

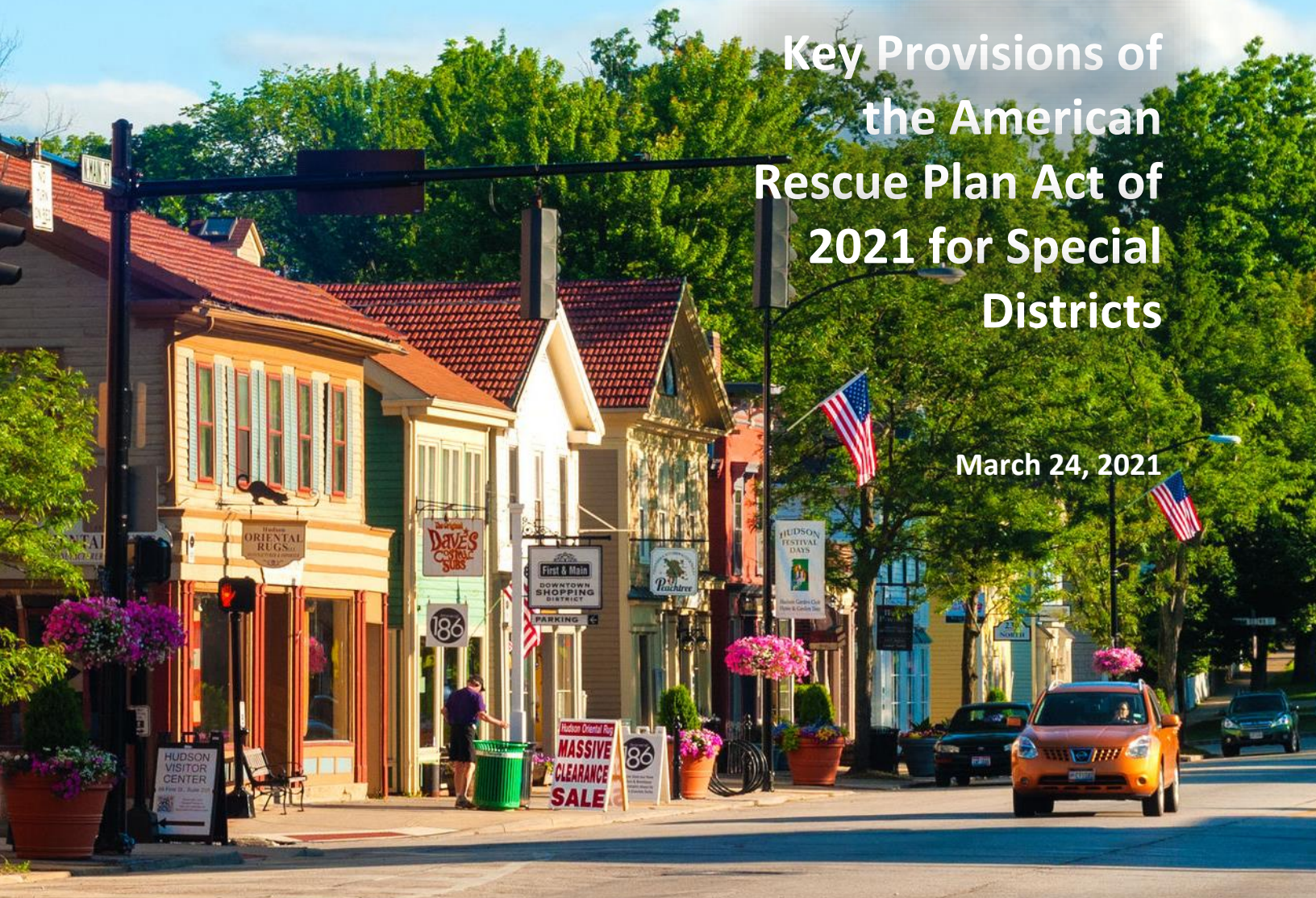
# NSDC

NATIONAL SPECIAL DISTRICTS COALITION

Special Report

## Key Provisions of the American Rescue Plan Act of 2021 for Special Districts

March 24, 2021



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# Introduction

On March 10, 2021, Congress approved the final version of the \$1.9 trillion coronavirus relief package, titled the *American Rescue Plan Act of 2021* ([P.L. 117-2](#)). The bill was first passed by the House on February 27 and went to the Senate where several amendments were [adopted](#) before passing an amended version of the bill on March 6 by a vote of [50-49](#). The package returned to the House for a final vote on March 10, where it passed by a vote of [220-211](#), almost entirely along party lines. President Joe Biden [signed](#) the legislation into law on March 11 and held an [event](#) celebrating the legislation at the White House on March 12 with Vice President Kamala Harris, House Speaker Nancy Pelosi (D-CA), and Senate Majority Leader Chuck Schumer (D-NY).

