

Department of the Treasury
Information Collection Request – Supporting Statement

Coronavirus State and Local Fiscal Recovery Funds
OMB No. 1505-0271

Part A. Justification

1. Circumstances necessitating the collection of information

Sections 602 and 603 of the Social Security Act (the “Act”), as added by section 9901 of the American Rescue Plan Act of 2021 (“ARPA”), Pub. L. No. 117-2 (Mar. 11, 2021) authorized the Coronavirus State Fiscal Recovery Fund (“CSFRF”) and Coronavirus Local Fiscal Recovery Fund (“CLFRF”) respectively (referred to as the “Coronavirus State and Local Fiscal Recovery Funds” or “SLFRF”). The Coronavirus State and Local Fiscal Recovery Funds provide \$350 billion in total funding for the Department of the Treasury (“Treasury”) to make payments to States (defined to include the District of Columbia), U.S. Territories (defined to include Puerto Rico, U.S. Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Tribes, Metropolitan cities, Counties, Consolidated Governments, and (through States) Nonentitlement units of local government (“NEUs”) (collectively the “eligible entities”) to (1) respond to the COVID-19 public health emergency or its negative economic impacts, including providing assistance to households, small business, nonprofits, and impacted industries, such as tourism, travel, and hospitality; (2) respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers of the State, U.S. Territory, Tribal government, Metropolitan city, County, or NEUs who are performing essential work or by providing grants to eligible employers that have eligible workers; (3) provide of government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year of the State, U.S. Territory, Tribal government, Metropolitan city, County, or NEU; or (4) make necessary investments in water, sewer, or broadband infrastructure.

Section 602(b) of the Act prescribes that \$219.8 billion must be allocated as follows: (1) \$4.5 billion reserved for making payments to the U.S. Territories; (2) \$20 billion reserved for making payments to Tribal governments; and (3) \$195.3 billion reserved for making payments to the 50 States and the District of Columbia.

Section 603(b) of the Act prescribes that \$130.2 billion must be allocated as follows: (1) \$45.57 billion reserved for making payments to Metropolitan cities; (2) \$19.53 billion reserved for making payments to States for distribution to NEUs ; and (3) \$65.1 billion reserved for making payments to Counties. A unit of general local government that has formed a consolidated government or is geographically (in full or in part) within the boundaries of another unit of general local government may receive a distribution from the funds reserved for making payment to a Metropolitan city, NEU, or county, as applicable based on the respective formula for such allocation to a Metropolitan city, NEU, or County.

Section 602(b)(6)(A)(i) provides that, to the extent practicable, Treasury shall make payments to States and U.S. Territories no later than 60 days after receipt of the required certification.

Payments to Tribal governments are to be distributed, to the extent practicable, no later than 60 days after March 11, 2021, pursuant to section 602(b)(6)(B).

Section 603(b)(7)(A) provides that, to the extent practicable, Treasury shall make the first tranche of payments to Metropolitan cities, Counties, and States for distribution to NEUs no later than 60 days after March 11, 2021.

Acceptance of Award Terms Forms

Eligible entities that elected to receive payment under SLFRF had to complete and sign the acceptance of award terms form that indicates their agreement to the award terms. There are two acceptance of award terms forms. The first is for States, the District of Columbia, and U.S. Territories to complete. This first form includes certification language required by section 602(d)(1) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act, which requires certification that an entity requires the payment under section 602(b) to carry out the activities specified in section 602(c). The other acceptance of award terms form is for the other eligible entities to complete; this second form does not include the certification language as the other entities are not required to make such certification.

Recipient Payment Information Form

In order to ensure proper payment by Treasury, all eligible entities must supply basic identifying and bank routing information. This information should be readily available to officials completing the form.

Assurances of Compliance with Title VI of the Civil Rights Act of 1964

As a condition of receipt of federal financial assistance from Treasury, all non-tribal eligible entities under SLFRF are required to provide assurances pursuant to 31 C.F.R. § 22.5 that they will comply with the requirements of Title VI of the Civil Rights Act of 1964 and Treasury's Title VI implementing regulations, which prohibit discrimination on the basis of race, color, or national origin in all programs or activities receiving federal financial assistance.

Tribal Employment Information Form

Tribes will need to confirm or amend employment information previously provided under the Coronavirus Relief Fund, which will be used to determine distributions to Tribal governments under the SLFRF program. This information should be readily available to officials completing the form.

Request for Extensions

SLFRF, established by Sections 602 and 603 of the Social Security Act, as added by section 9901 of ARPA, appropriates \$19.53 billion through states to tens of thousands of smaller local governments called NEUs. The statute requires states to distribute funds to NEUs within 30 days of receiving payment from Treasury, and also directs Treasury to grant an initial 30-day extension if a state certifies an "excessive administrative burden" in writing before the end of the 30-day distribution period. It also allows a state to request further 30-day extensions by submitting a request, that, among other requirements, details a state plan that is designed to distribute funds by the deadline. Treasury can grant these extensions at the discretion of the Secretary.

