AMERICAN RESCUE PLAN

TWO YEARS IN:

THE AMERICAN RESCUE PLAN ACT'S HISTORIC INVESTMENTS IN A STRONGER ECONOMIC FUTURE

THE DEPARTMENT OF THE TREASURY
1789

March 2023

CONTENTS

Executive Summary

The American Rescue Plan has helped to power one of the strongest and most equitable recoveries on record while making investments which position our nation for economic success in the coming decades. As Secretary Yellen has said, "[t]he Rescue Plan provided critical relief and helped drive a historic recovery. . . The strong recovery of the past two years has not only meant that Americans are better off today. It has allowed us to focus on what our economy will look like in 2030—not just 2023." American Rescue Plan investments helped make 2021 and 2022 the fastest two years of job growth and new small business formation on record and contributed to the unemployment rate reaching its lowest level in over 50 years at the start of 2023, with historically rapid recoveries in Hispanic, Black, youth, and long-term unemployment.

Following enactment of the American Rescue Plan in March of 2021, the Treasury Department oversaw an historic and unprecedented provision of assistance to struggling Americans, including delivering more than 150 million Economic Impact Payments within the first few weeks following the American Rescue Plan's passage; helping launch a national infrastructure to provide emergency rental assistance and prevent evictions across the country; issuing the first ever monthly payments of the Child Tax Credit supporting tens of millions of families; and rapidly distributing unprecedented financial support to every state, local, Tribal and territorial government to help stabilize budgets, avoid cuts, address pressing community needs, and help support a rapid, resilient, and equitable recovery.

Over the last year, American Rescue Plan programs administered by Treasury continued to make a significant difference in the lives of millions of Americans and contribute to a strengthening of local communities and an expansion of economic opportunities, including:

Delivering direct and flexible aid to over 30,000 state, local, Tribal, and territorial governments to respond to the pandemic and make critical investments in a strong and equitable recovery. To date, over 99% of all available State and Local Fiscal Recovery Funds have been delivered into the hands of nearly every state, local, Tribal, and territorial government to support their response to the pandemic and help avoid the consequences of the Great Recession, when state and local austerity was a drag on GDP growth for the first 14 quarters of the recovery. To date, recipients have budgeted $11.8 billion for public health projects, $15.9 billion for housing-related purposes, $10.9 billion for workforce support, $4.4 billion for small business support, and $24.3 billion for critical infrastructure investments in broadband, water, and sewer.

Investing in expanded access to high-speed internet, benefiting over 1.4 million underserved families and businesses. Through the Capital Projects Fund, Treasury has approved awards for high-speed internet infrastructure that will deliver reliable, affordable access to over 1.4 million currently underserved homes and businesses in 34 states.

Delivering rental and utility assistance to millions of hard-pressed renter households, preventing evictions and helping families remain in their homes. Through December 2022, the Emergency Rental Assistance program had delivered more than 10.3 million assistance payments to families at risk of eviction. While eviction diversion programs were uncommon before the pandemic, at least 180 jurisdictions across 36 states have launched or strengthened eviction diversion programs with ERA, programs that have significantly limited eviction rates.

Providing a lifeline to over 230,000 families at risk of losing their homes. As Homeowner Assistance Fund programs geared up across the states and territories, more than 230,000 families at-risk of foreclosure received assistance in 2022. Despite the economic disruptions caused by COVID-19, foreclosure starts are 30% below pre-pandemic levels, according to Black Knight data, even after the expiration of several emergency foreclosure protections from the height of the pandemic.

Launching small business assistance programs—with a focus on entrepreneurs and owners who have been underserved historically—that will provide equity investment or credit support to up to 100,000 small businesses over the next decade. Building off the two highest years for new small business formation on record in 2021 and 2022, Treasury approved plans for State Small Business Credit Initiative-supported programs in 51 states and territories over the past 12 months. These plans are designed to catalyze tens of billions of dollars of private investment and support up to 100,000 small businesses over the next decade. Moreover, through 2022, Treasury made $8.38 billion in investments to 170 community financial institutions through the Emergency Capital Investment Program that will increase lending to small businesses and other community development priorities.

Delivering historic tax relief for families and record reductions in child poverty. New data released in 2022 by the Census Bureau showed that the expanded Child Tax Credit provided by the American Rescue Plan was the leading driver behind a 46% decline in child poverty in 2021— cutting the annual child poverty rate to its lowest-ever recorded level including record lows in Black, Hispanic, Native American, Asian, and white child poverty. Additionally, the lifting of restrictions that prevented families with fewer than three age-eligible children from receiving the Child Tax Credit in Puerto Rico led to 200,000 more families in the archipelago receiving the credit when they filed taxes in 2022 compared to a year earlier.

State and Local Fiscal Recovery Funds

The State and Local Fiscal Recovery Funds (SLFRF) program provided $350 billion to over 30,000 state, local, Tribal, and territorial government governments across the country to support both their immediate needs in responding to the COVID-19 pandemic and their longer-term efforts to build a strong recovery. In contrast to previous downturns where state, local, and Tribal governments faced budget shortfalls that slowed recovery and resulted in cuts to needed services, SLFRF provided the resources communities needed to help drive a stronger economy, both now and over the long-run.

Swift delivery to meet needs during a crisis: In the months before the passage of the ARP, survey data found that 90% of cities were experiencing revenue declines and that half of states were imposing hiring freezes, furloughing workers, or cutting salaries or other staff costs. The first tranche of SLFRF funding was made available to recipients in 2021, only two months after ARP's enactment, with the second tranche of funding becoming available in May 2022. In addition to preventing layoffs and service cuts, swift disbursement of funds allowed governments to support public health – with recipients budgeting over $11 billion towards more than 5,300 public health projects to date. Today, more than 99% of funds are now in the hands of recipients and, according to NASBO, states have budgeted more than 90% of the funds they have received.

Flexible funding to respond to the diverse needs of different communities: With many governments of all sizes facing substantial fiscal challenges as a result of the pandemic – which both reduced revenues and increased the need for services in their communities – the SLFRF program was designed to provide flexible aid, including the ability to use funds up to the level of a government's revenue loss on the broad range of services that governments traditionally provide. Treasury's Final Rule additionally identified a wide range of eligible uses to respond to the coronavirus pandemic and its negative economic impacts. These flexibilities provided in ARP recognized that there is no one-size-fits-all approach to the challenges facing communities ranging from large states to small towns, and gave recipients the ability to take approaches that met local needs.

