

# Analysis of the American Rescue Plan Act of 2021 (ARPA): Summary of Findings

November 2021



# Today's Agenda

1. Project Overview
2. Review of Planned Uses of ARPA Funds
  - State of Connecticut
  - Greater Hartford Region Municipalities
  - Greater Hartford Region School Districts
3. Community Foundation Peer Analysis – Summary of Findings
4. Discussion

# 1. Project Overview

# Project Overview

## Analysis of the American Rescue Plan Act: Summary of Findings

In July 2021, HFPG engaged TPI and IPS to conduct research into allocation of federal ARPA funds and potential implications for HFPG's grantmaking strategy. Research scope included:

1. Review of planned ARPA funding at the state, Greater Hartford Region municipal and school district levels, including analysis of ARPA allocations and plans for distribution (IPS)
2. Exploration of how other community foundations are examining ARPA funds coming to their regions, how they are responding, and how they might adjust grantmaking in the context of ARPA resources over the next few years (TPI)

## 2. Review of Planned Uses of ARPA Funds

# State of CT & Municipal ARPA Overview

ARPA Recipient	Funds
State of Connecticut	\$2.8 billion
CT Municipalities	\$2.55 billion
CT State Department of Education (CSDE)	\$110 million
CT School Districts	\$996 million

*Funds must be obligated by Fall 2024. Funds can be spent on capital projects thru Fall 2026.*

# State of CT - Widely-Dispersed Priorities

## Economic Development

- Working Cities Challenge (\$2M)
- Riverfront Recapture (\$0.5M)
- Charter Oak Temple Restoration (\$0.2M)
- Playhouse on Park (\$30K)
- CT Center for Advanced Technology (\$1M)

## Education (P-20)

- Right to Read (\$25.6M)
- Faith Acts Priority School Districts (\$10M)
- Child Care/Care4Kids & State Funded Center Fees (\$8.8M)
- Student retention at community colleges (\$6.5M)
- Workforce Development, Education & Training (\$1M)
- Summer Camp (\$3M)

## Other

- Batterson Park (New Britain, Farmington, Hartford - \$10M)
- Housing Energy Efficiency Retrofit (\$7M)
- Opportunities for Long-term Unemployed Returning Citizens (\$1.5M)
- Legacy Foundation for Health & Disparities (\$100K)

# Municipal ARPA Overview

IPS reached out to 10 municipalities in the HFGP region in Aug-Sept 2021. Interviews explored each community's spending and planning priorities for their ARPA funds.

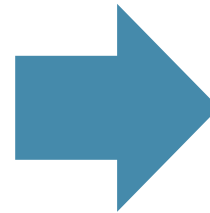
Community	Town ARPA \$	School ARP-ESSER \$
Bloomfield	\$6.2 million	-
East Hartford	\$24.5 million	\$20 million
East Windsor	\$3.5 million	\$2 million
Glastonbury	\$10.2 million	-
Hartford	\$116.7 million	\$127 million
Manchester	\$25 million	\$15.6 million
Vernon	\$8 million	\$4.3 million
West Hartford	\$37 million	-
Windsor	\$6.3 million	\$6 million
Windsor Locks	\$3.8 million	-



# Allowable Municipal Spending

US Treasury permits municipalities to use ARPA funds to support:

- The COVID-19 public health response including mental and behavioral health needs;
- Negative economic impacts including sustaining small business and nonprofits, reviving tourism and the arts;
- Water and sewer infrastructure investment;
- Broadband infrastructure investment; and,
- Lost revenue replacement.



