

Implementing the American Rescue Plan



This grid is to help advocates navigate state and local implementation of the American Rescue Plan. Contact scoop@cbpp.org with any questions. Last updated: March 23, 2021

Policy Areas	Policy Details	State Implementation Issues and Advocacy Needs	Timing	Other Resources
K-12 funding \$122 billion	The Department of Education will distribute the funds automatically to school districts based on the Title I formula, which targets funds based largely on poverty rates. Districts may use the funds for a wide variety of purposes but must use at least 20 percent of them to address loss of learning time.	Advocacy will be needed at the state and local level over the next three years to ensure that funds are targeted to meet the educational needs of the most affected students and that states maintain their own commitments to adequate, equitable K-12 funding in both the short and long term.	Schools must spend the funds by September 2024.	American Rescue Plan Includes Much-Needed K-12 Funding (CBPP) State by state allocations (U.S. Dept of Education)
K-12 funding “Maintenance of effort” and “Maintenance of equity” requirements	States and school districts must meet “maintenance of effort” and “maintenance of equity” rules barring states and localities from cutting education as a share of the state budget and from making cuts that disproportionately harm high-poverty schools and districts.	Advocacy will be needed at the federal level to ensure the Department of Education issues appropriate guidance and implements these requirements, and at the state level to help policymakers understand how the requirements affect their own funding decisions.	n/a	American Rescue Plan Includes Much-Needed K-12 Funding (CBPP)
Fiscal aid for states, localities, tribal nations, territories -\$350 billion	These funds will help states, localities, tribal governments, and territories address revenue shortfalls, help people struggling in the pandemic, and cover other costs. You can find state allocations for the funds here .	Advocacy will be needed to urge states and localities to use the funds in ways that target those who most need help and that address underlying structural inequities, and to help eligible people access payments and	States and territories must submit a certification to the Treasury Department agreeing to use the funds only as the American Rescue Plan allows. Treasury then has 60 days to get funds to states and	American Rescue Plan Act Will Help Millions and Bolster the Economy (CBPP)

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		programs that states and localities create.	territories. For cities and counties, Treasury must provide half of the funds within 60 days of the Rescue Plan's enactment, and the second half no sooner than 12 months later. Treasury will send funds to tribal nations within 60 days, with no certification required.	Rescue Plan Protects Against Using Federal Dollars to Cut State Taxes (CBPP)
<p>Tax payments for families –</p> <p>\$104 billion for Child Tax Credit (CTC) expansion</p> <p>\$12 billion for Earned Income Tax Credit (EITC) expansion</p> <p>\$411 billion for Economic Impact Payments (EIPs)</p> <p>\$3.8 billion for the Child and Dependent Care Tax Credit (CDCTC)</p>	<p>EIPs: payments of \$1,400 per person delivered similarly to the distribution of prior rounds in 2020 (e.g. direct deposit, check).</p> <p>CTC: Increased from \$2,000 to \$3,000 per child (\$3,600 for children under 6). The CTC will also be fully refundable – that is, fully available for children in families with no or very low earnings. A household can receive up to half of its CTC in advance payments in 2021. These one-year expansions are for tax year 2021.</p> <p>EITC: For tax year 2021, the maximum EITC for childless workers will be nearly tripled, and the income range to qualify will increase to almost \$21,000. Also, workers age 19-24 and 65 and over will be newly eligible.</p> <p>CDCTC: In 2021, this credit is fully refundable and its maximum size</p>	<p>States and localities can play an important role in outreach work. Outreach efforts will be particularly important to ensure the payments reach low-income people who do not typically file tax returns, including households where children have Social Security numbers but parents do not. (These children were not eligible for the first two rounds of EIPs but gained eligibility for the third round of payments enacted in the American Rescue Plan.)</p>	<p>Each household generally must file a tax return to access the EIP, CTC, EITC, or CDCTC.</p> <p>EIPs: Those who need to file can do so now through the end of tax filing season. There may be added opportunities for non-filers to claim EIPs through an online portal.</p> <p>CTC: Advance payments will begin after July 1, 2021. People who file a 2020 tax return during this filing season will generally get advance payments later this year; those who don't file may be able to claim advance payments through a portal later this year.</p> <p>EITC: To receive the EITC increase, individuals generally must file a 2021 tax return.</p>	<p>American Rescue Plan Act Includes Critical Expansions of Child Tax Credit and EITC (CBPP)</p> <p>American Rescue Plan Act Will Help Millions and Bolster the Economy (CBPP)</p>

