



How Biden's policy plans could impact state and local governments

Federal changes likely to affect state and local operations

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Expect more federal everything

AS A PRESIDENTIAL candidate, Joe Biden campaigned on one of the most ambitious domestic policy agendas in decades. The sweeping policy initiatives envisioned by President-elect Joe Biden and Vice President-elect Kamala Harris could have profound implications not only for citizens but also for state and local governments. These policies propose a fundamental recasting of federal-state relations, one that has been likened to the 1930s' New Deal,¹ the 1960s' Great Society,² and other historical shifts.

From health care to the economy, from transportation to housing, the Biden campaign proposed a more robust federal role in the priorities and operations of state and local governments. Given that any legislation will require the cooperation of Congress, including a potentially Republican-majority US Senate, it is not clear to what extent Biden's legislative agenda will become reality. Much can be accomplished

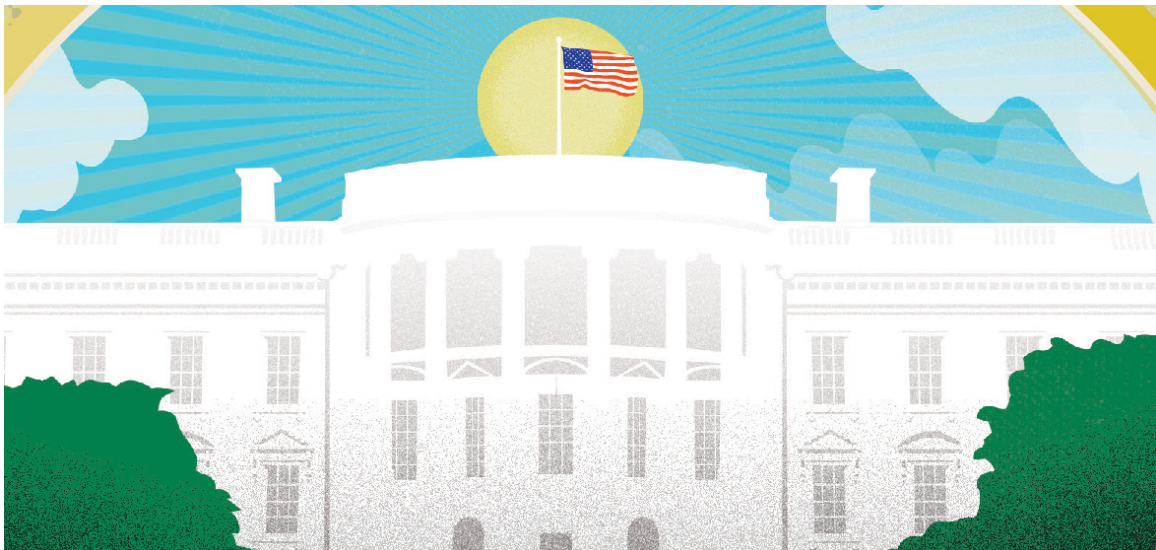
through executive action, however, and depending on what elements of Biden's proposed policies become reality, there could be a significant impact to state and local governments.

Four major themes stand out in Biden's policy initiatives:

1. Increased federal spending on health, education, and social care programs:

Biden has pledged to invest US\$775 billion over the next decade in social care, including child care and housing programs,³ free public college,⁴ and more.

2. A massive commitment to combating climate change: Biden's climate plan calls for investing US\$2 trillion over four years to significantly advance the use of clean energy in the power, transportation, and building sectors.⁵



3. A concentrated federal effort to combat racial and social inequality:

Many of Biden's policy proposals include efforts to address racial inequality. The Department of Justice, for example, will likely take a more active role in oversight of local policing and prosecutorial practice.⁶ In addition, some federal infrastructure funds may be contingent on more equitable local enforcement of fair housing policies.⁷

4. An economic development plan driven by federal investment:

Biden's planned federal spending is intended to create jobs, particularly boosting the ranks of unionized workers in social care and education.⁸

This vision, if enacted, is likely to mean more federal influence on state and local government operations. These proposals will come with additional funding but are likely to bring more oversight as well. For example, Biden has proposed that federal surface transportation block grants be made contingent on developing a plan for inclusionary zoning and that other federal funding to communities trigger requirements to proactively examine housing patterns and address policies with a discriminatory effect.⁹ Biden's platform also links a variety of federal funding to state and local progress toward various environmental goals.

Some of the Biden proposals that have attracted considerable attention are those that involve

expanded access to government services, such as free tuition at public colleges for families earning less than US\$125,000 per year and dropping Medicare eligibility from 65 to 60 years of age.¹⁰ While these proposals garner headlines, they also require Congressional action, while a number of less publicized plans could also have a significant impact on state and local governments. In areas ranging from infrastructure to child welfare to unemployment assistance, state and local officials may soon be dealing with new federal guidelines and perhaps be expected to execute on new or expanded programs.

