

COVID-19 RELIEF



With Local ARPA Funds, Louisiana's Advocates Can Build a Lasting Recovery

By Jackson Voss

The first tranche of [American Rescue Plan Act dollars](#) have started [making their way](#) into state and local government coffers - and while the Louisiana Legislature has already appropriated approximately \$1.6 billion of its expected \$3 billion from the Rescue Plan, parish and municipal governments have only just begun conversations about how to spend their shares.

Local government decisions on how to spend federal rescue dollars should be guided by input from citizens. And this input should be guided by data and knowledge of the opportunities that exist. This brief aims to provide advocates with some guiding principles on how these dollars should be spent and local governments with some policy proposals for using federal recovery money wisely to build stronger, fairer local economies.

STATE AND LOCAL RESCUE PLAN FUNDING FOR LOUISIANA	
State	\$3,011,136,887
Parishes	\$902,973,736
Metropolitan Cities	\$589,077,802
Other Municipalities*	\$315,493,318
TOTAL	\$4,818,681,743

Source: U.S. Department of Treasury; *Also known as Non-Entitlement Units (NEUs), these are municipalities with fewer than 50,000 residents.

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For most local governments, this direct infusion of federal dollars presents incredible opportunities for communities all across Louisiana, particularly as the Rescue Plan funds come with a wide range of possible uses and fairly minimal limitations.

The [Coronavirus State and Local Fiscal Recovery Funds](#), authorized by Congress earlier this year, are primarily intended to achieve four goals:

- Supporting state-based public health efforts to end the spread of Covid-19 and distribute vaccinations;
- Replacing lost tax revenues for state and local governments and funding essential public services;
- Providing economic relief and stability to households and businesses;
- Addressing inequities that led to unequal public health and economic outcomes in 2020 - including by investing in frontline workers and in water, sewage, and broadband infrastructure.

Local governments will receive their funds in two tranches - the first tranche having arrived this past May and the second coming in May 2022. In addition to reporting requirements,¹ ARPA funds come with two limitations for state and local governments: (1) they cannot be used to finance tax cuts that would result in future budget cuts; and (2) they cannot be deposited into public employee pension funds.

Aside from these basic guidelines, requirements, and restrictions, city and parish governments will be free to spend their Rescue Plan funds in whatever ways they choose. Some localities across the country appear ready to [seek out and incorporate public input](#) on how the funds will be spent; others, [like New Orleans](#), are appointing commissions or committees that will make recommendations on ARPA spending. And some, such as [Lafayette](#) and [Shreveport](#), appear to be planning to treat Rescue Plan funds like a regular budget surplus, which will receive normal legislative or budgetary treatment but no additional process.

HOW MUCH MONEY IS COMING TO LOUISIANA'S LOCAL GOVERNMENTS?

A total of about \$903 million will be delivered to parish governments. In most parishes, the money will be allocated by parish presidents, parish councils, police juries, and other elected officials. Every parish except one (Tensas) will be receiving at least \$1.3 million - and 21 parishes will receive at least \$10 million over the next two years.

ARPA FUNDS TO PARISHES			
Parish	Amount	Parish	Amount
East Baton Rouge Parish	\$85,476,302	Iberville Parish	\$6,314,881
Jefferson Parish	\$84,006,695	Jefferson Davis Parish	\$6,092,866
Orleans Parish	\$75,780,898	De Soto Parish	\$5,334,366
St. Tammany Parish	\$50,583,338	West Baton Rouge Parish	\$5,140,516
Lafayette Parish	\$47,469,893	Allen Parish	\$4,977,744
Caddo Parish	\$46,656,811	Morehouse Parish	\$4,831,483
Calcasieu Parish	\$39,515,058	Sabine Parish	\$4,639,187
Ouachita Parish	\$29,772,649	Plaquemines Parish	\$4,505,745
Livingston Parish	\$27,346,613	Grant Parish	\$4,348,801
Tangipahoa Parish	\$26,175,162	Union Parish	\$4,294,220
Rapides Parish	\$25,182,604	Assumption Parish	\$4,252,070
Bossier Parish	\$24,675,836	Pointe Coupee Parish	\$4,220,798
Ascension Parish	\$24,591,343	St. James Parish	\$4,097,651
Terrebonne Parish	\$21,455,754	Richland Parish	\$3,908,463
Lafourche Parish	\$18,960,375	Franklin Parish	\$3,887,679
St. Landry Parish	\$15,951,624	Concordia Parish	\$3,740,835
Iberia Parish	\$13,563,659	East Feliciana Parish	\$3,716,749
Acadia Parish	\$12,051,514	Jackson Parish	\$3,058,087
Vermilion Parish	\$11,559,314	Claiborne Parish	\$3,043,714
St. Martin Parish	\$10,378,345	West Feliciana Parish	\$3,023,901