The *American Rescue Plan Act of 2021* includes \$350 billion in direct financial relief for all state, local, tribal, and territorial governments; extends federal supplemental unemployment benefits; increases funding for the Paycheck Protection Program; provides funding to assist schools in safely reopening; provides additional utility assistance; and includes additional funding for COVID-19 testing, vaccination, and treatment, among other provisions that assist many industries, businesses, and individuals.

This NSDC Special Report, based largely off summary documents provided by Senate Democratic leadership, covers each title of the *American Rescue Plan Act of 2021*, including funding levels and provisions of interest to special districts. 🚩 Flags are used throughout the document to note programs of particular interest to special districts.

## Impact to Special Districts

The National Special Districts Coalition aggressively advocated for inclusion of language in the final version of the *American Rescue Plan Act of 2021* that would provide direct federal assistance to special districts across the country. Despite reintroduction of the Special Districts Provide Essential Services Act (S. 90/H.R. 535) by Senator Kyrsten Sinema (D-AZ) and Congressman John Garamendi (D-CA) and gathering support from nearly 500 national organizations, state associations, businesses, and individual special districts, direct relief for special districts was not included in the bill signed by President Biden. However, language was included that enabled state and local government recipients of direct assistance to transfer funding to special districts.

Many of the federal departments and agencies that received additional or new funding for programs and financial assistance will likely begin issuing guidance for this funding over the coming weeks. NSDC will work with our supporters on Capitol Hill and the US Department of Treasury to ensure special districts gain access to funding for COVID-19 relief.

# Title I – Committee on Agriculture, Nutrition, and Forestry

Title I of the *American Rescue Plan Act of 2021* includes funding programs under the responsibility of the US Department of Agriculture.

## Nutrition

The bill extends the 15 percent increase in Supplemental Nutrition Assistance Program (SNAP) benefits through September 30, 2021 to address the hunger crisis. As many as 50 million Americans have struggled to feed themselves or their families during the pandemic and need continued support to put food on the table.

## Pandemic Electronic Benefits Transfer Program

Funding for the program is continued to be available through the pandemic, including summer months to keep the 22 million children who use this program fed.

## WIC Program

The bill provides funding for outreach and modernization to make the Women, Infants, and Children (WIC) program more user-friendly and increases the Cash Value Voucher benefit so families can purchase additional fruits and vegetables. Participation in WIC has declined significantly in recent years, barely rising during the pandemic.

## Food Supply Chain

The bill builds on the bipartisan approach from the COVID-19 relief law enacted on December 27, 2020 (PL 116-260) by providing \$3.6 billion to support the food supply chain, including purchasing food and agricultural commodities; making grants and loans for small to mid-sized processors, seafood processing facilities, farmers markets, producers and other organizations to respond to COVID-19; providing assistance to maintain and improve food and agricultural supply chain resiliency; and making payments for necessary expenses related to losses of crops (including losses due to derechos) pursuant to the Wildfire Hurricane Indemnity Program Plus.

## Farmers of Color

The bill provides \$1.01 billion in debt relief and assistance to socially disadvantaged farmers, ranchers, and forest landowners and operators who have faced disproportionate impacts from the pandemic. The Agriculture Department's lending and financial assistance programs have long discriminated against Black, Indigenous, Hispanic, and other farmers of color. Black farmers in the South alone have lost more than 12 million acres of farmland since the 1950s and many farmers of color who remain in agriculture struggle with burdensome debt that has prevented many from being able to grow and sustain their farms, especially during the pandemic.

## Rural Health Care

This bill increases vaccine distribution capacity, providing medical supplies and medical surge capacity, expand access to telehealth, and help to fill the gap for rural healthcare by providing \$500 million. Funding shall remain available until September 30, 2023.



## International Food Aid

The bill provides \$800 million to Food for Peace Title II to purchase US grown commodities for distribution to those experiencing hunger in developing countries. COVID-19 has worsened the hunger crisis around the world, with several countries at-risk of famine as a result.

## Title II – Committee on Health, Education, Labor and Pensions

Title II of the bill provides funding for the US Departments of Health and Human Services (HHS), Education, and Labor. This section of the bill provides relief for children and schools, including K-12 and higher education, children's nutrition programs, and childcare. This section also provides funding to assist the arts and humanities industry, which was greatly impacted by the pandemic. In addition, funding is provided through HHS for additional health services to Americans and to increase the efficiency of the US COVID-19 vaccine distribution and testing infrastructure. Funding and provisions are also included in this section for labor and wage, and utility assistance.

