THE AMERICAN RESCUE PLAN ACT AND ASSISTANCE TO GRANITE STATE HOUSEHOLDS

PRESENTED BY PHIL SLETTEN, SENIOR POLICY ANALYST

ARPA FISCAL RECOVERY FUNDS IN NH: VIRTUAL RESOURCES AND INFORMATION FAIR
JULY 26, 2021
PANDEMIC’S NEGATIVE IMPACTS GREATEST ON LOW-WAGE WORK

PERCENT CHANGE IN EMPLOYMENT IN NEW HAMPSHIRE

Notes: Change in employment rates (not seasonally adjusted) indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos.

COVERING EXPENSES STILL DIFFICULT FOR MANY NEW HAMPSHIRE HOUSEHOLDS

PERCENTAGE OF ADULTS LIVING IN HOUSEHOLDS WHERE IT HAS BEEN SOMEWHAT OR VERY DIFFICULT TO PAY FOR USUAL HOUSEHOLD EXPENSES DURING THE LAST SEVEN DAYS IN NEW HAMPSHIRE

Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA)

American Rescue Plan Act (ARPA)

Period (Calendar Years 2020 and 2021)

Note: Margin of error bars represent 90 percent confidence intervals
DIRECT ARPA BENEFITS TO HOUSEHOLDS

• Provided Economic Impact Payments, generally $1,400 per person for low- and middle-income households, one-time transfer

• Enhanced subsidies for health insurance on individual marketplace in 2021 and 2022, reducing premiums for people under 400% of the federal poverty guidelines (FPG), eliminating benchmark plan premiums under 150% FPG, capping premiums over 400% FPG

• Expanded unemployment compensation eligibility, additional $300 per week benefits funded by the federal government through September 6, 2021 (ended earlier in New Hampshire)

• Increased Supplemental Nutrition Assistance Program (SNAP) benefits, a 15% boost, to continue through September 2021

• Increased Women, Infants, and Children Nutrition Program (WIC) benefits for fruits and vegetables (June–September in NH)

Sources: NHFPI, Federal American Rescue Plan Act Directs Aid to Lower-Income Children, Unemployed Workers, and Public Services, March 26, 2021; New Hampshire Department of Health and Human Services; U.S. Department of Health and Human Services; U.S. Department of the Treasury; Center on Budget and Policy Priorities; Kaiser Family Foundation
DIRECT ARPA BENEFITS TO HOUSEHOLDS

- Expanded Earned Income Tax Credit for certain adults in 2021
- Expanded and enhanced Child Tax Credit, fully-refundable, with monthly delivery of half of benefit, for 2021 only
- Funded rent, utility assistance for certain households with low incomes ($115.4 million to State of NH, $21.0 million to Hillsborough County, $15.6 million to Rockingham County)
- Created Homeowner Assistance Fund ($50.0 million to NH)
- Boosted Child Care and Development Block Grant, may be used on childcare subsidies, eligibility changes ($29.7 million to NH)
- Added funding for Low-Income Household Water Assistance Program, a recently-created program, and the Low-Income Home Energy Assistance Program

Sources: NHFPI, Federal American Rescue Plan Act Directs Aid to Lower-Income Children, Unemployed Workers, and Public Services, March 26, 2021; New Hampshire Department of Health and Human Services; U.S. Department of Health and Human Services; U.S. Department of the Treasury; Center on Budget and Policy Priorities; U.S. Federal Reserve System Early Care and Education Work Group
## Key Policies Boost Weak Economies

### Returns on Investment from Certain Policies
Fiscal Stimulus Multipliers, First Quarter of 2009

<table>
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<tr>
<th>Selected Policy Change Analyzed</th>
<th>Economic Growth Per $1 Invested</th>
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<tr>
<td>Temporary Increase in Supplemental Nutrition Assistance Program Benefits</td>
<td>$1.74</td>
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<td>Temporary Federal Financing of Work-Share Programs</td>
<td>$1.69</td>
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<td>Extension of Unemployment Insurance Benefits</td>
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<td>Increase in Infrastructure Spending</td>
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<td>General Aid to State Governments</td>
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<td>Child Tax Credit*</td>
<td>$1.38</td>
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<td>Payroll Tax Holiday for Employees</td>
<td>$1.27</td>
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<td>Earned Income Tax Credit*</td>
<td>$1.24</td>
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<tr>
<td>Low Income Home Energy Assistance Program</td>
<td>$1.13</td>
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<tr>
<td>Payroll Tax Holiday for Employers</td>
<td>$1.05</td>
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<td>Temporary Across-The-Board Tax Cut</td>
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<tr>
<td>Making Permanent Existing Reductions in Dividend and Capital Gains Taxes</td>
<td>$0.39</td>
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<td>Permanent Reduction in Corporate Tax Rate</td>
<td>$0.32</td>
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*Note: Evaluated relative to the parameters of the federal 2009 American Recovery and Reinvestment Act

OUTREACH PERMITTED USE OF FISCAL RECOVERY FUNDS

Interim Final Rule for Coronavirus State and Local Fiscal Recovery Funds identifies permissible expenses for key outreach services:

• Public benefits navigators to assist community members in applying for available public benefits services

• Services and outreach to promote access to physical and behavioral primary health care and preventative medicine

• Community health workers to access health and other services

U.S. Treasury Department:

• “…encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.”

• Fiscal Recovery Funds can help address “…systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.”

Source: U.S. Department of the Treasury, Interim Final Rule, May 10, 2021

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OUTREACH AND NAVIGATORS MAY BENEFIT LOCAL RESIDENTS, ECONOMY

- Connecting residents with services for which they are already eligible may bring more resources to local economy
- Many benefits are temporary, may be complex
- Risks of underuse of Child Tax Credit for those who do not file taxes, Earned Income Tax Credit for those newly eligible; Child Tax Credit may benefit 85 percent of New Hampshire children, and Earned Income Tax Credit expansion could bring as much as $43 million to state residents
- U.S. Census Bureau income statistics suggest up to 17,000 children eligible for SNAP not enrolled in 2019, or up to $37.9 million in forgone benefits if each child is in an average-benefit SNAP recipient household
- Medicaid enrollment has increased, requirement changes at end of federal Public Health Emergency
- Long-term benefits when residents can enroll in programs when needed

ADDITIONAL NHFPI RESOURCES


See more resources at nhfpi.org.
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