June 12, 2023

The Honorable Janet Yellen  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Shalanda D. Young  
Office of Management and Budget  
725 17th Street NW  
Washington, DC 20503

Dear Secretary Yellen and Director Young:

We write to urge the Department of the Treasury and Office of Management and Budget (OMB) to expedite the release of the Interim Final Rule (IFR) on the additional eligible uses for the American Rescue Plan Act’s State and Local Fiscal Relief Funds (SLFRF). The allocation of $350 billion from SLFRF has supported state, local, Tribal, and territorial governments as they continue to recover from challenges posed by the COVID-19 pandemic. The additional eligible uses of these funds will build on the original purpose of SLFRF and we ask that Treasury and OMB provide clarity on the timeline for the release of comprehensive guidance necessary for our communities to implement these changes.

The bipartisan provisions in the Consolidated Appropriations Act of 2023 (P.L. 117-328) provided more flexibility to the SLFRF, and allows for the allocation of funds towards natural disaster relief, critical infrastructure projects, and economic development. By leveraging these resources effectively, state and local governments can not only address the immediate impacts of the pandemic but also invest in long-term infrastructure improvements that will benefit communities for years to come. It is imperative that the IFR be released so that these funds can be fully utilized in line with congressional intent.

The impending deadlines for obligation and disbursement of these funds underscores the pressing need for the IFR. SLFRF recipients have been in a holding pattern since the passage of the Consolidated Appropriations Act of 2023. Without clear guidelines and instructions from Treasury and OMB, state and local governments face uncertainty and challenges in accessing and utilizing the SLFRF effectively. Timely guidance will enable governments to plan and execute infrastructure projects, make informed financial decisions, and maximize the impact of these funds on the needs of our communities within the given timeframe.

Thank you for your attention to this important matter. We look forward to receiving an updated timeline and trust that Treasury and OMB will take prompt action to provide the necessary guidance.

Sincerely,

John Cornyn  
United States Senator

Alex Padilla  
United States Senator