

U.S. DEPARTMENT OF THE TREASURY

October 30, 2024

State and Local Fiscal Recovery Funds Disaster Response and Recovery



Today's agenda

- Background on SLFRF
- Recently Released 2024 Reporting Data
- Public Data Demonstration
- Obligation Guidance – Revenue Replacement and Interagency Agreements (IAA)



State and Local Fiscal Recovery Funds (SLFRF) Program Background

- The State and Local Fiscal Recovery Funds (SLFRF) program, authorized by the historic American Rescue Plan, allocated \$350 billion to states, territories, localities, and Tribal governments to respond to the COVID-19 pandemic and build a strong, resilient, and equitable recovery. Metropolitan cities were allocated \$45.6 billion and non-entitlement units of local government were allocated \$19.5 billion.
- Treasury has disbursed 99.99% of SLFRF funds to more than 30,000 recipients.
- Funds used for pandemic recovery, fiscal management and future-looking initiatives
 - Recipients used funds to respond to acute public health and negative economic impacts of the pandemic
 - Recipients also laid the foundation for future prosperity through investments in affordable housing, workforce development, infrastructure, and small businesses
- Recipients choose how to spend the funds on eligible uses
 - Additional information—including on the 7 eligible uses—at [Treasury.gov/SLFRF](https://www.treasury.gov/SLFRF)



Topline Findings: Q2 Reporting Cycle

- **As of June 30, 2024:**
 - States and the largest cities and counties have reported budgeting **95%** of their total SLFRF funds to specific projects, with the total number of reported projects growing **7%** since the previous reporting period.
 - SLFRF recipients reported **\$353 billion** in lost revenue resulting from the pandemic.
 - More than **22,200 participating governments** reported that they are budgeting nearly **\$136 billion in SLFRF funds** to help replace this lost revenue, funding more than **83,000 projects** to provide fiscal stability in their jurisdictions.



Q2 2024 SLFRF Data

1. Investing in Housing



\$19.3 billion budgeted for over **3,100** fiscal recovery projects focused on housing, a **0.8%** decrease since the last reporting period for quarterly reporters.

2. Supporting Workers



Over **3,100** individual projects and **\$13.4 billion** dedicated to worker support and premium pay to over **1.4 million** workers for quarterly reporters.

State and Local Fiscal Recovery Funds (SLFRF)

provided under President Biden's American Rescue Plan Act continue to play a crucial role in allowing state, local, Tribal, and territorial governments to stabilize their budgets, respond to the pandemic, and invest in their communities.

View this page for key highlights, which are also available through the summary blog and the two year ARP anniversary report.

[July 2024 Summary Blog](#)

[ARP 2-Year Anniversary Report](#)

[Download July 2024 Dataset](#)

[Download Previous Datasets](#)

3. Stimulating Economic Growth Through Small Businesses



Over **1,400** small business projects with over **\$5 billion** budgeted for quarterly reporters.

4. Making Transformative Investments in Key Infrastructure



Over **1,200** governments pursuing over **13,000** infrastructure projects, budgeting over **\$34.7 billion**. An increase of **2.5%** since the last reporting period for quarterly reporters.

5. Responding to Public Health Needs

More than **1,100** governments are undertaking over **5,500** individual projects in this area, budgeting more than **\$11.4 billion** for quarterly reporters.



Data Dashboard Demonstration



What is an obligation?

- Statutory requirement that SLFRF funds may only be used to cover costs incurred by December 31, 2024; a cost is considered incurred if a recipient has incurred an obligation by that date.
- All recipients must expend their SLFRF funds by December 31, 2026, except for Surface Transportation and Title I projects, which have an earlier deadline of September 30, 2026.

An obligation is:

- 1. An order placed for property and services and entry into contracts, subawards, and similar transactions that require payment, which may include:**
 - An order placed for property or services
 - Contract
 - Subaward
 - Similar transactions that require payment, which may include:
 - Certain interagency agreements (including MOUs) (see **FAQ 17.6**)
 - Under certain circumstances, payroll expenses for recipients' employees (see **FAQ 17.7**)
- 2. A requirement under federal law or regulation or a provision of the SLFRF award terms and conditions to which the recipient becomes subject as a result of receiving or expending SLFRF funds.**

Treasury released FAQs to provide additional clarifications on these items in

FAQs Section 17: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>



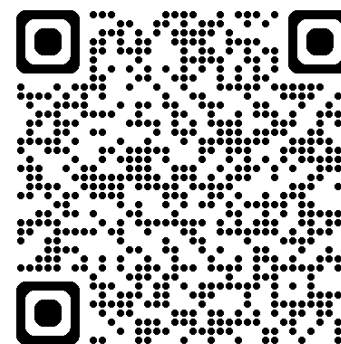
An obligation is NOT:

- An adopted budget or budget amendment
- An appropriation of SLFRF funds
- An executive order
- A resolution
- A written or oral intention to enter into a contract
- A grant of legal authority to enter into a contract
- Claiming funds under the revenue loss category
- Moving SLFRF funds to a general fund as revenue loss but not further establishing an obligation with those funds by 12/31/24



Aren't revenue loss funds automatically obligated?

