

State and Local Fiscal Recovery Funds: A Catalyst for Innovation, Equity, and Resilience in Communities

State and Local Fiscal Recovery Funds April 2023 Reporting Data Analysis

The State and Local Fiscal Recovery Funds (SLFRF) program established by the American Rescue Plan Act continues to deliver critical financial support to communities across the country recovering from the COVID-19 pandemic. States, territories, Tribes, and local governments are using SLFRF funds to support economic recovery, workforce and small business development, and to finance healthy, safe, and affordable housing. The impacts of the SLFRF program are felt today in nearly every community across the country.

The Treasury Department continues to regularly release SLFRF reporting data received from recipients.¹ This analysis features the latest dataset from reports collected in April 2023, representing spending through March 31, 2023. All SLFRF recipients, from small towns to states and territories, were required to file Project and Expenditure reports in April. Specifically, this includes quarterly Project and Expenditure reports from the largest SLFRF recipients: states, territories, Tribal governments with an award over \$30 million, and local governments with a population over 250,000 or an award over \$10 million. This also includes annual Project and Expenditure reports from Tribal governments with an allocation less than \$30 million and local governments with populations less than 250,000 and allocation less than \$10 million. The data reported through March 31, 2023 is available on Treasury's [SLFRF data dashboard](#).

To date, over 99.99% of the \$350 billion in SLFRF funds have been distributed to more than 30,000 jurisdictions. The latest data reveals that recipients continue to make great progress in using SLFRF funds, as the states and the largest cities and counties have budgeted nearly 80% of their total SLFRF funds. The number of projects continues to grow: 14% among quarterly reporters and 3% among annual reporters.

In 2008, the Great Recession led to state and local government to significantly reduce their budgets – placing a drag on the economy for over three years of the recovery.² The data shows that SLFRF continues to be instrumental in helping governments maintain services and infrastructure by avoiding deep budget cuts. This can be seen in the role these funds have played in helping cities and states replace revenue they lost as a result of the pandemic – revenue which is essential in order to pay for government services like public transportation and emergency services. As of March 31, 2023, SLFRF recipients reported \$283 billion in lost revenue resulting from the pandemic. Over 18,000 participating governments reported that they are budgeting nearly \$100 billion in SLFRF funds to help replace this lost revenue, funding over 53,000 projects to provide fiscal stability in their jurisdictions.

¹ Tribally reported information is included in aggregate statistics about the program (e.g., the total number of governments using funds for a specific eligible use, total projects reported, etc.); however due to privacy considerations, Treasury does not release complete information on all Tribal projects.

² [Remarks by Secretary of the Treasury Janet L. Yellen at National Association of Counties 2023 Legislative Conference | U.S. Department of the Treasury](#)

The data illustrates that ultimately, the American Rescue Plan prevented severe public service cuts and helped state, territorial, Tribal, and local governments resume normal operations. Because these resources prevented the economic scarring we saw following the Great Recession, in addition to responding to the immediate aftermath of the pandemic, governments are also investing SLFRF funds to respond to the longer-term impacts of the pandemic, including by boosting their economies, promoting equity, investing in infrastructure and their workforces, and increasing the availability of healthy, safe, and accessible places for people to live.

Key SLFRF Investments through March 31, 2023 for State, Local, Territorial, and Tribal Governments³

Category	Reported Funds Budgeted	Number of Governments Pursuing	Number of Projects Reported
Housing: Emergency Aid, Affordable Housing, Homelessness	\$17 Billion	861	2,460
Infrastructure: Water, Sewer, and Broadband	\$26.5 Billion	3,122	9,628
COVID-19 Public Health Response**	\$12.7 Billion	1,625	5,847
Worker Support: Unemployment Aid, Job Training, Public Sector Workforce, Essential Worker Premium Pay	\$11.8 Billion	2,016	3,982
Small Business Assistance	\$4.6 Billion	661	1,363
Childcare and Early Learning	\$1 Billion	240	396

**Includes vaccinations, testing, contact tracing, PPE, prevention in congregate facilities, medical expenses, and other public health measures.

The following examples come from data provided to the Treasury Department by SLFRF recipients.⁴ These examples provide a snapshot of the types of projects that recipients are implementing across key categories using SLFRF funds.⁵

³ This chart includes the most recent project and expenditure reporting received by Treasury for all recipients. Specifically, it includes data reported by quarterly reporters (states, territories, and metro cities and counties with a population over 250,000 or an allocation over \$10 million; Tribal governments with an allocation over \$30 million; and non-entitlement units of local government allocated more than \$10 million) from January 1, 2023 through March 31, 2023 and data from annual reporters (metro cities, counties, and non-entitlement units of local with populations less than 250,000 and an allocation less than \$10 million, and Tribal governments with an allocation less than \$30 million) from April 1, 2022 through March 31, 2023.

⁴ The examples included throughout this post are based on recipient reports, and their inclusion in this document does not constitute an explicit approval of these projects by Treasury.

