

NACo LEGISLATIVE ANALYSIS FOR COUNTIES: PRESIDENT-ELECT BIDEN’S COVID-19 RESCUE PLAN JANUARY 19, 2021



SUMMARY

On January 14, President-elect Biden unveiled his [nearly \\$2 trillion coronavirus rescue package](#), a two-part strategy, designed to support households, businesses and state and local governments through the pandemic.

Most notably, **the American Rescue Plan calls on Congress to provide \$350 billion in emergency funding for state, local and territorial governments** to keep front-line public-sector workers on the job and paid, while also effectively utilizing additional federal resources in the plan to distribute the COVID-19 vaccine, scale testing, reopen schools and maintain other vital services.

The plan contains many county priorities, including: implementing a national COVID-19 vaccination program, increased food assistance and emergency funding for child care, small businesses, unemployment benefits, rental assistance and public transit. Other provisions include new investments to protect our nation against cyber-attacks and re-open schools safely.

Since the beginning of the coronavirus pandemic, America’s counties have taken the lead in both responding to the public health crisis and bolstering our economic recovery from this national emergency. As strong allies in the federal-state-local partnership, we have called for direct and flexible federal funding to allow counties to best serve our residents.

[Counties applaud President-elect Biden](#) for introducing this much-needed plan that recognizes the vital, frontline role of America’s counties in mitigating and ending the COVID-19 pandemic. This plan is a significant step in addressing the urgent needs of our nation’s county governments as we continue to provide essential services to more than 300 million residents.

TABLE OF CONTENTS

TABLE OF CONTENTS	1
ESTABLISH A NATIONAL VACCINE PLAN	2
BOOST FUNDING FOR TESTING, PUBLIC HEALTH SUPPORT & RESOURCES	2
NEW SUPPORT FOR VULNERABLE AND UNDERSERVED POPULATIONS	2
EXPAND PAID LEAVE & REIMBURSEMENTS TO PUBLIC SECTOR EMPLOYERS	3
PROVIDE ADDITIONAL RENTAL, UTILITY & HOMELESS PREVENTION ASSISTANCE	3
PROVIDE NEW ASSISTANCE FOR INDIVIDUALS, CHILDREN & FAMILIES	4
INCREASE MINIMUM WAGE & ENHANCES SUPPORT FOR SMALL BUSINESSES	5
PROVIDE FUNDING FOR PUBLIC TRANSIT	6
OTHER NOTEWORTHY PROVISIONS	6

ESTABLISH A NATIONAL VACCINE PLAN

The proposal would provide \$20 billion to state, local and tribal governments and territories to launch community vaccination centers around the country and deploy mobile vaccination units to remote areas.

Additionally, the proposal would provide a 100 percent increase in the Federal Medicaid Assistance Percentage (FMAP) for the administration of vaccines to Medicaid enrollees in each state. This provision would benefit counties in 18 states are mandated to contribute to the non-federal share of Medicaid costs and/or the administrative, program, physical health and behavioral costs.

[Counties will play a large role in the implementation of COVID-19 vaccination programs.](#) A number of the elements identified as critical to the execution of vaccine deployment are county owned or operated – including emergency management agencies, more than 1,900 local health departments, nearly 1,000 hospitals and health systems, community health centers, rural health clinics and over 800 long-term care facilities.

BOOST FUNDING FOR TESTING, PUBLIC HEALTH SUPPORT & RESOURCES

The proposal would provide \$50 billion for the expansion of COVID-19 testing through the purchase of rapid tests and to increase lab capacity. Specifically, the proposal would assist local governments and schools to implement regular testing to support safe reopening, protect residents in county-owned congregate settings like jails and long-term care facilities and ensure that testing would be provided free of charge for everyone.

The plan also would provide funding for 100,000 public health workers to perform vaccine outreach, contact tracing and build long-term public health capacity at the local level.

Along with funding for additional personnel, the proposal would allocate \$30 billion into the FEMA Disaster Relief Fund for supplies and protective gear. The plan would also provide 100 percent federal reimbursement for critical emergency response resources to state, local and tribal governments, which includes the deployment of the National Guard.

Finally, the proposal would provide \$10 billion for the expansion of domestic manufacturing of pandemic supplies.

NEW SUPPORT FOR VULNERABLE AND UNDERSERVED POPULATIONS

The proposal would provide additional funding (undisclosed amount) for states to deploy strike teams to long-term care facilities experiencing COVID-19 outbreaks and to conduct infection control and oversight.

Additionally, the rescue package would provide new funding (undisclosed amount) for health services in underserved populations to combat disparities in COVID-19 infection rates by expanding Community Health Centers and

investing in health services in tribal territories. The funds would also be used to expand COVID-19 treatment, care and vaccinations for these populations.

