

# American Rescue Plan (ARP) Summary

[www.acf.hhs.gov/oro](http://www.acf.hhs.gov/oro)

The [American Rescue Plan \(ARP\)](#) was passed by Congress in March 2021. The bill provided additional stimulus aid for families, states, local areas, and Tribal nations. ARP provisions that support a whole-family approach to an equitable economic recovery and mobility for children and families are below. To read more about the ARP and its impact on reducing child poverty from an agency-wide perspective, please visit ACF's [American Rescue Plan webpage](#).

## Child Care

The ARP provides approximately \$39 billion for child care, divided between Child Care Stabilization Grants and the Child Care Development Block Grant programs. Another \$1 billion in Head Start/Early Head Start funding will be awarded to grantees based on the number of children enrolled. In addition, \$150 million is newly available in the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) programs. Additional information can be found in the White House Fact Sheet [here](#).

## Temporary Assistance for Needy Children and Families (TANF)

To address on-going challenges facing people with low incomes as a result of COVID-19, \$1 billion was provided for TANF through the Pandemic Emergency Assistance Fund (PEAF). States, territories, and tribes may use this funding to provide non-recurrent, short-term benefits. This funding expired September 30, 2022. Guidance from the Office of Family Assistance on PEAF can be found [here](#).

## Food and Nutrition

The law extended a 15 percent increase in the Supplemental Nutrition Assistance Program (SNAP) benefit, which ended September 30, 2021. Additional aid for food assistance was provided to Puerto Rico, American Samoa, and the Northern Mariana Islands. In order to provide food assistance to students throughout the summer months and as the pandemic continues, the ARP provided more than \$5 billion for Pandemic EBT (P-EBT), and clarified that Puerto Rico, American Samoa, and the Northern Mariana Islands are eligible. P-EBT will continue to operate so long as there is a federally declared public health emergency related to COVID-19.

The Women, Infants and Children (WIC) program received \$390 million to increase the cash value of the WIC benefit by as much as \$35 a month, ending September 30, 2021. That funding also supported modernization of the program. More information on nutrition assistance from the USDA can be found [here](#).

## Working Parents

Changes in the law to support working parents primarily focus on supplements to income or other financial support to address lost or disrupted income as a result of COVID-19. For instance, Federal Pandemic Unemployment Compensation, which added \$300 to all unemployment benefits, was extended through September 6, 2021, and ended on that date. In addition, each person was issued a \$1,400 direct payment.

Families with children – particularly families with young children – additionally benefit from changes to the child tax credit. The ARP expanded the credit in 2021 from \$2,000 to \$3,000 for children over the age of 6 and \$3,600 for children under 6 and made the credit fully refundable. Families who have not yet filed their 2021 taxes can still claim the more generous child tax credit if they file before November 15, 2022. More information about how to file is available at [GetCTC.org](#). A fact sheet from the Treasury Department with more information can be found [here](#).

## Health

The ARP lowers the overall cost of health coverage provided by the Affordable Care Act marketplace for enrollees. It also covers the cost of COBRA premiums through September 2021 for people who have lost work or had their hours reduced. More information can be found [here](#).

To encourage additional states to expand Medicaid amid the health crisis, the ARP provides additional federal funding for states that expand the program for the first two years of expansion. [One estimate](#) calculated that if all 14 states that have not yet expanded the program did so, about 4 million uninsured adults would benefit, 60 percent of them being people of color. There is also a state option to include 12 months of post-partum coverage for women on Medicaid.

## Housing

The ARP includes several investments in programs that provide housing assistance. The largest investment is \$21.6 billion for emergency assistance for people who have lost income during the pandemic and are having difficulty paying for rent or utilities. States, tribes, and other entities that have been awarded funds from the Treasury Department are still accepting applications for relief through this program.

The Treasury Department [released a guide](#) for how to increase investments in affordable housing using ARP funds. They have also documented [promising practices](#) that states, tribal governments, and local areas have adopted using the emergency housing assistance.

## Broadband Connectivity

The ARP provides \$7.1 billion for an Emergency Connectivity Fund to facilitate remote learning by defraying the cost of WiFi hotspots, modems, routers, and connected devices for schools and libraries. Applications for funding closed in May 2022.

## Overall effect to promote economic recovery and mobility

When the law was passed, researchers from Columbia University's Center on Poverty & Social Policy [estimated the the ARP](#) could reduce child poverty by 58 percent, affecting 5.7 million children. The ARP could decrease the overall poverty rate by 33 percent, with Hispanic people (43 percent decline in poverty), and African Americans (39 percent decline) seeing the greatest effects. An analysis from the Urban Institute produced similar estimates, expecting the law to [more than half](#) child poverty. The Urban analysis, as well as others, note that some families may need support from multiple program areas in the ARP in order to economically recover from the pandemic.

The ARP was able to advance equity across multiple dimensions - in housing, health, work opportunity, and other areas -- at the individual and community level. Some examples of those improvements are outlined [in this report](#).