



ADMINISTRATION FOR
CHILDREN & FAMILIES

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Pandemic Emergency Assistance Fund Fact Sheet

The American Rescue Plan Act of 2021, Public Law 117-2, amends section 403 of the Social Security Act to create a new \$1 billion [Pandemic Emergency Assistance Fund](#) to assist needy families impacted by the COVID-19 pandemic.

Eligible Entities: States, Washington DC, tribes operating a tribal Temporary Assistance for Needy Families (TANF) program, and all five U.S. territories are eligible to receive funds under the Pandemic Emergency Assistance Fund.

Use of Funds: Grantees may use funds only to provide certain non-recurrent, short term (NRST) benefits. For the purposes of this Pandemic Emergency Assistance Fund, NRST benefits mean cash payments or other benefits that meet the regulatory definition (45 CFR 260.31(b)(1)), but are limited to those that fall into the specific expenditure reporting category mentioned in the legislation (line 15 of the [ACF-196R](#), the state financial reporting form for the TANF program). In other words, for this fund, NRST benefits must be designed to deal with a specific crisis situation or episode of need, must not be intended to meet on-going needs, must not extend beyond four months, and must only include expenditures such as emergency assistance and diversion payments, emergency housing and short-term homelessness assistance, emergency food aid, short-term utilities payments, burial assistance, clothing allowances, and back-to-school payments. They may *not* include tax credits, child care, transportation, or short-term education and training. Grantees may use funds for administrative costs (up to a 15-percent cap for states and territories). Grantees must use funds to supplement, and not supplant, other federal, state, tribal, territorial, or local funds.

Timeline for Expending Funds: A grantee has from April 1, 2021, to September 30, 2022, the end of fiscal year 2022, to expend its initial allotment of funds. If a grantee has not expended all of its funds by that date, HHS will reallocate any unused funds, to other states, territories, and tribes, which must expend them within 12 months of receipt, as specified in the legislation.

Allotments to States, Tribes, and Territories: The law specifies an allotment formula for the funds. After deducting \$2 million for federal administration, of the remainder:

- 92.5 percent of funds (\$923,150,000) will be distributed to states (including the District of Columbia) based on a two-part formula, one half based on child population and the other half based on prior state expenditures on non-recurrent short term benefits, basic assistance, and emergency assistance authorized solely under prior law.
- 7.5 percent of funds (\$74,850,000) are set aside for tribal TANF programs and all five US territories, to be distributed in a manner deemed appropriate by the HHS Secretary.

Forthcoming Guidance: HHS will be publishing guidance very soon with more information about how to request funds and other general policy guidelines.