

# Strengthening State and Local Economies in Partnership with Nonprofits:

## Principles, Recommendations, and Models for Investing Coronavirus State and Local Fiscal Recovery Funds

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### Successful Models of Nonprofit Relief from Around the Country

In 2020, over half the states and the District of Columbia created more than 60 relief funds and grant programs for small businesses and nonprofits using CARES Act [Coronavirus Relief Fund](#) monies.<sup>1</sup> The experiences in those programs helped shape the forgoing [principles](#) and [recommendations](#) and serve as successful models for relief programs discussed in this section of the report.

Today, the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds allow far greater flexibility than the CARES Act did.<sup>2</sup> This flexibility gives partnerships between governments and nonprofits the opportunity for more creativity for greater impact in their communities. The following examples are a sampling of different models of programs that state, local, Tribal, and territorial governments have created to ensure that nonprofits – and the people they serve – are able to participate in programs funded with ARPA resources. These models of success are organized into four categories, although as the specific examples reveal, there is plenty of flexibility for jurisdictions to design programs to meet their needs:

- (1) Lifting unemployment insurance 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

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<sup>1</sup> 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 [Interim Final Rule Frequently Asked Questions](#) #2.2, Treasury Department, as of Jan. 2022.

<sup>2</sup> The CARES Act’s Coronavirus Relief Fund was more restricted than the ARPA Coronavirus State and Local Fiscal Recovery Fund in that the CARES Act’s funding 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.

- (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. But employers struggling under the heavy burden of outstanding or looming unemployment costs do not have sufficient cash both to pay off that load and rehire employees. Therefore, if local economies are going to recover and expand, then governments must make unemployment relief for employers of all types – including nonprofits – a top priority.

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.<sup>3</sup>

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, nine still have, as of April 8, 2022, [outstanding loans from the Federal Unemployment Account in excess of \\$37 billion](#), which will need to be repaid by those states' trust funds and ultimately by contributing employers.

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<sup>3</sup> Governors in five states – Arkansas, Missouri, Montana, South Carolina, and Texas – cancelled this relief for *reimbursing* employers (again, local and Tribal governments and many charitable nonprofits), thereby imposing 100% liability on them for unemployment costs incurred during the summer of 2021 while the overwhelming majority of for-profit employers in those states suffered no additional unemployment costs.

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.<sup>4</sup> 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.<sup>5</sup>

Those solutions will only 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?

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.<sup>6</sup>

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<sup>4</sup> [Overview to the Final Rule](#), U.S. Treasury Department, page 18; [Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule](#), Department of Treasury, Jan. 6, 2022, page 3.

<sup>5</sup> 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 Interim Final Rule FAQs #2.4.

<sup>6</sup> This third edition of the Special Report uses stars instead of dots to identify the examples that have been added since the second edition.

### *Unemployment Insurance Trust Funds for Contributing Employers*

- Last year, [Arizona](#), [Iowa](#), [Louisiana](#), [Maryland](#), and [New Mexico](#) 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.
- ★ [Alabama](#) transferred \$79.5 million to the state's Unemployment Compensation Trust Fund to return the fund to a balance close to its pre-pandemic level.

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

- [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 nearly \$1.5 billion in 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.

### *Provide 100% Retroactive Relief for Reimbursing Employers*

- [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 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.

### *Upgrades to the Unemployment Benefits System*

- ★ The [Tennessee Resiliency Plan](#) for the state's ARPA investments includes a \$61 million investment for a new benefits system that will meet the state's "first pay" timeliness goals.

## **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 through 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 state and local governments can structure these programs.

#### *Nonprofit Relief Fund from a Governor's Office*

- [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.”
- ★ **Nevada**: The state allocated [\\$30 million](#) to the Governor’s Finance Office to enhance programs and services to nonprofits with an increased need due to the negative impacts of COVID-19.

#### *Executive Branch Grant Program*

- [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.”
- ★ **Massachusetts**: Springfield Mayor Domenic J. Sarno announced that [nonprofits will receive nearly \\$400,000 in funding awards](#) that will be distributed by the Department of Recovery and Businesses Continuity, created in August 2021 as a centralized department for these funds.

#### *Legislative Branch Created Nonprofit Relief Fund*

- [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.
- ★ **Kentucky**: The [biennial budget for Kentucky](#), enacted in April 2022, includes \$75 million in grants for eligible nonprofits funded from the Commonwealth’s ARPA allocation.
- ★ **Maine**: The state has set aside \$3.5 million (\$1 million in FY 2022 and \$2.5 million in FY 2023) to provide [funding for infrastructure investments to support diverse businesses and nonprofits](#).



### *Locally Created Nonprofit Relief Fund*

- **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.
- ★ **California:** The County of San Luis Obispo accepted applications to allocate as much as [\\$5.5 million in grants to help community nonprofits](#) respond to the negative economic impacts of COVID-19 through two programs. The County will award up to \$3 million to local nonprofits that experienced financial hardships due to the pandemic; that funding may also be used to provide services to community members impacted by the pandemic. Separately, the County will award up to \$2.5 million to local organizations providing technical assistance to businesses, workforce development, and job training for people impacted by COVID-19.
- ★ **Maine:** Penobscot County [opened the funding process for grants](#) to address problems created or made worse by COVID-19, and will prioritize funding to organizations addressing affordable housing, mental and substance use disorder treatment, and transportation in rural areas. The County will use a two-tiered approach by having one process for small organizations that may not meet federal standards for larger grants and another for sub-recipients that distribute goods and services to the community.
- ★ **New Jersey:** Monmouth County announced it will award \$20 million in ARPA funds in grants of up to \$500,000 to nonprofits for COVID-19 related expenses like [offsetting lost revenues or to pay for enhanced services or programs](#) related to pandemic recovery. Priority will be given to nonprofits that serve veterans and their families, combat food insecurity, and provide for the presence and preservation of art, historical and cultural resources.
- ★ **New Mexico:** [Nonprofits affected by COVID-19](#) in Eddy County are eligible for grants of up to \$40,000, with eligibility focused primarily on organizations with fewer than 500 full-time employees as of March 3, 2021. Funds are to be used to reimburse the costs of interruptions caused by required closures, revenue losses, or implementation of new safety measures provided those costs were not paid by insurance or another program.

