

Presidents Biden's Two-part Plan of Rescue and Relief

Prepared by the Intergovernmental Relations Division for the City-County Task Force on Climate and Economic Equity

President Biden's \$1.9 Trillion Covid-19 Relief Plan

Covid-19 Prevention & National Vaccination Effort:

- \$160 billion total as part of a national vaccination effort.
- \$20 billion to create vaccination centers as part of a national strategy to roll out local clinics in urban and rural areas.
- \$50 billion for Covid-19 testing in schools, long-term care facilities, etc.
- 100% cost share for National Guard deployment to support these efforts.
- Funding for staffing of community help workers.

Other Personal, Gov't and Business Relief Efforts:

- Direct payments of \$1,400 to most Americans, bringing the total relief to \$2,000, including December's \$600 payments. *Note: Changes to the income cap ceiling has been discussed.
- Increasing the federal, per-week unemployment benefit to \$400 weekly from the current \$300 and extending it through the end of September, from the current end of March deadline.
- Extending the eviction and foreclosure moratoriums until the end of September. \$30 billion for this.
- \$350 billion in state and local government aid.
- \$170 billion for K-12 schools and institutions of higher education to help them open, rehire teachers, make physical changes, etc.
- \$20 billion to public transit, on top of \$14 in December's round of funds.
- Making the Child Tax Credit fully refundable for the year and increasing the credit to \$3,000 per child (\$3,600 for a child under age 6).
- \$15 billion to an existing grant program to help child care providers, including family child care homes, to pay for rent, utilities, and payroll.
- Increasing the federal minimum wage to \$15 per hour. *Note: the \$15 minimum wage provision will possibly be removed in the Senate portion of the budget reconciliation process.
- \$40 billion in new funds in nutrition programs extension (SNAP). Funds directly to childcare centers and to families to assist in paying for this service. Extends the 15% increase in food stamp benefits through September, instead of having it expire in June.
- \$5 billion to homelessness.
- \$25 billion in rental assistance for low- and moderate-income households who have lost jobs during the pandemic—on top of the \$25 billion lawmakers provided in December.

- Raise the maximum EITC for a year to close to \$1,500 for childless adults, increase the income limit for the credit to about \$21,000 and expand the age range of eligibility to cover older workers.
- \$15 billion in grants to hardest hit small businesses
- \$175 billion in leveraged small business lending funds.
- New round of PPP rules with emphasis on how to implement fairly.

State and Local Aid Direct Relief

First taken up last Friday in the U.S. House Oversight and Reform Committee.

Main Points:

- \$350 billion in total for all municipalities, counties, states, tribes, and territories.
- \$130 billion is set-aside for local governments, equally divided between municipalities and counties (~36% of the allocation)
- The \$65 billion for municipalities will be allocated to all 19,000 cities, towns, and villages according to a modified Community Development Block Grant formula. Under that formula:
 - \$45.5 billion will be split among all municipalities that are designated CDBG entitlement cities (generally cities with populations above 50,000)
 - \$19.5 billion will be split among cities not designated CDBG entitlement cities (generally cities with populations below 50,000 residents)

Additional Details:

- No deadline for spending down funds
- Eligible expenditures will include replacement of lost revenue
- The U.S. Treasury Department will allocate funds in similar fashion to CDBG.
- Funding for CDBG entitlement cities (generally above 50,000 pop.) will be determined by the CDBG formula.
- Funding for non-entitlement cities (generally below 50,000 pop.) will be allocated based on population.

Estimated direct funding allotments according to the USCM:

- \$375 million for the City of Milwaukee
- \$185 million for Milwaukee County

What's Next for the Overall Relief Bill?

- President Biden and Democrats on the hill have rejected initial \$600 billion moderate GOP Senate relief plan.

- A Bi-partisan deal appears dead. Democrats are looking to budget reconciliation process for approval of the Biden Rescue Plan. This may preclude some items in his plan from getting approved.
- Budget reconciliation process approvals have been made. Passed House on party line vote. Individual items have already begun hearing process in the House.

President Biden Infrastructure Relief Plan

Expected to be announced in coming week or two starting with State of Union Address.

- Ties sustainable infrastructure with equitable clean energy/climate initiatives:
 - \$2 trillion in climate change initiatives.
 - \$2 trillion in infrastructure spending.

Priority Areas Include:

- Broadband, clean water (including drinking water), climate and energy policy, power sector, housing, buildings, surface transportation (including an emphasis on existing roadways), mass transit, agricultural conservation, & environmental justice.
- Promise of 40 percent of the benefits from the \$2 trillion in climate change spending to benefit disadvantaged communities that have suffered the most from pollution.
- Tying spending of hundreds of millions of dollars in federal gov't purchases to US made products.
 - Significant portions of the anticipated infrastructure plan have much better chance of success as infrastructure items often are given bi-partisan support.
 - IRD has elicited City departments' "wish lists" for both shovel ready projects and high priority policy areas that may benefit from funding in the federal infrastructure bill. Our efforts are to try to inform the process with our federal legislators and better pair up grant funding opportunities coming out of a bill.

Addendum on the Budget Reconciliation Process:

Reconciliation:

- Legislative process that allows for an expedited consideration of certain tax, spending, and debt limit legislation to undergo approval.
- Allows Senate to avoid filibuster process.
- Unlimited amendments are allowed with limitations and debate is limited to 30 hours on Senate side.

Limits to reconciliation:

- Can only be used for legislation that changes spending, revenues, and the federal debt limit.
- Can be used 3x in a budget cycle so other priorities like healthcare expansion and infrastructure/climate change policy must be factored.
- May require amendments to mandatory spending laws on some items.
- Various restrictions on reconciliation probably make the process impractical as a means of enacting annual appropriations (i.e., you need to lump spending items in with existing programs).
- Byrd Rule. In the Senate, any non-budget related matter is treated as extraneous. Also, extraneous are items that increase spending for future years unless the committee supports exceptions. Given the power sharing resolution, Senate committees are allotted an even number of members by party.