

The American Rescue Plan Act, Section 9901— The Coronavirus State Fiscal Recovery Fund

May 11, 2021

Section 9901 of the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) provides a total of \$362 billion in general federal payments to state, local, tribal, and territorial governments, \$220 billion of which is directed to the Coronavirus State Fiscal Recovery Fund (CSFRF). Similar assistance was provided through the \$150 billion [Coronavirus Relief Fund](#) established in the CARES Act (P.L. 116-136). This Insight summarizes the assistance provided to the CSFRF, as established in Section 9901 of ARPA. Allocations sorted by state and territory are provided in **Table 1**. Additional guidance on allocations, timing, and eligible uses are available at the [Treasury State and Local Assistance website](#). (ARPA also created the Coronavirus Local Fiscal Recovery Fund (CLFRF), discussed in a companion Insight.)

Allocation Methodology

ARPA provided a total of \$219.8 billion through the CSFRF, distributed differently across state, territorial, and tribal governments:

- **States and DC:** \$195.3 billion to the 50 states and the District of Columbia (DC), with
 - (1) \$0.755 billion to DC (i.e., the difference between DC's allocation and the minimum allocation to the 50 states provided in the CARES Act);
 - (2) \$25.5 billion distributed equally across state governments (\$0.5 billion each);
 - (3) \$169.045 billion distributed to states (and DC) in proportion to their seasonally adjusted unemployed population from October through December 2020, as measured by the [Bureau of Labor Statistics](#); and
 - (4) Adjustments to ensure that each state and DC receives a total of at least \$1.25 billion from the CSFRF and Coronavirus Local Fiscal Recovery Fund, a separate fund for local governments established in Section 9901.
- **Tribal Governments:** \$20 billion provided for tribal governments, with
 - (1) \$1 billion allocated equally across all tribal governments; and

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(2) \$19 billion allocated to all tribal governments through a process to be determined by the Secretary of the Treasury; and

- **Territories:** \$4.5 billion set-aside for Puerto Rico, American Samoa, Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands, with

(1) \$2.25 billion allocated equally across the five territories (0.45 billion each); and

(2) \$2.25 billion allocated based on relative population.

Timing

ARPA provided Treasury with the discretion to make CSFRF payments to states in one or two tranches, based on state unemployment levels. Treasury released [guidance](#) specifying that payments will be made in one installment for states with unemployment levels at the time of Treasury certification that are more than two percentage points higher than February 2020 levels. (State governments must complete certification, consisting of payment delivery instructions and an authorized representative signature, through the [Treasury submission portal](#) to receive CSFRF payments.) All other states are to receive payments in two installments, with all first payments made in May 2021. For states receiving two tranches, the second tranche payments are required to be made no later than 12 months after Treasury certifies the first round of payments. Treasury’s guidance also stated that payments to all territorial governments will be made in a single installment, also in May 2021. Payments to tribal governments are to be made in two installments—May 2021 and June 2021—with the latter based on unemployment data. All payments are to remain available until December 31, 2024, with funded projects completed no later than December 31, 2026. Amounts not spent or used for ineligible purposes must be repaid to Treasury.

Eligible Uses

ARPA specifies that funding provided through the CSFRF is generally only to be used to

- respond to the COVID-19 public health emergency and its negative economic impacts;
- provide premium pay to essential workers or grants to employers with essential workers;
- replace lost, delayed, or decreased revenue, relative to projections issued before January 27, 2020, reduced by the projected budgetary effect of certain tax cuts enacted after March 3, 2021 (to prevent payments from offsetting the effect of such tax cuts); or
- make necessary investments in water, sewer, or broadband infrastructure.

CSFRF recipients may transfer funds to private nonprofit groups, special purpose units of state or local governments, or public benefit corporations involved in the transportation of passengers or cargo. **Table 1** shows the total CSFRF payments provided to state, tribal, and territorial governments and the projected number of installments that Treasury will use to make payments.

Table 1. CSFRF Payments by State and Territory
(in billions of dollars)

State	Total Allocation	Projected # of Payments
Alabama	2.120	2
Alaska	1.012	2
American Samoa	0.479	1
Arizona	4.183	2

State	Total Allocation	Projected # of Payments
Arkansas	1.573	2
California	27.017	1
Colorado	3.829	1
Connecticut	2.812	1
Delaware	0.925	1
DC	1.802	1
Florida	8.817	2
Georgia	4.854	2
Guam	0.554	1
Hawaii	1.642	1
Idaho	1.094	2
Illinois	8.128	1
Indiana	3.072	2
Iowa	1.481	2
Kansas	1.584	2
Kentucky	2.183	2
Louisiana	3.011	1
Maine	0.997	2
Maryland	3.717	1
Massachusetts	5.286	1
Michigan	6.540	2
Minnesota	2.833	2
Mississippi	1.806	2
Missouri	2.685	2
Montana	0.906	2
Nebraska	1.040	2
Nevada	2.739	1
New Hampshire	0.995	2
New Jersey	6.245	1
New Mexico	1.752	1
New York	12.745	1
North Carolina	5.439	2
North Dakota	1.008	1

Northern Mariana Islands	0.482	1
Ohio	5.368	2
Oklahoma	1.870	2
Oregon	2.648	1
Pennsylvania	7.291	1
Puerto Rico	2.470	1
Rhode Island	1.131	1
South Carolina	2.499	1
South Dakota	0.974	2
Tennessee	3.726	2
Texas	15.814	1
U.S. Virgin Islands	0.515	1
Utah	1.378	2
Vermont	1.049	2
Virginia	4.294	1
Washington	4.428	2
West Virginia	1.355	2
Wisconsin	2.533	2
Wyoming	1.068	2
Tribal Governments	20.000	2
Total	219.800	-

Source: [U.S. Treasury](#).

Note: Items may not sum to total due to rounding.

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