

COVID-19 Relief: States' and Localities' Fiscal Recovery Funds Spending Update for 2025

GAO-26-108587

Q&A

Report to Congressional Committees

February 12, 2026

Why This Matters

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program allocated \$350 billion to tribal governments, states, the District of Columbia, local governments, and U.S. territories to help cover a broad range of costs stemming from the health and economic effects of the COVID-19 pandemic.¹ SLFRF was established under the American Rescue Plan Act of 2021 (ARPA) and is administered by the Department of the Treasury. SLFRF recipients must regularly submit reports to Treasury on their use of the awards and the projects undertaken with them.² Generally, SLFRF recipients had until December 31, 2024, to obligate their SLFRF awards and have until December 31, 2026, to spend their awards.

The CARES Act includes a provision for us to monitor the use of federal funds to respond to the COVID-19 pandemic.³ This report updates our October 2023, April 2024, and September 2024 reports on states' and localities' SLFRF spending and uses of SLFRF.⁴

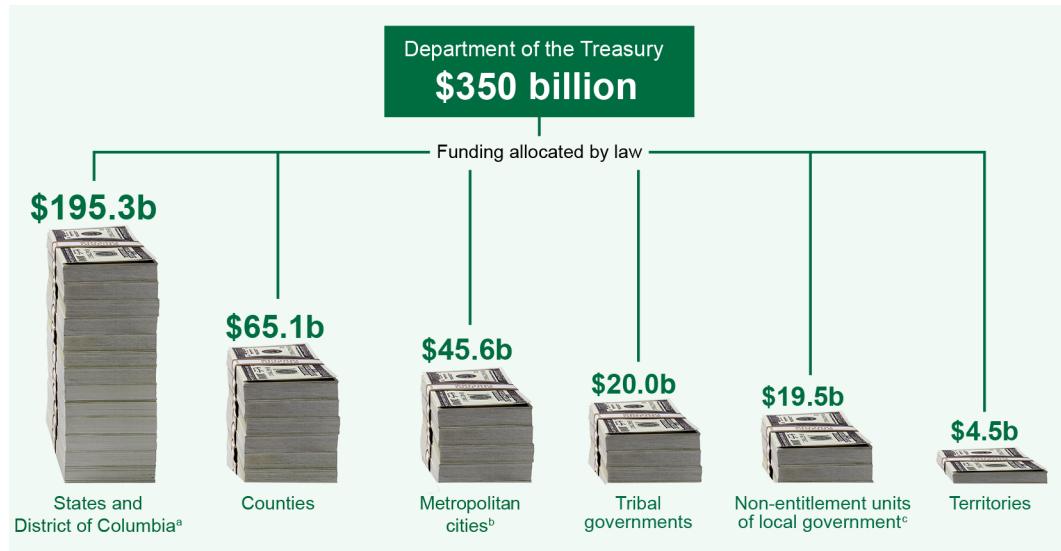
Key Takeaways

- As of March 31, 2025—the most recent complete data available for all states and localities at the time of our review—states reported obligating all but \$10.4 million of the \$195.8 billion they received in SLFRF awards, and localities reported obligating all but \$101 million of the \$127.8 billion they received.
- Funds that were not obligated by December 31, 2024, generally must be returned to Treasury. Treasury has begun taking actions to recoup funds that states and localities reported as unobligated. As of November 2025, states and localities have returned \$13.7 million in unobligated funds to Treasury.
- States reported spending 80 percent (\$156.3 billion) of the SLFRF awards they received, and localities reported spending 84 percent (\$107.2 billion) of their awards as of March 31, 2025.⁵
- States and localities reported spending most of their awards to replace revenue lost due to the pandemic. As of March 31, 2025, 53 percent (\$82.6 billion) of states' reported spending and 67 percent (\$71.9 billion) of localities' reported spending was used for this purpose.

How much in SLFRF awards did states and localities receive?

Under ARPA, the SLFRF allocated the \$350 billion across six groups of recipients (see fig. 1). Localities included counties, metropolitan cities (which we refer to as cities throughout this report), and non-entitlement units of local government (NEU), which are smaller local governments typically serving populations of less than 50,000.⁶

Figure 1: Allocations of Coronavirus State and Local Fiscal Recovery Funds by Recipient Type



Source: GAO analysis of the American Rescue Plan Act of 2021. Pub. L. No. 117-2, 135 Stat. 4 (2021); Rangizz/stock.adobe.com. | GAO-26-108587

^aFor purposes of the Coronavirus State and Local Fiscal Recovery Funds, the American Rescue Plan Act (ARPA) of 2021 establishes that the District of Columbia is considered to be a state. 42 U.S.C. §§ 802(g)(5), 803(g)(9). In accordance with ARPA, the District of Columbia also received funds allocated to metropolitan cities and counties. As a result, the total amount states and the District of Columbia received was \$195.8 billion.

^bA metropolitan city is defined as the central city within a metropolitan area (i.e., a standard metropolitan statistical area as established by the Office of Management and Budget) or any other city within a metropolitan area that has a population of 50,000 or more. 42 U.S.C. §§ 803(g)(4), 5302(a)(4). A metropolitan city includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 5306 of Title 42, United States Code, for fiscal year 2021.

^cNon-entitlement units of local government (NEU) are local governments typically serving populations of less than 50,000. 42 U.S.C. §§ 803(g)(5), 5302(a)(5). NEUs include cities, villages, towns, townships, or other types of local governments.

Treasury employed various methodologies to determine how much funding states and localities received, based on such factors as population size and unemployment rates. ARPA required Treasury to send direct payments to all SLFRF recipients except NEUs.⁷ ARPA required that states receive NEU funds from Treasury and then allocate and distribute payments to each NEU within their state.

What information are SLFRF recipients required to report to Treasury on their uses of funds?

Treasury requires recipients to submit “project and expenditure” (P&E) reports quarterly or annually, depending on the recipient type, population, and award size.

- Quarterly reporting is required of (1) states, metropolitan cities, and counties with more than 250,000 residents or those that were allocated more than \$10 million in SLFRF funds; and (2) NEUs that were allocated more than \$10 million in SLFRF funds.
- Annual reporting is required of (1) metropolitan cities and counties with fewer than 250,000 residents that were allocated less than \$10 million in SLFRF funds, and (2) NEUs that were allocated less than \$10 million in SLFRF funds.

All SLFRF recipients, including states and local governments, were required to submit a report to Treasury by April 30, 2025, based on their award spending as of March 31, 2025.⁸ Treasury publishes information from these reports as public data on its website.⁹

In the P&E reports, recipients are to detail their uses of SLFRF funds, including obligations and spending amounts, and projects undertaken. Treasury defines an obligation, in part, as an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

The SLFRF allows for a broad range of eligible uses to respond to the COVID-19 pandemic and its economic effects.¹⁰ SLFRF recipients are required to report on their uses of funds across 10 spending categories (see fig. 2).