Treasury has created a streamlined process for a second 30-day extension of the distribution deadline by providing a standardized form for states/territorial governments to use. This does not constitute a new collection of information since states/territories are already permitted by the statute to request this extension in writing. The new form merely provides a simple and consistent format for them to do so, which should reduce the burden on respondents for making this request.

Final Rule

On January 6, 2022, Treasury released the SLFRF final rule. The final rule delivers broader flexibility and greater simplicity in the program, including:

- 1) Offering the standard allowance for revenue loss or complete a full-revenue calculation;
- 2) Clarifying that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response;
- 3) Providing an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by the pandemic;
- 4) Streamlining options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification while maintaining a focus on lower-income and frontline workers performing essential work; and
- 5) Broadening eligible broadband infrastructure investments to address challenges with broadband access, affordability, and reliability, and adding additional eligible water and sewer infrastructure investments, including a broader range of lead remediation and stormwater management projects.

The final rule was posted in the Federal Register on January 27, 2022, and is effective April 1, 2022.

Compliance and Reporting Guidance

In February 2022, Treasury published the updated [Compliance and Reporting Guidance](#) that SLFRF recipients need to comply with to fulfill their reporting requirements under the final rule. As noted in the Compliance and Reporting Guidance, recipients are required to fulfill the following reporting requirements. :

- The first Project and Expenditure Report for certain recipients was due January 31, 2022. All recipients will submit a Project and Expenditure Report by April 30, 2022. Future reporting will vary on a quarterly or annual basis depending on the recipient’s reporting tier.
- The first Recovery Plan Performance Report (“Recovery Plan”) was due August 31, 2021, or 60 days after receiving funding. The next Recovery Plan is due for certain recipient on July 31, 2022 and annually thereafter.
- NEUs are asked to provide certain information once their accounts are established in Treasury’s online portal and prior to the due date of their first Project and Expenditure Report (due April 30, 2022).

Annual Recovery Plan Performance Report

The Recovery Plan is required to be published annually on the recipient’s website and provided to Treasury. The Recovery Plan will contain detailed project performance data, including information on efforts to improve equity and engage communities. As noted in the Compliance

and Reporting Guidance, Treasury shared a recommended template covering the main topics but recipients may modify this template as appropriate for their jurisdiction.

Non-entitlement Units of Government (NEU) Template

States and territories are required to provide updates on distributions to individual NEUs, including whether the NEU has 1) received funding; 2) declined funding and requested a transfer to the State; or 3) not taken action on its funding.

Units of general local government within counties that are not units of general local government (Non-UGLG) Template

States and territories are required to provide updates on distributions to Non-UGLGs, including whether the non-UGLG has received the funding. Recipients must gather the information requested in the Non-UGLG template and upload the information into the Treasury reporting portal.

NEU Agreements and Supporting Documents

NEUs are required to provide certain documentation in accordance with the Compliance and Reporting Guidance. This information needs to be provided to Treasury prior to the submission of first Project and Expenditure Report, due April 30, 2022.

Project and Expenditure Report

The Project and Expenditure Report is required to be provided by recipients quarterly or annually based on their reporting tier, as defined by the Compliance and Reporting Guidance. The first quarterly reports were due January 31, 2022 for certain recipients. The first annual reports are due April 30, 2022. The Project and Expenditure report will provide detailed project information, including obligations and expenditures, subaward and subrecipient information and programmatic data for certain Expenditure Categories.

2. Use of the data

The information reported will allow Treasury to ensure proper payments to eligible entities.

The information in the Recovery Plan, and the Project and Expenditure Report will allow Treasury to obtain a status of the recipient's use of funds received as of the date of reporting. Treasury will make the data submitted by recipients publicly available to address transparency and share information about program status.

3. Use of information technology

Treasury will manage the payment, certification submission and reporting submission process with the use of existing and widely available technology such as e-mail. When requesting bank routing information or other sensitive information, Treasury will provide entities with additional submission guidance to ensure privacy and security. If entities are not able submit sensitive information electronically, Treasury will provide alternative submission options, such as fax or mail.

4. Efforts to identify duplication

The information collections are under new statutory mandates. The information is not known to overlap with any other data collected under any other information collections at Treasury. Furthermore, the information collection is tailored to leverage data that already exists and require only additional data that is necessary for making payments to eligible entities.

5. Impact on small entities

This collection of information will minimally affect small entities. However, Treasury will attempt to minimize the burden on small entities to the greatest extent practicable, such as by providing assistance to small entities.

6. Consequences of less frequent collection and obstacles to burden reduction

If the eligible entities are unable to provide their completed Certification, Acceptance of Award Terms form, and Recipient Payment Information form, Treasury will not be able to verify the eligibility of those entities or collect required reporting.

For the NEU template and the Non-UGLG template, Treasury will collect only the information required to collect their reporting. The eligible entities will submit a limited amount of information that should be readily available to the entity in the ordinary course of business.

If the data in the Recovery Plan is not collected Treasury may not be able to properly assess a recipient's compliance under the program guidelines or report on how the funds were used to Congress, the public, and other oversight bodies.

