

# American Rescue Plan



retail strategies



# THE PLAN

On March 10, 2021, Congress passed the American Rescue Plan Act of 2021 (H.R. 1319) providing \$1.9 trillion of relief and stimulus funding for vaccines, schools, small businesses, everyday Americans, anti-poverty programs, and a **whopping \$350 billion for states and local governments.**

President Biden signed the bill into law on March 11, 2021, allowing relief funding to begin immediately flowing throughout the United States.

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## REGIONAL

# Funding for Cities & States:

**\$350 billion** of the bill will be allocated to local and state government through the following funds:

## Coronavirus State Fiscal Recovery Fund

States, the District of Columbia, tribal governments and U.S. territories will receive **\$219.8 billion** in aid to be distributed, as follows:

- States will receive a total of \$195.3 billion in aid, of which:
  1. \$25.5 billion will be split evenly among each state and the District of Columbia, with each state and the District of Columbia receiving \$500 million of aid; and
  2. \$168.55 billion will be distributed based on each state's share of total unemployed workers over a three-month period of October 2020 to December 2020.
- District of Columbia will receive an additional \$1.25 billion payment.
- Tribal governments will receive \$20 billion in payments.
- U.S. territories will receive \$4.5 billion in payments.

In addition to the above allocations, the U.S. Treasury will receive \$50 million to cover costs of administration of the fund.

REGIONAL

# Funding for Cities & States:

## **Coronavirus Local Fiscal Recovery Fund**

Local governments will receive \$130.2 billion in aid to be split among counties, metropolitan cities and non-entitlement (localities with population less than 50,000) units of local government, as follows:

- Counties will receive \$65.1 billion in population-adjusted payments based on each county's share of U.S. population, with additional adjustments for Community Development Block Grant (CDBG) recipients.
- Metropolitan cities will receive \$45.57 billion in payments.
- Non-entitlement units of local government (localities with a population of less than 50,000) will receive \$19.53 billion in payments distributed by individual states and funded by the U.S. Treasury. Each jurisdiction will receive population-adjusted payments based on such jurisdiction's share of the state population, not to exceed 75 percent of its most recent budget as of Jan. 27, 2020.

**For a preliminary list of allocation amounts for each county, city, township, or other locality according to the United States House Oversight Committee, contact us at [info@retailstrategies.com](mailto:info@retailstrategies.com)**



## USE RESTRICTIONS

# Funds used by date:

# DEC 31 2024

Despite requests from states, counties and cities for flexibility in use of funds, the American Rescue Plan comes with restrictions on use of monies distributed from either of the fiscal recovery funds.

Funds must be used by **Dec. 31, 2024** and only for the following purposes:

- to respond to the public health emergency with respect to 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;
- to provide premium pay to eligible workers of the locality that are performing such essential work, or to provide grants to eligible employers that have eligible workers who perform essential work;
- for the provision of government services to the extent of the reduction in revenue of the locality due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year prior to the emergency (pending Treasury guidance stating otherwise, (many organizations have interpreted the legislative text to allow for replacing revenue that was lost, delayed or decreased as a result of COVID-19); or
- to make necessary investments in water, sewer or broadband infrastructure.

## USE RESTRICTIONS

# Funds

The Treasury Department will provide specific guidance on allowable uses of the funds and will determine final allocations based on the most recent census data and the final language in the law.

Localities also must make periodic reports to the Treasury Department to account for funds expended.

For localities with populations over 50,000, funds should be available within 60 days. For localities with populations under 50,000, funds will be passed through their applicable state and will be made available to the locality within 90 days. States have no authority to withhold or place restrictions on funds that are passed through them to non-entitlement localities.



## INDUSTRY

# Small Business Support

## Industry support (Restaurants & Others)

There are a variety of provisions in the legislation to offer support to various industries. The Small Business Administration (SBA) will receive \$25 billion for a new grant program for “restaurants and other food and drinking establishments.” Grants will be up to \$10 million per entity and \$5 million per physical location, with a maximum of 20 locations. The legislation sets aside \$5 billion of the total money to be targeted to businesses with less than \$500,000 in revenue in 2019. The legislation includes another \$1.25 billion for the Small Business Administration’s Shuttered Venue Operators Grant program

To support the transportation sector, the legislation allocates nearly \$30 billion for transit costs, including payroll and personal protective equipment; \$8 billion for airports; \$3 billion for a temporary payroll support program to help support the aerospace manufacturing industry; and \$1.5 billion to recall and pay Amtrak employees who were furloughed because of the pandemic and to restore various daily routes. Another \$15 billion will also be allocated to support workers in the airline industry.



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# Other Provisions

## **Unemployment benefits**

Federal unemployment insurance payments will remain at \$300 per week. The benefits will extend through September 6. The Senate's bill makes the first \$10,200 in unemployment payments nontaxable for households with incomes under \$150,000.

## **Paycheck Protection Program (PPP)**

The bill includes \$7.25 billion in new money for the small-business loan program known as PPP and will allow more nonprofits to apply, including groups that engage in advocacy and some limited lobbying. It also allows larger nonprofits to be eligible.



## **Education**

There are over \$128 billion in grants to state educational agencies, with 90% allocated to local educational agencies, plus \$39 billion in grants to higher education institutions. Nearly \$15 billion in funds are directed to the Child Care & Development Block Grant program to help support child care facilities, particularly in high-need areas.



Mar 23, 2021

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# Other Provisions

## Direct payments

The bill allocates funds for a third economic impact payment to qualifying Americans.

Individuals earning up to \$75,000 and couples earning up to \$150,000 will receive the full direct payments of \$1,400 per person. Individuals will also receive an additional \$1,400 payment for each dependent claimed on their tax returns. Senate Democrats agreed to lower the income cutoff at which payments phase out from \$100,000 to \$80,000 for individuals, and from \$200,000 to \$160,000 for couples filing jointly.

