

American Rescue Plan: State & Local Funding for Missouri

The American Rescue Plan (ARP), approved by Congress and expected to be signed into law this week, will provide \$1.9 trillion to counteract economic declines related to the Coronavirus pandemic. In addition to direct economic relief for individuals, families, & small businesses, and significant investments in public health infrastructure related to the pandemic, important provisions of the American Rescue Plan provide fiscal relief to states and localities to help them respond to this crisis. These include:

- Fiscal aid to state & local governments.
- Funding to incentivize Medicaid expansion and enhance home- and community-based services.
- Aid to elementary, secondary, and higher education.
- Investments in child care to support families and child care providers.
- Support for programs that serve children, seniors, and low-income families.

Estimated Funding to Missouri from the American Rescue Plan

State & Local Fiscal Relief (Total)	\$5,475,000,000
State Fiscal Relief	\$2,816,000,000
Fiscal Relief - Counties	\$1,190,000,000
Fiscal Relief - Cities > 50,000	\$830,000,000
Fiscal Relief (Other Local Jurisdictions)	\$442,000,000
State & Local Fiscal Relief (Capital Projects)	\$195,000,000
FMAP Incentive for Medicaid Expansion	\$1,150,000,000
FMAP Incentive for HCBS Expansion	\$205,990,846
Elementary & Secondary School Emergency Relief	\$1,956,529,000
Higher Education Emergency Relief	\$631,783,000
Expanded Child Care Assistance	\$277,692,171
Child Care Stabilization Funds	\$444,140,748
Head Start	\$17,262,000
TANF Pandemic Emergency Fund	\$14,519,000
Older Americans Act Funding	\$27,000,000

State and Local Fiscal Relief

The American Rescue Plan provides a total of \$360 billion in fiscal relief to state, local, and tribal governments to address increased costs and lost revenue related to the pandemic. These funds must be spent by December 31, 2024 and can be used to:

- Respond to the COVID pandemic or the resulting negative economic effects
- Provide “premium pay” to essential public workers (up to a maximum premium of \$13/hour or \$25,000 per worker)
- Provide services (equivalent to the amount of revenue loss due to pandemic)
- Invest in improvements to water, sewer, or broadband infrastructure.

States may not use these funds to directly or indirectly reduce net tax revenue. This restriction will remain in place from March 3, 2021 until a state spends all remaining funds. If states violate this restriction, they must repay an equivalent amount of the federal aid. **Missouri's state & local aid is projected to total more than \$5.4 billion, including:**

- \$2.816 billion in state fiscal relief,
- \$1.19 billion for counties,
- \$830 million for cities with a population of 50,000 or more
- \$442 million for other local jurisdictions with populations less than 50,000, and
- \$195 million for the state for specific capital projects.ⁱ

(See Appendix 1 for fiscal relief estimates for counties and Appendix 2 for estimates for cities with a population over 50,000. For more detail regarding the disbursement of funds, uses, and allocations to non-county entities with a population under 50,000, see MBP's fact sheet on state & local fiscal relief.)

Health

Enhanced Medicaid Match to Expand Medicaid

States who have not yet expanded Medicaid will receive a 5 percentage point increase in the Federal Medical Assistance Percentage (FMAP) for its existing Medicaid enrollees. Missouri would benefit from this enhanced FMAP as it has recently passed, but not yet implemented Medicaid expansion. This enhanced FMAP would apply for two years post-implementation (or through June 30th, 2023 in Missouri). **Missouri's estimated funding for this enhanced Medicaid match is \$1.15 billion.**ⁱⁱ

Home and Community-Based Services (HCBS)

States will receive an additional 10 percentage point enhanced FMAP to expand, enhance, or strengthen HCBS. This enhanced FMAP would apply to HCBS services and would remain

in effect until March 31, 2022. **Missouri's estimated funding for enhanced HCBS match is \$206 million.**ⁱⁱⁱ

Education

Elementary and Secondary School Emergency Relief Fund (ESSERF)

Elementary and Secondary School Emergency Relief Fund (ESSERF) Grant funds will be distributed to the Missouri Department of Elementary and Secondary Education, who will subgrant at least 90% of the funding to local educational agencies (LEAs) within a period of 60 days. The subgrants will be allocated to LEAs based on their share of ESEA Title I-A funds, and LEAs must use at least 20% of the funding to address learning loss due to the pandemic. **Missouri's estimated allocation for K-12 education is \$1.956 billion.**^{iv}

Maintenance of Effort. In order to receive ESSERF funding, states must maintain support for both elementary & secondary education, and for higher education in FY 2022 & FY2023 measured as a proportion of total state spending averaged over FY2017, FY2018, & FY2019.

