Strengthening State and Local Economies in Partnership with Nonprofits: Principles, Recommendations, and Models for Investing Coronavirus State and Local Fiscal Recovery Funds

Successful Models of Nonprofit Relief from Around the Country

In 2020, more than half the states and the District of Columbia created more than 50 relief funds and grant programs for small businesses and nonprofits using CARES Act Coronavirus Relief Fund monies.1 The experiences in those programs helped shape the foregoing principles and recommendations and serve as successful models for relief programs discussed in this section of the report.

The $350 billion in Coronavirus State and Local Fiscal Recovery Fund allow even more flexibility than the CARES Act did.2 This flexibility gives partnerships between governments and nonprofit the opportunity for more creativity for greater impact in their communities. The following examples are just a sampling of different models of programs that state, local, Tribal, and territorial governments can create to ensure that nonprofits – and the people they serve – are able to participate in programs funded with ARPA resources. The models are organized by:

1. Lifting Unemployment Burdens Off Employers

2. Creating relief and recovery funds and grants for nonprofits to use in their communities

3. Streamlining government grants and contracts for nonprofits

4. Expanding and replicating innovative nonprofit programs to help communities respond, adapt, and recover

1. Lifting Unemployment Burdens Off Employers

Economic recovery from the pandemic requires that employers bring people back to work. Removing the heavy burden of outstanding or looming unemployment costs off the necks of employers of all types must be a priority of governments if local economies are going to recover and expand. We therefore list unemployment relief as the top priority.

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1 Generally, allowable use of funds under the CARES Act’s Coronavirus Relief Fund are also eligible uses under the ARPA Coronavirus State and Local Fiscal Recovery Fund. See Treasury Guidance FAQs #2.2.

2 The CARES Act’s Coronavirus Relief Fund was more restricted than the ARPA Coronavirus State and Local Fiscal Recovery Fund in that the earlier funds had to be used only “to cover costs that are necessary expenditures incurred” between March 1 and December 30, 2020, due to COVID-19 and costs that “were not accounted for in the budget most recently approved.” Thus, a direct relation was required between the expenditures and the pandemic, and the funds could not be used to fill budget gaps.
Employers across the country are facing exorbitant unemployment costs caused by the pandemic. State unemployment laws recognize three categories of employers for unemployment compensation purposes: contributing employers (most for-profit and some nonprofit employers that make quarterly payments into the state unemployment system for the estimated costs of what the state paid out to their former employees), reimbursing employers (charitable nonprofits and local and Tribal governments that self-insure and reimburse the state for actual costs for benefits paid to their former employees), and exempt employers (typically religious institutions and very small entities with very few employees).

Congress and many state policymakers recognized that the unprecedented nature of the COVID-19 pandemic required urgent adjustments to the unemployment insurance system. They acknowledged that no employer or employee should be held financially liable because of a worldwide crisis that was unanticipated and outside their control. Through the CARES Act of 2020, the federal government delayed, but did not cancel, any costs for contributing employers; covered only 50 percent of the costs charged to reimbursing employers; and fully covered the costs of exempt employers. The ARPA increased the coverage for reimbursing employers from 50 percent to 75 percent for five months in 2021, but left those employers on the hook for the remaining 25 percent of charges.³

Many state unemployment laws impose automatic unemployment tax hikes on contributing nonprofit and for-profit employers when the state’s unemployment trust funds fall below certain levels; these employers must pay higher unemployment tax bills unless and until the state’s unemployment trust fund is restored to pre-pandemic solvency. Compounding the problem for many, 18 states, as of mid-June 2021, had outstanding loans from the Federal Unemployment Account in excess of $53 billion, which will need to be repaid by those states’ trust funds and ultimately by contributing employers.

Recognizing the strains on states and employers alike, Congress expressly authorized governments to use their allocations of the ARPA relief funds to bring unemployment systems back to pre-pandemic levels. States may do so by depositing ARPA funds into their state’s unemployment trust funds or paying off unemployment insurance loans from the U.S. Department of Labor.⁴ Restoring the trust funds to pre-pandemic levels would avert tax hikes on contributing employers in the states. The result would be that contributing employers, relieved of this daunting financial burden, will be able to invest funds they would have used to pay unemployment taxes to instead rehire people or even expand employment and operations at a time when the economy needs help recovering.⁵

Those solutions will hold contributing employers harmless for the unemployment costs of the pandemic – that is, those employers will not suffer any negative financial consequences in the unemployment system due to pandemic-related layoffs. But what about reimbursing employers that have never received the same absolute relief from federal legislation and only partial relief from some states? Contributing employers and reimbursing employers suffered from the exact same health and economic crisis; should they not be treated the same?

³ Governors in five states – Arkansas, Missouri, Montana, South Carolina, and Texas – cancelled this relief for reimbursing employers, thereby imposing 100% liability for unemployment costs incurred this summer while the overwhelming majority of for-profit employers in those states suffered no additional unemployment costs.

⁴ See Treasury IFR, page 9; Treasury Guidance FAQs #2.4.

