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# **State and Local Fiscal Recovery Funds: Nonprofit Projects through March 31, 2024**

By: Jessica Mendieta

Charitable nonprofits only have a few months left to advocate for remaining State and Local Fiscal Recovery Funds (SLFRF) made available through the American Rescue Plan Act. Newly released data show that while many state, local, and territorial governments have partnered with nonprofits through direct relief programs and by hiring them as providers of services, more than 95% of SLFRF resources have gone to other entities. But at least \$86 billion in funds remain ready to be invested in the missions of charitable nonprofits, if organizations take action. This analysis of data published by the U.S. Department of the Treasury show which governments have been active nonprofit partners, provide examples of programs and projects funded by SLFRF, and share tips on how nonprofits can still secure funding.

## **About the State and Local Fiscal Recovery Funds Program**

The American Rescue Plan Act enacted in 2021 included \$350 billion in [State and Local Fiscal Recovery Funds](#) (SLFRF) that were distributed 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). As made clear in the [Treasury Department regulations](#), governments can use 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 – commit to spending via a written agreement – these funds by December 31, 2024; unobligated funds will be returned to the U.S. Department of the Treasury. Nonprofits must advocate now to access this once-in-a-lifetime funding opportunity. Based on the data submitted by state, local, and territorial governments, **as of March 31, 2024, an estimated \$86.0 billion in SLFRF resources remain available**. This data point is important because most local officials assume they have already disposed of SLFRF dollars. [Learn how these officials likely are mistaken](#).

## Overview of SLFRF Nonprofit Allocations

The [data made available](#) by Treasury recently show how governments have used SLFRF to advance recovery from the pandemic and provide information on projects that include nonprofits. While nonprofits are eligible for SLFRF, the data reveal that governments are allocating most of their funds to other entities: only 4.7% of obligated SLFRF resources have gone to charitable nonprofits and 3.4% of projects include nonprofits as beneficiaries or providers of services.

As of March 31, 2024, state local and territorial governments reported that they have **obligated an estimated \$12.5 billion** in SLFRF resources to charitable nonprofits and spent approximately \$10.2 billion of those obligated funds. More specifically, 1,438 state, local, and territorial governments reported **4,668 projects that directly or indirectly include nonprofits**.

## Number of Projects that Include Nonprofits and Amount Obligated to Nonprofit Projects as of March 31, 2024

<b>Category</b>	<b>Number of Nonprofit Projects</b>	<b>Amount Obligated to Nonprofit Projects (in millions)</b>
<b>State Governments and District of Columbia</b>	408	\$8,476.8
<b>Local Governments</b>	4,235	\$4,001.4
<b>Territorial Governments</b>	25	\$15.1
<b>Total</b>	<b>4,668</b>	<b>\$12,493.3</b>

Source Analysis of: [Coronavirus State and Local Fiscal Recovery Funds Public Data](#), U.S. Department of the Treasury, July 2024.

Slightly more than two-thirds of reported nonprofit projects (67.3%) are listed under the [Negative Economic Impact](#) category that includes "Assistance to Impacted Nonprofit Organizations." The [SLFRF Final Rule Overview](#) recognizes that 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." In addition, charitable nonprofits virtually everywhere are experiencing a [workforce shortage crisis](#), a fact that makes their SLFRF eligibility abundantly clear.

Another 20.4% of projects are in the [Revenue Replacement](#) category group. Some governments used their SLFRF resources for revenue replacement, meaning they put the funds in their general treasury to secure more flexibility to spend their funds later. However, only a few months remain to obligate the SLFRF dollars, which makes it more urgent for nonprofits to advocate for projects that include, but are not limited to nonprofit relief programs, direct grants, and partnerships to address specific challenges related to the pandemic such as child care, workforce development, mental health, food insecurity, and more.

## **SLFRF Nonprofit Projects by State as of March 31, 2024**

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# Worth Citing: SLFRF Nonprofit Projects

Among the [projects reported](#) to the Treasury Department by state, local, and territorial governments are examples nonprofits can refer to in their discussions with decisionmakers. The following examples also show effective partnerships to advance recovery from the pandemic.

