

THE CRADLE-TO-CAREER GUIDE TO FEDERAL RELIEF FUNDING FOR KIDS DURING AND BEYOND COVID-19

March 2021

Developed by Children's Funding Project as an update to 2020's "Navigating New and Flexible Funding Streams for Kids During COVID-19"

About this guide

The first version of this resource was published in early April 2020 as Children's Funding Project (CFP) began to recognize the novel challenges that states, localities, and child and youth serving organizations were facing as a result of the unfolding pandemic. The original document intended to help leaders at all levels take advantage of new funding opportunities from the COVID-19 stimulus packages and respond to the crisis by leveraging the flexibilities of new and existing funding. This new version does much of the same by providing timely information on the most recent relief dollars from the Coronavirus Relief and Response Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan (ARP). This time, however, we also devote significant space to highlighting examples of how states and communities have leveraged federal resources during this challenging year for the benefit of children and youth.

Consider following CFP on <u>Twitter</u> and <u>LinkedIn</u> for updates as we continue to track and amplify new opportunities and national success stories around public financing for kids during COVID-19 and beyond. Please reach out to Kylie Wheeler (<u>kylie@childrensfundingproject.org</u>) with any questions about this guide.

Who is this guide for?

This guide is for any person or organization able to influence the direction of public funding toward children and youth and who seeks a coordinated approach to responding to, recovering from, and emerging stronger in light of COVID-19.

How to use this guide

This document is not necessarily meant to be read through in one sitting. Rather, it is designed to be a go-to resource for leaders and advocates across the cradle-to-career spectrum who want to 1) obtain a quick birds-eye view of kid-focused federal relief over the past year, and 2) learn more about new federal funding opportunities and flexibilities for the programs and services most relevant to population(s) they serve. To that end, it is divided into three main sections:

- 1. **Federal Funding for Kids: A COVID-19 Year in Review** provides an overview of federal funding for kids by service category.
- 2. Large Blocks of COVID Funding for Kids in Federal Relief Packages highlights the COVID-specific pots of funding that have the potential to most profoundly affect kids, including the Education Stabilization Fund, state and local direct relief packages, and new child care funding.
- 3. Cradle-to-Career Guidance on New and Flexible Funding Streams for Relief and Recovery focuses on how new stimulus funds supplementing existing federal programs can be used *flexibly* to address the needs of children and youth. These programs and funding streams are listed by the age-group that they typically serve: 1) General (All ages), 2) Early Childhood, 3) Middle Childhood, and Older Youth.

About Children's Funding Project

Children's Funding Project (CFP) is a nonprofit social impact organization that helps communities and states improve access to quality opportunities for children and youth through comprehensive, sustainable, and equitable public financing strategies. Through direct technical assistance, CFP supports local and state policymakers, intermediaries and cross-system collaboratives, child advocates, governmental agencies, and foundations in the creation of strategic financing plans. These plans quantify the gap between current spending and need, and identify steps to align, generate, and activate funding to close that gap.



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Introduction

In April 2020, shortly after the passage of the CARES Act, Children's Funding Project published the first version of this guide. Though our typical organizational focus is on children's funding at the local and state levels, the pandemic compelled us to dive deeply into the new infusions of federal funding to help make sense of the full range of opportunities available to support children and youth in such a unique time. Back then, there was no way to know what the year ahead would hold in terms of COVID-19 spread or its effect on our lives, our economy, and our kids. We recognized then and emphasize now the critical state and community level need for cradle-to-career guidance on accessing and leveraging new federal relief funding and flexibilities.

In the midst of uncertainty, we have spent this past year working with states and localities across the country as they meet the moment by nimbly and creatively using federal resources and generating their own resources to make big moves for kids. We have also seen new federal relief packages pass with a game-changing \$50 billion investment in child care, unprecedented temporary expansions of the Child Tax Credit and Child and Child and Dependent Care Tax Credit, and billions of dollars in funding set-aside for out-of-school time and learning recovery. All of this indicates that it is a golden moment of opportunity to examine the way we approach public financing for kids at all levels of government.

To that end, this new version of what we internally call the "Emergency Funding Guide," is meant to do two main things:

- Place a giant spotlight on the states and communities that have creatively leveraged federal relief funding for kids in the past year in hopes that others will be inspired to do the same.
- 2) Provide a resource for youth-serving advocates, state and local leaders, coordinating bodies, and others who are well-positioned to direct public funding decisions for children and their families across the cradle-to-career continuum to better understand the opportunities within federal COVID-19 funding.¹

While this is a guide dedicated to navigating the current federal funding landscape, we would be remiss to not mention the vital roles that local dedicated funds (LDFs) and state and local

¹ Past versions of this document included information on the Paycheck Protection Program (PPP) as well as a more comprehensive list and analysis of federal programs and funding streams for children and youth from 0-24. With PPP well in motion a year in to the program we have decided to omit guidance around it in this resource (See this resource from the Small Business Administration for the most current information on PPP, and please note that ARP does provide funding for community navigators to offer targeted technical assistance for small businessowners in overburdened and under-resourced communities funds who were boxed out of initial rounds of PPP funding due to systemic inequities – This is crucial!). We have also restricted the list of cradle-to-career funding streams in Part 3 of the document to those that received both/either a) supplemental COVID-19 appropriations, and/or b) significant policy change related to COVID-19.