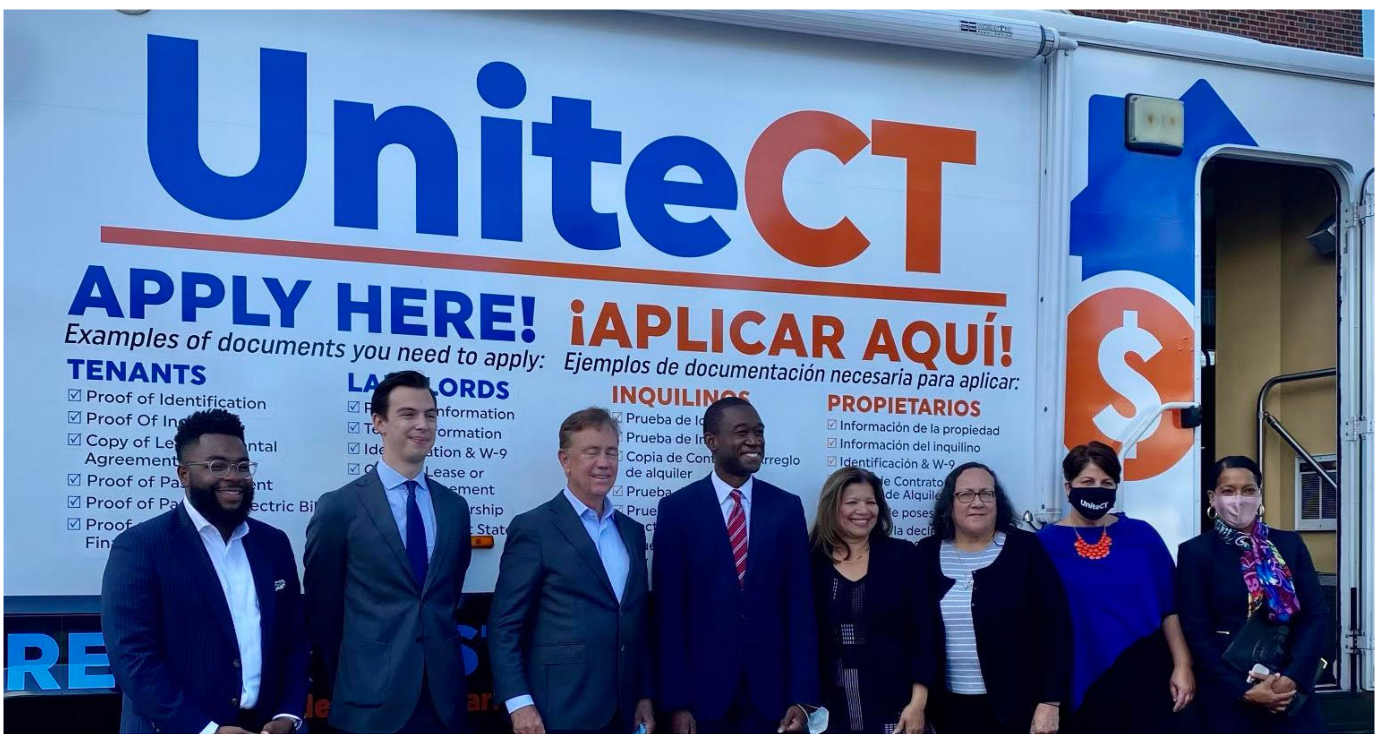
Catalyzing investment to support a strong recovery: Governments have used SLFRF funds not only to prevent cuts in government services and respond to the immediate health and economic consequences of the pandemic, but also to make much-needed investments to strengthen their economies and their communities over the long-run. To date, recipients have budgeted $11.8 billion for public health projects, $15.9 billion for housing-related purposes, $10.9 billion for workforce support, $4.4 billion for small business support, and $24.3 billion for critical infrastructure investments in broadband, water, and sewer.

Direct relief to local and tribal governments: SLFRF provided direct relief to local governments of every size, including smaller city, county, and town governments excluded from direct support in previous fiscal aid programs. This support has allowed rural communities, for example, to invest in areas like public health, broadband, and sewer and water infrastructure. Likewise, Tribal governments received historic funding through $20 billion in SLFRF funds allocated to them, the largest single infusion of federal funding into Indian Country in U.S. history, discussed in greater detail in Treasury's SLFRF Tribal Recovery Report. Putting relief directly in the hands of local communities and Tribal governments has allowed them to quickly respond to the unique needs of their communities and make the investments they deem most valuable.

Catalyzing an equitable recovery: The Biden Administration recognized that fully addressing the disproportionate impacts of the pandemic required addressing underlying disparities that left some people and communities more vulnerable to the pandemic, not just the incremental impacts that occurred during the pandemic. To translate this goal into action, Treasury provided a broad menu of services to enhance health and economic equity that were automatically eligible uses of funds in low-income, high-poverty communities. For example, the Final Rule made all low-income households and communities automatically eligible for services and expanded eligible uses of funds in disproportionately impacted communities to encourage more investment. Treasury's SLFRF Equity and Outcomes Resource Guide highlights the tools and processes recipients are using to incorporate equity into their SLFRF programs.

Support for innovation: The SLFRF program allows state, local, Tribal, and territorial governments to build public sector capacity by making investments in program evaluation, data analysis, and community outreach to improve the efficacy of vital public health and economic relief programs. Taken together, this approach is helping governments build their capacity to be better prepared and more resilient for future crises. Furthermore, Treasury's reporting requirements gather information about how recipients are using evidence and evaluation in their SLFRF programs. Treasury has also worked with outside groups to highlight "best practices" – both in terms of equitably deploying funds generally and in encouraging the best uses of funds in priority areas, creating a dynamic where many communities are following the lead of high performers.

Moving forward, Treasury is implementing new eligible uses for SLFRF funds in areas like infrastructure investment that will further support a strong recovery. At the same time, Treasury will continue to work with SLFRF recipients to share best practices and lift up examples of how recipients are using their funds to help recipients meet the deadline to obligate SLFRF funds by December 31, 2024, and expend them by December 31, 2026.



Addressing public health needs

1,500 governments report having budgeted nearly $12 billion for more than 5,300 projects addressing public health needs including COVID-19 testing, vaccinations, staffing, and outreach to underserved communities.

Providing state, local, Tribal, and territorial governments the resources needed to address public health needs is a core goal of SLFRF. In addition to fighting COVID-19 through vaccinations, testing, supporting hospital capacity, protecting nursing homes and congregate settings, purchasing PPE, and supporting local health departments, recipients have also invested funds in behavioral health care, such as substance use and mental health treatment, as well as preventing and responding to violence, in recognition of the broad mental and emotional health consequences of COVID-19. For local governments, the provision of COVID-19 public health services is one of the top programmatic expenditure categories, due in part to SLFRF being the first time that most local governments received direct, dedicated federal support to respond to the pandemic and its impacts. Examples[1] of how recipients are investing in public health include:

The State of Alaska budgeted $40 million to address the state's most critical COVID public health needs that were not covered by other available funding sources, including providing testing equipment and consultation services to address the ongoing needs of the pandemic.

El Paso, Texas budgeted more than $16 million for the health department's COVID-19 response teams including testing, vaccination, and the response supply center. This initiative also includes the design and construction of a new clinic which will provide COVID-19 response services to underserved communities.

Milwaukee, Wisconsin obligated over $13 million for COVID-19 public health services including testing, vaccinations, isolation, a COVID-19 hotline, and medical respite care. These services are targeted to disproportionately impacted low-income and minority communities as these were identified as the most vulnerable populations based on socioeconomic status, housing type, and transportation access.

