

DEVELOPING EXCEPTIONAL AMERICAN LEADERS

The American Rescue Plan -One Year Later Impact in the States March 2022

On March 11, 2021, President Biden signed his first major piece of legislation, the American Rescue Plan Act, to deal with urgent public health and economic crises and to respond to the inequities that COVID-19 revealed across so many parts of our society.

A year later, we must ask: Did it work? Is the investment paying off?

The answer is clear. The law enabled millions of Americans to get health coverage, drastically reduced poverty through the Child Tax Credit, and made possible the country's most robust economic growth since 1984, allowing us to avoid a second COVID recession. According to Moody's, ARP is responsible for creating more than 4 million new jobs. In addition, "the economy is currently on track to recovering all the jobs lost in the pandemic" by the middle of 2022.

One of the biggest and most underappreciated successes of ARP has been the historic investments in states, counties, and cities to tackle challenging and seemingly intractable issues. The Rescue Plan set aside \$350 billion for states, local governments, tribal governments, and U.S. Territories, entrusting governors and legislators, mayor and county executives, to tackle immediate challenges from the pandemic, while enabling them to pursue innovative solutions to some of America's most difficult issues.

In this report, we highlight early successes from across the country – from a county in Delaware building affordable housing to child care investments in Michigan. The report highlights a small business owner in Lincoln, Nebraska, who praised financial help from ARP that "could not have come at a better time." And there's the Texas municipality, once identified as one of America's worst-connected cities, that is now investing millions of dollars in infrastructure to bridge the digital divide.

Using case studies of more than 25 states, counties, and cities, the report explores five key themes of ARP spending: Housing, Child Care, Education & Workforce, Small Business Support, and Broadband.

The pandemic did not create any of the inequalities in our systems, but it did exacerbate them. In this report, we see how **investments from state and local officials from NewDEAL's network of innovative leaders are not only changing the present, but building lasting change** for millions of Americans.

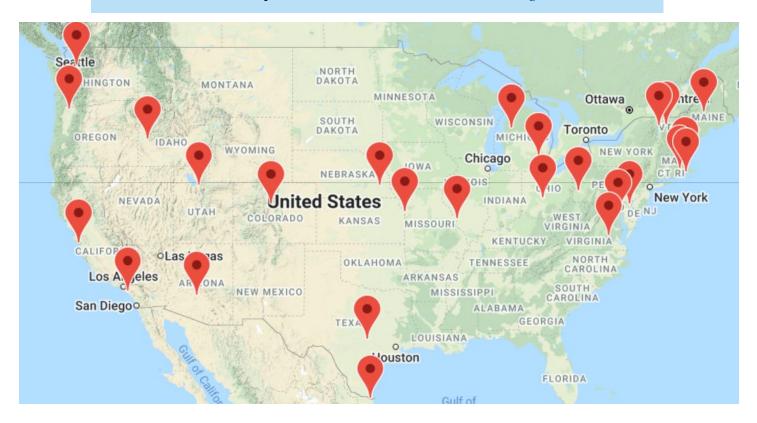




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Read on for case studies in 26 different cities, counties, and states across the nation View the map in more detail at <u>www.newdealleaders.org/ARP</u>





Improving Access to Affordable Housing

The economic instability faced by families during the COVID-19 pandemic made housing a critically important issue for millions of people. For renters and homeowners, the instability created by a raging pandemic threatened to bring unprecedented numbers of evictions and mortgage defaults.

A combination of federal and state programs prevented countless foreclosures and evictions. Nearly <u>eight million homeowners</u> took advantage of a federal forbearance program, allowing them to miss payments during a time of economic hardship and stay in their home. Similar programs were aimed at renters and landlords, helping families make their monthly payments. A full 92 percent of renters paid their rent in December 2021, a mere four percentage points less than December 2019, according to the <u>National Multifamily Housing Council</u>.

Before COVID-19, America's housing system was far from perfect. The pandemic put a magnifying glass on issues that have been present for years, if not decades: High rents, unattainable housing prices, and insufficient affordable housing stock. As the <u>NewDEAL Forum</u> noted in January 2021, "these problems were especially acute for people of color. Black households are twice as likely to rent as white households, and housing costs account for a heavier cost burden: Among Black Americans, 55% pay more than 30% of their income toward housing compared to 40% of white Americans."

After spending two years dealing with the housing emergencies brought on by the COVID-19 pandemic, mayors, county executives, and governors refuse to nibble around the edges of this issue, seeing an infusion of federal funding as the moment to make the audacious investments that will bring about large-scale, systemic change. Local governments are spending one out of every eight dollars they received on housing initiatives, according to the <u>Brookings Institution</u>. On top of that, states have spent about \$7 billion on housing projects, according to <u>FiveThirtyEight</u>.

Whether it is doubling housing production over the next five years (Burlington, VT) or eliminating homelessness (Austin, TX), elected officials are determined to use ARP funding to create lasting change in the housing landscape.

A Surge in Construction in New Castle County, Delaware

Thirty million dollars from the American Rescue Plan Act will go towards affordable housing opportunities in New Castle County, DE, **County Executive Matt Meyer** announced in late 2021.

The ARP-funded programs will be modeled after the county's HOME Investment Partnerships Program (HOME) program for building affordable housing. The funding will <u>focus</u> on both homeownership and affordable rental properties in unincorporated areas of the county.

The county's HOME program normally receives about \$900,000 in federal housing aid each year. Meyer <u>declared</u> the **30-fold increase** will "do all sorts of things to make life easier for renters, for people right on the cusp of homeownership, and potentially



County Executive Matt Meyer

stuff for repairs to homes that would, if not for these resources, send people into homelessness."



The investment comes as home prices in Delaware – and across the nation – have increased substantially over the past few years. Nationwide, home prices have soared as much as 19 percent, according to the <u>Dallas Federal Reserve</u>. In New Castle County, home prices <u>increased</u> by more than 13 percent from June 2020 to June 2021.

Meyer's housing investment dovetails with efforts made by state and city officials. In October 2021, Gov. John Carney <u>announced</u> an investment of more than \$24 million to complete 350 affordable homes in Wilmington within two years. Further, the City of Wilmington will <u>invest</u> \$3.5 million to develop 278 rental units, which includes 20 ADA-accessible units.

"Too many Delawareans lack access to affordable housing. The American Rescue Plan allows us to support those who the housing market has left behind. It is now possible to both literally and figuratively build back better."

