

Child & Family Research Partnership

prenatal-to-3
policy IMPACT CENTER

The University of Texas at Austin
LBJ School of Public Affairs

How Will the American Rescue Plan Strengthen the Prenatal-to-3 System of Care?

A Summary of the 2021 Act's Benefits for Infants and Toddlers

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March 30, 2021

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The American Rescue Plan Allows States to Build an Effective and Equitable Prenatal-to-3 System of Care

Signed into law on March 11, 2021, the **American Rescue Plan**:

Expands
eligibility for
programs

Increases the
value and
refundability of
tax credits for
families

Provides
substantial
funding increases
to public
programs serving
families and
caregivers

Will reduce
child poverty by
half and lead to
greater equity

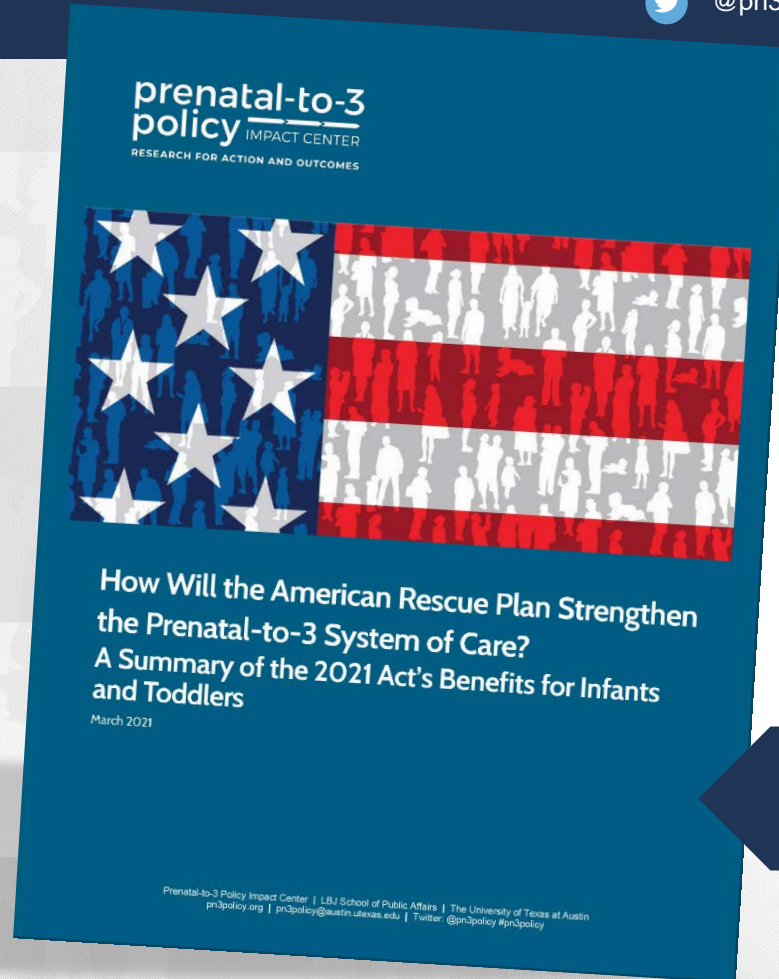
Funds Evidence-Informed Solutions

The **American Rescue Plan** supports evidence-based solutions and allows states unprecedented opportunities to be innovative and build the evidence on what works to support children and families:

A more generous, fully refundable child tax credit with monthly payments, and a fully refundable tax credit for child and dependent care expenses

A historic investment in child care, including \$15 billion for the child care subsidy program and \$24 billion to states to stabilize the child care industry

Incentives and options for states to expand health insurance coverage and other provisions that increase access to health care



Available at:
pn3policy.org/resources

The Importance of the Earliest Years

The prenatal to age 3 period is the most rapid and sensitive period of development, and sets the stage for all subsequent wellbeing

At birth, our brains expect to be wired. Nurturing environments with limited adversity promote healthy development

We must care for the caregivers so that they can care for the children

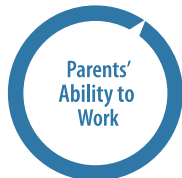
It takes a system of care. Broad based economic and family supports, combined with targeted interventions improve outcomes

Prenatal-to-3 Policy Goals



Access to
Needed
Services

Families have access to necessary services through expanded eligibility, reduced administrative burden, and identification of needs and connection to services.



