BGOV Bill Summary: Modified House Reconciliation Plan (Correct)

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(Corrects description of Superfund tax rate on crude oil and petroleum products.)

Hundreds of billions of dollars would be spent on climate programs and tax incentives, a new family leave program would be created, and Medicare would be able to negotiate some drug prices under the Rules Committee Print of H.R. 5376 posted Nov. 3.

The bill, which represents a large portion of President Joe Biden's economic agenda, would also increase certain taxes on high-income individuals, expand subsidies under the Affordable Care Act, and make the child tax credit permanently refundable while extending a boosted credit for one year.

The measure was further modified by a manager's amendment under a second rule for floor debate that removed $2 billion in funding for administrative expenses related to the paid leave program, among other changes. Those changes were in addition to a previous manager's amendment made by a rule adopted Nov. 6, related to drug pricing and the state and local tax deduction.

The Congressional Budget Office estimated the bill would increase the deficit by a net $367 billion from fiscal 2022 through 2031 by increasing spending by $1.64 trillion and raising $1.27 trillion in revenue over that period, CBO said. The estimate doesn't include additional revenue from tax enforcement funding, which CBO separately estimated would raise $207 billion in revenue.

A preliminary cost estimate from the White House released Nov. 4 said the bill would reduce the deficit by a net $36.3 billion over 10 years, including $480 billion in additional revenue from the tax enforcement funding.

The measure is being considered using the budget reconciliation process that allows passage of legislation with simple majorities in both chambers, though provisions must meet budget conditions in the Byrd rule or can be removed in the Senate through points of order.

The timing for Senate consideration of the reconciliation bill isn't clear and will likely include further changes as Senators have expressed opposition to various provisions.

TAXES

Tax Increases

Changes to corporate and international taxes would include:

- Imposing a 15% minimum tax on income corporations report on their financial statements or "book income," with adjustments. The provision would apply to corporations with such income over $1 billion. U.S. companies with foreign parents would also need to have at least $100 million in income.
- Creating a 1% excise tax on the fair market value of stock buybacks by publicly traded U.S. corporations, including any subsidiary. The provision wouldn't apply to employee retirement plan funding or if total transactions for the year are less than $1 million.
- Reducing deductions for foreign income of U.S. companies, which would yield a 15% global intangible low-taxed income (GILTI) rate and 15.8% foreign-derived intangible income rate, according to a summary from the House Rules Committee. GILTI would also be calculated on a country-by-country basis under the measure.
- Increasing the base erosion and anti-abuse tax (BEAT) to 18% from 10% by tax year 2025.

Individual tax changes would include:

- Imposing a 5% surtax on modified adjusted gross income that exceeds $10 million. An additional 3% tax would apply to income that exceeds $25 million. Certain trusts and estates would be subject to the taxes.
- Expanding the 3.8% net investment income tax to cover business income of single filers earning more than $400,000 and joint filers making more than $500,000.
- Permanently disallowing excess business losses of noncorporate taxpayers.

The measure also would make changes to retirement plan rules for high-income taxpayers with more than $10 million in retirement account balances, including prohibiting contributions and requiring minimum distributions above that level.

IRS Enforcement: The measure would provide about $80 billion in additional fiscal 2022 funding to the Internal Revenue Service, including $44.9 billion for tax enforcement and $27.4 billion for operations support. It would specify that the IRS funding boost isn't intended to increase taxes on individuals making less than $400,000.

Tax Credits

SALT Cap: The measure would increase the $10,000 cap on the state and local income tax deduction to $80,000 through 2030. It would return to $10,000 for 2031 and then expire. Republicans' 2017 tax law (Public Law 115-97) imposed the cap on the amount of individual property and income or sales tax payments individuals can deduct from their federal taxes through 2025.

CTC and EITC: The measure includes tax provisions designed to aid certain households, such as:

- Extending the expanded child tax credit from a March pandemic relief package (Public Law 117-2) for one year, through 2022, and limiting advance payments to taxpayers with income below $150,000 for joint filers and $75,000 for single filers. It also would make the credit fully refundable after 2022.
- Extending an expanded version of the earned income tax credit for childless workers for one year, through 2022.

Green Energy: The measure would structure various green energy credits as tiered incentives, providing either a “base rate” or a “bonus rate” of five times the base amount for projects that meet certain prevailing wage and apprenticeship requirements. An additional increased credit amount could be claimed in certain cases if projects comply with domestic content requirements, such as ensuring that any steel, iron, or manufactured product was produced in the U.S.

