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How the American Rescue Plan Is Backstopping the 'Submerged State'

The Prospect interviewed researchers Amanda Kass and Philip Rocco on the American Rescue Plan, an unprecedented fiscal outlay for local governments that remains widely unknown.

In March of last year, the American Rescue Plan put $350 billion toward a fiscal recovery fund for state and local governments. Lately, ARPA only seems to get media attention when the center-left complains that it funded tax cuts or set off inflation. Critics who say it was overkill grumble that it was "fighting the last war"—that ARPA overshot in its attempt to avoid the austerity of the Great Recession.

But ARPA is unrivaled in recent history as a flexible, open-ended public-funding package. A multipurpose fund available to tens of thousands of governments nationwide, ARPA is the largest broad-based aid transfer in 50 years, since the General Revenue Sharing program President Nixon enacted in 1972, which ended in 1986. ARPA is also bigger than its $150 billion predecessor, the CARES Act's Coronavirus Relief Fund, which only went to larger state governments, cities, and counties. That makes it a great trove of information for researchers studying public investment.

Amanda Kass, the associate director of the Government Finance Research Center at the University of Illinois at Chicago, and Philip Rocco, a political scientist at Marquette University, have broken down expenditures by local governments. The Prospect interviewed the researchers about their findings as part of our Twitter Spaces series. The audio is embedded below.

Listen to podcast.

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BY PROSPECT STAFF

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