

A Community-led Recovery: How to Use Participatory Budgeting for American Rescue Plan Funding



OUR RECOVERY,
OUR PRIORITIES

OUR RECOVERY,
OUR PRIORITIES

THE AMERICAN RESCUE PLAN ACT

Congress passed the American Rescue Plan (ARPA) to support our communities during the COVID-19 pandemic. Using community-led decision making to distribute ARPA funds will help ensure investments match real community needs.

The American Rescue Plan Act is a historic opportunity to not only build back our communities and economy after the devastating COVID-19 pandemic, but also has the potential to address the deeply embedded inequities in access and voice in our democracy.

Practices like participatory budgeting can increase equity, access, and accountability in spending decisions, transforming and deepening democracy as we build back better. **Your community can and must have a say in American Rescue Plan Fund Allocation! Here's how:**

*Democracy Beyond Elections is a coalition of national, state and local organizations.
To see the full list of partners, check out: democracybeyondelections.org/partners.*

WHAT IS PARTICIPATORY DEMOCRACY?

Participatory democracy extends beyond community surveys, advisory committees and public forums by placing real decision-making power in communities. Participatory democracy includes many tools for community-led decision making, including participatory policy-making,

deliberative assemblies and referendums, and participatory budgeting. For the purpose of this document, we will focus on participatory budgeting as a central best practice for meaningfully engaging communities in budgetary decisions.

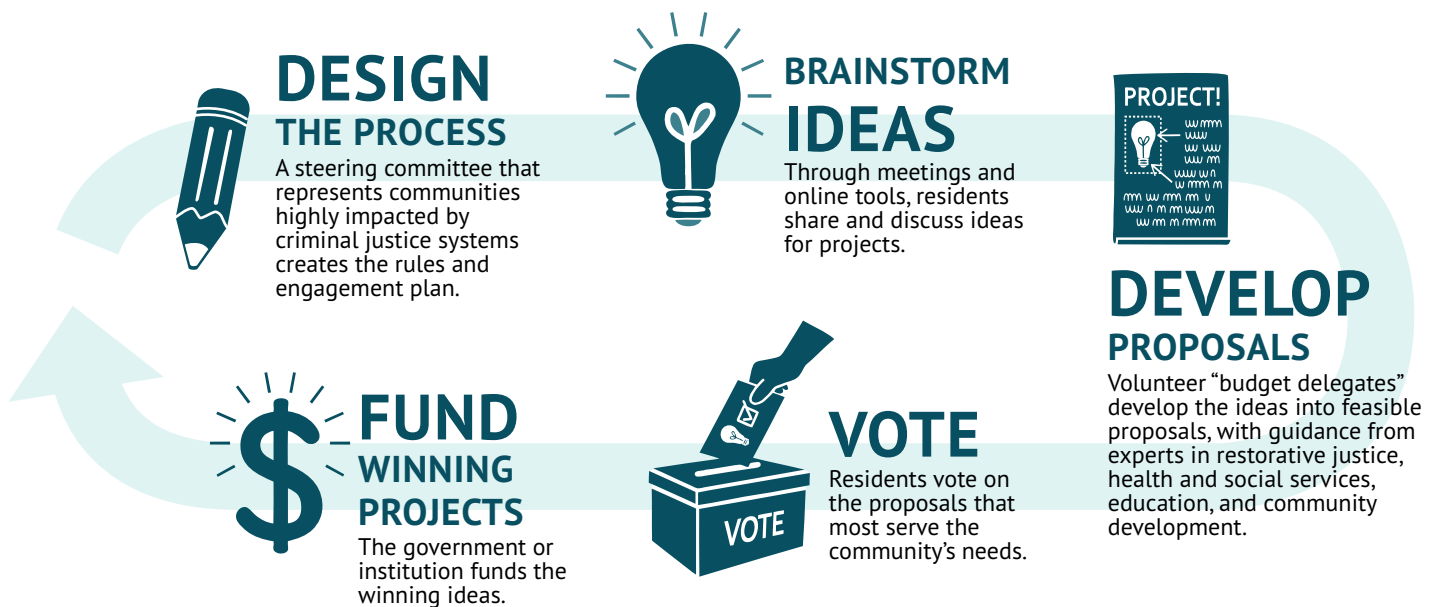
WHAT IS PARTICIPATORY BUDGETING (PB)?

Community members decide how to spend part of a public budget. It gives people real power over real money. It is a democratic process that

builds stronger communities and makes public budgets more equitable, effective, and aligned with community members' priorities.

