

# CORONAVIRUS CAPITAL PROJECTS FUND

## U.S. DEPARTMENT OF THE TREASURY

### Allocations Methodology for States, Territories, and Freely Associated States

August 2021

The American Rescue Plan Act of 2021 established the Coronavirus Capital Projects Fund (the Fund), which provides \$10 billion in payments to States, territories, and Tribal governments to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19).<sup>1</sup>

Under the statute, the 50 states, the District of Columbia, and Puerto Rico (the States) are eligible to receive total payments of \$9.8 billion, and the seven territories and freely associated states, as one group, and Tribal governments and the State of Hawaii (for Native Hawaiian programs), as another group, are each eligible to receive payments totaling \$100 million.

This document describes Treasury's methodology for allocating the funds to States, as well as territories and freely associated states.

#### **Allocation methodology**

##### *State allocations*

Each of the 52 States (including the District of Columbia and Puerto Rico) is entitled to a fixed amount of \$100 million per state, totaling \$5.2 billion. States are also entitled to a portion of the remaining \$4.6 billion, allocated as follows:

- 50 percent (\$2.3 billion) allocated among the States based on the proportion that the population of each State bears to the population of all States;
- 25 percent (\$1.15 billion) allocated among the States based on the proportion that the number of individuals living in rural areas in each State bears to the number of individuals living in rural areas in all States; and
- 25 percent (\$1.15 billion) allocated among the States based on the proportion that the number of individuals with a household income below 150 percent of the poverty line applicable to a family of the size involved in each State bears to the number of such individuals in all States.

To implement this provision, Treasury used the resident population counts from the 2020 decennial Census apportionment data to determine each State's population, and the 2019 one-year estimates from the American Community Survey for the number of people living in

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<sup>1</sup> Section 604 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021).

rural areas and the number of individuals with household incomes below 150 percent of the poverty line.

***Territory and Freely Associated State allocations***

The Fund provides \$100 million to be paid in equal shares to the seven territories and freely associated states specified in the statute. These entities are the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Each of the named territories and freely associated states will be allocated \$14,285,714.