Figure 2: Coronavirus State and Local Fiscal Recovery Funds Spending Categories in Treasury Project and Expenditure Reports, as of March 31, 2025

 Public Health Funds for COVID-19 mitigation efforts, medical expenses, behavioral health care, and other public health services.	 Negative Economic Impacts Funds to respond to the negative economic impacts of COVID-19 on households, small businesses, nonprofits, and impacted industries.	 Public Sector Capacity^a Funds to support public sector workforce and capacity, including payroll and benefits for public safety workers and rehiring public sector staff.	 Premium Pay^b Funds for premium pay to eligible public and private sector workers performing essential work during the COVID-19 pandemic.	 Revenue Replacement^c Funds for providing government services to the extent of a reduction in revenue due to COVID-19.	 Administrative Funds to cover expenses for managing awards, such as fees for consultants to ensure program compliance and facility or administrative function costs.	 Emergency Relief from Natural Disasters Funds to provide emergency relief from the physical or economic impacts of natural disasters.	 Surface Transportation Funds for certain infrastructure projects, including projects eligible under certain programs administered by the Department of Transportation.	 Title I^d Funds for Title I projects, which are activities under the Community Development Block Grant and Indian Community Development Block Grant programs.
 Infrastructure Funds for necessary investments to improve clean drinking water access and wastewater and stormwater infrastructure, and provide locations with an identified need with new or expanded broadband access.								

Source: GAO analysis of Department of the Treasury documentation. | GAO-26-108587

^aTreasury guidance refers to this category as Public health-Negative economic impact: Public sector capacity.

^bBased on Treasury guidance, recipients may not provide premium pay for work performed after April 10, 2023, when the National Emergency concerning COVID-19 ended, but may award premium pay for work performed prior to that date.

^cRecipients may identify the extent of a reduction in revenue by calculating revenue loss using a formula that Treasury established or by electing a \$10 million “standard allowance,” which allows recipients to spend up to \$10 million or the maximum of the Coronavirus State and Local Fiscal Recovery Funds awards, whichever is less, over the course of the program.

^dSpending for Surface Transportation and Title I projects, combined, cannot exceed the greater of \$10 million or 30 percent of a recipient’s SLFRF allocation.

Revenue replacement provides recipients with the most flexibility in using SLFRF awards and streamlining reporting requirements, according to Treasury guidance. Under this category, recipients may use these funds to cover a broad range of government services (i.e., generally any service traditionally provided by a government) up to the amount of revenue loss experienced during the pandemic. Recipients may calculate revenue loss using a formula that Treasury established, or they may elect a \$10 million “standard allowance,” which allows them to spend up to \$10 million or the maximum of their SLFRF awards, whichever is less, over the course of the SLFRF program.¹¹ Based on Treasury FAQs, recipients may use SLFRF awards for revenue replacement for projects that are also eligible under the other spending categories because those categories include services that governments provide.¹²

How many states and localities submitted reports to Treasury on their uses of funds?

All 50 states and the District of Columbia submitted a P&E report to Treasury with information on the \$195.8 billion they received in awards as of March 31, 2025.¹³ Likewise, 30,507 localities submitted a report with information on the \$127.8 billion they received in SLFRF awards as of March 31, 2025, as shown in table 1.¹⁴ An additional 135 localities, accounting for \$6.1 million in SLFRF awards, have never submitted a P&E report to Treasury.¹⁵

Table 1: Localities That Submitted a Project and Expenditure Report and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Award Amounts Received, as of March 31, 2025

	Number of localities reporting	Amount of SLFRF received (in billions)
Cities ^a	1,122	\$48.0
Counties	3,033	\$59.6
Non-entitlement units of local government ^b	26,352	\$20.2
Total	30,507	\$127.8

Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

^aCities refer to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government as defined in 42 U.S.C. § 803(g)(5).

How much of their SLFRF awards have states and localities obligated?

States and localities reported obligating nearly 100 percent of their SLFRF awards. In the aggregate, these states and localities reported about \$111.4 million as not obligated.¹⁶

States

The states and the District of Columbia collectively reported obligating nearly all of their \$195.8 billion in SLFRF awards. Thirty-nine states and the District of Columbia reported obligating their entire SLFRF awards as of March 31, 2025. The remaining 11 states—Alabama, Alaska, California, Florida, Georgia, Maine, Mississippi, New Hampshire, New Mexico, Texas, and Virginia—reported obligating nearly all, but not their entire SLFRF awards. These states reported a combined \$10.4 million in SLFRF awards as unobligated, which ranged from a low of \$17,704 for New Mexico to a high of \$9.2 million for Florida.

Localities

The 30,507 localities that submitted a P&E report to Treasury reported obligating \$127.7 billion of the \$127.8 billion in SLFRF awards they received in the aggregate. Of these localities, 28,110 (92 percent) reported obligating their entire SLFRF award. The remaining 2,397 localities reported unobligated SLFRF awards ranging from less than \$1 to more than \$7.6 million, totaling a combined \$101 million. Of those, 1,580 localities reported less than 1 percent of their awards as unobligated.

The shares of SLFRF awards localities reported as obligated varied by locality type. As shown in table 2, about 96 percent of cities and 97 percent of counties reported obligating their entire award, compared to 91 percent of NEUs.

Table 2: Obligations of Coronavirus State and Local Fiscal Recovery Funds Reported by Localities, as of March 31, 2025

Locality	0%	Greater than 0%, less than 50%	50% to less than 99%	99% to less than 100%	100%
Cities^a	0%	0%	0%	3%	96%
Counties	0%	0%	1%	2%	97%
Non-entitlement units of local government^b	1%	0%	1%	6%	91%

Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

Note: Percentages may not add to 100 due to rounding.

^aCities refer to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government as defined in 42 U.S.C. § 803(g)(5).

What actions has Treasury taken to recoup unobligated funds?

SLFRF funds that were not obligated by December 31, 2024, generally must be returned to Treasury.¹⁷ In March 2025, Treasury issued a notice to all SLFRF recipients informing them that Treasury intended to monitor recipients' methods of obligating funds by the December 31, 2024, deadline. The notice described actions Treasury planned to take to recoup funds, including sending "Financial Instructions to Return Unobligated Funds" to recipients that did not fully obligate their awards by the deadline, based on the latest data recipients reported to Treasury. The instructions request that recipients return the funds within 60 days of the date of the notice and state that failure to do so will result in a formal notice of recoupment and possible debt collection.

