

Driving Resilience and Better Service Delivery

with CRRSAA and CARES Act Funding



State and local governments face unprecedented multibillion-dollar budget shortfalls at a time when demand for their services has increased more than ever.¹ School districts have pivoted to distance learning. Government employees have shifted to remote or hybrid work. Agencies have had to rapidly transform offline and in-person services into digital services for constituents. Emergency management, public health and public safety departments have had to grapple with new demands wrought by a once-in-a-century pandemic.

All of this requires a robust technology infrastructure — and the funding to support it.

Over the past year, several federal funding sources have emerged to help state and local governments ensure business continuity during this challenging time, laying the foundation to advance technology capabilities and build more responsive, agile and resilient organizations in the long term.

But making sense of the different and overlapping federal funding streams can be a challenge.

In December 2020, Congress passed an omnibus spending bill that included \$900 billion in funding for the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Included in CRRSAA was \$81.9 billion in funding to

help K-12 schools and higher education institutions continue serving students during the pandemic.² The package also allocated \$7 billion in funding for broadband initiatives.³ All of this new funding came on top of the \$2.2 trillion stimulus package Congress passed the previous March. And according to the Center for Digital Government, which has been tracking expenditures of these various funding streams, billions of dollars in CARES Act allocations still remain to be spent by state and local governments.⁴

Together, these federal funding sources give state and local governments an invaluable opportunity to confront the challenges caused by the pandemic. Federal guidance for spending coronavirus relief funds is broad, and does not cite specific technologies for inclusion or exclusion. So state and local governments may leverage a range of emerging technologies — including modern mobility, network management and connectivity solutions — to advance pandemic-related priorities such as distance learning, remote work and increased broadband access, while creating a modern communications infrastructure for first responders, emergency management teams and public health agencies.

UNDERSTANDING FEDERAL FUNDING OPPORTUNITIES

Congress has apportioned pandemic-related federal funding in the form of grants, loans, direct payments and other

With an additional \$82 billion for schools, \$7 billion for broadband and billions left in unspent CARES Act funds, state and local governments have an invaluable opportunity to leverage federal investments.

types of financial assistance to state, local and tribal governments. These entities serve as primary recipients with the ability to directly spend the funds or designate sub-recipients, which is typically based on a grant application process. Though states can create their own guidelines for disbursement, they must abide by the guidance and parameters set by the federal government.

It's critical to understand what federal funding opportunities are available, the rules and regulations associated with these funding sources, and how state and local governments (and other sub-recipients) can use this money, especially for technology purposes.

CRRSAA and the Education Stabilization Fund (ESF)

The Education Stabilization Fund was originally established under the CARES Act and was augmented by nearly \$82 billion in new dollars under CRRSAA. The ESF itself comprises three separate funding

streams: the Higher Education Emergency Relief Fund (HEERF), the Governor's Emergency Education Relief Fund (GEER) and the Elementary and Secondary School Emergency Relief Fund (ESSER).

Broadly speaking, this money is intended to help schools at all levels facilitate remote learning and reopen safely.⁵ It's important to note that under the CRRSAA authorization, recipients are required to spend down all their CARES Act ESF funds before spending any new CRRSAA funds. As of October, most recipients actually had not spent a significant portion of their existing allocation from the original \$30 billion awarded under the CARES Act. For example, schools in Alaska had spent about 19 percent of the state's allocation, while Illinois schools had spent close to 41 percent. Iowa is further along than every other state — its schools had spent about 72 percent of the state's award as of October.⁶

Now let's examine each of these three funding streams in greater detail.

Higher Education Emergency Relief Fund II (HEERF)

To aid colleges and universities, CRRSAA allocated \$21.2 billion to the Higher Education Emergency Relief Fund II (HEERF), which is essentially a continuation of the HEERF originally established under the CARES Act in March.

Higher education institutions, including public and private not-for-profit schools, have one calendar year from the date of their award to spend HEERF II funds unless they receive an extension. The funds can be used for costs incurred on or after Dec. 27, 2020, the date when CRRSAA was enacted.⁷

Schools can use these funds to provide emergency financial aid grants to students with exceptional need to cover pandemic-related disruptions to their education. Schools also can use this money for expenses related to the pandemic and to carry out student support activities. Covered expenses can include technology

costs associated with distance learning and faculty and staff training.⁸

Elementary and Secondary School Emergency Relief Fund II (ESSER)

Congress allocated an additional \$54.3 billion to ESSER as part of the new stimulus package.⁹ The U.S. Department of Education distributes these funds to state education agencies. School districts then must apply to receive their award. Application requirements and deadlines vary by state, but the federal government has given states until Sept. 30, 2023 to use the funds.¹⁰

K-12 schools can use ESSER II funding for education technology, tools and resources to help implement distance learning, ensure student health and safety as they reopen, and implement plans for the school year, among other purposes. They also can use this funding for pandemic-related costs incurred since March 13, 2020.

