



## The American Rescue Plan and Rural Communities: Urgent Relief for Small-Town America

COVID-19 has left no American community or family untouched. This is especially true in our nation's small towns and rural communities, which have experienced their own unique challenges in preventing and responding to the effects of this once-in-a-generation pandemic. Rural families, small businesses, health care providers, farmers, and local governments make our small towns great places to live and work. Today, help is on the way.

**The American Rescue Plan provides \$1.88 trillion in urgent funding to defeat COVID-19 in every American community.** Specifically, the plan provides a broad range of investments to combat COVID-19 in small towns, support families and businesses, and help rural communities build back better.

### **The American Rescue Plan puts rural families and communities first by providing:**

- \$39 million in **mortgage assistance** for rural homeowners, and another \$100 million in **rent help** for those living in USDA-assisted rural housing
- \$8.5 billion for **rural health care providers** to increase vaccine distribution, provide medical supplies, and support grants to expand access to telehealth
- \$7.6 billion for **community health centers**, 55% of which serve uninsured and underinsured residents in rural communities
- \$3.88 billion to invest in **mental health and substance use disorder** services, including in rural areas where these issues disproportionately affect both adults and children.
- \$50 million in FEMA funding for **first responders**, including grants for emergency managers, firefighters, and frontline response organizations like food pantries and shelters in rural areas

- \$3 billion to aid communities in rebuilding **local economies**, including \$750 million for the travel, tourism, and outdoor recreation sectors, which drive many rural economies
- \$7.17 billion to improve **high-speed internet connectivity** through schools and libraries, and another \$200 million in funding specifically for community libraries
- \$900 million for **Tribal community assistance** and public safety programs
- \$4 billion for purchases of PPE for **farmers and food workers**; and financial support for farmers, small and medium-sized food processing companies, farmers markets, and other food businesses
- \$5 billion in debt relief and assistance to **socially disadvantaged farmers and ranchers**
- \$800 million in **direct purchases of farm products** for food aid programs

## The American Rescue Plan Helps Rural Families and Seniors

**Direct Payments to Families:** The ARP provides a \$1,400 payment to supplement the \$600 already provided in December, including for those who have been hard hit economically by the pandemic. These checks will help [keep millions of Americans out of poverty](#) and [boost small-town economies](#) through the purchase of food and groceries, rent, and other essential needs. A state-by-state look at the impact of these payments is available [here](#).

**Stronger Unemployment Insurance:** At the beginning of the pandemic in April 2020, nearly [3 million](#) rural Americans were unemployed. As we recover, too many are still looking for work. The ARP extends critical enhanced unemployment insurance until September 6, 2021, as well as other unemployment programs passed in the CARES Act and Families First Act. The ARP also ensures that the first \$10,200 of unemployment insurance received in 2020 is tax free for individuals who earn less than \$150,000 per year. A state-by-state look at the impact of Enhanced Federal Unemployment Insurance is available [here](#).

**Tax Credits for Workers and Families with Children:** The ARP significantly expands the Earned Income Tax Credit and Child Tax Credit, two of the most powerful and effective anti-poverty tools. Improvements to these tax credits [will help more than 10 million rural Americans](#) and will lift nearly 10 million children across the U.S. above or closer to the poverty line.

## The Child Tax Credit invests in families and lifts kids out of poverty, including roughly half of all children who live in rural areas.

A list of the state-by-state impact of an expanded Earned Income Tax Credit and Child Tax Credit is available [here](#).

**Help Putting Healthy Food on the Table:** [Around 86%](#) of the U.S. counties with the highest rates of hunger are rural, and the highest percentages of recipients of the Supplemental Nutrition Assistance Program (SNAP) live in rural areas and small towns. Meanwhile, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) serves [46%](#) of rural families, higher than the percentage in either urban or suburban communities. Pandemic-related job losses and economic damage have made the hunger crisis worse. The ARP extends the 15% increase in SNAP benefits through September 30, 2021, and commits millions for states to accommodate the increase in demand for SNAP. The ARP also provides funding for WIC outreach and modernization to make the program more user-friendly and increases the WIC Cash Value Voucher benefit so expecting moms and those with young children can buy more fruits and vegetables.

