



# ADVANCING EQUITY AND ALIGNMENT DURING IMPLEMENTATION OF THE AMERICAN RESCUE PLAN ACT

June 2021

## CONVENING HIGHLIGHTS

On May 18, 2021, the Funders Forum on Accountable Health brought together about 30 individuals representing state and local government, public health, health care, social and human services, philanthropy, community advocates and organizations, and community development financial institutions to discuss how best to advance equity and alignment across sectors during implementation of ARPA (and related funding opportunities).

The COVID-19 pandemic uncovered underlying issues in American society that have been festering for a long time: from systemic racism that resulted in the disproportionate impact of the pandemic on communities of color to underinvestment in public health, social services, and the economic safety net. With passage of ARPA, the nation is seeing a level of reinvestment in communities not seen since the New Deal and the Great Society. With this comes a once-in-a-generation opportunity to reshape our communities.

The meeting began with the validation of certain assumptions:

**Community health and well-being are achieved through a multisector approach.**

Partners should not be limited to health care and public health but crosses a range of sectors from social services and education to housing and community development. The pandemic demonstrated the interconnectedness of these sectors — public health interventions were dependent on all sectors, especially social services, in order to be adopted and effective. Yet, while most sectors are seeing dedicated investments in the post-pandemic period, rebuilding the social services safety net is often absent from the discussion.

**People don't live in silos, but government programs and funding often do.** The major new investments across sectors provide an opportunity to break down silos without creating a zero-sum game. Indeed, all levels of government should be developing coordinated strategies and decision-making about how all new federal funding is spent. Such spending should be aligned with existing programmatic funding at all levels of government as well as with philanthropy and community development financial institutions.

Hundreds of billions in federal relief and recovery funds — including the American Rescue Plan Act (ARPA), CARES Act, and fiscal year 2021 budget — present an unprecedented opportunity for cities, counties, and states to build more equitable communities. These funds should be invested based on community-driven priorities and comprehensive strategies that support all sectors that contribute to healthy, equitable, and resilient communities.



**ARPA funding allocations should be coordinated.** Most government officials are paying closest attention to the \$350 billion in fiscal relief funds flowing to state and local governments because of both its size and its flexibility. These funds should be spent in coordination with other elements of ARPA and other new investments. For example, while the Treasury Department's interim rule for the fiscal relief funds mentions rebuilding public health systems, there are additional funding streams within ARPA and elsewhere that could also expand public health capacity. Similarly, ARPA funds may be used for public works infrastructure, yet additional funding in this area may also be forthcoming from other initiatives, which could permit focusing ARPA funds on health and social needs.

**Community leadership is critical for lasting change.** Resiliency is built by and with communities; lasting support for structural change requires community and resident engagement. Sharing power with community residents is one way to address systemic racism and, more broadly, may help rebuild trust in government that has been lost during the pandemic.

## MOVING TO ACTION

Translating these principles into action is not easy. However, our discussion resulted in identification of a number of important considerations:

**Federal leadership:** The federal government must provide leadership and the vision for how this funding can drive a comprehensive strategy for community health and resiliency. Even though funds are being distributed quickly, federal leaders can still incentivize and model a desiloed approach.

- The White House and key federal agencies can articulate their vision for how these funds can build resiliency, perhaps by suggesting particular foci for investments.
- As part of defining the vision, the federal agencies can show states and localities pathways to sustainability for key initiatives, either through changes in mandatory spending programs or commitments to ongoing investments through the regular budget process.
- To encourage cross-sector thinking, the federal government can provide meaningful guidance on how ARPA funds and underlying programmatic funds can be braided to best meet the goals of locally developed strategies.
- The federal government should invest in supporting technical assistance and learning communities for states and localities as they take on this more complex mission — including assistance in strategic planning, developing broad strategies to braid funding and achieve sustainability, and building community engagement into their decision-making.
- Through ongoing guidance and reporting requirements, the federal government can ensure that new funds are building on existing programs through maintenance-of-efforts requirements, that there is genuine community engagement in decision-making, and that prioritization for spending is data-driven.

**Community orientation:** The real design and implementation of these programs will occur at the state and local levels. Even where preliminary allocations have been made for fiscal relief and other funds, there are still opportunities to embrace community-oriented approaches to implementation. Indeed, with the extended time frame for spending the fiscal relief funds, there will be multiple opportunities to revisit priorities as post-pandemic needs become clearer (and potential new funding in the area of jobs and families also becomes available).

- While funding will be coming in silos, states and localities can create or leverage intermediary organizations or planning bodies to bring those funding streams together in a unified strategy — and then allocate out those funds to governmental and nongovernmental entities based on that strategy. These new (or enhanced) approaches can and should become established approaches to doing business beyond the recovery period. (One example of a coordinated strategy is that developed by [North Carolina](#), which articulates a broad set of goals that guide all spending.)
- Intermediary roles can range from planning to implementation of grants, with fiscal management either integrated into this process or separate. There are many existing models already in place, and several of them were discussed at our convening. States and localities should build upon and expand those local assets, ranging from community foundations and community development financial institutions to public health institutes, area agencies on aging, and accountable communities for health. All of them already play this role, to one degree or another, in communities across the country.

- o One model discussed at length was the health hubs established in New Jersey for just this kind of planning, coordination, and implementation across state and local governmental agencies and community-based organizations. The hubs are an evolution of the accountable care organization model.
- o It should be noted that for smaller jurisdictions with little or no experience managing federal funds, a fiscal intermediary could ensure appropriate management of these funds.

**Sustaining investments:** As states and localities develop their plans, they should also consider which elements of the investments will require sustainable funding beyond the recovery period. They should begin building sustainability plans immediately to ensure stable and predictable funding levels. Necessary policy changes (such as state plan amendments or revised managed care contracts under Medicaid) can take time to implement. This planning includes coordinating state policies that can sustain local initiatives.

- One example of this interplay is with the new focus on building the community health workforce. The federal government can initiate policy changes to enhance reimbursement through Medicaid, and states can submit a state plan amendment or change state Medicaid purchasing rules.
- Similarly, for other initiatives, federal and state guidance around braiding of funding could make management of recovery funds and sustainability through underlying funding easier for localities.

**Modernizing public health:** One key issue that arose during the pandemic was the need to modernize public health data systems, as well as the need to build better data systems in other sectors and permit interoperability among all of them. The federal government is making a large investment in public health data systems modernization (outside of ARPA). It will be critical to simultaneously invest in non-health sector data capacity to ensure the public health system does not remain siloed. This should be part of discussions at the federal level, including the ONC Public Health Data Systems Task Force, as well during state and local deliberations.

**An advocacy strategy:** A twofold advocacy strategy will be needed to accomplish this vision for a comprehensive, inclusive approach to recovery and building resilient communities. Elected and senior appointed officials at all levels will need to embrace this approach. And it will take strong advocacy to make sure that the right community voices are at the table when decisions are being made. Efficiency suggests building out existing tables, where they exist, rather than creating new ones. But it will take advocacy and leadership to change the culture of existing groups to be more inclusive in their decision-making. (These issues are outlined in more detail in a Funders Forum [issue brief](#).)

## NEXT STEPS

There is need for ongoing dialogue around these issues across and within sectors. The Funders Forum will continue to host such discussions, but there are also opportunities within sectors for leadership to stimulate action as well.

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