

A Framework for Assessing the Racial Equity Impact of the American Rescue Plan Act

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The Funders Forum on Accountable Health

The [Funders Forum on Accountable Health](#) is a project of the Department of Health Policy and Management at the George Washington University Milken Institute School of Public Health.

The Forum is a common table for the growing number of public and philanthropic funders supporting accountable communities for health initiatives to share ideas, experiences, and expertise. It is a shared venue for funders to explore potential collaborations and consider how to assess the impact of these investments over time.

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Overview

The Biden Administration has consistently identified racial equity as a North Star for rebuilding in the post-pandemic period, drawing on the demonstrable disproportionate impact that the pandemic has had on certain communities, especially people of color. The American Rescue Plan Act is delivering hundreds of billions of dollars in fiscal relief funds to state, local, and tribal governments to invest in responding to the impact of the pandemic in their communities and address the underlying racial and other structural inequities that the pandemic highlighted. These dollars come with significant flexibility; with flexibility should also come accountability. The Administration, taxpayers, and the American people must be able to know how the money is spent, how it relates to an assessment of community-identified priorities, and how it addresses the inequities exposed by the pandemic.

With that in mind, the George Washington University's Funders Forum for Accountable Health, in collaboration with the Georgia Health Policy Center,¹ convened a group of stakeholders, policy officials, experts, and thought leaders to discuss *how government recipients of American Rescue Plan Act funding can be held accountable for focusing on equity in their decision making and programmatic choices*. While the focus of this discussion was on the Rescue Plan funds--in particular the fiscal relief funding to states, tribes, territories, and localities--we sought to identify approaches that could be applied across other federal, state, and local investments in communities going forward. This paper reflects this discussion and is organized around two interrelated sets of ideas: (1) Principles and guideposts for an equity-centered decision-making process regarding these funds, along with reporting requirements that will help policy makers and the public understand if these principles have been adhered to; and (2) Policy changes and support systems that are needed to enable this approach.

The Biden Administration's Focus on Equity

The Administration has prioritized equity in response to the pandemic, which is operationalized in a variety of ways. It ranges from the immediate formation of the COVID-19 Health Equity Task Force to the interim final rule guiding the biggest and most flexible single investment in the American Rescue Plan Act, the \$350 billion in fiscal relief. The interim rule states:

[T]hese resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

¹ The Georgia Health Policy Center, in partnership with the George Washington University's Funders Forum on Accountable Health and with support from the Robert Wood Johnson Foundation, lead the [Aligning in Crisis](#) project, which works to identify, synthesize, and disseminate cross-sector policy and implementation opportunities that facilitate recovery from the triple crisis of the COVID-19 pandemic, the resulting economic struggles, and the ongoing impact of structural racism.

To further clarify this intent, a Treasury Department [FAQ](#) addressing permissible uses of these funds lists among eligible services:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;
- Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;
- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
- Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and youth in foster care.

The interim rule and FAQs provide helpful guidance, but without a more detailed framework for what equity means and how these funds can best advance equity, as well as accountability and transparency, it will be hard for the federal government to know whether these equity goals are being addressed; similarly, communities won't have the tools to push their local governments to focus on equity. At the same time, given the flexibility states and localities have been provided regarding how to spend this money, finding a common set of metrics that can show a commitment to addressing equity remains a key challenge.

A Focus on Equity Requires a Focus on Structural Racism

The starting premise for this analysis is that individual equity metrics used in health programs, usually articulated around disparities, are no longer sufficient or appropriate for assessing equity. Indeed, as Risa Lavizzo-Mourey, Richard Besser and David Williams observed in the [New England Journal of Medicine](#):

Researchers and policymakers increasingly understand that health solutions must target manifestations of structural racism — such as barriers to economic mobility, access to high-quality education and health care, and access to high-paying jobs — and the policies that allow racial inequities to persist. Health systems researchers should continue moving away from focusing on health disparities and toward looking at root causes: systems of structural racism. Only by addressing underlying structures will we get closer to a day when a person's health prospects are no longer predicted by the social construct of race.

Addressing structural racism (and other structural determinants and drivers of inequity) requires doing business differently at all levels of decision making. Given the flexibility in the Rescue Plan Act’s funding streams, we offered the following questions to frame our discussion:

Should short-term equity metrics for these investments focus on: who is at the table when decisions are being made and whether the communities most affected by the pandemic are being empowered in this process?

