

American Rescue Plan Act Program Summary

March 16, 2021, Revision – This version of our Program Summary has been updated to include:

- \$8.5 billion in economic stimulus payments to Arizonans;
- Revised formula-based amounts for certain programs, which replace our initial estimates that Arizona would receive 2% of the national dollar amount;
- The specific Arizona city and county distributions from the Coronavirus Local Fiscal Recovery Fund.

Summary – The American Rescue Plan (ARP) Act of 2021 (P.L. 117-2), the latest round of federal COVID-19 relief, was enacted on March 11, 2021. This program summary provides a preliminary overview of ARP provisions that may affect the state budget. Provisions are organized according to broad topics. We have listed the affected state agency at the beginning of each program. Our estimates for Arizona's share are listed in parentheses and are bolded. We have noted instances where the Governor's FY 2022 budget proposal is comparable to the new federal funding.

We estimate that the bill will result in at least \$12.2 billion to the state, \$2.6 billion to local governments, \$1.2 billion in business aid, and \$8.5 billion in economic impact payments (the stimulus payments). Please see *Table 1* for a listing of each program. These amounts do not include the additional federal aid from an extension of unemployment compensation benefits, tax credits, and some other business aid.

We initially projected Arizona's share as 2% of the total nationwide amount for each program. We have revised this Program Summary to include estimates based on program-specific allocation formulas, rather than the 2% approximation. Estimates 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. We have also included additional information about the Coronavirus State and Local Fiscal Recovery Funds. Please see *Table 2* for changes to our estimates from the March 9, 2021, version of this Program Summary.

State/Local Government Aid (\$7.6 billion)

- Coronavirus State and Local Fiscal Recovery Funds (name has been changed from Coronavirus Relief Fund): For more information, see "Attachment: Coronavirus State and Local Fiscal Recovery Funds".
 - States: \$195.3 billion (**\$4.8 billion**): Available through December 31, 2024. Funds may be used to respond to COVID-19 or its negative economic impacts, premium pay to essential workers (up to \$13/hour, maximum of \$25,000 per worker), lost revenues, and water/sewer/broadband infrastructure. May not be used to reduce taxes directly or indirectly or make payments to pension funds.
 - Locals: \$130.2 billion (**\$2.6 billion**): Available through December 31, 2024.
 - Cities with a population of 50,000 or more: \$45.6 billion nationwide (\$975 million).
 - Nonentitlement units of local government (cities and towns with a population of less than 50,000): \$19.5 billion nationwide (\$258 million).
 - Distributed to states (from locals fund) for redistribution to local governments, based on population.
 - Total amount received by nonentitlement unit (small city or town) may not exceed 75% of most recent budget as of January 27, 2020.
 - Counties: \$65.1 billion nationwide (\$1.4 billion). Distributed based on population, with hold-harmless provision relative to CDBG formula for urban counties.
 - Coronavirus Capital Projects Fund: \$10 billion (**\$187 million**) for capital projects to carry out "critical capital projects directly enabling work, education and health monitoring, including remote options, in response to the public health emergency." The legislation directs the Treasury Secretary to establish an application process within 60 days after the bill's enactment. Available until expended.
 - Local Assistance and Tribal Consistency Fund: \$2 billion nationwide. Available until September 30, 2023. To counties that experienced negative revenue impacts due to changes in federal programs, \$750 million

in FY 2022 and \$750 million in FY 2023 based on economic conditions. Monies may be used for any governmental purpose other than lobbying.

Education (\$3.5 billion) – Arizona Department of Education (ADE), Department of Economic Security (DES), Governor's Office, Universities, Community Colleges, Arizona Commerce Authority (ACA)

