



American Rescue Plan Act

Ideas, Opportunities & Resources for
Virginia's Philanthropy Community

Summer 2021



**VIRGINIA FUNDERS
NETWORK**

Introduction

The American Rescue Plan Act (ARPA) was signed into law by President Biden on March 11, 2021, enacting one of the largest economic relief programs in U.S. history. Of the bill's \$1.9 trillion, nearly \$7 billion is designated for Virginia to help alleviate the pandemic's financial burden on residents and families; expand access to affordable health coverage; address students' learning loss and mental health challenges; provide assistance to small businesses and local governments, and more. About half of this historic investment – \$4.3 billion – has been allocated directly to Virginia's counties and municipalities – those local communities where Virginia's philanthropic organizations focus the majority of their work. The other half of the funding will be allocated by the General Assembly at its special session scheduled to start August 2, 2021. In addition to funds specifically designated for states and local governments, there are expected to be funds allocated programmatically through federal agencies for which many community-based programs may be eligible.

ARPA's investment in the Commonwealth has the potential to reduce pandemic-related hardships experienced by many Virginians and begin to set the stage for a strong recovery that benefits all. At the Virginia Funders Network, we believe that philanthropy has an opportunity to work in partnership with local and state government officials, as well as with business and nonprofit leaders, to support the equitable and strategic allocation of these public dollars and to improve and expand the quality of community resources available to help Virginians thrive.

The purpose of this document is to help philanthropic leaders:

1. ensure the allocation, distribution, and use of funds in the Commonwealth addresses top community needs
2. advocate for accountability and help to track and document the use of these public resources
3. leverage these public funds with foundation and corporate support and other private funds
4. build stronger relationships with government at all levels across the Commonwealth, and
5. enhance opportunities for all Virginians to thrive.

We've organized this document into three sections:

Part 1: Opportunities and potential barriers to an equitable recovery

Part 2: Ideas for ways that Virginia funders can be engaged in the equitable allocation, distribution, and use of ARPA funds in their local communities.

Part 3: Resources for funders, including templates, samples, and links for additional information.

We hope this resource guide is useful for you and your colleagues as you work to ensure that all communities and residents across Virginia have the resources they need to thrive post-pandemic.

In service,



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About Virginia Funders Network

VFN is a newly-established nonprofit membership association comprised of nearly 100 grantmaking organizations working to improve quality of life in the Commonwealth. Each year, our members invest more than \$250 million to support Virginia's most pressing community needs in areas such as education, health, housing, economic vitality, and social justice. VFN works to enhance the effectiveness of our members' work through networking, collaboration, learning, and leverage.

PART ONE: The Opportunity

The American Rescue Plan Act includes significant fiscal aid for states, territories, tribes, and localities through “State and Local Coronavirus Fiscal Recovery Funds.” Starting in June 2021, communities across Virginia will receive a combined \$4.3 billion in Fiscal Recovery Funds to be used for:

- *Economic relief* to remedy impacts of the public health emergency for unemployed workers, small businesses, and nonprofits
- *Broadband infrastructure*, including fiber optics, and encouragement of use of providers with less profit-pressure, such as nonprofits and co-operatives
- *Water and sewer infrastructure* with focused projects to improve access to clean drinking water and wastewater and stormwater infrastructure systems.
- *Modernization of cybersecurity*, including hardware, software, and protection of critical infrastructure.

Federal aid to state and local governments is intended to support various public health and economic responses to the pandemic. As the U.S. Treasury Department noted in its [April 2021 guidance](#), these funds cannot be used to offset revenue losses from legislative cuts to state and local taxes. Payments to states and localities will occur in [two tranches](#) spread across 2021 and 2022, with a December 2024 deadline to spend all funds.

What is an Equitable Recovery?

As the country navigates and recovers from the pandemic, the resulting economic crisis, and the social unrest around issues of race and politics of the past year, community leaders have an unprecedented opportunity to think boldly about community needs and opportunities and work to fix systems and policies that were broken and inequitable long before COVID arrived. The pandemic exposed and magnified economic and societal fault lines that have long fractured our nation. These chasms, such as disparities in education and access to quality affordable housing, good jobs, and social capital, often determine whether people are able to keep themselves and

their families safe, healthy, and financially secure. As the country, and Virginia, prepares to build back stronger, we cannot allow a return to the status quo. It is imperative that states and localities capitalize on this moment to assess whether their recovery policies are addressing or perpetuating inequities.

