Dear State and Local Fiscal Recovery Funds Recipient,

Today, Treasury adopted the final rule implementing the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program under the American Rescue Plan.

The final rule is the result of extensive dialogue with our stakeholders, including recipient governments, and will enhance the capacity of state, local, and Tribal governments to meet immediate pandemic response needs and promote longer-term recovery.

The State and Local Fiscal Recovery Funds program provides governments across the country with the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue resulting from the crisis, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

About the Final Rule:

The final rule – which takes effect on April 1, 2022 – provides state, local, and Tribal governments with even broader flexibility to pursue a wider range of uses to respond to local public health and economic needs – as well as greater simplicity so they can focus on responding to the needs in their communities and maximizing the impact of their funds. Recipients may find the full text of the final rule on our website with available supporting materials.

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.

Additional Treasury Resources for Navigating the Final rule:

Treasury is committed to working with recipients to help them digest the final rule and effectively maximize their use of funds.

Recipients are encouraged to consult the <u>Overview of the Final Rule</u>, which is a user guide that boils the rule text down into an easy-to-understand summary. The Overview of the Final Rule includes a non-exhaustive list of projects that recipients can undertake with these funds without undergoing additional independent analysis.

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 ET; <u>register here</u>. This webinar will be recorded and shared within a few business days.

- January 10, 2022 at 4:00pm ET: register here.
- January 12, 2022 at 1:00pm ET: register here.

Treasury looks forward to working with recipients to navigate any remaining questions that they may have about the final rule so they can deploy these resources in their communities with confidence. Please email our inbox at <u>slfrp@treasury.gov</u> with your questions and Treasury will respond as soon as possible.

Thank you.