

White House announces sweeping \$1.8tn plan for childcare and universal preschool ^[1]

American Families Plan, which includes tuition-free community college, aims to reshape the economy's social infrastructure

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EXCERPTS

The White House has introduced a sweeping \$1.8tn plan that would invest billions in a national childcare program, universal preschool, tuition-free community college, health insurance subsidies and tax cuts for low- and middle-income workers.

The American Families Plan, unveiled ahead of the president's address to Congress, reflects many of Joe Biden's campaign promises, and builds on his American Rescue Plan, which was the biggest expansion of the welfare state in decades. While the Rescue Plan was designed to bail the nation out of the depths of the coronavirus crisis – funding the \$1,400 cheques that were sent to most Americans, and efforts to ramp up Covid-19 vaccinations – the plan unveiled on Wednesday aims to reshape the economy's social infrastructure.

The vision would be funded by rolling back Trump-era tax cuts, raising the capital gains rate for millionaires and billionaires, and closing tax loopholes for the wealthy, senior administration officials said in a call with members of the media.

If the plan passes, about \$300bn would be dedicated to funding education, \$225bn would go toward childcare and another \$225bn toward subsidizing paid family leave. The program reflects progressive ideas, including a national family leave program, which have only recently been adopted by mainstream Democratic lawmakers. The US is the only wealthy nation that does not have a federal policy for paid maternity leave, and is one of a very small group of wealthier countries that do not provide for paid paternity leave.

During a press briefing last week, Brian Deese, a senior adviser to the president, said the plan “will provide critical support for children and families and, in – by doing so, critical support for our economy by boosting labor force participation and future economic competitiveness”.

The plan excludes some provisions that leading Democrats, including the progressive senator Bernie Sanders and the House speaker, Nancy Pelosi, have pushed for, including reductions to consumer and government spending on prescriptions and an expansion to the eligibility criteria for Medicare, the government-run healthcare program.

Administration officials did not clarify why those provisions were excluded from the plan, though they said that the president has a plan to address drug prices and Medicare eligibility.

Republican lawmakers, who have staunchly opposed Biden's spending proposals despite their broad popularity among both Democratic and Republican voters, are likely to bristle at this latest development. The Senate minority leader, Mitch McConnell, who was unable to block the passage of the American Rescue Plan, this month vowed to fight Biden's \$2tn infrastructure plan “every step of the way”.

Central to their opposition are Biden's plans to increase taxes on the wealthy to fund investments in infrastructure, education and healthcare – a tactic that would unravel the Republicans' crowning achievement during the Trump administration: the sweeping tax cuts passed in 2017.

But Democrats don't need bipartisan support. Although most bills must surpass 60 votes in the Senate, Democrats are able to pass budget-related measures with just 51 votes through a process called reconciliation. With representation in the chamber split 50-50 between parties, the vice-president, Kamala Harris, serves as a tie-breaking vote.

Region: United States ^[3]

Tags: universal preschool ^[4]

federal funding ^[5]

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