October 30, 2020

RE: Unspent CARES Act Funds

Dear Governor Ivey:

Children are hungry. Parents are frightened. Teachers are overwhelmed. The pain and suffering wrought by COVID-19 and the resulting economic crisis continues to devastate families and communities across Alabama. Coronavirus Relief Fund dollars are helping tremendously where local and state agencies, schools and universities, small businesses and nonprofits, and other entities have had access to these critical funds. The money has been a lifeline.

With two months for Alabama to spend approximately $1 billion in remaining CARES Act funds, the undersigned organizations write in order to share ongoing needs of struggling Alabamians whom we serve and provide recommendations for distribution of these federal funds based on data and insights we have gathered in the field.

Our recommendations focus on individual needs that remain unmet and include examples of approved CARES Act spending in other states that have been effective in getting CARES Act funds directly to eligible, hurting individuals and supporting services. Guidance from the U.S. Treasury has been clear that emergency financial assistance to individuals and families directly impacted by loss of income due to the COVID-19 pandemic is an allowable use.1 Rather than sending unspent funds back to Washington, we strongly recommend investing in the health, safety, and economic futures of the people of Alabama.

Though we are eight months into the pandemic, recent data suggests conditions are worsening in Alabama. With a 7-day average of 845 new cases per day as we head into the flu season, state health officials have expressed concerns about another spike,2 which could create further economic woes for unemployed and underemployed Alabamians and their families. While unemployment benefits have buoyed thousands of families, the enhanced $600 weekly available in response to the massive COVID-related job losses has long expired. With the maximum $275 weekly unemployment benefit limited to 13 weeks, for many Alabamians, those payments ended months ago. But rent still must be paid, children must be fed, and elders must be cared for.

It is important to remember that even before this pandemic devastated the economy, Alabama was the fifth poorest state in the U.S. with 800,000 of our residents living in poverty.3 These CARES Act funds provide our best hope to ensure the economic downturn does not force these families into long term, catastrophic conditions that will impact generations to come.

Alleviating hunger

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1 See U.S. Treasury, Coronavirus Relief Fund, Frequently Asked Questions, Updated as of September 2, 2020, p. 5.
3 Alabama Possible, Barriers to Prosperity: Data Sheet 2020, https://alabamapossible.org/2020/05/21/4480/
Data from across the state incontrovertibly show a spike in families who rely on food banks during the COVID-induced economic emergencies. School closures have meant children who normally eat at school are at home, often with parents who have lost their jobs due to COVID-related closures. The crisis is hitting our most vulnerable.

Alabama Appleseed’s survey of 400 people impacted by COVID revealed that 63% had sought food assistance, many for the first time. Hunger Free Alabama’s survey showed similar results with 58% of Supplemental Nutrition Assistance Program (SNAP) participants having trouble buying food at some point during the pandemic.

Feeding the Gulf Coast, the food bank covering lower Alabama, faced a 30 percent increase in need across their community. They expect to see that need remain or even rise to 38 percent through the rest of the year. That 30 percent spike translates to about 8,378,000 additional meals. The Community Food Bank of Central Alabama reports that they spent more on food in one month and a half in 2020 that they paid in all of 2019.

Just a few examples of states that have made CARES awards to food banks include: $10 million in Arkansas, $15 million in Florida, $9 million in Minnesota, $6 million in North Carolina, and $15 million in Wisconsin. An additional $5 million in support through CARES Act funding could shore up this vital resource and move Alabama closer to how numerous other states have spent these funds to fight hunger.

Currently in Alabama, food banks that are relied upon by tens of thousands of Alabamians qualified for the same $15,000 available to other nonprofits, thus the food banks combined received $135,000. Though much appreciated, this was a fraction of what other states have allocated and much less than the $10 million provided to less vital recipients, such as the timber industry and tourism marketing.

Addressing evictions and homelessness

Multiple indicators show evictions are rising in Alabama, no surprise given the massive increase in joblessness due to COVID. Once the state’s eviction moratorium expired June 1, evictions increased by more than 50% in Alabama’s most populous counties. Legal Services Alabama opened 359 new eviction cases in June and July alone, a 60% increase from last year. The most recent U.S. Census Household Pulse survey found that between September 16-28, 13% of Alabama renters said it was “very likely” they would be evicted in the next two months and another 32% said it was “somewhat likely.” Researchers at the Aspen Institute predict as many as 290,000 people are at risk of eviction in Alabama, based on levels of unemployment.

