

American Rescue Plan Details

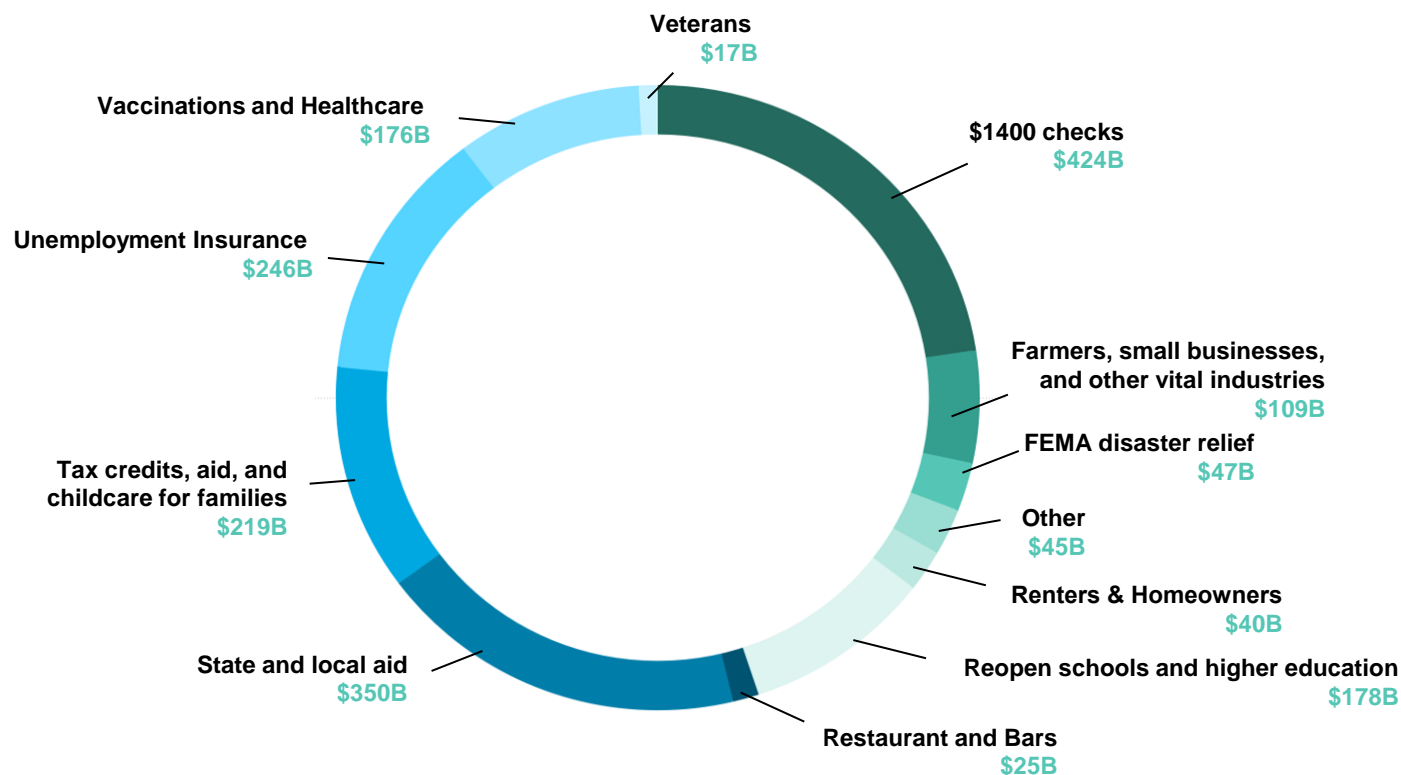
**Top-line numbers, details of key provisions and polling on
the omnibus package**

March 17, 2021

Roadmap

- **Overview**
- **State and local**
- **Tax credits and increases**
- **Housing**
- **Health care**
- **Tech and cyber**
- **Energy/Environment**
- **Labor**

