

The Short-Term State Policy Response to COVID-19 in Arkansas: What Steps Still Need to be Taken?

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Overview of Recent Federal and State Actions in Response to COVID-19

Last week the President signed into law historic federal legislation, the Coronavirus Aid, Relief and Economic Security Act (CARES), the \$2 trillion package that provides quick relief to many Americans during one of the steepest – and fastest – economic downturns in our nation’s history. [It offers aid](#) to families, small businesses, nonprofits, big business and the newly unemployed.

It includes direct payments to an estimated 90 percent of American families with a one-time direct deposit up to \$3,400, depending on income and family size. It increases unemployment benefits for four months by \$600 a week, on top of what states pay – an amount that will fully replace the wages of many laid-off workers. It also [extends the allowed time for unemployment benefits](#) by 13 extra weeks (the current limit in Arkansas is 16 weeks).

It dedicates funding to grants and loans for small businesses, child care providers and provides support to hospitals and the health system. As our partners at the [Center on Budget and Policy Priorities stated this week](#), the legislation is important but also misses some critical pieces that we’ll need to sustain our economy through this emergency. You can read [more about how it may have an impact on your own family here](#).

The Congress also passed the [Families First Coronavirus Response Act](#), which, among other things, made important changes to [Medicaid](#) and the Supplemental Nutrition Assistance Program ([SNAP](#), generally known as food stamps) policies. For example, the new law requires states to keep eligible people enrolled in Medicaid during the national emergency. It extends the time that families can remain on SNAP and temporarily lifts restrictions on “able bodied working adults” like the SNAP work-reporting requirement in Arkansas. It allows quicker processing of new applications and allows states to create a pandemic-specific SNAP program that would give families the money to pay for meals that would have been covered by their children’s school meals program, if schools were open.

- At the state level, under Governor Hutchinson’s leadership, Arkansas has taken a number of immediate, positive steps to help protect the health and well-being of Arkansas’s children and families and the economy. AACF released a [summary of those steps last week](#). On the health care front, Arkansas took steps to promote social distancing and limit the spread of COVID-19 and provide additional support for the health care system dealing with the outbreak. That included increased financial support for direct care workers, like nurses working in facilities treating the virus; increased support for rural hospitals and residential care facilities; and expanded access to telemedicine.



Highlights in other areas included:

1. The state took steps to convene a special emergency legislative session to tap the state's existing \$173 million surplus to minimize the impact of a \$353 million budget shortfall over the last three months of the current fiscal year (April, May, and June).
2. Gov. Hutchinson has delayed the state tax filing deadline for individuals from April 15 to July 15 to help minimize the immediate economic impact on taxpayers.
3. The state will provide loan support for small business and nonprofits.
4. The legislature took temporary steps to make it easier for families to apply for and receive help through critical safety net programs, such as unemployment assistance and food assistance through SNAP.
5. The legislature temporarily made it easier for families to apply for child care vouchers and increased financial support for child care programs serving children whose families rely on vouchers.
6. The state is increasing support for the child welfare system by increasing payments to foster care families.
7. And the state will work with cities to provide funding for single-family housing units for homeless individuals during the crisis.

Recommendations for Additional Short-Term State Policy Responses

Family Economic Security

Unemployment Insurance (UI)

Arkansas should take additional steps to make it easier for families to apply for unemployment benefits, extend the duration of benefits for families, and reduce the incentive for employers to lay off employees because of existing requirements. These include:

- Waive work-search requirement for all claimants. The Governor has waived work-search, but only for a limited number of claimants. The Department of Labor has issued guidance allowing states to interpret this more broadly and waive the work-search requirement for a greater number of people.
- Exempt COVID-19 related unemployment claims from the Employer Experience Rating. Typically, employers pay UI taxes based on an "experience rating," so that employers with more claims pay more than those with fewer claims. Exempting COVID-19 related claims would reduce the incentive for even "good" employers to lay off employees.
- Extend the duration of benefits to 26 weeks (which would become 39 weeks with changes at the federal level).

Temporary Assistance to Needy Families (TANF)

Arkansas should make it easier for families to receive cash assistance and provide increased assistance in the short-term.

- Suspend work-reporting requirements. The state could grant an across-the-board “good cause” exemption for all COVID-19 related impacts (direct or indirect).
- Make aggressive use of existing Arkansas TANF regulations to grant exemptions to the two-year lifetime limit on TANF benefits.
- Enact a moratorium on sanctions and terminations from the TANF program to help families maintain their eligibility for TANF benefits.
- Provide one-time payment to TANF families or increase monthly benefit levels. Currently Arkansas has one of the lowest monthly benefit levels in the country, at \$204 per month for a family of three. This monthly cash benefit level should be increased, or an additional one-time payment should be provided to families.

