

Seeing Federal Stimulus in a New Light will Open the Door to State Recovery

Matt Erchull, Managing Director, Witt O'Brien's

The \$195 billion in stimulus funds slated for state governments by President Biden's \$1.9 trillion American Rescue Plan (ARP) offers tremendous opportunities to fuel both short and long-term economic recovery – if states can break from traditional segmented funding approaches and embrace a new strategy based on a holistic view of their funding sources and a broader vision of where to apply them.

Often, individual state agencies operate in silos, allocating funds to where they perceive the greatest need, or believe the assistance will have the most significant impact. Agencies often lack the resources to evaluate programs to determine if they receive funds from multiple sources, and if any resulting funding overlap could be recaptured and put to greater use. With the new stimulus funding, along the multiple funding sources that are still available to fund ongoing programs, states must look beyond their immediate crisis imperatives to how they can allocate funds over the long range to drive more sustainable initiatives.

One step that states can take immediately is to establish a more permanent, centralized strategic office for initiatives that are related to the grant management function, also known as a 'Recovery Office', which will work across all agencies and funding subrecipients, to optimize funding in the following ways:

- Develop a cohesive view of all the funded programs and create an integrated portfolio.
- Establish a common technology platform to collect, compile, analyze and visualize information to streamline fund management and reduce program overlap.
- Standardize program monitoring and reporting protocols across state agencies so that all reporting is consistent and compliant.
- Manage communications of fund allocation, oversight, eligibility, reporting and compliance information among the various state agencies dispersing funds, and ensure that same information flows to the local government recipients.

Standing up a Recovery Office starts by assessing the state's current financial situation and acute needs, such as COVID-19 relief, and articulating a three-to-five-year strategy to stimulate the economy in the near term and reinvest in long-range development programs. To optimize fund allocation, the Recovery Office should also do a comprehensive analysis to understand which programming initiatives have already received funding from recent relief bills such as the CARES Act, and how much each program has received. These insights will help inform how much of the ARP funding should go to existing efforts and how much can be allocated through a strategic investment framework that focuses on macro-level initiatives such as workforce development, economic diversification, infrastructure and broadband expansion.

Another important consideration is to establish a Shared Services model to enable participants to self-administer their funding management, but have support available when needed. The Recovery Office should create requests for proposals for shared services providers that are available to local governments to help them with delivery of their programs.

States must also acknowledge and assess the implications of adopting the new strategy and its relation to operational capacity. If a state lacks the internal resources or expertise to stand up and operate a Recovery

Office, it should consider bringing in an expert consultant. The consultant should demonstrate deep experience in federal funding programs, and hands-on experience working with and standing up state Recovery Offices.

Witt O'Brien's is fully prepared to help your organization with assessment, program design, organizational capacity development, system and process development, and optimization and can serve as a force multiplier to successfully deploy your program. We deliver program management expertise with field-tested strategies, tools, and templates that allow you to quickly conceptualize, customize, and launch your program, while keeping the administrative load manageable. Our experts give states cities and counties across the nation greater insight into federal rules and standards, so they can navigate COVID-19 funding opportunities as new programs come out.



About Matt Erchull

Matt knows all too well the struggles communities may face when disaster or emergencies strike and brings a wealth of expertise to developing strategies for effective long-term community redevelopment and revitalization. He is a nationally recognized subject matter expert in HUD funded CDBG, HOME, NSP, and CDBG-DR programs; has critical experience working with FEMA's Public Assistance and Mitigation programs and knows how to deliver multi-jointed funding strategies to assist impacted communities.

Since the onset of the pandemic, Matt has been a national thought leader in the development of streamlined, impactful programs utilizing congressionally appropriated assistance. He currently leads a practice assisting dozens of state, local and territorial governments across the country, advising on compliant use of nearly \$5 billion of COVID-19 federal assistance.

Matt joined Witt O'Brien's after a distinguished tenure in New York serving as the Director of Research & Strategic Analysis for the state's Superstorm Sandy recovery. He has previously supported large scale community redevelopment efforts in Texas, Louisiana, Mississippi, Massachusetts, Oklahoma, North Dakota, Colorado, Puerto Rico and the U.S. Virgin Islands.