

The Human Needs Report

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President Biden's American Rescue Plan signed into law, sending aid to millions

Advocates <u>celebrated</u> the enactment last week of the American Rescue Plan Act, a \$1.9 trillion COVID-19 relief package. President Biden signed the legislation in to law on Thursday, March 11 after the bill (<u>H.R. 1319</u>) ping-ponged back and forth in the House and Senate, passing both chambers without Republican support. The law will provide help to millions of Americans and will reduce the number of people in poverty by over 13 million – including 5.7 million children – through strong provisions, such as larger stimulus checks, more aid for the unemployed, help for the hungry and those facing eviction, more child care funding, expanded health coverage, increased funding for vaccinations, additional support for state and local governments and schools, and more. The *New York Times* called the package "virtually without

precedent in recent American politics." The White House set up a <u>new website</u> to tout the law and help people navigate benefits.

H.R. 1319 originally passed the House on Feb. 27 (219-212); changes were made in the Senate before it passed (50-49) that chamber on March 6, and the House accepted the Senate's version with final passage (220-211) on March 10.

Edits made in the Senate mean the final version of the law differs in several key ways from the version that first passed the House. The main differences include:

- **Minimum wage:** Provisions to raise the federal minimum wage to \$15 an hour were stripped due to strict Senate budget process rules. Advocates were disappointed with this and are already working to push Congress to pass the Raise the Wage Act to accomplish this goal.
- Stimulus payments: The income phase-out range was narrowed, meaning that single filers with incomes greater than \$75,000 will receive less than the full \$1,400, with no payments to those with incomes of \$80,000 or more. For heads of households, the payment starts phasing down above \$112,500, with no payments to those with incomes of \$120,000 or more. For joint filers, the amount starts phasing down above \$150,000, and couples with incomes of \$160,000 or more would not receive a check.
- Unemployment benefits: the law extends the federal add-on to state benefits through Sept. 6, a week later than the Aug. 29 date in the House bill. The weekly bump-up will remain at the current \$300 per week, rather than \$400 in the House bill. The final law also exempts up to \$10,200 in unemployment benefits received in 2020 from federal income taxes for households making less than \$150,000.

Here are just a few of the key components of the COVID-19 relief law:

Beefed-up stimulus payments

The law provides "Recovery Rebates" of \$1,400 per person to eligible recipients. As noted above, the income phase-out was changed to exclude filers with higher incomes. The new payments 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 law 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

As noted above, the federal add-on to state benefits, known as the Federal Pandemic Unemployment Compensation (FPUC), was extended until Labor Day, Sept. 6. Also extended through Sept. 6 were 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. All three programs were slated to expire March 14. Advocates had pushed for all unemployment benefits to be extended through the beginning of October to avoid allowing benefits to expire while Congress is out of town during its annual August recess, leaving millions of unemployed without the help they need. For more information, see this piece from the National Employment Law Project.

Help for the hungry

The law extends the temporary 15 percent increase in SNAP benefits enacted in December through September and gives \$1 billion for the Nutrition Assistance Program to Puerto Rico, American Samoa, and Northern Mariana Islands. It includes \$880 million in funding to increase benefits for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) for four months, and provides Pandemic Electronic Benefit Transfer (P-EBT) benefits to school age and young children for the summer and extends the program through the end of the COVID-19 health crisis. More funding is provided for emergency food distribution. It also ensures more young adults can access food at emergency homeless shelters.

Among other provisions to be administered by the Department of Agriculture, there is about \$5 billion to provide loan forgiveness and other assistance to Black farmers and ranchers, to address years of inequitable treatment. The bill also includes support for rural health clinics. For more information on nutrition assistance included in the law, see this piece from the Food Research & Action Center (FRAC) and this piece from Feeding America.

Housing, home energy and utility assistance

The law includes nearly \$50 billion in essential housing and homelessness assistance, including \$27.4 billion for rental assistance and \$5 billion to assist people who are homeless. It also includes \$10 billion for state, local, and tribal mortgage assistance programs. 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. The rules for reconciliation precluded an extension of the moratorium on evictions and foreclosures. Advocates are calling upon the Biden Administration and Congress to extend these moratoria. For more information, see this piece from the National Low Income Housing Coalition.

