

States Should Use Federal Relief Funds to Invest Long Term in a More Equitable Future

Racial inequities have widened in the pandemic, with Black and Latino people bearing the brunt of the hardship. These are some ways states can spend their federal Fiscal Recovery Funds as a resource to reduce racial and economic inequities.



Permanent Supportive Housing

Permanent supportive housing – ongoing housing assistance with supportive services – has proven highly effective at enabling people facing chronic homelessness to achieve housing stability and to manage chronic health problems, including mental health and substance use disorders.



Affordable Housing

Providing more affordable housing can stabilize families and reduce overcrowding, eviction, and homelessness. Many states support affordable housing construction or programs that help low-income households pay rent for a modest unit of their choice in the private market. Federal legislation under consideration would greatly increase access to rental subsidies for low-income families, but given the tremendous need for affordable housing, there still will be a need for state and local efforts. Currently, only 1 in 4 eligible low-income households in the United States receives housing assistance.



Subsidized Jobs Programs

Workers of color, workers without a college degree, women, and immigrants have experienced a disproportionate share of job losses in the last year. Subsidized employment, in which the government temporarily subsidizes some or all of an individual's wages, can help these workers better weather the economic disruption caused by the pandemic, and potentially get connected to permanent, unsubsidized employment.



Alternatives to Traditional Policing

Many communities across the country are considering new approaches to public safety – such as mental health crisis intervention services or violence interruption services – to reduce their reliance on traditional policing, which is marked by a history of racism that continues to disproportionately target and harm people of color.



Behavioral Health Services

The pandemic has highlighted the limitations in state-level systems to support people with substance use disorder or mental health needs. Investments in these services are important to help residents adversely impacted by the pandemic and support a fuller recovery. Maintaining these investments can also help address the systemic limitations that made it difficult to respond to increasing behavioral health needs in the pandemic.



School-Based Mental Health

The reliance on remote learning during the pandemic has had adverse impacts on children’s socio-emotional development, in addition to causing stress for many students. Students’ educational recovery will require addressing these needs as well as academic needs. Even before the pandemic, many school districts failed to meet recommended staffing levels for counselors, social workers, and other mental health professionals. States can support school districts by providing additional resources to hire staff to address student mental well-being. While the Rescue Plan provided funds for state education departments and local school districts, those funds may not be sufficient to meet the needs of students who suffered the most in the pandemic, given the service gaps that existed before it.



Aid to High-Poverty Schools

Students of color from low-income families have suffered the most academically in the pandemic, for reasons including lack of access to high-speed internet or digital technology, inadequate space to study, and lack of access to educational alternatives (such as sharing a tutor in learning pods.) Investments in high-poverty communities – for access to high-speed internet, tutoring, or out-of-school activities – can support an equitable recovery from the pandemic and advance education equity in the long term.

For a deeper dive, visit cbbp.org: “States Should Use Federal Relief Funds to Jumpstart Long-Term Investments in a Better, More Equitable Future”