
Unpacking the American Rescue Plan: Potential Implications and Opportunities for FOCs

American Rescue Plan Act of 2021

Background

- On March 11, President Joe Biden Signed the American Rescue Plan Act of 2021
- The Bill Provides \$1.9 Trillion in Funding, Program Changes, and Tax Provisions to Aid the Nation's Response and Recovery from the Coronavirus Pandemic

COVID Relief

Aid to Individuals

- Provides one-time direct payments of [up to \\$1,400 for adults and qualifying dependents](#) with adjusted gross incomes (AGI) of up to \$75,000 (\$150,000 for married couples filing jointly) and is phased out for those earning more.
- Based on 2019 and 2020 tax returns.

Unemployment Insurance*

- [Extends the weekly federal supplement](#) that is provided on top of state unemployment benefits of \$300 per to September 6, 2021.
- Makes the first \$10,200 of unemployment benefits received in 2020 tax-free for households with AGI of less than \$150,000 (single & married couples).
- Extends the Pandemic Unemployment Assistance (PUA) Program through September 6, 2021 and allows emergency unemployment relief for governmental entities and nonprofit organizations.
- **NOTE:** At least 23 states have announced their intent to pull out of pandemic-era programs that give recipients an extra \$300 a week in unemployment benefits. Most of those 23 are also halting their participation in PUA, the unemployment aid for the self-employed, gig workers, and the long-term unemployed, generally defined as those out of work more than six months.

Legislative Provisions – Key Tax Changes

Child Tax Credit (CTC)

The American Rescue Plan expands the Child Tax Credit (CTC) for tax year 2021 only - major changes include an increase in the credit amount and advance payments starting this summer.

- Fully refundable for 2021, up to \$3,000 per child and \$3,600 for children younger than 6 (increase from \$2,000 per child)
- Increased amounts phase out at \$75,000 for single, \$112,500 for heads of household, & \$150,000 for married couples
- IRS directed to pay monthly advance payments from July through December 2021
- Taxpayer may opt out of advance payments or use an online portal (to be established by the IRS) to provide relevant information to modify credit amounts

Legislative Provisions – Key Tax Changes

Child Tax Credit (CTC)

The expanded credit means:

- The credit amounts will increase for many taxpayers.
- The credit for qualifying children **is fully refundable**, which means that taxpayers can benefit from the credit even if they don't have earned income or don't owe any income taxes.
- The credit will include children who turn age 17 in 2021.
- Taxpayers may receive part of their CTC in 2021 before filing their 2021 tax return through advance payments made regularly from July through December to eligible taxpayers who have a main home in the United States for more than half the year.
 - **The total of the advance payments will be up to 50 percent of the Child Tax Credit.** Advance payments will be estimated from information included in eligible taxpayers' 2020 tax returns (or their 2019 returns if the 2020 returns are not filed and processed yet).
 - **Families can expect up to \$250 or \$300 per child each month, depending on kids' age.**
- People with children to file their 2020 tax returns as soon as possible to make sure they're eligible for the appropriate amount of the CTC as well as any other tax credits they're eligible for. **Filing electronically with direct deposit also can speed refunds and future advance CTC payments.**

Legislative Provisions – Key Tax Changes

Child Tax Credit (CTC)

We know there will be two online IRS child tax credit portals to help make changes.

- The main portal will be used to let families opt out of receiving the monthly child tax credit payments -- this is for those who would rather have one large payment next year.
- The other portal will be for families who don't typically file their tax returns. This will help make sure their information is up to date, such as if they've gained new dependents.
- Taxpayers will have the opportunity to update information about changes in their income, filing status or the number of qualifying children.

