

**DISCUSSION DRAFT – FY2022 Budget Resolution Background Document**

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## **Home and Community Based Services (HCBS)**

Even before COVID-19, our country was in the midst of a caregiving crisis. In addition to caring for children, families feel the financial burden of caring for aging relatives and family members with disabilities, and there is a financial strain for people with disabilities living independently to ensure that they are getting care in their homes. At the same time, hundreds of thousands of people who need better care are unable to access it, even though they qualify under Medicaid. In fact, it can take years for these individuals to get the services they badly need. Aging relatives and people with disabilities deserve better. They deserve high-quality services and support that meet their unique needs and personal choices.

Caregivers – who are disproportionately women of color – have been underpaid and undervalued for far too long. Wages for essential home care workers are approximately \$12 per hour, putting them among the lowest paid workers in our economy. In fact, one in six workers in this sector live in poverty. President Biden is calling on Congress to make substantial investments in the infrastructure of care in our country. These investments will help hundreds of thousands of Americans finally obtain the long-term services and support they need, while creating new jobs and offering caregiving workers a long-overdue raise, stronger benefits, and an opportunity to organize or join a union and collectively bargain. Research shows that increasing the pay of direct care workers greatly enhances workers' financial security, improves productivity, and increases the quality of care offered. Another study showed that increased pay for care workers prevented deaths, reduced the number of health violations, and lowered the cost of preventative care.

President Biden's plan will:

- Expand access to long-term care services under Medicaid. President Biden believes more people should have the opportunity to receive care at home, in a supportive community, or from a loved one.
- Put in place an infrastructure to create good middle-class jobs that will improve wages and quality of life for essential home health workers and yield significant economic benefits for low-income communities and communities of color.

## **Public Housing, Preservation, Supply, & Affordability**

There is a severe shortage of affordable housing options in America. Millions of families pay more than half their income on rent, and home energy costs are a significant concern for American renters as well. And, across the country, people are struggling to purchase their first home.

The President's plan includes investments to produce, preserve, and retrofit more than two million affordable and sustainable places to live. It pairs this investment with an innovative new approach to eliminate state and local exclusionary zoning laws, which drive up the cost of construction and keep families from moving to neighborhoods with more opportunities for them and their kids. The President's plan will help address the growing cost of rent and create jobs that pay prevailing wages, including through project labor agreements with a free and fair choice to join a union and bargain collectively.

The President's proposal calls on Congress to:

- Produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy efficient, and electrified housing units. Through targeted tax credits, formula funding, grants, and project-based rental assistance, President Biden's plan will extend affordable housing rental opportunities to underserved communities nationwide, including rural and tribal areas.
- Build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers. President Biden is calling on Congress to take immediate steps to spur the construction and rehabilitation of homes for underserved communities. Specifically, he is calling on Congress to pass the innovative, bipartisan Neighborhood Homes Investment Act (NHIA). Offering NHIA tax credits over the next five years will result in approximately 500,000 homes built or rehabilitated, creating a pathway for more families to buy a home and start building wealth.
- Eliminate exclusionary zoning and harmful land use policies. For decades, exclusionary zoning laws – like minimum lot sizes, mandatory parking requirements, and prohibitions on multifamily housing – have inflated housing and construction costs and locked families out of areas with more opportunities. President Biden is calling on Congress to enact an innovative, new competitive grant program that awards flexible and attractive funding to jurisdictions that take concrete steps to eliminate such needless barriers to producing affordable housing.
- Address longstanding public housing capital needs. Years of disinvestment have left our public housing in disrepair. This funding will address critical life-safety concerns, mitigate imminent hazards to residents, and undertake energy efficiency measures which will significantly reduce ongoing operating expenses. These improvements will disproportionately benefit women, people of color, and people with disabilities.
- Put union building trade workers to work upgrading homes and businesses to save families money. President Biden's plan will upgrade homes through block grant programs, the Weatherization Assistance Program, and by extending and expanding home and commercial efficiency tax credits. President Biden's plan also will establish a Clean Energy and Sustainability Accelerator to mobilize private investment into distributed energy resources; retrofits of residential, commercial and municipal buildings; and clean transportation. These investments have a particular focus on disadvantaged communities that have not yet benefited from clean energy investments.

## **BACKGROUND FROM THE SENATE BANKING, HOUSING, AND URBAN AFFAIRS COMMITTEE & OTHER MEMBERS:**

President Biden and Congress agree that we must make significant investments in the national **Housing Trust Fund** to build and preserve homes affordable to people with the greatest needs. President Biden has also called for investments in **Public Housing**.

**Rental Assistance Vouchers** – Both committees support multi-year funding for new rental assistance to help the lowest-income people afford housing. This would provide rental assistance to millions of households, enough to sharply reduce homelessness and other hardship but well within the scale that rental markets could absorb. These vouchers would be a combination of

project-based (PBRA) and tenant-based rental assistance (TBRA) vouchers. A permanent expansion would be ideal, however, if costs extend past the 10 year window revenues could be identified to cover the outyear costs, or an alternative approach that establishes a sunset prior to the 10<sup>th</sup> year could be an alternative that would still deliver major benefits to people facing severe hardship and could be extended in future legislation.

### **Carbon Free Energy Rebates**

Our nation's electrical grid is the bedrock of a decarbonized economy. We need to quickly, efficiently, and safely transition to a clean energy future. That is why the President has called on Congress to establish an Energy Efficiency and Clean Energy Standard that would cut electricity pollution while reducing electricity costs to consumers, increase competition in the market, incentivize more efficient use of existing infrastructure. This proposal would provide incentives for the production of clean energy that are benchmarked to meeting certain emission reduction targets, and would be funded at a level commensurate with the goal of reaching 80% clean energy by 2030, consistent with the President's proposal.

### **Roads and Bridges**

One in five miles, or 173,000 total miles, of our highways and major roads are in poor condition, as well as 45,000 bridges. Delays caused by traffic congestion alone cost over \$160 billion per year, and motorists are forced to pay over \$1,000 every year in wasted time and fuel. The President is proposing investments to modernize the bridges, highways, roads, and main streets that are in most critical need of repair. This includes funding to improve air quality, limit greenhouse gas emissions, and reduce congestion. His plan will modernize 20,000 miles of highways, roads, and main streets, not only "fixing them first" but "fixing them right," with safety, resilience, and all users in mind. It will fix the most economically significant large bridges in the country in need of reconstruction, and it will repair the worst 10,000 smaller bridges, including bridges that provide critical connections to rural and tribal communities.

### **Electric Buses/Transit**

Today, there are approximately 70,000 mass transit buses and 85,000 cutaway vehicles and transit vans in America. Approximately 2% of those buses are zero emission vehicles. According to the American Public Transportation Association (APTA), fuel use from transit buses alone accounts for more than 5.5 million metric tons of carbon pollution spewed into the atmosphere annually.

The volume of air pollutants-like Sulphur Oxides (SOx), Nitrogen Oxides (NOx), Particulate Matter (PM), Carbon Monoxide (CO), and Volatile Organic Compounds (VOC)-emitted from diesel buses is significantly higher than from electric buses, meaning this transition helps improve local air quality for riders and community members alike. While great progress has been made in lowering the emission of pollutants from diesel transit buses, bad air quality disproportionately impacts low-income communities of color and a transition to electric buses will help.

According to recent data, the average cost of a battery electric bus is between \$850,000 and \$900,000, and hydrogen fuel cell buses average \$1 million per bus or more. Today, there are approximately 70,000 mass transit buses and 85,000 cutaway vehicles and transit vans in America. Approximately 2% of those buses are zero emission vehicles. According to the American Public Transportation Association (APTA), fuel use from transit buses alone accounts for more than 5.5 million metric tons of carbon pollution spewed into the atmosphere annually.

According to a study from the Center for Transportation and the Environment (CTE), it is estimated that the cost to transition to an all ZEB fleet by 2035—including related infrastructure and administrative costs—is between \$56-89 billion.

### **Public Transit**

Households that take public transportation to work have twice the commute time, and households of color are twice as likely to take public transportation. Our current transit infrastructure is inadequate – the Department of Transportation estimates a repair backlog of over \$105 billion, representing more than 24,000 buses, 5,000 rail cars, 200 stations, and thousands of miles of track, signals, and power systems in need of replacement. This translates to service delays and disruptions that leave riders stranded and discourage transit use. President Biden is calling on Congress to make significant investments to modernize existing transit and help agencies expand their systems to meet rider demand. This investment will double federal funding for public transit, spend down the repair backlog, and bring bus, bus rapid transit, and rail service to communities and neighborhoods across the country. It will ultimately reduce traffic congestion for everyone.

