

# **Federal Coronavirus Response Legislation**

**May 29, 2020**

**JLBC**

## TABLE OF CONTENTS

	<u>Page</u>
<b>SUMMARY</b>	
• Coronavirus Relief Fund .....	3
• U.S. Treasury/Federal Reserve Lending Programs .....	4
• Unemployment Insurance .....	4
• Education.....	5
• Health .....	5
• Emergency Relief .....	6
• Food Assistance .....	6
• Children and Families .....	6
• Elderly and Community Living .....	7
• Housing and Urban Development .....	7
• Transportation.....	7
• Other .....	8
• Tribal Relief.....	8
• Direct Aid to Individuals and Businesses .....	9
• Table 1: Funding for Arizona State and Local Governments from Federal Coronavirus Response Legislation ...	12
• Table 2: Direct Aid to Arizona Individuals and Businesses from Federal Coronavirus Response Legislation .....	14

## Federal Coronavirus Response Legislation Program Summary

### Overview

The federal government has enacted several major laws in response to the COVID-19 pandemic:

- The 2020 Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), a stimulus package valued at \$8.3 billion, was enacted on March 6, 2020. (Referred to in this Program Summary as COVID 1)
- The Families First Coronavirus Response Act (P.L. 116-127), enacted on March 18, 2020, is estimated at \$192 billion. (COVID 2)
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) is estimated at approximately \$2.2 trillion and was enacted on March 27, 2020. (COVID 3)
- The Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139), estimated at \$484 billion, was enacted on April 24, 2020. (COVID 3.5)
- A fifth piece of legislation is currently being considered. (COVID 4)

### Provisions

This document provides a summary of federal funding distributed to the state and local governments. We estimate that the state will receive \$3.8 billion and local governments will receive \$1.0 billion, for a total of \$4.8 billion in aid to Arizona governments.

We have revised this Program Summary to provide new estimates, greater detail on tribal relief programs, and other additions.

Figures will be further updated as more information becomes available. Actual monies distributed are reflected in this Program Summary. Estimates primarily come from the Federal Funds Information for States, a collaboration between the National Conference of State Legislatures (NCSL) and the National Governors Association that tracks the fiscal impact of federal actions on states. *(See Table 1 for a summary of Arizona's share of funding from the coronavirus response legislation.)*

The \$4.8 billion estimate excludes direct aid to individuals and businesses. Based on currently available information, Arizona individuals and businesses will receive \$18.3 billion in direct federal aid. In this revised Program Summary, we provide estimates for many of these programs. *(See Direct Aid to Individuals and Businesses section and Table 2 for more information.)*

Most of the following provisions were enacted as part of COVID 3. Funding included in other pieces of legislation are noted as such.

#### Coronavirus Relief Fund

A total of \$150 billion in federal funding was distributed to state and local governments. States are allocated funding based on their share of population, with each state guaranteed a minimum funding amount of \$1.25 billion. Based on this formula, Arizona's total allocation from the Coronavirus Relief Fund (CRF) is \$2.82 billion for both its state and local governments combined.

Monies from the CRF may only be used for costs that are: 1) necessary expenditures incurred due to the public health emergency; 2) not accounted for in the state/local government's budget most recently approved as of March 27, 2020; and 3) incurred from March 1, 2020 to December 30, 2020. The state budget for FY 2021 was signed into law after the federal legislation was enacted.

These funds may not be used to offset revenue shortfalls. COVID 4 may further address this issue.

- Of Arizona's total allocation, the state received \$1.86 billion of the \$2.82 billion. These monies have been deposited in the state's Operating Fund and are controlled by the Executive. Of the state's allocation, \$441

million will be distributed to local governments and \$150 million will be used for the Arizona Express Pay Program.

- Local governments (counties, cities, and towns) with populations over 500,000 were eligible to receive direct payments totaling \$965 million of the \$2.82 billion. The local governments in Arizona that received direct payments are Maricopa County (\$399 million), City of Phoenix (\$293 million), Pima County (\$87 million), City of Tucson (\$96 million), and City of Mesa (\$90 million).

#### U.S. Treasury/Federal Reserve Lending Programs

The U.S. Treasury has \$500 billion in loan capacity for business and governmental entities. This amount includes \$46 billion in set-asides for certain industries and \$454 billion for Federal Reserve programs.

Of the \$454 billion for Federal Reserve programs, \$35 billion from the U.S. Treasury has been allocated for the Municipal Liquidity Facility (MLF). The Federal Reserve has allocated an additional \$465 billion of its own funds to the MLF, for a total of \$500 billion.