Allocation of funding in the American Rescue Plan

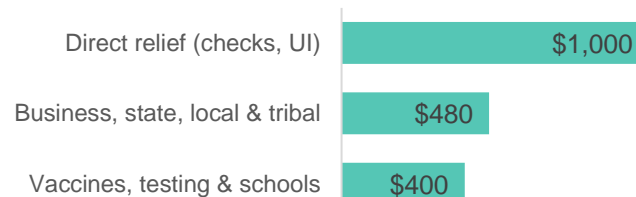


American Rescue Plan overview

Key Provisions

- ~\$1.9T price tag
- ~\$15B for distributing vaccines
- ~\$50B to expand testing and contact tracing
- ~\$130B to K-12 schools for safety equipment
- **\$1,400** stimulus checks for individuals earning less than \$75,000/year plus **\$1,400** for every dependent of qualifying individuals, regardless of age
- **\$300/week** in supplemental unemployment benefits through September 6, 2021
- **Child tax credit increases** for couples earning less than \$150,000/year and single parents earning less than \$112,500/year
- **Earned Income Tax Credit** increase from ~\$540 to ~\$1,500 for childless people
- **Additional PPP funding** and increased definition of which organizations can receive PPP funding
- **Additional funding for airline and restaurant industries**

Topline breakdown (in billions)*



Timeline

- Initial bill passed House on February 27, 2021
- Amended bill passed Senate on March 6, 2021
 - House passed amended bill on March 10, 2021
 - Key changes:
 - Decreased income cap for checks
 - Decreased supplemental UI benefit but extended length
 - Removed minimum wage increase (blocked by secretary of the Senate)
- Bill signed into law on March 11, 2021

* Numbers in graph are approximate, due to complexities of the bill and appropriations of funding

S O U R C E Associated Press News, House Committee on the Budget, New York Times, Washington Post, CNBC, Investopedia, GovTrack, CBS News, ABC.

Slide Updated By: Michael Tinsley 03/17/21

Background on proposal to increase child and dependent, child, and earned income tax credits



Increase child and dependent care tax credit for 2021

- Currently: Nonrefundable, up to \$1,050 for one child under 13 or dependent and up to \$2,100 for two or more children under 13 or dependents
- Proposal:
 - For only 2021, refundable credit up to \$4,000 for one child under 13 or \$8,000 for two or more children under 13
 - Credit begins phasing out at incomes of \$125,000 and phases out completely at \$400,000



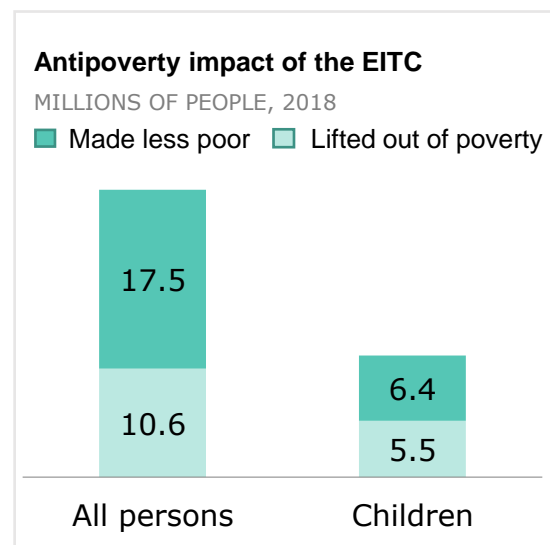
Increase the child tax credit for 2021

- Currently: \$2,000 per child under 17, refundable up to \$1,400
- Proposal: For only 2021, \$3,000 per child under 18, plus \$600 per child under 6 years old, fully refundable



Expand earned income tax credit (EITC), 2021

- \$1,500 maximum credit for childless adults
- Increase the income limit to \$21,000
- Eliminate the age cap for older workers



Tax hikes on large corporations

In a sentence: A last minute tax hike was added to comply with budget reconciliation rules and includes three provisions which will raise a total of **\$60 billion**.

