BUDGET EQUITY PROJECT

ADVANCING EQUITY
WITH THE AMERICAN RESCUE PLAN'S LOCAL RECOVERY FUNDS

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Cover Photo Credit: She Built This City

CONTENTS

SUMMARY

The American Rescue Plan Act of 2021 (ARPA) provided an unprecedented $130 billion in flexible funding for cities and counties to use for immediate COVID-19 pandemic relief and to rebuild stronger, more resilient economies. Guided by the federal government's groundbreaking equity policy, grantees were encouraged to direct resources to low-income communities and communities of color disproportionately affected by the pandemic, and to invest in projects addressing the systemic inequities underlying its disparate impacts. Arriving in the wake of nationwide protests and renewed policy commitments for racial justice following the murder of George Floyd, the resources presented a historic opportunity to move beyond rhetoric and deliver tangible, potentially transformative change to communities long neglected by public investment.

More than three years into the program, how are local governments living up to ARPA's equity potential? Examining ARPA investment strategies and investments, we found that leading local governments—in partnership with community-based organizations and advocates—are fulfilling ARPA's promise to advance equity. This report shares that progress and presents recommendations for how federal and local policy can build upon ARPA's strengths to deliver equitable public investments now and in the future.

SEEDING EQUITABLE PROCESSES AND RESOURCE ALLOCATIONS

Los Angeles County, California; Boston, Massachusetts; Austin, Texas; and Baltimore, Maryland were the top performers on our equity assessment of 170 cities and counties, dedicating the vast majority of their ARPA funds toward a wide array of projects with the promise of advancing equity locally.

Our assessment also found broad adoption of equity-focused public investment frameworks across diverse communities. Nearly all jurisdictions (86 percent) explicitly acknowledged the inequitable impacts of the pandemic and identified equity as a priority in their recovery plans. Most jurisdictions (89 percent) used at least one equity-focused decision-making resource, such as racial equity action plans and neighborhood-level data, to guide investment strategies. A large majority (65 percent) conducted targeted outreach to marginalized communities, and more than half planned to track equity outcomes using data disaggregated by race, ethnicity, and other factors.

Equitable processes translated into equitable investments. Across more than 7,000 ARPA projects in these communities, 58 percent are equity-focused, representing $20 billion in investments. Community advocacy and voice, equity leadership from the top, institutional equity initiatives, and equity data and performance management systems were critical drivers of equitable ARPA investments.

CATALYZING LOCAL INNOVATION AND POLICY MOVEMENTS

ARPA funds are fueling local policy experimentation and innovation, supporting projects that address structural inequities while catalyzing local policy movements for equitable, people-centered economies. ARPA accelerated the adoption of best practices such as engaging grassroots organizations, offering direct cash assistance, and incorporating wraparound supports into job training programs. In addition, ARPA is bolstering policy movements like guaranteed income and medical debt cancellation, setting the stage for large-scale policy shifts.

LEARNING FROM THE ARPA EXPERIENCE

ARPA's equity-focused framework offers a model for future federal programs, but improvements are needed. Equity guidance applied only to large jurisdictions, revenue replacement investments lacked reporting requirements, and performance reports were inconsistent in their depth and quality. Federal policymakers should expand on ARPA's success by codifying equity into federal policies, expanding equity reporting frameworks, and supporting continued local innovation through competitive grants. Locally, governments should adopt budget equity tools and frameworks and foundations should invest in growing the budget equity field, including resourcing the community organizations and coalitions working in and for marginalized communities to engage in budget debates. ARPA funding provided a crucial opportunity to address systemic inequities exacerbated by the pandemic, and future investments must build on this foundation to create more just and resilient communities.

INTRODUCTION

Signed into law on March 11, 2021, the $1.9 trillion American Rescue Plan Act (ARPA) came to fruition during a moment ripe with opportunity to meaningfully advance racial equity in America. The COVID-19 pandemic exposed deep racial and economic inequities throughout communities across multiple dimensions, from health to employment, digital connectivity, and more. Meanwhile, George Floyd's brutal murder in May of 2020 reawakened Americans to racial injustices embedded not only in policing but throughout society, fueling protests and local policy movements. More than 200 cities and counties across the country declared racism a public health crisis and many communities launched or strengthened equity initiatives.[1] And in January 2021, the federal government officially adopted equity, defined as "the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment," as a key governing value, with the Biden-Harris Administration issuing the first of two groundbreaking executive orders to advance equity throughout federal government.[2]

Following on the Coronavirus Aid, Relief, and Economic Security (CARES Act) of March 2020, ARPA doubled down on the federal government's anti-austerity response to COVID-19. In addition to providing direct economic relief to families and small businesses and expanding access to COVID-19 vaccines and testing, ARPA allocated $350 billion in State and Local Fiscal Recovery Funds (SLFRF) to state, local, territorial, and Tribal governments to spend over five years to address the immediate economic and health impacts of the pandemic and invest in longer-term, potentially transformational strategies. Aligned with the federal equity executive order, the U.S. Department of the Treasury prioritized equity in its spending guidelines for the ARPA funds, encouraging grantees to "lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color."[3]

These fiscal recovery funds created a singular opportunity for local governments to seize the moment to make meaningful investments in the people and communities most directly harmed by systemic racism and inequities. ARPA delivered $130 billion in flexible recovery funding to cities and counties—an unprecedented endowment of resources with which to make innovative, data-driven, and equitable investments to start chipping away at their most intractable challenges.[4] After forty years of declining

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[1] American Public Health Association, *Racism Declarations*, https://apha.org/Topics-and-Issues/Racial-Equity/Racism-Declarations (accessed Sept. 2024).

[2] The White House, "Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," *The White House*. Jan. 20, 2021, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/ (accessed Sept. 2024).); The White House, "Executive Order on Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," *The White House.* Feb. 16, 2023, https://www.whitehouse.gov/briefing-room/presidential-actions/2023/02/16/executive-order-on-further-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/ (accessed Sept. 2024).

[3] Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds*, Interim Final Rule, 31 CFR Part 35, RIN 1505–AC81, 88 Fed. Reg. 64986 (Sept. 20, 2023), https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf; Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds*, 88 Fed. Reg. 72556 (Nov. 20, 2023), https://www.federalregister.gov/documents/2023/11/20/2023-25067/coronavirus-state-and-local-fiscal-recovery-funds (accessed Sept. 2024).)

[4] U.S. Government Accountability Office, *COVID-19 Relief: States' and Localities' Fiscal Recovery Funds Spending as of March 31, 2023*, October 11, 2023, GAO-24-106753, https://www.gao.gov/assets/d24106753.pdf. (accessed Sept. 2024).

federal investment in local government, SLFRF represented the largest direct transfer of funds to cities and counties since the 1960s' Great Society programs.[5] It was a massive amount of flexible funding, representing more than seven times the amount the federal government provides to cities and counties through the Community Development Block Grant (CDBG) program on an annual basis, and a significant addition to local budgets. Detroit, Michigan's 2020 budget, for example, was $2.3 billion, and the city received $826.7 million in ARPA funds—dollars that were not tied to any existing programs or employees.[6]

Recognizing ARPA's potential contribution to building more equitable communities, the Institute on Race, Power and Political Economy at The New School has been tracking how cities and counties have been spending their ARPA funds and documenting best practices and lessons learned. This report shares key findings from our assessment of the recovery fund spending strategies of 170 large cities and counties and our examination of promising ARPA investments across all cities and counties. We begin by describing the equity focus within SLFRF reporting, which enabled our equity assessment. We then present the key findings from our research examining the ARPA process and investments. We conclude with policy recommendations to inform how federal grants to localities can drive equitable investment as well as how local governments can incorporate an equity focus into their local budgeting processes.

To assess whether and how cities and counties are operationalizing equity in their ARPA spending plans, we reviewed performance reports and spending data from 170 jurisdictions: the 80 largest cities, 81 largest counties, and nine combined largest cities and counties. We reviewed these reports using a 40-question rubric that assessed equity performance across six arenas: 1) overall equity focus; 2) application of equity tools and institutional infrastructure; 3) community engagement; 4) use of equitable labor practices; 5) breadth and depth of equity investments; and 6) investment transparency/accountability. Our primary data sources included the 2021, 2022, and 2023 Recovery Plan Performance Reports that large cities and counties were required to submit to the Treasury by the end of July of each year, as well as the corresponding July 2022 and July 2023 Project and Expenditure reports, which detail spending to date for each ARPA project. See our full assessment methodology on page 36.

In addition to the assessment, our team conducted case study research on ARPA investments that were particularly innovative, community-driven, targeted to historically underserved or marginalized groups, or potentially transformational. Our case studies include investments in communities outside of the 170 jurisdictions in our assessment whose investments we learned of through a media scan and field engagement.

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[5] Megan Randall, "Census of Governments Illustrates Declining Aid to Localities, and Other Trends in State and Local Finance," *Tax Policy Center*, April 21, 2020, https://www.taxpolicycenter.org/taxvox/census-governments-illustrates-declining-aid-localities-other-trends-state-and-local-finance (accessed Sept. 2024); Warner, Mildred E., Paige M. Kelly, and Xue Zhang. "Challenging austerity under the COVID-19 state," *Cambridge Journal of Regions, Economy and Society* 16, no. 1 (2022): 197–209.

[6] City of Detroit, *2019-2020 Budget in Brief*, https://detroitmi.gov/sites/detroitmi.localhost/files/migrated_docs/financial-reports/FY2020_budget_in_brief.pdf (accessed Sept. 2024).

ARPA'S EQUITY REPORTING GUIDELINES

Following its programmatic guidance encouraging grantees to use recovery funds to address systemic inequities and foster an equitable recovery, the Treasury embedded equity into its reporting requirements and guidelines for states and large local governments. The Treasury also provided additional informational resources to support grantees in developing and evaluating equitable ARPA investment plans.

Grantees with populations greater than 250,000 are required to submit annual Recovery Plan Performance Reports describing their spending strategy and goals, funded projects, performance measures, and project outcomes, including how they are ensuring that their investment strategies are working toward economic and racial equity.[7] "Promoting equitable outcomes" is a required reporting topic and one of six suggested substantive sections in the Treasury's reporting template.[8] That section asks grantees to describe how they are promoting economic and racial equity in the design, implementation, and measurement of their programs and projects, with specific question prompts about their equity goals, target populations, disparities in program awareness and access, and use of disaggregated data. While the initial performance report asked jurisdictions to describe their initial efforts and intended equity outcomes, subsequent reports asked jurisdictions to describe their progress in relation to equity goals, challenges impacting success, and the geographic and demographic distribution of funding.

In addition to the dedicated equity section, jurisdictions are also asked to describe how their overall investment strategy will help support a "strong and equitable recovery." In the community engagement section, jurisdictions are asked to describe how their engagement strategies support their equity goals and reach communities that "have historically faced significant barriers to services, such as people of color, people with low incomes, limited English proficient populations, and other traditionally underserved groups." The reporting template also has a dedicated section asking about the use of labor practices in support of strong employment opportunities for workers.

With this reporting guidance asking grantees to describe how they are developing their strategies with equity in mind, the annual performance reports are a uniquely valuable source of information for a comparative analysis of equity in ARPA spending among large jurisdictions. While jurisdictions are not required to use the reporting template provided by the Treasury, the vast majority of them have done so. This created a relatively uniform report structure across large SLFRF grantees, which we were able to use as the primary data source for a content analysis examining the extent to which cities and counties

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[7] Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds: Compliance and Reporting Guidance*, June 28, 2024), https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf (accessed Sept. 2024).