Maintenance of Equity. ESSERF funds also include several protections to prevent the loss of funding for high-poverty schools during FY2022 & FY2023.

Higher Education Emergency Relief Fund

Funds will be awarded directly to institutions of higher education based on the number and proportion of Pell grant and non-Pell grant recipients. At least fifty percent of the funds provided to institutions must be used for direct emergency aid to students. **Missouri's estimated allocation for higher education is \$632 million.**^v

Head Start

Funds will be distributed directly to Head Start agencies as one-time grants based on enrollment.

Missouri's estimated allocation for Head Start is \$17.3 million.^{vi}

Child Care

Expanded Child Care Assistance

The package provides expanded child care assistance through the Child Care and Development Block Grant (CCDBG). States are authorized to use these funds to provide child care assistance to essential workers regardless of income eligibility. These funds must be used to supplement existing funding and cannot supplant other federal, state, or local funds. **Missouri's estimated allocation for Child Care Assistance is \$277.7 million.**^{vii}

Child Care Stabilization Fund

Funds will be granted to the state lead agency; 90% of these funds will be subgranted to child care providers to support the stability of the child care market. Funds can support providers who are currently operating or who are closed for COVID-related reasons (including financial hardship), as well as those who have not previously received funding through CCDBG. **Missouri's estimated allocation for Child Care Stabilization is \$444.1 million.**^{viii}

Emergency Assistance Funds

TANF Pandemic Emergency Assistance

Provides additional temporary funding for the Temporary Assistance for Needy Families (TANF) block grant. These funds must be expended by September 30, 2022 and must be used to supplement, not supplant existing federal and state funds. States may use funding only for non-recurrent short term benefits (cash or non-cash). This includes emergency cash assistance payments, payments to address an "episode of need" such as a housing crisis, or payments directed toward a particular purpose such as a clothing allowance, emergency food aid, heating or cooling allowance, or funding for diaper banks. **Missouri's estimated allocation for TANF is \$14.5 million.**^{ix}

Older Americans Act Programs

Provides \$1.43 billion in funding nationally for programs provided under the Older Americans Act (OAA) including nutrition programs, supportive services, health promotion & disease prevention, caregiver support, and for the long-term care ombudsman program. The funding will remain available until expended. **Missouri's estimated allocation for OAA programs is \$27 million.**^x

Home Visiting Programs

Provides \$150 million in funding nationally for the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program to remain available through September 30, 2022.

Community Health Centers

Provides \$7.6 billion in funding nationally to Federally Qualified Health Centers (FQHCs). The funding will remain available until expended.

Child Abuse Prevention and Treatment

Provides \$250 million in funding nationally for child abuse prevention programs and \$100 million in funding nationally for child abuse treatment programs through September 30, 2023.

Mental Health Programs

Provides \$3.88 billion in funding nationally for mental health services. The bulk of this funding will be distributed through the Substance Abuse Prevention and Treatment Block Grant (SABG) and Community Mental Health Block Grant (MHBG) with \$1.5 billion in funding for each block grant. The funding will remain available until expended.

Energy Assistance

Provides \$4.5 billion in funding nationally to the Low-Income Home Energy Assistance Program (LIHEAP) to remain available through September 30th 2022.

Appendix 1: County Allocation Projections (in millions)