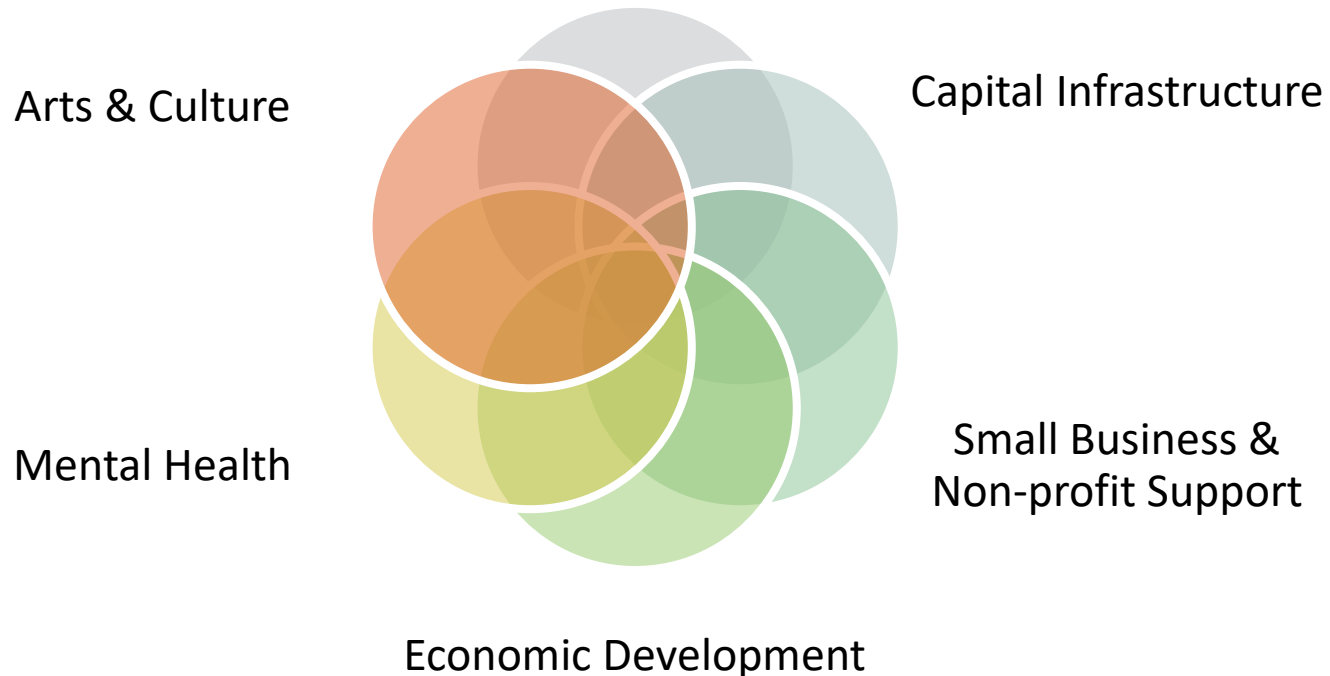
In Bloomfield's words:

1. Community health and wellness
2. Competitive and sustainable economy
3. Safe, strong, diverse neighborhoods and families
4. Physical and civic infrastructure