If the data in the Project and Expenditure Report is not collected Treasury may not be able to properly assess a recipient's current status of use of funds in compliance with program guidelines or report on how the funds were used to Congress, the public, and other oversight bodies. In addition, Treasury will not be able to provide the subaward information required by FSRS.

7. Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

8. Solicitation of comments on information collection and justification for expedited processing pursuant to 5 C.F.R. § 1320.13

On September 16, 2021, Treasury published a notice in the Federal Register at 86 FR 51727, soliciting public review and comment for a 60-day period. Treasury received 2 comments in response to the 60-day notice.

The first commenter expressed concerns about an OSHA rule requiring vaccinations for employment and the response to the pandemic across the country. This comment is not relevant to this data collection.

The second commenter expressed support for the program. Treasury would like to thank the commenter for their support.

9. Provision of payments to respondents

No payments or gifts are provided to respondents.

10. Assurance of confidentiality

Information collected through reporting carries no assurance of confidentiality, consistent with Treasury’s commitment to transparency and accountability, and with the Freedom of Information Act and other applicable laws.

11. Justification of sensitive questions

No sensitive questions will be asked of eligible entities.

12. Estimate of the hour burden of information collection

The Recipient Payment Information form, Acceptance of Award Terms form, Title VI Assurances, Tribal Employment Information, Request for Extensions, Recovery Plans, NEU Distribution Templates, Non-UGLG Distribution Templates, Local Government Transfer Forms, NEU and non-UGLG Agreements, and the Project and Expenditure Report burden estimates are as follows:

| Reporting | # Respondents | # Responses Per Respondent | Total Responses | Hours per response | Total Burden in Hours | Cost to Respondent (\$48.80 per hour*) |
|------------------------------------|----------------------|-----------------------------------|------------------------|---------------------------|------------------------------|---|
| Recipient Payment Form | 5,050 | 1 | 5,050 | .25 (15 minutes) | 1,262.5 | \$61,610 |
| Acceptance of Award Terms | 5,050 | 1 | 5,050 | .25 (15 minutes) | 1,262.5 | \$61,610 |
| Title VI Assurances | 5,050 | 1 | 5,050 | .50 (30 minutes) | 2,525 | \$123,220 |
| Tribal employment information form | 584 | 1 | 584 | .75 (45 minutes) | 438 | \$21,374 |

| Reporting | # Respondents | # Responses Per Respondent | Total Responses | Hours per response | Total Burden in Hours | Cost to Respondent (\$48.80 per hour*) |
|--|----------------------|-----------------------------------|------------------------|---------------------------|------------------------------|---|
| Request for Extension Form | 96 | 1 | 96 | 1 | 96 | \$4,685 |
| Annual Recovery Plan Performance Report | 430 | 1 | 430 | 100 | 43,000 | \$2,098,400 |
| NEU Distribution Template | 55 | 2 | 110 | 10 | 1,100 | \$53,680 |
| Non-UGLG Distribution Template | 55 | 2 | 110 | 5 | 550 | \$26,840 |
| Local Government Transfer Form | 1,500 | 1 | 1,500 | 1 | 1,500 | \$73,200 |
| NEU Agreements and Supporting Documents | 27,000 | 1 | 27,000 | .5 | 13,500 | \$658,800 |
| Project and Expenditure Report (quarterly) | 2,000 | 4 | 8,000 | 6 | 48,000 | \$2,342,400 |
| Project and Expenditure Report (annually) | 26,000 | 1 | 26,000 | 6 | 156,000 | \$7,612,800 |
| Total | 72,870 | | 78,980 | | 269,234 | \$13,408,193 |

* Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44% to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of \$48.80.

13. Estimated total annual cost burden to respondents

There are no annualized capital/startup costs for the eligible entities to provide the information in the form or certification.

14. Estimated cost to the federal government

As this is a new program being set up in response to emergency circumstances, federal costs have not been estimated yet.

15. Reasons for change in burden

This submission is to renew the OMB approval. As part of this renewal, the Interim Reports were removed from the collection as they are no longer being used. This reduces the burden by 8,860 hours.

Additionally, Treasury has revised the burden estimates for the Project and Expenditure Report to increase the time per response by 2 hours and split out the burden for the recipients who report annually and quarterly. The quarterly and annual reporting is not a new requirement for this submission, but these were not clearly represented in previous submissions. The revised burden estimates for these reports increases the burden by 12,000 hours.

16. Plans for tabulation, statistical analysis, and publication

Treasury plans to publish the data for disbursements.

Treasury plans to publish the Recovery Plans in Treasury's public website. As noted in the Compliance and Reporting Guidance, recipients must post into public-facing website the Recovery Plan provided to Treasury. As such, the information provided by the recipients is already accessible to the public through other means.

Treasury plans to publish the reporting data provided by recipients, including the Project and Expenditure Report data of each Recipient that submitted their report in the future.

The information is planned to be displayed by recipient in Treasury's website. No complex analytical techniques are being used to post the information as the information will be a direct extract of the information reporting through Treasury's online portal.

17. Display of the expiration date for OMB approval

Treasury plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to certification requirement

There are no exceptions to the certification statement.

Part B. Describe the use of statistical methods such as sampling or imputation

This collection does not employ statistical methods.