



## COMMUNITY AND ECONOMIC DEVELOPMENT FUNDING IN RECENT STIMULUS BILLS

JOE MCKINNEY

[JMCKINNEY@NADO.ORG](mailto:JMCKINNEY@NADO.ORG)

MIRIELLE BURGOYNE

[MBURGOYNE@NADO.ORG](mailto:MBURGOYNE@NADO.ORG)

APRIL 8, 2021

# ABOUT NADO

- The National Association of Development Organizations (NADO) advocates for the nation's network of hundreds of Regional Development Organizations (RDOs) across the country, and for the economic and community development programs they help implement

[www.nado.org](http://www.nado.org)

Interested in becoming a NADO member?

Please contact Brittany Salazar at [bsalazar@nado.org](mailto:bsalazar@nado.org) or Krystal De Leon at [kdeleon@nado.org](mailto:kdeleon@nado.org)

# COVID-19 RELIEF OVERVIEW

- First major stimulus bill passed March 2020: **the Coronavirus Aid, Relief, and Economic Security (CARES) Act**
- Second major stimulus bill passed December 2020: **the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)**
- Third major stimulus bill passed March 2021: **the American Rescue Plan Act (ARP)**

# COVID-19 RELIEF TIMELINE

**March 6, 2020**

P.L. 116-123

The Coronavirus Preparedness and Response Supplemental Appropriations Act

**March 27, 2020**

P.L. 116-136

The Coronavirus Aid, Relief, and Economic Security (CARES) Act  
\$2.2 trillion

**August 8, 2020**

Presidential Memoranda - August 8, 2020

**March 11, 2021**

P.L. 117-2

The American Rescue Plan Act of 2021  
\$1.9 trillion

P.L. 116-127

The Families First Coronavirus Response Act

**March 18, 2020**

P.L. 116-139

The Paycheck Protection Program and Health Care Enhancement Act

**April 24, 2020**

P.L. 116-260

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021

\$900 billion COVID-19 relief stimulus plus \$1.4 trillion FY 21 appropriations omnibus

**December 27, 2020**

# AMERICAN RESCUE PLAN ACT HIGHLIGHTS

[The American Rescue Plan Act \(P.L. 117-2\)](#) includes:

- **\$3 billion** for the U.S. Department of Commerce Economic Development Administration (EDA)
- **\$350 billion** for state, local, tribal, and territorial support
- **\$7.25 billion** for the SBA Paycheck Protection Program (PPP)
- **\$15 billion** for Economic Injury Disaster Loans (EIDL)
- **\$1400** direct stimulus checks for eligible individual taxpayers
- **\$300** weekly federal unemployment benefits through September 6, 2021
- And many other provisions

## Sources and Useful Reference Materials:

- [American Rescue Plan Section-by-Section Summary - Senate Democrats](#)
- [National Conference of State Legislatures \(NCSL\) Overview](#)

# AMERICAN RESCUE PLAN ACT - EDA

- U.S. Department of Commerce Economic Development Administration (EDA)
  - [The American Rescue Plan Act](#) contains **\$3 billion** in supplemental funding for EDA
    - For context, \$3 billion is **twice** the amount of EDA funding included in the CARES Act and nearly **ten times** EDA's typical annual appropriation
  - The bill language specifies that:
    - The EDA funding is intended to be used to “*prevent, prepare for, and respond to coronavirus, and for necessary expenses for responding to **economic injury** as a result of coronavirus*”
    - **25%** of the funds shall be allocated to “*states and communities that have suffered economic injury as a result of job and gross domestic product losses in the **travel, tourism, and outdoor recreation sectors***”
    - EDA must allocate funding no later than September 30, **2022**; funds will remain available to recipients until September 20, **2027**
    - **NOTE: EDA** guidance determining exactly how this funding can be used has not yet been released

