



ARPA FISCAL RECOVERY FUND BRIEFING: COUNTIES AND CITIES IMPACTED BY HURRICANES HELENE AND MILTON

Oct. 30, 2024

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>



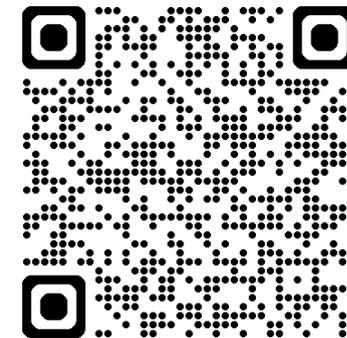
An obligation is NOT:

- 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



October 30, 2024

FEMA Recovery Briefing November 2024

Grace Lee, Director, Interagency Coordination, Recovery, FEMA



FEMA

Agenda

- Interagency Recovery Coordination
- National Impacts from Helene & Milton
- Interagency Coordination Force Laydown
- Public Assistance
- Funding Coordination



What is a Recovery Support Function (RSF)?

A Recovery Support Function (RSF) is a thematic focus area for long-term recovery.

Each RSF is led by a **coordinating agency** which has expertise and/or resources relevant to its focus area.

The Six RSFs



Community Assistance (FEMA)



Economic (DOC)



Health, Education, and Human Services (HHS)



Housing (HUD)



Infrastructure Systems (USACE)



Natural and Cultural Resources (DOI)

RSFs and Coordinating Agencies



Community Assistance RSF

- Coordinates assistance and support from across the Federal Government and non-governmental partners to aid SLTT governments in effectively planning for and managing their recovery

Coordinating agencies: Department of Homeland Security/FEMA



Economic Recovery RSF

- Revitalizes economic, employment, and business activities to a healthy state
- Coordinates with Economic Development Districts (EDDs) and other economic recovery organizations to problem solve

Coordinating agency: Department of Commerce



Health, Education, & Human Services RSF

- Assists with restoration of public health, healthcare, education, and social services networks

Coordinating agency: Department of Health and Human Services



Housing RSF

- Coordinates development of adequate, affordable, and accessible permanent & long-term housing solutions

Coordinating agency: Department of Housing and Urban Development



Infrastructure Systems RSF

- Supports restoration of infrastructure systems to support resilience and sustainability (Water/wastewater, energy, telecoms/broadband, transportation, etc.)

Coordinating agency: U.S. Army Corps of Engineers



Natural and Cultural Resources RSF

- Coordinates support to preserve, conserve, rehabilitate, and restore natural and cultural resources and historic properties

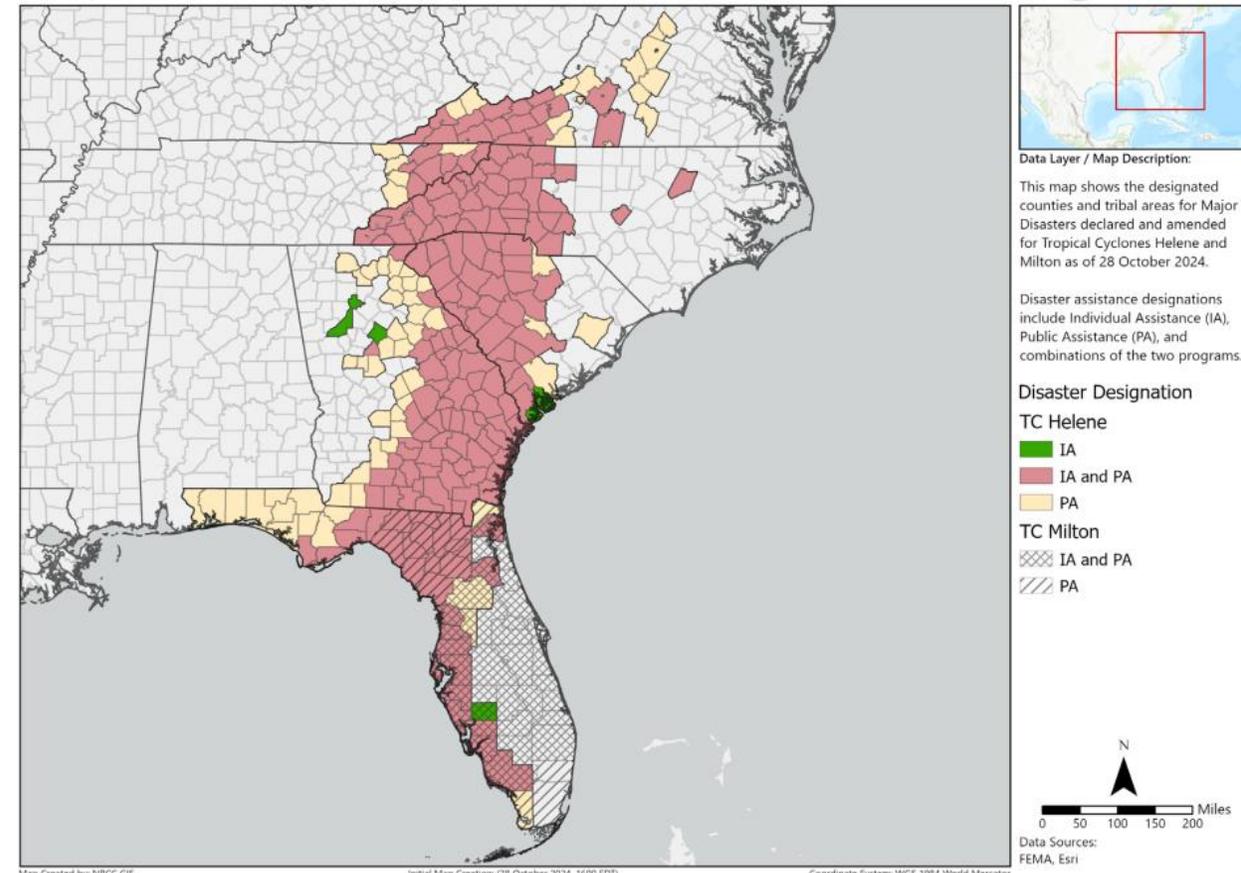
Coordinating agency: Department of the Interior