Allegheny County, Pennsylvania budgeted $14.5 million to build the county Department of Human Services' capacity and add new services to address behavioral health issues, including regional call centers, mobile crisis teams, and receiving and stabilization facilities.

The Ninilchik Village will braid SLFRF with IHS funding to build a primary care medical clinic to serve the Homer, Alaska , community and establish a second clinic for the Anchor Point, Alaska community.

1 Data based on Project and Expenditure Reports submitted to Treasury for the reporting period ended December 31, 2022. The examples included throughout this report are based on recipient reports, and their inclusion in this document does not constitute an explicit approval of these projects by Treasury.

Supporting affordable housing

SLFRF recipients have committed nearly $16 billion on more than 2,100 projects to meet housing needs, over $5.4 billion of which have been committed to affordable housing development and preservation. Recipients have reported serving more than 3.6 million households with rent, mortgage, or utility aid.

The COVID-19 pandemic exacerbated the pre-existing housing crisis, putting millions of renters and homeowners at risk of losing their homes. Expanding access to affordable housing is a top priority for Treasury and the Administration, and the use of SLFRF funds for affordable housing is part of the Administration's broader Housing Supply Action Plan to ease housing costs over time. Treasury is playing a key role in this work by encouraging jurisdictions to consider using SLFRF for affordable housing or to supplement other ARP programs aiding renters and homeowners, such as the Emergency Rental Assistance program and the Homeowners Assistance Fund, which are discussed in detail below.

In July 2022, Treasury announced additional guidance designed to increase the affordable housing supply by expanding the list of presumptively eligible uses of funds for affordable housing and permitting recipients to use SLFRF to make long-term loans to finance certain affordable housing projects, including Low-Income Housing Tax Credit projects. Since then, SLFRF recipients have increased their investments in affordable housing projects by 20%.

Examples of how governments are investing their SLFRF to increase the supply of housing in their communities include:

The State of Idaho has budgeted $50 million for gap financing to eligible low- and moderate-income-targeted multifamily housing developments and down payment/closing cost assistance for low- and moderate-income homebuyers. This will ensure that those who were the most economically impacted by the COVID-19 pandemic and the affordable housing crisis have access to long-term, high-quality, affordable housing.

Mobile, Alabama has budgeted more than $4 million to work with housing developers and the local Public Housing Authority to revitalize neighborhoods with affordable housing for unhoused persons and first-time homebuyers.

Pensacola, Florida has allocated $3 million to improve access to stable, affordable housing for unhoused individuals as well as programs to assist the unhoused.

Rochester, New York is dedicating over $13 million focused on creating homeownership opportunities for low-income residents in neighborhoods that have faced challenges even before the COVID-19 pandemic. This includes constructing new single-family houses on previously vacant city-owned land in targeted neighborhoods and incorporating sustainability and energy efficiency in construction.

Tarrant County, Texas has budgeted more than $33 million into expanding permanent supportive housing as the COVID-19 pandemic highlighted the need for additional housing to serve its most vulnerable populations. The project includes grant awards to nonprofits that focus on housing and was facilitated through an application process run by the Tarrant County Housing Finance Corporation.

The Knik Tribe will build 32 affordable homes for its elder population. The homes incorporate accessibility floorplans and important age-in-place features that will support independence.

Affordable Rental Housing: case study

Maricopa County, Arizona invests in both the supply of affordable housing and wraparound services to assist tenants in maintaining and finding rental housing

Housing Supply

Construction and Preservation of Affordable Housing ($65.2M)
Add at least 120 affordable housing units to existing affordable housing inventory, with a focus on constructing new affordable housing on Qualified Census Tracts or renovating existing buildings in QCTs

Wrap-around Services

Payments to Landlords ($11.6M)
Direct payments to landlords and utility companies with tenants facing eviction due to nonpayment of rent with assurances the tenants will not be evicted one money is received, identified through the ERA program

Rental and Utility Assistance ($0.8M)
Rent and utility payment assistance to individuals who lost jobs or had significant income reduction due to the pandemic

Longer-Term Case Management & Self Support ($4.5M)
Provide long-term case management for clients obtaining rent and utility assistance, as well as workforce assistance and childcare / early education assistance provided by the county or other community-based services

Navigation and Application Assistance ($3.9M)
Fund navigation and application assistance for seeking rental or utility assistance and emergency / temporary housing

Eviction Prevention Legal Aid ($2.6M)
Fund expert legal counsel and county court representation for tenants facing eviction due to nonpayment of rent

Services for Unhoused Persons: case study

City of Austin, Texas* invests in eight projects totaling $95.3M in SLFRF dedicated to a comprehensive, community-wide effort to reduce levels of unsheltered homelessness across Austin. These projects are allocated under revenue loss, under expenditure category 6.1: Provision of Government Services. These projects fits within a larger three-year community initiative called Finding Home ATX, coordinating investments from public and private sources to achieve three core objectives: (1) house an additional 3,000 individuals experiencing homelessness, (2) add 1,300 new units of affordable housing for the population experiencing homelessness, and (3) build a better Homelessness Response System by ensuring program access and outcomes are equitable, investing in social service provider capacity building and developing stronger system oversight and performance mgmt. functions.

Rapid Housing Programs ($45.0M)
Fund rapid rehousing programs including case mgmt., housing location and placement services, up to 24 months of rental / utility assistance

Permanent Housing Capital Expense ($14.1M)
Fund property acquisition, renovation, and associated costs to create more deeply affordable housing units

Emergency Shelter & Crisis Services ($10.0M)
Fund temporary shelter, street outreach, and other crisis services for individuals experiencing unsheltered homelessness

Supporting Providers ($5.2M)
Fund capacity building for organizations with the Homelessness Response System, focusing on equitable outcomes and innovative solutions

Landlord Engagement and Move In ($5.0M)
Fund housing barrier reduction efforts through landlord outreach and engagement, coordination of housing inventory, and move-in supports

Targeted Prevention ($2.5M)
Fund eviction interventions, landlord mediation, financial assistance, rental subsidies, legal services, case management, etc.

Other Homeless Support Services ($9.5M)
Fund workforce / employment development, behavioral health, and benefits access services

Homeless System Support ($4.0M)
Fund oversight and performance management, community engagement, and communications of the Homelessness Response System

**Recipient accounts for funding for projects under Revenue Replacement*

Supporting the workforce

SLFRF recipients have budgeted nearly $11 billion in SLFRF funds for more than 3,500 projects to create jobs and opportunities for workers in response to the negative economic impacts of the pandemic on communities.

Many SLFRF projects are using their funds to help workers enter or re-enter the workforce and find good-paying jobs, helping to build a stronger recovery. Key areas of workforce investment include helping impacted workers enter in-demand careers, with a particular focus on assisting people that have barriers to employment and preparing for industries of the future such as those catalyzed by the Inflation Reduction Act, the Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS), and the Bipartisan Infrastructure Law. Recipients have invested in programs including apprenticeship and pre-apprenticeship initiatives, job training developed in partnership with labor and the private sector, and supportive services to ensure parents have affordable childcare while they work.