- New Castle County Executive Matt Meyer

Additional Case Studies

St. Louis Determined to Keep Residents In Their Homes



Mayor Tishaura Jones

St. Louis Mayor Tishaura Jones has identified three key issues around housing: homelessness, affordability, and homeownership. She's using American Rescue Plan funds to address each issue.

In addition to spending \$10 million to directly assist the homeless population, Jones is using federal money to keep families in their homes. St. Louis is using \$15 million from ARP on a Healthy Home Repairs program that will help up to 750 families make necessary repairs to stay in their own homes. The city is also investing



\$23 million in rental assistance programs.

Innovation is a key way the city will keep families housed. Partnering with a nonprofit, the city is using \$125,000 of ARP funds for a Property Tax Relief program that pays off backlogged taxes that would normally result in foreclosure. This relatively modest investment will help 50 families stay in their homes, and the city will use an additional \$375,000 of ARP funds in coming years for additional property tax relief.

In addition to \$20 million for a housing development fund to build more affordable units, the city is spending \$2 million to help build a tiny home community, in partnership with a veterans organization. The community will have 50 homes as well as a community center.

"The COVID-19 pandemic deepened the inequities that already existed in St. Louis, and our first round of American Rescue Plan Act funding allowed us to provide assistance to those who need it the most," said Jones. "We will continue to invest this funding in ways that St. Louis will see returns for decades to come."

Burlington to Double Housing Production, End Homelessness

Burlington Mayor Miro Weinberger will use \$5 million in ARP funds, along with additional state and local funds, to spearhead an ambitious goal of doubling housing production and ending chronic homelessness in Vermont's most populous city.



The initiative, <u>announced</u> in December 2021, aims to build 1,250 new homes over the next five years and end homelessness in the city in just three years. Weinberger stated that more than 300 of the new homes will be permanently affordable, and 78 of those will be dedicated to housing the formerly homeless. In order to accomplish the goal,



Mayor Miro Weinberger

Weinberger and other elected officials will change zoning regulations to build homes in enterprise districts and on underutilized properties.

Austin to End Homelessness in Texas' Fourth Largest City



Mayor Steve Adler

ARP funds anchor a <u>half-billion dollar</u> effort by **Austin Mayor Steve Adler** to end homelessness in the coming years. Adler will invest \$107 million of federal funds toward the effort. The funds will provide housing for 3,000 individuals and stabilize housing for an additional 2,300 households.

Adler is working with city, county, and state officials, as well as the private sector, to supplement ARP funds with the goal of raising \$515 million in three years. The effort is close to achieving the goal, with \$400 million in commitments by the end of 2021.

"We truly are, I believe, at the cusp of being able to end homelessness in this city," Adler told the <u>Austin</u>

<u>American-Statesman</u> in October 2021. With a population of nearly one million, Austin would be one of the largest cities in the nation to end homelessness.



Kansas City Addresses Homelessness and Affordable Housing

Mayor Quinton Lucas and the Kansas City, Missouri, city council <u>allocated</u> more than \$15 million from the American Rescue Plan to address the dual issues of homelessness and affordable housing.



The city granted \$3 million to the VERGE Pallet Community for an all-inclusive "housing-first" site. The location will help individuals facing homelessness with life skills training and help prepare them for the transition to permanent housing. The funding will provide temporary housing for 500 homeless individuals.



Mayor Quinton Lucas

An additional \$12.5 million has been set aside for the city's Housing Trust Fund to provide affordable housing, paying special attention to special needs housing

for families, seniors, and vulnerable residents. According to the mayor's office, the ARP funding represents half of the city's \$25 million investment in the Housing Trust Fund, which will help the city serve hundreds of residents.

For Mayor Lucas, the focus on housing is personal.

"As someone who grew up experiencing homelessness, I know firsthand how imperative it is for Kansas City families to have a safe place to lay their heads at night," he said. "The American Rescue Plan is making it possible for us to deliver on our ambitious goals to create more affordable housing stock – so all, regardless of neighborhood or background, can afford to call Kansas City home. Innovative partnerships, including our partnership with the federal government, will be critical for us to reach our goals and improve outcomes for our neighbors."

Spotlight:Richmond Focuses ARP Funds on Equity Agenda

With an eye toward a more inclusive future, Richmond, Virginia is centering an infusion of federal funds on advancing its equity agenda. In this agenda, which the City Council <u>passed</u> unanimously in May 2021, equity is defined as, "empower[ing] people and communities that have experienced past injustices by removing barriers to access and opportunity."

Led by **Mayor Levar Stoney**, <u>Richmond</u> is leveraging \$155 million from the American Rescue Plan to embrace and advance the city's commitment to equity.

The city's largest investment – \$78 million – is focused on children and families. More specifically, much of the funding will go towards **community centers, walking trails, and access to green spaces**. In fact, the new and refurbished community centers will be within a ten minute walk of 100,000 residents who previously lacked access to such spaces so close to their homes.



Mayor Levar Stoney

"We want to – and we will – remove barriers to access for tens of thousands of residents," Stoney said of community centers and green spaces like parks. "We are focused on providing Richmonders with opportunities and resources right outside their back door."

During outreach conversations, community centers were a major desire of Richmond residents. And not just buildings, but spaces that incorporate multi-generational opportunities for all residents. Places where children could play sports during the day, families could receive assistance applying for benefits, and senior citizens could learn computer skills or play Bingo in the evening.

While looking to the future, Stoney and his team are not neglecting the difficulties some residents continue to face in light of the COVID-19 pandemic. In order to **help families with needs such as child care, food, housing costs, or transportation**, the city is providing Visa gift cards to families experiencing hardships through a second iteration of the Family Crisis Fund. The direct cash infusion allows families to use the funds on what they need most.

In order to lift up the struggling child care sector, Richmond once again turned to its equity agenda for guidance. (See more about how the American Rescue Plan is impacting access to child care across the country on page 20.) The city will invest \$1 million in the **stabilization and expansion of high-quality child care programs and preschools**. Of this, \$500,000 will be made available to eligible nonprofit and charitable organizations through direct grants from the Office of Children and Families; an additional \$500,000 will be disbursed by Smart Beginnings of Greater Richmond in order to support private businesses like family day homes that offer these services but are ineligible for grants from the city.