The new structure would apply to several new and existing credits, including:

- The production tax credit for energy facilities that produce electricity from renewable energy sources, which would be extended through 2026 and increased for facilities in “energy communities” where a coal mine or a coal-fired electric generating unit has been shut down. The PTC for solar facilities would also be reinstated through 2026.
- The investment tax credit, which would be extended through 2026 for most property and increased for projects in energy communities and for solar and wind facilities that serve low-income communities.
- A clean electricity production tax credit and investment tax credit based on carbon emissions. Both would be available after 2026 and phase out beginning in 2031 or when U.S. emissions targets are achieved.
- A new investment credit for electric transmission property that would apply to facilities placed in service through 2031.
- A new zero-emission nuclear power production credit for facilities that produce electricity, available though 2027.
- A new credit for producing clean hydrogen, based on lifecycle greenhouse gas emission rates, through 2028.
- An investment tax credit for advanced manufacturing facilities that start construction before 2026 and a production tax credit for eligible components that would begin to phase down in 2027.
- A credit for the domestic production of clean fuels that would be based on their lifecycle carbon emissions, which would also phase out beginning in 2031 or when emissions targets are achieved.

Several other existing tax incentives would be extended through 2031, including the:

- Carbon oxide sequestration credit.

- Nonbusiness energy property credit, with an increased percentage for installing energy efficiency improvements.
- Residential energy efficient property credit, which would fully phase out after 2033 and be made refundable starting in 2024.
- Energy efficient commercial buildings deduction, with an increased maximum deduction.
- New energy efficient home credit, which would be increased for homes certified as "zero energy ready homes."
- Advanced energy project credit for investments in energy manufacturing facilities.

Electric Vehicles: The measure would establish new incentives for electric vehicles, including:

- A refundable tax credit for new electric motor vehicles through 2031 that would phase out beginning at $500,000 for joint filers and $250,000 for single filers. The base credit amount would equal $4,000, plus an additional $3,500 for vehicles with a higher battery capacity. The credit would be increased by $4,500 for domestically assembled, union-made electric vehicles. Beginning in 2027, the credit would apply only to vehicles with final assembly occurring in the U.S.
- A refundable credit for purchasing a used electric motor vehicle through 2031. It would phase out at $150,000 for joint filers and $75,000 for single filers.
- A 30% credit for the cost of commercial electric vehicles through 2031, or 15% for hybrid vehicles.
- A 30% refundable credit for electric bikes through 2026 that would also phase out at certain income levels.

Other Tax Provisions

The measure also would:

- Impose a new excise tax on nicotine that's been extracted, concentrated, or synthesized. Products approved by the FDA wouldn't be included.
- Reinstate a tax on crude oil and imported petroleum products at 16.4 cents per barrel to fund Superfund cleanups of hazardous sites. It would be adjusted for inflation beginning in 2023.
- Create refundable credits capped at $1 billion per year through 2031 for environmental justice programs at higher education institutions.
- Delay until 2026 changes to the research and development tax credit under the 2017 tax law, which required companies to amortize their R&D costs over five years instead of deducting them up front, beginning in 2022.
- Allow same-sex couples to claim refunds or credits related to a change in marital status before 2010, the earliest year covered by IRS guidance permitting taxpayers to amend their returns after the Supreme Court overturned the Defense of Marriage Act.

- Allow as much as $250 in union fees to be claimed as an above-the-line deduction.
- End the employer tax credit for paid family and medical leave in 2024 instead of 2026.

HEALTH & SOCIAL PROGRAMS

Prescription Drugs

Drug Pricing: The measure would direct the Health and Human Services Department to establish a "Drug Price Negotiation Program" to negotiate a maximum price of high-cost prescription drugs for Medicare Parts D and B beginning 2025.

The measure would require HHS to identify 100 drugs without competition that have been on the market for seven years and biologics that have been on the market for 11 years, and that have the highest spending under Medicare. HHS would select as many as 10 drugs from that list for negotiation in 2025 and as many as 20 drugs by 2028, plus insulin.

The measure would specify that the maximum price wouldn't apply until nine years after a drug has been on the market and 13 years for biologics, reflecting additional time that would be included for negotiations.

The price ceiling would be based on how long the drug has been on the market, including 75% of the average manufacturer price for those 9 to 12 years old and 40% for those more than 16 years old.

