Rural communities were hit with a particular set of challenges stemming from and worsened by the COVID-19 pandemic, including access to health care and broadband and the economic struggles of agricultural-dependent families and communities. In response, the American Rescue Plan (ARP) Act includes more than $2.17 billion in funds reserved specifically for rural communities along with additional funding that can be utilized to address rural policy. States can leverage ARP funding to invest in rural communities.

The ARP allocates $500 million to the U.S. Department of Agriculture (USDA) for grants to support rural healthcare expansion (through Emergency Rural Development Grants for Rural Health Care, Section 1002)

The Center for Disease Control and Prevention (CDC) lists rural residents as having increased risk of contracting COVID-19 or other serious illnesses due to “long-standing systemic health and social inequities.”

Permitted use of funds include:

- Vaccine distribution (including staffing)
- Telehealth expansion
- Medical supplies
- Reimbursement of revenue lost during the COVID-19 pandemic (see next section)
- Healthcare infrastructure (permanent or temporary)
- Other efforts related to COVID-19

Eligible recipients include local governments, nonprofit organizations, and tribal governments serving rural areas based on having a median household income less than the poverty line or the applicable percentage of the state nonmetropolitan median household income as determined under 7 U.S.C. 1991(a)(13)(C), whichever is greater. The discretionary grant program must be active by August 8, 2021, and funds will be available until September 2023. Up to 5% of the funds are reserved for USDA administrative costs and technical assistance. As further guidance is provided by USDA to access these funds, CSG will update this resource.

The ARP allocates up to $4 billion to defray up to 120% of farm loan debts for members of socially disadvantaged groups (through Farm Loan Assistance for Socially Disadvantaged Farmers and Ranchers, Section 1005).

Agricultural economies, including farms and farm households, have faced due to lower demand for commodity crops and loss of wages for farmers from off-farm labor during the pandemic. These effects may be even more pronounced for socially disadvantaged workers. Two sections of the ARP focus on the classification of “socially disadvantaged” farmers, ranchers, and forest land owners, defined under 7 U.S.C. 2279(A)(6) to include any practitioner who is a member of a group that has been “subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.”
The ARP allocates $1.01 billion to USDA for distribution through the USDA Assistance and Support for Socially Disadvantaged Farmers, Ranchers, Forest Land Owners and Operators, and Groups, (Section 1006).

The ARP specifies that $207.5 million of the appropriated amount be used to:

- Provide outreach, mediation, financial training, capacity building training, cooperative development training and support, and other technical assistance
- Improve land access
- Support and supplement agricultural research, education, and extension, as well as to furnish scholarships and programs that provide internships and pathways to Federal employment
- Support former farm loan borrowers that suffered related adverse actions or past discrimination or bias in Department of Agriculture programs
- Support activities of one or more equity commissions that will address racial equity issues within the Department of Agriculture and its programs

The ARP appropriates $100 million to the Department of Agriculture to provide housing support for certain low-income residents of rural areas including (through Emergency Assistance For Rural Housing, (Section 3203).

Rural communities face particular challenges with housing affordability, including high construction costs and low levels of credit access, when compared to urban areas. The ARP focuses this funding on housing costs associated with rent and mortgage payments in the form of:

- Rental assistance grants
- Payments for purchased housing to adjust for temporary income losses

These funds will remain available until September 30, 2022.

Approximately $352.6 billion of ARP funds are eligible for use in expanding broadband, information technology, telecommunications, water, and sewer infrastructure

The rapid rise of remote work and virtual schooling during the pandemic has highlighted the importance of ensuring fast and secure internet access for all populations. About 28% of homes in rural communities do not currently have home broadband and also have less convenient access to public internet resources, such as public libraries. With many jobs, schools, and important services like healthcare increasingly dependent on internet access, closing gaps in broadband coverage has important co-benefits in a modern economy.

