



## Talking Points

### Democrats Deliver the American Rescue Plan to Virginia

#### Historically progressive, bold legislation

The American Rescue Plan Act (ARP) is historically progressive, bold legislation designed for sustained economic recovery, recognizing that recovery will not be possible without advancing racial equity. Even though *not one* Republican in the U.S. House or Senate voted for this \$1.9 trillion stimulus package, including the four Republican U.S. Representatives from Virginia, it was successfully passed by Congress and signed into law by President Joseph R. Biden on March 11, 2021.

The ARP has three major components:

- **Contain COVID-19 and safely reopen schools.**
- **Deliver immediate cash (\$1,400 stimulus checks) and other relief to working families that have borne the brunt of this public health and economic crisis** (nutrition and housing assistance, childcare and affordable healthcare subsidies, unemployment insurance, and tax credits).
- **Support struggling communities hardest hit by COVID-19**, in the form of grants and lending to small businesses, transit agencies, and state, local, territorial, and tribal governments.

#### Support for those hardest hit by COVID-19

- An average family in the bottom 20% will see their income increase by 20%.
- Child poverty will drop by half.
- American's indigenous communities will receive \$32.1 billion in aid, the most significant investment in America's indigenous people.
- Black farmers will receive \$5 billion in aid following a century of discrimination and dispossession, allowing many to survive overwhelming debt and keep their land.
- Broadband connectivity and digital equity will be addressed through several different funds.

#### Down Payment on Racial Equity

The ARP addresses the needs of those hit hardest by the COVID-19 public health and economic crises. Virginians from Black, Latinx and rural communities were disproportionately affected by COVID-19. These communities did not have the same level of safeguards in place that white, wealthier communities had to protect themselves during these crises. As a result, they have suffered significantly greater losses than other Virginians. The ARP addresses some of these inequities.

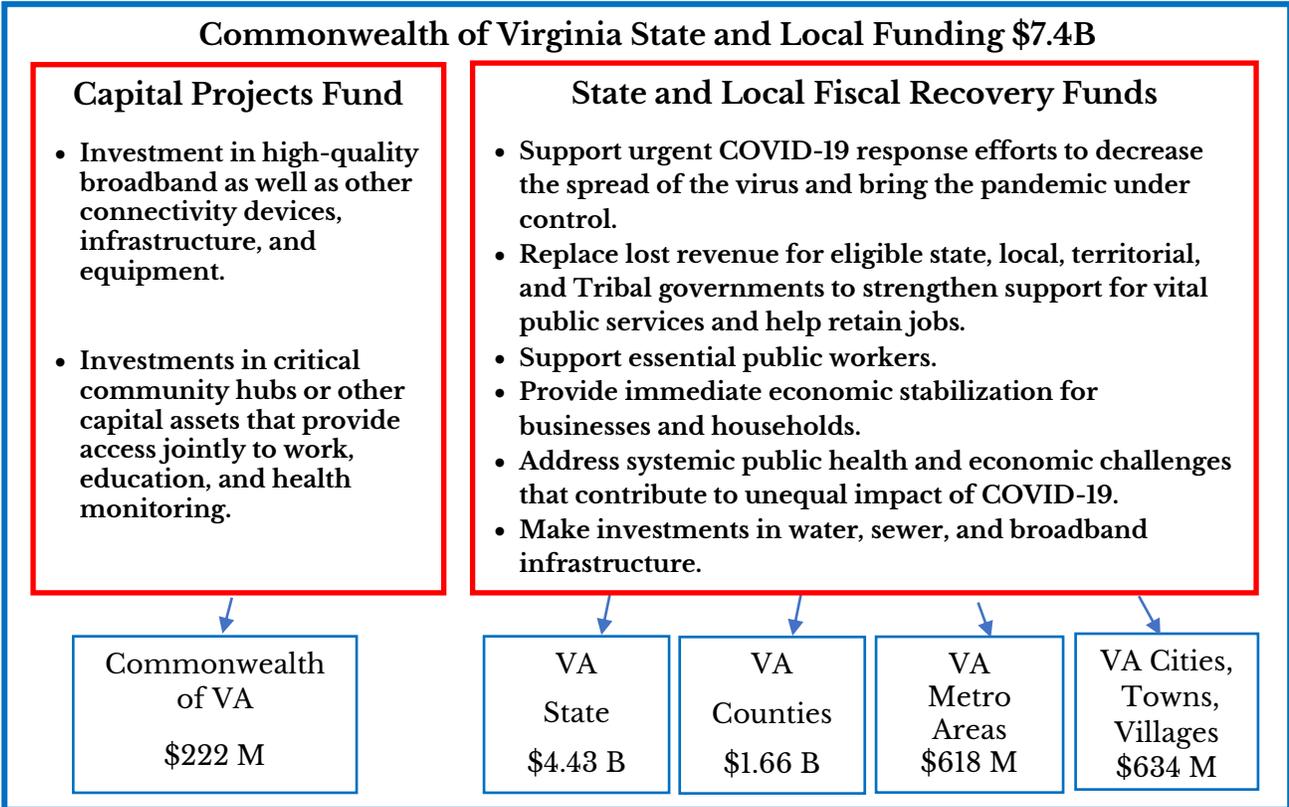
**Health crisis.** Black, Latinx, and rural families often live in medical deserts, resulting in significantly fewer healthcare resources. The lack of access to healthcare has contributed to greater rates of COVID-19 cases, hospitalizations, and deaths.