St. Charles Parish	\$10,314,053	LaSalle Parish	\$2,892,596
St. Mary Parish	\$9,585,270	Winn Parish	\$2,700,689
Vernon Parish	\$9,212,527	Bienville Parish	\$2,571,909
St. Bernard Parish	\$9,176,593	Madison Parish	\$2,127,103
Lincoln Parish	\$9,079,086	West Carroll Parish	\$2,103,601
Washington Parish	\$8,972,643	St. Helena Parish	\$1,968,022
St. John the Baptist Parish	\$8,320,585	Caldwell Parish	\$1,926,455
Avoyelles Parish	\$7,797,501	Catahoula Parish	\$1,844,098
Webster Parish	\$7,447,096	Red River Parish	\$1,639,760
Natchitoches Parish	\$7,411,744	Cameron Parish	\$1,354,424
Beauregard Parish	\$7,283,353	East Carroll Parish	\$1,332,669
Evangeline Parish	\$6,486,587	Tensas Parish	\$841,829
Total			\$902,973,736

Source: U.S. Department of Treasury

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Metropolitan cities (and parishes, in the case of Houma-Terrebonne) are any jurisdiction with a large enough population (usually over 50,000 residents). These jurisdictions are subject to more reporting requirements, but otherwise, the funds are not governed any differently from parishes and smaller municipalities. Thirteen cities in Louisiana qualified as metropolitan for the Rescue Plan allocations and will receive a total of \$589 million in funds.

ARPA FUNDS TO METROPOLITAN CITIES	
City	Amount
New Orleans	\$311,742,151
Baton Rouge	\$79,966,896
Shreveport	\$48,240,338
Lafayette	\$38,256,658
Houma-Terrebonne	\$23,348,003
Monroe	\$18,327,658
Lake Charles	\$16,918,986
Kenner	\$13,833,851
Bossier City	\$13,428,592
Alexandria	\$11,290,002
Hammond city	\$5,242,946
Slidell	\$4,757,764
Thibodaux	\$3,723,957
Total	\$589,077,802

Source: U.S. Department of Treasury

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Several of the parishes and cities receiving the most funding from the Rescue Plan Act in Louisiana are either fully or partially consolidated - meaning that, despite being allocated separately, these funds will be potentially commingled in municipal and parish budgets. This is the case in New Orleans, where the parish and city governments are one and the same, but will also be true for Baton Rouge and Lafayette,

where smaller municipalities within the parishes are somewhat or mostly independent, but the metro city budgets are not entirely separate from the general parish budgets.

ARPA FUNDS TO CONSOLIDATED GOVERNMENT	
Consolidated City and Parish	Amount
Orleans Parish	\$75,780,898
New Orleans	\$311,742,151
City-Parish Total	\$387,523,049
East Baton Rouge Parish	\$85,476,302
Baton Rouge	\$79,966,896
City-Parish Total	\$165,443,198
Lafayette Parish	\$47,469,893
Lafayette	\$38,256,658
City-Parish Total	\$85,726,551
Terrebonne Parish	\$21,455,754
Houma-Terrebonne	\$23,348,003
City-Parish Total	\$44,803,757

Source: U.S. Department of Treasury

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Unfortunately, the Treasury Department does not currently have a breakdown of how funding will be allocated to each small city, town, and village (NEUs) - but in total, they will receive \$315 million.

HOW ARE GOVERNMENTS PLANNING TO SPEND THIS MONEY?

Most local governments in Louisiana operate on a different fiscal year than the state - which means, in many cases, decisions on how ARPA dollars will be spent are now fast approaching.

