U.S. DEPARTMENT OF THE TREASURY

FACT SHEET: State and Local Fiscal Recovery Funds Helping Communities Recover from the Pandemic

February 14, 2023

The State and Local Fiscal Recovery Funds (SLFRF) provided under President Biden's American Rescue Plan Act continue to play a crucial role in allowing county governments to stabilize their budgets, respond to the pandemic, and invest in their communities. SLFRF provides more than $65 billion in flexible aid to county governments, representing the first time in history this level of direct Federal support has gone to every county across the nation.

In mid-2020, over 70 percent of counties reported that they had cut or delayed capital investments and over two-thirds had cut or delayed their county services.[1] However, with the aid of SLFRF and other Administration initiatives, this economic recovery has been one of the strongest in modern history, with the largest jobs gains on record, the creation of 10 million new businesses, real GDP per capita that is at an all-time high, and an unemployment rate near record lows for Black and Hispanic Americans.

This recovery has been driven in part by local governments that continue to make rapid use of SLFRF funds to address needs in their communities. Based on the most recent public reporting data (which covers spending as of September 30, 2022), county governments are making transformational investments with economic recovery funds in areas such as public health, affordable housing, supporting workers, stimulating local economic growth through small businesses, making transformative investments in key infrastructure, and stabilizing government finances.

INVESTING IN HOUSING AFFORDABILITY

As part of the Administration's efforts to expand access to affordable housing, Treasury has encouraged jurisdictions to consider using SLFRF to invest in expanding the housing supply or to supplement other American Rescue Plan programs aiding renters and homeowners, such as the Emergency Rental Assistance program and the Homeowners Assistance Fund. In particular, county governments played a key role in the implementation of the Emergency Rental Assistance program and delivered billions of dollars in rental assistance to tenants in their communities. In July 2022, Treasury also announced new flexibilities and tools to make support for housing affordability investments even easier, including increasing flexibility to fully finance certain long-term affordable housing loans.

Through September 2022, SLFRF recipients have reported budgeting $14.2 billion on nearly 1,800 housing affordability-related projects – including efforts to both provide short-term assistance and develop new, permanent supply. That reflects an increase of 15% in the number of projects since the previous reporting period in July, which captured budgeting before Treasury's updated guidance. Counties investing in affordable housing include:[2]

- **Greenville County, SC** allocated $10 million for the production of multi-family and single-family affordable housing units, preservation of current affordable housing units, and a signature project in a qualified census track that would include new infrastructure as well as new multi-family units.
- **Snohomish County, WA** allocated more than $9 million for the identification, planning, and purchase of a multi-unit non-congregate shelter building that will include services for individuals experiencing homelessness as well as a flexible space for emergency response.
- **Tarrant County, TX** has put nearly $34 million into expanding permanent supportive housing as the COVID-19 pandemic highlighted the need for additional housing to serve its most vulnerable populations. The project includes grant awards to nonprofits that focus on housing and was facilitated through an application process run by the Tarrant County Housing Finance Corporation.

SUPPORTING WORKERS

In response to the negative economic impacts of the pandemic on communities, recipients have budgeted over $10 billion in SLFRF funds for more than 3,000 projects to support and expand the workforce. SLFRF projects have focused on helping impacted workers enter in-demand careers, with a particular focus on assisting people that have barriers to employment and preparing for industries of the future. This has helped prepare more Americans for the critical jobs being created by the Bipartisan Infrastructure Law as well as the CHIPS and Science Act, Inflation Reduction Act, and American Rescue Plan. Counties investing in workers include:

- **Arapahoe County, CO** has allocated $5 million to provide short term certifications, work-based learning, incumbent worker training, and supportive services for individuals experiencing unemployment or under employment due to the pandemic. The Re-Train

Arapahoe program will provide up to $10,000 per individual to provide training, certifications, and a laptop to improve digital access and literacy.

- **Orange County, FL** has budgeted over $15 million to provide a comprehensive suite of new employment services for residents whose careers were negatively affected by the COVID-19 pandemic, re-training them for new career paths with similar or higher wages.
- **Franklin County, Ohio** is funding a pre-apprenticeship program that prepares former social services clients for middle class jobs in the construction trades.
- **Pima County, AZ** budgeted over $5 million for a 'Micro-Pathways' program to provide participants with financial support to access short-term programs that lead directly into in-demand jobs with family-sustaining wages. The county will also support apprenticeships and other workforce programs focused on high growth career fields.

