



Key Provisions of the American Rescue Plan for Nebraska Children and Families

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The American Rescue Plan Act offers one-time emergency funding to help stabilize and reinforce multiple areas of Nebraska's early childhood infrastructure.

First Five Nebraska offers information and insight to help policymakers make sound decisions on how best to use these resources to create educational, social and economic opportunity for our youngest children and their families.

American Rescue Plan Act

On March 11, 2021, President Biden signed into law the American Rescue Plan (ARP) Act of 2021. This is considered the third stimulus package offered by the federal government in response to the COVID-19 pandemic and includes a number of significant provisions affecting families and children in Nebraska. This document provides a brief overview of those provisions.

■ Child Care

The Child Care and Development Block Grant (CCDBG) is the primary federal funding source for child care subsidies to help low-income working families access child care and improve quality of child care for all children.

Nebraska can anticipate \$233 million in additional funds for child care from the ARP Act. These dollars include \$90 million for CCDBG activities and \$143 million for child care stabilization grants to providers (which may be used for personnel costs, rent, mortgage, utilities, PPE and any goods and services necessary to maintain or resume child care services).¹

New funds allocated to the CCDBG must be liquidated by the end of September 2024. Funds allocated to child care stabilization grants must be liquidated by the end of September 2023.²

■ Head Start

Head Start and Early Head Start programs promote school readiness for infants, toddlers and preschool-aged children from low-income families. More specifically, this encompasses Head Start preschool programs, which primarily serve 3- and 4-year-olds, and Early Head Start programs for infants, toddlers and pregnant women.

These programs deliver services to children and families in core areas of early learning, health and family well-being. Nebraska can anticipate \$5.7 million in federal funds to support Head Start programs. It is important to note that these funds are distributed directly to agencies that offer Head Start based on their total enrollment.³

¹ The \$233 million from the ARP Act is in addition to the \$60 million in CCDBG Supplemental funds allocated to Nebraska from the Coronavirus Aid, Relief and Response Supplemental Appropriations Act (CRRSA) passed on December 27, 2020.

² <https://www.clasp.org/publications/fact-sheet/child-care-estimates-american-rescue-plan>. Note the Federal Fiscal Year runs October 1 to September 30 and the Nebraska State Fiscal Year runs July 1 to June 30, so the dates given align with the Federal Fiscal Year.

³ <https://www.nhsa.org/press/congress-passes-emergency-spending-bill-to-provide-relief-to-families-and-communities-impacted-by-covid-19/>

Other provisions relevant to children and families in Nebraska

■ **Medicaid and the Children's Health Insurance Program (CHIP)**

The ARP Act would allow states to extend postpartum coverage for new mothers to one year, beyond the current coverage limitation of 60 days in Medicaid and CHIP. States may take up this option beginning April 1, 2022, through a state plan amendment and it will only be available to states for five years. This option was inserted into the ARP Act to address the high maternal mortality rate in the U.S.⁴

■ **Temporary Assistance for Needy Families (TANF)**

The Temporary Assistance for Needy Families (TANF) program is time-limited cash assistance to families with children in the home when the parents are unable to provide for the family's basic needs. The ARP Act includes \$1 billion in Pandemic Emergency Assistance allocated through TANF with \$4.4 million anticipated to go to Nebraska.⁵ The new ARP funds may not replace current state TANF expenditures.

ARP funds must be used within three main parameters: (1) benefits must deal with a specific crisis situation or episode of need; (2) funds must not meet recurring or ongoing needs; and (3) support for the family cannot extend beyond four months.⁶ Nebraska does not utilize all of its current TANF allocation and maintains an ongoing surplus of dollars in the TANF Rainy Day Fund.

■ **Supplemental Nutrition Assistance Program (SNAP)**

The Supplemental Nutrition Assistance Program (SNAP) enables individuals and families of low income to provide for their dietary needs. The ARP Act makes three critical changes in the SNAP program that are important to children and families:⁷

1. Extends to September 2021 the 15% increase in the maximum SNAP benefit for participants from the previous end date of June 2021;
2. Increases federal support for state administrative costs due to higher caseloads during the pandemic. It is anticipated Nebraska will receive \$3 million in additional federal dollars to support administrative costs. (Note: traditionally SNAP administrative costs require a 50% match from the state, these additional funds do not require a state match);
3. Extends Pandemic EBT (P-EBT) through the duration of the public health emergency. P-EBT is a program that provides grocery benefits to replace meals children miss when schools are closed. In previous COVID-19 relief bills P-EBT was extended to children below age 6 and included instances when schools and child care facilities were simultaneously closed.

⁴ <https://ccf.georgetown.edu/wp-content/uploads/2021/03/American-Rescue-Plan-signed-fix-2.pdf>

⁵ <https://crsreports.congress.gov/product/pdf/R/R46692>

⁶ <https://www.cbpp.org/blog/rescue-acts-pandemic-emergency-assistance-will-help-families-with-lowest-income>

⁷ <https://www.cbpp.org/research/food-assistance/food-assistance-in-american-rescue-plan-act-will-reduce-hardship-provide>