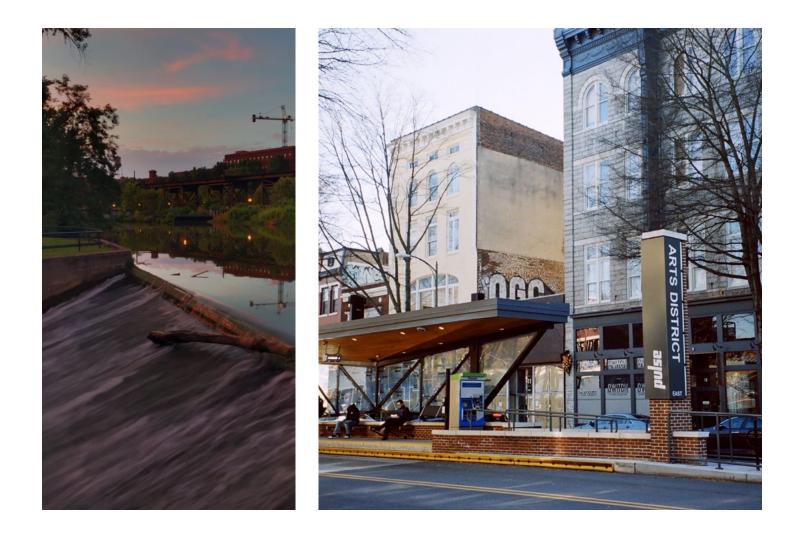
"The American Rescue Plan enabled us to act boldly. It allows us to invest in all the residents of our city and build a **brighter, stronger, more resilient future for everyone**."

- Richmond Mayor Levar Stoney

Stoney is also using ARP funds to **renovate and improve two of the city's public housing complexes**. The city will spend \$6.8 million to redevelop the 68-year-old Creighton Court public housing community, replacing 504 existing units with up to 700 new apartments and homes. This investment will

greatly benefit the East End community, and continue the new construction of quality, affordable housing for over 500 families.

Another \$5.5 million will go towards redeveloping the Highland Grove Redevelopment Project in North Richmond. These dollars will allow for the first phase of this redevelopment – which will ultimately results in 122 new for-sale homes.



Investing in Small Businesses & Entrepreneurs

Small businesses are the backbone of the American economy, <u>creating</u> 40 percent of net new jobs and employing half of the nation's private workforce. From rural diners to urban bodegas, small businesses also account for two-fifths of America's economic activity.

The COVID-19 pandemic hit this sector hard. Roughly <u>one in three</u> small businesses closed during the pandemic – some of them temporarily, but many permanently. Shuttered doors on main streets across the country threatened to become the norm. Businesses that had been in families for generations were barely hanging on.

COVID exposed both the strength of small businesses to adapt as well as the limits of what their resilience can accomplish. Family restaurants turned to take-out rather than in-person dining, but could only sustain that model for a limited time without layoffs and possible closure.

Starting in 2021, the picture began to turn around. The Biden Administration's focus on helping the nation recover in the wake of the pandemic has brought both a surge in job creation and in small business support and growth. Through the American Rescue Plan and other federal initiatives, more than <u>\$400 billion</u> flowed from federal coffers to small businesses.

Much of those ARP funds have flowed through cities, towns, and counties. In Pittsburgh, millions of dollars are going to Avenues of Hope to support businesses and residents in communities that have long been ignored. Small businesses from Alabama to Nebraska to Oregon are receiving grants to cover everything from rent to hiring new workers.

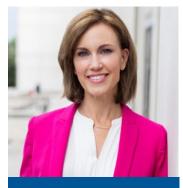
As unemployment continues to drop, small business owners are increasingly looking to a brighter tomorrow. In fact, <u>71 percent</u> of small business owners are optimistic about their own performance in 2022, an increase from 63 percent just one year ago.

With ARP, there is now an opportunity for leaders to invest in the future of entrepreneurship, break down the barriers that have stood in the way of too many people with good ideas, and reinvigorate historically disadvantaged communities.

Supporting Small Businesses in Lincoln, Nebraska

Thanks to the American Rescue Plan, hundreds of small businesses in Lincoln received up to \$60,000 to pre-pay six months of rent or mortgage. In total, the city spent \$7 million on the program.





Mayor Leirion Gaylor Baird

Mayor Leirion Gaylor Baird's <u>Small Business Stabilization Grants</u> program targeted businesses with up to 50 employees. To ensure smaller businesses were not left out, \$2 million of this funding was set aside to help businesses with five or fewer employees.

As of late February 2022, more than 250 small businesses received a grant, impacting more than 2800 employees, according to the mayor's office. Daryl Dickerson, owner of Sandy's bar, is one of the small businesses that was helped.

Dickerson said the grant "could not have come at a better time for us." The COVID-19 Omicron wave "knocked us back quite a bit and made us seriously question the viability of our bar, or any bar for that matter, when

the general public just doesn't feel comfortable being in tight spaces with a crowd of people."

Upon receiving the grant, Dickerson "breathed a huge sigh of relief," and was able to pay six months of rent to the landlord in advance. The funding gave the bar breathing room to "basically

"We've been able **\$**7 to distribute million to help [small businesses] pay their rent or mortgages, and stabilize their help businesses on the road to recovery."

> - Mayor Leirion Gaylor Baird

just survive until August, without having to worry about the largest expense each month, the rent. Surely by that time the all clear will have sounded and things will be moving back to 'normal." Dickerson thanked the mayor's office for the grant, calling it a "lifeline" that was "sorely needed



and came at a crucial time in our now 36 year existence."

Mayor Gaylor Baird said she is proud that the American Rescue Plan helped Lincoln support "small businesses that were disproportionately impacted" by the pandemic. She noted that those businesses "staff over 2,800 community members as employees."

Additional Case Studies

St. Louis Pledges \$5 Million to Help Small Businesses



Mayor Tishaura Jones

St. Louis Mayor Tishaura Jones is determined to ensure small businesses are able to fully recover from the pandemic. To help them, the city is launching a \$5 million <u>Small Business Grant Fund</u> for up to 900 small businesses. The companies will be able to apply – in person or online – for up to \$5,000.

The funding can be used for a variety of purposes, including rent, purchasing new equipment, or covering payroll. In order to ensure the grants go out the door promptly, the city is hiring two full-time employees to review the applications, in addition to allocating time from ten current employees to assist in the process.

Another \$2.5 million of ARP resources will support a revolving loan fund. This funding will focus on building the capacity of local community development corporations and neighborhood associations to drive equitable, community-driven development.



Pittsburgh Invests in Avenues of Hope

The American Rescue Plan is giving a boost to Pittsburgh's <u>Avenues of Hope</u> programs. Each of the city's seven Avenues of Hope will receive \$1 million in federal funding in addition to existing funding.



Started by **former Mayor Bill Peduto**, the program invests in the city's centers of Black arts and culture to create transit-oriented and pedestrian-friendly corridors. Rather than focusing on individual businesses, the program is determined to work with and through communities.