The MLF will purchase short-term (maturity of 3 years or less) notes from states, counties with a population of at least 500,000, cities with a population of at least 250,000, and multi-state entities. In Arizona, eligible governments are the state, Maricopa County, City of Phoenix, City of Mesa, City of Chandler, City of Scottsdale, City of Glendale, Pima County, and City of Tucson.

The Federal Reserve may purchase up to \$4.2 billion in eligible notes from the state and a total of \$1.5 billion from local governments in Arizona.

For more information on the MLF, see [here](#).

#### Unemployment Insurance

- Benefits are increased by \$600 per week, in addition to what the enrollee would otherwise receive. For Arizona enrollees, maximum weekly unemployment insurance (UI) benefits are increased from \$240 under current law to \$840. The \$600 increase is 100% federally-funded. The increase applies to enrollees from March 27, 2020, through July 31, 2020.
- Individuals that have already exhausted their regular 26 weeks of UI benefits may receive an additional 13 weeks of UI benefits. Benefits are the same as the enhanced regular UI benefit (in Arizona, a maximum of \$840 weekly). The additional 13 weeks are 100% federally-funded and are effective through December 31, 2020.
- Eligibility for UI is expanded to self-employed individuals and other individuals at the option of states for those who lack access to unemployment insurance or other private paid leave and are not able or available to work due to COVID-19. Benefits for these individuals are 100% federally-funded.
- For more information, see the Program Summary on [Unemployment Insurance Program Changes](#).
- For an estimate of federal UI benefits to individuals, see *Table 2*.
- UI administration (\$19 million): Under COVID 2, Arizona will receive an initial grant of \$10 million. A supplemental grant of \$10 million will be made available if the number of UI claims increases by 10% or more over the same quarter in 2019. This threshold has been exceeded in Arizona.
- Short-Time Compensation (STC) administration (\$2 million): The Arizona Shared Work program allows employees working reduced hours to receive a pro-rated portion of UI benefits. Employers may qualify for the program if employees' hours have been reduced by at least 10% and no more than 60%, and employers must continue to provide health and retirement benefits to participating employees. Employees in the program receive a \$600 weekly increase from March 29, 2020, through July 25, 2020. UI benefits paid through the STC program and the \$600 increase are 100% federally-funded. DES received \$2 million for administrative costs. Of the \$2 million award, one-third of funds (\$0.6 million) are for improved administration of the STC program and two-thirds (\$1.3 million) are for the promotion of the STC program and enrollment of employers in the program.
- Dislocated Worker Grants (\$1 million): DES received funds for disaster-relief cleanup, humanitarian assistance, and employment and training activities. These monies may also be used for contact tracing.

**For the remaining program descriptions, the amounts indicated below in parentheses represent estimates of Arizona's share of funding.**

### Education

The Education Stabilization Fund (ESF) allocates \$30.75 billion to states, school districts/charter schools, and higher education institutions. Arizona is expected to receive a total of \$650 million in ESF monies. The bill does not contain "supplement-not-supplant" language, but the state must meet maintenance-of-effort (MOE) requirements to receive ESF monies for the Governor's Fund and K-12 Education Fund.

- Governor's Emergency Education Relief Fund (\$69 million): These funds may be allocated at the governor's discretion to local education agencies, higher education institutions, or other education-related entities. Monies not allocated within 1 year of receipt will be reallocated to other states.
  - To receive the Governor's Fund monies, the state must keep its General Fund spending for K-12 and higher education at or above the average level of spending in FY 2017-FY 2019. See the following bullets for discussion of these levels of spending.
- Elementary and Secondary School Emergency Relief Fund (\$277 million): School districts and charter schools will receive at least 90% of the state allocation, or \$250 million, in proportion to the amount of Title I-A funding received. The state may retain up to 0.5%, or \$1 million, for administrative costs and up to 9.5%, or \$26 million, to address coronavirus-related emergency needs, as determined by ADE. See [here](#) for ADE's federal application for these funds, which has been approved by the U.S. Department of Education.
  - To receive the K-12 Education Fund monies, the state must keep its General Fund spending for K-12 at or above the average level of spending in FY 2017-FY 2019.
  - The MOE requires the state to maintain a spending level of \$4.33 billion for elementary and secondary education in FY 2020 and FY 2021. The FY 2020 budget provides \$866 million in state support above the MOE spending level, and the FY 2021 budget provides \$1.27 billion in state support above the MOE spending level. Therefore, all of the K-12 Education Fund monies could potentially be used to supplant state General Fund spending for K-12. The state also has the option to use some or all of the monies to supplement current K-12 funding levels.
- Higher Education Emergency Relief Fund (\$304 million): Federal Funds are distributed directly to institutions of higher education (IHEs). Of the \$304 million to Arizona IHEs, approximately \$122 million will go to public universities, \$82 million to community colleges, and \$101 million to private institutions. For some of these monies, at least 50% must be used for student grants, while the remainder may be used to offset revenue shortfalls. We previously estimated that Arizona IHEs would receive \$288 million. This figure has been adjusted to reflect additional allocations released by the U.S. Department of Education.
  - The MOE requires the state to maintain a spending level of \$721 million for higher education in FY 2020 and FY 2021. The FY 2020 budget provides \$66 million in state support above the MOE spending level, and the FY 2021 provides \$22 million in state support above the MOE spending level. Therefore, up to \$66 million in FY 2020 and \$22 million in FY 2021 could potentially be supplanted.
  - We previously reported that the MOE requires the state to maintain a spending level of \$709 million for higher education in FY 2020 and FY 2021. Our revised calculation includes state support for the Arizona Board of Regents.
  - See [here](#) for a breakdown of funds received by Arizona IHEs.
- Head Start (\$11 million)