The **accountable communities for health (ACH) [model](#)** provides a useful reference for envisioning how communities could more meaningfully participate in prioritizing community needs and allocating resources with a goal of advancing equity. Fundamental to the ACH model is to change how a community does business to advance health and well-being, ranging from who is at the table when decisions are made to who is funded to do the work. Indeed, some funders of the ACH model, while certainly hoping to see measurable changes in health outcomes because of an ACH’s work, also see a change in community power structures as an additional important outcome in and of itself.

I. Establishing Principles and Guidelines for Integrating Equity into Spending Decisions

State and localities have varied approaches to decision making. It is not our desire to impose a specific structure in a country where authorities and collaborations are so variable. But it is appropriate for the federal government to expect state and local government recipients to demonstrate that they have indeed adopted a process – and plan for outcomes – that reflects the importance of addressing equity.

- 1. Inclusive decision-making process.** The decision-making process should be inclusive of those who have been most affected by the pandemic and those who have the responsibility and capability to address the root causes of the inequities the pandemic demonstrated. Thus, the decision-making process must be multi-sectoral and multi-racial if the focus is to be on the social determinants of inequity.

The disparate impact of the pandemic on communities of color reflects both a failure to address the social determinants of health (which requires thinking across sectors) and the underlying structural racism in American society (which requires a multi-racial coalition to address). The pandemic also demonstrated, yet again, that there is a legacy of distrust toward government and other established decision makers, including those who sometimes assert claims to represent communities at risk, because in the past decision making about policies and funding have often lacked meaningful and authentic community input and transparency. This approach may take more time but is essential to genuine community participation.

Fundamentally, this is about how the decision-making table is set. Thus, accountability would include that the federal government require and/or state and local governments commit to:

- Demonstrating that a formal process for decision making about this funding is inclusive from the standpoint of race/ethnicity/language and the multiple sectors that can influence the drivers of inequities.
- Demonstrating that community representation (in particular those residents most affected by the pandemic) is diverse and inclusive and not limited to the traditional parties that have been part of decision making in the past.
- Demonstrating that broader community input has been sought during deliberations.
- Demonstrating that the decision-making process has been transparent and based on data drawn from all participants in the process.

2. Meaningful community engagement and participation. Community members and local community-based organizations must be supported in becoming meaningful participants in this new work. Government officials, representatives of larger organizations, and private sector leaders have this as part of their official paid duties. Community organizations often have limited staff and bandwidth. For community representatives, participation must be accessible (in terms of time and place, language and disability access, literacy, assistance with digital divide if virtual, child care, etc.) and must be financially compensated in a manner consistent with how other participants are compensated. At a minimum, there should be reimbursement for transportation and a stipend for participation.

Fundamentally, this is about the government investing in making community inclusion real. Thus, accountability would include that the federal government require and/or state and local governments commit to:

- Demonstrating that any decision-making body meets at times and places that are accessible for community residents.
- Demonstrating that there is appropriate compensation for participation in decision-making bodies.

3. Implementation of funding decisions. It is not enough to assure inclusiveness in planning; co-creation and co-implementation of spending decisions is also critical. The real equity impact of these funds will be determined both by the design of the plan and how that plan is implemented. This can start with an equity impact assessment² of all funding decisions but also must engage diverse community interests (e.g., community residents most affected by the pandemic, community-based organizations focused on removing institutional barriers, etc.) in actual allocation choices as well.

² There are a variety approaches to equity impact assessments, which are similar to the more established process of health impact assessments. The federal government could provide a menu of options for approaching this process.

Fundamentally, this is about making sure that traditional power structures are not reinforced in the allocation of funds. Thus, accountability would include that the federal government require and/or state and local governments commit to:

- Demonstrating how an equity impact assessment was done for all funding choices.
- Demonstrating how resident input – beyond community representatives on a decision-making body – was incorporated, using such techniques as participatory budgeting.
- Demonstrating that recipient organizations of funding are reflective of the demographics in the community, especially organizations that serve and are led by people of color.

4. Broadening the pool of eligible recipient organizations. Who is funded to do this work can be as important as what is funded. To advance equity, to assure that who is funded is reflective of the communities most in need, it may be necessary to fund different organizations than those traditionally supported with government grants. Some organizations may lack the experience and infrastructure to compete for these funds. Building the capacity of these organizations as they are asked to take on new roles and responsibilities will be essential to making an equity focus meaningful.