Recent Impacts

- Six States Impacted + Three Federally Recognized Tribal Nations
- 276 Counties
- Counties by state:
 - NC: 39 + 1 Tribal Nation
 - FL: 66 + 1 Tribal Nation
 - SC: 32 + 1 Tribal Nation
 - GA: 90
 - TN: 13
 - VA: 36 (includes 7 independent cities)

County Designations as of 1600 EDT, October 28, 2024

Tropical Cyclones Helene and Milton - DR-4827-NC, DR-4828-FL, DR-4829-SC, DR-4830-GA, DR-4831-VA, DR-4832-TN, DR-4834-FL



RSF Support Across Impacted States

Helene IRC Operations as of Oct 28th, 2024

- ▲ Regional Offices
- ★ Joint Field Offices
- State Activation**
- Declared Counties

DR-4831-VA
FCO: T. Phiel
FDRO: B. Farkas (A)

DR-4827-NC
FCO: T. McCool;
C. Levy Sr.; G. Stolar
FDRC: J. McPherson
FDRO: S. Bowling
DFDRO: C. Lenwood

DR-4829-SC
FCO: B. Howard
FDRC: T. Pence
FDRO: J. Stakenburg
DFDRO: T. O'Sullivan

DR-4830-GA
FCO: K. Wallace Sr.
FDRO: L. Lowe
DFDRO: T. Rowland

DR-4832-TN
FCO: D. Dragoo
FDRO: O. Scriven

***DR-4834/4828/4806-FL**
FCO: J. Brogan
FDRC: B. Fogel
FDRO: C. Heltsley
DFDRO: S. Dizdarevic

*Milton/Helene/Debby
Combined Mission

DR	IRC Staff Deployed	Active RSFs	Agencies Engaged	Additional Engagement Planned
4835/ 4839-SC	11	Community Assistance	FEMA; USDA-RD	
4834/ 4828-FL	28	Community Assistance; Economic; Health, Education, and Human Services; Infrastructure; Natural and Cultural Resources	FEMA; HHS; USACE; DOI; USDA-RD	EDA; HUD
4827-NC	25	Community Assistance; Economic; Health, Education, and Human Services; Housing; Infrastructure; Natural and Cultural Resources	FEMA; SBA; HHS; HUD; USACE; DOI; EPA; UFR; USDA-RD	DOE; DOT; USDA-FS
4830-GA	17	Community Assistance	FEMA; USDA-RD	DOI; ED; HHS; EDA
4831-VA	1		FEMA; USDA-RD	
4832-TN	1		FEMA; USDA-RD	HHS

Assistance for Governments and Private Non-Profits

Public Assistance

- FEMA's Public Assistance Program provides supplemental grants to **state, tribal, territorial, and local governments, and certain types of private non-profits** so communities can quickly respond to and recover from major disasters or emergencies.
- PA grants may reimburse at least 75% and up to 100% of costs for debris removal and emergency protective measures, depending on the time period and state. Confirm cost share with your State or County Emergency Manager.



