

# Coronavirus Local Fiscal Recovery Fund Introduction

---



Road to Recovery Series

If you experience technical difficulties, please contact GoToWebinar support at 1 (833) 851-8340

## Today's Presenters



**Amber Eisenschenk**  
*Research Manager*



**Lisa Sova**  
*Asst. Finance Director, Outreach*



**Gary Carlson**  
*IGR Director*



**Daniel Lightfoot**  
*IGR Representative*

# Coronavirus Local Fiscal Recovery Fund

- \$130 billion for local governments split evenly between municipalities and counties.
  - \$65 billion allocated to cities through a modified Community Development Block Grant formula as follows:
    - \$45.9 billion for cities over 50,000 in population (CDBG “entitlement communities”).
    - \$19.5 billion for cities under 50,000 in population (CDBG “non-entitlement communities”).
- 
- 

## Allocation Method

- Population over 50,000 utilizing a modified Community Development Block Grant (CDBG) formula
  - Population under 50,000 allocated according to population share but will not exceed 75% of their most recent budget as of January 27, 2020
- 
-

## Allocation Method for Cities <50,000

- Approximate Amounts for MN local units of Government  
Population of City/Population of State=Appropriation to City/Appropriation State received for all cities <50,000  
~\$100/per capita for cities under 50,000

Link to estimates:

<https://oversight.house.gov/sites/democrats.oversight.house.gov/files/State%20and%20Local%20Allocation%20Output%2003.08.21.xlsx>

---

---

## Two Distributions

- 1<sup>st</sup> half 60 days after enactment
    - The State shall distribute payments no later than 30 days after a State received a payment.
    - An extension may be granted to the State due to an extensive administrative burden.
  - 2<sup>nd</sup> half not earlier than 12 months after first distribution
- 
-

## Eligible Uses

- Assistance to households, small businesses, and nonprofits to aid in the response to the public health emergency or to aid hard-hit industries such as tourism, travel and hospitality
  - Premium pay for essential workers
    - An amount up to \$13 per hour that is paid to an eligible worker in addition to wages the worker otherwise received.
    - For all work performed by the eligible worker during the COVID-19 public health emergency.
    - May not exceed \$25,000 per eligible worker.
- 
- 

## Eligible Uses

- Revenue replacement for the provision of government services to the extent the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency (FY 2019)
  - Investments in water, sewer or broadband infrastructure
- 
-

## Eligible Transfers

- Nonprofit organizations
  - Public benefit corporation involved in transporting passengers or cargo
  - Special purpose unit of government
  - State
  - Tribal organizations
- 
- 

## Not-Eligible Uses

- Funds cannot be used to directly or indirectly offset tax reductions or delay a tax/tax increase
  - Funds cannot be deposited into any pension fund
- 
-

# Timeline

## 2021

March 3: Covered period for eligible expenses begins

March 11: Enactment of law

About May 10: 60 days after enactment (likely first distributions)

About June 9: Distributions by state (unless MN files an extension)

## 2022

About May 10: Second distribution

Reports due  
periodically!

## 2024

December 31: Spending deadline

Federal Single  
Audit may apply

---

# Questions?

---

# Contact Information

## Research Department

League of Minnesota Cities

<https://www.lmc.org/contact/submit-a-question/>

651-281-1200

[research@lmc.org](mailto:research@lmc.org)