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Housing \$21.6 billion in Emergency Rental Assistance for low-income people	<p>is increased to \$4,000 for one child and \$8,000 for two or more children, from \$1,050 and \$2,100, respectively.</p> <p>These funds will provide up to 18 months of rental assistance (including for arrearages) for low-income renters who have lost income or are experiencing other hardship and risk losing their housing. These funds are in addition to \$25 billion that Congress provided (under slightly different rules) in the December 2020 funding bill.</p>	<p>Treasury will allocate funds to states, localities, and territories, and a special allocation will be set aside for “high-need” grantees. States, localities, and territories may distribute aid directly to landlords on behalf of renters (or directly to renters in some cases) or may designate other entities (such as non-profits) to do so.</p> <p>Treasury guidance on how states should assess eligibility for the funds will be essential in striking the right balance between streamlining people’s access to aid (such as by minimizing documentation of hardship) and ensuring funds are well used. Treasury will also have some flexibility in determining which grantees are “high need.”</p> <p>Anecdotal evidence so far indicates that not all grantees are taking advantage of the flexibility that Treasury has provided to get funds out to households quickly and with a minimum of requirements.</p> <p>Advocacy is needed to ensure states and localities distribute funds equitably, conduct outreach to highly</p>	<p>To receive funds, localities must certify that they elect to receive the funds and will use them in a manner consistent with the law’s requirements. Treasury must allocate at least 40 percent of the funds for which each grantee is eligible within 60 days.</p>	<p>Housing Assistance in American Rescue Plan Act Will Prevent Millions of Evictions. Help People Experiencing Homelessness (CBPP)</p> <p>U.S. Department of the Treasury, Emergency Rental Assistance, Frequently Asked Questions, Revised March 16, 2021 (regarding the program created by December 2020 bill, which is very similar)</p>

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<p>Housing</p> <p>\$5 billion in Emergency Housing Vouchers for people experiencing or at risk of homelessness</p>	<p>Emergency housing vouchers will help transition high-need homeless and at-risk families, youth, and individuals, including survivors of domestic violence and human trafficking, to stable housing. Beginning in October 2023, these vouchers will expire when the families that are using them no longer need them.</p>	<p>affected neighborhoods, and minimize administrative barriers to access.</p> <p>State and local housing agencies will administer the vouchers. While some housing agencies are deeply integrated into community-wide efforts to prevent and end homelessness, many are not. It will be important for agencies to partner with Continuum of Care agencies to develop strategies to integrate the vouchers most effectively with other resources available to prevent and end homelessness.</p>	<p>Within 60 days of the American Rescue Plan's enactment, the Department of Housing and Urban Development (HUD) will tell housing agencies how many vouchers they can receive under the formula. HUD will also establish a procedure for agencies to accept or decline the vouchers and will provide guidance on the use of the funds. The Rescue Plan includes \$10 million for HUD to provide technical assistance to agencies.</p>	<p>Housing Assistance in American Rescue Plan Act Will Prevent Millions of Evictions. Help People Experiencing Homelessness (CBPP)</p>
<p>Housing</p> <p>\$5 billion in homelessness assistance via the HOME program</p>	<p>The roughly 600 state and local grantees may use this flexible funding for affordable and supportive housing development, short-term rental assistance, development of non-congregate shelter, and support services for people experiencing or at risk of homelessness, including survivors of domestic violence and veterans. Communities may use the funds to acquire commercial properties such as hotels and motels and convert them to healthier non-congregate shelter, affordable</p>	<p>Because Congress provided HOME grantees with significant flexibility in the use of these funds, and HOME grantees are sometimes not integrated into communities' homeless assistance systems, it will be important for HUD and state and local advocates to encourage grantees to consult with local Emergency Solutions Grant recipients and Continuums of Care to ensure funds are used strategically to effectively address homelessness and advance equity.</p>	<p>The American Rescue Plan requires HUD to allocate the funds to state and local governments via formula within 30 days of enactment.</p>	<p>Housing Assistance in American Rescue Plan Act Will Prevent Millions of Evictions. Help People Experiencing Homelessness (CBPP)</p>

