POLICY BRIEF:
Major Provisions of the American Rescue Plan Act of 2021 (H.R. 1319)

This is a selective list of costly or substantively important provisions of the House reconciliation bill, followed by a listing of known changes in the Senate leadership’s position on the bill (which is not known in full at this time).

- **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.** Extends from June 30, 2021 to September 30, 2021, using 115 percent of the June 2020 value of the thrifty food plan.
- **ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND.** Provides $128,554,800,000 for grants to state educational agencies (SEAs), with 90 percent allocated to local educational agencies (LEAs).
- **HIGHER EDUCATION EMERGENCY RELIEF FUND.** Provides $39,584,570,000 for grants to institutions of higher education.
- **RAISING THE FEDERAL MINIMUM WAGE.** Increases the federal minimum wage from $7.25 per hour to $15 per hour by 2025. Thereafter, annual increases are indexed to the percentage increase, if any, in the median hourly wages of all employees.
- **CHILD CARE AND DEVELOPMENT BLOCK GRANT PROGRAM.** Provides $14,990,000,000 for the Child Care and Development Block Grant (CCDBG) program.
- **CHILD CARE STABILIZATION.** Establishes child care stabilization grants to be awarded in accordance with allocation requirements under the Child Care and Development Block Grant Act.
- **LIHEAP.** Provides $4,500,000,000 for the Low Income Home Energy Assistance Program (LIHEAP) to help families afford home heating and cooling costs.
- **IMPROVEMENTS TO WIC BENEFITS.** Provides the Secretary of Agriculture with authority and funding to temporarily boost the value of the Cash Value Voucher (CVV) in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) up to $35 per month for women and children for a four-month period during the COVID-19 pandemic.
- **PRESERVING HEALTH BENEFITS FOR WORKERS.** Provides subsidies to support workers who are eligible for continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA) due to involuntary termination or reduction in hours.
- **FUNDING FOR COVID-19 VACCINE ACTIVITIES AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.** Provides $7.5 billion in funding for CDC to support vaccine related activities.
- **FUNDING FOR VACCINE CONFIDENCE ACTIVITIES.** Provides $1 billion in funding for CDC to strengthen vaccine confidence in the United States.
- **FUNDING FOR SUPPLY CHAIN FOR COVID-19 VACCINES, THERAPEUTICS, AND MEDICAL SUPPLIES.** Provides $5.2 billion in funding to the Secretary of HHS to support research, development, manufacturing, production, and purchase of vaccines, therapeutics, and ancillary medical products and supplies.
- **FUNDING FOR COVID-19 VACCINE, THERAPEUTIC, AND DEVICE ACTIVITIES AT THE FOOD AND DRUG ADMINISTRATION.** Provides $500 million in funding to be made available to FDA.
• **FUNDING FOR COVID-19 TESTING, CONTACT TRACING, AND MITIGATION ACTIVITIES.** Provides $46 billion in funding to the Secretary of HHS.

• **FUNDING FOR SARS-COV-2 GENOMIC SEQUENCING AND SURVEILLANCE.** Provides $1.75 billion in funding to the Director of CDC.

• **FUNDING FOR PUBLIC HEALTH WORKFORCE.** Provides $7.66 billion in funding to the Secretary of HHS to establish, expand, and sustain a public health workforce.

• **FUNDING FOR COMMUNITY HEALTH CENTERS AND COMMUNITY CARE.** Provides $7.6 billion in funding to the Secretary of HHS.

• **FUNDING FOR NATIONAL HEALTH SERVICE CORPS.** Provides $800 million in funding for the National Health Service Corps.

• **FUNDING FOR COVID-19 TESTING, CONTRACT TRACING, AND MITIGATION ACTIVITIES IN CONGREGATE SETTINGS.** Provides $1.8 billion.

• **FUNDING FOR INDIAN HEALTH.** Provides $6.94 billion to the Secretary of HHS.

