American Rescue Plan
P.L. 117-2

President Biden signed the American Rescue Plan Act (P.L. 117-2) on March 11. The bill provides urgent resources to help individuals and families survive the public health and economic crisis and funding to increase and distribute vaccines and other supplies that will help end the pandemic. According to one analysis by Columbia University, the package could cut child poverty in half. It also includes the largest infusion of federal support for services for people with disabilities in over a decade.

For the first time, this relief package provides targeted funding to support people with autism and other disabilities living at home or in group homes. It is also the first relief bill to provide targeted funding for special education under IDEA.

- **HCBS**

  The American Rescue Plan (ARP) includes a temporary 10% boost to the federal matching rate in Medicaid (FMAP) through March of 2021, a provision strongly advocated by the Autism Society. This will result in a significant $12 billion infusion of funds into home and community-based services (HCBS). States must reinvest the added federal funding to supplement their annual expenditures on supports and services for people with disabilities. For example, states could reduce or eliminate HCBS waiting lists, add new services and programs or increase their availability, or increase low rates for HCBS providers to ensure adequate networks. It can also be used for behavioral health interventions and services. It is hoped that the boost in funding will be used by states to strengthen and modernize community-based systems that will outlast the pandemic. The Kaiser Family Foundation provides a table showing how much funding and additional funding each state will receive as a result of the ARP.

- **Education**

  Overall, the new relief package provides $123 billion in new, mostly flexible funds for school districts, which they will be able to spend through the 2023-24 school year to address the pandemic and its effects on student learning. This is the largest-ever one-time federal investment in K-12 education. These funds are intended to help schools reopen safely and help students recover from a year of lost opportunities and trauma caused by the pandemic.

  For special education, the bill provides $3 billion targeted to programs under the Individuals with Disabilities in Education Act (IDEA). Specifically, the bill provides $2.5 billion for grants to states under Part B of the IDEA; $200 million for preschool grants under Section 619 of IDEA; and $250 million for programs for infants and toddlers with disabilities under Part C the law (doubling the funding for early interventions). Hopefully, this will help with diagnosis and treatments.
While the targeted funds to IDEA seem small in comparison to the overall boost in funding, a big focus of the general emergency education funding is dedicated to assisting all students, especially those who have fallen behind, need behavioral or mental health services, or who need technology assistance. Under the law, states and districts can make immediate high leverage investments to accelerate student learning through extended school year, summer enrichment, or tutoring programs; help schools reopen in ways that align with public health guidance; upgrade school facilities for healthy learning environments; invest in wraparound supports, and stabilize the educator workforce.

The Learning Policy Institute created an interactive tool with a breakdown of the law’s k-12 funding for each state that can help with advocacy at the state level.

- **Health Care and Medicaid**

There are a number of provisions that significantly increase access to affordable health care.

Under the Affordable Care Act (ACA), individuals earning less than 150% of the federal poverty level (FPL) will be eligible for a health insurance plan with $0 premiums. Individuals between 150-400% FPL will benefit from lower required contributions to their premiums. And for the first time, individuals over 400% FPL will be eligible for tax credits and their premium contributions would be capped at 8.5% of income. These changes last for two years.

For all Medicaid beneficiaries, the ARP explicitly requires Medicaid and the Children's Health Insurance Program (CHIP) to provide testing, treatment, and vaccines without any cost-sharing.

The ARP includes a two-year incentive for the 14 states that have not yet expanded Medicaid under the ACA. In addition to receiving a 90% federal match for newly covering the expansion population, states would also receive an additional 5% federal funding for all other Medicaid populations for two years. According to the Center on Budget, this increase would more than pay for an expansion, providing states financial support in challenging budget times.

The ARP also provides federal coverage of 85% of the costs for mobile crisis response teams. These teams can help reduce harm to people undergoing mental health events by avoiding encounters with under-trained law enforcement and can free police to prioritize other activities.

See more information in this issue brief by the National Health Law Project.

- **Nutrition**

The ARP extends (through September), a 15 percent increase in SNAP benefits from December’s relief package that is slated to expire in June. It will allow states to continue, through the summer and through the end of the public health emergency, the Pandemic EBT (P-EBT) program, which provides grocery benefits to replace meals that children miss when they do not attend a school or child care in person. It also includes $25 million in technical assistance for the SNAP Online Purchasing Pilot Program.
• **Housing**

The ARP supplements $25 billion in rental assistance aid in December’s relief package by providing $21.6 billion in emergency rental assistance for low-income renters who have lost income or are experiencing other hardship; $5 billion for Housing Choice Vouchers for people recovering from homelessness and for renters at greatest risk of homelessness; $5 billion for homelessness assistance through the HOME Investment Partnerships Program; $750 million in housing aid for tribal nations and Native Hawaiians; and $139 million for rural housing assistance.

• **Other Provisions to Assist Families**

The American Rescue Plan Act will extend critical unemployment benefits that are helping jobless workers pay their bills and care for their families. In addition, most Americans, including children, will be getting a one-time $1,400 stimulus check. But on top of that, most working and middle-class families will receive an expanded child tax credit worth up to $3,600 for each child under the age of 6 and $3,000 for each child ages 6 through 17. Some of that will come in the form of checks from the government paid out over the year, rather than as a refund at tax time next April.

For more details about all of the provisions in the American Rescue Plan, see the [Section by Section Summary](#) prepared by Senate staff.