



COVID-19 and State and Local Fiscal Conditions: Select Resources on Current Status, Impacts, and Federal Relief

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The coronavirus (COVID-19) has caused a sudden decline in economic output and surge in unemployment, and it has significantly altered the fiscal outlook for state and local governments. State and local governments use taxes and receipts, debt issuances, and intergovernmental transfers to support spending programs. And, unlike the federal government, states and local governments are generally required to balance their operating budgets every one or two years. Even before the pandemic, [a 2019 Government Accountability Office report on state and local governments' fiscal outlook](#) suggested that states and localities will have an increasingly difficult time generating sufficient revenues over the next 50 years to sustain current levels of government services. Early indications suggest that the COVID-19 economic shock will add to those difficulties by having a [notable impact on state and local budgets](#), with both significant revenue decreases and additional spending pressures expected. This CRS Insight is intended to direct readers to selected CRS products and other resources related to COVID-19 and state and local government fiscal conditions.

CRS Products

CRS Report R46298, *The Coronavirus Relief Fund (CARES Act, Title V): Background and State and Local Allocations*, by Grant A. Driessen. The report includes details on the Coronavirus Relief Fund, a \$150 billion state and local stabilization fund enacted as part of the CARES Act (P.L. 116-136) and administered by the Department of the Treasury. The report also includes tables listing estimated fund allocations for each of the states and territories.

CRS In Focus IF11502, *State and Local Government Debt and COVID-19*, by Grant A. Driessen. The In Focus discusses state and municipal debt issuances in light of recent economic and legislative developments.

Congressional Research Service

<https://crsreports.congress.gov>

IN11351

CRS Insight IN11258, *State and Local Fiscal Conditions and Economic Shocks*, by Grant A. Driessen. The Insight discusses fiscal conditions of state and local governments and tools available to help them weather economic shocks.

CRS Insight IN11327, *Federal Reserve: Emergency Lending in Response to COVID-19*, by Marc Labonte. The Insight details some of the Federal Reserve's (Fed) Emergency Lending Programs in relation to COVID-19. It includes brief details on the Fed's Municipal Lending Facility, which is available to purchase debt from larger counties and cities.

For a list of all CRS products related to COVID-19, see the [CRS COVID-19 Resources page](#).

Relief Programs

Department of the Treasury, Coronavirus Relief Fund

The Department of the Treasury, [Coronavirus Relief Fund resource page](#), includes details on the implementation of the \$150 billion Coronavirus Relief Fund created under Title V of the CARES Act (P.L. 116-136). The fund provides for payments to state, local, and tribal governments navigating the impact of the COVID-19 outbreak. The CARES Act specifies that payments from the fund must be used for necessary, unplanned expenditures and spent by December 31, 2020. The Treasury resource page outlines the requirements under the CARES Act, eligible uses for the fund, and the distribution methodology for fund allocations to states and eligible localities.

Federal Reserve, Municipal Lending Facility

The Federal Reserve [announced on April 9, 2020](#), that the Municipal Lending Facility will be available to purchase state and municipal debt. The facility will only purchase debt of larger counties and cities. Treasury [issued a statement on April 9, 2020](#), that it would provide an initial investment of \$35 billion to the facility, which would be available to support up to \$500 billion in total investments. More details on the facility are available in the Fed's [Municipal Lending Facility Term Sheet](#).

State and Local Organizations

National Association of State Budget Officers

The [National Association of State Budget Officers](#) (NASBO) has historical reports and data related to state fiscal conditions. NASBO's [COVID-19 resources](#), [individual state revenue forecasts](#), and [press clips \(organized by state\)](#) may be useful for those seeking details on the fiscal impact of COVID-19.

National Conference of State Legislatures

[The National Conference of State Legislatures](#) has resources on state budgetary conditions and COVID-19, including lists of [federal and state-level budget and revenue actions](#) taken in response to the outbreak.

National Association of Counties

[The National Association of Counties](#) provides a number of online resources for county [tax and finance data](#) as well as [reports and toolkits about county-level coronavirus](#) responses.

National League of Cities

- [The National League of Cities](#) has reports on cities' [finances](#) and [COVID-19 resources](#).

Other Resources

- [How Will States and Localities Divide the Fiscal Relief in the Coronavirus Relief Fund?](#) (Center on Budget and Policy Priorities)
- [State Budget and Tax](#) (multiple articles, Center on Budget and Policy Priorities)
- [State Rainy Day Funds and the COVID-19 Crisis](#) (Tax Foundation)
- [COVID-19: Policies to Protect People and Communities, States and Localities](#) (multiple articles, Urban Institute)
- [Improving the equity impact of the Fed's municipal lending facility](#) (Brookings Institution)
- [State Fiscal Health](#) (multiple articles, Pew Charitable Trusts)
- [Applying and Adapting Lessons from the 2009 Stimulus](#) (IBM Center for the Business of Government)

Census Bureau, Annual Survey of State and Local Governments

The Census Bureau's [Annual Survey of State and Local Governments](#) provides statistics on revenue, expenditure, debt, and assets for each of the 50 states and the District of Columbia. The survey includes details on specific categories of receipts, spending, and borrowing, and divides the totals within each state by the amounts attributable to the state government and those attributable to all other (e.g., local) governments. Intergovernmental transfer data for federal, state, and local governments are also included in the survey. The latest survey data available are from 2017.

Wolters Kluwer, Interactive Chart Comparing State Legislation for COVID-19

Legal publisher Wolters Kluwer has made available for free an [interactive smart chart that compares COVID-19 related state and federal legislation](#). The resource includes a filter for the CARES Act and state stimulus programs.

Electronic Municipal Market Access

The [Electronic Municipal Market Access website](#) is an official source for municipal securities data and disclosure documents. The site provides information, resources, and data related to municipal securities. The site recently featured [documents related to the market and COVID-19](#).

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