Not all localities have announced their intentions, but several have.

- **New Orleans, Orleans Parish (\$387.5 million):** The City of New Orleans [established a task force](#) to offer recommendations on how ARPA funds should be spent by the city-parish government.
- **Baton Rouge, East Baton Rouge Parish (\$165.4 million):** Mayor-President Sharon Weston Broome seems to be planning to offer Rescue Plan [spending plans to the Metro Council](#), basically treating the funds as an ordinary budget surplus.
- **Shreveport, Caddo Parish (\$48.2 million for the city; \$46.7 million for the parish):** The City of Shreveport has been holding [listening sessions](#) throughout June to collect resident feedback on how Rescue Plan funds should be used. And Caddo Parish government is [collecting proposals on its website from parish agencies](#), which will be presented during budget hearings in August.
- **Lafayette, Lafayette Parish (\$85.7 million):** Similarly to Baton Rouge, in Lafayette (city and parish), the Mayor-President will be offering proposals to the City and Parish councils for consideration as part of the normal budget process. Additionally, the city council will be hosting a town hall on Wednesday, July 21 for city residents to learn about and suggest potential uses for ARPA funds.

For many local governments (and especially the smallest ones), the Rescue Plan funds will mostly have

to be used to plug budget holes, end furloughs, provide back pay, and restore disrupted services. While many governments did not lose as much revenue as was expected during 2020, there are still gaps that need to be filled.

But, especially for larger parishes and metropolitan areas, there could be large surpluses that - spent strategically - could greatly improve the lives and well-being of their residents. As such, advocates and activists looking to influence how Rescue Plan funds will be spent should rally around policy proposals and show up to city and parish council budgetary meetings over the summer and fall to ensure their voices and the needs of the people they represent are heard.

GUIDING PRINCIPLES AND POLICY RECOMMENDATIONS FOR EQUITABLE LOCAL RECOVERIES

Earlier this year, we presented [some guiding principles](#) to state policymakers for how they should allocate state Rescue Plan funding. But advocates operate from a different perspective than elected officials. We are not the decision makers; instead, we are the people looking to educate them. To help local advocates, we offer five guiding principles:

- 1. Prioritize proposals that help residents most in need.** Unfortunately, there is no shortage of people with needs, even as cases of Covid-19 continue to decline. This is no smart part due to the many Louisianans who were facing dire circumstances before the pandemic. But advocates can help by organizing around the needs of their most vulnerable neighbors, whether they be people in need of housing assistance or frontline and healthcare workers who still face the greatest threat of getting sick.
- 2. Demand that investments are aimed at correcting local racial and economic inequities.** Cities are often where we most clearly see racial inequity, whether in the form of segregation, divestment from public goods and services, or the legacy of policies like redlining. Whatever policies are adopted using Rescue Plan funds, advocates should fight to ensure they take into consideration racial inequities, as well as those related to gender, sexuality, immigration status, and more.
- 3. Infrastructure investment can mean more than asphalt.** Rescue Plan funds can be used on hard infrastructure - road repairs, drainage, broadband infrastructure, and so on. And in much of Louisiana, these are huge needs. But some cities and parishes may have a greater need for people to feed their families, keep a roof over their heads, or seek education and training to find a new job. Policies that help fulfill these needs are also a form of “infrastructure” - and advocates should make that case to local lawmakers.
- 4. Show up whenever, wherever, and however you can - but especially before votes are cast.** Decisions are made by those who show up; nowhere is that more true than in local government. Advocates can help affect the process by attending hearings and votes, and testifying when possible. But it is even more important to get as many members of your community to contact and persuade decision makers before public votes will take place.
- 5. Recognize that the work doesn't end with the Rescue Plan funds.** However funds end up being spent, advocates should see this as only a new starting point for our work. While many of us have been working on these issues for years, the Rescue Plan budgets will present an opportunity to bring more people into the advocacy process for the first time. Even if we do not get all that we want, we should use this as an opportunity to build a stronger movement for economic and racial justice in Louisiana.

Keeping these principles in mind, we also offer these policy recommendations, based on what other cities and states around the country have done; economic research conducted by organizations like the [Economic Policy Institute](#), the [National Employment Law Center](#); and guidelines provided by the [U.S. Department of Treasury](#).