HOW DOES PARTICIPATORY BUDGETING WORK?

A typical PB process follows these steps, usually over the course of a year:



INTERESTED IN LEARNING MORE?

For more information, updates, and resources, sign up for the DBE Newsletter at: democracybeyondelections.org/join/

WHAT IS ARPA?

The American Rescue Plan Act (ARPA) is an expansive \$1.9 trillion package to help people cope with the economic and public health fallout of the pandemic, that includes direct financial assistance to families and individuals, infrastructure investments, and pandemic response.

\$350 billion will be passed down to states, local governments, and tribal governments. Your community can participate and have a say in where this funding goes. To ensure funding responds to the wide range of community needs and advance COVID-19 recovery, the federal government has given local jurisdictions discretion in how to spend ARPA funds.

WHY INVOLVE THE COMMUNITY?:

- With renewed energy and emphasis placed on equity and accessibility in COVID-19 recovery, participatory democracy presents a way to directly empower and center communities most often left out of the decisions that impact their lives.
- Local communities know their own needs best and can make decisions that fulfill their values.
- Participatory budgeting can help ensure that community members most impacted by COVID-19 have a direct say in where resources go. With millions, and in some cases billions, of dollars flowing into local government budgeting processes, this is an unprecedented opportunity for communities to participate in how budget decisions are made.
- Community engagement will be a key ARPA reporting requirement of receiving and spending funds—and governments must report how they used community input in their spending decisions. In order to truly serve communities hit hardest by the COVID-19 pandemic and legacies of inequity, community engagement must be equitable, accessible, and significant. Participatory democracy ensures that we do not stop at engagement, but make sure that participation is meaningful and yields real decision-making power for communities.

ABOUT REPORTING REQUIREMENTS

State and local governments are required to report on how their use of funding incorporates “input that capture[s] diverse feedback from constituents, community-based organizations, and the communities themselves.” according to the [Dept of the Treasury](#).¹

State education agencies (SEA) [are required to](#) “engage in meaningful consultation with various stakeholder groups... and take such input into account.”² According

to the Department of Education, SEAs are required to consult with students, families, Tribes (if applicable), civil rights organizations, teachers and administrators, and other stakeholders (particularly stakeholders who represent underserved students).

1. Dept. of Treasury, Compliance and Reporting Guide: State and Local Fiscal Recovery Funds (p. 25)

2. Department of Education, ARP ESSER Interim Final Rule.

Key Questions (FAQ?)

Is there still time to advocate for how ARPA money should be spent?

Yes! For State and Local Fiscal Recovery funds: While many jurisdictions may have spending plans in place, many will receive a second round of funding in 2022.

[See where your locality is in their funding cycle.](#)

Funds do not have to be allocated until the end of 2024, so our communities don't have to rush through this process.

What do I do first?

Educate your community about what participatory budgeting is - one tool within the participatory democracy tool box. Share this information sheet with your electeds and communities!

Sign up for updates from [Democracy Beyond Elections](#) including campaign updates from the coalition.

How do I engage my community and the public in this process?

You can use the [Participatory Budgeting Project's "Scoping Toolkit"](#) to understand what key steps launching a successful PB process entails.

How can I find out who might already be doing participatory budgeting in my city?

[Check out this map](#) of past and current participatory budgeting processes in North America to find out who might already be working on participatory budgeting in your city.

What if my City or State already has a distribution plan in place?

Even if your representatives have a plan in place, advocating for participatory democracy now can create the public will and infrastructure for using community-led decision making practices to make decisions on future spending bills, policies, and other decisions that impact your community.

LOCAL EXAMPLE: GRAND RAPIDS, MI

Community-led decision making is underway in Grand Rapids, Michigan where \$2 million of ARPA funding will be allocated by participatory budgeting process. They have convened their steering committee with representatives from each of the cities three wards and will focus idea collection and proposal development on 5 key priority areas: violence reduction, public safety co-response, housing affordability, broadband access and COVID-19 economic impacts. Learn more about the [Grand Rapids, MI PB process](#).



Other Resources

[Priorities for Spending the American Rescue Plan’s State and Local Fiscal Recovery Funds](#), Center on Budget and Policy Priorities, May 2021

[What is Participatory Budgeting?](#), Participatory Budgeting Project

[American Rescue Plan Act Funding Breakdown](#), National Association of Counties

INTERESTED IN LEARNING MORE?

For more information, updates, and resources, sign up for the DBE Newsletter at: democracybeyondelections.org/join