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	housing, or supportive housing for people living in shelters or unsheltered locations.			
Child Care \$15 billion for the Child Care and Development Block Grant (CCDBG) and \$24 billion for “stabilization fund”	CCDBG provides funding to states for child care assistance and improving the quality of child care. The stabilization fund provides resources to states to help child care providers that are operating or are closed for COVID-related reasons, as well as for activities to boost the supply of child care. Child care programs can use funds to cover various regular costs (personnel, rent, etc.) as well as COVID-related supplies and services that can help child care programs either stay in business or reopen. (Funding was also provided for this purpose in the relief package enacted in December 2020.)	States will have to decide how to use the CCDBG funds to expand access to child care assistance and improve quality of care and how to allocate the stabilization funding to shore up providers and expand supply to support the recovery. State advocates can help shape how states use this large infusion of resources.	Funding should come through this spring, though timing is uncertain. Guidance will follow, which will be particularly important as states spend the stabilization funding.	Child Care Relief Funding in American Rescue Plan: State-by-State Estimates (CLASP) CLASP and Zero-to-Three will hold a webinar on the child care provisions on April 6 – you can register here .
Food Assistance \$3.5 billion for SNAP 15 percent benefit increase	The American Rescue Plan extends, through September 2021, a 15 percent increase in SNAP benefits and the Pandemic EBT (P-EBT) program, which provides grocery benefits to replace meals that children miss when they do not attend school or child care in person.	The 15 percent increase will require minimal implementation work for states. For P-EBT, states will need to revise and extend their plans and get Department of Agriculture (USDA) approval. Federal funds can cover all administrative costs, and states can enter into contracts with non-profits to	The 15 percent SNAP increase is already in effect. P-EBT was extended to cover the summer and for the duration of this pandemic, until schools and childcare fully reopen. State administrative money is available for fiscal years 2021-	Food Assistance in American Rescue Plan Act Will Reduce Hardship, Provide Economic Stimulus (CBPP)

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<p>\$5.56 billion for Pandemic-EBT</p> <p>\$1.1 billion for state administrative costs</p> <p>\$390 million for WIC modernization, innovation, and outreach</p> <p>\$490 million for more fruits and vegetables in the WIC benefit.</p>	<p>It also includes federal resources for states' SNAP administrative costs to help states accommodate increased demand.</p> <p>It includes an investment in WIC to modernize the program, support innovative service delivery models, conduct outreach, and temporarily raise the amount of fruits and vegetables participants can obtain, which will increase the monthly value of WIC foods by 70 to 75 percent for women and children.</p>	<p>conduct outreach or otherwise help families get benefits.</p> <p>State and local advocacy could help ensure the additional SNAP administrative funding is used in ways that improve program access, both overall and for specific groups.</p> <p>The Biden Administration will need to determine how the new WIC funds will be used. State advocacy could encourage USDA and states to emphasize effective outreach and innovative approaches that improve access, overall and for populations such as immigrants, participants in SNAP or Medicaid, or toddlers or preschoolers.</p>	<p>2023. USDA will likely inform states of the available amounts within a few weeks.</p> <p>The WIC money for improving coverage could take several months to become available.</p> <p>The WIC fruit and vegetable increase is available at state option for four months, ending no later than September 30, 2021. Most states plan to implement in June through September.</p>	<p>American Rescue Plan Act Will Help Millions and Bolster the Economy (CBPP)</p> <p>Rescue Act's Pandemic Emergency Assistance Will Help Families with Lowest Incomes</p>
<p>Pandemic Emergency Assistance Fund</p> <p>\$1 billion</p>	<p>This fund will enable states, tribes, and territories to provide nonrecurrent short-term benefits to help needy families with children to cover pandemic-driven expenses and avert eviction and other hardships.</p> <p>The emergency fund is part of the Temporary Assistance for Needy Families (TANF) program. Under TANF, the federal government provides a block grant to the states, which use these funds to provide cash assistance and other</p>	<p>The Rescue Plan sets forth a formula for allocating funds among states and HHS has posted the allocation amounts for the 50 states and DC.</p> <p>Key issues for advocates include making the case for automatic payments to groups of families without requiring individualized applications as well as targeting funds to assist families who are not receiving other forms of relief (including mixed-status</p>	<p>Funding is available through fiscal year 2022 but is likely to be spent long before that in most states.</p> <p>States must let the Department of Health and Human Services know within 45 days of enactment if they will use the funds. Any funds that states do not claim will be reallocated to other states.</p>	<p>American Rescue Plan Act Will Help Millions and Bolster the Economy (CBPP)</p> <p>Rescue Act's Pandemic Emergency Assistance Will Help Families with Lowest Incomes</p>