# Common Municipal Priorities

## Once in a Generation Opportunity

Focus on 1x investments



# Education ARP-ESSER Overview

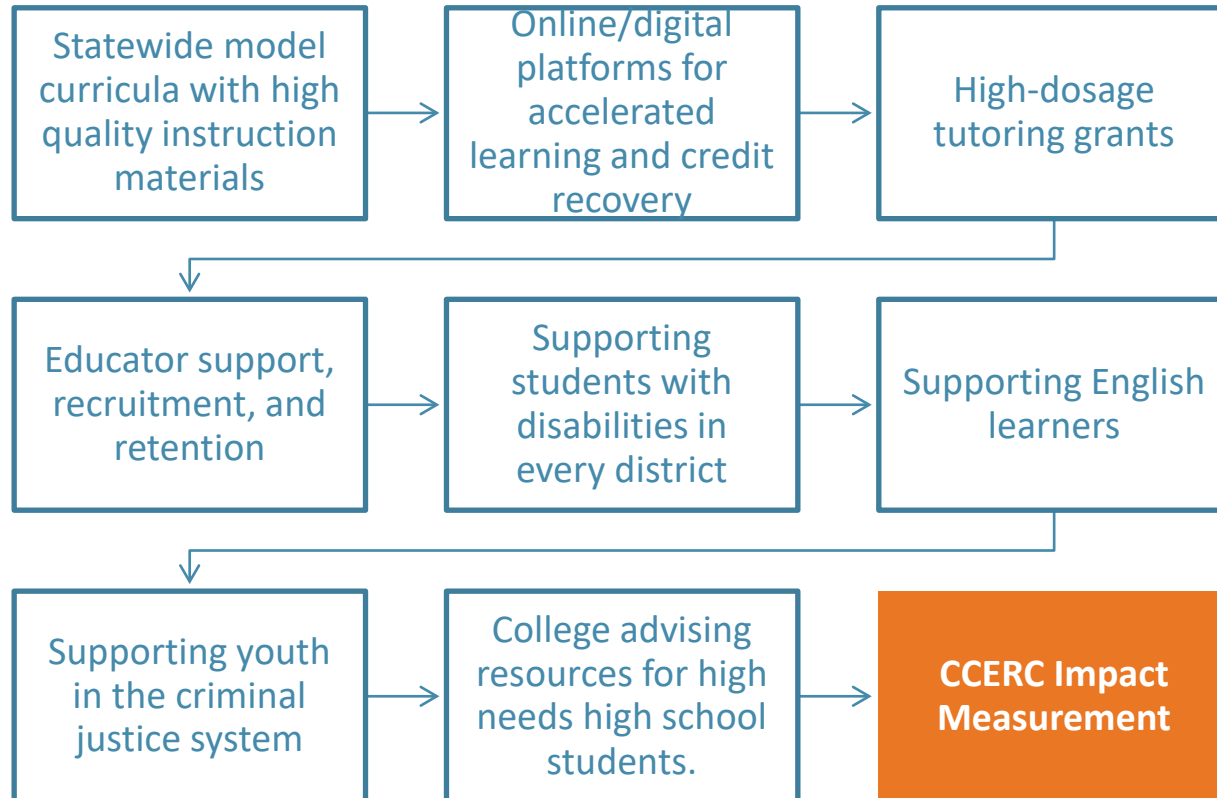
## CSDE's priority is to:

1. Maximize both the near-term and long-term impact of the ARP-ESSER federal funds with
  - One-time, self-sustaining investments, and
  - Investments that can have a measurable impact.
2. CSDE is committed to measuring the the impacts of the ARP-ESSER funded initiatives with the CT COVID-19 Education Research Collaborative (CCERC) with a \$33 million investment.

CT State Department of Education (CSDE)	\$110 million
CCERC (Evaluation/Measurement)	\$33 million
Address Learning Loss/Support School Districts	\$77 million

# CSDE Initiatives to Address Learning Loss

CSDE will invest \$77 million to support school districts in addressing learning loss. These 8 efforts will then be measured for impact.