Examples of how recipients are using SLFRF to invest in workers include:

Detroit, Michigan budgeted nearly $59 million for Detroiters for Skills for Life, a training and career readiness program for residents that continue to face economic hardships exacerbated by the COVID-19 pandemic. The program provides employment and skill and career-building activities and assists in removing barriers to employment by offering disconnected workers on-ramps so that they may earn income while building critical skills to improve long-term employment and job retention prospects.

The State of Maine budgeted $1.5 million for the Maine Apprenticeship Program that is specifically focused on building high quality pre-apprenticeship and apprenticeship programs for the clean energy sector in partnership with businesses, industry associations, unions, education and training providers, and community-based organizations.

Pima County, Arizona budgeted over $5 million for a 'Micro-Pathways' program to provide participants with financial support to access short-term programs that lead directly into in-demand jobs with family-sustaining wages. The county will also support apprenticeships and other workforce programs focused on high growth career fields.

Roanoke, Virginia obligated $3 million to the Star City Works program devoted to identifying the needs of employers in high-growth, high-potential sectors and to filling any gaps that may exist in the local workforce. The program includes training, work-based learning opportunities, and wrap-around supportive services (transportation, childcare, food assistance, utility/ mortgage assistance).

The Lovelock Paiute Tribe is assisting working parents with long-term solutions for childcare. The pandemic reduced childcare in an area that already had an ongoing lack of options. The Tribe is constructing both a daycare and a Head Start to assist families and provide comprehensive early childhood education.

Salt Lake City, Utah obligated $1.5 million to cover payroll and benefits to hire positions that were unfilled due to the negative economic impact of the pandemic on public sector employment.

Travis County, Texas budgeted more than $6 million for a workforce development program targeting the pandemic's effect on local industries by providing training aligned with industries in the community workforce development plan. The program provides supportive services including childcare, transportation assistance, laptops and mobile hotspots, educational assistance stipends, work-related payments, and subsidized employment while in work-based learning or apprenticeship programs.

Job Training: Case Study

State of Connecticut invests $70M in rolling out CareerConneCT through the Office of Workforce Strategy. The program will focus on job training programs aimed at getting unemployed inviduals or individuals significantly impacted by the pandemic back to work in high demand industries:

Achieve the following goal:	*Through the following levers:*	*Into the following industries:*
Train and place 5,500-7,000 students and job seekers into in-demand industries with a **focus on reentry for formerly incarcerated inviduals** to transition back to the workforce	**5 Regional Workforce Development Boards** collaborate with regional training providers and companies to inform the design of each application	**Healthcare**
	Collaboration with 26 Non-profit organizations to support rollout and implementation	**Manufacturing**
	Creation of multiple non-degree training programs with pipeline into high-paying jobs in bioscience industry	**IT**
	Additional Resources to **support education and training to expand state's healthcare workforce**	**Bioscience**
		Clean Energy
		Construction

Job Training: Case Study

State of Idaho invests $50.0M in Leading Idaho, comprised of four projects that enable workforce support, training, and employment readiness initiatives:

Talent Pipeline Management (TPM)

Goal: identify / align workforce training to high quality jobs

Tactic: fund a TPM Project Manager in each of 6 regions and Project Managers in manufacturing in construction. Project managers will be employed through regional organizations (*e.g. colleges, chambers, economic development groups*).

Outcomes: 30 employer collaboratives to align training and recruiting

TPM Implementation

Goal: invest in training infrastructure, equipment, curriculum

Tactic: supplement Workforce development Training Fund over 2-years, and invest in simulators and mobile training equipment to cover acquisition costs for colleges and industry organizations

Outcomes: 3,790 ongoing "training slots" made available per year

Idaho Launch

Goal: provide financial assistance to Idahoans to access the training

Tactic: provide financial assistance to approved job trainees, as well as tech improvements to increase public access and community outreach and engagement activities

Outcomes: 6,370 trainees receiving financial assistance by December 31, 2023

Next Steps Idaho

Goal: improve technology resources that connect individuals to jobs – including work-based learning

Tactic: tech improvements to increase public access and delivery of Next Steps Idaho, including resume and cover letter builder by December 31, 2023

Outcomes: 1,000 Idahoans with Next Steps Idaho portfolios

SLFRF recipients have budgeted $4.4 billion for over 1,100 projects to support small businesses and small business development.

The ARP and other recovery programs included decisive action to stabilize small businesses, helping them keep their doors open and staff on payroll. But beyond the immediate crisis, the ARP is supporting transformational investments in expanding access to credit and entrepreneurship support in underserved communities, including providing technical assistance and grants that provide investment capital and loans to small, minority, and women-owned businesses. These programs will expand opportunity, strengthen the economy in places underserved for far too long, and increase our resilience to the next crisis. These investments complement other Administration investments including the ARP's State Small Business Credit Initiative, which is discussed in more detail below.

Examples of how localities are investing their SLFRF into their communities' small businesses include:

Cincinnati, Ohio spent $1 million to deliver operational grants and training to new and established women-owned businesses to create job opportunities for residents and entrepreneurship opportunities for women, including women in business that have carried a disproportionately high burden in managing the social challenges of the pandemic.

McHenry County, Illinois obligated more than $1 million for the Advance McHenry County Manufacturing Initiative, which provides manufacturers with customizable technical assistance and training solutions to rebound from the pandemic, be more globally competitive, and increase resilience to future economic shocks. The program is a partnership between the county's college system and workforce network board that offers ten categories of technical assistance aligned with the U.S. Department of Commerce's Baldridge Performance Excellence Framework.

Lee County, Florida obligated $250,000 to assist small businesses disproportionately affected by COVID-19 by targeting businesses in Qualified Census Tracts and low- and moderate-income designated areas who had substantial declines in gross receipts and have less access to credit. The project will provide technical assistance, counseling, or business planning services to provide individualized and group training in business planning and improvement.

The State of Maryland budgeted $70 million to provide financial support to new or expanding businesses, including by designating funds for the Maryland Small, Minority, and Women-Owned Businesses Account, which gives grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses.

Sacramento County, California budgeted nearly $3 million to provide assistance to small businesses that were negatively impacted by COVID-19 through outreach, technical assistance, training, and one-on-one consulting in various languages to engage hard-to reach businesses using culturally appropriate methods.

The Douglas Indian Association developed a Tribal Fisherman Grant to assist small business owners who have maintained a historic Tribal presence in the commercial fishing and seafood industry. Demand for fresh seafood plummeted as restaurants, hotels, and catering businesses shuttered during the pandemic. The grants intend to offset the escalating fuel costs, transportation restrictions, and a decrease in salmon catches to help Tribal citizens economically recover.

SLFRF is allowing state, local, Tribal, and territorial governments to make key investments in infrastructure projects that respond to needs that were highlighted by the pandemic and that will support future economic growth.

