

Justification of Non-Material Change
Coronavirus State and Local Fiscal Recovery Funds Program
Local Government Transfer Form
1505-0271

The Coronavirus Local Fiscal Recovery Funds (CLFRF) Program, established by Section 603 of the Social Security Act, as added by the American Rescue Plan Act of 2021 (ARPA), allows eligible local governments to transfer award funds to their state. Under section 603(c)(4), “a metropolitan city, nonentitlement unit of local government, or county receiving a payment from funds made available under this section may transfer funds to the State in which such entity is located.” Treasury’s Interim Final Rule provided that a transfer under section 603(c)(4) would not make the State a subrecipient of the local government, and such funds may be used by the State for any purpose permitted under section 602(c). Further, the IFR requires the transferor to provide notice of such transfer to Treasury “in a format specified by Treasury.”

The Department of Treasury is submitting a request for non-material change to OMB Control Number 1505-0271 in order to streamline requests for transfers under section 603(c)(4) and to effectuate the IFR provision that requires transferors to provide notice of transfers “in a format specified by Treasury.” This does not constitute a new collection of information since the statute already provides an avenue for local governments to transfer award funds to their state. The new forms merely provide a simple and consistent format for them to do so, which should reduce the burden on respondents for making this request.

While there is no reliable projection as to the number of responses, there are approximately 30,000 recipients that may decide to use this transfer authority. Based on anecdotal evidence, we expect a small percentage of these recipients (1-10 percent) to use this transfer authority, so as an average, we roughly estimate approximately 1,500 responses in total. The estimated burden is 1 hour per response.