



DEPARTMENT OF THE TREASURY
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State and Local Fiscal Recovery Funds Final Rule Tribal Government Fact Sheet

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. After carefully considering feedback through Tribal consultations and written comments from Tribal governments, the U.S. Department of the Treasury has made the following revisions to the SLFRF program in a [Final Rule](#) adopted on January 6, 2022. Treasury also published a user-friendly [overview](#) of many of the major provisions of the final rule.

Replacing Lost Public Sector Revenue

- The final rule provides a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use those funds for government services, with streamlined reporting requirements.

Public Health and Negative Economic Impacts

- Households and communities served by Tribal governments are presumed to be disproportionately impacted by the public health and negative economic impacts of the pandemic, thereby allowing Tribal governments to provide them with a wide range of services without requiring additional analysis.
 - Eligible uses include, but are not limited to, cash and food assistance, health insurance coverage expansion and paid sick and family leave, financial services for the unbanked and underbanked, affordable housing development and permanent supportive housing, childcare, early learning services, addressing learning loss for K-12 students, and improvements to vacant or abandoned property.
- The final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with final rule requirements.
 - Tribal governments are exempt from the requirement to complete a written justification for capital expenditures.

- The final rule simplifies administration so small businesses operated by Tribal governments or on Tribal lands are presumed to be disproportionately impacted by the public health and negative economic impacts of the pandemic. This means that Tribal businesses may receive loans or grants to mitigate financial hardship, as well as technical assistance and other business planning help, as well as access a broader set of capital expenditures and support services – from rehabilitation of commercial properties to support for microbusinesses.
- Treasury includes Tribal development districts – which are the commercial centers for Tribal hospitality, gaming, tourism, and entertainment industries – in the list of impacted industries eligible to receive aid that responds to those impacts.
- The final rule allows recipients to cover payroll and covered benefits for public safety, public health, and human services staff for the portion of time spent responding to COVID-19. The rule also provides a broader menu of options for recipients to restore and support their public sector workforce – such as:
 - hiring public sector staff, up to 7.5% above their pre-pandemic workforce levels to make up for underinvestment since the Great Recession;
 - providing funds to employees that experienced pay cuts or furloughs;
 - avoiding layoffs; and
 - providing retention incentives.

Premium Pay

- The final rule delivers more streamlined options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification while maintaining a focus on lower-income and frontline workers performing essential work.
 - The Tribal government workforce is identified as eligible workers in critical infrastructure sectors.

Water, Sewer & Broadband Infrastructure

- The final rule significantly broadens eligible broadband infrastructure investments to address challenges with broadband access, affordability, and reliability, and adds additional eligible water and sewer infrastructure investments, in recognition of the unique challenges facing many recipients in delivering clean water and high-speed broadband to their communities.

Final Rule Effective Date

The final rule takes effect on April 1, 2022. Recipients can choose to take advantage of the final rule’s flexibilities and simplifications now, even ahead of the effective date. Treasury will not

take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used.

Recipients should consult the [*Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule*](#), which can be found on Treasury's [website](#), for more information on compliance with the interim final rule and the final rule. Please send all questions related to SLFRF to SLFRP@treasury.gov.