

Funding streams for child welfare agencies

June 23, 2020

Introduction and overview

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided over $6.3 billion in funding to the Administration for Children and Families (ACF). These funds are being made available to reimburse eligible recipients (such as states/localities and their network of service providers) for expenses and activities related to responding to COVID-19. Additional flexibilities and guidance have also been provided to allow reallocation of certain federal funds to more directly address COVID-19 response efforts for child welfare agencies. Therefore, child welfare organizations should look to review their funding and grant processes to assess whether there may be any gaps that could be met through CARES Act funding and new flexibilities.

Funding streams

The following sections, arranged by program, funding stream, or federal agency, summarize COVID-19 funding pathways available for child welfare agencies. They present the applicable federal program, total amount of available funding, and potential opportunities for you or your respective organization.

Program/ purpose	Available funding	What could this mean for you?
Medicaid	An increase in states' federal medical assistance percentage (FMAP) by 6.2 percent retroactive to January 1, 2020	— Increased federal matching funds to support states in responding to the increased need for services, such as COVID-19 testing and treatment — Increased enrollment as more people lose income and qualify for Medicaid during the economic downturn — Increased federal share of expenditures for assistance payments under the title IV-E Foster Care, Adoption Assistance, and Guardianship Assistance programs
Title IV-E	Funding flexibilities	— Title IV-E agencies can establish a rate structure to provide an enhanced foster care maintenance payment (FCMP) rate for children who have tested positive for COVID-19 — Hazard pay for child welfare agency caseworkers who will continue to make in-person contact with families and children — Reentry into foster care after age 18 and provide Chafee Foster Care for Successful Transition to Adulthood Program (Chafee Program) services until age 23
Title IV-B	$45M	— Expansion of IV-B funding as it relates to protecting and promoting child welfare as it relates to COVID-19 through the Stephanie Tubbs Jones Child Welfare Services program

Program/ purpose	Available funding	What could this mean for you?
Child Care Development Block Grant (CCDBG)	$3.5B	— Continued payments and assistance to childcare providers in the case of decreased enrollment or closures related to COVID-19 — Assure childcare providers are able to remain open or reopen as appropriate — Provide childcare assistance to healthcare sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to the coronavirus — Provide funding to childcare providers who did not receive CCDBG assistance prior to the COVID-19 public health emergency for cleaning and sanitation, and other activities necessary to maintain or resume operation
Head Start	$750M	— $500 million for summer Head Start programs — Balance distributed to help Head Start programs respond to coronavirus-related needs of children and families
Family Violence and Prevention Services	$45M	— For Family Violence and Prevention Services formula grants used to provide temporary housing and in-person assistance to victims of family, domestic, and dating violence.
Coronavirus Relief Fund	$150B	Costs must be: — Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) — Not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; the "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency — Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020
Substance Abuse and Mental Health Services Administration (SAMHSA) Through the CARES ACT	$425M	— $250 million for Certified Community Behavioral Health Clinics to increase access to mental healthcare services — $50 million for suicide prevention, to provide increased support for those most in need of intervention — $100 million in emergency response grants, flexible funding to address mental health and substance use disorders, as well as to provide resources and support to youth and the homeless, throughout the pandemic.
FEMA	Varies based on the state/locality	— Federal Emergency Management Agency (FEMA) reimbursement of childcare services under the Public Assistance (PA) Program and Individuals and Households Program (IHP) during presidentially declared disasters and emergencies
Runaway and Homeless Youth Act	$25M	— For activities authorized by the Runaway and Homeless Youth Act made available without state matching requirements for funds

Program/ purpose	Available funding	What could this mean for you?
Community Services Block Grant (CSBG)	$1B	— For the Community Services Block Grant to help local community-based organizations that provide a wide range of social services and emergency assistance for those with the highest need — Funding has been expanded for states to serve individuals up to 200 percent of the federal poverty line instead of the normal legislative limit of 125 percent
Low Income Home Energy Assistance Program	$900M	— For the Low Income Home Energy Assistance Program (LIHEAP) — Help families provide assistance in managing costs associated with home energy bills, energy crises, and weatherization and energy-related minor home repairs
HUD Community Development Block Grants	$4.7B	A wide range of allocations including: — Acquisition and rehabilitation of structures for health facilities, or public improvements needed to support community coronavirus response, preparation, or prevention — Childcare costs for residents so that they can continue to work, and childcare costs for staff performing essential functions (as defined at the state/local level), to the extent they would not have incurred otherwise

Further considerations

The CARES Act has numerous provisions for individuals and organizations which state and local governments can leverage instead of using tax levy dollars. Efforts should be made to ensure that all who are eligible for this funding are made aware of it, that it is accessible to all appropriate parties, and that the allocated funding is properly used. These efforts should include the following considerations:

— Once the applicable funding streams and flexibilities have been identified, the organization should review federal guidance as to the requirements needed to access these funds, such as application processes for a lump-sum amount or claim-level submissions for specific cases. This review should also include an assessment of internal fiscal policies for claiming federal funding to determine how your organization can leverage these funding streams.

— In addition to receiving federal funding, it will be equally important for agencies to comply with any reimbursement guidelines and the Code of Federal Regulations (CFR) for any grants received by implementing proper documentation protocols and record retention rules. Organizations should prepare to be "audit ready" and have the methods (including information technology) to submit proper reporting, including performing proper cost allocation and fiscal due diligence reviews.

— Organizations should examine any technology plans to include changes that may facilitate reporting of necessary information should any of these funds be used. Leveraging technology for this purpose can ease the burden of tracking the receipt of these funds, coding of the funding from a financial reporting perspective, and tracking dollars spent in alignment with the rules and regulations tied to the funds themselves. All of these processes help ensure adequate reimbursement, and that specific dollars allocated to specific spending needs are followed in accordance with any CARES Act stipulations.

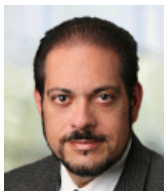
— Under the CARES Act, there is available funding to fund prevention, detection, and oversight, as well as other activities under COVID-19. This is designed to facilitate monitoring of third party recipients of these funds (such as community-based organizations, childcare providers, foster care providers, or other service providers). The organization should assess internal policies to review the required documentation from any sub-recipients of these funds.

— Organizations should also look to access relief specific to the state or city; for example, multiple states included funds for child welfare organizations in their relief legislation.

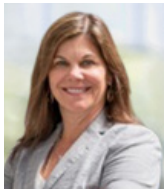
If you or your representative organization has any questions on these funding streams, or would like to discuss anything presented in this document in more detail, please reach out to our team.

June 23, 2020

Contact us



Harvey B. Levin
Managing Director, US Lead, Health and Human Services
T: 401-528-2602
E: hblevin@kpmg.com



Carole Hussey
Director, National Child Welfare Lead
T: 717-860-7873
E: chussey@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDP101472