"The area has been ignored, historically," Marque Stansberry, director of supportive services and program development for the nonprofit group Jasmine Nyree Homes, told <u>Public Source</u> in October 2021. "It's just a legacy of inequality."

But with the help of the American Rescue Plan, these Avenues of Hope will be ignored no longer.

"When part of our city grows stronger, all of our city grows stronger," said Councilmember Erika Strassburger. "Investing in the Avenues of Hope is a unique opportunity to promote economic opportunity in communities where haven't received a fair chance."

New Bedford, Massachusetts, Invests in Small Businesses



Mayor Jon Mitchell

Mayor Jon Mitchell announced in late 2021 that <u>\$8 million</u> of the city's ARP funding will go toward helping small businesses. Mitchell identified three areas of targeted funding.

First, small companies will receive support to upgrade their external facade, not only improving the attractiveness of their stores but also benefiting whole neighborhoods and corridors with many small businesses.

Second, the funds will go to defraying new business start up costs. And finally, ARP will fund upgrades at the airport, allowing the city to compete for more infrastructure funding and

support many businesses that rely on the airport.

Beaverton, Oregon, Targets Small Businesses with Grants

Small businesses in Beaverton, Oregon, with 25 or fewer employees are <u>eligible</u> for relief, thanks to nearly \$1.9 million in funds from the American Rescue Plan. The funding, which can go towards a variety of uses including utilities, inventory, and rent, has helped 297 local businesses.

Small businesses in Beaverton knew the importance of these investments when they were first announced.

"I think for a lot of people, this will be the difference of staying open or closing in the next couple of months," Lauren Reese, owner of Beaverton's Lionheart Coffee Company, told <u>KGW8</u> in January.



\$8 million to invest in

upgrading small

businesses

Mayor Lacey Beaty



According to Mayor Lacey Beaty, 70 percent of the

businesses aided had fewer than five employees, and 93 percent had fewer than 12. More than half of businesses receiving grants (53 percent) were womenowned, and two-thirds were BIPOC-owned.

"We really wanted to focus our ARP allocation on sustained relief for our community," Beaty said. "We knew by supporting our local, small businesses that we were taking great steps towards an equitable recovery. Beaverton is proud of our thriving business community, and we are hopeful that with this first round of ARP investments, we continue to support both existing and emerging business owners."

Strengthening the Workforce

The American Rescue Plan is giving elected leaders the opportunity to invest in job training and development programs that prepare workers for the careers of the future. The United States saw record job growth in 2021, adding more than seven million new jobs. Yet the kinds of jobs available – and training necessary for those jobs – are evolving rapidly.

The pattern of how and where people work was already shifting before COVID-19, and the pandemic has turbocharged these trends. The pandemic refocused attention on the role essential workers play in our society. And the "gig economy" continues to allow people to work in ways not imagined ten or twenty years ago.

Even more than two years ago, the jobs of the future are not the jobs of the past. For example, the <u>early recovery</u> in 2021 saw those with bachelor's degrees, some college, or an associate's degree find jobs much more easily than those with a high school diploma or less.

Those who complete certificate or associate's degree programs can greatly enhance their future earnings, according to a <u>2020 study</u> by the Georgetown University Center on Education and the Workforce. Fields such as engineering and health care are particularly lucrative, with some certificate-holders rivaling the income of those with a four-year degree.

As the landscape of work shifts, forward-looking leaders are determined to make sure their cities and states adapt to the current situation, not just looking back to pre-pandemic job patterns. Elected officials are finding ways to partner with colleges and certificate programs to allow workers the assistance they need to get ahead. And the American Rescue Plan provides a boost of funding to help leaders reimagine what workforce development and education can and should look like.

Credentials for Oakland County, Michigan Workers

County Executive Dave Coulter is investing nearly \$3 million from the American Rescue Plan in Oakland80, an ambitious plan to help 80 percent of county residents obtain a post-high school degree or credential by 2030, up from 61 percent in 2022.



County Executive Dave Coulter

The federal dollars will fund up to twelve "career navigators" who work in communities throughout the county to counsel residents about education and training opportunities.

In late November, the county <u>announced</u> a portion of ARP funds will help essential workers receive their associate's degree or complete a credentialing program. The state's Futures for Frontliners program provides scholarships for tuition costs to community colleges, and federal funds will help cover the costs of books, supplies, and other related expenses for Oakland County residents.

In addition to attracting businesses to Oakland County, the Oakland80 program is about "getting our residents the

skills they need to get hired for good paying jobs that will boost the quality of life for themselves and their families," Coulter said. "The infusion of American Rescue Plan

funding has allowed us to significantly boost this program and that is truly a win-win for Oakland County's residents and businesses."

The Oakland80 is only part of the \$9.6 million of ARP funding Oakland County is spending to support businesses and residents getting back to work. The county is putting \$1.5 million towards programs to assist individuals who face financial barriers to participating in career credentialing and higher education programs. Within a month of launching the program, more than 30 people applied for funding to help pay for items from work boots to books.

The Oakland80 program helped Justin Duff, a local photographer, enroll in business and technology classes at Oakland Community College in order to grow and expand his business beyond senior class portraits. Through the initiative, Duff received funding for books and equipment, and will be able to graduate with little to no debt, a relief for a parent of high school-aged kids getting ready for college. post-secondary credentials for **80%** of county residents

The county anticipates assisting more than 6,500 residents with this program.

An additional \$1.2 million will go towards supporting child care for individuals disproportionately impacted by COVID. Up to 1,000 families can apply for the \$1,200 child care scholarships, allowing families to return to work. As of early February 2022, more than 400 families had applied.

Additional Case Studies

Boston Invests in Greener Future



Mayor Michelle Wu

Boston is racing to be a national leader in the green jobs industry. The city <u>approved</u> a four-fold increase in funding for its green jobs program, increasing the budget from \$1 million to \$4 million. The majority of that funding – \$3 million – comes from the American Rescue Plan.

In January 2022, **Mayor Michelle Wu** <u>announced</u> more than half a million dollars in funding for four organizations to provide training for green and mobility jobs. These specific grants will target populations hit particularly hard by the COVID-19 pandemic, including individuals experiencing homelessness, residents recently released from incarceration,

and women and people of color from under-represented neighborhoods.

According to Wu's office, the funding will provide 30 jobs for youth interested in green careers this year. As the program scales up, it will train up to 120 youth per year for such careers.

up to **120** youth trained for green jobs per y e a r

To further her equity agenda with a focus on green transportation, Wu announced three bus routes will soon become <u>fare-free</u>, an increase from a pilot project that saw one free bus route. The free public transportation will help reduce congestion and pollution, and increase the ability of all Bostonians to more easily travel to and from work.

