



# AFSCME Facts

## Coronavirus Relief Fund January 11, 2021

The Coronavirus Relief Fund (the Fund) was established in the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to provide states, local governments and certain other governmental entities with direct financial assistance to cover certain costs related to the COVID-19 pandemic. The new lame duck legislative deal in Congress, known as the Consolidated Appropriations Act (CAA), 2021, has extended the availability of this assistance. This resource provides an overview of the Fund and the change made by the CAA.

### **What is the Coronavirus Relief Fund?**

The Fund provides \$150 billion to governments to cover costs related to the COVID-19 pandemic.

The assistance was allocated to state and local governments, the District of Columbia and U.S. Territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands) and tribal governments.

### **How can this money be used?**

The Fund can be used to cover costs that were necessary expenses in response to the pandemic, were not included in budgets as of March 27, 2020 and were incurred starting March 1, 2020. More details on allowable uses are provided below.

### **Is there a deadline for spending the money? What happens if the money is not spent?**

Yes. Governments must spend the money by December 31, 2021. *While the CARES Act originally imposed a deadline of December 30, 2020, the recently enacted CAA extended the deadline by one year.* If the assistance is not used by the deadline, it must be returned to the federal government.

### **Did the CAA change how the money can be used or make more money available?**

No. Governments still are limited to using the money for expenses needed to respond to the pandemic. Further, Congress did not provide any additional money for the Fund.

### **How can I find out how much financial assistance my state received?**

The total allocation to each state and local government can be found in the U.S. Treasury Department's list of [Payments to States and Eligible Units of Local Government](#).

**Why did only some cities and counties receive direct aid from the Fund?**

Cities and counties serving a population of at least 500,000 were eligible to receive direct aid from the Fund. Eligible cities and counties had to request aid and be approved by the U.S. Treasury Department. The deadline for making this request has passed.

**How can I find out what my state has spent the funds on so far?**

The National Conference of State Legislatures is keeping tabs on how states have spent their aid from the Fund in its [State Actions on Coronavirus Relief Funds tracker](#). Further, the U.S. Treasury Department is publishing periodic reports about how much money has been spent by each government recipient overall and within certain broad spending categories, such as payroll for public health and safety employees, public health expenses and improvements to telework capabilities for public employees. You can find those reports on the following Treasury web page: [The CARES Act Provides Assistance for State, Local, and Tribal Governments](#).

**Can the Fund be used for payroll expenses?**

Yes, aid from the Fund can cover certain payroll expenses, including overtime, for public safety, public health, health care, human services and similar employees whose services are now substantially dedicated to mitigating or responding to the pandemic.

**Can the Fund be used to cover paid time off?**

Yes, expenses from providing paid sick, paid family and medical leave, and paid administrative leave to public employees is allowed when it is for compliance with COVID-19 public health precautions.

**Can the Fund be used for purchasing PPE?**

Yes, aid from the Fund can be used for purchasing and distributing PPE for medical personnel, police officers, social workers, child protection services, child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other health or safety workers in connection with the public health emergency.

**Can the Fund be used for telework programs?**

Yes, expenses to improve telework capabilities and programs for public employees to help comply with local public health measures are allowed.

**My state is expecting revenue declines or large deficits because of the pandemic. Can this money fill budget holes?**

No.

**Is there a list anywhere of all of the eligible expenditures?**

The National Association of Counties (NACO) has compiled a helpful list of eligible expenditures. You can find that list at pages 4–6 of [NACo Brief: Coronavirus Relief Fund](#). Further, the U.S. Treasury Department provides [Coronavirus Relief Fund: Frequently Asked Questions](#) (updated as of October 19, 2020) with more detailed information about eligible expenditures.