- **Emergency pay raises for essential workers:** Rescue Plan funds can be used to provide essential workers with bonuses or temporary raises equal to \$13 an hour or no more than \$25,000 per worker as back-pay for their work during the worst parts of the pandemic. Essential workers were disproportionately Black, women, or low-income - as such, this emergency pay can not only serve as a reward for hard work, but help cities and parishes to address local inequities.
- **Restoring public services that were cut:** Many cities and parishes projected revenue shortfalls as the economy spiraled downward in 2020. As a result, many local governments began making cuts. Fortunately, many governments came out of the pandemic fiscally stronger than expected - but services may not have been fully restored. Lafayette, for example, [eliminated some positions relating to culture and recreation](#). Rescue Plan funds could be used to rehire those positions and return the services they offered to their communities.
- **Bringing vaccinations to people:** Louisiana [continues to lag](#) behind much of the country in vaccination rates, though there is hope that new promotions - [like the vaccine lottery](#) - will help. But local governments can do their part too. Several states and cities are utilizing Rescue Plan funds to help with vaccine distribution - such as [Maricopa County in Arizona](#) opening new health clinics to distribute vaccines. Local governments should consider options like door-to-door or drive-through vaccination efforts to help make it safe for our state to fully, and safely, reopen.
- **Enhancing and providing services for children:** Particularly as we enter the middle of summer - and with no way of knowing what things will look like when schools reopen this fall - local governments would be doing many families a big favor by investing in programming for children of all ages. [Rhode Island](#), for example, is making a number of investments in programs and institutions that serve children, from libraries to summer camps.
- **Keep people in their homes:** Even before Covid, many Louisianans were experiencing housing insecurity. As eviction moratoriums come to an end, there is a huge risk that people could start losing their homes. [Austin, Texas](#) has dedicated a substantial portion of its Rescue Plan funds on addressing homelessness, and is committing to a cross-jurisdictional effort to provide housing, rental assistance, emergency shelter, and workforce programs all aimed at keeping people in homes - efforts Louisiana cities could replicate on a smaller scale.
- **Address rising hunger:** There is an ongoing hunger crisis related to the Covid pandemic happening across the United States. Louisiana's local governments should use Rescue Plan funds to ensure that our neighbors are not starving. They can do this by supporting efforts to feed the hungry with Rescue Plan funds - whether that be food banks or groups that maintain [free community fridges](#).
- **Infrastructure that meets public needs:** Many cities will be tempted to use Rescue Plan funds on obvious infrastructure needs. One could hardly blame New Orleans, Baton Rouge, or Lake Charles for wanting to spend as much money as possible on improving drainage systems. But advocates should make sure these investments are made with public input, [as will be the case in Detroit, Michigan](#) and in [Shreveport](#). Some cities and parishes might need and want drainage; but residents of others may see a lack of public transportation options as more pressing. Advocates should try their best to elevate the needs of our most vulnerable neighbors before ground is broken on new infrastructure.

THE AMERICAN RESCUE PLAN HELPS - BUT THERE'S MORE TO BE DONE

State and local officials have an historic opportunity to invest in policies, services, and infrastructure that can change lives for the better. But this can only happen if people and communities have a real and lasting voice in the decisions made in their name.

ARPA funds coming to Louisiana will not be enough to solve every problem. Advocates should not see this as our only chance to accomplish a few key policy wins - it is an opportunity to start organizing communities for the foreseeable future. As advocates, we can use our parish and city budget sessions to help neighbors reconnect after such a long time being forced apart; to help people who may not have understood how important local government is to their lives get more involved; and to do everything possible to ensure those most in need will not be left behind. And in doing so, even if we do not succeed in every fight, we can start to build a movement that can not only help direct this extra funding now, but all funding going forward, towards the causes of economic and racial justice in Louisiana.

Endnotes

1 Governments will have to [report](#) how funds are spent, including: an interim report for expenditures by category by August 31, 2021 (for all but NEUs); a project and expenditure report for any projects and contracts worth \$50,000 or more by October 31, 2021 (submitted quarterly thereafter for state and metropolitan cities and annually for NEUs); and an annual recovery plan performance report starting August 31, 2021 (only for state governments).