



American Rescue Plan – Talking Points for Advocates

The American Rescue Plan (ARP) provides a tremendous opportunity for Pittsburgh to invest in a future that is more equitable, more transparent, and rebuilds with the intention of emerging from this crisis better than we were before the pandemic. The City of Pittsburgh and City Council have scheduled a preliminary vote on ARP allocations on Wednesday, July 14, 2021, with a final vote as early as Tuesday, July 20, 2021. Below are talking points that highlight the lack of meaningful community engagement and transparency and recommendations on how the City can use ARP funds to move toward an equitable budget. The bottom line: Pittsburgh’s city council should pause voting on the use of ARP funds until there has been a more transparent, public, and informed consideration of alternative uses of ARP funds.

Talking Points

- Pittsburgh has long-standing inequities and has been called the worst city in America for Black people based on racial gaps in jobs, income, housing, and other indicators.
- The COVID-19 pandemic and recession exacerbated racial and gender inequities. It eliminated jobs in restaurant and hospitality sectors, which are staffed with large shares of women and people of color. In addition, it exposed essential workers in health care, the food supply chain, and other sectors to health risks, while those workers continued providing goods and services on which all of us depend.
- The resources in the American Rescue Plan (ARP) provide a historic opportunity to address the pandemic’s direct impacts AND reduce our deep income and racial inequities. The City of Pittsburgh will directly receive \$335 million—the equivalent of nearly 60% of the City’s yearly operating budget—and additional resources through the state.
- The federal government has given localities wide flexibility to use these funds to seize this historic opportunity. Spending can target any of five broad categories: improving public health; addressing negative economic harms; replacing lost public sector revenue; providing premium pay for essential workers; and making improvements in water, sewer, and broadband infrastructure.
- The U.S. Treasury Department explicitly guided localities to use an open process that includes residents in seizing this historic opportunity “...to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.”
- The Treasury also urged localities to target resources “...to those households, businesses and non-profits in the communities most disproportionately impacted by the pandemic.”

- The Pittsburgh Recovery Task Force was formed in April with City Council members and Mayor’s Office representatives to decide the use of ARP funds. The task force committed itself to using a racial equity lens and to developing an “Equity First Spending Plan” that addresses the City’s division between the rich and the rest of us. However, there are problems:
 - There has been no community input for the process to date, and hearings on July 10 and 12 were announced with only 8 days’ notice.
 - The public detail on the plan consists of a 2 ½ page spreadsheet with roughly five-to-ten words describing allocations of up to \$112 million. The information, now public, makes it impossible to determine if the plan lives up to the task force’s own equity charge.
- Seventy percent of funding (\$232 million of \$335 million) goes to “Lost Revenue,” including \$174 million in 2022 to 2024, by which time City revenues may be at pre-pandemic levels. The City allocation plan appears to use ARP money to compensate for ongoing revenue shortfalls that reflect the City’s failure to raise adequate revenues from the affluent and non-profits such as UPMC.

To enact an ARP allocation plan consistent with federal guidance and the recovery task force commitment to equity, City Council should

- pause voting on the proposed ARP Pittsburgh Recovery Task Force spending plan until a people-centered public engagement process is implemented with detailed expenditure descriptions.
- approve 10% of ARP funding—\$35 million—to fund construction of 1,700 affordable housing units, approximately 10% of the city’s 20,000-unit shortage pre-pandemic.
- eliminate “lost revenue” allocations used to offset pre-existing revenue shortfalls (“structural deficits”); reprogramming funds to address inequities, including by raising essential worker pay; investing in apprenticeship readiness—that is, apprenticeship and other training that leads to good jobs; and better funding of other community priorities such as public transit, childcare, and access to healthy food.
- develop a fair taxation plan that raises additional City revenues in 2022-24 from rich city residents and corporations, including UPMC, that do not pay their fair share.
- lock in no allocation of ARP funding beyond 2021. That allows for real community input and recognizes that a new city council and mayor in 2021 will finalize these decisions.
- create a real plan for community input consistent with Treasury guidance. This should include accessible hearings; more opportunities for community engagement, feedback, and input; and genuine dialogue with City leaders, not just 3-minute comment slots.
- address inequities currently not included in the ARP spending plan. The following are options advocates have proposed but the City has not yet considered.
 - Access to Quality Food: \$10 million for food systems initiatives and the establishment of a Pittsburgh food justice fund.
 - Emergency Fare Relief: \$4-\$8 million for public transit fare relief to Medicaid and SNAP recipients.
 - Additional Assistance to Renters: More than half of Pittsburgh households rent (53%), but Pennsylvania shortchanged the City when allocating state ARP dollars for emergency

rental relief. Additional funds may be needed from the City's direct ARP allocation for rental relief that helps reduce evictions and homelessness.