Public Assistance



- Eligible facilities include public buildings, public works systems, equipment, or improved and maintained natural features.
- Work must be required as a result of the declared incident, located within the designated disaster area, and the legal responsibility of the applicant.
- Costs that may be reimbursed include labor, equipment, materials, contract work, as well as direct and indirect administrative costs related to eligible work.
- Public Assistance grants may also incorporate hazard mitigation measures to protect damaged public infrastructure from future incidents.
- PA grants may reimburse 75% of costs for restoring damaged public infrastructure, with a cost share incentive up to 10% for investments in mitigation and the latest building codes (up to 85% of the project cost).

Funding Coordination

IRC Field Teams in impacted communities can assist local leaders:

- Identify new sources of federal and philanthropic funding to support recovery outcomes
- Assist with funding sequencing and develop plans to “braid” various funding sources
- Provide Recovery Planning Technical Assistance and Just-in-time Recovery Management Training

Misinformation

- While misinformation always circulates about FEMA response efforts, recent rumors are getting a lot of attention and amplification on social media.
- These rumors can also hurt survivors by making them cautious of the aid FEMA provides and reluctant to reach out when they need FEMA's assistance. You can help survivors by sharing accurate, life-saving information on weather conditions, evacuations, how to get help, and more.



[Hurricane Rumor Response | FEMA.gov](#)

Grace Lee
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Directorate, FEMA

Questions:
RSFLG@fema.dhs.gov



FEMA



Deep Dive: How Counties and Cities Can Invest ARPA State and Local Fiscal Recovery Funds

TOP 10 HIGHLIGHTS OF ARPA FLEXIBILITY GUIDANCE

1. Provides information on ***additional eligible uses*** authorized under the Cornyn/Padilla amendment
2. **Does NOT alter existing eligible uses** for Recovery Funds as outlined under the 2022 Final Rule
3. Local governments **may** use ARPA funds for these newly eligible uses for costs incurred **beginning Dec. 29, 2022**
4. Local governments **may** use funds for mitigation activities to **lessen or avert the threat of a natural disaster** and its potential physical or negative economic impacts
5. Local governments **shall obligate** funds, **including newly eligible activities, by Dec. 31, 2024**
6. Local governments **shall** complete **emergency relief activities related to natural disasters** by Dec. 31, 2026
7. Local governments **may** use Recovery Funds as the non-federal match for ***certain*** surface transportation and FEMA projects
8. Local governments **may** use Recovery Funds for non-federal match for activities that would be eligible under the CDBG program

TWO WAYS TO USE ARPA FOR EMERGENCY RELIEF

1. Revenue Replacement

- Easiest, quickest and most flexible option
- All local governments can claim up to \$10 million of their ARPA SLFRF grant allocations for revenue replacement.
- Can use ARPA funds for the non-federal match or cost share requirements associated with other federal financial assistance, such as FEMA grants.
 - **NOTE:** Governments are not allowed to "double dip"
 - Ensure that you are not spending ARPA dollars to cover a cost that will end up being covered with another federal award or by insurance.

REVENUE
REPLACEMENT IS
THE QUICKEST AND
MOST FLEXIBLE
OPTION FOR
EMERGENCY RELIEF

TWO WAYS TO USE ARPA FOR EMERGENCY RELIEF

2. Obligating under the Emergency Relief category

Local government **may** use Recovery Funds to provide emergency relief from natural disasters or the negative economic effects of natural disasters.

If a local government wants to use Recovery Funds for emergency relief, it **shall** complete a two-step process:

- 1. Natural disaster:** Identify a natural disaster that has **OCCURRED** or is **EXPECTED TO OCCUR** imminently, or a natural disaster that is threatened to occur in the future
- 2. Emergency relief:** Identify emergency relief that **RESPONDS** to the physical or negative economic impacts, or potential physical or negative economic impacts, of the natural disaster – *emergency relief SHALL be related and reasonably proportional to the impact identified*

ALL EMERGENCY RELIEF
SHALL BE RELATED,
AND REASONABLY
PROPORTIONAL,
TO THE DISASTER
IT IS ADDRESSING

EMERGENCY RELIEF FROM NATURAL DISASTERS

STEP 1: IDENTIFY A NATURAL DISASTER

TREASURY DEFINED NATURAL DISASTERS

- Hurricane
- Tornado
- Flood
- Tidal wave
- Earthquake
- Landslide
- Snowstorm
- Fire
- High water
- Storm
- Wind-driven water
- Tsunami
- Volcanic eruption
- Mudslide
- Drought
- Any other natural catastrophe attributable to natural causes