**Economic crisis.** The economic crisis crushed low-wage jobs often held by Black, Latinx, and rural workers. They have a higher likelihood of lost wages and are disproportionately unemployed as a direct result of COVID-19. They have suffered decades of racist and discriminatory policies and culture, and thus do not have the safeguards of savings or wealth acquired over generations as a result of land or business ownership.



## Funds for State, Local, and Tribal Governments

State, local, territorial, and Tribal governments have been under unprecedented strain during the public health and economic crises created by the COVID-19 pandemic. While the need for services has significantly increased—including setting up emergency medical facilities, establishing vaccination sites, and supporting struggling small businesses—state and local tax revenue has dropped significantly. The graphic shows the funding Virginia will receive.



### Conclusion

Although the ARP is well funded, the legislation places tremendous responsibilities on the Commonwealth of Virginia’s government and its local governments. The public trust placed in the government requires its complete compliance with the ARP fiduciary requirements. These funds give state and local governments the tools and means to serve as effective stewards for a healthier, economically stable, and more racially just future for Virginia. *To ensure these ARP funds are spent in an effective, equitable, and racially just manner, as intended in the legislation, it is critically important that Democrats continue to control Virginia’s legislature and the executive branch.*

It is critical to the success of the ARP that Virginia’s General Assembly and executive branch work together in unison.

Gov. Northam has called the General Assembly to reconvene in special session on August 2, 2021, at which they time will begin allocating critical ARP funds totaling over \$4 billion.

#### Two approaches to recovery and rebuilding

Republicans want to give communities a cheap, flimsy bandage to address the public health and economic emergencies, which over time will get dirty and wet, and eventually fall off. Democrats want to properly clean, suture, and dress the wounds and put into place safeguards to prevent future injury.

The following pages provide summarized details on different aspects of the American Recovery Plan. For further information and sources, refer to the full report, [Democrats Deliver the American Rescue Plan to Virginia](#).



## Economic Stability

### Economic stability

Virginia's unemployment soared from 2.6% in March 2020 to 11.3% in April 2020. Currently it continues to be elevated in many urban and rural areas. The ARP has provided:

- Stimulus checks to individuals
- Extension of federal unemployment benefits which are 100% paid for by the federal government and cost nothing to Virginia and include:
  - Pandemic Unemployment Compensation (PUC), which are supplemental \$300 weekly benefits;
  - Pandemic Emergency Unemployment Compensation (PEUC) for workers who exhaust their regular state benefits;
  - Pandemic Unemployment Assistance (PUA) for self-employed, gig workers, free-lancers, nontraditional employment.

### Food Security

The number of Virginians suffering from food insecurity has increased significantly during the COVID-19 pandemic. SNAP recipients increased by 10.5% from March 2020 to April 2021. The ARP will provide:

- 15% increase in SNAP benefits.
- Adult and Child Meals program for homeless youth.
- Increased WIC vouchers for fruits and vegetables. Expires Sept. 2021.
- Support states as they respond to increased demand for SNAP benefits over a 3-year period and does not require matching from states.

### Housing

The Virginia Rent Relief Program provides rental assistance to tenants and owners.

- The Homeowners Assistance Fund is helping homeowners struggling to afford their mortgage payments, utility bills including internet, and other housing costs.
- The Homeless Assistance and Supportive Services Program is serving homeless and those at risk for homelessness.
- The Indian Housing Block Grant Fund will help meet the housing needs of Native Americans.
- Rental assistance funds will help low-income and elderly borrowers living in USDA multi-family housing units.
- USDA Single-Family Housing Loan Program and the Single-Family Housing Repair Loans & Grants.

### Do unemployment benefits create worker shortages?

No. That is a myth propagated by Republicans. Employers complaining about worker shortages rely on unempowered, nonunionized mostly Black, Latinx or rural low-wage workers. It is the excuse 25 Republican governors have used to cancel federal unemployment benefits. Federal unemployment is paid by the ARP and costs states nothing. Cancelling federal unemployment benefits is economically short-sighted. Doing so hurts Black, Latinx, and rural workers who are disproportionately unemployed.

