



MEMORANDUM

TO: State of Tennessee County Mayors

FROM: Dr. Ralph Alvarado, Commissioner

DATE: October 25, 2024

SUBJECT: Assistance with projects at Local County Health Departments

Dear County Mayor:

The American Rescue Plan Act (ARPA) says that governments must obligate their recovery funds by December 31, 2024. If they don't, they must return the money to the U.S. Treasury. Many county governments are using ARPA funds to help pay for building or renovating local health department facilities. These matching funds are very important for finishing these projects. However, many large construction projects will not have contractors ready in time to meet the obligation requirements with signed contracts. Also, letters or local legislation about how the counties plan to use ARPA funds will not count as fulfilling the obligation rules set by the U.S. Treasury.

However, Treasury's Final Rule gives governments another way to meet the deadline. Governments can use an interagency Memorandum of Understanding (MOU) as explained in Item 17.6 of the SLFRF Final Rule FAQs ([SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](#)). This MOU will help ensure that the county's ARPA funds are obligated and set aside for local health department projects.

The Tennessee Department of Health wants to help counties create these agreements, if needed. The department has a specific MOU ready for each county. However, each county's legal counsel will be responsible for making sure that the MOU follows local state laws and meets ARPA requirements. The goal is to memorialize actions already approved by the county commission.

Some counties may have already made agreements to obligate their ARPA funds on time. If your county needs more help, you can start with the provided template. If you need an electronic version of the template or other assistance, please let your county director know.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Alvarado'.

Ralph Alvarado, MD, FACP
Commissioner