- ADE – Elementary and Secondary School Emergency Relief Fund (ESSERF): added \$122.8 billion to original CARES Act program (**\$2.6 billion**). Monies remain available through September 30, 2024.
 - Local Education Agencies (districts and charters) will receive 90% (**\$2.3 billion**), according to prior formula, and must reserve at least 20% (**\$465 million**) to address learning loss.
 - ADE – 5% (**\$129 million**) retained by ADE to address learning loss as well. With LEA share, represents total of **\$594 million** related to learning loss. Executive budget includes \$389 million for learning loss.
 - ADE – 1% (**\$26 million**) for summer enrichment programs for children that are disadvantaged/fostered/homeless.
 - ADE – 1% (**\$26 million**) for afterschool programs for children that are disadvantaged/fostered/homeless.
 - ADE – 0.5% (**\$13 million**) for administrative costs.
 - ADE – 2.5% (**\$65 million**) at the Superintendent's discretion.
 - The U.S. Department of Education will also use \$800 million nationwide of ESSERF monies for wrap-around services and assistance to enable homeless youth to attend school.
- Individuals with Disabilities Education Act funding: \$3 billion (**\$54 million**):
 - ADE – \$46 million (based on formula) for special education formula grants.
 - ADE – \$3 million (based on formula) for grants for preschool for children with disabilities.
 - DES – \$5 million for early intervention services for infants and toddlers with developmental delays.
- Governor's Office, ADE – Emergency Assistance to Non-Public Schools: \$2.75 billion (**\$59 million**) for services for private schools, to be allocated by the Governor. Available through September 30, 2023.
- Universities, Community Colleges – Higher Education Emergency Relief Fund (HEERF): \$39.6 billion (**\$683 million**). Of the \$683 million, we expect **\$313 million** will go to public universities (based on COVID 4 distributions). Public and private nonprofit institutions of higher education (IHEs) must spend at least 50% of ARP allocations on student grants; other (i.e., for-profit) IHEs must spend 100% of ARP allocations on student grants. Monies remain available through September 30, 2024. Executive budget includes \$35 million ongoing in operating funding.
- ADE – Maintenance of Effort (applies only to ESSERF): maintain FY 2022 and FY 2023 spending levels on both K-12 and higher education at the proportionate level of state spending on those categories averaged from FY 2017, FY 2018, and FY 2019. Allows for waiver by Secretary of Education. We are reviewing whether we expect to meet the MOE when K-12 and higher education spending are combined.
- ACA – Emergency Connectivity Fund: \$7.2 billion (**\$143 million**) to provide funding to schools and libraries for the provision of connected devices, internet service, and equipment. Available until September 30, 2030. As noted above, State Fiscal Recovery Funds may also be spent on broadband. Executive budget includes \$10 million.

Health (\$1.7 billion) – Department of Health Services (DHS), AHCCCS, DES

- DHS – Centers for Disease Control (CDC) vaccine grants: \$7.5 billion (**\$150 million**). Available until expended.
- DHS – COVID-19 testing, contact tracing, and mitigation: \$48 billion (**\$960 million**). Available until expended.
- DHS – Public health workforce: \$7.7 billion (**\$153 million**) in awards to state/local public health departments for recruiting, hiring, and training of public health workers. Available until expended.
- Community Health Centers (CHCs): \$7.6 billion (**\$152 million**). Available until expended. The federal government would grant these monies directly to CHCs.
- AHCCCS – Grants for Teaching Health Centers that operate Graduate Medical Education: \$330 million (**\$7 million**). Available until September 30, 2023.
- AHCCCS – Community Mental Health Services Block Grant: \$1.5 billion (**\$38 million**). Must be expended by states by September 30, 2025.
- AHCCCS – Substance Abuse Prevention Treatment Block Grant: \$1.5 billion (**\$33 million**). Must be expended by states by September 30, 2025. Executive budget includes \$6 million PDRF for opioid treatment.
- Health Resources and Services Administration (HRSA) mental and behavioral health training for health care professionals, paraprofessionals, and public safety officers: \$80 million (**\$2 million**). Available until expended.