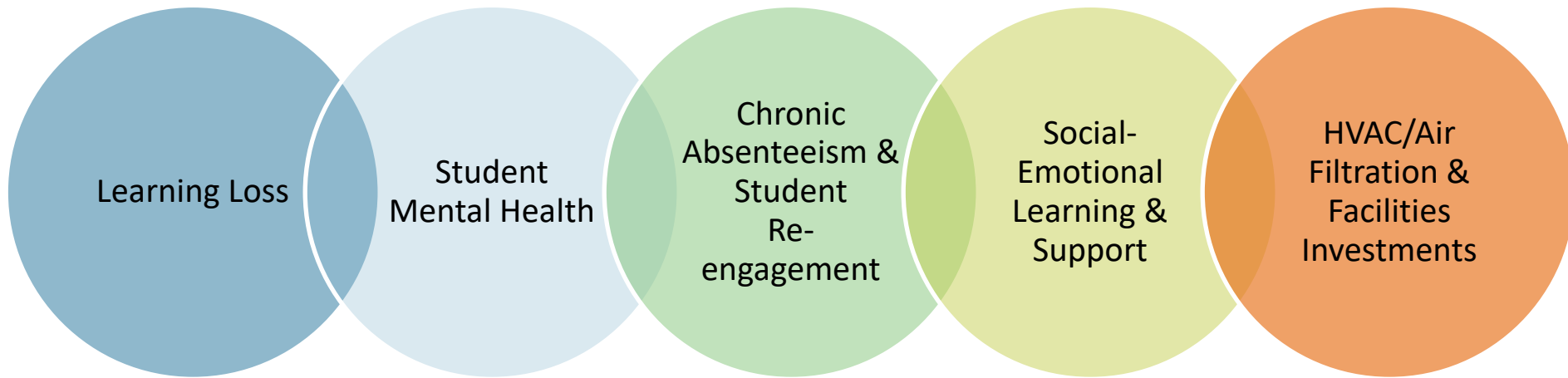


# Local Education Agencies ARP-ESSER Overview

- IPS interviewed 5 Alliance district superintendents (+Hartford) in the effort to learn local education agencies' (LEAs) plans for the ARP-ESSER funds.
- Every LEA is focused on one-time expenditures to avoid any future funding cliff.
- Many LEAs are working collaboratively with their municipalities to address capital needs, specifically HVAC/air filtration.

LEA	ARP-ESSER \$
East Hartford	\$20 million
East Windsor	\$2 million
Hartford	\$127 million
Manchester	\$15.6 million
Vernon	\$4.3 million
Windsor	\$6 million

# LEA ARP-ESSER Common Priorities



# Opportunities for Philanthropy

## Potential Partnership: Technical Assistance

Municipalities are suddenly resource-rich and while needs have been identified, communities don't always know exactly how to achieve the outcomes they seek. Philanthropy could provide support for:

- Program design to support competitive grants, arts & culture initiatives
- Grant management
- Evaluation and reporting
- Capacity-building, and
- Convening on best practices/lessons learned in the pandemic (for municipalities and Alliance districts)

## Potential Areas for (complementary) Investment

- Parent training and support
- Early care
- Delivering workforce opportunities and pathways for students ages 16-20