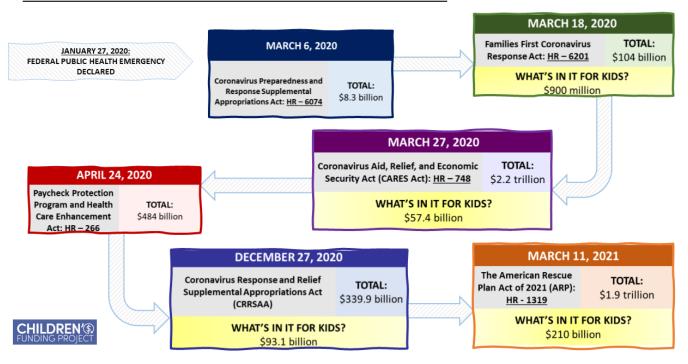


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children's cabinets have served throughout the public health emergency. These bodies have acted as critical infrastructure for providers and families, coordinating community hubs, administrators of federal relief funding, and grantmakers themselves. The communities that entered this crisis with this type of local infrastructure in place were able to quickly mobilize resources and coordinate services for children and youth. The impact of youth coordinating bodies and dedicated local public investment during emergencies speaks to how important it is for states and localities to approach these new federal relief funds strategically with a long-term plan in mind (See COVID-19 resource hubs developed by Minnesota's Governor's Children's Cabinet and the Children's Services Council of Broward County in Florida for state and local models of success). How can your community use some of this limited relief money to lay the groundwork for lasting systems change? Our hope is that this document spurs bold answers to this question!

I. Federal Funding for Kids: A COVID-19 Year in Review

Federal COVID-19 Relief for Kids: A Year in Review



Since March 2020, Congress has passed 6 major relief packages intended to support pandemic response, relief, and recovery. Each of these packages has included varying levels of support



for children, youth, and their families, **totaling about \$361 billion** across the cradle-to-career spectrum.²

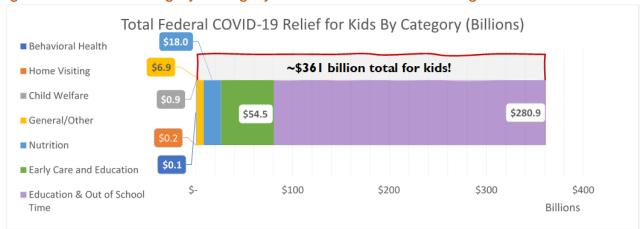


Figure 1: Total Funding by Category Across COVID-19 Packages

II. NEW Blocks of COVID-Specific Funding in Federal Relief Packages

With the size and scope of the various stimulus packages, it may be overwhelming for states and localities to navigate. Below we highlight key federal COVID-specific blocks of funding that states, localities, and schools may be able to use to support their child and youth serving programs. We also include a record of past funding opportunities with examples of how states and communities leveraged these funds for kids in 2020.

Education Stabilization Fund

Originally established by the CARES Act, the Education Stabilization Fund is comprised of four grant programs administered by the U.S. Department of Education: a Governor's Emergency Education Relief Fund (GEER); an Elementary and Secondary School Emergency Relief Fund (ESSER); and a Higher Education Emergency Relief Fund (HEERF).

Since the CARES Act, each of these funds has received additional cash infusions, including from December 2020's CRRSAA and March 2021's ARP. **See the DOE's**

Education Stabilization Fund: Creative Uses for Kids So Far

- Minnesota: Governor Walz created an Early Childhood Governor's Emergency Education Relief Fund with \$2.5 million in federal GEER dollars for wrap-around early care and education services for children 0-8.
- Michigan: Governor Whitmer directed GEER dollars to programs that help to bolster early literacy and third-grade readiness.
- Virginia: Governor Northam directed a portion of GEER funds to expand early childhood programs in the state.

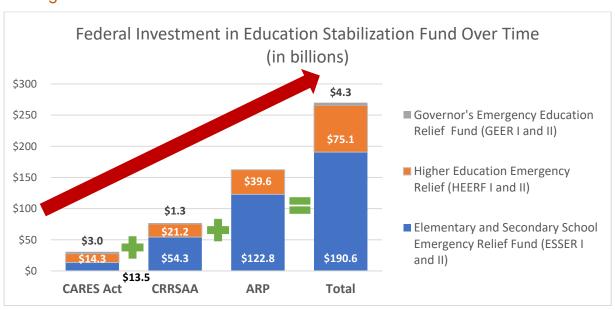
² This estimate is inherently a bit subjective given the nature of how different organizations define what money "counts" for kids. See the appendix for a full list of funding sources included.



<u>continuously updated tracker</u> for allocations, expenditures, and other uses of Education Stabilization Fund dollars across the country.

Education Stabilization Fund Provisions Across Relief Packages

Figure 2: Investment in the Education Stabilization Fund Across COVID-19 Packages



THE LATEST: American Rescue Plan Act

The American Rescue Plan invests another \$122.8 billion in ESSER. ESSER dollars are allocated to state education agencies (SEAs) which are then responsible for allocating funds to LEAs. 90% of funds allocated to SEAs by ARP must go to LEAs (approximately \$110.5 billion total). **ESSER funds in ARP and CRRSAA must be obligated by states and LEAs by September 30, 2023.**

All ESSER funds in ARP are subject to state <u>Maintenance of Effort and Maintenance of Equity requirements</u>. This means that as a condition of receiving these funds, states and LEAs must meet the following requirements:

- Maintenance of Effort In fiscal years 2022 and 2023, states must maintain support for elementary and secondary education and for state-funded higher education institutions at levels that are at least proportional to the state's average support for education (averaged over fiscal years 2017, 2018, and 2019) relative to the state's overall spending.
- Maintenance of Equity In fiscal years 2022 and 2023, states may not reduce perpupil funding for any high-need LEA in the state by an amount exceeding any overall per-pupil reduction in state funds. Accordingly, SEAs may not reduce per-pupil state



funding for any highest poverty LEA below the level of funding provided to each such LEA in fiscal year 2019.