⁵ The Treasury Department has made clear that using the ARPA relief funds to avoid unemployment insurance tax rate increases is permissible and does not run afoul of the ARPA provision preventing usage of these funds to provide tax cuts or delay tax hikes. See Treasury IFR, page 9; Treasury Guidance FAQs #2.4.
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Last year, several states answered that question by saying it absolutely would be unfair for governments to protect one set of employers (contributing employers) from dramatic cost hikes while leaving the other set of employers (nonprofits and local and Tribal governments) financially liable for essentially the same unemployment burdens. To correct that unfairness, about a dozen states provided needed relief to reimbursing employers. However, that relief has largely expired or must be revised to hold these innocent employers harmless from these pandemic-caused costs from which their contributing counterparts have been protected. **We strongly recommend that states provide the same level of protection granted to contributing employers – zero costs from the outset of the pandemic – to all reimbursing employers.** This equal treatment can be achieved by states and localities by: (i) cancelling all unemployment bills for COVID-related layoffs; and (ii) repaying these employers for the amounts paid on unemployment costs charged to them since the declaration of the national emergency on March 13, 2020.

The following are examples of actions taken by states that can serve as models of the three forms of relief that are needed to make all employers whole for costs incurred or threatened due to layoffs caused by the pandemic.6

**Shore Up UI Trust Funds for Contributing Employers**

- In 2020, lawmakers in several states (Louisiana, Maine, Minnesota, and Pennsylvania) provided immediate relief for contributing employers, including for-profit and some nonprofit employers, by using Coronavirus Relief Fund monies to cover the losses of those tax revenues resulting from cancellation or delay of unemployment insurance tax rate increases during the pandemic.
- **South Carolina**: Lawmakers authorized use of up to $500 million of CARES Act funds to reimburse the state Unemployment Insurance Trust Fund.
  - In recent months, Arizona, Iowa, Louisiana, Maryland, and New Mexico have allocated hundreds of millions of dollars to their state unemployment trust funds to bring them up to pre—pandemic levels and avoid automatic tax increases on contributing employers.
  - **Vermont** policymakers approved a law that excludes employer unemployment claims experiences in 2020 from future unemployment tax rate calculations. The relief is expected to save contributing employers an estimated $400 million.

**Pay Off Unemployment Loans from the Federal Government**

- **Hawaii**: Lawmakers appropriated $700 million from CARES Act money to repay the federal government for the unemployment insurance loan taken by the state.
  - **New Mexico** announced it is using part of its ARPA allocation to complete repaying $284 million it borrowed from the U.S. Department of Labor to keep the state’s unemployment trust afloat during the peak of the pandemic.
  - **Ohio** ran up a nearly $1.5 billion loan debt at the U.S. Labor Department during the pandemic to keep the state’s unemployment system solvent. In early summer 2021, the Governor signed legislation to pay off that loan and prevent unemployment tax increases of between 50% and 150% over the next three years.

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6 This updated edition of the Special Report uses stars instead of dots to identify the examples that have been added for readers to consider as potential models for their communities to customize and use.
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Provide 100% Retroactive Relief for Reimbursing Employers

- **Delaware**: The state permitted nonprofits with a balance of reimbursable unemployment claims related to COVID-19 to self-certify and request that CARES Act funding be allocated to their accounts, resulting in the cancelation of unemployment costs charged to them in 2020.

- **Kentucky**: The Governor directed $51.5 million in federal CARES Act funding to be used for unemployment insurance relief for reimbursing employers in the state. The announcement clarified that the Governor was applying CARES Act funds to “eliminate the other 50 percent owed to the state Unemployment Insurance Trust Fund by [reimbursing] employers.” The relief helped nearly 1,000 nonprofits in the Commonwealth so they could keep advancing their missions for people in local communities, according to the Kentucky Nonprofit Network.

- **North Carolina**: Legislators acted at the start of their 2021 legislative session to extend the noncharging period for COVID-related unemployment claims for reimbursing employers through the end of 2021, building on previously enacted legislation. The action resulted in the state not charging reimbursing employers the remaining costs not covered federally under the ARPA.

* **New Jersey**: Recently enacted legislation in New Jersey provided full unemployment relief to reimbursing employers – nonprofits and local governments that in the past elected to reimburse the state for the costs of unemployment benefits paid to former employees – during the Governor’s declared state of emergency through June 2021.

2. Creating Relief and Recovery Funds and Grants for Nonprofits to Use in Their Communities

The most common form of relief that state and local governments provided nonprofits last year was economic support though relief funds and grant programs for nonprofits and small businesses. The most successful relief funds and grant programs provided set asides and easy access for nonprofits during the height of the pandemic and allowed for strong partnerships between governments and nonprofits. As discussed in the Recommendations, above, keys to successful implementation included quick processing, nonprofit-experienced administration, minimal paperwork for applications and back-end reporting, and large funding set asides to avoid unnecessary competition between smaller nonprofits and other entities. The following examples show different ways that governments can structure these programs.

**Governor Created Nonprofit Relief Fund**

- **New Hampshire Nonprofit Emergency Relief Fund**: New Hampshire was the first state in 2020 to set aside Coronavirus Relief Fund monies ($60 million) for nonprofits. It was overseen by the Governor’s Office for Emergency Relief and Recovery Stakeholder Advisory Board, which included among its members Kathleen Reardon, CEO of the New Hampshire Center for Nonprofits. All New Hampshire-based 501(c)(3) nonprofits not assisted through other funding opportunities (e.g., hospitals, colleges, and universities) that were experiencing necessary expenditures and/or losses due to the COVID-19 public health emergency were eligible for funding under the program. Awards were based on actual expenses, net actual losses of revenue, projected expenses, or net projected losses of revenue due to COVID-19. The fund was administered through a true government-nonprofit partnership between the New Hampshire Center for Nonprofits, the New Hampshire Charitable Foundation, and the state’s Community Development Finance Authority.
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Community Investment Recovery Fund: Delaware will provide nonprofits with one-time funding for major nonprofit capital projects that meet federal eligibility standards. Joining the Governor in announcing the Recovery Fund for nonprofits, the Lieutenant Governor observed, “We rely on our nonprofits to care for and serve Delawareans, especially our most vulnerable residents every day. This has been especially true throughout the COVID-19 pandemic. This ARPA investment will provide critical support for our nonprofits and community organizations that have stepped up every day to ensure Delaware families have the services they need.”

