

# The American Rescue Plan Act, 2021

## Executive Summary

The \$1.9 trillion [American Rescue Plan Act of 2021](#) was signed into law on March 11, 2021. Below is an Executive Summary of relevant sections of the bill.

### State and Local Fiscal Recovery Funds

- » \$350 billion to state and local governments for fiscal aid, including:
  - \$195.3 billion to states and Washington, D.C.
  - \$130.2 billion to local governments
    - Cities will receive \$65.1 billion
      - Metropolitan cities will receive \$45.6 billion
      - Nonentitlement units of local government will receive \$19.5 billion
    - Counties will receive \$65.1 billion
  - \$20 billion to Tribal governments
  - \$4.5 billion to territories
- » Eligible expenses include lost revenue (during the pandemic, compared to the prior full fiscal year), addressing negative economic impact of the Coronavirus, and necessary investments in water, sewer, or broadband infrastructure
  - States and territories cannot use funds to offset tax revenue or for deposit into pension funds
  - Funds can be used to provide "premium pay" to essential workers of up to \$13 per hour, capped at a maximum \$25,000
    - Essential workers are defined as those "needed to maintain continuity of operations of essential critical infrastructure sectors" or others as designated by state and local officials as critical to "health and well-being" of their residents
- » Funds available to be used by December 31, 2024
- » Funds can transfer to a private nonprofit organization, a Tribal organization, a public benefit corporation involved in the transport of passengers/cargo, or a special purpose unit of state or local government
- » The Treasury Secretary has optional authority to withhold 50 percent of the funds upfront
  - The Secretary shall exercise that authority based on each state's unemployment rate
- » An additional \$10 billion for the Coronavirus Capital Projects Fund, which includes:
  - Payments to States, territories, and tribal governments (SLTTs)
  - Use for critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency
  - \$100 million minimum payments to each state; remainder is allocated using a three-part formula based on overall population, rural population, and population below the poverty line

### Federal Emergency Management Agency (FEMA)

- » \$50 billion to the Disaster Relief Fund (DRF) for costs associated with major disaster declarations, such as: the national vaccination program to provide flexible, targeted assistance to SLTTs for vaccination efforts,

deployment of national guard, personal protective equipment (PPE) for government employees, and disinfection in public facilities

- » \$510 million for the FEMA emergency food and shelter program to provide assistance such as overnight shelter, meals, one month's rent or mortgage assistance, and one month's utility payments

## Housing

- » \$21.5 billion for emergency rental assistance through the Treasury Department for emergency rental and utility assistance to help stabilize renters and help rental property owners cover costs
- » \$9.9 billion to SLTTs to address the ongoing needs of homeowners struggling to afford their housing by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs
- » \$5 billion to help SLTTs assist those at risk of experiencing homelessness
- » \$5 billion for emergency housing vouchers for those who are homeless

## Higher Education Emergency Relief Fund

- » \$40 billion to colleges and universities
  - Funds may be used to address major revenue loss, keep staff and faculty employed, and provide students with financial aid to address their housing and education expenses

## Elementary and Secondary School Emergency Relief Fund

- » \$123 billion for grants to State educational agencies (SEAs) for safe reopening of schools
  - States required to allocate 90 percent to local educational agencies (LEAs)
  - SEAs and LEAs are required to carry out activities to address learning loss such as providing extended days or summer school
  - Funds may be used to update ventilation systems, reduce class sizes to help implement social distancing, buy PPE, and hire support staff

## Child Care

- » \$24 billion to create an emergency stabilization fund for child care providers
  - Based on operating expenses and may be used to pay employees and rent, help families struggling to pay the cost, and purchase PPE other supplies
- » \$15 billion for the Child Care and Development Block Grant program
- » \$1 billion for Head Start programs

