Priorities for Spending the American Rescue Plan’s State and Local Fiscal Recovery Funds

Tuesday, May 25, 2021
Agenda

- Welcome and framing
- Overview of suggested priorities for how states can use flexible funds for an equitable recovery
- Improving access to supports for immigrants and their families
- State spotlight: Ohio and North Carolina
- Q&A

Webinar recording and a copy of the slides will be shared afterward
How to Ask Questions

Click **Q&A icon** at the bottom of your screen to open the Q&A window. Type your question and click **Send**.

If staff replies to you individually, you will see a reply in the **Q&A window**.

*We will also read and answer questions out loud*
What the American Rescue Plan Accomplishes

- Provides unprecedented **cash and near-cash resources** to families

- Provides significant investments in key substantive areas, such as **housing and homelessness, child care, education, and health coverage**

- Provides historic resources for groups often left out – **tribes and territories**

- Provides significant flexible resources to help **states, localities, tribes, and territories** meet COVID-related challenges
THREE WAYS STATES CAN ADVANCE EQUITY AND STRENGTHEN THE RECOVERY FROM COVID-19:

1. Target people with the greatest health and economic needs

2. Dismantle persistent racial, gender, and economic barriers to opportunity and advance antiracism

3. Strengthen state revenue systems to sustain long-term investments in Black, brown, Indigenous, immigrant and low-income communities
Target aid to those most in need due to the COVID-19 and consequent economic crises.
Advance antiracist and equitable policies — both short- and long-term — to dismantle persistent racial, ethnic, gender, and economic inequities and other barriers that non-dominant groups and identities experience.
Some Details on Flexible Recovery Funds

- $350 billion in flexible funds to states, localities, tribes, and territories
- Intended to address health and economic effects of pandemic, provide a pay boost for essential workers, and invest in broadband and water projects
- Treasury guidance released May 10 provides more specifics on allowable uses and limitations

Bottom line: States and other governments will have fairly broad discretion with money
Priorities for Spending State & Local Recovery Funds

1. Restoring funding cuts for schools and other services;

2. Building a robust outreach operation to help people access available federal, state, and local aid;

3. Boosting incomes for essential workers and people with limited incomes;

4. Investing in people to improve public safety;

5. Helping children catch up on unfinished learning; and

6. Investing in equity-enhancing broadband, clean water, and infrastructure projects.
Build a Robust Outreach Operation

To maximize impact of new, expanded, and existing federal benefits, states can:

1. Launch a public awareness campaign
2. Fund and train organizations that already help people access SNAP, Medicaid, tax credits, or other supports
3. Fund organizations that are well positioned to reach people with particularly significant barriers
Boost Incomes for Workers and Families

To alleviate short-term hardship and get families on firmer footing long-term, states can:

1. Provide cash payments
2. Create or expand emergency assistance programs
3. Provide up to $13 per hour in bonus or “premium” pay
4. Create subsidized jobs programs
Invest in People to Improve Public Safety

To help build safer and more just systems of emergency response, states can:

1. Increase support for school-based social services
2. Build a comprehensive support system for people with substance use disorders
3. Expand support for people with mental health challenges
4. Eliminate criminal legal fees and base fines on ability to pay
Policy Choices

- **Disallowed or Limited by Treasury Guidance**

- **Not Allowed**
  - Deposits to pension funds
  - Deposits to rainy day funds
  - Pay off debts

- **Limited**
  - State tax cuts
  - General infrastructure, such as roads and bridges
States Should **Avoid**

- Deposits into Unemployment Insurance trust fund
- Poorly-targeted or poorly-negotiated infrastructure projects
- Tax cuts
Improving Access to Supports for Immigrants and Their Families

- **Targeted outreach:**
  - Address fears related to public charge and other immigration-related concerns
  - Invest in trusted groups that are well positioned to reach immigrants
  - Ensure materials are translated and include in-language media outreach

- **Create supports that address unmet needs:**
  - Short-term, non-cash, in kind emergency disaster relief with no immigration-related standard
  - Assistance administered by non-profits/community groups
State Spotlight
American Rescue Plan Act: Coronavirus State Fiscal Recovery Fund aid to Ohio

The American Rescue Plan Act
Recovery from the ground up

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Policy Matters Ohio is a nonprofit policy research institute that creates a more vibrant, equitable, sustainable and inclusive Ohio through research, strategic communications, coalition building and policy advocacy.

