



STATEMENT OF
THE HONORABLE VINCE WILLIAMS
MAYOR, UNION CITY, GEORGIA
&
PRESIDENT, NATIONAL LEAGUE OF CITIES

BEFORE THE
HOUSE COMMITTEE ON THE BUDGET

“HOW THE AMERICAN RESCUE PLAN SAVED LIVES AND THE U.S.
ECONOMY”

JUNE 14, 2022

Chairman Yarmuth, Ranking Member Smith, and members of the Committee, my name is Vince Williams, Mayor of Union City, Georgia, and I am the proud President of the National League of Cities (NLC), an organization that represents 19,000 cities, towns, and villages nationwide. It is my honor to testify before you today at this hearing on behalf of my city and other municipalities across America.

Union City, Georgia

Union City is a town within the Atlanta region. We are a community of over 26,000 residents, 88% of whom are African American. Our median income is \$38,000 and we have a poverty rate of 16%. Between 2013, when I was elected Mayor, and the start of the COVID-19 pandemic, Union City was trending in the right direction by nearly every measure. Revitalizing neighborhoods through the development of Atlanta Metro Studios, announcing \$100 million in new investment from the London-based ASOS company to expand within Union City, and increasing local revenue by 81% through economic activity and job creation are a few of our pre-pandemic success stories.

Union City has long been unwavering in our pursuit of responsible economic development, revitalization and sustainability, and our investments of public dollars reflect our conviction to build on our successes and satisfy our residents' desires to lay a strong foundation for economic recovery, equity, and growth.

Nothing about Union City, before or after the pandemic, suggests that we were a community in need of a "bail-out" by the American Rescue Plan Act (ARPA) or the State and Local Fiscal Recovery Fund. Rather, ARPA grants have given our cities and towns the agency to be part of a national, all-hands-on-deck, economic recovery that starts at the bottom with our hardest-hit residents, and that can accommodate the unique and uneven conditions of harm among localities across the nation. It is the opposite of the top-down approach taken by the American Recovery and Reinvestment Act of 2009, where authority and decision-making were centralized in a federal office far away from where the problems were happening.

The COVID-19 pandemic interrupted a lengthy period of success and growth for Union City and thousands of cities and towns like us. What did the pandemic do to Union City? And how are we responding with ARPA grant dollars?

The Impact of the COVID-19 Pandemic

In the spring of 2020, our nation faced an unprecedented public health emergency that ushered in devastating fiscal uncertainty for our community. In response to COVID-19, Union City followed the advice of public health experts, and complied with rules issued by the federal and state governments. Businesses closed, school operations were upended, and new health services were required, all to stop the spread of COVID-19. This shutdown was understood by most in my community to be a necessary sacrifice. But there is no question it was costly. The pandemic certainly presented a cost burden to households, to businesses, and to the local governments serving them. Hitting pause on nearly every local economy, while ramping up response to a national public health crisis, created the kinds of economic uncertainty and fiscal decline that the federal government is uniquely equipped to address.

For local governments, a public health crisis at the scale of COVID-19 is also an economic crisis. The two cannot be separated. The pandemic laid bare long-standing health disparities that underlie why pandemic harm does not manifest in uniform or obvious ways. Medical research shows that households in lower income brackets are at a greater risk of negative health outcomes such as heart disease and diabetes, which exacerbate the effects of COVID-19. Across metro Atlanta, where my city is, lifespans vary by as much as two decades or more based on geography.¹

Coronavirus State and Local Fiscal Recovery Fund

Union City is spending part of our State and Local Fiscal Recovery Funds grant on a greenway trail. You may wonder what that has to do with COVID-19. In short, a lot. A greenway trail is a sought-after community amenity. It will lift the value of the community and encourage accessible, affordable ways for our residents to achieve healthier lifestyles, including evidence-based improvements for mental health. As a social determinant of health, our built environment must facilitate healthier outcomes, or at the very least, not act as an impediment, so that we will be less susceptible to the next COVID wave, or the next pandemic.

In addition to direct expenditures, SLFRF funding is helping Union City leverage the value of locally derived revenue to make sure the greenway trail benefits all our residents. We are doing this by connecting all of Union City, from one end of our city to the other, to an ecosystem of outdoor spaces that will help address health disparities in our community. Without the funding from State and Local Fiscal Recovery Funds, we would not have had the resources to get this project over the finish line. The city had this project planned for quite some time, but our finances took a step back when COVID hit. The injection of State and Local Fiscal Recovery funds gives us access to the capital our city needs to put contractors and laborers to work in creating this resource for the community.

