



## FSIC Op-ed COVID Has Proven That Block Grants Don't Work

By: Kevin B. Kimble, Esq.  
October 4, 2021  
Financial Services Innovation Coalition (FSIC)  
Published: [HBCU Wall Street](#) 10/5/21



The Covid crisis has shed light on many systemic vulnerabilities in our country. Most notably, the unwillingness of many states to use federal allocations to help their citizens calls into question the reliance on block grants and state institutions to use the money. State's rights have been one of the most insidious vestiges of racism and "state block grants" are just an extension of this philosophy. From workforce dollars, to extended unemployment benefits to Medicaid expansion, many states refuse to use federal funding intended to help underserved people.

Hundreds of millions in Federal recovery funds have been given to states to aid the most vulnerable communities due to the COVID-19 pandemic. Yet despite the crisis level need of those hardest hit, the funds still have not been spent. This is not a new problem. The Tennessean wrote about this in 2019 when the State of Tennessee was caught hoarding \$730 million in Federal Block Grant funds that were supposed to be used to help poor working families (see [article](#)).

The refusal of states to use Mortgage and Rental relief funds is just the most recent example. The Supreme Court ruled that the current Federal Eviction moratorium was unconstitutional, while over \$40 billion in mortgage relief funds were unspent by states. FSIC long ago understood the problem with depending on states to help their citizens and encouraged the federal government to simply issue housing vouchers for those in need. ([link to op-ed](#))

Additionally, as we have discussed, many states also refuse to spend work force money or provide contracting opportunities to minority businesses. We regularly speak with minority businesses people who complain they cannot get contracting opportunities or participation in other state programs. In



our opinion, the states can no longer be relied upon to distribute federal assistance and block grants should become a thing of the past.

*The **Financial Services Innovation Coalition (FSIC)** is a network of Industry Innovators, Legislators, Community Groups, and Academics who share a passion for applying emerging technology and market innovation to create a more inclusive economy and advocate for policy which promotes economic empowerment. For additional information about the organization, visit [FSIC \(FSICoalition.com\)](http://FSIC(FSICoalition.com)). For additional information about the press release or to arrange an interview with FSIC officials, contact Brady Buckner at [info@fsicoalition.org](mailto:info@fsicoalition.org), or 202-680-4749.*