

AMERICAN FAMILIES PLAN

The American Families Plan Will Support Children, Teachers, and Working Families in Rural America

President Biden knows a strong middle-class is the backbone of America and that rural and tribal communities are essential to the economic growth of our country. Rural communities require targeted investments that meet the needs of their children and families, along with workforce development for those providing childcare and education. The American Families Plan represents a generation-defining investment in rural America, and a commitment to grow the middle-class and expand the benefits of economic growth to all Americans. All told, by extending and building upon the provisions of the American Rescue Plan, the American Families Plan would cut the [rural poverty rate](#) by more than 21 percent and the rural child poverty rate by 50 percent, relative to the projected poverty rate for 2022.

UNIVERSAL PRE-SCHOOL FOR 3- AND 4-YEAR OLDS

Low population density, physical isolation, and broad spatial distribution make access to preschool more challenging for low-income families in rural areas. President Biden's American Families Plan will:

- **Provide free universal pre-school to all 3- and 4-year-olds, benefitting 5 million children.** This historic investment in America's future will first prioritize high-need areas and enable communities and families to choose the settings that work best for them, whether that's a preschool classroom in a public school, a center, or a Head Start program. The President's plan will invest in tuition-free community college and teacher scholarships to support those who wish to earn a bachelor's degree or other credential that supports their work as an educator or their work to become an early childhood educator. And educators will receive job-embedded coaching, professional development, and wages that reflect the importance of their work. All employees in participating Pre-K programs and Head Start will earn at least \$15 per hour, and those with comparable qualifications will receive compensation and benefits similar to elementary school teachers.

FREE COMMUNITY COLLEGE AND OTHER POSTSECONDARY INVESTMENTS

There are approximately [250 rural community colleges](#) across the U.S., with an even greater number of community colleges that serve a primarily rural student population. Colleges and universities are important anchor institutions in rural communities, providing jobs to residents, attracting businesses, and boosting local economies.

President Biden's American Families Plan will:

- **Provide two years of free community college** so that first-time students and workers wanting to reskill can enroll in a community college without paying tuition and fees.

- **Increase the maximum Pell Grant award by approximately \$1,400 to provide additional assistance to low-income students** and also allow DREAMers to access the grant.
- **Provide grants to increase college retention and completion**, allowing states, territories, and Tribes to support the adoption and expansion of evidence-based practices and promising solutions that help students complete their degrees.
- **Increase funding to support Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and institutions such as Hispanic-serving institutions (HSIs), Asian American and Native American Pacific Islander-serving institutions (AANAPISIs), and other Minority-Serving Institutions (MSIs), and the students they serve.** This will provide two years of subsidized tuition, as well as funding to support institutional development and the strengthening of the health care workforce, which will benefit rural areas where the need for physicians, nurses, and other providers continues to limit access to care.

Education and Preparation for Teachers

More than [9 million students](#)—nearly one in five students—attend a rural school in the U.S. But these schools face challenges in hiring and retaining teachers, particularly in special education and specialized instruction.

President Biden’s American Families Plan will:

- **Address teacher shortages, improve teacher preparation, and strengthen pipelines for teachers of color.** President Biden is calling on Congress to double scholarships for future teachers from \$4,000 to \$8,000 per year while earning their degree and expand it to early childhood educators. The President’s plan would also invest \$3.2 billion to cultivate and recruit teachers from the communities that schools serve, provide year-long, paid residency programs, and invest in teacher preparation at HBCUs, TCUs, and MSIs.
- **Support the development of special education teachers.** There has been a [17 percent decline](#) in the number of special educators over the last decade. Additionally, while only about half of the students receiving special education services are white, [approximately 82 percent of special education teachers are white](#). The American Families Plan will invest \$900 million in personnel preparation funds under the Individuals with Disabilities Education Act (IDEA), funding pathways to additional certifications and strengthening existing teacher preparation programs for special educators.
- **Help current teachers earn in-demand credentials.** President Biden is calling on Congress to create a new fund to provide educators with opportunities to obtain additional certifications in high-demand areas like special education, bilingual education, and certifications that improve teacher performance. This fund will support over 100,000 educators, with priority for public school teachers with at least two years of experience at schools with a significant number of low-income students or significant teacher shortages.

- **Invest in educator leadership.** President Biden is calling on Congress to invest \$2 billion in programs that leverage teachers as leaders to multiply their impact within their school, such as high-quality mentoring programs that leverage current teachers as mentors for new teachers, which improve student outcomes and increase teacher retention rates while keeping great teachers in the classroom.

