

## Early look at Arizona's share of stimulus aid

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**Infrastructure** Arizona is likely to get about \$590 million for highways. Half the money must go toward work within four months.

Of the bill's \$8.4 billion for transit, Arizona expects about \$112 million. An additional \$8 billion in the bill goes to high-speed rail, but Arizona has no approved plans for such a system.

The state will get about \$39 million to improve water quality, flood control or environmental restoration, according to an analysis of the earlier House bill.

ADOT says it expects to receive \$80 million to \$100 million for airport work. Arizona would have to compete for grants to complete the work. The bill steers \$7 billion nationally to extend broadband Internet service to underserved communities. There was no immediate estimate of Arizona's share.

**Financial aid for college** Pell grants would rise by \$500, to a maximum of \$5,350 this year and \$5,550 next year. The American Council on Education reports that 287,000 lower-income Arizona students received Pell grants last year.

The bill would temporarily replace the \$1,800, two-year HOPE credit with a \$2,500, four-year "American Opportunity Tax Credit" that is partially refundable to low-income students.

**K-12, higher education** State fiscal-stabilization funds would require states to first use federal funds to replace any budget cuts made to K-12 education and higher education, Education Week reported Thursday. Any excess funds would be divided proportionally based on the percentage of students in each category. Arizona's primary-education system faces about \$300 million in cuts this fiscal year and universities face about \$191 million. While details were unavailable Thursday, the bill's \$54 billion for stabilization is about midway between the original House and Senate funding levels. That suggests Arizona could be in line for nearly \$1 billion total for both systems, some of which could also be used for refurbishing existing schools.

**Tax breaks** About 95 percent of workers would get tax cuts up to \$400 for individuals or \$800 for couples through smaller withholdings. The tax cut is smaller for individuals earning more than \$75,000 in taxable income and isn't available for those earning more than \$100,000.

Millions of middle-class taxpayers in the U. S. would again be spared paying the

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alternative-minimum tax, a higher rate intended for the wealthy that isn't adjusted for inflation. In 2004, less than 2 percent in Arizona paid it.

First-time home buyers who purchase before September can receive up to an \$8,000 tax credit that doesn't have to be repaid.

A tax credit up to \$7,500 is available for families that purchase plug-in hybrid vehicles. The stimulus allows a federal-tax deduction for the amount of state and local sales taxes paid on the purchase of new cars, including light trucks and SUVs.

**Social safety net** Recipients of Social Security and Supplemental Security Income, along with disabled veterans, would receive an extra \$250.

Unemployment benefits would grow \$25 weekly and the first \$2,400 would be federal-tax exempt. Also, benefits would remain extended to 46 weeks. Arizona isn't yet eligible to extend benefits to 59 weeks.

Food-stamp benefits would grow 13 percent, to offset rising food costs and allow spending for other items. Arizona's 700,000 recipients averaged \$112 in monthly aid in November.

**Health care** Health-care initiatives comprise

more than \$100 billion of the proposed federal-stimulus package, but it's not clear yet how much of that money will flow through state coffers.

The largest chunk would come from the provision that sets aside \$87 billion over the next two years to help states maintain their Medicaid programs. Officials with Arizona's Medicaid program said late Thursday that they did not have a good estimate on what they would receive.

Other funds could flow to taxpayers, physicians and hospitals as subsidies and reimbursements. The package includes a 60 percent subsidy for up to nine months for laid-off workers struggling to pay their COBRA insurance premium.

An additional \$19 billion would be set aside to encourage doctors and hospitals to switch from paper to electronic medical records in the next five years.

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