

HOW THE AMERICAN RESCUE PLAN BENEFITS U.S. INSULAR AREAS

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Several provisions included in the American Rescue Plan specifically benefit the 3.5 million Americans residing in U.S. Territories and Freely Associated States. Recent natural disasters, enduring economic crises, and high levels of unemployment and poverty make the insular areas especially vulnerable to the negative impacts of the coronavirus pandemic. The American Rescue Plan takes major steps to provide relief for impacted communities. It also addresses the longstanding exclusion of the insular areas from federal benefits and services available on the mainland – especially by expanding the federal Child Tax Credit to reduce child poverty.

KEY FEATURES OF THE AMERICAN RESCUE PLAN SET TO BENEFIT THE INSULAR AREAS

COVID-19 VACCINE & TESTING: The American Rescue Plan includes billions of dollars for COVID-19 testing and vaccine distribution to support state, local, Tribal, and territorial public health departments. A robust vaccination program is especially important in areas like Puerto Rico and the Federated States of Micronesia, which the Centers for Disease Control and Prevention finds have some of the lowest vaccination rates among U.S. and Freely Associated State jurisdictions.

TRANSFORMATIONAL ECONOMIC MOBILITY TOOLS: It expands access to the federal Earned Income Tax Credit (EITC) to include U.S. Territories, where many residents have historically been ineligible. For example, Puerto Rico will receive an additional \$600 million for its local EITC program, expanding its value to \$800 million/year.

The American Rescue Plan also expands the federal Child Tax Credit (CTC) for a year to \$3,600 for each child under six and \$3,000 for each child aged 6-17 for one year, and removes prior limitations that excluded families in the territories with fewer than three children from the CTC. The American Rescue Plan is projected to cut national child poverty in half by the end of the year. This investment is especially crucial in Puerto Rico, where an estimated 58 percent of children live in poverty.

IMMEDIATE ECONOMIC RELIEF: Americans in the territories qualify for the \$1,400 recovery rebates provided by the new stimulus package. The American Rescue Plan maintains the eligibility of residents of the territories and Freely Associated States for unemployment benefits initially included in the CARES Act, continuing to provide \$300 weekly benefits for residents until September 6, 2021. \$1 billion is allocated for nutritional assistance programs in American Samoa, the Northern Mariana Islands, and Puerto Rico. Among the \$10 billion provided for homeowner assistance, Puerto Rico will receive a minimum of \$50 million. American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands will each receive \$30 million. More than \$300 million in rent payment assistance will be provided to residents of the five U.S. Territories.

DEVELOPMENT & INFRASTRUCTURE: The Coronavirus State Fiscal Recovery Fund reserves \$4.5 billion in emergency funding for territories. The Coronavirus Capital Projects Fund aimed at broadband expansion provides a minimum \$100 million distribution to Puerto Rico. An additional \$100 million will be divided among the other territories and Freely Associated States. The U.S. Department of Education will provide nearly \$3 billion to Puerto Rico and \$850 million to American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands for efforts to reopen K-12 schools and equitably expand access to education. The American Rescue Plan provides \$118 million in urban transit funding for the 11 regions of Puerto Rico.

SUPPORT FOR SMALL BUSINESSES: More than \$50 billion will be distributed to small businesses nationally, including \$7.25 billion for the Payroll Protection Program and \$28.6 billion for small and mid-sized restaurants. An additional \$15 billion is provided for the Economic Injury Disaster Loan Advance (EIDL). This will benefit more than 50,000 small businesses in the territories.