[8] Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds: Recovery Plan Performance Report Template*, updated June 10, 2022, https://home.treasury.gov/system/files/136/SLFRF-Recovery-Plan-Performance-Report-Template.docx (accessed Sept. 2024).

designed their ARPA investment strategies using an equity lens and funded projects with the potential to advance equity.

In addition to these reporting requirements, the Treasury provided grantees with additional resources to support them in operationalizing equity as a guiding principle in their ARPA investment plans. In 2021 and 2022, the agency hosted [webinars](#) relating to promoting a more equitable economic recovery through community engagement, equity frameworks, and equity assessment tools, as well as on affordable housing production and preservation.[9] And in June 2022, the Treasury published an [Equity and Outcomes Resource Guide](#) presenting examples of how grantees are applying equity principles and frameworks, engaging community residents, using disaggregated data to inform investments, building evidence, and tracking equitable outcomes using performance management tools.[10]

Although the Treasury's equity reporting requirements provided a robust framework for embedding equity into the federal grant program, they had three major flaws. The first is their limited reach since the vast majority of grantees were exempt from them. Only cities and counties with populations above 250,000 (along with states and the District of Columbia) are required to submit annual performance reports. Smaller jurisdictions and Tribal governments are not required to submit narrative reports, and thus are not asked to report on how they are promoting equitable outcomes and have no formal way of doing so. This prevented our team from including smaller places or Tribal governments in our equity assessment and prevented communities from understanding how their government's investments were accountable to their specific conditions and needs.

The second major limitation is the lack of reporting required for funding used as revenue replacement. Because the recovery funds had the dual purpose of addressing budget shortfalls caused by the pandemic and supporting equitable economic recovery, grantees had broad flexibility in designating funds for revenue replacement to cover any service traditionally provided by the government. Of the 170 jurisdictions in our assessment, 146 of them had dedicated 39 percent of their ARPA funds budgeted as of July 2023 toward revenue replacement, with 16 of them dedicating 100 percent of their funds for revenue replacement.[11] Jurisdictions were not required to report on the individual projects supported by revenue replacement funds in their Performance and Expenditure Reports, and most did not, limiting transparency and accountability in the use of federal funds as well as tracking of whether the funds were used to advance equity. Some large jurisdictions dedicating the funds to revenue replacement, like Austin, Texas, chose to itemize the projects funded through this mechanism, including each project in the Project and Expenditure Reports. Based on this limited reporting, we found that 23 percent of revenue replacement funds went toward equitable investments.

A third limitation is the variation in the quality and depth of reporting amongst grantees, both generally and with respect to equity reporting. While the majority of the 170 jurisdictions in our assessment submitted substantive reports, some of the reports submitted contained minimal information.

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[9] Department of the Treasury, *State and Local Fiscal Recovery Funds: Recipient Compliance and Reporting Responsibilities*, https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities (accessed Sept. 8, 2024).)

[10] Department of the Treasury, *State and Local Fiscal Recovery Funds: Equity and Outcomes Resource Guide*, June 14, 2022, https://home.treasury.gov/system/files/136/SLFRF-Best-Practices-Guide.pdf.

[11] $58.5 billion represents the total ARPA allocations to the 170 jurisdictions; our analysis of equity-focused investments (see pages 16-17) was focused on the 154 jurisdictions that reported on their individual investments, which received $44.1 billion in ARPA funding.

LEADING CITIES AND COUNTIES LEVERAGING ARPA FOR RACIAL AND ECONOMIC EQUITY

Our equity assessment surfaced a number of cities and counties that not only met nearly all of our criteria, but innovated new processes and structures for ensuring equitable ARPA investments. The assessment also revealed the diverse local contexts of jurisdictions that ranked in the top third on our assessment—using an equity lens to decide how to spend their funds and making investments that promise to promote equitable access and outcomes.

TOP PERFORMERS: LOS ANGELES COUNTY, BOSTON, AUSTIN, AND BALTIMORE

Los Angeles County, California; Boston, Massachusetts; Austin, Texas; and Baltimore, Maryland were the top performers on our equity assessment, with Austin and Baltimore tied for third place. These jurisdictions earned nearly all possible points on all scored areas of the assessment scoring between 91 and 96 out of 100.

Los Angeles County, which received the largest ARPA recovery fund allocation among all counties, ranked highest on our assessment, devoting 93 percent of its $1.9 billion in recovery funds toward equitable investments. Strong community advocacy, bold political leadership, equity data tools, and institutional equity infrastructure all contributed to this achievement. In summer 2021, the Coalition for Equitable ARPA Implementation, made up of community and labor organizations, successfully pushed for the County to adopt equity principles and an equity funding formula directing ARPA resources to its most vulnerable areas. The coalition leveraged Catalyst California's COVID-19 Vulnerability and Recovery Index to identify high-need areas, showcasing the power of data and community-driven advocacy. Supervisor Holly Mitchell, a longtime equity champion, co-authored the board motion requiring the County to apply an equity lens to ARPA funds—ensuring they were spent primarily on residents and areas hardest hit by COVID-19 and poverty. The community coalition then worked with the County's Anti-Racism, Diversity, and Inclusion (ARDI) Initiative team to implement these strategies.

The second top performer, Boston, built on its longstanding equity commitment to develop an investment plan that uses the funds to make a downpayment on a local Green New Deal that tackles climate change while eliminating poverty and the racial wealth gap. Since 2015, Boston has focused on equity, starting with its public health agency's work to address racism as a driver of health disparities. In response to the pandemic's inequitable impacts, Boston analyzed disaggregated data, convened a 30-member Equitable Recovery Taskforce, and conducted an extensive community listening campaign that prioritized reaching disproportionately impacted communities through language access and collaboration with community leaders. Affordable housing emerged as the top concern, and the City allocated $236 million—the largest portion of its ARPA funds—toward safe, affordable, and healthy housing. Ninety-two percent of the City's ARPA projects are equity-focused, including a multiyear investment to grow a culturally-representative arts sector, the expansion of a fare-free transit pilot, and initiatives to promote contracting equity.

Austin exemplifies an equitable and accountable approach to using ARPA funds for revenue replacement. While the City dedicated 100 percent of its funding to revenue replacement, it reported on each project funded through that mechanism, providing transparency and accountability in its use of public funds. Aligned with the City's Strategic Direction 23 long-range plan for equitable growth and development, Austin prioritized "achieving more equitable outcomes for historically marginalized and adversely impacted populations, including low-income residents, communities of color, LGBTQIA+ persons, and those living with disabilities." This translated into a deep investment—$95.3 million or just over half of its ARPA allocation—toward addressing the City's homelessness crisis. The City also made notable investments in early childhood, climate, including its Resilience Hubs effort, and equitable workforce development efforts such as the Austin Civilian Conservation Corps.

Photo Credit City of Austin

Baltimore also demonstrates a strong focus on accountable public investment, guided by the City's 2018 equity ordinance, which mandates equity assessments for projects and aims to close gaps in resource allocation. Mayor Brandon Scott established the Mayor's Office of Recovery Programs to administer the City's $641 million ARPA allocation to maximize transparency and prioritize funding for communities that have been disproportionately and historically harmed. The Recovery Office is applying equity principles and scoring throughout the ARPA funding process, from application preparation to implementation monitoring. The Recovery Office's commitment to equity is reflected in key investments, such as $45 million for Community Violence Intervention Initiatives and $25 million for an Economic Recovery Fund to support small businesses, nonprofits, and artists. Other notable equity-driven efforts include the Buy Back the Block program, designed to help legacy Black renters and residents in qualified census tracts purchase homes and remain in Baltimore, as well as the Digital Equity Fund, aimed at bridging the digital divide. The City also launched the Baltimore Young Families Success Fund, a guaranteed income pilot supporting young parents living in poverty.

TOP PERFORMING CITIES AND COUNTIES LEVERAGED EQUITY DECISION-MAKING SUPPORTS TO MAKE SIGNIFICANT, DIVERSE EQUITABLE INVESTMENTS

	EQUITY DECISION-MAKING TOOLS & RESOURCES	EQUITABLE INVESTMENTS
LOS ANGELES COUNTY	• Anti Racism Diversity and Inclusion initiative (ARDI) • Equity Guiding Principles and ARPA Budget Equity Principles • Equity Funding Formula • COVID-19 Vulnerability and Recovery Index • Equity Explorer Mapping Tool • Project and Equity Dashboard	93% of investments and 94% of projects, including: • Project Homekey (supportive housing for homeless people) ($115 million) • High-Road Training Partnerships ($9 million) • Digital Equity (community wifi) ($56 million) • Childcare Providers Grants and Incubator Program ($20 million) • Breathe Guaranteed Income Program ($41 million)
BOSTON	• Equity and Inclusion Cabinet • Let's Go Better Listening Campaign • Equitable Recovery Task Force • Existing plans: Health Equity Now Plan; Disparity Study and Equitable Procurement Plan; Digital Equity Plan; Mayor's Food Access Agenda • Demographic Data Collection Guidance • Language Access infrastructure	79% of investments and 92% of projects, including: • Affordable Homeownership Development and Ownership ($58 million) • Healthy Housing and Environmental Justice In Public Housing ($32 million) • Elevating and Investing in BIPOC-led Cultural Organizations ($15 million) • Fare-Free Bus Pilot ($10 million) • Creating an Ecosystem to Grow BIPOC-Owned Employer Firms ($9 million)
AUSTIN	• Strategic Direction 23 • ARPA Spending Framework • Economic Recovery and Resiliency Framework • Equity Office • Chief Economy Recovery Officer • Economic Recovery Strike Team • Social Vulnerability Index	85% of investments and 83% of projects, including: • Homelessness Rapid Rehousing ($45 million) • Early Care and Education and Early Childhood Support ($7.5 million) • Homelessness - Permanent Housing Capital Expenses ($14.1 million) • Austin Civilian Conservation Corps ($1.9 million) • Resilience Hubs ($3 million)

BALTIMORE	• Prioritized Four Underserved Populations for ARPA Funding • Mayor's Office of Recovery Programs • Chief Equity Officer • Office of Equity and Civil Rights • Annual Equity Reports (since 2018) • Impact Indicators StoryMap • Seven Impact Investment Areas • Equity Criterion in ARPA Proposal Scoring	81% of investments and 79% of projects, including: • Baltimore City Workforce Development ($30 million) • Housing Accelerator Fund - permanent supportive homeless housing ($17 million) • Clean Corps - Cleaner and Healthier Baltimore ($14.7 million) • Baltimore Young Families Success Fund (BYFSF) Guaranteed Income Pilot Program ($4.8 million) • Buy Back the Block ($3 million)

JURISDICTIONS IN THE TOP THIRD REPRESENT A DIVERSITY OF LOCAL CONTEXTS

Broadening the lens to the jurisdictions scoring in the top third of the assessment, we find a diverse set of cities and counties spanning 20 states and the District of Columbia. While these high performers include many jurisdictions that have been implementing an equity approach for decades, including Seattle, Washington; King County, Washington; San Antonio, Texas; Portland, Oregon; and Multnomah County, Oregon, the list also includes some less usual suspects. Several mid-sized cities like Greensboro, North Carolina; Fort Wayne, Indiana; Toledo, Ohio; and Santa Ana, California punched above their weight, as did suburban locales such as Arapahoe County, Colorado; Montgomery County, Pennsylvania (outside of Philadelphia); and Oakland County, Michigan (outside of Detroit). Several more conservative communities like Lee County, Florida; San Bernardino, California; Snohomish, Washington; and Mesa, Arizona also did well on the assessment. Many of these places that were newer to using an equity lens to design and implement public investments relied upon the Treasury's guidance to inform their efforts.

