

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) Act of 2021, which provides additional relief to support recovery from the public health and economic effects of the COVID-19 pandemic. The ARP Act has expanded definitions of allowable uses for federal support.

Tetra Tech has reviewed the Act to provide the following summary of provisions. Please contact Tetra Tech with any questions or to discuss next steps.

\$350B for Fiscal Recovery Funds – State and Local Governments

\$219.8B for State Fiscal Recovery – Will divide \$25.5B equally with state minimum of \$500M. \$169B distributed by formula based on state's share of unemployed workers; \$20B for Tribal governments; \$4.5B for territories.

\$130.2B for Local Fiscal Recovery – \$65.1B direct aid for counties. The other \$65.1B for municipalities.

- \$45.57B to be distributed in direct aid to cities with population over 50,000 using modified Community Development Block Grant (CDBG) formula.
- Non-county municipalities with population less than 50,000 will be based on the jurisdiction's percentage of the state's population.
- Expect payment for the first half 60 days after enactment of the bill; second half 1 year later. Treasury's discretion to withhold up to 50% of the allocation.

Funds available and use completed by December 31, 2024.

\$2B Local Assistance and Tribal Consistency Fund.

Public Lands money for any governmental purpose, except for lobbying. \$1.5B for Revenue Share Counties (Public Lands) and \$500M for Tribes. These funds will be split evenly for FYs 2022 and 2023.

\$10B for Capital Projects Fund. For critical capital projects, "directly enabling work, education, and

health monitoring, including remote options, in response to the public health emergency."

Emergency Rental Assistance and Homeowners Assistance.

\$21.5B with \$18.6B in funding to Treasury for emergency rental and utility assistance as in previous Consolidated Appropriations Act (CAA) of 2021. Counties above 200K in population will receive direct funding. \$9.96B to address the ongoing needs of homeowners by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing-related costs. \$2.5B reserved for high-need grantees. Not less than \$40M for each state, Washington, D.C., and Puerto Rico. States will have 45 days after enactment of the Act to request the allocation. If not requested, funds will go back into the U.S. Department of Housing and Urban Development's (HUD) pot.

- 10% can be used to provide case management services and other services intended to keep households stably housed.
- 15% for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities, including for data collection and reporting requirements.

\$50B to the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund for COVID Response and Recovery Public Assistance Reimbursement. \$400M for Emergency Food and Shelter. \$100M Assistance to Fire Fighter Grants, \$200M for Staffing for Adequate Fire & Emergency

Response (SAFER) Grants. \$100M for Emergency Management Performance Grants (EMPG).

Transportation and Infrastructure. Economic Development Administration: \$3B to provide economic adjustment assistance to help prevent, prepare for, and respond to economic injury caused by the COVID-19 pandemic.

- **Transit.** \$30B to help assist with operating costs, including payroll and personal protective equipment.
- **Airports.** \$8B, including \$800M for airport concessionaires.
- **Aerospace manufacturing.** \$3B for a temporary payroll support program to retain or rehire workers.

Low-Income Water and Energy Assistance (LIHEAP). \$4.5B to the U.S. Department of Health and Human Services (HHS) for home energy assistance. \$500M available to HHS to provide financial assistance to low-income and other consumers affected financially by COVID-19 to assist with payments for drinking water and wastewater expenses.

Emergency Paid Sick Leave Credits. Extended through September 30, 2021. Allows state and local governments as well as Federal governmental instrumentalities that are tax-exempt 501(c)(1) organizations the ability to access the paid sick time and paid family leave credits under the Families First Coronavirus Response Act (FFCRA).

Education Stabilization Fund. \$122.7B for grants to State educational agencies. No less than 90 percent to local educational agencies (LEA), including sub-grants to address learning loss. LEAs must create and submit school reopening plans to states. \$130 billion to help fully reopen schools and colleges.

Individuals. Direct stimulus payments of \$1,400 per eligible individual. Phases out between \$75,000 and \$80,000 of Adjusted Gross Income (AGI) for single filers; \$112,500 and \$120,000 of AGI for head of household filers; \$150,000 and \$160,000 of AGI for joint filers.

- Expands the child tax credit up to \$3,600 per child.
- Extends a \$300 weekly federal boost to unemployment benefits through August.

- Lowers cost of certain health insurance coverage. Requires coverage, without cost-sharing, of COVID-19 vaccines and treatment under Medicaid and the Children's Health Insurance Program (CHIP).
- SNAP program extended into September 30, 2021.

Program Funds for health care workers, transportation workers, federal employees, veterans, and other targeted populations, including specific programs for restaurants and live venues; \$50B for multi-employer pension plans.

ARP Funds are to be used to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including households, small businesses, and nonprofits, or impacted industries such as tourism, travel, and hospitality.

- Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers that are performing such essential work or by providing grants to eligible employers that have eligible workers who perform essential work. "Premium pay" means an additional amount up to \$13 per hour that is paid to an eligible worker for work during the COVID-19 pandemic. The bill imposes a cap of \$25,000 for any single eligible worker.
- For the provision of government services to the extent of the reduction in revenue.
- Make necessary investments in water, wastewater, or broadband infrastructure.
- Funds cannot be deposited into any pension fund.
- States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue.

Any local government that fails to comply with the federal law and related guidelines shall be required to repay the federal Treasury.