Applying an equity lens is a process for being deliberately inclusive of all people and perspectives regardless of income, race, gender, religion or ability. It analyzes the impact of the design and implementation of policies on communities and residents – especially our neighbors who have traditionally been underserved or excluded – and identifies and potentially eliminates barriers to ensure that all residents and regions can thrive. Of course, equity approaches should be tailored to meet local needs and priorities. With ARPA, philanthropy has an opportunity to engage community members in the design and implementation of programs and policies that will directly impact their lives and communities.

Opportunity: Broadband



Fiscal Recovery Funds represent an opportunity to think strategically about key community needs and priorities, and catalyze equitable, long-term solutions. For example, the COVID-19 pandemic has laid bare the impact of the digital divide. Broadband access is a necessity just like water, gas, and electricity. During the pandemic, students without access to broadband were negatively impacted in their ability to learn and advance academically. Without digital equity, many Americans will never achieve economic self-sufficiency.

Potential Barriers to Equitable Recovery

While there are many barriers to an equitable recovery, below are a few that funders are uniquely positioned to help address:

- *Lack of staff capacity:* The agencies administering these dollars, and the groups who may receive them, are likely overwhelmed with the challenges of the past year. They may not have sufficient capacity to develop and implement new strategies.
- *Hesitancy or unwillingness to take federal dollars.* Some jurisdictions may be concerned that Fiscal Recovery Funds will be unsustainable and may, therefore, be hesitant to take these dollars or to invest them in new ideas or programs.

- *Focusing solely on funding existing programs:* Now is the time to think ambitiously and creatively and to examine the status quo. Adding funding to existing government and societal systems that have historically excluded or underserved some Virginia communities will exacerbate the problem.

Leveraging public funds with philanthropic dollars can help to reduce barriers for individuals and families historically excluded from economic and social opportunities. In addition, philanthropy can serve as a neutral convenor and bring together diverse stakeholders to craft and implement inclusive policies and programs rooted firmly in fairness and justice.

PART TWO: The Role for Funders

Below are some tips to help Virginia funders get involved in the conversations about the allocation, distribution, and use of ARPA funds in their communities. Every funder can play an important role:

- *be informed* about what is happening in your community
- *have a seat at the table* with other partners as the use of funds are being discussed and decided
- *convene multisector community partners*, including those more proximate to the needs in communities to have important conversations
- *provide funding and support* to build the voice and power of community members and organizations who should have a seat at the table
- *help nonprofit partners access and leverage public dollars* by, for example, providing funding for research and evaluation and supporting capacity building efforts – especially related to grant writing and reporting, and/or
- *serve as a leader* in implementation of strategies.

Any steps, no matter how small, constitute a good beginning to what will be a long journey. The drivers of inequity are far-reaching and systemic. Many of the

approaches needed to comprehensively address disparities will require long-term investment at multiple levels. Advancing equity and inclusion is hard, but philanthropic leaders have a track record of tackling many of our country's most intractable challenges and have been presented with another key opportunity to improve quality of life for all of Virginia's residents through ARPA.

Leveraging Community Partnerships



During the pandemic, many funders across Virginia came together with business and nonprofit leaders and other stakeholders in their communities to help address emergency needs, including responding to the immediate health crises and addressing residents' basic needs for food, shelter, childcare, and broadband access. These relationships, forged during a time of crises, can now be leveraged as ARPA monies begin to flow to localities.

Prepare

The first step is to become educated about the opportunity and talk to other key partners about their interests.

- *Understand how much money is potentially coming into your community.* [Explore your locale's allocation.](#)
- *Know your community and its areas of greatest need.* Check your local government's [Comprehensive Plan](#). Is there a recent community needs assessment? Who are those persons most in need due to Covid-19 and the economic crisis?
- *Know how much money your locality currently spends to support those needs.* Check with your local government finance officer/budget to identify how funds are spent now on important community needs (e.g., health care and public health, housing, education, infrastructure).
- *Hold internal conversations to identify your organization's vision of community priorities and needs.* What are your recommendations for the best use of funds in your community, and how can your organization play a role in advocating for an equitable distribution of federal funds?
- *Identify strong partners and collaborations that could handle an influx of funds to address priorities.* Who are the agencies, organizations, and key partners in the community that can and should take a leadership role in addressing community needs?
- *Talk to potential partners about their plans and interests and identify possible areas of collaboration.*

Convene Partners

A powerful role that funders play is to convene key players. Foundations can use their influence to bring people together from across communities, sectors, and generations to develop thoughtful solutions and foster meaningful collaboration.