Imagine the lasting outcomes of this transformation compared to the reality of today. Right now, there is only one park in Union City, a city of 20 square miles. This project will connect everyone in the community by building a recreational system that will allow residents and their families, no matter where they live in Union City, the opportunity to conveniently access outdoor recreation space.

Another social determinant of health faced by our residents is food insecurity. Access to healthy food was a challenge before the pandemic for most low-income communities. It is a challenge that spread across income brackets due to the job losses and wage declines our community experienced during COVID-19. We know access to healthy food impacts not only the physical health of our residents but also the mental development and wellbeing of individuals. To help meet this need, the city will use part of its State and Local Fiscal Recovery Funds grant to distribute meals and produce to those struggling with food insecurity. This is an opportunity to increase health outcomes and improve lives in the community by making investments directly in people.

¹ <https://cdn.atlantaregional.org/wp-content/uploads/lbe-snapshot-fulton.pdf> Atlanta Regional Commission

Additionally, as mayor, I could not have kept my city running over the last two years on my own. This is true for leaders in all cities, but it is especially true for small and rural communities that together form the majority of municipal governments in our country, where elected office is usually a second job that starts after clocking out of one's paying job at the end of the day.

Our municipal workers in every department are heroes, essential to protecting the health and safety of our residents by keeping the city functioning during the COVID-19 pandemic. From fire and police to our public works departments, the city would not have been able to continue running without their tireless efforts and willingness to do more. It is important to acknowledge that municipal workers, such as public safety, public works, utility system staff, sanitation workers and many others could not perform their duties from home. Virtual work was not an option for these jobs. Imagine for a moment if your hometown government shut down. Who would fix a water pipe if it burst in the middle of the night? Who would help transit riders get to work? Who would respond to 911 calls?

To acknowledge essential workers for their efforts to keep our city functioning through tough circumstances stemming from the pandemic, the city offered premium pay of \$3,000 to eligible city employees. This is an important investment that not only recognizes these individuals for their work during these tough times but simultaneously ensures that this essential maintenance continues. It is also an investment in maintaining a qualified and trained workforce for the future.

We should note the substantial contributions of local governments to maintain and stabilize the private economy. Some cities had more than 30 percent of water and sewer residential and business customers on a cut-off list for non-payment, many 90 days late or more. Yet local leaders made the financially painful, but right decision for citizens and businesses not to cut off services. To do so would have caused homelessness and joblessness. Yet local governments understood that absorbing these losses was the right thing to do.

A final project I will speak about today is the use of Fiscal Recovery Funds for wastewater and stormwater systems. These are projects that are traditionally out of sight, out of mind—residents do not think about them or talk about them until there is a problem. In Union City, like so many municipalities across the nation, we are one major water main break away from catastrophe. By investing in this critical infrastructure with these funds now, we are making sure Union City is a reliable place for business and can improve the lives of its residents for years to come.

None of this would have been possible without the tremendous work and leadership of Chairman Yarmuth and the House Committee on the Budget, who listened to local leaders in their home districts and responded by making the State and Local Fiscal Recovery Fund part of the American Rescue Plan Act. Without your leadership, my city would have been largely on our own to manage the consequences of a global pandemic. We would have gone from economic engine to economic anchor without having done anything wrong.

Economic Recovery

Historically, not a lot of federal assistance reaches local governments like mine. Most federal funds flow to states and never make it down to fund projects in small cities, and most small cities

do not have the capacity or expertise to apply for federal grants. With SLFRF, the federal government has devised a way to successfully bring federal block grant funds directly to every city, regardless of size. And we are working together to ensure that these funds will be spent and accounted for appropriately and transparently.

The SLFRF model for municipal governments is a major step forward in recognizing the vital role all local economies play in stabilizing our national economy. It is also an equitable model that allocates more aid where it is needed most by borrowing the anti-poverty formula from the proven Community Development Block Grant program. City leaders hope this will be the template for getting federal funds to cities in the future. Cities are closest to the people, and my fellow city leaders and I know best how to put funds to work quickly, efficiently, equitably, and effectively to address the unique needs in our communities.

