State & Local Aid in The American Rescue Plan Act of 2021 (H.R. 1319)

On March 6, the U.S. Senate voted 50-49 along party lines to approve an amended version of the American Rescue Plan Act of 2021 (S. Admt. 891 to H.R. 1319). One of the most contentious provisions of the House-passed bill was the inclusion of roughly $360 billion to help state, local, tribal, and territorial governments mitigate fiscal effects tied to the Covid-19 emergency. The amended Senate version of the bill retained this provision. The U.S. House of Representatives is expected to pass the final version of the $1.9 trillion coronavirus relief package as soon as Wednesday, March 10.

State & Local Aid

The measure would create state and local funds that would provide:

- $195.3 billion for states and Washington, D.C.
- $130.2 billion for local governments.
- $20 billion for federally recognized tribal governments.
- $4.5 billion for territories.

The measure would distribute $25.5 billion equally among states and the District of Columbia. Other funds would be allocated based on each state's share of unemployed people. (Specifically, the number is based on. The number of unemployed individuals over a three-month period that ended in December).

NJ Estimate: $10.046 billion (including state-level funding combined with the county-level funding listed below)

- Nationally, New Jersey is getting the10th most, behind: CA, TX, NY, Tribal Governments, FL, IL, PA, OH, MI.

Breakdown by County (estimated)

County	Allocation (in Millions)
Atlantic	$51.137
Bergen	$259.732
Burlington	$86.373
Camden	$98.227
Cape May	$17.850
Cumberland	$29.000
Essex	$154.956
Gloucester	$56.561
Hudson	$130.406
Hunterdon	$24.121
Mercer	$71.261
Middlesex	$160.016
Monmouth	$120.011
Morris	$95.390
Ocean	$117.176
Passaic	$97.326
Salem	$12.099
Somerset	$63.795
Sussex	$27.247
Union	$129.231
Warren	$20.416

Funding for local governments would include $65.1 billion for counties, $45.6 billion for metropolitan cities, and $19.5 billion for towns with fewer than 50,000 people.

Deadlines

The measure would set 60-day deadlines to distribute most funds to state and local recipients. A second tranche of funds would be distributed to localities 12 months after the initial allocation. The Treasury Department could also withhold up to half of a state or territory's allocation for as long as 12 months based on its unemployment rate and require an updated certification of its funding needs.

States would have to distribute funds to smaller towns within 30 days of receiving a payment from the department, with extensions permitted. States that miss the deadline would have to pay back any undistributed funds. A town couldn't receive more than 75% of its budget as of Jan. 27, 2020.

Use of Funds

State and local recipients could the funds to cover costs incurred by Dec. 31, 2024, to:

- Respond to the Covid-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism and hospitality.
- Provide premium pay to essential employees or grants to their employers. Premium pay couldn't exceed $13 per hour or $25,000 per worker.
- Provide government services affected by a revenue reduction during the pandemic .
- Make investments in water, sewer, and broadband infrastructure.

States may not deposit the money into a pension fund. States and territories also couldn't use their allocation to offset revenue resulting from a tax cut enacted since March 3.
State and local recipients could transfer funds to private nonprofit groups, public benefit corporations involved in passenger or cargo transportation, and special-purpose units of state or local governments.

Capital Projects: The measure includes $10 billion for the Treasury Department to make separate payments to states, territories, and tribal governments to carry out capital projects to support work, education, and health monitoring during Covid-19.

Additional Local Aid: The measure would provide an additional $2 billion for eligible tribal governments and "revenue sharing counties" to use for general government spending, with the exception of lobbying. Eligible recipients would include counties that are the main providers of government services in their area and that lost revenue due to changes in federal programs, as well as the District of Columbia and several U.S. territories.