Accordingly, the Coronavirus State and Local Fiscal Recovery Funds and the Coronavirus Capital Projects Fund may be used for expanding broadband infrastructure as well as the water and sewer infrastructure needs of rural communities. Additional funds are available to provide payment assistance for broadband customers, upgrade information technology equipment at schools and libraries, and support small and rural public broadcasting stations.
<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (Millions USD)</th>
<th>Recipient</th>
<th>Eligible uses</th>
<th>Available until</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronavirus State Fiscal Recovery Fund (Section 9901)</td>
<td>$195,300</td>
<td>State governments</td>
<td>Necessary investments in water, sewer, or <strong>broadband</strong> infrastructure (many other authorized uses)</td>
<td>12/31/2024</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>Coronavirus Local Fiscal Recovery Fund (Section 9901)</td>
<td>$130,200</td>
<td>Local governments</td>
<td>Necessary investments in water, <strong>sewer</strong>, or <strong>broadband</strong> infrastructure (many other authorized uses)</td>
<td>12/31/2024</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>Coronavirus Capital Projects Fund (Section 9901)</td>
<td>$10,000</td>
<td>State, territory, and tribal governments</td>
<td>Critical capital projects directly enabling work, education, and health monitoring, including remote options</td>
<td>Expended</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>Homeowner Assistance Fund (Section 2306)</td>
<td>$9,961</td>
<td>State, territory, and tribal governments</td>
<td>Payment assistance for internet service (and other forms of homeowner assistance, inc. mortgage &amp; utility payment relief)</td>
<td>9/30/2025</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>Federal Communications Commission Emergency Connectivity Fund (Section 7402)</td>
<td>$7,171</td>
<td>Schools and libraries</td>
<td>Eligible information technology equipment and/or advanced telecommunications services (broadband)</td>
<td>9/30/2030</td>
<td>Discretionary - Schools and libraries must apply</td>
</tr>
<tr>
<td>Corporation for Public Broadcasting (Section 7601)</td>
<td>$175</td>
<td>Public telecommunications entities</td>
<td>To maintain programming and preserve small and rural stations threatened by declines in non-federal revenues</td>
<td>Expended</td>
<td>Formula - CLICK HERE</td>
</tr>
</tbody>
</table>

1Note: The amounts listed for these funds represent the total appropriation. Other eligible uses for these funds are specified in the ARP.
2Funding allocations for the Coronavirus State and Local Fiscal Recovery Funds can be found on the U.S. Department of the Treasury website (CLICK HERE) under “Allocation Information.”
The ARP includes $382 million in dedicated funding to support rural transportation infrastructure, with $2.2 billion in assistance available for both rural and urban areas (Section 3401.) These funds are awarded through existing Federal Transit Administration grant programs and are intended to defray general operating expenses.

<table>
<thead>
<tr>
<th>Source</th>
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<th>Available until</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5307 or 5311 - Additional Assistance*</td>
<td>$2,207</td>
<td>State and local governments</td>
<td>Operating expenses (urban or rural areas)</td>
<td>9/30/2024</td>
<td>Discretionary - State and local governments must apply (notice of funding opportunity in development)</td>
</tr>
<tr>
<td>5311 - Formula Grants for Rural Areas</td>
<td>$276</td>
<td>State governments</td>
<td>Operating expenses</td>
<td>9/30/2024</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>5311(f) - Intercity Bus Program</td>
<td>$100</td>
<td>State governments</td>
<td>Operating expenses</td>
<td>9/30/2024</td>
<td>Formula - CLICK HERE</td>
</tr>
<tr>
<td>5311(b)(3) - Rural Transportation Assistance Program</td>
<td>$6</td>
<td>State governments</td>
<td>Operating expenses</td>
<td>9/30/2024</td>
<td>Formula - CLICK HERE</td>
</tr>
</tbody>
</table>

In addition to these funds for rural areas, the ARP provides $5 million for public transportation on Native American reservations under Section 5311(c)(1).

**Additional Resources**

To read more about state COVID-19 vaccination plans, [CLICK HERE.](#)

To read more about ARP funding allocated to support homeowners, renters, and individuals experiencing homelessness, [CLICK HERE.](#)

To read more about ARP funding allocated to support information technology, [CLICK HERE.](#)

To read more about ARP funding allocated to support transportation infrastructure, [CLICK HERE.](#)

To read more about ARP state Federal Transit Administration Apportionments, [CLICK HERE.](#)

**For More Information**

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