

## EducationCounsel's Overview of President Joe Biden's American Jobs Plan

On March 31, President Joe Biden unveiled his American Jobs Plan, which is the second part of his two-step economic plan for rescue – as enacted in the American Rescue Plan Act<sup>1</sup> which provided \$1.9 trillion in additional coronavirus relief – and now recovery. According to a fact sheet released by the Biden Administration, the proposal would “invest about \$2 trillion this decade” in traditional infrastructure, such as school and child care facilities, high-speed broadband, roads, clean energy, research and development, etc. Additionally, the president is releasing a Made in America Tax Plan, which is focused on corporate tax changes and if passed alongside the American Jobs Plan “will be fully paid for within the next 15 years.” The fact sheet released by the Biden Administration outlining the American Jobs Plan is [here](#).

Of note, President Biden is also expected to release an American Families Plan in the coming weeks. This next plan is expected to focus on “human infrastructure” investments, including possibly tuition-free community college, universal pre-kindergarten, an expansion of the child tax credit, etc.<sup>2</sup>

### **Key to Know:**

- House Speaker Nancy Pelosi (D-CA) is **aiming to have the House pass the American Jobs Plan by July 4**, which would be a short timeline given that the House is only expected to be in session for seven weeks before this deadline. This timeline would leave the Senate little time to take up a package before the August recess, especially if House passage were to slip until later in July. The timeline is further complicated in that Congress will also need to pass a debt limit increase likely in early fall (the suspension of the debt limit expires on July 31; however, the Treasury Secretary could take certain measures to temporarily allow borrowing past this date) and likely extend annual federal funding before the end of the fiscal year on September 30.
- While President Biden has attempted to engage in early, bipartisan discussions with the hope of building support for his infrastructure plan, **Republicans are likely to remain united in opposing the American Jobs Plan** when considered alongside a proposal to increase corporate taxes. To be able to pass an infrastructure package through regular order would require the support of at least 10 Republicans in the Senate, this means that **Democrats will likely turn to use of the budget reconciliation process** to pass a plan. As we saw with the American Rescue Plan Act, the budget reconciliation process is a tool that can be used to allow legislation to pass the Senate with a simple majority (rather than the usual 60 votes needed to overcome any effort to block legislation in the Senate known as a filibuster).
- Senate Majority Leader Chuck Schumer (D-NY) is appealing to the Senate parliamentarian to be able to *revise* the fiscal year (FY) 2021 budget resolution to allow consideration of the infrastructure plan through the budget reconciliation process. This would **allow for a third reconciliation process this year** paving the way to also consider a “human infrastructure” proposal under reconciliation instructions to be included in the upcoming FY2022 budget resolution. With a closely divided Congress in the House and Senate, passage of an infrastructure package using the reconciliation process will require the support of **moderate Democratic members** – who may be concerned with the impact on businesses of increased taxes – and **progressive Democratic members** – who may not see the package as large enough – giving them an **outsized role in what is ultimately included in a congressionally drafted plan**.

<sup>1</sup> For an overview of the American Rescue Plan Act – including a comparison to funding in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act – EducationCounsel's summary is [here](#).

<sup>2</sup> <https://www.washingtonpost.com/us-policy/2021/03/22/infrastructure-biden-drug-reform/>

**Summary of Early Childhood, Schools, and Higher Education Provisions of the American Jobs Plan<sup>3</sup>:**

- **\$100 billion to modernize public schools through new construction and upgrades**, which the president believes would help close the opportunity gap for low-income students. The plan would provide \$50 billion in direct grants and \$50 billion through bonds. The funding would support:
  - Improving indoor air quality and ventilation;
  - Investing in cutting-edge, energy-efficient, and innovative school buildings with technology and labs; and,
  - Improving school kitchens to better prepare student meals and “go green” by reducing or eliminating paper plates and other disposable materials.
- **\$25 billion to upgrade child care facilities and increase the supply of child care in high need areas**, which the plan asserts would support labor force participation – especially for women. The funding would:
  - Create a new **Child Care Growth and Innovation Fund** for states to build a supply of infant and toddler care in high-need areas.

