

The Human Needs Report

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House prepares legislation to pass President Biden's American Rescue Plan

Multiple House committees advanced portions of a COVID-19 relief package last week expected to total \$1.9 trillion. Many of the provisions in the legislation closely match those in President Biden's <u>American</u> <u>Rescue Plan</u>, including larger stimulus checks, more aid for the unemployed, help for the hungry and those facing eviction, more child care funding, paid leave, expanded health coverage, increased funding for vaccinations, additional support for state and local governments and schools, and a gradual increase in the minimum wage to \$15. There are some notable differences between the Biden plan and the House proposals, however.

Here are just a few of the key components of the COVID-19 relief proposals that came out of House committees last week:

Beefed-up stimulus payments

The legislation would provide "Recovery Rebates" of \$1,400 per person to eligible recipients. The income phase-out in the current House proposal would be quicker than in the Biden plan, however, meaning that single filers with incomes greater than \$75,000 receive less than the full \$1,400, with no payments to those with incomes of \$100,000 or more. For joint filers, the amount starts phasing down above \$150,000, and income of \$200,000 or more would not receive a check. The new payments would cover all dependents – children and adults – who have a Social Security number, even if none of the taxpayers claiming the dependent file with one. Advocates are disappointed, however, that the bill continues to exclude 9.3 million immigrants who file taxes with Individual Taxpayer Identification Numbers (ITIN) who were included in the HEROES Act the House passed last year.

Enhanced unemployment aid

The unemployment insurance provisions in the legislation would expand a federal add-on to state benefits, boosting the amount from \$300 per week to \$400 per week. This benefit, along with the Pandemic Emergency Unemployment Compensation program that applies to jobless Americans who have exhausted their state benefits, and the Pandemic Unemployment Assistance program that provides benefits to the self-employed, independent contractors, gig workers, and certain others affected by the pandemic, are currently slated to expire March 14. The proposal would extend them through Aug. 29, one month shorter than President Biden's plan. Advocates are concerned that this would allow the benefits to expire while Congress is out of town during its annual August recess, leaving millions of unemployed without the help they need. As such, they are pushing for the benefits to be extended through Sept. 30, which would allow Congress to extend the benefits if needed at the same time it enacts funding for the start of the next fiscal year.

Help for the hungry

The proposal would extend the temporary 15 percent increase in SNAP benefits enacted in December through September and give \$1 billion for the Nutrition Assistance Program to Puerto Rico, American Samoa, and Northern Mariana Islands. It would increase benefits for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) for four months, and provide <u>Pandemic Electronic</u> <u>Benefit Transfer (P-EBT) benefits</u> to school age and young children through the end of the COVID-19 health crisis. More funding is provided for emergency food distribution. It would also ensure more young adults can access food at emergency homeless shelters.

Among other provisions to be administered by the Department of Agriculture, there is about \$1 billion in assistance for "socially disadvantaged" farmers and ranchers, as well as support for rural health clinics.

Housing, home energy and utility assistance

The proposal includes \$25 billion in emergency rental assistance. It also includes \$10 billion for state, local, and tribal mortgage assistance programs and \$5 billion to help states and localities assist those at risk of experiencing homelessness. An additional \$4.5 billion for the Low Income Home Energy Assistance Program (LIHEAP) will help households pay for heating and cooling, plus another \$500 million to help with water bills, through a new Low Income Household Drinking Water and Wastewater

Emergency Assistance Program, all funded through September 30. Back mortgage, rent, home energy and water bills are all part of rising household debt urgently needing solutions to prevent utility shutoffs, evictions, or foreclosures.

Pandemic Emergency Assistance Fund

The legislation includes \$1 billion in a new <u>Pandemic Emergency Assistance Fund</u>, which would be used for short-term non-recurrent cash or other benefits to <u>help</u> the poorest families with children, some of whom may not be eligible for other forms of help. Funds would be distributed to states, tribes, and territories. Distribution would be based half on the population of children in the state and half on prior Temporary Assistance for Needy Families (TANF) expenditures on cash aid and short-term assistance.

Health care access

The proposal would eliminate or lower premiums for people who get their health insurance through the Affordable Care Act marketplaces and provide subsidies to reduce the cost of COBRA insurance for workers who had health insurance through their jobs before they were laid off. The bill would also increase how much the federal government pays toward a state's Medicaid expenditures (known as the "federal medical assistance percentage" or FMAP) for two years for states that newly implement the ACA's Medicaid expansion. States will also receive a 7.35 percentage point FMAP bump for 1 year for Medicaid home and community-based services (HCBS) to the tune of <u>\$9.7 billion</u>, allowing states to increase aid for people with disabilities and older adults who need long-term services and supports. This funding could be used to support the direct-care workforce, providing additional services to more people, supporting family caregivers, and more. Inclusion of this funding, while not as large as the 10 percentage point increase for HCBS contained in the House-passed HEROES Act last year, was a victory for advocates for seniors and people with disabilities. Robust funding was also included in the package to improve testing for COVID-19, hire needed public health workers, expand community health centers and health services on tribal lands, support mitigation measures at long-term care facilities and prisons, and speed up the distribution and administration of vaccines across the country.