Overall, more than 2,600 governments have budgeted more than $24 billion for almost 7,500 critical infrastructure projects that support expanded access to high-speed internet and clean water. SLFRF is helping states and localities to further supercharge the additional historic federal investments in infrastructure delivered by the Biden-Harris Administration through the Bipartisan Infrastructure Law and complementing the ARP investment in expanded affordable highspeed internet access through the Capital Projects Fund, which is discussed in more detail below.

In January 2022, when Treasury issued the final rule for SLFRF, it included an expanded set of eligible lead remediation uses, including replacement of faucets and fixtures in schools and daycares, and confirmed recipients' ability to use funds for the replacement of lead services lines. Recipients have budgeted over $365 million in lead remediation projects. Recognizing that not all households and communities are served by water and sewer systems, the final rule also expanded eligible uses to include infrastructure to improve access to safe drinking water for families served by residential wells.

Examples of how governments are investing their SLFRF in infrastructure projects include:

The State of Alabama budgeted $51 million to develop a statewide middle-mile fiber network that will support, catalyze, and facilitate future last-mile projects.

American Samoa budgeted $10 million for broadband development as the pandemic made clear that remote work, distance learning, and telehealth are essential services. The territory will work with local internet service providers to support the delivery of internet service that reliably meets or exceeds symmetrical upload and download speeds of 100 mbps.

Carroll County, Maryland budgeted $15 million to make investments in broadband infrastructure in response to COVID-19 when households and businesses lacking reliable high-speed service were at a significant disadvantage in areas such as educational, economic, and health opportunities. Carroll County will increase access to the 12% of Carroll households and businesses currently unserved by a high-speed connection by providing 100/100 mbps service that will include an option for low-income customers.

Janesville, Wisconsin budgeted over $2 million in order to improve drinking water quality by replacing publicly owned lead pipes.

Rankin County, Mississippi budgeted $26 million for 45 projects that are improving water quality protection, floodplain management, environmental restoration, and wetlands restoration.

Capital Projects Fund

The American Rescue Plan's Coronavirus Capital Projects Fund (CPF) is a $10 billion down payment on the Biden-Harris Administration's goal of connecting every American household to affordable, reliable high-speed Internet. In addition to broadband infrastructure, CPF funds can also be invested in other critical capital projects that enable work, education, and health monitoring in response to the public health emergency, including laptops, public Wi-Fi, and multipurpose community centers.

To date, the CPF has awarded approximately $5 billion to 34 states that will be invested in high-speed internet infrastructure estimated by states to reach more than 1.4 million homes and businesses. To date, CPF has additionally awarded more than $38.5 million to 231 Tribal governments, and maintains an updated list of Tribal projects as they are awarded.

Putting broadband affordability front and center: CPF is designed to not only connect families to the Internet, but ensure that their connection is affordable. As a result, Treasury requires that all service providers participate in the Federal Communications Commission (FCC)'s Affordable Connectivity Program (ACP)—which provides a discount of up to $30 per month to qualifying households (or up to $75 per eligible household on Tribal lands). To further lower costs, President Biden and Vice President Harris announced the Administration has secured commitments from 20 leading internet service providers—covering more than 80% of the U.S. population—to offer all ACP-eligible households high-speed, high-quality internet plans for no more than $30 per month. As a result of this agreement and the ACP, eligible households can receive internet access at no cost and can check their eligibility and sign up at GetInternet.gov.

Laying the groundwork for future investments: In addition to the $10 billion provided by CPF, governments have reported budgeting an additional nearly $7.3 billion in SLFRF funds towards broadband. Together, these funds can be blended and braided to have a greater impact. The ARP programs and the Bipartisan Infrastructure Law are also working in tandem to close the digital divide—deploying high-speed internet to those without access and lowering costs for those who cannot afford it. Treasury additionally entered into a Memorandum of Understanding on May 12, 2022, with the FCC, the National Telecommunications and Information Administration at the Department of Commerce, and the Department of Agriculture to, among other things, develop consistent and complementary reporting processes and share information with each other about broadband projects.

Treasury continues to make progress reviewing and approving states' CPF applications, and will be announcing additional awards for states' broadband plans throughout 2023.

Examples of how states are investing their CPF awards include:

Louisiana was approved for $176.7 million (representing 100% of its available CPF funding) for the state's new Granting Unserved Municipalities Broadband Opportunities (GUMBO) program, a multi-phase, broadband infrastructure competitive grant program. Louisiana estimates that projects receiving funding from this CPF award will close the digital divide for approximately 25% of all locations lacking high-speed internet access in the state and connect nearly 88,500 homes and businesses currently lacking access to internet at speeds of 25/3 Mbps.

Virginia was approved for $219.8 million (representing 100% of its available CPF funding) and will use funds to expand last-mile broadband access to an estimated 76,873 locations, approximately 28% of locations the state estimates lack access to high-quality broadband service. Through a competitive grant-making program overseen by the Virginia Telecommunication Initiative (VATI), local governments in partnership with internet service providers apply for funds with the goal of deploying universal coverage solutions in the localities involved.

West Virginia was approved for $136.3 million (representing 100% of its available CPF funding), and estimates that projects receiving funding from this CPF award will serve 20,000 locations, or approximately 10% of locations in the state that lack access to high-speed internet. The state will use three separate grant programs that focus funding for last-mile connections to homes and businesses currently without access to internet at speeds of at least 25/3 Mbps. The Line Extension Advancement and Development Program (LEAD) will fund the extensions of last-mile broadband networks that can be constructed quickly, the Major Broadband Projects Strategies Program (MBPS) will fund larger-scale projects designed to serve large numbers of eligible addresses, and GigReady will provide local governments with the opportunity to utilize SLFRF as matching funds for broadband infrastructure projects. Each of these three programs is designed to enable funding to reach areas that are hardest to serve due to low population density, rurality, or other factors.

CPF Awards to Date

Recipient	Locations Served *(estimated by states)*	Award Amount *(Millions)*
Alabama	55,000	$191.9
Arizona	127,807	$99.4
Arkansas	35,000	$158
Colorado	18,000	$170.8
Connecticut	10,000	$41
Florida	48,400	$248
Georgia	70,000	$250
Illinois	87,163	$253.68
Indiana	55,349	$203
Iowa	18,972	$152
Kansas	21,300	$84
Kentucky	45,000	$182.8
Louisiana	88,500	$177
Maine	22,500	$110
Maryland	16,667	$95
Massachusetts	16,000	$145
Michigan	67,857	$250
Minnesota	32,917	$127
Missouri	37,979	$196.7
Nebraska	21,000	$88
Nevada	40,187	$55.2
New Hampshire	24,000	$122
New Mexico	40,611	$117
North Carolina	78,100	$177.7
North Dakota	3,965	$45
South Carolina	31,650	$185.8
Tennessee	50,000	$185
Texas	152,000	$363.8
Utah	3,080	$10
Vermont	13,818	$90
Virginia	76,873	$220
West Virgina	20,000	$136
Wisconsin	8,000	$40
Wyoming	11,700	$70.5
	1,449,395	$5,041

Emergency Rental Assistance Program

The COVID-19 pandemic put millions of renters at risk of losing their homes, aggravating a crisis in housing affordability that pre-dated the pandemic. By December 2020, nearly one in five renters reported being behind on rent, with renters of color especially likely to report being behind. One in seven renters viewed the risk of eviction within the next two months as "very likely."

