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Unpacking the American Rescue Plan's 'Revenue Loss' Provision for Local Governments.

This month marks the third anniversary of the passage of the American Rescue Plan Act (ARPA) and its $350 billion Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, administered by the U.S. Department of the Treasury. State, local, and tribal governments have had three years to appropriate, obligate, and spend SLFRF dollars to address the health, economic, and fiscal effects of the COVID-19 pandemic.

Since the SLFRF program's inception, Brookings Metro, the National League of Cities, and the National Association of Counties have monitored how the nation's largest cities and counties (those with populations greater than 250,000) have used their $65 billion share of these funds through the Local Government ARPA Investment Tracker. This update provides new insights into how large local governments have used SLFRF dollars over the past three years to foster an equitable economic recovery from COVID-19, and their progress to date in obligating these funds in time for Treasury's impending December 2024 deadline. As of ARPA's three-year anniversary, all SLFRF recipients have just over nine months left to meet this deadline before they will be required to return any unobligated funding to Treasury.

Large cities and counties have committed 88% of their total allocation as of September 2023

As of September 30, 2023, 335 large cities and counties have reported their appropriations, obligations, and expenditures for a total of 14,186 projects—a 7% increase from the previous reporting period. (For definitions of these terms, see the Glossary at the end of this piece.) However, while the total number of projects underway in these large local governments has continued to grow, appropriations only increased by 3 percentage points between June 2023 (85%) and September 2023 (88%).

Continue reading.

The Brookings Institution

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