### Health

- Temporary Medicaid Match Rate Increase (\$247 million): COVID 2 includes a temporary increase of 6.2% in each state's Federal Medical Assistance Percentage (FMAP) used to fund the Medicaid program. The increase is retroactive to January 1, 2020, and is effective for the duration of the federally-declared public health emergency in response to COVID-19. The increase also applies to Title IV-E payments. The JLBC Staff estimates that the 6.2% increase will reduce Arizona's state General Fund costs for the Medicaid program by \$(237) million and reduce DCS costs by an additional \$(10) million between January 2020 and June 2020. This estimate includes the Developmental Disabilities (DD) program administered by DES and accounts for caseload growth due to COVID-19.
- CDC grants (\$179 million): DHS received \$16 million in Public Health Emergency Preparedness Grants from COVID 1 and an additional \$12 million in Epidemiology and Laboratory Capacity Grants from COVID 3. Funding may be used for lab capacity, infection control, and other preparedness and response activities. COVID 3.5

provided an additional \$150 million in Epidemiology and Laboratory Capacity Grants to DHS for testing and contract tracing. See Tribal Relief section for monies distributed to tribal entities.

- Emergency Response Grants (\$2 million): AHCCCS received these funds to address mental health, substance use disorders, and to support youth and the homeless.
- Hospital Preparedness Program (\$5 million): DHS received \$2 million and AHCCCS received \$3 million from COVID 1 to assist hospitals and the health care system in preparing for and responding to public health emergencies, including bioterrorism.
- Ryan White HIV/AIDS (\$0.4 million to the state, \$0.4 million to local governments, and \$0.4 million to non-governmental entities): State funds (Part B) improve HIV health care and support services, including AIDS Drug Assistance Program grants. Monies received by local governments (Part A) fund medical and support services in counties and cities that are the most severely affected by the HIV/AIDS epidemic. Local community-based organizations use funds (Parts C, D, and F) to provide outpatient health care services and clinician training.
- Coronavirus testing program: COVID 3.5 includes \$11 billion for a new program to assist states in increasing testing and contact tracing capacity. States and localities will be required to submit plans on how they will utilize the testing funds. An additional \$1 billion will be distributed to assist with testing uninsured individuals. More details will be provided as they become available.
- For funds directed to hospitals and community health centers, see Direct Aid to Individuals and Businesses section.

#### Emergency Relief

- Emergency Management Performance Grants (\$2 million): ADOA and DEMA are eligible to apply to the Federal Emergency Management Agency (FEMA) for these grants, which support coordination of communications and logistics among state, local, and tribal governments. The 50% state match requirement is not waived.
- Emergency Food and Shelter Program (\$0.6 million to the state and \$5 million to local governments): Grants are given to jurisdictions to provide food, lodging in a mass shelter or hotel, one month's rent or mortgage payment, one month's utility bill, or equipment necessary to feed or shelter people, up to a \$300 limit per item, for individuals or families in economic crisis.
- Stafford Act assistance (\$22 million): The national emergency declaration on March 13 and the major disaster declaration for Arizona on April 4 made Arizona eligible for Stafford Act assistance. Arizona is eligible to receive FEMA funding for Public Assistance emergency protective measures. These awards have a 25% state cost share requirement. Arizona is also eligible for the Crisis Counseling Program, which does not have a state cost share requirement. As of May 15, FEMA has obligated \$22 million in federal support to Arizona. We anticipate that the amount of federal assistance will grow as additional expenses are approved by FEMA. This amount includes federal funding for National Guard deployments. For more information, see [here](#).