Parents'
Ability to
Work

Parents have the skills and incentives for employment and the resources they need to balance working and parenting.



Sufficient
Household
Resources

Parents have the financial and material resources they need to provide for their families.



Healthy and
Equitable
Births

Children are born healthy to healthy parents, and pregnancy experiences and birth outcomes are equitable.



Parental Health
and Emotional
Wellbeing

Parents are mentally and physically healthy, with particular attention paid to the perinatal period.



Nurturing and
Responsive
Child-Parent
Relationships

Children experience warm, nurturing, stimulating interactions with their parents that promote healthy development.



Nurturing and
Responsive Child
Care in Safe
Settings

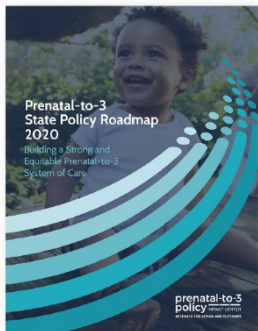
When children are not with their parents, they are in high-quality, nurturing, and safe environments.



Optimal Child
Health and
Development

Children's emotional, physical, and cognitive development is on track, and delays are identified and addressed early.

State Policy Roadmap Framework



pn3policy.org



Prioritize your state's SCIENCE-BASED POLICY GOALS
to promote optimal health and development of infants and toddlers



Adopt and implement EFFECTIVE POLICIES & STRATEGIES
to improve PN-3 goals and outcomes



Monitor your STATE'S PROGRESS toward adoption & implementation
of effective solutions



Track OUTCOMES TO MEASURE IMPACT
on optimal health and development of infants and toddlers

Effective Policies

Expanded Income Eligibility for Health Insurance

State has adopted and fully implemented the Medicaid expansion under the ACA that includes coverage for most adults with incomes up to 138% of the federal poverty level

Reduced Administrative Burden for SNAP

State's median recertification interval is 12 months or longer among households with SNAP-eligible children under age 18

Paid Family Leave

State has adopted and fully implemented a paid family leave program of a minimum of 6 weeks following the birth, adoption, or the placement of a child into foster care

State Minimum Wage

State has adopted and fully implemented a minimum wage of \$10 or greater

State Earned Income Tax Credit

State has adopted and fully implemented a refundable EITC of at least 10% of the federal EITC for all eligible families with any children under age 3



Effective Strategies

**Comprehensive
Screening and
Referral Programs**

Child Care Subsidies

Group Prenatal Care

**Evidence-Based
Home Visiting
Programs**

Early Head Start

**Early Intervention
Services**

GOALS

To achieve a science-driven PN-3 goal:

Access to Needed Services

Parents' Ability to Work

Sufficient Household Resources

Healthy and Equitable Births

Parental Health and Emotional Wellbeing

Nurturing and Responsive Child-Parent Relationships

Nurturing and Responsive Child Care in Safe Settings

Optimal Child Health and Development

POLICIES

Adopt and fully implement the **effective policies** aligned with the goal

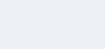
Expanded Income Eligibility for Health Insurance



Reduced Administrative Burden for SNAP



Paid Family Leave



State Minimum Wage



State Earned Income Tax Credit



OUTCOMES

Measure progress toward achieving the PN-3 goal

Health Insurance
Access to SNAP
Developmental Screenings

Parental Employment

Child Poverty
Crowded Housing
Food Insecurity

Preterm Births
Low Birthweight
Infant Mortality

Maternal Mental Health
Parenting Support

Daily Reading
Daily Nurturing Behaviors
Parenting Stress

Child Care Providers Participating in QRIS
Access to EHS

Breastfeeding
Immunizations
Child Maltreatment

GOALS

To achieve a science-driven PN-3 goal:



STRATEGIES

Make substantial progress relative to other states toward implementing the **effective strategies** aligned with the goal

Strategies	Access to Needed Services	Parents' Ability to Work	Sufficient Household Resources	Healthy and Equitable Births	Parental Health and Emotional Wellbeing	Nurturing and Responsive Child-Parent Relationships	Nurturing and Responsive Child Care in Safe Settings	Optimal Child Health and Development
Comprehensive Screening and Referral Programs	●							●
Child Care Subsidies	●	●	●					
Group Prenatal Care	●			●	●			●
Evidence-Based Home Visiting Programs						●		
Early Head Start						●	●	●
Early Intervention Services					●			●
Outcomes	Health Insurance Access to SNAP Developmental Screenings	Parental Employment	Child Poverty Crowded Housing Food Insecurity	Preterm Births Low Birthweight Infant Mortality	Maternal Mental Health Parenting Support	Daily Reading Daily Nurturing Behaviors Parenting Stress	Child Care Providers Participating in QRIS Access to EHS	Breastfeeding Immunizations Child Maltreatment