We already know what outcomes look like when federal support is not equitably distributed across our nation. We do not have to go too far back in history to see these lessons repeat themselves. In 2020, under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), less than 40 of the nation's largest metro cities met the criteria for direct relief from the federal government through the Coronavirus Relief Fund, leaving smaller cities like mine to get in line for any aid that might flow down from the state or large counties. NLC research estimates that 6,000 cities, towns, and villages, or approximately 29% of the municipalities we represent, did not receive any federal aid from the CARES Act.² That was 6,000 communities left on their own and unable to provide the type of aid to residents that large cities could, because of federal assistance restrictions.

Let us fast forward to today. I understand, I appreciate, and I am thankful for the work that members of this body put forward to ensure that all communities were included in the direct fiscal relief program offered through the American Rescue Plan Act. This is a new approach, and we are convinced the outcomes and the data will prove this is a superior one. I am happy to tell the committee that in my community, and cities, towns and villages across our nation, this approach is working.

As I am sure you have heard from the local leaders in your own districts, these transformative funds are having historic impacts on our nation's communities.

Capacity of Local Government

I know there has been some concern expressed that cities, towns and villages are turning down these funds. These concerns are overly inflated. The Associated Press did a deep dive into communities that turned down the funds, looking at all 50 states. It found that less than five percent of municipalities nationally made the decision not to accept funds. I am sure the few localities not accepting funds are acting in their community's best interests, just as I am for the residents of Union City. But the fact that nearly every unit of local government accepted funding, even with the outsized regulatory burden that small grantees bear when accepting federal grants,

² "New Survey Data Quantifies Pandemic's Impact on Cities: Municipal Revenues Down Twenty-One Percent While Expenses Increase Seventeen Percent," National League of Cities, December 1, 2020.

speaks to the reality of the real budget uncertainty and fiscal decline experienced at the local level.

It may only have been two years ago, but so much has changed since the first cases of COVID-19 were detected in the U.S. It is important to keep in mind how long we have been in crisis mode. In the best of times, it takes time and care to spend public dollars responsibly, equitably and in accountable ways. It is even harder to do when fiscal circumstances force cities and towns to let go of staff to keep budgets in balance.

When the economy first began to show signs of decline following the declaration of the COVID-19 emergency, local government employment had just finally been restored to levels that existed prior to the Great Recession over a decade ago. It was not until November 2019 that employment in the state and local sector reached its July 2008 levels (the prior peak) of state and local employment. After COVID-19, the bottom dropped out. State and local governments experienced 1.5 million job losses from February to May 2020, as budget cuts were made to compensate for declining revenues. That really happened. That is an enormous loss of capacity and institutional knowledge for local governments. It is also a major drain on the economy.

It was clear that federal intervention was necessary to stave off a larger recession. According to the Economic Policy Institute, without the interjection of federal aid to states and local governments, 5.3 million jobs in the public and private sectors could have been lost during the pandemic.³ Congress should be proud that SLFRF made it possible to reverse those losses in relatively short order, rather than the decade it took following the passage of the American Recovery and Reinvestment Act.

Transparency and Accountability

City fiscal conditions are a good indicator of how well low-and middle-income households are doing. Locally derived revenue for municipal budgets is usually some combination of property tax, sales tax, sometimes income tax, service fees, and fines. When there is opportunity for lower-income households and the middle class is growing, local tax revenue goes up. When the middle-class experiences decline, so will local tax revenue. We call that Main Street. It is not Wall Street.

For local governments, the State and Local Fiscal Recovery Program is a “main street” program. It is not a “wall street” program. It is not the Paycheck Protection Program. SLFRF is designed to help main street households, neighborhoods, small businesses, and city and town governments, many of which are often overlooked as measures of the economy broadly.

SLFRF funding—main street funding—is transparent, accountable, and will be subject to oversight long after the program formally ends. Local governments are required by the Department of Treasury to report regularly and in detail on their use of grants, the eligibility of their expenditures, and the outcomes of their decisions. The largest grantees are required to do the

³ “State and local governments have lost 1.5 million jobs since February: Federal aid to states and localities is necessary for a strong economic recovery,” Julia Wolfe and Melat Kass, Economic Policy Institute, July 29, 2020.

most, regularly submitting multiple reports. Many larger cities—like Baltimore, Phoenix, and Cleveland—are going further than is required by maintaining local ARPA spending trackers on their own websites.

Non-entitlement units of local government, which is the technical classification for small and rural town governments, just filed the first of their annual Project and Expenditure Reports with the Treasury. For many of these communities, this was the first time, or first time in memory, engaging with federal grant regulatory requirements and uniform guidance.