Lee County, Florida, for example, described ARPA as an "unprecedented opportunity to support robust and equitable investments that address immediate recovery needs—especially in the most disproportionately impacted communities—and long-term resiliency building." While Lee County did not demonstrate race-consciousness in its report or have any equity policies, staffing, or frameworks in place, it required its 80+ subrecipients to report on how they will promote equitable outcomes in terms of goals, awareness, access/distribution, and outcomes (the framework offered by the Treasury), and recommending that all projects collect demographic data disaggregated by race, ethnicity, gender, income, and other factors. Lee County invested in 12 of 14 categories of equitable projects including legal assistance for immigrants, a mobile food pantry, and an opportunity accelerator workforce program. Eighty-eight percent of the County's projects were potentially equity-promoting.

JURISDICTIONS SCORING IN THE TOP THIRD ON THE ASSESSMENT

Jurisdictions marked with an asterisk scored in the top 20

Arapahoe County, CO
Austin, TX*
Baltimore County, MD
Baltimore, MD*
Boston, MA*
Buffalo, NY
Chicago, IL*
City of Madison, WI*
Contra Costa, CA
Cook County, IL*
Cuyahoga County, OH*
Dallas, Texas
Denver, CO*
Detroit, MI
District of Columbia*
Fairfax County, VA*
Fort Wayne, IN
Franklin County, OH
Greensboro, NC
Harris County, TX*
Honolulu, HI
King County, WA*
Las Vegas, NV
Lee County, FL
Lexington-Fayette County, KY
Los Angeles County, CA*
Louisville-Jefferson County, KY*
Maricopa County, AZ
Mecklenburg County, NC*
Mesa, AZ
Milwaukee County, WI
Milwaukee, WI
Monroe County, NY
Montgomery County, MD
Montgomery County, PA*
Multnomah County, OR
New York, NY
Oakland County, MI
Philadelphia, PA*
Phoenix, AZ*
Pierce County, WA*
Pima County, AZ
Portland, OR
Sacramento County, CA*
San Antonio, Texas
San Bernardino, CA
San Diego County, CA*
San Francisco, CA
San Jose, CA
San Mateo County, CA
Santa Ana, CA
Seattle, WA*
Snohomish County, WA*
St. Louis, MO
St. Petersburg, FL
Toledo, OH
Travis County, TX

EMBEDDING EQUITY INTO ARPA INVESTMENT STRATEGIES

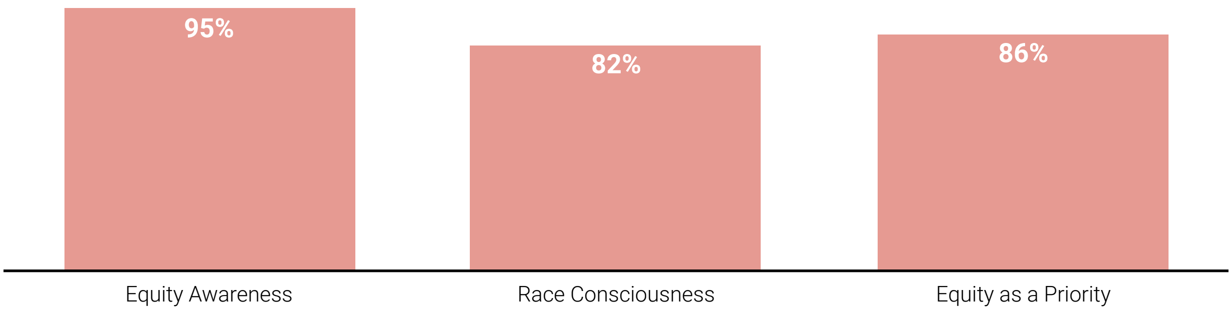
Across the 170 jurisdictions in our assessment, we found that the vast majority prioritized equity in their ARPA investment strategies, with nearly all acknowledging the inequitable impacts of the pandemic. Most used equity-focused decision-making tools, such as disaggregated data and geographic targeting, to guide investments. However, the depth of equity infrastructure varied widely, and while community engagement was common, inclusive practices were less consistently applied. These efforts signal a shift toward more equitable governance but also highlight gaps in operationalizing equity in many places.

EQUITY WAS PRIORITIZED IN LARGE JURISDICTIONS' ARPA INVESTMENT STRATEGIES

Advancing equity and addressing racial and socioeconomic inequities exacerbated by the pandemic was a prominent theme in large jurisdictions' ARPA investment strategies. Overall, this was the top-scoring section of the assessment. Nearly all of the 170 cities and counties (95 percent) acknowledged the inequitable impacts of the pandemic and most (82 percent) exhibited some level of race consciousness by describing how communities of color were disproportionately impacted by the pandemic and/or systemic inequities. A significant majority (86 percent) identified equity as a priority in their recovery fund investment strategies.

THE VAST MAJORITY OF LARGE CITIES AND COUNTIES PRIORITIZED EQUITY IN THEIR ARPA INVESTMENT PLANS

Percent of jurisdictions meeting assessment criteria



Source: Authors' analysis of local governments' July 2022 and July 2023 SLFRF reporting to the Treasury

The extent to which jurisdictions prioritized equity and grounded their investment strategies in an analysis of the disparate impacts of the pandemic for vulnerable and underserved populations is unprecedented in federal recovery programs. This signals the effectiveness of the Treasury's guidance and the widespread adoption of their reporting template. Several local government leaders we interviewed noted how they were able to leverage the Treasury's explicit and clear equity guidance to convince other colleagues to make investments targeted to underserved populations. The high level of focus on equity also indicates that there was political will to center equity in local governance across a wide range of jurisdictions during the ARPA decision-making process.

While prioritizing equity is essential to ensuring equitable outcomes and has important symbolic power, it is insufficient. Local governments need to have processes and structures in place to operationalize equity in their decision-making throughout the lifecycle of their investments, which was the focus of the next two sections of the assessment.

MOST LARGE CITIES AND COUNTIES USED EQUITY-FOCUSED DECISION-MAKING TOOLS OR INFRASTRUCTURE TO GUIDE THEIR INVESTMENTS

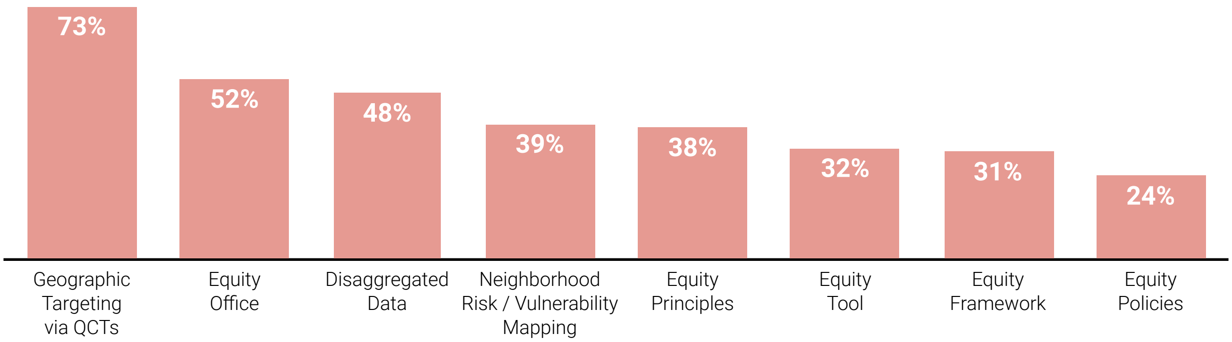
Equity-focused institutional infrastructure helps local governments to understand existing disparities and their root causes, and then develop policies, practices, and investments to address those disparities and promote equitable access to the resources necessary for well-being and economic prosperity. Our assessment examines eight elements of equity infrastructure: 1) equity staffing; 2) equity principles; 3) equity policies; 4) equity frameworks; 5) equity tools; 6) the use of disaggregated data to guide decision-making; 7) targeting to qualified census tracts (with below-average incomes); and 8) neighborhood risk/vulnerability mapping to identify high-need communities.

While the vast majority of large cities and counties described a focus on equity in their recovery strategies, the use of equity-focused tools to support the selection, design, implementation, and evaluation of projects was far more uneven. Although some communities have well-established equity infrastructure and others are in the process of developing it, many are lacking in equity decision-support resources. Among the 170 cities and counties, about a third of them (49 or 29 percent) applied five or more elements of equity infrastructure to their ARPA investments, signaling a fairly robust toolkit. But two-fifths (68 or 40 percent) used two or fewer elements.

The most commonly used equity decision-making tool—applied by 73 percent of the jurisdictions—was geographic targeting of investments to qualified census tracts, or QCTs, where at least half of households have lower incomes than most of the surrounding region. This widespread adoption of targeting investments to QCTs can be attributed to the Treasury's encouragement to do so as a widely-available proxy for underserved communities.

GEOGRAPHIC TARGETING TO LOW-INCOME AREAS WAS THE MOST COMMON METHOD USED TO DIRECT ARPA INVESTMENTS TO UNDERSERVED COMMUNITIES

Percent of jurisdictions meeting assessment criteria



Source: Authors' analysis of local governments' July 2022 and July 2023 SLFRF reporting to the Treasury

Equity-focused staffing/offices and use of equity principles or goals were some of the most common types of equity infrastructure in these places. Several jurisdictions used ARPA funds to establish new equity infrastructure. Erie County, New York established an Office of Health Equity, while the District of Columbia and St. Louis, Missouri, appointed new Chief Equity Officers to oversee equitable ARPA fund deployment and advance equity initiatives.

The use of disaggregated data and neighborhood vulnerability/risk mapping (using the CDC's Social Vulnerability Index or a locally-created index) were the next most popular tools used, showcasing local governments' embrace of data-driven decision-making. Chicago, Illinois' COVID Community Vulnerability Index, adapted from the CDC's model and Surgo Ventures' framework, identifies areas disproportionately impacted by COVID-19 and facing vaccine access barriers. Similar applications of the CDC Social Vulnerability Index can be seen in Harris County, Texas; Fresno County, California; Montgomery County, Maryland; and Jacksonville, Florida.

Although targeting public investments to economically disadvantaged neighborhoods is an improvement over distributing resources without considering need, it has limitations in addressing racial inequities.. Economic disadvantage often overlaps with racial disparities due to historical and systemic issues like redlining and disinvestment, making neighborhood income a partial proxy for race. However, geographic targeting alone cannot fully address ongoing racial discrimination in labor, housing, and capital markets, or in the education and justice systems.[12] Race-based approaches, though sometimes politically challenging, can more directly and effectively tackle racial inequities. Additionally, it is crucial to anticipate and manage potential gentrification risks to ensure that existing residents benefit from investments without displacement.

[12] See, for example, Reeves, Richard V., and Nicole Bateman. The Contribution of Race to Earnings Inequality: A Decomposition of Racial and Class Disparities. Washington, DC: Brookings Institution, 2017; "Protecting College Affirmative Action Programs After the Texas Top Ten Percent Law: Strengthening Class-Based Admission Policies by Incorporating Race-Based Criteria." Stanford Law Review 70, no. 1 (2018): 185–222; When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America. New York: W.W. Norton, 2005.

While equity-specific decision-making tools were less common, a growing number of cities and counties are adopting equity frameworks, tools, and policies to steer public investments toward equity. Some jurisdictions are leading the way by formalizing equity guidelines through policy, strategic planning, and implementing technical tools to advance equitable outcomes.

Dallas, Texas committed to equity by passing a resolution to dismantle racism in all city policies, applying equity principles to budgeting, and creating a racial equity plan. Fairfax County, Virginia's One Fairfax Policy mandates racial and social equity across public services with community involvement, while Philadelphia, Pennsylvania's executive order ensures racial equity action planning and public reporting. Montgomery County, Maryland established a racial equity and social justice plan to integrate equity into government operations, Milwaukee, Wisconsin developed the Health and Equity Framework to address institutional causes of racial inequities, and Tulsa, Oklahoma's Resilient Tulsa strategy provides a roadmap for long-term equitable solutions.