Measure progress toward achieving the PN-3 goal

The American Rescue Plan's Investments in the Prenatal-to-3 State Policy Roadmap's 11 Effective Solutions

Effective Policies	Policy Changes and Investments in the American Rescue Plan
Expanded Income Eligibility for Health Insurance	<ul style="list-style-type: none"> Temporarily reduces the proportion of monthly income families pay for health insurance Allows states to extend Medicaid coverage to postpartum women from 60 days to 12 months Provides \$20 million in grants for states to modernize their health insurance Marketplaces Incentivizes nonexpansion states to expand Medicaid by providing an additional five percentage point increase in the Federal Medical Assistance Percentage (FMAP)
Reduced Administrative Burden for SNAP	<ul style="list-style-type: none"> Provides \$1.1 billion in state grants for SNAP administration Extends the 15% increase in SNAP benefits until September 2021
Paid Family Leave	<ul style="list-style-type: none"> Provides tax credits to employers who offer paid family and sick leave to their employees from April through September of 2021
State Minimum Wage	<ul style="list-style-type: none"> Includes no federal minimum wage increases
State Earned Income Tax Credit	<ul style="list-style-type: none"> Offers a more generous federal EITC for workers with no children in the home (including noncustodial parents) Note: State EITCs are most often calculated as a percentage of the federal credit, so these workers will see their state credits increase as well

The American Rescue Plan's Investments in the Prenatal-to-3 State Policy Roadmap's 11 Effective Solutions

Effective Strategies	Policy Changes and Investments in the American Rescue Plan
Comprehensive Screenings and Referral Programs	<ul style="list-style-type: none"> Family Connects, an evidence-based comprehensive screening and referral program, is eligible to receive some of the \$150 million in funding allotted to home visiting programs
Child Care Subsidies	<ul style="list-style-type: none"> Invests \$15 billion in new funding for the Child Care and Development Block Grant, plus an increase to mandatory subsidy funding Provides \$24 billion in grants to states to stabilize the child care industry
Group Prenatal Care	<ul style="list-style-type: none"> Not directly addressed by the law, but can be supported through Medicaid funding
Evidence-Based Home Visiting Programs	<ul style="list-style-type: none"> Provides \$150 million in supplemental funding to home visiting programs
Early Head Start	<ul style="list-style-type: none"> Invests \$1 billion in additional funding for Head Start and Early Head Start
Early Intervention Services	<ul style="list-style-type: none"> Allots an additional \$250 million to provide services for infants and toddlers with disabilities and developmental delays

Currently, 22 states are seriously considering adopting at least one of five evidence-based policy solutions

<div>AL</div> <div>KS SD^{★★}</div> <div>TN WY</div> <div>TX</div>		<div>MN</div> <div>NM^{★★} VA^{★★}</div>	<div>DE HI[★]</div> <div>NM^{★★} RI[★]</div>	<div>AZ GA</div> <div>MO ND</div> <div>WA WV</div>	<div>DE HI</div> <div>MD MN</div> <div>NJ NM^{★★}</div> <div>NY OK</div>
Medicaid Expansion	Reduced Administrative Burden for SNAP	Paid Family Leave	State Minimum Wage	Adopting Refundable State EITC	Expanding EITC Eligibility or Generosity
States considering adoption of Medicaid expansion as defined under the ACA	States considering a 12-month eligibility period for any qualifying SNAP recipients	States considering adopting a PFL program of 6 weeks or more	States considering increasing their state minimum wage	States considering enacting a new refundable state EITC	States considering expanding eligibility or increasing generosity of an existing state EITC

As of March 25, 2021

- Bill out of committee / under consideration
- Passed by legislature
- Enacted
- ★ State minimum wage already above \$10/hr
- ★★ Regular session adjourned as of March 29, 2021

Other State Proposals

Extending Pregnancy Medicaid to 12 months postpartum

25 states had applied for 1115 waivers to extend coverage beyond 60 days, but ARP allows a state plan amendment option to extend coverage for 12 months