1 Limits on executive wage deductions

- Publicly traded companies can usually deduct most employees' pay, except for **five of the highest paid employees** if they are paid over \$1 million
- Doubles this number to 10 of the highest paid employees making over \$1 million
- Measure will raise \$6 billion

2 Stricter checks on MNCs

- Limits how multinationals account interest expenses when completing their tax forms
- Measure will raise \$22 billion

3 Limits deductions for unincorporated Firms until 2026

- Limits the amount that unincorporated businesses can offset in losses against other income to reduce their tax bill to \$500,000
- Extends this limit, previously set to expire in 2025, to 2026
- Senate Finance Committee estimates this provision will raise \$31 billion

Housing assistance

Key Provisions

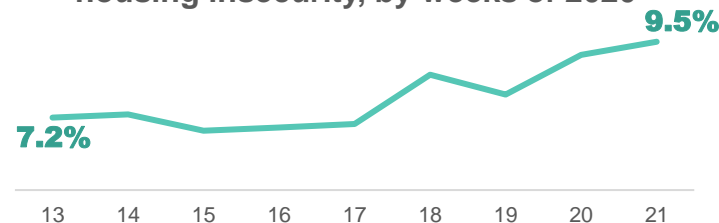
- **~\$30B** in assistance for rent, water, and critical energy
 - **~\$20B** for rental assistance, on top of the \$25B from the Consolidated Appropriations Act
 - **\$5B** to cover utilities through programs like Low Income Home Energy Assistance Program
 - **\$5B** in emergency housing vouchers
- **\$10B** in mortgage assistance
- **\$5B** in emergency assistance for those who are homeless, or who are at risk of losing their home
- **Provision of legal funds** for households tackling eviction or foreclosure
- **The national moratorium** on evictions and foreclosures will likely remain until March 31st, 2021
 - President had planned to use this bill to extend it until Sep. 30th, 2021



18%

The proportion of renters who say they are behind on rent, as of January 2021

Proportion of households suffering housing insecurity, by weeks of 2020



Outlook

- The number of American households suffering from housing insecurity grew from 10.2 million in the 13th week of 2020 to 13.4 million
 - As the graph above indicates, this amount to an increase from 7.2% to 9.5% of all households
- The funding to alleviate homelessness aims to help 200,000 people find stable housing
- The emergency assistance funds for the homeless will be channeled through state and local bodies

Vaccine, testing, & targeted community provisions

Vaccine and testing provisions

- **\$7.5 billion** for **CDC** vaccine distribution optimization efforts
 - Includes vaccine clinics and targeting of hard-to-reach areas and communities of color
- **\$5.2 billion** for **BARDA** to help with supplies and vaccine procurement
- **\$48.3 billion** for testing, contact tracing, additional PPE for frontline health care workers, and improving isolation and quarantine measures in various communities
- **\$1.73 billion** enhance genome sequencing research on the novel coronavirus
- Allocates **\$7.66 billion** to bolster the public health workforce

Targeted community support

- Relief for frontline workers serving **communities of color** and other **underserved populations**
 - Community health centers will receive **\$7.6 billion** in funding
 - The Older Americans Act programs will receive **\$1.44 billion** in funding
 - The National Health Services Corps will receive **\$800 million** in funding
- **\$3.88 billion** to expand investments in mental health and substance use disorder treatments
- Supporting **veterans** during the pandemic by providing funds that will help:
 - Waive copays and expand health care services including telehealth and mental health services
- Funding for **Indian Health Services** to better address the needs of the AIAN community

Health insurance provisions in the ARP

Provisions on the ACA

- **\$50 million** on **outreach** to support the **special enrollment period** that began on February 15
- Provides the largest health insurance coverage expansion since the ACA was enacted a decade ago
 - \$24.4 billion in increased subsidies and ends the “subsidy cliff” due to spending
 - Currently, the “subsidy cliff” ends health insurance premium subsidies for households earning over 400% of the federal poverty line
- **Limits payments on health insurance plans** for all Americans to 8.5% of household’s income through end of 2022
- **Cost-sharing support** for unemployed Americans enrolled in a qualifying health plan who has received (or is approved to receive) unemployment compensation in 2021
- Subsidizes **COBRA coverage and waives premiums** through September 30th for those with employer-sponsored coverage who have experienced layoff, furlough, or a reduction in hours