Aid for state and local governments, transit, and schools

The proposal includes <u>\$350 billion</u> in grants to help states, localities, tribal governments, and U.S. territories. The legislation also includes about \$170 billion for <u>K-12 students</u>, and higher education to ensure that schools and child care facilities can reopen safely, including \$7.6 billion in an emergency fund to purchase devices to make distance learning more accessible for elementary and high school students struggling to take part in online learning. There is also substantial funding for child care and early childhood education, including \$15 billion to assist parents with child care costs through the Child Care and Development Block Grant, a \$24 billion child care stabilization fund, to keep child care providers solvent during the pandemic, and \$1 billion in new funds for Head Start.

Increasing the minimum wage

The House proposal would gradually raise the federal minimum wage to \$15 an hour by 2025 – and ensure it keeps pace with inflation thereafter – and end the subminimum wage for tipped workers and workers with disabilities. There is a chance the minimum wage increase may be stricken from the package in the Senate either due to strict budget process rules or the opposition of one or more Democratic senators. As the <u>Economic Policy Institute</u> notes, raising the minimum wage to \$15 by 2025 would benefit 27 million workers, lead to a 10-year increase in wages of \$333 billion for workers with low wages, and reduce inequality.

Temporary tax credit increases

Similar to the Biden plan, the proposed House legislation would increase the maximum Child Tax Credit for a year from \$2,000 to \$3,600 for children under age 6 and to \$3,000 for those from ages 6 through 17. The credit would also be made fully refundable, meaning families whose income is low would receive the full amount. The proposal would also nearly triple the maximum Earned Income Tax Credit for a year to close to \$1,500 for childless adults, helping more than 17 million workers. Puerto Rico will get a federal match of up the three times the current cost if it chooses to increase the EITC for workers without children. Enacting the proposed expansion of the Child Tax Credit would reduce the depth of poverty or lift above the poverty line close to 10 million children and <u>cut child poverty by more than 40</u> <u>percent</u>. The legislation also includes a full extension of Child Tax Credit benefits to Puerto Rico and a federal supplement to help expand Puerto Rico's Earned Income Tax Credit.

The bill would also expand the use of the Child and Dependent Care Tax Credit, which would allow families to receive a tax credit for up to 50 percent of the child or dependent care expenses, to a maximum of \$4,000 per dependents or \$8,000 for two or more dependents, phasing out as incomes rise. For one year, this credit would be made fully refundable (that is, fully available to households even if they owe less in income taxes than the credit is worth).

Paid leave

Tax credits for employers who provide paid sick leave and paid family leave would be extended from their current March 31 expiration date to September 30, 2021. The credits are increased from \$10,000 to \$12,000 and extended to state, local and other governmental entities. The tax credits are made refundable for the employers, and it is clarified that employers can claim the credit if the employee is staying out of work because of contracting COVID, or is caring for someone with the disease.

Process and next steps

The full House Budget Committee will put together the proposals from the various committees this week and will vote on any proposed changes. The legislation will then move to the House floor, where it is expected to pass by the end of the month, sending it to the Senate. The legislation will skip committee action in the Senate and will go straight to the Senate floor. Democrats are moving the bill using a process called reconciliation, which allows legislation in the Senate to proceed without the possibility of filibuster, or unlimited debate intended to stymie legislation. Ending a filibuster takes 60 votes; without that tactic, reconciliation bills can pass with only a simple majority (51 votes in the Senate). Debate is

limited to 20 hours, but there is no limit on the number of amendments that can be offered on the floor, which, after the time limit has expired, can be offered without debate as long as senators have the energy and will to proceed. Votes on these amendments may extend for a marathon session known as a vote-a-rama. The goal of Democratic leadership is to have the legislation clear both chambers as soon as possible before March 14, when pandemic unemployment insurance benefits are currently set to expire.

Jared Bernstein, a top Biden economist serving on the White House Council of Economic Advisers, will join a CHN webinar to discuss this package. <u>Register here</u> for the webinar, which will be held on Thursday, Feb. 18 at 2pm ET.

For more information about how reconciliation works, see this recorded webinar: <u>Budget Strategy to</u> <u>Pass a COVID Bill in the Senate: Reconciliation 101</u>. For more information on the various parts of the legislation, see these summaries from some of the relevant House committees: <u>Education and Labor</u>, <u>Ways and Means</u>, <u>Energy and Commerce</u>, <u>Agriculture</u>, <u>Transportation and Infrastructure</u>, <u>Financial</u> <u>Services</u>, <u>Veterans' Affairs</u>, and <u>Oversight and Reform</u>.