Family Connects

New Jersey introduced legislation to offer universal newborn home nurse visitation program

Child Care Subsidies Increased

CA and WA introduced bills to increase subsidies to at least 75th percentile of market rate. Other states are working to reduce copayments or increase subsidies

Expands Access to Affordable Health Insurance




More affordable health insurance for families due to temporarily reducing or capping the proportion of monthly income families pay for health insurance



Provides \$20 million in grants for states to modernize their health insurance Marketplaces



New option to extend health insurance coverage to postpartum women from 60 days to 12 months

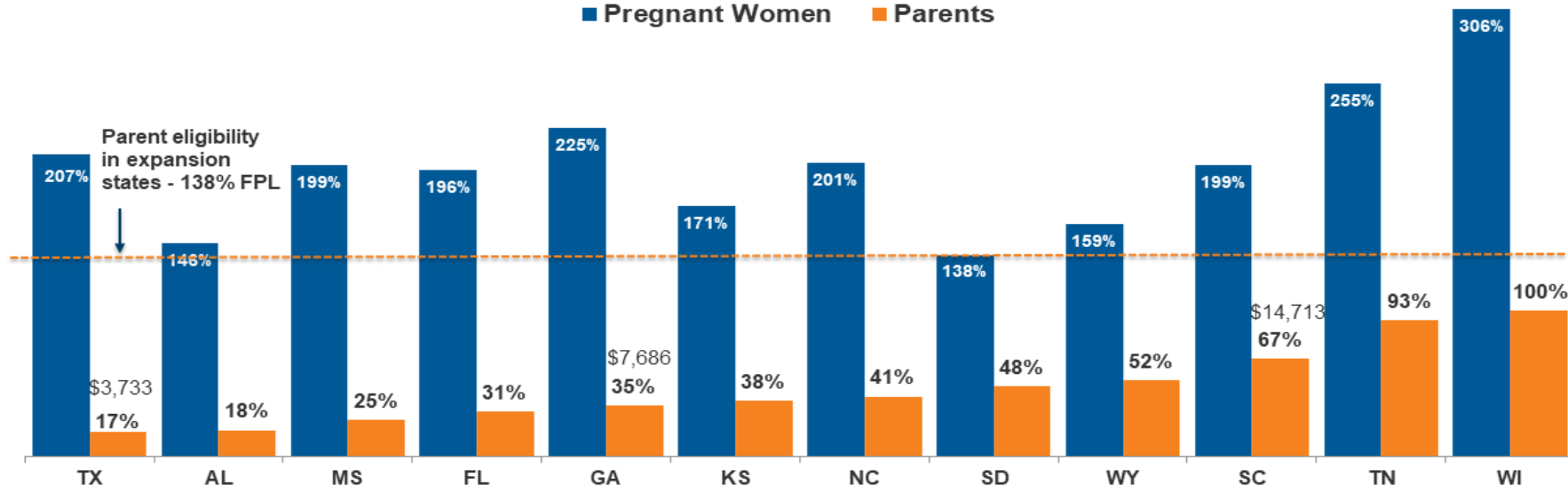


Incentivizes nonexpansion states to expand Medicaid by providing an additional temporary 5 percentage point increase in their regular Federal Medical Assistance Percentage (FMAP) for two years after expansion

Medicaid Income Eligibility Thresholds in Nonexpansion States

Medicaid eligibility thresholds for pregnant women compared to parents, 2021

■ Pregnant Women ■ Parents




NOTE: For pregnant women, reflects highest eligibility limit for pregnant women under Medicaid, CHIP, or the unborn child option. For "Parents," eligibility limits calculated as a percent of the Federal Poverty Level (FPL) & are calculated based on a family of three for parents. In 2021, the FPL was \$21,960 for a family of three. Thresholds include the standard five percentage point of the FPL disregard.


SOURCE: Based on national survey conducted by KFF with the Georgetown University Center for Children and Families, 2021.