- Mental and behavioral health promotion among health professional workforce: \$40 million (**\$0.8 million**). Available until expended. The federal government would grant these monies directly to entities providing health care.
- AHCCCS – Local substance use disorder services: \$30 million (**\$0.6 million**) to be awarded to states and local governments. Available until expended.
- AHCCCS – Local behavioral health needs: \$50 million (**\$1 million**) to be awarded to states and local governments. Available until expended.
- AHCCCS – Medicaid/KidsCare:
 - 100% federal match for Medicaid and Kids Care COVID-19 vaccines. Executive budget includes \$23 million for state share of vaccine administration in FY 2021.
 - State option to provide coverage to uninsured for COVID-19 vaccines and treatment without cost sharing through the public health emergency, with vaccines matched at 100% federal match.
 - State option to extend eligibility to women for 12 months postpartum, for 5 years.
 - Enhanced federal match at 85% for mobile crisis intervention services.
 - 100% federal match for services to beneficiaries under Urban Indian Organizations for 2 years.
 - Eliminates cap on drug rebates, beginning in CY 2024. We estimate this would increase Prescription Drug Rebate Fund revenues by \$13 million.
 - Temporary federal match increase of 10% (with COVID 2 federal match, total of 86.21%) for states to make improvements to Medicaid Home and Community Based Services for 1 year. Contains supplement not supplant requirement.
- Nursing facilities strike teams: \$250 million (**\$5 million**). Available until expended.
- Rural health care providers: \$8.5 billion (**\$170 million**) for rural health care related expenses and lost revenues as a result of the pandemic. Health care providers would apply directly to the federal government for these funds.
- Emergency rural development grants: \$500 million (**\$10 million**) for rural health care, including vaccine distribution and lost revenues. Funds would be available through September 30, 2023. Monies will not be distributed according to a formula.
- Subsidies for workers eligible for continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA) due to involuntary termination or reduction in hours: 85% premium assistance available through September 30, 2021; provides refundable payroll tax credit to allow employers and health plans to be reimbursed for the full amount of COBRA premiums.

Human Services (**\$1.1 billion**) – DES, ADE, Department of Child Safety (DCS), Department of Veterans' Services (DVS)

- DES – SNAP (Food Stamps) administration: \$1.1 billion (**\$23 million**) for FY 2021-FY 2023.
- DES – Extends, from June 30, 2021, to September 30, 2021, the requirement that SNAP benefits be calculated at 115% of the regular level.
- DES – Commodity Supplemental Food Program: \$37 million (**\$0.7 million**), available through September 30, 2023.
- DHS – Women, Infants, and Children (WIC) food program: (**\$10 million**). Secretary of Agriculture may temporarily boost the value of the Cash Value Voucher up to \$35/month for women and children for a 4-month period.
- ADE – Child and Adult Care Food Program: temporarily expands the age of eligibility at emergency homeless shelters from 18 to 25 during COVID.
- DES – Pandemic Electronic Benefit Transfer: may be implemented for any school year during COVID and may be extended through the summer. Extends earlier COVID relief program which provides SNAP-like benefits to children who have received free or reduced price school meals if not for COVID-related school closures or reduced hours.
- DES – Pandemic Emergency Assistance Fund: \$1 billion (**\$16 million**) through September 30, 2022. Up to 15% may be spent on administrative costs. Benefits may be used for non-recurrent short-term benefits in cash or other forms. May not supplant other federal or state monies. This is a new program.
- DES – Adult Protective Services (APS): \$276 million for FY 2021 and FY 2022 (**\$6 million**). Executive budget includes \$2.9 million for APS staff.
- DES – Older Americans Act: \$1.4 billion (**\$31 million**), available until expended.

- \$750 million for nutrition programs (**\$17 million**).
- \$470 million for home- and community-based support services programs (**\$10 million**).
- \$44 million for evidence-based health promotion and disease prevention (**\$1 million**).
- \$145 million for the National Family Caregiver Support Program (**\$3 million**).
- \$10 million for the long-term care ombudsman program (**\$0.2 million**).
- DES – Child Care and Development Block Grant Program: \$15 billion for FY 2021-2023 (**\$374 million**) to provide assistance to workers deemed essential during the pandemic without regard to income eligibility requirements. Funding must be obligated by September 30, 2023. Includes supplement not supplant provision. Along with the Child Care Stabilization Grants, these monies are subject to legislative appropriation. These monies are in addition to \$249 million for Arizona child care in December’s Consolidated Appropriations Act (CAA) of 2021.
- DES – Child Care Stabilization Grants: \$24 billion (**\$598 million**). DES may reserve up to 10% for administrative and technical assistance costs. Remainder must be awarded to qualified child care providers either open or closed due to COVID, based on current operating expenses. Funds must be used to supplement and not supplant other federal or state child care funds. DES is to notify the federal government if it is unable to obligate at least 50% of the funds within 9 months of the bill’s enactment. Available through September 30, 2021.
- DES – Child Care Entitlement to States: (**\$12 million**). Suspends state match on funding for FY 2021 and FY 2022.
- Local Education Agencies – Head Start: \$1 billion (**\$16 million**) to be awarded based on number of children enrolled. Available through September 30, 2022.
- DES – Family Violence Prevention and Services Act: \$180 million (**\$4 million**) for formula grants, not subject to matching requirements. Available through September 30, 2025.
- DCS – Child Abuse Prevention and Treatment Act: \$250 million (**\$6 million**) child abuse and neglect prevention programs, not subject to matching; \$100 million (**\$2 million**) for child abuse and neglect treatment and response state grant program, without regard to discretionary activity allocation requirements. Available through September 30, 2023.
- DES – Low Income Home Energy Assistance Program (LIHEAP): \$4.5 billion (**\$46 million**) through September 30, 2022.
- DVS – State Veteran's Homes: \$500 million in construction funds, with matching requirements. \$250 million one-time funds for state-operated facilities based on number of beds. Available until September 30, 2022.

