Stimulus Funding and Operations:
A Guideline for Government and Education

As part of the federal government's response to the COVID-19 pandemic, state and local governments have received historic infusions of relief and stimulus funding.

"There's been a massive injection of federal funding, wave after wave, and it may get larger," says Joe Morris, deputy chief innovation officer for e.Republic.

Some governments have used this funding to better respond to the current challenges of the pandemic — while also looking toward becoming more efficient and responsive in the long run. This issue brief outlines potential stimulus opportunities to address COVID-related challenges; strategies for taking advantage of funding; and the potential to plan for investments that ensure long-term sustainability for agencies, governments and communities.

"The time to strike is now," says Jeff Pavey, government sales manager for Brightly. "This could be a once-in-a-lifetime opportunity for jurisdictions to do what they've been thinking about for the past 25 years."

STIMULUS FUNDING: KNOWNS AND UNKNOWNS

More than a year after the $2.2 trillion Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law, billions of dollars remain on the table for state and local governments. The $150 billion Coronavirus Relief Fund portion of CARES dispersed stimulus funds to states and large municipalities, which in turn managed the processes by which smaller governments applied for funding. Intended to be short-term relief, the deadline to apply for funds was initially the end of 2020, but it has since been extended until Dec. 31, 2021.

Estimates of how much money remains available through the Coronavirus Relief Fund vary, but as of the end of 2020, $25.9 billion remained unused by localities.[1] Challenges to date have included delays in getting information to local governments and ambiguity in how states interpreted federal guidance in their own funding protocols, which resulted in varying degrees of flexibility for how funds could be used from state to state.

The federal government has since approved two additional rounds of stimulus funding. Part of the consolidated appropriations package signed into law in December 2020, the $82 billion Education Stabilization Fund includes $54.3 billion for K-12 schools. The American Rescue Plan (ARP) was signed into law in March 2021 and includes an additional $350 billion for state and local governments and funding for investments in water, sewer, broadband and other infrastructure. Specific guidance for what governments and utilities can use that funding for has yet to be released, but more municipalities will be able to access funding directly.

The stimulus to date has been intended to address unbudgeted expenses incurred due to the COVID-19 pandemic, and many government agencies have used these funds to purchase technology solutions to improve their response and recovery. In particular, pandemic-related challenges have led many government agencies to rapidly accelerate the transition from manual spreadsheets and processes to modern operations management systems and self-serve customer portals, funded in part by CARES stimulus funding.

"The industry has been in the same place for about five years in terms of adopting technology, and this change happened overnight," says Jon Hunt, Brightly government sales manager.

Operations management software — including asset management, online customer portals, work order management and mobile data capturing capabilities, among others — has allowed government agencies to address immediate needs while setting themselves up for future growth. Here's how they fit into current stimulus funding requirements:

- **Asset management.** Solutions promote business continuity by ensuring critical assets are maintained. Agencies can make the case that they need "to get more useful life out of those assets, drive down and mitigate risk from critical events, and protect citizens and staff," says Pavey.
- **Citizen engagement.** As governments closed public facilities and transitioned to remote work, many shifted services online. Software can provide online portals for government services ranging from service requests and permitting to online facility reservations and payment.
- **Work order management.** Moving work order processes online can allow employees to work remotely and help schedule cleaning and safety protocols.

To access existing funding streams, K-12 school leaders need to coordinate with their state departments of education, while local government agencies must identify the local source of CARES funding in each state to determine what funds remain available and how they can be used.[2] When making funding requests for technology such as software, it's important to be clear on how the software will help you better serve students, employees and citizens; be specific on how you intend to use the funding; and demonstrate

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how you can trace and report on the effect of funds (see example, below).

STRATEGIES FOR SUCCESS

As the country moves beyond the pandemic, the focus of stimulus funding is shifting away from the response to COVID-19. Instead, the American Rescue Plan and the possibility of future infrastructure funding offer new opportunities for government and agency leaders to look ahead.

Securing future stimulus funds to tackle longstanding challenges and plan for economic growth will require agency leaders to "make the best short-term decisions that will have the greatest long-term impact," Hunt says.

Among the strategies:

Prepare to compete for funds.
Despite the unprecedented levels of current and potential future funding, the needs on the ground always will be greater.

Meeting the Needs

Located outside of Washington, D.C., the city of Manassas Park had previously tracked assets and land management processes using Microsoft Excel spreadsheets. When the pandemic hit, the community development department struggled to manage work order requests from the public.

"With the COVID-19 pandemic, the city can no longer afford to not have interactive technologies to enable residents to be serviced efficiently via technology engagement," stated a staff report urging funding of a community development enterprise resource planning (ERP) system.

