



Bryant University

HASSENFELD INSTITUTE FOR PUBLIC LEADERSHIP

MANAGING THE AMERICAN RESCUE PLAN IN RHODE ISLAND

June 2021

On March 11th, 2021, President Joe Biden signed the \$1.9 trillion American Rescue Plan Act (ARP) into law, securing approximately \$1.8 billion in funds for Rhode Island and its localities as a response to the coronavirus pandemic. Though decisions relating to *where* these funds are spent are critical, managing *how* the funds are spent is also important.

As Rhode Island's public leaders begin to plan projects and policies around these new stimulus funds, transparency and accountability are paramount. According to a May 2021 Hassenfeld Institute poll, 48 percent of voters do not trust public officials to spend the ARP stimulus funds wisely, whereas only 41 percent do. In order to restore confidence among voters, decision makers need to ensure there is a clear process relating to the planning, allocation, and oversight of funds from the American Rescue Plan.

The Rhode Island Foundation's "Make It Happen" initiative, which is developing guidance for the appropriation of unrestricted state-level ARP funds in Rhode Island, recommends that the process for investing ARP money must be driven by key principles, including equity, sustainability, and impact in order to fundamentally improve Rhode Island's economy and residents' quality of life.

The National League of Cities has also provided a set of considerations for policy makers to emphasize economic mobility through ARP funds. These considerations include using assessment and targeting to identify inequities and measure progress, providing clear communications to hard-hit communities, ensuring intergovernmental cooperation and coordination, prioritizing stabilization and jobs, addressing gaps in financial services, and being innovative with this one-time opportunity.

Best Practices

To provide transparency and accountability relating to ARP funds, governors, mayors, and legislators should create an open and systemic approach to identifying and analyzing potential policies. To do this, leaders must incorporate best practices such as:

1. Adopt metrics to accurately describe the cost and benefits of addressing issues being targeted by ARP funds;
2. Directly link proposed spending with program goals and objectives;
3. Monitor the implementation of projects and ongoing operations by agency; and
4. Use the bully pulpit to effectively communicate with stakeholders about project goals and progress. As the National Governors' Association advises, the establishment of priorities provides an important opportunity to build consensus.

Proposal for Implementation

Process is critical in ensuring effective management of ARP funds. In order to provide the public with confidence in how decisions relating to these funds are being made, the following types of activities should be considered at the state and local levels:

1. Chief executives should be required to submit a comprehensive 3-year ARP budget to their respective legislative bodies. The funding plan should set forth the principles driving the recommended allocation of ARP funds as well as the metrics to measure timely performance. This budget plan should be amended annually to reflect progress.
2. Identify a limited number of issues on which to concentrate. Success requires focus, and while financial resources are less of a constraint, the ability of leaders to implement, measure, and promote programs still is.
3. Ensure dedicated staffers and resources are available to manage ARP-funded projects. At the state level, these staff should be located within the Department of Administration, such as the existing Pandemic Recovery Office.
4. Issue public progress and financial reports to appropriate legislative committees, including finance committees and any committees established to monitor the use of ARP funds.