#### Food Assistance

- The Emergency Food Assistance Program (TEFAP) commodities (\$14 million): TEFAP provides emergency food and nutrition assistance. Funding came from COVID 2 (\$7 million) and COVID 3 (\$7 million).
- TEFAP administration (\$6 million): TEFAP is administered by DES. Funding was provided by COVID 2 (\$2 million) and COVID 3 (\$4 million).
- Special Supplemental Nutrition Program for Women, Infants, and Children (\$9 million): COVID 2 provides \$9 million in funding. WIC provides assistance to low-income women and mothers with young children who are unemployed due to the COVID-19 pandemic.

#### Children and Families

- Child Care and Development Block Grant (\$88 million): Funding assists child care providers and provides child care subsidies for essential employees. These funds require legislative appropriation and may not supplant child care assistance for low-income families.
- Title IV-B child welfare services (\$1 million): DCS uses Title IV-B monies primarily to fund caseworkers and other DCS staff.
- Family violence prevention and services (\$0.8 million)

### Elderly and Community Living

- Older Americans Act:
  - Congregate and Home-Delivered Meals (\$21 million): COVID 1 provides \$5 million in funding, and COVID 3 provides an additional \$16 million. These programs are run by DES.
  - Supportive services (\$4 million)
  - Supportive services for family caregivers (\$2 million)
  - Protection of Vulnerable Older Americans activities (\$0.4 million)
  - Discretionary projects (\$1 million): These funds will be used by DES for the Arizona Bridges of Care project.
- Low Income Home Energy Assistance Program (\$16 million): Funding provides energy assistance to low-income residents. See Tribal Relief section for monies distributed to tribal entities.
- Community Services Block Grants (\$8 million): DES received monies for various programs related to poverty. Federal law requires 90% of these monies, or \$7 million, to be passed through to local entities.
- Aging and Disability Resource Centers (\$1 million)

### Housing and Urban Development

- Community Development Block Grants (\$24 million to the state and \$31 million to local governments): Funding is used to provide housing and expand economic opportunities for persons of low or moderate income. An additional \$2 billion in federal funding will be distributed based on risk of transmission, coronavirus cases compared to the national average, and economic and housing market disruptions.
- Homeless Assistance/Emergency Solutions Grant (\$6 million to the state and \$11 million to local governments): The \$17 million to state and local governments represents Arizona's share of the \$2 billion in federal funding distributed according to FY 2020 allocations. The remaining \$2 billion in federal funding will be distributed to states and local governments by the Treasury Secretary. Funding is used to increase the number and quality of emergency shelters which provide short-term accommodations for people who are homeless or experiencing a housing crisis, and to assist in operating those shelters.
- Public Housing Operating Fund (\$3 million to local governments): Funding supports public housing agencies to help maintain normal operations as well as take necessary action to minimize the impacts of COVID-19 on public housing services. These monies are awarded directly to local Public Housing Authorities.
- Tenant-Based Rental Assistance (\$3 million to local governments): Funding provides rental assistance to low-income Arizonans to cover the monthly cost of rental units. These monies are used for adjustments to Section 8 renewal funding allocations due to the COVID-19 pandemic. Local governments received approximately \$3 million. The Arizona Department of Housing received \$22,500, and the Arizona Behavioral Health Corporation received \$16,300 (see *Table 2*).
- Supportive Housing for Persons with Disabilities (\$0.7 million to local governments): Funding subsidizes rental housing and provides supportive services for very low- and extremely low-income adults with disabilities. Local governments received \$0.7 million, and the Arizona Behavioral Health Corporation received \$0.1 million (see *Table 2*).
- Housing Opportunities for Persons with AIDS (\$0.1 million to the state and \$0.8 million to local governments): Funding provides housing assistance and supportive services to low-income persons living with HIV/AIDS who are or at risk of being homeless. The state received \$0.1 million and local governments received \$0.6 million in formula funding. Pima County and Cochise County also received \$0.2 million in competitive grants.

### Transportation

- Public Transit Grants provide funding for capital, planning, and operating assistance to state, local, and tribal governments to support public transportation. The Federal Transit Administration announced that Arizona entities will receive a total of \$313 million.
  - Urbanized Areas (\$268 million): Of this amount, Phoenix-Mesa will receive \$188 million and Tucson will receive \$44 million. Cities with populations of 50,000 or more are eligible for funding.
  - Nonurbanized (Rural) Area Formula (\$42 million): Grant funding is allocated to state and tribal governments to distribute to areas with populations of less than 50,000. Funds are apportioned to states based on a formula that includes land area, population, revenue vehicle miles, and low-income individuals in rural areas.
  - See Tribal Relief section for monies distributed to tribal entities.

- Grants for airports (\$225 million)
- Airport Improvement Program (\$21 million)
- Supplemental Discretionary grants (\$10 million)
- The Real ID deadline for states is extended from October 1, 2020 to September 30, 2021.