### K-12 Schools

The *American Rescue Plan Act of 2021* provides approximately \$125 billion for public K-12 schools to safely reopen for in-person learning, addressing learning loss, and support students as they recover from the impacts of the pandemic. The bill also includes \$122.775 billion for the Elementary and Secondary School Education Relief Fund (ESSER). Through the ESSER, states are required to subgrant at least 90 percent of funds to local educational agencies (LEAs) to support the implementation of public health protocols to safely reopen schools for in-person learning and recover the pandemic impacts, not later than 60 days after the State receives the funds. The legislation also includes \$2.75 billion for states to provide services to non-public schools that serve a significant percentage of students from low-income families. Two provisions are included in the legislation that help to protect against K-12 education cuts at the state and local level and ensure higher-poverty school districts and schools do not receive a disproportionate amount of any state or local education cuts that do occur. The bill also includes \$800 million in dedicated funding to support the identification and provision of wraparound services for children and youth experiencing homelessness.

### Higher Education

The legislation provides \$39.6 billion to colleges and universities, of which at least half must be spent on emergency financial aid grants to students to assist with college costs and basic needs. The other half of the funding is available to institutions of higher education to defray lost revenue and increased costs from the impacts of the pandemic. A provision is also included to help protect against higher education cuts at the state and local level.

### Child Care

The bill provides \$39 billion for childcare, including nearly \$24 billion for Child Care Stabilization grants and nearly \$15 billion for the Child Care and Development Block Grant (CCDBG) program. States are required to use Child Care Stabilization funds to award subgrants to qualified childcare providers that either opened or temporarily closed to help support their operations during the pandemic. The legislation also includes \$1 billion for Head Start.



## Arts, Humanities, and Library Services Relief

The legislation provides \$135 million for the National Endowment for the Arts, with 40 percent of funds reserved for grants to state art agencies and regional art organizations, and 60 percent of funds reserved for direct grants that support organizations' programming and general operating expenses. It also provides \$135 million for the National Endowment for the Humanities, with 40 percent of funds reserved for grants to state humanities councils, and 60 percent of funds reserved for direct grants that support humanities organizations' programming and general operating expenses. The bill also provides \$200 million to carry out the "Library Service and Technology Act" with a minimum allocation of \$2 million for each state.

## Health, Human Services and Community Supports

The legislation provides \$1.44 billion in funding for programs authorized under the "Older Americans Act," including:

- \$740 million to support nutrition programs for older Americans.
- \$25 million for services, including nutrition, for Native American communities.
- \$470 million to support home- and community-based support services programs, including support for COVID-19 vaccination outreach and coordination and addressing social isolation.
- \$44 million for evidence-based health promotion and disease prevention.
- \$145 million for the National Family Caregiver Support Program.
- \$10 million for the long-term care ombudsman program.

The bill also provides \$450 million for the "Family Violence Prevention and Services Act" programs and related programs.



## LIHEAP and Water Utility Bill Assistance

The legislation includes [\\$4.5 billion](#) for the Low- Income Home Energy Assistance Program (LIHEAP), and \$500 million for the new Low-Income Household Drinking Water and Wastewater Emergency Assistance Program run by HHS, which was first authorized to receive \$638 million in PL 116-260. The \$500 million may be utilized to prevent, prepare for, and respond to coronavirus, for necessary expenses for grants by providing funds, through the states, to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.

## Child Nutrition and Related Programs

The bill authorizes the Secretary of Agriculture to temporarily boost the value of the Cash Value Voucher in the Special Supplemental Nutrition Program for Women, Infants, and Children up to \$35 per month for women and children for a four-month period during the COVID-19 pandemic.

## COBRA Continuation Charge

The legislation provides \$10 million to the Secretary of Labor to support implementation by the Employee Benefits Security Administration.



## Vaccines, Testing, and the Public Health Workforce

The legislation provides \$7.5 billion in CDC funding to support vaccine related activities to prepare, promote, distribute, administer, monitor, and track COVID-19 vaccines. This includes funding for activities related to enhancing, expanding, and improving distribution and administration, including activities related to the distribution of ancillary medical products and supplies related to vaccines. This section further provides technical assistance, guidance, support, and awards to State, local, Tribal, and territorial public health departments for enhancement of COVID-19 vaccine distribution and administration capabilities, including the distribution and administration of licensed or authorized vaccines and ancillary medical products and supplies; the establishment and expansion of community vaccination centers, including in particularly underserved areas; the deployment of mobile vaccination units, particularly in underserved areas; IT, data, and reporting enhancements; facility enhancements; and public communication.

A total of \$5.2 billion is also included for the Biomedical Advanced Research and Development Authority (BARDA) to support research, development, manufacturing, production, and purchase of vaccines, therapeutics, and ancillary medical products and supplies for SARS-CoV-2, or any viral variant mutating therefrom, and COVID-19 or any disease with potential for creating a pandemic. The bill also includes \$48.3 billion in funding to the Secretary of HHS to detect, diagnose, trace, monitor and mitigate COVID-19 infections. Specified activities include: implementing a national strategy for testing, contact tracing, surveillance, and mitigation; providing technical assistance, guidance, support, and grants or cooperative agreements to States, localities, and territories for activities to detect, diagnose, trace, monitor, and mitigate COVID-19 infections; support the development, manufacturing, procurement, distribution, administration of tests, including supplies necessary for administration such as personal protective equipment (PPE); establishing and expanding federal, State, local, or territorial testing and contact tracing capabilities, including investments in laboratory capacity, community-based testing sites, and mobile testing units, particularly in medically underserved areas; enhancing IT, data modernization, and reporting; awarding grants, cooperative agreements, or contracts with State, local, and territorial public health departments to establish, expand, and sustain a public health workforce; and to cover administrative and program support costs.

