

## **Race and Equity Pocket Questions**

### **Title and purpose of this initiative:**

Town of Carrboro update on status of American Rescue Plan Act (ARPA) programming and expenditures to Council. This agenda item is to give Council an update on the status of ARPA funds distributed (\$6.75M) to the Town from the Federal Government, including:

- Background, Definitions, and Timeline to date
- Council approved programming created by department heads
- Graphic showing funds expended, funds approved for payment, and remaining projects and allocations
- Reporting guidelines
- Present next steps as defined by Finance Department

**Department:** Finance

### **What are the racial and equity impacts?**

The American Rescue Plan Act, signed into law by President Joe Biden on March 11, 2021, aimed to provide significant relief to Americans impacted by the COVID-19 pandemic. While the act addresses various aspects of economic recovery and public health, it also includes provisions aimed at addressing racial and equity disparities exacerbated by the pandemic.

Some key racial and equity impacts on the Town level (as opposed to individual implications including access to healthcare and expansion of the child tax credit) include:

- Direct relief to communities of color
- Support for education
- Housing assistance

Overall, the American Rescue Plan Act includes various provisions aimed at addressing the unequal impacts of the pandemic on communities of color and promoting equity in the recovery process. By targeting resources to those most in need and addressing systemic disparities, the Act seeks to mitigate the economic and social impacts of the pandemic on marginalized communities.

### **Who is or will experience community burden?**

Overall, while the American Rescue Plan Act provides significant funding to address the impacts of the pandemic, ensuring equitable distribution and implementation of these resources is crucial to minimizing community burdens and addressing systemic inequalities. Efforts to engage with and support marginalized communities directly can help ensure that the benefits of the Act reach those most in need.



TOWN OF CARRBORO • NC  
FACING RACE, EMBRACING EQUITY

Some groups or communities within the town that could carry unintentional burdens because of ARPA funding include rural communities (low Carrboro impact), undocumented immigrants, communities with limited or lack of internet connectivity, communities of color, the homeless population, and individuals with disabilities. It is the goal of staff and Council to recognize these potential burdens and mitigate the impact on these and other susceptible community groups.

### **Who is or will experience community benefit?**

ARPA is designed to benefit the community as a whole but was originally intended to target those individuals and groups that were disproportionately impacted by the COVID-19 pandemic. Prior Council and staff have worked through this lens to identify use of appointed dollars to serve the greatest need of those most impacted in Carrboro. Those designed to receive the greatest impact from ARPA funding in Carrboro include low-income families, small businesses, independent schools, healthcare providers and workers, public safety, and public transportation.

Broadly, the focus on ARPA spending should be addressing disparities of marginalized communities within town and promoting equitable recovery across society to benefit Carrboro as a whole.

### **What are the root causes of inequity?**

Definitionally, ARPA is aimed to identify and help to address root causes of inequity. These inequities are deeply entrenched in society and will not be fully addressed by ARPA intentions. Some key root causes identified by the Finance department include historic and systemic racism, income inequality, educational access, access to technology and interpretation of technology, environmental/climate injustice, housing insecurity, food insecurity, and limited access to healthcare in marginalized communities. The Town has identified projects with the ARPA funding to aid these areas of the community.

### **What might be the unintended consequences of this action or strategy?**

ARPA is a program designed to help communities deal with an unprecedented situation in world history during and following the COVID-19 pandemic. While the intent of the program is noble and course-altering for many municipalities, the Finance department has identified some potential unintended consequences, including:

- Dependency on municipality support after funds / loans / in-the moment financial mechanisms have been exhausted.
- Inflation with a significant infusion of “free” money into a local economy
- Conversely, increased federal government debt and the trickle-down impact to all US Citizens
- Asset inflation – inflation in non-everyday goods such as real estate and investments (stocks, bonds, cryptocurrencies)
- With any large amount of federal appropriation, a risk of fraud or misuse, whether intended or unintended



TOWN OF CARRBORO • NC  
FACING RACE, EMBRACING EQUITY

**How is your department planning to mitigate any burdens, inequities, and unintended consequences?**

The Finance department, greater Town staff, and prior and current Council members take the ability to recognize biases, burdens, inequities, and unintended consequences as the highest priority of effective and efficient distribution of ARPA funding to the community.

The Finance department has recommended the following strategies and directives to staff and Council to prioritize and distribute the ARPA funding of \$6.75M to the Town of Carrboro:

- Transparency and Accountability through identification of projects, selection of vendors/recipients of funds, and clear financial reporting after fund distribution
- Community engagement / support through all aspects of ARPA, from fund programming and implementation to showing results of the invested dollars to the community
- In addition to clear reporting, the Finance department also suggests developing processes to empirically evaluate the impact of ARPA funding across projects
- Spend dollars equitably and deliberately in the near-term, but encourage investments in programs that promote long-term sustainability
- Develop a program that offers comprehensive support for vulnerable populations within the Town of Carrboro mentioned above