Local ARP Spending Plans Should Begin with a Community Engagement Commitment: Focusing on Revenue Loss is the Wrong Approach for Most Cities

Across the US, 19,000 cities and counties are starting to receive their share of $130 billion in direct funding from the federal American Rescue Plan (ARP). The first step is for local governments to ensure they are in the best possible position to receive funding. For most cities, this means coordinating with state-level budget administrators to ensure proper accounting and financial processes.

The more complicated challenge then begins as local leaders work to make wise spending decisions from these significant, one-time funds. ARP decision-making that starts with a focus on revenue loss is the **wrong** approach because it ignores the opportunity to use ARP funds for substantial, forward-looking investments. It also sidesteps US Treasury guidance to include public outreach in ARP spending plans. Finally, it fails to acknowledge that while some communities experienced overall revenue loss during the pandemic, many cities and counties ended up with flat or ahead revenues compared to initial estimates. And since the US Treasury guidance requires recipients to demonstrate across-the-board revenue decline, not just impacts to a few key revenue streams, the math for ARP funds will not meet this revenue loss threshold for many local governments.

The **right** way to begin ARP decision-making is with meaningful and proactive public engagement for cities large and small. In particular, this outreach needs to include intentional engagement with the diverse and disadvantaged populations that suffered the most significant impacts from the pandemic.

The Southern Economic Advancement Project (SEAP) developed a model resolution for cities and counties to adopt that articulates a commitment to best practices for ARP funds, beginning with extensive public outreach to underserved and hard-to-reach community members. The SEAP model resolution also presents important commitments to accountability, transparency and recovery initiatives to create more equitable and sustainable communities.

Why Commit to Public Engagement First?

There are at least **five** good reasons for cities of all sizes to put community engagement at the front of their ARP plans:

1. Public engagement can produce widespread and measurable public support for major spending.

Spending priorities introduced by the public can translate into the ideas that have been vetted across community groups and will have the broadest support and the most significance for the community.

2. ARP isn't CARES.

Decision-making around ARP is intended to be strategic. Spending is designed to allow a multi-year timetable instead of the quick-spend of CARES funds.

3. Dept. of Treasury's ARP guidance clearly expects meaningful community input.

ARP legislation and subsequent federal guidance set clear expectations that local governments will include community input as part of the effort to develop ARP spending plans. US Treasury guidance specifically encourages local governments to seek participation from underrepresented and disadvantaged groups. If skipped or minimized, cities may need to explain why the public's engagement was not part of their decision-making process to the Treasury department.

4. Community engagement is the new normal.

For many cities, public participation is becoming an established part of the business of good government. COVID-19 closures meant many of the usual channels for civic engagement in local government (in-person public meetings and public comment) were disrupted and re-invented (Zoom meetings, online forums, etc.). The prevalence of affordable and easy-to-use engagement tools means that significant public outreach is now accessible for local governments of any size. Mobile devices make it simple to connect with residents, and remote work changes mean that many community members are familiar with various engagement platforms.

5. ARP provides a variety of funding beyond local government allocations.

By engaging with residents to understand recovery priorities and needs, local leaders can possibly further leverage ARP funding by accessing other federal recovery programs. Initiatives such as housing, infrastructure and health care could be enhanced through a strategic approach that has the potential to access multiple federal funding programs.

The Four-Step Plan: Public Participation

Communities that are ready to put community engagement at the front of their ARP decision-making can follow these basic steps for public participation:

1 Establish your community engagement goals

For any project or issue, the IAP2 Spectrum of Public Participation can help stakeholders select the level of participation that defines the public's role in a public participation process. The spectrum is used internationally, and it is found in public participation plans around the world.

Local leaders will likely seek "involvement" or "collaboration" with local community members to identify ARP spending priorities.

2 Identify existing and potential partners

For some local governments, engagement is already part of their standard practice. For others, ARP decisions present a key opportunity to take up a more proactive, inclusive dialogue about community needs and goals. To be successful, this engagement should include partner individuals and organizations who can contribute a "trusted voice" to accelerate and expand the community dialogue.

3 Identify tools and process

Online tools can help local governments connect to hard-to-reach audiences. Many cities may partner with existing vendors to provide accessible, easy-to-use platforms for surveys and feedback. These tools can solicit new ideas and assess support for ARP spending on existing programs and new proposals.

4 Develop and launch engagement plan and outreach activities

Once a public participation plan is developed, cities should publicize their process by providing a roadmap for engagement efforts, including a timeline for key milestones. Many online tools can also offer a dashboard or other public-facing resource to easily share process updates, resident feedback, survey results and additional information. This can help to expand community engagement into an ongoing dialogue between local government and residents.

Online Tools and Resources

Many public engagement resources are working to provide off-the-shelf toolkits to help local governments engage with residents about ARP priorities. Below is a list of some vendors commonly used by local governments, large and small:

- Bang the Table (Engagement HQ)
- Zencity
  - Examples/Case Studies
- Polco
- Citizen Lab
  - Examples/Case Studies:
    - Carlisle, PA (pop. 20,000)
    - Lancaster, PA (pop. 60,000)
- OpenGov
  - Examples/Case Studies:
    - Middlesex County, NJ (pop. 825,000)

- Social Pinpoint
  - Cities Seeking Engagement
  - Examples/Case Studies:
    - Berthoud, CO (pop. 7,000)
    - Ramsey County, MN (pop. 550,000)
    - Memphis, TN (652,000)
    - Fort Worth, TX (pop. 874,000)
    - Norfolk, VA (pop. 245,000)
- Civil Space

Examples of ARP Outreach

City of Milwaukee
The City of Milwaukee has established community engagement resources and so was able to hit the ground running in launching its ARP public outreach effort. The city's plan includes a complete public participation process and clearly articulates the city's intent to use ARP funds to further equity and inclusion goals within Milwaukee's recovery initiatives.

Overview
City of Milwaukee ARP Allocation & Accountability Process

State of Colorado "Build Back Stronger" ARP Listening Tour
While this is an example of a statewide outreach initiative, the framework and approach can be applied to local government engagement. Colorado state officials wanted to maximize the impact of the state's $3.9 billion in ARP funds. They built an outreach effort with this goal: to listen and learn from thousands of Coloradans with unique perspectives and expertise to inform and help focus the use of state and federal stimulus funds.

Website
Final Report