#### Other

- Byrne Justice Assistance Grants (\$12 million to the state and \$6 million to local governments): The U.S. Department of Justice announced that state, local, and tribal governments in Arizona will receive a total of \$19 million. Funding supports a range of program areas, including law enforcement, prosecution, indigent defense, courts, crime prevention and education, corrections and community corrections and drug treatment and enforcement. The Arizona Criminal Justice Commission receives the state's allocation. Of the \$7 million to local governments, approximately \$1 million is allocated for Arizona tribes. (See Tribal Relief section.)
- Coronavirus Emergency Supplemental Funding Program (\$12 million to the state and \$7 million to local governments): Funding may be used for PPE and supplies, personnel expenses, and medical needs of inmates in state, local, and tribal prisons, jails, and detention centers. The Arizona Criminal Justice Commission received the state's allocation.
- Elections (\$8 million): These election security grants are to prevent, prepare for, and respond to coronavirus in the 2020 federal election cycle. To receive these monies, Arizona must provide a 20% match (\$2 million) within 2 years of receiving funds, though the EAC encourages states to meet the match requirement by December 31, 2020. In-kind sources by state and local jurisdictions may be used to meet the state match. These Federal Funds may not be used to pay for expenses currently paid with state or local funds, such as regularly-anticipated demand for mail ballots. Instead, allowable costs would include such items as the marginal cost of printing additional ballots, cleaning supplies and protective masks, deep cleaning of polling places, and upgrades of statewide or local databases. These monies require legislative appropriation. Monies not used by December 31, 2020, would revert back to the Treasury.
- Manufacturing Extension Partnership (\$0.7 million): The Arizona Commerce Authority will receive \$0.7 million from the National Institute of Standards and Technology's Manufacturing Extension Partnership to assist small- and medium-sized manufacturers. The state match requirements have been waived for these monies.
- Institute of Museum and Library Services Grants (\$0.7 million): These monies will be distributed to the Arizona State Library within the Arizona Secretary of State's office. Funds are used to expand digital network access and provide technical support. As Arizona's State Library Administrative Agency, the Arizona State Library may distribute the \$0.7 million through competitive subawards or cooperative agreements.
- Arts and humanities (\$0.5 million to the state and \$0.5 million to non-governmental entities): Of the \$60 million in federal funding that is distributed to states, Arizona's allocation is \$1 million. The Arizona Commission on the Arts will receive \$0.5 million, and the Arizona Humanities Council, which is not a state entity, will receive \$0.5 million (see *Table 2*). An additional \$90 million in federal funding will be distributed through direct grants.

#### Tribal Relief

We do not have a comprehensive list of tribal allocations for specific programs, but relief includes:

- Coronavirus Relief Fund: Of the \$150 billion total nationwide funding provided for the CRF, \$8 billion is allocated to Indian Tribes. The CRF monies are allocated based on population, employment, and expenditure data, with each Tribe guaranteed a minimum funding amount of \$100,000. The Navajo Nation has received \$600 million in CRF monies, and the Gila River Indian Community has received \$40 million. See Coronavirus Relief Fund section for more details on uses of these monies.
- \$380 million nationwide for Aid to Tribal Government. Funding levels will be determined based on tribal enrollment data, with a minimum funding amount of \$60,000.
- \$20 million nationwide for Welfare Assistance, with monies pro-rated based on tribal enrollment data.
- \$20 million nationwide held by the Bureau of Indian Affairs for surges in need.
- \$23 million nationwide for Tribal Colleges and Universities (TCUs), which will be allocated on a pro-rata basis.
- Education Stabilization Fund (\$7 million): Dine College and Tohono O'odham Community College will receive at least \$7 million from the Higher Education Emergency Relief Fund. See Education section for more details. These monies are included in *Table 1*.
- \$750 million nationwide for coronavirus testing from COVID 3.5.

Arizona tribes have also received the following amounts:

- A total of \$2 million in Older Americans Act nutrition services programs from COVID 2 and COVID 3. These monies will be further distributed to local meal providers.
- \$3 million in public transit grants.
- \$13 million in Child Care Development and Block Grants.
- \$0.2 million for child welfare services.
- \$0.6 million for family violence prevention and services.
- \$1 million for the Low Income Home Energy Assistance Program.
- \$2 million for Community Services Block Grants.
- \$0.8 million in Emergency Response Grants.
- \$0.8 million in Tribal Behavioral Health grants.
- \$1 million in telehealth programs.
- \$1 million in Byrne Justice Assistance Grants.
- \$0.6 million in Coronavirus Emergency Supplemental Funding.
- \$6 million in CDC Tribal Public Health Capacity Building Grants.
- \$0.9 million for Rural Tribal COVID-19 Response grants.
- \$3 million in IHS Indian Self-Determination grants.