Drugmakers that don't successfully negotiate would face an excise tax of as much as 95% depending on how long it's not compliant. Those that charge more than the negotiated maximum price would pay a civil monetary penalty of as much as 10 times the difference in prices.

The measure would provide $300 million annually through fiscal 2031 to implement the negotiation program.

Inflation Rebates: Drugmakers would have to repay the government the difference in profits above the cost of inflation on Part B and D drugs if they raise the price of a drug above inflation, beginning July 1, 2023. Drugmakers that don't provide the rebates would face a penalty up to 125% of the rebate amount.

Insulin Coverage: Beginning in 2023, the measure would require private health plans to cover at least one of each type of insulin. They couldn't apply a deductible and copays would be $35 a month or 25% of the plan's negotiated price, whichever is less. Cost-sharing would also be limited to $35 under Medicare.

Other Drug Provisions: The measure would also:

- Cap the out-of-pocket cost of prescription drugs under Medicare Part D for beneficiaries at $2,000 a year starting in 2024, lower beneficiary coinsurance rates in the initial coverage phase, and reduce government reinsurance rates in the catastrophic phase.
- Block the drug rebate rule published under former President Donald Trump in November 2020.
- Require coverage of vaccines with no cost-sharing under Medicare Part D.
- Require pharmacy benefit managers to report on the details of their prescription drug benefits to group health plans twice a year. Not providing information in time could result in fines of $10,000 per day and false information could result in a $100,000 penalty.

Health Coverage

Hearing Benefits: The measure would expand Medicare coverage to provide hearing benefits beginning in 2023. The benefit would include hearing assessment services and hearing aids, which would be covered once every five years and would have to be provided through a written order from an audiologist or other health professional.

ACA Premium Tax Credits: The measure would extend through 2025 the temporary expansion of Affordable Care Act (ACA) health insurance premium tax credits under Public Law 117-2. The larger credits for those with household income between 100% and 400% of the federal poverty level (FPL) and expanded eligibility to those above 400% of the FPL are scheduled to expire after 2022.

It would also continue allowing those who receive unemployment compensation to be eligible through 2022 for premium tax credits for those at 150% or less of the FPL.

Medicaid Expansion: The measure would close the Medicaid coverage gap for lower-income individuals in states that didn't expand the program under the Affordable Care Act by temporarily expanding the tax credits to those below 100% of the FPL, through 2025.

Those states would have their uncompensated care and disproportionate share hospital payments reduced, which the summary said would reflect lower rates of uncompensated care.

The measure also would increase the federal medical assistance percentage (FMAP) for the expansion population to 93% from 2023 through 2025, from 90%.

Cost-Sharing Subsidies: The measure would increase the ACA's cost-sharing reductions for beneficiaries earning as much as 138% of the poverty line so that the insurer's share is 99% of total costs for 2023 through 2025. Insurers are currently responsible for 94% of costs for those between 100% and 150% of the FPL. The measure would provide such sums as necessary for HHS to reimburse insurers for 12% of total allowed costs in those years.

The measure would provide additional benefits to those populations in 2024 and 2025, including nonemergency medical transportation and family planning services currently available through Medicaid. HHS would reimburse insurers for those costs.

It also would extend cost-sharing reductions for those receiving unemployment compensation for one year, through 2022.

Reinsurance Program: The measure would provide $10 billion annually for fiscal 2023 through 2025 for an "Improve Health Insurance Affordability Fund" for states to make reinsurance payments to health insurers for high-cost enrollees or to reduce out-of-pocket costs.

The Centers for Medicare and Medicaid Services would provide the reinsurance payments to insurers in states that didn't expand their Medicaid programs under the ACA to cover most low-income adults for 2023 through 2025.

Medicaid Coverage: The measure would increase the Medicaid FMAP by 6 percentage points for states that expand home and community-based services and would provide an 80% FMAP for administrative costs. If a state adopts an HCBS model promoting self-directed care it would be eligible for a further 2 percentage point increase over six quarters.

It also would:

- Permanently increase federal Medicaid funding for U.S. territories by providing an 83% FMAP for each territory.
- Extend for another two years the 100% FMAP provided to urban Indian health organizations and Native Hawaiian health centers under Public Law 117-2.
- Make inmates eligible for Medicaid coverage 30 days before their release.

CHIP: The measure would permanently authorize the Children's Health Insurance Program (CHIP). It would also require states to extend continuous CHIP and Medicaid coverage to all pregnant and postpartum individuals for one year after birth and to all children for one year after enrollment. It would also permanently extend the option to simplify enrollment in Medicaid and CHIP for children.

