



## **Background and Key Points in Response to Treasury's Proposed Data Collection**

### **1. Duplication of Existing FFATA Reporting**

- The Federal Funding Accountability and Transparency Act (FFATA) was specifically designed to ensure transparency of federal funds by requiring recipients to report subrecipient and vendor information.
- Treasury has statutory responsibility to perform FFATA reporting for ARPA-funded programs, and Treasury has already published ARPA award and subaward data in compliance with FFATA.
- Requiring state and local grantees to provide similar or overlapping data for Treasury's internal system of records duplicates federal reporting obligations that Treasury is responsible for under FFATA.
- This duplication does not add new compliance value, yet expands burden without improving transparency beyond existing federal requirements.

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### **2. Administrative Burden on Recipients**

- Many ARPA programs were intentionally designed with streamlined documentation to expedite fund distribution and focus resources on recovery and relief.
- Additional data collection requirements increase administrative workload at a time when local governments are already stretched thin fulfilling core program obligations (reporting, compliance, performance measurement).
- Local governments often lack dedicated data collection and reporting staff; requiring new federal data submissions pushes existing staff beyond capacity and creates unintended backlogs.

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### **3. Cost Prohibitive and Financially Unfeasible**

- ARPA's authorizing legislation does not provide additional administrative or indirect cost funding for enhanced federal reporting beyond mandatory performance and financial reports.
- Many grantees have already fully expended their ARPA allocations and closed programs, meaning the funding to support additional reporting does not exist, and there is no ongoing administrative budget to pay for data collection or system uploads.
- Local governments would need to divert scarce general fund resources or reallocate staff time from core services to meet new reporting demands, which is not financially sustainable.

- The cost of implementing new data systems, staffing, and compliance workflows for this purpose would far exceed any stated benefits.

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#### 4. Misalignment with ARPA's Original Design and Intent

- Treasury and OMB originally emphasized simplified reporting and self-attestation approaches for ARPA assistance to expedite distribution and avoid unnecessary administrative hurdles.
- Introducing retrospective, data-intensive reporting requirements conflicts with ARPA's design as a rapid response program and undermines the balance between accountability and administrative feasibility.
- Policy predictability is essential; implementing new reporting regimes mid-cycle penalizes grantees that planned and executed under earlier guidance.

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#### 5. Reduces Local Capacity for Program Delivery

- Additional reporting demands incentivize grantees to reallocate staff from program delivery, compliance, and performance to administrative data management.
- This shift can weaken local outcomes—precisely the opposite of the transparency and stewardship goals that FFATA and ARPA reporting aim to achieve.
- Treasury's oversight responsibilities are best served by enhancing federal capability to analyze existing reporting data, rather than mandating new data inputs at the local level.

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#### 6. Practical and Compliance Risks

- New reporting requirements increase the likelihood of inconsistent data quality, confusion, and non-uniform submissions across jurisdictions.
- Because these requirements were not contemplated in original NOFOs or compliance frameworks, grantees will struggle to interpret and implement them without clear statutory or regulatory authority.
- This could worsen compliance risks rather than improve transparency or accountability.

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#### 7. Recommendation

- Treasury should rely on and strengthen FFATA reporting systems and postaward reporting requirements already in place rather than building duplicative systems.

- Any new data collection that Treasury deems necessary should be funded through explicit administrative or indirect cost allowances or created as a separate statutory requirement with appropriations support.
- Treasury should minimize new reporting obligations that impose retrospective administrative costs without demonstrable public benefit.