For a breakdown of Federal Funds received by each Arizona tribal entity, see [here](#).

#### Direct Aid to Individuals and Businesses

- Unemployment Insurance benefits (\$1.2 billion): The JLBC Staff estimate that the federal government pays for 71% of regular UI benefits (the \$600 increase out of Arizona's \$840 weekly maximum) and 100% of Pandemic Unemployment Assistance (PUA). Between the weeks ending April 4 and May 23, individuals received \$942 million in regular UI benefits and \$513 million in PUA. Therefore, we estimate that the federal government paid \$673 million in regular UI benefits and \$513 million in PUA, for a total of \$1.2 billion.
- Supplemental Nutrition Assistance Program (SNAP) emergency allotments (\$78 million): SNAP benefits are 100% federally-funded. Under COVID 2, SNAP households may receive emergency allotments for the duration of the federally-declared COVID-19 public health emergency or until the expiration of the state-issued emergency or disaster declaration. These emergency benefits increase the household's allotment up to the maximum allotment. Arizona SNAP households have been approved to receive emergency allotments benefits in April and May. According to DES, emergency allotments benefits in April totaled \$39 million. We assume that total emergency allotments benefits will be the same in May.
- Pandemic Electronic Benefit Transfer (P-EBT) (\$189 million): COVID 2 authorized P-EBT to provide assistance to households with children who are eligible for free or reduced-price school meals while schools are out of session due to the COVID-19 pandemic. Households will receive \$69 for March, \$126 for April, and \$120 for May per child. These benefits are 100% federally-funded. There are at least 600,000 eligible children in Arizona, and we estimate that Arizona children will receive \$189 million in P-EBT benefits. A list of P-EBT participating schools can be found [here](#).
- Economic Impact Payments (\$5.6 billion): Individual taxpayers below certain income thresholds will receive one-time direct payments from the federal government. We have not previously included an estimate for this program. As of May 22, 3,242,043 individuals in Arizona received a total of \$5.6 billion in stimulus payments.
  - Single filers with an adjusted gross income (AGI) of less than \$75,000 on TY 2019 filings receive a one-time payment of \$1,200. Joint filers with AGI of less than \$150,000 on TY 2019 filings receive a one-time check of \$2,400, plus an additional \$500 per dependent child.
  - For each \$100 in income over these limits, payments are reduced by \$5. As a result, there are no payments for single filers with AGI above \$99,000 and joint filers with no children with AGI above \$198,000.
- Paid Sick and Family Leave: COVID 2 requires employers with fewer than 500 employees and government employers to provide 2 weeks of paid sick leave to employees advised to self-quarantine or caring for a child or family member who has been advised to self-quarantine. Employees advised to self-quarantine may receive 100% of their regular pay, up to \$511 per day and \$5,110 in total, and employees caring for a child or family member may receive two-thirds of their regular pay, up to \$200 per day and \$2,000 in total. Employees who have been employed for at least 30 calendar days are also eligible for up to 12 weeks of paid family leave.

After the first 10 days of leave, employees receive at least two-thirds of their average pay, up to \$200 per day and \$10,000 in total. These benefits are effective through December 31, 2020.