The package would also **expand tax credits to encourage businesses to build child care facilities at places of work**. The expanded tax credit would provide employers 50 percent of the first \$1 million in construction costs per facilities, with the intention of providing employees access to on-site child care.

- **\$45 billion for Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs)** to support the nation’s research infrastructure. The funding would include:
  - **\$20 billion to upgrade HBCUs’ and MSIs’ research infrastructure in campus research laboratories**. These funds would also create a new national lab focused on climate that would be affiliated with an HBCU;
  - **\$10 billion for research and development programs at HBCUs and MSIs**; and,
  - **\$15 billion to create 200 centers of excellence that will serve as research incubators** at HBCUs and MSIs to provide graduate fellowships and other opportunities for underserved populations, including through pre-college programs.
- **\$12 billion to invest in community college infrastructure**, which the plan asserts would help grow local economies and narrow funding inequities. The funding would support states in:
  - Addressing existing physical and technological needs at community colleges; and,
  - Identifying strategies to improve access to community college in “education deserts.”
- **\$100 billion to support “proven” workforce development programs targeted toward underserved groups**, including providing students pathways to careers before they graduate from high school. The funding would support:
  - **\$40 billion for a new Dislocated Workers Program and sector-based training**, which would provide comprehensive services for workers to gain new skills and to get career services for in-demand jobs;

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<sup>3</sup> Information is taken from a White House fact sheet on the American Jobs Plan, available [here](#).

- **\$12 billion of targeted funding to workers facing some of the greatest challenges**, including formerly incarcerated individuals and justice-involved youth. The funding would also provide \$5 billion for evidence-based community violence prevention programs; and,
- **\$48 billion in American workforce development infrastructure and worker protection**, which would include **registered apprenticeships and pre-apprenticeships**. The president's plan estimates that the funding could create 1-2 million new registered apprenticeship slots. Additionally, the plan notes that the funding would create career pathways in middle and high schools and prioritize **increased access to computer science and high-quality career and technical education (CTE) programs** that connect underrepresented students to science, technology, education, and math (STEM) and in-demand sectors through partnerships with both institutions of higher education and employers. Further, the plan would support **community college partnerships** that build capacity to deliver job training programs based on in-demand skills, and would support improved services focused on workers' job seeking and career development needs through investments within Expanded Career Services and the Title II adult literacy program.

#### Other Provisions of the Plan of Interest:

- **\$213 billion to produce, preserve, and retrofit more than 2 million affordable and sustainable places to live.** The plan includes proposals to support producing, preserving, and retrofitting housing units aimed at expanding affordable rental housing opportunities; building and rehabilitating more than 500,000 homes for low- and middle-income homebuyers; and eliminating exclusionary zoning policies. The plan will also invest \$40 billion to improve the public housing system in America.
- **\$174 billion to create jobs within the electric vehicle industry**, which will include a new "Clean Buses for Kids Program" within the Environmental Protection Agency (EPA) and will replace 50,000 diesel transit vehicles and electrify at least 20 percent of the school bus fleet.
- **\$111 billion to ensure clean, safe drinking water in all communities.** The president's plan notes that replacement of lead pipes will support access to clean drinking water for children and reduce negative impacts of lead exposure on child development. Of this amount, \$45 billion would be used to invest in EPA's Drinking Water State Revolving Fund and in Water Infrastructure Improvements for the Nation Act (WIIN) grants, which will reduce lead exposure in homes, and **reduce lead exposure in 400,000 schools and child care facilities.**
- **\$100 billion to provide affordable, reliable, high-speed broadband to every American.** The president's plan would provide funding to support the construction of high-speed broadband infrastructure to reach "100 percent coverage" and would also help reduce the cost of broadband internet service.

#### Summary of the Made in America Tax Plan:

To pay for the American Jobs Plan, the president proposes a set of corporate tax changes. The plan estimates that the combined changes would raise over \$2 trillion over 15 years. One significant change under the Made in America Tax Plan includes setting the corporate tax rate at 28 percent, which is currently, 21 percent.

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