Executive Branch Grant Program
• Montana Coronavirus Relief Grants: A special Coronavirus Relief Fund Advisory Council, which included Liz Moore, Executive Director of the Montana Nonprofit Association, made recommendations for how the state could best use its allocation of CARES Act funding. The Montana Department of Commerce then created, approved, and administered various grant opportunities based on 30 distinct program areas for nonprofit organizations and for-profit businesses in the state. The program areas ranged from agriculture to business adaptation, innovation, and stabilization to childcare, food banks and food pantries, the arts, private and public schools, and loan deferment. The Department awarded more than $786 million at levels ranging from less than $30 to more than $800,000.

Baltimore Nonprofit Relief Fund: Baltimore recently awarded nearly 70 nonprofits grants of up to $50,000 each in ARPA funds from the city’s second round of grantmaking. Nonprofits can use the award to help “address the negative financial impacts of the COVID-19 pandemic, both reimbursing organizations for unexpected funds spent to respond to the pandemic, as well as addressing future needs related to COVID-19.” In announcing the awards, the Mayor highlighted how governments and nonprofits rely on each other to better serve the public: “As our nonprofit organizations continue to keep Baltimoreans afloat through this pandemic, I am proud that we are able to reciprocate the support. This round of funding will supplement our economic recovery efforts and help these important organizations plan ahead and continue their services to support our residents as we continue to navigate the effects of COVID-19.”

Legislative Branch Created Nonprofit Relief Fund
• South Carolina Nonprofit Relief Grant Program: At the end of their 2020 legislative session, South Carolina legislators established a nonprofit-entity reimbursement grant program under the SC Grant Management Program. Lawmakers appropriated $25 million for grants of up to $50,000 to qualifying nonprofit entities to cover two-month’s payroll expenses. Together SC, the state association of nonprofits in South Carolina, advocated for the program to ensure as many nonprofits in the state as possible were eligible to apply.

Minnesota Grants Programs: Minnesota’s new biennial budget establishes a $70 million Main Street COVID-19 Relief Grant Program to help small businesses negatively impacted by COVID-19, including nonprofits organizations that earn revenue in ways similar to businesses, such as ticket sales and membership fees. The budget also establishes a $80 million Main Street Economic Revitalization Loan Program to support partner organizations, including nonprofits, businesses, and developers, for grants and guaranteed loans for economic development and redevelopment projects.

Additional Grant Programs: Several other states have set up special programs designated just for charitable organizations. Alaska created a $20 million grant program to help offset nonprofit revenue losses due to the pandemic. California has provided an additional $1.5 billion in funding for a COVID-19 relief grant program for small businesses and nonprofits created in
2020. The Louisiana Small Business and Nonprofit Assistance Program uses all but $400 million of the state’s allocation of ARPA funds for 2021 to provide grants up to $25,000 to small businesses and eligible nonprofit organizations, including public charities and faith-based organizations.

Nonprofit Administered Grant Program

- **Minnesota Small Business Relief Grant**: Lawmakers in Minnesota approved $60.3 million for grants of up to $10,000 for small businesses and nonprofits that could “demonstrate financial hardship as a result of the COVID-19 outbreak.” The program was unique in that it selected awardees through a “computer-generated, randomized selection process.” The randomized process included prioritization of targeted groups (veteran, woman, or minority-owned businesses, and microbusinesses with fewer than six full-time employees), as well as geography. While the Minnesota Department of Employment and Economic Development oversaw the program, “awards were disbursed and administered by qualified local and regionally based nonprofit organizations.”

- **Tennessee Community CARES Program**: The largest nonprofit-specific grant program in 2020 was for $150 million in Tennessee. The program tapped four United Ways, the Women’s Foundation for a Greater Memphis, and the Second Harvest Food Bank of Middle Tennessee as grant-administrators, which “helped decentralize the work” and to “ensure the basic eligibility standards and screening was applied.” Nonprofit grant-administrators recognized nonprofit-specific needs for applications, monitoring and oversight, and back-end reporting. The Department of Human Services and the nonprofit grant-administrators received 1,350 applications seeking $435 million in proposed expenses to support diverse populations and communities across the state.

Locally Created Nonprofit Relief Fund

- **Colorado**: Denver has extended the Nonprofit Emergency Relief Fund that it created last year using CARES Act funds, and expanded the fund by adding $485,000 from its ARPA allocation. The nonprofit relief fund is designed for “nonprofit organizations experiencing financial hardships due to the COVID pandemic (increased demand, decreased income, new services).”

- **Florida**: The City of Winter Park has allocated $200,000 of its ARPA funding for a grant program to assist nonprofits “detrimentally impacted by the pandemic in their recovery initiatives.” It is noteworthy that the City is seeking to ensure the ARPA funds “are used strategically to offer services that are better provided by nonprofit community partners while creating clear expectations and improved outcomes from the services rendered.” Nonprofits with operating expenses less than $2 million can apply for grants up to $25,000. The financial aid was announced after the Florida League of Cities posted on its website a resource from the Florida Nonprofit Alliance, the state association of nonprofits: Recommendations from the Special Report on ARPA Funds.