- Sick and Family Leave Credits: COVID 2 allows a refundable tax credit for TY 2020 equal to 100% of paid sick and family leave for employers required to provide paid sick and family leave. Governments are subject to paid leave requirements but are not eligible for these tax credits.
- Employee Retention Credit (\$1 billion): Employers required by a government order to suspend operations due to COVID-19 or whose gross receipts decline by at least (50)% compared to the same quarter in the prior year are allowed a refundable payroll tax credit of 50% of qualified wages paid after March 12, 2020, through and including December 31, 2020, up to \$5,000 per employee. Qualified wages include wages paid to an employee not providing services due to a government-ordered closure and as well as health plan expenses. We have not previously included an estimate for this program. The Joint Committee on Taxation estimates that this credit will result in \$55 billion to employers. We estimate that Arizona businesses, which make up roughly 1.8% of businesses nationwide, will receive approximately \$1 billion.
- Deductions for charitable contributions: Up to \$300 in charitable contributions may be deducted from TY 2020 federal adjusted gross income (FAGI) for filers that claim the standard deduction. For filers that itemize, the limit on charitable contributions that may be claimed is raised from 60% to 100% of the filer's FAGI in TY 2020.
- Paycheck Protection Program (\$8.5 billion): Businesses with fewer than 500 employees are eligible to apply for 250% of their average monthly payroll expenses, up to \$10 million, in potentially forgivable loans. As of May 23, a total of 73,739 Arizona businesses had been approved for \$8.5 billion in loans.
  - Loans are 100% backed by the Small Business Administration (SBA) and are obtained through participating banks.
  - Loan monies used for payroll and interest on rent payments and utility services are forgivable.
  - If no employees are laid off, then the entire loan is forgiven. If some employees are laid off, then the forgivable amount of the loan is reduced by the percentage of employees that were laid off.
  - COVID 3 established the program and provided \$349 billion for PPP loans. COVID 3.5 provided an additional \$310 billion. Of the amount added by COVID 3.5, \$60 billion is reserved for lending by small- and medium-sized financial institutions and those serving minority or underserved areas.
- Economic Injury Disaster Loans (\$710 million): Small businesses and non-profits may apply for Economic Injury Disaster Loans (EIDLs) of up to \$2 million to cover operating expenses, including sick leave, wages, supply chain cost increases, rent, and other liabilities that cannot be paid due to revenue decreases. EIDLs may not be forgiven. COVID 3.5 provided \$50 billion for the program and made agricultural enterprises with fewer than 500 employees eligible for the loans. As of May 23, 8,007 Arizona businesses had been approved for \$710 million in loans.
- Emergency EIDL Advances (\$176 million): Small businesses and non-profits may apply for emergency grants of up to \$10,000 made within 3 days of application. Advances may be converted into grants if used to cover operating expenses, including sick leave, wages, supply chain cost increases, rent, and other liabilities that cannot be paid due to revenue decreases, even if the application for a loan is not subsequently approved. COVID 3 established the program and provided \$10 billion, and COVID 3.5 provided an additional \$10 billion. As of May 8, 52,593 Arizona businesses had received \$176 million in EIDL advances.
- Relief for existing loans: Small businesses with existing SBA loans may apply for funds to cover 6 months of payments, for a total of \$17 billion nationwide.
- Poison Control Centers (\$0.1 million): Funding would increase capacity of poison control centers to respond to increased calls.
- Hospitals and health care providers (\$855 million): COVID 3 provides \$100 billion to hospitals and health care providers nationwide. As of May 22, Arizona hospitals and providers have been allocated \$855 million. This allocation for Arizona entities includes our previous figure of \$708 million as a proportionate amount based on providers' share of 2019 Medicare fee-for-service reimbursements, \$23 million for areas particularly impacted by COVID-19, \$83 million for rural providers, and \$41 million for skilled nursing facilities. The remaining COVID 3 funding will be targeted to providers to uninsured Americans, those in high-impact areas, the Indian Health Service, and providers that solely take Medicaid. COVID 3.5 provides an additional \$75 billion for hospitals.
- Community Health Centers (\$26 million): These monies will be distributed directly to Arizona's 23 community health centers (CHCs) to detect, diagnose, prevent, and treat COVID-19. Federal funding will expire on November 30, 2020. COVID 1 provides an initial \$2 million in funding. COVID 3 provides \$24 million, and COVID 3.5 provides an additional \$13 million. For amounts by CHC, see the HRSA website [here](#) for COVID 3 funding and [here](#) for COVID 3.5 funding.

- Rural Health Clinics (\$2 million): COVID 3.5 provided a flat amount of nearly \$50,000 to each rural health clinic (RHC). In Arizona, 33 RHCs received a total of approximately \$2 million.
- Telehealth Program grants (\$1 million)
- Small Rural Hospital Improvement Program (\$1 million)
- Runaway and Homeless Youth Act (\$0.5 million): These monies must be used to supplement, not supplant, existing funds.
- Centers for Independent Living (\$2 million): Funding serves individuals with significant disabilities, regardless of age or income.

**Table 1**

**Funding for Arizona State and Local Governments from Federal Coronavirus Response  
Legislation  
(\$ in millions)**

	<u>State Aid</u>	<u>Local Aid</u>
Coronavirus Relief Fund	\$ 1,857	\$ 965
U.S. Treasury/Federal Reserve Lending Programs	N/A <sup>1/</sup>	N/A <sup>1/</sup>
<u>Unemployment Insurance</u>		
UI Administration (Initial and Supplemental Grants)	19	
Short-Time Compensation Administration	2	
Dislocated Worker Grants	1	
<u>Education</u>		
Education Stabilization Fund		
Governor Emergency Education	69	
K-12	277	
Higher Education	304	
Head Start	11	
<u>Health</u>		
FMAP Increase	247	
CDC Grants	179	
Emergency Response Grants	2	
Hospital Preparedness Program	5	
Ryan White HIV/AIDS	0.4	0.4
Coronavirus Testing Program	N/A <sup>2/</sup>	
<u>Emergency Relief</u>		
Emergency Management Performance Grants	2	
Emergency Food and Shelter Program	0.6	5
Stafford Act Assistance	22	
<u>Food Assistance</u>		
TEFAP		
Commodities	14	
Administration	6	
WIC	9	
<u>Children and Families</u>		
Child Care and Development Block Grant	88	
Title IV-B	1	
Family Violence Prevention and Services	0.8	
<u>Elderly and Community Living</u>		
Older Americans Act		
Congregate and Home-Delivered Meals	21	
Supportive Services	4	
Family Caregivers Supportive Services	2	
Protection of Vulnerable Older Americans	0.4	
Discretionary Projects	1	
Low Income Home Energy Assistance Program	16	
Community Services Block Grants	8	
Aging and Disability Resource Centers	1	