- LEA Maintenance of Equity for High Poverty Schools LEAs may <u>not</u>:
 - Reduce per-pupil funding (from combined state and local funding) for any highpoverty school served by that LEA that exceeds the total reduction in LEA funding for all schools served in such fiscal year divided by the number of children enrolled in all schools served by the LEA, OR
 - Reduce per-pupil, FTE staff in any high-poverty school by an amount that exceeds the total reduction in FTE staff in all schools served by that LEA in that fiscal year divided by the number of children enrolled in all schools.³

Summer Programs, Afterschool, and Learning Recovery in ESSER

ARP's allocation of ESSER funding represents an important opportunity for communities to work with their school districts to invest more in out-of-school time programs and services, as at least 20% of funding allocated to LEAs <u>must be used</u> to promote **learning recovery** through evidence-based interventions including summer programs, comprehensive afterschool programs, extended day, or extended school year programs. In addition to this 20% of LEA funding (about \$22 billion total), SEAs must similarly reserve specific portions of their allotment for learning recovery, summer enrichment, afterschool programs (about \$8.5 billion total, with specific portions of that amount allocated separately to learning recovery, summer enrichment, and afterschool). All together, this means over \$30 billion in new dollars available for out-of-school time programming. Past federal COVID-relief packages have offered little to no direct support for out-of-school-time, so this is an exciting and pivotal development. **Now is the time for state and local advocates to get vocal about the targeting and administration of this limited funding opportunity so that it can have a long-term impact on the quality and capacity of afterschool systems.**

<u>See this post from the Afterschool Alliance</u> for a deeper analysis of what else is in ARP for supporting afterschool and out-of-school-time and <u>this post</u> for a more granular breakdown of ESSER out-of-school-time funding.

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³ There are certain exceptions to this LEA Maintenance of Equity requirement, in that it does not apply to LEAs that meet at least 1 of the following criteria, including: 1) LEAs with enrollment of less than 1,000 students, 2) Single-school LEAs, 3) LEAs that serve students within each grade span within a single school, and 4) LEAs that demonstrate "an exceptional or uncontrollable circumstance, such as unpredictable changes in student enrollment or a precipitous decline in financial resources.

State and Local Relief

With states and localities across the country facing varying degrees of budget shortfalls, lagging tax revenues, increased need for public services, and an uncertain future in terms of emergency response and recovery, direct relief from the federal government has been and continues to be a critical support. The first round of direct relief came from the CARES Act's Coronavirus Relief Fund (CRF), which allocated \$150 billion to states and eligible units of local government. The language in the CARES Act around eligible uses for CRF funds put narrow guardrails around how states and communities could use the dollars. Additionally, prior to the extension of the CRF expenditure deadline by one year in CRRSAA, CRF funds had to be spent by December 31, 2020 or returned to the federal government (The new date is December 31, 2021). Despite the use restrictions put on this funding, states and localities across the country managed to creatively direct dollars to support kids and their families.

THE LATEST: Coronavirus State and Local Fiscal Recovery Funds (ARP)

The American Rescue Plan established a Coronavirus State Fiscal Recovery Fund (\$219.8 billion) and a Coronavirus Local Fiscal Recovery Fund (\$130.2 billion split between metropolitan cities, counties, and non-entitlement units of government) for a total federal investment of \$350 billion in state and local governments.

CARES Act Coronavirus Relief Fund: States & Localities Using Direct Relief for Kids

- Kent County, MI: Entrusted \$450,000 of its CRF allocation to local nonprofit and Early Childhood Millage administrator <u>First Steps</u> <u>Kent.</u> First Steps Kent used these dollars to buy and distribute easy-to-clean toys and other resources to child care providers across the county.
- City and County of St. Louis, MO: Both city and county government committed portions of their CRF dollars to support child care providers. In the city they prioritized under resourced neighborhoods and family and home-based care providers.
- Whatcom County, WA: Whatcom County, the City of Bellingham, and small cities within the county pooled their state-allocated <u>CRF dollars</u> to provide nearly \$700,000 in grants to licensed child care providers.
- San Diego County, CA: Advocates in the San Diego area encouraged local policymakers to direct a portion of the city and county's federal CRF dollars toward emergency child care. They were ultimately successful and secured \$10 million in combined CRF dollars from the city and county.
- Dane County, WI: Dane County allocated a significant portion of its CRF payment toward child care and homeless assistance. To help child care providers ensure safe and sustainable re-opening plans, the county partnered with Community Coordinated Child Care, Inc. to administer grants to roughly 500 Dane County child care providers.



Table 1 - Coronavirus State and Local Fiscal Recovery Funds - \$ Allocated to Different Entities

	ALLOCATION	ALLOCATION METHOD			
States, Territories, and Tribal Governments	\$219.8 billion	Allocated by the state's share of national seasonal unemployment (state), base allocation plus population (territories), and treasury determination (tribal governments).			
Counties	\$65.1 billion	Directly to counties. Proportionate to population relative to other counties.			
Metropolitan Cities	\$45.57 billion	Directly to cities based on CDBG formula			
Non-Entitlement Units of Government	\$19.53 billion	Allocated to states to distribute to localities			

FIND STATE AND LOCAL ALLOCATIONS HERE!

ARP's direct relief funds are more flexible than the CARES Act's CRF dollars in that states, counties, cities, and non-entitlement units of government can use the money to cover budget shortfalls resulting from the pandemic (importantly, these funds CANNOT be used to cover budget shortfalls caused by a change in law or administrative policy or to fund pensions).

The expanded flexibility relative to the CARES Act's CRF may help advocates make a strong and less complicated case for directing dollars to programs and services that are targeted to benefit children and their families. See below for eligible uses of these new funds and suggestions for potential child and youth focused corresponding uses:

Table 2- Eligible Uses of Coronavirus State and Local Fiscal Recovery Funds

Eligible Use for Fiscal Recovery Fund \$

To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

Possible Child-Serving Use

- Direct cash assistance grant programs for families
- Vouchers for child care or summer programming
- Support for afterschool and summer programs
- Investments in child and youth focused behavioral health supports

To respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government (of the metropolitan city, nonentitlement unit of local government, or county) that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

Premium pay for child care workers, teachers, etc.

For the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government (such metropolitan city, nonentitlement unit of local government, or county) due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency

Sustaining local agencies and coordinating bodies that serve children and youth

To make necessary investments in water, sewer, or broadband infrastructure.

Invest in these things as needed, but also consider how your state and/or community can treat child care and other programs and services for children and youth as critical SOCIAL infrastructure.



State and local coronavirus fiscal recovery dollars are available through December 31, 2024. States and territories must submit a certification to receive their share of the money. The Coronavirus Local Fiscal Recovery Fund dollars will be disbursed in two allotments—half within 60 days of enactment (March 12, 2021) and the other half twelve months from the first disbursement.

