



Highlighting State and Territorial ARPA Investments in Health Workforce

Background

During the COVID-19 pandemic, Congress made unprecedented investments in states through the passage of the American Rescue Plan Act (ARPA) of 2021, which was signed into law March 11, 2021. Its passage included \$350 billion in emergency funding for states, territories and local governments. Funds must be obligated by December 31, 2024, and spent by December 31, 2026.

Eligible funding uses were outlined¹ and could include:

- Replacing lost public sector revenue;
- Addressing public health and economic impacts;
- Health insurance premium payments; and
- Water, sewer and broadband infrastructure.

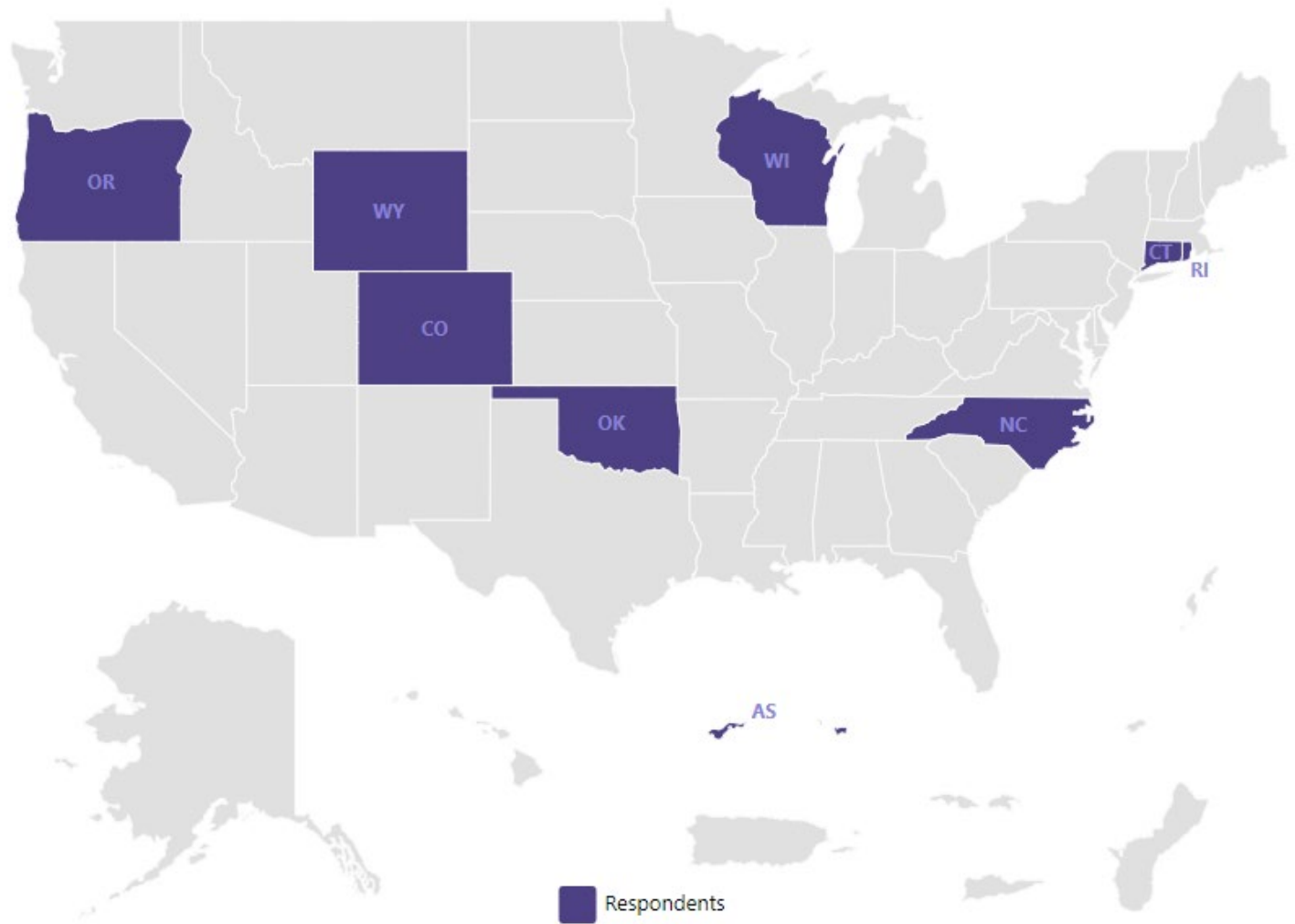
Given this flexibility, there were a broad range of state funding allocations. Various entities have produced research findings as to how states and territories used these funds, creating categories such as “Capital Projects,” “Infrastructure,” “Workforce Development,” “Long-term Care Facility,” etc.² However, no such entity or study has explored state/territory investments related specifically to the health workforce. To support peer learning among participants of the National Governors Association Center for Best Practices’ (the NGA Center’s) [Next Generation of the Healthcare Workforce Project](#) (Project), this brief was developed based on responses of project participating states and territories.

