

The American Rescue Plan Act, Section 9901— The Coronavirus Local Fiscal Recovery Fund

May 11, 2021

Section 9901 of the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) provides a total of \$362 billion in general federal payments to state, local, tribal, and territorial governments, \$130 billion of which is directed to the Coronavirus Local Fiscal Recovery Fund (CLFRF). Similar assistance was provided through the \$150 billion [Coronavirus Relief Fund](#) established in the CARES Act (P.L. 116-136). This Insight summarizes the assistance provided to the CLFRF, as established in Section 9901 of ARPA. Allocations sorted by state and territory are provided in **Table 1**. Additional guidance on allocations, timing, and eligible uses is available at the [Treasury State and Local Assistance website](#). (ARPA also created the Coronavirus State Fiscal Recovery Fund (CSFRF), discussed in a companion Insight.)

Allocation Methodology

ARPA provided a total of \$130.2 billion through the CLFRF, distributed differently across types of local government:

- **Metropolitan Cities:** \$45.57 billion to governments of localities classified as “metropolitan cities” in the Community Development Block Grant (CDBG) program, with individual amounts provided pursuant to the [FY2021 CDBG formula](#);
- **Nonentitlements:** \$19.53 billion to other units of general local government (as defined in [42 U.S.C. 5302\(a\)\(5\)](#)) that represent areas classified as “nonentitlement communities” in the CDBG program and are county governments, with
 - (1) Federal payments first made to states made proportionally to the state populations not residing in metropolitan cities; and
 - (2) Individual amounts distributed by the state proportional to each local government’s state population share;
- **Counties:** \$65.1 billion to county governments, with

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(1) Payments to counties classified as “urban counties” under the [CDBG program](#) equal to the greater of their projected allocation based on their population and the allocation they would have received if urban counties had been included in the \$45.57 billion provided to “metropolitan cities”; and

(2) Payments to all other counties made proportional to their state’s population share.

Timing

Treasury released [guidance specifying](#) that all local governments will receive payments in two installments, with the first payment provided in May 2021 and the second payment made no later than 12 months after the first payment. (Metropolitan city and county governments must complete certification, consisting of payment delivery instructions and an authorized representative signature, through the [Treasury submission portal](#) to receive CLFRF payments. Nonentitlements do not need to certify to receive assistance.) Metropolitan city and county governments are to receive payments directly from Treasury, while nonentitlements are to have payments provided by the state government. All payments are to remain available until December 31, 2024, with funded projects completed no later than December 31, 2026. Amounts not spent or used for ineligible purposes must be repaid to Treasury.

Eligible Uses

ARPA specifies that funding provided through the CLFRF may generally only to be used to

- respond to the COVID-19 public health emergency and its negative economic impacts;
- provide premium pay to essential workers or grants to employers with essential workers;
- replace lost, delayed, or decreased revenue, relative to projections issued before January 27, 2020; or
- make necessary investments in water, sewer, or broadband infrastructure.

CLFRF recipients may transfer funds to private nonprofit groups, special purpose units of state or local governments, public benefit corporations involved in the transportation of passengers or cargo, or their state government. **Table 1** shows the total CLFRF payments provided to state, tribal, and territorial governments.

Table 1. CLFRF Payments by State and Territory
(in billions of dollars)

State	Amount
Alabama	1.739
Alaska	0.238
American Samoa	0.016
Arizona	2.644
Arkansas	1.011
California	15.898
Colorado	1.935
Connecticut	1.557
Delaware	0.344
District of Columbia	0.510

State	Amount
Florida	7.106
Georgia	3.510
Guam	0.050
Hawaii	0.518
Idaho	0.579
Illinois	5.930
Indiana	2.588
Iowa	1.174
Kansas	0.994
Kentucky	1.587
Louisiana	1.808
Maine	0.502
Maryland	2.322
Massachusetts	3.388
Michigan	4.407
Minnesota	2.132
Mississippi	0.947
Missouri	2.473
Montana	0.344
Nebraska	0.663
Nevada	1.041
New Hampshire	0.462
New Jersey	3.595
New Mexico	0.705
New York	10.715
North Carolina	3.411
North Dakota	0.242
Northern Mariana Islands	0.016
Ohio	5.289
Oklahoma	1.323
Oregon	1.505
Pennsylvania	6.159
Puerto Rico	1.546
Rhode Island	0.537
South Carolina	1.626

South Dakota	0.276
Tennessee	2.281
Texas	10.440
U.S. Virgin Islands	0.032
Utah	1.099
Vermont	0.201
Virginia	2.910
Washington	2.692
West Virginia	0.679
Wisconsin	2.323
Wyoming	0.182
Total	\$130.200

Source: U.S. Treasury.

Note: Items may not sum to total due to rounding.

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