# AMERICAN RESCUE PLAN ACT

## STATE AND LOCAL RELIEF FUNDING

- [The American Rescue Plan Act](#) includes more than **\$350 billion** for state, local tribal, and territorial support
  - *Subtitle M: Coronavirus State and Local Fiscal Recovery Funds*
  - The **\$350 billion** will be allocated by the Department of Treasury as follows:
    - \$195.3 billion for state governments and DC
    - \$130.2 billion for local governments (divided in two sections of \$65.1 billion for county governments, and another \$65.1 billion for cities/municipal governments)
    - \$4.5 billion for territories, and
    - \$20 billion is for federally recognized tribal governments
  - The bill also provides \$10 billion in funding for “Coronavirus Capital Projects” and \$2 billion in funding for “Local Assistance and Tribal Consistency Funds”
  - The Department of Treasury must pay the **first tranche** of funding to states, cities, and counties within **60 days** of enactment of the American Rescue Plan
- **Sources / Useful Reference Materials:**
  - [Coronavirus State and Local Fiscal Recovery Funds Fact Sheet - Senate Democrats Overview](#)
  - [State and Local Fiscal Relief Allocation Estimates](#)
  - [NACo state and local allocation table](#) and [NACo overview](#) (allowable use of funds info on page 5)

# AMERICAN RESCUE PLAN ACT

## STATE AND LOCAL RELIEF FUNDING

- [The American Rescue Plan Act](#) includes more than **\$350 billion** for state, local tribal, and territorial support
  - Allowable uses of state and local relief funding as described in legislation:
  - *Subtitle M: Coronavirus State and Local Fiscal Recovery Funds*
    - **SEC. 603. CORONAVIRUS LOCAL FISCAL RECOVERY FUND.**
      - “(1) **USE OF FUNDS**.—Subject to paragraph (2), and except as provided in paragraph (3), a State, territory, or Tribal government shall only use the funds provided under a payment made under this section, or transferred pursuant to section 603(c)(4), to cover costs incurred by the State, territory, or Tribal government, **by December 31, 2024**—
        - “(A) **to respond to the public health emergency** with respect to the Coronavirus Disease 2019 (COVID–19) or **its negative economic impacts**, including **assistance to households, small businesses, and nonprofits**, or aid to **impacted industries such as tourism, travel, and hospitality**;
        - “(B) to respond to **workers performing essential work** during the COVID–19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
        - “(C) for the **provision of government services to the extent of the reduction in revenue** of such State, territory, or Tribal government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or
        - “(D) to make necessary investments in **water, sewer, or broadband** infrastructure.



# AMERICAN RESCUE PLAN ACT

## STATE AND LOCAL RELIEF FUNDING

- [The American Rescue Plan Act](#) includes more than **\$350 billion** for state, local tribal, and territorial support
  - The **\$350 billion** will be allocated by the Department of Treasury as follows:
    - \$195.3 billion for state governments and DC
      - \$25.5 billion equally divided – every state receives at least \$500 million
      - \$169 billion based on the state share of total unemployed workers
    - **\$130.2 billion for local governments** (divided in two sections of \$65.1 for county governments, and another \$65.1 for cities/municipal governments)
      - **CITIES AND TOWNS:** \$65.1 billion to municipal governments using a modified CDBG formula
        - About 70%, or \$45.57 billion for municipalities with populations of at least 50,000 sent directly from Treasury Department
        - About 30%, or \$19.53 billion for municipalities with populations of fewer than 50,000, with allocations capped at 75% of the locality's most recent budget (funds sent to the state to distribute)
      - **COUNTIES:** \$65.1 billion to counties based on population and sent directly from the Department of Treasury
    - \$4.5 billion for territories, and
      - \$2.25 billion divided equally, and \$2.25 billion based on population
    - \$20 billion is for federally recognized tribal governments
      - \$1 billion divided equally, and \$19 billion divided as determined by the Secretary of the Treasury

### Sources/Useful Reference Materials:

- [Coronavirus State and Local Fiscal Recovery Funds Fact Sheet - Senate Democrats Overview](#)
- [House Oversight Committee State and Local Funding Overview](#)

# AMERICAN RESCUE PLAN ACT RESOURCES

- American Rescue Plan Act Bill Summary: [ARP Title-By-Title Summary](#)
- State and Local Relief Overview: [State and Local Fact Sheet](#)
- Additional Resources: [Senate Democrats Resource Page](#)
- White House Fact Sheet: [The American Rescue Plan](#)
- USDA Fact Sheet: [American Rescue Plan and Rural America](#)
- HUD Fact Sheet: [Housing Provisions in the American Rescue Plan Act of 2021](#)
- Small Businesses Fact Sheet: [The American Rescue Plan Will Provide Relief for Small Businesses](#)

