State and Local Fiscal Recovery Funds: Supporting Equitable Recovery and Building Resilience for Stronger Communities

State and Local Fiscal Recovery Funds October 2024 Reporting Data Analysis

The American Rescue Plan is helping communities across the country recover from the COVID-19 pandemic and grow their economies. The State and Local Fiscal Recovery Funds (SLFRF) program, a major facet of the American Rescue Plan, provides funding to states, territories, Tribes, and local governments to support economic recovery, job creation, workforce expansion, and access to healthy, safe, and affordable housing. Today, the SLFRF program is making a difference in nearly every community across the country.

In the latest data submitted to the Treasury Department, through September 30, 2024, quarterly recipients continue to report progress in executing on their planned uses of SLFRF award funds. States and the largest cities and counties have reported budgeting 98% of their total SLFRF funds to specific projects, with the total number of reported projects growing 4% since the previous reporting period, demonstrating continued steady progress in recipients' planning for the use of these funds.¹ This blog post is also updated to include information from annual reporters' most recent submissions, reflecting data from April 1, 2023 through March 31, 2024.

The data continue to show that by helping state and local governments replace lost revenue, the SLFRF program has helped local leaders avoid steep budget cuts. Using their SLFRF award funds, governments maintain key services and infrastructure, such as public transportation connecting workers to jobs and emergency services.² As of September 30, 2024 for quarterly reporters and March 31, 2024 for annual reporters, SLFRF recipients reported nearly \$339 billion in lost revenue resulting from the pandemic. A significant portion of this revenue shortfall is being made up for with SLFRF funds. More than 22,700 participating governments reported that they are

¹ The U.S. Department of the Treasury continues to publish SLFRF reporting data received from recipients on a rolling basis. This includes the most recent data submitted by quarterly reporters in October 2024, representing obligations and expenditures through September 30, 2024, which is available on Treasury's SLFRF dashboard. The summary statistics in this blog post reflect the quarterly data, as well as the data from annual reporters submitted in April 2024, representing those reporters' obligations and expenditures through March 31, 2024. Tribally reported information is included in aggregate statistics about the SLFRF program (e.g., the total number of governments using funds for a specific eligible use, total projects reported); however, due to privacy considerations, Treasury does not release complete information on all Tribal projects.

² State and local governments were forced to cut budgets due to the 2008 Great Recession resulting in reductions in services and slowing the economic recovery. <u>Remarks by Secretary of the Treasury Janet L. Yellen at National Association of Counties</u> <u>2023 Legislative Conference | U.S. Department of the Treasury</u>

budgeting nearly \$144 billion in SLFRF funds to help replace this lost revenue, funding more than 85,000 projects to provide fiscal stability in their jurisdictions.

The data illustrate that the American Rescue Plan prevented severe cuts to public services and helped state, territorial, Tribal, and local governments swiftly resume normal operations. In addition to responding to the immediate aftermath of the pandemic, governments are investing SLFRF funds to address long-standing structural challenges in the economy that the pandemic surfaced and exacerbated, especially the need to increase the availability of affordable housing and invest in their workforces.

Key SLFRF Investments through June September 30, 2024, for State, Local, Territorial, and Tribal Governments³

	Reported Funds	Number of Governments	Number of Projects
Category	Budgeted	Pursuing	Reported
Housing: Emergency Aid, Affordable Housing, Homelessness	\$19.2 Billion	1,003	3,573
Infrastructure: Water, Sewer, and Broadband	\$36.4 Billion	3,678	19,099
COVID-19 Public Health Response**	\$11.1 Billion	1,763	7,116
Worker Support: Unemployment Aid, Job Training, Public Sector Workforce, Essential Worker Premium Pay	\$13.6 Billion	2,106	4,608
Small Business Assistance	\$5 Billion	741	1,790
Childcare and Early Learning	\$1.3 Billion	284	540

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

³ This chart includes the most recent project and expenditure reporting received by Treasury for quarterly and annual reporters. Specifically, it includes data reported by quarterly reporters (states, territories, and metro cities and counties with a population over 250,000 or an allocation more than \$10 million; Tribal governments with an allocation more than \$30 million; and nonentitlement units of local government allocated more than \$10 million) through September 30, 2024, and data received from annual reporters (metro cities, counties, and non-entitlement units of local government with populations less than 250,000 and an allocation less than \$10 million, and Tribal governments with an allocation less than \$30 million) through March 31, 2024.