### **Passenger and Freight Rail**

The nation's rail networks have the potential to offer safe, reliable, efficient, and climate-friendly alternatives for moving people and freight. However, unlike highways and transit, rail lacks a multi-year funding stream to address deferred maintenance, enhance existing corridors, and build new lines in high-potential locations. There are currently projects just waiting to be funded that will give millions more Americans reliable and fast inter-city train service. President Biden is calling on Congress to address Amtrak's repair backlog; modernize the high traffic Northeast Corridor; improve existing corridors and connect new city pairs; and enhance grant and loan programs that support passenger and freight rail safety, efficiency, and electrification.

### **Resiliency**

Millions of Americans feel the effects of climate change each year when their roads wash out, airport power goes down, or schools get flooded. Last year alone, the United States faced 22 extreme weather and climate-related disaster events with losses exceeding \$1 billion each – a cumulative price tag of nearly \$100 billion. Chronic underinvestment in resilience has harmed American transportation infrastructure, disrupting service, making travel conditions unsafe, causing severe damage, and increasing maintenance and operating costs.

In 2020, the United States endured 22 separate billion-dollar weather and climate disasters, costing \$95 billion in damages to homes, businesses, and public infrastructure. In Louisiana, Hurricane Laura caused \$19 billion of damage, resulting in broken water systems and a severely damaged electrical grid that impeded a quick recovery. Building back better requires that the investments in this historic plan make our infrastructure more resilient in the face of increasingly severe floods, wildfires, hurricanes, and other risks. Every dollar spent on rebuilding our infrastructure during the Biden administration will be used to prevent, reduce, and withstand the impacts of the climate crisis. Additionally, the President is calling for investments to:

- Safeguard critical infrastructure and services, and defend vulnerable communities. People of color and low-income people are more likely to live in areas most vulnerable to flooding and other climate change-related weather events. They also are less likely to have the funds to prepare for and recover from extreme weather events. In the wake of Hurricane Harvey, Black and Hispanic residents were twice as likely as white residents to report experiencing an income shock with no recovery support. President Biden's plan increases resilience in the most essential services, including the electric grid; food systems; urban infrastructure; community health and hospitals; and our roads, rail, and other transportation assets. His plan also targets investments to support infrastructure in those communities most vulnerable physically and financially to climate-driven disasters and to build back above existing codes and standards. The President's plan will invest in vulnerable communities through a range of programs, including FEMA's Building Resilient Infrastructure and Communities program, HUD's Community Development Block Grant program, new initiatives at the Department of Transportation, a bipartisan tax credit to provide incentives to low- and middle-income families and to small businesses to invest in disaster resilience, and transition and relocation assistance to support community-led transitions for the most vulnerable tribal communities.
- Maximize the resilience of land and water resources to protect communities and the environment. President Biden's plan will protect and, where necessary, restore nature-based infrastructure – our lands, forests, wetlands, watersheds, and coastal and ocean resources. Families and businesses throughout the United States rely on this infrastructure for their lives and livelihoods. President Biden is calling on Congress to invest in protection from extreme wildfires, coastal resilience to sea-level rise and hurricanes, support for agricultural resources management and climate-smart technologies, and the protection and restoration of major land and water resources like Florida's Everglades and the Great Lakes. Additionally, the President's plan provides funding for the western drought crisis by investing in water efficiency and recycling programs, Tribal Water Settlements, and dam safety. President Biden's plan will empower local leaders to shape these restoration and resilience project funds in line with the Outdoor Restoration Force Act.

### **EV charging**

The largest hurdle for electric vehicle adoption, according to numerous academic and industry surveys, is range anxiety, or the fear that the driver will run out of power before reaching their destination or the next charging location. With transportation accounting for almost a third of US emissions, transitioning our light duty vehicle fleet, which accounts for almost 60 percent of total

transportation emissions, is paramount to addressing climate change. These investments would be used both for charging infrastructure along major Federal highway corridors, and grants to states to provide publicly accessible charging focusing on under-served areas. This funding level would help deploy enough level-2 and level-3 chargers in public areas to accommodate the increased number of electric vehicles on the road that would be generated by the electric vehicle purchase incentives in the AJP.

### **Reconnecting Communities and Rebalancing Investments to Meet Equity Goals**

The President's plan for transportation is not just ambitious in scale, it is designed with equity in mind and to set up America for the future. Too often, past transportation investments divided communities – like the Claiborne Expressway in New Orleans or I-81 in Syracuse – or it left out the people most in need of affordable transportation options.

The President's plan includes funding for a Reconnecting Neighborhoods Program to provide new competitive grants for planning, technical assistance (TA) and capital investments. Planning and TA grants can be used for planning studies and public engagement activities to evaluate the feasibility of infrastructure removal or retrofitting, building organizational or community capacity, transportation planning, and identifying innovative solutions to infrastructure challenges, including reconnecting communities impacted by disruptive infrastructure or those lacking safe, reliable, and affordable transportation choices. It will prioritize grantmaking to historically disadvantaged, underserved and overburdened communities. The capital grants may be used to support infrastructure construction, demolition, and all necessary feasibility and related planning activities, community partnerships, and anti-displacement and equitable neighborhood revitalization strategies including land banking and equitable transit-oriented development. The minimum grant size will be \$5 million and will prioritize communities most impacted by past inequitable infrastructure development.

The plan also includes funding for the Department of Transportation to establish a new Thriving Communities program to support communities with eliminating persistent transportation barriers and increasing access to jobs, school, and businesses. This initiative seeks to invest in historically marginalized communities and bring everyone to the table to ensure that more communities have clean, robust, and affordable transportation options, including high-quality transit, equitable neighborhood revitalization, and other enhancements to improve neighborhood quality of life and address climate change.

Additionally, funding is provided to expand transportation labor training and upskilling and to provide for a Tribal Transportation Program.

### **Projects of national significance**

This includes funding for a dedicated fund to support ambitious projects that have tangible benefits to the regional or national economy but are too large or complex for existing funding programs.

### **Aviation**

The United States built modern aviation, but our airports lag far behind our competitors. According to some rankings, no U.S. airports rank in the top 25 of airports worldwide. Our ports

and waterways need repair and reimagination too. President Biden is calling on Congress to invest in our airports, including funding for the Airport Improvement Program, upgrades to FAA assets that ensure safe and efficient air travel, and a new program to support terminal renovations and multimodal connections for affordable, convenient, car-free access to air travel.

### **Safety**

The plan includes funding to improve road safety for all users, including increases to existing safety programs and a new Safe Streets for All program to fund state and local “vision zero” plans and other improvements to reduce crashes and fatalities, especially for cyclists and pedestrians.

### **Civilian Climate Corps (CCC)**

This investment will put a new, diverse generation of Americans to work conserving our public lands and waters, bolstering community resilience, and advancing environmental justice through a new Civilian Climate Corps, all while placing good-paying union jobs within reach for more Americans. This jobs-corps will help train and employ youth across the country in the jobs of a new, clean economy.

### **Ports and Waterways**

President Biden is calling on Congress to invest in inland waterways, coastal ports, land ports of entry, and ferries, which are all essential to our nation’s freight. This includes a Healthy Ports program to mitigate the cumulative impacts of air pollution on neighborhoods near ports, often communities of color.

### **Universal Pre-K**

Preschool is critical to ensuring that children start kindergarten with the skills and supports that set them up for success in school. In fact, research shows that kids who attend universal pre-K are more likely to take honors classes and less likely to repeat a grade, and another study finds low-income children who attend universal programs do better in math and reading as late as eighth grade. Unfortunately, many children, but especially children of color and low-income children, do not have access to the full range of high-quality pre-school programs available to their more affluent peers. In addition to providing critical benefits for children, preschool has also been shown to increase labor force participation among parents – especially women -- boosting family earnings and driving economic growth. By some estimates, the benefits of a universal pre-K system to U.S. GDP are more than three times greater than the investment needed to provide this service.