Health Funding: The measure would provide:

- $7 billion for public health infrastructure and $2 billion for community health center grants.
- $3.37 billion for payments to teaching health centers that run graduate medical education programs.

- $2.86 billion for the World Trade Center Health Program through a supplemental fund.
- $2.5 billion for community violence and trauma prevention grants or contracts.
- $2 billion for the National Health Service Corps.
- $1.4 billion for CDC laboratory renovation, improvement, expansion, and modernization.
- $1.3 billion for public health preparedness research and development for public health emergencies.

Labor and Workforce

Paid Leave: The measure would provide as many as four weeks of paid leave for the birth or adoption of a child, to care for a family member with a serious health condition, or for an employee's own serious health condition that prevents them from working. Eligible workers would be entitled to the benefit within a one-year period, starting in 2024.

The benefit amount would be tied to an individual's average weekly earnings and hours. The rates would be about 90% of the first $15,080 in annualized earnings, 73% for annualized earnings of as much as $34,248, and 53% for annualized earnings of as much as $62,000. The amounts would be indexed to wage growth.

States with preexisting paid leave programs would receive grants to cover the equivalent costs of the benefits, and employers would receive grants to cover 90% of their paid leave benefits for as many as four weeks. Those who receive paid leave from an employer or a state program wouldn't be eligible for the separate federal benefit.

The measure would provide such sums as may be necessary to pay benefits and grants. The Social Security Administration would receive $1.5 billion in fiscal 2022 and $1.59 billion annually after that, indexed to wage growth, for program administration.

Workforce Support: The measure would provide funding for several workforce development initiatives at the Labor and Education departments, including:

- $4.9 billion for grants to community colleges and vocational institutions to expand employment and training activities for high-skill, high-wage, or in-demand jobs.
- $4.6 billion for grants to industry partnerships, including employers and education and training providers, to expand employment and apprenticeship programs in high-skill, high-wage, or in-demand jobs.
- $2 billion for dislocated worker grants under the Workforce Innovation and Opportunity Act (WIOA).
- $1.9 billion for worker protection agencies at the Labor Department (DOL), including $707 million for the Occupational Safety and Health Administration to carry out enforcement and standards development.

- $1.5 billion for WIOA state grants for youth workforce investment activities and $1 billion for adult worker employment and training activities.
- $1 billion for grants to support the direct care workforce through competitive wages, child care, and training.

The measure also would provide $270 million for DOL to award formula grants to eligible states to support employers in paying workers with disabilities at least the state minimum wage or the prevailing wage under federal law. Currently, employers who hold “special certificates” can pay those workers subminimum wages.

Labor Violations: The measure would address civil penalties for various labor violations, including:

- Authorizing penalties for employers that commit unfair labor practices under the National Labor Relations Act.
- Authorizing penalties for health insurer violations of the federal mental health parity law, which prohibits health plans from imposing limits on mental health benefits that are less favorable than limits on medical benefits.
- Increasing penalties for violations related to workplace safety, child labor, and minimum wage.

Volunteer and Service Organizations: The package would provide $6.92 billion to support climate resilience and mitigation projects funded by the Corporation for National and Community Service. The Labor Department would receive $4.28 billion for employment and training activities in jobs related to climate resilience and mitigation

The measure would provide another $3.2 billion for grants to increase the living allowances and improve benefits for AmeriCorps participants. An additional $600 million would similarly go to the Volunteers in Service to America program, and $400 million would go to grants for similar state-run programs.

Education & Child Care

Pell Grants: The measure would increase the maximum Pell grant by $550 and extend eligibility for Pell Grants and other financial aid programs to those under the Deferred Action for Childhood Arrivals policy or other temporary protected status, through 2030. It also would exclude Pell Grants from income for tax purposes.

Funding: The measure would provide:

- $6 billion to support to historically Black colleges and universities and minority-serving institutions over five years.

- $3 billion for a grant program for HBCUs and MSIs to improve research and development infrastructure.

Tax Credit: The measure would create a 40% tax credit for cash contributions made to public universities for research infrastructure projects. The Education Department would allocate credit amounts through schools that would be capped at $50 million a year per institution, for a total of $500 million in credits annually through 2026.

Child Care: The measure would provide $100 billion for the first three years and then such sums as needed for the next three years for new child care entitlement program, which would end after fiscal 2027.