Equity tools that could be used to prioritize projects or funding decisions was an area of innovation among local governments. A number of communities such as Aurora, Colorado; Durham, North Carolina; and Montgomery County, Maryland developed scoring rubrics that included equity criteria to prioritize projects. Aurora's scoring rubric, for example, included criteria for whether the project will benefit historically underserved, marginalized, or adversely affected groups and if the benefits and impacts of the project were identified as being high priority during the community engagement process. Minneapolis, Minnesota required each proposed project to develop an equity impact statement.

Similarly, cities like San Antonio, Texas; Denver, Colorado; and Chicago, Illinois use budget equity tools to incorporate equity into their budget processes. Denver's Budget Equity Framework requires agencies to assess impacts on marginalized communities and address potential harm. San Antonio's tool helps departments evaluate budget effects on communities of color and low-income residents, while Chicago's tool focuses on aligning budget allocations with racial equity goals.

A CLEAR MAJORITY ENGAGED UNDERSERVED COMMUNITIES IN DECIDING HOW TO SPEND ARPA FUNDS

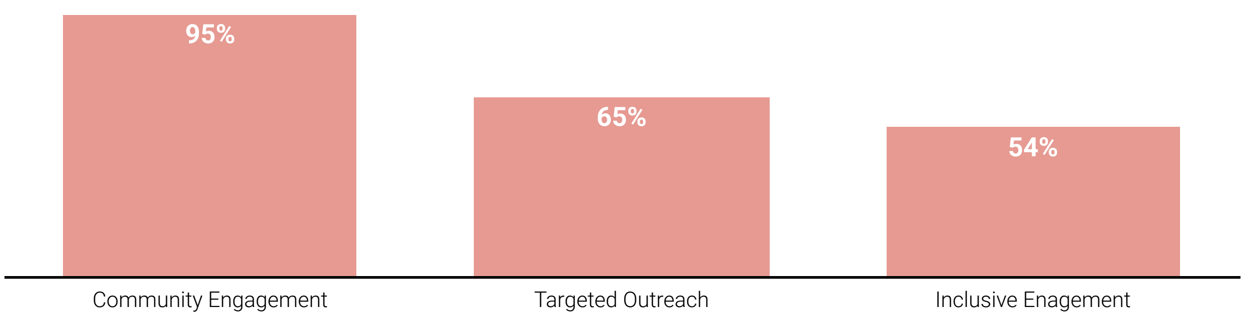
Community engagement is necessary to ensure that local governments understand and can respond to community needs and aspirations, and engaging residents who've been underserved, harmed, or marginalized by local policies is central to equitable investment. Recognizing this, the Treasury reporting template asked grantees to describe how their community engagement strategies supported their equity goals by reaching communities that have historically faced significant barriers to accessing government services.

Our assessment examined three indicators: 1) whether the jurisdiction had community engagement processes; 2) whether they conducted targeted outreach to historically excluded communities; and 3) whether they implemented best practices for inclusive engagement, such as providing translation services, partnering with community-based organizations, holding meetings at convenient times, and offering childcare. Unfortunately, we could only detect the presence of these community engagement strategies, but were not able to assess their quality.

We found that nearly all of the jurisdictions had some level of community engagement in their ARPA investment plans (95 percent), a good majority reported some targeted outreach (65 percent), and slightly more than half (54 percent) used inclusive engagement strategies. This indicates that most large jurisdictions paid at least some attention to equitable community engagement. At the same time there remains a large gap in practice between the understanding that general community engagement is important and the need for dedicated strategies to reach underserved and marginalized communities.

THE MAJORITY OF LARGE JURISDICTIONS CONDUCTED SOME TARGETED OUTREACH AND EMPLOYED SOME BEST PRACTICES FOR INCLUSIVE COMMUNITY ENGAGEMENT

Percent of jurisdictions meeting assessment criteria



Source: Authors' analysis of local governments' July 2022 and July 2023 SLFRF reporting to the Treasury

Engagement efforts in Detroit, Michigan; Cook County, Illinois; and Snohomish County, Washington illustrate how some places took equitable approaches. Detroit held 65 community conversations, administered community surveys, and conducted door-to-door outreach to formalize and refine priorities, and then hired ARPA-specific outreach workers to share information about grant opportunities. Cook County implemented a three-tier approach focused on broad outreach to provide all residents a chance to weigh in, hyper-local outreach to the most impacted communities, and longer-term place-based outreach to the communities that are the focus of the County's Equity Fund. The County partnered with community-based organizations and community councils with deep roots in marginalized communities and communities disproportionately impacted by the pandemic to implement these efforts. Snohomish County held "Recovery Roadshows" that included free meals provided through partnerships with local food trucks, on-site activities for children through partnerships with local youth-serving nonprofits, and Spanish translation and interpretation.

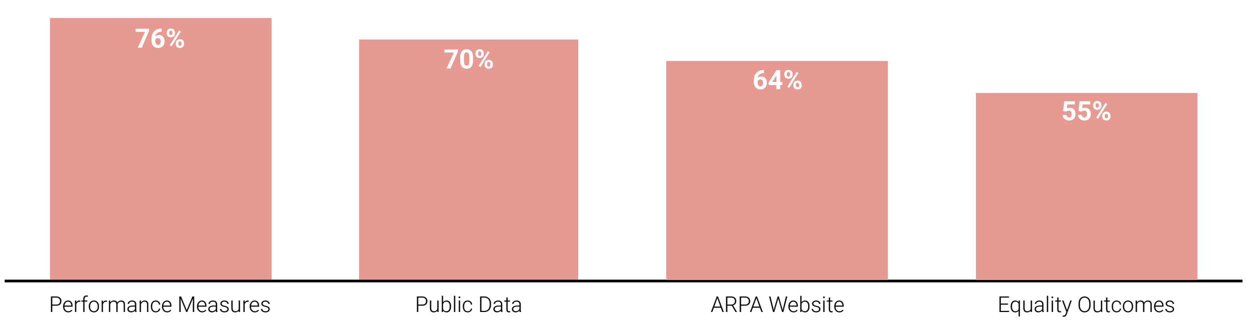
INVESTMENT PLANS AND REPORTING DEMONSTRATE A STRONG COMMITMENT TO DATA, EVIDENCE, AND RESULTS

Equitable governance requires a consistent commitment to transparency and accountability in public investments. Providing the public with clear information about the use of public funds and tracking progress towards equitable outcomes are critical aspects of effective reporting. Our assessment captures four indicators of transparency and accountability, including 1) planning to track equity outcomes using disaggregated data; 2) committing to share outcome data on a public website or dashboard; 3) having a dedicated ARPA web page or website; and 4) setting performance measures for some or all investments.

Of these four metrics, using performance measures was the most common among the 170 cities and counties (76 percent), followed by making their outcomes data publicly available (70 percent), having a dedicated website (64 percent), and somewhat fewer, but still a majority, promised to track equity outcomes (55 percent). As with the relatively high level of use of disaggregated data in decision making, the high level of commitment to performance measures and outcomes tracking demonstrates the shift toward data-driven decision-making among local governments, which is a major focus of equity initiatives seeking to deliver positive and sustained results for underserved communities.

THREE-QUARTERS OF LARGE JURISDICTIONS COMMITTED TO SETTING AND TRACKING PERFORMANCE MEASURES

Percent of jurisdictions meeting assessment criteria



Source: Authors' analysis of local governments' July 2022 and July 2023 SLFRF reporting to the Treasury

MAKING INTENTIONAL AND TRANSFORMATIONAL ARPA INVESTMENTS

The flexibility of ARPA funds enabled jurisdictions to select investments that were uniquely responsive to their local needs and the interests expressed by residents and communities most impacted by the pandemic. Following the Treasury's guidance, many cities and counties prioritized projects that serve vulnerable and marginalized populations, including projects that address immediate needs and projects that seek to solve deep-rooted inequities. The adaptability and equity focus of the SLFRF program sparked innovation, accelerated adoption of best practices for inclusive development, and catalyzed new policy movements as well as strengthened existing ones.

THE MAJORITY OF LARGE JURISDICTIONS' PROJECTS—TOTALING NEARLY HALF OF ARPA FUNDS—ARE EQUITABLE PUBLIC INVESTMENTS

Flexibility is a hallmark of the State and Local Fiscal Recovery Funds (SLFRF) program, and jurisdictions had wide latitude to decide how to use the funds to address local conditions. The Treasury outlined broad acceptable uses of the funds, including replacing lost public sector revenue, providing premium pay to essential workers, investing in water, sewer, and broadband infrastructure, and responding to the negative health and economic impacts of the pandemic. The fourth category of uses in particular opened the door for local governments to make investments that address systemic inequities across a wide variety of domains, from child care and housing security to career pathways and community safety and more.

To assess the extent to which jurisdictions chose to dedicate funds to projects that promise to advance equity, our research team categorized the investments into up to 3 of 14 equitable policy areas that cover key arenas for local actions addressing inequities and are permissible uses of ARPA funding.[13] In this categorization of investments, we looked for an intentional focus on reaching individuals and communities that are underserved by public institutions and negatively impacted by systemic racism and inequities, identifying up to five vulnerable/underserved populations for each investment. It is important to note that this categorization was based on the investment's potential to advance equity to some degree; we did not have sufficient information to assess the quality or robustness of the investment, and most investments

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[13] PolicyLink, *Ten Priorities for Advancing Equity Through the American Rescue Plan: A Guide for City and County Policymakers*, available at https://www.policylink.org/resources-tools/10-priorities-american-rescue-plan.

are still being implemented so outcome data is not yet available to gauge effectiveness. More robust outcome data is needed to definitively assess whether these investments are delivering equitable results.

This section of the assessment could be completed for 153 of the 170 jurisdictions. Seventeen of the jurisdictions primarily dedicated their funds to revenue replacement and did not provide project descriptions detailing the amounts spent across policy areas so we could not categorize their investments.

POLICY AREAS FOR EQUITABLE ARPA INVESTMENTS

GOOD JOBS	The jurisdiction plans to use funds to support access to and creation of family-supporting jobs for underserved residents through strategies such as sector-focused career training pathways, wraparound supports for job training participants, apprenticeships, and strong labor standards
INCOME AND WEALTH	The jurisdiction plans to use funds for programs that build income or wealth for low-income and pandemic-impacted residents, including direct cash assistance (such as one-time cash payments or guaranteed income pilot programs), as well as debt relief, access to public benefits, and access to financial services
INCLUSIVE BUSINESS DEVELOPMENT	The jurisdiction plans to use funds to support inclusive business development, including pandemic emergency assistance and longer-term investments that support the development of small businesses owned by people of color, women, and members of other underrepresented communities
HOUSING SECURITY	The jurisdiction plans to use funds to support housing security for low-income households, including affordable housing production and preservation, eviction protection and rent/mortgage relief, community ownership models, home buying assistance, and homelessness prevention
FOOD SECURITY	The jurisdiction plans to use funds to support equitable food systems and increased access to healthy food for food-insecure people or communities
HEALTH EQUITY	The jurisdiction plans to use funds to improve public health and address health disparities including COVID-19 prevention and treatment for vulnerable populations, community health workers/benefits navigators, mental health and substance abuse programs, and other health and human services
DIGITAL EQUITY	The jurisdiction plans to use funds to support equitable access to affordable, reliable high-speed internet, computing devices, and digital skills
EARLY CHILDHOOD	The jurisdiction plans to use funds to support early childhood development, such as pre-K and early learning programs, perinatal supports, and home visits
QUALITY CHILD CARE	The jurisdiction plans to use funds to ensure access to affordable, quality child care, including supports for childcare businesses, childcare workers, and working parents
YOUTH & SCHOOL-AGED CHILDREN	The jurisdiction plans to use funds to support youth and school-aged children, including educational and extracurricular programs, mental health services, and youth employment programs
COMMUNITY INFRASTRUCTURE	The jurisdiction plans to use funds to improve the quality of disinvested neighborhoods through investments such as removing lead pipes, energy-efficient retrofits, water and sewer infrastructure, public transit, and arts and culture projects
EQUITY INFRASTRUCTURE	The jurisdiction plans to use funds to maintain or expand institutional infrastructure to advance equity, such as staffing and data infrastructure, community engagement, and participatory budgeting
COMMUNITY BASED ORGANIZATIONS	The jurisdiction plans to use funds to support community-based organizations, including community grant programs, capacity-building initiatives, and individual grants to community-based organizations to implement programs
COMMUNITY SAFETY & JUSTICE	The jurisdiction plans to use funds to increase community safety through investments such as community violence intervention and prevention programs, non-police emergency response programs, access to legal services, and reentry services

Based on this classification, we found that a significant majority of ARPA projects (58 percent or 4,242 of 7,292 investments) hold promise to advance equity locally. These investments represent $20 billion in ARPA funding, about half of the total funds (46 percent) that the 153 jurisdictions had budgeted to projects as of

July 2023. As described above, the top-performing places invested much more deeply in equitable projects. Thirty-five places dedicated at least three-quarters of their projects to equitable investments.

