

OHIO AUDITOR OF STATE
KEITH FABER

State and Local Fiscal Recovery Fund (SLFRF): 2023 Interim Final Rule

Presented By:
Amanda Stidham, CPA, CFE
Quality Assurance and Technical Specialist

Efficient • Effective • Transparent 1

1

Agenda

- Overview of Interim Final Rule
- Emergency Relief from Natural Disasters
- Title I and Surface Transportation Projects
- Surface Transportation Projects
- Title I

Efficient • Effective • Transparent 2

2

Overview of SLFRF 2023 Interim Final Rule

December 29, 2022:
2023 Consolidated
Appropriations Act
Passed, Expands SLFRF
Eligible Use Categories

August 2023: Interim
Final Rule Released by
Treasury

September 2023: Interim
Final Rule Published

Efficient • Effective • Transparent 3

3

Overview of SLFRF 2023 Interim Final Rule

No Change to Existing Eligible Uses

Efficient • Effective • Transparent 4

4

Overview of SLFRF 2023 Interim Final Rule

- Emergency Relief from Natural Disasters
- Surface Transportation Projects
- Title I Projects

Efficient • Effective • Transparent 5

5

Overview of SLFRF 2023 Interim Final Rule

Costs Incurred Starting December 29, 2022

Title I / Surface Transportation: Expended by September 30, 2026

Obligated by December 31, 2024

All Other Categories: Expended by December 31, 2026

Efficient • Effective • Transparent 6

6

Emergency Relief from Natural Disasters

1. Identify Natural Disaster
As Defined in the Interim Final Rule

2. Identify Emergency Relief
Related and Reasonably Proportional to Impact Identified

Efficient • Effective • Transparent 7

7

Emergency Relief from Natural Disasters

If Natural Disaster Imminent or Already Occurred

Must Meet Treasury Definition of Natural Disaster
AND Be Subject to Emergency Declaration:

- Pursuant to Stafford Act
- By State Governor
- By Tribal Government
- By Chief Executive of Recipient

Efficient • Effective • Transparent 8

8

Emergency Relief from Natural Disasters

If Natural Disaster Imminent or Already Occurred

Enumerated Eligible Uses

- Temporary Emergency Housing
- Food Assistance
- Financial Assistance for Lost Wages
- Other Immediate Needs

Efficient • Effective • Transparent 9

9

Emergency Relief from Natural Disasters

If Lessening or Averting Threat of Future Natural Disaster

Document Evidence of Historical Patterns or Predictions	Use Evidence to Support Mitigation Measures	Written Justification for Capital Expenditures Over \$1 Million
---------------------------------------------------------	---------------------------------------------	-----------------------------------------------------------------

Efficient • Effective • Transparent 10

10

Emergency Relief from Natural Disasters

If Lessening or Averting Threat of Future Natural Disaster: Enumerated Eligible Uses

Structure Elevation	Mitigation Reconstruction	Dry Flood Proofing	Etc.
---------------------	---------------------------	--------------------	------

Efficient • Effective • Transparent 11

11

Title I and Surface Transportation Projects

Cap on Use of Funds	Requirements of Other Laws
Supplement, Not Supplant	Obligation and Expenditure Deadline

Efficient • Effective • Transparent 12

12

Title I and Surface Transportation Projects

Cap on Use of Funds

Cannot exceed greater of \$10 million or 30% of SLFRF allocation

Cap applies to combined total of Title I and Surface Transportation

Efficient • Effective • Transparent 13

13

Title I and Surface Transportation Projects

Requirements of Other Laws

Titles 23 (Transportation), 40 (Environmental Protection), and 49 (Transportation Safety) of the US Code

Title I of the Housing and Community Development Act of 1974

National Environmental Policy Act of 1969

Efficient • Effective • Transparent 14

14

Title I and Surface Transportation Projects

Supplement, Not Supplant

May not de-obligate funds obligated for eligible projects and replace with SLFRF

May not use SLFRF to replace funds identified in a federal commitment

Efficient • Effective • Transparent 15

15

Title I and Surface Transportation Projects

Obligation and Expenditure Deadline

Funds Must be Obligated by December 31, 2024, and Liquidated by September 30, 2026

Efficient • Effective • Transparent

16

16

Surface Transportation Projects

1 Pathway 1 • Supplement surface transportation projects receiving funding from DOT

2 Pathway 2 • Fund surface transportation projects *not* receiving funding from DOT

3 Pathway 3 • Satisfy non-Federal share requirements for certain surface transportation projects, or repay TIFIA loan

Efficient • Effective • Transparent

17

17

Surface Transportation Projects

Pathway One: Project Receiving Funding from DOT

- Project must be subject to DOT's oversight during period that SLFRF funds are used.
- Recipients **MUST** consult with DOT before using funds under pathway one.
- May only use SLFRF for projects under the 26 programs specified in the Interim Final Rule.

