

# CARES Act, State and Local Governments, and the Cultural Industry

The CARES Act set aside \$150B for states, counties, and municipalities to distribute via the Coronavirus Relief Fund ("CRF").

Counties and Municipalities may use these funds on "necessary expenditures" including economic development and recovery. Use must meet the following criteria:

1. Can't backfill government budgets
2. Must be related to COVID or recovery
3. State, cities, and counties may not use CARES Act funds for the same expenditures or risk having to reimburse the federal government

Use can include economic assistance including unemployment, business interruptions, re-opening costs, and rent assistance. Guidance from the [Treasury Department](#) specifically states: "Fund payments may be used for...a grant program to benefit businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency."

The cultural sector is hurting and is in danger of closing permanently. As an industry, Utah's arts, humanities and entertainment businesses have experienced:

- \$55 million in losses
- 1,500 terminated jobs (we expect increased unemployment claims when PPP funds end June 30)
- This industry has a long runway to re-opening

Utah Cultural Alliance encourages state, county, and city governments use their CRF funds to create grant programs to support the hardest hit industries, including humanities, museums, arts, and entertainment.

**Coordination:** an easy solution to prevent CRF duplication is providing support for different timelines, i.e. a city could help with March/April economic loss, the county could cover May/June, and the state could cover July forward. UCA is happy to assist with coordinating grant programs to avoid duplication.

[CRF Allocations to Municipalities](#)  
[SL County program](#)

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