New and Supplemental Child Care Funding

Since the pandemic began to hit the United States in earnest and Congress made its first \$3.5 billion supplemental Child Care and Development Block Grant (CCDBG) investment through the CARES Act, child care advocates called for \$50 billion in relief for the industry—enough money to keep doors open, enable providers to safely operate, and compensate for lost enrollment. Finally, between CRRSAA and ARP, child care got its \$50 billion!

CRRSAA allocated \$10 billion in new CCDBG dollars to flow through to state agencies (<u>See</u> ACF's collection of 60 Day Reports from States on how lead agencies have used these funds)

ARP allocated a total of \$39 billion, made up of:

- \$14.99 billion authorized for expanding emergency child care assistance through CCDBG. Must be obligated by 2023 and spent by 2024.
- \$23.975 billion appropriated for a child care stabilization fund meant to support eligible child care providers regardless of closures or whether the provider has previously received CCDBG funding. Must be obligated by 2022 and spent by 2023.

In the interest of brevity, we do not include examples here of how states have used supplemental CCDBG and other child care dollars. See Bipartisan Policy Center's map of state actions for an exhaustive analysis.

In 2018, the National Academy of Sciences Consensus Study Report estimated a more than four-fold gap between existing annual investment levels of approximately \$29 billion and the \$140 billion needed yearly to fully fund an equitable, sustainable early childhood education system, beginning at birth, that ensures full access and quality care for every young child in the United States. For a sector already in crisis, this critical gap has only been exacerbated by the arrival of the COVID-19 pandemic. Sporadic state and local resources are available to assist, though more local leaders are coming to the realization that their contribution will also be required to fully fund the early childhood needs of their residents. Even amidst the gamechanging infusion of resources from CRRSAA and ARP, all levels of government must use this time both to administer funds strategically and prepare for the eventuality of a more robust and balanced funding approach in the future. Though it is certainly a time to celebrate the resource prioritization for child care in the most recent legislation, we must remember that this is just the beginning!



Resources for Tracking State and Local Funding Developments

In addition to the guiding information provided above, the following resources can help keep a finger on the pulse of the state and local actions in response to new federal COVID-19 funding:

- The Hunt Institute: "COVID-19 Resources and Policy Considerations"
- National Association of Counties: <u>"COVID-19 Pandemic County Response Efforts & Priorities"</u>
- National Association of Counties: <u>"How Counties are Investing Coronavirus Relief Fund Payments"</u>
- National League of Cities: "COVID-19 Local Action Tracker"
- National Conference of State Legislatures: <u>"State Fiscal Responses to Coronavirus</u> (COVID-19)"
- Bipartisan Policy Center: <u>"State Use of Supplemental CCDBG Funds in the CARES Act During 2020"</u>
- National Governors Association: "COVID-19 State and Territory Actions Tracker"
- Child Care Aware: State by State Resources
- Education Commission of the States: State Education Policy Tracker



III. Cradle-to-Career Guidance on Supplemental and Flexible Funding Streams for Relief and Recovery

While previous versions of this document have focused on flexibilities built into child and youth serving funding streams during emergencies more broadly, this resource zeroes in on the federal funding streams with supplemental COVID-19 appropriations and/or policy changes that can be leveraged to directly benefit kids and their families. What follows is a guide to that flexible funding broken down by primary age group served. New money and flexibilities in orange and bold indicate the latest developments not included in previous versions of this resource.

General Funding for Children and Youth

The following section discusses new funding and expanded flexibility for programs and funding streams that serve children, youth, and their families across age groups and service categories.

Child Tax Credit (CTC)

In its simplest terms, the Child Tax Credit (CTC) is a partially refundable tax credit offered to filers based on the number of under-17 dependents they claim. <u>See this resource from Brookings Tax Policy Center for a full-featured explainer of the CTC.</u>

Importantly, <u>ARP introduced</u> some exciting (but temporary—through December 31, 2021) reforms to the CTC, including:

- Making it fully refundable for 2021 (through January 1, 2022)
- Making 17-year-olds eligible for the credit
- Increasing the per-child credit for 6–17-year-olds from \$2,000 to \$3,000 (and up to \$3,600 for children under the age of 6)
- Eliminating the earnings phase-in for the credit, meaning that low-income families not typically eligible for the credit because they do not meet the \$2500 income eligibility floor will be able to benefit
- Raising the income thresholds at which the CTC begins to phase out from \$110,000 in Adjusted Gross Income (AGI) to \$150,000 AGI for joint returns; from \$75,000 AGI to \$112,500 AGI for single heads of household; and from \$55,000 AGI to \$75,000 AGI in any other case



Child and Dependent Care Tax Credit (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) is a nonrefundable tax credit that allows filers with qualifying children and dependents to claim eligible expenses on their taxes—up to \$3,000 for a single dependent and \$6,000 for two-or-more dependents.⁴

Like it has for the Child Care Tax Credit, <u>ARP also expanded the CDCTC</u> in critical ways (in effect through the end of 2021), including:

- Making the credit refundable
- Increasing the percentage of eligible child care expenses from 35% to 50%--meaning that filers can claim 50% of child care expenses and receive a refundable credit calculated based on their AGI (credit begins to phase out at \$125,000 AGI)
- Increasing the cap on eligible expenses from
 - \$3,000 to \$8,000 for one dependent
 - \$6,000 to \$16,000 for two or more dependents
- Raising the income threshold at which phase out of the credit begins from \$15,000 AGI to \$125,000 AGI

Supplemental Nutrition Assistance Program (SNAP) and Pandemic EBT (P-EBT)

The Supplemental Nutrition Assistance Program (SNAP) helps to ensure that low-income families have access to nutritious food. As more people experience unemployment and otherwise feel the effects of COVID-19 on the economy, SNAP has experienced rising caseloads and has served an important role in the COVID-19 recovery.