Source: Ranji, U., Salganicoff, A., & Gomez, I. (2021) *Postpartum coverage extension in the American Rescue Plan Act of 2021*. KFF (Kaiser Family Foundation). <https://www.kff.org/policy-watch/postpartum-coverage-extension-in-the-american-rescue-plan-act-of-2021/>


Boosts Families' Access to Needed Nutrition Services



Provides \$1.1 billion in state grants for Supplemental Nutrition Assistance Program (SNAP) administration



Extends the 15% increase in SNAP benefits until September 30, 2021



Increases the maximum cash value of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) vouchers



Parents'
Ability to
Work

Nurturing and
Responsive Child
Care in Safe
Settings

Critical Support and Stabilization of Child Care



A historic \$15 billion investment in the child care subsidy program through new funding for the Child Care and Development Block Grant, plus an increase to mandatory subsidy funding

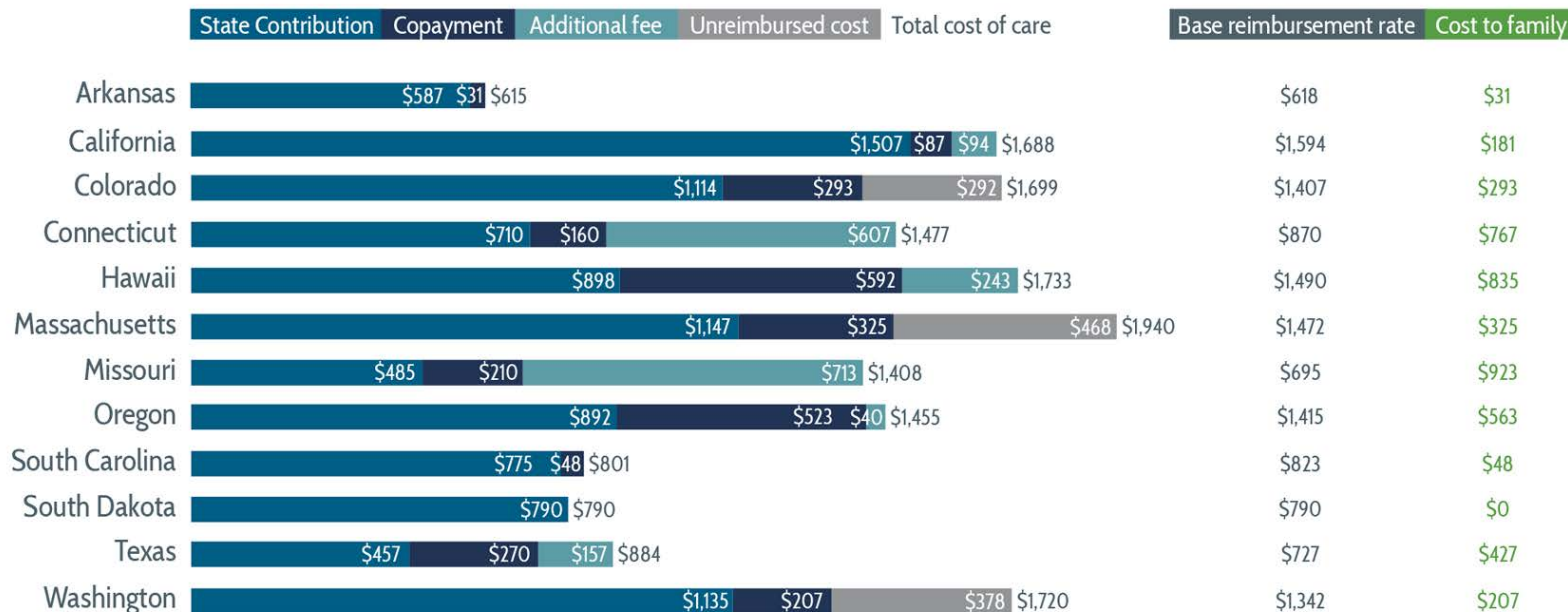


Provides \$24 billion in grants to states to stabilize the child care industry



Invests \$1 billion in additional funding for Early Head Start and Head Start

Distribution of the Total Cost of Child Care by State*



* 12 selected states. Complete list is in the 2020 State Policy Roadmap available at pn3policy.org/roadmap.