State and local governments are often the front lines of federal action, the place where the rubber meets the road for service delivery. A Biden administration could bring greater federal funding to achieve desired outcomes—something most state and local governments will welcome. But this funding could also come with new challenges and additional requirements. The traditional federal-state relationship will be tested, as it always is, as the new administration brings a new approach. Cities, too, could experience significant changes. The actual execution of policy will come down to management nuts and bolts, as the public workforce, IT systems, and processes will need to adapt to disruptive change.

Given the bold blueprint laid out by Biden during his campaign, the coming months will be anything but dull for state and local officials.

The Biden economic development agenda: An ambitious plan

BIDEN'S BOLD ECONOMIC development agenda centers on four themes:

1. Innovation in manufacturing
2. Environmental sustainability
3. Caregiving, education, and social care
4. Racial equity and economic justice

How much of this federal investment will materialize is contingent on the cooperation of Congress, including a potentially Republican-majority Senate.

To achieve his vision of long-term prosperity, Biden has pledged to invest nearly US\$3.5 trillion aligned to these four pillars over the next decade, much of it within his first term. How much of this federal investment will materialize is contingent on the cooperation of Congress, including a potentially Republican-majority Senate.

Innovation in manufacturing: To boost American manufacturing, Biden has pledged what his campaign has described as the most aggressive

government investment in the US economy since World War II: US\$400 billion in government procurement of US-based goods and services over the next four years. Another US\$300 billion over the next four years would go toward new research and development, primarily in US-based technologies.¹¹

Environmental sustainability: Biden has pledged to invest US\$2 trillion over four years to significantly advance the use of clean energy in the electricity, transportation, and building sectors. The plan says these investments will not only create millions of additional jobs and new business opportunities but also build a sustainable infrastructure base to ensure long-term economic prosperity and a cleaner environment. "These are the most critical investments we can make for the long-term health and vitality of both the American economy and the physical health and safety of the American people," said Biden.¹²

Caregiving, education, and social care: Biden has pledged to invest US\$775 billion over the next decade in social care, including child care programs and those that expand care access for the elderly and people with disabilities. These investments also aim to fuel economic growth through the creation of millions of new caregiving and education jobs.¹³ As Biden's campaign website put it, the intent is to "mobilize American talent and heart to build a 21st-century caregiving and education workforce, which will help ease the

burden of care for working parents, especially women.”¹⁴

Racial equity and economic justice: Biden has also vowed to narrow the racial wealth gap in the United States through a number of measures aimed at building a more equitable economic system. His plans include leveraging billions in federal funds to support minority-owned businesses and expanding the role of the Federal Reserve to address racial gaps in the economy.¹⁵

Looking ahead for state and local governments

If Biden’s plan becomes reality, it will be interesting to see how governors interact with the federal government on economic development. Traditionally, state governments have competed to attract manufacturers, both from other states and from abroad, often by offering tax breaks and other incentives to relocate. The influx of federal investment dollars could mean that some states compete against one another to attract employers using federal dollars.

Moreover, Biden’s plan could present challenges in execution. For example, promoting US-based manufacturing through procurement will require states or some other authority to precisely define what constitutes a US-based good or service—a challenge, since with modern technologies, designing, marketing, and other functions can readily cross international borders. A similar challenge may exist in promoting racial equity, with state and local governments needing to measure and report on new criteria.

Finally, states might see an increased federal role in child care, elder care, education, and upskilling, as Biden plans to increase federal funding in all these areas. Part of these funds are intended “to elevate the pay, benefits, and professional opportunities for caregivers and educators, to create millions of good-paying new jobs in these areas with a choice to join a union.”¹⁶ As such, some state and local governments could see not only additional funding but also additional responsibilities around the compensation and structure of these new jobs.

Workforce and employment: A fundamental reset

BIDEN'S PLANS FOR reforming federal rules around employment would represent the most significant shift in workforce policy since the New Deal. He has proposed changes that could fundamentally reshape the employment landscape, including:

- Doubling the federal minimum wage to US\$15 per hour.¹⁷
- Changing the Family Medical Leave Act from requiring employers to grant 12 weeks of *unpaid* leave to 12 weeks of at least partially *paid* leave—and adding health coverage to the mix.¹⁸
- Significant changes to the Unemployment Insurance (UI) program.¹⁹
- A sizable expansion of short-time compensation programs (also known as job-sharing), which are lay-off aversion programs where distressed businesses can reduce hours for a group of workers, who in turn can receive a certain amount of unemployment benefits to make up for the difference in wages.²⁰ Biden's plan would shift the program to 100% federal funding, establish it in all 50 states, and provide full coverage of health benefits for workers with reduced hours.²¹

If enacted, these reforms could trigger massive change for workers and the companies that employ them. These changes would represent a significant increase in the social safety net and would come with both financial and administrative costs.

