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NATIONAL ASSOCIATION OF COUNTIES

SUMMARY OF THE STATE AND LOCAL FISCAL RECOVERY FUND
& ADDITIONAL FEDERAL ASSISTANCE FOR PUBLIC LANDS COUNTIES

2021 LEGISLATIVE CONFERENCE
MARCH 2021
COVID-19 RECOVERY CLEARINGHOUSE
Timely resources for counties, including allocation estimations, examples of county programs using federal coronavirus relief funds, the latest news and more.

State & Local Fiscal Recovery Funds
Find your county’s estimated allocation, NACo’s legislative analysis and more

Investing CARES Act Coronavirus Relief Funds
Find examples and best practices, as well as U.S. Treasury guidance and FAQs.

COVID-19 Vaccine Distribution
Explore key considerations for counties in COVID-19 vaccine distribution plans

COVID-19 Recovery Clearinghouse (naco.org)
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STATE AND LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS

NACO ANALYSIS OF STATE AND LOCAL FUNDING IN THE AMERICAN RESCUE PLAN

AMERICAN RESCUE PLAN ACT TEXT

COUNTY-BY-COUNTY ALLOCATION ESTIMATES

CLICK here to access... State and Local Coronavirus Fiscal Recovery Funds (naco.org)
PRESIDENT BIDEN’S
AMERICAN RESCUE PLAN

• Establish and fund national vaccine plan
• Boost funding for COVID-19 testing
• Extra $350B for state and local govt. support with $65.1 billion in direct federal aid for counties
• An additional $1.5B for public land counties
• Provide additional assistance for rental, utility and homeless prevention
• Direct financial assistance for individuals
• Expand paid leave and family medical leave, incl. tax credits for public sector employees
NACo’s Focus

NACo’s focus remains on the COUNTY SHARE AND DISTRIBUTION FORMULA as part of any new federal aid plan for state, tribal, county and municipal govts.

NACo’s guiding principles include:

• direct, flexible aid for all counties,
• allowance for lost revenue due to COVID
• reasonable, practical safeguards to protect the public’s interest

U.S. House Committee on Oversight & Reform: State and Local Coronavirus Fiscal Recovery Funds

Access NACo's analysis of the latest COVID-19 federal relief bill, including county-level allocation estimates, and take action to support direct investments in counties of all sizes.

COUNTIES AND THE COVID-19 PANDEMIC

THE COUNTY MESSAGE:

- Counties remain focused on our mission to end COVID-19, keep our local businesses alive, and serve our most vulnerable residents and nonprofit heroes. Every dollar in local government aid is at least a dollar in GDP growth.
- As this unprecedented global health pandemic continues to evolve and reach further into our communities, we urge Congressional support and immediate passage of the Coronavirus State and Local Fiscal Recovery Funds.
- Only 9 percent of counties received direct assistance from the CARES Act, and far too many counties are receiving very, if any, limited, federal resources. Even with these much-appreciated federal dollars, the immense scale and growing needs facing our counties are far outstripping our local resources.
- County leaders are asking, patients stewards of public dollars, and we are not looking for an unlimited federal handout, we remain very concerned about these growing deficits. Yes, we understand that we must overcome this devastating pandemic together, now, so we can make the small investments needed to pursue a brighter, more resilient future for all our constituents and communities.
- We know that the only way to unlock the full economic potential and protect the wellbeing of the nation is to overcome the current global public health emergency.
- We respectfully urge Congress and the White House to work together in a bipartisan manner to ensure our local communities have the resources, decision-making powers and flexibility necessary to overcome this massive national emergency and to