• **FUNDING FOR BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES.** Provides $1.75 billion to the Secretary of HHS.

• **FUNDING FOR BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE.** Provides $1.75 billion to the Secretary.

• **TEMPORARY INCREASE IN FMAP FOR MEDICAL ASSISTANCE UNDER STATE MEDICAID PLANS WHICH BEGIN TO EXPEND AMOUNTS FOR CERTAIN MANDATORY INDIVIDUALS.** This provision temporarily increases a state’s base FMAP by five percentage points for two years for states that newly expand Medicaid.

• **FUNDING FOR LIHEAP.** Section 3302 directs $4.5 billion to HHS for home energy assistance through LIHEAP.

• **FUNDING FOR WATER ASSISTANCE PROGRAM.** Section 3303 directs $500 million to HHS to provide financial assistance to low income consumers and other consumers adversely affected financially by COVID-19 to assist with payments for drinking water and wastewater expenses.

• **FUNDING FOR E-RATE SUPPORT FOR EMERGENCY EDUCATIONAL CONNECTIONS AND DEVICES.** This section establishes a $7.59 billion Emergency Connectivity Fund.

• **EMERGENCY RENTAL ASSISTANCE.** $19,050,000,000 is appropriated to the Secretary of Department of Treasury (Treasury) to make payments to eligible grantees.

• **EMERGENCY HOUSING VOUCHERS.** $5,000,000,000 is appropriated to the Secretary of the Department of Housing and Urban Development (HUD).

• **HOMELESS ASSISTANCE AND SUPPORTIVE SERVICES PROGRAM.** $5,000,000,000 is appropriated.

• **HOMEOWNER ASSISTANCE FUND.** $9,961,000,000 is appropriated.

• **AIR TRANSPORTATION PAYROLL SUPPORT PROGRAM EXTENSION.** Extend the Payroll Support Program.

• **CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.** $219.8 billion would be appropriated to the Coronavirus State Fiscal Recovery Fund.

• **MODIFICATIONS TO PAYCHECK PROTECTION PROGRAM.** Expands eligibility to the additional non-profits to receive an initial Paycheck Protection Program (PPP).

• **SUPPORT FOR RESTAURANTS** This section provides $25 billion for a new program at the SBA offering assistance to restaurants and other food and drinking establishments.

• **GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION.** This section provides $1.5 billion to keep Amtrak fully operational through fiscal year 2021.

• **FEDERAL TRANSIT ADMINISTRATION GRANTS.** The section provides $30 billion in grants for eligible recipients to prevent, prepare for, and respond to the ongoing threat of COVID-19.
• **RELIEF FOR AIRPORTS.** Provides $8 billion in emergency aid for primary airport, non-primary airports, and airport concessions.

• **EXTENSION OF PANDEMIC UNEMPLOYMENT ASSISTANCE.** This section extends through August 29, 2021 the Pandemic Unemployment Assistance program, which provides unemployment benefits to some self-employed and pandemic-affected individuals who do not qualify for regular state unemployment benefits.

• **EXTENSION OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.** This section extends through August 29, 2021 the federal supplemental unemployment benefit (FPUC), which is added to both state and federal benefits, and the mixed-earner supplement added to it for eligible workers. It increases the FPUC amount from $300 to $400 for weeks ending after March 14 and before August 29, 2021.

• **EXTENSION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.** This section increases the number of weeks of benefits an individual worker may receive in the Pandemic Emergency Unemployment Compensation (PEUC) program from 24 to 48, and extends the period of time in which workers can receive PEUC benefits if they exhaust regular state UI benefits through August 29, 2021.

• **PRESERVING HEALTH BENEFITS FOR WORKERS.** This section provides for premium assistance of 85 percent for COBRA continuation coverage for eligible individuals and families from the first of the month after enactment through September 31, 2021.

