

MEMORANDUM

March 3, 2021

Subject: Summary of Title V, Subtitle A of H.R. 1319, the American Rescue Plan Act of 2021 and CARES Act Comparison

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This memorandum was prepared to enable distribution to more than one congressional office.

This memorandum summarizes the funding provisions in Subtitle A of Title V in H.R. 1319, the American Rescue Plan Act of 2021, which passed the House of Representatives on February 27, 2021, and provides a comparison to similar provisions included in the CARES Act (P.L. 116-136). Subtitle A is composed solely of Section 5001, and would provide a total of \$350 billion in direct federal assistance to state, territorial, tribal, and local governments in response to the Coronavirus Disease 2019 (COVID-19) public health emergency and ensuing economic fallout. The CARES Act provided \$150 billion in general state and local funding through the Coronavirus Relief Fund.

Section 5001. Coronavirus State and Local Fiscal Recovery Funds

Section 5001 of H.R. 1319 amends 42 U.S.C. 801 to create the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, and provides a total of \$350 billion in new federal assistance through those entities.

Amounts provided through both funds may be used to: (1) respond to the COVID-19 public health emergency; (2) cover costs incurred related to the emergency; (3) replace lost, delayed, or decreased revenue, relative to projections issued before January 27, 2020; and (4) address negative economic impacts of the COVID-19 public health emergency.

A total of \$219.8 billion would be provided to state, territory, and tribal governments through the Coronavirus State Fiscal Recovery Fund, including:

- \$195.3 billion to the 50 states and the District of Columbia (DC), with:
 - \$0.755 billion to DC, which is the difference between DC's direct assistance allocation and the minimum allocation to the 50 states provided in the CARES Act;
 - \$25.5 billion distributed equally across the 51 governments (\$0.5 billion to each government), and

- \$169.045 billion distributed in proportion to the seasonally-adjusted unemployed population from October through December 2020, as measured by the Bureau of Labor Statistics.¹
- \$20 billion devoted to tribal governments, with \$1 billion allocated equally across all governments and \$19 billion allocated through a process to be determined by the Secretary of the Treasury; and
- \$4.5 billion set-aside for Puerto Rico and other U.S. territories (American Samoa, Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands), with \$2.25 billion allocated equally across the five territories and \$2.25 billion allocated based on relative population.

A total of \$130.2 billion would be provided for local governments in states and territories through the Coronavirus Local Fiscal Relief Fund, including:

- \$65.1 billion to county governments, with allocations provided to more than 99% of counties in proportion to their nationwide population share, using the latest available data from the U.S. Census Bureau.²
- \$65.1 billion to other local governments:
 - \$45.57 billion to governments of localities classified as “metropolitan cities” in the Community Development Block Grant (CDBG) program, with individual amounts provided pursuant to the CDBG formula;³ and
 - \$19.53 billion to governments of other units of general local government (UGLGs) that are not county governments, with federal payments to states made proportionally to the state populations not residing in metropolitan cities, and individual amounts distributed by the state proportional to each government’s state population share.⁴

The bill directs the U.S. Treasury to make all payments, to the extent practicable, within 30 days of enactment, with all payments made no later than May 31, 2021. All 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 CRS projections of total allocations that would be provided to governments by state, territory, and tribal designation under H.R. 1319.

¹ For current projections, see Bureau of Labor Statistics, “Civilian labor force and unemployment by state and selected area, seasonally adjusted,” January 2021, available at <https://www.bls.gov/news.release/laus.t01.htm>.

² Counties that are classified as “urban counties” under the CDBG program receive the greater of their projected allocation based on their population and the allocation they would have received if urban counties had been included in the \$45.57 billion provided to CDBG “metropolitan cities,” with other county allocations adjusted accordingly. Using FY2020 CDBG data, CRS calculations indicate that of more than 3,100 counties in the 50 states, 14 urban counties would receive an allocation from the CDBG formula rather than by population.

³ For more on the CDBG program and formula, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*.

⁴ No UGLG in this category may receive an amount that exceeds 75% of the most recent annual budget as of January 27, 2020.

