

Bloomberg Federal Assistance e311 Session: Using SLFRF for Workforce & Small Businesses

August 6, 2024

Agenda

1. SLFRF overview and uses
2. City Perspective: Mesa, AZ
3. SLFRF strategies
4. Q&A

SLFRF overview and uses



Mira Patel, U.S. Department of Treasury
Director of Strategic Partnerships



Liz Hipple, U.S. Department of Treasury
Senior Advisor



Joel Michaels, U.S. Department of Treasury
Senior Advisor

U.S. DEPARTMENT OF THE TREASURY

Educational Resource Presentation

August 6, 2024

State and Local Fiscal Recovery Funds: Obligation Deadline



Today's agenda

- Background on SLFRF and obligation-related guidance
- Recently Released April 2024 Reporting Data
- High level overview of Obligation guidance updates



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)



Q1 2024 SLFRF Data Overview

1. Investing in Housing



\$19.6 billion budgeted for over **3,300** fiscal recovery projects focused on housing, a **3%** increase since the last reporting period.

2. Supporting Workers



Over **4,400** individual projects and **\$13.1 billion** dedicated to worker support and premium pay to nearly **1.5 million** workers.

3. Stimulating Economic Growth Through Small Businesses



Over **1,700** small business projects with over **\$5 billion** budgeted.

4. Making Transformative Investments in Key Infrastructure



Over **3,500** governments pursuing **16,000** infrastructure projects, budgeting over **\$34.6 billion**. An increase of **4%** since the last reporting period.

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.

[April 2024 Summary Blog](#)

[ARP 2-Year Anniversary Report](#)

[Download April 2024 Dataset](#)

[Download Previous Datasets](#)

5. Responding to Public Health Needs

More than **1,700** governments are undertaking over **6,700** individual projects in this area, budgeting more than **\$11.8 billion**.



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

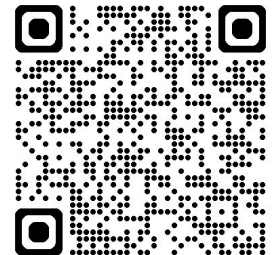


Does an interagency agreement (IAA) count as an obligation?

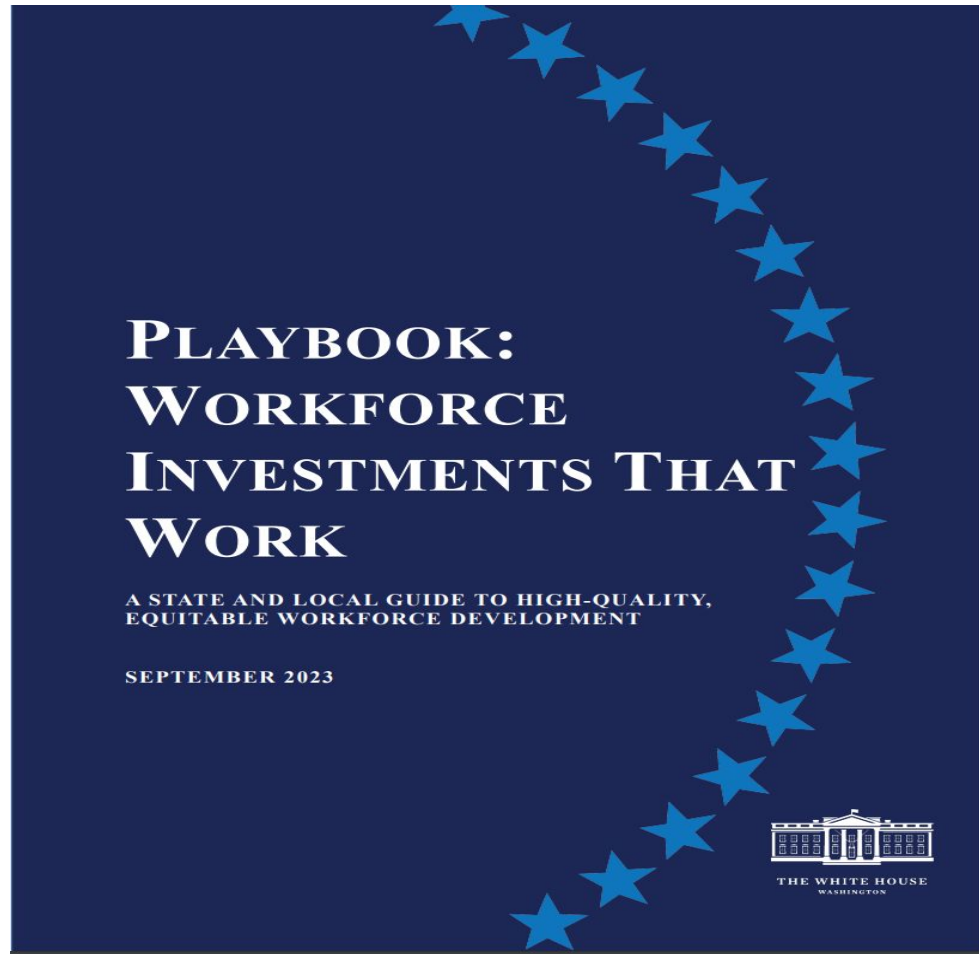
- **Yes**, if it meets certain conditions.
- An interagency agreement finalized by 12/31/2024 can be used to obligate funds that a government agency will expend in 2025 and 2026.
- Eligible agreements include memoranda of understanding (MOU) or agreement (MOA). The agreement must meet these conditions:

<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.