- **Maryland**: The Local Nonprofits Grant Program in Calvert County provides up to $15,000 to nonprofit organizations that have experienced adverse financial impact and expenses related to COVID-19 that have not already been offset by other COVID-19 funding. The Town of Easton is encouraging nonprofits to apply for one of two new grants if they have been in operation since at least January 2020 and can show a loss of revenue or expenses incurred since March 3, 2021.

- **New Hampshire**: The County of Cheshire issued a Notice of Funding Opportunity “to provide assistance to help nonprofits impacted by COVID-19.” Grants from $1,000 to $20,000 will be
approved for eligible nonprofits to “reimburse the costs of operational interruptions caused by required closure” due to the pandemic.

★ North Carolina: The City of Wilmington has set aside $700,000 for grants to nonprofit organizations, including $200,000 reserved for arts groups.

★ Virginia: Loudon County is awarding nearly $2.5 million in grants to 36 nonprofits and faith-based organizations out of the locality’s allotted $40.2 million ARPA funds. The nonprofit grant program provides awards for services in one of four categories: emergency food assistance, COVID-19 service expansion, service interruption, and nonprofit service continuity. The organizations receiving the funds range from adult and early education, direct assistance, domestic violence, employment assistance, food assistance, public and mental health, legal services, rental assistance and housing, transportation, and utility assistance.

3. Streamlining Government Grants and Contracts with Nonprofits
The Treasury Department advised governments receiving Coronavirus State and Local Fiscal Recovery Fund monies that most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to these funds, including the Cost Principles and Single Audit Act requirements.\(^7\) Exceptions are listed in the Assistance Listing found at beta.SAM.gov. The important point here from the nonprofit perspective is that governments must pay nonprofits for the indirect costs they incur while performing services on behalf of the governments. Thus, the federal government continues to insist that when its funds are used to pay nonprofits, the nonprofits must be reimbursed fairly for the costs they incur when serving the public.

Pay Indirect Cost Rates of Government Grantees

- New York City: As documented by the federal Government Accountability Office, the National Council of Nonprofits, the Urban Institute, and others, too many governments fail to pay nonprofits for the full costs of the services they provide on behalf of the governments. The most common of these failures is not paying the organizations’ actual indirect costs. Those are the ordinary and necessary expenses of the organization – such as accounting, technology, rent – that are not specific to the program covered by a government grant, but costs shared across all operations. Prior to the pandemic, nonprofits in New York City partnered with the Mayor and City Council to establish the Indirect Cost Rate Funding Initiative to correct this systemic underfunding of nonprofit organizations on which the City relied. The pandemic, however, imposed significant stress on City finances, leading to budget proposals that would have restricted indirect cost reimbursements to just 70 percent of true costs. The relief under the ARPA has allowed City leaders to reverse course and ensure that nonprofit human services providers receive 100 percent of funding for their approved indirect costs this year.

- Other Examples: In January 2021, the District of Columbia enacted the Nonprofit Reimbursement Fairness Act to ensure that government grantees receive payment of their indirect costs as required under the OMB Uniform Guidance, discussed above. Similar legislation is pending in Massachusetts with the goal of “enhancing the effectiveness of nonprofits’ core mission work through full cost funding.”

Make Prompt and Full Payments for Services Rendered

- New York: Several governments, including New York State, shifted their financial burdens onto nonprofits during the pandemic by suspending prompt payment laws and reducing how much

\(^7\) See Treasury FAQ #9.3.
they reimburse nonprofits for services previously rendered. New York’s Governor issued an executive order (EO 202.48) suspending prompt payment laws and authorized government agencies to withhold up to 20 percent from amounts owed to nonprofit service providers, essentially requiring nonprofits to underwrite the state’s financial obligations for the duration of the pandemic. In a letter to the Governor, a coalition of nonprofit organizations stated, “The sector cannot provide the necessary services and jobs New York needs to recover if the State is unwilling to honor its financial commitments to pay for the services it has contracted nonprofits to provide, while also asking nonprofits to continue to provide those services at great financial risk.” It is essential that governments use their share of the ARPA funds to pay their bills for services already rendered on their behalf – not as a benefit to nonprofits, but as acts of fiscal and moral responsibility.

Relieve Contractual Performance Obligations During Times of Crisis

- **Failure to Perform Waivers**: The Office of Management and Budget, in Memorandum 20-17 issued on March 19, 2020, encouraged federal agencies to relax administrative and performance requirements during the public emergency, recognizing that many governmental grantees and contractors would not be able to fully perform due to shutdown orders and public safety requirements. Examples of this flexibility at the state level include New Jersey, which enacted a penalties waiver law, and California, where pending legislation would allow nonprofits with state contracts for “non-essential” services to continue to receive payment during emergencies despite changes to contract performance due to the emergency.

- **Recognize and Overcome Nonprofit Challenges**: Policymakers in numerous jurisdictions are taking action to address challenges nonprofits have faced for years, but that the pandemic has exacerbated. For example, a new law in Colorado permits a state agency to pay up to 25 percent of the total value of payments to the grantee immediately upon execution or renewal of the contract, thereby preventing late payment and underpayment challenges confronting nonprofits. A bill in California would require each state agency doing significant business with or has policies that affect nonprofits to designate a nonprofit liaison to address nonprofit complaints, provide technical assistance on agency policy compliance, develop innovative contracting policies, and report nonprofit concerns to agency leadership.

