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SPEAKER OF THE HOUSE

## FACT SHEET

FROM SPEAKER OF THE HOUSE NANCY PELOSI  
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### **H.Con.Res. 11 , FY 2021 Budget Resolution Giving Congress An Additional Legislative Tool to Pass the Urgently-Needed Biden COVID Relief Package** *Passage of This Budget Will Ensure that Congress Is Not Taking Any Tools Off the Table As to How This Package Gets Done*

#### **Key Messaging Points:**

- On Wednesday, the House will consider H.Con.Res. 11, FY 2021 Budget Resolution Giving Congress An Additional Legislative Tool to Pass the Urgently-Needed Biden COVID Relief Package. This budget resolution gives Congress an additional tool to pass the COVID Relief legislation that enacts President Biden's comprehensive American Rescue Plan. The American Rescue plan helps defeat the virus and provides workers and families the resources they need to survive the pandemic while the vaccine is distributed to every American.
- We hope and expect Republicans in Congress will support assistance that will bring relief to the communities that they represent. But the need for this legislation could not be more urgent and passing this budget ensures that Congress is not taking any tools off the table on getting this package enacted.
- The time for decisive action is now. The cost of inaction is high and growing every day. At the same time, interest rates are at historic lows and the return on smart investments in the economy have never been higher.
  - If we don't enact this package now, we could end up with 4 million fewer jobs this year, according to Moody's, a Wall Street firm.
  - It could take a year longer to return to full employment, according to Moody's.
  - We could see an entire cohort of our kids with lower lifetime earnings because they were deprived of another semester of school.
  - Millions of people are out of work and millions underemployed for no good reason – other than our failure to act.

#### **What the Budget Resolution Does**

- This budget resolution gives Congress the option of using a budget reconciliation measure to get crucial relief to the American people as quickly as possible. Reconciliation provides fast-track procedures that will allow President Biden's American Rescue Plan to pass with a simple majority in the Senate. The use of reconciliation does not preclude reaching a bipartisan agreement on a relief package, but it does ensure that Congress can move forward and meet the country's needs with or without Republican cooperation.
- The budget resolution includes reconciliation instructions to the following 12 House Committees: Agriculture, Education and Labor, Energy and Commerce, Financial Services, Foreign Affairs, Natural Resources, Oversight and Reform, Science, Space and Technology, Small Business, Transportation and Infrastructure, Veterans Affairs, and Ways and Means.
- The resolution sets a budgetary framework of up to \$1.9 trillion – the estimated cost of the American Rescue Plan – allocated across the 12 House committees that have jurisdiction over some portion of the plan. The resolution sets a limit for each committee of how much their provisions can increase the deficit.

- The resolution instructs these committees to report legislation consistent with these budgetary targets to the Budget Committee by February 16. The Budget Committee will then combine the legislation --- without substantive revision – and prepare it for floor consideration in the House.
- The 2021 budget resolution is NOT a comprehensive fiscal blueprint for the next 10 years. It is designed simply to provide the option of using reconciliation to deliver critical relief and achieve the goals of the American Rescue Plan. Once the vital relief in President Biden’s plan becomes law, Congress will begin its work on a forward-looking budget resolution for FY 2022.

### **Experts Agree That Congress Needs to “Act Big” on COVID Relief**

- **Treasury Secretary Janet Yellen:** “Economists don’t always agree, but I think there is a consensus now. Without further action, we risk a longer, more painful recession now – and long-term scarring of the economy later. ... Right now, with interest rates at historic lows, the smartest thing we can do is act big. In the long run, the benefits will far outweigh the costs.” (Testimony in her confirmation hearing in the Senate Finance Committee, 1/19/21)
- **Mark Zandi, Chief Economist, Moody’s Analytics:** “It’s better to err on the side of too much rather than too little. Interest rates are at zero, inflation is low, unemployment is high. You don’t need a textbook to know this is when you push on the fiscal accelerator.” [NYT, 1/30/21]
- **Fed Chairman Jerome Powell:** “I’m much more worried about falling short of a complete recovery and losing people’s careers and lives that they built because they don’t get back to work in time. ... I’m more concerned about that and the damage that will do. ... I’m more concerned about that than about the possibility of higher inflation. Frankly, we welcome slightly higher inflation.” (Powell Press Conference, 1/27/21)
- **Former Top Trump Economic Adviser Kevin Hassett:** CNN Business reports, “Former Trump top economic adviser Kevin Hassett broadly supports President Joe Biden’s \$1.9 billion rescue package as a way to keep the coronavirus-ravaged economy afloat. ... ‘There are so many businesses treading water, barely hanging on. Now they are getting hit by another shock [from the pandemic],’ said Hassett. ‘You could end up in a negative spiral for the economy.’” [CNN Business, 1/22/21]

### **Moody’s Analytics Projects That the Biden Package Will Take Us to Full Employment A Full Year Earlier Than Without It**

- Moody’s Analytics has done an analysis of the Biden COVID relief package. If the package were enacted in full by March, the analysis projects that GDP would jump by almost 8 percent in 2021 and an additional 4 percent in 2022. At this pace of growth, the economy would create 7.5 million jobs in 2021 (December to December) and an additional 2.5 million jobs in 2022 – resulting in full employment by the fall of 2022 – a full year sooner than without this package.

### **Key Facts About Why President Biden’s American Rescue Plan Is So Urgently Needed**

- Much more needs to be done to crush the coronavirus. January 2021 saw the most deaths from covid in one month since the beginning of the pandemic. The package includes \$160 billion to crush the virus, including funding to speed up the distribution of vaccines and expand testing and contact tracing.
- The economy is sputtering. There are still 9.8 million fewer jobs in the U.S. economy than there were in February 2020, right before the pandemic began.
- In 2020, GDP shrank by 3.5 percent, the largest fall in economic growth since 1946.
- 140,000 U.S. jobs were lost in December alone.
- Retail sales have been down now for three months in a row.
- More than one million Americans applied for unemployment benefits last week, highlighting that the pandemic is still raging.

- Altogether, 18.3 million Americans are currently receiving some type of unemployment benefit, the latest available statistics show.
- 23.8 million adults are currently struggling to feed their families.

### **Some of the Key Components of President Biden's American Rescue Plan:**

#### **Increasing the Direct Payments to Working Families, Bringing Total Relief Payment to \$2,000 Per Person**

- Giving working families an additional direct payment of \$1,400 per person – bringing their total relief payment to \$2,000 per person.

#### **Aggressive Action to Speed Up Vaccinations, Contain the Virus, and Provide for Schools to Be Safely Reopened**

- Providing funding to create a national vaccination program and speed up the distribution of vaccines, including partnering with state and local governments and setting up community vaccination centers around the United States.
- Providing funding to expand testing and contact tracing programs across the country.
- Providing schools with the resources they need to reopen safely.

#### **Immediate Economic Relief for Americans Hit Hardest**

- Extending and expanding unemployment benefits.
- Strengthening and expanding federal nutrition programs to address the current hunger crisis.
- Providing funding for rental assistance and extending the eviction and foreclosure moratoriums until September 30, 2021.
- Providing funding for child care.
- Getting additional economic relief to many families by making the child tax credit fully refundable.
- Ensuring through COBRA, ACA and Medicaid the opportunity for unemployed and low-income Americans to obtain access to affordable health insurance.

#### **Support for Struggling Communities**

- Providing crucial resources to save the jobs of first responders, frontline public health workers, teachers, transit workers, and other essential workers that all Americans depend on.
- Providing additional assistance to small businesses to help stores on Main Streets around the country to stay open, keep their employees on payroll and continue serving a vital role in their communities.