

CARES Act Funding for State and Local Governments: Florida Impact



The Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136), signed into law on March 27, 2020, created the Coronavirus Relief Fund, which provides \$150 billion in direct assistance for domestic governments.

ELIGIBLE USES OF CARES ACT FUNDING

Eligible Purposes Section 5001(d) of the CARES Act provides the eligible purposes for which Coronavirus Relief Fund payments may be used. Specifically, it allows state and local governments to make payments for programs that:

1. are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020] of this section for the State or government; and
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Per Section 5001(f) of the CARES Act, the Inspector General of the Department of the Treasury determines whether Coronavirus Relief Fund payments are used for eligible purposes.

Coronavirus Relief Fund payments may not be used to directly account for revenue shortfalls related to the COVID-19 outbreak.

STATE OF FLORIDA ALLOCATION

The CARES Act stipulates that the \$150 billion provided to the Coronavirus Relief Fund is allocated to governments in states, territories, and tribal areas as follows:

- \$139 billion is allocated for governments in the 50 states based on their populations (as measured by the U.S. Census Bureau in 2019), with no state receiving less than \$1.25 billion.

Due to the \$1.25 billion minimum allocation for states, every state with an allocation greater than the minimum amount receives a smaller allocation share (excluding amounts provided to tribal areas) than its share of the population. Most states with a minimum allocation amount, in contrast, have a larger allocation share than their population share.



or **6%** of total funds
set aside for states



although its population is appx.
6.6% of total U.S.
population

STATE SHARE versus LOCAL GOVERNMENT SHARE

The legislation provides that of each state allocation 55% is reserved for the state and 45% of the allocation is reserved for direct payments to eligible local government jurisdictions (that exceed 500,000 in population). However, if the 45% reserved for eligible local government jurisdictions is not completely distributed, any remaining balance of this sub-allocation reverts to the state, in addition to the original 55% reserved for use at its discretion.

FLORIDA ALLOCATION	\$8.328 BILLION
55% Reserved for State of Florida:	\$4.580 BILLION
45% Reserved for Eligible Local Governments:	\$3.747 BILLION

FLORIDA LOCAL GOVERNMENTS WITH POPULATION GREATER THAN 500,000

Coronavirus Relief Fund assistance is generally provided to state governments. Local governments serving a population of at least 500,000, as measured in the most recent census data, may elect to receive assistance directly from Treasury. **Such direct local assistance allocations reduce the allocation made to the state government** (keeping the state allocation constant) and are **equal to the product of**

- the state or territory allocation amount;
- the percentage of the state or territory population served by the local government; and
- 45%

Jurisdiction	2018 Population	% of State	x	State Allocation	=	Product 1	x 45% Factor	=	Jurisdiction Allocation
Miami-Dade County	2,761,581	12.97%	x	\$8,328,000,000	=	\$1,053,522,397	x 45%	=	\$474,085,079
Broward County	1,951,260	9.16%	x	\$8,328,000,000	=	\$727,210,450	x 45%	=	\$340,744,702
Palm Beach County	1,485,941	6.98%	x	\$8,328,000,000	=	\$580,388,495	x 45%	=	\$261,174,823
Hillsborough County	1,436,888	6.75%	x	\$8,328,000,000	=	\$570,771,256	x 45%	=	\$256,847,065
Orange County	1,380,645	6.48%	x	\$8,328,000,000	=	\$540,325,841	x 45%	=	\$243,146,628
Pinellas County	975,280	4.58%	x	\$8,328,000,000	=	\$378,065,074	x 45%	=	\$170,129,283
Duval County	950,181	4.46%	x	\$8,328,000,000	=	\$371,379,693	x 45%	=	\$167,120,862
Lee County	754,610	3.54%	x	\$8,328,000,000	=	\$298,799,432	x 45%	=	\$134,459,744
Polk County	708,009	3.32%	x	\$8,328,000,000	=	\$281,039,994	x 45%	=	\$126,467,997
Brevard County	596,849	2.80%	x	\$8,328,000,000	=	\$233,409,416	x 45%	=	\$105,034,237
Pasco County	553,947	2.58%	x	\$8,328,000,000	=	\$214,798,844	x 45%	=	\$96,659,480
Volusia County	553,284	2.58%	x	\$8,328,000,000	=	\$214,541,759	x 45%	=	\$96,543,791
									\$2,472,413,692

Based on the above chart, eligible Florida local governments would be able to receive approximately \$2.472 billion in direct federal assistance. However, this sum is approximately \$1.275 billion less than the total sub-allocation reserved for eligible Florida local governments of \$3.747 billion (See STATE SHARE versus LOCAL GOVERNMENT SHARE above). According to the text of the law, the remaining balance of approximately \$1.275 billion would revert to the State of Florida for use at its discretion.

OTHER FLORIDA LOCAL GOVERNMENTS

The text of the legislation is silent with regard to local government jurisdictions with a population under 500,000. However, it is assumed that these local government jurisdictions would be eligible sub-grantees to their respective State and its use of its share of allocated funds.