Looking ahead for state and local governments

Passage of some version of Biden's proposed plans for federal family leave would be impactful for states as well as companies. There are significant unknowns in the proposal, including how states with existing paid-leave programs will interact with the new federal requirements, whether the program would be state-administered, and how it will be funded. If a new federal family leave law covers all workers in the economy—including gig workers, domestic workers, and contractors—funding, administration, and enforcement could present an execution challenge.²²

During the pandemic-related economic downturn, many state UI programs were stretched to the limit. Not only did they experience unprecedented demand, they also had to implement new CARES Act policies, including Pandemic Unemployment Assistance, all while keeping their workers safe through telework and other measures. At the same time that agencies were under pressure to quickly

get benefits to the unemployed, organized fraud efforts were attempting to siphon off funds. This perfect storm both stressed the system and left many states with massive UI trust fund deficits, which will have long-term implications for the state and businesses. In addition, the introduction of Pandemic Unemployment Assistance added many new beneficiaries, such as self-employed and gig workers, but without corresponding employer contributions.²³ With Biden's plan calling for a rethinking of UI, will the benefits for these gig workers become standard policy going forward? The passage of Proposition 22 in California in November 2020 further complicates the gig worker landscape, as it maintains app-based rideshare and delivery drivers as independent contractors, albeit with certain enhanced compensation protections. It is not entirely clear, but if unemployment and other benefits are to be provided for gig workers, a mechanism will be needed to establish who is covered and to appropriately fund against claims. As a result, any new approach to UI would likely entail both federal and state legislative changes.

It could be a challenge for states to implement a new legislative design for UI and also keep up with the demand for these expanded services. Recognizing this, Biden has said he wants to

“establish a UI delivery team to help states solve any implementation problems they face” and to provide additional funds to help pay for staffing and technology enhancements.²⁴ Certainly, the wide-scale fraud attacks by organized criminal rings on both UI programs and Veterans Administration programs, as well as growing program complexity, suggest that states will need additional technology modernization going forward.

For states, the changes to the Short-Term Compensation (STC) proposal are substantial. Currently, STC programs are relatively small in the 27 states that participate, partly because the STC systems can be cumbersome and time-consuming for businesses.²⁵ If these STC programs are expanded in the manner envisioned by Biden, participation would likely rise, and states may need to upgrade workflows and IT systems to administer a scaled-up program efficiently.

The Biden agenda for the workforce represents a sizable enlargement to the social safety net. If enacted, it will likely mean greater federal funding, as well as new challenges for states that may have to administer and enforce new rules around expanded family and medical leave, UI, and STC programs.

Infrastructure and transportation: Greener and smarter

TWO CLEAR THEMES emerge from Biden's infrastructure priorities: infrastructure should be climate-friendly, and it should employ new technology to enhance efficiency. As Biden himself put it:

“We’ve seen the need for a more resilient economy for the long term, and that means investing in a modern, sustainable infrastructure and sustainable engines of growth—from roads and bridges, to energy grids and schools, to universal broadband.”²⁶

Biden has earmarked US\$400 billion for research and innovation in clean energy and infrastructure.²⁷ An additional US\$100 billion will be targeted for modernizing schools.²⁸ His plans also call for spending US\$20 billion on expanding rural broadband infrastructure to bolster employment opportunities and ensure access to

smart infrastructure assets.²⁹ As with many of Biden's proposals, some of these initiatives can be achieved through executive and administrative action, while others would require legislation.

Biden's transportation agenda encourages alternative and green transportation systems, giving state and local governments broad discretion to develop solutions that suit local needs. Moreover, in line with his strong push for social equity, Biden also calls for inclusive transportation systems that serve high-poverty areas that historically have lacked access to good schools and jobs.³⁰ The plans include:

- 1. Roads, bridges, and highways:** Investing US\$5 billion on repair in his first year as president.
- 2. Air transportation:** Incentivizing low-carbon aircraft technologies, air traffic management systems, and sustainable fuels.
- 3. Rail transportation:** Partnering with private freight rail companies to accelerate the electrification of railways and reduce diesel fuel emissions. The administration plans to use the existing grant and loan programs at the Department of Transportation to support these projects.

