



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

State and Local Fiscal Recovery Funds Interim Final Rule
Tribal Government Fact Sheet
August 10, 2023

The State and Local Fiscal Recovery Funds program (SLFRF), authorized in the American Rescue Plan, allocates \$20 billion for Tribal governments to support their response to and recovery from the COVID-19 public health emergency. In December 2022, Congress amended the SLFRF program through the Consolidated Appropriations Act, 2023, providing additional flexibility for recipients to use SLFRF funds to respond to natural disasters, build critical infrastructure, and support community development. The existing eligible uses, as discussed in the 2022 final rule, remain unchanged. Recipients may continue to use SLFRF funds in alignment with the 2022 final rule.

Treasury issued an [interim final rule \(IFR\)](#) implementing the amendments to the SLFRF program. Treasury also published a [user-friendly overview](#) of many of the major provisions of the IFR.

Emergency Relief from Natural Disasters

The IFR provides a framework for using SLFRF funds to provide emergency relief from natural disasters or their negative economic impacts. The IFR defines “natural disaster” and provides a standard for providing emergency relief from natural disasters, using a two-step process. Recipients must first identify a natural disaster that has occurred or is expected to occur imminently, or a natural disaster that is anticipated to occur in the future, and then identify emergency relief that responds to the physical or negative economic impacts, or potential physical or negative economic impacts, of the natural disaster. The emergency relief must be related and reasonably proportional to the impact identified.

- Tribal governments may respond to a natural disaster that has occurred or is expected to occur imminently. The natural disaster must be, or have been, the subject of an emergency declaration, which may include a declaration made by a Tribal government.
- If providing assistance in the form of mitigation activities to lessen or avert the threat of a future natural disaster, Tribal governments may cite [Indigenous Traditional Ecological Knowledge](#) to satisfy the requirement to document evidence of historical patterns or predictions of natural disasters that would reasonably demonstrate the likelihood of future occurrence of a natural disaster in their communities.
- For mitigation projects with total expected capital expenditures of \$1 million or greater, Tribal governments do not need to complete and meet the substantive requirements of a Written Justification for their capital expenditure.



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Surface Transportation Projects

The IFR specifies three pathways for using SLFRF funding for projects that are eligible under 26 surface transportation programs administered by the Department of Transportation. Pathway One outlines how recipients may use SLFRF funds for projects receiving funding from DOT, Pathway Two outlines how recipients may use SLFRF funds for projects that are not receiving funding from DOT, and Pathway Three outlines how recipients may use SLFRF funds to satisfy non-federal share requirements for certain Surface Transportation projects or to repay a TIFIA loan.

- Under Pathway One, the Tribal Transportation Program (TTP) is a program under which Tribal governments may use SLFRF to fund eligible projects.
- Pathway Two provides a streamlined framework for recipients to use SLFRF funds to conduct a project that would be eligible under the RAISE grant program and that meets certain additional criteria.

Title I Projects

The IFR outlines how recipients may use SLFRF funds for activities that are eligible under section 105(a) of the Housing and Community Development Act of 1974 (referred to as Title I projects), which align to eligible activities under the Indian Community Development Block Grant (ICDBG) program.

- Recipients using SLFRF funds for Title I projects generally must comply with Title I requirements and the associated regulations. Where applicable, program requirements of the ICDBG Single Purpose Grants will apply to Tribal government SLFRF recipients.
- The following requirements apply to the total amount of SLFRF used towards Title I projects:
 - **The Primary Objective:** SLFRF recipients must direct at least 70% of SLFRF funds used for Title I projects to projects that principally benefit low- and moderate-income persons.
 - **Public Services Cap:** Not more than 15% of SLFRF funds used for Title I projects may be spent under the “public services” category of eligible activities.
 - **Planning and Administrative Costs Cap:** Not more than 20% of SLFRF funds used for Title I projects may be spent on planning and administrative costs.

IFR Effective Date and Timeline of Use of Funds



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The IFR was submitted for publication on August 9, 2023 and will become effective when published. Recipients may use SLFRF funds for the new eligible uses for costs incurred beginning December 29, 2022. Consistent with the existing eligible uses discussed in the 2022 final rule, recipients must obligate SLFRF funds for the new eligible uses by December 31, 2024. Recipients must expend SLFRF funds obligated to provide emergency relief from natural disasters by December 31, 2026. Recipients must expend SLFRF funds obligated for Surface Transportation projects and Title I projects by September 30, 2026.