Despite the heavy regulatory burden and steep learning curve, most grantees are meeting their reporting requirements with the help of the National League of Cities and state municipal league partners, such as the Georgia Municipal Association, my home state's municipal league. Because of this, more cities, towns, and villages are positioned to be competitive for future federal grant opportunities for the benefit of their residents.

As reporting data is made available by Treasury, NLC, in partnership with the National Association of Counties and the Brookings Institution, is organizing that data and making it searchable by grantee, by spending category, and in other ways. Our ARPA investment tracker is online, free, and available to anyone with an internet connection.

Conclusion

While I am here in my capacity as the President of NLC, I acknowledge that I cannot answer for the expenditure choices of all 19,000+ cities, towns, and villages that we represent. I am sure Members of Congress will have questions regarding certain expenditures in their and others' districts. If you have those questions, I encourage members of the committee to consider the expenditure itself and the context of such expenditures. Similar projects may mean different things to different communities. There will undoubtedly be expenditures you will disagree with. But I urge you, before calling a community's decision into question in a very public way, to give those local leaders the courtesy of a call to explain what their expenditure is all about.

I want to thank Chairman Yarmuth and his staff for their tireless work in bringing the American Rescue Plan and the State and Local Fiscal Recovery Funds to fruition and for providing local leaders with the means to drive economic recovery.

ARPA and Georgia Cities: One Year Anniversary

June 2022 (version 2)