Housing (\$787 million) – DES, Department of Housing (DOH)

- DES – Water Assistance Program: \$500 million (**\$10 million**) to assist low income consumers in paying for drinking water and wastewater expenses. Available until expended.
- DES – Emergency Rental Assistance: \$18.7 billion (**\$374 million**). ARP funds remain available until September 30, 2027. December’s CAA of 2021 included \$492 million for Arizona. CAA funds remain available until September 30, 2022 (extended). Makes other changes to eligibility and program administration.
- DOH – Homeowner Assistance Fund: \$10 billion (**\$199 million**), to remain available until September 30, 2025. Monies may be used for mortgage and utilities payment assistance.
- Homeless Assistance and Supportive Services Program: \$5 billion (**\$100 million**) for tenant-based rental assistance, affordable housing development, supportive services, and non-congregate shelter units. Individuals and households qualify based on homelessness/domestic violence/veteran status. Monies remain available through September 30, 2025.
- Emergency Housing Choice Vouchers: \$5 billion (**\$100 million**) for individuals or households based on homelessness/domestic violence. Formula based on public housing capacity and geographic diversity. Available until September 30, 2030.
- DES - Emergency assistance for rural housing: \$100 million (**\$2 million**), available until September 30, 2022. For payments to households that have experienced income loss.
- DOH – Housing Counseling: \$100 million (**\$2 million**) for Neighborhood Reinvestment Coalition (NeighborWorks) grants, to remain available until September 30, 2025.

Transportation (\$421 million) – Arizona Department of Transportation

- Federal Transit Administration mass transit grants: Available until September 30, 2024.

- Urbanized areas: \$26.1 billion (**\$259 million**). Allocations are for Avondale-Goodyear (\$0.5 million), Flagstaff (\$3 million), Phoenix-Mesa (\$208 million), Sierra Vista (\$0.2 million), Tucson (\$47 million), and Yuma (\$0.5 million).
- Seniors and persons with disabilities: \$50 million (**\$1 million**). The state will receive \$0.4 million, Phoenix-Mesa \$0.6 million, and Tucson \$0.2 million.
- Rural areas: \$317 million (**\$1 million**).
- Airports: \$8 billion (**\$160 million**). Available until September 30, 2024.

Other (**\$18 million**) – Department of Emergency and Military Affairs (DEMA), Secretary of State (SOS), Arts Commission

- DEMA – Emergency Management Performance Grants: \$100 million (**\$2 million**). Available until September 30, 2025.
- DEMA – Emergency Food and Shelter Program: \$400 million (**\$11 million**). Available until September 30, 2025.
- SOS – Institute of Museum and Library Services: \$200 million (**\$4 million**). Available until expended.
- Arts Commission – National Endowment for the Arts grants: \$135 million (**\$0.5 million**). Available until expended. Executive budget includes \$2 million.
- National Endowment for the Humanities: \$135 million (**\$1 million**). Available until expended.

