The American Rescue Plan: Family Law & Child Welfare

Expansion of the Child Tax Credit

The Child Tax Credit has been expanded to all but the richest Americans – even those previously ineligible because their incomes were too low. The expansion will lift millions of American children above — or closer to — the poverty line and reduce the economic pressures on families that sometimes result in children being removed from their families and placed in foster care. The full Child Tax Credit will now be available to 27 million children — including nearly half of all Black and Latino children of children who live in rural areas — whose families previously did not qualify because their parents' earnings were too low. This is important as many Black, Latino, and rural families are especially at risk for child removal due to bias and increased surveillance.

Eligibility for the Earned Income Tax Credit (EITC)

Eligibility for the EITC will be extended to some adults without children, including young adults formerly in foster care, beginning at age 18, and young adults experiencing homelessness.

Important Practice Note for Attorneys

Attorneys assisting low-income families in child support matters will need to know which parent can claim these credits or how best to apportion them for the needs of the children and the custodial parent. While states will not be able to garnish this round of stimulus payments or apply them to child-support arrearages, some separated or divorced custodial parents may not be able to access their stimulus funds if they are direct-deposited into the other parent's account, making these funds inaccessible for the purpose of meeting children's needs. Parents should seek legal counsel through a Low-Income Taxpayer Clinic (LITC) for free assistance and representation if the non-custodial parent has "captured" their stimulus payment. They may also file a Rebate Recovery Credit (RRC) with the IRS to open an investigation.

Childcare

There are two provisions in the Plan for childcare: one to supplement the existing childcare block grants (CCDBG) states already receive and the other a childcare stabilization fund. The block grant funds are to support families with newly emergent needs for childcare. The stabilization funds can be spent directly on childcare providers or for expanding access to childcare, including increasing the amount of childcare available in a state by supporting new childcare providers and access costs such as systems for applying or publicizing its availability. Virginia is anticipated to receive $795 million in combined block grant and stabilization funds (on top of the existing $161 million CCDBG Virginia already receives). Beginning July 1, 2021, the Virginia Department of Education will take over the childcare program from the Department of Social Services.

- **Learn about eligibility for childcare assistance: https://www.dss.virginia.gov/cc/covid-19 docs/April_2021_Virginia_Child_Care_Subsidy_Program.pdf**
- **Apply for childcare assistance: https://commonhelp.virginia.gov/access/**

Child Welfare

States are receiving millions of dollars in services for: children already in the child welfare system; community-based programs to keep children out of the child welfare system; and supports for relatives taking care of children outside the child welfare system:

- **$100 million for CAPTA Title I – State Grants** for grants to support state child protective services programs and infrastructure.
- **$250 million for CAPTA Title II – Community-Based Child Abuse Prevention** for grants directly to communities to provide community-driven services to support and strengthen families so children can remain safe.
- **$150 million in funding for Maternal, Infant, and Early Childhood Home Visiting (MIECHV) programs** to ensure families that are pregnant or recently had children have the resources they need to promote their children's healthy development.
- **$10 million to establish a National Technical Assistance Center on Grandfamilies and Kinship Families**
- **The Supporting Foster Youth and Families Through the Pandemic Act** provides funds to suspend the exit of youth who are aging out of foster care – or those who have already left foster care – by allowing them to stay in or return to foster care through age 22 through September 2021. Requirements relating to employment and education will be suspended during the pandemic. Funds available to support former foster youth to prevent homelessness are increased and extended to age 27, and funds to allow former foster youth to cover educational expenses are increased and expanded to cover additional needs (while relaxing certain requirements) through September 2022.

More Information: Valerie L'Herrou • valerie@vplc.org • (804) 351-5276