**Table 1 Continued**

**Funding for Arizona State and Local Governments from Federal Coronavirus Response Legislation  
(\$ in millions)**

	<u>State Aid</u>	<u>Local Aid</u>
<u><i>Housing and Urban Development</i></u>		
Community Development Block Grants	24	31
Homeless Assistance/Emergency Solutions Grant	6	11
Public Housing Operating Funding		3
Tenant-Based Rental Assistance	0 <sup>3/</sup>	3
Supportive Housing for Persons with Disabilities		0.7
Housing Opportunities for Persons with AIDS	0.1	0.8
<u><i>Transportation</i></u>		
Urbanized Areas	268	
Rural Area Formula	42	
Airport Grants	225	
Airport Improvement Program	21	
Supplementary Discretionary Grants	10	
<u><i>Other</i></u>		
Byrne Justice Assistance Grants	12	6
Coronavirus Emergency Supplemental Funding	12	7
Elections	8	
Manufacturing Extension Partnership	0.7	
Institute of Museum and Library Services Grants	0.7	
Arts	0.5	
<b>Total <sup>4/</sup></b>	<b>3,800 <sup>5/</sup></b>	<b>1,033 <sup>5/</sup></b>

<sup>1/</sup> The state may borrow up to \$4,197 million and local governments may borrow up to a total of \$1,453 million through the Municipal Liquidity Facility. For more information, see the narrative and attachment.

<sup>2/</sup> N/A means Arizona's allocation is not yet known.

<sup>3/</sup> Actual figure rounds to \$0. See narrative for amount.

<sup>4/</sup> This table is not a comprehensive list of funding sources in federal coronavirus response legislation.

<sup>5/</sup> Numbers may not add to total due to rounding.

**Table 2**  
**Direct Aid to Arizona Individuals and Businesses from Federal Coronavirus**  
**Response Legislation**  
**(\$ in millions)**

<i><u>Individuals</u></i>	
UI Benefits	1,186
SNAP Emergency Allotments	78
Pandemic EBT	189
\$1,200/\$2,400 Taxpayer Assistance	5,573
Paid Sick and Family Leave	N/A <sup>1/</sup>
Deductions for Charitable Contributions	N/A <sup>1/</sup>
<i><u>Businesses</u></i>	
U.S. Treasury/Federal Reserve Lending Programs	N/A <sup>1/</sup>
Sick and Family Leave Credits	N/A <sup>1/</sup>
Employee Retention Credit	982
Paycheck Protection Program	8,501
Economic Injury Disaster Loans	710
EIDL Advances	176
Relief for Existing Loans	N/A <sup>1/</sup>
<i><u>Health</u></i>	
Poison Control Centers	0.1
Ryan White HIV/AIDS	0.4
Hospitals and Health Care Providers	855
Community Health Centers	26
Rural Health Clinics	2
Telehealth Program Grants	1
Small Rural Hospital Improvement Program	1
<i><u>Other</u></i>	
Family Violence Prevention and Services	0.1
Runaway and Homeless Youth Act	0.5
Centers for Independent Living	2
Tenant-Based Rental Assistance	0 <sup>2/</sup>
Supportive Housing for Persons with Disabilities	0.1
Humanities	0.5
<b>Total <sup>3/</sup></b>	<b>18,284 <sup>4/</sup></b>

<sup>1/</sup> N/A means Arizona's allocation is not yet known.

<sup>2/</sup> Actual figure rounds to \$0. See narrative for amount.

<sup>3/</sup> This table is not a comprehensive list of funding sources in federal coronavirus response legislation.

<sup>4/</sup> Numbers may not add to total due to rounding.

Prepared by Lydia Chew, with contributions from Jack Brown, Elliot Chau, Morgan Dorcheus, Ryan Fleischman, Henry Furtick, Jordan Johnston, Patrick Moran, Hans Olofsson, Alexis Pagel, Maggie Rocker, and Stefan Shepherd.