Legislative Provisions – Key Tax Changes

Earned Income Tax Credit

- Expands EITC to individuals without children from \$543 to \$1,502 for 2021.
- Minimum age decreased to 19, except for students (minimum age 24) & qualified former foster youth or homeless youth (18)
- Maximum age eliminated
- Lookback provision: Allows taxpayer to use 2019 income instead of 2020 in computing credit amount

Child & Dependent Care Credit

- Makes credit refundable, equal to 50% of eligible expenses, up to a limit based on income
- Credit phaseout begins at income levels more than \$125,000

Housing, Utility, and Cash Assistance

- **Homelessness** (\$5B)
 - Administered through HUD's HOME Investment Partnership Program (HOME ARP) and [funding has been distributed](#) to states and localities
 - Funding is targeted to high needs populations such as persons experiencing and at risk of homelessness and can be used for rental assistance, supportive services, and development subsidies.
- **Emergency Rental Assistance Program** (\$21.6B)
 - \$25B appropriated last year and ARP provides an additional \$21.6B
 - Funds must be used to provide financial assistance, including back and forward rent and utility payments, and other housing expenses, including supportive services
 - Funding has been allocated from both programs

Housing, Utility, and Cash Assistance

- **Housing Choice Vouchers** (\$5B)
 - Targeted to same high needs populations as HOME ARP funding & provides 70,000 longer term rental assistance vouchers. Allocation notices by May 10
- **Homeowner Assistance Fund** (\$9.9B)
 - 60 percent of each grant must be targeted to homeowners having incomes no greater than 100 percent of area median income
 - Funding can be utilized broadly for homeownership supports, including mortgage and utility assistance, housing counseling, property taxes, and other uses
 - States are required to submit a plan on how to use funding by June 30 and many have received initial payments of 10% of their award amount
- **Low-Income Home Energy Assistance Program** (\$4.5B)
 - Additional appropriations for LIHEAP and money has not yet been released by HHS

Food Assistance

Supplemental Nutrition Assistance Program (SNAP)

- Additional SNAP Administrative Funding: \$1.1 Billion
- Extends the 15% SNAP Benefit increase through September 30, 2021

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

- WIC Allocation: \$800 Million
- Temporarily boosts the value of WIC Cash Value Vouchers

Extends Pandemic-EBT Program

- Providing SNAP benefits to low-income children who have lost access to meals at school and child care due to the pandemic through the summer months.

Digital Inclusion

Expanding Internet Connectivity to Students and Communities: \$7.1 Billion

- Funds will reimburse schools and libraries to purchase equipment such as hotspots, internet service, and computers on behalf of students and patrons

Emergency Broadband Benefit: \$3.2 Billion

- The Emergency Broadband Benefit Program is a Federal Communications Commission (FCC) program that provides a temporary discount on monthly broadband bills for qualifying low-income households.
- The program will end when the fund runs out of money, or six months after the Department of Health and Human Services declares an end to the COVID-19 health emergency, whichever is sooner.

Digital Inclusion

Emergency Broadband Benefit

What is the Benefit?

- \$10 to \$50/month discount for broadband services;
- Up to \$75/month discount for broadband services for households on Tribal lands; and
- A one-time discount of up to \$100 for a laptop, desktop computer, or tablet purchased through a participating ISP (with a co-payment of more than \$10 but less than \$50).
 - To receive the connected device discount, consumers need to enroll in the EBB Program with a participating provider offering connected devices (not all service providers offer device discounts). Service provider provides discount to consumer.
- Limited to one monthly service discount and one device discount per eligible household.

What do Households Get?

- The benefit covers anything above dial up
- Per GB data plans are excluded
- Eligible devices need to be Wi-Fi enabled and support video conferencing
- ISPs can improve offers available since December 1, 2020

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Emergency Broadband Benefit

Who is Eligible?

- experienced a substantial loss of income since February 29, 2020 AND has a total household income in 2020 at or below \$99,000 for single filers and \$198,000 for joint filers
- received a Federal Pell Grant in the current award year
- qualifies for Lifeline benefits through participation in SNAP, Medicaid, Supplemental Security Income, Federal Public Housing Assistance, or Veterans and Survivors Pension Benefit
- has an income at or below 135% of the Federal Poverty Guidelines
- meets the eligibility criteria for a participating broadband provider's existing low-income or COVID-19 program

Qualify Through Your Child or Dependent

Any member of your household can make your household eligible. For example, if [your child or dependent](#) participates in the Free and Reduced-Price School Lunch Program, your household qualifies for the Emergency Broadband Benefit.

Digital Inclusion

Emergency Broadband Benefit

How do Households Apply?

There are three ways to apply for the Emergency Broadband Benefit Program.

Online with USAC: Use the [online application](#) (available in English and Spanish).