Business Aid (**\$1.2 billion**) – ACA

- Reauthorizes State Small Business Credit Initiative Act of 2010. Provides \$10 billion (**\$200 million**) to support small business financing, to be expended by September 30, 2030.
- Paycheck Protection Program (PPP): expands eligibility to 501(c) nonprofits (except 501c4) and larger nonprofits, as well as internet-only news and periodical publishers. Provides additional \$7.25 billion for PPP (**\$145 million**).
- Targeted Economic Injury Disaster Loan (EIDL) Advances: \$15 billion (**\$300 million**). Advances for small businesses of up to \$10,000 may be converted to grants if used to cover business's operating expenses.
- Assistance to restaurants: \$25 billion (**\$500 million**). Grants of up to \$10 million per entity (maximum of \$5 million per location) based on difference between 2020 and 2019 revenue. Available until expended. May be used for payroll, rent, operational expenses, etc. State Crisis Contingency and Safety Net Fund currently provides restaurant assistance.
- Economic Adjustment Assistance: \$3 billion (**\$60 million**). Provides competitive technical, planning, and public works and infrastructure assistance to regions experiencing adverse economic impacts. Available until September 30, 2022.
- Payroll Support Program: \$14 billion to air carriers, \$1 billion to contractors. Available until September 30, 2023.

Tax Provisions

- Child tax credit: fully refundable for 2021. Amount increased from \$2,000 to \$3,000 per child (or \$3,600 per child under 6). Allows 17-year-olds to qualify.
- Earned Income Tax Credit, changes for 2021: minimum age lowered from 25 to 19 and maximum age eliminated. Increases phaseout percentage from 7.65% to 15.3%. Maximum credit increases from \$543 to \$1,502 for childless adults.
- Child and Dependent Care Tax Credit, changes for 2021: makes credit fully refundable. Increases maximum credit rate to 50%. Increases phaseout threshold from \$15,000 to \$125,000.
- Paid Sick and Family Leave Credits: extended from March 31, 2021, through September 30, 2021. Increased from \$10,000 to \$12,000 per employee. Allows state and local governments to access credits.
- Employee Retention Credit: extended through December 31, 2021. Employers whose gross receipts declined by at least (20)% compared to the same quarter in 2019 or the prior quarter are allowed a payroll tax credit of 70% of wages, up to \$10,000 per employee per quarter.
- 36B Credits: Allows individuals with income up to 400% of federal poverty line to qualify for the refundable Health Insurance Premium Tax Credit in TY 2021 and TY 2022.
- EIDL Advances: exempts EIDL grants from tax.
- Restaurant Revitalization Grants: exempts from tax.
- COVID-related student loan relief: exempt from tax.

- Exempts \$10,200 of Unemployment Insurance benefits from federal taxation for households with incomes up to \$150,000. Potential state conformity issue. We are currently attempting to estimate the state conformity cost.

Individual Aid (\$8.5 billion)

- Economic Impact Payments (Stimulus Payments): **(\$8.5 billion)**. \$1,400 for single filer (\$2,800 for joint filer) and \$1,400 per child or non-child dependent. Full amount provided to filers with Adjusted Gross Income (AGI) of \$75,000 single and \$150,000 married filing jointly).

UI – DES

- Federal Pandemic Unemployment Compensation (additional \$300/week): 100% federal funding extended through September 6, 2021.
- Pandemic Unemployment Assistance (self-employed): 100% federal funding extended through September 6, 2021; total number of weeks of benefits increased from 50 to 79.
- Pandemic Emergency Unemployment Compensation (increase in number of weeks): increases number of weeks from 24 to 53, and extends program through September 6, 2021, at 100% federal funding
- Extended Benefits (EB): extends through September 6, 2021, 100% federal funding of extended benefits for high-unemployment states (waives 50% state cost share). Arizona’s 13-week EB period was triggered beginning the week of June 14, 2020.
- Waiving waiting week: full reimbursement, retroactive to December 31, 2020, and continued through September 6, 2021.
- Short-time compensation: extends 100% federal financing of short-time compensation through September 6, 2021.
- Reimbursing employers (50% subsidy to government and nonprofit entities): subsidy increases from 50% to 75% after March 31, 2021; extends reimbursement through September 6, 2021 at 75% rate.
- Allows states to take federal loans with 0% interest through September 6, 2021.
- Exempts \$10,200 of UI income from federal taxation for households with incomes up to \$150,000 (see last bullet of Tax Provisions in the section above).

