



## Stimulus Learning Session: Using ARPA Funds to Redesign Benefits and Advance Economic Mobility

*This Learning Series Recap summarizes lessons from state and local government leaders on how the American Rescue Plan Act (ARPA) can be used to transform benefits delivery. The insights come from sessions on [‘Benefits and Economic Mobility’](#) and [‘Guaranteed Income Programs’](#), hosted and facilitated by the Government Performance Lab (GPL) as part of its [Stimulus Learning Series](#).*

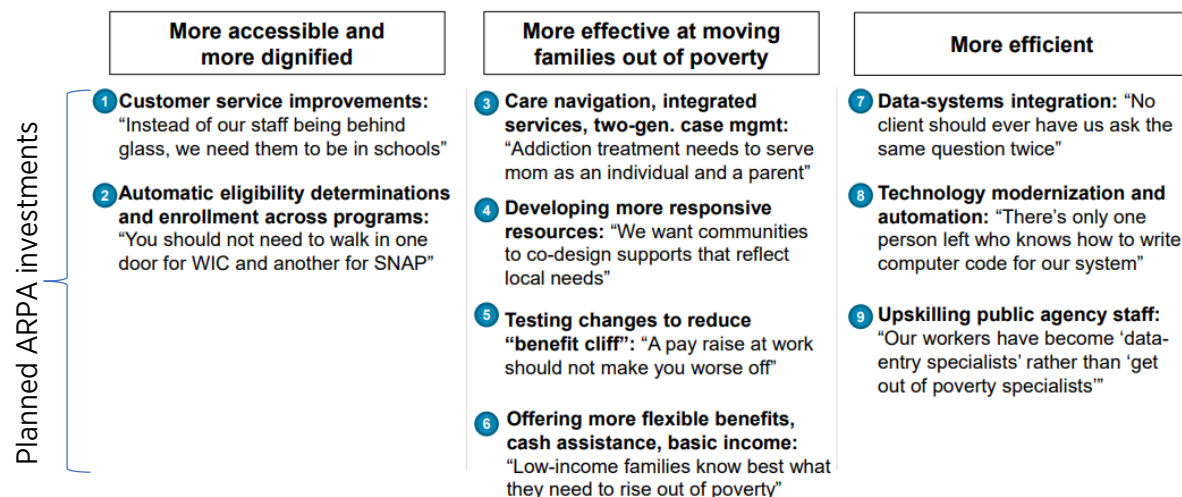
### Improving public benefit systems using ARPA funds

ARPA presents a once-in-a-generation opportunity to address systemic inequities laid bare by the pandemic and reshape public systems that support vulnerable communities. Recognizing this, state and local government leaders across the country are using stimulus dollars to reimagine public benefit systems, including food stamps, housing supports, child care subsidies, and cash assistance. Above all, ARPA funds offer a unique opportunity to tackle three major challenges of current benefit systems:

- *Barriers to access.* Current systems can be difficult to access and navigate, especially for marginalized communities, meaning families miss out on billions of dollars in benefits.
- *Ineffective supports.* Siloed programs do not address multi-faceted needs and supports that are meant to improve self-sufficiency sharply drop off as earnings are increased. Narrowly-focused, in-kind benefits are not empowering families to exit poverty.
- *Inefficient systems.* Outdated technology and burdensome administrative requirements make it challenging for public sector staff to offer responsive support.

In response to these challenges, leaders from state and local government agencies shared innovations they are testing using ARPA funds to redesign benefit systems in order to better serve vulnerable populations. Planned investments fall into three main buckets – expanding accessibility, offering more effective responses, and increasing efficiency – and include: improving customer service to reduce stigma, integrating services to meet needs holistically, testing more flexible cash transfer programs, and linking data systems to improve case management.

### You have told us about planned investments to make the benefits system...



## Examples from the field

### Improving economic mobility by addressing the ‘benefit cliff’ in Virginia

Virginia’s Department of Social Services is planning a number of ARPA investments to make the state’s benefit system more flexible to client needs, including rolling out whole-family assessments to co-create service plans, using automation and technology to improve the customer experience, and launching new pilots to enable economic mobility. For example, the state is designing a pilot program to smoothen the ‘benefit cliff’, a systemic barrier to economic mobility that occurs when higher wages (such as a raise) result in lost benefits that leave a family worse off. Virginia’s pilot program targets households receiving Temporary Assistance for Needy Families (TANF), and seeks to dramatically alter benefit levels so that families only exit TANF assistance once they have reached economic self-sufficiency.

*“We are here to help families live a life of dignity, to rise out of poverty and earn a living wage, and we need to do things differently in order to do that”*

- Duke Storen, Commissioner, Virginia’s Department of Social Services

### Reducing child welfare involvement through cash assistance in San Diego County, California

San Diego is planning to pilot three separate direct cash transfer programs using ARPA funds, including an initiative that allocates \$15M for families with children at-risk of entering the foster care system. While still in the planning phase, the County hopes to support approximately 1,000 families with up to \$800 dollars per month for up to two years. The County plans to build in a rigorous evaluation alongside the program, to determine whether this cash assistance has the expected effects of reducing instances of child neglect and preventing child removals.