Maine Recognizes Work of Caregivers

The work of caregivers can often be a labor of love. And all too often, that work is unpaid labor.

financial support for **f a m i l y caregivers** One study estimates that, in 2017, Maine residents provided 152 million hours of unpaid care, worth \$2.2 billion. **State Rep. Kristen Cloutier** (D-Lewiston) spearheaded legislation to address the issue.

As part of the state's plan to use American Rescue Plan funds, Maine will allocate \$5.1 million to implement a Family Caregiver Grant pilot program. The funding will increase the



Kristen Cloutier

number of families served by the Respite Care Fund, alleviate costs associated with providing in-home care of an adult, and provide a family caregiver grant to increase economic security for family caregivers.

Part of the funding will provide \$2,000 annual grants to caregivers who do not otherwise receive payment for caring for a person.

"This issue is personal for me. I was a family caregiver until my mom passed away in 2018 from Alzheimer's disease," Cloutier said. "It is time we finally recognize caregiving as the valuable work that it is. The Family Caregiver Grant Pilot Program is an important step in providing caregivers with the financial support they need and deserve, and I am so grateful that we will be able to use federal relief funds to run this pilot program."

Colorado Plows \$200 Million into Workforce Development & Education



Governor Jared Polis

Colorado Governor Jared Polis plans to use \$200 million from the American Rescue Plan to lift up Colorado workers. The infusion of federal funds "present a once in

a generation opportunity to improve our quality of life, invigorate our economy, and help our state recover faster and stronger than ever before," Polis said in 2021.

A portion of the funds, \$15 million, will go toward helping Colorado transition away from the coal industry and into a greener future with an additional \$5 million going toward rural economic development initiatives.

The state will also invest \$15 million in scholarships to help residents finish their degrees and another \$5 million to create career pathways into the energy sector.

\$200 million of investments in WOTKETS, clean energy industry, rural development, and education

"[The American Rescue Plan funds] present a once in a generation opportunity to **improve our quality of life, invigorate our economy, and help our state recover faster and stronger than ever before.**"

- Colorado Governor Jared Polis

Providence Promotes Youth Mentoring and Training Opportunities

Providence is using ARP funds to address youth violence through mentoring and job training programs. The city has allocated a total of \$4.6 million towards these efforts.

In the city's initial round of ARP funding, \$1.1 million was dedicated to youth mentoring programs, to both reduce youth violence as well as address chronic absenteeism in school, according to <u>WPRI</u>. Providence faced a <u>sharp increase</u> in chronic absenteeism, defined as missing 10 percent or more of school days, during the pandemic.

An additional \$1 million is going to year-round jobs for youth, while **Mayor Jorge Elorza** ensured an additional \$2 million in the city's <u>second tranche</u> of ARP funding

Mayor Jorge Elorza

\$4.6 million in funding for **y o u t h** mentorship **& training** went toward youth mentoring and youth jobs programs. Organizations such as the Refugee Dream

Center, Inspiring Minds, Boys and Girls Club of Providence, and many others, partnered with the city to provide youth jobs paying at least \$15 per hour.

"The youth jobs program of the City of Providence is a great investment to the city's future," Omar Bah, Executive Director of the Refugee Dream Center, said in a <u>press release</u>. "It is the best mentoring opportunity approach for our youthful population as it boosts their self-esteem, places them in a positive environment, and prepares them for professional life as they grow."

Spotlight:Phoenix Uses ARP Funds to Meet People Where They Are

Kate Gallego, mayor of America's fifth largest city, is using the one-time influx of funds from the American Rescue Plan to build a stronger, more resilient Phoenix, with an eye toward the future. From the beginning of the pandemic, Gallego's office has centered their response on a simple question: How can we get resources to our residents? Rather than have residents come to a centralized location for services, the mayor and her team brought the services to the community.

The mayor's office is particularly excited about an innovative, high-impact health program that grew out of the pandemic and is now being funded by ARP. Prior to COVID, much of Phoenix's health initiatives were led by Maricopa County. But as the pandemic began and worsened, Gallego and her team knew the need was so acute that they had to act, and act quickly.

The office created **mobile COVID testing and vaccination units** to bring services to areas where they can have a big impact. City officials partner with community leaders, such as pastors, to make getting COVID tests and vaccines as easy as possible. By working with and being invited into communities by trusted partners, the city is able to have a bigger impact



than going it alone. With ARP funding, the unit administered tens of thousands of COVID-19 tests and thousands of COVID-19 vaccines.

The city has used the same concept to initiate a **mobile workforce development unit**, allowing residents to get help with resumes in their neighborhoods, and even take part in Zoom interviews with potential employers.

Prior to the pandemic, Phoenix was already working on diversifying its economy with a look towards the jobs of the future. With ARP funds, the city is partnering with community colleges to make it easier for residents to obtain degrees and certificates for high-demand, high-paying jobs. After a tech firm recently chose Phoenix as the location for a new semiconductor factory, Gallego and her team worked with community colleges to provide the right kind of training so that graduates are prepared to get jobs at the semiconductor plant. The Rescue Plan is allowing Phoenix to offer **monthly stipends of up to \$1,000 to help residents who enroll in courses for high-demand industries**, such as technology and health care. The funds can be used to offset costs such as books and child care. And Gallego is particularly focused on ensuring single parents are able to participate.

ARP initiatives have also arisen from community input. For instance, the issue of child care came up repeatedly from both companies and city workers at the Phoenix airport. Given the 24-hour nature of business at the airport, the need for child care is not limited to traditional hours. In response to demand,

"The pandemic has been difficult for Phoenix, but it has also shown our resilience. **The American Rescue Plan is a once-in-a-generation opportunity to invest in the people of Phoenix.** We're meeting people where they are because we know that the best way to move into the future is together. Hand in hand, day by day, we will build a better future. Together."

- Phoenix Mayor Kate Gallego

Gallego's team returned to a similar theme: Meet people where they are. They are now working to create a child care center at the airport. As plans move forward, the city of Phoenix is providing vouchers to airport employees to help cover the cost of child care.

The city took the same approach with broadband (see case study on page 30), bringing highspeed internet access to students who need it most. In order to

help small businesses, the city is offering grants ranging from \$3,000 to \$10,000 to businesses that have been hit hardest by the pandemic. As of December 2021, <u>115 such grants</u> had been awarded.