President Biden is calling for a national partnership with states to offer free, highquality, accessible, and inclusive preschool to all three-and four-year-olds, benefitting five million children and saving the average family \$13,000, when fully implemented. This historic investment in America’s future will first prioritize high-need areas and enable communities and families to choose the settings that work best for them. The President’s plan will also ensure that

all publicly-funded preschool is high-quality, with low student-to-teacher ratios, high-quality and developmentally appropriate curriculum, and supportive classroom environments that are inclusive for all students. The President's plan will leverage investments in tuition-free community college and teacher scholarships to support those who wish to earn a bachelor's degree or another credential that supports their work as an educator, or to become an early childhood educator. And, educators will receive job-embedded coaching, professional development, and wages that reflect the importance of their work. All employees in participating pre-K programs and Head Start will earn at least \$15 per hour, and those with comparable qualifications will receive compensation commensurate with that of kindergarten teachers. These investments will give American children a head start and pave the way for the best-educated generation in U.S. history.

### **Child Care**

The high cost of child care continues to make it hard for parents – especially women -- to work outside the home and provide for their families. Difficulty in finding high-quality, affordable child care leads some parents to drop out of the labor force entirely, some to reduce their work hours, and others to turn down a promotion. When a parent drops out of the workforce, reduces hours, or takes a lower-paying job early in their careers—even temporarily—there are lifetime consequences on earnings, savings, and retirement. These costs are especially significant for mothers and people of color, exacerbating inequality and harming the economic security of their families, as 91 percent of the income gains experienced by middle-class families over the last forty years were driven by women's earnings.

High-quality early care and education lay a strong foundation so that children can take full advantage of education and training opportunities later in life. The evidence is clear: for early years, quality care is education. This especially important for children from low-income families, who too often start school without access to high-quality educational opportunities. A study by Nobel Laureate James Heckman found that every dollar invested in a high-quality, birth to five program for the most economically disadvantaged children resulted in \$7.30 in benefits as children grew up healthier, were more likely to graduate high school and college, and earned more as adults.

Building on the American Jobs Plan's investments in school and child care infrastructure and workforce training, President Biden's American Families Plan will ensure low and middle-income 8 families pay no more than 7 percent of their income on high-quality child care for children under 5-years-old, saving the average family \$14,800 per year on child care expenses, while also generating lifetime benefits for three million children, supporting hundreds of thousands of child care providers and workers, allowing roughly one million parents, primarily mothers, to enter the labor force, and significantly bolstering inclusive and equitable economic growth. Specifically, President Biden's plan will:

- Make child care affordable. Families will pay only a portion of their income based on a sliding scale. For the most hard-pressed working families, child care costs for their young children would be fully covered and families earning 1.5 times their state median income will pay no more than 7 percent of their income for all children under age five. The plan

will also provide families with a range of inclusive and accessible options to choose from for their child, from child care centers to family child care providers to Early Head Start.

- Invest in high-quality child care. Child care providers will receive funding to cover the true cost of quality early childhood care and education—including a developmentally appropriate curriculum, small class sizes, and culturally and linguistically responsive environments that are inclusive of children with disabilities. These investments support positive interactions that promote children’s social-emotional and cognitive development.
- Invest in the child care workforce. More investment is needed to support early childhood care providers and educators, more than nine in ten of whom are women and more than four in ten of whom are women of color. They are among the most underpaid workers in the country and nearly half receive public income support programs. The typical child care worker earned \$12.24 per hour in 2020—while receiving few, if any, benefits, leading to high turnover and lower quality of care. This investment will mean a \$15 minimum wage for early childhood staff and ensure that those with similar qualifications as kindergarten teachers receive comparable compensation and benefits. And, it will ensure child care workers receive job-embedded coaching and professional development, along with additional training opportunities funded by the American Jobs Plan and American Families Plan. These investments will lead to better quality care, while also enabling these workers to care for their own families, reducing government spending on income support programs and increasing tax revenues.

### **Child Care Infrastructure**

Lack of access to child care makes it harder for parents, especially mothers, to fully participate in the workforce. In areas with the greatest shortage of child care slots, women’s labor force participation is about three percentage points less than in areas with a high capacity of child care slots, hurting families and hindering U.S. growth and competitiveness. President Biden is calling on Congress to provide funding to help upgrade child care facilities and increase the supply of child care in areas that need it most. Funding would be provided through a Child Care Growth and Innovation Fund for states to build a supply of infant and toddler care in high-need areas. President Biden also is calling for an expanded tax credit to encourage businesses to build child care facilities at places of work. Employers will receive 50 percent of the first \$1 million of construction costs per facility so that employees can enjoy the peace of mind and convenience that comes with on-site child care. These investments will provide safe, accessible, energy efficient, high-quality learning environments for providers to teach and care for children. Public investments in schools and childcare improves children’s outcomes—the foundation for future productivity gains. In classrooms with poor ventilation, for example, student absences are 10 to 20 percent higher.

### **Community College Infrastructure**

Investing in community college facilities and technology helps protect the health and safety of students and faculty, address education deserts (particularly for rural communities), grow local economies, improve energy efficiency and resilience, and narrow funding inequities in the short-term, as we rebuild our higher education finance system for the long-run. President Biden is calling on Congress to address these needs. States will be responsible for using the dollars to

address both existing physical and technological infrastructure needs at community colleges and identifying strategies to address access to community college in education deserts.

### **Education (Free CC, Pell, etc)**

For much of the 20th century, graduating from high school was a gateway to a stable job and a living wage. But over the last 40 years, we have seen the most growth in jobs requiring higher levels of job preparation, including education and training. Today, 70 percent of jobs are held by people with more than a high school degree. American workers need and deserve additional support to build their skills, increase their earnings, remain competitive, and share in the benefits of the new economy. President Biden's plan will expand access to affordable postsecondary education, laying the groundwork for innovation and inclusive economic growth for all Americans. Specifically, President Biden's plan will:

- Offer two years of free community college to all Americans, including Dreamers. The current crisis has led to a steep college enrollment decline, particularly for low-income students and students of color. As of Fall 2020, high-minority and high-poverty high schools saw a 9.4 percent and 11.4 percent decline in college enrollment, respectively. But even before the pandemic, cost remained a barrier to attending and graduating from community college for many Americans. President Biden's plan will ensure that first-time students and workers wanting to reskill can enroll in a community college to earn a degree or credential for free. Students can use the benefit over three years and, if circumstances warrant, up to four years, recognizing that many students' lives and other responsibilities can make full-time enrollment difficult. If all states, territories, and Tribes participate, about 5.5 million students would pay \$0 in tuition and fees.
- The President calls on an investment to provide up to approximately \$1,400 in additional assistance to low-income students by increasing the Pell Grant award. While nearly 7 million students depend on Pell Grants, the grant has not kept up with the rising cost of college. Over the last 50 years, the value of Pell Grants has plummeted. The maximum grant went from covering nearly 80 percent of the cost of a four-year college degree to under 30 percent -- leading millions of low-income students to take out debt to finance their education. One in three community college students receive Pell Grants to pay for their education. Among students of color, nearly 60 percent of Black, half of American Indian or Alaska Native, almost half of Latino, and over one-third of Native Hawaiian or Pacific Islander students rely on Pell Grants to pay for college. The American Families Plan will increase the maximum Pell Grant award by approximately \$1,400, a down payment on President Biden's commitment to double the maximum award. The plan also allows Dreamers to access Pell Grants.
- An education beyond high school can lead to higher pay, financial stability, social mobility, and better health outcomes. It also has public benefits such as a reduction in crime rates and higher civic engagement. However, far too many students enter college but do not graduate. Research shows that only approximately three out of five students finish any type of degree or certificate program within six years. To complete, students need additional support. The President is proposing a bold grant program to invest in completion and retention activities at colleges and universities that serve high numbers of low-income students, particularly community colleges. States, territories, and Tribes will

receive grants to provide funding to colleges that adopt innovative, proven solutions for student success, including wraparound services ranging from child care and mental health services to faculty and peer mentoring; emergency basic needs grants; practices that recruit and retain diverse faculty; transfer agreements between colleges; and evidence-based remediation programs.