Anti-Hunger and Nutrition

SNAP

The state has taken steps to waive work-reporting requirements for the SNAP program through the end of April, and the Arkansas Department of Human Services (DHS) has expedited its process for determining SNAP eligibility for those who have lost income because of COVID-19. Other steps that should be taken include:

- Remove the asset test that prevents families with even modest savings accounts from receiving SNAP. Arkansas is one of only a few states that bars families from the SNAP program if they have more than \$2,250 in the bank (\$3,500 if someone has a disability). In economic times like these, every family should have access to emergency funding without losing critical nutrition benefits.
- Increase benefits as allowed under the Pandemic-Electronic Benefits Transfer (P-EBT) Program: provision in new federal legislation:
 - With this, states can provide meal-replacement benefits through SNAP for households with children who attend a school that’s closed and who would otherwise receive free or reduced-price meals.
 - States may provide supplemental SNAP benefits for households already receiving SNAP and may make “issuances” to households with school-age children who are not already enrolled in SNAP.
 - The amount of this benefit would be the value of a free breakfast and lunch for five school days a week, or about \$114 a month per child.
- Steps to accelerate the processing of SNAP applications and simplify the application process:
 - Waive the requirement that applicants be interviewed by a state eligibility worker.
 - Temporarily relax signature requirements.

- Ease paper verification requirements.
- Expand expedited benefits criteria.
- Determine income based off current circumstances, not income in the month of application.

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Steps should be taken to protect WIC nutrition assistance for families:

- Seek waivers of the physical presence requirement for certification and recertification appointments.
- Seek waivers to extend certification periods to keep issuing benefits while staff develop the capacity to offer telephone or video certification appointments.
- Identify and seek waivers for any additional regulatory requirements that are impeding service or are not feasible to meet.

Protecting Arkansans' Health

Arkansas should seriously consider an enforceable stay-at-home order, excluding essential business and services, either statewide or at least in our most densely populated cities. Other cities and states that have employed this tactic are beginning to see positive results in slowing the spread of the COVID-19 virus, albeit to various degrees. While it may be difficult to do in a state like Arkansas, and would certainly have economic consequences, it does have the potential to slow the spread of the virus and to have a positive impact here.

Health Care Coverage and Access to Services

Arkansas should take immediate additional steps to improve access to Medicaid coverage and access to services to better protect the health and safety of vulnerable children and families, including:

Medicaid Client Enrollment and Eligibility

- Arkansas should streamline eligibility and enrollment processes for current Medicaid categories to ensure that all eligible individuals have full access to the treatment that they need for all of their medical needs, including testing positive for COVID-19.
- The state should temporarily suspend/delay case renewals and end case reviews for individuals currently enrolled in Medicaid.
- Retroactive to January 1, 2020, Arkansas Medicaid should reenroll all children on traditional Medicaid and any children receiving services through the PASSE program who were disenrolled after January 1, 2020. The Family First Act increases the federal Medicaid-matching rate, and that increase applies back to January 1.

- Arkansas should allow “presumptive eligibility” for children and pregnant women. This would provide coverage more rapidly by authorizing qualifying entities, like community health centers and schools, to enroll pregnant women and children who appear to be likely eligible, while the state processes the full application.

Outreach

This public health crisis demands information sharing from various sources to reach all segments of the population.

- Arkansas should implement aggressive awareness and outreach for COVID -19 screening to make sure that uninsured individuals know their testing will now be free.
- To stop the spread of disease, the uninsured, which may include persons in transient living situations, the homeless, and those without regular sources of news will need to be found and tested.
- The awareness and outreach also needs to extend to people who speak languages other than English.

Child Care, Early Childhood Education

AACF supports the following recommendations of the Arkansas Early Childhood Association, which are designed to protect the health of Arkansas’s families and the financial, programmatic, and human infrastructure and quality of the state’s child care and early education system:

- Help prevent the spread of COVID-19 by closing all licensed child care programs, except those serving essential personnel as recommended by the National Association of the Education of Young Children. If schools are closed, child care programs should also be closed. However, certain currently licensed child care centers and family child care homes should be allowed to reopen or remain open on a limited basis in order to serve the children of emergency responders and other essential personnel for whom remote work is not an option. In addition:
 - Abide by the indoor social distancing directive per the Centers for Disease Control and advised by the Governor, the Arkansas Department of Health, and the Arkansas Chapter of the American Academy of Pediatrics. It requires groups of 10 or fewer (adults and children) be in each classroom.
 - Ensure that centers serving the children of essential personnel have cleaning and health-related supplies to meet state directives. Add a representative of the child care industry to the Department of Emergency Management state/ regional teams who can determine access to necessary supplies and provide guidance on how best to respond to changing circumstances and environments.
 - Ensure families are aware of these options by implementing a strong outreach and communications plan. Use the child care resource and referral system, child care licensing and subsidy staff at DHS, and human resource professionals within businesses and organizations that employ essential personnel. Communications should be provided in all relevant languages.