Strengthening Child Care

Child care is critical for both a healthy, robust workforce in the present and a prosperous society for every generation of kids who follow. Nearly six in 10 children under the age of five participate in some form of child care. However, not all children have equal access to child care facilities. Before the pandemic struck, low- and middle-income communities, including many predominantly Hispanic neighborhoods, faced child care deserts, according to the <u>Center for American Progress</u>. Rural America has long faced severe shortages.

Once the pandemic started, child care centers closed at an alarming rate. One <u>analysis</u> showed that 7 in 10 child care centers closed or reduced their capacity by at least 50 percent in April 2020. By <u>December 2021</u>, roughly 28 percent of child care centers were still closed or at reduced capacity.

The pandemic exposed and exacerbated pre-existing inequalities. Closures during the pandemic disproportionately impacted non-White families. According to the same analysis: "In April 2021, an estimated 27.5 percent of White families were exposed to child care closures. In contrast, an estimated 37.6 percent of Black families, 40.1 percent of Latino families, and 42.4 percent of Asian families were exposed to child care closures."

The American Rescue Plan targeted child care facilities as one of the industries where assistance was needed. At the federal level, the <u>Biden-Harris Administration</u> released \$39 billion in funding for child care centers. In addition, ARP changed the tax code so the median family with two children under the age of 13 would receive \$8,000 towards child care expenses, compared with \$1,200 previously.

At the state and local level, elected officials have a great deal of discretion over where and how to spend ARP funds. They know the importance of child care and are working on creative solutions to help both child care providers as well as parents. Some are using scholarships to enable parents to afford child care, while others are providing grants to providers to hire skilled workers.

Stabilizing Child Care in Vermont

Child care providers in Vermont cheered the announcement of \$33.7 million from the American Rescue Plan to support their sector. Child care centers are "hanging on by their fingernails," Sarah Kenney, chief policy officer at Let's Grow Kids, a Vermont-based advocacy group, told the <u>VTDigger</u> in October 2021.

As of October 2021, roughly five percent of child care centers in the state had closed since the beginning of the pandemic, according to data from the state's Department of Children and Families. The number of regulated centers dropped to 1,125 from the pre-pandemic level of 1,181.

In October 2021, Vermont <u>announced</u> \$29.3 million for Child Care Stabilization Grants, funded by ARP in addition to the state and local recovery funds program. Eligible child care centers in Vermont could apply for the grants to help with a wide variety of costs to help them stay open. The grants provide an opportunity for child care centers to <u>cover</u> a wide range of costs, including rent, PPE, other equipment to



Lieutenant Governor Molly Gray

respond to the pandemic, mental health support for families and employees, and personnel costs.



As of February 2022, 942 child care programs, or nearly 80 percent of eligible programs, had applied for stabilization grant funding according to Let Kids Grow.

The funding from the rescue plan came on top of investments the state had already made in the child care sector, including an increase of \$5.5 million for the state's Child Care Financial Assistance Program and an additional \$4.5 million for required IT upgrades. At last November's NewDEAL Leaders Conference, Lieutenant

Governor Molly Gray called out the imbalance in the current system as child care costs Vermont families more than \$20,000 a year even as the child care workforce earns near-poverty wages, and emphasized the importance of additional child care investments for Vermont to prosper.

"The pandemic highlighted the essential role child care centers play in Vermont's economy. With smart, focused investments, **we will ensure families have access to the care they need**, and that child care centers have the resources necessary to help the next generation thrive."

- Vermont Lieutenant Governor Molly Gray

Additional Case Studies

Michigan Invests \$1.4 Billion Ensuring Access to Child Care for Working Families



Lieutenant Governor Garlin Gilchrist II

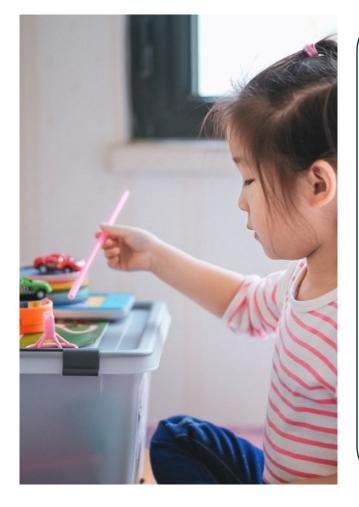
Through grants to child care programs, bonuses to child care professionals, and other initiatives, the State of <u>Michigan</u> invested \$1.4 billion to expand access to quality, affordable child care for more working families. A crucial portion of the funding to ensure the child care industry can recover from pandemic hardships has come from the American Rescue Plan.

The state approved nearly 6,000 applications for aid from child care centers programs, totaling more than \$350 million. The average grant to a licensed child care center was more than \$100,000.

Gov. Gretchen Whitmer and Lt. Gov. Garlin Gilchrist know that child care professionals needed

additional assistance too. The state is spending \$30 million to provide bonuses of up to \$1,000 to more than 38,000 child care workers.





"As a father, I know how critical affordable, convenient, reliable childcare is for Michigan's working families. No parent should have to miss work because they don't have a place to take their kids. Governor Whitmer and are committed to boosting access to affordable child care across Michigan. Our investments in childcare will boost our economy, help Michiganders get back to work, and make a critical difference for future generations."

> - Michigan Lieutenant Governor Garlin Gilchrist II

Columbus, Ohio, Bolsters Access to Child Care



Council President Shannon Hardin

President Pro Tem Elizabeth Brown **Columbus City Council President Shannon Hardin and President Pro Tem Elizabeth Brown**, along with Mayor Andrew Ginther, announced their plan to use \$3.5 million

from the American Rescue Plan to give bonuses to child care center workers, as well as scholarships to families.

Half a million dollars will go towards \$1,000 signing bonuses for new child care workers, helping



the industry find and retain much-needed staffers. The city will put another half-million dollars towards an outreach campaign to recruit workers for the

industry. And the remaining \$2.5 million will be used for up to 250 scholarships for low-income families for child care services.

"Not only are these critical investments for the development of Columbus' youngest residents, but they give families the flexibility to earn more and build a better life," Hardin <u>said</u> announcing the funding.

Boise Looks to Reduce Obstacles for Child Care Workers

Through a combination of regulatory changes and funds from the American Rescue Plan, **Boise Mayor Lauren McLean** is making it easier for <u>child care</u> facilities to operate.

The city recently approved an ordinance change, allowing for temporary licenses for workers when they pass local and state background checks, permitting folks to start work before federal background checks are complete. City officials noted that it is rare for someone to pass the first two checks and fail the last one. Additionally, for the next two years, the city is footing the bill for license application fees for all new child care workers. Prior to the change, workers paid more than \$80 for a license application as well as up to \$50 for a First Aid and CPR class.



