



## Preparing for Possible New Data Collection from Treasury

Cities should pay close attention to Treasury’s proposed ARPA data collection—particularly from a retroactive compliance and enforcement-risk perspective.

The current administrative environment within the Federal government has included heightened rhetoric and enforcement focus around improper payments, fraud detection, and expanded data analytics, particularly as it relates to immigration, fraud and abuse.

Without question, this new data collection system could be used to position the Treasury as part of a broader oversight and enforcement posture.

It is critical to remember that cities were implementing ARPA during a global pandemic. Decisions were made in real time and quickly, to protect public health, support small businesses, keep essential services running, stabilize housing, and address the negative impacts of the pandemic. **These programs were built based on the guidance available at the time.**

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Here are issues related to assessing compliance risks:

### 1. Retroactive Compliance Risk

The primary concern is retroactivity in data collection. Cities executed programs under Treasury’s original framework, which emphasized streamlined reporting and self-attestation to expedite relief. If new, more granular data requirements are introduced after funds have been obligated or expended, cities may be asked to produce documentation or structured data that was never required when the program was designed.

That creates real risk:

- Certain data fields may not have been captured because they were not required.
- Documentation may exist but not in the format now requested.
- Systems were not built for retrospective extraction into new reporting schemas.

In today’s enforcement environment—particularly with increased False Claims Act activity—retroactive reporting expectations can increase exposure even where program intent and execution were proper. Changing compliance standards mid-cycle does not strengthen accountability; it increases uncertainty.

## 2. Duplication and Administrative Burden

There is also the duplication issue. Treasury already has FFATA reporting responsibility for ARPA awards and subawards. If cities must now submit overlapping data into a separate system of records, that expands administrative burden without clear added transparency value. Many ARPA programs are fully expended and closed. Administrative dollars tied to those programs are gone. Any new reporting demand would require cities to divert general fund resources or reassign staff from current priorities. That is not a neutral policy decision — it is an unfunded mandate.

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## 3. What Cities Should Be Doing Now

Cities should take proactive, structured steps:

### 1. Inventory Existing Reporting

Identify what has already been submitted under FFATA and Treasury performance reporting.

### 2. Assess Incremental Impact

Determine what data would be newly required and whether it exists in retrievable form.

### 3. Develop a Compliance Timeline

Create a documented timeline of key program decisions and actions, noting the Treasury guidance in effect at the time — including Interim Final Rules, Final Rules, FAQs, and updates.

If there were deviations from common or pre-ARPA practices, document how those were based on explicit Treasury flexibility or guidance. This timeline becomes critical evidence of good-faith reliance and reasoned decision-making if compliance questions arise later.

### 4. Quantify Administrative Cost

Estimate staff hours, system impacts, and financial burden associated with additional reporting.

### 5. Coordinate Through Associations

Engage through NLC, USCM, and state municipal leagues to provide unified, constructive feedback.

The key position should be measured and solutions-oriented:

If additional data collection is necessary, it must be prospective, clearly authorized, leverage existing systems (Treasury Portal or FSRS), and accompanied by administrative funding.

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Cities responded to an unprecedented global crisis under the rules provided at the time. Oversight is appropriate. Retroactive compliance frameworks that imply misconduct without acknowledging the emergency context are not. This is about preserving accountability while protecting local capacity and legal clarity.