

## BOARD OF SUPERVISORS

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May 14, 2024

The Honorable Alex Padilla  
United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Laphonza Butler  
United States Senate  
G10 Dirksen Senate Office Building  
Washington, D.C. 20510

**RE: Congressional joint resolution to overturn ARPA Obligation Interim Final Rule – OPPOSE**

Dear Senator Padilla and Senator Butler,

I am writing on behalf of the nearly 1 million residents of Kern County to urge you to oppose the Congressional Review Act (CRA) joint resolution aimed at overturning the Obligation Interim Final Rule (IFR) published by the U.S. Department of Treasury (Treasury) in November 2023. The Obligation IFR provides states and local governments with critical guidance related to the statutory December 31, 2024, deadline for recipients to obligate American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF).

The \$350 billion SLFRF provided \$65.1 billion in direct aid to every county, parish and borough in America and since 2021, counties have been using these critical funds to meet the unique needs of our residents and support long-term economic growth. In Kern County, Recovery Funds have been used in six core service areas with \$65.4 million allocated to countywide public services, \$55 million allocated to pedestrian safety and infrastructure improvements, \$21.3 million for homelessness and housing, \$18.2 million for parks and open space improvements, \$15.1 million for public safety initiatives, and \$1.2 million to promote the local economy, trade, and tourism.

Kern County and other SLFRF recipients are required by law to obligate all SLFRF dollars by December 31, 2024. Treasury's November 2023 Obligation IFR provides SLFRF recipients to use these funds for payroll costs associated with compliance and reporting personnel through the December 31, 2026, expenditure deadline. Additionally, the IFR provides counties with the parameters in which we can terminate contracts and re-obligate funds beyond the obligation date, which is a crucial flexibility as workforce shortages and supply chain delays persist. Lastly, the Obligation IFR provides subrecipients with the flexibility to re-obligate funds through the expenditure deadline, which is critical to continue the administration of ARPA funded programs through the expenditure deadline.

In short, overturning Treasury's Obligation IFR would limit our ability to use funds for payroll for compliance and reporting personnel and our ability to re-obligate funds in the case a contract is unable to fulfil their obligation. Additionally, it would require that subrecipients obligate funds by December 31,

2024, instead of throughout the expenditure deadline as allowed by the IFR. Without the flexibilities provided through the Obligation IFR, Kern County and many other jurisdictions across the nation may have difficulty coming into compliance with ARPA statute and regulations laid out in Treasury's Final Rule.

Thank you for your continued service to Kern County. We thank you for your partnership and respectfully ask that you oppose the CRA joint disapproval resolution that would overturn Treasury's Obligation IFR.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Couch', with a long horizontal flourish extending to the right.

David Couch, Chairman  
Kern County Board of Supervisors

cc: Honorable Members, Kern County House Delegation  
National Association of Counties  
Carpi & Clay