Other health care provisions

- Up to **\$8.5 billion** for rural hospitals and medical facilities
- Increases **Medicare reimbursements** to hospitals
 - Will increase urban state hospital payments so that a hospital in an urban area of a state will not be able to have a Medicare wage index lower than that of a hospital in a rural area of the same state
- Allows **Medicare reimbursement for ambulances** that deliver ground ambulance services in response to emergency 911 calls that would usually require transport to a local hospital but has resulted in on-the-ground services due to COVID-19 and changes in protocols for on-site hospital admission and care

ARP adds \$7 billion in funding for broadband

What is the Emergency Connectivity Fund (ECF)?

\$7.17
billion

The **ECF** will reimburse schools and libraries for providing broadband and connected devices to students and patrons at their homes via the FCC E-Rate program

- E-Rate had traditionally only funded service to and within schools and libraries
- FCC must issue new rules to implement the program by mid-May 2021
- Funding for enhanced E-Rate support will be available for at least one year after the end of the COVID-19 emergency



OTHER PROGRAMS OF NOTE

- **\$9.961 billion for a new Homeowner Assistance Fund**, which will assist homeowners with various payments, including internet service
- **\$219.8 billion** to states, territories, and tribal entities for local economic recovery purposes
- **\$120.2 billion** to local governments and counties for FY21 for local economic recovery purposes

Key provisions on cybersecurity and technology modernization



\$1 B

GSA TECHNOLOGY MODERNIZATION FUND

- Intended to update outdated IT systems
- \$650 million of this funding is for cybersecurity investments and \$350 for other modernization activities



\$650 M

CISA

- Funds are meant to strengthen federal cybersecurity and protect the vaccine supply chain
- Funding will likely be used to modernize the National Cybersecurity Protection System and the Continuous Diagnostics and Mitigation program



\$200 M

US DIGITAL SERVICE

- US Digital Service is a technology team within the Executive Office of the President



\$140 M

INDIAN HEALTH SERVICE

- Funding for IT, telehealth infrastructure, and EHR systems upgrades

Energy, environment, and infrastructure provisions in the American Rescue Plan



Energy

- **\$4.5 billion** in cooling and heating cost assistance to families through the Low-Income Home Energy Assistance Program (LIHEAP)



Water

- **\$500 million** in water cost assistance to low-income families under the program established in December 2020 COVID-19 relief legislation



Environmental justice

- **\$100 million** in grants targeting health disparities from pollution and COVID-19



Transportation

- **\$30 billion** in transit assistance for PPE and payroll costs
- **\$1.5 billion** for Amtrak route restoration and worker assistance
- **\$8 billion** for airports
- **\$15 billion** for airline industry employees
- **\$3 billion** for the aerospace manufacturing sector

Multiemployer pension plan provisions

BUTCH LEWIS EMERGENCY PENSION PLAN RELIEF ACT (EPPRA)

- Introduced by Sen. Brown (OH) in July 2019, but no action in 116th Congress
- **\$86 billion** - CBO cost estimate
 - To partially offset cost, the flat-rate premium for all multiemployer pension plans **will increase to \$52**, indexed to inflation, per participant, beginning in 2031
 - Current premium for multiemployer pension plans is \$31
- Creates the Special Financial Assistance Program for Financially Troubled Multiemployer Pension Plans
 - **~10 million Americans** participate in multiemployer pensions plans
 - **~1 million** in plans projected to have insufficient funds to pay full benefits within 20 years
- Plans can receive funding from a new Treasury-backed Pension Benefit Guaranty Corporation (PBGC)
- **Plans must meet one of four conditions to qualify:**
 - Status is “critical” or “declining”
 - Previously imposed a benefit suspension under the Multiemployer Pension Reform Act of 2014
 - Have a modified funded percentage of less than 40% on a current liability basis, and have a ration of active to inactive participants of less than 2 to 3
 - Be insolvent