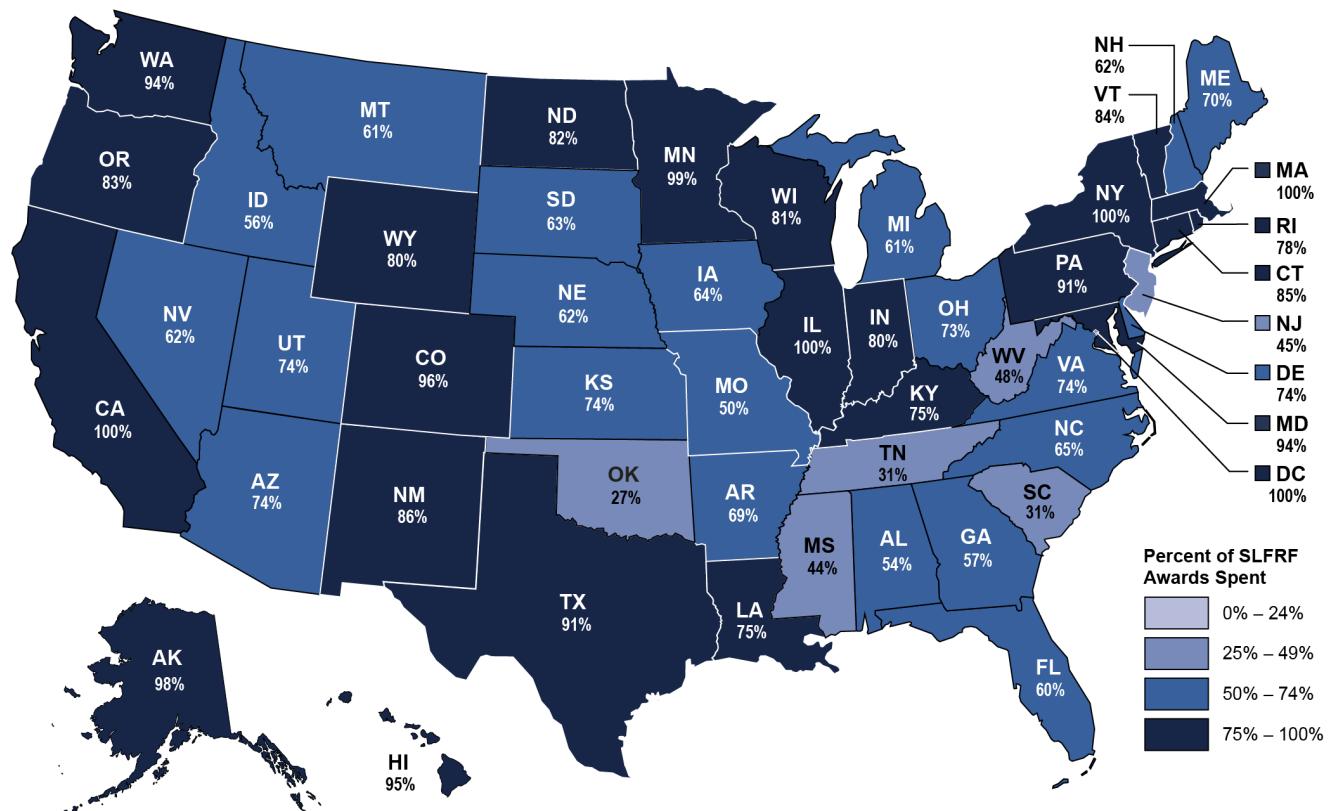
Between March and October 2025 Treasury sent instructions on returning unobligated funds to 1,041 recipients, accounting for \$59.5 million in reported unobligated funds. As of November 2025, Treasury officials told us that recipients had returned \$13.7 million in unobligated award amounts. According to Treasury officials, Treasury plans to initiate recoupment of any remaining unobligated funds, including recipients that failed to submit a report following the obligation deadline, but had previously reported an unobligated balance.

How much of their SLFRF awards have states spent as of March 31, 2025?

In the aggregate, the 50 states and the District of Columbia, reported spending \$156.3 billion (80 percent) of their SLFRF awards, as of March 31, 2025. In comparison, as of March 31, 2024, states reported spending 60 percent of their SLFRF awards, in the aggregate.

Figure 3 shows the share of SLFRF award amounts that states reported spending as of March 31, 2025. Twenty-three states and the District of Columbia reported spending 75 percent or more of their SLFRF awards. Four of those 24 states—California, the District of Columbia, Massachusetts, and New York—reported spending their entire award. Six states—Mississippi, New Jersey, Oklahoma, South Carolina, Tennessee, and West Virginia—reported spending less than half of their total awards, ranging from 27 percent to 48 percent.

Figure 3: Reported Spending of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) by States and the District of Columbia, as of March 31, 2025

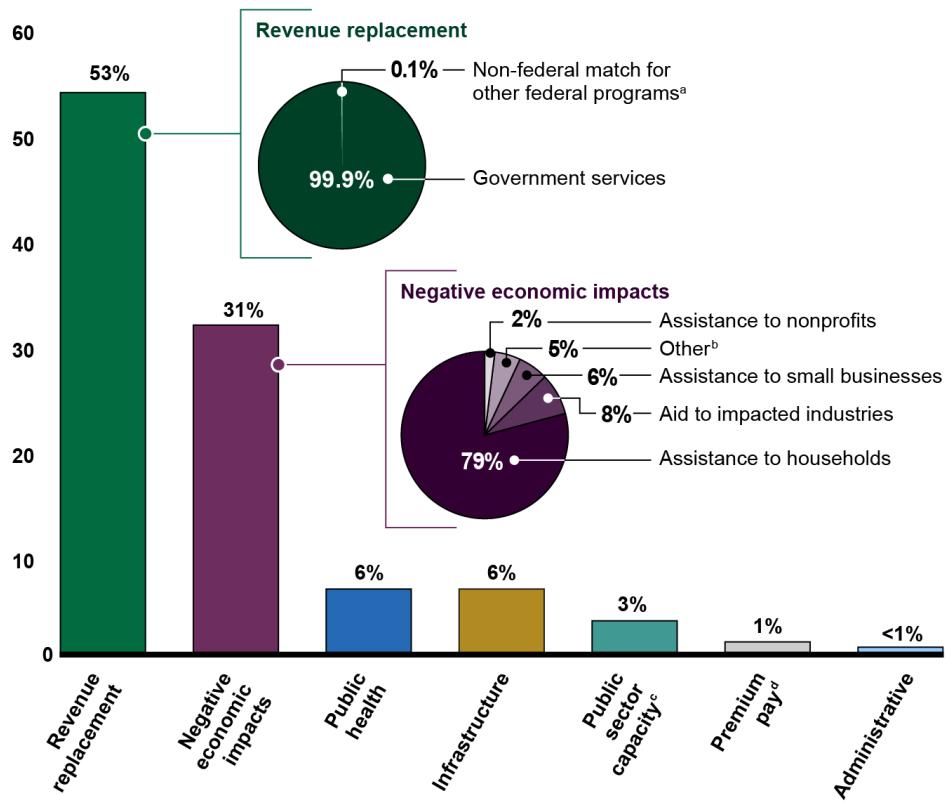


Source: GAO analysis of Department of the Treasury data; GAO (Map). | GAO-26-108587

How have states used their SLFRF awards?