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Coronavirus State Fiscal Recovery Fund aid to Ohio:

• Put out a quick paper on ARPA
• Big outreach – partners, policy makers and media
• Established leadership – Partners, coalitions and grassroots
• A new initiative – local government, labor standards
• A shift to monitoring
5 Livestreams on “Restream” Over Two Months

- Health & human services
- Education
- Health equity
- The Peoples Budget
- Benefitting workers, labor standards
Coronavirus State Fiscal Recovery Fund Eligible Uses

- **RECOVER**: Pay for measures that quell the pandemic and prevent outbreaks.
- **REPAY**: Premium pay to essential employees or grants to their employers.
- **REBUILD**: Invest in water, sewer and broadband infrastructure.
- **RESTORE**: Pay for government services affected by loss of revenues caused by pandemic recession.
Ways Ohio’s Lawmakers Could Use ARPA funds

• Fund and implement the recommendations of the Minority Health Strike Force Blueprint
• Fund the public health system so it responds better in the next pandemic
• Reduce lead poisoning of children
• Ensure access to good, affordable wireless services
• Plan for improving the social determinants of health in low-income places (QCT) – and implement those plans.
• Establish grant funds for essential workers
• Provide navigators to help people find the assistance they need for housing, emergency assistance, health care
• Fix state information technology so it is fully capable in the next emergency
• Expand early education and other educational needs of students in low-income places
• End the transcript trap
• Build more affordable housing in places where people need it the most
• Provide emergency funding to Ohio’s domestic violence programs
Getting Involved!

- Shovel-ready programs for rescue, recovery
- Coordination - Work together on ideas
- Tell lawmakers what you want and how to do it (It’s another budget opportunity – on a shorter timeframe)
- Prevent legislators using $$ badly – some uses are forbidden; there will be bad ideas.
- Get involved on the local and state level: Guidance emphasizes proper implementation and robust public participation.
THANK YOU!
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American Rescue Plan in North Carolina

- Build from analysis of gaps in relief to date and impacts of austerity budgets in NC
  - Particularly focused on protecting against tax cuts

- Provide community groups, networks and other key stakeholders with information and tools
  - American Rescue Plan NC Impacts Google Doc
  - American Rescue Plan slide deck and toolkit

- Focus on an inclusive process and systemic change
  - People’s Hearing on American Rescue Plan
  - Roundtables with legislators
Community Voices Essential to Getting American Rescue Plan Investments Right

Fatima Fouse: NC needs to invest in child care as part o...  James Heyward: NC needs to support minority-owned...
2021 and BEYOND
ORGANIZING FOR IMPACT
A County Commission Action Series
SAMPSON COUNTY
May 27 | 6 p.m.

LOCATION
Southern Ambiance
Event Center
710A Southeast Blvd.
Clinton, NC 28328

RSVP FOR AN INVITATION
www.ncblackalliance.org/AndBeyond

HOSTED BY:
NORTH CAROLINA BLACK Alliance
NCAABCD
The American Rescue Plan is a historic investment in us, providing $1,400 per-person checks to households, help with basics like childcare and healthcare, extended unemployment insurance, and more. It also provides billions of flexible dollars to states, schools, local governments, tribes, and hard-hit businesses.

That flexible aid will soon flow into our state’s coffers, and [State] lawmakers are responsible for getting this money to the people who need it most. Now is the time for them to deliver the relief and support that all our families need.

Our future is determined by what we do together, and this moment requires us to act boldly. Returning to a pre-COVID status quo is not enough, because that status quo left behind too many of our communities and families. Together, we can demand state policies that make [State] a place where all of us can thrive, no exceptions.
Resources

❑ Federalscoop.org

❑ Messaging guidance for state implementation

❑ Coming Soon: Updated implementation grid


What else do you need? Email us at scoop@cbpp.org