American Rescue Plan Act (ARPA)

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law. It provides $1.9 trillion in federal stimulus funds to individuals and communities. It is a historic opportunity to recover from the COVID–19 pandemic and to make progress in advancing economic mobility in all communities. It is also the largest—ever investment of federal dollars to build state and local government capacity to use data and evidence to meet key outcomes.

The Biden Administration has signaled that it wants state and local governments to use all the tools available to make better decisions and maximize the impact from their $350 billion in ARPA funds. The Administration has provided significant flexibility, as well as the guidance and tools necessary, to invest in what works through ground-breaking executive orders, memorandum, U.S. Treasury Department interim guidance on State and Local Fiscal Recovery Fund use, as well as compliance and reporting guidance.
State and local governments should leverage the following five important provisions in the ARPA guidance to advance economic recovery, economic mobility, and racial equity.

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1. BUILD DATA & EVIDENCE CAPACITY

ARPA authorizes local, state, and tribal governments to use their ARPA funds to build and strengthen their data- and evidence-capacity.

IMPLEMENTATION TIPS

- Invest and build capacity by hiring data and evidence staff and teams, create infrastructure to better leverage data and evidence for procurement and decision-making.
- Consider replicating, adopting, and scaling the leading and promising examples of government evidence and data capacity efforts in Results for America's Local, State, and Federal Standards of Excellence.

Results for America’s local, state, and federal government standards of excellence have identified the following leading and promising data and evidence efforts that cities, counties, and states should consider undertaking with their ARPA funds.

1. **Evidence/Data Staff Leadership**
   - City Certified Example (Mesa), City Certified Example (San Francisco), State Examples (Data Leadership: CT), State Examples (Evaluation Leadership: TN), Federal Examples (Leadership)

2. **Research and Evaluation**
   - State Examples (Evaluation Policies: KY), Federal Examples (Research and Evaluation)

3. **Resources for Evaluation**
   - State Examples (Evaluation Resources: MN), Federal Examples (Resources)

4. **Performance Management/Continuous Improvement**
   - City Certified Example (Cambridge), City Certified Example (Cincinnati), State Examples (Performance Management: MN), Federal Examples (Performance Management)

5. **Data**
   - Budgeting for Equity (Austin and Philadelphia), City Certified Example (South Bend), State Examples (Data Policies: OH), State Examples (Data Use: IN), Federal Examples (Data)
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2. USE DATA & EVIDENCE

ARPA encourages local, state, and tribal governments to invest their ARPA funds in evidence-based solutions backed by strong, moderate or preliminary evidence including the specific dollar spending allocated to evidence-based investments in their Recovery Plans.

IMPLEMENTATION TIPS

- Implement evidence-based interventions identified by clearinghouses, such as Results for America’s Economic Mobility Catalog.
- Leverage results-based contracts to deliver better results and engage communities.
- Define and prioritize evidence in grants and contracts.

The ARPA Reporting and Compliance Guidance defines three tiers of evidence:

**STRONG**

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence.

This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

**MODERATE**

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions.

The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes or two or more non-experimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

**PRELIMINARY**

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes.

The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes or an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre-and post-test research that determines whether beneficiaries have improved on an intended outcome.
Results for America's Economic Mobility Catalog can help state and local governments invest ARPA funds in evidence-based, results-driven solutions in the following issue areas:

- **Education & youth development**
- **Health & well-being**
- **Workforce development**
- **Justice & public safety**
- **Housing**
- **Community development & financial security**
3. INVEST IN EVALUATION

Local, state, and tribal governments must identify if projects are being evaluated through rigorous program evaluation that are designed to build evidence. They are exempt from reporting on evidence-based interventions where a program evaluation is being conducted. For evidence-based interventions implemented, recipients must report on required performance indicators and programmatic data.

IMPLEMENTATION TIPS

- Invest in evaluations or other evidence-building activities to understand impact of programs or innovations and have the information needed to make future decisions.
- Collaborate with a diverse set of researchers, research institutions, and other organizations to conduct evaluations.
- Collect, publicly report, and leverage required performance indicators and programmatic data to support evaluation, including nationally mandated evaluations conducted by the Treasury.
- Engage residents and communities in crafting a learning or research questions.
4. ENGAGE COMMUNITIES

Encourages local, state, and tribal governments to seek and incorporate diverse community feedback from constituents, community based organizations, and the communities themselves in planning efforts.

IMPLEMENTATION TIPS

- Use opportunities outlined in guidance to strengthen partnerships between community-based organizations and government to collaboratively identify and work towards key equitable outcomes for families and communities.
- Use inclusive processes that provide meaningful engagement opportunities in implementation, especially for communities of color when decisions are being made that affect them.
- Support grantees, evaluators, and service providers from or representing communities of color by providing technical assistance where necessary in order to reduce barriers to participation.
5. ENSURE EQUITABLE OUTCOMES

Directs local, state, and tribal governments to develop and pursue equitable outcomes that prioritize economic and racial equity.

Recognizing the disproportionate impact of the pandemic-related recession on low-income communities, recipients must report whether certain types of projects are targeted to economically disadvantaged communities, as defined by HUD’s Qualified Census Tract.

IMPLEMENTATION TIPS

- Use data and evaluation to maximize programmatic impact and track whether or not programs are focused on closing gaps, reaching universal levels of service.
- Disaggregate data by race, ethnicity, and other equity dimensions to track equality of impact of funds.
- Prioritize racial equity in Recovery Plans and analyze the impact of investments in terms of impact on racial equity.