DISTRIBUTION FORMULA FOR STATE AND LOCAL RECOVERY FUNDS

- Of the approximately $190 billion in the Senate bill for fiscal relief, 57 percent would be allocated to states and 43 percent to local governments. The distribution formula is as follows:
  - States and District of Columbia: $935.3 billion
    - $35.5 billion is equally divided with state minimum of $500 million.
    - $160 billion based on the state share of unemployed workers over a three-month period from October-December 2020.
    - $1.25 billion in additional aid for the District of Columbia.
  - Local governments: $130.7 billion divided evenly between non-county municipalities and counties.
  - Counties: $65.1 billion in direct federal aid to counties (including parishes in Louisiana, boroughs in Alaska, consolidated city-county entities in the District of Columbia) based on the county share of the U.S. population. Counties that our Census reports would receive the larger share, not an is population or occupied housing units under the CARES allocation method. Treasury shall allocated these resources within 60 days of enactment.
  - Non-county municipalities: $65.1 billion in cities and other non-county municipalities.
    - $45.7 billion in direct federal aid for municipalities with populations of at least 50,000, using a modified Community Development Block Grant formula.
    - $9.3 billion for municipalities with populations of less than 50,000 based on each jurisdiction’s percentage of the state’s population. Amount per jurisdiction may not exceed 75 percent of its most recent budget as of January 27, 2020. Aid is distributed through the states, with the ability for states to request extensions if they are unable to distribute within a maximum of 120 days. Any amounts that are not distributed to non-entitlement municipalities shall be returned to the U.S. Treasury. However, if the state fails to distribute to these local entities, the penalty comes from the state portion of the State and Local Coronavirus Recovery Fund.
  - U.S. Territories: $4.5 billion.
  - Tribal governments: $20 billion to federally recognized Tribal governments.

NACo Legislative Analysis: State and Local Coronavirus Fiscal Recovery Funds | Mar. 8, 2021 | 2

ALLOWABLE USES OF RECOVERY FUNDS

The Senate bill outlines that funds may be used by counties to:

1. **Respond to the public health emergency with respect to the COVID-19 or its negative economic impacts**, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

2. **Respond to workers performing essential work** during the COVID-19 public health emergency by providing premium pay to eligible workers of the county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

3. **For the provision of government services to the extent of the reduction in revenue** (i.e. online, property or income tax) due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency (i.e. January 20, 2020), or

4. **Make necessary investments** in water, sewer, or broadband infrastructure.

*It is important to note under #1 that the examples outlined are intended to clarify congressional intent that these activities would be eligible. However, state and local activities would NOT be limited only to these activities.*
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3. For the provision of government services to the extent of the reduction in revenue (i.e., online, property or income tax) due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency (i.e., January 20, 2020), or

4. Make necessary investments in water, sewer, or broadband infrastructure.

It is important to note under #1 that the examples outlined are intended to clarify congressional intent that these activities would be eligible. However, state and local activities would NOT be limited only to these activities.

The Senate bill also outlines that:

- States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax. If a state violates this provision, it would be required to repay the amount of the applicable reduction to net tax revenue.

- No funds shall be deposited into any pension fund.

- State and local governments are allowed to transfer to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo, or a special purpose unit of state or local government.

- Any local government, including counties, that fail to comply with the federal law and related guidelines shall be required to repay the federal Treasury.

- “Premium pay” means an additional amount up to $13 per hour that is paid to an eligible worker for work during the COVID-19 pandemic. The bill imposes a cap of $25,000 for any single eligible worker.

REPORTING REQUIREMENTS, CERTIFICATION & RECOMPET

The Senate bill would require state and local governments to fulfill reporting requirements, such as:

- States are required to report how funds are used and how their tax revenue was modified during the time that funds were spent during the covered period (covered period begins on March 3, 2021 and ends on the last day of the fiscal year). If state or local government has expended or returned all funds to the U.S. Treasury

- Local governments are required to provide periodic reports providing a detailed accounting of the use of funds.

- If a state, county or municipality does not comply with any provision of this bill, they will be required to repay the U.S. Treasury an equal amount to the funds used in violation.

ADMINISTRATION OF RECOVERY FUNDS

The Senate bill further outlines that funds would be administered as follows:

- Funds would be distributed by the U.S. Department of Treasury.

- The deadline to spend funds would be December 31, 2024.

- In order to receive a payment, either under the first or second tranche, local governments must provide the U.S. Treasury a certification signed by an authorized officer. The U.S. Treasury is required to pay first tranches to counties not later than 60 days after enactment, and second payment no earlier than 12 months after the first payment.

- The bill would provide $137 million for oversight and transparency and accountability of all federal coronavirus relief funds with $77 million for the Government Accountability Office and $40 million for the Pandemic Response and Accountability Committee.

CORONAVIRUS CAPITAL PROJECTS FUND (SEC. 604)

- $3 billion for states, territories and tribal governments to carry out critical capital projects, until expended, specifically related to enabling work, education, and health monitoring, including remote options in response to the COVID-19 public health emergency.

