Restricted on eligible uses
Funds cannot be used for extraordinary payments into any pension fund and cannot be spent after the end of calendar year 2024. Treasury’s guidance limits expenditures on general economic development and expenses related to financing, including servicing or redeeming notes, as these would not address the needs of pandemic response (or its negative economic impacts) and are not be considered provision of government services. Local governments should refer to Treasury’s guidance and work closely with their legal counsel to understand these restrictions as they make spending decisions about their Local Fiscal Recovery Funds.

Uses of Local Fiscal Recovery Funds

Public Health Emergency Response
or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

Premium Pay
to eligible workers of the government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work (capped at $25,000 per worker).

Provide government services
to the extent of the reduction in revenue of such government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the government prior to the emergency.

Infrastructure Investments
including water, sewer, and broadband infrastructure.

Restrictions on eligible uses
Funds cannot be used for extraordinary payments into any pension fund and cannot be spent after the end of calendar year 2024. Treasury’s guidance limits expenditures on general economic development and expenses related to financing, including servicing or redeeming notes, as these would not address the needs of pandemic response (or its negative economic impacts) and are not considered provision of government services. Local governments should refer to Treasury’s guidance and work closely with their legal counsel to understand these restrictions as they make spending decisions about their Local Fiscal Recovery Funds.

Additional guidance provided by the U.S. Department of Treasury may impact this information.

Learn more at the Treasury Coronavirus State and Local Fiscal Recovery Funds website.