In terms of the types of equitable projects supported by large jurisdictions, housing and health equity were the most common investment areas, with about three-quarters of cities and counties funding projects in these categories. The least common equitable investments were equity infrastructure, quality child care, and early childhood. From this categorization, we also see that far more large jurisdictions made investments supporting school-age youth than infants and young children.

ABOUT THREE-QUARTERS OF LARGE JURISDICTIONS INVESTED IN HOUSING SECURITY AND HEALTH EQUITY

Percent of jurisdictions with one or more investments in these policy areas

Housing Security	74%
Health Equity	73%
Income and Wealth	64%
Community-Based Organizations	61%
Inclusive Business Development	58%
Youth and Children	58%
Community Infrastructure	58%
Food Security	57%
Good Jobs	56%
Community Safety and Justice	51%
Policing (negative points)	45%
Digital Equity	41%
Early Childhood	31%
Quality Child Care	29%
Equity Infrastructure	28%

Source: Authors' analysis of local governments' July 2022 and July 2023 SLFRF reporting to the Treasury

We also identified—and deducted points for—investments in traditional policing or jails, which have been recognized as having disproportionately harmful impacts on Black communities, as well as other communities of color, low-income, and marginalized populations, such as people living with mental illnesses and LGBTQ+ individuals. We found that 45 percent of the jurisdictions dedicated funding to policing and jails by purchasing new vehicles and equipment, hiring additional police officers, renovating police department buildings, and more. This is less than the 51 percent of jurisdictions investing in other types of community safety and justice investments, which include many community-based alternatives to policing and mental health interventions. However, it could also be an underestimate if many revenue replacement investments are actually going toward policing. An analysis of local government ARPA spending by The Marshall Project found that half of funding dedicated to revenue replacement included some funding for police, jails, and courts.[14]

About a third of jurisdictions (31 percent) invested both in traditional policing and alternative community safety and justice projects. Indianapolis, Indiana, for example, invested $45 million in the Elevation Grant Program—tripling the size of this community grant program aimed at addressing the root causes of violence—as a part of a $150 million anti-violence investment that included growing its police force by 100 officers. In evaluating the impact of these investments over the long-run, it will be important to take both types of public investments into account.

Among the investments that were not categorized as equity-focused and did not go to police or jails, 75 percent of the funding went towards revenue replacement, which could fund any type of government services, and the rest went primarily toward general public health, infrastructure, or recovery projects not focused on underserved populations, as well as administrative expenses. Jurisdictions were not required to itemize these allocations, which were frequently their largest, and in most cases, they did not provide sufficient information to understand how the funds were being used across a broad range of categories, so we were unable to classify them. It is important to note that revenue replacement was a legitimate use of ARPA funds to address the economic shock of the pandemic, and researchers have found that this infusion of funding helped local economies recover much more quickly than they did after the Great Recession, when the federal government provided far less direct funding to cities and counties.[15]

ARPA RECOVERY FUNDS CATALYZED INNOVATION, ADOPTION OF BEST PRACTICES, AND LOCAL POLICY MOVEMENTS

Our review of the investments of the jurisdictions in our assessment as well as other cities and counties reveals that ARPA funds provided crucial capital for local policy experimentation and innovation, bolstered the adoption of best practices in inclusive public investment, and propelled local policy movements for equitable, people-centered economies.

SERVING AS SEED CAPITAL FOR INNOVATION

Many communities leveraged ARPA funding as seed capital for innovative and potentially transformational investments. Roanoke, Virginia invested $10 million of its $64 million ARPA allocation into a groundbreaking partnership with Goodwill Industries of the Valleys to bring a new full-service grocery store along with more than 50 jobs into Northwest Roanoke, an African American community that was devastated by urban renewal and is currently a food desert. Cleveland, Ohio, inspired by the transformative power of a job guarantee delivering family-supporting jobs to all seeking employment, dedicated $600,000 toward

[14] We did not include court investments in the policing and jails category; most of these investments were court facilities upgrades and fell into the "Unknown or not equity-focused" category, but investments to promote access to legal representation are equity-promoting. Our case study of Hays County's Public Defender's office is an example of an equity-focused court investment. Valeeva, Anastasia, Weihua Li, and Susie Cagle, "How Federal COVID Relief Flows to the Criminal Justice System." *The Marshall Project*, September 7, 2022. https://www.themarshallproject.org/2022/09/07/how-federal-covid-relief-flows-to-the-criminal-justice-system

[15] The American Presidency Project. "Fact Sheet: The American Rescue Plan (ARP): Top Highlights from 3 Years of Recovery.")Accessed Sept. 2024). https://www.presidency.ucsb.edu/documents/fact-sheet-the-american-rescue-plan-arp-top-highlights-from-3-years-recovery.

Photo Credit: City of Boston

planning for a "Universal Basic Employment" pilot to help 100 underserved residents permanently escape poverty through living-wage jobs that also support thriving local main street economies. Boston used ARPA funds to make a downpayment on Mayor Wu's vision for a local Green New Deal, with investments like fare-free transit and energy efficient public housing that simultaneously seek to achieve carbon neutrality, environmental justice, and economic equity. These are just a few examples of the hundreds of creative investments being implemented across the country.

ACCELERATING ADOPTION OF BEST PRACTICES

ARPA funding also accelerated the adoption of best practices for equitable public investment. One such practice is engaging and funding grassroots community-based organizations that are deeply rooted in marginalized communities. Many local governments recognized the practical value of these organizations when it came to reaching and serving the most impacted and hardest-to-reach populations during the pandemic, and sought to engage them in longer-term recovery efforts. Sonoma County, California, for example, implemented a $39 million Community Resilience Grants program committed to resourcing grassroots organizations working in the hardest-hit communities and supporting them in developing the capacity to capture the data needed to track equitable outcomes using an "Anti-Racist Results-Based Accountability" framework. Indianapolis's Elevation Grant program similarly focused on supporting grassroots organizations led by people of color. Effectively partnering with these very small organizations requires adjusting local government contracting processes and providing technical assistance to support their grant reporting.

Another best practice further disseminated through ARPA is providing cash assistance directly to people with as minimal administrative burden as possible. The success of the federal government's economic impact payments inspired many localities to implement their own cash assistance programs, often directed toward specific groups excluded from federal relief or particularly impacted by the pandemic. Examples abound: Seattle dedicated $25 million to one-time cash assistance ranging from $1,000 and $3,000 based on household size, reaching more than 26,000 households including immigrant families not eligible for federal assistance and other low-income and BIPOC residents experiencing housing insecurity and economic losses. Chicago allocated $10.7 million to a Resiliency Fund that provided $500 relief payments to 25,000 low-income residents focusing on domestic workers, undocumented residents, and households with dependent youth and dependent adults not receiving federal relief. St. Louis earmarked $5 million for

$500 payments to unemployed individuals, low-income parents, and city residents who may be ineligible for other federal benefits, with the program's success leading the city to launch a guaranteed income pilot program. Boston, the District of Columbia, and Portland also provided cash assistance for excluded immigrant households, and Santa Ana provided $300 pre-paid visa cards to 25,000 renters in economically disadvantaged census tracts.

A third best practice that ARPA is helping to spread is the incorporation of wraparound supports into job training programs. Unemployed and low-wage workers seeking higher-paying jobs and career pathways often face practical barriers to participating in job training programs and apprenticeships, ranging from transportation to childcare to computers to mental health services and more. Providing these services can make it possible for workers to access and successfully complete training programs leading to better-paid jobs. Mecklenburg County, North Carolina supported the nonprofit organization, She Built This City, to expand its Women In Trades Pre-Apprenticeship Training Program and provide weekly stipends, laptops, and childcare to participants. Los Angeles County created a Worker Equity Fund to provide workers participating in its High Road Training Partnerships sectoral career pathways program with $1,500 in cash assistance to use towards transportation, childcare, or other needed supports. King County's Jobs and Housing program for unhoused people provides transitional jobs paying $20 to $25 per hour, along with intensive housing supports, career preparation, and other services.

Photo Credit: Denver Basic Income Project

FUELING POLICY MOVEMENTS FOR AN ECONOMY THAT WORKS FOR ALL

ARPA's recovery funds are fueling policy movements for equitable communities at the state and local level. Guaranteed income—regular, unrestricted cash payments to alleviate poverty and economic volatility—is one of the most notable policy movements bolstered by ARPA. A prominent demand in movements for racial and gender justice of the 1960s, guaranteed income resurged in the years directly preceding the pandemic with the launch of Magnolia Mothers' Trust in Jackson, Mississippi in 2018, focused on Black mothers living in federally-subsidized housing, and the city-led Stockton Economic Empowerment Demonstration (SEED) in 2019.[16] Recognizing the potential for guaranteed income to increase economic security, demonstrate the efficacy of cash assistance, and shift negative and often racist stereotypes about the character of people living in poverty, 39 local governments across more than 20 states, including Cambridge, Massachusetts; Denver, Colorado; and Multnomah County, Oregon, used ARPA funds to launch guaranteed income pilots reaching tens of thousands of families. Most of these pilots are conducting rigorous program evaluations and have raised private resources to supplement public funds. They are a part of a nationwide policy movement consisting of more than 100 local pilots. Cook County, which dedicated $42 million in ARPA funds to provide recurring monthly payments to 3,250 residents over two years, has committed to continuing the program after ARPA, and many other pilot programs are seeking continued funding. The pilots are providing evidence to support a nationwide cash policy and elevating the changes needed in the current public benefits system to support families and build economic stability and mobility.

ARPA FUNDS SUPPORTED GUARANTEED INCOME AND MEDICAL DEBT CANCELLATION IN DOZENS OF CITIES AND COUNTIES, FUELING NATIONAL POLICY MOVEMENTS

Source: Authors' analysis of SLFRF investments in guaranteed income and proposed and authorized public investments in medical debt cancellation (using SLFRF and other public funds)

[16] Asset Funders Network, Center for High Impact Philanthropy, ESP, and Springboard to Opportunities. *Guaranteed Income: A Primer for Funders*. May 16, 2022. https://economicsecurityproject.org/resource/funder-primer/; Bhattacharya, Jhumpa. *Exploring Guaranteed Income Through a Racial and Gender Justice Lens*. New York: Roosevelt Institute, 2019. https://rooseveltinstitute.org/wp-content/uploads/2020/07/RI_UBI-Racial-Gender-Justice-brief-201906.pdf.