## Child tax credit

The legislation will temporarily expand the child tax credit, increasing the amount to \$3,000 for children ages 6 to 17 and \$3,600 for children under age 6. The amount is gradually reduced for couples earning over \$150,000 and individuals earning over \$75,000 per year. Families eligible for the full credit will get payments of up to \$300 per child per month from July through the end of the year.



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## Other Provisions

### **Support for low-income families**

The legislation includes \$4.5 billion for the Low Income Home Energy Assistance Program, known as LIHEAP, to help families with home heating and cooling costs. One provision will give the agriculture secretary the authority and funding to temporarily boost the value of cash vouchers for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) up to \$35 per month for women and children for a four-month period during the pandemic.

There is \$1.4 billion in funding for programs authorized under the Older Americans Act, including support for nutrition programs, community-based support programs and the National Family Caregiver Support Program. The bill provides \$37 million to the Commodity Supplemental Food Program for low-income seniors.

### **Rental assistance**

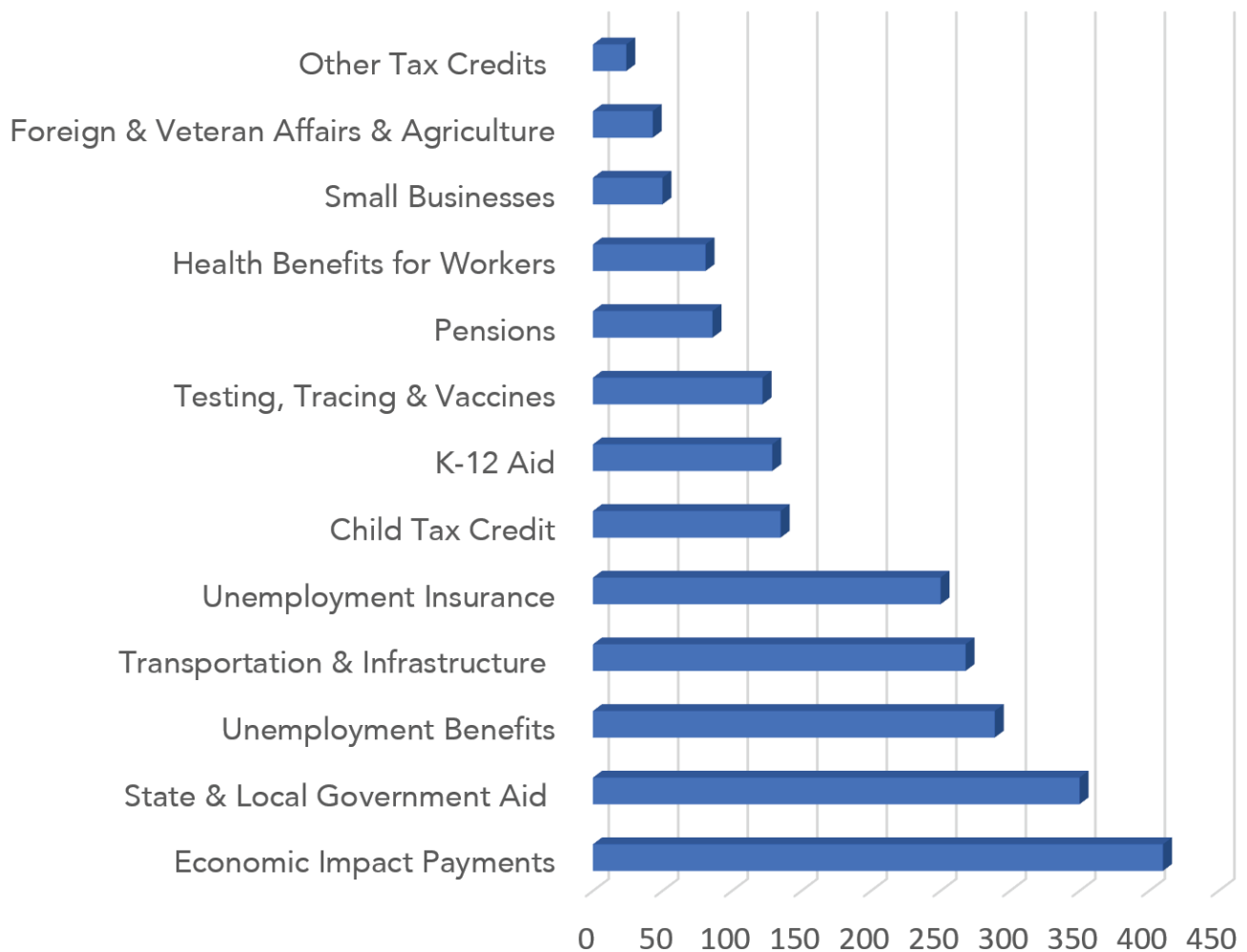
There is \$25 billion for emergency rental assistance, including \$5 billion for emergency housing vouchers for people experiencing homelessness, survivors of domestic violence and victims of human trafficking.



BREAKDOWN

# 2021 American Rescue Plan

## Relief Allocation



**American Rescue Plan Amounts by Category**  
(\$ in Billions)



2200 Magnolia Ave. South, Suite 100  
Birmingham, Alabama 35205  
+1 205.314.0386

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## About Us:

Retail Strategies is a full service retail and community development consulting firm. Our mission is to provide the real estate expertise, tools, and human effort that position deserving towns as alluring locations for national businesses and destinations for tourism and quality of life amenities. Our activities pay a return in sales taxes, added jobs, and businesses that add to the unique qualities of your community.

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