¹U.S. Department of the Treasury. [Coronavirus State & Local Fiscal Recovery Funds: 2022 Overview of the Final Rule](#). 2022.

² Examples of previous ARPA analyses include the National Conference of State Legislatures’ [ARPA State Fiscal Recovery Fund Allocations Database](#), National League of Cities’ [Local Government ARPA Investment Tracker](#), and The Council of State Governments’ [State ARPA Utilization Database](#).

Methodology

The NGA Center and Veritas Health Solutions developed a survey to understand and quantify state and territorial investments in health workforce. The survey was administered via Qualtrics to all team contacts within states and territories that were participating in the Project as of October 2023. Nine state/territory responses were received. Respondents were representative of all regions. Respondents are represented by purple in the map below.



Key Findings

All states/territories reported using some portion of their ARPA funding to support health workforce initiatives. Total investment from the respondents was \$2.5 billion. Average investment was \$274 million, with a range of \$16 million to \$672 million.

The nine responses reported a total of 42 unique funding allocations. Each funding allocation was mapped to a funding allocation strategy and targeted profession category in the tables below.

Respondents reported an average investment of

\$273.7 million

into their health workforce.

Following the tables, a brief review of each funding strategy is provided subsequently in the document, with case examples of approaches.

Table 1. Funding by Funding Allocation Strategy

Funding Allocation Strategy	Number of States/Territories that Used this Approach*	Average State/Territory Funding Amount for this Strategy**
Directed to Employers <i>Ex. Flexible funds to healthcare employers for the purposes of pass-through funding to healthcare professionals</i>	5	\$245.8 million
Healthcare Infrastructure <i>Ex. Expanding or enhancing state facilities or other enhancements to the broader healthcare infrastructure or infrastructure that can increase access to care such as telehealth, etc.</i>	4	\$119.9 million
Directly to Workers <i>Ex. Wage stipend/bonus/grant directly to a practicing healthcare professional</i>	3	\$114.0 million
Directed to Education System <i>Ex. Healthcare professions education expansion</i>	4	\$55.5 million
Directed to Students <i>Ex. Scholarships directly to healthcare professions students</i>	3	\$7.0 million
Other	6	\$28.4 million

*Note: One state/territory may have implemented multiple strategies. Therefore, a state/territory may be represented in multiple rows.

**Calculated using only those states and territories that have implemented the corresponding strategy.

Table 2. Funding by Profession Category

Targeted Profession Category	Number of States/Territories that Targeted this Profession*	Average State/Territory Funding Amount for this Profession Category**
Long-term care sector	4*	\$362.5 million
State-affiliated healthcare professionals	1	\$300.0 million
Nursing	4*	\$220.0 million
Behavioral health	5*	\$105.3 million
Not exclusive to healthcare professions	3	\$96.1 million
Other^	3	\$79.3 million

**Note: One state may have targeted multiple profession categories and one state strategy may map to multiple professions. Therefore, a state and a strategy may be represented in multiple rows.*

***In the instance of one strategy mapping to multiple profession categories, the funding amount was divided evenly across the applicable categories. Calculated using only those states that have implemented a strategy for that corresponding profession.*

^Other profession categories included: allied health, justice-involved jobseekers, and retirees with expired licenses.