Mail with USAC: Print an application in [English](#) or [Spanish](#) ([instructions](#) also available in 9 additional languages).

Complete the application and send with proof of eligibility to:

Emergency Broadband Support Center
P.O. Box 7081
London, KY 40742

Contact Broadband Provider

Ask provider if they participate in the EBB Program, or use USAC's [online tool](#) to find a participating company near you. Participating companies can help apply through the National Verifier or through their company's application process.

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Emergency Broadband Benefit

After You Apply

After you submit an application, USAC will share the results with you. If you apply online, you may receive an immediate approval. If we cannot prove your eligibility automatically, USAC will request additional documentation from you and provide information on how you can submit those documents for review.

Enroll

Once USAC approve your application, you can choose a company that offers EBB Program discounts and sign up for service.

Supporting Documentation as Needed

When you apply for the Emergency Broadband Benefit using USAC's online application, they will attempt to confirm information automatically. If they cannot automatically approve your application, they will ask you to provide information or documentation to validate one or more of the categories below. To confirm eligibility, additional documentation can be mailed or submitted electronically. Please include a cover sheet with name and application ID if you mail anything to USAC.

Digital Inclusion

<https://getemergencybroadband.org/how-to-apply/>

<https://www.fcc.gov/consumer-faq-emergency-broadband-benefit>

How to Prove Your Information

Show All

Qualifying Assistance Program Participation

+

Household Income

+

Identity Verification

+

Address

+

Duplicate Address

+

Substantial Loss of Income

+

Emancipated Minor

+

Digital Inclusion

Emergency Broadband Benefit

When Does this Begin?

- May 12th, 2021
- Households can submit applications online or via mail
- Households should sign-on as early as possible to maximize the benefit
- USAC will maintain a monthly tracker to report remaining funds
- The program will end when all of the money is exhausted

Go to [Getemergencybroadband.org](https://www.getemergencybroadband.org) for more details

Emergency Broadband Support Center.

- (833)-511-0311 (9am-9pm ET 7 days a week)
- Email: EBBHelp@USAC.org

COVID Relief

\$50 B to Federal Emergency Management Agency

- Assistance to states, Tribal Nations, and territories, as well as individuals and qualifying private nonprofits to respond to COVID-19.
- Funding can cover the costs for pay for personal protective equipment; vaccine distribution; sanitization of schools, public transit, and courthouses; health care overtime costs; and other needs.
- Authorizes use of \$50 B provided to FEMA to provide financial assistance COVID-19 related funeral expenses incurred after January 20, 2020.

Obtaining Funeral Assistance

- Applicants may receive assistance for the funeral expenses of multiple deceased individuals. Assistance is limited to a maximum of \$9,000 per funeral and a maximum of \$35,500 per application per state, territory, or the District of Columbia.
- Applications began on April 12, 2021. At this time, there is no deadline to apply for COVID-19 Funeral Assistance.
- COVID-19 Funeral Assistance Line Number: 844-684-6333 | TTY: 800-462-7585
 - Call this dedicated toll-free phone number to get a COVID-19 Funeral Assistance application completed with help from FEMA's representatives. Multilingual services will be available.
 - <https://www.fema.gov/disasters/coronavirus/economic/funeral-assistance>

COVID Relief

Obtaining Funeral Assistance

Who is Eligible?

- The death must have occurred in the United States, including the U.S. territories, and the District of Columbia.
- The death certificate must indicate the death was attributed to COVID-19.
- The applicant must be a U.S. citizen, non-citizen national, or qualified alien who incurred funeral expenses after January 20, 2020.
- There is no requirement for the deceased person to have been a U.S. citizen, non-citizen national, or qualified alien.

For COVID-19 funeral expenses, FEMA encourages keeping and gathering documentation. Information should include:

- **An official death certificate** that attributes the death directly or indirectly to COVID-19 and shows that the death occurred in the United States, including the U.S. territories, and the District of Columbia.
- **Funeral expenses documents** (receipts, funeral home contract, etc.) that includes the applicant's name, the deceased person's name, the amount of funeral expenses, and the dates the funeral expenses happened.
- **Proof of funds received from other sources** specifically for use toward funeral costs. We are not able to duplicate benefits received from burial or funeral insurance, financial assistance received from voluntary agencies, government agencies, or other sources.

