



Rural Transportation Advocacy Council

Linking Arizona to the Global Economy

Central Arizona Governments
Central Yavapai Metro. Planning Org.
Lake Havasu Metro. Planning Org.
MetroPlan Greater Flagstaff
Northern Arizona Council of Gov'ts.
Sierra Vista Metro. Planning Org.
Southeastern Arizona Governments Org.
Sun Corridor Metro. Planning Org.
Western Arizona Council of Gov'ts.
Yuma Metropolitan Planning Org.

December 21, 2020

RTAC LEGISLATIVE UPDATE

For the first time, highways were included in a COVID relief package along with another round of funding for public transportation. Congress agreed to a \$1.4T budget package which will fund the federal government for the remainder of the federal fiscal year which ends after September and another \$900B in various expenditures for COVID relief. The final agreements were reached yesterday. The bills were being drafted overnight and the House and Senate could vote on the legislation as early as today.

For transportation, the relief package includes \$45B distributed to:

- \$10B for state departments of transportation – highways and roads are eligible uses
- \$14B for public transportation agencies
- \$2B for motor coach services
- \$1B for AMTRAK
- \$16B for airlines
- \$2B for airports

The COVID relief package also includes:

- \$32B for vaccine development and distribution
- \$22B for COVID testing and contact tracing
- \$325B in business relief including \$275B for Paycheck Protection Program directed primarily at smaller businesses.
- Another round of stimulus checks of up to \$600 per person. Reduced for those who earned over \$75,000 (\$150,000 married filing jointly) and completely phased out at \$99,000. Dependent children included at \$600 each.
- \$300 in weekly unemployment assistance from December 27th through March 14th.
- \$25B in renter emergency assistance and a one-month extension to the federal eviction moratorium through January.
- \$13B for expanded food stamp provisions and child nutrition programs.
- \$10B in child care assistance.
- \$82B for schools for safer in-person learning.
- \$7B to increase broadband access in rural and underserved communities.
- \$13B for agricultural producers.
- \$15B for live entertainment venues and other cultural institutions.

- No further direct assistance to state and local governments but authorization to use remaining CARES Act funding extended from end of 2020 to 2021.
- No agreement was reached on liability protection for COVID-related lawsuits.

The relief funding for the state departments of transportation will be greatly welcomed as state-generated transportation revenues are expected to continue to decline as a result of the pandemic including in Arizona. The Arizona State Transportation Board recently updated the State's Five-Year Transportation Construction Program and adjusted for an estimated loss of \$500 million in HURF revenues due to the pandemic. We continue to drive less which reduces fuel tax collections, a primary highway and road funding source across the country.

For Arizona, the projected lost revenue includes \$247 million that would have been distributed to counties and municipalities for their local road systems and \$206 million to the state highway system. Additional revenue is also diminished from the Maricopa and Pima County's regional road and freeway systems. The lost state highway revenue also resulted in a \$260 million reduction in ADOT bonding capacity for a net impact of \$466 million to the state highway system over the next five years.

The state program adjustments substantially reduced maintenance activity which will result in an accelerated deterioration of pavement and bridge conditions. Also, ADOT indicated they would not likely pursue federal grant funding for the foreseeable future due to inadequate funding to satisfy local match requirements. Depending on the distribution and flexibility of the relief funding, ADOT will have the ability to address much of the impacts from the pandemic losses. More details will follow.