4. **Road transportation:** Accelerating the deployment of electric vehicles and working with state and local governments to install more than 500,000 new public charging stations by 2030. Biden proposes spending US\$5 billion in battery and energy storage technology to facilitate the transition to electric cars and an additional US\$1 billion annually to help cities move toward autonomous vehicles.³¹

5. **Public transit:** Providing funding to large municipalities (with a population size of more than 100,000) in order to get to zero-emission public transit by 2030. The administration aims to achieve this through flexible federal investments that will cover bus lines, light rail networks, and infrastructure for cyclists and pedestrians.

Looking ahead for state and local governments

During the pandemic, state and local transportation funding has plummeted, with the gas tax alone down by an estimated US\$50 billion. Lower ridership on mass transit has further eroded transportation revenues.³² Biden's plan will inject additional federal funding, mostly through existing mechanisms, with an emphasis on environmental sustainability and the use of smart technology as mentioned above.

Biden has stressed a more result-based form of infrastructure project accountability in his transportation plans. That means that while state and local governments may have more flexibility to guide their transportation spending, they may need to rethink how they manage and report on projects to demonstrate that the objectives of the federal funding are met.

Higher education: Access, racial equity, and upskilling

BIDEN HAS PROPOSED significant investment in higher education, community colleges, and job training, with an emphasis on supporting historically black colleges and universities (HBCUs) and other minority-serving institutions (MSIs). His campaign proposals include several bold initiatives, including:

- **Making tuition free at public colleges and universities** for all families earning below US\$125,000.
- **Funding two years of community college** or other high-quality training programs without student debt. The federal government would cover 75% of the cost, with states contributing the remaining 25%. Additionally, the federal government will cover up to 95% of the cost for community colleges operated by Indian Tribes serving low-income students.
- **Waiving existing loans for low-income individuals** and those in public service.
- **Earmarking US\$50 billion for workforce training**, including community college business partnerships and apprenticeships.

Taken together, this represents a major federal commitment to higher education that has not been seen in decades.

Racial equity is a strong theme throughout Biden's higher education proposals, including reducing disparities in funding for HBCUs and MSIs. Under a Biden administration, states and federal agencies will likely be required to publish reports of their allocation of federal funding to colleges and universities. When inequities exist, federal agencies and states will be required to publish a rationale and show improvements in eliminating disparities year over year.³³

In addition, Biden is looking to grow pathways between high school, job training, community college, and four-year programs. These traditionally siloed funding streams form the basis of the upskilling ecosystem, which may be even more critical due to the labor disruption caused by the pandemic. As part of Biden's effort to bring the different elements of the workforce development ecosystem together, he is looking to fund US\$20 billion for physical research facilities and labs at HBCUs and MSIs, ultimately to boost the country's research and development needs, furthering the links between education and business.³⁴

Looking forward for state and local governments

The Biden plan for higher education would represent perhaps the most significant federal focus on higher education in years and relies heavily on state participation, with states being asked to take on a sizable portion of the tuition at public universities and community colleges. Beyond this expense, making college free at public universities for about three-fourths of all families could have several second-order effects.³⁵ Increasing enrollment at public universities could require additional faculty, new dorms, or more robust technical infrastructure. On the other hand, the availability of free public college could reduce enrollment at some private colleges, potentially impacting their finances.

Biden's higher education plan includes a larger role for states in coordinating innovation and job-training efforts across the ecosystem of universities, employers, and other stakeholders. States may be

asked to scale up their coordination efforts. Further, the proposed boosts in funding for higher education may increase pressure to deliver market-driven skills. As the half-life of skills grows shorter, companies are increasingly looking for individuals with skills rather than degrees, and states may be in a position to influence the shift toward solutions such as stackable credentials, where individuals obtain microcredentials as needed, potentially combining them over the course of many years into a degree. This could provide individuals with a pathway to a better job in the short term and better career opportunities in the long term. Biden's intent to integrate higher education, including community colleges, with the skills needs of companies could accelerate this trend.

Finally, states and state institutions could see expanded reporting requirements relating to disparities in funding for HBCUs and MSIs, including increased commitment to federal research funding to these institutions.

Human services: Greater social care

THROUGHOUT HIS CAMPAIGN, Biden has supported strengthening government-provided social care. His plans for enhanced human services center around three main themes:

1. Enhanced access to child care
2. Expanded social support
3. Enhanced support of the elderly and disabled through Long-Term Services and Support (LTSS)

Enhanced access to child care

Biden seeks to provide families struggling with child care extra support via investments into multiple caregiving programs. His child care plan, part of his 10-year US\$775 billion caregiving proposal, includes:

- Establishing a joint federal-state universal pre-kindergarten program, providing free pre-kindergarten for all 3- and 4-year-olds
- Offering low- and middle-income families up to US\$8,000 in tax credits per child to help pay for child care, up to US\$16,000 per family
- Providing financing for the construction of new child care facilities, including at workplaces and in rural areas