Pandemic Emergency Assistance Fund

The law includes \$1 billion in a new <u>Pandemic Emergency Assistance Fund</u>, which will 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 will be distributed to states, tribes, and

territories. Distribution will 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 law eliminates or lowers premiums for people who get their health insurance through the Affordable Care Act marketplaces and provides subsidies to fully cover the cost of COBRA insurance premiums through September for workers who had health insurance through their jobs before they were laid off. It also increases by 5 percentage points how much the federal government pays toward a state's Medicaid expenditures (known as the "federal medical assistance percentage" or FMAP) for states that newly implement the ACA's Medicaid expansion. The increase means that for states newly choosing to expand their Medicaid program, the federal government will pay 95 percent of the costs for two years, dropping to 90 percent afterwards. States will also receive a 10 percentage point FMAP bump (up from 7.35 in the original House bill) for 1 year for Medicaid home and community-based services (HCBS) to the tune of \$12.7 billion, allowing states to increase aid for people with disabilities and older adults who need long-term services and supports to remain in the community instead of going into institutional settings. This funding can be used to support the direct-care workforce, providing additional services to more people, supporting family caregivers, and more. Inclusion of this funding 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. For more information, see this piece from Families USA.

Aid for state and local governments, transit, and schools

The package includes \$350 billion in grants to help states, localities, tribal governments, and U.S. territories. It also includes about \$170 billion for K-12 students and higher education to ensure that schools and child care facilities can reopen safely, including \$7.1 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. For estimates of the child care relief funding each state, DC, and Puerto Rico will receive, see this piece from the Center for Law and Social Policy (CLASP).

Temporary tax credit increases

The law will increase the maximum Child Tax Credit (CTC) for one year from \$2,000 to \$3,600 for children under age 6 and to \$3,000 for those from ages 6 through 17 (the CTC previously reached children through age 16). The credit will also be made fully refundable, meaning families whose income is too low to owe federal income tax would receive the full amount. The CTC begins to phase out for

single heads of households at an income of \$112,500, and at \$150,000 for married couples. At an income level of \$170,000, a married couple would no longer be eligible for the additional \$1,000 credit for their child over age 6, but the remaining \$2,000 in the CTC would phase down more slowly, ending altogether \$400,000. The expansion of the Child Tax Credit will cut child poverty by more than 40 percent. According to the Center on Budget and Policy Priorities, currently about half of all Black and Latino children get only a partial Child Tax Credit or no credit at all because their families' incomes are too low to qualify for the full credit. In all, 27 million children in families with low or no income will now get the credit.

The package will 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. The law 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 legislation also expands 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 will be 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 are 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 include 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. Advocates were disappointed that provisions requiring certain employers to provide paid sick leave and family leave benefits, which expired at the end of December, were not reinstated in the law. For more information, see this piece from the National Partnership for Women and Families.

CHN's Executive Director Debbie Weinstein <u>praised</u> the American Rescue Plan saying, "The President and Congress faced a choice: do little and watch a slow recovery that leaves the most vulnerable behind, or take bold steps to prevent hunger, evictions, sickness, and prolonged job loss. They took bold and necessary steps."

For more information on the various parts of the package, see reports and statements from CHN members and partners on CHN's <u>COVID-19 resource page</u>. In addition, Senate Democrats published a <u>number of resources</u>, including an overview, a summary of the relief for older adults and people with disabilities, and state-by-state estimates of state and local fiscal relief, expanded tax credits, direct payments, education and rental assistance, child care assistance, and more.

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What's next: After rescue comes recovery

With President Biden's American Rescue Plan signed in to law (see related article in this *Human Needs Report* for more on this), focus is shifting to what comes next. The president's Fiscal Year 2022 budget is expected to be released in April, and it will lay the groundwork for a longer-term recovery plan. This plan will likely be broad and could include provisions related to infrastructure, climate and the environment, lowering prescription drug prices, immigration reform, and building a more equitable economy.

It's anticipated that Democratic leadership in Congress will again try to move the package 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).

House Budget Committee Chair John Yarmuth (D-KY) <u>said</u> that Democrats could begin the reconciliation process by passing another budget resolution that directs committees to draft individual pieces of the package as early as May, though final passage of a package may not happen until the fall. The House and Senate Budget Committees would prefer to wait to do their budget resolutions until after President Biden submits his budget for FY 2022, which is expected to be delayed until some time in April.