- Provide two years of subsidized tuition and expand programs in high-demand fields at HBCUs, TCUs, and MSIs. Research has found that HBCUs, TCUs, and MSIs are vital to helping underrepresented students move to the top of the income ladder. For example, while HBCUs are only three percent of four-year universities, their graduates make up approximately 80 percent of Black judges, half of Black lawyers and doctors, and 25 percent of Black undergraduates earning STEM degrees. Yet, these institutions have significantly less resources than other top colleges and universities, undermining their ability to grow and support more students. President Biden is calling on Congress to make a historic investment in HBCU, TCU, and MSI affordability. Specifically, he is calling for a new program that provides two years of subsidized tuition for students from families earning less than \$125,000 enrolled in a four-year HBCU, TCU, or MSI. The President is also calling for an expansion of existing institutional aid grants to HBCUs, TCUs, and MSIs, which can be used by these institutions to strengthen their academic, administrative, and fiscal capabilities, including by creating or expanding educational programs in high-demand fields (e.g., STEM, computer sciences, nursing, and allied health), with additional funding directed towards building a pipeline of skilled health care workers with graduate degrees. These investments will enable America's HBCUs, TCUs, and MSIs to tackle longstanding inequities in postsecondary education and make the U.S. more competitive on the global stage.

## **Paid Leave**

The United States has fallen behind our economic competitors in the number of women participating in the labor force. The pandemic has exacerbated this problem, pushing millions of people—especially women—out of the workforce, eroding more than 30 years of progress in women's labor force participation and resulting in a \$64 billion loss in wages and economic activity per year. A lack of family-friendly policies, such as paid family and medical leave for when a worker need time to care for a new child, a seriously ill family member, or recover from their own serious illness, has been identified as a key reason for the U.S. decline in competitiveness. The United States is one of the only countries in the world that doesn't guarantee paid leave. Nearly one in four mothers return to work within two weeks of giving birth and one in five retirees left or were forced to leave the workforce earlier than planned to care for an ill family member. Further, today nearly four of five private sector workers have no access to paid leave. 95 percent of the lowest wage workers, mostly women and workers of color, lack any access to paid family leave.

Paid family and medical leave supports workers and families and is a critical investment in the strength and equity of our economy.

President Biden's American Families Plan will:

- Create a national comprehensive paid family and medical leave program. The program will ensure workers receive partial wage replacement to take time to bond with a new child, care for a seriously ill loved one, deal with a loved one's military deployment, find safety from sexual assault, stalking, or domestic violence, heal from their own serious illness, or take time to deal with the death of a loved one. It will guarantee twelve weeks of paid parental, family, and personal illness/safe leave by year 10 of the program, and also ensure workers get three days of bereavement leave per year starting in year one. The program will provide workers up to \$4,000 a month, with a minimum of two-thirds of average weekly wages replaced, rising to 80 percent for the lowest wage workers.

President Biden's paid leave plan has broad benefits for working families and the economy as a whole. Studies have shown that, under state paid leave laws, new mothers are 18 percentage points more likely to be working a year after the birth of their child. In addition, paid leave can reduce racial disparities in wage loss between workers of color and white workers, improve child health and well-being, support employers by improving employee retention and reducing turnover costs, and increase women's labor force participation.

Over 30 million workers, including 67 percent of low-wage workers, do not have access to a single paid sick day. Low-wage and part-time workers, a majority of whom are women, are less likely to have access to paid sick days. The COVID pandemic has highlighted the need for a national paid sick leave policy, to help workers and their loved ones quickly recover from short-term illness and prevent the spread of disease. Therefore, the President calls upon Congress to pass the Healthy Families Act which will require employers to allow workers to accrue seven days paid sick leave per year to seek preventative care for them or their family-- such as getting a flu shot, recovering from short-term illness, or caring for a sick child or family member or a family member with disability-related needs.

### **Retool and Revitalize American Manufacturing**

The U.S. manufacturing sector accounts for 70 percent of business R&D expenditure, 30 percent of productivity growth, and 60 percent of exports. Manufacturing is a critical node that helps convert research and innovation into sustained economic growth, and almost all manufacturers are small or mid-sized businesses. Workers on the factory floor work hand-in-hand with engineers and scientists to sharpen and maintain our competitive edge. While manufacturing jobs have been a ladder to middle-class life, we have let our industrial heartland be hollowed out, with quality jobs moving abroad or to regions with lower wages and fewer protections for workers. President Biden is calling on Congress to invest in U.S. manufacturing in order to:

- Strengthen manufacturing supply chains for critical goods. President Biden believes we must produce, here at home, the technologies and goods that meet today's challenges and seize tomorrow's opportunities. President Biden is calling on Congress to create a new office at the Department of Commerce dedicated to monitoring domestic industrial capacity and funding investments in tandem with the private sector to support production of critical goods.
- Protect Americans from future pandemics. This funding would create U.S. jobs and prevent the severe job losses caused by pandemics through major new investments in medical countermeasures manufacturing; research and development; and related

biopreparedness and biosecurity. This includes investments to shore up our nation's strategic national stockpile; accelerate the timeline to research, develop and field tests and therapeutics for emerging and future outbreaks; accelerate response time by developing prototype vaccines through Phase I and II trials, test technologies for the rapid scaling of vaccine production, and ensure sufficient production capacity in an emergency; enhance U.S. infrastructure for biopreparedness and investments in biosafety and biosecurity; train personnel for epidemic and pandemic response; and onshore active pharmaceutical ingredients. COVID-19 has claimed over 500,000 American lives and cost trillions of dollars, demonstrating the devastating and increasing risk of pandemics and other biological threats. Over the past two decades, outbreaks of SARS, Ebola, influenza, Zika and others have cost billions in lost productivity. The risk of catastrophic biological threats is increasing due to our interconnected world, heightened risk of spillover from animals to humans, ease of making and modifying pandemic agents, and an eroding norm against the development and use of biological weapons. The American Rescue Plan serves as an initial investment of \$10 billion. With this new major investment in preventing future pandemics, the United States will build on the momentum from the American Rescue Plan, bolster scientific leadership, create jobs, markedly decrease the time from discovering a new threat to putting shots in arms, and prevent future biological catastrophes.

- Make it in ALL of America. The President believes we must build social infrastructure to support innovation and productivity across the country. He is calling on Congress to invest in regional innovation hubs and a Community Revitalization Fund. This funding will support the development of regional innovation hubs will leverage private investment to fuel technology development, link urban and rural economies, and create new businesses in regions beyond the current handful of high-growth centers. Additional funding will be provided for a Community Revitalization Fund that will support innovative, community-led redevelopment projects that can spark new economic activity, provide services and amenities, build community wealth, and close the current gaps in access to the innovation economy for communities of color and rural communities that have suffered from years of disinvestment. And, President Biden is calling on Congress to invest in NIST to bring together industry, academia, and government to advance technologies and capabilities critical to future competitiveness through the NIST Labs and Manufacturing USA institutes. He is also calling on Congress to expand the Manufacturing Extension Partnership —increasing the involvement of minority-owned and rurally-located small- and-medium-sized enterprises in technological advancement.
- Increase access to capital for domestic manufacturers. America's manufacturing industry needs to innovate, adapt, and scale to win the industries of the future. President Biden is calling on Congress to invest in domestic manufacturers. The President is calling on Congress to invest in existing capital access programs at the Department of Agriculture and the Department of Energy, among others, with a proven track record of success, with a focus on supporting rural manufacturing, clean energy, and carbon reducing products. The President's plan also includes specific supports for modernizing supply chains, including in the auto sector, like the Department of Energy domestic manufacturing conversion grant program to support automobile manufacturers and suppliers in the domestic production of clean cars (through the section 132 program). He also will call for

the creation of a new financing program to support debt and equity investments for manufacturing to strengthen the resilience of America's supply chains.

- Create a national network of small business incubators and innovation hubs. Almost all manufacturers (98 percent) are small- and medium-sized firms. Furthermore, small business ownership is a cornerstone of job creation and wealth building. However, even before the pandemic, many entrepreneurs struggled to compete in a system that is so often tilted in favor of large corporations and wealthy individuals. President Biden is calling on Congress to invest in programs that give small businesses greater access to credit, venture capital, and R&D dollars. The proposal includes funding for community-based small business incubators and innovation hubs to support the growth of entrepreneurship in communities of color and underserved communities, as well as funds for an expansion of the Minority Business Development Agency.
- Partner with rural and Tribal communities to create jobs and economic growth in rural America. Today, despite the fact that rural and Tribal communities across the country are asset-rich, more than 8 in 10 persistent poverty counties fall outside of a metropolitan area. President Biden's plan invests in rural and Tribal communities, including by providing 100 percent broadband coverage, rebuilding crumbling infrastructure like roads, bridges, and water systems, providing research and development funding to land grant universities, and positioning the U.S. agricultural sector to lead the shift to net-zero emissions while providing new economic opportunities for farmers. President Biden also is proposing to transform the way the federal government partners with rural and Tribal communities to create jobs and spur inclusive economic growth. Rural communities often don't have the same budget as big cities to hire staff needed to navigate and access federal programs. On top of that, they have to navigate a myriad of programs all with different purposes and requirements. As part of his plan to ensure that all communities recover – regardless of geography – President Biden is proposing a new Rural Partnership Program to help rural regions, including Tribal Nations, build on their unique assets and realize their vision for inclusive community and economic development. This program will empower rural regions by supporting locally-led planning and capacity building efforts, and providing flexible funding to meet critical needs.