# INFRASTRUCTURE

- Now that relief funding has been provided through the passage of the American Rescue Plan, the Biden Administration is turning its attention toward an **infrastructure bill**
- President Biden laid out the “**American Jobs Plan**” **during a speech** on March 31 in Pittsburgh
- The plan recommends:
  - \$14 billion for the **Economic Development Administration**, particularly Public Works, according to [this White House Fact Sheet](#)
  - \$621 billion for transportation
  - \$100 billion for high-speed broadband
  - \$100 billion for workforce development
  - \$111 billion for safer drinking water
  - \$100 billion to upgrade U.S. power infrastructure
  - \$213 billion to “produce, preserve, and retrofit more than two million affordable and sustainable places to live”
  - \$137 billion for public schools, community colleges, and child-care facilities
  - \$400 billion for “expanding access to quality, affordable home or community-based care for aging relatives and people with disabilities”
- Note: this is the White House’s proposal, and is not necessarily representative of what Congress will do
- Sources:
  - [American Jobs Plan Fact Sheet](#)
  - [White House Fact Sheet](#)

# THE RETURN OF EARMARKS

- [Internal guidance](#) - House Transportation and Infrastructure Committee “Member Designated Projects” (AKA earmarks) – Surface Transportation Reauthorization
- **deadline of April 14** for Members of Congress to submit their requests to the Committee – therefore, constituent deadlines may be even earlier. Constituents should reach out to their House Representatives and ask about the process and deadlines for each members’ individual offices. Processes and deadlines may vary from one office to the next.
- Separate, distinct process for FY 2022 appropriations – [this guidance](#) provided by the House Appropriations Committee regarding “Community Project Funding” (aka earmarks)
- **Deadlines range from April 28-April 30**, as shown in the guidance (some deadlines have been extended)

# SURFACE TRANSPORTATION REAUTHORIZATION EARMARKS GUIDANCE

## Notable Passages from House T&I Committee **Surface Transportation Reauthorization** Earmarks Guidance:

- In order to qualify to receive designated funding, projects must be eligible under title 23, United States Code, or chapter 53 of title 49, United States Code. **Projects included on the STIP or TIP have been vetted and do not require further verification of eligibility.** If you choose to request a project not on the STIP or TIP, further documentation will be required.
- Requests for projects listed on the **STIP or TIP**, or in some cases the long range transportation plan, **will be most successful** in receiving designated funding.
- **If the project is not on the STIP or TIP, inclusion of a project or a suite of projects on a statewide, regional, or local transportation plan** will help to indicate whether the project has had a sufficient level of planning and scoping to advance in a reasonable timeframe. If the project is not on the STIP or TIP or a long-range plan, that is a likely indicator that the project may not be ready for designated funding.
- Source: [House T&I Surface Transportation Reauthorization Guidance](#)



JOE MCKINNEY

[JMCKINNEY@NADO.ORG](mailto:JMCKINNEY@NADO.ORG)

MIRIELLE BURGOYNE

[MBURGOYNE@NADO.ORG](mailto:MBURGOYNE@NADO.ORG)



# CARES Act Funding Highlights

# CARES ACT HIGHLIGHTS

- **U.S. Department of Commerce Economic Development Administration (EDA)**
  - \$1.5 billion in supplemental funding for EDA
- **U.S. Department of Agriculture (USDA) Rural Development**
  - \$25 million to support Distance Learning and Telemedicine
  - \$100 million for the ReConnect Program to ensure access to broadband for rural Americans
  - \$20.5 million to support \$1 billion in Business and Industry Loans
- **U.S. Small Business Administration (SBA)**
  - \$349 billion for the Paycheck Protection Program (PPP)
    - (additional \$310 billion approved by Congress in April 2020)
  - \$562 million for Economic Injury Disaster Loans (EIDL)
  - \$10 billion in direct grants for businesses that do not qualify for the EIDL program

Source: <https://www.appropriations.senate.gov/imo/media/doc/032520%20Title-By-Title%20Summary%20FINAL.pdf>



