



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 15, 2024
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S.J. Res. 57 – Congressional Disapproval of the Rule Submitted by the Department of the Treasury Relating to “Coronavirus State and Local Fiscal Recovery Funds”

(Sen. Schmidt, R-MO, and 12 cosponsors)

The Administration strongly opposes passage of S.J. Res. 57, which would disrupt critical infrastructure and housing projects, risk layoffs of public safety workers, and create significant oversight gaps that could put taxpayer dollars at risk. Across the more than 30,000 governments – large and small, urban and rural – implementing critical programs through State and Local Fiscal Recovery Funds (SLFRF), S.J. Res. 57 could result in projects being cancelled midstream, reduced project management and oversight, and higher costs as state and local governments are forced to contract out programs.

S.J. Res. 57 would disapprove Treasury’s interim final rule, which helped address questions regarding the definition of “obligation” ahead of the statutory deadline of December 31, 2024. The interim final rule did not alter the existing obligation or expenditure deadlines or expand eligible categories of use. It clarified the definition of “obligation” in Treasury’s regulations for SLFRF, ensuring that projects administered under agreements with subrecipients or governmental agencies – whether sheriff departments, community colleges, or local housing authorities – were not disadvantaged relative to those administered by contractors. Furthermore, it helped ensure that recipients could execute proper oversight and meet SLFRF program requirements such as reporting, compliance, and record retention after the obligation deadline of December 31, 2024.

Nearly all SLFRF funds have been committed to projects, including infrastructure and disaster relief projects made eligible by bipartisan legislation. S.J. Res. 57 would create unnecessary uncertainty for recipients that are executing on projects, jeopardize important work underway, and inappropriately constrain Treasury’s ability to address ongoing implementation issues.

If the President were presented with S.J. Res. 57, he would veto it.

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