COVID-19 Resources for SNAP and P-EBT			
NEW MONEY	NEW/NOTABLE POLICY GUIDANCE		
The CARES Act allocated \$15.8 billion to supplemental funding for SNAP available through September 30, 2021	CRRSAA authorized a temporary 15% increase in the maximum SNAP benefit. ARP extends this increase through September 2021		

P-EBT

- Pandemic EBT (P-EBT), established by the FCCRA, authorizes state agencies to expand eligibility for SNAP benefits to SNAP and non-SNAP households with children whose schools have been closed for five or more days and who would be eligible for free or reduced price school meals
- ARP ensures that P-EBT will remain available through the summer when school is not in session and changes the original language authorizing the program to apply to "any school year in which there is a public health emergency designation."

⁴ <u>"Child and Dependent Care Tax Benefits: How They Work and Who Receives Them."</u> Congressional Research Service. Updated February 1, 2021.



Child Nutrition Programs

The following programs are administered by the Food and Nutrition Service (FNS) under the banner of "Child Nutrition Programs" and are subject to COVID-19 waivers:

- National School Lunch Program provides free or reduced-price lunches to children as established under the National School Lunch Act (1946).
- <u>School Breakfast Program</u> reimburses states for administering nonprofit breakfast programs in schools and residential child care programs.
- <u>Summer Food Service Program</u> provides meals and snacks to children and youth when school is not in session.
- <u>Child and Adult Care Food Program</u> provides reimbursements to child care
 providers, afterschool programs, children residing in emergency shelters, and adults who
 are living with a disability and enrolled in day care facilities.

Though each program has a slightly different target population and mission, they all aim to ensure that no children go hungry, whether or not school is in session. This important mission becomes even more critical during extended periods of school closures like the kind we have seen in response to COVID-19. See this link for the latest COVID-19 policy guidance for FNS Child Nutrition Programs.

COVID-19 Resources for Child Nutrition Programs

NEW/NOTABLE POLICY GUIDANCE

<u>ARP expands CACFP eligibility</u> for meals and supplemental reimbursements to individuals under age 25 who are being served in emergency shelters.

The Emergency Food Assistance Program (TEFAP)

Through the Emergency Food Assistance Program (TEFAP), the USDA distributes food to State Distributing Agencies. The amount of food distributed is commensurate with the number of unemployed people and those living below the poverty level and funds must, in part, be passed down to local agencies.

COVID-19 Resources for TEFAP

NEW MONEY

- CRRSAA directed \$400 million new dollars toward TEFAP
- FFCRA provided \$450 million in additional funding for TEFAP



Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) program is administered by the Department of Housing and Urban Development and provides formula-based block grant funding to states and eligible localities for the purpose of improving communities via supporting planning and administrative activities, public works and public facilities, public services, economic development, and reduction of blight. Typically, CDBG funds are allocated separately to 1) eligible entitled communities (principal cities in Metropolitan Statistical Areas; cities with at least 50,000 people; and qualified urban counties with at least 200,000 people), and 2) states, which receive grants to disburse to non-entitlement communities.

Using CDBG-CV for Kids: National Examples

- Baytown, TX: <u>Used CDBG-CV dollars</u> from the CARES Act to provide child care assistance to essential workers.
- New Braunfels, TX: Used a portion of its CDBG-CV allocation to support <u>court</u> advocacy services for children.
- Middletown Township, NJ: Proposed funding a child care assistance program for low and moderate income households using CDBG-CV dollars (though it is unclear if this proposition passed).
- Lakewood City, CA: Made grants to a variety of youth-serving providers with CDBG-CV dollars, including those providing child counseling, child care, out-of-school time programs and more.

COVID-19 Resources for CDBG

NEW MONEY

As part of the CARES Act Congress allocated an additional \$5 billion to HUD's Community Development Fund, with:

- √ \$2 billion going to supplement traditional CDBG funding (referred to as "CDBG-CV" and allocated via the FY2020 funding formula - see grant amounts here
)
- √ \$1 billion went to states and insular areas outside of the formula (based on the severity of COVID-19's local impact)
- \$2 billion distributed at the discretion of the HUD Secretary.¹

NEW/NOTABLE POLICY GUIDANCE

HUD's "Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response."



Community Services Block Grants (CSBG)

The <u>Community Services Block Grant (CSBG) program</u>, administered by the Office of Community Services (an office of the Administration for Children and Families and the Department of Health and Human Services), provides grants to states to alleviate the conditions of poverty in communities. Community Action Agencies (CAAs) at the local level can also receive discretionary CSBG grants. All CSBG grants have the intended purpose of increasing self-sufficiency, improving living conditions, and increasing ownership of and pride in communities, and building strong family and support systems.⁵

COVID-19 Resources for CSBG			
NEW MONEY	NEW/NOTABLE POLICY GUIDANCE		
The CARES Act authorized an additional \$1 billion	Find recent COVID-19 policy guidance		
in grants to states, territories and Tribes through	for CSBG here.		
CSBG. While states have the built-in authority to			
raise the income eligibility threshold to 125% (over			
the standard threshold of the federal poverty line),			
the CARES Act raised that ceiling to 200% for			
services furnished in fiscal years 2020 and 2021.			

Title IV-E and Title IV-B Programs

Programs governed by Title IV-E of the Social Security Act support child welfare through grants to states, Tribes, and communities. Title IV-E programs include Adoption Assistance (grants to states that facilitate the timely adoption and care of children with special needs), Foster Care (helps to provide safe out-of-home placement for children), Guardianship Assistance (an optional Title IV-E program that provides guardianship assistance for legal guardians of children for whom they previously cared for as foster parents), Prevention Program (Family First Prevention Services Act, or FFPSA—another optional Title IV-E program that funds prevention services and programs for children or youth who are candidates for foster care), and the John H. Chafee Foster Care Independence Program (provides grants to states for supporting current and former foster care youth to achieve self-sufficiency).

Programs governed by Title IV-B of the Social Security Act support states and Tribes to expand coordination of child and family services to help reunify and keep families together when possible. Title IV-B funded programs include the <u>Stephanie Tubbs Jones Child Welfare Services</u> Program, Promoting Safe and Stable Families, and Court Improvement Program.