### 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.<sup>7</sup> 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 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

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<sup>7</sup> See [Final Rule](#), U.S. Treasury Department, page 4375; Overview, pages 41-42; and Interim Final Rule FAQ #9.3.

[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 payments 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*

- ★ **Illinois:** The Legislature has passed a state budget for fiscal year 2023 ([H.B. 900](#)) that contains a long list of specific line-item appropriations from ARPA funds, including \$50 million in relief and recovery grants dedicated to the creative sector.
- ★ **Missouri:** Kansas City has allocated [\\$1.2 million for grants to multiple nonprofits](#), including \$156,000 to the nonprofit Starlight Theater for general repairs and



maintenance expenses on the facilities, \$780,000 to the nonprofit Kansas City Zoo to “aid in maintaining staff, assist with maintenance and utility expenses as well as assist with marketing and educational programs focused on increasing attendance,” and \$234,000 to the National WWI Museum and Memorial to “assist the museum with maintenance activities, utilities, security, as well as other allowable operational expenses.”

- ★ **Tennessee:** The Tennessee Resiliency Plan dedicates \$80 million to address severe COVID-19 related economic harm [to the state’s nonprofit arts and culture sector](#) by providing grants to over 200 eligible nonprofits to recover and deliver arts and culture services.
- ★ **West Virginia:** The Legislature appropriated \$765,400 to the Department of Arts, Culture, and History [to support grant programs in the nonprofit sector](#) and preserve jobs and maintain operations that have been impacted by the COVID-10 pandemic.

### *Broadband & Connectivity*

- **Digital Equity:** 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.
- **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 has provided [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 the state’s first round of federal funding to expand [broadband access](#), the largest single round of broadband investment, which is expected to benefit unserved or underserved households and businesses.
- ★ **Broadband Capacity:** Anchorage, Alaska set aside [\\$2,525,000 for grants of aid to nonprofit organizations](#), including a grant of \$44,000 to the nonprofit Chugiak-

Eagle River Senior Center to provide broadband capacity infrastructure and internet services to improve access for residents, staff, and guests

### *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.
- ★ **Iowa's** Story County Board of Supervisors approved [spending \\$4,250,311 in ARPA funds for nonprofits](#) to address negative economic impacts for organizations such as Boys and Girls Club, Home Allies, United Way, and Whistle Stop Child Care.
- ★ **Nebraska**: In April 2022, the Governor signed legislation ([L.B. 1014](#)) that sets aside \$250 million for economic recovery and millions more for other priorities advanced by the [Nonprofit Association of the Midlands](#) that were based on input from nonprofits throughout the state during listening sessions hosted by the association.
- ★ **New Jersey**: Newark announced in March 2022 its new [Neighborhood Investment Program](#) that will hire community-based nonprofit organizations to “strengthen Newark’s commercial corridors and help small businesses recover and thrive.”

### *Education*

- [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.
- ★ **New York**: Dutchess County is investing \$3 million in the “Learn, Play, Create” grant program that will [provide one-time grants to local nonprofits](#) in the categories of arts, libraries, and athletics to support specific purchases or needs.

### *Equity*

- **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.

- ★ **Georgia:** Coweta County is distributing [grants of up to \\$25,000 to nonprofit projects](#) that support equitable economic recovery from the public health emergency and address systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

### *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.
- **Massachusetts:** The [major ARPA spending bill](#) enacted at the end of 2021 includes \$16.5 million for a loan repayment program and \$13.5 million for a grant program for human services organizations to support the retention and recruitment of human services workers
- **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.

- ★ **North Carolina:** Raleigh selected [13 nonprofit organizations to receive a total of \\$10 million](#) to improve community health to increase capacity, allow organizations to address behavioral health, and other pandemic-related health issues.

### *Housing*

- **Rental Assistance:** Many nonprofit Community Action Agencies and/or state associations of nonprofits served as the [administrator for rental relief programs](#) to provide funding for eligible households. For example, in **Maine**, the state Community Action Partnership provided \$24 million for thousands of households in 2020 and more than \$9 million to nearly 10,000 households thus far in 2021.
- **State Housing Programs:** **Colorado** is using ARPA funds to provide [grants and loans to nonprofit organizations](#) and local governments 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.
- **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.

- ★ **Michigan:** Detroit Mayor Duggan announced that the city plans to use up to \$75 million of its ARPA funds on a three-year workforce program, [Skills for Life](#), that will pay more than 2,000 residents to learn new job skills, while they also work on neighborhood improvement projects.
- ★ **Maine's** Department of Labor launched a "[peer workforce navigator](#)" program funded with \$1 million in ARPA funds to connect over 3,000 applicants with employment, training, and other resources.

### *Pandemic Response*

- **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*

- **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.

### *Sustaining Nonprofit Operations*

- **Connecticut:** Governor Lamont proposed in late April 2021 that the state is using 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.
- ★ **Maryland:** [Baltimore](#) will provide an additional \$4 million in ARPA funds for nonprofits that have suffered economic loss due to COVID-19. The funds will help with costs such as rent, payroll, technology for employee telework.