# CARES ACT HIGHLIGHTS

- **U.S. Department of Transportation (DOT) Transit Systems**
  - \$25 billion for public transit operators to protect public health and safety while continuing to provide transportation access to jobs, medical treatment, food, and ensuring other essential services remain available
- **U.S. Department of Labor (DOL)**
  - \$360 million for DOL to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans
- **U.S. Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG)**
  - \$5 billion to allow states, counties, and cities to respond rapidly to COVID-19 and the economic and housing impacts caused by it

# CARES ACT HIGHLIGHTS

- **Coronavirus Relief Fund (CRF)**
  - \$150 billion Coronavirus Relief Fund established to provide state, local, and tribal governments with additional resources
- **U.S. Department of Homeland Security (DHS) Disaster Relief Fund**
  - \$45 billion to provide for the immediate needs of state, local, tribal, and territorial governments to help mitigate the impacts of COVID-19
- **Economic Impact Payments - Individual Stimulus Checks**
  - Payments to individuals of up to \$1200 per adult for individuals earning \$99,000 or less (or \$198,000 or less for joint filers), and \$500 per child – (payments reduced in increments for individual incomes above \$75,000)

Source: <https://www.appropriations.senate.gov/imo/media/doc/032520%20Title-By-Title%20Summary%20FINAL.pdf>



# CRRSAA Funding

## Highlights

(COVID-19 relief provisions)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021

- Signed into law December 27, 2020
- \$900 billion COVID-19 relief stimulus package combined with \$1.4 trillion FY 2021 omnibus spending package

## Resources:

- Bill text can be found [here](#) and [here](#).
- Detailed summaries of the legislation prepared by the House and Senate Appropriations Committees are available here:
  - [Summary of COVID-19 Relief Provisions - House Appropriations Committee](#)
  - [Summary of FY 21 Appropriations Provisions - House Appropriations Committee](#)
  - [Summary of Authorizing Provisions - House Appropriations Committee](#)
  - [Summary of FY 21 and COVID Relief Package - Senate Appropriations Committee](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Direct stimulus check payments to eligible individual taxpayers**
  - Payments of up to \$600 for individuals (\$1200 for married couples filing jointly), and \$600 per qualifying child; credit begins phasing out at \$75,000 income level
  - **Source:** [Division M, Title II, Subtitle B, section 272-273](#)
- **Extended federal unemployment benefits**
  - \$300 per week federal supplemental unemployment insurance benefits from December 26, 2020 to March 14, 2021 – (Federal Pandemic Unemployment Compensation)
  - **Source:** [Division M, Title II, Subtitle A, Section 203](#)
- **Extension of eviction moratoriums until January 31, 2021**
  - **Source:** [Division M, Title V, Subtitle A, Section 502](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Establishment of \$25 billion emergency federal rental assistance program**
  - \$25 billion via Treasury Department to be allocated to state and local government entities to help eligible renter households and mitigate risk of housing instability
  - **Source:** [Division M, Title V, Subtitle A, Section 501](#)
- **Extensions of paid family and sick leave provisions originally enacted in the Families First Coronavirus Response Act (FFCRA) until March 31, 2021**
  - Extends refundable employer payroll tax credits for providing both paid sick leave and paid family and medical leave
  - **Source:** [Division M, Title II, Subtitle B, Section 286](#)

## THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Second round of small business relief funding via the Small Business Administration (SBA) Paycheck Protection Program (PPP)**
  - \$325 billion for small business support; of this, \$284 billion is available for eligible distressed businesses to draw down second round Paycheck Protection Program (PPP) loans
  - Eligibility is limited to small businesses with 300 or fewer employees that have experienced a 30 percent or greater revenue loss in any quarter of 2020
  - Loans capped at \$2 million
  - **Source:** [Division M, Title III, Section 311](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Transportation Funding**
  - \$10 billion for highways
  - \$14 billion for public transit
  - \$2 billion for airports
  - \$1 billion for Amtrak
- **Source:** [Division M, Transportation-Housing and Urban Development](#)



# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Broadband Funding**
  - NTIA grant programs:
    - \$1 billion in grants via NTIA for tribal governments for broadband, telehealth, distance learning
    - \$300 million for NTIA Broadband Infrastructure Program grants to support deployment of broadband infrastructure in rural areas via qualifying partnerships between state/local governments and fixed broadband providers
  - FCC broadband funding:
    - \$3.2 billion for the FCC Emergency Broadband Benefit Program, including \$50 stipends to help qualifying households afford internet services
    - \$250 million for FCC COVID-19 Telehealth Program
    - \$65 million to support the FCC in creating broadband data maps required under the Broadband DATA Act
- **Source:** [Division M, Title IX, Section 901-906](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Coronavirus Relief Fund (CRF) Extension**
  - Extends the date by which state and local governments must make expenditures using funds from the Coronavirus Relief Fund (CRF) from December 30, 2020 to December 31, 2021
  - The CRF was originally established in the CARES Act
- **Source:** [Division M, Title IX, Section 1001](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **\$82 billion for the Education Stabilization Fund (ESF) established under the CARES Act**
  - \$54.3 billion for Elementary and Secondary School Relief Fund (ESSRF)
  - \$4.1 billion for the Governor's Emergency Education Relief Fund (competitive grants to school districts, including \$2.7 billion set-aside for private schools)
  - \$22.7 billion for the Higher Education Emergency Relief Fund
- **Source:** [Division M, Department of Education](#)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: COVID-19 RELIEF PROVISIONS

- **Funding for vaccine distribution, testing, healthcare, and hospitals**
  - \$73 billion for HHS to support development and distribution of vaccines
  - \$8.75 billion for CDC to support federal/state/local vaccine distribution
  - \$25.4 billion for Public Health and Social Services Emergency Fund
  - \$1.25 billion for NIH
- **Source:** [Division M, Labor-Health and Human Services-Education](#)



# CRRSAA Funding

## Highlights

(FY 2021 appropriations provisions)

# THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021: **FY 21 APPROPRIATIONS**

- **U.S. Department of Commerce Economic Development Administration (EDA)**
  - \$346 million, a \$13 million increase above FY 2020 levels
  - **Source:** [Division B, printed page 5](#)
- **U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grants (CDBG)**
  - \$3.45 billion, a \$50 million increase from FY 2020 levels
  - **Source:** [Division L, printed page 80](#)

## U.S. ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) Final FY 2021 Appropriation (in millions)

Budget figures are in millions	<u>FY2018</u> Final	<u>FY2019</u> Final	<u>FY2020</u> House	<u>FY2020</u> Senate	<u>FY 2020</u> Final	<u>FY2021</u> House	<u>FY2021</u> Senate	<b>FY 2021 Final</b>
<b>Economic Development Administration</b>	\$301.5	\$304	\$540	\$319.5	\$333	\$356	\$340	<b>\$346</b>
<b>Total – Economic Development Assistance Programs</b>	\$262.5	\$265	\$498.3	\$279.5	\$292.5	\$314	\$299	<b>\$305.5</b>
<b>Partnership Planning</b>	\$33	\$33	\$35	\$33	\$33	\$33	\$33.5	<b>\$33.5</b>
<b>Public Works</b>	\$117.5	\$117.5	\$250	\$119.5	\$118.5	\$122	\$118.5	<b>\$119.5</b>
<b>Economic Adjustment Assistance</b>	\$37	\$37	\$97	\$37	\$37	\$40	\$37	<b>\$37.5</b>
<b>Technical Assistance</b>	\$9.5	\$9.5	\$12.75	\$9.5	\$9.5	\$9.5	\$10	<b>\$10</b>
<b>Research and Evaluation</b>	\$1.5	\$1.5	\$1.6	\$1.5	\$1.5	\$1.5	\$1.5	<b>\$1.5</b>
<b>Trade Adjustment Assistance</b>	\$13	\$13	\$15	\$13	\$13	\$13.5	\$13	<b>\$13.5</b>
<b>Regional Innovation Program Grants</b>	\$21	\$23.5	\$30	\$31	\$33	\$35	\$38.5	<b>\$38</b>
<b>Assistance to Coal Mining Communities</b>	\$30	\$30	\$35	\$30	\$30	\$37	\$30	<b>\$33.5</b>
<b>Assistance to Nuclear Closure Communities</b>	-	-	\$17	\$5	\$15	\$18	\$15	<b>\$16.5</b>
<b>STEM Apprenticeship Pilot Program</b>	-	-	\$5	-	\$2	\$4.5	\$2	<b>\$2</b>
<b>Salaries and Expenses</b>	\$39	\$39	\$41.65	\$40	\$40.5	\$42	\$41	<b>\$40.5</b>