⁵ Office of Community Services. "About Community Services Block Grants."

COVID-19 Resources for Title IV-E and Title IV-B Programs

NEW MONEY

CRRSAA allocated \$400 million to the John H. Chafee Foster Care Independence Program and \$85 million to subpart 1 of Title IV-B (Stephanie Tubbs Jones Child Welfare Services)

CARES Act allocated \$45
million in grants to states for
child welfare services under
subpart 1 of Title IV-B
(Stephanie Tubbs Jones
Child Welfare Services) with
no matching requirements at
the state level

NEW/NOTABLE POLICY GUIDANCE

CRRSAA's "Supporting Foster Youth and Families Through the Pandemic" provides for:

- Suspending Foster Care Age Restrictions:
 States operating Title IV-E programs may not require a child who is in foster care to leave foster care because of their age or find them ineligible for foster care maintenance payments under section 42 of the Social Security Act because of their age. This is in effect through October 1, 2021.
- <u>Foster Care Voluntary Reentry:</u> States operating Title-IV Part E programs must:
- ✓ Permit youth who aged out of foster care during the COVID-19 public health emergency to voluntarily reenter foster care
- ✓ Provide formal notice of this opportunity to all youth who were discharged during the public health emergency and facilitate the return of such youth to foster care
- ✓ Conduct a public awareness campaign about the opportunity for voluntary reentry for youth up to 21 years of age who aged out of foster care in 2020 or FY 2021

Children's Health Insurance Program (CHIP) & Medicaid

As the key healthcare funding stream for low-income children and adults and those with disabilities, CHIP and Medicaid are vital programs that inevitably have critical roles in disaster response, particularly in the event of a pandemic.

COVID-19 Resources for CHIP and Medicaid

NEW/NOTABLE POLICY GUIDANCE

Extension of Postpartum Coverage for CHIP and Medicaid:

- ✓ ARP gives states the option to extend postpartum Medicaid coverage from 60 days to 12 months. If states choose to use this option, the same provisions will apply to CHIP coverage as well.
- ✓ This new option would take effect on April 1, 2022 and last 5 years, but women who are
 currently postpartum and on Medicaid will be able to take advantage of the option
 immediately.
- ✓ States must submit a waiver to take advantage of this new option.



FFCRA CHIP and Medicaid Provisions:

- ✓ FFCRA increased the Federal Medicaid Assistance Percentage (FMAP) by 6.2 points for states and territories. This increase also applied indirectly to CHIP, which in practice increased the CHIP matching rate by 4.34 points for states
- ✓ Prohibited cost-sharing for COVID-19 testing
- ✓ Gave states the ability to extend Medicaid coverage to the uninsured to cover COVID-19 testing.

Giving states the option to extend coverage over a longer postpartum period, even temporarily, is a huge step toward addressing the need for continuity of care in a child's first year and reaping its <u>well-documented</u> benefits. For more on the enhancements to Medicaid included in ARP, see this excellent explainer from Georgetown University.

Family Violence Prevention and Services Grants

The Family Violence Prevention and Services Program is the administering program for the Family Violence Prevention and Services Act (FVPSA) and provides emergency shelter and other assistance for victims of domestic violence and their children. There are a number of programs and grants under FVPSA including FVPS Formula Grants to States and Territories, FVPS Grants to Tribes, funding for certain discretionary programs, funding for resource centers, funding for state domestic violence coalitions, and funding for the National Domestic Violence hotline.

COVID-19 Resources for Family Violence and Prevention Services

NEW MONEY

In the CARES Act, the FVPSA Program received \$45 million in supplemental funding for formula grantees and \$2 million for the National Domestic Violence Hotline.

National Child Traumatic Stress Network

The National Child Traumatic Stress Network is administered by SAMHSA and includes 116 currently funded network members and 170 formerly funded affiliate centers. Grantees within the network "Provide clinical services; Develop and disseminate new interventions and resource materials; Offer education and training programs; Collaborate with established systems of care; Engage in data collection and evaluation; and Inform public policy and awareness efforts; around trauma-informed interventions."



⁶ The National Child Traumatic Stress Network. "Who We Are"

COVID-19 Resources for National Child Traumatic Stress Network

NEW MONEY

- ARP allocated \$10 million to the National Child Traumatic Stress Network
- CRRSAA allocated \$10 million to the National Child Traumatic Stress Network

Funds are available until expended.

Youth Suicide Prevention Grants

Chapter 6A, Part B, sub-part 3 of the Public Health Service Act provides for grants administered by SAMHSA for supporting State-sponsored statewide or tribal youth suicide early intervention and prevention strategies in schools, education institutions, juvenile justice systems, substance use disorder programs, mental health programs, foster care systems, and other child and youth support organizations. These grants apply to programs that serve youth ages 10-24. One such grant opportunity is the Garrett Lee Smith (GLS) State/Tribal Youth Suicide Prevention and Early Intervention Grant Program (see a previous FOA here for details on the specifics of the program).

COVID-19 Resources for Youth Suicide Prevention Grants

NEW MONEY

ARP allocates \$20 million for programs and services executed under Sections 520E and 520E-2 of the Public Health Service Act (42 U.S.C.290bb-36b). This is on top of the \$30 billion authorized for programs as part of the normal budget process under this section in FY2021. Funds are available through September 30, 2023.

Child Abuse Prevention and Treatment Grants

The federal government offers formula grants to states meant to support community-based efforts to develop, operate, expand, enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect. Grants made available under the Child Abuse Prevention and Treatment (CAPTA) Act are administered by the Administration for Children and Families.⁷

COVID-19 Resources for Child Abuse Prevention and Treatment Grants

NEW MONEY

ARP allocates \$250 million for child abuse prevention grants under 42 U.S.C., Chapter 67, Subpart II, Section 5116a and \$100 million for system improvement authorized under Section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a). Funds are available through September 30, 2023.



⁷ See page 23 of CAPTA for specifics on grants made available under Sec. 5106a.