**Help with Rent and Bills:** Prior to the pandemic, more than a [quarter of rural counties](#) saw a rise in the percentage of households that struggled to pay their bills. Rural renters [typically](#) have lower incomes, less savings, higher unemployment due to COVID-19, fewer protections, and less ability to weather economic shocks. The ARP provides \$39 million to help rural homeowners in USDA's mortgage programs who have fallen behind on their payments get back on track, as well as \$100 million to support households living in USDA-assisted rural housing who are struggling to pay rent. Overall, the ARP includes \$21.55 billion in Emergency Rental Assistance to help families pay their rent and utilities. It also provides almost \$10 billion to homeowners for mortgage assistance and help catching up on utilities and other housing-related costs. A state-by-state impact of the Emergency Rental Assistance provision is available [here](#). When families hit financial hardship, they often stop paying their utility bills. Rural Americans spend a [larger percentage](#) of their income than their urban and suburban counterparts for household utilities. The ARP includes \$4.5 billion for the Low-Income Home Energy Assistance Program, and \$500 million for low-income water assistance. A state-by-state look at the impact is available [here](#).

**Safer Housing in Indian Country:** COVID-19 spreads more readily in crowded, indoor environments. Native Americans have historically experienced higher rates of substandard and overcrowded housing compared to other communities. Native Americans also experience the nation's second-highest rate of homelessness. The ARP authorizes direct funding for HUD's Office of Native American Programs to address the impacts of the COVID-19 pandemic on operation of its Native

American housing and community development programs. Additionally, more than \$498 million of the homeowner assistance provided by the ARP is targeted to Tribes to assist Native American homeowners with housing-related costs so that they can remain safely in their homes.

## **The American Rescue Plan Supports Rural Patients and Health Care Providers**

**More Vaccines for More People:** Vaccines offer the promise of a return to normalcy, but many rural communities fear being left behind, and with good reason. More than [1.6 million](#) rural Americans must travel more than 20 miles to the nearest pharmacies that can administer the COVID-19 vaccine. And [111 rural counties](#) lack a pharmacy qualified to distribute the vaccine at all. To ensure vaccines reach every community as quickly as possible, in particular communities of color and hard to reach areas, the American Rescue Plan provides \$20 billion for vaccine procurement, distribution, outreach, education, and administration.

**Testing and PPE to Control the Virus:** [64%](#) of rural U.S. counties lack a COVID-19 testing site. Meanwhile, residents of these counties are seeing increased rates of both infection and death. The bill provides \$48.3 billion for testing, contact tracing, and personal protective equipment (PPE) for frontline health workers.

**Affordable Health Coverage:** Rural Americans have a [higher incidence of and risk of death](#) from underlying conditions that make severe complications from COVID-19 infection more likely, including heart disease, chronic respiratory disease, type 2 diabetes, and cancer. Meanwhile, more than 16% of rural Americans are uninsured. To address this disparity, the ARP takes a number of steps to improve access to and the affordability of health coverage. The ARP invests nearly \$35 billion in premium subsidy increases over two years for those who buy coverage in the ACA marketplaces and expands those eligible to receive the subsidy. Patients across rural communities will immediately see their monthly premiums drop. For one year, the ARP also allows individuals receiving unemployment compensation to purchase ACA marketplace coverage premium-free. In addition, the package forgives more than \$6 billion in payments that people would need to make if their 2020 advanced premium subsidies did not match their income. The ARP also provides incentives for states to expand Medicaid coverage to more people. Additionally, the ARP covers offers enhanced COBRA premiums for six months for people who lost their jobs or had their hours reduced.

## More Health Care:

- Invests \$35 billion to makes health care easier to afford
- Forgives \$6 billion in premium payments
- Incentivizes states to expand Medicaid
- Covers COBRA premiums for people who have lost their jobs
- Helps with coverage for those on unemployment

In rural communities, the ARP provides an additional \$8.5 billion for rural health care providers, as well as resources for COVID-19 response in nursing homes, and additional funding for safety-net hospitals, many of which are in rural communities. A state-by-state impact of the ARP's enhanced and expanded ACA subsidies is available [here](#) and [here](#).

**Health Care for Veterans:** [2.8 million](#) veterans enrolled in the VA system live in rural areas. The ARP provides funding to improve access to care for rural veterans, including waiving copays during the pandemic, and to provide health care services and support to vets including COVID-19 vaccine distribution, expanded mental health care, enhanced telehealth capabilities, extended support for veterans who are experiencing homelessness, and PPE and supplies for clinical employees.