The bill also provides \$1.733 billion in funding to the Director of CDC to be used for activities and workforce related to genomic sequencing and analytics, and diseases surveillance. Such funds shall be used to conduct, expand, and improve activities to sequence genomes, identify mutations, and survey the circulation and transmission of viruses including strains of SARS-CoV-2; awarding grants or cooperative agreements to State, local, Tribal, and territorial public health departments or public health laboratories to increase their genomic sequencing, identifying mutations, identifying outbreaks, developing disease response strategies, enhancing and expanding informatics capabilities, and facility improvements.

The legislation also bolsters the public health workforce by providing \$7.66 billion in funding to the Secretary of HHS to establish, expand, and sustain a public health workforce, including by making awards to State, local, and territorial public health departments. Such funds shall be used for costs, including wages and benefits, related to the recruiting, hiring, and training of individuals to serve as case investigators, contact tracers, social support specialists, community health workers, public health nurses, disease intervention specialists, epidemiologists, program managers, laboratory personnel, informaticians, communication and policy experts, and any other positions as may be required to prevent, prepare for, and respond to COVID-19. Further, such individuals shall be employed by the State, territorial, or local public health department involved or a nonprofit private or public organization with demonstrated expertise in implementing public health programs and established relationships with such public health departments, particularly in medically underserved

areas. Such funds shall also be used for PPE, data management and other technology, other supplies, administrative costs, reporting, or subawards.

The bill also provides immediate relief to frontline providers who serve communities of color and underserved populations hardest hit by the pandemic, including \$7.6 billion in funding to the Secretary of HHS to support community health centers. Funds are required to be used to plan, prepare for, promote, distribute, administer, and track COVID-19 vaccines and related activities; detect, diagnose, trace, monitor, and mitigate COVID-19 infections, including equipment or supplies necessary for such activities; purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, including purchasing and maintaining mobile vehicles and equipment to conduct such testing or vaccinations, and personnel needs, in particular in medically underserved areas; establish, expand, and sustain the health care workforce to prevent, prepare, and respond to COVID-19; modify, enhance and expand health care services and infrastructure; and conduct community outreach and education activities related to COVID-19. Awardees may use amounts made available to cover the costs of carrying out such related past COVID-19 activities.

The bill provides \$800 million for the National Health Services Corps.

The bill also includes \$3.88 billion to expand on accessible mental health and substance use disorder treatments provided in the *Consolidated Appropriations Act, 2021*, to increase the availability of treatment.

## Title III – Committee on Banking, Housing, and Urban Affairs

Title III of the *American Rescue Plan Act of 2021* includes many important provisions related to housing and public transit programs. Other important provisions, such as \$10 billion to the State Small Business Credit Initiative (SSBCI) Act of 2010 and other federal housing programs, are also included within Title III.

### Emergency Rental Assistance

The bill provides \$21.55 billion to the Emergency Rental Assistance (ERA) program, first created in the COVID relief law (PL 116-260) enacted on December 27, 2020. The program, administered by the Treasury Department, helps low-income renters with rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, in addition to other affordable rental housing and eviction prevention activities. Funds are allocated to states and to localities and counties with at least 200,000 people, and each state receives at least \$152 million. Funds remain available until September 30, 2025 and the Treasury Department has until May 10, 2021 to distribute at least 50 percent of the funds to states and eligible localities and counties. When providing assistance to eligible renter households, grantees must prioritize renter households with incomes that do not exceed 50 percent of AMI as well as renter households who are currently unemployed and have been unemployed for 90 days. The Treasury Department will then make subsequent payments to eligible grantees, but only after a grantee has obligated not less than 75 percent of the funds the grantee has already received. Additionally, the bill extends the availability of \$25 billion in ERA funds appropriated through P.L. 116-260 through September 30, 2022 (instead of the original deadline of September 30, 2021). The Treasury Department published a revised “Frequently Asked Questions” [document](#) for the ERA program on February 22, 2021 and additional information is available [here](#).





## Mortgage and Utility Assistance

The bill provides \$9.961 billion to the Homeowner Assistance Fund, with funding sent to states, tribes, and territories by the Treasury Department to address the ongoing needs of homeowners struggling to afford their housing due directly or indirectly to the impacts of the coronavirus pandemic by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs. Funds remain available until September 30, 2025 for qualified expenses and each state receives a minimum of \$50 million. Not less than 60 percent of amounts made to each eligible entity shall be used for qualified expenses that assist homeowners having incomes equal to or less than 100 percent of the area median income for their household size or equal to or less than 100 percent of the median income for the U.S., whichever is greater. The Treasury Department has until April 26, 2021 to make payments so states, tribes, and territories.