Directed to Employers - Flexible Funds to Healthcare Employers for the Purposes of Pass-Through Funding to Healthcare Professionals

Funding directed to employers was the most common approach utilized by states and the highest in funding allocation, with participating states and territories averaging \$246 million in this funding strategy. The largest investments were made into the long-term care workforce, generally in the form of rate increases for nursing home or home and community-based services (Colorado, Rhode Island, Wisconsin, Wyoming). Despite these commonalities, there was variety in the specific funding strategies. For example, Colorado’s approach outlined a minimum wage requirement for long-term care workers. Colorado, Rhode Island and Wyoming’s strategies accompanied a wage pass through requirement.

SPOTLIGHT FROM COLORADO **Rate Increase to Support Direct Care Workforce Wages with Provider Flexibility**

Increasing the base wage for 30,000+ direct care workers to the minimum of \$15/hour was implemented and accompanied by a substantial rate increase for providers that also allowed for flexibility in how it was used.

Funding Strategy: Directed to Employers

Targeted Professions: Long-term Care

Amount: \$280 million

The second largest investment was in behavioral health, through payments made to support wages at a state psychiatric hospital and funding directed to employers for pass-through to practicing behavioral health professionals and clinical supervisors (Oregon). Wisconsin also directed funds to targeted organizations to build behavioral health workforce capacity, including providing funding to facilitate telehealth accessibility.

Healthcare Infrastructure - Expanding or Enhancing State Facilities or Other Enhancements to the Broader Healthcare Infrastructure or Infrastructure that can Increase Access to Care (such as Telehealth, etc.)

Four states and territories prioritized funding toward healthcare infrastructure. These investments were used to create new hospitals (American Samoa, Wyoming), behavioral health facilities/programming (American Samoa, Oregon), community health clinics (American Samoa, Wyoming) and school-based services (Wisconsin).

Spotlight from American Samoa

Capital Investments in Various Healthcare Infrastructure

American Samoa dedicated \$343 million toward development of healthcare facilities, including a new hospital, behavioral health facility and community health centers.

Funding Strategy: Healthcare Infrastructure | **Amount:** \$343 million

Targeted Professions: Nursing, Behavioral Health, Not exclusive to healthcare professionals

Directed To Workers - Wage Stipend/Bonus/Grant Directly to a Practicing Healthcare Professional

Providing funding directly to workers was another common approach used by states and the third highest in funding. These strategies targeted both the long-term care and behavioral health sectors. Other strategies included direct care worker training bonuses or stabilization grants (Colorado) and loan repayment and housing stipends for behavioral health workers (Oregon). Wisconsin also leveraged local workforce boards to provide paid work experience opportunities (wage subsidies) to dislocated or unemployed individuals. Colorado allocated funding toward recruiting and incentivizing healthcare professionals with expired licenses to re-join the workforce by offering temporary healthcare licenses at no fee, if certain criteria were met.

Spotlight from Oregon

A Suite of Strategies to Support the Behavioral Health Workforce

Oregon used a number of strategies under various funding approaches to support their behavioral health workforce. These strategies included loan repayment, housing support, tuition assistance, stipends, clinical supervision expansion and other workforce supports in certain settings (county mental health programs and state hospital).

Funding Strategy: Directed to Workers, Employers, Infrastructure

Targeted Professions: Behavioral Health | **Amount:** \$491.2 million

Directed to Education System

This category of approaches generally targeted healthcare professions education expansion through supporting education infrastructure or associated resources to enhance awareness and accessibility of healthcare careers. Of the states and territories that used this approach, two targeted nursing specifically (Connecticut, Oklahoma), and two targeted behavioral health (Colorado, Connecticut, Wisconsin).

