City of Milwaukee

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Office of Equity and Inclusion

Nikki Purvis
Chief Equity Officer

October 11, 2021

MEMORANDUM

To: Honorable Members of the Common Council

From: Nikki Purvis, Chief Equity Officer
               Kate Pawasarat, Community Analytics Analyst

Subject: Common Council American Rescue Plan Act Proposals

Common Council File 210732 outlines a process for allocating funds received by the City of Milwaukee through the American Rescue Plan Act (ARPA). In this process, the Legislative Reference Bureau submits Common Council requests for ARPA allocations to the Office of Equity and Inclusion (OEI) for comment. The following is an overview of OEI's approach to integrating racial equity in decision-making and specific factors that we highlight for consideration during the Council's ARPA deliberation process.

One of the primary purposes of ARPA's Coronavirus State and Local Fiscal Recovery Funds is to "[a]ddress systemic public health and economic challenges that have contributed to the inequal impact of the pandemic." In Milwaukee, communities of color have overwhelmingly experienced disproportionate impacts in the areas of employment, housing, and health, among others. As the Council reviews and deliberates ARPA proposals, we encourage members to consider proposals that promote an equitable recovery.

I.   Use of a Racial Equity Tool

In 2019, the City of Milwaukee joined the Government Alliance on Race and Equity (GARE). In doing so, the city committed to addressing racial inequities by embedding best practices into our decision-making processes. One of the most widely recognized best practices for operationalizing racial equity in local government is the use of racial equity tools. A racial equity tool is a set of questions that incorporates racial equity into the decision-making process and provides a structure for institutionalizing racial equity considerations. The tool is both a process and a product and the earlier it is used, the more valuable it is.

With this in mind, OEI developed a racial equity tool for ARPA requests, which city departments used to develop and submit requests earlier this year. The tool includes four components:

1. *Set equitable outcomes:* What racial equity results or outcomes do you plan to see as a result of the proposal?

2. *Analyze data:* Does the proposal address an existing racial inequity or disparity? Will the proposal's benefits reach the most vulnerable/excluded/impacted groups? Does the proposal prioritize specific neighborhoods or geographic areas?
3. *Advance opportunity or minimize harm:* How does the proposal advance the achievement of racial equity? Who will this proposal help the most, who will it help the least, and who not at all? How can we address these limitations?
4. *Evaluate, communicate and be accountable:* What output and outcome measures will be used to assess the proposal and track progress? How will you use quantitative and qualitative data disaggregated by demographics to track outcomes for different populations?

At the Council's request, OEI developed an [online request form](#) for Council Members which included the same proposal information, racial equity tool, and budget details that city departments provided for their requests. However, the form which encompassed the racial equity tool was not adopted as part of the Council ARPA process, and the analysis documents that OEI has been asked to comment on make it difficult to determine how or whether racial equity has been considered during the development of the requests. To help address this, at least in part, we encourage the Council to consider the racial equity tool questions as it reviews and selects proposals for funding.

II.   Federal ARPA Guidance
In addition to OEI's racial equity tool, the federal government has provided guidance on incorporating equity into ARPA funding decisions. On June 24, 2021, the US Department of the Treasury released the [Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities](#) (ARPA Guidance). The document addresses several important equity-related topics including promoting equitable outcomes, targeting economically disadvantaged communities, and measuring performance.

a. Promoting Equitable Outcomes
The ARPA Guidance (pp. 24-25, section 3) provides direction on how to promote equitable outcomes and design programs with equity in mind. This includes how the city will consider and measure equity at the various stages of a program or service, including:
- *Goals*: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve within the city?
- *Awareness*: How equal and practical is the ability for residents or businesses to become aware of the programs or services?
- *Access and Distribution*: Are there different levels in access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?
- *Outcomes*: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions?

We encourage the Council to consider proposals that serve historically underserved, marginalized or adversely affected groups. Furthermore, we ask that as additional program design and service details are developed, they incorporate awareness and access considerations to minimize barriers to participation.

b. Targeting Economically Disadvantaged Communities

The ARPA Guidance (p. 17, section 3.d.) requires the city to report whether certain projects target economically disadvantaged communities. A project is assumed to target economically disadvantaged communities if the project funds are spent on:

- A program or service provided at a physical location in a Qualified Census Tract (QCT)
- A program or service where the primary intended beneficiaries live within a QCT
- A program or service for which the eligibility criteria are such that the primary intended beneficiaries earn less than 60% of the median income for the relevant jurisdiction (e.g., State, county, metropolitan area, or other jurisdiction); or
- A program or service for which the eligibility criteria are such that over 25% of intended beneficiaries are below the federal poverty line.

As the Council considers ARPA proposals and as additional program design and service details are developed, we recommend that program eligibility criteria and other program design elements consider how best to target economically disadvantaged communities. This is consistent with Common Council File 210368, which directs city departments receiving ARPA funds to prioritize funding and services in Qualified Census Tracts.

c. Measuring Performance

The ARPA Guidance (pp. 27-28, sections 9 and 10) provides information on mandatory performance indicators and programmatic data that must be included in reporting as well as performance measures identified for specific programs and services. Performance measures should include both output and outcome measures. The guidance also encourages local governments to provide data disaggregated by race, ethnicity, gender, income, and other relevant factors, to the extent possible.

In the analysis documents that OEI has been asked to review for Council ARPA requests, performance measures are included in several sections including "Desired Goals/Objectives", "Results Measurement/Progress", and "Tracking Metrics". In some cases, it is difficult to determine which of these are intended to be measurable outcomes. Additionally, several Council ARPA requests include multiple projects or programs which also makes it difficult to align performance measures to programs. As the Council selects ARPA proposals for funding and as additional program design and service details are developed, we recommend that output and outcome measures continue to be reviewed to ensure that they are distinguishable, realistic, measurable, and incorporate equity to the greatest extent possible.

III. Limitations

There are several limitations that impact our ability to meaningfully comment on the racial equity impacts of Council ARPA requests. Unfortunately, we have had very limited time to review the proposals. Additionally, after several attempts to comment on Council ARPA requests, we realized that doing so would prove to be difficult as many were in various stages of development – some are requests to fund or expand existing programs, while others are ideas for new programs that have not yet been designed. More importantly, providing comment on proposals is inconsistent with the racial equity framework and approach that OEI is taking to advance racial equity in city government and throughout Milwaukee. We hope that in the future, we are able to incorporate racial equity considerations earlier in the decision-making process, in a manner that allows all of us do the work of advancing racial equity together.