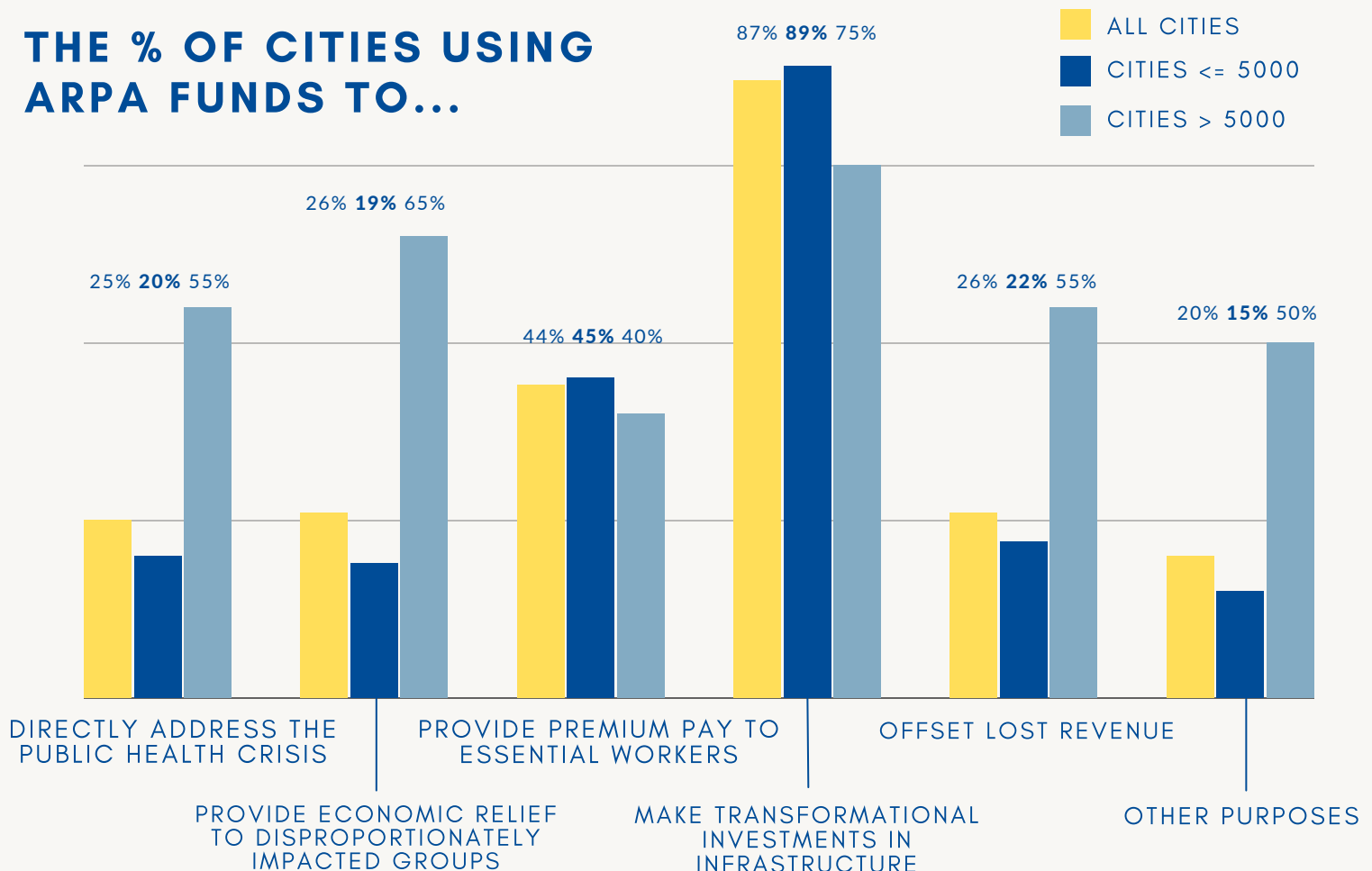
gacities.com/arpa

In March 2021, Congress approved the American Rescue Plan Act, delivering \$1.4 billion in direct pandemic relief to Georgia's cities through ARPA's State and Local Fiscal Relief Fund (SLFRF). To mark ARPA's one year anniversary, GMA surveyed Georgia cities to learn how investments of SLFRF are bringing much-needed relief to families, businesses, and communities statewide.

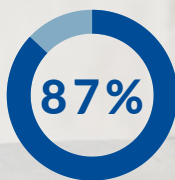
Number of cities that responded: **136** (25%)

Share of responding cities below 5000 in population: **73%**
(75% of Georgia's cities have 5000 or fewer people)

THE % OF CITIES USING ARPA FUNDS TO...



MAKE TRANSFORMATIONAL INVESTMENTS IN INFRASTRUCTURE



What cities are doing:

- A variety of water, sewer and stormwater system improvements, such as:
 - Replacement/update of chlorination system
 - Renovation of water tanks to bring up to EPD standards
 - Installation of digital/radio read water meters
 - Building regional connection to another water system in case of emergency
 - Updates to monitoring system to accurately account for water loss and contamination risk
 - Flood mitigation efforts
 - Mapping/e-documenting of equipment citywide
- Pave and resurface city streets
- Broadband provision and expansion, including public Wifi access

SPOTLIGHT

INCLUSIVE WATER, SEWER AND BROADBAND EXPANSION; SIDEWALK IMPROVEMENTS

City of Hamilton pop. 1680

Running a new water line that will serve new houses plus citizens on the lower income scale. "We have wanted to do this for years but have not had the resources..."

City of Lakeland pop. 2875

A new well, water tower and improved water lines to benefit all residents, schools, hospitals and public facilities, and also improve fire protection by increasing the water pressure throughout the city. Being able to use ARPA ensures water usage rates don't increase for customers.

City of Bogart pop. 1326

- Upgrading city computers (government buildings and libraries) to accommodate increased broadband and allow for virtual meetings, research, etc.
- Sidewalk project to increase safety when walking from library to recreation fields.

SPOTLIGHT

VACCINE INCENTIVE PROGRAMS, MORE OUTDOOR SPACES IN QUALIFIED CENSUS TRACTS, PUBLIC INFORMATION CAMPAIGNS

City of Barnesville pop. 6292

Weekly drawings for vaccinated people, including City employees, to win "Barnesville Bucks" that could be spent at local businesses to help small businesses.

City of Chamblee pop. 30,164

Majority of funds for development of outdoor recreational space in low income neighborhoods. Investing in a master park plan buildout to provide more accessible amenities in a qualified census tract.

City of Toomsboro pop. 383

Sent out mass messages and letters with information about vaccines, i.e. what facilities offer them and on what days.

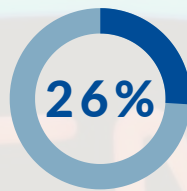
DIRECTLY ADDRESS THE PUBLIC HEALTH CRISIS



What cities are doing:

- Vaccine incentive programs
- Sanitizing public places to prevent contamination
- Improving facilities for better ventilation, social distancing and minimized touching
- Testing/vaccination sites and emergency preparedness centers; supplies and equipment
- Education and awareness to promote healthy physical, social, mental and emotional wellbeing
- Extended policy for sick leave due to COVID-19
- Community violence intervention programs, e.g. Cure Violence

PROVIDE ECONOMIC RELIEF TO DISPROPORTIONATELY IMPACTED GROUPS



What cities are doing:

- Utility bill credits and/or property tax relief to households
- Aid to Tourism Board
- Grants to small businesses and non-profits
- Rental, mortgage and utility assistance
- Tutoring programs to address learning gaps
- Food distribution programs
- Housing rehabilitation
- Support to families from transitional to permanent housing
- Small business incubators

SPOTLIGHT

MENTORSHIP FOR STUDENTS, GRANTS TO RESIDENTS & SMALL BUSINESSES, AFFORDABLE HOUSING

City of Wadley pop. 1643

Grant to Peaches and Cream Foundation providing counseling, mentorships, tutoring and skill development to local student.

