

## The American Rescue Plan Act

### Key Overview

#### 1. It's a lot of money:

- a. Statewide it is probably over \$3 billion
- b. There is much we don't know, and things are changing daily

#### 2. About \$1 billion goes to Vermonters directly.

- a. Tax reductions
  - i. 30% increase in EITC
  - ii. First \$10,000 of UI not taxable federally (may be extended to Vermont at \$11 million cost)
  - iii. Increased child care tax credit payable monthly \$250/\$300 phase out at \$75,000/\$150,000
- b. Aid to businesses
  - i. Restaurants and others mostly directly through feds
  - ii. Family leave credits through September 30, 2021
  - iii. Paycheck protection
  - iv. Employee Retention Credits
  - v. Shuttered venue grants
  - vi. *\$86 billion to support approximately 185 failing multi-employer pension plans.*
  - vii. \$10.4 billion to support agriculture, including supply chain/debt relief, grants, training,
- c. Other individual
  - i. Checks: \$1400/\$2800 phase out \$75,000/\$150,000
  - ii. Unemployment supplement \$300,000
  - iii. Premium assistance for health insurance through September 6<sup>th</sup>
  - iv. Funds for SNAP/ LIHEAP

#### 3. Including December funds, about \$568M Funding for Local Government and Schools, Higher Ed.

- a. **No state role however Senate proposing technical assistance in use of funds**
- b. Towns & municipalities \$19, \$57 and \$121m = \$197M
  - i. Towns & municipalities \$19, \$57 and \$121m = \$197M Examples: x2.5
    - 1. Burlington \$19,080,000
    - 2. Calais \$160,000
    - 3. Newport City \$420,000
    - 4. Newport town \$290,000
    - 5. Orwell Town \$120,000
    - 6. Royalton \$280,000
  - ii. Schools/LEAS State Agency 10% set aside
  - iii. ESSER 2 \$114M \$12.7m
  - iv. ESSER 3 \$257M \$28.5m

#### 4. State Funds Context thoughts

- a. **Varies from CRF in several key ways**
  - i. **Regulations:** Like CRF regulations may be delayed
  - ii. CRF regs changed through late Fall
  - iii. With ARPA federal leadership just coming on Could be quicker or slower

- b. **Availability Timing:** CRF was 6 months - State and local funds until December 2024 (3.5 years) School funds September 2023 (2.4 months)
- c. **Arrival** some now, most May-June?
- d. **Phase of Pandemic** – CRF was early crises funding this is recovery
- e. **Unlike one large state CRF, the allocations are a mix**
  - i. **\$1.052B State Relief Fund**
  - ii. **\$ .113 B Capital Funds**
  - iii. **\$ .152 B (in addition to \$200m already received)**
  - iv. **\$ .040 B Mortgage relief funds,**
  - v. **Child Care funds/more FMAP (list attached)**

State Funding:

- a. **SEC. 602. CORONAVIRUS STATE FISCAL RECOVERY FUND**  
 +/- \$1.0524 billion; Received not later than 60 days after state submits application +/- May 15-25<sup>th</sup> Available *through December 2024*

(1) Use of funds.--Subject to paragraph (2), and except as provided in paragraph (3), a State, territory, or Tribal

government shall only use the funds provided under a payment made under this section, or transferred pursuant to section 603(c)(4), to cover costs incurred by the State, territory, or Tribal government, by December 31, 2024—

**(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts,** including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

(C) for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal

government prior to the emergency; or

**(D) to make necessary investments in water, sewer, or broadband infrastructure.**

(2) Further restriction on use of funds.--

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“(A) In general.--A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.

**(B) Pension funds. -No State or territory may use funds made available under this section for deposit into any pension fund**

**FISCAL RECOVERY, AND CRITICAL CAPITAL PROJECTS FUNDS**

+/- \$113.4 million *no time limit A process for distribution to be established 60 days after passage*

to remain available until expended, for making payments to States, territories, and Tribal governments to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease”

Estimated State Funding  
in the American Rescue  
Plan  
last updated March 12,  
2021

(\$ in  
thousands)

Dept.	Program	Vermont	Time Constraints on Use
Treasury	State & Local Fiscal Recovery		
	State Fiscal Relief Fund*	1,052,431	r exp incurred thru Dec 31, 2024
	Local Fiscal Relief Fund*	197,569	
	Capital Projects*	113,396	
Education	Elem & Sec School Emergency Relief Fd*	285,164	Available through 9/30/2023
	Emergency Assistance to Non-Public Schools	2,628	Available through 9/30/2023
	Higher Education Emergency Relief Fund	65,132	Available through 9/30/2023
	IDEA		
	Grants to States	6,724	Not specified
	Preschool	462	Not specified
	Infants & Toddlers	1,223	Not specified
DHHS	Admin for C&F		
	Child Care and Development Block Grant*	18,387	Obligated by 9/30/2023
	Child Care Stabilization Grants*	29,408	Available through 9/30/2021
	Child Care Entitlement to States (Incr in Match)*	797	Obligated by 9/30/2021
	Head Start*	1,704	Available through 9/30/2022
	Low Income Home Energy Assistance Program*	25,712	Available through 9/30/2022
	Pandemic Emergency Assistance*	1,620	Spent by 9/30/2022
	Community-Based Child Abuse Prevention*	381	Available through 9/30/2023
	Child Abuse State Grants	202	Available through 9/30/2023
	Admini for Comm Living		
	Supportive Services	2,300	Available until expended
	Congregate and Home Delivered Meals	3,750	Available until expended
	Preventive Services	220	Available until expended
Family Caregiver	725	Available until expended	
Title VII Long-Term Care Ombudsman	50	Available until expended	
SAMHSA			
Mental Health Block Grant*	2,783	Spent by 9/30/2025	
Substance Abuse Block Grant*	5,479	Spent by 9/30/2025	
Agriculture	Food and Nutrition Service		
	WIC Cash Value Vouchers Increase*	972	Applicable from enactment until 4 months enactment
Transportation	FTA		
	Urbanized Area	*	Available through 9/30/2024
	Nonurbanized Area	6,408	Available through 9/30/2024
	Enhanced Mobility of Seniors & Persons w/ Disabilities - State	90	Available through 9/30/2024
	Enhanced Mobility of Seniors and Individuals with Disabilities – Local	*	Available through 9/30/2024
Homeland Security	FEMA		
	Emergency Management Performance Grants	862	Available through 9/30/2025
	Emergency Food and Shelter Program	659	Available through 9/30/2025
Indep. Agencies			
	Inst for Museum & Library Services - State Agencies*	2,136	None
	Nat'l Endowment for the Arts - State Arts Agencies	757	None
	Nat'l Endowment for the Humanities - State Councils	725	None
TOTAL		1,830,856	