Table 1**American Rescue Plan Act ^{1/}****\$ in Millions**State/Local Government Aid

State Fiscal Recovery Fund	4,800 ^{2/}
Local Fiscal Recovery Fund	2,645 ^{2/}
Coronavirus Capital Projects Fund	187

Education

K-12 Emergency Relief Fund (ESSERF)	2,582 ^{2/}
Individuals with Disabilities Education Act (IDEA)	54 ^{2/}
Emergency Assistance to Non-Public Schools	59 ^{2/}
Higher Education Emergency Relief Fund (HEERF) – Public Universities	313 ^{2/}
Emergency Connectivity Fund – Schools and Libraries	143

Health

CDC Vaccine Grants	150
COVID-19 Testing, Contact Tracing, and Mitigation	960
Public Health Workforce	153
Community Health Centers	152
Graduate Medical Education	7
Community Mental Health Services Block Grant	38 ^{2/}
Substance Abuse Prevention Treatment Block Grant	33 ^{2/}
Mental and Behavioral Health Training	2
Mental and Behavioral Health for Healthcare Workers	0.8
Local Substance Use Disorder Services	0.6
Local Behavioral Health Needs	1
Nursing Facilities Strike Teams	5
Rural Health Care Providers	170
Emergency Rural Development Grants	10

Human Services

SNAP Administration	23
Commodity Supplemental Food Program	0.7
Women, Infants, and Children Food Program	10 ^{2/}
Pandemic Emergency Assistance Fund – 1-time, short-term benefits	16 ^{2/}
Adult Protective Services	6
Older Americans Act	31 ^{2/}
Child Care and Development Block Grant	374 ^{2/}
Child Care Stabilization Grants	598 ^{2/}
Child Care Entitlement to States	12 ^{2/}
Head Start	16 ^{2/}
Family Violence Prevention and Services Act	4
Child Abuse Prevention and Treatment Act	8 ^{2/}
Low Income Home Energy Assistance Program	46 ^{2/}
State Veterans' Homes	N/A ^{3/}

Table 1 (Continued)

American Rescue Plan Act

\$ in Millions

Housing

Low Income Drinking Water Assistance	10
Emergency Rental Assistance	374
Homeowner Assistance Fund	199
Homeless Assistance and Supportive Services Program	100
Emergency Housing Choice Vouchers	100
Emergency Assistance for Rural Housing	2
Housing Counseling	2

Transportation

Federal Transit Administration Mass Transit Grants	
Urbanized Areas	259 ^{2/}
Seniors and Persons with Disabilities	1 ^{2/}
Rural Areas	1 ^{2/}
Airports	160

Other

Emergency Management Performance Grants	2 ^{2/}
Emergency Food and Shelter Program	11 ^{2/}
Institute of Museum and Library Services	4 ^{2/}
National Endowment for the Arts	0.5 ^{2/}
National Endowment for the Humanities	1 ^{2/}

Business Aid

Small Business Financing	200
Paycheck Protection Program	145
Targeted Economic Injury Disaster Loan Advances	300
Assistance to Restaurants	500
Economic Adjustment Assistance	60
Payroll Support Program (Air Carriers)	N/A ^{3/}

Individual Aid

Economic Impact Payments (Stimulus Payments)	8,472
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Total **24,514 ^{4/}**

^{1/} Unless otherwise noted, all estimates assume Arizona will receive 2% of the national funding level. These estimates may be refined as better information becomes available.

^{2/} Estimate is based on the program-specific allocation formula.

^{3/} N/A means Arizona's allocation is not yet known.

^{4/} Numbers may not add to total due to rounding.

Table 2

American Rescue Plan Act ^{1/}
 Changes Since JLBC March 9, 2021, Program Summary

\$ in Millions

State/Local Government Aid

State Fiscal Recovery Fund	4,800 ^{2/}
Local Fiscal Recovery Fund	2,645 ^{2/}
Coronavirus Capital Projects Fund	187

Education

K-12 Emergency Relief Fund (ESSERF)	2,600 2,582 ^{2/}
Individuals with Disabilities Education Act (IDEA)	54 ^{2/}
Emergency Assistance to Non-Public Schools	55 59 ^{2/}
Higher Education Emergency Relief Fund (HEERF) – Public Universities	363 313 ^{2/}
Emergency Connectivity Fund – Schools and Libraries	143

Health

CDC Vaccine Grants	150
COVID-19 Testing, Contact Tracing, and Mitigation	960
Public Health Workforce	153
Community Health Centers	152
Graduate Medical Education	7
Community Mental Health Services Block Grant	30 38 ^{2/}
Substance Abuse Prevention Treatment Block Grant	30 33 ^{2/}
Mental and Behavioral Health Training	2
Mental and Behavioral Health for Healthcare Workers	0.8
Local Substance Use Disorder Services	0.6
Local Behavioral Health Needs	1
Nursing Facilities Strike Teams	5
Rural Health Care Providers	170
Emergency Rural Development Grants	10