Additional details on the EPPRA

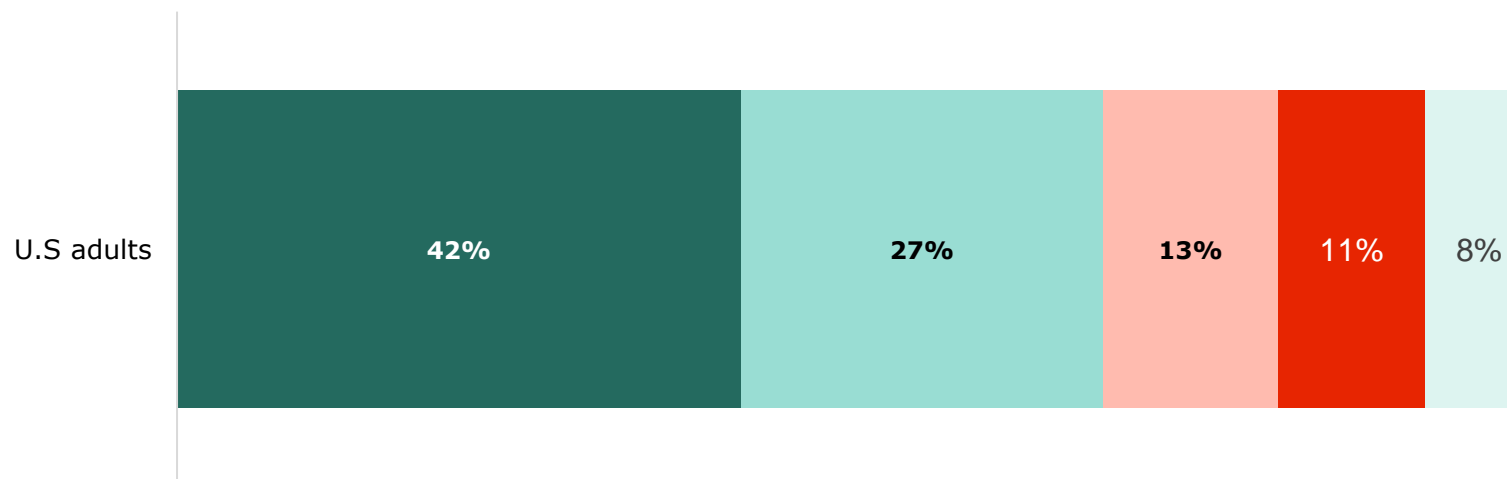
- Funding from this program will be **sufficient for eligible plans to pay out all benefits for the next 30 years**, including any benefits previously suspended under MPRA, which must be restored by plans that receive funding
- Funding will be delivered in a single lump sum **and does not need to be repaid**
- The financial assistance may only be used for benefit payments and plan expenses
- Recipients must invest the money in investment-grade bonds, or other investments allowed by the PBGC, and keep earnings on the assistance separate from other plan assets
- **The PBGC may impose restrictions on plans that receive funding**, such as limits on accrual rates, retroactive benefit improvements, reductions in employer contributions, diversion of employer contributions, withdrawal liability rules, and plan asset allocation requirements
- In addition to funding, **the provision allows any multiemployer pension plan to:**
 - Elect the same zone status that applied in the previous year for either the 2020 or 2021 plan year
 - Extend the improvement or rehabilitation period an additional 5 years by operating under a funding improvement or rehabilitation plan in plan year 2020 or 2021
 - Spread the plan's 2020 and 2021 investment losses over a period of up to 10 years
 - Amortize the plan's 2020 and 2021 experience losses over a period of up to 30 years

69% of Americans support the ARP

Congress approved the American Rescue Plan, a \$1.9 trillion pandemic relief package

