

ARPA: a once-in-a-generation opportunity for community development

By Dylan Edgell

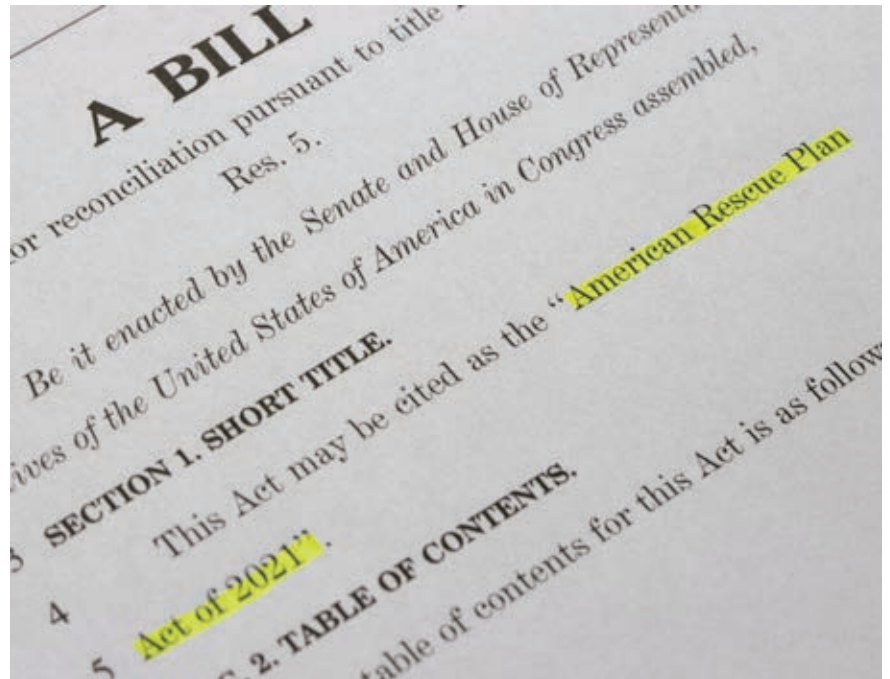
After a year of social distancing, wearing masks and constant Zoom calls, it feels like we are finally rounding the curve on the COVID-19 pandemic. Businesses are opening, vaccinated individuals can remove their masks and life is starting to feel “normal” again. Unfortunately, all this good news doesn’t address the damage that COVID-19 caused to local governments through decreased tax revenue and resources diverted to pandemic-related costs.

The American Rescue Plan Act (ARPA), signed into law by President Biden on March 11, guarantees direct relief to cities and towns in the United States to address needs created by the COVID-19 pandemic. The monetary effects of this bill will be arriving soon, so it is time for elected officials to start planning for those dollars to assist in recovery efforts.

In the coming months, Arkansas will receive \$2.81 billion to be split between the state, counties and municipalities. Cities and towns in Arkansas will receive an estimated \$440 million in total, with the first half of payments arriving by the end of this summer and the second half going out at least a year after the first payment. This funding is a once-in-a-generation chance to place investments in your community that will pay dividends for years to come. While firm guidelines are still being established, there are a few clear options on what community leaders can dedicate their ARPA funding to as well as best practices to ensure that this money is not simply spent but invested in your community.

Vital infrastructure investments

As we’ve seen over the past year, water, sewer and broadband infrastructure are essential to our daily lives. This is true with or without a pandemic, but the stresses on these systems were highlighted as more people began working or attending school from home and the need for sanitary water and sewer became increasingly important to avoid the spread of disease. One provision in the ARPA is specifically directed to these vital infrastructure investments and funds can be spent on projects



that address and invest in water, sewer and broadband infrastructure needs. With these ARPA funds and the state’s focus on broadband access, this is an incredible opportunity for cities and towns to make the necessary investments in their broadband infrastructure so that their community can compete in the 21st century.

Community growth

While some provisions from the bill are well defined, communities will have freedom in how they invest the funding and what issues they will prioritize. ARPA funds can be used to aid households, small businesses and nonprofits, or to assist impacted industries such as tourism, travel and hospitality.

One way to ensure that these funds are spent equitably and effectively is to create a committee of community leaders to guide the decision-making process. It’s important that these committees are as diverse as the cities and towns they represent and involve individuals from all major sectors including small business owners, educators, nonprofit executives, healthcare professionals and other citizens. Making these decisions through well-constructed committees will help ensure that the ARPA

funds address the unique needs of your community and are invested well for future growth.

Craig Wilson, director of health policy at the Arkansas Center for Health Improvement (ACHI), says that cities and towns should also start thinking strategically and creatively on how best to utilize these funds for public health and community development. “Communities can use these funds not only to address immediate needs related to the pandemic but also to make long-term investments in public health and economic prosperity,” he said.

Wilson went on to suggest possible projects including increasing law enforcement training on mental health crises, increasing public spaces to encourage outdoor activity and reduce congregating indoors, and employing community health workers to administer vaccines while training them to provide a path to post-pandemic careers.

As with the CARES Act funding municipal leaders received last year, it is important to remember

to document your city’s ARPA spending and to be intentional about where these funds are going, how it will impact your community and who will benefit from it the most. These funds do not have to be spent until December of 2024, so there is plenty of time for communities to strategically plan on how best to allocate these funds to set their community up for long-term success.

ARPA funding is also being distributed at the state and county level, so it’s important to coordinate with those leaders as well as the Arkansas Municipal League. Whatever your community’s needs, the ARPA offers an opportunity for recovery, refocus and growth in a positive direction. 🏛️



Dylan Edgell is the assistant director for the University of Central Arkansas Center for Community and Economic Development (CCED). Learn more about CCED at www.uca.edu/cced.