In the aggregate, the majority of the \$156.3 billion in SLFRF awards the states reported spending was used for two purposes: (1) replacing revenue and (2) addressing the negative economic impacts of COVID-19. Figure 4 shows that states reported spending 53 percent (\$82.6 billion) of their SLFRF awards to replace revenue and 31 percent (\$47.9 billion) of their awards to address the negative economic impacts of COVID-19.

Figure 4: States' Reported Spending of Coronavirus State and Local Fiscal Recovery Funds (SLRFF) by Treasury Spending Category, as of March 31, 2025



Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

Note: Percentages may not add to 100 due to rounding.

^aRecipients generally may use funds under the revenue replacement category to meet the non-federal cost-share or matching requirements for other federal programs.

^bOther includes funding for such purposes as assistance for education, healthy childhood environments, and social determinants of health.

^cTreasury guidance refers to this category as Public health-Negative economic impact: Public sector capacity.

^dBased on Treasury guidance, recipients may not provide premium pay for work performed after April 10, 2023, when the National Emergency concerning COVID-19 ended, but may award premium pay for work performed prior to that date.

Revenue Replacement and Negative Economic Impacts Spending

In 20 states and the District of Columbia, revenue replacement accounted for over half of reported spending. North Dakota (100 percent), California (83 percent), and Indiana (79 percent) reported the largest shares, while Idaho and Oklahoma reported not spending any funds to replace revenue.

Of the funds spent on replacing revenue, nearly all (over 99 percent) were spent on government services. As described earlier, states may use their funds to cover a broad range of government services under this spending category, up to the amount of revenue loss experienced during the pandemic.

Addressing the negative economic impacts of COVID-19 accounted for the largest shares of reported spending for Minnesota (83 percent), Maine (64 percent), and Georgia and Illinois (62 percent each), while North Dakota and South Carolina reported spending no funds for this purpose.

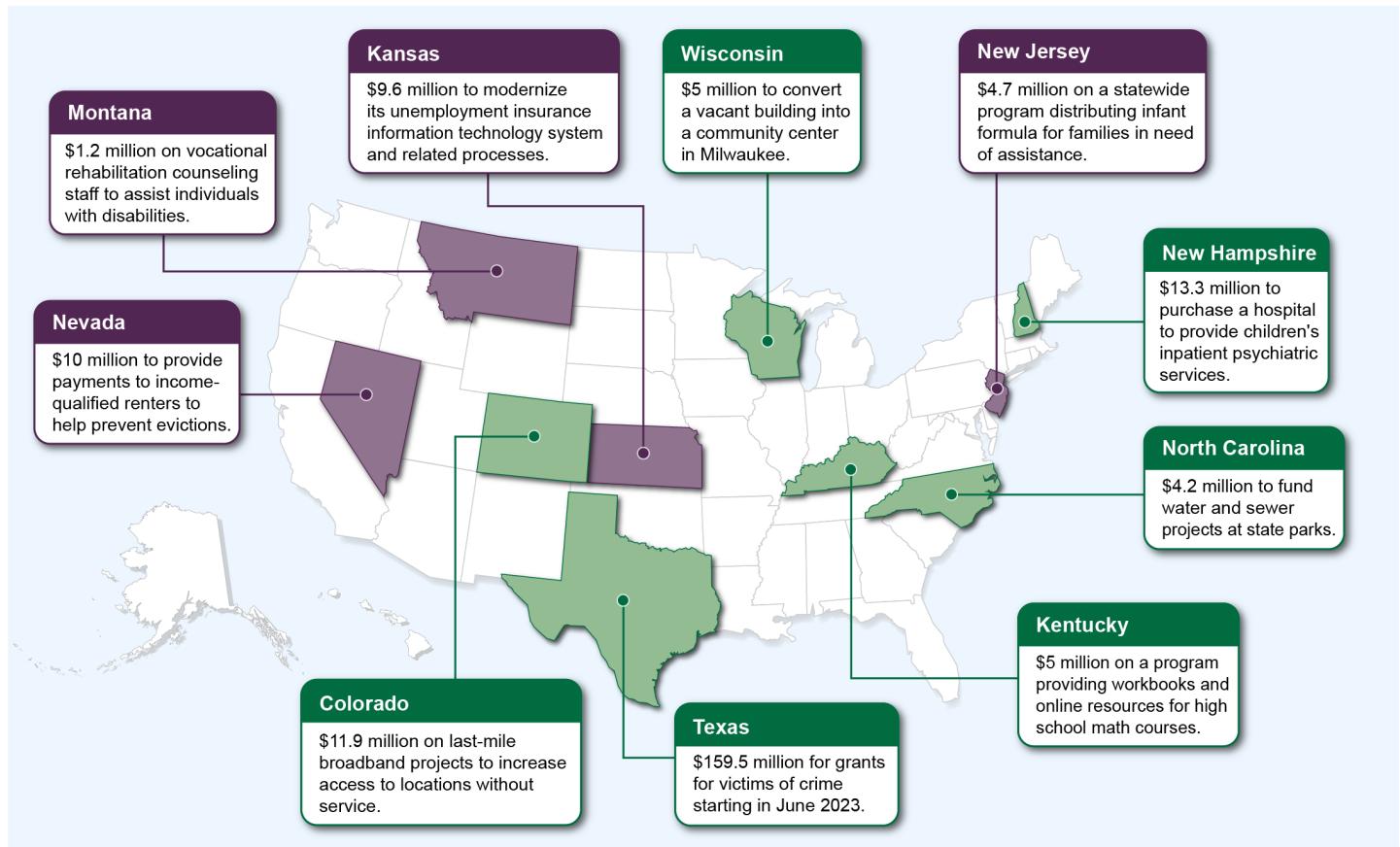
Most (79 percent) of the funds spent on addressing the negative economic impacts of COVID-19 were used to provide assistance to households.

Contributions to state unemployment insurance trust funds accounted for 47 percent (\$22.4 billion) of the spending on assistance to households.¹⁸ Texas

(\$6.2 billion), Illinois (\$4.1 billion), and Minnesota (\$2.3 billion) reported spending the most on these trust funds.