Governor's Emergency Education Relief Fund II (GEER)

CRRSAA provides an additional \$4 billion in funding to GEER — \$2.75 billion of which is reserved for emergency assistance to eligible non-public schools and \$1.3 billion of which governors can use to supplement existing GEER funds from the CARES Act.¹¹

Governors are allowed to prioritize funding to local education authorities and higher education institutions "that have been most significantly impacted by coronavirus," equipping them with resources to continue providing education services, childcare, and emotional and social support services.

Under the CRRSAA authorization, recipients are required to spend down all their CARES Act ESF funds before spending any new CRRSAA funds.

Governors must award the new funds within one year of receiving them, which would be by January 2022. However, each governor may have their own timetable to ensure their state meets the federal deadline.¹² According to Center for Digital Government data, only five states — Nevada, Texas, Oklahoma, North Carolina and West Virginia — have spent all of their original GEER funds. The majority of states have a significant portion of their allocation remaining.

Broadband Fund

As part of the \$900 billion COVID relief package, Congress allotted \$7 billion to broadband initiatives. States and sub-recipients can use this funding to:¹³

- Secure their communications networks
- Expand broadband access to minority communities, including historically Black colleges and universities, tribal colleges and universities, and education institutions that serve these populations
- Establish a telehealth program using an additional \$250 million in funding allocated to the Federal Communications Commission's (FCC) COVID-19 Telehealth Program (healthcare providers and healthcare organizations can apply directly to the FCC for this funding)¹⁴
- Subsidize the cost of broadband services for low-income Americans
- Support broadband infrastructure development in underserved communities
- Support the creation of more accurate broadband availability maps

Coronavirus Relief Fund (CRF)

Originally part of the CARES Act, Congress has extended the deadline for states to use these funds to Dec. 31, 2021, giving states an extra year to spend their allocation. There is more than \$26 billion remaining across 45 states and the District of Columbia, according to oversight data reported in February to the federal government. California

has the largest amount of remaining funds, with more than \$5 billion left to spend. At the other end of the spectrum, Idaho and Montana are reporting no funds remaining as of Feb. 5, 2021.¹⁵

The Department of Treasury has given broad guidance to states for how to use CRF funds, but the three main parameters are that the funds must be used for necessary expenses related to the pandemic, that these expenses must not have been included in their recently approved budget before the pandemic, and that the expenses were incurred between March 1, 2020 and Dec. 31, 2021. Along with federal guidance, states also can create their own additional guidance for sub-recipients.

With these parameters in mind, state and local governments may use CRF funds, CRRSAA and other federal funding sources to build a more robust technology infrastructure to support distance learning, remote work, public health efforts and other initiatives related to ensuring business continuity, improving service delivery and carrying out their mission during the pandemic.¹⁶

HOW STATES CAN LEVERAGE FEDERAL FUNDING

Network technologies — including advanced wireless and network connectivity solutions and services — are key for state and local governments to ensure operational continuity. The pandemic has made this strikingly clear and has accelerated long-sought-after digital transformation in the public sector.

Secure, high-performing, resilient networks should underlie all the work governments do, especially during times of crisis. As state and local governments decide where to make investments with money from new federal funding streams, they can consider some of the following priority areas and potential solutions:

Remote Work and Collaboration

Expanded remote work capabilities keep employees engaged with their colleagues and streamline the delivery of constituent services.

In addition to responding to current disruptions, this new federal aid can help states and localities move away from legacy systems and build their technology infrastructure for the future.

Again, while some states may have their own restrictions on spending, under the broad federal guidance state and local governments may use CRF funds to adopt cloud-based unified communications and workforce collaboration solutions and services that allow employees to securely and efficiently communicate in remote and hybrid environments. These solutions can provide call control, instant messaging and integrated voicemail capabilities that allow employees to receive messages via phone, email or text. This can also include audio and videoconferencing and enterprise mobility solutions, such as 5G-enabled smartphones and mobile device management solutions, that allow government IT teams to better manage employees' company-issued mobile devices and mobile hotspots from a single portal.