## Emergency Housing Vouchers

The bill provides \$5 billion, available through September 30, 2025, for the emergency Section 8 Housing Choice Voucher program, administered by the Department of Housing and Urban Development (HUD). The funding may be utilized for the following activities that primarily benefit qualifying individuals or families: (1) tenant-based rental assistance; (2) the development and support of affordable housing; (3) supportive services, including eligible supportive services activities under the Continuum of Care program, housing counseling, and homeless prevention services; and (4) the acquisition and development of non-congregate shelter units, all or a portion of which may be converted to permanent affordable housing, be used as emergency shelter, be converted to permanent supportive housing, or remain as non-congregate shelter units. To qualify for assistance, an individual or household must be either (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) in other populations where providing supportive services or assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that meet one of the preceding criteria.

## Housing Counseling

The bill provides \$100 million for housing counseling, to be distributed to approved housing counseling organizations through the Neighborhood Reinvestment Coalition (NeighborWorks) and remains available through September 30, 2025. This funding allows counselors to help both homeowners and renters remain in their homes and avoid being faced with overwhelming debt burdens. Not less than 40 percent of funds appropriated shall be provided to counseling organizations that target housing counseling services to minority and low-income populations facing housing instability.



## Public Transit

The bill provides \$30.5 billion to public transit agencies to prevent layoffs of transit workers and prevent severe cuts to transit services. Most of the transit relief funding (\$26.087 billion) is provided as formula grants to [urbanized areas](#) with populations above 200,000. There is also formula funding in operating assistance formula grants for states to support transit agencies in [rural areas](#) (\$280.9 million), in addition to [paratransit](#) formula grants for seniors and persons with disabilities (\$50 million) for all urbanized and nonurbanized areas. Funding is also included to ensure that ongoing transit construction projects do not experience costly delays or slowdowns. The legislation also includes \$100 million to preserve intercity bus services under the section 5311(f) program for rural areas; \$1 billion in funds to ensure the solvency of ongoing New Start, Core Capacity, and Expedited Project Delivery projects under the Capital Investment Grants program (CIG), under which the

Federal Transit Administration (FTA) is directed to use the non-CIG project costs associated with 2019 and 2020 allocations when making allocations; \$250 million in funds to ensure the solvency of ongoing Small Start CIG projects; \$25 million in route planning grants to help agencies improve service throughout and following the pandemic, including by improving the quality and frequency of service provided to low-income riders and disadvantaged communities; and \$2.2 billion in funding to be allocated by the Transportation Secretary to recipients with the greatest operating assistance needs that remain unmet after relief funding provided by formula.

## Title IV – Committee on Homeland Security and Governmental Affairs

Title IV of the *American Rescue Plan Act of 2021* includes disaster relief funding and grants available to local governments through the Federal Emergency Management Agency (FEMA). It also provides funding to mitigate cybersecurity risks.

### Disaster Relief fund and Funeral Assistance

The bill provides \$50 billion for the FEMA [Disaster Relief Fund](#) to respond to COVID-19 and other major disasters and emergencies declared by the president and to reimburse state, local, tribal, and territorial governments. This funding can pay for personal protective equipment; vaccine distribution; sanitization of schools, public transit, and courthouses; health care overtime costs; and other needs. The funding could also be used to provide financial assistance for pandemic-related funeral expenses with a 100 percent federal cost share. Funding would remain available through September 30, 2025.

### FEMA Grant Programs

The bill provides \$400 million in grant funding for the FEMA Emergency Food and Shelter Program; \$100 million for the agency's Emergency Management Performance Grants; and \$300 million combined for FEMA's firefighter grant programs. These resources ensure that these critical frontline organizations to be able to continue to support COVID-19 response locally, provide vital services, deliver humanitarian relief, and maintain capacity to respond to other emergencies in their communities. Funding would remain available through September 30, 2025.

### Humanitarian Relief

In addition to the funding provided to the FEMA Emergency Food and Shelter Program, the bill provides \$110 million to support communities and organizations assisting with the humane, safe, and orderly reception of migrant families and individuals during the COVID-19.

### Cybersecurity Risk Mitigation

In addition to money appropriated for fiscal year 2021, \$650 million to remain available until September 30, 2023 for the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) to mitigate cybersecurity risks such as those resulting from agencies' rapid shift to working from home, and continued efforts to hack vaccine development.

## Title V – Committee on Small Business and Entrepreneurship

Title V of the *American Rescue Plan Act of 2021* provides additional funding for several existing grant programs that have supported restaurants and shuttered venues during the pandemic. It also expands PPE eligibility and funding for nonprofits and includes new technical assistance and monetary support for a variety of community organizations.

