



Feb. 25, 2022

The Honorable Carolyn B. Maloney
Chairwoman, Committee on Oversight and Reform
U.S. House of Representative
Washington, D.C. 20515

Scott Saiki
Speaker of the House
Hawaii
President, NCSL

**Joseph James
"J.J." Gentry, Esq.**
Counsel
Senate Ethics Committee
South Carolina
Staff Chair, NCSL

Tim Storey
Chief Executive Officer
NCSL

Hearing on: From Recession to Recovery: Examining the Impact of the American Rescue Plan's State and Local Fiscal Recovery Funds

Dear Chairwoman Maloney, Ranking Member Comer and Members of the House Committee on Oversight and Reform:

The National Conference of State Legislatures (NCSL) is a bipartisan organization representing the 50 state legislatures and the legislatures of our nation's commonwealths, territories, possessions, and the District of Columbia. NCSL's mission is to strengthen the institution of the legislatures, provide connections between the states and serve as the voice of state legislatures in the American federal system of government.

This letter provides highlights of states' allocations of American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). Among activities, such as providing technical assistance to legislators and legislative staff on the eligible use of CSLFRF, NCSL is tracking how states, Washington, D.C., and territories are using the funds.

States are rising to the occasion to make thoughtful decisions and strategic investments with this unprecedented amount of relief so their communities will have a strong recovery past the pandemic's public health and economic shocks. Below is a brief analysis of the CSLFRF derived from NCSL's ARPA State Fiscal Recovery Fund Allocations database.

- To date at least 46 states, Washington D.C., and all United States territories, have allocated a portion of their CSLFRF.
- Approximately 60%, or \$118 billion of the total estimated funding available to states and territories under the program has been allocated.
 - *Estimated disbursements: \$195.3 billion to states and D.C.; \$4.5 billion to territories*
- The greatest portion of funding is being allocated to state operations and administration, keeping unemployment trust funds solvent, investing in water, sewer, wastewater, and broadband infrastructure, and towards continued public health recovery and mitigation efforts.
- However, most states are allocating funds across major categories, including economic relief and development, housing, and education, signaling a wide breadth of priorities catered to specific needs within each state.

Additionally, several states have created subcommittees or task forces to make methodical, conscientious decisions on the funds.

- Mississippi appointed a select Senate Appropriations ARPA Subcommittee, which conducted hearings in fall 2021. The committee heard from the state budget and audit expert witnesses and sought comparative witness testimony from other states.

- Georgia Governor Brian Kemp (R) created three bipartisan Jobs and Infrastructure Committees focused on broadband, water and sewer infrastructure, and economic impact to review funding applications and make recommendations.
- During the legislative interim, Nevada's Interim Finance Committee created a Subcommittee to Advise on the Expenditure of Federal COVID-19 funding. The committee reviews CSFLRF and the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Funds (CRF).

Oversight and transparency of the funds are also a priority for legislators and governors.

- Alabama Act, 2022-1 Sec. 5, established a Joint Legislative Oversight Committee on ARPA State Fund.
- Arizona Chapter 405 Sec. 38 requires Governor Doug Ducey (R) to report to the president of the senate, speaker of the house, and chairpersons of both chambers appropriations committee, plus the Joint Legislative Budget Committee on any expenditures of \$10 million or more.
- Under Emergency Rule 18, Massachusetts legislative leadership created a House Committee on Federal Stimulus and Census Oversight.
- Minnesota legislative leaders and Governor Tim Walz (D) agreed to an oversight process where Legislative COVID-19 Response Commission must review allocations over \$2.5 million.

Legislative allocation timelines vary based on legislative procedures (e.g., special session or interim), spending authority, the release of the interim rule and subsequent final rule, and tranche disbursement. Therefore, NCSL expects allocations to continue throughout 2022 legislative sessions and after states receive their second tranche of funding.

Thank you for the opportunity to submit comments on behalf of NCSL.

Sincerely,

A handwritten signature in blue ink that reads "Tim Storey". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Tim Storey, Chief Executive Officer
National Conference of State Legislatures