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

Increasing the Number of Affordable Homes

Investing in and expanding access to affordable homes is a key goal of the Treasury Department and the Biden-Harris Administration. Governments across the country are using SLFRF award funds to construct new homes and rehabilitate or repair existing ones. Treasury encourages jurisdictions to consider using their SLFRF funds to support housing stability, the construction and preservation of new affordable homes, or to supplement other American Rescue Plan programs aiding renters and homeowners, such as the Emergency Rental Assistance program and the Homeowner Assistance Fund. In the summer of 2022, Treasury expanded the flexibility for recipients to use their SLFRF funds to invest in making homes more affordable. Compared to data from July 2022, SLFRF funds budgeted for long-term affordable housing stability, preservation, and construction increased by 67% to a total of \$7.5 billion, and this funding is supporting more than 31,000 units of affordable housing. In March 2024, Treasury announced new guidance to substantially expand the universe of affordable housing projects presumptively eligible to be funded through SLFRF. As Deputy Secretary Wally Adeyemo noted in a blog post, this includes housing that meets the needs of teachers, firefighters, nurses, and other workers increasingly priced out of certain markets. And in June 2024, Treasury updated its Affordable Housing How-To Guide explaining how recipients can apply this new guidance in their projects.

Bellingham, Washington is budgeting \$2.8 million to provide funding assistance for the development of a new low-income apartment community consisting of 83 newly constructed one-, two-, and three-bedroom units predominantly for families with children.

Harris County, Texas is utilizing over \$20.5 million for two affordable housing projects. The first project is leveraging approximately \$10.5 million to create 45 new multi-family affordable rental units and will offer support services to residents. The second project is using \$10 million to create 120 new multi-family affordable housing units.

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

⁵ This analysis includes data from quarterly Project and Expenditure reports covering the period ending September 30, 2024 and updated data from annual Project and Expenditure reports covering the period ending March 31, 2024. Recipients file either annually or quarterly based on population and allocation size.

The Commonwealth of Pennsylvania is leveraging \$100 million to help continue affordable housing production in the state. This program will make grants available for the development of affordable housing units, including new units, rehabilitation of existing units into affordable units, and preservation of existing affordable units.

Pittsburg, Pennsylvania is obligating over \$19.5 million to partner with their Urban Redevelopment Authority to offer several types of assistance to homeowners, including subsidies for low-income first-time homebuyers and grants/loans to aid in the development of for-sale affordable housing.

The Native Village of Saint Michael is located in remote Alaska where the average winter temperature is 13°F. Funded by SLFRF, the Tribe rehabilitated 29 homes that needed weatherization and electrical upgrades or had severe structural issues or facilities conditions. The project aims to increase housing stability and housing stock within the village.

The Suquamish Tribe is leveraging its SLFRF award to address a lack of housing caused by the Tribe's "checkerboard" reservation, where the Tribe owns some of the land in an area and some of it is owned by non-natives. Historically, this has made building sustainable housing incredibly difficult. With SLFRF funds, the Tribe is investing in homesite preparation for twelve .25 acre lots located on the Port Madison Indian Reservation. Through SLFRF, the prepared lots are provided at no cost to the Tribal citizens. Tribal citizens can also acquire financing through an internal housing program to build their own single-family homes.

Enhancing the American Workforce

Another area of investment of SLFRF funds is <u>supporting and expanding the workforce</u> 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 are providing communities with tools and resources to ensure that Americans can get the skills they need to take advantage of the jobs created by President Biden's Investing in America agenda. The Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act are expanding economic opportunity to urban and rural communities in every corner of the United States, and the SLFRF program's investments in workforce development are making sure that those opportunities are available to American workers – regardless of having a college degree.

Boone County, Missouri is using \$81,000 for The Stephens College MO Women Work Program. This program is a pre-apprenticeship program that will lead to an apprenticeship at the worksite. The stackable certificate program will help participants earn college credit along the way that can lead to a degree if they wish to continue their education beyond the apprenticeship.

Maricopa County, Arizona is leveraging \$1 million to complete the adaptive reuse construction of a former big box department store into a workforce training, education, and innovation facility known as the Innovation 27 Workforce Training and Education Collaborative. The project is approximately 128,000 square feet and is located on 8 acres.

Monroe County, New York is utilizing \$1.2 million to purchase a training facility for Project Phoenix, a program that focuses on providing people the tools, training, and support needed to succeed in the skilled trades.

Saginaw County, Michigan is budgeting \$160,000 to offer a 13-week, 200-hour training program for individuals with little or no experience in behavioral medicine to prepare them to be Mental Health Technicians (MHT) and work in an inpatient psychiatric setting. An MHT position requires experience and there is a shortage of individuals applying for available positions. No MHT training programs currently exist in the Saginaw region.

The Commonwealth of Virginia is obligating \$5 million to establish their Earn to Learn Nursing Education Acceleration program for the purpose of forming collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health providers. This program will increase the number of nursing students receiving necessary clinical training to achieve certification and will create and ensure employment opportunities for nursing students.

Strengthening Small Businesses

SLFRF recipients have invested in a wide variety of programs that <u>support small</u> <u>businesses'</u> role as key employers and drivers of local economies, utilizing federal funds to sustain the continued record growth in small business creation. Through

September 30, 2024, governments have budgeted more than \$5 billion for more than 1,700 projects to support small businesses and small business development.