It would cap child care costs at a maximum of 7% of family income, using a sliding scale that would apply to those up to 250% of the state median income. Those earning less than 75% of the state median would pay nothing and qualify immediately, while those families up to 250% of state median income would qualify in the fourth year of the program.

States would have to ensure child care staff receive a living wage, at a minimum, and equivalent wages to elementary educators with similar qualifications.

For the first three years states would receive funds based on the Child Care & Development Block Grant formula. Beginning 2025, states would receive such funds as necessary to cover 90% of costs. In states that don't participate, localities would receive grants and expanded Head Start awards.

Universal Preschool: The measure would also provide more than $18 billion for fiscal 2022 through 2024, then such sums as necessary through fiscal 2027, to provide free preschool to all three- and four-year-olds. Federal funding would cover 100% of state expenditures in the first three years, then gradually decreases to about 64% of costs by 2027.

States would have to ensure that preschool programs provide a living wage and salaries equivalent to elementary school staff. Localities would also receive grants and expanded Head Start awards in states that don't participate.

Child Nutrition: The measure would provide funding for child nutrition programs and other activities to address child hunger, including:

- Expanding eligibility for free school meals, allowing entire states to participate, and increasing the reimbursement rate schools are paid for the meals, which would increase the number of children receiving them by almost 9 million.
- Appropriating such sums as may be necessary for a Summer Electronic Benefits Transfer (EBT) for Children program, which would sunset in 2024. The program would provide

children eligible for free or reduced-price school meals with $65 per month in food benefits when school is out of session for the summer.

Housing & Community Development

The measure would provide:

- $65 billion for formula and needs-based public housing programs.
- $25 billion for the HOME Investment Partnerships Program to construct and rehabilitate affordable homes for low-income families, and $750 million for a new Housing Investment Fund to leverage private-sector investments to create and preserve affordable homes.
- $24 billion for Housing Choice Vouchers and support services, including for individuals at risk of homelessness and for survivors of domestic violence and sexual assault.
- $10 billion to offer down payment assistance to first-generation homebuyers, and $5 billion for the Home Loan Program to subsidize 20-year mortgages for first-generation homebuyers.
- $5 billion to address lead paint and other health hazards in housing for low-income families.
- $3.05 billion for the Community Development Block Grant program.
- $3 billion for a new Community Restoration and Revitalization Fund offering competitive grants to local partnerships led by nonprofits for accessible housing and neighborhood revitalization initiatives.
- $2 billion for rural rental housing to support new construction, the removal of safety hazards, and energy efficiency improvements.
- $2 billion for a new grant program to make energy efficiency upgrades to affordable housing.

Housing Tax Credit: The measure would increase Low-Income Housing Tax Credit (LIHTC) state allocations, with set amounts through 2025 and inflationary increases in future years.

It would temporarily allow the credit to cover a project without affecting state caps if at least 25% of the building and land are financed by tax-exempt bonds, instead of 50%.

Projects intended to serve extremely low-income individuals could receive a 50% increase in the basis used for the LIHTC. States would get a separate allocation for those projects.

The measure also would establish a neighborhood homes credit for developers to rehabilitate residences in certain lower-income areas. The credit could cover as much as 35% of either the development cost or 80% of the national median sales price for new homes, whichever is less. States would be subject to ceilings on the amount of available credit based on a formula taking population into account, and state agencies would allocate credit amounts on a competitive basis.

Tribal Communities: The measure would temporarily establish a $175 million New Markets Tax Credit allocation for low-income communities in tribal areas, which would be used for projects that serve or employ tribe members.

Tribal areas could also qualify as “difficult development areas,” which are eligible for a 30% basis increase for the LIHTC.

Flood Insurance: The measure would wipe out $20.5 billion in debt owed by the Federal Emergency Management Agency for money it borrowed to pay claims through the National Flood Insurance Program. It also would provide $600 million for flood mapping and $600 million for FEMA to offer flood insurance discounts to policyholders with household incomes that aren’t more than 120% of area median income.

U.S. Territories: The measure would create a new economic activity credit for businesses in U.S. territories, set at 20% of qualified wages and allocable benefits expenses paid to employees and capped at $50,000 in wages per employee. The credit would be 50% for certain small businesses with a wage maximum of $142,800 per worker. It would sunset after 2031.

Income Exclusions: The measure would exclude the following from gross income for tax purposes:

- Payments made to socially disadvantaged farmers and ranchers under Public Law 117-2.
- Amounts paid to homeowners under state programs to mitigate losses from natural disasters.