Moreover, Biden wants these programs to be structured so that caregivers and educators get increased pay, have the right to form labor unions

and bargain collectively, and have access to professional training.³⁶

Expanded social support

Noting that the COVID-19 pandemic has had troubling effects on disadvantaged populations, Biden supports many enhancements to social care. He plans to increase Supplemental Nutrition Assistance Program (SNAP) benefits by 15% and provide an extra US\$100 per month to low-income families for nutritional support, and he supports the FEMA Empowering Essential Deliveries Act, through which the federal government will pay restaurants to prepare meals for the hungry without requiring matching contributions by states.³⁷ In addition, Biden has proposed enhancements to the National Parent Helpline and increased funding for vulnerable children and at-risk youth, including programs that prevent and respond to child abuse and neglect.³⁸ A Biden administration might move to curtail state work requirements for able-bodied adults without dependents.³⁹

Enhancements to LTSS

Biden has made a large commitment to expanding care for the elderly and disabled through LTSS enhancements. In particular, he has proposed greater Medicaid coverage for home- and community-based services, as well as tax credits for informal caregivers.⁴⁰ (For more details, please refer to the section on health care.)

Looking ahead for state and local governments

Overall, Biden's human service proposals are oriented towards the elderly, the economically disadvantaged, the disabled, and children—in short, vulnerable populations. States will be instrumental in delivering these services.

Biden's plan includes expanding access to child care for working families, and states would be key partners in such an expansion. Depending on new legislation or executive actions, states may need to expand rules around eligibility, provide new services, or augment current programming, and their workforce could need training on these new

procedures. Insofar as states rely on nonprofit and community providers, an increase in federal funding could influence how states recruit, license, and support child care providers.

In general, the proposed expansion of human services will have implications for state and local operations. States will need to execute any policy changes, including eligibility calculations, which may entail changes to IT systems. To operate efficiently, states may need to accelerate digital adoption, optimize processes, and enhance the client experience. In addition, state and local governments may need to reskill their workforce to deal with substantial program changes.

Housing: Affordable and sustainable

BIDEN HAS PROPOSED investing US\$640 billion over the next 10 years in housing, a significant federal commitment. He aims to rebuild low- and middle-class communities so that these neighborhoods have homes that are affordable and safe while providing access to good schools and jobs. Biden's plan includes:

Providing rental assistance by expanding housing choice voucher entitlement: Biden wants to expand the federal Section 8 housing voucher program, which caps a family's contribution to rent to 30% of income.⁴¹ Today, only a fraction of those who qualify receive vouchers due to insufficient program funding. If Biden's plan is passed by Congress, increased funding would ensure more eligible applicants could participate in the program.⁴²

Increasing supply of affordable housing: Biden proposes creating a US\$100 billion affordable housing fund to build new homes as well as upgrade existing ones. He also plans to expand the Low-Income Housing Tax Credit, which provides tax incentives to developers to build affordable housing units.⁴³

Ending discriminatory housing policies: As with other sectors, equity is also a big theme in Biden's housing proposals. His plans include investing US\$300 million in local housing policy grants to incentivize communities to eliminate

exclusionary zoning policies, expanding the Community Reinvestment Act to ensure fintech and nonbanking lenders provide equitable access to capital in all communities, as well as a number of other actions to protect consumers against discrimination.⁴⁴

Biden also wants to make federal infrastructure funding contingent on more equitable regulation and enforcement of housing fair practices, which would act to end discrimination against renters who receive federal housing benefits.⁴⁵

Looking ahead for state and local governments

Biden's broad vision of federally supported housing might require cities and states to strengthen their delivery capabilities. Even though most of this expansion will be done through existing mechanisms, the network of private housing providers may need to be expanded.

Housing is also a key factor in the social determinants of health, and housing policies are linked to health and human service policies. The proposed changes to housing policy could impact state operations in areas such as Medicaid, child welfare, and other human service programs.

Health care reform: Big changes, big implications

PRESIDENT-ELECT BIDEN'S PLATFORM outlined a series of significant reforms to health care policy. Biden's proposals are ambitious, and the impact on state and local partners could be sizable. Until actual legislation is passed, however, and until the Supreme Court clarifies certain aspects of the Affordable Care Act (ACA), these impacts will not be entirely clear.

Health is an extensive policy area, and the analysis is broken into two sections:

- 1. Reform of the ACA and health policy:** The major reforms proposed include introduction of a public option, increased subsidies and broader eligibility, and other health policy changes to Medicare, Medicaid, drug pricing, etc.
- 2. Public health:** This covers the public health response to the COVID-19 pandemic and the opioid epidemic.