The city used a portion of its CARES Act funding for software developed by Brightly to digitize asset management, planning and zoning, permitting, inspections and code enforcement operations, arguing it would "dramatically improve the community department's ability to serve and engage with our public via a technology platform."

"It's not just a blank check that's going to be cut," says Steve Roth, senior vice president of enterprise sales for government and education for Brightly. "Projects will be competing for funding with other projects, and all those hurdles that were previously there to obtain funding are still in play. As you look to your own internal budgeting processes, figure out how to put together the best and strongest case."

Think growth — and economic development. The pandemic has sparked what will likely be permanent shifts in how and where people work and live. For the majority of municipalities in the country, this means opportunities for growth in the years ahead, which in turn means the need for increased capacity for utilities, parks and public works.

"The economic development boom as a result of these population shifts is something we're going to continue to experience," Hunt says.

Be creative. As part of preparing for growth, government agencies can take what they learned from remote operations during the pandemic and extend services that make doing

business easier for citizens and government employees. For example, integrating drones into newly developed remote permitting and inspections procedures could ultimately provide better results.

"It's about finding creative ways to do the things we did before in a world that's been touched by a pandemic," says Hunt.

Creativity also extends to budgeting. Some current and future stimulus streams will be allocated to local governments on predictable formulas, providing additional opportunities to fund projects using operational budgets.

"If I know I'm going to get $100 million, that's $100 million of my traditional budget I don't have to use. That provides more flexibility," says Morris.

Get shovel-ready. Stimulus packages focus on immediate impact, meaning projects that have been mapped out before funding becomes available — and can justify their impact — will benefit.

"Cities that get ahead of those types of projects and have plans in place to keep an eye on everything

will wind up being successful," says Pavey.

PLANNING AHEAD

Operations management software can play a critical role in helping government agencies prepare for future funding requests — and the futures of their communities.

Some states now require local governments to have asset management capabilities for grants or capital funding, but even those that don't will increasingly make decisions based on whether proposals include processes that ensure funds will be used responsibly.

"If you have an asset management system, you're going to be at the front of the line to continue receiving grant dollars," Hunt says.

But the true power of having asset management and work order capabilities in a common system involves the potential of leveraging this data to conduct sophisticated, strategic modeling that plans for future growth and infrastructure funding.

"When funds become available, you can quickly identify your top priorities and determine which ones give you the biggest bang for your buck," says Roth.

Developing future-proofed capital plans involves identifying and determining the condition of existing and planned physical assets, deciding on desired service levels, and determining what investments need to be made to maintain or improve them. Some municipalities have found that manual processes and spreadsheets are no longer up to the task of planning large projects.

"It sounds very simple, but it's a very complex process. Some governments are still doing it on the back of a napkin. Trying to consolidate and assimilate the data to put together compelling business cases was almost impossible," Roth says. "You need to be able to assimilate all the information into a single system that's going to help you model all you hope to accomplish."

Modeling also will help governments make sense of a new normal where the way assets are measured may change — for example, if elevators continue to have limited capacities, what does that do to service levels and maintenance? If indoor air systems are expected to exchange the air in offices more frequently, what does that do to operational costs and their useful life? More broadly, modeling provides a way to shift from responding to problems with corrective maintenance to becoming more strategic about determining the best use and priorities for newly available capital funding.

Budgets are likely to flex and additional funding may be made available at short notice. With flexible models and an ability to build multiple scenarios, governments can refine plans based on actual values as soon as available. This may fundamentally shift maintenance/replacement plans based on an asset's current condition or change priorities based on funding being lower (or higher) than expected. With governments able to build scenarios for different budget levels, they can determine and prepare shovel-ready projects in advance of funding.

Sustainability of operations also remains critical. "Governments must be mindful of the things they procure and implement, because they're going to have to support them long after the federal funds dry out," Morris says.

Pavey puts it succinctly: "You're spending $4 million on roads — what's your plan to keep track of maintenance and upgrades?"

Modeling for sustainability also can include environmental considerations. Environmental impact will likely become a component of future infrastructure funding at both the federal and state levels as governments set targets for carbon emissions, and models must take into account these factors to determine the true impact of proposed projects.

Steve Beresid, a Brightly government sales manager, calls the addition of modeling capabilities to operations management software a "disruptive tool."

"You've got this money. You're starting to get your arms around asset management, code enforcement and planning," says Beresid. "Now that you've got all this data, let's build a 20, 30 or even 100-year plan. That's going to be the new use case."

CONCLUSION

Governments must act quickly to take advantage of this unprecedented funding environment, and developing the capabilities to model the impact of assets and planned projects will help ensure the long-term sustainability of short-term stimulus funding — for operations, governments and communities as a whole.

"You need to make data-driven decisions," says Roth. "You can't look at this as a blank check, but if you do the analysis necessary to demonstrate ROI, you can get those dollars."

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