One government organization has leveraged these solutions to host large, collaborative meetings with a cross-functional team multiple times a day. The agency was able to convene stakeholders across locations to share key continuity updates and sensitive information without jeopardizing compliance. With unified communications tools, other government organizations can increase collaboration and ensure employees have access to critical systems and information to better serve the public — whether they work inside or outside the office.

Emergency Management and Public Health

First responders need a secure, reliable way to communicate with one another, with dispatch centers, and with other emergency management and law enforcement personnel. State and local health agencies also need the ability to quickly scale their services in response to increased citizen demand.

Under the federal guidance, allowable uses for CRF funds could include investing in state and local call center infrastructure by implementing remote connectivity options, scalable virtual contact centers, interactive voice response services (IVRs) and videoconferencing solutions. For example, with virtual contact centers, employees can serve the public remotely and take advantage of features such as virtual chatbots, multilingual outbound notifications, smart routing and simple scripting to better manage call volume. Organizations also can use these tools to forecast agent availability and scheduling, and to scale up or down the number of remote agents on duty to coincide with changing demand.¹⁷ These federal funds also can be used to distribute, administer, monitor and track coronavirus vaccination efforts, to help ensure broad-based distribution, access and vaccine coverage.

Several states, including Arizona, Georgia, New York, South Carolina and Washington, have used advanced network technologies in other ways. They've used these solutions to deploy portable cell sites at their Emergency Operations Centers, coronavirus mobile testing sites and quarantine locations, increasing their resiliency and responsiveness during a time of greater public need.¹⁸

Distance Learning

To facilitate distance learning and school reopenings, state and local governments, K-12 schools and higher education institutions can use either the new CRRSAA funding streams or remaining Education Stabilization Funds (ESF) and Coronavirus Relief Funds (CRF) under the CARES Act, the latter two of which also can be used for "expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions."¹⁹

These entities can leverage these funds to deploy technologies such as mobile hotspots for students who lack internet access, to supply computers to these students and deploy content filtering

solutions that help create a safe learning environment for distance learners.²⁰

Schools also can consider subsidizing data and wireless services for low-income students. Some providers offer discounted rates on these services for schools through the FCC's E-Rate program.²¹ In addition, schools can invest in audio and videoconferencing software, private IP services and wireless private networks for more secure connectivity, and unified communications and business messaging tools that streamline communication among teachers, administrators and staff.

One school district in Houston, for example, equipped 650 students with new wireless-enabled devices to ensure they have the necessary tools for distance learning.²²

The state of Colorado plans to use \$2 million of its remaining ESSER funding to expand broadband access to tribal communities, while the state of Hawaii plans to allocate \$15 million to devices and connectivity.²³

While only 4 percent of teachers lack access to suitable wireless connectivity at home, students in at least 7.15 million U.S. households aren't able to attend school online because they lack broadband internet access at home.²⁴ Leveraging new federal aid to improve connectivity can help schools close these technology gaps and ensure more equitable access.

Broadband Expansion

State and local governments can use resources from the \$7 billion Broadband Fund to support broadband expansion and digital inclusion efforts.

Some states, like Vermont and Tennessee, already have begun leveraging CRF funds for broadband investments. Vermont has

used these funds to create broadband grants to enhance connectivity for distance learning, telehealth and a range of other public services.²⁵ The state awards the grants to telecom providers to incentivize them to expand broadband service to underserved areas.²⁶ Tennessee has used part of its CRF allocation for its Emergency Broadband Fund, which supports building out the state's broadband infrastructure, expanding public WiFi access and expanding network connectivity to residents who lack broadband access.²⁷

As Vermont and Tennessee show, there's no one-size-fits-all model for how to deploy new federal funding sources. States can explore several options, using input from key stakeholders and best practices from fellow government organizations to determine which investments align best with the challenges they face today due to the pandemic and will serve them in the future once the current public health crisis is over.

CONCLUSION

This new federal aid provides crucial assistance to state and local governments in their response to the pandemic, and it enables recipients to invest in new technologies that will be useful now and in the future.

However, as these organizations access new federal funding streams, it's important for them to be strategic in how they deploy these resources. State and local governments should do a needs assessment to better understand their technology gaps and create a plan of action to target new federal aid to these needs.

