

## Federal COVID-19 Relief and FY21 Budget Agreement Finally Reached

After days of final negotiations, the U.S. House and Senate have passed a package of bills that include COVID-19 relief and a final federal spending plan for FY 2021. With more detail to come after the 1<sup>st</sup> of the year on both plans, the \$967 billion COVID-19 relief plan includes a number of key items that child, youth, and family advocates have been waiting for:

- \$284 billion for Paycheck Protection loans, including expanded eligibility for nonprofits.
- \$166 billion for \$600 direct payments to every adult earning up to \$75,000, phasing out for individuals earning over \$99,000. Benefits for child dependents only are \$600 as well.
- \$127 billion for extension of enhanced unemployment benefits for jobless workers, including self-employed and “gig” economy professionals, up to \$300 per week through mid-March.
- \$82 billion in funding for K-12 schools and higher education, including \$4 billion for a Governor’s Emergency Education Relief Fund and \$54 billion in relief funds for K-12 public schools, distributed the same as earlier CARES Act funds, but with a new section better addressing learning loss for students facing mobility, disability, language and family income challenges.
- \$68 billion to purchase and distribute COVID-19 vaccines as well as for testing.
- \$25 billion for rental assistance for families, and extension of eviction moratorium until Jan. 31
- \$26 billion to raise Supplemental Nutrition Assistance Program benefits by 15% for six months and to expand the Pandemic-EBT program to families with children under age 6.
- \$10 billion for the Child Care and Development Block Grant for child care relief.
- \$7 billion to increase broadband internet access, including an Emergency Broadband Benefit
- Policy to “end surprise medical billing” and require a “true and honest cost estimate” three days before any scheduled procedure, and subject billing disputes to arbitration.
- Extends the availability by one year (until Dec. 31, 2021) for funds provided to states and localities by the Coronavirus Relief Fund in the CARES Act.
- Temporary rule allowing lower-income individuals to use income 2019 to determine the Earned Income Tax Credit and refundable portion of the Child Tax Credit for the 2020 tax year; and an extension of the refundable Employee Retention Tax Credit (ERTC).
- Reinstatement of Pell grant eligibility for incarcerated individuals.
- Supports youth exiting foster care by increasing the maximum yearly award and raising the maximum eligible age for the John H. Chafee program, and increases funding for Educational and Training Vouchers for youth aging out of care.

While large in scale, this relief package and subsequent FY21 budget deal still fails to meet every significant need facing our children, youth, and families where our state lacks the capacity to provide adequate support by itself. As we look at the details of the FY21 agreement, and any additional relief strategies from the new administration, we will be paying particular attention to the following:

**Adult Education:** National estimates of need for adult education have stated \$1 billion in need.

**Family Stability:** Households facing crisis levels of stress deserve targeted help to keep their families strong. National estimates of need, and previous proposals, had included \$325 million for child abuse

and neglect prevention; \$100 million for home visiting; \$75 billion for Child Welfare services under Social Security Title IV-B; \$10 million for the Court Improvement Program; and improved flexibility for state match funds and program models for kinship care. Cash assistance in the form of direct stimulus checks beyond the \$600 per person in this agreement would also bolster family stability.

**State and Local Government Aid:** Michigan's revenue forecast continues to predict revenue shortages at a time when the costs of providing for the health, safety, and well-being of every child, youth, and family in Michigan are greater than ever before.

**Sufficient Child Care Relief:** National estimates have found a need of \$50 billion to keep child care providers open and sure care for families who need it, far beyond current spending levels.

**Targeted Learning Investment:** National estimates have found a need of \$12 billion for Individuals with Disabilities Education Act (IDEA) incl. \$11 billion for K-12 (Part B), \$500 million for infants/toddlers (Part C), and \$400 million for preschool (Sec 619); and \$6.2 billion in 21st Century Community Learning Centers (21CCLC) to meet out-of-school learning needs.

The costs of failing to invest now will only grow in the future. Michigan state lawmakers will appropriate these new funds after January 1<sup>st</sup>, and must be called to prioritize issues where the previous session's leaders failed, whose neglect will continue to hold back families and the economy in our state:

Quality care for children. Before COVID, families already eligible for child care subsidy are struggling to secure the care they need. Child care professionals listed stress and behavioral support as the critical issue in their field. In FY21, Michigan's leaders missed an opportunity to utilize available federal funding for both extremely vulnerable family groups and for behavioral supports for the child care workforce.

Skill-building supports for families and young adults. Investing in skill-building will be crucial, with more need for parents to help their children's education, and with young people and parents without a high school diploma at-risk of being left behind due to permanent shifts in many industries. In FY21, Michigan leaders failed to dedicate funding for family literacy programming and coordination.

Supports for children, youth and families in crisis. With increased family exposure to toxic stress exacerbated by high unemployment, close proximity, and a lack of service access, many families will need more immediate support to make it through the next year. In FY 21, Michigan's leaders missed an opportunity to provide that support for community-based child abuse and neglect prevention councils and service providers through the Children's Trust Fund, and must continue to support housing access.

Support for the most challenged youth. The pandemic exposed significant gaps in services for young people trying to make successful educational and life transitions to independence. Michigan's leaders in FY21 missed a chance to provide any increased access to postsecondary scholarships, tax credit opportunities, or consistent peer mentoring for youth who experienced foster care.

Supports for struggling learners. Learning gaps have only grown during the pandemic for many learners. In FY21, Michigan's leaders missed an opportunity to provide statewide support for high-quality out-of-school time learning programs. State leaders also failed to reduce inequities in high school attainment rates by ensuring that students experiencing instability, disability, or adjudication are receiving the support they need to continue on a path towards earning a credential or degree.