



May 20, 2020

Congress Unveils Bipartisan SMART Fund to Aid State and Local Governments

Specifically, the SMART Fund would provide \$500 billion to state, local, and tribal governments to help “avoid mass layoffs, steep tax hikes, and a breakdown of essential services.” \$16 billion is set-aside for Native American tribal governments, and the remaining funds are allocated as follows:

1/3 Based on Population Size. This tranche of funding is allocated to all 50 states, D.C., and U.S. territories in proportion to each state’s percentage of the U.S. population. Counties and municipalities will each get a share of one-sixth of their state’s allocation for a combined total of one-third of their state’s allocation. Funds are distributed to counties and municipalities based on their proportion of the state’s population.

1/3 Based on Infection Rates. This tranche of funding is allocated based on each state’s relative share of the nation’s infection rate. Counties and municipalities will each get a share of one-sixth of their state’s allocation for a combined total of one-third of their state’s allocation. Funds are distributed to counties and municipalities based on each county or municipality’s proportion of the state’s population.

1/3 Based on Revenue Loss. This tranche of funding is allocated based on each state’s revenue loss in proportion to the combined revenue loss of all states from January 1, 2020 through December 31, 2020. Counties and municipalities will each get a share of one-sixth of their state’s allocation for a combined total of one-third of their state’s allocation. Funds are distributed to counties and municipalities based on each county or municipality’s revenue loss from January 1, 2020 to December 31, 2020 in proportion to the combined revenue loss for all counties and municipalities in the state over this period. This is to ensure that adequate funding flows to counties and municipalities that are disproportionately affected relative to their population.

The [Senate press release](#) provided the following example: If a state is awarded \$6 billion in SMART funds, \$4 billion would go to help stabilize the state government, \$1 billion would be split among its counties and \$1 billion would be dispersed to each of its municipalities based upon the respective criteria in each tranche.

Senate sponsors/original cosponsors are: Menendez (D-NJ), Cassidy (R-LA), Manchin (D-WV), Hyde-Smith (R-MS), Booker (D-NJ), Collins (R-ME)

House sponsors/original cosponsors are: Sherrill (D-NJ), King (R-NY), Gottheimer (D-NJ), Reed (R-NY), O’Halloran (D-AZ), Upton (R-MI), Lieu (D-CA), Fitzpatrick (R-PA), Dingell (D-MI), Stefanik (R-NY)