The Emergency Rental Assistance (ERA) program has provided a critical lifeline to renters throughout the pandemic, while helping to build lasting eviction prevention infrastructure across the country. Despite projections of an eviction "tsunami" following the end of the CDC eviction moratorium in August 2021, eviction filings nationally in 2021 remained 26% below historic averages in the 10 months since the end of the moratorium, based on an analysis of data collected by the Eviction Lab at Princeton University, and remained at pre-pandemic levels in 2022. Matthew Desmond—the founder of Princeton University's Eviction Lab—has said that in conjunction with the federal eviction moratorium, ERA reflects the "the deepest investment in low-income renters the federal government has made since the nation launched its public housing system" and "the most important eviction prevention policy in American history." Altogether, ERA has made $46.55 billion available to promote housing stability—$25 billion under the ERA1 program, which Congress created at the end of 2020, and $21.55 billion under the ERA2 program established by the ARP.

Treasury took swift action to deliver assistance to millions of renters: The Administration worked swiftly to disburse tens of billions of dollars in ERA funds to jurisdictions around the country. At the same time, Treasury provided extensive support to hundreds of communities as they created unprecedented rental assistance and housing stability infrastructure through the ERA program. The result was that an eviction spike that might have occurred absent the moratorium never materialized. Princeton's Eviction Lab found that in 2021 alone, the ERA program, in conjunction with other Administration policies, helped to prevent 1.36 million eviction cases—a conservative estimate because the financial effects of the pandemic put at least twice as many renters as normal at risk of eviction. Through December 2022, the ERA program has made over 10.3 million rental assistance payments, and the vast majority of ERA funding has been deployed in communities across the country.

Treasury developed flexible program guidance and reallocated program funds, steps which both maximized and accelerated assistance for renters: Flexibilities in Treasury's guidance—such as fact-specific proxies and self-attestation—allowed programs to simplify documentation requirements while promoting strong program integrity, ensuring that communities could deliver assistance to renters in need quickly. In addition, Treasury has reallocated over $4.3 billion of ERA funds—maximizing the support available to renters by shifting funds that could otherwise go unspent to jurisdictions with demonstrated need for assistance and program capacity. Reallocation has incentivized best practices to facilitate assistance as well. For instance, Treasury allowed some jurisdictions to retain funds at risk of reallocation by adopting plans to improve program performance. Hundreds of communities have received additional funds through reallocation—often through voluntary reallocation processes in which grantees worked together to shift funds between one another.

The ERA program catalyzed a broad expansion in lasting eviction-prevention infrastructure and expanded affordable housing: Treasury's ERA guidance has empowered communities to leverage ERA resources to expand eviction prevention services, including eviction diversion programs, housing counseling, and other initiatives. While eviction diversion programs were uncommon before the pandemic, at least 180 jurisdictions across 36 states have launched or strengthened eviction diversion programs with ERA, seeding initiatives that have significantly limited eviction rates. Treasury has also encouraged governments to leverage ERA2 funds to expand affordable housing, helping communities address long-term housing affordability challenges. Governments have continued to fund these programs with other sources of funding—including SLFRF—after spending through ERA allocations.

Advancing equity and reaching historically marginalized communities, including Tribal and rural communities: Throughout its work on ERA, Treasury has prioritized advancing equity and supporting renters in underserved, marginalized communities. Research has found that renters from marginalized groups and those most likely to face eviction have benefited from ERA: extremely low-income renters received close to two-thirds of ERA assistance, women received nearly 70 percent, and Black renters received almost half. Treasury has also provided extensive support to Tribal communities to ensure that Tribal ERA programs have been well-positioned to serve renters, and took significant policy steps in reallocation to maximize the ERA funding available to Tribal governments. Finally, to strengthen ERA in rural communities, Treasury engaged with ERA programs in rural areas to support both their outreach strategies and facilitate statewide coordination on housing stability issues.

Looking forward, in addition to communities using ERA 2 to promote direct assistance and longer-term needs, many communities are continuing to provide support to renters after expending their ERA funds, often leveraging SLFRF. Through December 31, 2022, communities provided rent, mortgage or utility assistance to more than 3.6 million individuals using SLFRF. Moreover, communities are working to build on the eviction prevention infrastructure that ERA has helped to grow, and Treasury continues to work with and encourage these governments to take additional steps to prevent evictions and promote housing stability in the long term.

Examples of jurisdictions' work to support renters with ERA include:

Pierce County, Washington conducted far-reaching outreach to stand up its ERA program, as the county had not previously invested in rental assistance infrastructure. Clark County conducted more than 200 outreach events at libraries, sent postcards to residents in 45 languages with information on rental assistance, and pursued targeted outreach to underserved communities. Washington State has now funded a permanent rental assistance program.

Washington, DC leveraged flexibilities in Treasury's ERA guidance—including self-attestation and fact-specific proxies—to ensure that rental assistance was timely delivered to eligible households. DC has also leveraged its own funding resources to continue a rental assistance program, and recently worked with a task force of community leaders across sectors to release a framework for further efforts to strengthen eviction prevention.

The State of Alaska, in partnership with the Municipality of Anchorage and 15 agencies representing 148 Tribes, launched a mobile-friendly ERA application that included text messaging features to facilitate applications. Due in part to the ease of applying, approximately one-third of Alaskan renters applied to the State's program.

Wichita, Kansas expanded ERA access by providing self-service ERA application kiosks around the city, with particular focus on low-income communities. In addition, the City worked to provide case management services for households facing eviction in order to address underlying causes of housing stability, including through connections to job training and other services and relocation to more affordable housing.

Homeowner Assistance Fund

The Homeowner Assistance Fund (HAF) was designed to support homeowners experiencing financial hardship, working in conjunction with a range of other foreclosure prevention initiatives implemented by the Biden-Harris Administration that has resulted in historically low foreclosure filings. HAF programs across the country are assisting homeowners both by providing nearly $10 billion in direct assistance and by helping homeowners access relief through their mortgage servicers, including loss mitigation on government-backed loans.

The Administration's swift actions to prevent foreclosures, including HAF, have resulted in historically low foreclosure rates: The Administration took a range of actions to prevent foreclosures shortly after the COVID-19 outbreak, including a foreclosure moratorium, increased options for mortgage payment forbearance, and enhanced loan modifications to resolve delinquencies, which together with HAF have helped keep mortgage delinquencies and foreclosures below pre-pandemic levels. HAF programs began to provide assistance in early 2022 to build on the progress of the earlier initiatives; as of December 2022, HAF has provided a lifeline to over 230,000 families at risk of losing their homes. Total obligations and expenditures across the program more than doubled from July through the end of September—and real-time dashboards published by many states show significant further acceleration in the months since then. Despite the economic disruptions caused by COVID-19, foreclosure starts are 30% below pre-pandemic levels, according to Black Knight data, even after the expiration of several emergency foreclosure protections from the height of the pandemic.