Examples of states' reported spending on individual projects to replace revenue and address the negative economic impacts of COVID-19 are shown in figure 5.

Figure 5: Examples of States' Reported Spending on Coronavirus State and Local Fiscal Recovery Funds Projects to Replace Revenue and Address the Negative Economic Impacts of COVID-19



Categories of Projects

Revenue replacement projects Negative economic impacts projects

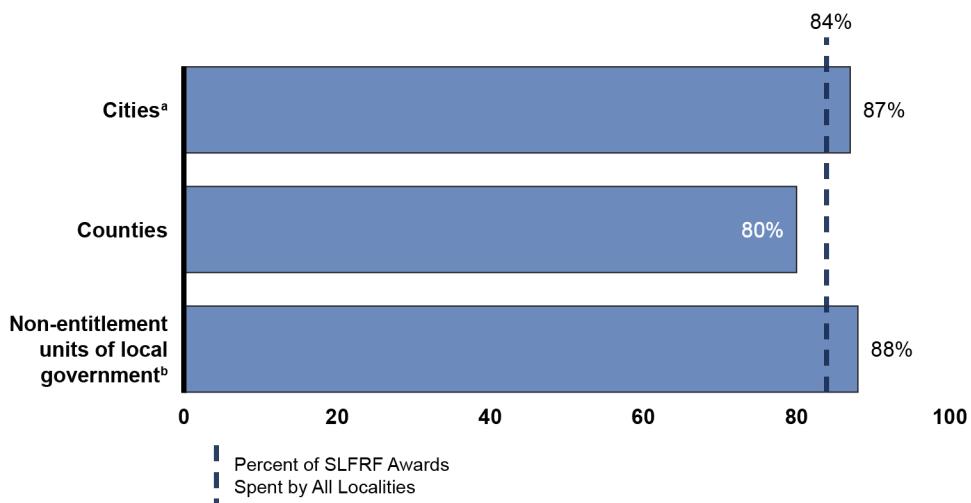
Sources: GAO analysis of Department of the Treasury data; GAO (Map). | GAO-26-108587

How much of their SLFRF awards have localities spent?

Localities reported spending \$107.2 billion (84 percent) of the \$127.8 billion in SLFRF awards they received in the aggregate, as of March 31, 2025. In comparison, localities that submitted a report as of March 31, 2024, reported spending 60 percent of their awards, in the aggregate.

Localities' reported spending amounts varied by locality type. As shown in figure 6, cities, counties, and NEUs reported spending between 80 and 88 percent of their awards as of March 31, 2025.

Figure 6: Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Reported Spending by Locality Type, as of March 31, 2025



Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

^aCities refer to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government as defined in 42 U.S.C. § 803(g)(5).

The shares of SLFRF awards localities reported spending varied by locality type. For example, table 3 shows that 75 percent of cities, 79 percent of counties, and 88 percent of NEUs each reported spending between 75 percent and 100 percent of their SLFRF awards. Three percent of NEUs reported spending none of their SLFRF awards.

Table 3: Shares of Coronavirus State and Local Fiscal Recovery Funds Reported Spending by Locality Type, as of March 31, 2025

Locality	Greater than 0%, less than 50%	50% to less than 75%	75% to less than 100%	100%
Cities ^a	0%	5%	20%	37%
Counties	0%	6%	14%	35%
Non-entitlement units of local government ^b	3%	5%	15%	73%

Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

Note: Percentages may not add to 100 due to rounding.

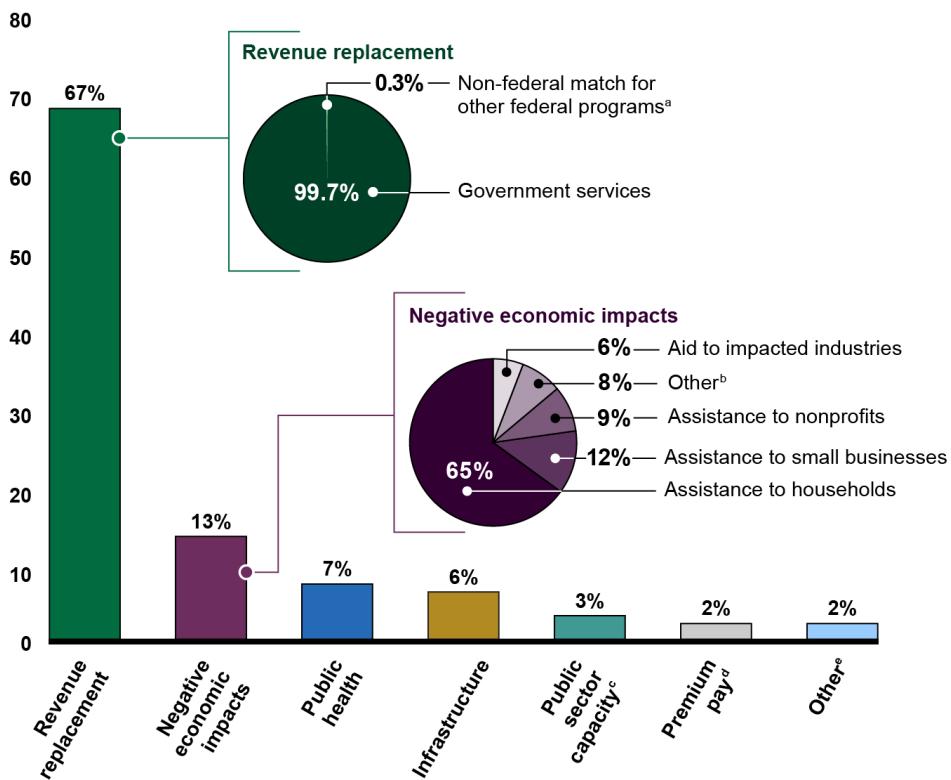
^aCities refer to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government as defined in 42 U.S.C. § 803(g)(5).

How have localities used their SLFRF awards?

Similar to states, replacing revenue and addressing the negative economic impacts of COVID-19 accounted for most of the localities' \$107.2 billion in SLFRF spending. Figure 7 shows that localities collectively reported spending 67 percent (\$71.9 billion) of their SLFRF awards to replace revenue and 13 percent (\$13.5 billion) to address the negative economic impacts of COVID-19.

Figure 7: Localities' Coronavirus State and Local Fiscal Recovery Funds Reported Spending by Treasury Spending Category, as of March 31, 2025



Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

^aRecipients generally may use funds under the revenue replacement category to meet the non-federal cost-share or matching requirements for other federal programs.

^bOther includes funding for such purposes as assistance for education, healthy childhood environments, and social determinants of health.