Human Services

SNAP Administration	23
Commodity Supplemental Food Program	0.7
Women, Infants, and Children Food Program	10 ^{2/}
Pandemic Emergency Assistance Fund – 1-time, short-term benefits	20 16 ^{2/}
Adult Protective Services	6
Older Americans Act	28 31 ^{2/}
Child Care and Development Block Grant	300 374 ^{2/}
Child Care Stabilization Grants	480 598 ^{2/}
Child Care Entitlement to States	12 ^{2/}
Head Start	20 16 ^{2/}
Family Violence Prevention and Services Act	4
Child Abuse Prevention and Treatment Act	7 8 ^{2/}
Low Income Home Energy Assistance Program	90 46 ^{2/}
State Veterans' Homes	N/A ^{3/}

Table 2 (Continued)

American Rescue Plan Act
Changes Since JLBC March 9, 2021, Program Summary

	<u>\$ in Millions</u>
<u>Housing</u>	
Low Income Drinking Water Assistance	10
Emergency Rental Assistance	374
Homeowner Assistance Fund	199
Homeless Assistance and Supportive Services Program	100
Emergency Housing Choice Vouchers	100
Emergency Assistance for Rural Housing	2
Housing Counseling	2
<u>Transportation</u>	
Federal Transit Administration Mass Transit Grants	
Urbanized Areas	522 ^{2/} 259
Seniors and Persons with Disabilities	1 ^{2/}
Rural Areas	7 ^{2/} 1
Airports	160
<u>Other</u>	
Emergency Management Performance Grants	2 ^{2/}
Emergency Food and Shelter Program	11 ^{2/}
Institute of Museum and Library Services	4 ^{2/}
National Endowment for the Arts	0.5 ^{2/}
National Endowment for the Humanities	1 ^{2/}
<u>Business Aid</u>	
Small Business Financing	200
Paycheck Protection Program	145
Targeted Economic Injury Disaster Loan Advances	300
Assistance to Restaurants	500
Economic Adjustment Assistance	60
Payroll Support Program (Air Carriers)	N/A ^{3/}
<u>Individual Aid</u>	
Economic Impact Payments (Stimulus Payments)	8,472 ^{2/}
Total	16,180 24,514 ^{4/}

^{1/} Unless otherwise noted, all estimates assume Arizona will receive 2% of the national funding level. These estimates may be refined as better information becomes available.

^{2/} Estimate is based on the program-specific allocation formula.

^{3/} N/A means Arizona's allocation is not yet known.

^{4/} Numbers may not add to total due to rounding.

Attachment: Coronavirus State and Local Fiscal Recovery Funds

We provide further details on the uses, restrictions, and recoupment provisions related to the Coronavirus State and Local Fiscal Recovery Funds according to the American Rescue Plan Act (P.L. 117-2). Our description is largely verbatim from the bill text.

Coronavirus State Fiscal Recovery Fund

Uses – The state must use monies received from the Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred by December 31, 2024:

- A. To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay (up to \$13 per hour in addition to regular wages or remuneration, with a maximum of \$25,000 per worker) to eligible workers of the state (workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors designated by the Governor as critical to protect the health and well-being of the state's residents) or by providing grants to employers with eligible workers;
- C. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full state fiscal year prior to the emergency (ie, SFY 2019);
- D. To make necessary investments in water, sewer, or broadband infrastructure.

Restrictions – In addition, the state may not use monies received from the Coronavirus State and Local Fiscal Recovery Funds:

- A. To either directly or indirectly offset a reduction in the state's net tax revenue resulting from a change in law, regulation, or administrative interpretation between March 3, 2021, and the last day of the fiscal year in which all Coronavirus State Fiscal Recovery Fund monies have been expended (or returned to or recovered by the U.S. Treasury) that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase;
- B. For deposit into any pension fund.

Recoupment – If the state fails to comply with these uses and restrictions, the state shall be required to repay to the U.S. Treasury an amount equal to the amount of funds used in violation. In the case of a violation of Restriction A, the amount the state shall be required to repay is the lesser of:

- The amount of the applicable reduction to net tax revenue attributable to such violation;
- The amount of funds received by the state from the Coronavirus State and Local Fiscal Recovery Funds.

