

U.S. Department of the Treasury Policy Statement on State and Local Fiscal Recovery Funds and Individual Vaccine Incentives

July 29, 2021

WASHINGTON — Today, the U.S. Department of the Treasury released the following policy statement on use of State and Local Recovery Funds for individual vaccine incentives:

The American Rescue Plan dedicated a historic \$350 billion to helping state, territorial, and local governments respond to the pandemic and its negative economic impacts, in the form of the State and Local Fiscal Recovery Funds program (SLFRF).

For these governments and the communities they represent, no task is more urgent than turning the tide on the pandemic, and there is no better tool than vaccination. This is why Treasury is encouraging state, territorial, and local governments to use the funds to enhance their vaccination efforts, including by providing individual vaccine incentives.

This May, Treasury issued guidance in the form of a [Frequently Asked Question](#) clarifying that recipients may use funds to pay for vaccine incentive programs (e.g., cash or in-kind transfers, lottery programs, or other incentives for individuals who get vaccinated).

Under the [Interim Final Rule](#), recipients may use [Coronavirus State and Local Fiscal Recovery Funds](#) to respond to the COVID-19 public health emergency, including expenses related to COVID-19 vaccination programs. See 31 CFR 35.6(b)(1)(i). Programs that provide incentives reasonably expected to increase the number of people who choose to get vaccinated, or that motivate people to get vaccinated sooner than they otherwise would have, are an allowable use of funds so long as such costs are reasonably proportional to the expected public health benefit.

Today, the President is calling on state, territorial, and local governments to provide \$100 payments for every newly vaccinated American, as an extra incentive to boost vaccination rates, protect communities, and save lives. Treasury stands ready to give technical assistance to state and local governments so that they may use the funds effectively to support increased vaccination in their communities, and Treasury will partner with the Department of Health and Human Services throughout this effort.

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