Source: National Women's Law Center, as of February 2019



Optimal Child
Health and
Development

Support for Programs that Promote Optimal Child Health and Development



Additional \$250 million to provide services for infants and toddlers with disabilities and developmental delays through Early Intervention



More support for the National Child Traumatic Stress Network



Generous support for child abuse prevention



Additional funding for the Pediatric Mental Health Care Access Program

Expanded Tax Credits That Will Significantly Reduce Child Poverty

▼
An expanded, fully refundable child tax credit

- The monthly disbursement of half of the credit's value, as well as full refundability and elimination of the earnings minimum, makes the credit effectively a child allowance

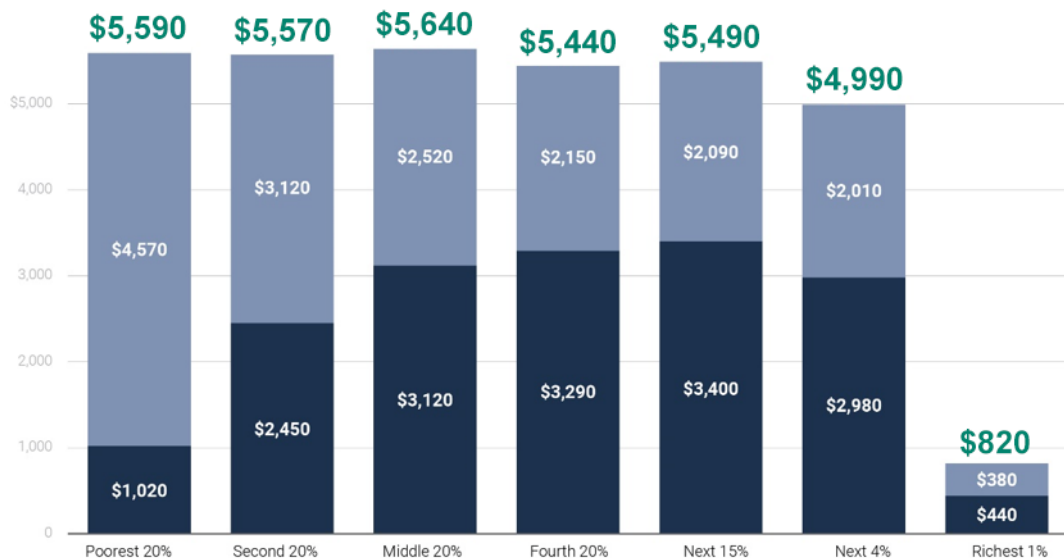
▼
A more generous, fully refundable child and dependent care tax credit

▼
An expanded earned income tax credit for low-income workers without children in the home (including noncustodial parents)

- State EITCs are most often calculated as a percentage of the federal credit, so these workers may see their state credits increase as well

How the American Rescue Plan Builds upon the Existing Child Tax Credit: Average Benefit by Income Group

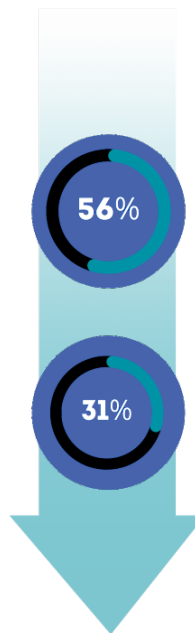
■ Current CTC Law ■ CTC Expansion in American Rescue Plan ■ Combined Impact



Impacts of American Rescue Plan provisions making the Child Tax Credit fully refundable (no dollar cap or earnings limit) and increasing to \$3,000/\$3,600 in 2020 in the United States. (Limited to Taxpayers with Children Under Age 17)

Source: Institute on Taxation and Economic Policy microsimulation model, January 2021

Source: Davis, A., Schieder, J., & Wamhoff, S. (2021). *Child Tax Credit enhancements under the American Rescue Plan*. Tax Policy Center. <https://itcp.org/child-tax-credit-enhancements-under-the-american-rescue-plan/>