- As the state coordinates child care for essential personnel, child care providers that are part of the Arkansas Better Beginnings Quality Rating Improvement System should be prioritized.
- Maintain the human, programmatic, and financial infrastructure of the child care sector so it can meet the needs of families when the pandemic is over. As the state faces weeks or months of uncertainty, the strain being placed on our child care providers, who are already operating on razor-thin margins, could force many of them out of business permanently. Child care is not like the K-12 system, where building expenses are being covered and educators compensated regardless of the duration of the closure. If we are to have a child care sector that can support all other sectors after the health crisis has ended, child care must be treated as the invaluable component of the infrastructure that supports the entire Arkansas economy that it is. In support of this recommendation, Arkansas should:
 - Establish payment policies that will cover additional costs, such as meeting health and safety requirements, as well as to meet classroom teacher-to-child ratios, that are in line with maintaining stable groups of 10 or fewer people per the social distancing directive for indoor gatherings.
 - Deem child care workers essential personnel during the pandemic so their children can access child care.
 - Ensure all licensed child care centers and family child care homes are included in the state's eligibility definition so ALL employees and owners can access unemployment insurance, loans and grants provided through the CARES Act.

K-12 Education

In K-12 education, there is no doubt that the current crisis will exacerbate existing racial and ethnic inequities in educational opportunities and outcomes. Parental educational levels and differences in access to technology and online access and books make it likely that students of color and low-income students will lose additional ground during the crisis. The amount of lost ground will only grow the longer the crisis continues and families are forced to stay home, and schools remain closed.

The CARES Act provides \$30.75 billion in emergency relief funds to the U.S. Department of Education, \$13.5 billion of which is to be used for K-12 emergency relief grants and another \$3.5 for governors to use and distribute based on local need. These grants require states to apply for funds, and the Treasury is obligated to distribute funds within a month of receiving a state application. Estimates of how much aid Arkansas might receive are still being developed, but states will have flexibility in how to use these funds. Arkansas must prioritize the needs of low-income students, Black and Brown students, students experiencing homelessness, foster care youth and other communities most likely to be negatively impacted by COVID-19.

- It is critical that Arkansas begin developing a strategy to help reduce increased inequities in educational outcomes and opportunities that only worsened during the COVID-19 outbreak. This is especially timely given the current ongoing adequacy study that will likely help shape the future of state support for public education.

- Any strategy should be driven not by an ideological agenda, but based on what we already know works to improve educational outcomes for disadvantaged children, and would include, among other things:
 - expanded access to out-of-school programs after school and during the summer months
 - school discipline reform to help break the school-to-prison pipeline
 - the creation of community schools, a research-based strategy that has been shown to improve equity and outcomes for low-income students
 - a comprehensive system to promote the development of children from birth to age 5
 - strategies to promote grade level reading
 - adequate funding of school nurses to address student health issues
 - additional, dedicated funding to support poorer schools and districts.

Services for Immigrants

While Congress provided states with funding for testing people who are uninsured, immigrants who don't qualify for Medicaid are left out of treatment services. Here in Arkansas, that includes migrants from the Marshall Islands, who live and work here lawfully but don't qualify for Medicaid-funded health insurance (unless they're children). That's a longstanding oversight in federal law. Congress must change the law to restore Medicaid eligibility to migrants from the Marshall Islands and other countries that are part of a special Compact of Free Association with the United States. This change, supported in bipartisan legislation already, should be included in the next round of COVID-19 related legislation.

Uninsured immigrants in Arkansas may be reluctant to seek health care services, and even testing for COVID-19 that would be free at federally qualified centers, because of costs or enforcement-related fears. An estimated 55,000 Arkansans are undocumented, and more than one-third of all immigrants in Arkansas lack insurance.

We need to ensure that:

- All Arkansans know that COVID-19 testing is available at no cost, regardless of immigration status. The health of our state depends on the health and safety of all our neighbors.
- All COVID-19 materials and announcements are translated to Spanish and Marshallese, the most common non-English languages spoken here. At a time when we want to encourage all Arkansans to seek health services – so that we can all stay healthy and stem the spread of the virus – we need to remove all barriers to care, including language.

The Longer-Term Policy Response

Even after the immediate COVID-19 crisis is over, it will take several years for the Arkansas economy and the state budget to recover. This will have a huge negative impact on the ability of the state to pay for critical investments in our workforce and provide the essential services in a wide range of areas, including health care, K-12 education, child care and early childhood development, higher education, workforce preparedness, juvenile justice, nutrition, child welfare, highways and roads, and the social safety net.

The well-being of Arkansans, and our future ability to succeed in an economy that will look dramatically different than the pre-pandemic economy, will be at risk. The well-being of low-income workers, people of color, and disadvantaged populations, who were already struggling before COVID-19, will be at even greater risk. While Arkansans are resilient and self-reliant, state government will be asked to play a major role in leading the state's long-term policy response to COVID-19. This will require a state budget that has the resources to meet the challenge. After the immediate crisis is over, state policymakers will need to look for ways to shore up the state budget and its ability to pay for the investments that our economy and the well-being of vulnerable populations will need.

In the coming months, AACF will be developing recommendations for reforming the state tax structure and strengthening the state budget and its ability to meet the critical needs of Arkansas's children and families the economy. Stay tuned.

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