Child Care

Lack of access to affordable, high-quality child care is making it hard for parents to work and provide for their families. Many rural families have to go without care, and without sufficient demand, it can be challenging for centers to afford to operate. [Over half](#) of rural families live in a child care desert, meaning there are few or no child care options. In particular, rural families disproportionately [lack access](#) to child care centers serving infants and toddlers.

The American Families Plan builds on investments in President Biden's American Jobs Plan and will further expand access to high-quality child care in rural areas.

President Biden's American Families Plan will:

- **Make child care more affordable.** Families will pay only a portion of their income on child care based on a sliding scale. For the most-hard pressed working families, child care costs for their young children would be fully covered and families earning up to 1.5 times their state median income will spend no more than 7% of their income on child care for young children.
- **Ensure this child care is high quality.** The American Families plan will ensure child care providers, including centers and home-based providers, receive funding to provide the true cost of quality early childhood education—including a developmentally appropriate curriculum, small class sizes, and culturally and linguistically responsive environments that are inclusive of children with disabilities.
- **Invest in the care workforce across rural America.** Early childhood educators are [among the most underpaid](#) workers in the country and [nearly half](#) rely on public income support programs. The typical child care worker earned \$[12.24](#) per hour in 2020—while receiving few, if any, benefits, leading to high turnover and lower quality of care. The American Families Plan will ensure a \$15 minimum wage for early childhood educators. Those with comparable qualifications to elementary school teachers will receive comparable compensation and benefits. And, the American Families Plan will ensure educators receive job-embedded coaching and professional development, along with additional training opportunities.

Paid Leave

Paid family and medical leave supports workers and families and is a critical investment in the strength and equity of our economy. However, many rural workers lack access to paid family and medical leave programs, particularly low-wage workers. According to one nation-wide [survey](#), over fifty percent of non-metro (including rural) workers said they would very likely face

hardship if they had to take a few months of unpaid time off work, compared to 40 percent of metro area workers. Furthermore, many small rural businesses struggle to compete for and retain talent compared to urban areas. These businesses often cannot afford to provide [workplace supports](#) like paid family and medical leave. [Rural areas](#) are also more likely to have older populations, increasing the need for both medical and caregiving leave. One [study](#) found that California's paid leave program accounted for an 11-percent relative decline in elderly nursing home usage, saving costs for both the state and families.

President Biden's American Families Plan will:

- **Create a national comprehensive paid family and medical leave program.** The program will ensure workers receive partial wage replacement to take time to bond with a new child, care for a seriously ill loved one, deal with a loved one's military deployment, find safety from sexual assault, stalking, or domestic violence, heal from their own serious illness, or take time to deal with the death of a loved one. It will guarantee twelve weeks of paid parental, family, and personal illness/safe leave by year 10 of the program, and also ensure workers get three days of bereavement leave per year starting in year one. The program will provide workers up to \$4,000 a month, with a minimum of two-thirds of average weekly wages replaced, rising to 80 percent for the lowest wage workers. We estimate this program will cost \$225 billion over a decade.

Nutrition

With higher child poverty rates and longer distances to grocery stores, accessing nutritious food can be challenging for families in rural areas. [Eighty-six percent](#) of counties with high child food insecurity are rural, and children in rural areas are [25 percent more likely](#) to be obese than those in urban areas. To foster positive long-term health outcomes through nutrition security, President Biden's American Families Plan will:

- **Expand summer EBT to all eligible children nationwide.** The Summer EBT Demonstrations help low-income families with children eligible for free- and reduced-price meals during the school year purchase food during the summer. The American Families Plan builds on the American Rescue Plan's support for Summer Pandemic-EBT by making the successful program permanent and available to all 29 million children receiving free- and reduced-price meals. Research shows that this program decreases food insecurity among children and leads to positive changes in nutritional outcomes.
- **Expand school meal programs.** Currently, just 70 percent of eligible schools have adopted Community Eligibility Provision (CEP), which allows high-poverty schools to provide meals free of charge to all of their students—breaking down barriers for students who may be eligible for school meals but may not apply for them due to stigma or not fully understanding the application process. The President's plan will allow more schools in high poverty districts to offer meals free of charge to all of their students by reimbursing a higher percentage of meals at the free reimbursement rate through CEP. Additionally, the plan will target elementary schools by lowering the threshold for CEP eligibility for elementary schools. The plan will also expand direct certification to automatically enroll more students for school meals based on Medicaid and Supplemental Security Income data. This will especially help rural schools, which often have limited administrative capacity for food purchasing and accounting.