Reform of the Affordable Care Act and health policy

Biden's health care plan would expand the ACA to include a public-option health insurance plan to be offered through state and federally facilitated exchange marketplaces, along with other private qualified health plans. The addition of a public option alone would represent a significant change to the ACA but would require reform legislation passing in Congress.

In addition, Biden has proposed reforms that would allow more low-income Americans to receive subsidized health insurance coverage. This would be accomplished largely through changes to the Advanced Premium Tax Credit (APTC), including increasing the subsidies available and lifting the cap so that even families earning more than 400% of the federal poverty level could have subsidized options. As Biden's campaign website states, "This will give more families the ability to afford more generous coverage, with lower deductibles and out-of-pocket costs."⁴⁶

Other significant health reforms proposed by the president-elect include dropping the age of Medicare eligibility from 65 to 60, which would increase Medicare program costs and likely boost the number of Medicaid enrollees who are dually eligible for both programs. In addition, the Biden campaign has called for new steps to control the price of prescription drugs that could help states lower costs, eliminating "surprise medical billing" to reduce consumer costs and providing additional assistance to rural hospitals to ensure access to care.

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The introduction of a public option—which would require legislation—would have significant impacts for states, the exact nature of which won't be known without precise legislative language. States that have already expanded Medicaid will likely have to decide whether to transition their expansion population to a zero-premium version of

the public option and pay a maintenance-of-effort fee. There may be complexities around this transition, as most states have tightly integrated their expansion population into their overall approach to managing and improving their Medicaid programs. Expansion states will have to weigh administrative challenges, costs, and patient outcomes in determining the best course of action.

For states that haven't expanded Medicaid, the introduction of a public option could offer a chance to increase coverage for their citizens without having to implement an actual expansion. These states may be required to make some type of contribution for those residents who utilize the public option.

For states operating state-based marketplaces, the introduction of a public option could impact market dynamics, as both insurance carriers and individuals could react to changing incentives with new behaviors. Modeling and monitoring shifts in consumer and carrier behavior will become critical to avoiding unpleasant surprises—such as insurance carriers withdrawing from a market.

For states with reinsurance programs, the introduction of a public option may require a restructuring of those programs. Also, the addition of a public option will require administrative and technology changes to the state-based marketplaces.

The lowering of the age of Medicare eligibility to 60 would result in individuals between 60 and 65 currently on Medicaid transitioning to Medicare. They would likely become “dual eligibles,” as Medicare does not cover all the services that Medicaid does. This dual-eligible population can be very complex to manage from the state

perspective. For states, the increase in the number of dual eligibles will likely create administrative challenges. It is also unclear whether states will have to make maintenance-of-effort payments for their Medicaid beneficiaries to transition to Medicare, as they currently do for Medicare Part D.

The proposed changes to APTCs would require administrative and technology changes for the state-based exchanges. In addition, these changes have the potential to change current market dynamics, along with carrier coverage and pricing decisions that will both have to be modeled and monitored to make sure that the ongoing goals and objectives of the state-based marketplaces are addressed.

And finally, while the proposed drug pricing initiatives don't specifically impact Medicaid and state employee drug costs, there are likely to be indirect impacts on state Medicaid drug pricing. The federally mandated Medicaid drug rebate program as well as ongoing negotiations around supplemental rebates with the manufacturers could be impacted by the pricing initiatives.

COVID-19: A plan for the pandemic

Biden's plan for dealing with the COVID-19 pandemic is likely to have major impacts on state and local governments, especially around testing and tracing.

Testing: Biden has stressed that all testing for COVID-19 should be free and widely available. Specific proposals include doubling the number of drive-through testing sites, ensuring at least 10

sites per state, and creating a new pandemic testing board to produce and distribute tens of millions of additional tests to the public.⁴⁷ Biden is calling for daily public reports on testing across the country. His plan says the Public Health Service Act should be amended to cover all testing, treatment, and preventive services.

Personal protective equipment (PPE): Biden proposes using the Defense Production Act to manufacture PPE for frontline workers.⁴⁸ His plan calls for guidance to states that clarifies priorities for distributing PPE. It also includes working with businesses to expand PPE production, address price gouging, and reduce dependence on foreign sources for health care supplies.

Preventive care and treatment: Biden proposes to eliminate cost barriers and copayments for the COVID-19-related prevention and care, regardless of an individual's insurance status. His plan emphasizes creating surge capacity for COVID-19 prevention, deploying federal Medicaid stations and a Medical Reserve Corps for response and treatment, creating a US Public Health Service Reserve Corps, and increasing the availability of telehealth services. Biden's plan would continue home- and community-based service waivers to support vulnerable populations and direct health and human services to reimburse providers for uncompensated care associated with COVID-19 testing, treatment, and vaccines.