Treasury's implementation has lifted up best practices, helping to promote historic reach to low-income areas and underserved communities: Treasury required recipient governments to target assistance based on data-driven assessments of homeowner needs, with an emphasis on data that identifies disparate hardships across demographic groups. Moreover, Treasury required a planning process, which included local community input. This process culminated in the submission of plans to Treasury, which provided specific feedback for each of the plans submitted by state, territorial, and Tribal governments with the goal of promoting swift and equitable access to HAF funding. These efforts have helped to produce a more equitable distribution of assistance, with substantially broader reach to economically vulnerable and traditionally underserved homeowners than prior federal mortgage assistance and foreclosure prevention programs: 57% of HAF assistance was delivered to very low-income homeowners (those earning 50% of area median income and below); 35% of HAF homeowners self-identified as Black and 20% self-identified as Latino; and 64% of HAF beneficiaries were female.

Treasury has worked closely with agency partners to promote support for HAF recipients–establishing additional protections to help homeowners avoid foreclosure: Treasury has coordinated closely with the White House and other federal agencies to ensure that HAF supplements other federal assistance for homeowners and that funds are most effectively used to help homeowners in need. Secretary Yellen and several other Cabinet Secretaries joined together to urge mortgage servicers to pause all foreclosure proceedings for any homeowner applying for HAF assistance. These efforts have led to major servicers implementing foreclosure pauses for HAF applicants, enabled by Treasury's ongoing work with servicers and states to improve communication and notification of HAF applications. Recently, the Department of Housing and Urban Development announced a policy change that will allow certain HAF applicants and recipients to much more easily access loss mitigation options, which provide additional support to homeowners who may need assistance from multiple sources to stay in their homes.

Looking forward, HAF programs continue to provide active assistance across the country. Moreover, several recipient governments have decided to use other Treasury funds—such as funds from the SLFRF program—to provide assistance to additional families in need. HAF funds are available to be spent to support homeowners until September 30, 2026. Treasury continues to lift up best practices, engage recipient governments on strategies to increase uptake and speed of program funding, and call on servicers to swiftly communicate with states to help homeowners in need.

Promising Practices include:

The State of California HAF Program has focused its outreach on underserved communities through multilingual, culturally competent assistance resources. For instance, the HAF application is available in six languages and the program's contact center—which has handled over 190,000 calls as of Jan. 1, 2023—can provide assistance in more than 200 languages. The state has also worked to keep the application as streamlined as possible; if an applicant has the necessary documents ready, the state estimates that the application can be completed in less than 15 minutes. Due to these efforts, as of Jan. 1, 2023, 88% of applicants surveyed by the program (5,676 applicants) reported that the application was easy to complete, and 91% said the documents were easy to upload.

The State of Michigan's HAF program, after conducting a systemwide assessment, realized it needed to increase the availability of customer service agents to help homeowners apply. To quickly increase staff capacity, the HAF program contracted with the state's 211 service to answer questions, fill out applications for those without internet access, provide status updates to applicants and refer homeowners to other services they need.

The State of Nevada's HAF program uses a data-driven approach to recalibrate program offerings based on the most common reasons for application denial, thereby continuously improving its application process and contacting denied applicants to inform them of other opportunities for assistance. Nevada's program also directly reached out to applicants who did not return to the website to complete their applications. These efforts, combined with increased marketing, resulted in a 300% increase in households assisted over a three-month period (July through September 2022).

State Small Business Credit Initiative

The State Small Business Credit Initiative (SSBCI), reauthorized and expanded by the American Rescue Plan, provides nearly $10 billion to states, territories, D.C., and Tribal governments for investments in small businesses to expand access to capital, to promote economic resiliency, and to create new jobs and economic opportunity—especially in underserved communities still reeling from the effects of the pandemic. Small businesses were hit especially hard by the pandemic, in urban, suburban and rural communities alike, as the economy faced a historic disruption. Building on a prior iteration of the program created in 2010, the SSBCI program provides capital to help existing small businesses expand and new small businesses start up.

Data suggests that the pandemic hit minority-owned small businesses particularly hard, exacerbating disparities that existed long before COVID-19. The SSBCI gives states and Tribes the tools to support small business lending and startup equity investments in all communities, especially in parts of the country and in marginalized communities working to develop an entrepreneurial finance ecosystem. In doing so, SSBCI is serving as part of the Biden Administration's broader small business agenda, which has helped support a record-breaking 10.5 million small business applications in 2021 and 2022, according to the Census Bureau.

SSBCI will catalyze tens of billions of dollars to expand access to capital for small businesses and underserved entrepreneurs: SSBCI provides funding that states, territories, and Tribal Governments can use to help small businesses receive loans or equity/venture capital investments to fuel their growth and job creation potential. Jurisdictions will deploy SSBCI capital to crowd in private financing in emerging venture capital markets and offer credit-enhancing debt products to help underserved small businesses address capital needs. With these programs, recipient governments will close gaps left by other state or federal programs, existing private sources of capital, or market-specific challenges. Treasury has now approved nearly all state and territorial plans representing 96% of the initial capital program funding allocated to states and territories under the program. In addition, Treasury is reviewing applications corresponding to over 200 Tribal governments and over $580 million in potential SSBCI funding. SSBCI is designed to catalyze up to $10 of private investment for every $1 of SSBCI funding and is expected to result in tens of billions of dollars in new small business financing across the country before 2030.

Supporting innovative approaches to catalyze small business growth: Recipient governments submitted innovative approaches to deploying the SSBCI in their respective jurisdictions. For example, Minnesota's Department of Employment and Economic Development (DEED) is implementing an Automation Loan Participation Program (ALPP) through SSBCI. The program offers a companion loan to private financing provided by a lender to purchase machinery, equipment, and software designed to increase manufacturing efficiencies. The program complements an existing state program that funds training for workers to operate new automation equipment. Minnesota expects the ALPP to increase the number of re-shored manufacturing operations and allow companies to move some outsourced activities in-house.

SSBCI has been implemented with an eye towards supporting the most vulnerable businesses and underserved business owners: The Federal Reserve Banks' 2021 Small Business Credit Survey reported that only 13% of Black-owned firms and 20% of Hispanic-owned firms received all of the non-emergency funding sought, relative to 40% of white-owned firms—underscoring the need to prioritize equity in the administration of the SSBCI program. SSBCI is a tool for recipient governments to support small businesses owned by people of color, women, individuals living in rural or Tribal communities, and otherwise underserved individuals, and to support the creation of wealth in households and communities. SSBCI includes $2.5 billion in funding and incentive allocations to support the provision of capital to underserved businesses and jurisdictions that succeed in reaching those businesses – with $1 billion of these funds to be awarded to jurisdictions based on their success in reaching underserved businesses. In addition, SSBCI includes over $700 million in allocations for Tribal governments, which will be used by hundreds of Tribes to support small businesses owned and operated by Tribal members or that operate on Tribal lands. The prior version of this program, which ran from 2010 to 2017, did not include these set-asides for underserved groups and Tribal governments. With an eye towards equitable administration, Treasury has also announced a historic data collection effort as part of SSBCI intended to help Treasury analyze the distribution of SSBCI funds and promote and track equity goals in the use of those funds.

