

CARES ACT FUNDING: PUBLIC HEALTH



State and local governments play a vital role in keeping constituents safe and healthy. In 2020, that became even more abundantly clear.

Ongoing economic uncertainty led to increased demand for social services and forced public health agencies to balance their traditional focus on things like nutrition, addiction services and family health with new population health and prevention needs related to the global pandemic.

The CARES Act, which Congress passed in March 2020, provided a \$2.2 trillion lifeline for the country. More than \$150 billion¹ of this was sent to state and local governments to help them respond to greater demand for public services. Implementing new technologies has been the cornerstone of these efforts, with public health agencies using funding for everything from contact tracing and testing to upgrading their existing healthcare IT infrastructure.

In December, Congress passed another stimulus bill. Though this bill didn't provide additional funding specifically for state and local governments, it did extend the deadline by a year — to Dec. 31, 2021 — for recipients to use their original CARES Act funds. This extension is critical because, according to Center for Digital Government research, state and local governments still have billions of dollars left to spend.

Over the past year, we have tracked several pandemic-related federal funding streams, including the Coronavirus Relief Fund, the Education Stabilization Fund, the Higher Education Emergency Relief Fund, the Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Relief Fund.

Our research indicates state and local governments have applied federal funding — particularly from the Coronavirus Relief Fund — to tackle a variety of public health challenges. However, with a significant amount of money remaining, these organizations may need more guidance for how they can effectively use federal funds to address not only pandemic-related needs, but also to develop services and a robust technology infrastructure that will equip them to better serve the public in the future.

This briefing provides an overview of what remains in federal funding streams, how state and local governments have already leveraged those dollars — and how they can best maximize what's left.

CARES ACT APPROPRIATIONS FOR PUBLIC HEALTH

To understand how state and local agencies can best deploy federal funding in 2021, it's important to understand the current state of CARES 2020 Act funding. For the purposes of public health, the Coronavirus Relief Fund and Governor's Emergency Education Relief Fund are the most applicable.

Coronavirus Relief Fund (CRF)

How much funding is left: According to oversight data reported in February to the federal government, \$26 billion remains in this fund across 48 states. The states with the most funding remaining include:²

1. **California:** \$5.4 billion
2. **Texas:** \$2.6 billion
3. **North Carolina:** \$1.9 billion
4. **Oregon:** \$1.5 billion
5. **Florida:** \$1.2 billion

Allowable uses: Federal data indicates health and human services needs have accounted for more than 8,500 CRF expenditures — the largest share of any category. Though CARES Act federal guidance is broad, state and local governments can spend CRF money for a variety of uses, including:

- **An array of public health needs:** Any necessary expenses related to medical or public health needs incurred because of — and during — the pandemic.
- **Medical facilities:** COVID-related expenses of public hospitals, clinics and similar facilities, as well as expenses for establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity.
- **Testing:** To offset the costs of providing COVID-19 testing.
- **Telehealth:** Expenses for establishing and operating public telemedicine capabilities for COVID-related treatment.
- **Communication:** Expenses for communication and enforcement of public health orders related to COVID-19.
- **Technology improvements:** Technology expenses incurred by local authorities and other entities related to COVID-19 mitigation efforts.

This is just a snapshot of allowable uses in the CRF. The Treasury offers a more comprehensive list on its website.³

Next steps: State and local governments and award, grant and contract recipients have until Dec. 31, 2021 to use these funds. Primary recipients of this funding — generally, state, local and county governments with populations of at least 500,000 — may have additional specific guidelines for how sub-recipients can use their allocation.

Therefore, sub-recipients should contact their awarding agencies for more specific guidance.

Governor's Emergency Education Relief Fund (GEER)

How much funding is left: Congress allotted \$3 billion for this fund. According to the most recent federal data as of October, most states have barely spent any of these funds. In fact, 32 states have spent less than 1 percent of their GEER allocation, including Vermont, Mississippi, Georgia, Massachusetts and Ohio. These states were awarded between \$4.4 million (Vermont) and \$355 million (California).

Allowable uses: Governors are allowed to use these funds for COVID-19 response and mitigation efforts and can award contracts or subgrants to local education authorities and higher education institutions "most significantly impacted by the virus" to support them in remaining open.

Governors have latitude to decide how to use and allocate these funds within their states as long as they abide by federal guidelines. However, schools may be able to use these funds for a range of public health needs, such as personal protective equipment (PPE) for students, teachers and

staff, as well as remote and hybrid learning technologies to maintain social distancing requirements. Other allowable uses may include equipment to monitor and improve air and water quality; mental health support services for students; and communications technologies to combat misinformation about the pandemic. These funds also could be directed to share school updates and to disseminate accurate health and safety information to parents, students and staff across multiple channels, such as social media, email and mobile.⁴

Next steps: To receive their state allocation, governors must have applied directly to the Department of Education by April 14, 2020. Governors and sub-recipients now have until Sept. 30, 2022⁵ to use these funds. Covered expenses include costs beginning on March 13, 2020. Each state has its own guidelines for distributing funds, but generally, schools will need to file a local application with their governor's office to receive funding.⁶

HOW STATE AND LOCAL AGENCIES HAVE USED CARES ACT FUNDING

State, local and county organizations have used CARES Act funding in several

ways to advance public health. Health departments in Florida, Missouri and Pennsylvania have used this funding to expand laboratory and testing capacity. Other sub-recipients have reported uses ranging from providing nursing home assistance and behavioral health services to security services to safeguard medical supplies and PPE, along with providing counseling services for first responders and creating public health education campaigns and mailers.⁷ The Indiana Department of Health has even used its funding to create COVID vaccine awareness commercials that will air in six markets throughout the state this year.⁸

MAKING THE MOST OF FEDERAL AID

State and local agencies are using federal funding to confront the challenges of the pandemic in ways they think will be most impactful. With a year left to use CRF money and more than two years remaining to use GEER funds, organizations should take some time to assess their needs and identify how best to deploy this funding to combat not only short-term challenges related to the pandemic, but also long-term priorities that align with their mission.

Endnotes

1. <https://home.treasury.gov/policy-issues/cares/state-and-local-governments#:~:text=and%20Tribal%20Governments,-The%20CARES%20Act%20Provides%20Assistance%20for%20State%2C%20Local%2C%20and%20Tribal,%24150%20billion%20Coronavirus%20Relief%20Fund.>
2. CDG Research Team: CRF Spending Data - Summary Tables
3. https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf
4. <https://files.nc.gov/covid/documents/guidance/Strong-Schools-NC-Public-Health-Toolkit.pdf>
5. https://oese.ed.gov/files/2021/01/FINAL_-GEER_FactSheet_1.8.211.pdf
6. <https://oese.ed.gov/files/2020/05/FAQs-GEER-Fund.pdf> A-14 section
7. CDG Research Team: CRF Spending Data - Spending Categories
8. <https://www.wane.com/news/indiana/health-department-creates-super-bowl-commercial-highlights-covid-vaccine-awareness/>

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