




STATESIDE



**THE AMERICAN
RESCUE PLAN**

A Summary of State & Local
Industry Provisions

2021

CONTENTS

2	K-12 Education Funding
3	Higher Education Funding
4	Housing
5	Infrastructure, Technology, Broadband and Cyber Funding
6	Business Assistance
7	Medicaid
8	Expanded Unemployment Benefits
9	Health and Human Services Funding
10	About Stateside



K-12 EDUCATION FUNDING



- **\$122.7 billion for the existing Elementary and Secondary School Emergency Relief Fund to remain available through Sept. 30, 2023.**
 - States receive funds based on the same proportion that each state receives under the Elementary and Secondary Education Act (ESEA) Title-IA. State Education Agencies (SEAs) must distribute at least 90% of funds to local education agencies (LEAs) based on their proportional share of ESEA Title I-A funds.
 - The LEAs must reserve at least 20% of the funding they receive to address learning loss. Remaining funds are flexible and can address a variety of needs, including repairing ventilation systems, reducing class sizes and implementing social distancing guidelines, purchasing personal protective equipment, and hiring support staff to care for students' health and well-being. School districts will be required to create and share plans publicly for returning to in-person instruction within 30 days.
 - The SEAs are also required to reserve their allocations to carry out activities: 5% to address learning loss, 1% for afterschool activities, and 1% for summer learning programs. Funds to the SEAs must be spent within one year of receipt.
- **Provides \$3.03 billion in additional FY21 funding for IDEA**
 - IDEA is a grants statute that provides federal funding for the education of children with disabilities and requires, as a condition for the receipt of such funds, that states agree to provide a free appropriate public education.
- **Provides \$2.75 billion to governors through the existing Emergency Assistance to Non-Public Schools Program to provide services or assistance to non-public schools that enroll a significant percentage of low-income students and are most impacted by the qualifying emergency.**

🎓 HIGHER EDUCATION FUNDING



- **Provides \$40 billion through the existing Higher Education Emergency Relief (HEER) Fund.**
- **Institutions must spend at least 50% of their allocation on emergency financial aid grants provided directly to students.**
- **Institutions can use remaining funds to replace lost revenue, reimburse for emergency expenses, and more. Funds are allocated as follows:**
 - 37.5% based on full-time equivalent (FTE) enrollment of Federal Pell Grant recipients.
 - 37.5% based on headcount enrollment of Pell recipients
 - 1.5% based on FTE enrollment of non-Pell recipients.
 - 1% based on the relative share of FTE enrollment of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.
 - 1% based on the relative share of the total number of students who were Federal Pell grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency
- **Provides \$400 million to for-profit colleges to provide financial aid grants to students**



HOUSING



- **Appropriates \$27.4 billion in emergency rental assistance**
 - \$21.55 billion for emergency rental assistance via Corona Relief Fund (remains available through Sept. 30, 2027 if obligated by Oct. 1, 2022); among others
- **Mortgage and Utility Assistance**
 - Provides \$9.961 billion in funding through the Department of Treasury to states, territories, tribes, and tribally designated housing entities to provide direct assistance to homeowners

📶 INFRASTRUCTURE, TECHNOLOGY, BROADBAND & CYBER FUNDING



- **\$10 billion for a Coronavirus Capital Projects Fund**
 - For states, territories and tribal governments to carry out projects to support work, education and health monitoring during COVID-19. Each state, territory or tribal government will receive at least \$100 million, with additional amounts allocated based on population, percentage of population with a household income less than 150% of the applicable poverty line.
- **\$30.4 billion for Public Transportation**
 - Additional relief funding to transit agencies to prevent layoffs of transit workers and prevent severe cuts to transit services that essential workers and the general public rely on, and ensure ongoing transit construction projects continue
- **\$7.2 billion Emergency Connectivity Fund**
 - Created to reimburse schools and libraries for internet access and connected devices



