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Biden-Harris Administration Infrastructure Proposal: American Jobs Plan

On March 31, 2021, President Biden announced the first part of his infrastructure proposal, the [American Jobs Plan](#). The plan includes investment in surface transportation, grid modernization, schools, federal buildings, housing, broadband, clean water, workforce retraining, and other initiatives. A preliminary summary of the proposals most relevant to AIA is below. More details about each policy outlined in the plan should be made available in the weeks ahead. These legislative proposals are subject to change, as Congressional action is required and there will likely be areas of disagreement. President Biden is expected to announce the second part of his infrastructure proposal (focused on social programs) in two weeks.

Building Infrastructure

The American Jobs Plan proposes to “build, preserve, and retrofit more than two million homes and commercial buildings; modernize our nation’s schools, community colleges, and early learning facilities; and upgrade veterans’ hospitals and federal buildings.”

- **\$213 billion in affordable housing**, including:
 - Funding to “produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy efficient, and electrified housing units.”
 - Plan will use a combination of “tax credits, formula funding, grants, and project-based rental assistance” to expand affordable housing in underserved communities.
 - Calls on Congress to pass the Neighborhood Homes Investment Act and fund it at \$20 billion over five years to help reach the goal to “build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers.”
 - \$40 billion in public housing
 - \$27 billion to create a “Clean Energy Sustainability Accelerator to mobilize private investment into distributed energy resources; retrofits of residential, commercial and municipal buildings; and clean transportation.”
- **\$100 billion in K-12 public schools**, including:
 - \$50 billion in direct grants
 - \$50 billion leveraged through bonds
 - Funds may be used to improve school conditions to be safe and healthy, including improving indoor air quality
 - Funds may be used to improve energy efficiency and resilience, so that schools “will become environments of community resilience with green space, clean air, and safe places to gather, especially during emergencies.”
 - Funds can also be used to upgrade school kitchens to prepare school meals that meet the new nutrition guidelines (previously championed by then-First Lady Michelle Obama)
- **\$12 billion for Community Colleges** to improve energy efficiency, resilience, and access issues
- **\$25 billion to upgrade child care centers** and build more in underserved communities
- **\$18 billion for the modernization of Veterans Affairs hospitals and clinics**
- **\$10 billion for federal buildings** to support “modernization, sustainability, and resilience” including:
 - Funding the Federal Capital Revolving Fund
 - Using “the vast tools of federal procurement to purchase low carbon materials for construction and clean power for these newly constructed VA hospitals and federal buildings.”

Resilience

Biden's proposal calls for improved resilience in surface transportation and in vertical infrastructure. Most notably for AIA, the proposal includes:

- **\$50 billion in "dedicated funding to improve infrastructure resilience,"** including:
 - \$10 billion for a Civilian Climate Corps
 - Without designating specific dollar amounts, the proposal mentions support for "FEMA's Building Resilient Infrastructure and Communities program, HUD's Community Development Block Grant program, new initiatives at the Department of Transportation, a bipartisan tax credit to provide incentives to low- and middle-income families and to small businesses to invest in disaster resilience, and transition and relocation assistance to support community-led transitions for the most vulnerable tribal communities."

Equity

There is a clear equity focus throughout the proposal. The proposal explicitly mentions how the policy changes would impact equity in the resiliency investments (frontline communities are disproportionately BIPOC), equitable community redevelopment (addressing historic discrimination and dislocation), housing, workforce training, and other investments. Notable programs include:

- **\$20 billion for a new program** that will reconnect neighborhoods that had previously been cut off by highways or other transit investments. There is also a commitment to "ensure new projects increase opportunity, advance racial equity and environmental justice, and promote affordable access."
- **\$5 billion for remediation and development on Brownfield and Superfund sites.** The stated goal is to target economically distressed areas for equitable redevelopment.
- **\$20 billion in Community Revitalization Fund and innovation hubs** to spur new industries/ job growth in economically distressed areas throughout the country
- **\$5 billion to establish Rural Partnership Programs** to help rural areas and Tribal Nations develop their economic redevelopment plans for their region

Future Economy

The proposal includes multiple references to transitioning the economy and the workforce to sustainable, resilient practices. In addition to specific programs targeted at workers in the energy sector, other notable policies include:

- **\$180 billion in research, development, and new technologies**
 - Includes \$35 billion in research specific to addressing climate change
 - Includes \$10 billion in R&D funding to go to HBCU's and other Minority Serving Institutions (MSIs)
- **\$100 billion in workforce training,** including:
 - \$40 billion for a new Dislocated Worker program and sector-specific retraining
 - Specifically asks "Congress to ensure that new jobs created in clean energy, manufacturing, and infrastructure are open and accessible to women and people of color."
 - \$48 billion in "workforce development infrastructure and worker protection" including apprenticeships, STEM outreach, and a number of other initiatives
- **\$31 billion in small businesses programs** that provide access to credit, venture capital, and R&D funding

Transit

The proposal includes considerable investment in horizontal infrastructure and EVs. Most relevant to AIA, the proposal also includes:

- **\$25 billion for airports**
 - Includes funding for the Airport Improvement Program and “a new program to support terminal renovations and multimodal connections for affordable, convenient, car-free access to air travel.”

Taxes

The proposal would seek to eliminate incentives for corporations or individuals to transition their headquarters, residences, or production offshore. Importantly for AIA, the proposal:

- **Increases corporate tax rate to 28%** (up from 21% in the Tax Cuts and Jobs Act of 2017)
- **Does not change the tax treatment of S-Corps**