



## **KEY PROVISIONS:** **BIDEN AMERICAN RESCUE PLAN ACT of 2021 (H.R. 1319)**

The following summarizes the key provisions in the American Rescue Plan Act ([H.R. 1319](#)) proposed by President Biden and passed by the House and Senate. After Senate passage President Biden [said](#): “This nation has suffered too much for much too long. And everything in this package is designed to relieve the suffering and to meet the most urgent needs of the nation and put us in a better position to prevail, starting with beating this virus and vaccinating the country.” AFSCME President Lee Saunders [said of the plan](#): “Help is finally on the way for these everyday heroes whose work and expertise are needed now more than ever to crush this virus. AFSCME members fought for the American Rescue Plan not just to beat COVID-19, but to jolt our economy by ensuring struggling families keep their health insurance and receive a boost in unemployment insurance as well as direct checks to help make ends meet.”

### **ASSISTANCE TO PRESERVE STATE AND LOCAL PUBLIC SERVICES**

- **Increases Funding to Preserve State and Local Public Services.** \$360 billion in aid to state and local governments, territories, and tribes, including \$195.3 billion to states and D.C., and \$130.2 billion divided evenly between cities and counties. Local governments of every size would receive dedicated allotments. These funds are available until Dec. 31, 2024, and subject to eligible uses including replacing revenue lost, delayed or decreased as a result of the pandemic. States and localities also can use these funds for water, sewer and broadband infrastructure; and includes premium pay for eligible workers performing essential work (as determined by each state or Tribal government) during the pandemic up to an additional \$13 per hour above regular wages up to \$25,000. Local governments would receive their allocations in two tranches – the first 50% would be received 60 days after enactment, and the second 50% would be received one year later. For non-entitlement units of local government, these deadlines are the dates for Treasury to send funds to states, which have 30 extra days to distribute funds to non-entitlement units. Includes an additional \$10 billion for a new **Coronavirus Capital Projects Fund** to help states, territories, and tribes fund critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to Coronavirus Disease. Funds an additional \$1.5 billion for eligible revenue-sharing counties in a new **Local Assistance and Tribal Consistency Fund** to be obligated in 2022 and 2023. This is intended to assist counties currently relying on the Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) programs. Estimates for allocations to states, counties and cities from the \$350 billion are [HERE](#).
- **Increases Funding to Help Schools Reopen Safely.** \$170 billion to Reopen Schools Safely, including \$128.5 billion for K-12 public schools to improve ventilation, reduce class sizes to accommodate social distancing, purchase personal protective equipment (PPE) and hire support staff to address health needs. 90% of these funds go to Local Educational Agencies (LEAs), and 10% go to State Educational Agencies (SEAs). Colleges and universities will receive up to \$40 billion. Further details and state by state allocations are available [HERE](#).

**American Federation of State, County and Municipal Employees, AFL-CIO**

- **Protects Public Transit and Communities.** \$100 billion to support relief to transit systems and communities, including \$30 billion to support essential transit and rural intercity bus service, provide lifesaving PPE, and keep workers on the job; \$50 billion for FEMA's Disaster Relief Fund to ensure sufficient supplies and protective gear with 100% federal reimbursement for critical emergency response resources to states, local governments and tribes, including deployment of the National Guard; and \$8 billion in relief for airports.

## **IMPORTANT HEALTH AND SAFETY ISSUES**

- **Increased Federal Medicaid Funds for COVID-19 treatment and vaccinations.** Provides states 100% of federal Medicaid funding for COVID-19 treatment and vaccination of enrollees. Also gives states the option to cover the uninsured for COVID-19 vaccines and treatment without cost sharing at 100% federal Medicaid funding. This increase in federal funding runs through one year after the end of the public health emergency declaration.
- **Medicaid Home and Community-Based Services.** Increases the federal match by 10 percentage points for states and territories to supplement and improve home and community-based services from April 1, 2021 through March 31, 2022.
- **Protects Workers Against COVID-19.** \$200 million for Department of Labor enforcement of worker protections with \$100 million for the Occupational Safety and Health Administration (OSHA) enforcement, state, and training grants and other Department of Labor enforcement of worker protections.
- **Defense Production Act.** \$10 billion for Defense Production Act, for COVID related purposes, including expanded domestic production of PPE, vaccines, and other medical supplies.
- **COBRA Health Benefit Premiums.** Subsidizes COBRA premiums starting April 1 through Sept. 30, 2021 at 100% of the premium for workers eligible for COBRA continuation of their health coverage for workers who lose their health care because they lost their job or had their hours cut.
- **Affordable Care Act (ACA) Expansion.** Makes ACA plans more affordable by providing a 100% premium subsidy for those on Unemployment Insurance (UI). Individuals already receiving subsidies and others with income up to 400% of poverty would see reductions in their premiums. They would not pay more than 8.5% of income for health benefits. The largest benefit would go to older people with incomes just above 400% of poverty (\$51,040 for a single individual).
- **National State and Local Testing Capacity.** \$47.8 billion for Health and Human Services (HHS) to provide to states and localities to detect, diagnose, trace, and monitor COVID-19 infections, and other activities necessary to mitigate spread of COVID-19.
- **CDC Funds to State and Local Public Health Departments.** \$7.5 billion in funding for the Centers for Disease Control and Prevention (CDC) to prepare, educate, distribute, administer, monitor, and track COVID-19 vaccines, and support for potentially including distribution and administration of COVID-19 vaccines and ancillary supplies, and support for state, local and territorial public health departments in these activities.