CLIMATE AND ENVIRONMENT

Climate-Focused Programs

Funding for clean energy and environmental initiatives would include:

- $29 billion to support nonfederal financing to deploy zero-emission technologies, including solar rooftop systems and zero-emission vehicles.
- $9 billion to replace lead water service lines in disadvantaged communities and install lead filtration equipment in schools and child care centers that serve those areas.
- $6.25 billion for rebates for high-efficiency electric home appliances like HVAC systems, stoves, ovens, and clothes dryers.
- $5.89 billion for a new Home Owner Managing Energy Savings (HOMES) rebate program to support home energy efficiency retrofits. Certified high-efficiency natural gas

appliances would be eligible for use in retrofits for only the first six years after the bill's enactment.

- $5 billion for grants supporting creation and implementation of state greenhouse gas air pollution reduction plans.
- $5 billion for grants and rebates to replace school buses, garbage trucks, and other heavy-duty vehicles with zero-emission vehicles and to train workers to operate them.
- $5 billion for loan guarantees and credit lines supporting as much as $250 billion in principal for low-carbon investments such as retraining workers in carbon-intensive fields or remediating environmental damage from energy-intensive products.
- $4 billion for financial assistance to support purchase and installation of advanced industrial technology that accelerates progress toward net-zero emissions at the facility where it's installed.
- $3.6 billion for the Energy Department to guarantee loans with a combined principle of as much as $40 billion backing innovative projects to reduce or sequester human-created greenhouse gas emissions.
- $3.5 billion for grants and rebates to reduce air pollution at ports through installation of zero-emission equipment.
- $3.5 billion for grants supporting domestic production of plug-in and hydrogen fuel cell electric and hybrid vehicles.
- $3 billion for block grants and technical assistance for community-led pollution and emissions reduction activities, mitigating urban heat islands and wildfire effects, and reducing indoor air pollution.
- $3 billion for direct loans supporting facilities that manufacture advanced technology vehicles, including medium- and heavy-duty vehicles, trains, boats, aircraft, and hyperloop technologies. The measure also would repeal the program's $25 billion aggregate loan principle cap.
- $2 billion for grants and loans for new and upgraded electric transmission lines to integrate clean energy and improve the grid's resilience. An additional $800 million would be provided for grants to facilitate siting of transmission lines across state lines.
- $1 billion for grants to states supporting electric vehicle infrastructure deployment.

Energy on Federal Lands

The bill would direct the Interior Department to award leases for wind generation and transmission in offshore areas in the Atlantic Ocean and the eastern Gulf of Mexico, as well in offshore areas near U.S. territories.

Revenue raisers and other provisions aimed at the oil and gas industry would:

- Increase leasing fees and royalty rates for onshore and offshore oil and gas extraction and charge annual fees for idled wells.
- Set the duration of initial onshore leases at five years.

- Prohibit the Interior Department from making oil and gas leases available without competitive bidding.
- Require a fee to be paid by anyone submitting an expression of interest for oil and gas exploration on federal lands.
- Require oil and gas lease owners to pay a bond before drilling starts to ensure that land and water resources that are affected are restored after the end of operations.
- Require royalties to be paid for methane that's used in the leased area or vented or flared, in addition to what's sent to market.
- Charge offshore pipeline owners annual fees based on the length of their pipeline systems.
- Establish an oil and gas leasing moratorium on the Atlantic and Pacific coasts and in the eastern Gulf of Mexico.
- Repeal a previous authorization for drilling in the coastal plain of the Arctic National Wildlife Refuge and void nine leases in the area issued this year.

The bill also would set the length of new coal leases at 10 years, or five years if commercial quantities aren't being produced.

Methane Fee: The measure would establish a fee on methane emissions from the oil and gas industry. It would apply to emissions from onshore and offshore production, processing, transport, and storage operations that exceed thresholds for each segment of the industry as defined in the bill.

The fee would start at $900 per ton of methane exceeding the relevant threshold in calendar year 2023. It would increase to $1,200 per ton in 2024 and $1,500 per ton for subsequent years.

The bill would provide $775 million for Environmental Protection Agency costs to implement the fee, including for grants, loans, and other support for monitoring, compliance, and reducing emissions.

Agriculture

The measure would provide:

- $14 billion to reduce hazardous fuels in National Forest System lands near developed areas, $4 billion of which could be used in other areas in certain circumstances. More than $3 billion in additional funds would be available for grants to reduce wildfire risks on nonfederal land.
- $9.7 billion for assistance to rural electrical cooperatives to promote resiliency, reliability, and affordability and for carbon capture and storage projects.
- $3.75 billion for competitive grants to promote conservation and tree planting by state, local, and tribal governments and nonprofit organizations.