⁵ This analysis includes quarterly Project and Expenditure reporting covering the period ending March 31, 2023. Recipients file either annually or quarterly based on population and allocation size. The data within this report is inclusive of all recipients due

Boosting Housing Choices for Americans

Expanding access to affordable housing is a top priority for the Treasury Department and for the Biden-Harris Administration. The SLFRF program is driving investments at every level of government to create new and improve existing affordable housing stock. Treasury is playing a key role by encouraging jurisdictions to consider using their funds to support housing stability and the construction and preservation of new affordable housing or to supplement other American Rescue Plan programs aiding renters and homeowners, such as the [Emergency Rental Assistance program](#) and the [Homeowners Assistance Fund](#). Over the summer of 2022, Treasury [expanded the flexibility](#) for recipients to use their funds to invest in long-term affordable housing projects. Since then, spending on affordable housing continues to accelerate.

Compared to data from July 2022, funds budgeted for housing stability, preservation, and construction increased by 29%. These efforts are taking place in a wide array of jurisdictions.

Since [January 2023](#), communities have increased their SLFRF budgets for housing investment by 7%.

Examples of housing projects include:

- The **State of California** is investing \$1.7 billion in capital for affordable housing developments, preservation of existing affordable housing, and development of additional adult and senior care facilities. California is also using \$2.2 billion in SLFRF funds to purchase and rehabilitate housing specifically for individuals facing homelessness, including rehabilitating hotels, motels, vacant apartment buildings, and other buildings and converting them into housing.
- **Faulkner County, Arkansas** is leveraging SLFRF funds to build CoHO Hope Village, a small home community development for unhoused individuals and veterans who will be provided general and mental health services, workforce training, and case management.
- The City of **Fort Worth, Texas** is utilizing \$4.2 million to purchase 36 properties in a low-income neighborhood as part of a \$70 million redevelopment investment to include affordable housing in addition to retail, commercial units, parks, and other public spaces.
- The City of **Pompano Beach, Florida** is budgeting \$2.5 million to construct new single-family homes on city-owned vacant lots, providing mixed-income affordable housing opportunities.
- The City of **Raleigh, North Carolina** is budgeting \$10 million to purchase an extended-stay 113-room hotel, to improve access to stable, affordable housing, among unhoused individuals, combining the existing extended-stay model with permanent supportive housing and other types of affordable housing.

to it being an annual reporting period. All recipients, regardless of size, are required to file Project and Expenditure Reports annually by April 30. In 2023, these Project and Expenditure reports covered the period from January 1, 2023 – March 31, 2023 for quarterly reporters and April 1, 2022 to March 31, 2023 for annual reporters.

Wiring America for High-Speed Internet

The SLFRF program is stimulating investments in strengthening the country's internet infrastructure by funding upgrades – such as laying fiber backbone, completing last-mile connections, and prioritizing equitable access. These crucial investments provide residents with access to education, health care, government services, and economic opportunity. Since [January 2023](#), communities increased their SLFRF budgets for broadband projects by 3%. As of March 31, 2023, SLFRF recipients budgeted over \$7.7 billion in SLFRF funds for more than 950 broadband internet projects. SLFRF funds invested in broadband projects complement the American Rescue Plan's investment in expanding affordable highspeed internet access through Treasury's [Capital Projects Fund](#).

Examples of broadband projects include:

- **Box Elder County, Utah** is planning to leverage \$1.5 million in SLFRF funds for last-mile infrastructure investments to bring high-speed internet service to underserved rural communities.
- The **City of Brownsville, Texas** is budgeting \$20 million to connect residents and businesses to high-speed internet.
- The **State of Iowa** is investing nearly \$200 million from the SLFRF program and \$149 million from the Capital Projects Fund into upgrading broadband connections throughout the state. Projects are located in over fifty different counties.
- **New Kent County, Virginia** is budgeting nearly \$4.5 million in SLFRF funds to provide access to highspeed fiber optic broadband service to businesses and to every household in the County, including over 3,000 households that are currently unserved by broadband internet.
- The **State of West Virginia** is budgeting \$90 million from the SLFRF program and \$130 million from the Capital Projects Fund for the West Virginia State Broadband Initiative, which comprises three award programs. First, the Line Extension Advancement and Development (LEAD) project will expand existing fiber and cable networks. Second, The GigReady Initiative will provide matching state funds for local governments to pool their broadband investments. Third, the Major Broadband Project Strategies (MBPS) program will focus on large-scale multicounty projects that require additional resources to achieve rapid implementation.

Delivering Robust Investments in the US Workforce

Another area of investment of SLFRF funds is supporting and expanding the workforce in response to the negative economic impacts of the pandemic in communities across the country. Primary areas of workforce investment include helping impacted workers enter in-demand careers, with a particular focus on assisting people who face barriers to employment. In addition, these investments can help to prepare workers for industries of the future, such as those catalyzed by the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act. A key piece of this support is childcare, which enables more parents to enter and remain in the workforce. Since [January 2023](#), communities increased their SLFRF budgets for workforce-related investments by 9%. As of March 31, 2023, SLFRF recipients have budgeted over \$11.8 billion in SLFRF funds for more than 3,800 workforce projects.

