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ALLOCATION OF FEDERAL CORONAVIRUS RELIEF FUNDS (CRF) BY STATES TO LOCAL GOVERNMENTS

NLC is continuing to monitor how federal grant dollars, including CRF are being awarded to municipalities, and how this funding is helping cities respond to the COVID-19 pandemic. NLC issued a recent report on the fiscal impact of COVID-19 on municipalities where we [found](#) that in FY 2020, municipalities are expected to have 21.6 percent loss in revenue, which is about \$134 billion. The loss in revenue over next three years is expected to be \$360 billion. Combined with the loss in revenue, municipalities are also experiencing considerable increase in expenses because of COVID-19.

NLC appreciates the significant federal assistance that was enacted for states, cities, and counties to offset some of these expenses. Specifically, of the \$139 billion that was allocated by the Treasury for the Federal Coronavirus Relief Fund, municipalities with populations over 500,000 received \$7.9 billion. For these municipalities, the Coronavirus Relief Fund has been a lifeline for maintaining uninterrupted operation of local government and services in extremely challenging circumstances.

Unfortunately, for most local governments with populations below 500,000, that lifeline remains unavailable, and is unlikely to ever be available for many local governments representing small and rural communities. As a result, there is a real possibility that cities, towns, and villages will go from being an essential part of America's recovery, to becoming a serious drag on it without direct federal assistance to all local governments.

Despite Treasury Department's guidance permitting states to transfer funds to local governments – thousands of municipalities in 28 states are still in limbo on whether they will receive federal CRF assistance.

BACKGROUND

- March 27: The CARES Act is signed into law, creating the Coronavirus Relief Fund, a \$150 billion relief fund for states, territories, tribes, and local governments. The majority of local governments [were excluded](#) from a guaranteed minimum level of assistance. Of the 19,000 cities, towns, and villages in the United States, [only 36 municipalities](#), each with more than 500,000 residents, were provided direct assistance under the CARES Act Coronavirus Relief Fund.
- April 22: U.S. Treasury issues first guidance to eligible governments for eligible expenditures of Coronavirus Relief Funds. The guidance established funds were ineligible for addressing revenue shortfalls, [but did not provide clarity to states about transfers of funding to local governments](#) with less than 500,000 residents. The lack of clarity created confusion about the authority of state governments to transfer funds to local governments, which impacted initial state planning and delayed efforts of local governments to access Coronavirus Relief Funds through their states.
- May 4: U.S. Treasury issues an updated Frequently Asked Questions document [clarifying that a state receiving a Coronavirus Relief Fund payment may transfer funds to local governments](#), provided the transfer meets all the criteria for an eligible expenditure.
- May 11: U.S. Treasury publishes [Payments to States and Eligible Units of Local Governments](#). It is unclear if Treasury is tracking intergovernmental transfers of funding to local governments ineligible for direct funding; or if such information will be shared publicly. NLC is compiling the following information from public reports.

STATE TRANSFERS OF CORONAVIRUS RELIEF FUNDS AS OF MAY 21, 2020

There is little consistency in how local governments with populations under 500,000 may access the Coronavirus Relief Funding from the states. There is also concern that some states may not make any of the funding available to local governments.

Twenty-one states have authorized or are working on legislation to authorize the transfer some of the CRF funding to local governments. As of May 21, the total amount local governments

(municipal and county) with populations under 500,000 **may** receive from state allocations of the CRF is estimated to be about \$8 billion.

ALASKA - \$568 MILLION (PENDING)

May 11, 2020 – A committee of the Alaska Legislature approved the Governor’s plan to spend \$568.5 million to cities and boroughs, as much as \$100 million for fishermen and fishing businesses of federal funding, and \$289.3 million for small businesses that have not received aid from existing federal programs.

COLORADO - \$275 MILLION

Governor Polis signed an Executive Order authorizing \$275 million for expenses of local governments that did not receive a direct distribution of funds in the CARES Act to facilitate compliance with COVID-19-related public health measures, for FY 2019-20 and FY 2020-21.