DATA FOR PROGRESS SURVEY CONDUCTED MARCH 5-7, 2021 OF 1429 LIKELY VOTERS

■ Strongly support ■ Somewhat support ■ Somewhat oppose ■ Strongly oppose ■ Don't know

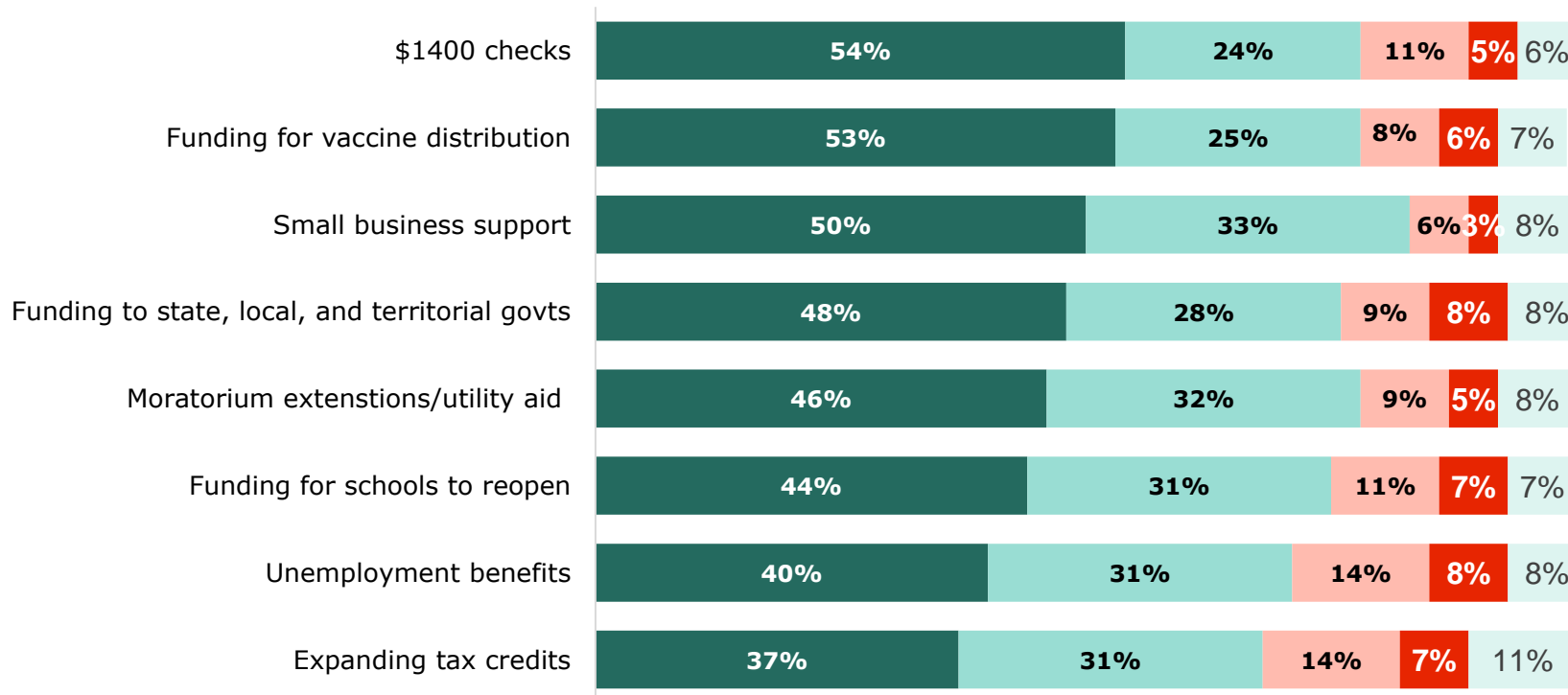


A majority of Americans support key provisions

**Below are the main provisions of the American Rescue Plan.
For each proposal, please indicate where you support or oppose it:**

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 ■ Somewhat support
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