Table I. Projected Allocations through the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund
(in billions of dollars)

State	Level of Government				Total
	State	County	Metropolitan Cities	Other Local	
Alabama	2.136	0.951	0.417	0.362	3.867
Alaska	0.827	0.142	0.045	0.044	1.058
American Samoa	0.481	0.009	0.000	0.005	0.495
Arizona	4.836	1.412	0.975	0.258	7.481
Arkansas	1.663	0.585	0.202	0.210	2.661
California	26.264	7.663	7.046	1.310	42.283
Colorado	3.984	1.117	0.549	0.278	5.927
Connecticut	2.668	0.691	0.679	0.191	4.230
Delaware	0.899	0.189	0.062	0.086	1.236
District of Columbia	1.752	0.137	0.386	0.000	2.275
Florida	10.310	4.165	1.465	1.397	17.337
Georgia	4.690	2.071	0.552	0.857	8.170
Guam	0.556	0.033	0.000	0.017	0.605
Hawaii	1.645	0.275	0.206	0.043	2.169
Idaho	1.197	0.347	0.125	0.104	1.773
Illinois	7.549	2.539	2.683	0.738	13.508
Indiana	3.084	1.306	0.853	0.435	5.677
Iowa	1.390	0.612	0.335	0.216	2.552
Kansas	1.598	0.565	0.252	0.172	2.587
Kentucky	2.459	0.866	0.445	0.307	4.077
Louisiana	3.233	0.902	0.572	0.322	5.029
Maine	1.037	0.261	0.118	0.115	1.531
Maryland	3.899	1.173	0.638	0.506	6.216
Massachusetts	4.547	1.337	1.710	0.368	7.962
Michigan	5.698	1.937	1.782	0.686	10.103
Minnesota	2.597	1.109	0.595	0.420	4.722
Mississippi	1.818	0.577	0.097	0.258	2.751
Missouri	2.838	1.190	0.830	0.442	5.301
Montana	0.891	0.207	0.051	0.082	1.231
Nebraska	0.983	0.375	0.186	0.106	1.650
Nevada	2.969	0.597	0.285	0.151	4.003
New Hampshire	0.966	0.264	0.088	0.106	1.424
New Jersey	6.483	1.823	1.168	0.573	10.046

	Level of Government				Total
	State	County	Metropolitan Cities	Other Local	
New Mexico	1.631	0.407	0.177	0.119	2.334
New York	12.665	3.907	6.141	0.825	23.538
North Carolina	5.316	2.034	0.672	0.682	8.705
North Dakota	0.778	0.148	0.041	0.050	1.017
Northern Mariana Islands	0.483	0.010	0.000	0.005	0.498
Ohio	5.681	2.267	2.243	0.815	11.006
Oklahoma	2.191	0.767	0.304	0.237	3.499
Oregon	2.628	0.818	0.438	0.243	4.127
Pennsylvania	7.349	2.843	2.371	0.936	13.498
Puerto Rico	2.463	0.619	0.832	0.118	4.033
Rhode Island	1.133	0.205	0.282	0.055	1.675
South Carolina	2.111	0.999	0.145	0.442	3.697
South Dakota	0.744	0.172	0.039	0.062	1.016
Tennessee	3.850	1.324	0.513	0.431	6.119
Texas	16.824	5.668	3.372	1.399	27.263
U.S. Virgin Islands	0.517	0.021	0.000	0.011	0.548
Utah	1.528	0.622	0.281	0.189	2.619
Vermont	0.655	0.121	0.019	0.057	0.852
Virginia	3.795	1.655	0.628	0.604	6.682
Washington	4.285	1.477	0.701	0.483	6.946
West Virginia	1.259	0.348	0.176	0.153	1.936
Wisconsin	3.231	1.129	0.788	0.399	5.547
Wyoming	0.736	0.112	0.012	0.051	0.911
Tribal Governments	20.000	0.000	0.000	0.000	20.000
Total	219.800	65.100	45.570	19.530	350.000

Sources: Calculated by the Congressional Research Service using data from the U.S. Bureau of Labor Statistics, U.S. Census Bureau, and the U.S. Department of Housing and Urban Development.

Notes: Projections use 2019 Census population projections and FY2020 CDBG awards to distribute payments to local governments. More recent data may be used to allocate payments if it is available at the time of distribution. Calculations do not redistribute initial payments to local governments, including payments to counties without active county governments and payments in excess of the cap for UGLGs other than metropolitan cities. Projections may not account for governments that elect not to participate in the CDBG entitlement program but that choose to receive payment as a metropolitan city under H.R. 1319. Totals may not sum due to rounding.

Comparison to CARES Act Coronavirus Relief Funding

This section compares amounts that would be provided through H.R. 1319 with the same topline amount in H.R. 1319 distributed using the methodology used to make Coronavirus Relief Fund allocations in

Section 5001 of the CARES Act. Funding to states was distributed in the CARES Act proportional to state population, with no state receiving less than \$1.25 billion.⁵

Comparison of Coronavirus State Fiscal Relief Fund and CARES Act Methodologies

Table 2 shows the amounts that would be provided to each state and DC through the Coronavirus State Fiscal Relief Fund in H.R. 1319 and compares them to the same topline amount in H.R. 1319 distributed using the methodology in the CARES Act. More specifically:

Column 1: The “Coronavirus State Fiscal Relief Fund” column shows amounts that would be allocated to state governments under H.R. 1319, which includes the even distribution (by state) of \$25.5 billion and the unemployment-based distribution of \$169.045 billion. Allocations that would be made to tribal governments, territorial governments, and the additional \$0.755 billion distributed to DC under H.R. 1319 are not included in the **Table 2** calculations.

