The American Rescue Plan

On March 11, President Biden signed into law his **American Rescue Plan Act of 2021 (ARP)**, a $1.9 trillion package approved by Congress to provide emergency relief to children, families, individuals, states and health and education systems to combat the devastating impacts of the COVID-19 pandemic. The rescue package provides direct $1,400 stimulus payments, increased assistance for low- and middle-income kids and families for food, rent, broadband connectivity and devices, health care, child care, and money to reopen schools. The ARP also expands and makes fully refundable the child tax credit, designed to cut child poverty nearly in half, and provides funding to stand up robust COVID-19 vaccination and testing programs.

**Aid to Individuals, Kids, & Families**

- Increases the child tax credit for qualifying families to $3,600 for each child younger than six and $3,000 for older children. The new child credit will be fully refundable, so that low-income households will get its full benefit no matter how little they earn, and it will be paid out on a monthly basis, not yearly, beginning on July 15th to parents who have filed a tax return or applied through a new IRS child tax credit portal.
- Stimulus checks for low- and middle-income tax filers: $1,400 checks for individuals, $2,800 for joint filers, and $1,400 for each qualifying dependent (phasing out for those making more than $75,000 for single filers and $150,000 for joint filers).
- Extended unemployment compensation benefits of $300 per week, in addition to existing state benefits, through Sept. 6, 2021, and making nontaxable the first $10,200 in unemployment benefits for households with an income threshold of up to $150,000/year.
- Health care premium assistance through September 2021 for certain insurance coverage, providing 100% subsidy of COBRA insurance premiums for those who lose employer-sponsored health insurance.
- Extends the 15% increase in funding for SNAP (Supplemental Nutrition Assistance Program - formerly known as the food stamp program) through September 30, 2021, and provides $1.15 billion to states for SNAP administration through September 30, 2023, as well as $1 billion for other nutrition assistance programs.
- $490 million to the USDA to increase the amount of cash-value vouchers under the Women, Infants, and Children (WIC) program, along with an $390 million to increase participation in WIC.
- Emergency nutrition benefits through the Pandemic Electronic Benefit Transfer program (P-EBT) extended through any school year or summer period following a designated public health emergency.
- Provides $21.5 billion for emergency rental assistance, $5 billion in emergency housing vouchers, $100 million for tribal housing improvements, $100 million for rural housing, and $5 billion to assist people experiencing homelessness.

**Funding for COVID-19 Relief-Related Activities**

- Provides $415 billion in increased funding for a national vaccination program, COVID-19 testing, contact tracing, scientific research and development, and manufacturing of pandemic-related medical supplies.
- $360 billion in funding to state, local, and territorial governments for economic relief and $20 billion in funding for public transit systems.
$176 billion for education, with funds to assist K-12 schools in reopening by hiring more staff and putting in place new testing protocols, as well as funds for institutions of higher education.

$7.2 billion for an Emergency Connectivity Fund to close the digital divide for students and teachers learning and teaching from home, through the Federal Communication Commission (FCC) universal service schools and libraries program (also known as E-Rate). These funds are available for public and private schools and public libraries to purchase internet access and connected devices (including hotspots, routers, modems and computers) for students, educators and library patrons who lack home internet access, a connected device, or both. Schools and libraries can apply to purchase eligible services and equipment for the duration of the COVID-19 pandemic plus at least one year. This is in addition to $3.2 billion approved in December 2020 to support a $50 Emergency Broadband Benefit for eligible families to stay connected to the internet.

Aid to Businesses

- Extends family and medical leave credits that have been available under the March 2020 CARES Act and the Consolidated Appropriations Act.
- Adds $7.25 billion to the Paycheck Protection Program (PPP) for businesses and nonprofits.
- $15 billion in Economic Injury Disaster Loan (EIDL) funding - one third targeted to businesses that suffered losses greater than 50 percent, are located in low income census tract areas, and employ 10 or fewer people.
- Expands Employee Retention Credit (ERC) through Dec. 31, 2021, for eligible employers.
- Establishes a $25 billion Restaurant Revitalization Fund for 2021.
- Adds $1.5 billion to the $15 billion in shuttered venue operators grants, to assist live venue operators or promoters, theatrical producers or live performing arts organization operators, motion picture theater operators, museum operators, and talent representatives.
- Adds $86 billion to support approximately 185 failing multi-employer pension plans.
- Adds $10.4 billion to support agriculture, including supply chain monitoring and surveillance, debt relief, grants, training, education, and other forms of assistance aimed at acquiring land.

Common Sense CEO Jim Steyer’s Statement on the American Rescue Plan

Additional Resources

- White House American Rescue Plan Fact Sheet
- Common Sense & Stand for Children Letter to Administration and Congress to Make Permanent the Child Tax Credit
- Background on the American Jobs Plan, President Biden’s $2.3 trillion proposal aimed at improving the nation’s infrastructure and providing investments in home- and community-based health and elder care.
- Background on the American Families Plan, President Biden’s $1.8 trillion proposal to support children and families, lower the cost of health care, extend the new Child Tax Credit through 2025, and bolster funding for early childhood and postsecondary education.