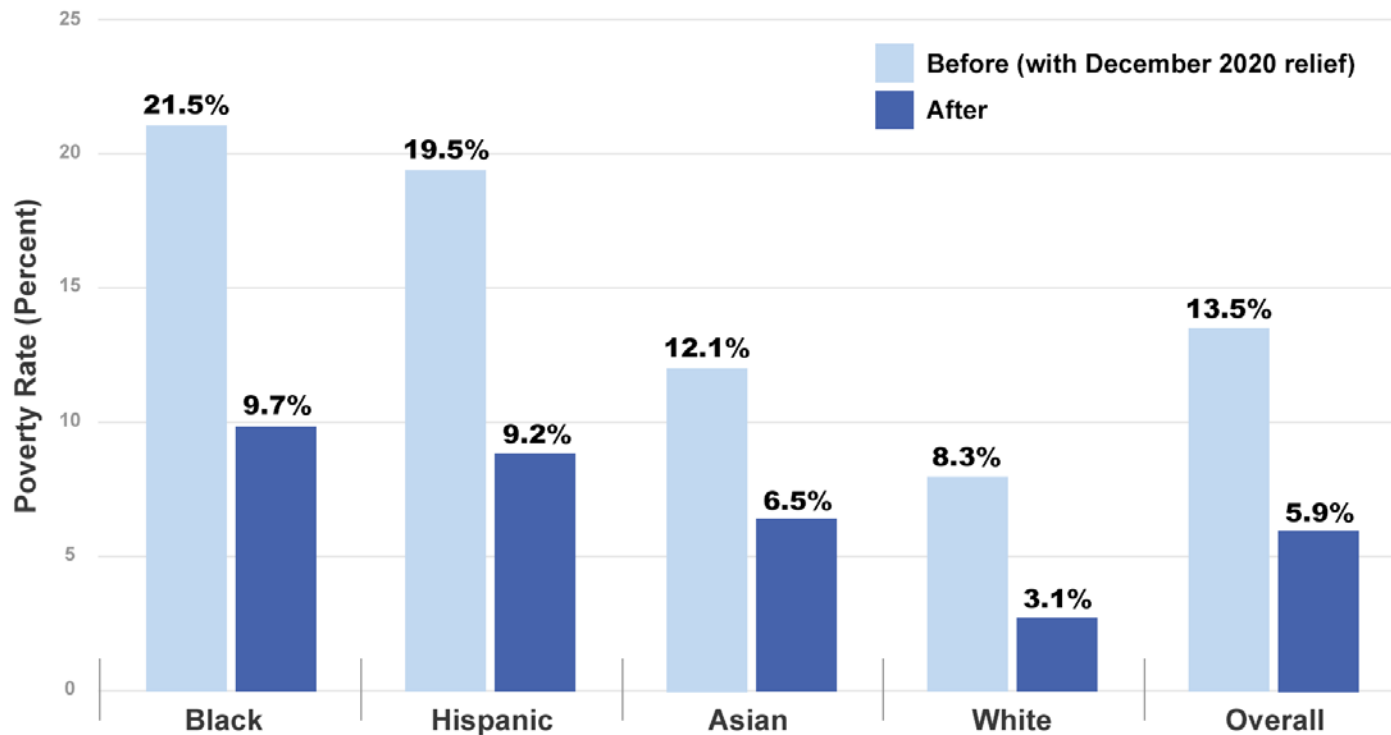


The American Rescue Plan will **reduce child poverty** by over one half, largely thanks to the child tax credit expansion

The Plan will also **reduce overall poverty** in the US by almost one third

Source: Parolin, Z., Collyer, S., Curran, M. A., & Wimer, C. (2021). *The potential poverty reduction effect of the American Rescue Plan. Legislation could cut child poverty by more than half*. Center on Poverty and Social Policy. <https://www.povertycenter.columbia.edu/news-internal/2021/presidential-policy/biden-economic-relief-proposal-poverty-impact>

Child Poverty Rate by Race/Ethnicity: Before and After ARPA



Source:
Parolin, Zachary, Sophie Collyer,
Megan A. Curran, and Christopher
Wimer. 2021. "The Potential
Poverty Reduction Effect of the
American Rescue Plan." Center on
Poverty and Social Policy, Columbia
University.
www.povertycenter.columbia.edu/news-internal/2021/presidential-policy/biden-economic-relief-proposal-poverty-impact

Other Investments that Support Families During the Prenatal-to-3 Period

Sufficient Household Resources

Parental Health and Emotional Wellbeing

Nurturing and Responsive Child-Parent Relationships

Reinforcing tax credits for paid sick and family leave during the COVID-19 pandemic

Additional funding for home visiting programs

Additional support for housing programs and emergency assistance

A third round of economic stimulus payments to individuals and families

Support for the unemployment system, extending federal benefits

Where Do States Begin?

Funding levels are substantial, but time-limited, presenting challenges to states on how to spend funds effectively and efficiently

Investing in caregivers and reducing costs to families are priorities

Reducing administrative burden to allow full access among eligible families is essential

Focusing on underserved communities and strategies to promote equity must occur

Demonstrating that the funds can be spent well and impact families will increase chances of making changes permanent

Evaluating the impact of new policies will help build evidence base



Save the Date

2021 National Prenatal-to-3 Research to Policy Summit

October 7-8, 2021

The University of Texas at Austin



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