

Closing the Heroes Gap: Options for a Bolder American Rescue Plan

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President Joe Biden unveiled the <u>American Rescue Plan</u> on January 14, 2021. The public health measures and economic relief outlined in this plan would significantly improve the federal response to the COVID-19 pandemic with provisions like a **national testing and vaccination plan**. Furthermore, it includes policies like a **\$15/hour federal minimum wage** that will promote a more equitable long-term recovery. In some areas, however, it does not go as far as versions of the Heroes Act that passed the U.S. House of Representatives last year (<u>H.R. 6800</u> passed on May 15 and <u>H.R. 8406</u> passed on October 1). In other areas, more details simply need to be worked out in bill drafting.

Going bold on COVID-19 relief is good economics and good politics. In November 2020, the <u>Economic Policy Institute</u> estimated **the U.S. needs \$3 trillion in economic stimulus** to "stop the bleeding." <u>Data for Progress</u> found that 71% of likely voters support \$2 trillion in stimulus and 68% support \$4 trillion in stimulus. President Biden is calling for about \$1.9 trillion, coming in close to <u>what policy experts believe is necessary</u> (when combined with the December stimulus) and what **more than two-thirds of voters support**. The <u>\$618 billion stimulus</u> proposed by some Senate Republicans is nowhere close to the necessary scale.

The following table identifies areas where the American Rescue Plan could be improved to close the "Heroes gap"—the difference between the American Rescue Plan and the Heroes Act factoring in the aid that was already enacted as part of H.R. 8337 in December—as well as ways to make the policy response to our current crisis even stronger. In general, **automatic stabilizers** would ensure relief lasts for the length of the economic crisis, preventing unnecessary gaps in relief, while also ensuring relief kicks in quickly during the next economic slowdown. While this chart focuses on differences, PCAF has separately released a broader <u>Comparison of the Heroes Act and President Biden's American Rescue Plan</u>.

Issue	American Rescue Plan	Closing the Heroes Gap	Going Bolder
Relief Payments ¹	 Additional one-time payment of \$1,400 per person Includes mixed-status households and adult dependents² 	Retroactively expand payments to include ITIN tax filers and full-time students below age 24	 Provide \$2,000 recurring payments for the duration of the crisis
Essential Workers 3	 Calls on employers to provide hazard pay for essential workers (no legislative requirement) Requires an emergency OSHA standard, including workers not typically covered by OSHA Additional funding for OSHA 	 Authorize \$13/hour hazard pay for essential workers, on top of regular wages, provided through Heroes Fund grants to employers Provide anti-retaliation protections for workers reporting infection control problems⁴ Require the CDC to collect and investigate reports of work-related COVID-19 transmissions⁵ Provide employment authorization and protections from removal to critical infrastructure workers Temporarily ease certain immigration-related restrictions to allow immigrant physicians and other critical healthcare workers 	Include a pathway to citizenship for undocumented essential workers

¹ Based on provisions from the Heroes Act (H.R. 6800).

² Insufficient detail to determine if this would include ITIN tax filers.

³ Based on provisions from the Heroes Act (H.R. 6800).

⁴ Insufficient detail to determine if this provision is included in the American Rescue Plan.

⁵ Insufficient detail to determine if this provision is included in the American Rescue Plan.

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Healthcare Access ⁶	 Subsidizes COBRA (through September 2021) Expands and increases value of the ACA Premium Tax Credit to cap premiums at 8.5% of an enrollee's income for coverage \$20 billion for veterans' health Ensures all people in U.S., regardless of immigraiton status, can access vaccination free of charge Increases Federal Medicaid Assistance Percentage (FMAP) by an additional 7.8 percentage points for July 1, 2020-June 30, 2021 period 	 Ensure no cost sharing for coronavirus treatment through Medicaid (regardless of immigration status and including uninsured people who states opt to cover), Medicare, Medicare Advantage, group and individual market health plans, TRICARE, VA, and FEHB Create risk corridor programs for health insurance plans during the pandemic Authorize coronavirus treatment reimbursement for uninsured individuals 	 Provide emergency health care coverage through a public plan Permanently tie the FMAP to economic conditions Increase funding for public sector health workers to provide outreach, care, treatment, and monitoring Provide additional funding for states and localities to administer vaccines, testing, contact tracing, and related services
Global Health ⁷	\$11 billion for global health and humanitarian response	 Support the issuance of not less than 2 trillion special drawing rights by the International Monetary Fund to respond to the COVID-19 pandemic Encourage the suspension of debt service payments by developing nations to international financial institutions Instruct the Treasury Secretary to negotiate with the G-20 to extend current moratorium on debt service payments by the poorest nations 	 Issue a Temporary General License from the Treasury Department so that countries under sanctions are able to import vital resources to combat the pandemic, such as tests, masks, sanitizers, ventilators, and the vaccine Incorporate domestic violence prevention messaging into COVID-19 prevention resources for health care workers and humanitarian aid workers in conflict regions

⁶ Based on provisions from the Heroes Act (H.R. 6800). The Heroes Act also proposed a special enrollment period for the ACA marketplace, which President Biden created by executive order.