4. Expanding and Replicating Innovative Nonprofit Programs to Help Communities Respond, Adapt, and Recover

Charitable nonprofits are often the first to respond when crises erupt, and this was no different with the COVID-19 pandemic. Nonprofits developed innovative programs and services to meet the changing needs within their communities. This final portion of the Special Report offers inspiring examples of successful programs that government-nonprofit partnerships can replicate, adapt, and expand to benefit people and help communities recover.

**Arts and Cultural Supports**

- **State and Local Grant Programs**: Many state and local governments are taking the opportunity afforded by the ARPA funds to support arts and cultural programs that have suffered during the pandemic. California established the California Nonprofit Performing Arts Grant Program funded with $50 million in ARPA funds. It also created the California Venues Grant Program that will provide grants for up to $250,000 or 20% of gross revenue to eligible independent live events affected by COVID-19. A special appropriations bill enacted in Utah allocated $13.2 million for a Create in Utah grant program for arts-focused nonprofits in the state. Dane County, Wisconsin is
awarding $5 million in grants in ARPA funds to nearly 200 local nonprofits in partnership with the Madison Community Foundation.

**Broadband & Connectivity**

- **Technological Assistance**: The Metropolitan Alliance of Connected Communities (MACC) in Minnesota supports 38 human service nonprofits with their client data system, data strategy, and capacity building. Beginning in March 2020, MACC received increased requests for remote service-delivery, distance interactions, and privacy and security in digital engagement because of public health concerns resulting from the pandemic. The organization was able to utilize one-time funds to help food shelves and other services to be more responsive and increase access to services through secure data systems and remote interaction technology.

- **Digital Equity Fund**: The Mayor of Boston reopened the Digital Equity Fund to award $250,000 in grants to local nonprofits working to increase digital equity. The grants, ranging from $5,000 to $35,000, are funded in partnership with the City of Boston’s Age Strong Commission and the Department of Innovation and Technology. Nonprofits serving neighborhoods disproportionately impacted by the pandemic were prioritized and other nonprofits serving older adults, persons with disabilities, non-English speakers, public housing residents, and unemployed persons were strongly encouraged to apply. The Mayor’s emergency relief plan using the City’s ARPA dollars includes $2.4 million allocated for expanding digital equity and access.

- **Telehealth Services**: During the COVID-19 pandemic, Jewish Federations of North America worked with many Jewish family service agencies, nursing homes, and hospitals to provide a wide variety of vital health, behavioral health, and long-term care services through telehealth. In particular, audio-only (telephone) telehealth options have allowed partner agencies to meet patients and clients wherever they are according to individual needs. Many of the older adults served were unable to access broadband, could not afford or use a smartphone, struggled with digital literacy, or suffered from cognitive, visual, or other physical impairments that inhibit their ability to utilize video-enabled technology. The ability to connect this aging population with health care providers was literally a lifesaver.

- **Telework & Online Sales Relief Grant**: Harford County, Maryland will provide grants to eligible businesses and nonprofit organizations to assist in the set up or expansion of an online sales framework and/or offering employees telework opportunities or reimbursement of equipment purchases.

- **Broadband Expansion Program**: Wisconsin Governor Evers announced a $100 million investment in first round of federal funding for broadband access, the largest single round of broadband investment, and is expected to benefit unserved or underserved households and businesses.

**Childcare to Support Essential Workers**

- **Community Action Partnership**: The majority of Head Start programs in Washington, DC were closed at the start of the pandemic. The local government turned to the United Planning Organization to transform the programs to provide childcare for essential workers. Once schools went completely online, the organization then worked to provide 300 laptops, 600 gift cards for food, and 800 supply bags with formula and diapers for local families. On the other side of the country, the Opportunity Council in Washington State worked with the Bellingham Regional Chamber of Commerce to combat a childcare desert and provided grants totaling more than $600,000 using CARES Act funding for licensed family childcare homes and facilities owned and operated by people of color, especially those caring for children of essential workers.
Economic Development

- **Main Street Economic Revitalization Program**: The Minnesota budget for 2022 establishes the $80 million Main Street Economic Revitalization Program to support partner organizations, including nonprofits, businesses, and developers, for grants and guaranteed loans for economic development and redevelopment project.

Education

- **Remote Learning Site Grant**: In 2020, North Carolina lawmakers appropriated $19.85 million for community-based organizations for a “grant program to facilitate remote learning opportunities during the COVID-19 pandemic.” The YMCA acted as the fiscal agent and all North Carolina YMCAs, YWCAs, Boys and Girls Clubs, county and municipal parks and recreation departments, and community-based organizations were eligible for grants up to $100,000. The NC Alliance of YMCAs announced that 116 organizations statewide with 287 remote learning sites were approved, serving approximately 14,000 students. All eligible applications were approved.

- **Expanded Education Access**: When the pandemic forced the Louisiana Children’s Museum in New Orleans to close its doors to the public, the Museum invited a school to use the space as a satellite site for learning. It partnered with the Langston Hughes Academy, which has a student population of 98 percent Black and 74 percent eligible for free lunch. The school's pre-kindergarten and kindergarten classes enjoyed exclusive access to space designed for 4- to 8-year-olds, through the end of the year. A local foundation provided $25,000 for janitorial, facility, exhibit maintenance, and educational support costs.