Abolishing medical debt is a growing local and state policy movement that was sparked by ARPA's flexible and equity-driven funding. Medical debt is a national crisis in the U.S., affecting four in ten adults and disproportionately impacting people and communities of color. Unpaid medical bills are the leading cause of bankruptcy, create stress and financial insecurity, and hamper people from getting the health care they need. Responding to the crisis, churches and other charitable groups had begun partnering with the nonprofit Undue Medical Debt to buy up portfolios of hospital debt for pennies on the dollar and then cancel that debt for thousands. In the spring of 2022, two junior staff members in the Cook County's Office of the President suggested they use their ARPA funds to cancel medical debt, becoming the first public entity to do so and birthing a new local policy movement. Cook County allocated $12 million in ARPA funds to eliminate up to $1 billion in medical debt in July 2022, with Toledo, Ohio quickly following suit in November 2022. Since then, 26 additional city, county, and state governments including Arizona, North Carolina, New Orleans, and St. Paul have proposed or are implementing programs using ARPA funds or other public funding to wipe out an estimated $11.5 billion in medical debt. While the vast majority are partnering with Undue Medical Debt to negotiate deals with local hospital systems to clear the debts, Columbus, Ohio worked directly with their local healthcare collaborative to eliminate $335 million in debt—reaching one in three Columbus residents.

Fare-free transit (also known as zero fare transit) is another emerging policy trend propelled forward by ARPA. Boston allocated $16 million in ARPA funds to expand its fare-free bus pilot to two additional bus lines running through transit-reliant environmental justice communities hard-hit by the pandemic—providing 12 million free trips and saving riders more than $6 million. In the Boston metropolitan region, the Merrimack Valley Regional Transit Authority and the city of Worcester also used ARPA funds to make all buses fare-free. Somerville, Massachusetts; Arlington County, Virginia; San Diego County, California; and St. Louis, Missouri used ARPA funds to provide free transit passes to transit-dependent populations including low-income people, youth, and seniors. Alexandria, Virginia and Albuquerque, New Mexico also made their bus systems zero fare after the pandemic, both using local funding sources. These local governments are treating transit as crucial public infrastructure to support equitable communities, and are demonstrating that it is possible to create transportation systems that center those most reliant on them.

Many other equitable local policy ideas gained traction with ARPA funds, such as the provision of legal representation for tenants and immigrants, the acquisition and conversion of hotels and motels for affordable housing, and efforts to ensure high-quality and affordable child care for low-income working families. Supported by national networks of practitioners, advocates, and researchers, these local policy movements are delivering economic relief and needed services to the communities most impacted by the pandemic and systemic inequities while laying the groundwork for larger-scale state and federal policy solutions that create an economy that truly works for all.

KEY DRIVERS OF EQUITABLE ARPA INVESTMENTS

Our research underscores how four key factors—community advocacy and voice, equity leadership from the top, institutional equity initiatives, and equity data systems—are supporting equitable ARPA investment and implementation.

COMMUNITY ADVOCACY AND VOICE

Advocacy by and for marginalized communities seeking justice and economic security is the driving force behind most equitable public investments, and this is true for many equity-focused ARPA investments. In Los Angeles County, advocates quickly mobilized to put in place policy structures to ensure the equitable allocation of resources across various programmatic arenas, and then further advocated to ensure the inclusion of immigrant communities in ARPA investments. In New Orleans, the Big Easy Budget Coalition advocated for a $147 million Big Easy Deal investment package focused on affordable housing, violence prevention and intervention, youth development, and community equity investments including free transit, guaranteed income, language access, food security, labor standards enforcement, and more. In November 2023, the campaign won $26 million in affordable housing and community violence intervention initiatives. In Hays County, the grassroots immigrant justice organization Mano Amiga led a campaign to allocate $5 million in ARPA funds to establish one of the few public defender's offices in the state of Texas. And in Orange County, Central Florida Jobs with Justice organized residents impacted by medical debt to advocate for the County to become the first in the state to abolish the debt, winning $4.5 million in ARPA funds in August 2024. They continue to campaign to raise the County's commitment to $8.7 million to eliminate medical debt for all families in need, and to convince Hillsborough County, Florida to cancel medical debt.17 These are just a few of the many examples of how community advocacy led to equitable investment frameworks and equitable investments.

EQUITY LEADERSHIP FROM TOP LOCAL ELECTED OFFICIALS

Equitable ARPA investments were also driven by leadership from the top. Bold elected leaders seized the opportunity to leverage ARPA funds to implement their visions for more equitable futures. Boston's Mayor Michelle Wu won a historic election campaign to become the City's first woman and first person of color mayor centered on her vision of a local Green New Deal recovery, jump started by ARPA. St. Louis Mayor Tishaura Jones declared that the City's ARPA funding would be used to chart a new course in the City by

[17] "Take Action to Transform Florida's Healthcare Landscape for Working Families," Action Network, accessed Sept. 2024, https://actionnetwork.org/forms/take-action-to-transform-floridas-healthcare-landscape-for-working-families.

strengthening social safety nets and targeting funding to communities most in need. Both leaders have led the charge locally to use ARPA's unprecedented resources to advance equity. Savannah's Mayor Van R. Johnson exerted equity leadership by creating the Racial Equity and Leadership (REAL) Task Force in 2020, and using ARPA funds to invest in its recommendations. And in Cook County, Board President Toni Preckwinkle, with input from tens of thousands of residents, prioritized using ARPA funds for transformative investments in the communities facing the highest rates of violence and largest disparities in access to the services that all communities need in order to thrive. They've launched the largest guaranteed income program in the country, pioneered the use of ARPA funds to eliminate medical debt, and invested $85 million into community violence interventions.

Photo Credit: Savannah Affordable Housing Fund

LOCAL EQUITY INITIATIVES

Since King County established its Equity and Social Justice initiative in 2008, local governments across the County have been working to center and institutionalize equity throughout their practices, decisions, leadership, policies, and budgets. More than 400 individuals now participate in the Government Alliance on Race and Equity (GARE) peer learning and practice network, sharing learnings and providing support to one another. Municipalities prioritizing equity have implemented structures and tools—such as chief equity officers, budget tools, and racial equity action plans—to normalize and operationalize equity. Many of the places with the most equitable ARPA investments are multiple years or decades into the process of developing and implementing equity processes and tools. These longstanding initiatives paved the way for equitable ARPA investments, while other municipalities began similar efforts following the resurgence of the racial justice movement in 2020. Roanoke, for example, established a permanent, resident-led Equity and Empowerment Advisory Board in 2020 to ensure that equity was embedded into its 2040 comprehensive plan, and then stood up the 36-member Star City Recovery and Resiliency Advisory Panel in July 2021 which embraced equity as a key priority for their ARPA investments. The success of newer jurisdiction-wide equity efforts in crafting equitable ARPA investment strategies demonstrates how political and public will can translate into meaningful shifts in public investment priorities.

EQUITY DATA AND ACCOUNTABILITY SYSTEMS

Equitable public investment begins with understanding the state of equity locally using disaggregated data to target resources where they are most needed and develop tailored solutions based on community conditions and aspirations. Sustaining equitable investments requires having data and evidence-building systems in place to track the performance of investments and their outcomes for people and communities. Jurisdictions analyzed disaggregated data on racial and economic disparities across multiple policy realms to inform ARPA investments. Many of the jurisdictions that developed equitable ARPA investment strategies grounded their efforts in data on how the pandemic both disproportionately impacted specific communities and sectors locally and overlapped with—and often exacerbated—systemic inequities. St. Louis, for example, leveraged its Equity Indicators data, developed in response to the Ferguson Commission's call for a racial equity benchmarking process, to inform its ARPA investment priorities. Denver created a Neighborhood Recovery Index measuring economic, health, and educational wellbeing by neighborhood to track its recovery year over year, and is using performance data to inform public investments. Index data showing that neighborhood businesses were struggling and homeownership was declining, for example, informed new investments in small business and downpayment assistance.

LEARNING FROM THE ARPA EXPERIENCE: TOWARD EQUITABLE PUBLIC INVESTMENT

ARPA's flexible, equity-driven funding has catalyzed community-driven innovations and transformational local public investments across diverse jurisdictions. In the wake of a health emergency that exposed vast inequities and a racial justice uprising that galvanized Americans to address systemic racism, ARPA's recovery funding came at an opportune moment to strengthen local government's equity focus and make significant equity-driven investments.

Our review leads to three important takeaways.

First, the SLFRF program served as an effective conduit for the federal government's equity policy to not only reach, but have a tangible impact on decision-making and resource allocation in large jurisdictions. ARPA's recovery funds—and the regulations, guidelines, and reporting requirements attached to them—provided a powerful vehicle through which the equity executive order could be communicated to local governments and applied to local investment decisions. For many large cities and counties, this was a mutually reinforcing process: the federal executive order had grown out of decades of local government experience institutionalizing an equity lens into policymaking. ARPA funds and guidelines reinforces decades of local equity work.

Second, the equity focus of ARPA's recovery funds has had a positive impact on large jurisdictions with varying levels of equity commitment and experience. In places with robust equity initiatives, ARPA provided critical capital to drive equitable investments, while in places with newer efforts, it accelerated change, and in places without equity initiatives, it created openings for equity leadership to emerge both within government and from the community. One local council person who spearheaded an innovative ARPA investment focused on economic mobility for their predominantly Black and low-income constituents explained how the legislation served as an undeniable touchstone to garner the political will necessary for the investment. "When you look at the legislation itself, it is explicitly in there. It's directly in there," they noted.

Third, ARPA's equity reporting framework is a model for future federal programs but requires adjustments to enhance transparency and accountability, particularly for smaller jurisdictions and revenue replacement investments. The Treasury's policy and guidance for annual performance reports incorporated the definitions and policy commitments in the federal equity executive order to convey that equity should be centered in ARPA investment plans and provided an actionable framework for integrating equity throughout the design, implementation, and measurement of ARPA-supported investments. The annual performance reports and quarterly performance and expenditures reports required of large jurisdictions, as well as the annual performance and expenditures reports required of small jurisdictions, created a robust structure for tracking and assessing the performance of ARPA grants that spanned multiple diverse policy arenas. The federal reporting from the top-performing jurisdictions on our assessment, as well as their locally-focused investment reporting and accountability dashboards, illustrates the effectiveness of this federal reporting structure for some places. But, as mentioned above, this structure had three major shortcomings: 1) the lack of narrative reporting requirements—and therefore the lack of the equity guidance built into this structure—for all but the largest cities and counties (fewer than 400 jurisdictions); 2) the absence of reporting requirements for investments dedicated to revenue replacement, which impacted the reporting of jurisdictions of all sizes; and 3) minimal standards for the depth and quality of annual performance reports, leading to some reports that provide insufficient information on ARPA investments to assess impact. While these reporting exclusions are rooted in the federal government's well-intentioned efforts to not overburden local governments that are not used to administering federal grants and have limited capacity to do so, they had the unintended effect of limiting the impact of SLFRF's equity goals and impact, and should be thoughtfully addressed in any future grant reporting requirements.

FEDERAL POLICY IMPLICATIONS

The equity-driven investment plans, breadth and depth of equitable investments, and shifts in local government processes and structures surfaced in our review demonstrate the power and impact of ARPA's recovery funds and the federal equity policy undergirding them. Future recovery investments should follow ARPA's blueprint, with federal funds flowing directly to cities and counties and anchored in an equity framework. In addition, federal policymakers should take the following actions before the next crisis:

- **Continue the process of integrating equity throughout federal policy and providing tools to advance equity through data collection and community engagement created by the Biden-Harris Administration.** This can be achieved through further executive orders and agency action plans, and, ideally, by codifying these executive orders into law. Federal policymakers must ensure the permanence of equity initiatives by translating executive orders into legislative mandates.