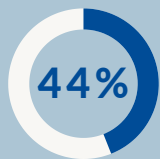
City of Conyers pop. 17,305

Grants to qualifying residents and small businesses with an online application process and multiple forms of advertising - city website, newspaper, social media, email blast, flyers at extended stay hotels.

City of Thomasville pop. 18,881

Creation of a Community Development Center to address low income housing.

PROVIDE PREMIUM PAY TO ESSENTIAL WORKERS



Including:

- Hazard pay for essential employees who have worked during the pandemic
- Bonuses to full-time and part-time city employees, i.e. for retention
- Pay raises
- Bonuses to first responders

OFFSET LOST REVENUE



Some cities are using the revenue reduction calculator, while others are electing the standard allowance.

Whichever method they use, cities have relied on ARPA funds to **recover lost revenue**, allowing them to maintain and improve how they provide government services and be prepared to invest where it's needed most.

SERVE OTHER PURPOSES



What cities are doing:

- Support to Police and Fire Departments
- IT investments to make city services more accessible, i.e. livestreaming service for virtual public participation in city meetings and ADA-compliant/multilingual website
- Parks and recreation improvements, i.e. camera systems to deter illegal activity
- Public safety upgrades at railroad crossing
- Housing rehabilitation; new housing incentives for developers

SPOTLIGHT

City of Pitts pop. 252

Radios for volunteer fire department assist with EMT calls under mutual aid agreement with county.

City of Pinehurst pop. 309

Purchase of individual reflective address signs for all houses for 911 purposes.

Town of Bethlehem pop. 715

Upgrading parks with handicap equipment, benches and picnic tables.

City of Peachtree Corners pop. 42,243

- Incentive program to 'shop local'
- Partnering with local schools to enhance outdoor recreation areas for students
- Providing free Wifi to a lower-income area

MORE FEEDBACK FROM GEORGIA'S CITIES ON HOW ARPA SUPPORTS AND UPLIFTS THEIR COMMUNITIES



City of Dacula pop. 6882

Dacula is working in conjunction with AT&T to provide broadband in the City's park for free to the Citizens that do not have access in that area. Also, there is no broadband access to the City's maintenance facility so AT&T will provide broadband down a residential road that currently has no access.

Town of Trion pop. 1960

With the Town's largest employer, tax generator, and utilities user about to close due to COVID, the town had to use the ARPA funds to offset losses from the mill in order to meet payroll of the employees.

City of Union City pop. 26,830

- Greenway trail to connect and promote public health of city residents
- Distribution of healthy meals to the food-insecure and other assistance programs for small businesses and the senior community
- Premium pay to essential workers

SLFRF funding is helping Union City leverage the value of locally derived revenue to make sure the greenway trail benefits all our residents by connecting all of Union City, from one end of our city to the other, to an ecosystem of outdoor spaces to address health disparities.

City of Davisboro pop. 1832

- Mapping and electronically documenting stormwater, sewage and water drains and pipes throughout the city
- Grading necessary ditches and replacing corrugated pipes for proper stormwater drainage

City of Jonesboro pop. 4235

The use of funds will restore the city's resources and allow for improved functionality and the opportunity to be responsive to the immediate and future needs of those directly and indirectly affected as well as those who have been steadfast in sustaining operations during the crisis.

City of Young Harris pop. 1098

A city the size of Young Harris cannot fund expensive but necessary expansion. We have a growing population due in large part to COVID. Many people are moving to the mountains because they can work from home, the area is not crowded and the lifestyle is better suited to their needs. Due to this influx of people we are in need of expanding our sewer/water lines into parts of our community that does not currently have this infrastructure. Providing this will help with residential and commercial building, economic development and community growth and development.

City of Commerce pop. 7387

ARPA funding will be combined with local funding to improve aged water and sewer infrastructure. This will enhance water quality, provide for expanded storage in case of emergencies, and allow for expansion of waste water treatment capabilities to provide for new industry, businesses, and residents in our region. This is necessary to create economic opportunity and increase the labor force.



Visit gacities.com/arpa for more examples.