Early Childhood

supplemental summer

programs

The following programs and funding streams cover services for infants, toddlers, and children up to age 5. For information on IDEA Part C, please see "IDEA Part B and C" in the Middle Childhood section of this report.

Head Start and Early Head Start

Head Start and Early Head Start promote school readiness of low-income children under 5 through education, health, social and other services in different settings depending on the needs of the community.

COVID-19 Resources for Head Start and Early Head Start

NEW/NOTABLE POLICY GUIDANCE NEW MONEY ARP allocated \$1 billion In addition to leveraging the flexibilities provided by to Head Start Programs other nutrition programs (CACFP, SNAP and WIC for CRRSAA allocated \$250 example), Head Start programs have been encouraged million to Head Start to use Head Start funds to provide meals and snacks to Head Start families in the community. programs As part of the CARES Act, Under the Head Start Act, programs can request a waiver to omit their 20% share of costs because of an Congress authorized \$750 emergency or disaster. As Head Start programs have million in supplemental funds for Head Start, with an administrative cost cap of 15%, programs can \$250 million allocated to request a waiver for this limitation if greater COVID-19 response and administrative costs are presented by the pandemic. \$500 million allocated to Additionally, ACF previously authorized grantees to shift

up to \$250,000 (or 25% of their annual funding between

budget categories without prior approval.

Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV)

The Maternal, Infant and Early Childhood Home Visiting Program (MIECHV) provides evidence-based home visiting services for expecting and new mothers through formula and competitive grants to states, territories, tribal entities, and some nonprofit organizations.

COVID-19 Resources for MIECHV				
NEW MONEY	NEW/NOTABLE POLICY GUIDANCE			
ARP allocated \$150 million new dollars for emergency assistance to families through home visiting programs	 CRRSAA specifies the following under Sec 10(a) of Division X (Supporting Foster Youth and Families Through the Pandemic), titled 			



"Allowing Home Visiting Programs to Continue Serving Families Safely":

- ✓ "A virtual home visit shall be considered a home visit;
- ✓ Funding for, and staffing levels of, a program conducted pursuant to such section shall not be reduced on account of reduced enrollment in the program
- Funds provided for such a program may be used to:
 - ✓ Train home visitors in conducting a virtual home visit and in emergency preparedness and response planning for families served and may include training on how to safely conduct intimate partner violence screenings remotely, training on safety and planning for families served
 - ✓ For the acquisition by families enrolled in the program of such technological means as are needed to support a virtual home visit: and
 - ✓ To provide emergency supplies to families served, regardless of whether the provision of such supplies is within the scope of the approved program, such as diapers, formula, non-perishable food, water, hand soap, and hand sanitizer

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

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) gives grants to states to serve low-income women and their children up to age 5 by helping them access nutritious foods and providing nutrition and breastfeeding education.

COVID-19 Resources for WIC			
NEW MONEY	NEW/NOTABLE POLICY GUIDANCE		
ARP <u>allocates supplemental</u> appropriations of \$490 million to increase	ARP increased available benefits for WIC program recipients by authorizing		
funding level and scale administration of the program and \$390 million for WIC program modernization	increases to cash value vouchers for qualified meal packages through September 30, 2021		



 Under FCCRA WIC received an additional \$500 million to remain available through September 30, 2021 to accommodate increased program participation

Middle Childhood

The following funding streams/programs primarily serve school-age children. As you consider these programs, remember that ESSER funding (see Part 2) may be able to serve as a flexible alternative funding source for school-age programs and services.

Title I Part A

Title I, Part A is administered by the Department of Education and offers funding to schools and LEAs with higher percentages of children from low-income families. These funds support additional instruction in academic fundamentals and provide additional preschool, after school and summer opportunities to help children and youth meet or exceed state standards and otherwise thrive.

COVID-19 Resources for Title I Part A

NEW/NOTABLE POLICY GUIDANCE

As part of the CARES Act, SEAs could request waivers for LEAs to carry over more than 15% of their Title I allotment through FY19-20. (See <u>the most recent template</u> for this waiver and others released in a streamlined format by the Department of Education)

IDEA Part B & C

The Individuals with Disabilities Education Act (IDEA) requires that states and public agencies provide a free and appropriate education to the more than 6.5 million infants, toddlers, and older children with disabilities in America.

COVID-19 Resources for IDEA Part B & C				
NEW MONEY	NEW/NOTABLE POLICY GUIDANCE			
ARP allocates:	There are also a number of administrative			
√ \$2.6 billion for IDEA Part B Grants	guidelines to consider and flexibilities to			
to States	leverage related to COVID-19:			
√ \$250 million for programs for	✓ Part C Provision of Services in the			
infants and toddlers with	COVID-19 Environment Q&A Document			
disabilities under IDEA Part C	(Oct. 20, 2020)			
√ \$200 million for preschool grants under section 619 of IDEA				



- ✓ Part B Implementation of IDEA Provision of Services in the COVID-19 Environment Q&A Document (Sept. 28, 2020)
- ✓ Waiver Authority for the Period of
 Availability for Individuals for the
 Individuals with Disabilities Act (IDEA)
 Part C Funds for fiscal year (FFY) 2018
 (Sept. 10, 2020)
- ✓ Part C Evaluation and Assessment
 Timelines in the COVID-19 Environment
 Q&A Document (July 6, 2020)
- ✓ Flexibility on IDEA Part B Fiscal
 Requirements in the COVID-19
 Environment Q&A Document (June 26, 2020)
- ✓ Waiver Authority for the Period of Availability for Individuals with Disabilities Education Act (IDEA) Part B Funds for Federal Fiscal Year (FFY) 2018 (June 8, 2020)

Project AWARE

Project AWARE (Advancing Wellness and Resiliency in Education), administered by SAMHSA, is a discretionary grant issued to SEAs for building capacity within SEAs, State Mental Health Agencies (SMHAs) and LEAs. It has a three-fold goal of increasing awareness of mental health issues among school-aged youth, training adults who work with youth to recognize and respond to mental health problems and helping to connect youth with behavioral health issues to necessary services.