*“One of the things we have historically heard from families is, ‘instead of removing my kids and giving the money out to caregivers or foster parents, why don’t you give that money to me? I can take care of my child if I just had the money to get out of this situation.’ ARPA has given us that ability.”*

- Alfredo Guardado, Assistant Director, County of San Diego Health & Human Services Agency

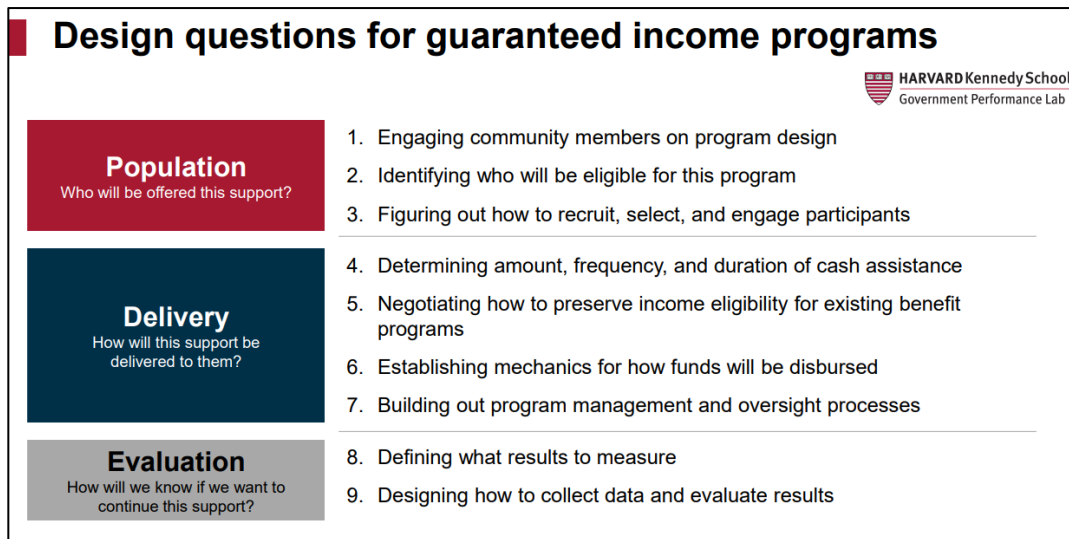
### Tackling food insecurity with a guaranteed income in Chelsea, Massachusetts

From Providence, Rhode Island to Columbus, South Carolina, to Long Beach, California - communities across the country are using ARPA funds to test direct cash payment models to meet the basic needs of vulnerable populations. Earlier in the pandemic, Chelsea, Massachusetts launched one of the largest pilots of guaranteed income in response to staggering levels of food insecurity caused by economic fall-out of COVID-19. The pilot provided 2,000 households (12 percent of the city) with \$400 per month on a Visa card for up to twelve months. Participants were selected through a weighted lottery, with anyone earning less than 30 percent of the area median income eligible and “extra points” given for certain vulnerable populations (i.e. families with small children). To reach this population, the City conducted extensive outreach, including going down long food pantry lines with an iPad to sign up people as they waited. (Learn more about the [Chelsea Eats Guaranteed Income](#) program here.)

*“The program’s been enormously successful in having our community develop more trust in local government - people are actually seeing the government trying to do things to address the situation as they live it.”*

- Karl Allen, Economic Development Planner, City of Chelsea

The Chelsea project provides insights for other jurisdictions testing guaranteed income as they tackle design questions related to the target population, delivery mechanisms, and evaluation criteria (see figure below).



### Building sustainable systems

Government agencies using ARPA, a one-time infusion of federal dollars, to fund major systemic change face challenging questions around sustainability. In particular, agencies are trying to figure out how to use ARPA in a way that creates lasting impact. So far, we have seen state and local government leaders plan ARPA investments to enable sustainable systems change in three ways:

- 1) **Investing in physical and human capital:** Agencies are planning on creating new technology platforms and investing in data analytics to permanently replace outdated systems, building new infrastructure that can be maintained over time, and upskilling staff to build internal capacity that lasts beyond COVID-19 recovery efforts.
- 2) **Demonstrating the case for future funding:** Agencies are aiming to prove out new programming to build political will and make the case for sustained local or federal funding, including through rigorous evaluation designs that demonstrate program results.
- 3) **Filling the temporary funding gap needed to build preventative systems:** Agencies are planning to use ARPA funds to build out preventative programming with community-focused care delivery, while still being able to maintain expensive, reactive programs they currently provide (and still need). Finding dollars to fund new up-stream prevention services at the same time as keeping current programs running has historically been challenging. ARPA's cash infusion can help bridge toward the future system, where hopefully agencies can start winding down expensive down-stream services, as up-stream preventative programs begin to work.

*The Government Performance Lab is grateful for support from Bloomberg Philanthropies, Casey Family Programs, the Corporation for National and Community Service Social Innovation Fund, the Dunham Fund, the Laura and John Arnold Foundation, the Pritzker Children's Initiative, and the Rockefeller Foundation. © Copyright 2021 Harvard Kennedy School Government Performance Lab.*