**What is contributing to workers delaying a return to the workplace? Lack of childcare. See below.**



## Infrastructure and Small Business

### Broadband and Digital Equity

#### What is Digital Equity?

Digital Equity is a condition in which all individuals and communities have the information technology capacity needed for full participation in our society. Digital Equity is necessary for civic and cultural participation, employment, lifelong learning, and access to essential services.

#### Why are broadband and digital equity addressed throughout the ARP?

The COVID-19 pandemic made it impossible to ignore the digital divide. Access to affordable broadband at download speeds above 25 Mbps and the necessary equipment is required to fully participate in fundamental activities including education, work, telehealth, and social interaction.

Having broadband access in your home at the start of the COVID-19 pandemic was a significant factor in positive health and economic outcomes.

### Transportation

- **Transit** – Funds to help transit agencies avoid lay-offs, support operating costs, including payroll and PPE expenses. The funds are also intended to support rural transit agencies, transit service for the elderly and individuals with disabilities, and transit on tribal lands.
- **Aviation** – Funds to support operations, personnel, and sanitation, including rent relief and other costs of airport concessionaires primarily directed toward small businesses and minority-owned firms. The funds also provide for the establishment of an Aviation Manufacturing Payroll Support Program to protect aviation manufacturing jobs.
- **Amtrak** – Funds for the restoration of daily long-distance routes, recall of furloughed employees and for helping states recover lost revenue from state-supported routes.

For a list of Virginia transportation funding amounts for specific transit agencies, cities, and airports, see Appendix C, Transportation & Public Transit in the full Local Majority report, “*Democrats Deliver the American Rescue Plan to Virginia.*”

### Helping Small Businesses Recover

The ARP provides support for small business owners and their employees. The following amounts are for the entire U.S. The funds are administered by the Small Business Administration:

- \$7.25 billion for forgivable second draw Paycheck Protection Program (PPP) loans to keep workers on the payroll.
- \$15 billion for the Targeted Economic Injury Disaster Loan (EIDL) Advance Program.
- \$28.6 billion for a new Restaurant Revitalization Fund to provide grants to help small local restaurants, bars, and craft breweries stay in business and keep their workers employed.
- \$1.25 billion for the Shuttered Venue Operators Grant (SVOG) Program to support live entertainment venues.
- \$10 billion in new funding for the State Small Business Credit Initiative to help small businesses grow and create jobs.

## Children and Childcare

### Lifting Children Out of Poverty

The greatest impact of the ARP is that 4.1 million children across the country will be lifted out of poverty due to changes in the **Child Tax Credit**. Because it formerly did not kick in until a family earned \$2,500, twenty-seven million children across the US, including half of all Black and Latinx families and 45% of all rural families, did not qualify for the child tax credit or qualified only for a partial child tax credit because their parents' wages were too low. Four critical changes to the Child Tax Credit will lift children out of poverty:

- Families with extremely low incomes will qualify; previously a family had to earn \$2,500.
- Amounts have increased to \$3,000/child ages 6-17 and \$3,600/child younger than 6. The prior amount was \$2,000.
- Now includes 17-year-olds.
- If a tax filer owes no taxes, the entire **Child Tax Credit** is refundable (meaning families will receive the full credit)!

**The Child Tax Credit is TEMPORARY! It is for one year only. Republicans in Congress would not agree to making the changes permanent. Next year the majority of children that crossed out of poverty this year will again be living below the poverty line. Democrats are working hard to make these changes permanent!**

### Childcare

#### Why is there a childcare shortage in Virginia?

Childcare is classified as an essential service, but many children were withdrawn when their parents either lost their jobs or began working remotely.

Increased costs due to PPE, sanitizer, and 50% capacity restrictions have compounded financial pressures on Virginia's childcare sector, resulting in many shuttered childcare centers and home-based care businesses.

Because of these increased costs, rates of childcare have increased dramatically: 79% for center-based care and 64% for home-based care.

#### How does the ARP help parents pay for childcare?

It is providing \$306 million in Virginia Child Care Development Block Grant (CCDBG) programs which provide subsidies for low-income families to access childcare.

#### How does the ARP support childcare businesses?

\$490 million in Virginia Child Care Stabilization Grants can be spent on wages, benefits, rent, cleaning and sanitation supplies, services, and other goods and services to maintain or resume childcare services.

#### What is the fallout from the childcare shortage and such cost prohibitive rates?

Economists expect that the gender wage gap will increase by 5% when women return to the workforce. Approximately 2 million women across the U.S. have left the workplace during the COVID-19 pandemic, disproportionately due to caregiving needs. Although fathers have returned to the workforce, women have not returned to the workplace as quickly. The shortages and cost of childcare is one factor. The longer women are absent from the workforce, the more likely they will earn lower wages compared with men upon re-entry



## Education

### Education

#### **K-12**

\$2.11 billion to Virginia's Department of Education for the Elementary and Secondary School Emergency Relief (ESSER) for a variety of needs, including supporting school districts in reopening safely for in-person instruction. A portion of the funds are targeted towards addressing learning loss, providing resources through the Individuals with Disabilities Education Act (IDEA), and implementing summer enrichment and afterschool programs. The ESSER funds include funding for Wi-Fi hotspots and devices for students who lack access to remote learning.