### Restaurants

The bill provides \$28.6 billion in direct relief for restaurants and bars that have lost revenue because of the pandemic through the creation of a grant program as envisioned in the RESTAURANTS Act. The bill calls for distributing the money in grants of up to \$5 million for restaurants in need, or \$10 million to operations with multiple locations. For restaurants established prior to 2019, the grant equals 2019 revenues minus 2020 revenues. For concepts that opened in 2019, the grant equals the average of 2019 monthly revenues times 12, minus 2020 revenues. Restaurants that opened in 2020 are eligible to receive funding equal to eligible expenses. During the first 21 days, applications from restaurants owned and operated controlled by women, veterans, or socially and economically disadvantaged individuals will receive priority. The grants may be used for a wide variety of expenses, including payroll, mortgage, rent, utilities, supplies, food and beverage expenses, paid sick leave, and operational expenses.

### Shuttered Venue Operators Grant Program

This bill provides \$1.25 billion in additional funds for the Shuttered Venue Operators Grant (SVOG) Program because last year's end-of-year package did not include sufficient funding to ensure all eligible applicants would be covered based on rough estimates. Eligible applicants can now access both the Shuttered Venue Operators Grant and the Paycheck Protection Program (PPP) to address SVOG's delayed start. There is also a set-aside for technical assistance to help entities apply for grants.

### Expanded PPP Eligibility

The bill expands PPP eligibility to include additional nonprofits such as 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits and provides \$7 billion for that purpose. An additional \$250 million is also provided to expand PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance during the pandemic. Larger 501(c)(6)s, domestic marketing organizations, and all other non-profits in Section 501(c) of the Internal Revenue Code (except for 501(c)(4)s) are eligible for PPP that employ not more than 300 employees per physical location of the organization. Newly eligible entities may take out second draw PPP loans, provided that they have suffered at least a 25 percent revenue loss and employ not more than 300 employees.

### Targeted EIDL Grants

The bill adds \$15 billion in new funding for the Targeted Economic Injury Disaster Loan (EIDL) Advance program to provide grants of up to \$10,000 per business to small businesses in low-income communities in the first 28 days after enactment of the bill. These grants will be particularly helpful for very small businesses and sole proprietors, which include over 90 percent of minority-owned businesses that have been disproportionately devastated by the pandemic.

## Community Navigator Technical Assistance and Administrative Funding

The bill provides \$175 million in new assistance to fund community organizations, SBA resource partners, and community financial institutions with experience working in minority, immigrant, and rural communities to serve as community navigators to help connect small business owners in these communities to critical resources, including small business loans, business licenses, and federal, state, and local business assistance programs. The bill also includes \$1.325 billion to support SBA's mission and to administer the new grants and other relief programs.

## Title VI – Committee on Environment and Public Works

Title VI of the *American Rescue Plan Act of 2021* focuses on funding for addressing economic impact and fish and wildlife impacts from COVID-19 related actions.

### Economic Development Administration (EDA)

The bill provides the Economic Development Administration with \$3 billion to aid communities in rebuilding local economies, which includes a \$750 million set-aside for communities that have suffered economic injury as a result of job losses in the travel, tourism, and outdoor recreation sectors. This funding also helps EDA fulfill its role as the lead agency under the National Disaster Response Framework to assist communities with economic recovery following a disaster, including the current health pandemic.

### Air Quality Monitoring and Pollution Clean-up

This bill provides \$100 million to the Environmental Protection Agency (EPA) in funding to update the national air quality monitoring system and reduce the air and toxic pollution that is linked with contributing to COVID-19 deaths. \$50 million of this funding is targeted to low-income communities and communities of color who are significantly more likely to live with poor air quality and to be more susceptible to COVID-19. This funding is directed to EPA environmental justice grant programs with a proven track record for cleaning up deadly air and toxic pollution.

### U.S. Fish and Wildlife Service Funding

This funding allows the U.S. Fish and Wildlife Service to better prevent wildlife trafficking, which can contribute to the spread of zoonotic diseases, as well as to track and study wildlife disease. This bill also provides funding for the care of captive species protected under the Endangered Species Act or rescued, confiscated or other federal trust species in facilities experiencing lost revenues due to COVID-19.

## Title VII – Committee on Commerce, Science, and Transportation

Title VII of the *American Rescue Plan Act of 2021* includes many important provisions related to broadband, public broadcasting, and transportation. Other important provisions, such as research relief, manufacturing, consumer product safety, the prevention of COVID-19 scams, are also included within Title VII.