SSBCI will provide small businesses with hundreds of millions of dollars in technical assistance not only to apply for SSBCI funds, but also a broader set of state and federal small business programs, building capacity for businesses to access capital in the long term: Treasury has announced the availability of $300 million in technical assistance, with $200 million available to states, territories, D.C., and Tribal governments to provide assistance to qualifying small businesses applying for SSBCI or certain other small business financing. In addition, Treasury has transferred $100 million for a program run by the Minority Business Development Agency at the Department of Commerce, which will provide funding to incubators and accelerators across the country to train underserved entrepreneurs seeking resources from SSBCI and other programs across the country. This technical assistance – along with another $200 million in technical assistance that will be made available in the future – will help ensure that SSBCI supports entrepreneurial ecosystems and creates jobs by allowing small businesses to access a range of small business assistance.

SSBCI is a part of broader Treasury initiatives that increase access to capital for small businesses and communities across the country: For example, through December 2022, Treasury made $8.38 billion in investments to dramatically scale up the work of 170 community financial institutions through the Emergency Capital Investment Program that will increase lending to small businesses, minority-owned businesses, low- and moderate-income consumers and other financially underserved communities. Additionally, the CDFI Equitable Recovery Program will make approximately $1.75 billion in grants available to provide funding to CDFIs to expand lending, grant making and investment activities in low to moderate income communities and to borrowers with significant unmet capital and financial services needs that have experienced disproportionate economic impacts from the COVID 19 pandemic. These initiatives, paired with broader Treasury and Administration support for small business, have helped support record numbers of new small businesses and strong growth in a range of critical industry sectors.

Treasury has now approved 51 out of 56 state and territory plans, representing 96% of the capital funds allocated to states and territories, while continuing to review Tribal submissions. In the coming months, SSBCI programs will continue ramping up and providing support to small businesses across the country, buttressed by technical assistance funding to help small businesses access assistance.

Illustrative examples of SSBCI programs include:

Engaging Underserved Business Owners in Utah: Utah's Governor's Office of Economic Opportunity ("Go Utah") developed SSBCI programs focused on filling capital needs for small businesses that are historically underserved. Utah operates several credit support programs, including a Capital Access Program that is anticipated to provide micro-loans to socially and economically disadvantaged small businesses that may have a limited credit history or face collateral shortfalls, while the Loan Participation Program partners with community development financial institutions to provide slightly larger loans for small businesses that may not be fully integrated into the conventional market.

Reaching Rural Businesses in Montana: The Montana Department of Commerce operates a loan participation program through the Montana Board of Investment (MBIV) with a goal of enabling businesses statewide to access the programs. MBIV developed a network of lenders across the state, including Community Development Financial Institutions and local revolving loan funds.

Growing the Innovation Ecosystem in Rural Vermont: Vermont is implementing a venture capital program to invest in start-ups across the state, with a focus on growing the innovation ecosystem outside Vermont's more populous hubs. Areas of concentration include renewable energy, innovative agriculture solutions, advanced manufacturing, and healthcare companies.

Enabling Diverse Venture Capital Managers in Pennsylvania: In October 2022, Pennsylvania announced their first commitment of SSBCI funds through their venture capital program. The program is focused on supporting venture capital investments in new funds under the management of underserved venture capital firms and on reaching underserved entrepreneurs.

Historic Tax Relief for Working Families and Record Low Child Poverty

The ARP delivered the largest ever Child Tax Credit, the largest ever Earned Income Tax Credit for workers without dependent children, and the largest ever Child and Dependent Care Tax Credit, helping families and low-income workers make ends meet. The advance monthly Child Tax Credit payments, which reached 38 million families with 62 million children, also showed that family tax relief payments could reliably be delivered monthly. Data released by the Census Bureau last year showed that the expanded Child Tax Credit was the leading driver behind a 46% decline in child poverty in 2021, cutting child poverty to its lowest-ever recorded level. The Administration is committed to rewarding work and fighting child poverty by pushing for Congress to permanently restore the expansion of the Child Tax Credit and Earned Income Tax Credit included within the ARP.

Additionally, the ARP permanently expanded access to the Child Tax Credit and Earned Income Tax Credit for working families in Puerto Rico. The ARP lifted an exclusion that kept low-income families in Puerto Rico with fewer than three eligible children from benefiting from the Child Tax Credit, leading to 200,000 more families in Puerto Rico receiving the expanded Child Tax Credit when they filed taxes in 2022 compared to the previous year. It also helped Puerto Rico to fund a dramatic expansion of the Earned Income Tax Credit, tripling available benefits for workers and bringing the credit broadly in line with the maximum benefit available to a similar family living elsewhere in the United States.

Saving the Pension Benefits of Millions of Workers, Retirees, and their Families

The ARP included historic assistance to secure the pension benefits earned by millions of union workers and retirees. Prior to the law, over 200 multiemployer pension plans were on pace to become insolvent. Thanks to the Special Financial Assistance program of the Pension Benefit Guaranty Corporation included in the ARP – the most significant effort to protect the solvency of the multiemployer pension system in almost 50 years – all multiemployer pension plans that receive assistance are positioned to remain solvent through at least 2051, with no cuts to earned benefits. This assistance will protect the retirement security of an estimated two to three million union workers, retirees, and their families. Already, Special Financial Assistance has been approved for multiemployer pension plans estimated to serve over 680,000 workers, retirees, and their families—ensuring that recipients will receive the full retirement benefits they earned over the coming decades—and harsh benefit cuts for tens of thousands of retirees have been reversed.

Conclusion

The American Rescue Plan has been a key part of the nation's recovery from the COVID-19 pandemic and the economic downturn that resulted from it. Treasury has worked to ensure that ARP funds help families, small businesses, and communities get back on their feet and emerge stronger out of this crisis.

Treasury has also committed to providing strong stewardship of ARP resources by conducting robust oversight over these funds. Over the past two years, Treasury has established policies and procedures—in partnership with oversight bodies and state and local auditors—to create appropriate safeguards over the use of taxpayer funds. Treasury has built a risk-based, data-driven accountability framework designed to ensure that funds are used for their intended purpose and have the greatest impact in supporting a strong recovery.

Looking ahead, Treasury will continue to work with recipients as they deploy funds in their communities. Treasury will support recipients as they apply best practices, working with them to rapidly deliver assistance to those in need while prioritizing areas likely to strengthen the economy over the long-run, such as affordable housing, workforce, and support for small businesses. Moreover, Treasury will use the lessons learned through the deployment of ARP funds at Treasury to support implementation of other key legislation, including the Inflation Reduction Act, CHIPS, and the Bipartisan Infrastructure Law. Building on the progress of the last two years, the American Rescue Plan will continue to support families, small businesses, and communities in the months and years ahead.

THE DEPARTMENT OF THE TREASURY

1789