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Treasury's Final American Rescue Plan Guidance Means It's Time for Local Leaders to Invest in an Inclusive Future.

Ten months after the passage of the \$1.9 trillion American Rescue Plan Act (ARP), local officials across the United States continue to possess significant opportunities to deploy the act's \$350 billion in flexible Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to address critical priorities. And last week, these leaders received final guidance on how to use this massive investment to build an inclusive future for their communities.

Back in May 2021, the U.S. Department of the Treasury published an [interim final rule](#) laying out permitted SLFRF uses, and invited feedback from local officials and other experts. It provided state and local officials with guidance on four statutorily prescribed uses: responding to COVID-19's public health and economic impacts; providing premium pay; investing in water, sewer, and broadband infrastructure; and replacing lost public sector revenue.

Subsequently, cities, counties, and states issued [preliminary reports](#) detailing how they intended to use SLFRF dollars. However, as we [observed last fall](#), the lack of a final rule from Treasury on implementing the program may have discouraged some cities from making firm decisions about how they would use their funding allocations, as they awaited clarifications or assurances regarding eligible activities.

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The Brookings Institution

by Alan Berube and Eli Byerly-Duke

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