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State and Local Fiscal Recovery Funds: Nonprofit Projects through June 30, 2024

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Charitable nonprofits have just a little over a month left to secure commitments for State and Local Fiscal Recovery Funds (SLFRF) made available through the American Rescue Plan Act. Many state, local, and territorial governments have partnered with nonprofits through relief programs and by hiring them as providers of services. However, most SLFRF resources have gone to other entities. But the news is not all bad and there remains time for charitable nonprofits to advocate for their share of these funds.

The latest analysis of data published by the <u>U.S. Department of Treasury</u> show which governments have been active nonprofit partners, highlights some projects funded by SLFRF, and includes tips on how nonprofits can still secure funding. Nonprofits are running out of time to access this once-in-a-lifetime funding opportunity. Based on the data submitted by state, local, and territorial governments, **as of June 30, 2024, an estimated \$46.0 billion in SLFRF resources remain available**.

About the State and Local Fiscal Recovery Funds

The American Rescue Plan Act included \$350 billion in <u>State and Local Fiscal</u> <u>Recovery Funds</u> (SLFRF) that were allocated to state, territorial, metropolitan city, county, and Tribal governments, and non-entitlement units (cities, villages, towns, townships, or other types of local governments typically serving populations of less than 50,000). The <u>Final Rule</u> makes it clear that governments can invest their SLFRF resources on charitable nonprofits to (1) give direct assistance to nonprofits as *beneficiaries* trying to recover from the pandemic's impact on their organizations, and (2) hire nonprofits as *providers* of services to others on behalf of those governments. Governments must obligate – i.e., commit to spending via a written agreement – SLFRF resources by December 31, 2024; unobligated funds will be returned to the U.S. Department of the Treasury.

Overview of SLFRF Nonprofit Projects

The <u>data made available</u> by Treasury provide information on SLFRF projects that include nonprofits. While charitable nonprofits are eligible for SLFRF, the data reveal that governments are allocating most funds to other entities: only 4.6% of obligated SLFRF resources so far have gone to charitable nonprofits and 3.5% of reported projects include nonprofits as beneficiaries or providers of services.

As of June 30, 2024, state, local, and territorial governments reported that they **obligated an estimated \$13.0 billion** SLFRF resources on charitable nonprofits and **spent approximately \$10.7 billion of obligated funds**. A total of 1,438 state, local, and territorial governments reported **4,960 projects that directly or indirectly include nonprofits**.

Number of Projects that Include Nonprofits and Amount Obligated to Nonprofit Projects as of June 30, 2024

Category	Number of Nonprofit Projects	Amount Obligated to Nonprofit Projects (in millions)
State Governments and District of Columbia	435	\$8,610.1
Local Governments	4,498	\$4,274.3

Category	Number of Nonprofit Projects	Amount Obligated to Nonprofit Projects (in millions)
Territorial Governments	27	\$101.8
Total	4,960	\$12,986.2

Source Analysis of: <u>Coronavirus State and Local Fiscal Recovery Funds Public Data</u>, U.S. Department of the Treasury, October 2024.

Slightly more than two-thirds of nonprofit projects (67.4%) are reported under the Negative Economic Impact category that includes Assistance to Impacted Nonprofit Organizations. The SLFRF Final Rule Overview recognizes that charitable nonprofits have faced challenges like "increased demand for services and changing operational needs, as well as declines in revenue sources such as donations and fees." Nearly one out of ten projects (9.7%) that included nonprofits were in the Public Health category group to address needs in communities. Another one out of five (20.0%) of projects are in the Revenue Replacement category group. Some governments used their SLFRF resources for their own revenue replacement seeking more flexibility to spend their funds later.

The Bottom Line: As of November 18, only 43 days remain to obligate funds, which makes it more urgent for charitable nonprofits to advocate for more projects that include, but are not limited to, relief programs and grants, and partnerships to address challenges stemming from the pandemic including child care, workforce development, affordable housing, and more.

Flourish

SLFRF Nonprofit Projects

We highlight some <u>projects reported</u> by state, local, and territorial governments as examples nonprofits can refer to in their discussions with decisionmakers. These also show effective partnerships to advance recovery from the pandemic.

Projects Reported by State Governments

- **Connecticut**: Obligated \$1,000 to Women's Mentoring, Inc. to support their programs and services delivered to women and families impacted by the pandemic.
- **Illinois**: \$300,000 was obligated towards a grant for the House of Miles Davis Museum in East St. Louis. The grant will help cover costs "associated with the design, oversight, and implementation of various capital improvement projects."
- **Rhode Island**: The state obligated \$10.5 million to nonprofits' capacity building in delivering housing, clinical, and mental health services to survivors of domestic violence.

State governments reporting the most nonprofit projects (excluding local governments) as of June 30, 2024:

Connecticut: 74
 Vermont: 61
 Colorado: 39
 Missouri: 30

5. North Carolina: 20

Projects Reported by Local Governments

- **Hendricks County, Indiana**: \$1,200 was obligated to a local choir to support the "delivery and expansion of artistic and music education programs for children, youth and educators in Hendricks County."
- **Northampton, Massachusetts**: Obligated \$2,437 to a local nonprofit's "Queer Voices" project to "strengthen peer-support resources and build resilience through the arts."
- **Cabell County, West Virginia**: The county obligated \$2,500 to a community center to purchase a vehicle to continue providing services in the area.

Local governments reporting the most nonprofit projects as of June 30, 2024:

1. City of Tulsa, Oklahoma: 96

2. Hendricks County, Indiana and York County, Pennsylvania: 53

3. Sommerville, Massachusetts: 50

4. Warren County, New York: 44

5. Laramie County, Wyoming: 42

Supporting Nonprofit Advocacy

Identifying Available Funds

- 1. **Checking Online**: Browse the data from your government websites to determine how much funding is left in your local government(s). Charitable nonprofits can secure funds from multiple governments so long as you can show you have operations and impact in various cities, counties, etc.
- 2. **Picking Up the Phone**: Contact your Mayor, City Manager, City Council, or any office involved in the budget/finance process to ask about unobligated State and Local Fiscal Recovery Funds. A phone call can make all the difference.

Developing and Making the Ask

- 1. View <u>successful examples</u> of how governments have used SLFRF to partner with nonprofits.
- 2. Draft a SLFRF proposal using <u>a template</u> explaining nonprofits' eligibility, the approaching deadline to obligate funds, and how your nonprofit would use the funds to advance solutions. This can be sent to the offices mentioned above.
- 3. Attend and actively participate in council or committee meetings to advocate for funds. Decisionmakers need to hear how the pandemic continues to impact your nonprofit and community, and how you will use those funds to advance solutions.

For more information, see Accessing State and Local Fiscal Recovery Funds.

About SLFRF Data

In accordance with the U.S. Department of the Treasury's SLFRF <u>Compliance and Reporting Guidance</u>, the largest recipients (states, territories, and metro cities and counties with a population over 250,000 or an allocation over \$10 million, and non-entitlement units of local government allocated more than \$10 million) must submit quarterly reports. Other recipients submit reports annually. This analysis focused on <u>SLFRF projects</u> reported by state, local, and territorial governments that include "nonprofit," "non-profit" "not for profit," or "not-for-profit."