- **Integrate relevant elements of the SLFRF equity reporting framework into existing federal grant programs open to city and county government applicants, including formula grants.** This can begin with a review of grant programs to identify opportunities for equity guidance which should include stakeholder convenings to understand and develop solutions to capacity challenges and knowledge gaps at the local level. This assessment and policy development process should include a specific focus on smaller cities and Tribal governments that were exempt from ARPA's equity reporting.

- **Launch a competitive grant program for local governments making transformational investments to build equitable and resilient communities.** ARPA delivered significant and meaningful resources to localities, but these funds do not meet the scale of the challenges they face to ensure their most marginalized communities can access the resources they need to participate and thrive. A new competitive grant program can build upon the SLFRF foundation to support the continuation and expansion of ARPA investments or the development of new investments informed by inclusive community engagement. It could also incentivize long-term structural changes to local governance that persist beyond the grant period. Recognizing the different starting points and capacity challenges of smaller and Tribal governments that are under-resourced, the grant program should set aside funding and technical assistance resources for emergent equity efforts in such places.

LOCAL POLICY IMPLICATIONS

While ARPA recovery funds provided local governments with new money unattached to specific departments, staff, or elected officials, these dollars flowed through city and county councils and in so doing provided a perspective into how equity-driven budgeting could look locally. Although they face fiscal constraints that the federal government does not, local governments collectively allocate billions of dollars to a vast array of programs, services, and capital investments. To repair the harms created by past racist and inequitable policies and plan for shared prosperity in the future, they need to advance budget equity: the just and fair allocation of government resources to create the conditions for all residents to participate and thrive, which must include an intentional focus on those who are underserved by public institutions and disproportionately impacted by systemic racism and inequities. The equity commitments, principles, plans, frameworks, tools, data, and performance systems that top-performing governments used to design, implement, and evaluate ARPA investments illustrate how local governments can shift their decision-making processes to move toward budget equity. Government and philanthropic leaders can take the following actions to strengthen equitable public investment locally:

- **Adopt budget equity tools aligned with equity plans and performance measures.** Recognizing the power of the budget to institutionalize equity across departments, a handful of cities and counties have adopted budget equity tools that examine the distributional impacts of budget decisions. The most powerful frameworks align budget requests with racial equity plans to work toward larger-scale change and outcomes. Chicago, for example, adopted a budget equity framework and reports annually on departmental progress toward equity goals.
- **Strengthen grassroots organizations' capacity to engage in the budget process.** Organizations rooted in marginalized and traditionally excluded communities are critical to ensuring equitable public investments, but often these groups are not resourced to engage in budget policy debates. California's Budget Power Project, for example, is building the power of community-based organizations across the state to win budget campaigns and make budget processes more equitable.
- **Nurture the field of budget equity.** Despite the ongoing opportunities and challenges of equitable resource allocation in local government, budget equity is generally understudied and under-resourced. National and local philanthropies can support local campaigns, networks for peer learning and sharing of best practices and strategies, and the development of relevant research to create a stronger ecosystem of supports for equitable public investment.

CONCLUSION

Designed to operationalize the federal government's commitment to advance racial and economic equity at a crisis moment when the inequities of the pandemic and police violence toward Black and Brown communities were at the forefront of the public debate, ARPAs fiscal recovery funds are supporting thousands of diverse equitable investments in communities across the nation. After 40 years of declining federal investments in city and county governments, the magnitude, scope, reach, and equity focus of the program created an unparalleled opportunity for local innovation and creativity in addressing vexing challenges—what scholars Mildred Warner and Paige Kelly describe as "a new moment of cooperative federalism."[18] Our research reveals how some local governments truly seized the opportunity to deliver meaningful services and potentially transformational investments for their most underserved communities.

Yet, the ARPA story is incomplete. Local governments have until the end of 2024 to obligate their remaining funds and the vast majority of investments are in the process of being implemented—creating many more opportunities to make equitable investment choices at the front end and during the implementation process. Moreover, the need on the ground for long-term, sustained support for community transformation and resilience across policy domains remains urgent. It is time to realize the potential of this program and embed its most powerful elements into new federal funding, philanthropic investments, and local budgeting processes.

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[18] Mildred E. Warner and Paige M. Kelly, "Proceed with Caution: US Local Governments and the American Rescue Plan," Local Government Studies 50, no. 3 (2023): 573–95, https://doi.org/10.1080/03003930.2023.2288708.

METHODOLOGY

ASSESSING CITY AND COUNTY INVESTMENT STRATEGIES

To assess whether and how cities and counties operationalized equity in their ARPA spending decisions, our primary data source was the 2021, 2022, and 2023 Recovery Plan Performance Reports that large cities and counties were required to submit to the Treasury by the end of July of each year, as well as the corresponding July 2022 and July 2023 Project and Expenditure reports which include project descriptions and spending to date. We reviewed the reports of 170 jurisdictions, focusing on the largest cities and counties by population that submitted annual performance reports: 80 cities, 81 counties, and nine combined cities and counties. These jurisdictions are located in 34 states.

Aligned with the federal government's first racial equity executive order, the performance reports asked grantees to describe how their investment strategy "prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets." We reviewed these reports using a rubric that assesses equity performance across six arenas: 1) overall equity focus; 2) application of equity tools and institutional infrastructure; 3) community engagement; 4) equitable labor practices; 5) equity-promoting investments; and 6) investment transparency/accountability. We documented the presence or absence of the equity indicator (with 1 meaning present and 0 meaning absence), along with evidence/language from the report when the indicator was present. Specific assessment methods by section included:

- **Equity tools and institutional infrastructure:** For the small number of cases where we learned about institutional equity infrastructure through the course of our qualitative research or outreach, we included that knowledge into the assessment.
- **Equitable labor practices:** Most jurisdictions that did not make any infrastructure investments noted this section was not applicable to them, so we excluded this section of the assessment for all jurisdictions that allocated $0 toward the Treasury's expenditure category group "5-Infrastructure" (43 jurisdictions).
- **Equity-promoting investments:** To capture the breadth of investments that were potentially equity-promoting, we reviewed the project descriptions of each jurisdiction's ARPA investments in the expenditure reports and assigned them to one or more of 14 equitable investment areas (up to three investment areas per investment) as well as up to three investment strategies within the investment area (there were a total of 106 investment strategies). We also identified up to five target populations associated with the investment. To assess the extent of equity investments, we created two indicators: 1) percent of total adopted budget as of July 2023 dedicated to potentially equity-promoting investments; and 2) percent of total projects as of July 2023 that were potentially equity-promoting. When investments that were initially approved and included in the Project and Expenditure reports were canceled, we subsequently removed them from the assessment calculations (keeping them in for the year when they were active and removing them once they were canceled) and kept them in the investment

table, noting they were canceled (425 investments). We excluded this section of the assessment for 17 jurisdictions that allocated $0 toward equity-focused investments and met either of the following criteria: dedicated 100 percent of their ARPA funds revenue replacement or reported two or fewer total projects. The 17 jurisdictions include: Anaheim, CA; Arlington, VA; Broward County, FL; Cuyahoga County, OH; Dekalb County, GA; Greensboro, NC; Irvine, CA; Miami Dade County, FL; Oakland, CA; Orlando, FL; Palm Beach County, FL; Philadelphia, PA; Sacramento, CA; San Diego, CA; San Francisco, CA; Scottsdale, AZ; and Shelby County, TN.

ARPA EQUITY ASSESSMENT TOOL

OVERALL EQUITY FOCUS		
1	**EQUITY CONSCIOUS**	The jurisdiction demonstrated equity awareness by acknowledging the inequitable impacts of the pandemic and the importance of prioritizing funding to underserved communities disproportionately impacted by the pandemic and systemic inequities
2	**RACE CONSCIOUS**	The jurisdiction demonstrated race-consciousness by describing how Black, Latinx, Asian American, Pacific Islander, Native American, and other communities of color were disproportionately impacted by the pandemic and/or systemic inequities
3	**EQUITY AS A PRIORITY**	The jurisdiction identified equity as a priority
EQUITY DECISION-MAKING TOOLS AND RESOURCES		
4	**EQUITY PRINCIPLES**	The jurisdiction described using equity-focused principles or goals to guide their spending plans
5	**EQUITY POLICIES**	The jurisdiction has city or county-wide policies that support efforts to center equity in policy making
6	**EQUITY FRAMEWORK**	The jurisdiction uses or plans to use an equity framework that provides a vision, approach/plan, and set of actionable strategies to inform their ARPA investments
7	**EQUITY STAFFING**	The jurisdiction has an equity office and/or staff positions dedicated to equity
8	**EQUITY TOOLS**	The jurisdiction uses or plans to use equity tools to prioritize projects or funding decisions
9	**DATA DISAGGREGATION**	The jurisdiction uses or plans to use data disaggregated by race/ethnicity and other demographics to understand inequities and guide decision-making
10	**GEOGRAPHIC TARGETING VIA QCTs**	The jurisdiction is targeting or plans to target qualified census tracts (QCTs) in allocating resources. QCTs are census tracts where at least half of households have lower incomes than most of the surrounding region
11	**NEIGHBORHOOD RISK/ VULNERABILITY MAPPING**	The jurisdiction uses or plans to use geographic targeting to disinvested/marginalized/vulnerable neighborhoods to inform resource allocation
COMMUNITY ENGAGEMENT		
12	**BROAD COMMUNITY ENGAGEMENT**	The jurisdiction engaged residents in deliberations on how to use the funds through mechanisms such as surveys, workshops, listening sessions, participatory budgeting, and community-submitted/ generated project proposals
13	**TARGETED OUTREACH**	The jurisdiction conducted targeted outreach to engage underserved communities most impacted by the pandemic and systemic inequities
14	**INCLUSIVE ENGAGEMENT**	The jurisdiction made its community engagement activities accessible by holding meetings at convenient times and locations and/or by providing services such as translation and childcare
EQUITABLE LABOR PRACTICES		
15	**TARGETED OR LOCAL HIRING**	The jurisdiction indicated that it will apply targeted or local hiring requirements to ARPA-supported projects
16	**LIVING WAGE**	The jurisdiction indicated that it will apply living wage requirements to ARPA-supported projects