- *Provide thought partnership to state and local leaders.* As a neutral partner focused on the best for Virginia communities and residents, funders can ask what state and local officials need and how they can help. Building close relationships with the decision-makers and staff can lead to longer-term change.
- *Bring together local government and diverse community stakeholders* to identify populations and communities in need and how ARPA funds might best be used in an equitable way:
 - Topics might include upgrading public health services, providing assistance to people struggling to afford housing and utility bills, shoring up the state's unemployment system and replenishing the Unemployment Trust Fund, helping small businesses, and expanding broadband internet access to more Virginians.
 - Local and state collaboratives work best when they are able to leverage national funding with investments from the state and local public, private, corporate, and philanthropic sectors. The most effective collaboratives also draw on the reach and expertise of the nonprofit sector to move dollars to partners on the ground with speed and accuracy.
- *Identify capacity issues at the local level and lend support.* There might be gaps in the ability of organizations to handle the large influx of federal funds, especially after the past year of managing through the COVID pandemic and its economic consequences. What supports or technical assistance can funders provide to support organizations with capacity issues? What supports from the business community can funders foster, especially those supports that utilize their voice and expertise in addition to capital.
- *Organize/Participate in Community Investment Boards (CIBs).* Comprised of diverse community stakeholders, CIBs can provide advice, oversight, and evaluation of how these hundreds of millions of dollars are allocated and used. Including impacted communities in decision-making tends to produce the most optimal results, as human-centered and community-centered design helps avoid costly mistakes in the implementation of policy solutions.
- *Convene government, business, and community leaders across jurisdictions* (ex: Southwest, Hampton Roads, Northern Virginia, etc.) to discuss regional approaches to use of ARPA funds.

Advocate

Funders can play an important role in highlighting needs and shaping public debate on important social issues.

- *Urge officials to support the equitable distribution of funds.* The billions in federal aid coming to Virginia from the \$1.9 trillion American Rescue Plan will be the main topic of a special General Assembly session beginning August 2, 2021. The session will focus largely on what priorities should get top prioritization with unallocated federal dollars.
- *Advance equitable policies, both short- and long-term.* Equitable policies ensure that every community and resident receives the resources and supports they need to thrive. Funders can be a voice for the importance of distributing and using ARPA funds in a fair and just manner.
- *Support lawmakers in building the collective will.* Funders have the relationships and resources needed to build community participation, buy-in, and support. Collective long-term investments in our communities and infrastructure will ensure collective recovery from the crisis.

Leverage Funds for Greater Impact

Using funds wisely often involves knowing what other funding is available, and either adding to, or complementing those funds with additional resources.

- *Identify additional funding that can supplement ARPA allocations and expand community impact.* In 2020, Funders in the Hampton Roads area leveraged CARES Act pandemic funding and provided the last necessary funds to open a [regional homeless shelter](#), serving 14 cities and counties. This is just one example of ways funders can align giving and leverage public funding.
- *Build robust outreach operations* focused on publicizing available funding and resources. Maximizing the impact of ARPA funding will require that nonprofit organizations and area residents know about available funding and can navigate the processes needed to access it. The Community Foundation for Loudoun and Northern Fauquier Counties recently sent [this email](#) to nonprofits and faith-based organizations in their service area announcing available ARPA funding.

- *Provide technical assistance to communities.* Once priorities are identified, grantees and nonprofit organizations in the community may need assistance in implementing programs. Funders can help by providing funding, or technical assistance like communications support, assessment of evaluation resources, or data infrastructure. Funders may also be able to engage the local business community in these efforts.
- *Use more flexible and responsive grantmaking strategies to serve those most in need.* For example, foundations can loosen grant restrictions, provide more unrestricted funding, and reduce what they ask of grantees. Check out the [Trust Based Philanthropy Project](#) for more ideas and how-tos.

Example: Advocate & Leverage



ACT for Alexandria, the community foundation in Alexandria, created a [mini-grant program](#) to support local nonprofits' efforts to advocate for the prioritization of ARPA funds.

As the Alexandria City Council approves the use of ARPA funds, ACT plans to align the funding priorities of its discretionary Resilience Fund to complement and/or fill in the gaps from the city's allocations.

