

The Human Needs Report

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President Biden's American Jobs Plan focuses on infrastructure and economic recovery

Following the March enactment of the American Rescue Plan Act, a \$1.9 trillion COVID-19 relief package that's already helping Americans, President Biden released his <u>American Jobs Plan</u>, a "once-in-ageneration investment" in infrastructure and economic recovery. The \$2.3 trillion package includes funding for both physical infrastructure and the human infrastructure that are necessary for economic growth.

The American Jobs Plan includes \$621 billion for transportation infrastructure (including \$85 billion for public transit), \$100 billion for power infrastructure projects, and \$300 billion for manufacturing and small businesses. Some of the key physical infrastructure components of the package include:

Housing

The plan includes \$213 billion to build, preserve and retrofit more than 2 million homes through grants, formula funding, targeted tax credits and project-based rental assistance. This includes \$40 billion to

improve public housing, resources to support homeownership and weatherize homes, and resources to help address the growing cost of rent. The plan says it will extend affordable housing rental opportunities to underserved communities, including rural and tribal areas. While housing advocates say these are welcome steps, they argue that much more assistance is needed. Diane Yentel, Executive Director of the National Low Income Housing Coalition, testified before the House Financial Services Committee on April 14 that infrastructure legislation should include a major expansion of rental assistance for every eligible household; \$70 billion to repair public housing; and an investment of \$40 billion in the national Housing Trust Fund to build and preserve homes affordable to the lowest-income and most marginalized households.

Education and child care

The Biden Administration's proposal includes \$100 billion to build and upgrade public schools; \$100 billion to build broadband infrastructure in unserved and underserved rural areas, urban areas, and tribal lands; and \$12 billion for community colleges, particularly for rural areas. It also calls for \$25 billion to help upgrade and increase the supply of child care facilities, especially for infants and toddlers in high-need areas. Additionally, it calls for an expanded tax credit to encourage businesses to build child care facilities at places of work.

Drinking water safety

The proposal includes \$111 billion for drinking water safety, including replacing lead pipes, in residences, schools, and child care centers in disadvantaged communities, U.S. territories, and tribal communities.

Redressing racial inequities

The package also includes \$20 billion for new racial equity programs, including for a new program that will reconnect neighborhoods cut off by historic investments and ensure new projects increase opportunity, advance racial equity and environmental justice, and promote affordable access.

Some of the key human infrastructure components of the package include:

Workforce development

The plan calls for \$100 billion in workforce development programs aimed at underserved groups, including youth. This includes wraparound services, income supports, counseling, and case management, including \$40 billion for a new Dislocated Workers Program and sector-based training, a new subsidized jobs program, one to two million new registered apprenticeship slots, and programs for formerly incarcerated and justice-involved youth. The plan calls on Congress to eliminate the subminimum wage and pass the pro-union Protecting the Right to Organize (PRO) Act. It also includes provisions related to protections for domestic workers, increased penalties when employers violate workplace safety and health rules, and gender-based pay discrimination. For more information, see this piece from the National Skills Coalition.

Health and justice

President Biden is calling on Congress to put \$400 billion toward expanding access to quality, affordable home and community-based services (HCBS) under Medicaid for older adults, people with disabilities, and the people who care for them. His plan will also extend the longstanding Money Follows the Person program that supports innovations in the delivery of long-term care. Veterans' Affairs facilities would receive \$18 billion.

Raising revenue

The release of the American Jobs Plan was accompanied by the President's <u>Made in America Tax Plan</u>, which would help ensure corporations pay their fair share in taxes. It would increase the corporate income tax rate from 21 percent currently to 28 percent and would reduce the practice of U.S. corporations claiming international tax havens as their residences.

Reactions and next steps

CHN's Executive Director Deborah Weinstein <u>praised</u> the American Jobs Plan, saying, "It increases our capacity to do vital work in making our water safe, housing more available and affordable, schools, hospitals and child care centers modernized, home care expanded for people with disabilities or aging, and our energy sources safe and renewable. It focuses help on low-income communities, territories, tribes and communities of color, and invests in training so members of these communities can take the jobs created."

Advocates expect the Biden Administration will also soon release details of its American Families Plan, which is likely to include additional investments in health care coverage, early childhood education, paid leave provisions, an extension of the improvements to the Child Tax Credit and Earned Income Tax Credit included in the American Rescue Plan, and other needed investments.

Republicans have balked at the price tag and scope of Biden's American Jobs Plan and at its goal of rolling back the 2017 GOP tax cuts to pay for it. Republican senators on April 14 said they would present a cheaper infrastructure plan with a total cost of \$600-\$800 billion.