EMERGENCY RELIEF FROM NATURAL DISASTERS

STEP 2: IDENTIFY EMERGENCY RELIEF

Treasury defines emergency relief as:

- Assistance needed to:
 - Save lives
 - Protect property, public health and safety
 - Lessen or avert the threat of a catastrophe
- Responds to the physical or negative economics, or potential physical or negative economic impacts, of a natural disaster
- Is related and reasonably proportional to the impact identified

There are two scenarios (A and B) for providing emergency relief:

A. Natural disaster has occurred or is expected to occur imminently: Assistance needed to save lives and to protect property and public health and safety

OR

B. Natural disaster is expected to occur in the future: Assistance to lessen or avert the threat of catastrophe

** Selecting Options A or B will help determine eligible uses of Recovery Funds*

EMERGENCY RELIEF FROM NATURAL DISASTERS

HOW TO IMPLEMENT THE TWO-STEP PROCESS – REQUIREMENTS & ELIGIBLE USES

A. Natural disaster has occurred or is expected to occur imminently

STEP 1: IDENTIFY A NATURAL DISASTER

- Event meets U.S. Treasury’s definition of a natural disaster **AND** is/was the subject of a declaration or designation in the form of:
 - Stafford Act **federal declaration**
 - Emergency declaration by the **Governor or a state**
 - Designation of an event as a natural disaster by the **county’s chief executive**

STEP 2: IDENTIFY THE EMERGENCY RELIEF NEEDED

- Eligible uses include:
 - Temporary emergency housing
 - Food assistance
 - Financial assistance or lost wages
 - Other immediate needs:
 - Debris removal
 - Public infrastructure repair
 - Increased operational costs
 - Cash assistance
 - Home repairs
 - Emergency protective measures

EMERGENCY RELIEF FROM NATURAL DISASTERS

HOW TO IMPLEMENT THE TWO-STEP PROCESS – REQUIREMENTS & ELIGIBLE USES

B. Natural disaster is expected to occur in the future

STEP 1: IDENTIFY A NATURAL DISASTER

- Document evidence of historical patterns or predictions of natural disasters that reasonably demonstrate the likelihood of future occurrence of a natural disaster
 - FEMA's National Risk Index
 - Use this information to support the county's determination that mitigation activities would help with a future natural disaster

STEP 2: IDENTIFY THE EMERGENCY RELIEF NEEDED

- Mitigation activities:
 - Structure elevation
 - Mitigation reconstruction
 - Dry flood proofing
 - Structural retrofitting
 - Non-structure retrofitting
 - Wind retrofit
 - Infrastructure retrofit

EMERGENCY RELIEF FROM NATURAL DISASTERS

MITIGATION ACTIVITIES & CAPITAL EXPENDITURES REQUIREMENTS

B. Natural disaster is expected to occur in the future | 2. Emergency relief

- Local governments **may** use Recovery Funds for mitigation activities that are *proportional* to the impacts of a future disaster
- Capital expenditures **may** be stand-alone projects **OR** projects incorporated into repair or reconstruction projects that reduce or eliminate the *potential impacts* of the threat of a natural disaster
- To ensure the expenditure is eligible, **local governments shall write a written justification for capital expenditures** equal to or greater than \$1 million, which includes the following:
 - Description of emergency relief and the potential impact(s) to be addressed
 - Explanation of why a capital expenditure is appropriate
 - Comparison of the proposed capital expenditure against alternatives

THERE IS
NO PRE-
APPROVAL FROM
TREASURY FOR
DISASTER RELIEF
PROJECTS

EMERGENCY RELIEF FROM NATURAL DISASTERS

DUPLICATION OF BENEFITS

- **Stafford Act's prohibition on duplication of benefits applies**
- Local governments **shall NOT** provide financial assistance to a person, business or other entity for disaster losses which the beneficiary **will receive financial assistance under any other program, from insurance, or any other source** – *this is the core of the duplication of benefits prohibition*
- Assistance **may** be provided if the individual or business has **NOT received the other benefits by the time of application for Recovery Funds AND they agree to repay any duplicative assistance**
- Recovery Funds **may** be used for any portion of disaster assistance *not* covered by other benefits or sources