- **Grants for State and Local Public Health Workforce.** \$7.6 billion to HHS for efforts related to establish, expand, and sustain a public health workforce, and awards to state, local, and territorial public health departments. These workforce positions would include contact tracers, social support specialists, community health workers, public health nurses, and others. Funds would also support necessary technology and supplies, such as PPE, for public health workforce's use.
- **State Veterans Homes.** \$500 million to help fund state veterans' homes needed construction to improve care and \$250 million as a one-time expenditure to existing state veterans' homes.
- **Improving Behavioral Health Services.** \$3 billion combined for the Substance Abuse Prevention and Treatment and Community Mental Health state block grant programs available through Sept. 30, 2025. \$420 million to support Certified Community Behavioral Health Clinics (CCBHCs). New state option and enhanced federal Medicaid match of 85% for community-based mobile crisis intervention services. \$100 million for grants and contracts to expand behavioral health workforce education and training, including career advancement for workers who have a certificate, an associate degree or a bachelor's degree. \$80 million for the Pediatric Mental Health Care Access program.
- **Fighting COVID-19 in Nursing Homes.** \$250 million for infection control and strike teams for nursing homes where residents or staff are diagnosed or suspected of having COVID-19.

#### **OTHER KEY PROVISIONS**

- **Unemployment Benefits Extended.** Supplement remains at \$300 a week with federal tax exclusion relief for first \$10,200 of UI for incomes below \$150,000. Extends all pandemic (UI) programs including unemployment relief for governmental entities and nonprofit organizations, and short-time compensation through Sept. 6, 2021. Extends federal financial assistance to states by delaying states' accumulation of interest on federal loans that states borrowed to pay state unemployment benefits until Sept. 6, 2021. The number of weeks for unemployment compensation has been increased to 53 weeks.
- **Paid Leave Strengthened.** Extends the payroll tax credit for employers created by the Families First Coronavirus Response Act through Sep. 2021 and expands eligibility to state and local governments. Adds \$570 million for emergency paid leave to federal civilian employees.
- **Recovery Rebate Checks to Individuals.** Direct payments to individuals of \$1,400 each, with phaseout starting at incomes of \$75,000 for single filers, and \$150,000 for joint filers.
- **Housing Assistance.** Provides \$25 billion in rental assistance, including \$19.05 billion for emergency rental assistance, some of which can be used for state and local government administrative expenses; \$5 billion for emergency housing vouchers.
- **SNAP (Food Stamps) Benefits.** Extends 15% benefit increase through Sept. 30, 2021 and adds \$1.1 billion for state administrative costs.
- **TANF Benefits.** Provides \$1 billion in a Pandemic Emergency Fund for Temporary Assistance for Needy Families (TANF). This includes territories and lifts the cap on territories for this funding.

- **Child Care.** Provides \$39 billion to supplement current child care funds including roughly \$24 billion for child care stabilization grants and an additional \$15 billion for the Child Care and Development Block Grant (CCDBG). Child care providers can use stabilization funds for payroll, rent, personal protective equipment and cleaning supplies and goods needed to resume or maintain child care services. Details are [HERE](#).
- **Head Start.** \$1 billion for Head Start. Estimated state-by-state funds can be found [HERE](#).
- **Child Tax Credit, Earned Income Tax Credit, and Child and Dependent Care Tax Credit.** Increases Child Care Tax Credit from \$2,000 to \$3,000 for children 6-17 years; and to \$3,600 for children under 6 years old; and makes it fully refundable and advanceable. Enhances Earned Income Tax Credit (EITC) for workers without children by nearly tripling maximum credit and extending eligibility. Expands the Child and Dependent Care Tax Credit by increasing it up to a total \$4,000 for one child or \$8,000 for two or more children and making it fully refundable.
- **Museums and Libraries.** Adds \$1.25 billion to help shuttered venues including museums that have auditoriums or theaters. Adds \$200 million to state formula grant for libraries with no state match required.
- **Federal and Postal Employees.** Those who contacted co-workers, patients, or the public in their duties and were diagnosed with COVID-19 from Jan. 27, 2020 to Jan. 30, 2023, are presumed to have work-related illness for eligibility purposes under Federal Employee Compensation Act (FECA).
- **Pensions.** Adds Multiemployer pension rescue plan and Single Employer plan COVID relief. Includes expanded version of the “Butch Lewis Act” that will make a seriously underfunded multiemployer plan eligible for “special financial assistance” that is designed to cover all accrued benefits through 2051. Single employer pension plans are provided significant funding relief, including changes to amortization of funding shortfalls to spread contributions and extension of pension funding stabilization percentages.
- **Broadband.** Includes \$7 billion towards broadband, including \$3.2 billion for an Emergency Broadband Benefit to help low-income families maintain their internet connections, \$285 million to support broadband access in minority communities, and \$300 million in broadband grants.

March 10, 2021

###

*AFSCME's 1.4 million members provide the vital services that make America happen. With members in communities across the nation, serving in hundreds of different occupations — from nurses to corrections officers, child care providers to sanitation workers — AFSCME advocates for fairness in the workplace, excellence in public services and freedom and opportunity for all working families.*