

THE AMERICAN RESCUE PLAN ACT: OPPORTUNITIES FOR STATE ADVOCATES

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ZERO TO THREE
Early connections last a lifetime

The recently enacted [American Rescue Plan](#) (ARP) is sweeping in scope. But how do we get a handle on what's in it for babies and families—and how we can help ensure this aid gets to the families who need it? ZERO TO THREE has sorted out the array of provisions that could benefit families, using a framework we developed in March 2020, following the enactment of two COVID-19 relief bills. Many gaps have remained in meeting the needs families. Analysis of these gaps was organized into briefs on [5 Critical Needs for Babies in COVID-19](#). The American Rescue Plan addresses many of those needs, as well as additional provisions contained in our agenda for the 117th Congress: [Recovery Begins with Babies and Families: An Agenda for the Administration and the 117th Congress](#). Many of these funds and programs flow through states, giving advocates opportunities to shape how they are used and/or increase awareness among families about available benefits and services. In addition, many of these gains are one-time funding and may be available for a limited time, so there is a lot of work to be done to sustain them. Other funds can be spent over a longer period of time, which means states can cover pandemic-related needs that linger into future years. In some cases, states will have to make decisions about whether to fill gaps now or use resources for building longer-term foundations.

Critical Need 1: Early Care and Learning

- **Child care:** \$40 billion total through:
 - \$24.5 billion stabilization fund for states to provide direct support to child care providers
 - \$14.5 billion for CCDBG to support increased access to care subsidies for working families
 - \$633 million per year increase in mandatory CCDF funds with no state match through FY22
 - **Opportunity:** The robust ARP funding should allow states to include in their plans such steps as addressing child care workforce needs, including equitable compensation and benefits, especially for infant teachers who are most underpaid; grant- and contract-based strategies to build the supply of child care in underserved communities and expand types of care that have limited supply (such as infant-toddler care and Family Child Care); mental health support for children and early educators through creation and expansion of mental health consultation; expanding staffed Family Child Care Networks; and strengthening TA and coaching.

Advocates can ensure families know to check their eligibility and whether there are funds available in their areas by reaching out to their local child care resource and referral agency, or to the agency in their county that handles child care subsidies. More information for providers is forthcoming, and advocates can help providers once that guidance is available. The most immediate next step providers should take as they await

more information is to reach out to their lead agency on a timetable for setting up the application website and subgrant process.

- **Early Head Start/Head Start:** \$1 billion for pandemic-related needs available through September 30, 2022. These needs could include additional staffing to accommodate social distancing; equipment for protection as well as unexpected items such as additional refrigerators to hold individually packaged lunches instead of food to be served family-style; and cleaning, including expanded janitorial staff and overtime to perform deeper cleaning and sanitize toys and other equipment.
- **Part C of IDEA:** \$250 million for FY21.
 - **Opportunity:** While no uses are specified and guidance from the Office of Special Education Programs within the Department of Education is forthcoming, needs include technology and training for virtual visits, including technology for families; coverage gaps for tele-health visits; robust outreach for families missing services and developmental screening.

Critical Need 2: Economic Security

- **Emergency Paid Leave Extension**
 - Extends the payroll tax credits that employers providing paid leave can access from March 31, 2021 to September 30, 2021
 - Increases the total amount of wages for which an employer can claim the credit in a year from \$10,000 to \$12,000 per employee
 - Expands purposes for longer-term paid family leave to match all of the purposes for shorter-term paid sick leave (personal health and family caregiving, in addition to caring for a child whose school or place of care has closed)
 - Allows credits for an employee to receive or recover from a vaccination
 - Resets the clock on March 31, 2021 so employees can take leave again
 - Allows access to the credits for state and local governments, as well as Federal governmental instrumentalities, that are tax-exempt 501(c)(1) organizations
 - **Opportunity:** Advocate to employers to provide this leave, which could not be made mandatory on reconciliation. Small businesses (<500 employees) can recoup their payments through tax credits, but that may not be an incentive for businesses with a high turnover anyway or those who cannot easily replace a worker.
- **Child Tax Credit Expansion and Refundability:**
 - Increases to \$3,000 per child (\$3,600 for children under 6); fully refundable and advanceable for 2021 only
 - New amount begins phasing down at \$75,000 for single filers, \$150,000 for joint filers until plateaus at current \$2,000 credit, then phasing out as under current law until income reaches \$400,000 for joint filers and \$200,000 for other filers
 - **Opportunity:** Many families who will newly benefit from the fully refundable CTC will typically be non-filers; to benefit they will need to both know they are eligible and be

connected to IRS systems to receive periodic payments. Advocates can support families who will newly benefit from the CTC through public education and technical support, as the IRS system to administer the tax credit is being set up.

- **TANF: \$1 billion**
 - May only be used for non-recurrent short-term benefits such as emergency housing or utilities payments, emergency food aid, clothing allowances, and back to school needs; available through FY22
 - States/DC must notify HHS of intent to use allotted funds within 45 days from enactment, which means by **April 25, 2021**. Tribal TANF and territories have 90 days.
 - **Opportunity:** Ensure states, Tribes, and territories request their allotments by the deadlines. Recipients must be families with children, but the state has flexibility to provide these one-time emergency cash payments to families who are not eligible for regular TANF payments.

