



Statement of Michele Jolin, Chief Executive Officer, and David Medina, Chief Operating Officer, Results for America before the

U.S. House Committee on the Budget
From Recession to Recovery: Examining the Impact of the American Rescue Plan's State and Local Fiscal Recovery Funds

June 10, 2022

Thank you Chairwoman Maloney and Ranking Member Comer for the opportunity to provide a written statement for today's full committee hearing, "From Recession to Recovery: Examining the Impact of the American Rescue Plan's State and Local Fiscal Recovery Funds." This hearing comes at a critical time as state and local governments are making ARP investment decisions. The \$350 billion in the ARP's State and Local Fiscal Recovery Fund (SLFRF) provides a powerful tool for governments to move beyond the traditional service-delivery model of governing and focus instead on the outcomes leaders want to see in their communities. It represents the biggest federal investment in state and local government capacity to build and use data and evidence to achieve long-sought progress.

The U.S Treasury guidance for the ARP SLFRF encourages state, local, and tribal governments to invest in solutions with evidence of effectiveness. And it backs that up by requiring officials to track certain cradle-to-career outcomes that will advance economic mobility, such as evidence-based tutoring, job training, and home visiting programs. By supporting state and local capacity to make data-driven decisions and prioritize funding for initiatives that have proven, long-term results, state and local government leaders can advance economic mobility in their communities, giving a renewed hope for those who have been historically left behind.

The [five key evidence-based policy strategies](#) in the U.S. Treasury ARP SLFRF [Final Rule](#)¹ and [Compliance and Reporting Guidance](#)², encourage state, local, and tribal governments to take advantage of the one-time infusion of dollars to make better decisions and maximize impact.

¹ U.S. Department of the Treasury [31 CFR Part 35, RIN 1505-AC77], Coronavirus State and Local Fiscal Recovery Funds.

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

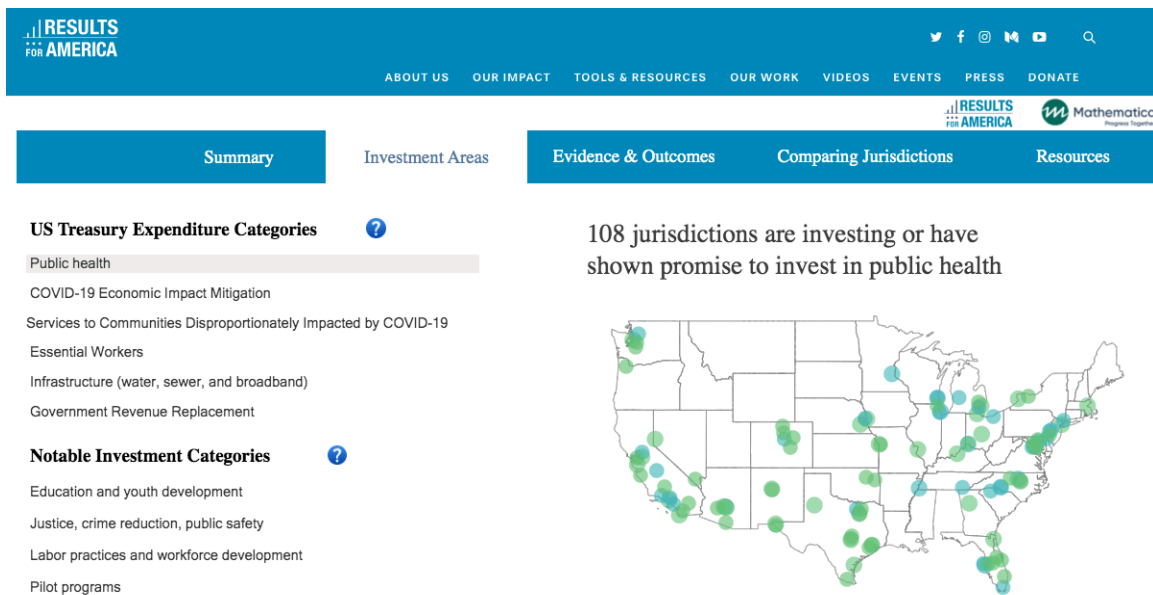
² U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities, March 11, 2021.

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

We were pleased to see that the guidance on how state and local governments should spend and report on the funding reflect some of the key [recommendations](#) made by Results for America.

The Recovery Plan Performance Reports submitted by local governments to the U.S. Treasury Department over the summer of 2021 showed signs of progress toward an “invest in what works” approach. The new ARP Data and Evidence Dashboard—created by Results for America and Mathematica, which reviewed the spending plans of 150 cities, counties, and tribal nations—found that 21 percent of jurisdictions demonstrate clear commitments to evidence-based interventions, and another 35 percent demonstrate promising commitments to evidence-based interventions. As noted, these numbers reflect early reporting; we expect these numbers to improve using the next reporting period as communities have more time and experience with the funding.