- **Education Supply Distribution**: The Wenatchee Valley Museum & Cultural Center in Washington State, despite closing its facility’s doors during the pandemic, continued its mission and dedication to students in the area by providing art supplies and science exploration kits to local children. To support parents who suddenly found themselves teaching and keeping kids at home when schools closed in March 2020, the Museum utilized the public school lunch distribution sites for instructional art and STEM videos to keep kids active and engaged from home. The Museum continued this program even after schools reopened, offering free STEM, history, art programs virtually for teachers and parents.

- **Ready Together Oklahoma**: In May 2021, the Oklahoma State Superintendent of Public Instruction launched the Ready Together Oklahoma action plan along with education stakeholders to “bolster accelerated learning, strengthen instruction, and address social-emotional issues due to the pandemic.” Under the plan, Oklahoma City Public Schools are working with community partners to provide summer enrichment and learning loss programs to support student success. Local YMCAs and Boys & Girls Clubs are to receive $2.7 million from the ARPA education funding as part of the action plan.

- **Building Opportunities in Out-of-School Time**: The Georgia Department of Education is awarding $27 million in ARPA funds through Building Opportunities in Out-of-School Time (BOOST) grants to 100 community-based organizations and four statewide organizations, including the Georgia Alliance of YMCAs. BOOST grants will expand access to and improve the quality of afterschool and summer learning opportunities across Georgia and prioritize students most impacted by the COVID-19 pandemic.

Equity
California: The Board of Supervisors in Los Angeles County, California approved its Phase One Spending Plan using $975 million in ARPA funds that advances three interconnected objectives: (1) Equity-Focused Investments, (2) Building A Bridge to an Equitable Recovery, and (3) Fiscal Stability & Social Safety Net. Highlights of the plan include spending more than $290 million on direct community investments and partnerships with community-based organizations, and more than $89 million to expand the system of care and reduce reliance on incarceration, support justice-focused community organizations, create jobs for justice-involved individuals, and address trauma and violence in communities.

Wisconsin: Governor Evers announced the state will use $130 million in ARPA monies for three workforce development programs to break “systemic barriers” to employment, like lack of transportation options and child care.

Food Assistance

- **Expanded Food Access:** Museums across the country expanded their programming and services to act as food hubs and distribution centers during the pandemic. In Iowa, for example, Brucemore partnered with Feed Iowa First to give fresh produce from its garden as part of providing 48,6000 pounds of fresh produce to over 5,500 households in the state. George Washington’s Mount Vernon in Virginia donated hundreds of pounds of vegetables, grown in the estate’s gardens, to area foodbanks. The Howell Living History Farm in New Jersey shifted its crop production to food that could be distributed by local food banks, helping over 12,000 people in its community.

- **Expanded Reach:** Meals on Wheels PLUS of Manatee County, Florida opened food distribution centers near Title I schools to expand their reach during the pandemic. The nonprofit provided fresh fruits and vegetables, a luxury when people could not travel to grocery stores, to local students and their families in response to the “exponential increase” in need. It distributed more than a half million meals to over 15,500 families between March and September 2020.

- **Community Action Partnership:** The Hawkeye Area Community Action Program in Iowa reported a 540 percent increase of food purchased and distributed from 2019 to 2020, including more than 12 million pounds of food, and served more than double the number of households through mobile food pantries. In Vermont, Southeastern Vermont Community Action worked with local restaurant owners and food producers to provide more than 530,000 meals across the state by paying participating local restaurants $10 per meal and requiring that 10 percent of the food be sourced from Vermont suppliers and farmers. The program acted as “lifeline for those growing and providing the food, as well as those serving the meals” and the recipients.

- **Keystone Community Services:** The capacity for food assistance and access in St. Paul, Minnesota will soon be expanded due to a newly purchased 20,000 square foot building by Keystone Community Services. The large project is part of a four-year strategic plan that was accelerated due to the pandemic. It will allow the organization, which saw a 93 percent increase in demand for services from 2019 to 2020, to increase efficiency and serve more people in the area. More than 50,000 people are expected to benefit from the new space by the end of 2022. The organization will continue to maintain operations for its three other locations in the city.

Health and Human Services

- **Connecticut:** The Connecticut Legislature allocated a substantial portion of the state’s $2.6 billion in ARPA funds to the work of charitable organizations, such as by providing $280 million in additional funding for community nonprofit providers of health and human services and more
than $100 million in nonprofit programs and services for homeless service providers, food pantries, and more.

⭐ **New York:** Nonprofits in Nassau County, New York are set to receive approximately $17.9 million in grants to expand youth, and behavioral health programs with $10 million set aside for organizations that are not officially under contract with the county. Nonprofit youth programs are slotted to receive a 20% increase in government grants and contracts for educational and academic support, after-school programs, counseling, youth employment, and recreational programs.

⭐ **North Carolina:** The City of Raleigh North Carolina has announced plans to support nonprofits during the largest phase of its ARPA spending with a focus on health and economic impacts in food security, homelessness, housing, mental and public health, and specifically targeted programs helping elderly, youth, persons with disabilities, substance users, and persons experiencing homelessness for support by human service agencies. Similarly, officials in Asheville approved eleven categories to distribute its $7.3 million of ARPA monies, including some nonprofit priorities: affordable housing, care for aging residents, community communication, domestic violence prevention, food systems, homelessness, workforce development, and climate change.