## Vaccine Activities at the Centers for Disease Control and Prevention (CDC)

- » \$7.5 billion to plan, prepare for, promote, distribute, monitor and track COVID-19 vaccines
  - Also to provide grants, guidance, and technical assistance to SLTT public health departments
- » \$1 billion for promoting vaccine confidence
- » \$6 billion for research, development, manufacturing, production, and purchase of vaccines, therapeutics, and ancillary medical products and supplies to prevent, prepare for, and respond to COVID-19 or any disease with potential for creating a pandemic

## Transportation and Infrastructure

- » \$30 billion to transit agencies to assist with operating costs, including payroll and PPE
- » \$8 billion to airports, including \$800 million for airport concessions
- » \$3 billion for aviation manufacturing payroll support
- » \$3 billion to Economic Development Administration (EDA) to provide economic adjustment assistance to help prevent, prepare for, and respond to coronavirus and for responding to economic injury caused by coronavirus

## Low-Income Utilities Assistance

- » \$4.5 billion for home energy assistance through the Low-Income Home Energy Assistance Program
- » \$500 million to HHS to provide financial assistance to low income and other consumers impacted by Coronavirus to assist with payments for water and wastewater expenses

## Direct Stimulus Payments

- » \$1,400 individual checks for single taxpayers and \$2,800 for married couples, plus \$1,400 per dependent
  - Stimulus payments phase out for single filers that make over \$75,000 annually and joint filers that make over \$150,000 annually

## Unemployment Benefits

- » Extends supplemental unemployment benefits at \$300 a week through September 6, 2021
- » Makes the first \$10,200 in unemployment benefits received in 2020 non-taxable for households with incomes under \$150,000

## Tax Credits

- » Expands the Child Tax Credit to \$3,000, and to \$3,600 for children under the age of six, and makes it fully refundable
- » Increases the Earned Income Tax Credit for some workers and extends its benefits to low-income workers under 25 without children
- » Expands the Child and Dependent Care Tax Credit up to \$4,000 for the child care expenses of one dependent and up to \$8,000 for two or more dependents

## HealthCare

- » \$49 billion for COVID-19 testing, tracing, and genomic sequencing, including investing in laboratory capacity, community-based testing sites, and mobile testing units, particularly in medically underserved areas
- » \$35 billion to make the Affordable Care Act's exchanges more affordable
- » \$11 billion for public health investments, including expansions of community health centers and the National Health Service Corps
- » \$8.5 billion for certain rural healthcare providers
- » \$8 billion to strengthen the public health workforce
- » \$6 billion to the Indian Health Service
- » \$500 million for Emergency Rural Development Grants for rural healthcare

- » Increases Medicaid's federal match to states and expands the program for pregnant and postpartum women
- » Covers full amount of premiums for COBRA through September 2021

### Assistance to Tribes

- » \$900 million to the Bureau of Indian Affairs (BIA)
- » \$850 million to the Bureau of Indian Education (BIE)
- » \$750 million for housing assistance

### Small Business Support

- » \$28.6 billion in funding for a new dedicated grant relief program for restaurants
- » \$15 billion in additional relief for small businesses and hard-hit industries through increased funding for targeted Economic Injury Disaster Loan (EIDL) grants
- » \$7 billion for expanded Paycheck Protection Program (PPP) assistance for nonprofits and digital news services
- » \$1 billion in Save Our Stages grants for independent live venues, independent movie theaters, and cultural institutions

### Defense Production Act (DPA)

- » \$10 billion to enable the President to use the DPA to purchase, manufacture, and distribute critically-needed medical supplies and equipment

### Nutrition

- » \$12 billion for nutrition programs including SNAP, WIC, and Pandemic EBT
- » Extends the 15 percent SNAP increase through September 2021

### Student Loan Forgiveness

- » Makes any student loan forgiveness passed between December 31, 2020 and January 21, 2020 tax-free

### Paid Sick and Family Leave

- » Continues to provide tax credits to employers who voluntarily choose to offer the benefit through October 1, 2021