Undoubtedly, families with school children are among these cases. With many Alabama school systems still virtual, including Montgomery, this means parents are juggling homelessness and homeschooling. They deserve help.

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4 As reported by the National Low Income Housing Coalition, based on court filings from Jefferson, Montgomery, Madison, and Mobile counties.
5 Aspen Institute, 20 million renters are at risk of eviction, policymakers must act now to mitigate widespread hardship, June 19, 2020, https://www.aspeninstitute.org/blog-posts/20-million-renters-are-at-risk-of-eviction/
Nationwide, a majority of states have created CARES Act-funded programs that allow residents to receive a form of rent, mortgage, and/or utility bill funding if their income has been impacted by COVID. Some states permit residents to apply directly, followed by the state sending payment to a landlord. Other states require the landlord to apply. Many states have income-based eligibility. There are a variety of models on which Alabama could pattern a program.

For example, Pennsylvania has set aside $150 million in CARES Act funds for rent assistance. Renters are eligible for up to $750 per month for six months. Enrollment forms are available online and a call center is available to assist applicants with questions.

Texas has created an eviction diversion program which allows landlords who have begun the legal process of eviction to place their lawsuits on hold in exchange for six months of rent money (from CARES funding). Texas has dedicated $167 million to this program.

In Mississippi, lawmakers recently re-allocated $20 million in unused CARES Act funding for rental assistance that also helps landlords, who struggle when rents go unpaid.

Although the Centers for Disease Control and Prevention issued a temporary halt in residential evictions through December 2020 that measure neither removes the requirement that renters pay rent, nor offsets lost income to landlords when rent goes unpaid. Without remedial measures, Alabama is poised to experience a tidal wave of evictions in early 2021. Rather than sending unspent CARES Act funds back to Washington, we highly recommend dedicating a portion of these funds to income-based rental and mortgage assistance.

Supporting vulnerable populations

Assisted Living and Congregate Care Facilities

While CARES Act funding has greatly assisted nursing homes and other congregate care facilities with testing and PPE, we know more is needed, as deadly outbreaks continue. The scope and scale of COVID testing is grossly lacking in congregate care facilities and unspent CARES Act funding could address these shortcomings. Alabama should prioritize regular and ongoing testing for residents, staff, inspectors, and visitors.

Thus far, Alabama has spent $10 million on COVID testing in nursing homes, according to the October 18, 2020 Coronavirus Relief Fund expenditures report. However, there remain reported shortages reported shortages of PPE (defined as not having a one-week supply of N95 masks, surgical masks, gowns, gloves.)

Adequate testing is also needed among other vulnerable populations, staff who serve them, and family and support persons who visit them. These populations include: residents of assisted living centers, specialty care assisted living facilities, group homes, hospitals including state

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Department of Mental Health hospitals, congregate juvenile justice facilities, and facilities that house youth served by the Department of Mental Health and Department of Human Resources, including youth in residential and psychiatric residential treatment facilities.

Additional funding should also be made available to ensure contact tracing after new infections are discovered, to strengthen PPE supplies to people in impacted facilities.

**Prisons and Jails**

Incarcerated Alabamians are particularly vulnerable to infection. There are tens of thousands of individuals housed in state prisons, local jails, and ICE Detention facilities – all places where it is impossible to practice social distancing and where individuals are wholly reliant on the government for testing, PPE, medical care, and quarantining. The consequences have been dire. Within ADOC, 532 incarcerated people have contracted the virus and 27 have died, as of October 29. Another 455 staff members have contracted the virus, two of whom have died.8

Additionally, conditions at Draper Quarantine Intake Facility are unhealthy and inadequate yet the previously decommissioned prison is being used to house people entering ADOC from county jails. Draper is also housing patients who test positive for COVID from Staton and Elmore prisons. Multiple undersigned organizations have received credible reports that incarcerated people transferred to Draper are being confined to a classroom in a building with no toilets, no running water, and repeated power outages.

Credible reports, including video, from Bullock Correctional Facility also show unhealthy and unsanitary conditions, including flooded cells, broken sinks, and a lack of PPE.9 Bullock has been the site of a large COVID outbreak with 58 positive cases and one death.

ADOC was appropriated $125 million of CARES Act funding, $98 million of which remains unspent. While testing of incarcerated people has increased, ADOC still has tested only about 12% of individuals in its custody. CARES Act funding could easily fund a dramatic increase in testing of both incarcerated people and ADOC staff, which could help slow the spread of COVID-19 and save lives.