In addition to a profession-specific target, one state (Colorado) had a secondary strategy that supported healthcare career pathways broadly, ranging from entry-level roles (such as nursing assistants and emergency medical technicians) to advanced practitioners. Both Colorado and Oklahoma prioritized investments in community colleges. Oklahoma's funding was used to expand teaching labs, equipment and scholarships.

Spotlight from Oklahoma

Expansion of Nursing Education Programs

Oklahoma invested more than \$80 million in SLFRF funds into its community college and university system to expand nursing education programs. The SLFRF investment aims to produce at least 2,500 additional licensed and trained healthcare workers over the course of five years. To achieve this, the program is supporting 26 recipient institutions to expand teaching labs and other facilities, purchase equipment, and fund scholarships and other student-related support.

Funding Strategy: Education

Targeted Professions: Nursing

Amount: \$80 million

Directed to Students – Scholarships Directly to Healthcare Professions Students

Three states and territories prioritized this funding strategy, spanning professions including nursing, behavioral health and long-term care. Some strategies prioritized tuition assistance for prospective workers (Oregon, Rhode Island) while others focused more on upskilling the current workforce through advanced training (Rhode Island, Wyoming).

Spotlight from Rhode Island

Supporting Direct Care Workers and Focus on Equity

Rhode Island allocated \$2.5 million toward advanced training and certifications for direct care workers, and another \$3 million toward their Health Professional Equity Initiative, which provides tuition assistance and wraparound support (books, fees, supplies, childcare, transportation) to HCBS workers.

Funding Strategy: Students

Targeted Professions: Long-term Care

Amount: \$5.5 million

Other

Other strategies implemented by states and territories include supporting workforce development broadly through allocations to workforce focused entities (such as workforce boards) at state or local levels (Connecticut, North Carolina, Oregon, Wisconsin). These allocations provide workforce entities with the ability to further distribute funding to employers or training programs to support training and employment of jobseekers. Other strategies mapped to this category include career awareness and outreach for the long-term care workforce (Rhode Island), development of state standardized training (Colorado) and a job hub for direct care workers (Colorado).

Spotlight from Wisconsin: Funding for General Workforce Development

Wisconsin allocated \$2.5 million toward their “Worker Advancement Initiative,” a program within the Department of Workforce Development which provides subsidized work opportunities to pandemic-displaced workers. As a part of the program, workers can receive paid on-the-job training opportunities through the wage subsidies provided to employers. Supportive services (including childcare, housing, transportation) are also fundable activities.

Funding Strategy: Other | **Amount:** \$20 million

Targeted Professions: Not exclusive to healthcare professions

Takeaways

- ❖ **State/Territory funding strategies varied widely:** Guidelines for ARPA funding provided wide flexibility to states as to how funding would be used. This is demonstrated in both the variety in funding strategies and targeted professions, as well as specific activities supported by the funding under those categories. In many cases, one strategy would target multiple profession categories.
- ❖ **Funding to employers/providers was most common:** Directing funds to employers was the most common funding allocation strategy and had the highest average funding amount reported by participating states. This finding may reflect administrative feasibility associated with strategies to support health workforce development. Directing funds to employers may be less administratively burdensome than directing funds directly to workers. States may have established relationships with healthcare employers and channels for quickly allocating funding for targeted initiatives. In this strategy, employers oversee administration of the specific approach to supporting the health workforce. Some states also reported allocating funds directly to workers. In this approach, the state bears the responsibility for administration of the program. The development of administrative processes to support allocation of funds direct to workers may be cumbersome in some cases. Some states may have existing mechanisms for this, but among those that do not, this approach would likely be challenging.
- ❖ **The long-term care sector was prioritized by most respondents:** The long-term care sector had the highest average reported allocation amount of any other health profession/sector. This likely reflects workforce challenges the sector faced during the COVID-19 pandemic, as well as the aging population. Workforce challenges in this sector are not new. The long-term care sector in many states has long been plagued with high turnover rates. Shoring up this workforce was a top priority for state allocation of ARPA funding and is likely to be a top priority in the coming years.