## **Agriculture/Forestry**

### *Rural Infrastructure & Rural Community Investments*

Strong rural communities are critical to our nation's economy and our ability to feed our families. The budget reflects the President's request for funding for a new Rural Partnership Program, designed to help rural regions create community development plans and build capacity to utilize federal dollars. The Plan also includes funding for USDA rural water and waste programs to fund grants and loans, as well as technical assistance to improve water quality and waste disposal while addressing contaminants like lead and PFAS. The President's plan also includes investments in rural broadband funding, of which a portion is set aside for USDA broadband programs, including Distance Learning and Telemedicine Grants, and historically underfunded Farm Bill broadband programs. The President and Congress also recognize the need for investments in Main Streets. Funding is dedicated to community facilities investments for things like small town courthouses, community centers, health clinics, childcare centers and

other critical quality of life infrastructure. Additional funding is dedicated for USDA rural business programs, rural economic development, and local food programs. The President's plan calls for significant support for other aspects of rural development, including rural manufacturing and energy. This budget proposes investments in rural manufacturing, biofuels blending infrastructure, and clean energy and energy efficiency under the Rural Energy for America Program. Finally, President Biden's plan and this budget proposal calls for funding to help rural electric cooperatives to transition to clean energy.

#### *Climate Smart Agriculture and Conservation*

Farmers and ranchers have enormous potential to combat the climate crisis by reducing greenhouse gas emissions, sequestering carbon in soil and trees, and providing other benefits such as clean water and increased biodiversity. The U.S. Department of Agriculture, through Farm Bill programs, helps American farmers and ranchers implement a range of conservation practices, however, these programs are significantly over-subscribed and reach only a fraction of farmland. This funding will provide additional financial and technical assistance to help American farmers and ranchers cover the cost of implementing climate-smart conservation practices. Specifically, this funding will be utilized to reduce the backlog of unfunded applications for core conservation practices that provide the highest environmental benefits and provide new direct assistance to producers to assist with the cost of adopting specific climate focused conservation practices such as cover crops. These additional investments will support producers and rural communities by pulling private sector capital off the sidelines and investing it in actively fighting climate change on millions of acres.

#### *Restoration, Wildfire Risk Reduction, and Conservation at the Forest Service*

The President called on Congress to make investments to protect and restore nature-based infrastructure like our nation's forests in line with the Outdoor Restoration Force Act, which outlines investments across the Forest Service. The budget proposes to adopt these goals of reducing the risk of wildfire for at-risk communities by allocating funding for projects that reduce hazardous fuels and other overgrown vegetation on national forest lands, and for similar activities on non-Federal lands. These funds can also be used to support important research functions of the Forest Service to protect vulnerable forested communities and develop new markets for the low-value wood that needs to be removed from our overstocked and fire-prone forests. Additionally, funding is dedicated to vital Forest Service conservation programs that help establish urban tree canopy and preserve private forestlands, such as the Forest Legacy Program, the Urban and Community Forest Program, and the Community Forest and Open Space Program. Finally, funding is dedicated to reforestation, deferred maintenance, and other critical infrastructure projects on National Forest System land, including for traditional deferred maintenance projects, the Legacy Roads and Trails program, and funding to enact the bipartisan REPLANT Act.

#### *Agricultural Research & Infrastructure*

Addressing critical research needs in food and agriculture is critical to keeping America competitive and mitigating the climate crisis. The President's Plan proposed investments in

research facilities and infrastructure, of which a portion is set-aside for agricultural research facilities, infrastructure and equipment upgrades, and construction of new agriculture research facilities at land-grant universities, including minority-serving institutions, and USDA's Agriculture Research Service. President Biden's plan proposes funding for climate research, and this budget dedicates investments specifically for agricultural research focused on the climate crisis. The risks from climate change are particularly acute in food and agriculture production due to extreme weather and increased pest and disease challenges. Agricultural research focused on the climate crisis is needed to respond, mitigate, and adapt to a changing climate. Additional research funding will also help develop tools to make agricultural production and forest management part of the global climate solution. President Biden's plan includes funding to spur innovation to create jobs and develop new technologies to build back better. This budget directs funding to agricultural innovation and research to help our farmers and ranchers stay globally competitive, help protect our food system, and support small towns and rural communities.

### *Child Nutrition Investments*

Food security is an essential component of building a strong economy and healthy families. This is especially true when we are talking about our children. This budget proposes to continue to strengthen critical safety net program by expanding the Summer EBT demonstration program nationwide to ensure all students receiving free or reduced price meals can participate. This will allow students to be able to purchase food at the grocery store during the summer as many children face barriers to accessing food or participating in the summer meals program when school is out. The plan also focuses on expanding access to free meals during the school year, providing funding to expand the Community Eligibility Provision (CEP) so that more students at high poverty schools can receive free meals. By reducing the paperwork burden and increasing the reimbursement rates for meals, this budget would ensure nearly 10 million additional students receive free school meals. The President's plan also recognizes how important it is for children to receive healthy school meals early in life, and makes investments in a healthy food incentive demonstration program and for school nutrition equipment so that schools can continue to improve the nutritional quality of the meals they serve. Finally, the budget restores SNAP eligibility to individuals formerly incarcerated for drug offenses so they can feed their children when they return to their families.

### **Invest in R&D and the Technologies of the Future**

Public investments in R&D lay the foundation for the future breakthroughs that over time yield new businesses, new jobs, and more exports. However, we need more investment if we want to maintain our economic edge in today's global economy. We are one of the few major economies whose public investments in research and development have declined as a percent of GDP in the past 25 years. Countries like China are investing aggressively in R&D, and China now ranks number two in the world in R&D expenditures. In addition, barriers to careers in high-innovation sectors remain significant. We must do more to improve access to the higher wage sectors of our economy. In order to win the 21<sup>st</sup> century economy, President Biden believes America must get back to investing in the researchers, laboratories, and universities across our nation. But this

time, we must do so with a commitment to lifting up workers and regions who were left out of past investments. He is calling on Congress to make an investment that will:

- Advance U.S. leadership in critical technologies and upgrade America’s research infrastructure. U.S. leadership in new technologies—from artificial intelligence to biotechnology to computing—is critical to both our future economic competitiveness and our national security. Based on bipartisan proposals, President Biden is calling on Congress to invest in the National Science Foundation (NSF), including support for the creation of a technology directorate that will collaborate with and build on existing programs across the government. It will focus on fields like semiconductors and advanced computing, advanced communications technology, advanced energy technologies, and biotechnology. He also is calling on Congress to provide additional funding for R&D programs across the federal government that spur innovation and job creation, including in rural areas. His plan also will invest in upgrading research infrastructure in laboratories across the country, including brick-and-mortar facilities and computing capabilities and networks. These funds would be allocated across the federal R&D agencies, including at the Department of Energy. Half of those funds will be reserved for Historically Black College and Universities (HBCUs) and other Minority Serving Institutions, including the creation of a new national lab focused on climate that will be affiliated with an HBCU.
- Establish the United States as a leader in climate science, innovation, and R&D. The President is calling on Congress to invest in the full range of solutions needed to achieve technology breakthroughs that address the climate crisis and position America as the global leader in clean energy technology and clean energy jobs. This includes funding for launching ARPA-C to develop new methods for reducing emissions and building climate resilience, as well as expanding across-the-board funding for climate research. In addition to an increase in funding for other climate-focused research at agencies like USDA, NOAA, NASA, and NSF, his plan will invest in demonstration projects for climate R&D priorities, including utility-scale energy storage, carbon capture and storage, hydrogen, advanced nuclear, rare earth element separations, floating offshore wind, biofuel/bioproducts, quantum computing, and electric vehicles, as well as strengthening U.S. technological leadership in these areas in global markets.
- Eliminate racial and gender inequities in research and development and science, technology, engineering, and math. Discrimination leads to less [innovation](#): one study [found](#) that innovation in the United States will quadruple if women, people of color, and children from low-income families invented at the rate of groups who are not held back by discrimination and structural barriers. Persistent inequities in access to R&D dollars and to careers in innovation industries prevents the U.S. economy from reaching its full potential. President Biden is calling on Congress to make a significant investments in R&D at HBCUs and other MSIs. He also is calling on Congress to invest in creating up to 200 centers of excellence that serve as research incubators at HBCUs and other MSIs to provide graduate fellowships and other opportunities for underserved populations, including through pre-college programs. Additional funding would support STEM education programming at NSF and other federal agencies, focused on building a diverse STEM workforce.

