



CONGRESSWOMAN DEBBIE LESKO

PROUDLY SERVING ARIZONA'S 8TH CONGRESSIONAL DISTRICT

FREQUENTLY ASKED QUESTIONS STATE & LOCAL GOVERNMENT SUPPORT FROM THE CARES ACT

Q: How will the \$150 billion Coronavirus Relief Fund for states and local government be allocated?

A: *Through the Coronavirus Relief Fund (Sec. 5001) – A program created under the Department of the Treasury to provide funding to States, Tribes, and localities to offset lost revenue as a result of the coronavirus public health emergency. The bill provides an appropriation of \$150 billion to be distributed by formula based on population.*

Q: Who is eligible to apply and receive funding?

A: *States, eligible local governments, tribal governments, Washington D.C., and the U.S. territories.*

Q: How is funding distributed?

A: *Funding to states is based on the state's share of the total U.S. population, subtracting any amounts paid to local governments. No state in total can receive less than \$1.25 billion. \$3 billion is reserved for the District of Columbia, Puerto Rico, Virgin Islands, Guam, Northern Mariana Islands, and American Samoa. The amount for each is based on population. \$8 billion is reserved for Tribal governments after consultation.*

Q: How much funding will Arizona receive?

A: *According to a recently published Congressional Research Service report, Arizona is estimated to receive \$2.822 billion.*

Q: What is the timing for distributing funds to states?

A: *The CARES Act requires that funding to states and local governments be paid by April 26, 2020.*

Q: How is funding allocated to states?

A: *States receive an amount equal to their relative population, deducting any amount that may have been paid to units of local government within the state who applied for funding independent of the state.*

Q: What criteria is used to determine if a local government can apply?

A: *A local government means any county, municipality, town, or other unit of general government with a population greater than 500,000. Smaller units of local government will need to work with their state to access funding.*

Q: How much can local governments receive if they apply directly?

A: In no event will the total amount allocated directly to local units of government exceed 45% of the state's allocation. A local government may receive 45 percent of the amount provided to the state times its relative population to the state

Ex: $\frac{\text{Town Population}}{\text{State Population}} \times 45\% \text{ (total amount for state)}$

Q: How is population determined?

A: The most recent year for which data is available from the Bureau of the Census.

Q: What can funds be used for?

A: Funds may only be used to cover the costs associated with necessary expenses incurred as a result of the coronavirus public health emergency, not accounted for in the most recently approved state budget, for calendar year 2020. The fungibility of certain aspects of public budgeting and the general sorts of revenue shortfalls that are expected in the current economic climate makes it unclear how restrictive those limitations will be in practice.

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