⁷ Based on provisions from the updated Heroes Act (H.R. 8406). Congress appropriated \$4 billion for GAVI under H.R. 8337.

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State, Local, Tribal, and Territorial Government Aid ⁸	 \$350 billion in emergency funding for state, local, and territorial governments \$20 billion for tribal governments \$3 billion to the Economic Development Administration (EDA) \$20 billion for public transit agencies 	Provide an additional \$550 billion for state, local, and territorial governments	Make broad investments in public infrastructure
Unemployment Insurance (UI) ⁹	\$400/week UI supplement through Federal Pandemic Unemployment Compensation (FPUC) through September 2021 Extends CARES Act UI provisions through September 2021 Expanded eligibility through Pandemic Unemployment Assistance (PUA) Additional 13 weeks under Pandemic Emergency Unemployment Compensation (PEUC) Extends federal financing of CARES Act work sharing provisions through September 2021	 Restore the CARES Act's \$600/week FPUC supplement Eliminate waiting weeks¹¹ Provide 50% reimbursement for government and nonprofit employers¹² 	 Exempt UI compensation from taxes Make improvements to UI retroactive Boost the \$100/week UI supplement for workers with both wage and self-employment income in H.R. 8337 Extend UI provisions beyond September 2021 Adopt permanent enhancements to UI that kick in during poor economic conditions Provide additional UI administrative support funding to states Fix the outdated UI system

 $^{^{\}rm 8}$ Based on provisions from the Heroes Act (H.R. 6800).

 ⁹ Based on provisions from the updated Heroes Act (H.R. 8406).
 ¹⁰ The summary does not explicitly mention waiting weeks or reimbursement for government and nonprofit employers.
 ¹¹ Insufficient detail to determine if this provision is included in the American Rescue Plan.
 ¹² Insufficient detail to determine if this provision is included in the American Rescue Plan.

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Paid Leave ¹³	 Restores emergency paid leave requirements (until September 30, 2021) Includes employers with more than 500 and fewer than 50 employees under emergency paid leave requirements Expands emergency paid leave to federal workers Expands workers' ability to use paid sick days and paid leave, including for caregiving and receiving the vaccine Provides a max paid leave benefit of \$1,400 per week for workers making up to \$73,000 annually Expands reimbursement for paid leave costs to local governments 	Provide funds for restaurants to provide 10 paid sick days	 Guarantee all workers access to earned paid sick and safe days Create a sustainable, permanent, and job-protected paid family and medical leave program that covers all workers, including self-employed people
Social Safety Net Programs ¹⁴	 Expands eligibility for EITC and increases maximum credit amount to close to \$1,500 for one year Makes CTC fully refundable at \$3,000 per child (\$3,600 for a child under 6) for one year Includes 17-year-olds \$1 billion for Temporary Assistance to Needy Families (TANF) 	Temporarily suspend TANF work requirements	Permanently expand EITC and CTC, including for ITIN tax filers

¹³ Based on provisions from the updated Heroes Act (H.R. 8406). ¹⁴ Based on provisions from the Heroes Act (H.R. 6800).

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Food Security ¹⁵	 Increases SNAP benefit level by 15% (through September 2021) Cuts state matching requirement for SNAP \$3 billion for WIC Includes FEMA Empowering Essential Deliveries (FEED) Act to partner with restaurants to feed American families and keep restaurant workers on the job at the same time \$1 billion for nutrition assistance in territories 	 Waive work requirements for SNAP Boost WIC Cash Value Voucher up to \$35/month in FY2020 	Permanently boost nutrition assistance to meet food security needs
Child Care ¹⁶	 \$25 billion stabilization fund for child care providers \$15 billion for CCDBG Enhances Child and Dependent Care Tax Credit (CDCTC) Makes CDCTC fully refundable Increases eligible expenses to \$4,000 for one child/dependent or \$8,000 for two or more Increases maximum credit rate to 50% Raises income phaseout threshold to \$125,000 	 Provide an additional \$7 billion for child care Boost eligible expenses for CDCTC to \$6,000 for one child/dependent or \$12,000 for two or more 	 Provide an investment totaling \$100 billion to ensure childcare providers can recover and reopen with necessary protections to keep families safe during the pandemic and ensure families do not lose slots due to inability to pay Provide childcare for all built on equity and racial justice

¹⁵ Based on provisions from the Heroes Act (H.R. 6800). ¹⁶ Based on provisions from the updated Heroes Act (H.R. 8406).