A map of the spending plans is featured in [Results for America’s ARP Data and Evidence Dashboard](#).



The dashboard spotlights how local leaders are seizing this historic opportunity to invest ARP funds in a way that could leave a lasting impact. Policymakers are learning from each other, piloting innovative new approaches, and tracking the outcomes of these investments for their residents. The White House and the U.S. Treasury Department should be encouraged to double down on their efforts to guide state and local government leaders to invest in evidence-based solutions and measure the results.



To ensure the recovery is accompanied by advances in economic mobility and racial equity, [Results for America has been strongly encouraging and helping state and local government officials leverage the following five key data, evidence, and outcomes provisions of the ARP program:](#)

1. **[Build Data Capacity and Use Evidence-Based Interventions](#)**: The Treasury guidance makes clear that local, state, and tribal governments can invest their ARP funds to build and strengthen their evidence and data capacity. It allows authorized recipients to [strengthen their capacity to use data and evidence](#) to make data-driven investment decisions and improve outcomes. This includes hiring [staff and purchasing tools to deliver better results](#). Allowable activities include:
 - Support of strategic evidence-building and selection of evidence-based interventions;
 - Program, impact, rapid-cycle evaluations, and cost-benefit analyses;
 - Identification of evidence models that would work for the community through tools, such as the [Economic Mobility Catalog](#); and
 - Establishment of a set of mandatory performance indicators and programmatic data to allow oversight and analysis of aggregate program outcomes across recipients

Our work with officials at the local, state, and federal level to establish and share best practices for data-driven governance shows the long-term dividends of investing in capacity. Cities certified by our [What Works Cities \(WWC\) Certification initiative](#) are at the forefront of investing ARP and other government funds to build and use data and evidence to improve lives. For example, Washington, D.C. is [Investing its ARP dollars in a new Launch, Evaluation, and Monitoring hub](#) that will include a new capacity-building team that will provide support to select ARP investments through the execution of performance management and rigorous evaluation of programs and services.

When considering how to invest in their data and evidence capacity, state and local government leaders should look at this example — and others from our work with jurisdictions around the country — with the idea of adopting and scaling promising strategies. Governments should also invest in staff and infrastructure to enhance their ability to use data and evidence in procurements and policy decision-making.

2. **[Use Data to Drive Investments](#)**: The Treasury Guidance allows authorized recipients to gather, assess, and use [data and evidence for effective policy-making and real-time tracking of program performance](#) as well as [defining “evidence-based” when allocating funds](#) for competitive grant programs. This



includes allowing resources to be used to [collect high-quality data, hire and build the capacity of staff, adopt new processes and systems, and use new technology and tools in order to effectively develop, execute, and evaluate programs](#). The guidance also recommends that local, state, and tribal governments use federal “evidence clearinghouses” to help assess the level of evidence in their ARP-funded efforts.

Government officials can also turn to [Results for America’s Economic Mobility Catalog](#) for help in identifying successful approaches that are grounded in evidence. For example, Connecticut plans to [invest ARP dollars to create a universal home visiting program](#), a well-documented evidence-based program, sending registered nurses from the community to the homes of newborns within the first three weeks after birth to conduct health and wellness checks for both the infant and mother.

3. **Evaluate Investments:** The Treasury Guidance makes clear that local, state, and tribal governments can invest their ARP funds in evaluations of their ARP-funded efforts.
 - Allows agencies to purchase [technology infrastructure to improve data management, increase public access and improve public delivery of government programs](#). Allowable activities include:
 - i. Government information technology systems;
 - ii. Upgrades to hardware and software; and
 - iii. Public-facing websites or data management systems.
 - Requires jurisdictions to [specify whether projects are based on evidence or are being evaluated](#). If a project is put under evaluation, the government does not have to report on whether it has also used the funding on evidence-based solutions.
 - Incentivizes evaluations by waiving program reporting requirements in exchange for rigorously evaluating the new approaches.

If sufficient evidence for an innovative initiative or pilot project is lacking, it’s important to invest in evaluation to build evidence and understand the impact so future leaders can learn from the experience and program tweaks can be made.

For example, Madison, WI is using the [ARP authority to include new evidence-based programs](#) that require evaluation to determine the efficacy of the program. The city of Madison is investing in an external evaluator to design a study and independently assess the effectiveness of a pilot program that takes an alternative approach to handling mental health crisis calls. Tennessee, as part of its ARP recovery plan, [allocated \\$2 million to its Office of Evidence and Impact within the Department of](#)



[Finance and Administration](#). The funding will accelerate a program inventory across executive branch agencies, allowing the state to gather better performance metrics, understand which programs are working, and re-evaluate funding for those that are not.