Adair	\$4.92	Dent	\$3.02	Miller	\$4.97	Schuyler	\$0.90
Andrew	\$3.44	Douglas	\$2.56	Mississippi	\$2.56	Scotland	\$0.95
Atchison	\$1.00	Dunklin	\$5.65	Moniteau	\$3.13	Scott	\$7.42
Audrain	\$4.92	Franklin	\$20.16	Monroe	\$1.68	Shannon	\$1.58
Barry	\$6.94	Gasconade	\$2.85	Montgomery	\$2.24	Shelby	\$1.15
Barton	\$2.28	Gentry	\$1.27	Morgan	\$4.00	Stoddard	\$5.63
Bates	\$3.14	Greene	\$56.84	New Madrid	\$3.31	Stone	\$6.20
Benton	\$3.77	Grundy	\$1.91	Newton	\$11.29	Sullivan	\$1.18
Bollinger	\$2.35	Harrison	\$1.62	Nodaway	\$4.28	Taney	\$10.85
Boone	\$35.00	Henry	\$4.23	Oregon	\$2.04	Texas	\$4.93
Buchanan	\$16.94	Hickory	\$1.85	Osage	\$2.64	Vernon	\$3.99
Butler	\$8.24	Holt	\$0.85	Ozark	\$1.78	Warren	\$6.91
Caldwell	\$1.75	Howard	\$1.94	Pemiscot	\$3.07	Washington	\$4.80
Callaway	\$8.68	Howell	\$7.78	Perry	\$3.71	Wayne	\$2.50
Camden	\$8.98	Iron	\$1.96	Pettis	\$8.21	Webster	\$7.68
Cape Girardeau	\$15.30	Jackson	\$136.34	Phelps	\$8.64	Worth	\$0.39
Carroll	\$1.68	Jasper	\$23.53	Pike	\$3.55	Wright	\$3.55
Carter	\$1.16	Jefferson	\$43.65	Platte	\$20.25		
Cass	\$20.52	Johnson	\$10.48	Polk	\$6.24		
Cedar	\$2.78	Knox	\$0.77	Pulaski	\$10.20		
Chariton	\$1.44	Laclede	\$6.93	Putnam	\$0.91		
Christian	\$17.18	Lafayette	\$6.34	Ralls	\$2.00		
Clark	\$1.32	Lawrence	\$7.44	Randolph	\$4.80		
Clay	\$48.48	Lewis	\$1.90	Ray	\$4.46		
Clinton	\$3.95	Lincoln	\$11.45	Reynolds	\$1.22		
Cole	\$14.88	Linn	\$2.31	Ripley	\$2.58		
Cooper	\$3.43	Livingston	\$2.95	St. Charles	\$77.97		
Crawford	\$4.64	McDonald	\$4.43	St. Clair	\$1.82		
Dade	\$1.47	Macon	\$2.93	St. Francois	\$13.04		
Dallas	\$3.27	Madison	\$2.34	St. Genevieve	\$3.47		
Daviess	\$1.61	Maries	\$1.69	St. Louis city	\$58.29		
DeKalb	\$2.43	Marion	\$5.53	St. Louis	\$192.82		
		Mercer	\$0.70	Saline	\$4.41		

Appendix 2: City Allocation Projections (in millions)

Blue Springs	\$6.71
Columbia	\$24.30
Florissant	\$6.42
Independence	\$20.30
Jefferson City	\$7.64
Joplin	\$14.78
Kansas City	\$195.47
Lee's Summit	\$9.28
O'Fallon	\$7.48
Springfield	\$38.82
St. Joseph	\$39.69
St. Louis	\$459.34

For more detail regarding the disbursement of funds, uses, and allocations to all state and local entities, including non-counties with a population under 50,000, see MBP's fact sheet on state & local fiscal relief.

Notes

- i. State and Local Allocation Output Projections, 3/8/21, United States Senate Democratic Leadership
- ii. Rudowitz, R., Corallo, B., & Garfield, R., New Incentive for States to Adopt the ACA Medicaid Expansion: Implications for State Spending. (2021). Kaiser Family Foundation. Accessed 3/2/21 at <https://www.kff.org/coronavirus-covid-19/issue-brief/new-incentive-for-states-to-adopt-the-aca-medicaid-expansion-implications-for-state-spending/>
- iii. Caldwell, J., Ho, S., & Atkins, M. (2021). Dedicated Home- and Community-Based Services Funding to Support People with Disabilities during the COVID-19 Pandemic. Community Living Policy Center. Downloaded on 3/9/2021: <https://heller.brandeis.edu/community-living-policy/docs/covid-brief-2021-02-10.pdf>
- iv. Skinner, R., Fountain, J., Dortch, C., & Nyhof, E., (March 9, 2021). Revised Estimated FY2021 Grants to States and Institutions of Higher Education Under the Education Stabilization Fund Based on the Senate-Passed Substitute to H.R. 1319. Congressional Research Service Memorandum.
- v. Ibid.
- vi. Lynch, K. (February 17, 2021). Head Start in the House Committee on Education and Labor's FY2021 Reconciliation Recommendations. Congressional Research Service Memorandum.
- vii. The Center for Law and Social Policy, "Child Care Relief Funding in House-passed American Rescue Plan: State-by-State Estimates", Updated March 10, 2021, accessed on 3/10/21 at <https://www.clasp.org/publications/fact-sheet/child-care-estimates-american-rescue-plan>
- viii. Ibid.
- ix. Falk, G, & Landers, P.A. (2021) Temporary Assistance for Needy Families and Proposed COVID-19 Pandemic Economic Relief: In Brief. Congressional Research Service. Available: <https://crsreports.congress.gov/product/pdf/R/R46692>. Accessed 3/10/21.
- x. Department of Health and Senior Services estimate; assumes OAA state funding allocation will be proportional to the allocation formula used for the CARES act emergency funds.