- **Launch a healthy foods incentive demonstration** to further improve the nutrition standards of school meals and support the development of healthy lifestyles throughout the school environment.

Tax Cuts for America's Families and Workers

While the American Rescue Plan provided meaningful relief to hundreds of millions of Americans, that was just a first step. Now is the time to build back better, to help families and workers who for too long have felt the squeeze of stagnating wages and an ever-increasing cost-of-living. Direct assistance to families in the form of tax credits paid on a regular basis lifts children and families out of poverty, makes it easier for families to make ends meet, and boosts the academic and economic performance of children over time. President Biden's American Families Plan will:

- **Extend expanded ACA premiums tax credits in the American Rescue Plan.** Health care should be a right, not a privilege, and Americans facing illness should never have to worry about how they are going to pay for their treatment. No one should face a choice between buying life-saving medications or putting food on the table. President Biden has a plan to build on the Affordable Care Act and lower prescription drug costs for everyone by letting Medicare negotiate prices, reducing health insurance premiums and deductibles for those who buy coverage on their own, creating a public option and the option for people to enroll in Medicare at age 60, and closing the Medicaid coverage gap to help millions of Americans gain health insurance. The American Families Plan will build on the American Rescue Plan and continue our work to make health care more affordable. The biggest improvement in health care affordability since the Affordable Care Act, the American Rescue Plan provided two years of lower health insurance premiums for those who buy coverage on their own. With those changes, more than [three in four](#) uninsured people living in rural areas are now eligible for low-cost health care, and more than [four in five](#) current HealthCare.gov enrollees in rural counties are eligible for low-cost health care. The American Families Plan will make a \$200 billion investment to make those premium reductions permanent. As a result, [nine million](#) people will save hundreds of dollars per year on their premiums, and [four million](#) uninsured people will gain coverage. The Families Plan will also invest in maternal health and support the families of veterans receiving health care services.
- **Extend the Child Tax Credit (CTC) increases in the American Rescue Plan through 2025 and make the CTC permanently fully refundable.** Rural child poverty rates are higher than the national average, and [more than 200 rural counties](#) qualify as "persistent-poverty counties," meaning they have experienced poverty rates of 20 percent or higher for at least 30 years. The President is calling for extending the Child Tax Credit expansion first enacted in the American Rescue Plan, which increases the Child Tax Credit from \$2,000 per child to \$3,000 per child for 6-year-olds and above and \$3,600 per child for children under 6. It also makes 17-year-olds eligible for the first time and makes the credit fully refundable, meaning that the nearly half of low-income rural families that historically did not qualify for the full credit because they earned too little, can now receive the same credit as middle-income families. If extended, this would be the single largest contributor to this plan's historic impact of lifting a projected

620,000 children in non-metro areas out of poverty in 2022 and [cutting rural child poverty](#) in half.

- **Permanently increase tax credits to support families with child care needs.** To help even more families, President Biden is calling on Congress to make permanent the temporary expansion of the Child and Dependent Care Tax Credit (CDCTC) enacted in the American Rescue Plan. Families will get back as a tax credit as much as half of their spending on child care for children under age 13, so that they can receive a total of up to \$4,000 for one child or \$8,000 for two or more children. Making the American Rescue Plan expansion of CDCTC permanent will also ensure the credit will continue to be fully refundable, making it more equitable by allowing low-income working families to receive the full value of the credit towards their eligible child care expenses regardless of how much they owe in taxes.
- **Make the Earned Income Tax Credit (EITC) expansion for childless workers permanent.** President Biden believes our tax code should reward work and not wealth. And that means rewarding people who work hard every day at modest wages to provide their communities with essential services. Before this year, the federal tax code taxed low-wage childless workers into poverty or deeper into poverty -- the only group of workers treated this way. The American Rescue Plan addressed this problem by roughly tripling the EITC for childless workers, benefitting [17 million](#) low-wage workers, many of whom are essential workers including cashiers, cooks, delivery drivers, food preparation workers, and childcare providers. For example, a childless worker who works 30 hours per week at \$9 per hour earns income that, after taxes, leaves them below the federal poverty line. By increasing her credit to more than \$1,100, EITC expansion helps pull such workers out of poverty. The President is calling on Congress to make this expansion permanent. All told, the expansion will directly benefit more than [one in five rural workers](#) without children.

###