### Broadband for Remote Learning

The bill creates an “Emergency Connectivity Fund” and provides \$7.172 billion to the Federal Communications Commission (FCC). The FCC is required to promulgate rules by May 10, 2021 to provide funding from this Fund to eligible schools and libraries to enable them to provide eligible connected devices, Internet service, and equipment necessary to support Internet service to students and teachers, regardless of technology, for Internet use in locations other than a school or library, among other things. The FCC will cease to provide support from the Fund on the June 30 that first occurs after the date that is one year after the date on which the COVID-19 Emergency Period ends. In providing support under the covered regulations, the FCC shall reimburse 100 percent of the costs associated with the eligible equipment and services, so long as the FCC determines that such costs are reasonable.

### Corporation for Public Broadcasting

The bill provides \$175 million in support for public broadcasting to help public broadcasters around the country weather the economic fallout to their stations from the COVID crisis. This stabilization support helps ensure universal access to public broadcasting and high-quality, noncommercial content and telecommunications services that educate, inform, and help protect the public.



### Airports

The bill provides \$8 billion for primary airports, non-primary airports, and airport concessions. Of this amount, \$6.4 billion is distributed to primary airports for costs related to operations, personnel, debt service payments, and combating the spread of pathogens at airports. Airports that receive funding would be required to retain at least 90 percent of personnel employed as of March 27, 2020, through September 30, 2021. The Transportation Department is allowed to provide a waiver from the requirement if it determines that an airport is experiencing economic hardship or the requirement reduces aviation safety or security. Airports that do not comply with workforce retention requirements and don’t receive a waiver could have money clawed back by the department. The bill also provides \$100 million to non-primary airports to help address costs related to the current pandemic and more than \$600 million to help ensure all airports receive 100 percent federal cost share for any airport improvement grant awarded to them in fiscal year 2021. Finally, the bill allocates \$800 million to airport concessions at primary airports to provide relief from rent and minimum annual guarantee obligations. Eight percent of this allocation is for small businesses and minority-owned firms.

### Airline Jobs

The bill provides \$15 billion for the airline industry to help cover employee wages and benefits. It includes similar terms from the previous tranches of airline payroll support provided under P.L. 116-260 and the CARES Act. Participating airlines and contractors are not allowed to lay off workers or reduce pay rates until September 30, 2021 or when the assistance is exhausted, whichever is later. They also have to continue complying with restrictions on stock buybacks, dividend payments, and executive pay.

### Aviation Manufacturer Payroll Support

The bill provides \$3 billion to create a payroll support program for aviation manufacturers.

## Amtrak

The bill provides \$1.7 billion for Amtrak through September 30, 2021, including funds to restore the frequency of long-distance routes.

## Title VIII – Committee on Veterans’ Affairs

Title VIII of the *American Rescue Plan Act of 2021* provides nearly \$17.1 billion in funding for veterans’ affairs programs. The major categories of funding include:

- \$14.48 billion for medical and health service to eligible veterans, including up to \$4 billion that can be used outside of the Veterans Administration (VA).
- \$750 million for State Veterans Homes (SVH).
- \$272 million for the VA to mitigate the impacts of the pandemic on the benefits claims and appeals backlog caused by delays in claim development, which resulted from the COVID-19-related shutdowns.
- \$1 billion to waive veteran copays and other medical cost sharing requirements.
- \$80 million for emergency paid leave for VA staff unable to work for various COVID related reasons.

### Rapid Retraining Assistance

Title VIII also establishes and provides \$386 million in funding for a temporary rapid retraining program within the VA to provide up to 12 months of retraining assistance to eligible veterans. The program would pay for veterans to pursue non-baccalaureate education or training for high-demand or high-technology occupations, with payments made direct educational intuition on a schedule of 50 percent upon enrollment, 25 percent upon course completion, and 25 percent if the veteran finds employment related to the training. The program is capped at 17,250 veterans and expires after 21 months.

## Title IX – Committee on Finance

Title IX of the *American Rescue Plan Act of 2021* includes many important provisions related to local government assistance, including the state and local aid component of the package. Other important provisions, such as direct payments to individuals and the extension of unemployment insurance, are also included in Title IX.

### Direct Payments

The bill provides \$1,400 direct payments to individuals to supplement the \$600 already provided in December.

### Unemployment Insurance Extension

The bill extends enhanced unemployment insurance for the 18 million Americans that are currently relying on these benefits until September 6, 2021. This includes an extension of the federal unemployment insurance bump that is added to all unemployment benefits (Federal Pandemic Unemployment Compensation) at the current law’s weekly amount of \$300. It also includes extensions of the Pandemic Unemployment Assistance

program, which expands eligibility for the self-employed, gig workers, freelancers and others in non-traditional employment who do not qualify for regular unemployment insurance, as well as the Pandemic Emergency Unemployment Compensation program, which makes additional weeks of benefits available to workers who exhaust their state benefits. All other CARES Act and Families First Act unemployment programs are similarly extended until September 6, 2021.

### EITC and CTC

The bill includes an expansion of the Earned Income Tax Credit EITC and Child Tax Credit CTC.

