

How Will States and Localities Divide the Fiscal Relief in the Coronavirus Relief Fund?



The new bipartisan economic stimulus legislation — known as the CARES Act — contains significant new resources to help states address massive, immediate budget problems due to COVID-19, though states will almost certainly need more aid in coming months.

The centerpiece of this aid is the \$150 billion Coronavirus Relief Fund, which state, tribal, and local governments can use this year to meet costs connected to the virus. Each state will receive at least \$1.25 billion, while the most populous states (California and Texas) will receive over \$10 billion each, we estimate. (See Table 1 for total state allocations.)

A portion of each state’s allocation will go to local governments. Only local governments with populations over 500,000 are eligible for funding. In states with no city or county over 500,000 people, the state government will receive the entire allocation.

Each county and city exceeding the population threshold will receive funding based on the following formula:

- Take 45 percent of the state’s total allocation. Multiply that by the local government’s share of the state population.

We estimate that state governments will receive about \$110 billion of the total allocation, or 79 percent of the total that is not set aside for tribes, the District of Columbia, Puerto Rico and other territories. Local governments will receive the other 21 percent of the funds — about \$29 billion. In 16 states, the state government will receive the entire allocation, since no localities in those states have 500,000 residents.

States, tribes, and local governments are incurring huge new costs as they seek to contain and treat the coronavirus and respond to the virus-induced spike in joblessness and related human needs. At the same time, they’re projecting sharply lower tax revenues due to the widespread collapse of economic activity brought about by the virus’ spread and needed containment activities. If they respond to this dire fiscal crisis by laying off state and tribal employees, scaling back government contracts for businesses, and cutting public services and other forms of spending, those actions will make the recession worse. Tribes are uniquely vulnerable to the downturn since tribal businesses deeply affected by the virus and downturn, such as casinos, often generate vital government revenue for tribes to run programs such as public health and child care.

Given the economy’s extremely rapid decline and the extraordinary damage being done to state, tribal, and local budgets, federal policymakers will need to come back and provide more help to states and families affected by the crisis.

TABLE 1

Distribution of Coronavirus Relief Fund, by State

State	Total distribution (millions)	Estimated share to state (millions)	Estimated share to local governments with over 500,000 people (millions)
Alabama	\$1,901	\$1,786	\$115
Alaska	\$1,250	\$1,250	
Arizona	\$2,822	\$1,857	\$965
Arkansas	\$1,250	\$1,250	
California	\$15,321	\$9,526	\$5,796
Colorado	\$2,233	\$1,674	\$559
Connecticut	\$1,382	\$913	\$469

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State	Total distribution (millions)	Estimated share to state (millions)	Estimated share to local governments with over 500,000 people (millions)
Delaware	\$1,250	\$927	\$323
District of Columbia	\$495		
Florida	\$8,328	\$5,856	\$2,472
Georgia	\$4,117	\$3,503	\$614
Hawaii	\$1,250	\$863	\$387
Idaho	\$1,250	\$1,250	
Illinois	\$4,914	\$3,519	\$1,395
Indiana	\$2,610	\$2,442	\$168
Iowa	\$1,250	\$1,250	
Kansas	\$1,250	\$1,034	\$216
Kentucky	\$1,732	\$1,599	\$134
Louisiana	\$1,803	\$1,803	
Maine	\$1,250	\$1,250	
Maryland	\$2,344	\$1,653	\$691
Massachusetts	\$2,673	\$1,656	\$1,017
Michigan	\$3,873	\$3,081	\$792
Minnesota	\$2,187	\$1,870	\$317
Mississippi	\$1,250	\$1,250	
Missouri	\$2,380	\$2,084	\$296
Montana	\$1,250	\$1,250	
Nebraska	\$1,250	\$1,084	\$166
Nevada	\$1,250	\$832	\$418
New Hampshire	\$1,250	\$1,250	
New Jersey	\$3,444	\$2,394	\$1,050
New Mexico	\$1,250	\$1,068	\$182
New York	\$7,543	\$5,219	\$2,325
North Carolina	\$4,067	\$3,585	\$481
North Dakota	\$1,250	\$1,250	
Ohio	\$4,533	\$3,757	\$775
Oklahoma	\$1,534	\$1,282	\$253
Oregon	\$1,635	\$1,389	\$247
Pennsylvania	\$4,964	\$3,935	\$1,029
Puerto Rico	\$2,241		
Rhode Island	\$1,250	\$911	\$339
South Carolina	\$1,996	\$1,905	\$91
South Dakota	\$1,250	\$1,250	
Tennessee	\$2,648	\$2,363	\$285
Texas	\$11,243	\$8,038	\$3,205
Utah	\$1,250	\$935	\$315
Vermont	\$1,250	\$1,250	
Virginia	\$3,310	\$3,110	\$200
Washington	\$2,953	\$2,167	\$786

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West Virginia	\$1,250	\$1,250	
Wisconsin	\$2,258	\$1,997	\$260
Wyoming	\$1,250	\$1,250	
Territories*	\$263		
Tribal governments	\$8,000		
US TOTAL	\$150,000	\$109,864	\$29,136

*Guam, Virgin Islands, Northern Mariana Islands, and American Samoa

Note: These calculations assume that local governments with overlapping jurisdictions, such as cities and counties, will not both be allowed to count the same residents.