EXPAND PAID LEAVE & REIMBURSEMENTS TO PUBLIC SECTOR EMPLOYERS

The plan would renew the [Families First Coronavirus Response Act \(FFCRA\) emergency paid leave program](#) through September 30, 2021, and provide over 14 weeks of paid sick and family medical leave to help:

- Workers that provide caregiving for a loved one due to school or child care center closures;
- Employees with COVID-19 or caring for someone with COVID-19 symptoms,
- Workers self-quarantining due to exposure and for employees to take time off to be vaccinated.

Additionally, the proposal seeks to eliminate emergency paid leave exemptions for employers with more than 500 employees and with less than 50 employees and ensure healthcare workers and first responders are entitled to these benefits.

The plan would make public sector employers, including counties, eligible to receive the payroll tax credit. Under the FFCRA, counties were not eligible to receive this credit impacting our already strained budgets. Since the passage of the FFCRA, NACo has advocated for local governments to be eligible for these paid leave tax credits.

Finally, the proposal would extend the refundable tax credits to reimburse employers with less than 500 employees for 100 percent of the cost of this leave and reimburse state and local governments, including counties.

PROVIDE ADDITIONAL RENTAL, UTILITY & HOMELESS PREVENTION ASSISTANCE

The plan seeks to extend the eviction and foreclosure moratoriums and continue applications for forbearance on federally guaranteed mortgages until September 30, 2021 to prevent evictions and loss of homes during the pandemic. The [current CDC eviction moratorium](#) is set to expire at the end of January 2021. The proposal would provide funding for legal assistance for households facing eviction or foreclosure. Since the outset of the pandemic, [counties across the nation are working around the clock](#) to mitigate the impact of housing evictions on our residents and communities.

The plan would provide \$30 billion in rental and energy and water assistance for families, in addition to the [\\$25 billion already allocated by Congress for emergency rental assistance](#) to meet the need for families. This includes an additional \$25 billion for the emergency rental assistance program and \$5 billion to cover home energy and water costs and arrears through programs like the Low-Income Home Energy Assistance Program (LIHEAP), for struggling renters. This program includes a competitive set-aside of funding for states to invest in clean energy and energy efficiency projects that reduce electricity bills for families in disadvantaged communities.

Finally, the proposal seeks to provide \$5 billion in emergency assistance to help secure housing for people experiencing or at risk of homelessness. This funding will allow states and localities to help approximately 200,000 individuals and families obtain stable housing, provide flexibility for both congregate and non-congregate housing options, help jurisdictions purchase and convert hotels and motels into permanent housing.

PROVIDE NEW ASSISTANCE FOR INDIVIDUALS, CHILDREN & FAMILIES

Direct Financial Assistance: The proposal includes several policy levers for directing financial assistance to struggling families and individuals, including:

- **A third round of Economic Impact Payments** worth \$1,400 per-person, following the same income eligibility guidelines established under the CARES Act and the year-end relief package.
- **Temporarily expand the Child Tax Credit (CTC)** to \$3,000 per child (\$3,600 for children under age 6) for one year while also making it fully refundable to expand access to 27 million children living in households that currently lack enough income to qualify. During this period, children aged 17 would also qualify for the credit.
- **Temporarily expand the Earned Income Tax Credit (EITC)** for childless workers by increasing the size of the maximum credit, raising the income limit for the credit and expanding the eligible age range 25-64 to 19-65 (excluding full-time students aged 19-24).
- **Support cash assistance through the [Temporary Assistance for Needy Families \(TANF\) program](#)** by providing an additional \$1 billion in emergency funding for states to meet the needs of increased caseloads. **Counties in eight states administer TANF, supporting 51 percent of our nation's TANF recipients.**

Child Care Stabilization: Seeks \$25 billion for an Emergency Stabilization Fund to help child care providers safely stay open or reopen after the pandemic, as well as an additional [\\$15 billion in emergency funds for the Child Care and Development Block Grant \(CCDBG\)](#) to build on the \$10 billion provided in the December 2020 relief package. The framework proposes a one-year increase in the size of the Child and Dependent Care Tax Credit (CDCTC) as well as makes the credit refundable so that lower-income families can access the reimbursement.

Safe School Reopening: The plan proposes \$170 billion for education stabilization, \$130 billion of which would target K-12 schools for the expenses associated with reopening safely, facilitating remote learning, and meeting students' academic, mental health and other needs due to COVID-19 (states may also use these funds to avoid cuts to Pre-K). \$35 billion would target public institutions, community colleges and minority serving institutions through the Higher Education Emergency Relief Fund established under the CARES Act, while the remaining \$5 billion would support a new "Hardest-Hit"

fund for governors to distribute to students (including early childhood) most significantly impacted by the pandemic.

