

Harnessing Federal Funds for Inclusive Recovery in Rochester, NY

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An inclusive recovery occurs when a place overcomes economic and societal stress in a way that provides opportunities for all residents, particularly historically excluded populations, to benefit from and contribute to economic prosperity.

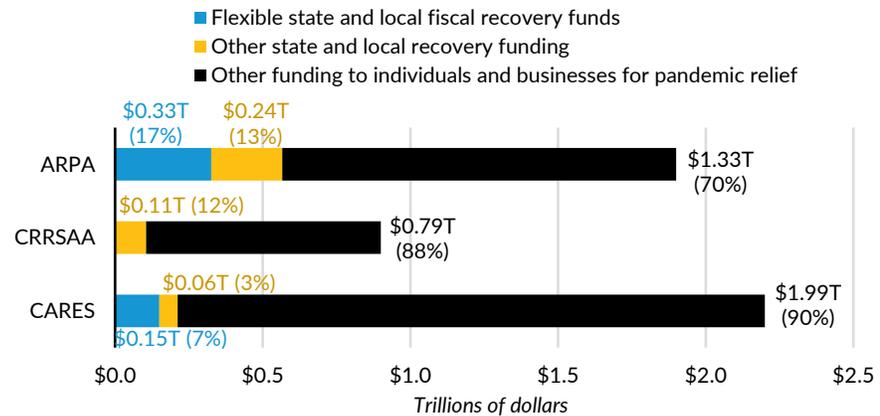
The federal recovery funds coming to state and local governments are an unprecedented infusion of money, creating an unparalleled opportunity to promote an inclusive recovery in cities and to address the root causes of inequities.

The city of Rochester, NY, and Monroe County will receive \$234 million and \$312 million in funding, and the Rochester City School District will receive \$296 million in funding.

Cities have access to a wide array of federal funding sources that can be used to invest in historically excluded residents and communities and promote an inclusive recovery.

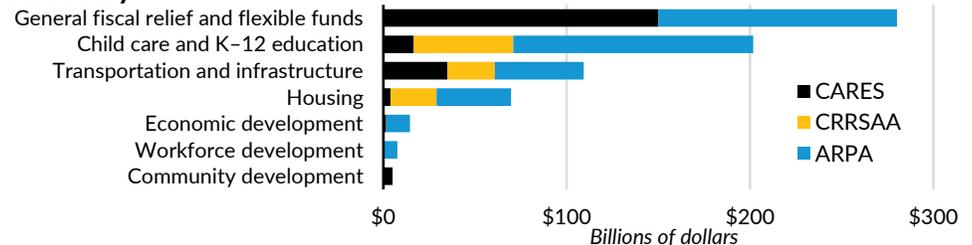
The CARES Act in March 2020 and American Rescue Plan Act in March 2021 provided flexible recovery funds to state and local governments. Both bills, along with the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020, authorized additional targeted aid to state and local governments that could be spent on inclusive recovery programs. These recovery funds, \$1 trillion of which can be used flexibly to promote an inclusive recovery (figure 1), are an unprecedented infusion to state and local governments that eclipse the \$280 billion that went to state and local governments after the Great Recession.

FIGURE 1
Federal Funds State and Local Govts. Could Use for Inclusive Recovery



General fiscal relief and flexible funding in the American Rescue Plan Act and CARES Act make up most of the funding to state and local governments and can be used broadly. State and local governments also received significant recovery funds for K-12 education, transportation, infrastructure, and housing; recovery funds for economic, workforce, and community development were more limited and could be supplemented by flexible funds.

