

Subject: IECMH opportunities in new ARP guidance

Good morning!

We want to flag two pieces of federal guidance that were released today which might be of interest. In addition to the American Rescue Plan increases to the mental health block grant, Part C, and CCDBG, we're seeing IECMH opportunities in the ARP Child Care Stabilization Grants (CCSG) and the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The guidance for those funds were released today by the Office of Child Care and the US Treasury, respectively, and we want to draw your attention to a few details and suggestions!

We're packing a lot into this post, with background information on CCSG and SLFRF, as well as suggestions of potential uses of funds across ARP streams. You can scan down through the bold headings if you're looking for specific info! Also, we're sure many of y'all are doing your own analyses of opportunities, so please hop in the message thread with any additional thoughts!

State and Local Fiscal Recovery Funds:

The ARP provides \$350 billion to state and local governments "to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers". Mental health services are among the eligible uses of funds, and recipients have "broad flexibility to decide how best to use this funding to meet the needs of their communities." Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request SLFR funds. States and localities are required to obligate funds by Dec. 31, 2024.

Eligible uses of funds include "services to address behavioral healthcare needs exacerbated by the pandemic, including: mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, and services or outreach to promote access to health and social services." (SLFRF fact sheet, p.4) There are so many IECMH supports and services across the continuum that could be justified under this description, and we hope the IECMH community will be raising this opportunity with state and local governments!

A few related resources:

- [Homepage for SLFRF resources](#)
- [SLFRF Fact Sheet](#) - see top of page 4 for mental health guidance
- [Interim Final Rule](#)
- [Guidance for Tribal funding](#)
- [Quick Reference Guide for SLFRF](#)

Child Care Funding:

As you may know, the ARP established:

- \$24 billion for [child care stabilization grants](#) (CCSG), available through September 2023;
- \$15 billion for CCDF Supplemental Discretionary Funds, available through September 2024; and
- \$3.55 billion in Mandatory and Matching funding for CCDF, a permanent annual appropriation.

The CCSG can be used to support mental health needs for children and employees, meaning states can theoretically draw from both the Supplemental Discretionary Funds as well as CCSG dollars (as well as preexisting CCDBG quality set aside dollars) to support IECMH consultation (IECMHC) or other mental health investments. However, 90% of CCSG dollars need to go to child care providers, so we've had concerns about how these funds could realistically be spent on IECMHC without placing undue and inequitable burden on providers to procure their own consultation individually.

We suggested language to OCC to clarify this, and we're glad to see that they included it in the [Information Memorandum](#) released today! Here's an excerpt from the guidance:

"Providers may use these funds to support the mental health of children and employees. **Infant and early childhood mental health consultation (IECMHC)**, an evidence-based, prevention-based strategy that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow, **is one example of an allowable mental health support. To ensure mental health supports are delivered efficiently and effectively, lead agencies are encouraged to offer providers avenues to use funds for IECMHC in as streamlined a manner possible. This may involve allowing providers to "opt in" to direct a portion of funds for IECMHC through a state-administered IECMHC network, or to "opt in" to regionally or locally coordinated IECMHC services that the state arranges or encourages with regional health and human services entities.** The wellbeing of caregivers is also important to stabilizing the child care sector because the mental health and wellbeing of staff impacts training, recruitment, and retention as well as the level of care provided to children. Mental health consultations for staff and other types of mental health supports to staff are also allowable."

This means that states can allow providers to choose to direct a portion of their funding to state-coordinated IECMHC, allowing for a pooling of IECMHC funds and more centralized state or regional IECMHC services.

Note: 10% of CCSG funds can be used for administration of the grants and TA to support providers in applying for the grants - we would also suggest that states think about how to bake any IECMHC info into that TA plan, to make it as easy as possible for providers to know about and choose to access IECMHC.

A Few Suggestions about Potential Uses of Funds:

Across all of the ARP funding we know there are valid concerns about how states can leverage one-time, limited-time funding for sustainable IECMH efforts. We understand these concerns, and are sharing here just a few ideas that have come up in our conversations with states and national partners. These aren't specific to the CCSG and SLFRF dollars, but rather across all relief funding that fits this short-term description.

There seem to be particularly promising opportunities in costly startup or quality-enhancing investments like new technology and workforce development, as well as the potential for strategic demonstration efforts. There also seems to be good opportunity for pooling of IECMH funds across different threads of ARP funding (e.g. Part C, child care, mental health block grant) given the broad interest in post-COVID mental health response. A few ideas:

- Workforce development expenses for clinicians, consultants, and/or allied professionals (e.g. intensive trainings, communities of practice, launching new technology platforms for PD, developing and/or testing new PD curricula/offerings, providing reflective supervision/consultation, etc.)

- Data systems, including costs related to acquisition, setup, rollout training/tech support, and supporting successful uptake over time (e.g. data systems related to care access/continuity/coordination, management information systems for consultation programs, etc.)
- Other technology investments to increase quality, access, and coordination of services (e.g. related to telehealth access, ongoing workforce enhancement, etc.)
- Where there is existing interest among state agencies or other funders (thinking about those states who have been on the precipice of launching IECMHC programs but haven't quite gotten the commitments): framing ARP dollars as start-up funds to cover initial costs and operations in the first years, while leveraging commitment from partner agencies to contribute to a sustainable funding plan for subsequent years (providing immediate benefit to committed agencies, an on-ramp period for budgeting in sustainable streams like Title V, CCDBG, etc., and a window of time to sort out specific issues like Medicaid billing, etc.)
- One-time activities like development of new resources, etc.
- Exploring opportunities for coordination between states and localities on shared mental health investments, particularly for SLFRF dollars.
- Whether you've been preparing to launch new programs/services or are managing current programs/services, what are those expenses that would be the icing on the cake? Things that seemed out of reach because of budgeting constraints, but you know would make a real difference in quality for families? Given the increasing demand for IECMH services, this may be a time to advocate for those investments to make our systems stronger.

For more information about opportunities across the ARP, you may find this [overview of opportunities for babies](#) and the [slides/recording from this webinar by ZTT and CLASP](#) helpful!

Best,
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