

Executive Allocation of Discretionary COVID Funding Program Summary

Latest Update

This summary has been updated to include updated information for the Arizona Coronavirus Relief Fund allocations for remote learning for schools, food banks, and personal protective equipment.

Overview

Two 2020 session laws appropriate state monies for responding to the COVID-19 pandemic. Both laws give the Executive discretion in allocating the appropriated funds.

[Laws 2020, Chapter 6](#) appropriates \$5.0 million from the Budget Stabilization Fund in FY 2020 to the Public Health Emergencies Fund. Additionally, no more than \$50.0 million is appropriated from the Budget Stabilization Fund in FY 2020 to the Public Health Emergencies Fund. The \$50.0 million appropriation is to be used to pay expenses related to public health emergency responses to the emergency declaration for COVID-19 in Arizona. Chapter 6 also requires that the Department of Health Services notifies the Joint Legislative Budget Committee of the intended use of the monies prior to spending any of the funds.

[Laws 2020, Chapter 56](#) appropriates an additional \$50.0 million from the state General Fund to the newly-created Crisis Contingency and Safety Net Fund in FY 2020. The non-appropriated Crisis Contingency and Safety Net Fund is administered by the Office of the Governor, and monies may only be spent following a state of emergency declared by the Executive. Additionally, the fund may only be used for housing assistance; homeless services; economic assistance to small businesses with fewer than 50 employees, nonprofit organizations and health care providers; and food bank operations. Prior to spending any monies in the Crisis Contingency and Safety Net Fund, the Executive shall notify the President of the Senate, Speaker of the House of Representatives, and the Joint Legislative Budget Committee of the intended use.

Crisis Contingency and Safety Net Fund

The Executive has notified the Legislature of the intent to spend monies from the Crisis Contingency and Safety Net Fund as follows:

- March 30, 2020: [\\$6.8 million](#)
- April 7, 2020 [\\$2.0 million](#)
- April 18, 2020 [\\$3.6 million](#)
- May 20, 2020 [\\$300,000](#)
- June 10, 2020 [\\$1.8 million](#)
- July 2, 2020 [\\$2.0 million](#)
- July 8, 2020 [\\$850,000](#)
- July 13, 2020 [\\$120,000](#)
- July 16, 2020 [\\$5.9 million](#)
- August 13, 2020 [\\$10.0 million](#)
- October 28, 2020 [\\$7.0 million](#)
- October 29, 2020 [\\$1.6 million](#)
- November 6, 2020 [\\$1.0 million](#)
- December 2, 2020 [\\$1.0 million](#)
- January 5, 2021 [\\$2.0 million](#)
- January 26, 2021 [\\$1.0 million](#)
- April 7, 2021 [\\$250,000](#)
- May 5, 2021 [\\$100,000](#)
- May 6, 2021 [\\$500,000](#)
- June 10, 2021 [\\$120,000](#)
- July 9, 2021 [\\$300,000](#)
- October 25, 2021 [\\$650,000](#)

Table 1 displays the Executive's use of monies from the Crisis Contingency and Safety Net Fund as of October 25, 2021.

Table 1	
State Funding for COVID-19 Crisis Contingency and Safety Net Fund	
Economic Assistance to Nonprofit Organizations/Small Businesses	
Goodwill of Central and Northern Arizona	\$2,000,000
Arizona Commission on the Arts	2,000,000
Arizona Small Business Association	1,250,000
Special Olympics Arizona	250,000
Heal the Hero	120,000
Local Chambers of Commerce	1,000,000
Safest Outside Restaurant Assistance Program	4,000,000
Small Business Rent and Mortgage Relief Grant Program	10,000,000
Arizona Economic Recovery Center	250,000
United Fund of Globe Miami	120,000
Arizona Heart Foundation	300,000
Economic Assistance to Health Care Providers	
Santa Cruz Regional Hospital	5,400,000
Open Hearts Family Wellness	50,000
Healthcare Innovations Foundation	100,000
Food Assistance	
Food Bank Assistance	1,000,000
Expand the "Double-Up" Food Bucks Program	1,000,000
Expand the Arizona Produce Purchasing Program	250,000
St. Mary's Food Bank	600,000
Community Food Bank	525,000
Homeless Shelters and Housing	
Assistance to Homeless Shelters	5,000,000
St. Vincent de Paul Rent Assistance Program	250,000
Foreclosure Prevention Program	5,000,000
Temporary Rental Assistance Program Staffing	650,000
Chicanos Por La Causa	250,000
Rental Eviction Assistance Program	2,000,000
Rental Property Owner Preservation Fund	5,000,000
United States Veterans Initiative	<u>500,000</u>
Total Allocated as of 10/25/2021	\$48,865,000
Total Unallocated	\$1,135,000

Economic Assistance to Nonprofit Organizations/Small Businesses

- \$2.0 million to Goodwill of Central and Northern Arizona to allow 400 employees to continue work in providing access to necessities for individuals, job training, and other employment services.
- \$2.0 million to the Arizona Commission on the Arts to fund Arizona businesses and non-profits in the arts and culture sector. In FY 2020, \$2.0 million was appropriated from the General Fund to the Arizona Commission on the Arts. This funding was not repeated in the FY 2021 budget.
- \$1,250,000 to the Arizona Small Business Association (ASBA). The Executive directed 2 allocations to the ASBA, the first consisting of \$600,000 on July 8, 2020 to launch the Live Local program to assist small businesses in finding resources during the COVID-19 outbreak. The second allocation of \$650,000 on October 25, 2021 created the Small Business Relocation grant program to assist businesses with costs associated with employee relocations to Arizona.