**Tackling Claims Backlog:** More than [one in three enrolled veterans with a service-connected disability lives in rural areas](#). The pandemic only aggravated the unique challenges rural veterans face when filing claims. The American Rescue Plan, however, provides funding to VA to help tackle the pandemic-induced backlog of claims and appeals. The law funds staff overtime, expands scanning of service records, and provides for additional temporary staff, including intake specialists, attorneys, and staff to support telehearings.

**ARP invests  
\$8.5 billion  
in rural health**

**Help for Rural Hospitals, Community Health Centers, and Other Providers:** The ARP provides a lifeline for health care providers in rural America by increasing vaccine distribution capacity, providing medical supplies, and providing grants to expand access to telehealth. It also helps fill the gap with an additional \$8.5 billion in provider relief funds for rural health care providers, many of whom were already stretched thin before COVID-19 and have suffered additional expenses and lost revenue due to the pandemic. Almost 20% of Americans live in rural communities, so

far the Provider Relief Fund has only targeted just 6% of the funds to rural providers, this additional funding will provide a lifeline to rural providers who have missed out on funding. Also included is \$7.6 billion for community health centers, 55% of which serve uninsured and underinsured residents in rural communities, [reaching nearly one in every five rural residents](#).

**Better Health Care in Native Communities:** Native Americans are hospitalized for COVID-19 at four times the rate of their white counterparts. The ARP will provide essential health and community health programs, boost mental health treatment and substance use disorder prevention and treatment, improve health IT, and address community sanitation issues for the more than 2.5 million Americans the Indian Health Service (IHS) and Native Hawaiian Health Care Systems serve.

**Investments in Mental Health, Behavioral Health, and Substance Use Disorder Treatment:** [Two-thirds](#) of rural adults ages 18 to 44 say they experience more mental health challenges than they did a year ago, while rural youth are [twice as likely](#) to die by suicide. The need for accessible mental health and substance use disorder treatment has skyrocketed during the pandemic, with cash-strapped states and communities struggling to meet the need. In 2020 we saw the highest number of drug overdoses ever, with over 81,000 deaths. The bill includes \$3.88 billion to invest in mental health, behavioral health, and substance use disorder services

## **The American Rescue Plan Helps Rural Communities and Local Governments**

**Aid for States, Tribal Governments, Counties, and Local Governments:** The COVID-19 pandemic has taken a particularly heavy toll on rural counties and municipalities, which are struggling to retain employees amid budget shortfalls while managing the needs of their residents. The National Association of Counties projects a 20% revenue decline for counties nationwide. In response, the ARP includes direct aid to state and local governments. ARP provides \$350 billion to states, territories, Tribal governments, and local governments to respond to the COVID-19 public health emergency, offset revenue losses, bolster economic recovery, and provide premium pay for essential workers. ARP also provides a new \$10 billion Critical Infrastructure Projects program to help states, territories, and Tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19. Finally, ARP adds a new \$2 billion county and Tribal assistance fund to make payments to eligible revenue-sharing counties and Tribes. A list of relief by state and local jurisdiction is available [here](#).

**Disaster Assistance for First Responders and Local Communities:** The COVID-19 pandemic has stressed the ability of rural counties and local municipalities to respond. Meanwhile, these public entities have [fewer resources](#) than more urban areas, making federal assistance that much more important. The bill will provide \$50 million for the Disaster Relief Fund at the Federal Emergency Management Agency (FEMA). This funding can pay for PPE, vaccine distribution, the sanitizing of public buildings, health care overtime costs, and other needs. A state-by-state projection for FEMA Disaster Relief Funding is available [here](#). Emergency managers, firefighters, and organizations such as food pantries and shelters – particularly in rural communities – have been on the front lines of COVID-19 response across the country. The bill provides grant funding for the FEMA resources to ensure that these critical frontline organizations can continue to support COVID-19 response locally.

**Funding to Rebuild Rural Economies:** The ARP provides flexible investment for rebuilding local economies and hard-hit industries, including tourism and travel. Rural counties with outdoor recreation economies are [more likely](#) to attract new residents with greater wealth, and these counties have faster-growing wages than other counties. The American Rescue Plan provides the Economic Development Administration with \$3 billion to aid communities in rebuilding local economies, which includes \$750 million for the travel, tourism, and outdoor recreation sectors, which many rural economies are centered around.

**Internet Access through Community Libraries:** Many small communities depend on their libraries for internet access. ARP includes \$200 million in funding for libraries through the Institute of Museum and Library Services. These funds will provide emergency relief to over 17,000 public libraries across the country. This will allow libraries to safely reopen and provide residents with accessible Wi-Fi, internet hotspots, education resources, and workforce development opportunities.