- Each state, District of Columbia and Puerto Rico would receive a minimum allocation of $100 million, plus another $100 million is divided among other U.S. territories and another $100 million is designated for Tribal governments and Native Hawaiian use.
COUNTY-BY-COUNTY FUNDING ESTIMATES:


Please note that these are unofficial estimates and subject to modification by the U.S. Department of the Treasury
AMERICAN RESCUE PLAN: PUBLIC LANDS COUNTIES

Additional $1.5 Billion for Revenue Share (Public Lands) Counties:

- An additional $1.5 billion is provided for eligible revenue share counties (notably public land counties that receive Payment-in-Lieu-of-Taxes (PILT) and Secure Rural School (SRS) payments), with $750 million allotted each year for federal Fiscal Years 2022 and 2023.
- An additional $500 million in total is provided for eligible Tribal governments.
- Treasury will be responsible for determining the funding formula, taking into account the economic conditions of each eligible revenue sharing county, using measurements of poverty rates, household income, land values, and unemployment rates as well as other economic indicators, over the 20-year period ending with Sept. 30, 2021.
- Eligible counties may use these funds for any governmental purpose other than a lobbying activity.
- Counties shall be required to provide periodic reports with a detailed accounting of the use of funds.
- Failure to submit required reports or misuse of funds will result in the recoup of funds by the federal government.
Additional $1.5 Billion for Revenue Share (Public Lands) Counties:

According to a statement for the record by U.S. Senate Finance Chairman Ron Wyden (D-Ore.),

“I also fully expect Treasury to consult with others in government who have history in this arena on the creation of this new formula such as the Secretaries of Agriculture and Interior, as well as the National Association of Counties, state county associations, including the Association of O&C Counties Oregon, and many other groups with a deep understanding of these impacts across the United States.”
COUNTIES ARE INVESTING $22.5 BILLION FROM THE CORONAVIRUS RELIEF FUND (CRF) TO RESTORE AND SUSTAIN COMMUNITIES

Source: NACo analysis of County Coronavirus Relief Fund (CRF) spending plans, available at www.naco.org/crf

Note: The Coronavirus Relief Fund (CRF) was established under the CARES Act and provides $150 billion in direct aid for state, county and municipal governments with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency. Counties received approximately $22.5 billion in CRF. With those funds, counties invested in small business support, housing and utility assistance, cash assistance and more.
COVID-19 Recovery Clearinghouse (naco.org)

COVID-19 RECOVERY CLEARINGHOUSE
In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was passed by the U.S. Senate on March 6. The bill, which now heads back to the U.S. House of Representatives for final consideration, includes $350.5 billion in direct, flexible aid to every county in America, as well as crucial investments in local communities.

How Can We Help?
Please use the form below to ask a question, and NACo staff will respond via email.

Share Your Story
How is your county responding to the coronavirus pandemic and driving the recovery in your community. Please use the form below to share how your county is using federal relief funds.

Please ask your question here.

Please share your county's story here.

SUBMIT

SUBMIT
2021 VIRTUAL LEGISLATIVE CONFERENCE
MARCH 8-26 | BONUS CONTENT IN APRIL
The NACo Board approved 10 national policy priorities for 2021:

- Restore the **balance of federalism** and optimize intergovernmental partnerships
- Advocate for additional **federal COVID-19 relief** in the form of direct, flexible aid to counties of all sizes
- Promote **county infrastructure** priorities
- Promote **mental health and substance use treatment** and address essential criminal justice reforms
- Boost **advanced broadband deployment** and accessibility while preserving local decision-making
- Support full funding for **Payments in Lieu of Taxes** and the **Secure Rural Schools** program
- **Promote county priorities** in federal rulemaking, including Environmental Protection Agency
- Strengthen **election security and safety**
- Enhance **community resilience** through regional and local disaster preparedness
- Promote **workforce opportunities and supportive services** for county residents in changing economies
You asked. We listened.

New and improved County Explorer...

simple.
accessible.
impactful.

...we’re changing the way you see county data – literally.