^cTreasury guidance refers to this category as Public health-Negative economic impact: Public sector capacity.

^dBased on Treasury guidance, recipients may not provide premium pay for work performed after April 10, 2023, when the National Emergency concerning COVID-19 ended, but may award premium pay for work performed prior to that date.

^eOther includes the following spending categories: Administrative, Natural Disasters, Surface Transportation, and Title I projects.

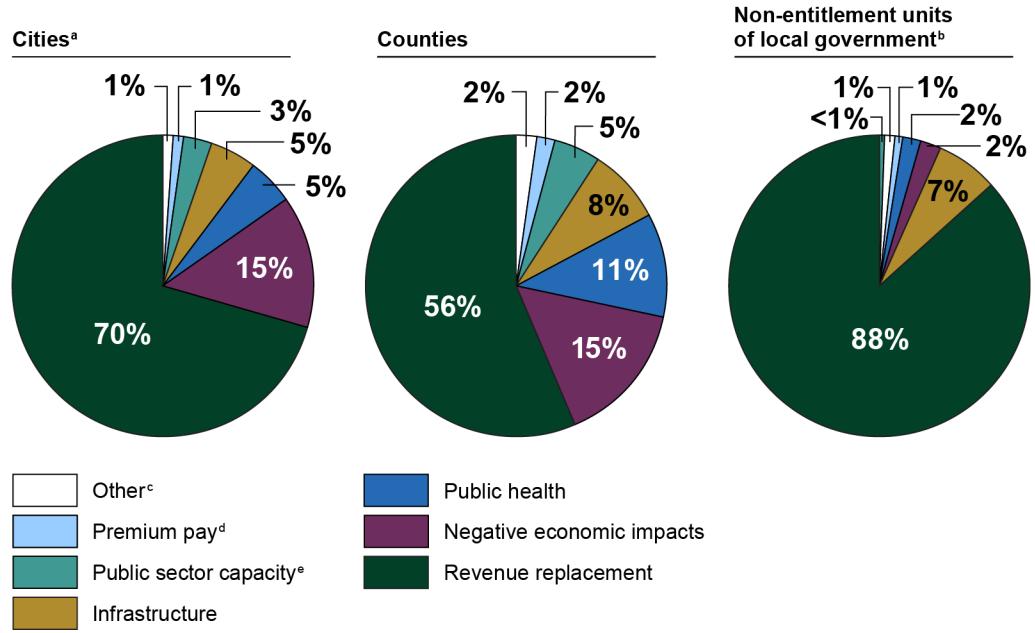
About 78 percent of localities (23,749) reported spending their entire SLFRF awards to replace revenue.

Of the \$13.5 billion that localities reported spending to address the negative economic impacts of COVID-19, localities used the majority (65 percent) for assistance to households. That amount included spending on housing and services for unhoused individuals and foster youths, as well as neighborhood projects promoting health and safety.

Spending by Locality Type and Treasury Spending Category

As shown in figure 8, cities (70 percent), counties (56 percent), and NEUs (88 percent) each collectively spent the largest share of funds on replacing revenue. Cities and counties (15 percent each) spent the second largest share of funds on addressing the negative economic impacts of the pandemic, while NEUs spent the second largest share on infrastructure (7 percent).

Figure 8: Coronavirus State and Local Fiscal Recovery Funds Reported Spending by Treasury Spending Category, as of March 31, 2025



Source: GAO analysis of Department of the Treasury data. | GAO-26-108587

Note: Percentages may not add to 100 due to rounding.

^aCities refer to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government as defined in 42 U.S.C. § 803(g)(5).

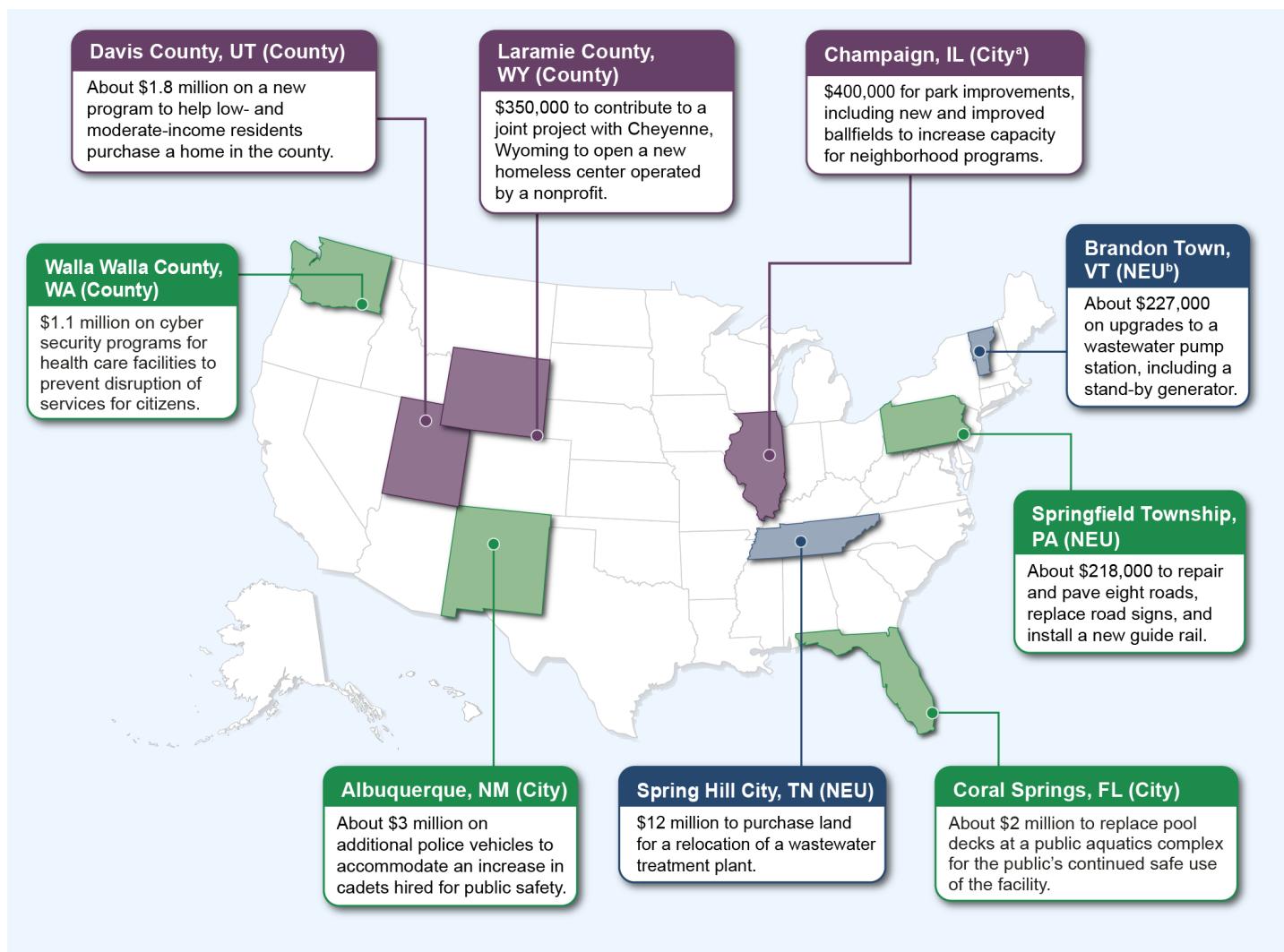
^cOther includes the following spending categories: Administrative, Natural Disasters, Surface Transportation, and Title I projects.