## **Water Infrastructure**

Across the country, pipes and treatment plants are aging and polluted drinking water is endangering public health. An estimated six to ten million homes still receive drinking water through lead pipes and service lines. The President's investments in improving water infrastructure and replacing lead service lines will create good jobs, including union and prevailing wage jobs. President Biden's plan will:

- Replace 100 percent of the nation's lead pipes and service lines. According to the CDC, there is no safe level of lead exposure for children. Lead can slow development and cause learning, behavior, and hearing problems in children, as well as lasting kidney and brain damage. President Biden believes that no American family should still be receiving drinking water through lead pipes and service lines. To eliminate all lead pipes and service lines in the country, he is calling on Congress to invest in the Environmental Protection Agency's Drinking Water State Revolving Fund and in Water Infrastructure Improvements for the Nation Act (WIIN) grants. In addition to reducing lead exposure in homes, this investment also will reduce lead exposure in 400,000 schools and childcare facilities.
- Upgrade and modernize America's drinking water, wastewater, and stormwater systems, tackle new contaminants, and support clean water infrastructure across rural America. Aging water systems threaten public health in thousands of communities nationwide. President Biden will modernize these systems by scaling up existing, successful programs, including by providing funding for grants and low-cost flexible loans to states, Tribes, territories, and disadvantaged communities across the country. President Biden's plan also provides funding to monitor and remediate PFAS (per- and polyfluoroalkyl substances) in drinking water and to invest in rural small water systems and household well and wastewater systems, including drainage fields.

## **Workforce Development**

As more Americans rejoin the workforce or seek out new opportunities in a changing economy, there is a greater need for skills development opportunities for workers of all kind. In order to ensure workers have ready access to the skills they will need to succeed, and to improve racial and gender equity, President Biden is calling on Congress to invest in proven workforce development programs targeted at underserved groups and getting our students on paths to careers before they graduate from high school. His plan will:

- Pair job creation efforts with next generation training programs. President Biden is calling on Congress to invest in evidence-based approaches to supporting workers. This includes wraparound services, income supports, counseling, and case management, paired with high-quality training and effective partnerships between educational institutions, unions, and employers. Specifically, he is calling for an investment in a new Dislocated Workers Program and sector-based training. This funding will ensure comprehensive services for workers, who have lost jobs through no fault of their own, to gain new skills and to get career services they need with in-demand jobs. Sector-based training programs will be focused on growing, high demand sectors such as clean energy, manufacturing, and caregiving, helping workers of all kinds to find good-quality jobs in an ever-changing economy.

- Target workforce development opportunities in underserved communities. Structural racism and persistent economic inequities have undermined opportunity for millions of workers. All of the investments in workforce training will prioritize underserved communities and communities hit hard by a transforming economy. President Biden also will call upon Congress to ensure that new jobs created in clean energy, manufacturing, and infrastructure are open and accessible to women and people of color. President Biden is calling on Congress to also specifically target funding to workers facing some of the greatest challenges. This includes funding in support of evidence-based community violence prevention programs. He is calling on Congress to invest in job training for formerly incarcerated individuals and justice-involved youth and in improving public safety. He also is calling on Congress to tackle long-term unemployment and underemployment through a new subsidized jobs program. And, he is calling on Congress to eliminate sub-minimum wage provisions in section 14(c) of the Fair Labor Standards Act and expand access to competitive, integrated employment opportunities and fair wages for workers with disabilities.
- Build the capacity of the existing workforce development and worker protection systems. The United States has underinvested in the workforce development system for decades. In fact, we currently spend just one-fifth of the average that other advanced economies spend on workforce and labor market programs. This lack of investment [impacts](#) all of us: better educated workers create spillover effects for other workers and lack of employment has negative social impacts on communities. President Biden is calling on Congress to invest in American workforce development infrastructure and worker protection. This includes funding for registered apprenticeships and pre-apprenticeships, creating one to two million new registered apprenticeships slots, and strengthening the pipeline for more women and people of color to access these opportunities through successful pre-apprenticeship programs such as the Women in Apprenticeships in Non-Traditional Occupations. This will ensure these underserved groups have greater access to new infrastructure jobs. These investments include the creation of career pathway programs in middle and high schools through funding for career and technical education, prioritizing increased access to computer science and high-quality career and technical programs that connect underrepresented students to STEM and in-demand sectors through partnerships with both institutions of higher education and employers. The President's plan also will provide funding to support community college partnerships that build capacity to deliver job training programs based on in-demand skills. His plan will better tailor services to workers' job seeking and career development needs through investments in Expanded Career Services and the Title II adult literacy program. The President's plan includes funding to strengthen the capacity of our labor enforcement agencies to protect against discrimination, protect wages and benefits, enforce health and safety safeguards, strengthen health care and pensions plans, and promote union organizing and collective bargaining.

**Grid/power infrastructure (including funding for orphan wells/abandoned mines and for Brownfield/Superfund sites)**

As the recent Texas power outages demonstrated, our aging electric grid needs urgent modernization. A Department of Energy study found that power outages cost the U.S. economy

up to \$70 billion annually. The President's plan will create a more resilient grid, lower energy bills for middle class Americans, improve air quality and public health outcomes, and create good jobs, with a choice to join a union, on the path to achieving 100 percent carbon-free electricity by 2035. President Biden is calling on Congress to provide funding to:

- Build a more resilient electric transmission system. Through investments in the grid, we can move cheaper, cleaner electricity to where it is needed most. Targeted investments would allow for better leverage of existing rights-of-way – along roads and railways – and supports creative financing tools to spur additional high priority, high-voltage transmission lines. These efforts will create good-paying jobs for union laborers, line workers, and electricians, in addition to creating demand for American-made building materials and parts.
- Invest in new clean energy resources, through clean energy block grants that can be used to support clean energy, worker empowerment, and environmental justice, and provide low-interest loans to rural electric cooperatives to support the development of clean energy. The USDA's Rural Utilities Service has a long history of working with rural electric cooperatives by providing low-interest loans for transmission and energy generation assets. By providing increased financing for clean energy development, as well support refinancing existing debt, these utilities will be better positioned to lead the transition to clean energy.
- Put the energy industry to work plugging orphan oil and gas wells and cleaning up abandoned mines. Hundreds of thousands of former orphan oil and gas wells and abandoned mines pose serious safety hazards, while also causing ongoing air, water, and other environmental damage. Many of these old wells and mines are located in rural communities that have suffered from years of disinvestment. President Biden's plan includes an immediate up-front investment that will put hundreds of thousands to work in union jobs plugging oil and gas wells and restoring and reclaiming abandoned coal, hardrock, and uranium mines. In addition to creating good jobs in hard-hit communities, this investment will reduce the methane and brine that leaks from these wells, just as we invest in reducing leaks from other sources like aging pipes and distribution systems.
- Remediate and redevelop idle real property, and spur the buildout of critical physical, social, and civic infrastructure in distressed and disadvantaged communities. In thousands of rural and urban communities around the country, hundreds of thousands of former industrial and energy sites are now idle – sources of blight and pollution. Through an investment in the remediation and redevelopment of these Brownfield and Superfund sites, as well as related economic and workforce development, President Biden's plan will turn this idle real property into new hubs of economic growth and job creation. But it's not enough to redevelop old infrastructure. President Biden's plan also will bring these communities new critical physical, social, and civic infrastructure. This means investing in the Economic Development Agency's Public Works program (while lifting the cap of \$3 million on projects) and spurring targeted sustainable, economic development efforts through the Appalachian Regional Commission's POWER grant program, and dedicated funding to support community-driven environmental justice efforts – such as capacity and project grants to address legacy pollution and the cumulative impacts experienced by frontline and fenceline communities.