FIGURE 2
Primary Uses for Federal Recovery Funds That Could Fund Local Inclusive Recovery



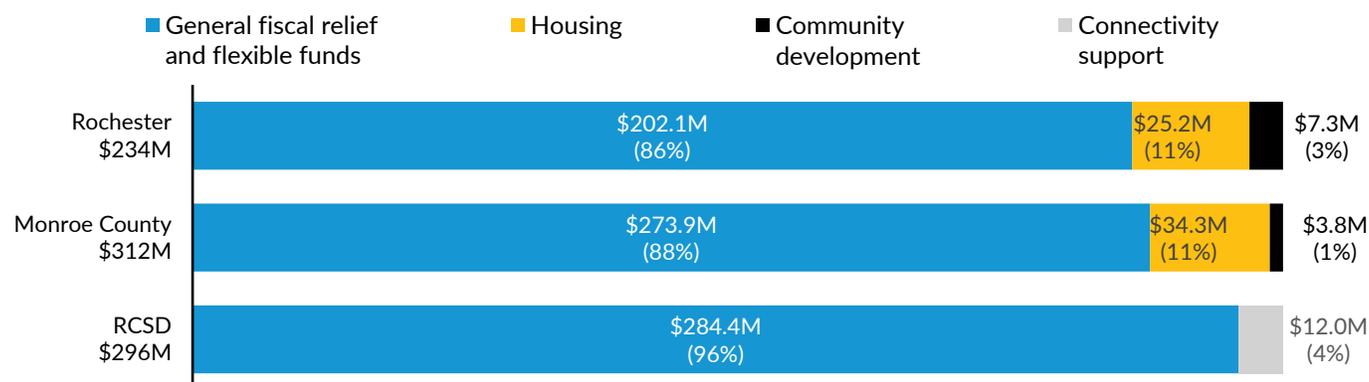
FUNDS COMING TO ROCHESTER

The city of Rochester, NY, will receive \$234 million in flexible funding that could be used for inclusive recovery, Monroe County will receive \$312 million, and the Rochester City School District will receive \$296 million. The totals mostly comprise general fiscal relief and flexible funds as well as smaller amounts for housing and community development and connectivity support (figure 3). The school district allocations include \$87 million and \$197 million from two rounds of Elementary and Secondary Education Relief funding. Not shown in figure 3 is the \$109 million that has been allocated to the Rochester-Genesee Regional Transportation Authority.

The majority of this funding is flexible and provides an opportunity to promote an inclusive recovery in the city and address the root causes of inequities. These totals represent only those funds the city and county have been allocated by formula; both jurisdictions are eligible to apply for other ongoing competitive grant opportunities and may receive additional pass-through funds from the state of New York. The state distributed Elementary and Secondary Education Relief funds to local school districts, which have received a smaller proportion of direct federal funding.

FIGURE 3

Primary Uses of Federal Recovery Funds that Could be Used for an Inclusive Recovery to Rochester City, Monroe County, and Rochester City School District



A Historic Opportunity

Before the pandemic, **Rochester ranked 241 out of 274 cities on overall inclusion**. Federal recovery funds create a historic opportunity to address these inequities and invest in inclusion, which also **helps the economy overall**. In September of 2021, Rochester Mayor Lovely A. Warren released her office’s priorities for American Rescue Plan Act spending in the **Strategic Equity and Recovery Plan**. Featuring a guaranteed basic income pilot, a “Buy the Block” program, and a housing trust fund, the plan seeks to foster a more resilient and equitable Rochester. The Rochester city council has already appropriated funds for several of the plan’s recommendations, including **\$14.5 million** for adult workforce development services and **\$3.7 million** for the Targeted Business Revitalization Grant Program. As the city continues to make decisions about how to allocate these and future funds, addressing long-standing patterns of inequity in Rochester must be prioritized.

Figure sources: Urban Institute analysis of H.R. 748, “Coronavirus Aid, Relief, and Economic Security Act,” 116th Cong. (2020); H.R. 133, “Consolidated Appropriations Act, 2021,” 116th Cong. (2020); H.R. 1319, “American Rescue Plan Act of 2021,” 117th Cong. (2021).

Figure notes: Data include new funds over \$1 billion allocated under the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and ARPA that are provided directly to states, cities, or counties (or their agencies); funds that expire on or after December 31, 2021, and can be used for economic recovery (e.g., are not limited to emergency pandemic relief); and funds that can be used for general fiscal relief or any of the “inclusive recovery building blocks.” Data exclude smaller programs and funds that are provided directly to individuals, nonprofit institutions, or private businesses; and funds for emergency public health, disaster response, and temporary safety-net programs.