County Explorer is now more accessible and user-friendly. The new tool sports a redesigned user interface which makes navigation simple, while maintaining familiarity. County Explorer now works on mobile devices, and it looks particularly great on tablets. Check out the new design, functionality, and more at Explorer.NACo.org #ICYMI inACoNews

NEW JERSEY ECONOMIC OVERVIEW

U.S. House passed - The American Rescue Plan Act’s State and Local Coronavirus Fiscal Recovery Funds

Funds to New Jersey Counties

$1.7 B

JOBS NEEDED TO REACH FEBRUARY 2020 EMPLOYMENT LEVELS

More than 15 million Americans remain unemployed as of Jan. 2021, indicating a stalling economic recovery process. One in ten of the jobs yet to be recovered is a local government job. Especially concerning is the nine-month long increase in long-term unemployment, which comprises 40 percent of all unemployed workers and represents the greatest strain on local government resources.

Top employer in New Jersey

CURRENT SITUATION IN NEW JERSEY

TOTAL COVID-19 INFECTIONS: 778K
COVID-19 CASES IN 2021: 253K
COVID-19 RELATED DEATHS: 23,147
JOBS NEEDED TO REACH FEBRUARY 2020 LEVELS: 165K

Every dollar of local government aid is at least a dollar increase in GDP growth.

Local government spending will drive COVID-19 economic recovery, help restore the nation’s workforce and prepare communities for future growth through vital infrastructure, health, safety and resiliency investments.
You asked. We listened.

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COUNTY | POPULATION | PLT AMOUNT | PERCENT OF PLT ENTITLEMENT LAND | TOTAL PLT ENTITLEMENT LAND | PLT PER ACRE
--- | --- | --- | --- | --- | ---
Albany County | 38,601 | $1.6M | 24.4% | 674.1K Acres | $2.39
Big Horn County | 11,881 | $1.2M | 77.0% | 1.9M Acres | $0.77
Campbell County | 46,140 | $935.7K | 11.9% | 396.1K Acres | $2.56
Carbon County | 14,971 | $1.5M | 53.8% | 2.7M Acres | $0.55
Converse County | 13,640 | $900.3K | 14.8% | 400.9K Acres | $2.38
Crook County | 7,450 | $803.4K | 18.3% | 333.8K Acres | $2.41
Fremont County | 39,531 | $2.8M | 54.2% | 3.2M Acres | $0.88
Goshen County | 13,378 | $773.3K | 2.9% | 27.3K Acres | $2.83
Hot Springs County | 4,555 | $640.8K | 44.4% | 569.8K Acres | $1.14
Johnson County | 8,460 | $1.1M | 31.2% | 850.4K Acres | $1.27
Laramie County | 98,976 | $9.6M | 0.6% | 9.5K Acres | $7.83
Lincoln County | 19,434 | $1.4M | 74.7% | 1.0M Acres | $0.74
Natrona County | 79,115 | $3.8M | 43.4% | 1.5M Acres | $2.56
Niobrara County | 2,388 | $264.9K | 7.5% | 129.9K Acres | $2.82
Park County | 29,324 | $2.0M | 80.9% | 3.9M Acres | $0.55
Platte County | 85,568 | $300.4K | 8.0% | 106.5K Acres | $2.82
Sheridan County | 30,333 | $1.1M | 27.2% | 438.8K Acres | $2.44
Sublette County | 9,813 | $668.3K | 77.5% | 2.4M Acres | $0.40

SWEETWATER COUNTY, WY
PAYMENTS IN LIEU OF TAXES (PLT)
PLT AMOUNT $3.5M
TOTAL PLT ENTITLEMENT LAND 4.6M Acres
PERCENT OF PLT ENTITLEMENT LAND 69.0%
PLT PER ACRE $0.77

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VISION

HEALTHY, SAFE AND VIBRANT COUNTIES ACROSS AMERICA.

MISSION

STRENGTHEN AMERICA’S COUNTIES.

ABOUT NACo

THE NATIONAL ASSOCIATION OF COUNTIES (NACO) STRENGTHENS AMERICA’S COUNTIES,
serving nearly 40,000 county elected officials and 3.6 million county employees.

Founded in 1935, NACo unites county officials to:

- Advocate county priorities in federal policymaking
- Promote exemplary county policies and practices
- Nurture leadership skills and expand knowledge networks
- Optimize county and taxpayer resources and cost savings, and
- Enrich the public’s understanding of county government.