Increases Nutrition Assistance: [Along with \\$3 billion in emergency funds for the Special Supplemental Nutrition Program for Women, Infants and Children \(WIC\)](#), the proposal would extend the recently enacted Supplemental Nutrition Assistance Program (SNAP) benefit increase of 15 percent from its June expiration to September, to curb the expected spike in childhood hunger during the summer. **The proposal also seeks to temporarily waive the [state match for SNAP](#) and other programs to ensure that resource-strapped states and counties can still meet growing program demand.** Although both WIC and SNAP are primarily a partnership between the federal government and the states, SNAP is county-administered in ten states and WIC operates through 1,900 local agencies, including county health departments, at thousands of clinic sites.

Expands unemployment benefits: The proposal would provide a \$400 per-week unemployment insurance benefit, a \$100 increase from current law, to supplement laid off workers to cover household expenses. The benefit would be available through September 2021.

The plan also would extend unemployment insurance benefits to workers who have exhausted their regular unemployment compensation benefits and extend financial assistance for self-employed workers, including ride-share drivers, who do not typically qualify for unemployment compensation benefits.

INCREASE MINIMUM WAGE & ENHANCES SUPPORT FOR SMALL BUSINESSES

President-elect Biden's proposal would raise the federal minimum wage to \$15 per hour, an increase from the current \$7.25 per hour, and end the tipped minimum wage and sub-minimum wage for people with disabilities.

Along with raising the minimum wage, the plan would require employers to provide frontline essential workers, including county employers, with back hazard pay for risks taken during the coronavirus pandemic.

In addition to expanding wages for individuals, President-elect Biden's proposal would provide \$15 billion in flexible equitably distributed grants to small businesses most impacted by the COVID-19 pandemic. The plan would invest \$25 billion in successful state, local, tribal, and non-profit small business financing programs to generate as much as \$175 billion in low-interest loans and venture capital to help grow entrepreneurs across various job sectors.

The plan also proposes to allocate \$3 billion to the U.S. Department of Commerce, Economic Development Administration (EDA) to provide resources directly to state and local government entities, tribal institutions, institutions of higher education, and non-profits to fund initiatives that support economic development and job-creation.

**PROVIDE
FUNDING FOR
PUBLIC TRANSIT**

The proposal would direct \$20 billion to support public transit in the hardest hit agencies to prevent additional employee layoffs and the suspension of critical service routes. The funds would also seek to increase the resiliency of these transit systems, as well as increase social equity and access by communities of color.

**OTHER
NOTEWORTHY
PROVISIONS**

Invests \$30 billion into FEMA’s Disaster Relief Fund and would reinstate schools’ ability to reimburse certain COVID-19 related expenses, including those necessary to implement regular testing protocols.

Provides additional resources for jails to support COVID-19 safety, including funding for mitigation strategies, supplies, safe re-entry for those returning to local communities, and the vaccination of both incarcerated individuals and staff.

Provides \$4 billion to enable the Substance Abuse and Mental Health Services Administration and the Health Resources and Services Administration to expand access to behavioral health services.

\$9 billion to support new IT and cybersecurity efforts within the Cyber Security and Information Security Agency and the General Services Administration.

NACo GOVERNMENT AFFAIRS DIRECTORY



[Mark Ritacco](#)

Director

Government Affairs

(202) 942-4240

[Blaire Bryant](#)

Associate Legislative Director

Health

(202) 942-4246

[Daria Daniel](#)

Associate Legislative Director

Community, Economic & Workforce Development

Liaison to the Large Urban County Caucus

(202) 942-4212

[Eryn Hurley](#)

Associate Legislative Director

Finance, Pensions & Intergovernmental Affairs

Liaison to the Immigration Reform Task Force

(202) 942-4204

[Jessica Jennings](#)

Associate Legislative Director

Transportation

(202) 942-4264

[Rachel Mackey](#)

Associate Legislative Director

Human Services & Education

Liaison to the Veterans Affairs Standing Committee

(202) 661-8843

[Brett Mattson](#)

Associate Legislative Director

Justice & Public Safety

(202) 942-4234

[Adam Pugh](#)

Associate Legislative Director

Environment, Energy & Land Use

(202) 942-4269

[Arthur Scott](#)

Associate Legislative Director

Agriculture and Rural Affairs

Telecommunications and Technology

Political Outreach Manager

Liaison to the Rural Action Caucus

(202) 942-4230

[Jonathan Shuffield](#)

Associate Legislative Director

Public Lands

Liaison to the Western Interstate Region

(512) 965-7268

[Zachary George](#)

Legislative Assistant

(202) 661-8819

[Nicolette Gerald](#)

Legislative Assistant

(202) 942-4260

[Aaliyah Nedd](#)

Legislative Assistant

(202) 661-8833

[Sarah Gimont](#)

Legislative Assistant

(202) 942-4256