COUNTIES SHALL NOT
USE RECOVERY FUNDS TO
PROVIDE RELIEF TO
ANY ENTITY IF THAT ENTITY WILL
RECEIVE ASSISTANCE FROM
ANOTHER FEDERAL PROGRAM

EXAMPLES OF DISASTER RELIEF

Revenue Replacement

- **\$250,000** to a nonprofit organization to assist in rebuilding 5 homes destroyed by a tornado – Bastrop County, Texas
- **\$8,230.80** to update batteries and equipment for tornado sirens – Baughman Township, Ohio
- **\$514,815.72** to construct retaining walls, install storm sewers and guardrails and restore roadways to repair two landslides – Bridgeville Borough, Pennsylvania
- **\$9,581.22** to stabilize the area after a landslide and establish preventative repair and maintenance – Kodiak City, Alaska

Disaster Relief

- **\$3,000,000** to mitigate properties in flood-prone areas – Will County, Illinois
- **\$771,700** for debris removal due to high winds – Spokane County, Washington
- **\$217,571** to temporarily house individuals and serve as a supply distribution point for Emergency Management – Lexington County, South Carolina



*Scan here for more examples
from the NACo, NLC,
Brookings ARPA Tracker*

SUMMARY OF TREASURY FAQs

On March 29, Treasury released new obligation FAQs to address counties and other recipients' questions about the November Obligation IFR and provide additional clarification and guidance.

Major wins for counties include:

- Counties may use SLFRF funds for personnel costs for **any eligible position through December 31, 2026, that was filed prior to December 31, 2024**
- If a county decides to use SLFRF funds for personnel costs, **it is required to collect information and report this to Treasury** by either January 31, 2025 (for quarterly ARPA report filers) and April 30, 2025 (annual ARPA report filers)
- Subrecipients are **NOT** subject to the December 31, 2024 obligation deadline
- After the December 31, 2024, obligation deadline, counties have the option to reclassify excess funds from one eligible project to another one

TREASURY'S NEW
OBLIGATION FAQs
INCORPORATE
FEEDBACK PROVIDED
BY NACo AND OFFER
INSIGHT INTO
PERSONNEL COSTS,
REVENUE LOSS AND
EXCESS FUNDS

PERSONNEL COSTS

Key updates to obligations for personnel costs:

- Counties may use SLFRF funds for personnel costs for **any eligible position through Dec. 31, 2026, that was filed prior to Dec. 31, 2024**
- Personnel costs include:
 - Salary and wages
 - Covered benefits
 - Payroll taxes
- Counties can reorganize positions and continue to cover personnel costs, so long as the positions were established prior to Dec. 31, 2024
- Funds **MAY NOT** be used to cover any new positions after Dec. 31, 2024
- Counties should estimate the amount of SLFRF funds they will use for personnel costs

Example 1: If there is turnover in personnel, a county may continue to pay different personnel in the same job position

Example 2: Counties can reorganize positions within eligible SLFRF uses after Dec. 31, 2024, but cannot add new positions

Example 3: If a county has reported 10 job training specialist positions by Dec. 31, 2024, it may use the funds to cover payroll for one of those training specialists who is promoted

RECLASSIFYING FUNDS

Under the new FAQs, counties can reclassify excess funds to other eligible uses.

- After the Dec. 31, 2024, obligation deadline, a county may have excess funds that were obligated by the deadline but NOT expended on an activity
- In this case, the county may reclassify SLFRF funds from the original activity to another eligible SLFRF program, so long as the county had incurred an obligation for the project by Dec. 31, 2024

Example 1: A county allocated funds to a surface transportation project that was under budget, thereby freeing up previously obligated funds.

Example 2: An auditor in a county's 2024 Single Audit identifies that a project is not eligible. The county may withdraw SLFRF funds from the project and reclassify the funds to a workforce training program that the county had initially been financing with **LOCAL FUNDS**, but is eligible under SLFRF. The county can use the excess funds to finance this program, so long as they incurred an obligation (by entering into a contract) by Dec. 31, 2024.

FINAL NOTES

1. The obligation deadline is **December 31, 2024**
 - Obligation is “an order placed for property and services and **entering into contracts, subawards** and similar transactions that require payment”
 - Be sure to utilize the flexibility granted under Treasury new Obligation FAQs to meet the obligation deadline
2. *Congress hasn't given any indication that it is planning to extend the deadline for disaster-impacted areas*



**ARPA FISCAL RECOVERY FUND BRIEFING:
COUNTIES AND CITIES IMPACTED BY HURRICANES HELENE AND MILTON**
Oct. 30, 2024