

Coronavirus State and Local Fiscal Recovery Funds

Allocations to State Governments

May 10, 2021

The American Rescue Plan Act (the Act) established the Coronavirus State Fiscal Recovery Fund (CSFRF) and Coronavirus Local Fiscal Recovery Fund, which provide a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. This document describes Treasury’s methodology for allocating the funds to state governments.

Allocation methodology

The CSFRF provides \$195.3 billion to the 50 states and the District of Columbia. Of this amount, the Act requires \$25.5 billion to be allocated equally to the 50 states and the District of Columbia. The Act also requires \$754.9 million to be paid to the District of Columbia, which is equal to difference between the amount that the District of Columbia would have received from the Coronavirus Relief Fund (CRF) had the District of Columbia been treated as a state rather than as a territory under the CRF allocations provided by the CARES Act.

After the equal allocation to the 50 states and the District of Columbia and the “additional amount” for the District of Columbia, approximately \$169 billion remains. The Act requires that this remaining amount be allocated to each state and the District of Columbia:

...in an amount which bears the same proportion to such remainder as the average estimated number of seasonally-adjusted unemployed individuals (as measured by the Bureau of Labor Statistics Local Area Unemployment Statistics program) in the State or District of Columbia over the 3-month period ending with December 2020 bears to the average estimated number of seasonally-adjusted unemployed individuals in all of the 50 States and the District of Columbia over the same period.

To implement this provision, Treasury used the latest available data from the Bureau of Labor Statistics¹ at the time of issuance of the Interim Final Rule.

Treasury made a small adjustment to the allocations pursuant to the requirement in the Act that no state or the District of Columbia receive less than it did from the CRF, inclusive of the amounts allocated under the Act to counties, metropolitan cities, and non-entitlement units within a state or the District of Columbia.

¹ For an overview of the Bureau of Labor Statistics’ Local Area Unemployment Statistics (LAUS) program, see: <https://www.bls.gov/lau/>. In performing the calculations, Treasury used data from the LAUS database on the Bureau of Labor Statistics’ website, accessed at: <https://download.bls.gov/pub/time.series/la/>.