Column 2: The second set of calculations in **Table 2** show total amounts to states if the nationwide total provided in the first column (i.e., under the American Rescue Plan) were instead distributed according to state population, with a state minimum of \$1.25 billion (as in the CARES Act). DC was not treated as a state in the CARES Act methodology, and instead would receive an allocation proportional to their CARES Act nationwide share (\$0.693 billion) in this scenario.

Column 3: The right-most column of **Table 2** similarly shows projections of total amounts to states if the nationwide total provided in the first column (i.e., under H.R. 1319) were distributed to states in proportion to their populations, but with an increased state minimum (to \$1.743 billion) compared to the state minimum provided for in column 2. Specifically, the state minimum would increase so that the ratio of the minimum to the total money provided matches that in the CARES Act. DC would receive the same allocation in this scenario as what would be provided in the middle column.

Table 2. Projected Allocations Using Coronavirus State Fiscal Relief Fund and Coronavirus Relief Fund Methodology

(in billions of dollars)

State	Coronavirus State Fiscal Relief Fund (1)	Population Distribution, \$1.250 Billion State Minimum (2)	Population Distribution, \$1.743 Billion State Minimum (3)
Alabama	2.136	2.777	2.652
Alaska	0.827	1.250	1.743
Arizona	4.836	4.188	3.999
Arkansas	1.663	1.710	1.743
California	26.264	22.217	21.213
Colorado	3.984	3.278	3.129
Connecticut	2.668	2.007	1.917
Delaware	0.899	1.250	1.743
District of Columbia	0.997	0.693	0.693
Florida	10.310	12.265	11.711
Georgia	4.690	6.044	5.771

⁵ For more information on the Coronavirus Relief Fund, see CRS Report R46298, *General State and Local Fiscal Assistance and COVID-19: Background and Available Data*.

State	Coronavirus State Fiscal Relief Fund (1)	Population Distribution, \$1.250 Billion State Minimum (2)	Population Distribution, \$1.743 Billion State Minimum (3)
Hawaii	1.645	1.250	1.743
Idaho	1.197	1.250	1.743
Illinois	7.549	7.104	6.783
Indiana	3.084	3.812	3.640
Iowa	1.390	1.785	1.743
Kansas	1.598	1.644	1.743
Kentucky	2.459	2.527	2.412
Louisiana	3.233	2.622	2.503
Maine	1.037	1.250	1.743
Maryland	3.899	3.418	3.263
Massachusetts	4.547	3.890	3.714
Michigan	5.698	5.625	5.370
Minnesota	2.597	3.193	3.048
Mississippi	1.818	1.674	1.743
Missouri	2.838	3.472	3.315
Montana	0.891	1.250	1.743
Nebraska	0.983	1.250	1.743
Nevada	2.969	1.771	1.743
New Hampshire	0.966	1.250	1.743
New Jersey	6.483	5.013	4.786
New Mexico	1.631	1.250	1.743
New York	12.665	10.913	10.419
North Carolina	5.316	5.983	5.712
North Dakota	0.778	1.250	1.743
Ohio	5.681	6.599	6.301
Oklahoma	2.191	2.247	2.145
Oregon	2.628	2.394	2.285
Pennsylvania	7.349	7.214	6.888
Rhode Island	1.133	1.250	1.743
South Carolina	2.111	2.945	2.812
South Dakota	0.744	1.250	1.743
Tennessee	3.850	3.887	3.711
Texas	16.824	16.570	15.820
Utah	1.528	1.834	1.751
Vermont	0.655	1.250	1.743
Virginia	3.795	4.848	4.629

State	Coronavirus State Fiscal Relief Fund (1)	Population Distribution, \$1.250 Billion State Minimum (2)	Population Distribution, \$1.743 Billion State Minimum (3)
Washington	4.285	4.342	4.146
West Virginia	1.259	1.250	1.743
Wisconsin	3.231	3.292	3.143
Wyoming	0.736	1.250	1.743
Total	194.545	194.545	194.545

Sources: Calculated by the Congressional Research Service using data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau.