STIMULATING LOCAL ECONOMIC GROWTH THROUGH SMALL BUSINESSES

Counties are investing in a variety of programs to support and nurture small businesses in their communities. Through September 30, governments had budgeted over $4 billion[3] for over 950 projects to support small businesses and small business development, complementing other Administration investments including the American Rescue Plan's State Small Business Credit Initiative. Counties investing in small business include:

- **Cook County, IL** allocated more than $10 million to provide no cost technical assistance to small businesses to help them address their unique needs, use new tools, and navigate resources to address their business needs with a COVID-19 recovery lens.
- **McHenry County, IL** obligated more than $1 million for the Advance McHenry County Manufacturing Initiative, which provides manufacturers with customizable technical assistance and training solutions to rebound from the pandemic, be more globally competitive, and increase resilience to future economic shocks. The program is a partnership between the county's college system and workforce network board that offers ten categories of technical assistance aligned with the U.S. Department of Commerce's Baldridge Performance Excellence Framework.
- **Lee County, FL** obligated $250,000 to assist small businesses disproportionately affected by COVID-19 by targeting businesses in Qualified Census Tracts and low- and moderate-income designated areas that had substantial declines in gross receipts and have less access to credit. The project will provide technical assistance, counseling, or business

planning services to provide individualized and group training in business planning and improvement.

- **Sacramento County, CA** budgeted nearly $3 million to provide assistance to small businesses that were negatively impacted by COVID-19 through outreach, technical assistance, training, and one-on-one consulting in various languages to engage hard-to-reach businesses using culturally appropriate methods.

RESPONDING TO THE PUBLIC HEALTH NEEDS

More than 1,400 governments report having budgeted over $11 billion for more than 4,900 projects addressing public health needs including COVID-19 testing, vaccinations, staffing, and outreach to underserved communities. These investments are also helping communities come out of the COVID-19 pandemic with the capacity to address both short- and long-term public health needs. Counties using fiscal recovery funds for projects addressing public health needs include:

- **Hidalgo County, TX** budgeted $2 million for COVID-19 testing in the county, including for disproportionally impacted community members. The testing allows county officials to efficiently track COVID-19 cases, update safety protocols, and mitigate the spread of the virus.
- **Union County, NJ** spent nearly $4.5 million to support the county's vaccination campaign, including staffing, acquisition of equipment or supplies, facilities costs, and mobile vaccine clinics. The county launched a campaign to reach its most vulnerable populations to spread awareness about the vaccine, assist the community in locating vaccinations, and clarify misinformation about the vaccine.

MAKING TRANSFORMATIVE INVESTMENTS IN KEY INFRASTRUCTURE

SLFRF is allowing state, local, Tribal, and territorial governments to make key investments in infrastructure projects that respond to needs that were highlighted by the pandemic and that will support future economic growth. Overall, more than 2,500 governments have budgeted more than $20 billion for over 6,000 critical infrastructure projects that support expanded access to high-speed internet and clean water. SLFRF is helping counties to further supercharge the historic federal investments in infrastructure delivered by the Biden-Harris Administration through the Bipartisan Infrastructure Law and complementing the American

Rescue Plan investment in expanded affordable highspeed internet access through Treasury's Capital Projects Fund. Counties investing in infrastructure include:

- **Box Elder County, UT** has spent $1.5 million to provide engineering, permitting, and construction resources for last-mile infrastructure investments to bring high-speed internet service to underserved rural communities in the county. This will help stabilize rural access to remote education, health care, and economic opportunity where privately-funded expansion is not feasible due to distances and low density.
- **Carroll County, MD** budgeted $15 million to make investments in broadband infrastructure in response to COVID-19 when households and businesses lacking reliable high speed service were at a significant disadvantage in areas such as educational, economic, and health opportunities. Carroll County will increase access to the 12% of Carroll households and businesses currently unserved by a high-speed connection by providing 100/100 mbps service that will include an option for low-income customers.
- **Erie County, NY** allocated $34 million to address the broadband needs of unserved areas, improve services in underserved areas of the community, and enable broadband deployment county-wide. The fiber optic backbone will be owned by the county but managed and controlled by ErieNet, a not-for-profit local development corporation. ErieNet will be open for any viable entity to use or provide services to support broadband technologies and services.
- **Rankin County, MS** budgeted $26 million for 45 projects that are improving water quality protection, floodplain management, environmental restoration, and wetlands restoration.

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[1] National Association of Counties, "Comprehensive Analysis of COVID-19's Impact on County Finances and Implications for the U.S. Economy," July 2020.

[2] The examples included throughout this factsheet are based on recipient reports, and their inclusion in this document does not constitute an explicit approval of these projects by Treasury.

[3] This amount reflects a $1.5 billion reduction from the last reporting by the State of California, which transferred a small business project to the state's general fund.

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