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## United States Senate

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SPECIAL COMMITTEE ON AGING

March 24, 2020

The Honorable Douglas A. Ducey  
Governor  
State of Arizona  
1700 West Washington Street  
Phoenix, AZ 85007

Dear Governor Ducey:

Thank you for your letter to the Arizona congressional delegation dated March 20, 2020. I write to update you on the current state of negotiations in the United States Senate.

While the passage of the bipartisan *Coronavirus Preparedness and Response Supplemental Appropriations Act* and the *Families First Coronavirus Response Act* were critical first steps, more work remains to protect the health and financial well-being of Arizona families and the small businesses who are the backbone of Arizona's economy.

That is why I am working with Senate leadership in both parties to improve the current third package, known as the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act, as currently drafted would:

- Provide more than \$240 billion in emergency supplemental funding to federal agencies, including \$75 billion for hospitals; \$20 billion for veterans' health care; \$11 billion for vaccine, therapeutic, and diagnostic development and support; \$1.7 billion to replenish the Strategic National Stockpile; \$10 billion in Community Development Block Grants; and \$12 billion to support K-12 education and \$6 billion for higher education.
- Provide a one-time direct payment of \$1,200 to individuals, \$2,400 for married couples, and \$500 per child. The payments would be phased out for those making more than \$75,000 or couples making more than \$150,000, based on the most recent tax filing.
- Establish a \$500 billion loan program for corporations, airlines, businesses critical to maintain national security, and state and local governments.
- Create a \$350 billion loan program for small businesses, that would convert into grants if companies agree to and can document that they retained their employees.

States, counties, cities, towns, and tribal communities are partners with the federal government in the fight against COVID-19. I share the view that the Senate should provide funding flexibility to empower local partners to more effectively respond to local needs.

### **Helping Arizona Families and Small Businesses**

I also agree that we must focus reforms on Arizona families and small businesses, who have been hit hard by the COVID-19 pandemic. In addition to direct payments, we must strengthen our unemployment insurance program in Arizona, as many Arizona families will count on this funding through no fault of their own. I am working to secure additional federal support for unemployment insurance in the final agreement. Arizona's unemployment benefit is \$240 per week, one of the lowest in the country. With the rising cost of living across the state and given the unprecedented circumstances the families we serve are facing, I respectfully request you utilize this additional federal support by working with the Arizona Legislature to temporarily increase the amount that unemployed Arizonans receive during this crisis. Even a small increase will go a long way toward helping Arizonans make ends meet.

### **Strengthening Arizona's Health Care System**

Keeping Arizonans safe continues to be my top priority, and we must protect the health and safety of all Arizonans by delivering critical funding and resources to the frontline health and emergency response workers. I'm working to deliver immediate, continuing, and substantial economic support for frontline hospitals, health systems, physicians, and nurses, meeting their request for at least \$100 billion in aid. My request increases funding for community health centers, which are the first point of care for so many Arizonans, especially in rural parts of our state. I'm also working to fix current language in the bill that makes it impossible for community health centers to access emergency operational funds for which other nonprofits can qualify, just because they utilize funding from the Arizona Health Care Cost Containment System (AHCCCS). We must ensure that Arizonans can get timely, quality health care during this crisis.

On an important note, increasing COVID-19 testing in Arizona, through both the State Lab and through our private lab partners, will take coordinated efforts between our offices to ensure the State of Arizona is getting its needed allocation of personal protective equipment from the Strategic National Stockpile (SNS). This includes immediate supplies of N95 respirators, surgical masks, gowns, gloves, swabs, specimen collection kits, and ventilators. It would greatly enhance my ability to ensure federal agencies are being responsive to Arizona's needs, and reduce the confusion from community providers, hospitals, counties, and tribal governments who are unsure of where to place their requests.

I am deeply concerned that Arizona's health care system is under-supplied, under-resourced, and underprepared for COVID-19. If we fail to equip our health care system to adequately respond and contain the expected scope of the COVID-19 outbreak, our ongoing efforts to stabilize and strengthen Arizona's economy will be futile.

### **Empowering State, Local, and Tribal Governments**

Your letter requests flexible grant funding to states, and I share your view that this approach would allow for a faster response to COVID-19. That's why I'm disappointed that the CARES Act currently includes no direct, dedicated grant funding to state governments to provide Arizona's strained state resources some much-needed relief. I am advocating for a dedicated state stabilization fund and substantial direct assistance to cities. These direct forms of stimulus will greatly benefit the State of Arizona, all 15 counties, and municipal governments across our

state. State and local governments have expended significant resources to support Arizona businesses and workers who are abiding by the CDC's social distancing and business guidelines.

I also heard from the Arizona State Treasurer's office and the City of Phoenix about the importance of providing liquidity and stability to distressed bond markets. As you know, municipal bonds provide a critical source of financing for state and local governments to continue their important work. I am working to include the Municipal Bonds Emergency Relief Act, which authorizes the Federal Reserve to take necessary action to stabilize the market, ensuring state and local governments can obtain needed financing at a better rate.

The 22 federally-recognized Indian tribes in Arizona are a critical part of our community, and we must honor our commitment to Indian Country by ensuring tribes have the resources to continue essential services in their communities. Tribal governments are major employers, but the business revenue that funds government services faces unprecedented interruption due to COVID-19. I'm working to include robust support for tribal government services and programs, including increased and enhanced grant funding, to ensure Native communities across our state get the health care and resources they need.

### **Protecting Arizona Taxpayers**

We must be good stewards of taxpayer dollars, and I agree with your calls for the federal government to commit to greater transparency, particularly when it comes to economic stimulus. Arizonans are rightfully skeptical of their government, and we owe it to hardworking taxpayers to provide robust oversight to ensure the help we are passing gets to those who need it the most: everyday Arizonans and the small businesses that power our state's economy.

The CARES Act's proposed \$500 billion loan program for corporations, airlines, businesses critical to national security, and state and local governments, for example, lacks key disclosures and transparency measures that taxpayers deserve. As currently written, it gives the Secretary of the Treasury discretion to withhold the names of individuals and businesses that benefit from taxpayer stimulus for up to six months from the loan being written. Provisions like this do not inspire great confidence in Arizonans that their government is working for them, and I am negotiating with my colleagues to remove this language. Because I recognize that waste, fraud, and abuse can come from federal spending of any kind, I am also requesting language be included that directs GAO to conduct aggressive oversight and audits of federal spending.

This is a difficult time for our state and nation, but Arizonans have persevered through difficult times before, and I am confident that by working together, we will again. Thank you for your shared commitment to the great state of Arizona. I look forward to continuing to work to protect the health and economic security of all Arizonans.

Sincerely,



Kyrsten Sinema  
United States Senator