⭐ **Virginia:** The comprehensive APRA spending plan for the City of Alexandria, Virginia sets aside $4 million for the Alexandria Community Access Networks to provide navigation support to ensure individuals are enrolled in key local, state and federal programs for which they are eligible and “provide tangible and emergency financial aid that will include grocery gift cards, transportation assistance, child care, and rental assistance.” The administration of the grant program will be provided by ACT for Alexandria, the local community foundation, which will manage the nonprofit selection process and work in collaboration with local government.

**Housing**

- **Cost of Home:** Habitat for Humanity’s Cost of Home initiative is a long-term, ongoing advocacy campaign to address housing affordability and stability. At the start of the pandemic, Habitat for Humanity “quickly expanded ... existing advocacy efforts to help millions of individuals ... struggling with housing insecurity as a result of the economic impacts of COVID-19.” Affiliates across the country successfully secured record investments in housing, emergency funding supplies, improved living conditions, rental and mortgage assistance, eviction, and foreclosure protections. Plus, they advocated and advanced policy priorities and trained new advocates. Each action was necessary to respond to the increased demand for housing stability caused by the pandemic.

- **Combatting Homelessness:** Goodwills in Maine and Oklahoma utilized CARES Act money for homeless programs. The Maine Bureau of Veteran’s Services partnered with Goodwill Northern New England and other nonprofits to reduce homelessness in their community. Goodwill Industries of Central Oklahoma received an $830,000 grant to help homeless veterans and their families with employment consulting, housing, and legal assistance.

- **Homeless Shelters:** People in Maryland, Missouri, and Vermont benefited when local Community Action Agencies provided homeless shelters throughout the pandemic. The Human Services Program of Carroll County in Maryland was the only shelter system in the state to continue to take new people during the pandemic. In Missouri, the Community Action Partnership of Greater St. Joseph operated a low-barrier shelter, open 24 hours a day, seven days a week. CAPSTONE Vermont relocated residents from a local emergency shelter to area
motels to allow for COVID safe distancing, and it partnered with local faith groups and the Salvation Army to prepare three daily meals for the guests.

- **Rental Assistance**: Many Community Action Agencies and/or state associations served as the administrator for rental relief programs to provide funding for eligible households. For example, in Maine, the state association provided $24 million for thousands of households in 2020 and more than $9 million to nearly 10,000 households thus far in 2021. Community Action Agencies in Ohio administered more than $47 million of Coronavirus Relief Fund monies to assist 18,000 households in less than three months. The Governor and legislators subsequently appropriated an additional $670 million for rental and utility assistance.

- **Utilities Assistance**: From the onset of the pandemic, Community Action Agencies in several states have worked with families to quickly access available state and local funding to cover water and utilities bills. In Maryland, the Harford Community Action Agency worked with Harford County to determine that more than 5,000 households were behind on water and sewage bills, resulting in the allocation of more than a million dollars in CARES Act funding to cover those costs. The 23 Community Action Agencies in Kentucky worked together with the Kentucky Public Services Commission, Kentucky Cabinet for Health and Family Services, and Governor’s Office to provide $14 million to help families get ahead of water and utility debt. In Tennessee, the Knoxville-Knox County Community Action Committee received funding from the state utility board, U.S. Department of Health and Human Services, Project HELP, and CARES Act funds, administered by the United Way, to help nearly 8,000 households avoid utility shutoffs.

- **State Housing Programs**: Colorado is using ARPA funds to provide grants and loans to local governments and nonprofit organizations for the rental, acquisition, or renovation of underutilized hotels, motels, and other properties to provide non-congregate shelter or affordable housing for people experiencing homelessness. Washington State has set aside $221.9 million of ARPA funds for rental assistance, project-based vouchers for nonprofit housing providers and related services, rapid rehousing, emergency housing, foreclosure prevention services, dispute resolution center eviction prevention services, and tenant education and legal assistance.

- **Local Housing Programs**: The City of Tallahassee and Leon County, Florida announced an agreement to spend $6.3 million of their ARPA funds for homelessness and housing. The funding and program will be administered by several community homeless shelters and a partnership between a local nonprofit organization and government program serving the area. The Minneapolis, Minnesota City Council dedicated $28 million for affordable housing from its nearly $102 million of its first round ARPA funds. Officials in Austin, Texas allocated nearly $100 million to homelessness programs with the Mayor calling it a “once-in-a-lifetime opportunity” to “get people in homes, places where they can get services and improve their lives.”

**Job Retention, Creation, and Workforce Development**

- **Expanding the Pool of Qualified Employees**: The pandemic hit frontline human service and behavioral health providers particularly hard. Job recruiting and retention remains the number one issue in many locations, so Ascentria Care Alliance and a coalition of human service and behavioral health providers in Massachusetts focused on reducing the drastic shortage of direct care workers. They have applied for a federal earmark to create an Augmented Support Employee Program to attempt to expand the pool of potential hires. The program would address skills-based and “life challenges” impediments to employment opportunities, particularly for women and people of color. The program supplements training with additional wraparound
services, delivered via coaches, such as language and cultural training, transportation, legal services, and childcare to help attract and retain employees.

- **Goodwill Industries®**: Partnerships with other nonprofits allowed local Goodwill® organizations across the country to offer job training and workforce development opportunities for young persons and people who experienced job loss during the pandemic. In **California**, Goodwill of Silicon Valley, as a city contractor, provided case management for San Jose CARES WEX, a CARES Act-funded work experience program for individuals who suffered job loss or other impacts due to the coronavirus. In **Texas**, Goodwill San Antonio and Project Quest provided financial assistance of up to $450 per week to 75 people in vocational training who became unemployed because of COVID-19. Other CARES Act dollars are being used by local Goodwills in **South Carolina** and **Washington State** to offer “career navigator” services to assist people searching for jobs and create paid internship positions, respectively.