- **NO.** See **FAQ 17.15.**
- All SLFRF funds under any eligible use category are subject to the obligation requirements – including funds used under the revenue loss category.
- This means that, when a recipient uses funds to provide government services, those funds must be obligated via one of the pathways discussed on slide 7.
- If a recipient is utilizing revenue loss to pay for government services, the recipient must report the use as project(s) under expenditure category 6.1.
- Recipients must enter a project description for any project entered under 6.1. Revenue loss project descriptions must summarize the project in sufficient detail to provide an understanding of the major activities that will occur. Descriptions should establish what the project seeks to accomplish and should include enough information to make clear how the recipient determined the project's eligibility.



Does an interagency agreement (IAA) count as an obligation?

- **Yes**, if it meets certain conditions.
- An interagency agreement finalized by 12/31/2024 can be used to obligate funds that a government agency will expend in 2025 and 2026.
- Eligible agreements include memoranda of understanding (MOU) or agreement (MOA). The agreement must meet these conditions:

<u>ONE</u> requirement from Column A:	<u>ALL</u> requirements from Column B:
Imposes conditions on the use of funds by recipient agency, department, or part of government	Has specific requirements (e.g., scope of work)
Governs provision of funds from one agency, department, or part of government to another	Is signed by the parties or evidences assent of parties
Governs the procurement of goods or services	Does not disclaim binding effect or state that it doesn't create rights or obligations

- See **FAQ 17.6** for more information.



Frequently Asked Questions

Does Treasury allow for report extensions for recipients in areas that are actively being affected by an ongoing natural disaster?

Treasury is aware that some recipients have experienced natural disasters in their area, which may cause delay in the report submission process. Treasury will continue to accept reports from communities experiencing hardship caused by Hurricanes Helene and Milton, but all such outstanding reports should be submitted as soon as possible.

Please refer to the [SLFRF homepage](#) “News and Program Updates” section for our most up-to-date guidance and resources.



Frequently Asked Questions

How can my government use its allocated SLFRF funds?

It is ultimately up to the recipient to identify and spend their SLFRF funds in accordance with program requirements and their existing policies and procedures. There are seven eligible use categories recipients can use listed below and on the website www.treasury.gov/slfrf under Eligible Uses.

Recipients must obligate SLFRF funds by December 31, 2024, and expend obligated funds by December 31, 2026 (with the exception of projects under the Surface Transportation projects and Title I eligible use categories, for which funds must be expended by September 30, 2026).



Frequently Asked Questions

How can my government use its allocated SLFRF funds? (continued)

Some examples of eligible SLFRF fund uses are:

- Replace lost public sector revenue, using this funding to provide government services up to the amount of revenue loss due to the pandemic. (Please see the [2022 Final Rule](#), pages 9-11 of the [Overview of the 2022 Final Rule](#), and Section 3 of the [SLFRF FAQs](#))
- Support the COVID-19 public health and economic response by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector. (Please see the [2022 Final Rule](#), pages 12-34 of the [2022 Overview of the Final Rule](#), and Section 2 of the [SLFRF FAQs](#))
- Provide premium pay for eligible workers performing essential work, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors. (See the [2022 Final Rule](#), pages 35-36 of the [Overview of the 2022 Final Rule](#), and Section 5 of the [SLFRF FAQs](#))
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet. (Please see the [2022 Final Rule](#), pages 37-40 of the [Overview of the 2022 Final Rule](#), and Section 6 of the [SLFRF FAQs](#)).
- **Provide emergency relief from the physical and economic impacts of natural disasters. (Please see the [2023 Interim Final Rule](#) and pages 4-8 of the [Overview of the 2023 Interim Final Rule](#))**
- Invest in surface transportation projects, utilizing funds for eligible projects through three pathways. (Please see the [2023 Interim Final Rule](#) and pages 9-15 of the [Overview of the 2023 Interim Final Rule](#))
- Invest in Title I projects, in which includes eligible activities under the Community Development Block Grant (CDBG) program and the Indian Community Development Block Grant (ICDBG) program, as provided in section 105(a) of the Housing and Community Development Act of 1974. (Please see the [2023 Interim Final Rule](#) and pages 16-19 of the [Overview of the 2023 Interim Final Rule](#))



Frequently Asked Questions

May recipients fund a project with both ARPA funds and other sources of funding (e.g., blending, braiding, or other pairing funding sources), including in conjunction with financing provided through a debt issuance?

Generally, yes, provided that the costs are eligible costs under each source program and are compliant with all related statutory and regulatory requirements and policies, as applicable, including restrictions on use of funds (e.g., Buy America Preference (see FAQs #6.18, #6.19), National Environmental Policy Act (see FAQ #6.3)). See FAQ 4.8 for more on blending and braiding funds.

May recipients use funds to satisfy non-federal matching requirements?

Under the specific circumstances described in FAQ 4.6, recipients may use SLFRF funds to satisfy non-federal matching requirements. Otherwise, recipients may not use SLFRF funds to meet the non-federal match or cost-share requirement of other federal financial assistance programs.



Thank you.



For More Information about SLFRF:

Please visit Treasury's State & Local website at www.treasury.gov/SLFRF

To share your stories:

Please email SLFRFstories@treasury.gov

For Media Inquiries:

Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries:

Please email SLFRF@treasury.gov