It's anticipated that Democratic leadership in Congress will again try to move one or both of the President's plans using a process called reconciliation, which allows legislation in the Senate to proceed without the possibility of filibuster, a tactic intended to stymie legislation. Ending a filibuster takes 60 votes; without that tactic, reconciliation bills can pass with only a simple majority (51 votes in the Senate). Democrats could begin the reconciliation process by passing another budget resolution that directs committees to draft individual pieces of the package as early as May, though final passage of any package may not happen until the summer or fall. For more information about how reconciliation works, see this recorded webinar: <u>Budget Strategy to Pass a COVID Bill in the Senate: Reconciliation</u> 101.

For more information on the various parts of the American Jobs Plan and the Made in America Plan, see these pieces from <u>CHN</u>, the <u>Economic Policy Institute</u>, <u>Americans for Tax Fairness</u>, and the <u>Washington</u> <u>Post</u>. In addition, the Congressional Progressive Caucus put out its <u>priorities</u> for infrastructure legislation.

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Biden Administration's FY22 budget blueprint invests in education, health, and housing

On April 9, the Biden Administration released a summary of its \$1.5 trillion <u>budget request</u> for annually-appropriated programs for the government's Fiscal Year 2022, which begins on October 1. In topline numbers, the blueprint calls for \$769 billion in non-defense (domestic and international) annually-appropriated spending, also known as non-defense discretionary (NDD) funding. This reflects a 16 percent, or \$105.7 billion, increase over FY21 levels. It also calls for \$753 billion in defense discretionary funding, a 1.7 percent increase over FY21. This includes the previously uncapped and controversial Overseas Contingency Operations (OCO) fund, which would now be included in the base defense budget. In a break from the past, the Pentagon budget would dip below half of total discretionary spending (to 49.5 percent). While advocates praised the expansion of funding for human needs programs, many progressives have called for cuts to the defense budget.

Highlights for some of the key departments include:

Education: \$102.8 billion for the Department of Education, a whopping 40.8 percent increase over FY21 levels. This includes \$36.5 billion for Title I grants for high-poverty schools, a historic \$20 billion increase from FY21; and a \$2.6 billion increase (to \$15.5 billion) for Individuals with Disabilities Education Act (IDEA) grants that support special education and related services for students with disabilities. Additionally, Pell Grants would be increased and would be available to Dreamers (undocumented young people who came to the U.S. as children).

Health and Human Services: \$133.7 billion, a 23.1 percent increase from FY21 levels, for the Department of Health and Human Services. This includes \$1.6 billion for mental health, double last year's funding; \$10.7 billion (up \$3.9 billion from FY21) for opioid prevention and treatment; a \$1.5 billion increase to expand access to quality child care; and an increase of \$2.2 billion for the Indian Health Service.

Housing and Urban Development: \$68.7 billion (a \$9 billion or 15.1 percent increase over FY21 levels) for HUD, including \$30.4 billion (up \$5.4 billion) for Housing Choice vouchers to expand assistance to 200,000 more families; \$400 million (up \$40 million from FY21) to reduce lead-based paint and other health hazards in homes; and \$900 million to increase affordable housing in tribal communities and increase economic opportunities for low-income Native American families.

Labor: \$14.2 billion for the Department of Labor, a \$1.7 billion or 14 percent increase over FY21, including \$2.1 billion (up 17 percent) for worker protection agencies.

Agriculture: \$27.8 billion for the Department of Agriculture, up \$3.8 billion or 16 percent. This includes \$6.7 billion (up \$1 billion) for critical nutrition programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and a \$65 million increase to expand broadband access in rural areas.

Justice: \$35.2 billion for the Department of Justice, up \$1.8 billion or 5.3 percent. This includes \$2.1 billion (up \$232 million) for gun violence prevention; \$209 million, an increase of \$33 million, in the Department's Civil Rights Division, Community Relations Service, and other programs; and \$1 billion for Violence Against Women Act programs, nearly double this year's level. Some advocates expressed concern over increases in law enforcement funding.

Homeland Security: \$54 billion for the Department of Homeland Security, up 0.2 percent from FY21, including \$345 million for U.S. Citizenship and Immigration services to adjudicate a backlog of naturalization and asylum cases. The budget does not include funding for border wall construction.

Environmental Protection Agency: \$11.2 billion for EPA, a \$2 billion or 21.3-percent increase from FY21.

A full budget request, which is expected to include more details as well as proposals for mandatory spending on programs such as Social Security, Medicare, and Medicaid, tax policy, and a 10-year projection for spending and revenues, will likely follow in the coming weeks or months.