### **\$7 billion+ for high-speed internet in schools and libraries**

**Social Services and Public Safety Support in Indian Country:** The Bureau of Indian Affairs (BIA) operates essential programs for the benefit of Tribes across Indian Country. COVID-19 continues to impact many of these programs, including law enforcement, child welfare, general assistance, housing assistance, and certain water infrastructure and delivery programs. The ARP authorizes \$900 million in direct funding for BIA to maintain operation of its essential social welfare and public safety programs. \$772 million is for Tribal government services, \$100 million is for the Bureau's Housing Improvement Program, and \$20 million is for potable water delivery.

**Transportation for Rural Residents:** Rural transit agencies provide a lifeline to seniors, people with disabilities, and low-income families in small towns, where residents often must travel farther to access essential services. During the pandemic, rural transit has played a [key role](#) in ensuring seniors can access vaccines. The ARP provides \$30.4 billion of additional funding to transit agencies to prevent layoffs and service cuts. A state-by-state look at the ARP's support for rural transit is available [here](#).

## The American Rescue Plan Helps Rural Children

**Help to Get Kids Back to School:** Schools need additional resources to implement public health protocols and safely reopen, as well as resources to meet students' academic, social, and emotional needs in the wake of the pandemic. This presents a serious challenge for rural schools, many of which have limited resources.

**More than \$125 billion for K-12 schools to reopen safely and address students' needs**

The ARP also includes language to protect against K-12 education cuts at the state and local level and to ensure that higher-poverty school districts and schools (which are disproportionately in rural communities) do not shoulder a disproportionate amount of any state or local education cuts that do occur. A state-by-state look at the impacts of this additional support is available [here](#).

**Child Care So Parents Can Get Back to Work:** Rural families pay a [higher percentage](#) of their income for child care than do urban and suburban families, and [60%](#) of rural Americans live in areas with few child care options. The ARP includes \$39 billion for child care, including nearly \$24 billion for Child Care Stabilization grants and nearly \$15 billion for the Child Care and Development Block Grant program. This will ensure child care providers in rural areas can continue to serve their communities, and working families can access child care assistance. The ARP also includes \$1 billion for Head Start, which offers [critical services](#) for low-income families in rural communities.

**Help is on the way!**

**We'll help 7.3 million children through 449,000 child care providers, so moms and dads can get back to work.**

**High-Speed Internet for Remote Learning:** At least 12 million K-12 public school students live in households without either an internet connection or a device adequate for distance learning at home. A disproportionate number of children who lack internet access come from rural areas, Tribal lands and other communities of



color, and low-income households. The ARP provides \$7.17 billion to help schools and libraries ensure that our nation's schoolchildren can fully participate in remote learning, even as schools look to reopen safely.

A state-by-state impact of the ARP's child care provisions is available [here](#).

**Healthy School Meals for Kids Throughout the Summer:** Because rural students are [more likely](#) than students from metro areas to experience hunger, the healthy meals they get as a part of school breakfast and lunch programs are essential to their health and well-being. With many schools closed during the pandemic, and the summer fast approaching, many rural kids will lose access to those healthy meals. The bill will extend the Pandemic EBT program, which provides families the value of those missed school breakfasts and lunches.

**Resources for Native American Students:** The majority of schools and dormitories serving Native students have critical infrastructure and facility needs that make returning to in-person education unsafe during the ongoing pandemic. Additionally, many Native students live in highly rural areas without adequate internet connectivity, leaving these students to rely on receiving instruction by mail or risk potential COVID-19 exposure to find internet access in their communities. The ARP authorizes direct funding for Native-serving education programs and schools.

**Child Abuse Prevention and Treatment:** The rate of child abuse in rural households is [1.7 times](#) that of metropolitan households, and families are facing additional risk factors for abuse and neglect due to increased financial hardship and isolation. The ARP includes \$350 million in funding for child abuse prevention and treatment programs.

## **The American Rescue Plan Helps Rural Workers and Small Businesses**

**Resources and Capital for Small Businesses:** Small businesses provide the [majority of jobs in rural communities](#), yet they were struggling even before the pandemic. The ARP provides \$10 billion for the State Small Business Credit Initiative to help states support small businesses as they recover from the pandemic. Rural small businesses also have [less access](#) to credit and capital, and assets like high-speed internet, when compared with their urban counterparts. The ARP provides \$175 million in new assistance to fund community organizations, SBA resource partners, and community financial institutions with experience working in rural communities. These community navigators will help connect small business owners to critical resources, including loans, business licenses, and federal, state, and local business assistance programs.