### State and Local Fiscal Aid

The bill includes direct aid to state and local governments. It provides \$350 billion to states, territories, tribes, and local governments to be used for responding to COVID-19, as well as \$10 billion for a Critical Infrastructure Projects program to help states, territories, and tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19. The bill also includes a new \$2 billion [Local Assistance and Tribal Consistency Fund](#) to make payments to eligible revenue-sharing counties and tribes. Eligible counties and tribes are those for which the Treasury Secretary determines there is a negative revenue impact owing to implementation of federal programs or changes to those programs.

Counties receive a total of \$65.1 billion; municipalities with populations over 50,000 receive \$45.57 billion; and municipalities with less than 50,000 people receive \$19.53 billion. Updated funding [estimates](#) were calculated by the House Oversight and Reform Committee on March 8, 2021 for all units of government receiving an allocation. Please keep in mind that final formula allocations will be developed by the U.S. Department of the Treasury in the subsequent weeks following the bill's enactment on March 11, 2021.

Several changes were made by the Senate to the allowable "uses of funds." The final four ways local governments are allowed to use the funds are as follows:

- to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county government due to the COVID-19 public emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
- to make necessary investments in water, sewer, or broadband infrastructure.

No funds can be used to deposit into pension funds or to offset revenue resulting from a tax cut.

***State and local recipients are allowed to transfer funds to private nonprofit groups, public benefit corporations involved in passenger or cargo transportation, and special-purpose units of state or local governments. Local recipients are also allowed to transfer funds back to the state government.***

The restriction on the uses of funds based on the need to provide government services was tightened in the final language to stipulate that states, counties, and localities may use the money only to replace the amount of revenue lost during the pandemic compared to the prior full fiscal year; and state, county, and local governments have now gained the ability to use their allotments 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.

The measure sets 60-day deadlines (i.e., May 10, 2021) for the Treasury Department to distribute most funds to state and local recipients. A second tranche of funds will be distributed to localities 12 months after the initial allocation (i.e., April/May 2022). The Treasury Department may also withhold up to half of a state or territory’s allocation for as long as 12 months based on its unemployment rate and require an updated certification of its funding needs.

States must distribute funds to smaller cities/towns with populations less than 50,000 within 30 days of receiving a payment from the Treasury Department, with extensions permitted. A city/town cannot receive more than 75 percent of its budget as of January 27, 2020.

### **Paid Sick Leave Credit**

The bill provides an extension and expansion of the paid sick and FMLA leave tax credits created in the Families First Coronavirus Response Act (PL 116-127), enacted on March 18, 2020. It provides payroll tax credits for employers who voluntarily provide paid leave through September 30, 2021. It also expands eligibility to include all state and local governments that provide this benefit.

### **Employee Retention Tax Credit**

The bill extends and expands the Employee Retention Tax Credit through December 31, 2021.

### **Tax Treatment of Certain SBA Programs**

The bill provides for the tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants. It also clarifies that any otherwise-allowable deductions continue to be deductible notwithstanding the tax-free treatment of grant proceeds.

## **Title X – Committee on Foreign Relations**

Title X of the COVID relief package provides \$9.8 billion for various State Department programs and activities. Of the total, \$8.675 billion is for foreign assistance, including a \$3.5 billion contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria; \$3.09 billion to the U.S. Agency for International Development for disaster response; health activities and food security; and \$930 million for economic stabilization. Additionally, \$580 million is directed to the United Nations Global Humanitarian 23 Response Plan for COVID and \$500 million is for migration and refugee assistance.



## Title XI – Committee on Indian Affairs

Title XI of the *American Rescue Plan Act of 2021* provides \$6.09 billion to the Indian Health Service, \$900 million for the Bureau of Indian Affairs, and \$750 million for Native American Housing Assistance.

### Indian Health Service

The bill provides \$6.09 billion in funding for the Indian Health Service, in addition to any funds received by Tribes from the Health and Human Services Department, and are for the purpose of reimbursing costs associated with COVID response, treatment and prevention. The bill directs funds for several specific activities including:

- \$140 million for information technology, telehealth infrastructure and records digitalization.
- \$84 million to maintain the Urban Indian Health program.
- \$600 million for distribution and administration of vaccines.
- \$240 million to expand health workforce.
- \$420 million for mental health and substance abuse prevention and treatment.
- \$600 million for health facilities.
- \$10 million for potable water delivery expenses.

### Bureau of Indian Affairs

The bill provides \$900 million in funding to the Bureau of Indian Affairs, including \$100 million for tribal housing; \$772.5 million for Tribal government services, including public safety, social services and child welfare; and \$20 million to “provide and deliver” drinking water.

### Native American Housing Assistance and Self-Determination Act

Of the \$775 million appropriated to carry out the Native American Housing Assistance and Self-Determination Act of 1996, \$445 million is allocated to Housing Block Grants (\$5 million of which is tagged for assistance to Native Hawaiian families) and \$280 million is allocated to Indian Community Development Block Grants.