## Recent Projects Reported by State Governments

- **Kentucky:** The Commonwealth provided \$1 million to Buckhorn Children & Family Services to address “staffing issues for this nonprofit organization exacerbated by the COVID-19 pandemic for youth residential and foster care programs.”
- **North Carolina:** Flat Rock Playhouse, a nonprofit theater, received \$100,000 to offset the negative economic impacts of the pandemic.
- **Wyoming:** The state allocated \$125,000 in SLFRF resources to the Children's Museum of Cheyenne so they could expand community-based programs and services by renovating a vacant lot.

See the [State and Local Funds | American Rescue Plan Funds](#) and [SLFRF special report](#) for more successful examples.

State governments reporting the most nonprofit projects (excluding local governments) as of March 31, 2024:

1. Connecticut: 72
2. Vermont: 61
3. Colorado: 37
4. North Carolina: 20
5. Massachusetts, Missouri, Rhode Island: 16

## Recent Projects Reported by Local Governments

- **Houston County, Alabama:** The Wiregrass Food Bank received \$10,000 to support its work in the community.
- **South Thomaston Town, Maine:** Awarded \$5,000 to the Knox Clinic, a volunteer-based nonprofit, so they can continue providing “free/low cost medical, dental, prescription assistance, mental health and wellness services to

the uninsured and underinsured.”

- **Knox County, Tennessee:** The county provided \$100,000 in SLFRF resources to Centro Hispano de East Tennessee, to support their education and English as a Second Language courses. According to the county, “from July 1, 2022, to September 30, 2023, Centro Hispano de East Tennessee has served 641 individuals within these programs.”

Local governments reporting the most nonprofit projects as of March 31, 2024:

1. City of Tulsa, Oklahoma: 106
2. Hendricks County, Indiana, and York County, Pennsylvania: 53
3. Sommerville, Massachusetts: 49
4. Warren County, New York: 44
5. Laramie County, Wyoming: 42

## Recent Projects Reported by Territorial Governments

- **Isabela Municipio, Puerto Rico:** \$302,800 in aid was provided to local nonprofits that were negatively impacted by the pandemic.
- **Municipio De Aguadilla, Puerto Rico:** The Municipality allocated \$54,460 to support nonprofits. In its report, it was noted that nonprofits “had their budgets and services affected,” and “the purpose is to help them with a donation so that they can resume the tasks and services they provide to the communities.”
- **Ponce Municipio, Puerto Rico:** \$717,455 was allocated to the “Tú Vales” program designed to prevent and mitigate domestic violence, prioritizing women and their children. The Municipality is working with government and nonprofit partners in case referral and service delivery.

## Supporting Nonprofit Advocacy

Charitable nonprofits are eligible for SLFRF as beneficiaries and providers of services on behalf of governments. However, nonprofits are not automatically entitled to these funds, so advocacy is essential to secure investments. Below are some nonprofit advocacy tips.

## Tracking Remaining Funds

1. Browse the data from your government websites to determine how much funding is left in your local government(s).
2. Contact your Mayor, City Manager, City Council, or any office involved in the budget process to ask about the status of State and Local Fiscal Recovery Funds. If an email address is not available, then a phone call makes all the difference. A link or document stating whether there are available funds should be available.

## Developing and Making the Ask

1. View [successful examples](#) of how governments have used SLFRF to partner with charitable nonprofits through grant programs, direct allocations, or contracts.
2. Draft a SLFRF proposal for offices using an [advocacy template](#) explaining nonprofits' eligibility, the approaching deadline to obligate funds, and how your nonprofit would use the funds to advance solutions in your community. 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](#).

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## About SLFRF Data

In accordance with the U.S. Department of the Treasury's SLFRF [Compliance and Reporting Guidance](#), 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 has focused on [SLFRF projects](#) reported by state, local, and territorial governments that include "nonprofit," "non-profit" [sic], "not for profit," or "not-for-profit."