COVID Relief: Coronavirus Relief Fund

Coronavirus Relief Fund (CRF)

- Establishes a new source of CRF funding through a \$350 billion allocation to be administered by Treasury for states, municipalities, counties, U.S. territories, and tribal governments
- Distributed in two tranches, with 50% being delivered no later than 60 days from date of enactment, and the remainder delivered no later than one year later.

Eligible Uses:

- COVID-19 response and addressing its economic effects
- Providing government services affected by a revenue reduction resulting from the pandemic
- Water and sewer infrastructure
- Broadband infrastructure
- Premium pay up to \$13 per hour in additional wages for workers performing essential work during the pandemic

Deadline expend CRF dollars is [Dec. 31, 2024](#).

COVID Relief: Coronavirus Relief Fund

Coronavirus Relief Fund (CRF) Distribution

- I. CRF Funding Available to **States and the District of Columbia**: \$195.3 Billion
 - \$25.5 billion would be equally divided to provide each state a minimum of \$500 million
 - \$169 billion would be allocated based on the states' share of unemployed workers from October to December 2020
 - States can transfer funds to private nonprofit groups
- II. CRF Funding Available to **Counties**: \$65.1 billion
 - \$65.1 billion in direct federal aid to counties based on the county share of the U.S. population
 - Counties that are Community Development Block Grant (CDBG) recipients will receive whichever is larger – the population-based share or the share under a modified CDBG allocation formula
- III. CRF Funding Available to **Municipalities**: \$65.1 billion
 - With populations of at least 50,000: \$45.57 billion in direct federal aid for municipalities using a modified CDBG formula
 - With populations below 50,000: \$19.53 billion based on each jurisdiction's percentage of the state's population, not exceeding 75 percent of its most recent budget as of January 27, 2020.
 - Aid is distributed through the states

Economic Development Administration

- \$3 billion to expand EDA economic adjustment assistance grants for states and communities suffering economic injury as a result of the coronavirus.
- 25% is for States and communities that have suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, or outdoor recreation sectors. 2% is for EDA staffing.

Prior EDA Investment Priorities:

1. Recovery & Resilience
2. Critical Infrastructure
3. Workforce Development & Manufacturing
4. Exports & FDI:
5. Opportunity Zones

Economic Development Administration

New EDA Investment Priorities Published on April 14, 2021

- 1. Equity:** Economic development planning or implementation projects that advance Equity across America through investments that directly benefit 1) one or more traditionally underserved populations, including but not limited to women, Black, Latino, and Indigenous and Native American persons, Asian Americans, and Pacific Islanders or 2) underserved communities within geographies that have been systemically and/or systematically denied a full opportunity to participate in aspects of economic prosperity such as Tribal Lands, Persistent Poverty Counties, and rural areas with demonstrated, historical underservice
- 2. Recovery & Resilience:** Economic development planning or implementation projects that build economic resilience to and long-term recovery from economic shocks, like those experienced by coal and power plant communities, or other communities impacted by the decline of an important industry or a natural disaster, that may benefit from economic diversification-focused resilience.
- 3. Workforce Development:** Economic development planning or implementation projects that support workforce education and skills training activities directly connected to the hiring and skills needs of the business community and that result in well-paying, quality jobs.
- 4. Manufacturing:** Economic development planning or implementation projects that encourage job creation, business expansion, technology and capital upgrades, and productivity growth in manufacturing, including efforts that contribute to the competitiveness and growth of domestic suppliers or to the domestic production of innovative, high-value products and production technologies.

Economic Development Administration

New EDA Investment Priorities Published on April 14, 2021

5. Technology-Based Economic Development: Economic development planning or implementation projects that foster regional knowledge ecosystems that support entrepreneurs and startups, including the commercialization of new technologies, that are creating technology-driven businesses and high-skilled, well-paying jobs of the future.

6. Environmentally-Sustainable Development: Economic development planning or implementation projects that help address the climate crisis including through the development and implementation of green products, processes (including green infrastructure), places, and buildings.

7. Exports & FDI: Economic development planning or implementation projects that enhance or build community assets to support growth in US exports or increased foreign direct investment.

Discussion & Questions