- $2.88 billion for rural electrification loans, including for energy storage projects, that would be forgiven if certain conditions are met.
- $1.02 billion to pay off all or part of Farm Service Agency loans to economically distressed farmers and ranchers.

It also would provide several billion dollars through the Commodity Credit Corporation for environmental quality and stewardship incentives and “such sums as are necessary” for payments to farmers and land owners who adopt cover crop practices during the 2022 through 2026 crop years.

Conservation Funding

The legislation would provide:

- $6 billion to the National Oceanic and Atmospheric Administration for coastal and marine conservation and restoration grants and contracts, with a focus on resiliency and responding to the effects of climate change.
- $1.25 billion for the Interior Department for projects for conservation and to improve resiliency on federal lands and an additional $750 million for ecosystem and habitat restoration.
- $1 billion to NOAA for activities to protect the habitat of Pacific salmon.

IMMIGRATION

The bill would direct the Homeland Security Department to grant applications for “parole” to immigrants living in the U.S. illegally who arrived before Jan. 1, 2011, and have resided in the country continuously since then. Individuals who are inadmissible because of criminal activities, national security risks, human smuggling, or certain other reasons wouldn’t be eligible.

Applicants would have to complete background checks and pay a fee. Individuals paroled under the bill would receive employment and travel authorization and would be eligible for driver’s licenses or other state-issued identification cards. Parole would be granted for five years or until Sept. 30, 2031, whichever is earlier. DHS couldn’t revoke parole unless the individual has become disqualified based on the policies in place when they were granted parole, and extensions would have to be granted through Sept. 30, 2031.

The bill wouldn’t award permanent residency, and those paroled under the bill wouldn’t be counted against the annual caps on the number of green cards that can be issued.

The measure would roll over and convert unused employer-sponsored green cards to family-sponsored visas each year, allowing for additional immigrant visas to be issued when the numerical cap on employer-sponsored immigration visas isn't reached — as happened during the Covid-19 pandemic. Any unused family- and employer-sponsored green cards from fiscal 1992 through 2021 would be made available going forward.

The bill would allow individuals selected in the annual diversity green card lottery — which awards immigration visas to individuals from countries underrepresented in U.S. immigration — from fiscal 2017 through 2021, but who weren't granted visas due to Trump-era executive orders or the Covid-19 pandemic, to reapply and be granted green cards.

Individuals whose green card applications have been approved but are awaiting sufficient numbers of visas to become available could pay a $1,500 fee to apply to the the Homeland Security Department to adjust their status to lawful permanent residency.

Those with approved green card applications who haven't been able to obtain visas for more than two years due to per-country or worldwide caps on family- or certain employer-sponsored green cards could apply for exemptions. Application fees would be $2,500 for family-sponsored visas, $5,000 for most employer-sponsored visas, and $50,000 for investor immigrant visas.

The measure also would create supplemental fees for several types of visa petitions and other applications related to immigration status.

It would provide $2.8 billion to U.S. Citizenship and Immigration Services to address visa processing backlogs.

OTHER MATTERS

Trade: The measure would reauthorize Trade Adjustment Assistance (TAA) programs for four years and provide $1.7 billion annually for the programs, including $300 million annually through fiscal 2025 for new grants to help communities affected by global trade.

The measure would also:

- Expand eligibility to include workers who lose their jobs due to decreased exports, teleworkers, and staffed workers who may be employed by a separate company but perform work at an affected firm. Public sector workers would be eligible for the program when services are outsourced to an offshore service provider.
- Require the Labor Department to provide benefit information to workers in their native language and a second notification of program benefits before workers have exhausted unemployment benefits.
- Extend trade readjustment allowance benefit weeks for workers participating in qualified training programs.
- Increase the cap on job search and relocation allowances to $2,000, from $1,250, and require states to provide the allowances for eligible workers to cover 100% of costs.

- Create a child care allowance of as much as $2,000 per independent for eligible TAA participants.

Homeland Security: The measure would provide the following for the Homeland Security Department:

- $900 million for the Office of the Chief Readiness Support Officer to implement sustainability and environmental programs.
- $400 million for the Cybersecurity and Infrastructure Security Agency to improve the cybersecurity of federal agencies.
- $200 million for the Federal Emergency Management Agency for cybersecurity initiatives; grants to state, local, and tribal governments for recruitment and training efforts to address cybersecurity risks, and transitioning to the .gov domain.