^dBased on Treasury guidance, recipients may not provide premium pay for work performed after April 10, 2023, when the National Emergency concerning COVID-19 ended, but may award premium pay for work performed prior to that date.

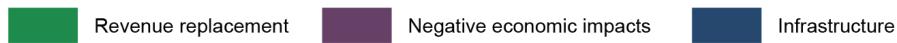
^eTreasury guidance refers to this category as Public health-Negative economic impact: Public sector capacity.

Cities', counties', and NEUs' spending to replace revenue, address the negative economic impacts of the pandemic, and invest in infrastructure varied in size, scope, and purpose. Figure 9 provides examples of projects localities reported in these areas.

Figure 9: Examples of Localities' Reported Spending on Coronavirus State and Local Fiscal Recovery Funds Projects by City, County, and Non-entitlement Unit of Local Government



Categories of Projects



Sources: GAO analysis of Department of the Treasury data; GAO (Map). | GAO-26-108587

^aCity refers to metropolitan cities as defined in 42 U.S.C. § 803(g)(4).

^bNon-entitlement units of local government (NEU) as defined in 42 U.S.C. § 803(g)(5).

As with the states, cities' and counties' largest area of spending to address the negative economic impacts of the pandemic was providing assistance to households. Cities spent most of this assistance on investments in outdoor public spaces, such as parks and public plazas. Counties spent most of these funds on affordable housing, including addressing housing insecurity and lack of affordable housing.

NEUs used most of their infrastructure spending on water-related projects, such as sewer infrastructure and wastewater collection, conveyance, and treatment.

Agency Comments

We provided a draft of this report to Treasury for review and comment. Treasury provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

To inform our work, we reviewed relevant federal laws and regulations governing the SLFRF program and Treasury SLFRF program guidance, policies, and procedures. We also interviewed Treasury officials.

To determine how much SLFRF funding states and localities reported obligating and spending, we analyzed data from project and expenditure (P&E) reports that states and localities submitted to Treasury that reflected SLFRF obligations and spending as of March 31, 2025. These data included information from 688 localities that did not submit a report with information as of March 31, 2025, but had previously submitted a required report for a prior reporting cycle (e.g., as of March 31, 2024). We included these recipients' data in our analysis of the amounts obligated and spent. Treasury made these data publicly available in August 2025 for recipients that report quarterly and in November 2025 for recipients that report annually. These data were the most recently complete data available for all states and localities at the time of our review.

To identify each locality as a city, county, or NEU, we analyzed Treasury data and consulted with Treasury officials. We identified which recipients requested their SLFRF awards directly from Treasury because cities and counties were to receive funds directly from Treasury while NEUs were to receive their funds through the states. For localities that received their funds from Treasury, we categorized localities with "county," "parish," or "borough" in their name as a "county" and the remaining localities as a "city." For localities that did not receive funds directly from Treasury, we categorized them as an "NEU." In addition, Treasury officials identified which localities were consolidated jurisdictions (i.e., local governments that received funds from a combination of city, county, or NEU allocations). To categorize the consolidated jurisdictions, we determined the composition of their funding and categorized them as the locality type that comprised the majority of their SLFRF award total.

To assess the reliability of Treasury data, we reviewed Treasury's technical documentation for P&E reports and discussed the data with Treasury officials. We determined the data were sufficiently reliable for reporting the amount of SLFRF awards states and localities received, obligated, and spent.

We conducted this performance audit from June 2025 to February 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Susan Collins
Chair
The Honorable Patty Murray
Vice Chair
Committee on Appropriations
United States Senate

The Honorable Mike Crapo
Chairman
The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate

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Endnotes

¹Pub. L. No. 117-2, tit. IX, subtit. M, § 9901, 135 Stat. 4, 223 (2021), codified at 42 U.S.C. §§ 802-803 (ARPA). Sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (ARPA) appropriated \$350 billion in total funding for two funds—the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund. For purposes of this report, we discuss these two funds as one—the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). See 42 U.S.C. §§ 802-803. For purposes of the SLFRF, ARPA establishes that the District of Columbia is considered to be a state. 42 U.S.C. §§ 802(g)(5), 803(g)(9).

²The Consolidated Appropriations Act, 2023, authorized SLFRF funding for emergency relief from natural disasters or the negative economic impacts of natural disasters, and certain infrastructure and community development projects that meet existing eligibility criteria. Pub. L. No. 117-328, div. LL, § 102, 136 Stat. 4459, 6097 (2022). Funds for certain infrastructure and community development projects must have been obligated by December 31, 2024, and spent by September 30, 2026. For example, this includes funds for the Bridge Investment Program, National Highway Performance Program, and Surface Transportation Block Grant Program, among other programs, and activities under Title I of the Housing and Community Development Act of 1974. 42 U.S.C. § 802(c)(5)(A)-(E).

³Pub. L. No. 116-136, § 19010(b), 134 Stat. 281, 580 (2020). All of our reports related to the COVID-19 pandemic are available at <https://www.gao.gov/coronavirus>.

⁴See GAO, *COVID-19 Relief: States' and Localities' Fiscal Recovery Funds Spending as of March 31, 2024*, [GAO-24-107301](#) (Washington, D.C.: Sept. 26, 2024); *COVID-19 Relief: State and Local Recovery Funds Spending as of September 30, 2023*, [GAO-24-107472](#) (Washington, D.C.: Apr. 10, 2024); and *COVID-19 Relief: States' and Localities' Fiscal Recovery Funds Spending as of March 31, 2023*, [GAO-24-106753](#) (Washington, D.C.: Oct. 11, 2023)and. We excluded tribal governments, U.S. territories, and local governments in the territories from our analysis. We reported on federal agencies' distribution of COVID-19 relief funds, including the SLFRF, to tribal recipients in December 2022. See GAO, *COVID-19 Relief Funds: Lessons Learned Could Improve Future Distribution of Federal Emergency Relief to Tribal Recipients*, [GAO-23-105473](#) (Washington, D.C.: Dec. 15, 2022). We reported on the U.S. territories' use of COVID-19 relief funds, including the SLFRF, in September 2023. See GAO, *COVID-19: U.S. Territory Experiences Could Inform Future Federal Relief*, [GAO-23-106050](#) (Washington, D.C.: Sept. 19, 2023).

