



Arizona will get approximately \$12.3 billion from the latest federal COVID-19 aid package, [according to legislative economists](#). That's more than the current state budget, and almost three times the amount Arizona received from the CARES Act – the last COVID-19 aid bill.

It will take time for official totals to arrive, but early estimates show that the bill will provide funding for specific priorities:

- General Assistance

The state will receive \$4.8 billion in “recovery funds” intended to boost the response to COVID-19 or its impacts. That includes economic impacts, essential worker salaries, lost revenues, and critical infrastructure. It cannot be used to cut taxes or pay pensions.

- Local and Tribal Governments

Arizona cities and counties will receive an estimated \$2.6 billion in aid funding, distributed according to population size.

The federal legislation also designates a total of \$2 billion nationwide for the Local Assistance and Tribal Consistency Fund. Counties may receive funding if they experienced revenue losses because of changes to federal programs and may be used for any governmental purpose except lobbying.

- Education

The legislation directs an estimated \$3.2 billion toward K-12 and higher education in Arizona, including funding for broadband infrastructure.

- Health

The federal legislation provides \$1.7 billion for services through AHCCCS, the Department of Health Services (DHS), and the Department of Economic Security (DES).

That includes funding for AHCCCS programs:

- Grants for teaching centers that operate Graduate Medical Education (\$7 million)
- Community mental health services block grants (\$30 million)
- Substance abuse prevention treatment block grants (\$30 million)
- Local substance use disorder services (\$600,000) and local behavioral health needs (\$1 million)

The bill provides a 100% match for Medicaid and KidsCare COVID-19 vaccines, authorizes states to provide coverage to uninsured for COVID-19 vaccines and treatment without cost-sharing, and a 100% federal match through the public health emergency.

It allows states to extend Medicaid eligibility to women for 12 months postpartum (for five years), raises the federal match to 85% for mobile crisis intervention services, provides a 100% match for services to beneficiaries under Urban Indian Organizations, and provides a temporary 10% federal match for states to make improvements to Medicaid Home and Community Based Services for one year.

It eliminates the cap on drug rebates, which will increase Arizona's Prescription Drug Rebate Funds by approximately \$13 million.

The funding also includes these resources for Arizona:

- \$150 million for vaccine grants
- \$960 million for COVID-19 testing, contact tracing, and mitigation
- \$153 million for state and local public health departments to recruit and train public health workers
- \$152 million for community health centers.
- \$2 million for mental and behavioral health training for health care workers and public safety officers
- \$800,000 to promote mental and behavioral health to health professionals
- \$5 million for nursing facilities strike teams
- \$170 million to rural health care providers for health care-related expenses and lost revenues resulting from the pandemic
- \$10 million for emergency rural development grants to cover rural health care, including vaccine distribution and lost revenues

The bill provides subsidies for workers that are eligible for continuation coverage under COBRA because they were fired or had their hours reduced at work and provides refundable payroll tax credits for employers and health plans to get reimbursed for the full cost of COBRA premiums.

- Human Services

The bill allocates \$979 million to Arizona agencies that provide food and economic assistance, including the Supplemental Nutritional Assistance Program (SNAP), the Women Infants and Children (WIC) food program, and services to older Americans. It allocates funding to child care programs and family abuse prevention programs and to the Low-Income Home Energy Assistance Program.

- Housing

The bill has funding for emergency rental assistance (\$374 million), homeowner assistance (\$199 million), and housing counseling (\$2 million). It directs \$100 million to Arizona's Homeless Assistance and Supportive Services Program, \$100 million for emergency housing choice vouchers for those facing homelessness or domestic violence, and \$2 million in emergency assistance for rural households that have lost income.

It allocates \$10 million for low-income Arizonans who need assistance with drinking water and wastewater expenses.

- Infrastructure

The bill directs mass transit grants to specific areas and populations of Arizona – including \$522 million for urbanized areas, \$160 million for rural areas, and \$1 million for seniors and individuals with disabilities.

Arizona airports will get \$160 million to spend until September 30, 2024.

Arizona will receive approximately \$187 million for critical capital projects that directly enable work, education, and health monitoring – including remote options. The U.S. Treasury Secretary will establish an application process to distribute the funding.

\$60 million will go toward competitive assistance to regions of the state that are experience adverse economic impacts and need money for technical planning, public works, and infrastructure assistance.

- Businesses

The bill reauthorizes the State Small Business Credit Initiative Act of 2010 and directs \$200 million to support Arizona small business financing. It allows most non-profits to qualify for the Paycheck Protection Program and puts another \$7.25 billion into the PPP – legislative economists predict that Arizona's share could be \$145 million.

There's an estimated \$300 million for targeted small business advance loans, and \$500 million for assistants to Arizona restaurants.

- Taxes

The bill provides tax breaks for specific businesses and populations – including a \$1,400 payment for individuals that earn less than \$75,000. There's a fully refundable child tax credit of \$3,000 (\$3,600 for children under six) and more access to the Earned Income Tax Credit. There are tax benefits for child and dependent care, paid sick and family leave, and employee retention. Individuals that earn up to 400% of the federal poverty level can qualify fo the refundable Health Insurance Premium Tax Credit for two years.

The bill exempts all restaurant revitalization grants and COVID-related student loan relief from taxes and provides a tax exemption for \$10,200 in unemployment insurance benefits for households that earn up to \$150,000.

- Unemployment Insurance

The government provides another \$300 a week in federal pandemic unemployment compensation and extends federal funding for unemployment benefits and unemployment assistance to a variety of impacted unemployment categories. It increases the employer reimbursement subsidies and continues reimbursement until September 6, 2021.