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### 2021 AAA STAFFING LAW VIRTUAL CONFERENCE **APRIL 29–30**



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#### The "American Rescue Plan" – What Does it Mean for Staffing Firms?

















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### The American Rescue Plan Act of 2021 (ARPA)

- pandemic
- Builds on previous legislation enacted in 2020, including
  - Year-end appropriations and supplementals
  - Coronavirus Aid, Relief, and Economic Security Act
  - Families First Coronavirus Response Act



#### Provides \$1.9 trillion in mandatory funding, program changes, and tax policies aimed at mitigating the continuing effects of the





### Taxpayer Relief

- Up to \$1,400 direct payments (\$2,800 for joint filers) and \$1,400 for each qualifying dependent
- Earned Income Tax Credit increased to \$1,502
- Child Tax Credit increased to \$3,600 per child under age 6
- Increases value of Child and Dependent Care Tax Credit
- Extends tax credits for employer-provided paid sick and family leave established under the FFCRA through Sept. 30, 2021



## Employment

- \$300 per week) through Sept. 6, 2021
- Extends Pandemic Unemployment Assistance Program through Sept. 6, 2021 Extends Federal Pandemic Unemployment Compensation (benefit amount
- Extends through Sept. 6, 2021, the 75% subsidy for costs incurred by employers that provide unemployment benefits on a reimbursable basis rather than via tax contributions
- Extends the Employee Retention Tax Credit through Dec. 31, 2021, and expands eligibility for the credit to (1) new startups that were established after Feb. 15, 2020, and (2) companies if their revenue declined by 90% compared to the same calendar quarter of the previous year Additional extensions, exemptions, and policies...







#### Small Businesses

- \$7.25 billion for Paycheck Protection Program loans
- Allows certain larger nonprofits to receive PPP loans
- \$15 billion for Economic Injury Disaster Loan advance payments



### Health and Human Services

- \$47.8 billion for testing and tracing activities
  \$7.6 billion to expand state and local governments' public health
- \$7.6 billion to expand state a workforces
- \$7.6 billion for community health centers
- \$800 million for the health workforces
- \$450 million for initiatives at skilled nursing facilities
- \$39 billion for childcare initiatives
- Funding for Medicaid/Medicare policies
- Funding for health insurance policies
- Additional health and human services initiatives...







# Aid to State and Local Governments

#### **\$350** billion in aid to

- employers

- \$122 billion in aid to state and local education agencies
- Funding for investment in infrastructure, etc.



• Respond to the Covid-19 emergency, including through aid to households, small businesses, nonprofits, and target industries Provide hazard pay to essential employees or grants to their

 Provide government services affected by a revenue reduction Make investments in water, sewer, and broadband infrastructure



#### What's Next?

- moving forward the American Jobs Plan
- The centerpiece of the legislation will be investment in America's will likely be financed through tax increases on corporations



With Congress having passed, and President Biden having signed into law, the American Rescue Plan, policymakers have now turned their attention to

infrastructure—including proposals aimed at addressing climate change—and





#### The American Jobs Plan

- \$100 billion for schools and education
- \$200 billion for housing
- \$400 billion to address climate change and promote a "green economy"
- Direct aid to states and localities, such as
  - Expanding the New Markets Tax Credit to \$5 billion per year and making it permanent
  - Expanding access to \$100 billion in low-interest business loans in disadvantaged areas
  - Establishing a \$10 billion Cities Revitalization Fund focused on "creative" revitalization projects in distressed cities
- Significant investments in support of high-growth industries such as 5G and rural broadband, as well as advanced training for American workers
- Quadrupling funding for the Manufacturing Extension Partnership
- Establishing an advanceable 10% Made in America Tax Credit









# Other Domestic Policies Affecting the 'Caregiving and Education Workforce'

- targeting the "caregiving and education workforce"
- see efforts to reform America's labor laws (i.e., PRO Act)



We also expect that the Biden administration and Congress will seek to move a broad range of proposals focused more directly on American taxpayers,

In addition to issues like childcare and health care, it is possible that we could





# Looking Ahead

- What is the timing for this additional legislation?
- What is the probability that such legislation becomes law?
- Other considerations—both generally and for the staffing industry?





#### Questions?

