

American Rescue Plan Provisions to Serve Young Families

APRIL 2021

Young parents jointly navigating adulthood and parenthood commonly face obstacles such as disruption in education, unemployment, financial instability, lack of access to child care, and lack of parenting experience or familial supports. Despite these obstacles, they also possess a unique capacity to learn and a strong desire to see their children and family thrive. Particularly in the wake of COVID-19, this presents an opportunity for human services organizations to employ a targeted approach to disrupt intergenerational poverty, informed by the needs and perspectives of young families served across multiple systems. The American Rescue Plan, signed into law on March 11, 2021, authorizes \$1.9 trillion in funding for COVID-19 relief and recovery efforts and includes major investments in a wide range of human services areas. APHSA has highlighted key provisions of the law relevant to young parents with children that will allow public sector leaders to maximize their capacity in serving these young families.

Federal provision, highlighted in blue, are followed by recommended steps State and local human service agencies can take to maximize impact for young families.

Direct Stimulus Package – Includes a \$1,400 payment to supplement the \$600 provided in December.

Create awareness campaigns and navigation centers to ensure and assist young parents in receiving their stimulus payment. This is especially important for non-filers who are more likely to not be identified by the IRS. Resources from the Consumer Financial Protection Bureau can found here.

Child Care – Provides \$39 billion for childcare, including nearly \$24 billion for Child Care Stabilization grants and \$15 billion for the Child Care and Development Block Grant (CCDBG) program.

CCDBG funds can be used flexibly by states, including for child care subsidies to young families. Provide state guidance and oversight to providers receiving Stabilization grants. Providers must provide tuition or copayment relief to families in need. States are encouraged to expand eligibility to as many families as possible under CCDBG, waive income limits for essential workers, and establish an outreach campaign to inform providers and eligible families.

Head Start – Provides \$1 billion.

Ensure Head Start programs have the resources they need to continue safely providing services to children and families throughout the pandemic.

Higher Education – Provides \$39.6 billion to colleges and universities and their students.

At least half of this funding must be spent on emergency financial aid grants to students to help them with college costs and basic needs like food, housing, and health care. Institutions of higher learning should prioritize young parents in their outreach for financial aid grants and assistance.

SNAP – Extends the Pandemic EBT program through the summer and following school years affected by COVID-19, and extends the 15% increase in SNAP benefits through September 30, 2021.

Ensure flexibilities within the statute are leveraged to the maximum extent to provide P-EBT benefits to as many, if not all, children under six receiving SNAP during both the school year and summer months.

WIC – Increases funding for modernization and increases the Cash Value Voucher benefit for purchasing fruits and vegetables.

Utilize funding for outreach and modernization to make the WIC program more user-friendly and increase the number of families who benefit from the program. Inform eligible families on the increased cash value of vouchers.

TANF Pandemic Emergency Assistance –

Makes available \$1 billion for non-recurrent, short term benefits that must be expended by September 30, 2022.

Target short-term cash assistance to young families with children under the age of 6 via direct one-time cash payments. Consider populations such as TANF and SNAP recipients and kinship providers.

Child Abuse Prevention Treatment Act (CAPTA) –

ARPA includes \$350 million in funding for programs authorized under CAPTA. This includes \$250 million in funding for community-based child abuse prevention (CBCAP) programs.

Investments should be made in CBCAP programs that strengthen and support families such as the Housing Hope Teen and Young Families program that provides mothers aged 16-24 with case management, housing, and education assistance.

Low Income Home Energy Assistance Program (LIHEAP) –
Includes \$4.5 billion.

Children under 5 are considered one of the priority populations for LIHEAP. Prioritize young family households for assistance with paying for energy. Target young families for arrearage assistance that are at risk of or experiencing a utility shut-off. Align application/verification process with other systems to expedite assistance to young families.

Low Income Water Assistance Program –
Provides \$500 million.

Prioritize young family households for assistance with paying for drinking water and wastewater services. Align application/verification process with other systems to expedite assistance to young families.

Healthcare Support Medicaid Expansion –
Offers a 5% increase on a state's base FMAP rate for two years if they expand Medicaid coverage.

States can take advantage of this incentive to expand healthcare coverage for families with low income who do not currently meet the Medicaid thresholds.

Tax Relief Expansion of Child Tax Credit (CTC) –

Will increase the amount of the CTC, from \$2,000 to \$3,000 (with a \$3,600 credit for children under the age of 6). The CTC will also be fully refundable.

Create awareness campaigns and navigation centers to ensure young parents are able to file their taxes.

Tax Relief Child and Dependent Care Tax Credit (CDCTC) –

Provides an expansion of the CDCTC that includes increasing the credit so households can receive a total of up to \$4,000 for one child or \$8,000 for two or more children, making it fully refundable.

Create awareness campaigns and navigation centers to ensure young parents are able to file their taxes.

Housing Assistance Emergency Rental Assistance –
\$21.55 billion in Emergency Rental Assistance.

May be used to augment funds provided to states, localities, and territories in December to help young families pay rent and utilities and stay in their homes. Align application/verification process with other systems to expedite assistance to young families.

Housing Assistance Emergency Housing Vouchers –
\$5 billion for emergency housing vouchers. Vouchers will expire after these assisted families no longer need them.

Prioritize high-need homeless and at-risk families to provide a more stable platform to access health care, education, and jobs.

Unemployment Insurance –

Extends Federal Pandemic Unemployment Compensation at \$300/week through September 6, 2021 and provides tax relief on unemployment benefits.

Create awareness campaigns and navigation centers to ensure young parents eligible for extended unemployment benefits. Align application/verification process with other systems to expedite assistance to young families.

Broadband Access –

Allocates \$7.1 billion through the E-Rate program.

Educate young families on possible assistance to technology and broadband access.