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	<p>services to families with low incomes.</p>	<p>households) and families with the lowest incomes.</p> <p>Advocacy on how to use the funds may vary for states where few families receive TANF. These include many southern states with large Black populations.</p>		
<p>Health</p>	<p>The American Rescue Plan gives states a significant incentive to expand Medicaid in the form of a 5-percentage-point increase on their base federal matching rate for two years if they expand.</p> <p>It also increases Affordable Care Act premium tax credits for previously eligible people and extends them for two years to some people who didn't previously qualify. And for people who receive unemployment insurance payments in 2021, it provides generous subsidies to reduce their premiums and cost-sharing.</p> <p>In addition, the American Rescue Plan expands the state option to cover COVID-19 testing for people who are uninsured to include treatment and vaccines and extends the duration of this option for a year after the public health emergency ends. The federal government will pay 100 percent</p>	<p>Advocates in non-Medicaid expansion states should explain that the new funding is an added bonus on top of all the other benefits from expansion.</p> <p>Increased awareness and outreach will be needed for people to take advantage of the new and expanded subsidies for health insurance. CBPP will provide technical assistance through Beyond the Basics webinars and other resources. Advocates in states with their own marketplaces should work with their state to implement the increased subsidies as quickly and as smoothly as possible.</p> <p>Advocates should encourage states to quickly take up the option offering coverage to the uninsured. There is no income limit, and it provides a way to cover treatment for people whose incomes are too high for Medicaid but too low for marketplace premium tax credits, and to provide emergency Medicaid coverage for people who</p>	<p>The increased funds are available for eight calendar quarters, beginning with the quarter in which a state expands.</p> <p>Increased premium subsidies become available in the federal marketplace in April. Subsidies for recipients of unemployment benefits will be available later in the year. In both cases the increased premium subsidies are retroactive to January 2021.</p> <p>This change became effective on the date the Rescue Plan was enacted. It ends on the last day of the first calendar quarter beginning one year after the public health emergency ends.</p>	<p>Health Provisions in American Rescue Plan Act Improve Access to Health Coverage During COVID Crisis (CBPP)</p> <p>American Rescue Plan Act Will Help Millions and Bolster the Economy (CBPP)</p> <p>American Rescue Plan Act Strengthens Medicaid, Better Equips States to Combat the Pandemic (CBPP)</p> <p>CBPP vaccine fact sheet (forthcoming)</p> <p>Optional 12 Months Postpartum Medicaid Coverage</p>

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	<p>of the costs of the services and the administrative costs.</p> <p>The Rescue Plan also gives states the option to extend postpartum coverage to people receiving Medicaid pregnancy coverage for 12 months, compared to the current 60-day limit.</p> <p>Also, it provides a 10-percentage-point increase in the federal share of states' spending on home- and community-based services. States must use the added funds to supplement current state spending, not replace it.</p>	<p>don't qualify for Medicaid because of their immigration status.</p> <p>Advocates should work with the maternal and child health community to get their states to take up the postpartum coverage expansion.</p> <p>Advocates should work with advocates for people with disabilities and older adults to ensure that the funds are used to expand services, including services for people with substance use disorders.</p>	<p>The option becomes effective on April 1, 2022.</p> <p>This is a one-year increase, from April 1, 2021 through March 31, 2022.</p>	<p>Leaves Opportunity to do More (Georgetown)</p> <p>Potential Impact of Additional Federal Funds for Medicaid HCBS for Seniors and People with Disabilities (KFF)</p>