Fiscal Year 2022 is the first year in a decade that budgets and annual spending bills will not be limited by the low discretionary spending caps required by the 2011 Budget Control Act that have prevented Congress from investing in human needs programs. During this time, lawmakers typically followed the principle of "parity," or supposedly similar increases in both defense and non-defense spending. The suggested allocations in the president's budget are separate from funding he has proposed in his recently released American Jobs Plan and in the anticipated American Families Plan.

For more details on the budget blueprint, see the <u>press release</u> and <u>funding request</u> from the White House, as well as these pieces from the <u>Center on Budget and Policy Priorities</u> and the <u>National Low Income Housing Coalition</u>.

A president's budget is a proposal to Congress used to signal an administration's priorities, and it provides guidance to Congress in determining what the totals for annual appropriations should be. As noted in the article in this *Human Needs Report* on President Biden's American Jobs Plan, it is expected that a budget resolution passed by both the House and Senate will contain instructions that will allow Congress to pass all or part of the President's economic recovery proposals using the reconciliation process. However, appropriations bills cannot be enacted through a reconciliation process; that means appropriations bills will need 60 votes – and therefore Republican support – to pass in the Senate.

Preliminary work has also begun in Congress on spending bills for FY22. House and Senate Appropriations subcommittees have started hearings, and the committees could start drafting spending bills in May.

Congress averts Medicare cuts but punts on other cuts to come

The House passed and President Biden signed into law last week a bill to avert billions of dollars in Medicare cuts during the pandemic. The bill, H.R. 1868, extends a pause on an automatic 2 percent cut to Medicare payments to medical providers through the end of the year. The cost of delaying the cuts will be offset by extending the sequester in later years after the pandemic ends.

The bill as it originally passed the House in March also contained a waiver to avoid a much larger \$80-90 billion in separate statutory "pay-as-you-go" cuts this fiscal year. The Congressional Budget Office said these cuts (required by a process called sequestration when spending increases the deficit) would be required by a 2010 pay-as-you-go law because of the \$1.9 trillion American Rescue Plan Act enacted in March. However, Senate leaders took out the waiver after Republicans protested the lack of offsets. According to CQ, it's unclear when lawmakers will revisit the paygo cuts. Paygo waivers are regularly included in year-end spending packages with bipartisan support, but there is concern that Republicans could block such a waiver this year in opposition to increased spending under the Biden Administration.

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Senate advances measure combatting Asian American - Pacific Islander discrimination

As crimes and incidents of harassment against Asian Americans and Pacific Islanders soar, the Senate last week advanced legislation to strengthen federal efforts to address the hate.

Last Wednesday, the COVID-19 Hate Crimes Act cleared a technical hurdle on a <u>92-to-6</u> vote, with six Republican senators voting in opposition: Senators Tom Cotton of Arkansas, Ted Cruz of Texas, Josh Hawley of Missouri, Roger Marshall of Kansas, Rand Paul of Kentucky and Tommy Tuberville of Alabama. The legislation is currently awaiting a final vote. Once the Senate and House agree on a final bill, it would go to President Biden for his signature.

The bill (S. 937) would create a new position at the Department of Justice to expedite the review of hate crimes related to the coronavirus pandemic, expand public channels to report such crimes, and require the Justice Department to issue guidance to mitigate racially discriminatory language in describing the pandemic. Many anti-hate advocates in part blame former President Trump for the rise in incidents aimed at the Asian American community after he frequently described COVID-19 as "Chinese flu" and the "China virus," in addition to making other derogatory comments.

The legislation comes on the heels of a <u>new report</u> that documents the increase in hate crimes during a period of almost one year – roughly mirroring the course of the pandemic. Stop AAPI Hate reported on 3,795 incidents across the U.S. from March 19, 2020 to February 28, 2021. "The number of hate

incidents reported to our center represent only a fraction of the number of hate incidents that actually occur, but it does show how vulnerable Asian Americans are to discrimination, and the types of discrimination they face," the report states.

At the same time the Senate legislation was advancing, Biden announced a key new nomination aimed in part at improving his outreach to the Asian American Pacific Islander community.

On Wednesday, the Biden Administration announced it is creating a new position – Deputy Assistant to the President and Liaison to the A.A.P.I. community. The Administration <u>announced</u> the appointment of Erika L. Moritsugu to fill the position. Moritsugu, who is of Japanese and Chinese descent, was formerly Vice President at the National Partnership for Women & Families, which focuses on women's health and economic equity, among other issues. She previously served in the Obama Administration as an Assistant Secretary in the Department of Housing and Urban Development.

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