Contact tracing: Biden would work with local organizations to deploy 100,000 additional contact tracing workers nationwide.⁴⁹

Vaccines: The Biden plan emphasizes that the National Institutes of Health and the Food and

Drug Administration should have the necessary resources to evaluate the safety and efficacy of COVID-19 vaccines and that these vaccines should be provided to the public at no cost. When a COVID-19 vaccine is ready for the public, Biden has pledged to invest US\$25 billion to manufacture and distribute it.

Public health infrastructure: Biden plans to scale up biomedical research, ensure robust nationwide disease surveillance, sustain a first-class public health and first-responder workforce, establish flexible emergency budgeting authority, and ensure greater preparedness for future pandemics. His plan also proposes that the Centers for Medicare and Medicaid Services establish a diagnosis code for COVID-19 to support enhanced surveillance and claims analysis.

Schools: The Biden plan calls for the US Centers for Disease Control and Prevention (CDC) to provide guidance and resources on COVID-19 containment and mitigation to public schools. He has proposed an emergency package (with disaster funds administered by the Federal Emergency Management Agency) to help schools to reopen safely, as well as a renewable fund to help state and local governments deal with pandemic-related budget shortfalls.⁵⁰

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The experience of COVID-19 will likely prompt significant investment in public health infrastructure, redefining state public health agencies and approaches. States have an opportunity to invest in advanced technologies, including analytics and artificial intelligence, to support disease surveillance for future pandemics.

As states experience a demand for more testing and—hopefully soon—vaccine deployment, they will likely be seeking federal support. The Biden campaign plan calls for increased funding for demand planning, identification of at-risk populations, supply chain logistics, reporting, and more.

States are expected to play a major role in vaccine distribution. The CDC has asked for state distribution plans, and states will need support in refining and adjusting those plans as more information becomes available. State public health agencies are already operating under extreme stress, and it is unlikely that they would have the capacity to handle this additional responsibility without additional resources. Biden's pandemic response plan calls for additional contact tracers and provides states funding for more advanced technologies to fight the spread of COVID-19.

The opioid crisis

The president-elect has proposed a US\$125 billion commitment over 10 years to substance addiction prevention, treatment, and recovery. At least US\$75 billion of this funding would be available as flexible grants to states for evidence-based,

cost-effective prevention programs.⁵¹ Another US\$20 billion would be allocated for expanding the capacity to administer medication-assisted treatment across the nation, while US\$10 billion would be provided to state and local governments to ensure sufficient supplies of the overdose preventive drug naloxone and to support community-based prevention and public education initiatives.

Biden's plan enlists states in increasing the effectiveness of database-driven prescription drug monitoring programs to help guard against overprescribing of opioids. According to the campaign website, "In order to receive any of the US\$125 billion in new grants under the Biden Administration, states will have to institute a requirement that every prescriber checks the database every time they write a new opioid prescription."⁵²

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With additional federal funding, states will have an opportunity to use analytics to identify at-risk populations and provide critical support services around mental health treatment to reduce opioid abuse and death rates.

Criminal justice reform: A bigger federal role

BIDEN HAS PROPOSED reforming the nation's criminal justice system by focusing on initiatives to alleviate racial disparities and promote "decarceration" and crime prevention. His plan to tackle racial disparity will largely rely on the authority of the Department of Justice (DoJ) to reform policing and prosecutorial practice.⁵³

Policing: Biden's plan promotes a more active federal role in policing, using the DoJ's investigations and consent decrees to hold local police departments accountable for misconduct. He proposes to provide police departments with additional resources contingent on promoting desired reforms. He has committed US\$300 million to revive "community-oriented policing" in the United States, noting, "Every single police department should have the money it needs to institute real reforms like adopting a national use of force standard, buying body cameras, and recruiting more diverse police officers."⁵⁴ Biden has suggested pairing police officers with mental health professionals "to keep them from having to use force."⁵⁵

He has also proposed spending US\$900 million on an eight-year program that will use evidence-based solutions to combat gun violence in 40 cities with the highest rates of violence.⁵⁶

Incarceration and crime prevention: Biden seeks to reduce incarceration and decrease crime through the expansion of social services. He has proposed a US\$20 billion grant program to help states, counties, and cities tackle the social determinants that drive crime, such as illiteracy and child abuse. The proposal advocates for significant juvenile justice reform, allocating US\$1

billion annually for a grant program to encourage states to use community-based alternatives for minors in lieu of more punitive approaches.

Biden also seeks to end incarceration for drug use alone, eliminate mandatory minimum sentences for nonviolent crimes, end cash bail, abolish the death penalty, and end the use of privately run prisons. He proposes reducing barriers to reentry for formerly incarcerated individuals by ensuring they have access to programs like SNAP and public housing benefits and has set a goal that 100% of those returning from incarceration will have housing upon release. He also wants to establish a task force independent of the DoJ that will offer recommendations to reduce racial disparities in prosecutors' charging decisions.