VA Funding: : The measure's funding for the Veterans Affairs Department would include:

- $2.3 billion for infrastructure improvements to national cemeteries and memorials, medical facilities, and other property.
- $1.81 billion for major medical facility leases.
- $455 million for enhanced-use leases, which provide underutilized real estate to the private sector for supportive housing for veterans who are experiencing or at risk of homelessness. The VA's authority to enter into the leases would be extended through fiscal 2026 and expanded to include arrangements to provide services or benefits for veterans.

Research: The measure's funding for science and technology programs would include:

- $3.5 billion for National Science Foundation research and infrastructure, including $1.52 billion to fund and administer the Directorate for Technology, Innovation, and Partnerships, which would accelerate advancement in key technology focus areas.
- $2.5 billion for Energy Department research, development, and demonstration activities, including $500 million for high assay, low-enriched uranium.
- $1.25 billion for National Institute of Standards and Technology facility construction and renovation and advanced manufacturing research.
- $1.12 billion for NASA infrastructure modernization efforts and climate change research and development activities.
- $859 million for National Oceanic and Atmospheric Administration weather, ocean, and climate research.

SBA: The measure would include the following amounts for the Small Business Administration:

- $1.96 billion for a small dollar direct loan product under the 7(a) Loan Program.
- $1 billion for a new grant program to create a network of incubators to support startups and small businesses.
- $950 million to temporarily reduce waiver fees for 7(a) and 504 lending program loans that are $2 million or less.

Tribal Funding: The bill would also provide funding for tribal needs, including:

- $1 billion for the Indian Health Service for priority facilities projects and an additional $945 million for maintenance and improvement of existing facilities.
- $715.4 million for road construction and maintenance activities by the Bureau of Indian Affairs.
- $470 million to the Bureau of Indian Affairs for climate resilience and adaptation programs, including fish hatchery operations.
- $300 million for providing electricity to unconnected tribal homes and transitioning connected homes to renewable energy.

USPS & GSA: The measure would provide $6 billion for the U.S. Postal Service to purchase electric delivery vehicles and related infrastructure, and $3 billion for the General Services Administration (GSA) to procure electric vehicles.

Other funding for the GSA would include:

- $3.25 billion for purchases of goods and services that would boost energy efficiency and reduce greenhouse gas emissions.
- $975 million for emerging and sustainable technologies and related programs.

Supply Chains: The measure would provide $5 billion to support the Commerce Department's manufacturing supply chain resilience efforts. Funding would be used to map and monitor supply chains, establish best practices, deploy advanced technology, and provide grants to boost supply chain resilience.

It also would provide $500 million to support domestic industrial base capabilities that are essential to national defense.

Justice Department & Enforcement: The bill also would provide

- $2.5 billion to the Justice Department for grants and contracts to support community violence reduction programs.
- $1 billion, split between the Justice Department and Federal Trade Commission, for antitrust enforcement activities.
- $498 million for civil and criminal enforcement against tax evasion.

Aging Network: The measure would provide $1.2 billion to fund Older Americans Act programs, including home and community-based supportive services, nutrition programs, and family caregiver support.

Insular Areas: It also would provide $1 billion for infrastructure in U.S. territories.

SSI for Territories: The measure would extend the Supplemental Security Income program for lower-income individuals or those who have disabilities to Puerto Rico, Guam, the U.S. Virgin Islands, and American Samoa beginning in 2024. They are currently prohibited from participating.

Communications: The measure would provide:

- $500 million to the Federal Trade Commission to establish a new bureau focused on data privacy and identity theft.
- $475 million to supply low-income households with internet-connected devices.
- $470 million for grants to implement Next Generation 911 services that facilitate sending text messages, photos, and videos to emergency responders.
- $300 million for the Emergency Connectivity Fund, established under Public Law 117-2, to supply students, teachers, and others with internet-connected devices for use in distance learning.

To contact the contibuting analysts: Christina Banoub at cbanoub@bloombergindustry.com; Naoreen Chowdhury at nchowdhury@bgov.com; Michael Smallberg at msmallberg@bgov.com; Adam M. Taylor at ataylor@bgov.com; Brittney Washington at bwashington@bloombergindustry.com

To contact the editors responsible: Adam Schank at aschank@bgov.com; Danielle Parnass at dparnass@bgov.com; Loren Duggan at lduggan@bgov.com