

House Oversight and Reform Committee Passes Legislation for Federal Revenue Replacement Funds for our Cities

As many of you know, The Cities Initiative has been actively advocating for federal revenue replacement funds for our cities. The impact of the COVID-19 crisis has been devastating to our communities and the financial stability of many local governments hangs in the balance.

The House Oversight and Reform Committee has passed legislation for federal revenue replacement funds for our cities. The next step is for the legislation to be passed by the full House of Representatives, which is expected next week. With House passage anticipated, the focus now turns to the Senate, where unanimous support from Democrats will be needed for final passage.

The current bill provides \$350 billion for states, localities, tribes, and territories, with 60% of the funds going to states and 40% to local units of government. Funds would be available until expended, awarded directly from the Treasury within 60 days of enactment, and subject to eligible uses including to replace revenue lost, delayed, or decreased as a result of the pandemic.

Here is a breakdown of how the funds would be allocated under the Committee's bill:

States and the District of Columbia: \$195.3 billion

- \$25.5 billion equally divided — every state receives at least \$500 million
- \$169 billion based on the state share of total unemployed workers
- The District of Columbia would be made whole after being treated as a territory in previous coronavirus funding Acts

Local governments: \$130.2 billion divided evenly between cities and counties

- \$65.1 billion to cities using a modified Community Development Block Grant formula
- \$45.57 billion for municipalities with populations of at least 50,000
- \$19.53 billion for municipalities with populations of less than 50,000

Territories: \$4.5 billion

- \$2.25 billion divided equally and \$2.25 billion based on population

Tribes: \$20 billion to federally recognized Tribal governments

- \$1 billion divided equally
- \$19 billion divided as determined by the Secretary of the Treasury

Please click [here](#) for updated information. Please also review this [Excel Sheet](#) that provides estimates of what your city is eligible for under the Committee's bill.