• **2021 RECOVERY REBATES TO INDIVIDUALS.** Provides a $1,400 refundable tax credit for each family member that shall be paid out in advance payments, similar to the Economic Impact Payments in the CARES Act and Consolidated Appropriations Act, 2021. The credit is $1,400 for a single taxpayer ($2,800 for joint filers), in addition to $1,400 per dependent. The credit phases out between $75,000 and $100,000 of adjusted gross income ($112,500 and $150,000 for head of household filers and $150,000 and $200,000 for joint filers) proportional to the taxpayer’s income in excess of the phaseout threshold over $25,000 ($37,500 for head of household filers and $50,000 for joint filers). Thus, under this phaseout structure, the credit is reduced to zero for all taxpayers at the $100,000, $150,000 and $200,000 AGI levels (depending on filing status).

• **CHILD TAX CREDIT IMPROVEMENTS FOR 2021.** Makes the child tax credit (“CTC”) fully refundable for 2021 and increases the amount to $3,000 per child ($3,600 for a child under age 6). The provision also increases the age of qualifying children by one year for 2021, such that 17-year-olds qualify for the credit. Directs the Secretary of the Treasury to issue advance payments of the child tax credit, based on 2019 or 2020 tax return information. The payments are intended to be delivered on a monthly basis.

• **STRENGTHENING THE EARNED INCOME TAX CREDIT FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.** Expands the eligibility and the amount of the earned income tax credit for taxpayers with no qualifying children (the “childless EITC”) for 2021.

• **REFUNDABILITY AND ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT.** For 2021, makes the credit fully refundable and increases the maximum credit rate to 50 percent. Amends the phaseout threshold to begin at $125,000 instead of $15,000. Increases the amount of child and dependent care expenses that are eligible for the credit to $8,000 for one qualifying individual and $16,000 for two or more qualifying individuals (such that the maximum credits are $4,000 and $8,000). At $125,000 the credit percentage begins to phase out, and plateaus at 20 percent. This 20-percent credit rate phases out for taxpayers whose AGI is in excess of $400,000, such that taxpayers with income in excess of $500,000 are not eligible for the credit.
• **INCREASE IN EXCLUSION FOR EMPLOYER-PROVIDED DEPENDENT CARE ASSISTANCE.** Increases the exclusion for employer-provided dependent care assistance from $5,000 to $10,500 (from $2,500 to $5,250 in the case of a separate return filed by a married individual) for 2021.

• **INCREASE IN LIMITATIONS ON CREDITS FOR PAID FAMILY LEAVE.** Increases the amount of wages for which an employer may claim the paid family credit in a year from $10,000 to $12,000 per employee and increases the number of days for which self-employed individuals can claim the credit from 50 to 60.

• **EXTENSION OF EMPLOYEE RETENTION CREDIT.** Extends the employee retention tax credit, as added by the CARES Act and expanded and extended in P.L. 116-260, through December 31, 2021.

• **CHILD CARE ASSISTANCE.** This section provides additional funding for the Child Care Entitlement to States and makes changes to eligibility and conditions of funding.

**Known Changes in the Senate Leadership Position on the Bill**

As of this time, the Senate leadership’s version of the reconciliation bill is not publicly released. Press accounts have reported two specific changes that are likely to be made in the version to be debated in the coming few days. There may be more changes when the final Senate bill emerges.

• **RAISING THE FEDERAL MINIMUM WAGE.** This provision of the House bill has been dropped at the insistence of the Senate parliamentarian.

• **2021 RECOVERY REBATES TO INDIVIDUALS.** The Senate bill also provides a $1,400 refundable tax credit for each family member. However, the Senate version of the credit reportedly phases out more rapidly as income rises, between $75,000 and $80,000 (instead of $100,000) of adjusted gross income ($112,500 and $120,000 [instead of $150,000] for head of household filers and $150,000 and $160,000 [instead of $200,000] for joint filers). Therefore, credits at the lowest income levels are unchanged, but taxpayers over the phase-out thresholds receive smaller credits, or no credits at all.