



Budget Brief 20-11, March 26, 2020

## The Coronavirus Relief Fund

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### Summary

Title V of Division A of the third coronavirus relief package ([H.R. 748](https://www.congress.gov/bills/116/748), the Coronavirus Aid, Relief, and Economic Security [CARES] Act) creates a Coronavirus Relief Fund (CRF), which provides \$150 billion to state, local, territorial, and tribal governments. This brief describes the CRF and its available uses. Table 1 at the end of the brief provides state estimates. FFIS will summarize other relevant provisions of the CARES Act in a forthcoming brief.

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### Coronavirus Relief Fund

The CRF provides \$150 billion for expenditures incurred due to the public health emergency with respect to COVID-19. The public health emergency was declared by the secretary of the Department of Health and Human Services (HHS) on January 31, 2020.

**Allocation of funds.** The bill requires the secretary of the Department of the Treasury to make payments no later than 30 days after enactment based on the following:

- \$8 billion is set aside for tribal entities.
- \$3 billion is set aside for territories, including the District of Columbia and Puerto Rico. These are allocated based on relative population within the group. On Table 1, FFIS used 2019 Census estimates for the District of Columbia and Puerto Rico and 2010 Census data for the other jurisdictions.
- \$139 billion remains for states and is allocated based on relative population, using the latest Census data. Calculations on Table 1 use 2019 state population estimates.
  - There is a small-state minimum of \$1.25 billion.
- Local governments with populations of at least 500,000 may request a direct payment from the treasury secretary. State allotments are reduced by the local payment, but the portion of a state's allotment that can be provided directly to local governments is capped at 45%. Thus, states will receive at least 55% of the total allocation.

**Uses.** Funds can be used for costs that:

- Are necessary expenditures incurred due to COVID-19;

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- Were not accounted for in the budget most recently approved as of the date of enactment of this section; and
  - Were incurred during the period from March 1, 2020, to December 30, 2020.

**State concerns.** FFIS is aware of two main state concerns. First, the prescribed uses of the funds suggest that states cannot use them to fill in revenue gaps created by slowing state revenues. Second, if states have appropriated funds to address COVID-19 prior to this bill's enactment, it does not appear the CRF could be used to reimburse those appropriations. FFIS is working with other state groups for clarification on these matters.

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## Next Steps

H.R. 748 has passed the Senate and is scheduled to clear the House on Friday, March 27. The president is expected to sign it. Subsequent COVID-19-related legislation may be needed to address continuing needs and to provide technical corrections for the matters identified above.

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**Table 1****Estimated State Allocations for the Coronavirus Relief Fund\***

(\$ in million)

<b>Jurisdiction</b>	<b>Total</b>	<b>Minimum State Share (55%)</b>	<b>Local Cap (45%)**</b>
Alabama	\$1,901	\$1,046	\$856
Alaska	1,250	688	563
Arizona	2,822	1,552	1,270
Arkansas	1,250	688	563
California	15,321	8,427	6,895
Colorado	2,233	1,228	1,005
Connecticut	1,382	760	622
Delaware	1,250	688	563
Florida	8,328	4,581	3,748
Georgia	4,117	2,264	1,853
Hawaii	1,250	688	563
Idaho	1,250	688	563
Illinois	4,914	2,702	2,211
Indiana	2,610	1,436	1,175
Iowa	1,250	688	563
Kansas	1,250	688	563
Kentucky	1,732	953	780
Louisiana	1,803	991	811
Maine	1,250	688	563
Maryland	2,344	1,289	1,055
Massachusetts	2,673	1,470	1,203
Michigan	3,873	2,130	1,743
Minnesota	2,187	1,203	984
Mississippi	1,250	688	563
Missouri	2,380	1,309	1,071
Montana	1,250	688	563
Nebraska	1,250	688	563
Nevada	1,250	688	563
New Hampshire	1,250	688	563
New Jersey	3,444	1,894	1,550
New Mexico	1,250	688	563
New York	7,543	4,149	3,394
North Carolina	4,067	2,237	1,830
North Dakota	1,250	688	563
Ohio	4,533	2,493	2,040
Oklahoma	1,534	844	690
Oregon	1,635	900	736
Pennsylvania	4,964	2,730	2,234
Rhode Island	1,250	688	563
South Carolina	1,996	1,098	898
South Dakota	1,250	688	563
Tennessee	2,648	1,456	1,192
Texas	11,243	6,184	5,060
Utah	1,250	688	563
Vermont	1,250	688	563
Virginia	3,310	1,820	1,489
Washington	2,953	1,624	1,329
West Virginia	1,250	688	563
Wisconsin	2,258	1,242	1,016
Wyoming	1,250	688	563
<b>Subtotal - State Allocations</b>	<b>\$139,000</b>	<b>\$76,450</b>	<b>\$62,550</b>
District of Columbia	495	495	N/A
Puerto Rico	2,241	2,241	N/A
Virgin Islands	75	75	N/A
American Samoa	39	39	N/A
Guam	112	112	N/A
Northern Mariana Islands	38	38	N/A
Tribal	8,000	8,000	N/A
<b>TOTAL</b>	<b>\$150,000</b>	<b>\$87,450</b>	<b>\$62,550</b>

\*Based on Senate language. Estimates for states, District of Columbia, and Puerto Rico are based on 2019 Census data; territories are based on 2010 Census data.

\*\*Local cap is maximum amount from total state allocation that can be provided directly to a unit of local government with population greater than 500,000.

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