PART THREE: Resources

Community Engagement:

- [Opinion: Community Investment Boards for an Effective American Rescue Plan](#)
- [How to Leverage Federal Dollars to Advance Equity through Community Councils](#)
- [Equity and Voice in Local Government Budgeting](#)
- [Strengthening State and Local Economies in Partnership with Nonprofits: Principles, Recommendations, and Models for Investing Coronavirus State and Local Fiscal Recovery Funds](#)

Crisis grantmaking:

- [Center for Effective Philanthropy Funders Respond to Crises](#)

Education:

- [The Commonwealth Institute: Federal Aid for Schools](#)
- [Early Childhood Funders Collaborative: Strategic Grantmaking During an Unprecedented Opportunity](#)

Housing:

- [Funders Together to End Homelessness Racial Equity](#)
- [SEAP Rental and Eviction Policies](#)

Poverty & economic opportunity:

- [The Commonwealth Institute: Taking Stock and Looking Forward: Virginia's Economy and Policies to Build a Stronger Future](#)
- [EITC Funders Network: ARPA Resources](#)

Equity:

- [Sample Equity Roadmap for Philanthropic Funders](#)

Equitable recovery from COVID-19:

- [RWJF Health Equity Principles for Responding to, Reopening, and Recovering from COVID-19](#)
- [CBPP Three Principles for an Antiracist, Equitable State Response to COVID-19](#)

Health equity:

- [CDC Health Equity Resources](#)
- [RWJF: Achieving Health Equity](#)
- [House Joint Resolution No. 537: Recognizing that Racism is a Public Health Crisis in Virginia](#)
- [Why Discrimination is a Health Issue](#)
- [Virginia's health equity dashboards:](#)
 - [Equity in Action](#)
 - [Equity at a Glance](#)
- [RWJF on Race, Racism and Health](#)

Equity, climate and health:

- [Investing at the Frontline of Climate Change](#)

Sample Invitation to a Community Meeting

Use this invitation to bring together government, nonprofit, business, and other community leaders to discuss the strategic use of ARPA State and Local Coronavirus Fiscal Recovery Funds in your community.

Dear [INSERT NAME],

The [INSERT your organization's name] would like to invite you to attend a community meeting about the American Rescue Plan Act (ARPA) monies coming to Virginia and to our community. We will discuss what funds will be available in our county/community, and will talk about recommendations for allocating the funds so that all community members can thrive. Although you are already hearing about plans for some monies that are already starting to flow into the state and our area, there is still time and opportunity to impact how funders are distributed in our community.

[INSERT Meeting Location/Zoom Link]
[INSERT Date/Time]

Background

ARPA was signed into law on March 11, 2021 and \$130 billion in direct funding is coming to local governments across the U.S. to aid them in combatting the challenges created by the pandemic – including \$7 billion allocated to Virginia. ARPA funds can support strategic initiatives that encourage recovery while also accelerating progress towards long-range community goals. We are interested in using the opportunity to support and improve the quality of life of all members of this community.

During this meeting you will have an opportunity to learn more about ARPA funds and to provide input on the best use of those funds to meet our community needs. We are very interested in your input and encourage your attendance at this meeting.

If you have any questions before the meeting or during the process, please contact [INSERT name/email]. We hope you can join us!

Sincerely,

[INSERT NAME/SIGNATURE]

Sample Invitation to a Community Meeting

Use this invitation to bring together nonprofit and community leaders to discuss ways to ensure that individuals and families are aware of and can access the variety of cash assistance programs made available through ARPA. This language is based on an [event the Robins Foundation is hosting](#) for community leaders in the Richmond region.

Dear [INSERT NAME],

Many individuals and families in our community recently became eligible for critical cash assistance through the American Rescue Plan Act, but may not be aware of the resources available to them. Given the connection between this assistance and positive education, health, and other well-being indicators, it is critical we ensure individuals and families are aware of these opportunities.

The [INSERT your organization's name] would like to invite you to attend a community meeting about the American Rescue Plan Act (ARPA) monies coming to Virginia and to our community. During this meeting we will discuss what funds will be available in our county/community and will seek your input on recommendations for strategically allocating the funds to ensure that all our community members have what they need to thrive.

We will also discuss the best ways to support community members who need help accessing ARPA's tax credits and other individual and family benefits, including exploring what information and resources partners have now and what information and resources partners still need.

[INSERT Meeting Location/Zoom Link]

[INSERT Date/Time]

{INSERT Registration Information}

Background

ARPA was signed into law on March 11, 2021 and \$130 billion in direct funding is coming to local governments across the U.S. to aid them in combatting the challenges created by the pandemic – including \$7 billion allocated to Virginia. ARPA funds can support strategic initiatives that encourage recovery while also accelerating progress towards long-range community goals. We are interested in using the opportunity to support and improve the quality of life of all members of this community.