Efficient • Effective • Transparent

18

18

Surface Transportation Projects

Pathway One: Project Receiving Funding from DOT

- Expand existing project.
- Cover unexpected costs of existing project.
- Supplement DOT funding for projects that have not yet, but will, receive DOT funding.

Efficient • Effective • Transparent 19

19

Surface Transportation Projects

Pathway Two: Project Not Receiving Funding from DOT

Streamlined Framework

Non-Streamlined Framework

Efficient • Effective • Transparent 20

20

Surface Transportation Projects

Pathway Two: Streamlined Framework

- Project would be eligible under RAISE grant program.
- Contributes no more than \$10 million in SLFRF funds.
- Limited to actions that typically do not have significant environmental impact.

See RAISE Grants NoFo: <https://www.transportation.gov/RAISEgrants/raise-nofo>

Efficient • Effective • Transparent 21

21

Surface Transportation Projects

Pathway
Two: Non-Streamlined
Framework

- Must submit Notice of Intent to Treasury.
- Due 30 calendar days after the end of the Interim Final Rule comment period (60 days after issuance).

Efficient • Effective • Transparent 22

22

Surface Transportation Projects

Pathway Three: Satisfy Non-Federal Share Requirements for Certain Projects

Repay TIFIA Loan

Satisfy non-federal share requirements for projects under:

INFRA Grants

Fixed Guideway
Capital Investment
Grants

Mega Grants

Projects eligible
for credit
assistance under
TIFIA program

Efficient • Effective • Transparent 23

23

Surface Transportation Projects

Pathway Three: Satisfy Non-Federal Share Requirements for Certain Projects

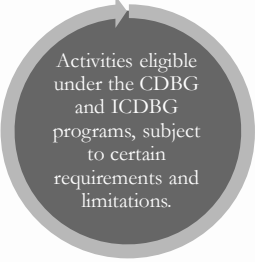
Recipients must consult with DOT.

Requirements associated with the project, as administered by DOT, continue to apply.

Efficient • Effective • Transparent 24

24

Title I



Activities eligible under the CDBG and ICDBG programs, subject to certain requirements and limitations.

Efficient • Effective • Transparent 25

25

Title I

See Interim Final Rule for Illustrative List of Eligible Projects, Including:

- Homeownership Assistance
- Disposition of Certain Property
- Acquisition of Certain Real Property for Public Purpose

Efficient • Effective • Transparent 26

26

Title I

Ineligible Activities Under Title I

- Buildings, or Portions Thereof, for General Government Conduct
- General Government Expenses
- Political Activities
- Equipment
- Operating and Maintenance Expenses
- New Housing Construction
- Income Payments

Efficient • Effective • Transparent 27

27

Title I

Compliance Requirements for Title I Projects

- Primary Objective: At least 70% of SLFRF funds for Title I used to principally benefit low- and moderate-income persons.
- Public Services Cap: No more than 15% spent under “public services” category.
- Planning and Administrative Costs Cap: No more than 20% spent on planning and administrative costs.

Efficient • Effective • Transparent

28

28

Title I

Compliance Requirements for Title I Projects

- Broadband Equity, Access, and Deployment (BEAD) Program Requirements: Apply as outlined in section 60102 of IIJA.
- CDBG National Objectives: Project must satisfy at least one CDBG National Objective.
- Labor Standards Requirements: Prevailing wage requirements and other labor standards applied by HUD apply.

Efficient • Effective • Transparent

29

29

Title I

Pre-Approval Requirements

- Must comply with environmental review requirements in HUD statutes and regulations, submit project-level certification to Treasury, and receive Treasury approval prior to starting Title I project using SLFRF.
- Certain exemptions apply.

Efficient • Effective • Transparent

30

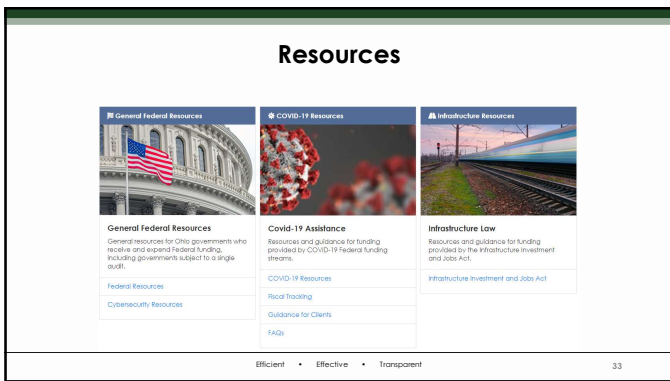
30



31



32



33

Resources

Updated AOS
Guidance
Coming
Soon!

Efficient • Effective • Transparent

34

34

Resources

Interim Final Rule and Overview of the Interim Final Rule

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

Efficient • Effective • Transparent

35

35

Questions?

Efficient • Effective • Transparent

36

36

OHIO AUDITOR OF STATE
KEITH FABER

Amanda Stidham, CPA, CFE
Quality Assurance and Technical Specialist

AOSFederal@ohioauditor.gov

Efficient • Effective • Transparent

37