**Support and Safety Measures for Workers:** Manufacturing accounts for 2.5 million rural jobs. These jobs have [twice the economic impact](#) of similar jobs in urban and suburban areas. Rural manufacturing employers also have particular challenges. We saw this early in the pandemic as widespread COVID-19 outbreaks closed meatpacking plants in the Midwest. The ARP provides the Manufacturing USA program with \$150 million that can be rapidly awarded to aid in pandemic response and recovery.

**Training for Rural Veterans:** Rural veterans experience a [higher level](#) of unemployment than their non-rural counterparts. The ARP establishes a new program to provide retraining assistance for veterans who have lost their jobs due to COVID-19 and have no other veteran education benefits available to them.

**Expanded Eligibility for Small Business Loans:** When customers shop at small businesses, [the money they spend](#) benefits the local community. Yet these businesses also struggle to access credit, withstand economic shock, or weather a sustained shutdown. The ARP will add \$15 billion in new funding for Targeted Economic Injury Disaster Loans to provide hard-hit, underserved small businesses with increased flexible grant relief. These grants will be particularly helpful for very small businesses and sole proprietors, which include over 90% of minority-owned businesses that have been disproportionately devastated by this crisis. The ARP also provides \$7 billion to expand PPP eligibility to include additional nonprofits such as labor and agricultural organizations and community locations of larger nonprofits. Nonprofits are an important provider of social services, especially in rural communities.

**Aid for Restaurants:** More than [110,000](#) restaurants – including thousands in small towns – have shuttered because of the pandemic, and 2.4 million jobs have been lost. It is estimated that independent restaurants – small, mom-and-pop places – lost over \$135 billion in sales last year, while the broader industry lost \$240 billion. The ARP provides \$28.6 billion in direct relief for the restaurant industry through the creation of a grant program as envisioned in the RESTAURANTS Act.

**Shuttered Venue Operators:** Almost all independent and midsize theaters have seen revenues drop by at least 70% in 2020, impacting small theater owners that have operated their businesses for decades and are community institutions.

**Tax Credits and Changes for Rural Small Businesses:** Tax credits can help small businesses attract and retain employees and better withstand a lag in revenue. The ARP contains a range of tax credits and changes that help rural small businesses compete, including:

- An extension and expansion of the paid sick and FMLA leave tax credits.

- Extension and expansion of the Employee Retention Tax Credit to help struggling businesses retain and rehire workers, as well as coverage for newly formed businesses, to help spur hiring and recovery.
- Tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants

## **The American Rescue Plan Helps Farmers**

**A Stronger Food and Farm Supply Chain:** Early outbreaks of COVID-19 in meatpacking and other food processing operations caused significant community spread and devastating backups along the livestock, dairy, and food supply chain. Inspired by the Food Supply Protection Act, the ARP provides \$4 billion to support the farm and food supply chain through purchases of PPE for farmworkers and other frontline food workers; financial support for farmers, small and medium-sized food processing companies, farmers markets, and other food businesses to create more resilient and competitive food supply chains; and funding to reduce overtime inspection fees for small meat and poultry processors.

**Debt Relief for Farmers of Color:** Because of decades of discrimination in agriculture, farmers of color are significantly less likely to be able to access aid from USDA during the pandemic. For example, nearly [three quarters](#) of Black farmers were unaware of the USDA programs available for COVID-19 relief. The ARP provides \$5 billion in debt relief and assistance to socially disadvantaged farmers and ranchers who have faced disproportionate impacts from the pandemic as a result of longstanding discrimination.

**More Purchases for Food Assistance:** In addition to purchases of farm products for distribution to food banks domestically, the ARP provides \$800 million to purchase American-grown crops for distribution to those experiencing hunger in developing countries. COVID-19 has worsened the hunger crisis around the world, with several countries at risk of famine. Food aid programs help address this issue while also providing a market for the crops and products U.S. farmers produce.

**Research and Tracking of Zoonotic Diseases like COVID-19:** The ARP contains funding for USDA to track, monitor, and prevent zoonotic diseases like COVID-19 in livestock and farm animals. It also provides funding to enable the U.S. Fish and Wildlife Service to better prevent wildlife trafficking, which can contribute to the spread of zoonotic diseases, as well as to track and study wildlife disease.