Mayor Lauren McLean

paving the way for new workers in child c a r e Recognizing that addressing the child care crisis is beyond a single solution, Boise plans to use ARP funds to invest in child care infrastructure on multiple fronts. Child care was identified as one of five top areas of need by community groups and residents during the city's ARP community engagement sessions. While ARP investment details will not be finalized until the city's grant application process is closed, the city expects to allocate funds for the physical development of child care facility space, in addition to further reducing barriers to employment for child care workers.

"We've heard from business leaders, families, and non-profit partners how important access to child care is for the wellbeing of our community," McLean's Director of Community Partnerships, Kate Nelson, told <u>BoiseDev.</u> "The City of Boise values our child care professionals, the contributions of working parents, and our children. ARP funds allow us to invest in early childhood education strategically for long-term impact."

Everett, Washington Aims to Expand Access to Child Care Facilities



Mayor Cassie Franklin

Mayor Cassie Franklin's <u>plan</u> recommends investing millions of dollars from the American Rescue Plan to expand access to childcare and early learning opportunities in Everett, Washington. The city could utilize up to \$3 million of the ARP money to repurpose city-owned facilities to catalyze childcare and early learning investment and offerings by local organizations.

up to \$3 million to

upgrade and

increase city

space for child

care facilities

Franklin's plan also supports childcare and early learning programs through the city's Everett Forward Grant (EFG) program, which is funded with ARP dollars. Grant awards will support lowincome childcare, co-op preschool opportunities,

the launch of a social enterprise training program for childcare workers, and the construction of a playground that allows a church to open its facility to weekday childcare.

Additionally, in February 2022, Mayor Franklin signed a ten-year lease of a

portion of the Everett transit station to provide year-round tuition-free pre-school to sixty 3 – 5-year-olds from low-income households. Franklin estimated that the provider is making a tenfold match of the city's \$700,000 investment, and she stressed the tangible economic difference that the partnership will make on the households served.

"[Funding from the American Rescue Plan] can change lives and lifetimes."

- Salt Lake City Mayor Erin Mendenhall

Salt Lake City Bundles Child Care, Job Training

Mayor Erin Mendenhall <u>announced</u> in October 2021 that she wanted to use \$10 million in federal American Rescue Plan funds to focus on young children. The funding would create "neighborhood centers" across the state's largest city. These

neighborhood centers for

child care,

job training,

and family

assistance

centers would be a combination of child care, job training, and assistance locations, enabling parents to receive services while their children are cared for. Mendenhall proposed a sliding cost scale where some residents could access the centers at no cost.



Mayor Erin Mendenhall

Funding from the American Rescue Plan "can

change lives and lifetimes," Mendenhall told the <u>Salt Lake Tribune</u> in October 2021. "We can make an impact that creates an intergenerational cycle of progress, a pathway that truly enhances equitable growth for our communities."

Strengthening Child Care | page 24

Spotlight: Worker Wellness Key to Colorado's ARP Plans

Governor Jared Polis and members of the Colorado legislature are using \$3.8 billion in funds from the American Rescue Plan to focus on the well-being of Coloradoans. Elected leaders are taking a wholeperson approach when it comes to recovering from the pandemic, ensuring residents are healthy and educated, with more security and opportunity than before COVID-19 emerged.

Colorado is spending \$51.5 million to help residents obtain - or finish degrees at either four-year or two-year institutions. A major portion of the funding is going to universities and community colleges to provide financial assistance and support to students "who have some postsecondary credits but stopped attending before obtaining a credential, and first-time students who were admitted" before the pandemic but dropped out during the pandemic. The goal of the program is to decrease student debt and increase student enrollment, retention, and completion of credentials.

The state is also working closely with community colleges to help retrain workers for the jobs of tomorrow. The state has a strong focus on training more health care workers, as well as helping retrain workers in the

coal industry for jobs in the green energy sector (see more about Colorado's workforce development on page 17).

The issue of behavioral health is a major concern of both Polis as well as Senator Brittany Pettersen (D-Lakewood), who chaired a legislative task force on the issue. Pettersen's committee recommended spending federal aid on a variety of **behavioral health initiatives**, especially targeting those who

are most vulnerable, including increasing access to rehabilitation and other inpatient care, and diverting people with behavioral health conditions to care instead of jail. In addition, a segment of the funding will address the needs of Colorado's Native American populations and of the state's youth, an issue of particular concern for Pettersen.

The pandemic has put a spotlight on and intensified the mental health crisis in Colorado, like it has all over America. Determined to address the issue, Pettersen has highlighted the "unacceptable" and tragic 60 percent increase in suicides among young people.

Even before receiving ARP funding, Polis hired a Behavioral Health Commissioner to help lead the state's efforts in the area. The federal infusion of funding will "really put meat on the bones" of these programs, according to

Senator Brittany Pettersen

Polis' office. ARP funding will allow the state to hire more behavioral health workers, increase the number

Governor **Jared Polis**





of beds for behavioral health issues, and support providers, particularly those serving children and youth.

In order to help the state continue to recover from the COVID-related economic downturn, Colorado is intent on **becoming a leader in modular housing**. The state is home to many modular housing companies, many of which are small businesses and located in rural areas of the state. By helping these businesses, the state both invests in a growing industry, as



Representative Dylan Roberts

well as increases the supply of affordable housing.

More broadly, the legislature's affordable housing task force, chaired by **Rep. Dylan Roberts** (D-Eagle) "We are working hand-in-hand with local governments, nonprofits, and developers so we can use this federal funding to create transformational change in affordable housing here in Colorado. Our teachers, nurses, police officers, and entire workforce deserve an affordable place to call home, and we're using all the tools at our disposal to make that happen in our state."

- Colorado Representative Dylan Roberts

recommended an investment in a revolving loan fund, resident-owned communities, and other assistance on both the supply and demand side of the crisis.



Expanding Access to Broadband

Access to reliable high-speed internet is becoming more and more of a necessity for Americans, not a luxury. Students need high-speed, reliable internet to complete homework assignments and learn the skills necessary to compete for tomorrow's jobs. And increasingly, America's workforce relies on high-speed internet at home for video calls and working from home in general.

Yet not all Americans have access to affordable high-speed internet. Before the pandemic, 79 percent of White adults had <u>broadband access</u> at home compared to 66 percent of Black adults and 61 percent of hispanic adults. White adults were also significantly more likely to own a desktop or laptop computer compared to Black and Hispanic adults.