For more information about how reconciliation works, see this recorded webinar: <u>Budget Strategy to</u>

Pass a COVID Bill in the Senate: Reconciliation 101.

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Trump-era anti-immigrant public charge rule changes permanently blocked nationwide

In a huge win for immigrants and the advocates who fight for them, the Supreme Court on March 9 dismissed an upcoming case regarding the Trump Administration's harmful 2019 public charge regulations. The move followed an announcement from the Biden Administration Department of Justice that it would no longer defend the Trump-era changes, which made it more difficult for many immigrants to come to or stay in the U.S. if they use certain public benefits they are legally entitled to, such as SNAP/food stamps, housing assistance, or Medicaid. Under the Trump rule, immigrants could also be denied entry if they had low incomes. Not long after the Supreme Court dismissed the pending appeals, the Seventh Circuit Court of Appeals dismissed the government's appeal as well. This means that the Trump Administration's anti-immigrant public charge changes are permanently blocked nationwide, and that it is now again safe for immigrants and their families to access health, nutrition, and housing programs for which they are eligible.

CHN is proud to be a member of the <u>Protecting Immigrant Families coalition</u>, led by the <u>National Immigration Law Center</u> and the <u>Center for Law and Social Policy</u> (CLASP), which headed up the fight against the harmful changes.

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House passes several bills to further democracy and social and economic justice

The House of Representatives has passed several pieces of legislation in the past month that would further social and economic justice, including in the areas of democracy reform and voting rights, the right to unionize, gun control reform, countering racial bias in policing, and protections for LGBTQ individuals.

On March 3, the House passed H.R. 1, the For the People Act, a comprehensive democracy reform package. The bill would put in place long-needed voting, elections, and ethics reforms, including ending partisan and racial gerrymandering by establishing independent redistricting commissions; expanding and protecting voting rights by mandating access to early voting and same-day registration; getting "dark money" out of politics by requiring donor disclosures; and much more. The Center for American Progress called the legislation, "arguably the most consequential people-empowering legislation since the Civil Rights Act of 1965." The bill passed by a vote of 220-210, with one Democrat joining all Republicans in voting no. A similar bill passed the House in 2019 but was never taken up in the Senate. In addition, President Biden issued an executive order on promoting access to voting on March 7.

Also on March 3, the House passed the <u>George Floyd Justice in Policing Act (H.R. 1280)</u>, which seeks to address racial bias in policing, help end police brutality, and protect civil rights. The vote total was <u>220-212</u>, with one Republican joining all but two Democrats in supporting the measure. The bill would direct the Department of Justice to track systemic racial discrimination, establish a national registry to track police misconduct, ban no-knock warrants and chokeholds at the federal level, and limit "qualified immunity" that shields police officers from lawsuits, allowing individuals to recover damages in civil court. Some advocates voiced <u>concerns</u>, however, that the qualified immunity provision and other provisions do not go far enough to address accountability and protect civil rights. A previous version of the bill passed the House in June 2020 but was never taken up by the Senate.

The Equality Act passed the House on Feb. 25 (224-206; three Republicans joined all Democrats in voting yes). H.R. 5 would expand federal protections for LGBTQ people by prohibiting discrimination based on sexual orientation and gender identity in employment, housing, credit, education, public accommodations (such as restaurants, hotels, and theaters), and jury service. It would also prohibit discrimination based on sex, sexual orientation, and gender identity in programs receiving federal funding. This legislation passed the House in 2019 but died without a vote in the Senate. President Biden issued an executive order guaranteeing an educational environment free from discrimination on the basis of sex, including sexual orientation or gender identity, on March 8. The same day, he also issued an

<u>executive order</u> establishing the White House Gender Policy Council to advance gender equity and equality.

The Protecting the Right to Organize (PRO) Act would reverse years of attacks on unions and restore private sector workers' right to join a union and bargain for fair wages, better benefits, and safer workplaces. CHN joined the many of its members, including the Economic Policy Institute, the National Employment Law Project, the American Federation of State, County and Municipal Employees (AFSCME), and hundreds of other organizations in <u>urging</u> members of Congress to support H.R. 842, which passed the House on March 9 (225-206). The bill previously passed the House in early 2020 but died in the Senate.