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Continuing flurry of executive actions, Biden Administration combats inequality, defends immigrants, and promotes health and science

Back on January 25, when the Biden Administration was just six days old, the *Human Needs Report* <u>detailed</u> the many executive actions already taken by the President. These actions covered such areas as COVID-19, immigration, climate change, allowing transgender people to serve openly in the military, and economic security, including extending the eviction moratorium, nutrition assistance, and collective bargaining for federal employees as well as a \$15 minimum wage.

Since January 25, the Administration's flurry of activity has continued. Executive actions issued since then addressing human needs issues include:

- *Equity*: <u>direct</u> the Department of Housing and Urban Development to address discriminatory housing practices, <u>combat</u> racism against Asian-Americans and Pacific Islanders, <u>direct</u> agencies to engage in consultations with tribal governments, and <u>expand</u> protection of LGBTQ people around the world. In particular, HUD is asked to examine the effects of two rules finalized by the Trump Administration that undermined the Fair Housing Act, one repealing a 2015 rule known as "Affirmatively Furthering Fair Housing" and the other weakening the use of the "Disparate Impact Standard." Both of these Trump rules make it far more difficult to enforce against housing discrimination. Since they were finalized, the Biden Administration will need to embark on its own rule-making process to undo the Trump regulations.
- *Immigration*: <u>begin ending</u> the "Remain in Mexico" program and restoring the U.S. asylum system; <u>start roll back</u> of the "Public Charge" rule (which imposes a wealth teston would-be immigrants and those who seek green cards), making the use of certain public benefits disqualifying for attaining such legal status; begin a review of other recent barriers to legal

immigration; <u>create</u> a task force to reunite families separated at the border; and <u>rebuild</u> the U.S. refugee resettlement program.

- Health and science: re-establish the President's Council of Advisors on Science and Technology; direct agencies to make decisions based on the best available science and evidence; reopen enrollment through Obamacare marketplaces and lower barriers to joining Medicaid; and retroactively reimburse states fully for FEMA-eligible costs tied to COVID-19. The Biden Administration has taken first steps to reverse the Trump approvals of Medicaid work requirements, indicating that the pandemic-caused economic downturn makes work requirements especially problematic. On February 12, the Centers for Medicaid and Medicare Services (CMS) sent letters to 9 states announcing it was beginning a process to determine whether to withdraw approval of the work requirement Medicaid waivers. It also contacted at least Arkansas to rescind a letter sent by the Trump Administration that tried to lock work requirements in place for 9 months even if the new Administration rules against these waiver requests. Instead, the new Administration said it would provide written notice and opportunity to request a hearing if it chooses to end the work requirements.
- *Criminal justice*: <u>end</u> the U.S. Justice Department's use of private prisons.

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Hearings and confirmations continue on President Biden's Cabinet picks

Most of President Biden's nominees to Cabinet-level positions have been approved by Senate committees and are awaiting votes by the full Senate, while a few are still awaiting committee hearings. Seven Cabinet nominees have already been confirmed by the full Senate: Secretary of the Treasury Janet Yellen, Secretary of Defense Lloyd Austin, Secretary of State Antony Blinken, Secretary of Homeland Security Alejandro Mayorkas, Secretary of Veterans Affairs Denis McDonough, Secretary of Transportation Pete Buttigieg, and Director of National Intelligence Avril Haines.

The Senate Banking, Housing, and Urban Affairs Committee on Feb. 4 approved the nominations of both Rep. Marcia Fudge (D-OH) for Secretary of the Department of Housing and Urban Development and Cecilia Rouse to lead the Council of Economic Advisers. The Health, Education, Labor and Pensions Committee on Feb. 11 approved both the nominations of Miguel Cardona for the Secretary of Education post and Martin Walsh to be Secretary of Labor. Biden's pick to head the Environmental Protection Agency, Michael Regan, was approved by the Senate Environment and Public Works Committee on February 9. Also approved in committee were Gina Raimondo for Secretary of Commerce (in the Commerce, Science and Transportation Committee) and Jennifer Granholm for Secretary of Energy (in the Energy and Natural Resources Committee).

Tom Vilsack, nominated to be Secretary of Agriculture, cleared the Agriculture, Nutrition and Forestry Committee on Feb. 2. Neera Tanden, who Biden tapped to lead the Office of Management and Budget, sat before the Budget Committee and the Committee on Homeland Security and Governmental Affairs last week. Neither committee has taken action on her nomination yet. Xavier Becerra, Biden's nominee to be Secretary of Health and Human Services, is expected to be voted on by both the HELP Committee and the Finance Committee after hearings in the coming weeks. Merrick Garland, Biden's pick for Attorney General, is being reviewed by the Judiciary Committee. Deb Haaland, nominated to lead the Interior Department, awaits a hearing in the Energy and Natural Resources Committee.

All nominees to the cabinet must be confirmed by a simple majority of the Senate.

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