

Baker to distribute \$502 million from the federal Coronavirus Relief Fund to local cities and towns

The Baker-Polito Administration Thursday announced that it is preparing to distribute up to \$502 million from the federal Coronavirus Relief Fund to local cities and towns for eligible costs related to the COVID-19 response effort. The Administration is also providing guidance to local municipalities on this formal distribution process and establishing protocols to maximize the use of federal resources and promote compliance with federal restrictions.

This distribution, plus funds allocated directly to Boston and Plymouth County, represents approximately 25% of the state's allocation from the Coronavirus Relief Fund, and in most cases, is expected to be sufficient to address incurred or expected eligible COVID-related expenses. This approach is intended to distribute money to municipalities quickly and efficiently, and maintain necessary flexibility to allocate additional funds if unanticipated needs arise, or if federal rules change. These resources will also help ease municipal cashflow pressures.

The Administration's distribution process will allow municipalities to apply for estimated Fiscal Year 2020 (FY20) needs. These funds will help address any existing deficits in FY20, thereby avoiding the need to use reserves to fund a deficit or carry one into Fiscal Year 2021 (FY21). Municipalities will then have the opportunity to request funding for FY21 eligible COVID-19 costs at a later date.

These funds must be utilized by municipalities consistent with

parameters established by the federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) and guidance from the US Treasury Department.