Treasury Issues Final Rule for ARPA State and Local Fiscal Recovery Funds Program

Click here to see the Final Rule
Click here to see an Overview of the Final Rule

Today, the United States Treasury released the much-anticipated final rule governing spending guidelines for the American Rescue Plan Fiscal Recovery Funds Program (ARPA). Local governments must comply with the final rule beginning on April 1, 2022, when the final rule takes effect. The final rule provides local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so governments can focus on responding to the crisis in their communities and maximizing the impact of their funds.

Prior to April 1, 2022, recipients may take actions and use funds in a manner consistent with the final rule, and Treasury will not take action to enforce the Interim final rule if a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used. Please see the Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule for more information.

Key Changes from the Interim Final Rule to the Final Rule:

- Treasury has expanded the non-exhaustive list of uses that recipients can use to respond to COVID-19 and its economic impacts. This includes clarifying that recipients can use funds for certain capital expenditures to respond to public health and economic impacts and making services like childcare, early education, addressing learning loss, and affordable housing development available to all communities impacted by the pandemic.
- Treasury has expanded support for public sector hiring and capacity.
- Treasury has streamlined options to provide premium pay for essential workers.
- Treasury has broadened eligible water, sewer, and broadband infrastructure projects – understanding the unique challenges facing each state and locality in delivering clean water and high-speed broadband to their communities.
- Treasury has simplified the program for small localities seeking revenue recapture through the option to elect a standard allowance of $10 million for revenue loss rather than calculating revenue loss through the full formula.
Upcoming Webinars from Treasury

Treasury is hosting webinars with recipients and stakeholders to brief and answer questions about the Final Rule. Please attend one of the following webinars for a live presentation. If Treasury reaches RSVP capacity and you cannot attend a webinar or prefer to be briefed at your convenience, Treasury will post a recording of the webinar hosted on January 7, 2022.

- January 7, 2022 at 1:00pm (Eastern): register here. This webinar will be recorded and shared within a few business days.
- January 10, 2022 at 4:00pm (Eastern): register here.
- January 12, 2022 at 1:00pm (Eastern): register here.