Fundamentally, this is about the government expanding the range of potential recipients in the interest of advancing equity and changing the power dynamics in a community. Thus, accountability would include a requirement that the federal government require and/or state and local governments commit to:

- Demonstrating that a diverse set of organizations have been funded, including organizations not previously funded that seek to protect the rights of and represent those most affected by the pandemic.
- Demonstrating that funding for infrastructure and technical assistance has been assured to organizations with less experience with applying for and managing government grants.

5. Government collaboration across agencies and with community. Responding to and rebuilding from the pandemic is implicitly and explicitly about multi-directional collaboration – across and between communities, sectors, and government. This means, for example, a change in how government does business across agencies, as well as how government agencies – individually and together – work with under-resourced communities and communities that have been marginalized. Government agencies must consult with and respond to the communities affected by the pandemic.

Fundamentally, this is about government writ large and individual agencies in the government doing business differently. Thus, accountability would include that the federal government require and/or state and local governments commit to:

- Demonstrating at the highest level of government, led by the chief elected official, and within each agency, that there is a designated lead for equity issues and for developing a

collaborative decision-making process with communities most affected by the pandemic and with private sector players.

- Demonstrating that there is a publicly available, timely, and independently operated source of information (e.g., website) to ensure transparency in the how the funds are being used.

II. **Providing Policy and Systems Support for Implementing Equity Principles**

States and local governments receiving federal funds have different capacities to engage in multi-sector and multi-racial collaborative decision making. All these governmental entities need support from either the federal government, community-based organizations, or both. Listed below are examples of many of the supports recommended for consideration.

Policy and Systems Supports

1. Create a real-time clearinghouse and community of practice for activities and practices directly related to implementation of this work. There are examples of states and local communities that are beginning to demonstrate the impact of making decisions using inclusive strategies. Specifically, they are demonstrating progress on the pathway to greater equity in their communities. Recognizing small advances can be important. These examples need to be shared so others see the potential for changing the status quo. A starting point for this work can be found in models such as [County Health Rankings and Roadmaps](#).
2. Provide tool kits for how to start the process for community engagement and equity assessment. Some states and local entities need a framework for how to begin the process of convening multisector stakeholders to identify priority issues and address them in collaboration with government and non-profit sector organizations. The [Urban Institute](#) has identified a number of such tools.
3. Provide training in communication, [racial healing](#), and building relationships across sectors; many states and localities need support in how to engage in constructive and effective conversations about structural racism.
4. Provide strong guidance and training to localities or community-based organizations who are receiving federal funding for the first time on managing federal funds, including basic accounting mechanisms that meet reporting standards. Government support could be provided to fiscal intermediaries who could manage accounting and reporting for newly funded organizations.
5. The Office of Management and Budget should issue guidance to provide greater flexibilities in reporting across federal agencies to encourage the braiding of funds to address needs at the state and local level. Recipients in geographic areas such as the Qualified Census Tracts designated by the US Treasury³ for receipt of funds need to be

³ See question 2.11 in the Treasury Departments [FAQ](#).

accounted for and included in an equity impact assessment. There may also be local entities that wish to collaborate on priority issues impacting their region.

6. Data systems need to be adapted for cross-agency and cross-program use. There needs to be a bigger infrastructure to accommodate pulling data from multiple sectors together. Communities of color are impacted by multiple sectors at once and data systems need to reflect this. In addition, data systems should enable the disaggregation of data.⁴
7. As the federal government provides state and local government with new funding to rebuild the public health workforce, investments should be tied to hiring those with lived experience and connections to the communities served. The public health workforce must be competent to support the multi-sector, multi-racial collaborations that are envisioned in this document.

Conclusion

Addressing the systemic inequities that drove disparate outcomes and worsened the impact of the COVID-19 pandemic in the United States is not a simple undertaking. No one set of initiatives or processes is going to solve the underlying causes. But it is our hope that if the types of processes, policies, and supports identified in this paper are broadly adopted – and if the federal government and the public hold states and localities accountable for implementing them – this once-in-a-generation investment in our communities may begin to see a shift to addressing the core drivers of inequities in the United States.

⁴ See report of the [National Commission to Transform Public Health Data Systems](#).