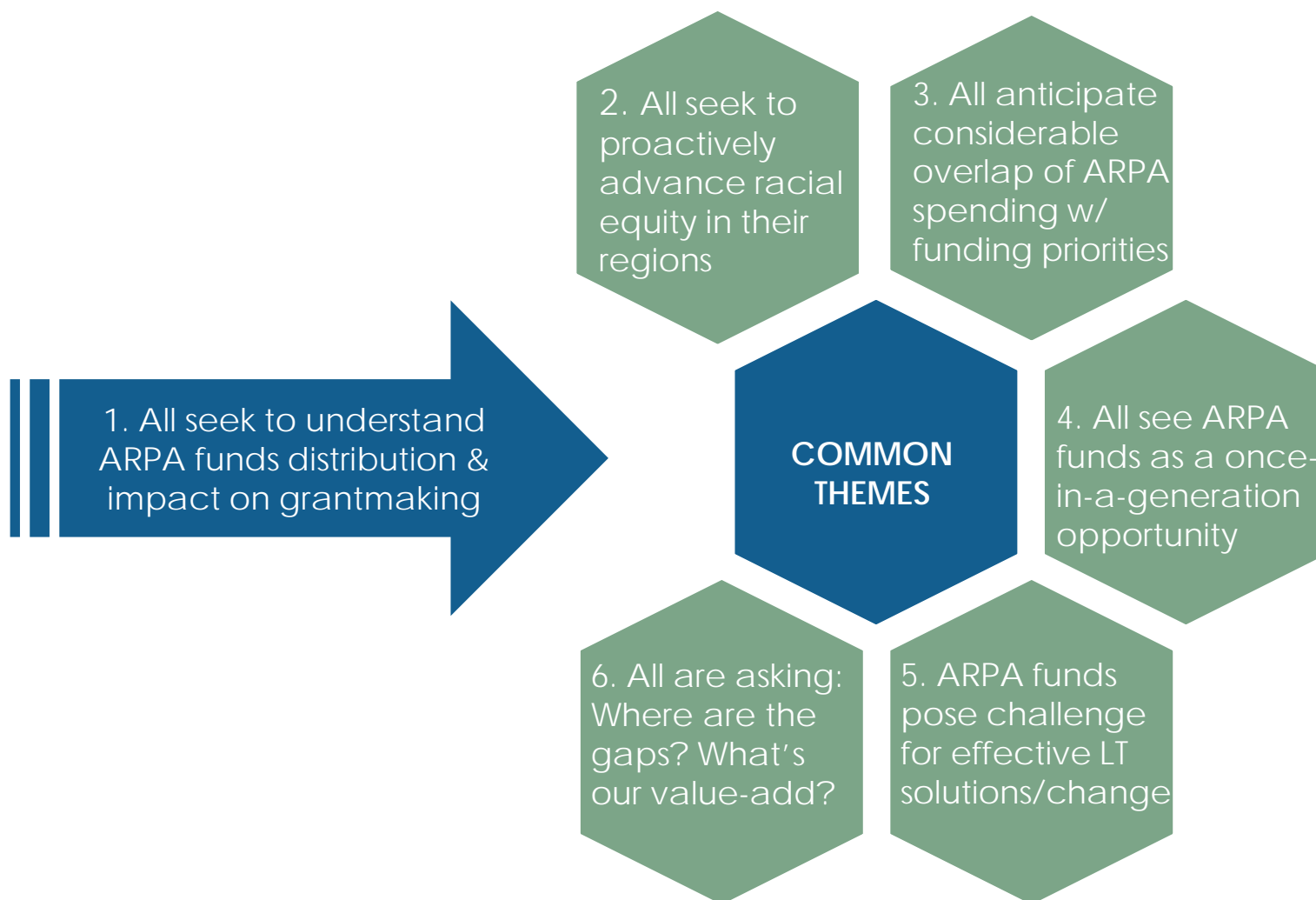
## 3. Community Foundation Peer Analysis – Summary of Findings



# Community Foundation Peer Analysis

- TPI interviewed leaders from 8 peer community foundations in Aug-Sept 2021:
  - Boston Foundation
  - Community Foundation for Greater Buffalo
  - Essex County Community Foundation
  - New York Community Trust
  - Oregon Community Foundation
  - Rhode Island Foundation
  - San Francisco Foundation
  - Vermont Community Foundation
- Interviews explored each foundation's approach to understanding ARPA funds coming to their region, how they are responding, and whether/how they anticipate ARPA funds will impact grantmaking.

# Common Themes



# Regional ARPA Analysis and Learnings

All 8 are exploring the anticipated impact of ARPA funding on their regions and grantmaking priority areas through conversations with:

- Governor's and mayor's offices; state, city & county administrators
- Other regional foundations
- Agencies overseeing housing, health, social services, education
- Non-profits and community organizations
- Communities and advocacy groups

Other strategies:

- Forming issue task forces
- Role of policy staff
- Funding research on ARPA investment opportunities, equity, landscape, needs

# Regional ARPA Analysis and Learnings (cont.)

Most geographies are still in the process of determining how ARPA funds will be spent. Foundations are:

- At different places in their ARPA examination process
- Watching ARPA policy deliberations closely & staying informed
- Some are helping to inform or advise ARPA investment

Several interviewees note that potential for lasting change that can bring about equity or systems change may be hampered by structural impediments related to ARPA:

- Highly decentralized planning & spending activity
- Aggressive timeline
- Term limits, other political factors
- Reliance on incumbent agencies/organizations – can they foster change?
- No central point of contact for ARPA information

# Collaboration with Other Funders

- Most but not all are collaborating with other regional funders to share ARPA intel, conduct research, host community convenings, advise local government, or coordinate a regional response
- Some are working in close partnership with other regional funders:
  - Moving Forward Together – Buffalo NY funder collaborative focused on ensuring equitable funds distribution, regional readiness, jointly identifying gaps and leverage opportunities
  - San Francisco Bay Area community foundations
  - Vermont funders participate in a state task force

# What is the anticipated impact of ARPA funds on your foundation's program areas & grantmaking?

All anticipate ARPA funding will overlap with their foundation's grantmaking.

Key areas of overlap include:

Affordable housing

Education and  
childcare

Food security

Workforce and  
economic  
development

**“ARPA funding overlaps with our grantmaking in a good way. We are matching funds where we can, supporting leverage opportunities like targeted capacity building, working in partnership with the City and County.”**

*CFGB Senior Director, Policy & Strategic Partnerships*

# What is the anticipated impact of ARPA funds on your foundation's program areas & grantmaking?

None anticipate dramatic shifts in strategy or grantmaking. All anticipate continuing a civic leadership role, program-related grantmaking, and support for advocacy.

All are examining:

Where are ARPA funds going? Where are the gaps and how to address them?	Potential for ARPA impact on discretionary grantmaking	How can our funds leverage or maximize the impact of ARPA funds?	How can we best support non-profits working on implementation?	Where and how can we add value?	Is there a role to play in facilitation, coordination, convening, distribution?
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“ARPA feels like business as usual for us...”

# How will your foundation avoid supplanting public dollars or duplicating ARPA-funded activity?

- By staying informed & working in partnership with local government
- By focusing on identified gaps in ARPA funding:
  - Services for undocumented populations
  - Support regional ARPA research, planning & design activities
  - Support for convening, facilitation, community engagement
  - Training, TA, capacity building support for organizations working on ARPA
- By seeking synergy: Several note their foundation primarily funds systems change and advocacy, less emphasis on direct services (the primary focus of ARPA)
  - ARPA funding pairs well with their approach



# How do you anticipate applying an equity lens to examining ARPA funding and your foundation's response?

- Racial equity is a major, cross-cutting programmatic focus
  - All anticipate applying an equity lens to understanding, allocating, and responding to ARPA
  - ARPA requires a targeted approach to reach those hardest hit by pandemic
  - Several fund research on disparities and apply data to identify gaps
  - Several have hosted convenings to discuss equitable distribution of funds (e.g., Buffalo's Racial Equity Roundtable working on housing, workforce development & restorative justice)

# Summary of ARPA Grantmaking Opportunities for Foundations (from field interviews)

## Focus on gaps in ARPA funding:

- Services for undocumented populations
- Support for regional ARPA research, planning & design activities
- Support for convening, facilitation, community engagement
- Training, TA, capacity building

## Leverage ARPA dollars and maximize impact:

- Ensure diverse voices are at the table (equity)
- Help non-profits take advantage of ARPA funds
- Seed fund new ideas
- Align systems work to capitalize on ARPA funds (and vice-versa)
- Staff & support local collaborative infrastructure
- Fund/conduct advocacy

## 3. Discussion

Any questions or reactions to what you heard?

# Discussion Questions



Does CT's ARPA spending plan suggest gaps or opportunities for philanthropy? What gaps or opportunities do you see?



How might philanthropy respond to the state's ARPA plan? Are there co-investment opportunities? Policy advocacy opportunities?



Are there opportunities for philanthropy to leverage the impact of state ARPA funding?



Is there an opportunity or role for collaboration among CT funders in responding to ARPA? What could that look like?