COVID-19 Resources for Project AWARE

NEW MONEY

- ARP allocated \$30 million to Project AWARE
- CRRSAA allocated \$50 million to Project AWARE

21st Century Community Learning Centers (21st CCLC)

<u>21st Century Community Learning Center (21st CCLC)</u> grants support the creation of community learning centers that provide out-of-school time opportunities for students in high-poverty and low-performing schools.



In late 2020, advocates called for Congress to include \$6.2 billion in federal relief for 21st CCLCs. Though a bipartisan group of policymakers introduced the "21st Century Community Learning Centers Coronavirus Relief Act of 2020," the Act did not make it into CRRSAA or ARP. That said, a portion of ESSER funds must be used for afterschool/summer learning/learning recovery/enrichment and therefore may be used to supplement 21st CCLCs.

For more details, see the Afterschool Alliance's COVID-19 resources.

Older Youth

Federal supplemental COVID-19 funding reserved specifically for programs and services for teens and young adults has thus far been relatively scant. Apart from ARP's investment in CNCS programs and the CARES Act's investment in Runaway and Homeless Youth Programs (both detailed below), there has been little targeted funding for older youth. Despite this, some of the funds made available in ESSER (see the Education Stabilization Fund discussion in Part 2) may be able to be used to fill gaps in funding for this age group (see the note under Perkins V below for one example). Additionally, we should acknowledge that more youth have received stimulus checks than they did with direct relief under the CARES Act!

Corporation for National and Community Service (CNCS)

The Corporation for National and Community Service (CNCS) operates AmeriCorps and Senior Corps. As a major hub for mobilizing volunteers and community service efforts, leaders should keep up to date with CNCS's coronavirus guidance.

COVID-19 Resources for CNCS

NEW MONEY

- ARP allocated \$852 million to the Corporation for National Community Service to be sub-allocated as follows:
 - √ \$620 million for AmeriCorps state and national to increase the living allowances of
 participants in national service with priority for "entities serving communities
 disproportionately impacted by COVID-19 and utilizing culturally competent and
 multilingual strategies in the provision of services. Also takes "into account the
 diversity of communities and participants served by such entities including racial,
 socioeconomic, linguistic, or geographic diversity."
 - √ \$20 million for CNCS State Commissions
 - √ \$20 million for a Volunteer Generation Fund
 - √ \$80 million for AmeriCorps Vista
 - √ \$30 million for the National Senior Service Corps
 - √ \$73 million for administrative costs
 - √ \$9 million for the Office of Inspector General of CNCS
- ARP also designates \$148 million for the National Service Trust (used to pay for AmeriCorps Education Awards)



Consolidated Runaway and Homeless Youth Programs

Consolidated Runaway and Homeless Youth Program (RHY) grants fund local facilities that provide temporary residential care and counseling and establish a national toll-free hotline. Examples of grantee programs include Basic Center, Transitional Living, and Street Outreach. The funding for these programs is mostly relegated to allowable uses and therefore, generally, fairly inflexible in times of disaster. That said, the mission and services of programs funded via these grants are especially critical in times of disaster and economic downturn.

COVID-19 Resources for RHY

NEW MONEY

The CARES Act allocated \$25 million in supplemental funding for programs funded under the Runaway and Homeless Youth Act. A summary of HHS these flexibilities as they relate to RHY programs can be found here.

Career and Technical Education Grants to States (Perkins V)

Career and Technical Education Grants to States support the work of states and localities to provide high-quality career and technical education (CTE) for secondary and post-secondary students. Administered by the Department of Education, CTE grants are directed to states with lower per capita income and larger proportions of students from ages 16 to 20. ESSER funding.

Conclusion

In publishing this guide to new COVID-19 funding and flexibility for kids, our hope is that it will help state and local leaders, child and youth advocates, and others not only respond to the immediate effects of the ongoing public health emergency, but also to empower the development of longer-term recovery strategies to improve child and youth serving systems beyond where they were even prior to the pandemic. By leveraging new funding and flexibilities wisely and considering creative opportunities to coordinate financing efforts at the state and local levels, we can emerge from this challenging time with a brighter, better-resourced outlook for kids of all ages.

Be sure to follow Children's Funding Project on <u>Twitter</u> and <u>LinkedIn</u>. Sign up for our newsletter at https://www.childrensfundingproject.org/.



Appendix

COVID-19 Funding for Kids

Funding Stream/Program	FFCRA	CARES	CRRSAA	ARP	Funding Category
Public K-12 and Higher Education		\$30,750,000,000	\$81,900,000,000	\$165,200,000,000	Education & OST
New Child Care Funding		\$3,500,000,000	\$10,000,000,000	\$39,000,000,000	Early Care and Education
Title IV-B and E Programs		\$45,000,000	\$485,000,000		Child Welfare
TEFAP	\$400,000,000	\$450,000,000	\$400,000,000		Nutrition
Head Start		\$750,000,000	\$250,000,000	1,000,000,000	Early Care and Education
Project AWARE			\$50,000,000	\$30,000,000	Behavioral Health
Family Unification Program Vouchers			\$20,000,000		Child Welfare
National Child Traumatic Stress Network			\$10,000,000	\$10,000,000	Behavioral Health
Youth Suicide Prevention				\$20,000,000	Behavioral Health
Family Violence Prevention and Services		\$45,000,000			Child Welfare
Runaway and Homeless Youth Act		\$25,000,000			Child Welfare
Child Abuse Prevention and Treatment				\$250,000,000	Child Welfare
Maternal, Infant, and Early Childhood Home Visiting (MIECHV)				\$150,000,000	Home Visiting
Community Development Block Grants (CDBG)		\$5,000,000,000			General/Other
Community Services Block Grants (CSBG)		\$1,000,000,000			General/Other
WIC	\$500,000,000			\$490,000,000	Nutrition
SNAP		\$15,800,000,000			Nutrition
IDEA Parts B and C				\$3,000,000,000	Education & OST
Corporation for National and Community Service (CNCS)				\$852,000,000	General/Other