



American Rescue Plan Summary February 17, 2021

House committees have adopted the provisions of President Biden's American Rescue Plan under their respective jurisdictions. The full House is expected to consider the entire bill next week and adopt it along party lines. The Senate may bypass the committee process and debate the House measure. With a 50-50 split, one 'no' vote by a Democrat would kill the bill. Democrats hope to send a bill to President Biden before the unemployment supplements expire in mid-March.

The summary below highlights many of the provisions supporting families.

Income and Family Supports

Unemployment Insurance: The weekly unemployment insurance (UI) supplement, which expires in mid-March, would be extended through August 29, 2021. It would also increase the weekly benefit to \$400, up from the current \$300. In addition, the measure would expand benefits for self-employed and gig workers and extend the number of weeks that long-term jobless individuals can qualify for payments.

Economic Impact Payments: The legislation would provide individuals earning up to \$75,000 with an economic impact payment of \$1,400; joint filers earning up to \$150,000 would receive a \$2,800 payment. Payments are completely phased out at \$100,000 for individuals and \$200,000 for joint filers. Payments of \$1,400 would also be made for each dependent.

Child Tax Credit: The Rescue Plan would make the Child Tax Credit (CTC) fully refundable and would authorize \$300 monthly payments for children under age six and \$250 monthly payments for those six to seventeen years of age. The CTC would begin phasing out at \$75,000 for single filers and \$150,000 for those filing jointly.

Earned Income Tax Credit: The eligibility and amount of the Earned Income Tax Credit (EITC) also would be expanded under the legislation. The eligibility age for claiming the "childless EITC" would be lowered from 25 to 19, except for full-time students, and the maximum credit amount would increase from \$543 to \$1,502.

Minimum Wage: The Rescue Plan would increase the federal minimum wage to \$15 per hour by 2025, though it's still unclear whether this provision would be eligible to advance in the Senate through the reconciliation process.

Paid Leave: While the *Families First Coronavirus Response Act* (FFCRA; PL 116-127) required employers to provide expanded paid sick leave and family/medical leave, public

sector employers were not eligible to receive a refundable tax benefit provided under the Act. Incidentally, the tax credit was extended as part of the latest COVID-19 relief package, but the bill did not extend the corresponding employer mandate. The Rescue Plan would extend the paid sick and family leave credits through September 30, 2021 and would allow state and local governments to access the tax benefit.

Temporary Assistance for Needy Families: TANF would receive a \$1 billion increase, reflecting an approximate six percent boost to the program. States with relatively higher cash grants or non-recurring emergency assistance would receive a slightly larger share, reflecting the committee's effort to direct COVID relief under TANF to income assistance rather than other support services such as child welfare.

Elder Justice/Adult Protective Services: Building off the \$100 million federal appropriation enacted in December for APS, the bill would guarantee an additional \$100 million in FY 2022.

Child Care: The legislation would provide nearly \$15 billion for child care to be available for this year and the following two fiscal years. Essential workers would be eligible for assistance without regard to their income. Child care received \$5.9 billion in FY 2021.

Child Abuse Prevention and Treatment: The Child Abuse Prevention and Treatment Act (CAPTA) would receive \$100 million for state grants (\$90 million was appropriated in FY 2021) and \$250 million for the community based grant program, with no state match (\$60 million was appropriated in FY 2021). Under the existing statute, funds may be used to support child protective services workers as well as families. Funding would remain available through September 30, 2023.

Low Income Home Energy Assistance Program: LIHEAP would receive a \$4.5 billion boost, with funding available through September 2022. Last year's appropriation was \$3.7 billion.

Distance Learning: The measure would establish a \$7.6 billion Emergency Connectivity Fund, which would support eligible schools and libraries to provide, among other things, eligible connected devices, internet service, and hotspots to students and teachers for internet use at home.

Nutrition Programs

Supplemental Nutrition Assistance Program: The legislation would extend the 15 percent increase in the Supplemental Nutrition Assistance Program (SNAP) benefit for an additional three months to September 30, 2021. Additionally, SNAP administrative reimbursement would be increased \$1.1 billion over the next three years to partially account for the increased workload to process the COVID spike in SNAP applications. The SNAP state administration budget is roughly \$4.9 billion annually.

Pandemic EBT Program: The EBT benefit for youth eligible for school meals would continue until the end of the public health emergency and would extend through the summer under the committee's bill. The program has been on short-term extensions until this time.

Older Americans Act Nutrition: Title III nutrition programs would be increased by \$740 million under the measure. The annual appropriation in FY 2021 was \$951 million.

Medicaid

Medicaid for Jail Inmates: For the first time, otherwise Medicaid-eligible individuals who are in jail would be eligible for Medicaid-reimbursable services beginning 30 days prior to their release

Housing

Housing and Homelessness Programs: The Rescue Plan would extend the moratoriums on evictions and foreclosure actions through September 30, 2021. An additional \$19.5 billion would be available for emergency rental assistance on top of the \$25 billion Congress appropriated in December 2020. Five billion dollars would be available to pay for home energy and water costs in arrears. The legislation also would allocate \$5 billion to entities serving individuals at risk of or currently experiencing homelessness.