4. **[Authentically Engage Communities](#)**: The Treasury Guidance requires jurisdictions to describe how planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. It encourages the use of funds to build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups. Allowable activities include:
 - Human-centered design activities;
 - Behavioral science techniques; and
 - Training on using data and evidence in designing, executing, and evaluating programs.

Community engagement is key to any successful program, and it's even more important now to ensure the recovery is equitable and widely shared. Treasury's guidance encourages governments to seek and incorporate feedback from a diverse range of residents and community-based organizations.

For example, Cook County, Illinois, which encompasses Chicago and its suburbs, recognizes the importance of a [robust engagement process to hear directly from residents on how federal aid could be most effective](#). To that end, it is partnering with a local professional organization and diverse community organizations to help conduct outreach. The county has also set up a community website, newsletter, and social media toolkit to educate and engage with residents. Detroit, Michigan, conducted [extensive public meetings and used public input to direct ARP funds](#), and Cook County, Illinois, which encompasses Chicago and its suburbs, utilized this authority to implement a robust engagement process to hear directly from residents on how federal aid could be most effective.

When seeking to forge partnerships with community-based organizations, local leaders should enable meaningful engagement not just in planning projects, but also in implementing projects. To reduce barriers to participation, they should also support grantees, evaluators, and service providers that represent communities of color and other disenfranchised populations by providing technical assistance.

5. **[Ensure Equitable Outcomes](#)**: The Treasury guidance encourages jurisdictions to design projects that prioritize economic and racial equity and promote



equitable outcomes. It requires jurisdictions to report on whether certain types of infrastructure projects are [targeted to economically disadvantaged communities](#).

The government recovery programs are a tremendous opportunity to address deep-seated disparities across the country, and Treasury emphasizes the importance of promoting strong, equitable growth. Ensuring equitable outcomes starts with recognizing the disproportionate impact of the pandemic-related recession on low-income communities, so jurisdictions are asked to report on whether certain types of projects, such as food and housing assistance, are targeted to economically disadvantaged communities.

Equity has been an early area of relative strength among ARP plans. For example, King County, Washington, is using an equity impact review tool, strategic plan, and equity dashboard to ensure its investments of ARP dollars lead to equitable outcomes for residents. The county [has developed pro-equity tools for designing programs and a number of dashboards to track how the pandemic is exacerbating existing inequities](#) and creating new ones. Milwaukee County, Wisconsin, was the first jurisdiction in the U.S. to declare racism a public health crisis in 2019. This enabled them to develop a [data-driven framework centered on health and equity](#), which they are now applying to the use of its ARP dollars. This includes the development of an Opioid tracking dashboard to help target supports.

In seeking to prioritize racial and other equities and reduce disparities in their spending plans, jurisdictions should use data and evaluation to maximize the impact of projects. A key part of that is to disaggregate data by race, ethnicity, and other equity dimensions.

Local Funding Priorities

As local governments began allocating the first tranche of their federal recovery funds, RFA's dashboard tracked early trends in how cities and counties are committing these resources:

- **COVID-19 response:** 75 percent are investing or plan to invest in addressing the negative economic impacts of COVID-19.
- **Economic recovery:** 69 percent are investing or plan to invest in expanding services to disproportionately impacted communities.
- **Revenue replacement:** 61 percent are using or plan to use recovery funds to replace lost revenues.
- **Workforce:** 43 percent have made or plan to make investments in workforce programs to help workers and the local economy recover.
- **Housing:** 56 percent have made or plan to make investments in stable housing, housing services, or new housing development.
- **Infrastructure:** 56 percent have made or plan to make investments in infrastructure, such as broadband, sewer, and water infrastructure.



- **Public health:** 72 percent have made or plan to make investments in public health, including combating COVID-19 through vaccine outreach and distribution.
- **Innovation:** 38 percent are investing or plan to invest in new, innovative programs.
- **Education:** 34 percent are investing or plan to invest in education and youth development.
- **Criminal justice:** 31 percent are investing or plan to invest in justice, crime reduction, and public safety.
- **Other investments:** 13 percent are investing or plan to invest in guaranteed basic income; 19 percent are investing or plan to invest in emergency rental assistance, and 24 percent are investing or plan to invest in premium pay for essential workers.

In conclusion, Results for America applauds Congress and the Biden Harris Administration for providing local, state, and tribal governments the funds they needed to address our nation's ongoing pandemic and its related economic recession and for encouraging and in some cases requiring these governments to use these funds in their efforts to advance economic mobility and racial equity.

Thank you for this opportunity to provide our testimony to you today.