17	**PREVAILING WAGE**	The jurisdiction indicated that it will apply prevailing wage requirements to ARPA-supported projects
18	**PROJECT LABOR AGREEMENT**	The jurisdiction indicated that it will apply Project Labor Agreement (PLA) requirements to ARPA-supported projects
19	**COMMUNITY BENEFITS AGREEMENTS**	The jurisdiction indicated that it will apply Community Benefits Agreements (CBA) requirements to ARPA-supported projects
EQUITY-FOCUSED INVESTMENTS		
20	**GOOD JOBS**	The jurisdiction plans to use funds to support access to and creation of family-supporting jobs for underserved residents through strategies such as sector-focused career training pathways, wraparound supports for job training participants, apprenticeships, and strong labor standards
21	**INCOME AND WEALTH**	The jurisdiction plans to use funds for programs that build income or wealth for low-income and pandemic-impacted residents, including direct cash assistance (such as one-time cash payments or guaranteed income pilot programs), as well as debt relief, access to public benefits, and access to financial services
22	**INCLUSIVE BUSINESS DEVELOPMENT**	The jurisdiction plans to use funds to support inclusive business development, including pandemic emergency assistance and longer-term investments that support the development of small businesses owned by people of color, women, and members of other underrepresented communities
23	**HOUSING SECURITY**	The jurisdiction plans to use funds to support housing security for low-income households, including affordable housing production and preservation, eviction protection and rent/mortgage relief, community ownership models, home buying assistance, and homelessness prevention
24	**FOOD SECURITY**	The jurisdiction plans to use funds to support equitable food systems and increased access to healthy food for food-insecure people or communities
25	**HEALTH EQUITY**	The jurisdiction plans to use funds to improve public health and address health disparities including COVID-19 prevention and treatment for vulnerable populations, community health workers/benefits navigators, mental health and substance abuse programs, and other health and human services
26	**DIGITAL EQUITY**	The jurisdiction plans to use funds to support equitable access to affordable, reliable high-speed internet, computing devices, and digital skills
27	**EARLY CHILDHOOD**	The jurisdiction plans to use funds to support early childhood development, such as pre-K and early learning programs, perinatal supports, and home visits
28	**QUALITY CHILD CARE**	The jurisdiction plans to use funds to ensure access to affordable, quality child care, including supports for childcare businesses, childcare workers, and working parents
29	**YOUTH & SCHOOL-AGED CHILDREN**	The jurisdiction plans to use funds to support youth and school-aged children, including educational and extracurricular programs, mental health services, and youth employment programs
30	**COMMUNITY INFRASTRUCTURE**	The jurisdiction plans to use funds to improve the quality of disinvested neighborhoods through investments such as removing lead pipes, energy-efficient retrofits, water and sewer infrastructure, public transit, and arts and culture projects
31	**EQUITY INFRASTRUCTURE**	The jurisdiction plans to use funds to maintain or expand institutional infrastructure to advance equity, such as staffing and data infrastructure, community engagement, and participatory budgeting
32	**COMMUNITY BASED ORGANIZATIONS**	The jurisdiction plans to use funds to support community-based organizations, including community grant programs, capacity-building initiatives, and individual grants to community-based organizations to implement programs
33	**COMMUNITY SAFETY & JUSTICE**	The jurisdiction plans to use funds to increase community safety through investments such as community violence intervention and prevention programs, non-police emergency response programs, access to legal services, and reentry services
34	**POLICING**	[Negative points] The jurisdiction plans to use funds to expand policing or incarceration, including funding for new or expanded programs or departments, additional hiring, premium pay, equipment purchasing, and building renovation or construction
35	**EXTENT OF INVESTMENTS (DOLLARS)**	Percent of total adopted budget as of July 2023 dedicated to potentially equity-promoting investments

36	**EXTENT OF INVESTMENTS (PROJECTS)**	Percent of total projects as of July 2023 that were potentially equity-promoting
TRANSPARENCY & ACCOUNTABILITY		
37	**EQUITY OUTCOMES**	The jurisdiction uses or plans to use disaggregated data to track equity outcomes related to their ARPA investments
38	**PUBLIC DATA**	The jurisdiction committed to making data on ARPA investments and progress toward outcomes publicly accessible via a website/dashboard
39	**ARPA WEBSITE**	The jurisdiction has or is planning to have a dedicated website or space on an existing web page for ARPA resources
40	**PERFORMANCE MEASURES**	The jurisdiction sets and tracks progress toward performance measures for some or all of its investments

SCORING THE ASSESSMENT

We scored the assessment using a 100-point scale and distributing points across the six arenas. The equity-focused investments section was weighted most heavily (50 points), divided equally between the breadth of investments and depth of investments. Jurisdictions that invested funds in traditional policing and/or incarceration received a 10 point deduction. The overall equity focus, community engagement, and accountability and transparency sections were each worth 10 points. The equity decision-making tools and infrastructure arena was weighted higher, at 15 points, because of the structural nature of these indicators which could lead to longer-lasting impacts. The equitable labor practices section was weighted less, at 5 points, because the information that jurisdictions provided in this section was generally quite minimal. The total section points were distributed equally across the indicators in each section (or sub-section in the case of equity-focused investments). For the jurisdictions for which we excluded the equity-focused investments and/or equitable labor practices section, we adjusted the point system to total 100 for comparability, keeping the same proportional weighting for the included sections of the assessment.

SECTION	POINTS
Overall Equity Focus	10
Equity Decision-Making Tools and Infrastructure	15
Community Engagement	10
Equitable Labor Practices	5
Equity-Focused Investments Breadth of investments (25) Extent of investments (25) Extent of Investments (dollars) (12.5) Extent of Investments (projects) (12.5) Policing/incarceration investments (-10)	50
Accountability and Transparency	10
Total	**100**

After scoring the assessments, we sorted jurisdictions into three equal sized groups (low, medium, and high) for the overall assessment and for each of the six sections.

The assessment was conducted by a team of research assistants between February and December 2023. Each assessment was cross-checked by at least one additional research assistant. The 2022 data was sent to the Chief Equity Officer, ARPA lead, or budget department of each jurisdiction for review in July 2023 and the cumulative data was sent to the same contacts in December 2023. Forty-two cities and counties responded with confirmations or changes to the assessment data in July 2023 and 29 responded in December 2023. The research team reviewed all requested changes according to the assessment rubric to make final decisions.

SELECTING JURISDICTIONS, INVESTMENT STRATEGIES, AND INVESTMENTS FOR FURTHER ANALYSIS

This equity assessment surfaced jurisdictions, investment strategies, and investments for further investigation and possible inclusion in case studies, examples, policy tools, and other written resources. To prioritize investments for further analysis, we filtered the investments using the following criteria: large-scale/potentially transformative, community-driven, innovative, and targeted to a marginalized population. We also conducted a media scan and reviewed additional publicly available information related to the investments of ARPA local fiscal recovery funds in these and other cities and counties, including news articles, public meeting records, and information shared online. From these methods, we identified 10 potential jurisdictions for case studies, 15 possible investment strategies, and 100 equity investments for potential inclusion in our toolkit.

CITIES AND COUNTIES INCLUDED IN THE ASSESSMENT

1. Alameda County, CA
2. Albuquerque, NM
3. Allegheny County, PA
4. Anaheim, CA
5. Anchorage, AK
6. Arapahoe County, CO
7. Arlington, TX
8. Atlanta, GA
9. Aurora, CO
10. Austin, TX
11. Bakersfield, CA
12. Baltimore, MD
13. Baltimore County, MD
14. Baton Rouge, LA
15. Bergen, NJ
16. Bernalillo County, NM
17. Bexar County, TX
18. Boston, MA
19. Broward County, FL
20. Buffalo, NY
21. Chandler, AZ
22. Charlotte, NC
23. Chicago, IL
24. Chula Vista, CA
25. Cincinnati, OH
26. Jacksonville, FL
27. Clark County, NV
28. Cleveland, OH
29. Cobb County, GA
30. Collin County, TX
31. Colorado Springs, CO
32. Columbus, OH
33. Contra Costa County, CA
34. Cook County, IL
35. Corpus Christi, TX
36. Cuyahoga County, OH
37. Dallas, TX
38. Dallas County, TX
39. Dane County, WI
40. Dekalb County, GA
41. Denton County, TX
42. Denver, CO
43. Detroit, MI
44. Dupage County, IL
45. Durham, NC
46. El Paso, TX
47. El Paso County, CO
48. El Paso County, TX
49. Erie County, NY
50. Essex County, NJ
51. Fairfax County, VA
52. Fort Bend County, TX
53. Fort Wayne, IN
54. Fort Worth, TX
55. Franklin County, OH
56. Fresno, CA
57. Fresno County, CA

58. Fulton County, GA
59. Glendale, AZ
60. Greensboro, NC
61. Gwinnett County, GA
62. Hamilton County, OH
63. Harris County, TX
64. Henderson, NV
65. Hennepin County, MN
66. Hidalgo County, TX
67. Honolulu, HI
68. Houston, TX
69. Hudson County, NJ
70. Indianapolis-Marion County, IN
71. Irvine, CA
72. Jackson County, MO
73. Jersey City, NJ
74. Kansas, MO
75. Kern County, CA
76. King County, WA
77. Lake County, IL
78. Laredo, TX
79. Las Vegas, NV
80. Lee County, FL
81. Lexington-Fayette County, KY
82. Lincoln, NE
83. Long Beach, CA
84. Los Angeles, CA
85. Los Angeles County, CA
86. Louisville-Jefferson, KY
87. Lubbock, TX
88. Madison, WI
89. Maricopa County, AZ
90. Mecklenburg County, NC
91. Memphis, TN
92. Mesa, AZ
93. Miami Dade County, FL
94. Miami, FL
95. Milwaukee, WI
96. Milwaukee County, WI
97. Minneapolis, MN
98. Monmouth County, NJ
99. Monroe County, NY
100. Montgomery County, MD
101. Montgomery County, PA
102. Multnomah County, OR
103. Nashville-Davidson County, TN
104. Nassau County, NY
105. New Orleans, LA
106. New York, NY
107. Newark, NJ
108. Norfolk County, MA
109. North Las Vegas, NV
110. Oakland, CA
111. Oakland County, MI
112. Oklahoma City, OK
113. Oklahoma County, OK
114. Omaha, NE
115. Orange County, CA
116. Orange County, FL
117. Orlando, FL
118. Palm Beach County, FL
119. Philadelphia, PA
120. Phoenix, AZ
121. Pierce County, WA
122. Pima County, AZ
123. Pinellas County, FL
124. Pittsburgh, PA
125. Plano, TX
126. Portland, OR
127. Prince George's County, MD
128. Raleigh, NC
129. Reno, NV
130. Riverside, CA
131. Riverside County, CA
132. Sacramento, CA
133. Sacramento County, CA
134. Salt Lake County, UT
135. San Antonio, TX
136. San Bernardino County, CA
137. San Diego, CA
138. San Diego County, CA
139. San Francisco, CA
140. San Joaquin County, CA
141. San Jose, CA
142. San Mateo County, CA
143. Santa Ana, CA
144. Santa Clara County, CA
145. Scottsdale, AZ
146. Seattle, WA
147. Shelby County, TN
148. Snohomish County, WA
149. St Louis, MO
150. St Louis County, MO
151. St Paul, MN
152. St Petersburg, FL
153. Stockton, CA
154. Suffolk County, NY
155. Tampa, FL
156. Tarrant County, TX
157. Toledo, OH
158. Travis County, TX
159. Tucson, AZ
160. Tulsa, OK
161. Tulsa County, OK
162. Utah County, UT
163. Ventura County, CA
164. Virginia Beach, VA
165. Wake County, NC
166. Washington, DC
167. Wayne County, MI
168. Westchester County, NY
169. Wichita, KS
170. Will County, IL

Institute on Race, Power and Political Economy

ABOUT THE INSTITUTE ON RACE, POWER AND POLITICAL ECONOMY

The Institute on Race, Power and Political Economy advances research to understand structural inequalities and works to identify groundbreaking ways to promote equity. A premier cross-disciplinary hub, the Institute draws on faculty across The New School in New York City, which has long fostered innovative thinking about power, structure, design, politics, economics, and society. The Institute engages with researchers and practitioners, including community and business leaders, policymakers, philanthropists, and journalists across the nation and around the world.

BUDGET EQUITY PROJECT

ABOUT THE BUDGET EQUITY PROJECT

The Budget Equity Project at the Institute on Race, Power and Political Economy aims to equip community leaders and policymakers with research, tools, and frameworks to support equitable local budgeting. Through this project, the Institute is tracking whether and how local governments are making equitable investments with their federal American Rescue Plan Act fiscal recovery funds and documenting exemplary investments and approaches. The project team is also producing a prototype budget equity assessment tool for community leaders to use to champion equitable budgeting processes and investments. For more information, see budgetequity.org.