SLFRF workforce investments: Promising practices



- White House Playbook: Workforce Investments that Work
https://www.whitehouse.gov/wp-content/uploads/2023/09/playbook_workforce_investments.pdf
- <https://treasury.gov/SLFRF-dashboard>
- More examples can be found in the blog posts that Treasury publishes with each new quarter of recipient-reported data on SLFRF's website
<https://treasury.gov/slfrf>

SLFRF: Strengthening small businesses

- SLFRF recipients have invested in a wide variety of programs that support small businesses' role as key employers and drivers of local economies, utilizing federal funds to sustain the continued record growth in small business creation.
- One example is **Mario's Westside Market in Las Vegas, Nevada**, which received **\$1.5 million in SLFRF** funds from the city's award.
- As Mario Berlanga, Jr., explained in his [op-ed](#) for the *Las Vegas Review-Journal*, thanks to the \$1.5 million investment of the city of Las Vegas from its SLFRF funds, he was able to expand the local grocery store he has owned and operated for 27 years. Mario's Westside Market "is located in an area with mostly Black and brown residents that has long experienced a shortage of investments and resources. Most customers walk here or take the bus. Without our store, many would have to take two or three buses to access the nearest grocery store."
- SLFRF funds allowed Mario to expand his store's footprint and services to offer fresh baked goods and more fresh produce options. "The new space will have a produce section six times larger than our current one, as well as a bakery that offers fresh bread and other baked goods made twice a day. This is a dream come true for me and an important step forward for the community. These funds are not just an investment in my business; they're an investment in healthy, nutritious food options for the West Las Vegas community."



Q&A



Thank you.



For More Information about SLFRF:

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

For Media Inquiries:

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

For General Inquiries:

Please email SLFRF@treasury.gov



City Perspective



Kelley Keffer, Mesa, AZ

*Economic Development Project Manager,
City of Mesa*

Small Business Assistance Programs

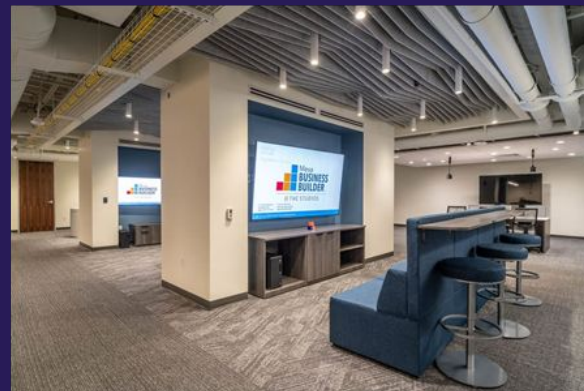
DIRECT ASSISTANCE: \$214,397 for FY23, FY24

- Served 81 of 165 businesses (49%) in FY24 representing underserved communities with one-on-one consulting, bootcamps, training, and education.
- Six underserved businesses received new signage totaling \$24,000.
- The Mesa HUUB platform a 24/7 online resource serves 887 Mesa businesses. 57% are woman-owned, 46% are BIPOC owned. Platform offers a learning library, grant opportunities page, community board, event calendar, and more.
- Businesses assigned to the Mesa HUUB for one-on-one assistance can book consulting time with any of the 60+ professional advisors on the platform.

Small Business Assistance Programs

SPECIALTY SPACE - AUGMENTING CITY OF MESA EXISTING INVESTMENT

- City invests \$4.89M of ARPA funds in 17,000SF of technology, tools, and spaces for small businesses, entrepreneurs, and workforce development.
- Features – Podcast studio, AR/VR and green screen studio, computer lab, event, and meeting spaces.



SLFRF Strategies



Matthew Hanson, Witt O'Brien's
Associate Managing Director
Former Statewide Grant Administrator, State of Arizona

Workforce & Small Business Obligation Strategies

- ❖ Maximize time remaining
- ❖ Leverage existing programs/initiatives (*i.e.*, Workforce Training)
- ❖ “Mine existing applications/data”
- ❖ Utilize administrative and programmatic flexibility provided by Treasury
- ❖ Address gaps
- ❖ Look for fiscal agents and safe harbors
- ❖ Be strategic but realistic

Key Obligation Reminders

- ❖ Follow the Guidance
- ❖ Reporting obligations vs. documenting obligations
- ❖ Remember there are two different expenditure deadlines
- ❖ Revenue Loss/Provision of Government Services Funds also need to be obligated
- ❖ Partnerships are key (both internal and external)
- ❖ Plan for the future

Questions