- Build next generation industries in distressed communities. President Biden believes that the market-based shift toward clean energy presents enormous opportunities for the development of new markets and new industries. For example, by pairing an investment in 15 decarbonized hydrogen demonstration projects in distressed communities with a new production tax credit, we can spur capital-project retrofits and installations that bolster and decarbonize our industry.

### **School Infrastructure**

President Biden believes we can't close the opportunity gap if low-income kids go to schools in buildings that undermine health and safety, while wealthier students get access to safe buildings with labs and technology that prepare them for the jobs of the future. The President's plan provides funding to upgrade and build new public schools. These funds will first go toward making sure our schools are safe and healthy places of learning for our kids and work for teachers and other education professionals, for example by improving indoor air quality and ventilation. As we make our schools safer, we also will invest in cutting-edge, energy-efficient and electrified, resilient, and innovative school buildings with technology and labs that will help our educators prepare students to be productive workers and valued students. Under the President's plan, better operating school facilities will reduce their greenhouse gas emissions and also will become environments of community resilience with green space, clean air, and safe places to gather, especially during emergencies. Funds also will be provided to improve our school kitchens, so they can be used to better prepare nutritious meals for our students and go green by reducing or eliminating the use of paper plates and other disposable materials.

### **Federal Procurement of Clean Tech (USPS fleet, etc.)**

The federal government spends more than a half-a-trillion dollars buying goods and services each year. As a result, it has the ability to be a first-mover in markets. This incredible purchasing power can be used to drive innovation and clean energy production, as well as to support high quality jobs. To meet the President's goals of achieving net-zero emissions by 2050, the United States will need more electric vehicles, charging ports, and electric heat pumps for residential heating and commercial buildings. The President is calling on Congress to enable the manufacture of those cars, ports, pumps, and clean materials, as well as critical technologies like advanced nuclear reactors and fuel, here at home through an investment in federal buying power, creating good-paying jobs and reinvigorating local economies, especially in rural areas.

### **VA/Fed Buildings**

The federal government operates office buildings, courthouses, and other facilities in every state, where millions of workers serve the public from outdated, inefficient, and sometimes unsafe working conditions. While the median age of U.S. private sector hospitals is roughly 11 years, the Veterans Affairs' hospital portfolio has a median age of 58. The President believes our veterans deserve state-of-the-art hospitals and care. President Biden's plan provides funding for the modernization of Veterans Affairs hospitals and clinics. President Biden's plan also invests in the modernization, sustainability, and resilience of federal buildings, including through a

bipartisan Federal Capital Revolving Fund to support investment in a major purchase, construction or renovation of Federal facilities. And, President Biden's plan utilizes the vast tools of federal procurement to purchase low carbon materials for construction and clean power for these newly constructed VA hospitals and federal buildings.

### **Community Violence Intervention (CVI) Initiative**

In 2020, America suffered the largest single-year increase of homicides on record. In addition to the trauma inflicted upon victims and their families, this violence also has a tremendous negative impact on our nation's economy and the health and well-being of our citizens. In neighborhoods with high levels of gun violence, economic opportunity is suppressed, property values are lowered, and general health is heavily impacted as community members become afraid to walk the streets.

That is why the Biden Administration's [American Jobs Plan/American Families Plan] includes funding to provide long-term support for the Community Violence Intervention (CVI) initiative. Evidence-based community violence prevention programs like group violence intervention, hospital-based violence intervention, and Cure Violence have been proven to lead to 30-60% reductions in gun violence when implemented properly, which includes receiving regular funding. Unfortunately, only a handful of states fund and support these evidence-based programs and federal funding has long been insufficient, unfocused, and sometimes harmful. President Biden's plan represents a significant step toward a more effective and more equitable national response to community violence.

In its FY2022 Budget proposal, the Administration proposed a 50/50 split in funding for this type of initiative between DOJ and HHS. A similar split is envisioned for the [AJP/AFP]. There has been a push among advocates to have the money go entirely to HHS. While the Administration feels strongly that HHS must be a partner in this initiative, their view is that the agency doesn't have the capacity to take on this much money this quickly whereas DOJ has institutional knowledge in this space.

DOJ's involvement in this space is not without challenges. The programs that exist within the Department are somewhat piecemeal, and it can be hard for grassroots organizations to apply for funding. While the Administration would like to build a new, unified program, they understand if that is not feasible as part of this effort and can work with Congress to maximize effectiveness of this initiative under current conditions.

### **ACA premiums**

Health care should be a right, not a privilege, and Americans facing illness should never have to worry about how they are going to pay for their treatment. The biggest improvement in health care affordability since the Affordable Care Act, the American Rescue Plan provided two years of lower health insurance premiums for those who buy coverage on their own, saving millions of families an average of \$50 per person per month. The American Families Plan will make those premium reductions permanent. As a result, nine million people will save hundreds of dollars per year on their premiums, and four million uninsured people will gain coverage.

## **Medicare Dental, Vision, Hearing**

Medicare has for too long failed to cover essential health care needs such as dental, vision and hearing care. Roughly half of seniors on Medicare have not been to the dentist in the past year, and of those that do, millions of seniors spend thousands of dollars out-of-pocket to get dental care. Of seniors who report trouble eating because of their teeth, 70 percent did not go to the dentist in the past. Untreated, dental issues can lead to massive health problems, including major infections, malnutrition and more.

Access to hearing aids and eyeglasses are as widespread an issue. Three-in-four Medicare beneficiaries who need hearing assistance could not afford a hearing aid, and 43 percent of seniors who had trouble seeing did not get an eye exam.

It is past time to stop treating dental, vision and hearing care like anything except the essential health services that they are.

## **Health infrastructure**

Access to health care remains a major challenge for numerous communities. Numerous hospitals and health centers face crumbling infrastructure and financial challenges that prevent their patients from getting world class care. The plan will reestablish the Hill-Burton hospital infrastructure program for construction and modernization of hospitals and medical facilities. The U.S. is also expected to face a shortage of up to 139,000 primary care and specialty physicians by 2033, posing a major threat to access to care. The plan builds upon the residency training slot expansion Congress passed in a bipartisan manner in December, with a focus on training doctors in primary care and in underserved and rural areas. This is done through increasing the number of Medicare GME slots and increased funding for the Teaching Health Center Graduate Medical Education (THCGME) program to support the training of primary care medical and dental residents.

## **Health Equity (maternal, behavioral)**

Congress made important investments in the American Rescue Plan in maternal and behavioral health, including a 5-year state Medicaid option to provide 1 year of postpartum coverage, billions in mental health and substance use grants and a new mental health mobile crisis unit program. The plan makes builds upon ARP by making those investments permanent, in addition to providing additional grants to address maternal mortality, an expansion of the Certified Community Behavioral Health Center program

## **Prescription Drug Pricing**

Prescription drug prices are rising at an unprecedented and unsustainable rate. Americans pay more than double what other nations pay for prescription drugs and per capita prescription drug spending in the United States exceeds that of all other countries. Today, there are no rules in place to stop drug companies from excessively raising prices on middle-class families. Roughly

one in five people say that they or a family member have either skipped doses or cut pills in half because they could not afford their medication.

The plan executes President Biden’s call to “give Medicare the power to save hundreds of billions of dollars by negotiating lower drug prescription prices.” The plan addresses three key goals. First, it finally gives Medicare the power to negotiate for lower drug prices. Second, it prohibits excessive annual price increase and price gouging. Third, it ensures that patients see meaningful savings by redesigning the Medicare Part D benefit and lowering costs for patients when they receive their prescription.

### **LPRs for Immigrants (Dreamers, TPS, Farm, Essential workers)**

Leadership, Budget and Judiciary staff are preparing an immigration proposal for the FY2022 Budget Resolution that is based on the Senate-passed 2005 Deficit Reduction Act immigration precedent. In 2005, the Senate overwhelmingly passed a bipartisan Reconciliation bill that amended the Immigration and Nationality Act to dramatically increase the number of immigrant visas. These visas allow for the adjustment of status to lawful permanent residency (“green cards”), in the same fashion as the Dream Act and other proposals would provide to beneficiaries.

#### **BACKGROUND ON THE 2005 PRECEDENT:**

The provisions of section 8001 of the 2005 Deficit Reduction Act would have increased the number of green cards for foreign workers, while exempting those workers’ accompanying family members from the visa cap. The provisions also would have recaptured the “unused” professional visas already authorized in past fiscal years and allowed businesses to access up to 90,000 visas per year. As a whole, the provision would have had a legal policy effect of increasing—by hundreds of thousands each year—the number of employment-based green cards and altering the visa cap. Also, and importantly, it would have directly conferred LPR status on family members by exempting them from the annual green-card cap.