Two bills aimed at expanding background checks on gun sales, the Bipartisan Background Checks Act (H.R. 8) and the Enhanced Background Checks Act (H.R. 1446), passed the House on March 11. H.R. 8 would close the "gun show loophole," while H.R. 1446 would close the "Charleston loophole" that allows some licensed gun sales to proceed before a required background check is done. Both bills also passed the House in 2019.

The bills are expected to have tougher roads ahead in the Senate, where 60 votes are needed to overcome a filibuster and move any of the pieces of legislation forward.

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Senate picks up the pace on Biden Cabinet confirmations

The pace of Senate confirmation of President Biden's Cabinet nominees has accelerated since the *Human Needs Report's* Feb. 16 update. On March 10, the Senate confirmed three key picks – former U.S. Rep. Marcia Fudge (D-OH) as Secretary of Housing and Urban Development; former U.S. Circuit Judge Merrick Garland as Attorney General; and Michael S. Regan, formerly North Carolina's top environmental regulator, as Administrator of the Environmental Protection Agency.

Fudge, the first Black woman to lead HUD in more than 40 years, has pledged to fight racial inequities in America's housing programs. She also will be charged with providing rental assistance to households at risk of eviction proceedings. Garland had been President Obama's choice to fill a Supreme Court vacancy; then-Majority Leader Mitch McConnell (R-KY) infamously refused to allow hearings or a vote on his nomination. Garland's confirmation came on a relatively easy 70-30 vote. Regan's nomination was seen as a victory for the progressive wing of the Democratic Party, which wants to see aggressive action to protect against pollution, with special attention to minority and poor communities facing disproportionate threats. Regan is the first Black person to lead the agency.

In recent weeks there have been other key confirmations as well.

The Senate confirmed former Rhode Island Governor Gina Raimondo as Secretary of Commerce on March 2. That same day, it confirmed Cecilia Rouse as Chair of the Council of Economic Advisors – a

notable pick, given Rouse's background in labor economics and her strong advocacy of federal intervention to address the COVID-19 pandemic and ensuing recession.

The Senate confirmed Miguel Cardona as Secretary of Education on March 1. He previously was Connecticut's state education chief, and has lengthy experience serving in public education. The Senate confirmed Jennifer Granholm as Secretary of Energy on Feb. 25. Granholm is a popular former two-term Governor of Michigan. And it confirmed Linda Thomas-Greenfield as Ambassador to the U.N. on Feb. 23. Thomas-Greenfield's nomination was viewed as a morale-booster to the nation's diplomatic corps, whose depleted ranks are said to be a result of the State Department being shunned by the Trump Administration.

The Senate confirmed Tom Vilsack as Secretary of Agriculture on Feb. 23. Vilsack, who served eight years in the same position in the Obama Administration, will address the farm and hunger crises that have been worsened by the pandemic. Vilsack will serve as keynote speaker during FRAC's upcoming National Anti-Hunger Policy Conference, happening later this week.

Thus far, not one of Biden's nominees has been defeated in a Senate vote. However, the White House did withdraw the nomination of Neera Tandem to be Director of the Office of Management and Budget after it appeared she could not be confirmed.

Key nominations still pending in the Senate:

California Attorney General Xavier Becerra, nominated for Secretary of Health and Human Services. Becerra's nomination faced a tie vote in committee, but has been advanced to the Senate floor by Majority Leader Chuck Schumer (D-NY).

Isabel Guzman, nominated for Administrator of the Small Business Administration. Guzman's nomination cleared the Small Business and Entrepreneurship Committee on Feb. 24.

Rep. Deb Haaland, nominated for Secretary of the Interior. Haaland's nomination cleared the Energy and Natural Resources Committee on March 4. She would be the first Native American Cabinet member in U.S. history.

Katherine Tai, nominated for U.S. Trade Representative. Tai's nomination cleared the Finance Committee on March 3.

Boston Mayor Marty Walsh, nominated for Secretary of Labor. Walsh's nomination cleared the Health, Education, Labor and Pensions Committee on Feb. 11.

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