

## EducationCounsel's Overview of President-Elect Joe Biden's American Rescue Plan

On January 14, President-elect Joe Biden unveiled a \$1.9 trillion relief package, which he called an American Rescue Plan to continue to respond to the covid pandemic and the economic crisis. A fact sheet released by President-elect Biden outlining his plan is [here](#) and his remarks are [here](#).

### **Key to Know:**

- In introducing his plan, President-elect Biden **emphasized the need for bipartisan action to quickly provide additional relief** expressing his optimism that Congress can come together to pass a package; however, to be able to pass a relief package through regular order will require the support of at least 10 Republicans in the Senate. While it remains to be seen if a bipartisan package is possible, the House and Senate are likely to also **begin preparing for the possible use of the budget reconciliation process** to pass an additional relief package. The budget reconciliation process is a tool that can be used to allow legislation to pass the Senate with a simple majority (rather than the usual 60 votes needed to overcome any effort to block legislation in the Senate known as a filibuster) and was most recently used to pass the Affordable Care Act during the Obama Administration and the Tax Cut and Jobs Act during the Trump Administration.
- With a closely divided Congress in the House and Senate, an additional relief package – whether passed through regular order or the budget reconciliation process – will hinge on the ability to garner **support among moderate members of Congress**. This means that moderate members, particularly in the Senate such as Senator Joe Manchin (D-WV), could have an **outsized role in influencing what is ultimately included in an additional relief package**. For instance, Senator Manchin remains uncommitted to whether he will support providing an additional \$1,400 in direct payments to individuals as proposed in the President-elect Biden's American Recue Plan saying though that he is in favor of targeted relief.
- President-elect Biden laid out a **two-step plan of rescue and recovery**. The first step being the release of his **American Rescue Plan**, which he described as his proposal to tackle the pandemic and to provide direct financial assistance to those who need it the most. The President-elect then went on to say that he will announce the second step in his first address to a joint session of Congress next month which will be his **Build Back Better Recovery Plan**. The second economic recovery plan will make investments in infrastructure, manufacturing, innovation, research and development, and clean energy.

**Summary of Education-Related Provisions of the Plan** (information taken from [fact sheet](#) on the American Rescue Plan):

- **\$170 billion to provide governors, K-12 schools, and institutions of higher education the resources they need to safely reopen.** Of this amount, President-elect Biden's plan includes:
  - **\$130 billion for K-12 schools.** This amount would be in addition to the \$67.8 billion that has previously been provided for K-12 schools in prior relief packages, including \$13.5 billion in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and \$54.3 billion in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.
    - President-elect Biden stated that it is his goal that the majority of K-8 schools will be able to safely reopen in the first 100 days of his administration. To accomplish this goal, the President-elect said that he will give school districts, communities, and states the clear guidance and additional resources needed to implement regular testing, increase

- transportation capacity to facilitate social distancing, support additional cleaning and sanitizing services, provide personal protective equipment, and improve ventilation systems in the schools.
- Additionally, funding could be able to be used to reduce class sizes and modify spaces so students and teachers can socially distance; hire more janitors and implement mitigation measures; ensure every school has access to a nurse; hire counselors to support students as they transition back to the classroom; close the digital divide that is exacerbating inequities during the pandemic; provide summer school or other support for students that will help make up lost learning time this year; create and expand community schools; meet students' academic, mental health and social, and emotional needs (e.g. through extended learning time, tutoring, and counselors); prevent cuts to state pre-k programs; and cover other costs needed to support safely reopening and support students.
  - A portion of funding will also be reserved for a COVID-19 Educational Equity Challenge Grant, which will support state, local and tribal governments in partnering with teachers, parents, and other stakeholders to advance equity- and evidence-based policies to respond to covid-related educational challenges and give all students the support they need to succeed.
- **\$35 billion for the Higher Education Emergency Relief Fund**, which will be directed to public institutions, including community colleges, public and private Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MSIs). This amount would be in addition to the \$36.95 billion that has previously been provided for institutions of higher education in prior relief packages, including \$14.25 billion in the CARES Act and \$22.7 billion in the CRRSA Act.
    - Funding could be used to implement public health protocols, execute distance learning plans, and provide emergency, financial assistance grants to students in need.
  - **\$5 billion for governors** to support K-12, higher education, or early childhood educational programs and the learning needs of students significantly impacted by the covid pandemic. This amount would be in addition to the \$7.05 billion that has previously been provided to governors in prior relief packages, including \$3 billion in the CARES Act and \$4.05 billion in the CRRSA Act.
  - **\$40 billion to expand access to high-quality, affordable child care.** This amount would be in addition to the \$13.5 billion that has previously been provided in flexible, emergency funding to child care providers in prior relief packages through the Child Care and Development Block Grant, including \$3 billion in the CARES Act and \$10 billion in the CRRSA Act.<sup>1</sup> Of the \$40 billion, President-elect Biden's plan includes:
    - **\$25 billion for an Emergency Stabilization Fund** to ensure child care providers can operate safely and assist child care providers that are in danger of closing, as well as child care providers that have had to shut down meet their financial obligations during the pandemic, so that they can reopen.
      - Funding could be used to help providers pay for rent, utilities, and payroll, as well as increased costs associated with the pandemic including personal protective equipment, ventilation supplies, smaller group sizes, and modifications to make the physical environment safer for children and workers.

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<sup>1</sup> Prior relief packages also included \$1 billion for Head Start, including \$750 million in the CARES Act and \$250 million in the CRRSA Act.

- **\$15 billion for the Child Care and Development Block Grant** to expand child care assistance to families.
- Additionally, beyond the \$40 billion, the American Rescue Plan proposes to **expand for one year the Child and Dependent Care Tax Credit (CDCTC)**. Under the plan, families could receive a tax credit for up to half of their spending on child care for children under age 13. The full 50 percent credit of up to \$4,000 for one child and \$8,000 for two or more children would be available to families making less than \$125,000 a year. And, all families making between \$125,000 and \$400,000 will receive a partial credit. The credit would also be refundable to ensure families with lower or no taxable income benefit.
- **\$350 billion for State and Local Fiscal Relief**. While funding would flow to states and local governments, a portion of funding is used by state and local governments in support of K-12 education.

**Other Provisions of the Plan of Interest:**

- **\$50 billion to expand covid testing**, including at schools.
- **\$1,400 for direct payments** to individuals and families. This amount would be in addition to the \$600 provided in direct payments in the CRRSA Act for a total of \$2,000.
- **\$1 billion for states to cover the additional cash assistance to Temporary Assistance to Needy Families (TANF) recipients**.
- **Extended unemployment insurance through September 2021, including a \$400 per week to supplement state and federal unemployment benefits**.
- **Temporarily increases Supplemental Nutrition Assistance Program (SNAP) monthly benefits by 15% through September 2021**.
- **\$3 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**.

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