Highlights of the American Rescue Plan

February 11, 2021

Congress is currently pursuing another large COVID relief package based on the proposal known as the “American Rescue Plan” put forth by President Biden. Congressional leaders have chosen to do so using a process known as budget reconciliation. Under this process, both the House and the Senate adopt a budget resolution which sets a ceiling for the cost of an overall legislative package. Subsequently the various Committees of jurisdiction write individual pieces of legislation encompassing their portions of this package. Eventually, these bills are combined and considered as one piece of legislation. In a Congress with very tight margins for Democrats’ majorities, a benefit for them for this procedure is that passage in the Senate is not subject to the filibuster and thus requires only a simple majority, rather than 60 votes. Details of these individual bills relevant to our network and as we currently know them are below. Note that these details are subject to change as the Committees undergo their revision processes, and the bills move through the Senate. Congressional leaders currently aim to pass a final bill by March 14, 2021.

a. The House Education and Labor Committee Committee consideration of their bill began 2/9/21. To read the bill text, click here. To read the fact sheet, click here. To read the section by section, click here. In its current form, the bill:

   i. Increases the federal minimum wage for employees from $7.25 per hour to $15 per hour by 2025 ($9.50 in 2021; $11.00 in 2022; $12.50 in 2023; $14.00 in 2024; and $15.00 in 2025).

      1. It may not be possible to pass a bill including this provision in the Senate based on procedural rules for reconciliation measures.
ii. Includes $39 billion for child care providers through the Child Care and Development Block Grant Program. Child care providers receiving funds must provide financial relief for families, to the extent possible, and prioritize such relief for families struggling to cover tuition.

iii. Includes $1 billion for the Head Start program to ensure families can continue to access quality early learning opportunities.

iv. Helps prevent and respond to child abuse and neglect by providing $350 million for the Child Abuse Prevention and Treatment Act (CAPTA).

v. Provides $1,444,000,000 in funding for programs authorized under the Older Americans Act (OAA) including: · $750,000,000 to support nutrition programs for older Americans; · $480,000,000 to support home-and community-based support services programs, including support for COVID-19 vaccination outreach and coordination and addressing social isolation; · $44,000,000 for evidence-based health promotion and disease prevention; and · $145,000,000 for the National Family Caregiver Support Program.

vi. Provides the Department of Labor $150 million to implement COVID – 19 worker protection programs, including $75 million specifically for the Occupational Safety and Health Administration.

b. The House Ways and Means Committee began its consideration of its legislation 2/10/21.

i. The bill further extends a CARES provision which provided a 50 percent subsidy for costs incurred by employers who provide unemployment benefits on a reimbursable basis through August 29, 2021.

ii. On unemployment benefits for workers themselves, the bill would extend temporary federal unemployment and benefits through August
29, 2021 and increase the weekly benefit from $300 to $400. It also would increase the total number of weeks of benefits available to individuals who are not able to return to work safely from 50 to 74.

iii. The bill does not reinstate the required emergency paid sick and family leave mandate because it’s outside the scope of what reconciliation can do, but it does extend tax credits for employers who choose to offer such benefits until September 30. It does not expand these tax credits to make them available to employers with more than 500 employees. Specifically,

1. Extends the tax credits from March 31 to September 30
2. Increases the total amount of wages an employer can claim the credit in a year from $10,000 to $12,000 per employee
3. Expands the purposes allowed for longer-term paid family leave to match all of the purposes for shorter-term paid sick leave (personal health and family caregiving, in addition to caring for a child whose school or place of care has closed)
4. Allows credits for an employee who is receiving a vaccination or recovering from its side effects
5. Prevents employers from claiming the credit if they make leave available in a manner that discriminates in favor of highly compensated employees, full time employees, or based on employment tenure with the employer
6. Resets the clock on March 31, 2021 so that anyone who took leave in the past year can take leave again
7. Allows access to the credits for state and local governments, as well as Federal governmental instrumentalities, that are tax-exempt 501(c)(l) organizations

iv. The bill provides skilled nursing facilities (SNFs) tools and support to contain COVID-19 outbreaks and gives states funding to deploy strike
teams to SNFs to manage outbreaks when they do occur, instructing HHS to put $200 million from its budget toward infection control and $250 million toward establishing strike teams.

v. Finally, the bill would establish an additional direct payment of $1,400 per person—bringing their total relief to $2,000 per person.

vi. Section-by-Sections summaries:

1. Subtitle A. Budget Reconciliation Legislative Recommendations Relating to Crisis Support for Unemployed Workers
2. Subtitle B. Budget Reconciliation Legislative Recommendations Relating to Emergency Assistance to Families Through Home Visiting Programs
3. Subtitle C. Budget Reconciliation Legislative Recommendations Relating to Emergency Assistance for Children and Families
4. Subtitle D. Budget Reconciliation Legislative Recommendations Relating to Elder Justice and Support Guarantee
5. Subtitle E. Budget Reconciliation Legislative Recommendations Relating to Support to Skilled Nursing Facilities in Response to COVID-19
6. Subtitle F. Budget Reconciliation Legislative Recommendations Relating to Continuation of Job-Based Coverage
7. Subtitle G. Budget Reconciliation Legislative Recommendations Relating to Promoting Economic Security
8. Subtitle H. Budget Reconciliation Legislative Recommendations Relating to Pensions
9. Subtitle I. Budget Reconciliation Legislative Recommendations Relating to Child Care for Workers

c. The House Small Business Committee began its consideration of its legislation 2/10/21. [Text of the bill]
i. The bill includes a partial expansion of the Paycheck Protection Program to make eligible a specific subset of nonprofits with 500 or more employees across multiple locations, if and only if no single one of those locations has more than 500 employees.

d. The House Energy and Commerce Committee: The committee will begin hearings on its bill on 2/11/21. Further information is available in the Committee’s memorandum. Highlights include:

   i. Increased Medicaid Federal Medical Assistance Percentage (FMAP) for vaccine distribution

   ii. Increased, temporary FMAP of 5% for states that newly adopt ACA Medicaid expansion.

   iii. Increased 7.35% FMAP during emergency period for home and community-based services for states that engage in certain activities. To get the increase, states must take “one or more” of a list of 15 actions. These include paying more to home health and PACE providers which in turn increases compensation for DSPs. Other actions include providing sick/ family leave, providing hazard pay, paying for training of home health workers/DSPs, and paying for ASL.

   iv. $250 million for nursing home “strike teams” to address COVID outbreaks.

   v. $1.8 billion to HHS to support the purchase, procurement, or distribution of COVID-19 tests and testing supplies, PPE, and vaccines for staff and individuals in congregate settings.