#### **Post-Secondary Institutions**

The ARP's Higher Education Emergency Relief Fund (HEERF III) is making critical investments in colleges and universities that serve the students most impacted by COVID-19 by providing \$846 million across the country. Funding is for Historically Black Colleges and Universities, Tribally Controlled Colleges and Universities, Hispanic-Serving Institutions, and Asian American and Native American Pacific-Islander serving institutions. Using a new formula, colleges and universities must distribute half of their allocation to students in the form of financial aid awards to address hardships caused by COVID-19. The remaining portion of the funds can be used on reopening costs, revenue losses, classroom retrofits, personal protective equipment (PPE), and other expenses.

#### **Head Start and Early Start Programs**

Head Start and Early Start programs in Virginia will be receiving \$16.557 million. Grantees are encouraged by the Office of Head Start to use the funds for extending the program year or summer programs. Currently, Head Start is serving one third fewer children than prior to the start of the COVID-19 pandemic. Grantees are also encouraged to prioritize serving children who are rising kindergartners, children with disabilities, children with housing or food insecurity, and children who did not receive any in-person services this year.



## Veterans and Farmers

### Assisting Veterans

The ARP has recognized the critical impact that COVID-19 has had on our population of veterans and their families. Funding is for both the personal and economic recovery of a vital segment of our community:

- Resources for health care debt forgiveness.
- Funds for housing improvements for veterans.
- Help for veterans to resolve claims and Veterans Affairs appeals and to receive compensation and services faster.
- Support for veterans experiencing unemployment.
- Stimulus payments, increased child tax credits, and expanded childcare tax credits for veterans with children.
- Grants for small businesses owned and controlled by veterans.
- Assistance in the form of a robust job-training program to help thousands of veterans who lost their jobs due to COVID-19.

### Black Farmers

Virginia's Black farmers have suffered from systemic discrimination and a cycle of debt as a direct result of racist policies at the USDA. The ARP is taking the unprecedented step in righting the wrongs of a century of racist USDA policies towards Black farmers:

- \$4 billion toward debt relief for socially disadvantaged farmers to pay off burdensome debts that have prevented many farmers of color from making a living.
- \$1.01 billion in funding to the USDA to create a racial equity commission and address longstanding discrimination across the USDA by investing in land access.



## Healthcare and Health Insurance

### Helping Virginians to Afford Health Insurance

Job losses between February and May 2020 resulted in the greatest increase of uninsured individuals in U.S. history. In May 2020, 14% of Virginia's non-elderly adult population were uninsured. The ARP is helping to make health insurance more affordable.

- Enhanced ACA Marketplace Exchange subsidies. Virginians currently eligible for the ACA marketplace subsidies will receive increased subsidies.
- Enables silver plans for enrollees with incomes 100-150% of the federal poverty level. Four out of five enrollees will be able to find a plan for \$10/month or less after premium tax credits, and over 50% will be able to find silver plans for \$10 or less. Silver plans offer lower cost sharing for enrollees.
- Extends subsidies for people purchasing health insurance on the ACA marketplace who have incomes over 400% of the poverty level.
- Provides federal COBRA subsidies up to 100% of healthcare plan premiums. Subsidies will be available from April through September 2021.

### Improving Access to Healthcare

**Why is accessing healthcare in Black, Latinx, and rural communities difficult?** Because these communities are often in medical deserts or medically underserved areas (MUA).

**What is a medical desert or MUA?** A geographic area with a lack of hospitals, hospitals with trauma centers, specialists, and primary-care physicians. They are often in rural areas but also are in Black and Latinx urban communities.

**What is the ARP doing to improve access to healthcare?** Virginia's federally qualified health centers (FQHC) are receiving nearly \$80 million from the ARP. These funds are for COVID-19 vaccine distribution, testing, treatment of vulnerable populations, and delivery of primary and preventive care services for those people at higher risk for COVID-19. The funds may also be used for workforce expansion to support these efforts through staff, equipment, and other infrastructure including modifying existing structures or adding mobile units.

\$500 million (across the U.S.) for the creation of an emergency rural healthcare grant program. The program will award grants to non-profit health care providers in rural areas with lower than median incomes. Grantees can use the funds for vaccine distribution, medical supplies, lost revenue, telehealth costs, and capital projects.

\$8.5 billion (across the U.S.) administered by the HHS for healthcare providers and suppliers including federally designated rural health clinics (RHC) to be used for COVID-19 related healthcare expenses and lost revenue.