### **Land Ports of Entry**

The President included funding in his plan to address long-needed repairs and crumbling infrastructure at our ports of entry. Our ports are the lifelines for many sectors of our economy as the confluence point for over \$2 trillion dollars in trade and the point of transit for more than 19 million people who cross our land borders each year. They are the gateways for those who seek protection in our country, and they are also the foci of the greatest threats to our border security, being the entry point for the vast majority of illicit drugs, opioids, and contraband. Meeting these challenges has been further exacerbated by the lack of capital improvement over the past decade for two-thirds of our ports, which average close to 40 years of age. This proposal would tackle needed repairs, infrastructure improvements, technology upgrades and modernization of our northern and southern land ports of entry. It would expand throughput capacity by expanding non-intrusive inspection systems, reduce congestion and delays, provide an orderly system to process those seeking protection in our country, and improve our ability to detect illicit activity.

This proposal is in line with the President's U.S. Citizenship Act to have an orderly, secure, and well-managed border.

### **Clean Energy Tax incentives**

The Clean Energy for America Act, already considered by the Senate Finance Committee, will put the United States on the path to achieve our emissions-reductions goals and create hundreds of thousands of good paying, clean energy jobs. Specifically, it would replace the current patchwork of energy incentives with three standard tax credits—Clean Electricity, Clean Transportation and Energy Efficiency-- available to all technologies meeting the credit requirements. The Clean Electricity Credit will provide either a 2.5 cents per kWh electricity produced or a 30 percent investment credit on new facility investments or grid improvement projects, provided emissions and labor requirements are met. A bonus credit is provided for traditional energy communities. The Clean Electricity Credit will phase out once greenhouse gas emissions are 25 percent or less of 2021 levels. The Clean Transportation Credit will extend and expand the existing credit for electric vehicles, making the credit fully refundable, increasing the value and providing a bonus credit for vehicles made in America. It will sunset when annual electric vehicle sales make up at least 50 percent of total annual vehicle sales. The Energy Efficiency Credit will provide a new credit for home and commercial buildings that increases in value for higher levels of conservation. During a transition period, the bill extends the existing clean energy credits, through 2024; and it provides the option of claiming the production credit as a direct payment for clean energy developers facing uncertainty in the current tax equity financing market, phasing out for projects that do not meet domestic content requirements by 2026.

### **EV rebates**

Vehicles are the largest source of carbon emissions in the United States, but in order to rapidly reduce emissions in transportation, clean vehicles must be more affordable and accessible to all Americans. More robust consumer incentives that are available at the point of sale to buy American-made EVs will accelerate the adoption of clean vehicles in the US to reduce emissions from transportation at a pace commensurate with the urgency of the climate crisis, ensuring that these vehicles are affordable for all families and manufactured by workers with good jobs.

### **Child Tax Credit/EITC/CDCTC**

The President is calling for the Child Tax Credit expansion, first enacted in the American Rescue Plan, to be extended. This legislation expands the Child Tax Credit from \$2,000 per child to \$3,000 per child for six-years old and above, and \$3,600 per child for children under six. It also makes 17-year-olds eligible for the first time and makes the credit fully refundable on a permanent basis, so that low-income families—the families that need the credit the most—can benefit from the full tax credit. The expanded Child Tax Credit in the American Rescue Plan benefited nearly 66 million children, and it was the single largest contributor to the plan's historic reductions in child poverty.

For a family with two parents earning a combined \$100,000 per year and two children under six, the Child Tax Credit expansion means an additional \$3,200 per year in tax relief. For a family with two parents earning a combined \$24,000 per year and two children under six, the expansion means even more, with a credit increase of than \$4,400 because the full credit was not previously fully available to them.

The credit would also be delivered regularly. This means that families will not need to wait until tax season to receive a refund. Instead, they will receive regular payments that allow them to cover household expenses as they arise.

The American Families Plan will make permanent the full refundability of the Child Tax Credit, while extending the other expansions to the Child Tax Credit through 2025— when the 2017 law’s individual provisions expire. The President is committed to working with Congress to achieve his ultimate goal of making permanent the Child Tax Credit as well as all of the expansions he signed into law in the American Rescue Plan.

To help families afford child care, President Biden is calling on Congress to make permanent the temporary Child and Dependent Care Tax Credit (CDCTC) expansion enacted in the American Rescue Plan. Families will receive a tax credit for as much as half of their spending on qualified child care for children under age 13, up to a total of \$4,000 for one child or \$8,000 for two or more children. A 50 percent reimbursement will be available to 13 families making less than \$125,000 a year, while families making between \$125,000 and \$400,000 will receive a partial credit with benefits at least as generous as those they receive today. The credit can be used for expenses ranging from full-time care to after school care to summer care.

This is a dramatic expansion of support to low- and middle-income families. In 2019, a family claiming a CDCTC for the previous year got less than \$600 on average towards the cost of care, and many low-income families got nothing. If Congress fails to extend the CDCTC expansion, more than 6 million families could see their taxes go up at the end of the year – many by thousands of dollars – making obtaining affordable child care more difficult. Importantly, this tax credit works in tandem with the American Families Plan’s direct investments in childcare affordability for families with young children.

**Make the Earned Income Tax Credit Expansion for childless workers permanent.**

Before this year, the federal tax code taxed low-wage childless workers into poverty or deeper into poverty -- the only group of workers it treated this way. The American Rescue Plan addressed this problem by roughly tripling the EITC for childless workers, benefitting 17 million low-wage workers, many of whom are essential workers including cashiers, cooks, delivery drivers, food preparation workers, and childcare providers. For example, a childless worker who works 30 hours per week at \$9 per hour earns income that, after taxes, leaves them below the federal poverty line. By increasing her EITC to more than \$1,100, this EITC expansion helps pull such workers out of poverty.

The President is calling on Congress to make this expansion permanent. President Biden believes our tax code should reward work and not wealth. And that means rewarding workers who work hard every day at modest wages to provide their communities with essential services.

## **Broadband**

Generations ago, the federal government recognized that without affordable access to electricity, Americans couldn't fully participate in modern society and the modern economy. With the 1936 Rural Electrification Act, the federal government made a historic investment in bringing electricity to nearly every home and farm in America, and millions of families and our economy reaped the benefits. Broadband internet is the new electricity. It is necessary for Americans to do their jobs, to participate equally in school learning, health care, and to stay connected. Yet, by one definition, more than 30 million Americans live in areas where there is no broadband infrastructure that provides minimally acceptable speeds. Americans in rural areas and on tribal lands particularly lack adequate access. And, in part because the United States has some of the highest broadband prices among OECD countries, millions of Americans can't use broadband internet even if the infrastructure exists where they live. In urban areas as well, there is a stark digital divide: a much higher percentage of White families use home broadband internet than Black or Latino families. The last year made painfully clear the cost of these disparities, particularly for students who struggled to connect while learning remotely, compounding learning loss and social isolation for those students.

The President believes we can bring affordable, reliable, high-speed broadband to every American through a historic investment. That investment will:

- Build high-speed broadband infrastructure to reach 100 percent coverage. The President's plan prioritizes building "future proof" broadband infrastructure in unserved and underserved areas so that we finally reach 100 percent high-speed broadband coverage. It also prioritizes support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities. Moreover, it ensures funds are set aside for infrastructure on tribal lands and that tribal nations are consulted in program administration. Along the way, it will create good-paying jobs with labor protections and the right to organize and bargain collectively.
- Promote transparency and competition. President Biden's plan will promote price transparency and competition among internet providers, including by lifting barriers that prevent municipally-owned or affiliated providers and rural electric co-ops from competing on an even playing field with private providers, and requiring internet providers to clearly disclose the prices they charge.
- Reduce the cost of broadband internet service and promote more widespread adoption. President Biden believes that building out broadband infrastructure isn't enough. We also must ensure that every American who wants to can afford high-quality and reliable broadband internet. While the President recognizes that individual subsidies to cover internet costs may be needed in the short term, he believes continually providing subsidies to cover the cost of overpriced internet service is not the right long-term solution for consumers or taxpayers. Americans pay too much for the internet – much more than people in many other countries – and the President is committed to working with Congress to find a solution to reduce internet prices for all Americans, increase adoption in both rural and urban areas, hold providers accountable, and save taxpayer money.