The digital divide has a particularly negative impact on education inequality. A June 2020 analysis <u>estimated</u> 30 percent of public school students live in a household "without either an internet connection or a device adequate for distance learning, or both."

As with other issues, the COVID-19 pandemic highlighted inequities that existed in past years. The "haves" were able to transition to working or learning from home while the "have-nots" struggled. A study of education and the digital divide in the Houston region by <u>Rice University</u> found 1 in 10 White parents reported challenges with internet and/or digital access compared to 1 in 3 Black families and 1 in 4 Hispanic families.

The American Rescue Plan is helping cities from coast to coast invest in broadband to bring about real, lasting impacts on all obstacles to high-speed internet access, capitalizing on how the pandemic has catalyzed momentum for long-needed change. Some areas are focused on large infrastructure projects to bring fiber optic cable to underserved communities, while other areas are using existing technology and infrastructure to bring about innovative solutions – all representing key investments on their own while also laying the groundwork for forthcoming funds from the Bipartisan Infrastructure Law.

In all cases, leaders are taking advantage of a unique moment to find long-term, equitable solutions to the digital divide.

Closing the Digital Divide in Brownsville, Texas

The year 2019 was a major turning point for Brownsville, Texas, for two reasons. First, the <u>National Digital Inclusion Alliance</u> named Brownsville, Texas, as one of the "Worst Connected Cities" in the country, noting two-thirds of households lacked high-speed (cable, DSL, or fiber) internet access. Second, **Trey Mendez** was elected mayor.



Mayor Trey Mendez

Soon after he was elected, Mendez made closing the digital divide one of his top priorities. Before the American Rescue Plan passed, he had already collected information on where the city needed to invest in infrastructure, and had a plan for long-term solutions like a fiber-optic network rather than hotspots.

In 2021, Brownsville allocated nearly \$20 million of ARP funds for its Middle Mile Broadband Initiative. The program will build

out <u>95 miles</u> of infrastructure to bring high-speed internet to homes throughout underserved areas of Brownsville. As the NewDEAL Forum noted in its <u>report</u> about broadband, these investments "add bandwidth and resiliency to existing networks, reduce costs to consumers, and help cities develop the infrastructure needed for last-mile projects."



The initiative should be completed in 2023, and could turn a profit as soon as five years after completion. But profit is not the primary goal.

"[T]his initiative will ensure that the City of Brownsville stays connected in today's globalized economy," Mendez told <u>Texas Border Business</u> in July 2021.

"[This initiative's] impact will be felt immediately by local businesses and echo for generations to come as more of our children **break education barriers through literacy and access to information**."

- Brownsville Mayor Trey Mendez

Additional Case Studies

Maryland Establishes Office of Statewide Broadband



Delegate Brooke Lierman

Maryland established the <u>Office of Statewide Broadband</u> in 2021, thanks to legislation championed by **Delegate Brooke Lierman**. With a major boost from American Rescue Plan funds, the office assists local governments by making resources available to help cities reach those still unconnected or struggling with poor connectivity.

For example, the office offers grants between \$50,000 and \$10 million to local jurisdictions to extend existing broadband service to unserved areas.

The state office defines what is considered high speed but allows local governments to determine how they want to expand their network. Local

governments can pursue partnerships with local providers or build their own network with fiber cables, hotspots for a mesh network, or other solutions.



Adapted from the NewDEAL Forum Broadband Task Force report, Bridging the Digital Divide.

Santa Cruz County Brings Broadband to 4,000 Rural Residents

Santa Cruz County, California, is using the American Rescue Plan to bring broadband internet to thousands of rural residents.

County Supervisor Ryan Coonerty spearheaded the <u>approval</u> of \$500,000 in ARP funds to increase the reach of a program that started at the beginning of the pandemic. Prior to ARP funding, a local ISP provider, Cruzio, began working with community donations to bridge the digital divide with a focus on ensuring children had internet access during days of school closures. The program had worked to ensure every unit of a local farmworker housing project had access to broadband internet.

With the American Rescue Plan, the county will install 20 new antennae throughout the county, expanding the reach of the program.



County Supervisor Ryan Coonerty



As a result, 4,000 rural residents will have access to high-speed internet. Coonerty emphasized the importance of the investments for residents whose incomes are below the federal poverty threshold and those in the southern part of the county.

Phoenix Connects 250,000 Families



Mayor Kate Gallego

Using a combination of city and federal funds, including funding from the American Rescue Plan, Phoenix launched an initiative to connect 250,000 families to high-speed internet.

The Phoenix Digital Education Connection Canopy, or PHX DECC, launched on September 1, 2021. Alhambra Elementary, Cartwright Elementary and Phoenix Union High School are the first schools to benefit from the program, according to <u>KJZZ</u>. The innovative wireless solution uses existing technology, rather than reinventing the wheel, to enable schools to provide internet to some of Phoenix's underserved communities.

"Children will no longer need to sit in library parking lots or coffee shops to access high-speed broadband to do their homework," Councilmember Laura Pastor <u>said</u> in a statement. **Mayor Kate Gallego** called PHX DECC a "cost-effective, collaborative, digital divide solution we're proud to champion."



Santa Ana, California Analyzes the Digital Divide

Santa Ana will spend \$3.5 million from the American Rescue Plan to <u>understand</u> and then address the digital divide. Recognizing that the city's most disadvantaged



residents and businesses were particularly hurt from the gap in access during the pandemic, the city first wants to understand where the divide exists.

After a citywide survey to better understand where the gaps are, the city will explore the best solutions to bridging the divide.

The city is also using ARP funds to improve its own website and city app to provide better services for residents.



Mayor Vicente Sarmiento

"This is kind of a once-in-a-century type of thing. We can hopefully make it a real transformational moment where we address some legacy problems and reinvent the way we do business in the city and really change the lives of our residents meaningfully."

- Santa Ana Mayor Vicente Sarmiento



About the NewDEAL

The NewDEAL is a national network of over 180 rising state and local elected leaders who are pro-growth progressives. Our mission is to bring together leaders focused on expanding opportunity and to help them develop and spread innovative ideas to spur economic growth that is broadly-earned and sustainable. We do this by connecting the NewDEAL Leaders with each other to exchange ideas, and connecting them with other pro-growth progressive political, policy, and private sector leaders.

The network includes our Honorary Chairs, Senator Chris Coons (DE), Congresswoman Marilyn Strickland (WA-10), and Mayor Steve Benjamin (Columbia, SC).

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