Examples of workforce projects include:

- The **State of Colorado** has budgeted \$49 million to create the Finish What You Started component of the Colorado Opportunity Scholarship Initiative. This program will increase the number of students who complete their academic programs and reduce the amount of debt they have to take on to obtain their degree.
- The **State of Connecticut** is planning to use \$70 million in SLFRF funding to provide job training support to individuals who lost their job due to the pandemic or were unemployed when the pandemic began and have remained so due to the economic impacts of the pandemic.
- The **City of Detroit, Michigan** is leveraging nearly \$60 million in SLFRF funds to support Skills for Life – Work functions (jointly with the Skills for Life – Education initiative). This program supports unemployed or underemployed Detroit residents, such as returning citizens, those experiencing housing insecurity, those lacking high school diplomas and/or post-secondary credentials, and other populations that face barriers to employment.
- **Douglas County, Minnesota** is obligating \$500,000 to provide tuition-free retraining and upgrading skills, including manufacturing or small business boot camps, to residents who are unemployed due to the pandemic, or who were already unemployed when the pandemic began and remain due to the negative economic impacts of the pandemic.
- The **City of Rochester, New York** is budgeting \$15.3 million to expand youth and adult workforce development services, including youth internships, job training and job placement assistance, and job search and application assistance.
- The **City of Bridgeport, Connecticut** is budgeting \$6 million for workforce training development programs that include providing access to job training and education programs, offering industry-recognized certifications, and connecting individuals to apprenticeship programs.

Developing Local Economies through Small Businesses

To ensure sustainable growth for the future, many governments have invested in a wide variety of programs that support small businesses' important role as key employers and drivers of the local economy. Since [January 2023](#), communities have increased their SLFRF budgets for small business projects by 5%. To date, governments have budgeted over \$4.6 billion for over 1,300 projects to support small businesses and small business development. Examples of small business projects include:

- The **City of Fort Collins, Colorado** is budgeting \$400,000 for a Multicultural Business and Entrepreneur Center (MBEC) designed to address gaps in the current business support system, especially for entrepreneurs who may not have access to the resources, technical assistance, or support network that other groups may have. Consultations will be offered in Spanish and English.
- The **City of Mesa, Arizona** is using \$3.2 million for a restaurant and food business incubator. The incubator, paired with a modern public-facing dining facility, will provide business development support and cultivate the success, sustainability, and resiliency of local food entrepreneurs in the downtown core of Mesa.
- **Oakland County, Michigan** is budgeting \$18 million to fund Business Forward Consultants that will be embedded in economically disadvantaged communities. Consultants will provide counseling and technical assistance to small businesses and organizations in obtaining professional services, and federal, state, and local resources. In addition, professional training opportunities and tailored support based on the business industry and stage will be provided to each business.

Tapping SLFRF for Water and Sewer Infrastructure

Recipients may use SLFRF funds to invest in critical water and sewer infrastructure to improve access to clean drinking water and to support vital wastewater and stormwater projects. To date, governments have invested \$2.4 billion in more than 1,400 projects to meet their water, wastewater, and stormwater goals. Since [January 2023](#), communities have increased their SLFRF budgets for water and sewer projects by 16%.

Examples of water and sewer projects include:

- The **Village of Armada, Michigan** is utilizing SLFRF funds to replace the filters at their water treatment plant. New filtration will allow the village to filter out additional arsenic from the drinking water supply.
- **Bay City, Michigan** is using \$6 million in SLFRF funding to replace lead service (water) lines in Bay City, with a goal to have most lead lines in the city replaced prior to December 31, 2026.

- The **City of Dallas, Texas** is leveraging \$35 million to improve equity across Dallas Water Utilities' (DWU) water and wastewater systems and provide service to all Dallas residents. The program identified 47 areas throughout the city that did not have access to water and/or wastewater service.
- The **Village of Johnsburg, Illinois** is budgeting approximately \$850,000 in SLFRF funding to further extend its sanitary sewer collection and conveyance system.
- The **State of North Carolina** is allocating approximately \$1.25 billion for grants to water and wastewater utilities to implement infrastructure construction projects, including rehabilitation of existing assets, regionalization of systems, decentralization, and extensions of service to underserved communities.
- The **Township of Scott, Pennsylvania** is improving its sanitary sewer facilities. The sewer system repairs help protect the health, safety, and welfare of the Township's residents by providing a reliable sewage disposal method.

These opportunities are possible because the economy is in a stronger place today as a result of the American Rescue Plan. Looking forward, the Treasury Department remains focused on ensuring that recipients can leverage these dollars to their full potential.