Coronavirus Local Fiscal Recovery Fund

Uses – The metropolitan city, nonentitlement unit (small city or town), or county must use monies received from the Coronavirus Local Fiscal Recovery Fund to cover costs incurred by December 31, 2024:

- A. To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay (up to \$13 per hour in addition to regular wages or remuneration, with a maximum of \$25,000 per worker) to eligible workers of the local government (workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors

designated by the local government's chief executive officer as critical to protect the health and well-being of the local government's residents) or by providing grants to employers with eligible workers;

- C. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency (ie, FY 2019);
- D. To make necessary investments in water, sewer, or broadband infrastructure.

Restrictions – In addition, the metropolitan city, nonentitlement unit (small city or town), or county may not use monies received from the Coronavirus Local Fiscal Recovery Fund for deposit into any pension fund.

Recoupment – If the metropolitan city, nonentitlement unit (small city or town), or county fails to comply with these uses and restrictions, the local government shall be required to repay to the U.S. Treasury an amount equal to the amount of funds used in violation.

Allocations – See *Table 3* for allocations from the Coronavirus Local Fiscal Recovery Fund.

Table 3

Coronavirus Local Recovery Fund Allocations

	<u>\$ in Millions</u>		<u>\$ in Millions</u>
<u>Metropolitan Cities</u>		<u>Metropolitan Cities (Continued)</u>	
Avondale	18	Phoenix	416
Casa Grande	11	Prescott	6
Chandler	36	Scottsdale	30
Douglas	4	Sierra Vista	7
Flagstaff	15	Surprise	16
Gilbert	24	Tempe	46
Glendale	62	Tucson	140
Mesa	101	Yuma	21
Peoria	21	Metropolitan Cities Subtotal	975 ^{1/}
<u>Small Cities/Towns</u>		<u>Small Cities/Towns (Continued)</u>	
Apache Junction	10	Miami	0 ^{2/}
Benson	1	Nogales	5
Bisbee	1	Oro Valley	11
Buckeye	19	Page	2
Bullhead City	10	Paradise Valley	3
Camp Verde	3	Parker	1
Carefree	1	Patagonia	0 ^{2/}
Cave Creek	1	Payson	4
Chino Valley	3	Pima	1
Clarkdale	1	Pinetop-Lakeside	1
Clifton	1	Prescott Valley	11
Colorado City	1	Quartzsite	1
Coolidge	3	Queen Creek	12
Cottonwood	3	Safford	2
Dewey-Humboldt	1	Sahuarita	8
Duncan	0 ^{2/}	San Luis	8
Eagar	1	Sedona	2
El Mirage	9	Show Low	3
Eloy	5	Snowflake	1
Florence	7	Somerton	4
Fountain Hills	6	South Tucson	1
Fredonia	0 ^{2/}	Springerville	0 ^{2/}
Gila Bend	1	St. Johns	1
Globe	2	Star Valley	1
Goodyear	21	Superior	1
Guadalupe	2	Taylor	1
Hayden	0 ^{2/}	Thatcher	1
Holbrook	1	Tolleson	2
Huachuca City	0 ^{2/}	Tombstone	0 ^{2/}
Jerome	0 ^{2/}	Tusayan	0 ^{2/}
Kearny	1	Wellton	1
Kingman	7	Wickenburg	2
Lake Havasu City	13	Willcox	1
Litchfield Park	2	Williams	1
Mammoth	0 ^{2/}	Winkelman	0 ^{2/}
Marana	12	Winslow	2
Maricopa	12	Youngtown	2
		Small Cities/Towns Subtotal	258

Table 3 (Continued)	
Coronavirus Local Recovery Fund Allocations	
	<u>\$ in Millions</u>
<u>Counties</u>	
Apache	14
Cochise	24
Coconino	28
Gila	10
Graham	8
Greenlee	2
La Paz	4
Maricopa	870
Mohave	41
Navajo	22
Pima	203
Pinal	90
Santa Cruz	9
Yavapai	46
Yuma	41
Counties Subtotal	1,412
Fund Total	2,645 ^{1/}
<u>1/</u>	Numbers may not add to total due to rounding.
<u>2/</u>	Actual figure rounds to \$0.