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Items to Watch in the 2021 Stimulus Proposal

The **American Rescue Plan** proposed by President Biden and currently being considered in the U.S. House would provide \$1.9 trillion in economic relief. While the proposed \$1,400 stimulus checks and the national vaccination plan are getting most of the headlines, the plan has quite a few other items to help small businesses and support intermediaries in struggling communities. Nine House Committees are completing their mark-up of bills associated with the American Rescue Plan proposal. Most relevant to business and workforce agencies are provisions that:

- Provide \$50 billion in small business loans and grants (through the Small Business Committee bill). Of that amount, \$35 billion is allocated to leverage about \$175 billion in public and private small business loans and investment through low-interest loans and venture capital. This total includes:
 - **\$15 billion** in Economic Injury Disaster Loan (EIDL) grants to help more than 1 million small businesses to help them get back on their feet. These funds would be targeted to businesses with 10 or fewer employees that experienced extreme revenue losses in low-income areas.
 - **\$25 billion in grants** to independent restaurants and other food and drinking establishments. \$5 billion of the funding would set aside for very small establishments, those with less than \$500,000 in 2019 revenues.
 - **\$7.25 billion** to supplement the Payroll Protection Program. The bill would also expand PPP eligibility to digital news agencies and 501(c) non-profits, allow non-profits with multiple locations (such as Goodwill or United Way) to apply for assistance. Nonprofits organized under 501(c)4 would continue to be excluded from PPP eligibility.
 - **\$1.25 billion** for the Shuttered Venue Grant Program designed to help small entertainment businesses and cultural institutions.
 - **\$1.5 billion** to SBA for administrative support, including expenses tied to managing PPP, Shuttered Venues, and independent restaurant programs as well as support for a \$175 million Community Navigator pilot program that provides funding to SBA resource partners (e.g., SBDCs, WBCs, and SCORE Chapters) as well as states and localities that are helping business owners learn about COVID-19 relief programs.

- Provide \$10 billion through the Financial Services Committee to renew the State Small Business Credit Initiative program.
 - Operated at the U.S. Treasury in collaboration with the states and territories from 2011-2017, the 2010 SSBCI program used \$1.5 billion to leverage more than \$10 billion in private investment through 2017.
 - **\$10 billion** allocated to the 2021 iteration of the SSBCI program (nicknamed SSBCI 2.0). The main part of the program would allocate \$6.5 billion to state agencies in a similar fashion to the 2010 program. An additional \$500 million would be allocated to Tribal governments to implement their own program, and states would receive another \$1.5 billion to invest in socially & economically disadvantaged businesses based on state-submitted plans that engage Community Development Financial Institutions and minority depository institutions. Another \$1.0 billion would be made available as incentives to states that perform well in achieving their investment goals. The final \$500 million is allocated for technical assistance to ensure program success, including an authorization for Treasury to transfer some portion of the funding to the Minority Business Development Agency for this purpose.
- Provide \$3 billion for a bottom-up approach to addressing economic recovery through the Transportation and Infrastructure Committee bill.
 - **Allocate \$3 billion** to the Economic Development Administration (EDA) available until September 30, 2022 for grants to fund community-based economic development efforts responding to and recovering from COVID-19. At least \$450 million of the funds would be tied to job losses resulting from impacts on the travel, tourism, or outdoor recreation sectors.

Other items of interest include:

- Provide \$350 billion in emergency funding for state, local, and territorial governments to pay front line public workers, distribute the vaccine, scale testing, reopen schools, and maintain other vital services. This language appears to be broader than the original CARES Act funding for states and localities.
- Provide \$30 billion into the Disaster Relief Fund to address persistent shortages in personal protective equipment and other critical supplies such as glass vials and test reagents, and an additional \$10 billion investment in expanding domestic manufacturing for pandemic supplies.
- Provide \$75 million for Occupational Safety and Health Administration enforcement and grant funding in support of a COVID-19 Protection Standard, including \$10 million to the Susan Harwood training grant program to help keep vulnerable workers healthy and safe from COVID-19.
- Reimburse employers with less than 500 employees for the cost of emergency paid leave through a refundable tax credit. This would extend the emergency paid leave program through the Families First Coronavirus Response Act from March to September 2021, close loopholes for the largest and smallest employers, and expand paid sick and family leave to help parents with caregiving responsibilities if their schools or care center are closed.

- Extend assistance for workers who have exhausted their regular unemployment compensation benefits and for unemployed workers who do not typically qualify for unemployment compensation benefits.
- Provide an additional \$30 billion in rental and critical energy and water assistance to help renters and small landlords make ends meet.
- Provide a \$25 billion emergency stabilization fund for child care providers to expand access to high-quality, affordable child care.
- Allocate \$15 billion through the Child Care and Development Block Grant program for those who experienced a job interruption and cannot afford child care.
- Provide \$4 billion to the Substance Abuse and Mental Health Services Administration and the Health Resources and Services Administration to expand access to behavioral health services.

The Timeline for Debate and Passage

Most bill markups occurred in the House before President's Day. The House Leadership is planning to vote on the full package by mid-March. The House Budget Committee plans to finalize the package of bills for vote on a final bill during the week of February 22nd, with a hope of forwarding to the Senate before the end of February. The Senate is expected to act soon thereafter under rules associated with budget reconciliation. Those rules allow the measure to pass with a simple majority in the Senate. The Democratic Congressional leadership hope that the Senate can debate and pass the legislation for signature by March 14.

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