- **Pandemic Unemployment Insurance:** Federal supplementary payment is increased to \$300/week through September 6, 2021.

Critical Need 3: Family Support

- **Community-Based Child Abuse Prevention:** \$250 million to expand prevention programs
 - Flexible funding that can be used for a range of family and community needs, such as home visits, family resource centers, material needs, and connections to other services in the community, available through FY23.
 - **Opportunity:** These funds will flow to the state lead agency, which varies by state, to be used for a flexible menu of services to create connections with families who may still be isolated and help them meet their needs. Advocates could weigh in on where the funds could best be used.

- **MIECHV:** \$150 million
 - Funds can be used to serve families with home visits or with virtual visits, to pay hazard pay or additional staff costs associated with providing home visits, for training, to provide emergency supplies (such as diapers and diaper supplies) to eligible families, coordinating with and providing reimbursement for supplies to diaper banks, and to provide prepaid grocery cards to eligible families in MIECHV but should be for one-time uses rather than expanding capacity; available through FY22.
 - **Opportunity:** Advocates could weigh in on where funds could best be used and encourage outreach to families.

Critical Need 4: Social-Emotional Health

- **Mental Health and Substance Abuse Block Grant Funding**
 - \$1.5 billion for Community Mental Health Block Grant (CMHBG); \$1.5 billion for substance abuse prevention and treatment; available through FY25

- **Opportunity:** No funds were targeted specifically at young children and their families were included. Advocates could encourage state agencies to direct funding from the CMHBG toward supporting maternal and IECMH mental health.

Critical Need 5: Basic Needs

- **Housing:** Nearly \$50 billion in housing and homelessness provisions
 - \$27.4 billion rental assistance including:
 - \$21.55 billion through the Treasury Department’s Coronavirus Relief Fund for Emergency Rental Assistance available through FY27
 - \$5 billion Housing Choice Vouchers to transition people at risk of homelessness, domestic violence, or trafficking to stable housing
 - \$750 million for the Native American Housing Block Grants, Native Hawaiian Housing Block Grants, and Indian Community Development Block Grants programs
 - \$5 billion emergency Homelessness assistance available through FY30
 - \$5 billion for utility and water assistance through LIHEAP and the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program; available through FY22
 - \$10 billion in homeowner assistance
 - **Opportunity:** Advocates can work with state agencies and communities to file plans for using the funds. Further, ensuring families understand their rights, the process, and documentation needed is critical. In addition, the Centers for Disease Control has extended the eviction moratorium to June 30, 2021. Advocates can ensure families at risk of eviction are aware of their rights and help them navigate the process of forestalling evictions as they await rental assistance.

- **Nutrition: WIC**
 - A four-month increase in WIC’s Cash Value Benefit, raising the benefit for fruit and vegetable purchases from \$9 per month for children/\$11 per month for women up to \$35 per month for the family.
 - **Opportunity:** Guidance from the Food and Nutrition Services at the US Department of Agriculture should be available soon. States likely will have to indicate if they are adopting the enhanced Cash Value Benefit and specify the 4-month period before September 30, 2021. Increased modernization funding at the USDA level will not be distributed directly to states, but an overall flag from *State of Babies Yearbook: 2021 (coming in April)* is that the WIC percentage of eligible infants served has dropped. Advocates can look for ways to increase the number of families accessing these benefits.

- **Nutrition: Pandemic Electronic Benefit Transfer (P-EBT)**
 - P-EBT extended to young children—adds the P-EBT benefit to SNAP benefit for families with children under 6 whose families have received SNAP during the period retroactive to October 1, 2020. A broad definition of eligibility allows many families to qualify for

funds. This was originally allowed under the October 1st CR and clarified in the December relief bill.

- States must submit a state plan
- **Opportunity:** Advocates can work with their state agency to ensure their state plan is completed quickly and effectively includes families in need. Some states may require families to complete an application, so advocates can support families in that way.
- **Nutrition: SNAP** (*new as of April 1, 2021*)
 - 15% boost for households at or close to the maximum level of SNAP benefits who were not previously receiving at least \$95 per month in increased benefits through emergency allotments during the pandemic. The 15% increase was already available to families where the increase did not exceed the maximum SNAP benefit. Available through FY21.
 - **Opportunity:** This benefit increase is not automatic. States must choose to adopt it. Advocates can work with their state agency to ensure that this increased benefit is offered to households at or close to the maximum benefit level.

Health Benefits

- **Medicaid 12 month post-partum coverage option**
 - Option available for 5 years
 - **Opportunity:** Advocate with state legislature and Medicaid agency to adopt this option.
- **Medicaid expansion:**
 - States that haven't adopted Medicaid expansion receive incentives of increased FMAP for their regular Medicaid programs
 - **Opportunity:** Advocate with state legislature and Medicaid agency to adopt expansion.