

Coronavirus State and Local Fiscal Recovery Funds

Allocations to Counties

May 10, 2021

The American Rescue Plan Act (the Act) established the Coronavirus State Fiscal Recovery Fund (CSFRF) and Coronavirus Local Fiscal Recovery Fund (CLFRF), 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 counties.

Allocation methodology

The CLFRF provides \$65.1 billion to counties. The Act requires that these funds are allocated based on each county’s population share of the total population of all counties, using the latest available population data from the U.S. Census Bureau. Treasury makes use of the 2019 Census for the purposes of this allocation.¹

The Act further requires that any urban county² cannot receive less from CLFRF than it would have received if the CLFRF county funding was distributed to urban counties and metropolitan cities according to section 106(b) of the Housing and Community Development Act of 1974 (hereafter, the Community Development Block Grant, or CDBG, formula). Treasury consulted with HUD to identify which counties were classified as urban counties in Fiscal Year 2021 for the purposes of CDBG,³ and to apply the CDBG formula as required by the Act. Urban counties received an upward adjustment to their allocation as a result of this provision.

According to the Act, for any county that is not a unit of general local government, funds shall be paid to the state in which such county is located and distributed to each unit of general local government within such county based on population.

Additionally, units of local government that have formed consolidated governments (e.g. consolidated city-county governments) may receive an allocation under each of the formulas for metropolitan cities, counties, and nonentitlement units of local government, as applicable.

¹ It is worth noting that at the county level, 2020 was made available in early May. “New Vintage 2020 Population Estimates Available for Nation States, Counties and Puerto Rico Commonwealth.” United States Census Bureau. May 4, 2020. However, 2020 data is not yet available across all geographies, for example, for cities and towns. Because urban counties receive a minimum allocation that is in reference to what the county would have received if allocations to counties and cities were made as per section 106(b) of the Housing and Community Development Act, allocating to counties based on 2020 data; and cities based on 2019 data, would require mixing vintages which would not be a consistent database to rely on.

² Urban counties are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

³ Consolidated city-county entities, municipalities, independent cities, coterminous city-county entities are not considered urban counties for the purposes of this provision, consistent with how these entities are treated for the purposes of the CDBG program.