Numerous states, both those with smaller prison populations, such as Wyoming, and those with larger populations, including North Carolina, Texas, and Michigan have conducted mass testing of all prison staff and incarcerated people. North Carolina, which has a larger prison population than Alabama, completed testing for about $3.3 million. So far, North Carolina’s COVID-19 death rate for prisoners is lower than Alabama’s.10 Testing saves lives and there has been no explanation provided as to why Alabama cannot devote some of the millions in unspent CARES Act funds to do what many other states have done to protect their incarcerated populations.

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8 Data provided by the Alabama Department of Corrections http://www.doc.alabama.gov/covid19news
CARES Act funding could also support the addition and/or repair of basic hygiene equipment, such as sinks and showers, in Alabama prisons.

Robust research has also emerged linking community spread of COVID to people cycling in and out of nearby jails.\textsuperscript{11} Short-term incarceration in jails could be putting entire communities at risk. Therefore, increased COVID testing in jails would be another important way to make vulnerable Alabamians safer and put these unspent funds to use.

\textit{Assisting Youth Aging Out of State Care}

Juvenile justice advocates have expressed concern about the impact that COVID-19 will have on one many of Alabama’s older youth who will (or already have) age out of the child welfare system during this crisis. Given their age and circumstances, this population may be at risk of housing instability, food insecurity, economic harm, and lack of familial and social support.

We urge decision makers to allocate a portion of the remaining CARES Act fund to ensure a continuum of care for youth who would have otherwise aged out of the child welfare system this year. California, Alaska, and the District of Columbia may serve as useful models as each has created mechanisms which allow youth who would have aged out of state care to choose to remain under such care during the pandemic.

\textit{Keeping Quality Childcare Available}

Alabama’s childcare industry is in crisis. It is no secret that child care providers play a critical role within our state. For parents in the workforce or seeking employment, access to affordable quality childcare is essential. However, as a result of the pandemic, 44% of Alabama childcare providers believe that absent additional financial support, they will have to close permanently. Prior to the pandemic there was already a shortage of available childcare providers, especially for many low-income and high need children, so additional closures will only impede the state’s economic recovery efforts.

Childcare centers throughout the state have experienced significant decreases in enrollment\textsuperscript{12} and many providers are in desperate need of additional financial assistance to help them stay afloat in the coming months. Throughout the state, childcare enrollment has dropped by 64 percent; and 94 percent of childcare providers are currently serving fewer children than they were pre-COVID. Before this pandemic, many childcare providers were already operating on razor-thin


\textsuperscript{12} The Alabama Childcare Coalition reports that as of August 2020, only 63% of childcare centers have reopened. And amongst childcare centers within their network, the average decrease in enrollment has been approximately 40%, with some centers experiencing decreases as high as 80%. Similarly, the Alabama Child Care Task Force has found that Alabama child care centers are experiencing increased operating costs yet 94% of providers have experienced decreased enrollment.
margins, so the loss of revenue associated with lower enrollment has made those margins much thinner.

Of particular alarm, between March and August of this year, childcare providers serving the state’s most vulnerable children - those that are from low-income families and eligible for child care subsidies from DHR - experienced a loss of over $27 million dollars in subsidy funding alone.13 Research shows that nearly 80% of these subsidies aid African-American children;14 thus, Black communities are likely to be disproportionately impacted should child care providers experience permanent closures as a consequence of that decrease in revenue.

Throughout the country, various states have recognized the urgency associated with the need to stabilize the economic impact COVID-19 had on the child care industry. While the steps Alabama has already taken to aid childcare centers have provided an essential lifeline, the use of CARES Act funding in numerous other states provide useful examples of some additional ways that Alabama leaders can further aid our state’s child care providers.

Most notably, both Mississippi and Tennessee have continued to provide childcare providers with 100% of the subsidy payment amount that they were receiving before the disruptions caused by COVID-19. By using enrollment rather than attendance numbers to determine subsidy rates, both states have worked to ensure that childcare providers that service low-income families experience minimal financial loss.

Since Alabama currently uses a mixed model - providing 50% of subsidy payments for children enrolled yet not attending child care and 100% of subsidy payments for children attending childcare; an immediate recommendation would be for the state to adopt the purely enrollment-based subsidy funding model utilized by our neighbor Tennessee, which has committed to providing this level of support through the remainder of the calendar year.