GEORGIA - \$1.2 BILLION (PENDING)

State leaders are meeting with local governments, and stakeholders anticipate the state will agree to share 45% of the local share (about \$1.2 billion) with all jurisdictions not receiving a direct allocation on a \$55 per capita basis. Initially, each eligible jurisdiction will receive an immediate distribution of 20 percent (20%) of their total per capita allocation. The remainder of the allocation will be reimbursement based. Jurisdictions will submit documentation to the state and request reimbursement.

IDAHO - \$94 MILLION (PENDING)

To help allocate the Idaho’s share of the CRF, Little assembled the 16-member Coronavirus Financial Advisory Committee (CFAC) with Alex Adams, the Governor’s budget chief, as its chairman. Idaho’s CFAC sent detailed recommendations to Gov. Brad Little on April 29 on how to spend the COVID-19 relief funds. CFAC split just over \$152 million of that money into more than \$94 million for special purpose taxing districts plus local, county and tribal governments; and close to \$58 million for state agencies.

INDIANA - \$300 MILLION

The State of Indiana has received a direct distribution of Coronavirus Relief Funds (CRF) from the United States Treasury that may be used for the limited purposes set forth in section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As recently announced by Governor Holcomb, \$300,000,000 of these funds will be made available to reimburse certain expenses incurred by Indiana political subdivisions. The funds have been allocated to counties, cities and towns based upon population. Townships seeking reimbursement for eligible COVID19 expenses should coordinate with their county government.

KENTUCKY - \$300 MILLION

Governor Andy Beshear announced earlier this month that he was allocating \$300 million for local governments from Kentucky’s \$1.7 billion portion of the Coronavirus Relief Fund (CRF). The Department for Local Government (DLG) will administer the local distributions, and the money will only cover costs incurred due to the public health emergency. Funds will be split among cities and counties based on approximate population size as recorded in the most recent census data. Cities can complete an application with documentation of claimed expenses on the DLG website.

LOUISIANA - \$811 MILLION (PENDING)

Governor Bel Edwards has committed 45% of the \$1.8 billion in CRF to municipalities and parishes, without any population thresholds. However, the method of allocation is still under discussion. The Louisiana Municipal Association is working closely with the Governor on this effort.

MARYLAND - \$360 MILLION

Local funding will be disbursed through the counties, giving the counties the discretion to share funds by program or by allocation to any municipalities within the county.

MASSACHUSETTS - \$500 MILLION

Massachusetts plans to distribute about \$500 million in coronavirus relief funding to towns and cities suffering the impacts of the pandemic. Gov. [Charlie Baker](#) and Lt. Gov. Karyn Polito announced the plans on Thursday evening, along with [guidelines](#) to local municipalities seeking funds and looking to avoid dipping into reserves to cover deficits and unexpected costs related to the public health crisis.

MICHIGAN - \$523 MILLION (PENDING)

A current Senate Bill would allocate \$523 to local governments while a companion bill in the House would allocate none. Those differences are being resolved. The Governor supports the allocation of fund to local governments.

NORTH DAKOTA – (AMOUNT TO BE DETERMINED)

The State recently established the process to share the CRF funding with local governments. Additional information about how much of the CRF will be shared with municipal and county governments will be updated as soon as it becomes available.

OHIO - \$350 MILLION (PENDING)

On May 6, 2020, the Ohio Senate authorized passing through \$350 million of the CRF that Ohio received through the CARES Act to local governments; however, the bill still needs to pass the Ohio House legislature and get signed by the Governor.

OKLAHOMA (AMOUNT TO BE DETERMINED)

On May 20, 2020, Governor Stitt said the legislative advisory committee finished the process for distributing portion of the \$1.2 CRF across the state, and the next step was to formally open the mechanism that will allow city and county governmental leaders to submit applications for those funds.

OREGON - \$400 MILLION (PENDING)

Under the proposed framework \$400 million in additional Coronavirus Relief Funds (CRF) will be allocated to cities, counties, and special districts. When combined with combined with the \$247 million that has been directly allocated by the federal government to the city of Portland, Washington County and Multnomah County, is approximately 40 percent of Oregon's \$1.6 billion share under the CARES Act.

RHODE ISLAND – (AMOUNT TO BE DETERMINED)

Both the Governor and the state legislature are supportive of allocating funding to local governments and will likely approve reimbursements. The legislature will not be in to approve any legislative action until June.

