# New Treasury Department Data Shows American Rescue Plan Funding Drove Key Investments in Economic Development in Communities Across the Country

July 14, 2023

*Alongside data, Treasury releases new analysis detailing how Treasury's State and Local Fiscal Recovery Funds, passed as part of the American Rescue Plan, are being used to increase housing stability, strengthen workforces, support small business, and close the digital divide*

WASHINGTON – Today, the U.S. Department of the Treasury released State and Local Fiscal Recovery Funds (SLFRF) data through March 31, 2023, which demonstrates that governments have used this American Rescue Plan funding not only to prevent cuts in government services and respond to the immediate health and economic consequences of the pandemic, but also to make much-needed investments to strengthen their economies and their communities over the long-run.

"The State and Local Fiscal Recovery Funds provided resources directly to communities across the country to help local leaders avoid cuts, address immediate needs, and support rapid, resilient, and equitable recovery — helping avoid a repeat of the Great Recession when state and local government budgets were a drag on the overall economy for over three years of the recovery," said Deputy Secretary of the Treasury Wally Adeyemo. "SLFRF and other American Rescue Plan programs also catalyzed investments in community development that will extend well beyond the deployment of federal resources, and laid the foundation for other historic investments in our nation's economic future, such as the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act."

SLFRF, authorized by the American Rescue Plan, delivers $350 billion in direct aid to state, local, territorial, and Tribal governments across the country to support both immediate pandemic recovery and long-term economic growth. Over 99.99% of SLFRF funds have been delivered into the hands of nearly every state, local, Tribal, and territorial government in the country, and are supporting over 90,000 initiatives across the country to sustain and expand existing services and launch new programs and projects.

To date, communities across the country have budgeted:

- $17 billion for nearly 2,500 projects to meet housing needs and combat homelessness
- $26.5 billion for over 9,600 critical infrastructure projects in broadband, water, and sewer
- $12.7 billion for over 5,800 projects to address public health needs
- $11.8 billion for nearly 4,000 projects focused on job training and workforce development
- $4.6 billion for over 1,300 small business assistance projects.

More information on these projects is available in a new Treasury Department analysis.

Recognizing that investments in housing are particularly important for future economic prosperity, the Treasury Department has issued guidance to encourage jurisdictions to consider using their funds to support developing and preserving affordable housing as well as to supplement other ARP programs such as the Emergency Rental Assistance program and the Homeowners Assistance Fund. To support investment in affordable housing, last year, the Department expanded the flexibility for recipients to use their funds to invest in long-term housing projects. Since then, spending on housing continues to accelerate. Compared to data from July 2022, funds budgeted for housing stability, preservation, and construction increased by 29 percent.

The Treasury Department has also encouraged recipients to prioritize using funds for supporting and expanding the workforce. This includes support for childcare, which enables more parents to enter and remain in the workforce. Since January 2023, communities increased their SLFRF budgets for workforce-related investments by 9 percent, to nearly $12 billion.

Examples of grantees using SLFRF funds to meet housing and workforce needs in their communities include:

- **California** is investing $1.7 billion to develop new **affordable housing,** preserve existing affordable housing, and develop additional adult and senior care facilities. California is also using $2.2 billion in SLFRF funds to purchase and rehabilitate housing specifically for individuals facing homelessness, including rehabilitating hotels, motels, vacant apartment buildings, and other buildings and converting them into housing.
- **Pompano Beach, Florida** is budgeting $2.5 million to construct new single-family homes on city-owned vacant lots, providing mixed-income **affordable housing**
- **Bridgeport, Connecticut** is budgeting $6 million for **workforce training** development programs that include providing access to job training and education programs, offering industry-recognized certifications, and connecting individuals to apprenticeship programs.
- **Douglas County, Minnesota** is obligating $500,000 to provide tuition-free **retraining and upgrading skills, including manufacturing** or small business boot camps, to residents who

are unemployed due to the pandemic, or who were already unemployed when the pandemic began and remain due to the negative economic impacts of the pandemic.

- **Rochester, New York** is budgeting $15.3 million to expand youth and adult **workforce development services**, including youth internships, job training and job placement assistance, and job search and application assistance.

Today's data illustrates that, in addition to the aforementioned projects, cities and states used SLFRF funds to replace revenue they lost as a result of the pandemic – revenue which is essential for government services like public transportation and emergency services. As of March 31, 2023, SLFRF recipients reported $283 billion in lost revenue resulting from the pandemic. Over 18,000 participating governments reported that they are budgeting nearly $100 billion in SLFRF funds to help replace this lost revenue, funding over 53,000 projects to provide fiscal stability in their communities. This suggests that SLFRF resources continue to play a critical role in helping avoid a repeat of the Great Recession when state and local government budgets were a drag on the overall economy for over three years of the recovery.

State and Local Fiscal Recovery Funds Quarterly and Annual Data through March 31, 2023 is available here.

More information on the State and Local Fiscal Recovery Funds is available here, and more program examples are available here .

###