Looking ahead for state and local governments

Biden's plans for criminal justice reform are in keeping with his overall emphasis on reducing systemic racism.

The diffused nature of criminal justice in the United States, however, means that most reforms will require the active cooperation of state and local authorities. Gaining that cooperation could entail a "carrot and stick" approach. State and local law enforcement and political leaders may welcome additional funding but could push back against more active federal oversight, including federal funds that are contingent on adoption of various reforms, contending that they are better positioned to understand the unique aspects of their communities.

Biden's rural agenda

BIDEN'S RURAL AGENDA is focused on economic development through investments in agriculture and infrastructure, while concurrently improving access to health care in rural communities.

- **Agriculture:** Biden has pledged to strengthen the agriculture sector by pursuing farmer-friendly trade policies, providing farmers with greater access to funding, and protecting small farms by strengthening antitrust laws to root out agricultural monopolies.
- **Sustainable farming:** Biden wants American agriculture to be the first in the world to achieve net-zero emissions, through a mix of incentives and the participation of farmers in carbon markets.
- **Rural jobs:** Biden has pledged to expand bio-based manufacturing to bring manufacturing jobs back to rural America and improve rural education through investment. He will also invest US\$20 billion to improve the rural broadband network and create more than a quarter-million new jobs.⁵⁷
- **Rural health care:** Biden wants to improve access to health care in rural communities by expanding telehealth services and increasing funding to build community health centers, hospitals, and medical residencies.⁵⁸

Looking ahead for state and local governments

The term “rural America” covers a wide range of communities. Some parts of rural America are thriving, with strong economies thanks to rich natural resources, retirees, tourists, and other factors. Other rural communities are struggling, with older, declining populations, poor educational outcomes, and worsening health care access. Any plan for rural America will be challenging to implement for states due to the varied characteristics of these communities.

Biden's plan for rural farming will not only build on traditional agriculture supports but also introduce new aspects involving environmental sustainability and other economic investment. This may introduce complexities in implementation for state and local agriculture officials.

In terms of recharging the rural economy, much of the discourse happening in Washington and in state capitals across the country has centered on increasing rural broadband access as a means of addressing the growing digital divide. Biden's plan does this, but it puts investment in rural manufacturing on the table. The details of both the broadband expansion and manufacturing initiative are not fully determined, but these efforts may create both opportunities and challenges in implementation for state and local government.

Climate change: Part of every policy

BIDEN HAS RELEASED the most ambitious climate action proposal in US presidential election history. The proposal, which is expected to cost US\$2 trillion spread over four years, is 10 times the cost of the environment plan proposed by Barack Obama in his 2008 presidential campaign.⁵⁹

Combating climate change will be at the heart of Biden's presidency, and almost every policy proposal released by his campaign—including housing, rural policy, education, infrastructure, and foreign policy—has provisions for environmental goals.

Biden's plan sets aggressive climate action targets. These goals include decarbonizing the power grid by 2035 and achieving net-zero emissions by 2050. In addition, Biden also plans to build sustainable infrastructure, such as providing zero-emission public transport options in large cities by 2030, upgrading 4 million buildings, and weatherizing 2 million homes over four years to increase energy efficiency. Biden also intends to use this environmental investment to redress racial and economic inequality, directing that 40% of clean energy spending go to disadvantaged communities.

Biden views climate policy as being critical to the long-term economic prosperity of the nation. He believes that federal spending that promotes the use of clean energy in the electricity, transportation, and building sectors will drive the creation of millions of additional jobs and new business opportunities.⁶⁰

Looking ahead for state and local governments

As with other areas, the impact of climate policy on states will depend to some extent on what legislation passes Congress. Biden believes investment in climate sustainability can create millions of well-paying union jobs, but the shift toward renewable energy could be worrisome for states that have a high number of blue-collar workers employed within the fossil fuel industries. Biden's expansive climate plan will likely require the states to work with the federal government, industry, and academia to develop robust workforce reskilling programs to help former fossil fuel workers gain meaningful employment elsewhere.

A new direction

BIDEN AND HARRIS' policy agenda, if realized, would bring sweeping change to the federal landscape, which in turn will impact state and local governments. Change, even positive change, can be disruptive, and these proposed changes are likely to bring both opportunity and challenges to state and local officials. Quite apart from the politics of these proposals, the

nuts-and-bolts aspects of execution will require skilled implementation. Successfully executing on these proposals will make demands on the core systems of state and local government: the IT systems, the workforce, and the processes that combine to deliver services. The coming years will see state and local leaders in the spotlight as they adapt to a changing federal landscape.



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