TENNESSEE - \$ 200 MILLION (PENDING)

The state's basic budget, which was unveiled in March, allocated \$200 million for local governments. No specific plan or timeline has been proposed.

TEXAS - \$1.85 BILLION

Consistent with the CARES Act, 45 percent of the total \$11.24 billion state allocation—approximately \$5.06 billion—will be made available to local governments. Of that \$5.06 billion, Treasury has directly sent just over \$3.2 billion to the six cities and 12 counties in Texas with a population greater than 500,000. That leaves approximately \$1.85 billion that the state can make available to the cities and counties in the rest of the state.

UTAH - \$246 MILLION

Funding for local governments will be sent in three rounds. Salt Lake and Utah counties will share the money with cities within their jurisdictions.

VIRGINIA - \$644 MILLION

Of the \$3.1 billion, the state plans to make \$644.6 million available to local governments.

WASHINGTON - \$296 MILLION

Funds will be provided to cities and counties with populations under 500,000 that were ineligible to receive direct funding under the CARES Act. Cities and counties below 500,000-population will receive a per capita distribution of \$30.00, with a minimum distribution of \$250,000 per county and \$25,000 for cities and town. The specific distribution allocations were determined by the Office of Financial Management. Click [here](#) for a complete list of local governments and their award amounts from the state's Coronavirus Relief Funds (CRF).

WEST VIRGINIA – (APPLICATION PROCESS FOR REIMBURSEMENT)

The state has created an application portal for CARES Act reimbursement funding for counties and cities. There is no set dollar amount for local governments.

Four states have authorized or planning to authorize the transfer \$1.12 billion to county governments BUT have exclude any direct funding to municipal governments.

DELAWARE – \$322.7 MILLION TO NEW CASTLE COUNTY

Under the CRF allocation formula, the \$1.25 billion is expected to be split to allocate \$322.7 million for the New Castle County government, with the remaining \$927.2 million going to the State of Delaware.

CALIFORNIA - \$5.8 BILLION TO COUNTIES, \$1.8 BILLION TO CITIES

Counties will be receiving \$4.5 billion directly from the federal government and \$1.3 billion for a state sub-allocation. Cities with a population over 500,000 are receiving \$1.8 billion in direct federal funding. Cities are currently pushing for the state legislature to sub-allocate funds to local governments, but there is no current legislative action.

HAWAII – \$176 MILLION TO COUNTIES ONLY (PENDING)

The is State legislature is working to allocate funds for the state's smaller counties that didn't receive any funds directly from the CARES Act. Hawaii County will get \$80 million, Maui County \$67 million and Kauai County \$29 million, with the amounts set by population. Hawaii is also sending \$635 million, out of \$1.25 billion allocated by the CRF to Hawaii, to the state's rainy day fund for this purpose.

NEW YORK – \$2.4 BILLION DIRECT TO LOCAL GOVTS. FROM FEDERAL GOVT.

The Governor has no intention of sharing the state's CARES funding with local governments.

NORTH CAROLINA - \$150 MILLION TO COUNTIES ONLY

The Governor approved the state legislatures package to spend the \$1.58 billion of the CRF funding on fiscal relief for transportation, supports for nonprofits and hospitals in meeting the needs of the rural and marginalized communities, “non-transportation” state agencies and local governments, funding to support remote K-12 education, local government supports and more. Specifically, the package provides \$150 million to county governments in NC that did not receive direct CRF allocation from the CARES Act.

MISSOURI - \$521 MILLION TO COUNTIES ONLY

The overall state of Missouri allocation of funds which was shared only with counties totaled to \$520,925,478.

TWENTY-EIGHT STATES HAVE YET TO ANNOUNCE IF THEY PLAN TO AUTHORIZE THE ALLOCATION OF A PORTION OF THE FEDERAL CRF THEY RECEIVED TO LOCAL GOVERNMENT. THIS INFORMATION WILL BE UPDATED AS STATES ANNOUNCE PLANS TO USE THE CRF FUNDING.