- **Job Training**: The job-training field has seen considerable creativity as experts identify specific ways to utilize ARPA funds to overcome obstacles to employment. Chicago, **Illinois** is targeting adults over age 50 for digital literacy classes and planning, interviewing, and personal branding. To enable trainees to stay in workforce development programs, Flint, **Michigan** is providing childcare, car repair, and rental assistance. In **Montana**, the Economic Transformation and Stabilization and Workforce Development Advisory Commission allocated another $10 million for short-term retraining programs.

**Pandemic Response**

- **Essential Worker Safety**: Many science centers and museums across the country used their facilities and resources to provide personal protection equipment (PPE) and safety equipment to protect essential workers from COVID-19. These nonprofits used 3-D printers to create masks, face shields, medical-grade headpieces, visor bands, and other protective gear for local hospital and healthcare workers, as well as Meals on Wheels delivery drivers and other frontline workers in their communities. Others allowed researchers access to specialized equipment to understand the shape and make-up of the coronavirus, increase processing times for COVID-19 testing, and link computers for faster and better analyzation of the pandemic.

- **Community Resiliency**: When the pandemic forced the **Anacostia Community Museum** in **Washington, DC** to shut its doors, the advisory board explored ways to expand its mission serving a predominately African American community. The museum launched three new programs. **Moments of Resiliency**, an online initiative, invited people to “share stories of how they were being resilient during the pandemic,” prompting responses from across the country. The initiative sparked “Take Time Thursdays,” a program encouraging people to take 30 minutes each week for self-care. Most recently, the museum launched another program, “Our Food, Our Future,” to talk about food activism and how essential workers keep food on our tables. The museum also partnered with **Feed the Fridge**, a nonprofit that stocks outdoor refrigerators across the D.C. region with healthy, free meals to create “no-barrier access to meals for those who need one.”

- **Serving Vulnerable Populations**: County commissioners in Camden County, **New Jersey** approved $8 million for grants of up to $50,000 to nonprofits serving vulnerable and at-need populations or providing on-demand pandemic-focused services. Similarly, officials in Franklin County, **Ohio** have allocated $5 million for grants of up to $50,000 for nonprofits serving lower-income households and up to $25,000 for other nonprofit organizations.

**Public Safety**
Successful Models of Nonprofit Relief from Around the Country

**Indiana:** The plan for Indianapolis, to spend its $419 million in ARPA funds includes dedicating $150 million for anti-violence efforts, some of which will go towards expansion of crime prevention grants for community organizations.

**Maryland:** Baltimore Mayor Scott announced in September that nonprofits focusing on community-based violence reduction, recovery, and equity are eligible for some of the city’s ARPA funds.

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**Sustaining Nonprofit Operations**

- **Connecticut:** Governor Lamont proposed in late April that the state use its ARPA dollars to provide free access to participating museums in the state for children 18 and under plus one accompanying adult this summer. The Governor proposed providing $15 million in total to the participating museums, administered by the state Department of Economic and Community Development’s Office of the Arts, to cover the loss in revenue and promote sustainability. Children would receive educational and cultural enrichment while addressing some of the physical and social impacts of the pandemic.

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**Vaccinations and Public Health Resources**

- **Houses of Worship:** Churches in Washington, DC and elsewhere across the country volunteered as vaccination clinics to build trust with their communities. The District’s pilot program was started in response to vaccine hesitancy and improve access within neighborhoods disproportionately affected by the pandemic. Places of worship serve as an easily accessible location for community members and allow people to be amongst family and friends while receiving the vaccine.

- **Museums:** In New York City, the American Museum of Natural History “whale-comed” people to get vaccinations under its massive blue whale, providing an entertaining and educational environment that allowed for social distancing and other health and safety measures. The location placed a “particular focus on public housing residents, museum staff, and cultural workers.”

- **Community Action Agencies:** In a typical year, more than 300 Community Action Agencies provide health services to their communities, serving more than 600,000 people. During the COVID-19 vaccine rollout, hundreds of additional Community Action Agencies located all across the country responded to the “need for equitable access to vaccinations” by creating and implementing plans for appointments, transportation, and providing vaccinations for underserved populations using CARES Act funds. For instance, the Community Action Corporation of South Texas distributed 10,000 vaccinations in two months, despite a historic snowstorm that caused power outages and disrupted travel. In New Jersey, Greater Bergen Community Action worked with Bergen New Bridge Medical Center, County of Bergen, and Bergen Coalition of Black Clergy to make vaccine appointments for people of color in the county.

- **Meals Delivery Programs:** Some nonprofits serve people who cannot be reached through vaccine outreach activities due to geographical, physical, technological, or other barriers. This is the case for 23 homebound Suffolk Meals on Wheels clients in Virginia who receive regular meals through the program. Recognizing the opportunity to provide greater access to public health, the nonprofit partnered with Suffolk Fire and Rescue and the Bayview Physicians Group to provide doses of the COVID-19 vaccine to the seniors, a partnership that provided the added benefit of building relationships and trust between the residents and outside providers. In Maine, Spectrum Generations Meals not only doubled its meal production and packing operations during the pandemic, it also procured and delivered Personal Protective Equipment...
along with its personal support services and community case management services. Working with a coalition, they now also help run vaccination clinics and transportation services for in-home vaccination appointments.