Notes: The “Coronavirus State Fiscal Relief Fund” column shows amounts allocated to state governments under the American Rescue Plan Act of 2021, which includes the even distribution (by state) of \$25.5 billion and the unemployment-based distribution of \$169.045 billion. The “Population Distribution, \$1.250 Billion State Minimum” column shows amounts to states if the nationwide total provided in the first column were instead distributed according to state population, with a state minimum of \$1.250 billion and DC provided \$0.693 billion. Similarly, the “Population Distribution, \$1.743 Billion State Minimum” column shows amounts to states if the nationwide total provided in the first column were distributed according to state population, but with a state minimum of \$1.743 billion and DC provided \$0.693 billion.

Comparison of Combined Coronavirus State and Local Fiscal Relief Funds and CARES Act Methodologies

Table 3 shows the amounts provided to all governments in H.R. 1319 by state and territory and compares them with allocations of the topline amount of funding in H.R. 1319 using the methodology from the CARES Act. More specifically:

Column 1: The “All H.R. 1319” column in **Table 3** shows combined general assistance amounts allocated to governments in every state and territory under H.R. 1319. These values are equal to the right-most column provided in **Table 1**.

Column 2: The “Modified CARES Act Formula” column in **Table 3** shows total amounts to states if amounts in H.R. 1319 were distributed accordingly:

- \$325.5 billion distributed to the 50 states proportional to population, with no state receiving less than \$2.927 billion (an amount that ensures that the ratio of the state minimum and total state money provided under H.R. 1319 equal those values in the CARES Act);
- \$4.5 billion distributed to DC, Puerto Rico, American Samoa, Guam, Northern Mariana Islands, and U.S. Virgin Islands, with individual amounts proportional to relative population; and
- \$20 billion provided for tribal governments.

Table 3. Projected Allocations through the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund

(in billions of dollars)

State	All H.R. 1319 (1)	Modified CARES Act Formula (2)
Alabama	3.867	4.453
Alaska	1.058	2.927
American Samoa	0.495	0.051

State	All H.R. 1319 (1)	Modified CARES Act Formula (2)
Arizona	7.481	6.715
Arkansas	2.661	2.927
California	42.283	35.619
Colorado	5.927	5.255
Connecticut	4.230	3.218
Delaware	1.236	2.927
District of Columbia	2.275	0.749
Florida	17.337	19.664
Georgia	8.170	9.690
Guam	0.605	0.177
Hawaii	2.169	2.927
Idaho	1.773	2.927
Illinois	13.508	11.389
Indiana	5.677	6.112
Iowa	2.552	2.927
Kansas	2.587	2.927
Kentucky	4.077	4.051
Louisiana	5.029	4.203
Maine	1.531	2.927
Maryland	6.216	5.479
Massachusetts	7.962	6.237
Michigan	10.103	9.017
Minnesota	4.722	5.119
Mississippi	2.751	2.927
Missouri	5.301	5.566
Montana	1.231	2.927
Nebraska	1.650	2.927
Nevada	4.003	2.927
New Hampshire	1.424	2.927
New Jersey	10.046	8.036
New Mexico	2.334	2.927
New York	23.538	17.495
North Carolina	8.705	9.591
North Dakota	1.017	2.927
Northern Mariana Islands	0.498	0.055
Ohio	11.006	10.58
Oklahoma	3.499	3.602

State	All H.R. 1319 (1)	Modified CARES Act Formula (2)
Oregon	4.127	3.838
Pennsylvania	13.498	11.566
Puerto Rico	4.033	3.356
Rhode Island	1.675	2.927
South Carolina	3.697	4.721
South Dakota	1.016	2.927
Tennessee	6.119	6.231
Texas	27.263	26.565
U.S. Virgin Islands	0.548	0.112
Utah	2.619	2.940
Vermont	0.852	2.927
Virginia	6.682	7.772
Washington	6.946	6.961
West Virginia	1.936	2.927
Wisconsin	5.547	5.277
Wyoming	0.911	2.927
Tribal Governments	20.000	20.000
Total	350.000	350.000

Sources: Calculated by the Congressional Research Service using data from the U.S. Bureau of Labor Statistics, U.S. Census Bureau, and the U.S. Department of Housing and Urban Development.

Notes: The “All H.R. 1319” column shows combined amounts to all governments in states and territories under H.R. 1319, and matches numbers reported in the right-most column of Table I. The “Modified CARES Act Formula” shows amounts with: (1) \$325.5 billion allocated to the 50 states and distributed by population, with a \$2.927 billion state minimum; (2) \$4.5 billion allocated to DC, Puerto Rico, and other U.S. island territories, and distributed by population; and (3) \$20 billion allocated to tribal governments. Totals may not sum due to rounding.