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|----------------|-------------------|--------------------|
| 1. ALABAMA | 9. MAINE | 17. NEW MEXICO |
| 2. ARIZONA | 10. MINNESOTA | 18. PENNSYLVANIA |
| 3. ARKANSAS | 11. MISSISSIPPI | 19. SOUTH DAKOTA |
| 4. CONNECTICUT | 12. MONTANA | 20. SOUTH CAROLINA |
| 5. FLORIDA | 13. NEBRASKA | 21. VERMONT |
| 6. ILLINOIS | 14. NEVADA | 22. WISCONSIN |
| 7. IOWA | 15. NEW HAMPSHIRE | 23. WYOMING |
| 8. KANSAS | 16. NEW JERSEY | |

OTHER FEDERAL GRANT ASSISTANCE

The CARES Act also authorized federal agencies to award grants to state and local governments or agencies for community and economic development, transportation, criminal justice and law enforcement, fire and emergency management and other grant programs. Some federal agencies have already awarded or are in the process of awarding these federal grants. Links to their award allocation tables for state and local governments is below.

- \$5 billion for the CDBG state allocations:
<https://www.hud.gov/sites/dfiles/PIH/documents/Round2AllocationCDBG.pdf>
- \$10 billion Federal Aviation Administration grants to airports:
https://www.faa.gov/airports/cares_act/
- \$25 billion Federal Transportation Administration grants for transit:
[https://www.transit.dot.gov/cares-act-apportionments](https://www.transit.dot.gov/cares-act-appportionments)
- \$850 million Department of Justice Assistance FY 2020 Coronavirus Emergency Supplemental Funding Program: (<https://ojp-open.data.socrata.com/stories/s/jitc-swxt>)

- \$200 million for the Federal Communications Commission CARES Act telehealth awards: <https://www.fcc.gov/covid-19-telehealth-program>
- \$4 billion for Homeless Assistance Grant allocations: https://www.hud.gov/program_offices/comm_planning/budget/fy20/
- \$685 million Public Housing Funding allocations to housing authorities: <https://www.hud.gov/sites/dfiles/Main/documents/CARESACT685M.pdf>

Unfortunately, details on other federal grants, which were authorized as part of the relief bills is not publicly available or has not been posted on the appropriate federal agency website. These grants include:

- \$45 billion to provide for the immediate needs of state, local, tribal, and territorial governments. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide. This funding supplements existing funding that is available to state and local governments through FEMA's Public Assistance grant program.
- \$20.5 million for the cost of loans for rural business development programs
- \$15.5 billion additional SNAP benefits to provide additional access to food for those who need support, available until the end of FY2021.
- \$8.8 billion to ensure food access for children outside of school through the end of FY2021.
- \$900 million to help lower income households heat and cool their homes through the end of FY2021
- \$1 billion to support projects such as addressing employment, education, better use of available income, housing, nutrition, emergency services and/or health through the end of FY2021.
- \$4.3 billion to support the coronavirus response, including \$1.5 billion to support states and local areas, tribes and territories for equipment, testing, mitigation and preparedness, available through September 30, 2024.
- \$30.75 billion for costs incurred by schools including those for planning for long-term closure, additional technology to enable distance learning as well as funds to be directed towards districts impacted the most, to available through the end of FY2021, with applications being accepted 30 days after bill enactment and approved or denied no later than 30 days after receipt.
- \$750 million to Head Start programs to meet the needs of children and families, as well as allowing for expansion of summer programs through FY2020 and FY2021.
- \$3.5 billion for child care subsidies for low-income families with children under age 13, as well as flexibility to pair state and federal funds to improve the quality of child care

available to families within existing state and local systems, available through the end of FY2021.

- \$360 million to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans, available through the end of FY2022.
- \$1.5 billion to assist state and local entities with a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time.
- \$50 million to assist manufacturers to prevent, prepare for, and respond to coronavirus.

The information on federal agency award allocations will be updated as it is released by the authorized federal agency.

NLC would like to work with the Administration to ensure that all the federal grant dollars in the COVID-19 legislation are properly accounted to show which municipalities received the funding and to identify how the funding was used. To do this, we hope all the federal agencies that are responsible for awarding the grant dollars will quickly provide detailed reports of how the funding was allocated and used. It would be helpful if these reports are standardized and posted on central government website, such as the Treasury or OMB webpages.