To the extent that any childcare providers and/or their staff have unique health vulnerabilities that prevent them from being able to safely reopen, or should public health guidelines - especially for providers located in hotspots - caution against reopening, we urge the state to still allow these providers to be eligible for financial assistance for fixed expenses (such as rent) and reopening costs. Ultimately, we ask the state to prioritize the goal of preventing as many permanent child care closures as possible – even to the extent that that involves providing some financial assistance to centers that experience temporary closures due to heightened health risks.

**Additional concerns**

The realities of COVID-19 have brought into stark relief numerous wealth-based disparities in Alabama communities, among them access to high-speed internet and the tools necessary for virtual learning. We know these issues are challenging and have been given a lot of

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consideration. To the extent that you need additional voices to weigh in, we are happy to assist. Because of the complexity around addressing these infrastructure needs, we support state leaders who are trying to get an extension on the deadline to utilize CARES Act funds, as some of the most critical challenges may require more time to remedy.

One geographic area of particular concern is the Black Belt. Small towns and rural communities in this region need technical assistance and guidance both in protecting their communities and in drawing down CARES Act funding that they deserve.

We appreciate your thoughtful leadership in these demanding times. Please know that these recommendations are based on the needs and experiences of everyday Alabamians who are struggling mightily to stay safe, care for their children, and contribute to our state’s recovery. Now more than ever, we must invest in our people.

We look forward to working with you on ensuring the federal relief available to Alabamians addresses these critical needs facing Alabama’s people.

Sincerely,

82 Alabama organizations

Alabama Appleseed Center for Law & Justice
Alabama Arise
Alabama Disability Advocacy Project (ADAP)
SPLC Action Fund
Adelante Alabama Worker Center
Alabama Civil Justice Foundation
Black Belt Community Foundation
Central Alabama Fair Housing Coalition
Volunteer Lawyers Birmingham
Montgomery Volunteer Lawyers Program
Greater Birmingham Ministries
Alabama Chapter American Academy of Pediatrics
Black Warrior Riverkeeper
League of Women Voters of Alabama
National Lawyers Guild, Alabama chapter
Alabama Coalition on Black Civic Participation
GASP
AIDS Alabama
Thrive Alabama
Energy Alabama
Alabama Justice Initiative
Project Hope to Abolish the Death Penalty
Community Food Bank of Central Alabama
North Alabama Peace Network
Restorative Strategies, LLC
Montevallo Progressive Alliance
Bay Area Women Coalition, Incorporated
Council on American-Islamic Relations, Alabama (CAIR)
First Christian Church of Montgomery
Open Table United Church of Christ
Medical Advocacy & Outreach
Community Enabler Developer, Inc.
Alabama Coalition for Immigrant Justice
Trinity United Methodist Church
Faith in Action Alabama
The Alabama Child Care Coalition
Alabama Institute for Social Justice
YWCA of Central Alabama
Alabama Justice Initiative
Auburn Justice Coalition
Stay Focused Project
Children First Foundation, Inc.
Pervis Mann Ministries
Disability Leadership Coalition of Alabama
Abilities Unlimited LLC DBA Accessible Alabama
Progressive Women of Northeast Alabama
Tennessee Valley Progressive Alliance
The Knights & Orchids Society
YMCA of Birmingham
Interfaith Montgomery
Etowah Visitation Project
Unitarian Universalist Fellowship of Mobile
Alabama CURE
Children First Foundation, Inc.
Hispanic Interest Coalition of Alabama (HICA)
Jobs to Move America
Health Action Partnership of Jefferson County
Yellowhammer Fund
Unitarian Universalist Fellowship of Mobile
Birmingham AIDS Outreach (BAO)
National MS Society
Our Lady of the Valley Catholic Church-SDL
Community Enabler Developer, Inc.
Montgomery Pride United
Sisters of Mercy of the Americas
United Women of Color
Church & Society, Anniston First United Methodist Church
WHOM IT CONCERNS INC.
Nightingale Clinic
Alabama Asthma Coalition
YMCA of Selma Dallas County
Alabama Poor People's Campaign: A National Call for Moral Revival
Enterprise Family YMCA
YMCA of Tuscaloosa County
YMCA of Calhoun County
Heart of the Valley YMCA
Brewton Area YMCA
Alabama Alliance of YMCAs
YMCA of the Shoals
Human Rights Campaign Alabama
Alabama Sierra Club
YMCA of South Alabama

cc: members of the Alabama Legislature