BUSINESS ASSISTANCE



- **\$28.6 billion Restaurant Revitalization Fund to be administered by SBA**
 - Maximum of \$10 million per eligible business for eligible expenses from Feb 14, 2020 to Dec 31, 2021
 - Allowed uses include: 1) payroll costs; (2) mortgage payments; (3) rent; (4) utilities; (5) maintenance expenses; (6) supplies; (7) food and beverage expenses; (8) covered supplier costs; (9) operational expenses; (10) paid sick leave; and (11) any other expense determined to be essential to maintaining the business.
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- **Small Business Capital: \$10 billion for SSBCI to provide investment for state governments to set up programs that can leverage billions of dollars in private capital for low-interest loans and other investment to help entrepreneurs and the small business economy rebound from this crisis**
- **Targeted EIDL Grants: \$15 billion in new funding for Targeted EIDL grants to provide hard-hit, underserved small businesses with increased flexible grant relief.**
- **Expanded PPP: \$7 billion to expand PPP eligibility to include additional nonprofits such as 501(C)(5) labor and agricultural organizations and community locations of larger nonprofits.**



MEDICAID



- Provides a temporary (2-year) 5% increase in the Medicaid FMAP to states that enact the Affordable Care Act's (ACA) Medicaid expansion and covers the newly eligible adult population per requirements of the ACA.
- Provides 85% FMAP for the first three years that a state covers mobile crisis intervention services for mental health or substance use disorders, expiring after 5 years.
- Modifies allotments for disproportionate share hospitals (DSH) to account for the 6.2% increase to state's FMAP.
- Increases the federal FMAP by 10 percentage points for state expenditures on home and community-based services (HCBS) for four fiscal quarters.
- Provides a five-year state plan option of health coverage for women enrolled in Medicaid for 12 months after the birth of a child, instead of the previous 60 days.



EXPANDED UNEMPLOYMENT BENEFITS



- **The measure extends the Pandemic Unemployment Assistance program through Sep. 6, 2021, while increasing the total number of weeks of benefits available to individuals who are not able to return to work from 50 to 79 weeks and provides guidance to states on coordinating with other unemployment benefits when needed.**
- **Extends the Federal Pandemic Unemployment Compensation (FPUC) through Sep. 6, 2021, while maintaining the FPUC benefit amount of \$300.**
- **Restores full reimbursement for state costs related to waiving the waiting week beginning Dec. 31, 2020 and continues it through Sep. 6, 2021.**
- **Extends full federal financing of benefits provided in the Short-Time Compensation program for states that have laws establishing such programs through Sep. 6, 2021.**
- **Extends the FFCRA provisions that provided temporary full federal financing of extended benefits (EB) through Sep. 6, 2021. States are traditionally required to pay 50% of the cost of the EB.**



HEALTH AND HUMAN SERVICES FUNDING



- **Vaccines:**
 - Provides \$8.5 billion for vaccine activities at the CDC, including a supplemental funding opportunity for state, locality and territory vaccine distribution grants from the December COVID relief package based on entities receiving the higher of the two distribution formulas as well as clarifies use of standards for data and data sharing.
 - Appropriates \$50 billion to the Disaster Relief Fund for COVID-19 and other disaster assistance under FEMA. The assistance is meant to bolster vaccine rollout efforts under FEMA and provide assistance to state and local governments at 100% federal cost share.
- **State workforce: \$7.66 billion for state, local and territorial public health departments to establish, expand and sustain their public health workforce.**
- **SNAP Administration: Provides \$1.15 billion to states for SNAP administration, as well as \$1 billion for grants for nutrition assistance programs in U.S. territories.**
- **Veterans' homes: Provides \$750 million for the VA to provide construction funds to states, provided they have required matching funds to projects that will upgrade and enhance safety and operations of state veterans' homes.**

ABOUT STATESIDE

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Our team of professionals includes experienced government relations consultants, issue managers, former state legislative staff members, and regulatory attorneys. We're committed to developing strategies that help your team succeed across every area of state and local government affairs.

Through strategic planning, direct advocacy, innovative issue monitoring, identifying the right contract lobbying support, public sector sales and engagement with public officials Groups and grassroots, our government relations firm champions our clients from the first phone call to final results.

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