State and Local Coronavirus Relief Funds

The Heroes Act creates new State and Local Coronavirus Relief Funds through the Department of the Treasury to help first responders, frontline health workers, transit employees, teachers, and other workers providing vital services. Funds can be used for COVID-related expenses, to replace foregone revenues not projected on January 31, 2020, or to respond to negative economic impacts of COVID. Funds are available until expended, providing flexibility over the next several years.

States – $500 billion

- $250 billion awarded within 30 days of enactment to the 50 states and DC
  - $51 billion divided equally among 50 states and DC
  - $49 billion awarded based on the state’s share of COVID cases
  - $150 billion awarded based on the state’s share of population

- $250 billion awarded by May 3, 2021 to the 50 states and DC
  - $51 billion divided equally among 50 states and DC
  - $199 billion based on the state’s share of unemployed individuals

Local governments – $375 billion

- $250 billion awarded within 30 days of enactment to all municipalities and counties
  - $125 billion to municipalities using a modified CDBG formula
    - $87.5 billion to entitlement municipalities (generally defined as those with populations of at least 50,000)
    - $37.5 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
      - $125 billion to counties based on population

- $125 billion awarded one year after the date of enactment to all municipalities and counties
  - $62.5 billion to municipalities using a modified CDBG formula
    - $43.75 billion to entitlement municipalities (generally defined as those with populations of at least 50,000)
    - $18.75 billion to non-entitlement municipalities (generally defined as those with populations of less than 50,000). These funds will be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.
      - $62.5 billion to counties based on population
Territories – $20 billion

- $10 billion divided equally among the five territories within 30 days of enactment
- $10 billion awarded based on the territory’s share of population within 30 days of enactment

Tribes – $20 billion

- Entire amount awarded within 30 days of enactment, based on the share of increased aggregate expenditures of each tribal government

Oversight – $35 million for the Treasury Office of the Inspector General

Improvements to the CARES Act Coronavirus Relief Fund:

- Makes the District of Columbia whole by increasing its award so that it is treated as a state, not a territory
- Clarifies that only federally recognized tribal governments are eligible for payments in CARES and the HEROES Act
- Expands the use of funds to cover lost, delayed, or decreased revenue stemming from the COVID public health emergency