Durham County, North Carolina is utilizing \$750,000 to implement a comprehensive and holistic entrepreneurial support system for qualifying small businesses in Durham County, with an emphasis on providing supports focused on capacity building, access to networks, and access to capital.

Greene County, Missouri is using \$500,000 to build a state-of-the-art Business Connect center inside of their new destination library branch that will support the rapidly changing needs of the modern workforce.

Monroe County, Michigan is leveraging over \$350,000 to create Launch 734, which provides community development activities focused on a return of the business community to pre COVID levels by providing the introduction, implementation, and support of new programs providing wraparound services and support for micro, entrepreneurial, and disadvantaged businesses. The initiative will include marketing, event planning and implementation, acquisition of support services, and program planning and development.

Delivering High-Speed Internet Access

SLFRF funds are being invested to strengthen the country's internet infrastructure by laying fiber backbone, completing last-mile connections, and prioritizing equitable access to broadband. These investments provide residents with access to education, health care, government services, and economic opportunity. As of September 30, 2024, SLFRF recipients budgeted more than \$8.7 billion in SLFRF funds for more than 1,600 broadband internet projects. The SLFRF funds invested in broadband projects complement the American Rescue Plan's expansion of affordable highspeed internet access through Treasury's <u>Capital Projects Fund</u>, as well as the Bipartisan Infrastructure Law.

Birmingham, Alabama is utilizing \$100,000 to provide 350 households in their Collegeville Neighborhood with improved access to broadband internet and faster connection speeds.

The State of Alabama is leveraging \$288.9 million to expand broadband internet access. Across 22 projects, over 1,767 miles of new fiber infrastructure will be laid, connecting more than 800 community intuitions to high-speed internet.

Snohomish County, Washington is utilizing approximately \$2.7 million for last mile broadband projects in the town of Index, Washington. A total of 957 locations have been identified.

The Torres Martinez Desert Cahuilla Indians invested SLFRF in a substantial broadband project to increase internet access on its rural California reservation. Internet network expansion will assist in telehealth, distance learning opportunities, affordable internet service, economic growth, and digital inclusion efforts where demands for internet access have grown in the last decade.

Vallejo, California is leveraging \$3 million to build out broadband infrastructure in the city. The goal is to extend fiber to the schools, anchor businesses, lateral buildouts for the businesses, fiber to new developments coming to the city. The project also aims to provide WIFI access in public gathering places like Vallejo waterfront, major city parks, and Vallejo Downtown and to provide free WIFI/broadband access to disadvantaged communities (North and South Vallejo).

Upgrading 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 \$5.2 billion in more than 3,000 projects to meet their water, wastewater, and stormwater goals.

Elgin, Illinois is leveraging over \$4.5 million for its 2024 Lead Service Line Replacement. This project will consist of replacement of residential and commercial water service lines that were constructed out of lead-based material. It also includes approximately 5,300 linear feet of water main replacement.

The Native Village of Gakona in Alaska invested SLFRF in a water well project to provide access to clean, safe, and reliable water and sanitation to its community. The Tribe receives around 60 inches of snowfall each year. Prior to the construction of the water well project, residents would drive 50 miles roundtrip and over three bridges to fill up containers with fresh water.

The State of Michigan is obligating \$20 million to replace 7,625 linear feet of water mains and 135 lead service lines, and to upgrade the water tank in the City of Escanaba.

The State of Tennessee is using over \$4.5 million to upgrade the potable and plant water systems at the Moccasin Bend Environmental Campus. The initiative aims to conserve water, utilize reclaimed water for non-potable purposes, and repair leaks, in line with state goals to diversify water sources and minimize wastewater discharge. It also promotes water reuse by repurposing non-potable water for beneficial uses. Anticipated benefits are a 40-50% reduction in potable water usage, saving 3.5 to 4 million gallons monthly, and reducing water bills by \$12,000 to \$15,000 per month.

The Colony, Texas is utilizing nearly \$5 million to expand their Stewart Creek Wastewater Treatment Plant capacity from 4.5 to 6.3 million gallons per day. Facilities include an influent treatment pump station with coarse screens, grit removal and fine screens, activates sludge aeration basins, aeration blower facility, clarifiers with associated sludge and scum pumping, cloth media filters, UV disinfection, new administration building, and an electrical building and power distribution.

The State of West Virginia is budgeting \$18.4 million to expand the River Plant in Berkeley County to serve rapidly increasing demand for water throughout the service area of the Water District. The plant capacity of 6 million gallons per day (MGD) is close to being exhausted and the plant is being operated on a 24 hour per day schedule. The upgrades will increase capacity to 10 MGD in order to allow for future economic opportunities while increasing public health and safety.

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 their SLFRF award funds to meet the unique needs of their communities in ways that will power inclusive and equitable economic growth for decades to come.