⁵All five U.S. territories (i.e., American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands) each reported obligating the entirety of their SLFRF awards. In the aggregate, the territories reported spending about 84 percent of their SLFRF awards as of March 31, 2025, which varied by territory. Of the SLFRF awards they received, American Samoa reported spending 20 percent (about \$99 million); the Commonwealth of the Northern Mariana Islands reported spending 95 percent (about \$460 million); Guam reported spending 75 percent (about \$453 million); Puerto Rico reported spending 95 percent (\$2.3 billion); and the U.S. Virgin Islands reported spending 93 percent (\$508 million). Treasury's publicly available project and expenditure (P&E) report data did not include information from tribal governments.

⁶42 U.S.C. §§ 803(g)(5), 5302(a)(5). NEUs include cities, villages, towns, townships, or other types of local governments.

⁷As of January 1, 2025, SLFRF awards had not been disbursed to some Tribes and counties because those recipients had not requested their funds, according to Treasury officials. Specifically, this amount included \$3.4 million for Tribes and \$9.7 million for counties. Treasury officials told us that following the December 31, 2024, deadline to obligate SLFRF funds, Treasury has deobligated these funds and will not disburse them.

⁸Treasury officials told us they historically accepted new data submissions and revisions to submissions from recipients for 60 days following the submission deadline. For the data Treasury made publicly available with information as of March 31, 2025, Treasury included the submissions received as of September 30, 2025.

⁹Treasury publishes data reported by states and localities on its website at [Public Data | U.S. Department of the Treasury](#).

¹⁰ARPA established that recipients can use their SLFRF awards to cover costs incurred by December 31, 2024, to (1) respond to the coronavirus public health emergency or its negative economic impacts; (2) provide premium pay to essential workers, or grants to employers with essential workers; (3) provide government services up to the amount of the reduction in revenue due to the COVID-19 pandemic; and (4) make necessary investments in water, sewer, or broadband infrastructure. 42 U.S.C. §§ 802(c), 803(c). Subsequently, the Consolidated Appropriations Act, 2023, established that recipients may also use their awards to provide emergency relief from natural disasters or the negative impacts of natural disasters and to invest in certain infrastructure projects. Pub. L. No. 117-328, div. LL, § 102, 136 Stat. 4459, 6098 (2022), which is codified at 42 U.S.C. §§ 802(c)(1)(E), 803(c)(1)(E), 802(c)(5), 803(c)(6). Based on Treasury guidance, recipients may not provide premium pay for work performed after April 10, 2023, when the National Emergency concerning COVID-19 ended, but may award premium pay for work performed prior to that date. There are several restrictions on recipients' uses of SLFRF awards. Recipients other than tribal governments may not deposit SLFRF awards into a pension fund. 42 U.S.C. §§ 802(c)(2)(B), 803(c)(2). Also, recipients that are states or territories may not use SLFRF awards to offset a reduction in net tax revenue resulting from the recipient's change in law, regulation, or administrative interpretation. 42 U.S.C. § 802(c)(2)(A). However, this offset provision has been found to be unconstitutional by some courts. See *West Virginia v. Dept. of Treasury*, 59 F.4th 1124 (11th Cir. 2023); *Texas v. Yellen*, 105 F.4th 755 (5th Cir. 2024). In addition, recipients may not use SLFRF awards to service debt, satisfy a judgment or settlement, or contribute to a "rainy day" fund. 87 Fed. Reg. 4338, 4394 (Jan. 27, 2022).

¹¹The Consolidated Appropriations Act, 2023, codified the availability of the standard allowance provided in Treasury's final rule. Pub. L. No. 117-328, div. LL, § 102(a), 136 Stat. 4459 (2022).

¹²Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds: Frequently Asked Questions* (as of April 29, 2025), accessed September 26, 2025, <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

¹³ARPA allocated \$195.3 billion to states and the District of Columbia. The District of Columbia also received funds allocated to metropolitan cities and counties, in accordance with ARPA. As a result, the total amount of SLFRF awards states and localities received was \$195.8 billion.

¹⁴Treasury's public data included information for 688 localities that did not submit a report with information as of March 31, 2025, but had previously submitted a required report for a prior reporting cycle. These recipients account for \$369.1 million in SLFRF awards received.

¹⁵We reported on SLFRF recipients' compliance with Treasury's P&E reporting requirements and Treasury's efforts to ensure compliance. These efforts have included initiating recoupment of awards from these 135 recipients for failure to submit the required reports. We recommended that Treasury develop and document procedures and guidance for recipients that identify the timing and circumstances under which Treasury will initiate future recoupment for recipients that have not met SLFRF reporting requirements. See GAO, *COVID-19 Relief: Treasury Could Improve Compliance Procedures and Guidance for State and Local Fiscal Recovery Funds*, [GAO-25-107909](https://www.gao.gov/reports/gao-25-107909) (Washington, D.C.: July 22, 2025).

¹⁶For purposes of this report, the \$111.4 million does not include the \$6.1 million in unobligated SLFRF awards from localities that have never submitted a report to Treasury. As discussed earlier, 135 localities, accounting for \$6.1 million in SLFRF awards, have never submitted a P&E report to Treasury.

¹⁷Specifically, 31 C.F.R. § 35.5 states, “A recipient must return any funds that have not been obligated by December 31, 2024, pursuant to orders placed for property and services or entry into contracts, subawards, and similar transactions that require payment other than funds in the amount reported to Treasury by April 30, 2024, as the estimate of funds that the recipient will expend to comply with a requirement under federal law or regulation or provision of the award terms and conditions to which a recipient becomes subject as a result of receiving or expending funds.”

¹⁸According to the Department of Labor, each state maintains its own Unemployment Insurance (UI) trust fund reserve built from state taxes, primarily on employers, and used only to pay for state UI benefits. According to Treasury's guidance, under the public health and negative economic impacts spending category, recipients may use SLFRF funds for contributions to unemployment insurance trust funds and repayment of the principal amount due on advances received under Title XII of the Social Security Act up to an amount equal to (1) the difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020, and the balance of such account as of May 17, 2021; plus (2) the principal amount outstanding as of May 17, 2021, on any advances received under Title XII of the Social Security Act between January 27, 2020, and May 17, 2021.