the pandemic
    - provide summer school or other support for students that will help make up lost learning time this year
    - create and expand community schools
    - cover additional costs as needed to support safely reopening and support students
  - Focus on meeting students' academic, mental health and social, and emotional needs in response to COVID-19
  - Ensure **states adequately fund education and protect students in low-income communities** that COVID-19 has hit the hardest.
    - Prevents cuts to state pre-K programs
  - **COVID-19 Educational Equity Challenge Grant**
    - Support state, local, and tribal governments in partnering with teachers, parents, and other stakeholders to advance equity- and evidence-based policies to respond to COVID-related educational challenges and give all students the support they need to succeed.
  - **FEMA Disaster Relief Fund**
    - Schools get reimbursed for certain COVID-19 related expenses and will receive support to implement regular testing protocols
- **Additional \$35B to the Higher Education Emergency Relief Fund (HEERF)** to support public institutions, community colleges, public and private HBCUs, and other Minority Serving Institutions. Students can receive up to \$1,700 in financial assistance from their institutions.
  - \$22.7B was allocated to the HEERF in the December package.
- **\$5B to Governors to establish the Hardest Hit Education Fund** for programming and address students' learning needs across levels, including K-12, Higher Education, and Early Childhood Education.

## Health Professions

- **\$350B in emergency funding for state and local governments** to ensure that they're able to pay front-line workers while still effectively maintaining public services and pandemic response measures.
- Calls on Congress to **reinstate paid sick leave requirement from Families First Coronavirus Response Act**
  - Eliminate exemptions for employers with more than 500 or less than 50 employees
  - Close loopholes of the Act and have this requirement apply to healthcare workers and first responders
- Establishes a **public health jobs program**, funding 100,000 public health workers.
- Provides funding for states to **deploy strike teams to long-term care facilities experiencing outbreaks** to protect residents and workers/caretakers.
- **Additional funding for OSHA**
  - Establish COVID-19 Protection Standard
  - Grant funding - including for the Susan Harwood grant program, for organizations to help keep vulnerable workers healthy and safe from COVID-19

## Healthcare Provisions

- **\$160B** for necessary steps to combat the pandemic.
  - **\$20B to establish a national vaccination program** in partnership with states, localities, tribes, and territories. This will include launching community vaccination centers around the country and deploying mobile vaccination units to hard-to-reach areas.
    - Approximately \$28B was allocated in the December package for vaccine supply and distribution.
    - FMAP would be expanded to 100% to ensure all Medicaid enrollees will be vaccinated.
  - **\$50B to expand COVID-19 testing**, provide funds for the purchase of rapid tests, investments to expand lab capacity, and support to help schools and local governments implement regular testing protocols.
    - \$22.4B was allocated for testing in the December package.
  - **\$30B to Disaster Relief Fund to ensure sufficient supplies + PPE** and provide 100% federal reimbursement for critical emergency response measures.
  - **\$10B Domestic Manufacturing of Pandemic Supplies**
- **Funding to provide health services for underserved populations**, including expanding Community Health Centers and investing in health services on tribal lands.
- Subsidizing continuation health coverage (**COBRA**) **through the end of September**.
- **Expand and increase the Premium Tax Credit value** to lower or eliminate health insurance premiums and ensure enrollees - including those who never had coverage through their jobs - will not pay more than 8.5% of their income for coverage.

- Appropriate **\$4 billion to enable the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Health Resources and Services Administration (HRSA)** to expand access to these vital services.
  - This is in addition to the \$4.25B allotted for SAMHSA in the December package
- **\$20 billion to ensure that veterans' health care needs are met** – no details on funding allocation.
- **Paid Sick Leave**
  - Fourteen weeks of paid sick and family and medical leave to help parents with additional caregiving responsibilities when a child or loved one's school or care center is closed; for people who have or are caring for people with COVID-19 symptoms, or who are quarantining due to exposure; and for people needing to take time to get the vaccine.
    - Extended to include federal workers.
  - Maximum payout of \$1400/week for eligible workers
  - Measures would be in place through September 30

#### Nutrition Provisions

- **SNAP**
  - **Extension of 15% SNAP benefit level increase** from December stimulus package through September 2021 (currently authorized through June 2021)
  - To reduce lag in processing, **makes the process of adjusting length and number of benefits automatic** based on health and economic conditions
  - Temporarily **cuts State Match programs** to allow for emergency administrative support focused on SNAP.
  - **\$1B in funding to US territories**
- **WIC**
  - \$3B invested in WIC over a multi-year plan.
- **FEMA Empowering Essential Deliveries (FEED) Act**
  - Develops a restaurant partnership program to support food provision for families who need it.

#### Rental Assistance & Housing Security Provisions

- **Extends eviction and foreclosure moratorium** and continues applications for forbearance on federally guaranteed mortgages until September 30, 2021 (currently ends on January 31, 2021)
- Provides funds for legal assistance for households facing evictions and foreclosure.
- Additional \$30B in rental and critical energy and water assistance
  - Additional \$25B in rental assistance, for a total of \$50B when combined with the December package.
  - \$5B home energy and water costs through LIHEAP and other similar organizations
- \$5B in emergency housing assistance for those experiencing or at risk of homelessness.

- Provides congregate and non-congregate housing options.
- Converts hotels and motels into permanent housing.
- Funds for homeless services providers to hire and retain staff, outreach programming, and essential services.

### Tax Provisions

- Expands **childcare tax credits on an emergency basis for one year** to help working families cover the cost of childcare
  - Families can receive as much as half of their spending on childcare for children under age 13, and receive a total of \$4,000 for one child or \$8,000 for two or more children.
    - The full 50% reimbursement will be available to families making less than \$125,000 a year.
    - All families making between \$125,000 and \$400,000 will receive a partial credit so they receive benefits at least as generous as those they can receive today.
- Expands the **Earned Income Tax Credit** for the year to ensure that the lowest-income workers get critical support, including millions of essential workers.
  - Raises the maximum Earned Income Tax Credit for childless adults from roughly \$530 to close to \$1,500.
  - Raises the income limit for the credit from about \$16,000 to about \$21,000.
  - Expands the eligible age range, such as by eliminating the age cap for older workers.

### Criminal Justice Provisions

- \$800M in supplemental funding for critical **federal programs that protect survivors of gender-based violence.**

### State and Local Transportation Provisions

- **\$20B for hardest-hit public transit agencies** to prevent layoffs and route cuts.

### Child Care Provisions

- **\$25B Emergency Stabilization Fund** for childcare providers
- **Child Care and Development Block Grant** Program
  - \$10M allocated in December, Biden's plan provides an additional \$15M, for a total of \$25M