If you have any questions before the meeting or during the process, please contact [INSERT name/email]. We hope you can join us!

Sincerely,

[INSERT NAME/SIGNATURE]

Model Resolution

Adapted from the Southern Economic Advancement Project (SEAP)

MODEL LOCAL GOVERNMENT RESOLUTION REGARDING THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

Committing the [City/Town/County/Parish of _____, _____] to the strategic, equitable, transparent, and responsible use of American Rescue Plan funds.

WHEREAS, the COVID-19 global pandemic caused unprecedented health and economic impacts to communities worldwide and across the United States;

WHEREAS, the pandemic has resulted in a tragic loss of life, created long-term health impacts for many survivors, isolated our seniors, wreaked havoc on the mental health of millions, overburdened health care systems, and exacerbated many of the underlying vulnerabilities in our communities;

WHEREAS, the economic impacts triggered by the pandemic caused millions of jobs to be lost, thousands of small businesses to close, and in many instances resulted in those least able to afford missing work becoming the most exposed to infection;

WHEREAS, these severe and extended economic impacts have led to increased insecurity for local families who struggle to meet household expenses for housing, food, and basic utilities;

WHEREAS, the negative health outcomes from the COVID-19 virus have been found to disproportionately affect communities of color;

WHEREAS, the loss of jobs and income due to the pandemic's economic downturn have been borne to a greater degree by our most vulnerable lower income households;

WHEREAS, the measures taken to minimize the spread of the COVID-19 virus also caused significant disruption to the nature and form of our community's civic discourse, through limitations on public gatherings and forums;

WHEREAS, the ARPA was signed into law on March 11, 2021 in which the federal government has taken the heretofore unprecedented action to appropriate \$130 billion in direct funding to local governments to aid them in combatting the challenges created by the pandemic;

WHEREAS, the funds provided by the ARPA may be used for a variety of purposes related to rebuilding and strengthening our communities so long as the funds are spent by December 31, 2024;

WHEREAS, these ARPA funds will provide a significant one-time, supplemental resource for our local government to use for the benefit of our community;

WHEREAS, these ARPA funds can support strategic initiatives that encourage recovery while also accelerating progress towards long-range community goals;

WHEREAS, this [City/Town/County/Parish] is committed to using the opportunity created by the ARPA funds to uplift, support, and improve the quality of life of all members of this community;

NOW, THEREFORE, BE IT RESOLVED [BY THE MAYOR AND CITY COUNCIL/COUNTY COMMISSION OF CITY/TOWN/COUNTY/PARISH]:

1. The [city/town/county/parish] declares that in utilizing ARPA funds, priority shall be given to the following: supporting economic recovery for all with special emphasis to aiding those on the lower end of the wage scale, improving public health and safety, supporting local businesses and workforce development, increasing access to and improving the quality of public education, improving equity outcomes, and supporting the housing needs in our community.
2. The [city/town/county/parish] will seek community input on the use of ARPA funds, and will incorporate community perspectives in decision-making related to ARPA resources. Recognizing that true inclusivity often requires making an extra effort to obtain input from those in disadvantaged groups, a variety of methods will be used to engage with the citizenry.
3. The [city/town/county/parish] will commit to a high degree of accountability and transparency in the use of ARPA funds, and will provide regular and accessible information to the community regarding the allocation of ARPA funds to various uses.
4. The [city/town/county/parish] will commit to measuring outcomes and results from the use of ARPA funds, and will provide this information to the community proactively, using accessible platforms and communication tools.

This resolution having obtained the votes necessary for passage is hereby adopted on (date).

Attest:

On behalf of the [city/town/county] of _____, _____.

Acknowledgements

Special thanks to the VFN members and staff who made this resource guide a reality:

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- Patricia Mathews, Northern Virginia Health Foundation (Vice Chair)
- Robin Mockenhaupt, Virginia Funders Network
- Heather Peeler, ACT for Alexandria

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- Annie E. Casey Foundation
- Center for Budget and Policy Priorities
- Center for Effective Philanthropy
- Centers for Disease Control and Prevention
- Early Childhood Funders Collaborative
- EITC Funders Network
- D5: Growing Diversity, Equity, and Inclusion in Philanthropy
- Funders Together to End Homelessness
- Independent Sector
- National Association of Counties
- Robert Wood Johnson Foundation
- Southeastern Council on Foundations
- Southern Economic Advancement Project
- The Commonwealth Institute
- Trust-Based Philanthropy Project
- United Philanthropy Forum