Sub-recipients should pay close attention to not just federal guidance, but especially guidance from their state or awarding agency. As was evident in 2020, the federal government constantly updated and clarified its funding guidance, so it's

critical for organizations that receive aid to communicate closely with the primary recipients of these funds to ensure they are following allowable usage, reporting and compliance requirements.

Above all, state and local governments need to maximize all available funding opportunities. Remote work, distancing learning, digital service delivery and a modern communications infrastructure aren't just symptoms of a global pandemic. They're integral to how agile, responsive governments should work. There's no time like the present for state and local governments to embrace modern technologies to confront the challenges their constituents face and to finally enact that long elusive vision of digital government.

Endnotes

1. <https://www.cfr.org/background/how-covid-19-harming-state-and-city-budgets>
2. <https://www.ed.gov/news/press-releases/us-department-education-quickly-makes-available-more-21-billion-taxpayer-funds-support-continued-education-colleges-universities>
3. <https://www.washingtonpost.com/technology/2020/12/22/internet-rate-coronavirus-stimulus/>
4. From CDG Research Team: Coronavirus Relief Funds Distributed and Spent as of 2/5/2021. Source: U.S. Federal Government Pandemic Oversight
5. <https://www.ed.gov/news/press-releases/secretary-devos-quickly-makes-available-additional-54-billion-covid-relief-aid-k-12-students-teachers-and-schools>
6. CDG Research Team: CARES Act Education Spending States Spreadsheet
7. <https://www2.ed.gov/about/offices/list/ope/factsheetheerfii.pdf>
8. <https://www2.ed.gov/about/offices/list/ope/factsheetheerfii.pdf>
9. <https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund/>
10. https://oese.ed.gov/files/2021/01/FINAL_ESSERII_Factsheet_1.5.21.pdf
11. https://oese.ed.gov/files/2021/01/FINAL_GEEER_FactSheet_1.8.21.pdf
12. https://oese.ed.gov/files/2021/01/FINAL_GEEER_FactSheet_1.8.21.pdf
13. <https://www.commerce.senate.gov/2020/12/committee-broadband-priorities-included-in-omnibus-heads-to-president-s-desk>
14. <https://www.fcc.gov/covid-19-telehealth-program>
15. CDG Research Team: CRF Spending Data
16. https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf
17. <https://www.verizon.com/business/products/contact-center-cx-solutions/cloud-contact-center/virtual-contact-center/>
18. <https://www.verizon.com/about/news/public-sector>
19. https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf
20. <https://www.verizon.com/solutions-and-services/content-filters/>
21. <https://www.verizon.com/business/solutions/public-sector/education/e-rate/>
22. <https://www.verizon.com/about/news/students-next-gen-technology>
23. <https://www.ncsl.org/ncsl-in-dc/standing-committees/education/cares-act-elementary-and-secondary-school-emergency-relief-fund-tracker.aspx>
24. <https://www.fundsforlearning.com/docs/2020/04/COVID-19%20E-rate%20White%20Paper.pdf> & <https://www.edweek.org/technology/teachers-without-internet-work-in-parking-lots-empty-school-buildings-during-covid-19/2020/04>
25. <https://broadbandusa.ntia.doc.gov/coverage-map/vermont>
26. <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2020/11/states-tap-federal-cares-act-to-expand-broadband>
27. <https://www.tn.gov/ecc/rural-development/tennessee-broadband-grant-initiative/tennessee-emergency-broadband-fund>

This piece was developed and written by the Center for Digital Government Content Studio, with information and input from Verizon.



Produced by:



For:

The Center for Digital Government, a division of e.Republic, is a national research and advisory institute on information technology policies and best practices in state and local government. Through its diverse and dynamic programs and services, the Center provides public and private sector leaders with decision support, knowledge and opportunities to help them effectively incorporate new technologies in the 21st century. www.centerdigitalgov.com.

Verizon Communications Inc. (NYSE, Nasdaq: VZ) was formed on June 30, 2000 and is celebrating its 20th year as one of the world's leading providers of technology, communications, information and entertainment products and services. Headquartered in New York City and with a presence around the world, Verizon generated revenues of \$131.9 billion in 2019. The company offers voice, data and video services and solutions on its award winning networks and platforms, delivering on customers' demand for mobility, reliable network connectivity, security and control. To learn more, visit <https://enterprise.verizon.com/solutions/public-sector/>