

## Summary of the American Rescue Plan Act of 2021

Today, March 11, 2021, the American Rescue Plan Act of 2021, [H.R. 1319](#), is enacted into law. Congress passed this \$1.9 billion COVID-19 relief legislation to address ongoing economic hardship and food insecurity. This is the 6<sup>th</sup> relief package since the beginning of the pandemic. Below is the summary of provisions that are critical to our policy and advocacy priorities.

### Supplemental Nutrition Assistance Program (SNAP)

- Section 1101
  - Extends the 15% SNAP benefit enhancement for all participants through September 30, 2021. Currently, the benefit is authorized through June 30, 2021.
  - Provides \$1.15 billion for SNAP administrative expenses and available until Sept 30, 2023. Of this funding, \$15 million is dedicated to program management and oversight.
- Section 1102 **Online SNAP purchasing pilot**
  - An additional \$25 million is provided for online SNAP purchasing pilot modernization efforts and funding is available until Sept 30, 2026.
- Section 1104 **Commodity Supplemental Program**
  - For FY 21, \$37 million is provided and available through Sep 30, 2022.
- Section 1103 **Nutrition assistance American Samoa, Puerto Rico, Northern Mariana Islands**
  - An additional \$1 billion for nutrition assistance is provided and available through Sept 30, 2027.
- Section 1001, **Food Supply Chain and Agriculture Pandemic Response**
  - \$4 billion is allocated for FY2021 and available until expended. Funding is intended for purchasing food and agricultural commodities and distributing to individuals in need. Non-profit organizations and **restaurants** and other food-related entities that process, store or receive food are eligible for this funding.

### Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) [Section 1105 & 1106]:

- Provides \$490 million to boost the Cash Value Voucher (CVV) for fruits and vegetables to \$35 per month for four months for women and children. The funding will remain available until Sept. 30, 2022.
- States need to inform USDA of their intent to increase CVV and no further application is needed for this purpose.
- States' and USDA's authority to increase the CVV will end by Sep 30, 2021.
- Provides \$390 million for WIC program modernization for FY2021 and funding will remain available through Sept 30, 2024. Modernization efforts include outreach and innovation to increase participation and effectively implement waivers and flexibilities authorized by Congress.

### Pandemic-EBT [Section 1108]

- Extends P-EBT to any school year in which there is a public health emergency due to a COVID-19.

- Deems all schools and child care facilities closed for the summer following a school year in which there is a public health emergency in order to extend P-EBT benefits for the summer.
  - For P-EBT to operate in the summer months, the following conditions apply:
    - There is already a public health emergency declaration made by federal or state agencies.
    - USDA must approve extending states' existing P-EBT plan to operate during the summer months.
    - The program can only operate for a maximum of 90 days.
- SFAs and state educational agencies are required to share relevant information to SNAP agencies to administer P-EBT under this extended authorization.
- This extension applies to schools in US territories and tribal nations including Puerto Rico, American Samoa, Northern Mariana Islands.
- The Act also clearly extended P-EBT eligibility for children under the age of 6 in households that receive the Nutrition Assistance Program (NAP) benefits in Puerto Rico, the Commonwealth of the North Mariana Islands, and American Samoa. This clarified preceding P-EBT statutes and USDA guidance on the implementation of P-EBT in Puerto Rico and other US territories.

#### **Child and Adult Care Food Program (CACFP)** [Section 1107]:

- Temporarily extends the age of CACFP eligibility at emergency homeless shelters from 18 to 25 for the duration of the COVID-19 pandemic. This age increase is limited to organizations participating in the CACFP as emergency shelters, so it does *not* apply to CACFP At-Risk Afterschool sites.

#### **Child Care Supports** [Sections 2201-2203, & 9801]:

- \$39 billion for the Child Care and Development Block Grant Program. Another \$35 million is provided for administrative costs, technical assistance, and research-related initiatives.
- \$1 billion for the Head Start program.
- \$3.5 billion per year for child care for workers under the [Child Care Entitlement to States](#) (CCES) program for states, localities, tribes and US territories, which is significantly higher than the current level of support (\$2.9b per year) (Section 9801).

#### **Expansion of the Child Tax Credit** [Section 9611]:

- Child Tax Credit Improvements for FY2021
  - Increases the credit amount from \$2,000 to \$3,000 for children ages 6 to 17 and \$3,600 for children under 6 for the 2021 tax year.
  - Makes the credit fully refundable, which will allow parents with no, or very low income to receive the full credit amount.
  - Makes the credit advanceable, with the IRS providing periodic payments of \$250 for school-aged children starting as early as July 2021.
  - Extends the credit to 17-year-olds;
  - Phases out the increase in the maximum amount for households making \$112,500 and married couples making \$150,000;
  - Extends the credit to Puerto Rico and other US territories;

- This stands to lift **4.1 million children above the poverty line including 1.2 million Black and 1.7 million Latino children** thereby cutting the number of children in poverty by more than 40 percent, according to [CBPP](#).

#### **Elementary and Secondary School Emergency Relief Fund (ESSERF)** [Section 2001]

- Nearly \$130 billion is provided for the fiscal year 2021 to subgrant to local educational agencies (LEAs).
- LEAs must reserve 20% of funds to address learning loss by implementing a range of evidence-based interventions, such as summer learning, extended day, comprehensive afterschool programs, or extended school year programs to respond to the social, emotional, and academic needs of students including those disproportionately impacted by the pandemic. State education agencies must reserve 5% of their funds for these purposes.
- Funding is available through Sept. 30, 2023.

#### **Funding to States, Cities, Local and Tribal Governments and US Territories** [Section 9901]

- In total, \$350 billion is provided to mitigate and restore the fiscal health of states, local governments and US territories that is severely impacted by the pandemic-induced business restrictions.

#### **Federal Emergency Assistance Management (FEMA) Disaster Relief Fund** [Section 4005]

- Provides \$50 billion to FEMA's Disaster Relief Fund to help cover the recent federal cost-sharing increase from 75% to 100% [announced](#) by the President so that states, localities, Tribes, and US territories will be able to respond to the pandemic in partnership with private and non-profit entities. These funds can be used for food supply and distribution purposes to respond to the pandemic. States and localities will better be able to utilize these federal funds now that they no longer have any cost sharing burden.