



Despite surplus, Arizona to get billions from newest COVID relief bill

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March 15, 2021

(The Center Square) – Like most states, Arizona hasn't fared as poorly as it expected when the COVID-19 pandemic had begun. Despite what's now a \$351 million budget surplus, the state is in line to receive more than \$4 billion from the recently enacted federal COVID-19 relief plan.

That's the **estimation** from Arizona's Joint Legislative Budget Committee, a nonpartisan body.

The American Recovery Plan Act of 2021, the third COVID-19 relief bill enacted since the pandemic began, sends states, local governments and tribal governments a share of \$350 billion. The JLBC estimated Mar. 9 that Arizona state and local governments would receive \$7.48 billion that could be spent anytime before the end of 2024. It would allocate more capital spending and business assistance.

In its analysis, the committee said the 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.”

The state cannot use the funds to directly reduce taxes or indirectly make payments to pension funds.

The committee estimates local units of government in Arizona should receive a portion of \$2.6 billion.

Will Humble, the former director of the Arizona Department of Health Services and head of the Arizona Public Health Association, **said Monday** the federal funds will go far in recovering from the pandemic.

“The American Rescue Plan Act is landmark legislation that will provide significant resources with which to address the social determinants of health and to reinforce the public health workforce,” he wrote in a blog post.

Others **question** whether it's appropriate to send states such as California, Arizona and many others with extra cash billions of federal dollars.

“Bureau of Economic Analysis data show that state and local tax revenues are rising nationwide, not falling,” said Chris Edwards, CATO Institute director of tax policy studies. “Some places such as New York City are in trouble from self-inflicted wounds, but there is no nationwide government budget crisis.”