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Education ¹⁷	 \$130 billion to help reopen schools safely \$35 billion for higher education \$5 billion in additional funding for governors to address educational needs 	 \$12 billion in "homework gap" funding for Wi-Fi hotspots and connected devices for students Extend eligibility for higher education emergency relief grants to students regardless of immigration status Extend CARES Act suspension of payments to all federal student loan borrowers¹⁸ Extend CARES Act suspension of interest accrual to all federal student loans with automatic extension if economy has yet to show initial signs of recovery Extend CARES Act provisions for student loan payment and consumer protections to private borrowers Provide up to \$10,000 in relief to private student loans of economically distressed borrowers (in default, deferral, forbearance, or at \$0 income-based repayment) 	 Fix longstanding school infrastructure needs Cancel at least \$50,000 in student debt for all federal and private loan borrowers
Tax Provisions ¹⁹	No corresponding provisions	 Repeal the \$135 billion tax break for "pass-throughs" Limit the carry-back period for net operating losses Remove cap for state and local tax deduction 	 Raise additional revenue from the rich to fund additional COVID-19 relief and critical investments

¹⁷ Based on provisions from the updated Heroes Act (H.R. 8406).
¹⁸ President-elect Biden <u>plans</u> to extend suspension of payments of student loan payments by executive order during his first 10 days in office.
¹⁹ Based on provisions from the updated Heroes Act (H.R. 8406).

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Housing and Utility Assistance	 Extends the federal eviction and foreclosure moratoriums (until September 30, 2021) \$25 billion in emergency rental assistance \$5 billion in utility assistance \$5 billion in emergency assistance for people experiencing or at risk of homelessness 	 Provide an additional \$50 billion in emergency rental assistance \$4 billion for tenant-based rental assistance \$75 billion in emergency homeowner assistance Provide an additional \$1.4 billion in utility assistance \$50 monthly broadband benefit (\$75 benefit on tribal lands) for households with a laid-off or furloughed worker Unlimited minutes and data through FCC Lifeline program \$11.5 billion in emergency assistance for people experiencing or at risk of homelessness \$2 billion for the Public Housing Operating Fund Require states and utilities receiving federal funds to prevent home energy and water shutoffs Prohibit broadband and telephone disconnects, late fees, or data caps during the pandemic 	 Cancel rent and mortgage payments for primary residences during the pandemic Increase funding for public housing capital

²⁰ Based on provisions from the Heroes Act (H.R. 6800).

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Job Protection ²¹	No corresponding provisions	 Enhance the Employee Retention Tax Credit Raise wage reimbursement rate from 70% to 80% Lower revenue loss requirement for eligibility from 20% to 10% Raise large employer threshold from 500 employees to 1,500 employees 50% refundable payroll credit cover employers' fixed costs (such as rent, mortgage, and utility payments) 90% refundable business interruption tax credit on individual income tax for self-employed individuals 	Implement the Paycheck Recovery Act
Temporary Immigration Status ²²	• No corresponding provisions ²³	 Automatically extend temporary immigration status or work authorization set to expire during crisis, included for Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) recipients 	 Enact a pathway to citizenship for Dreamers and TPS holders

 ²¹ Based on provisions from the Heroes Act (H.R. 6800).
 ²² Based on provisions from the Heroes Act (H.R. 6800).
 ²³ President Biden released a separate <u>immigration plan</u> on January 20.

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Jails, Prisons, and Detention Facilities ²⁴	 Funds COVID-19 mitigation, vaccination, and safety measures for incarcerated people and staff in federal, state, and local prisons, jails, and detention centers Funding for safe re-entry for formerly incarcerated individuals 	 Mandate release into community supervision of federal non-violent prisoners and pretrial detainees Expand federal court authority to order compassionate release and reduce sentences Increase the availability of home detention for non-violent elderly prisoners Moratorium on court-imposed fees and fines during the COVID-19 crisis Immediate cap on voice and video call rates from prisons or jails with permanent caps within 18 months Ensure confidential electronic communication between those in custody and their attorneys Medicaid eligibility for inmates 30 days prior to release Require Immigration and Customs Enforcement (ICE) to prioritize for release for those not subject to mandatory detention Require ICE to provide free and sufficient access to phones, soap, sanitizer, and other necessary hygiene products 	Reform the justice and immigration systems to end excessive incarceration

²⁴ Based on provisions from the Heroes Act (H.R. 6800).