- \$250,000 to the Special Olympics Arizona to provide virtual programming during the COVID-19 outbreak and to ensure proper mitigation efforts once in-person activities are conducted.
- \$120,000 to Heal the Hero to support efforts to mitigate mental health impacts to first responders due to COVID-19.
- \$1.0 million to local chambers of commerce to implement programs geared toward accelerating local economic recovery.
- \$4.0 million to establish the Safest Outside Restaurant Assistance Program. This program will provide funding of up to \$10,000 per restaurant distributed through the Arizona Commerce Authority to assist businesses in creating or expanding outdoor dining spaces. The Executive directed 3 allocations to this program, one on December 2, 2020 for \$1.0 million, a second on January 5, 2021 for \$2.0 million, and a third on January 26, 2021 for \$1.0 million.
- \$10.0 million to launch the Arizona Small Business Rent and Mortgage Relief Grant Program. The Governor's Office will be partnering with Local First Arizona Foundation to launch this program to help small business owners required to pause their operations as a result of a June Executive Order meet their rent and mortgage obligations.
- \$250,000 to establish a temporary Arizona Economic Recovery Center to be led by Local First Arizona that will serve businesses, nonprofits, and municipalities in Arizona. The Center will work to secure federal stimulus dollars for qualified Arizona applicants.
- \$120,000 to the Department of Emergency and Military Affairs (DEMA) in order for DEMA to grant those funds to the nonprofit organization United Fund of Globe Miami to provide shelter to animals impacted by the Gila County fires.
- \$300,000 to the Department of Health Services to grant to the Arizona Heart Foundation for mobile heart screening in rural areas of Arizona.

Economic Assistance to Health Care Providers

- \$5.4 million to Santa Cruz Regional Hospital (\$3.6 million on April 18 and \$1.8 million on June 10) to ensure that the hospital remains open to treat patients. During the COVID-19 outbreak, the hospital stated the possibility of closure due to financial difficulties.
- \$50,000 to Open Hearts Family Wellness to provide transportation services for medical and behavioral health appointments and expand access to telehealth services for at-risk families.
- \$100,000 to the Healthcare Innovations Foundation to pay tuition and educational costs for Emergency Medical Technicians who want to become certified paramedics. The Executive states that this initiative is designed to address the shortage of paramedics in Cochise, Greenlee, and Graham Counties.

Food Assistance

- \$1.0 million for food bank assistance and enhancement of existing food bank infrastructure.
- \$1.0 million for the "Double-Up" Food Bucks Program. The Executive directed two allocations of \$500,000 to the Double-Up Food Bucks Program, one on March 30, 2020 and another on October 29, 2020. The "Double-Up" Food Bucks Program allows individuals in Arizona who receive assistance from the Supplemental Nutrition Assistance Program (SNAP) to get a \$1 match from the state for every \$1 they spend on fruits and vegetables grown in Arizona. Private-sector partners will contribute \$500,000 in addition to the state allocations.
- \$250,000 for the Arizona Produce Purchasing Program. This "Farm to Food Bank" Program provides individuals in need with fresh produce, dairy, and protein items from local producers through a partnership between the Arizona Food Bank Network, DES, and the Department of Agriculture.
- \$600,000 for St. Mary's Food Bank home-delivery to reach an additional 2,000 seniors in Maricopa, Coconino, Gila, Mohave, Pinal, and Yavapai Counties.
- \$525,000 for Community Food Bank home-delivery to reach an additional 2,000 seniors in Pima County and continue providing fresh produce to residential senior living facilities.

Homeless Shelters and Housing

- \$5.0 million for homeless shelters, specifically for temporary isolation and quarantine housing and sanitation supplies and services to prevent and slow the spread of COVID-19. The Executive directed the Arizona Department of Housing, the Department of Economic Security (DES), and the Arizona Department of Administration to work together on homeless-related issues.

- \$250,000 to the St. Vincent de Paul Rental Assistance Program to provide rent and utility assistance for families whose finances have been affected by COVID-19 and prevent homelessness.
- \$5.0 million to establish a Foreclosure Prevention Program to assist landlords whose tenants have been unable to pay rent due to the COVID-19 pandemic.
- \$650,000 to support community action agencies in order to improve temporary staffing for current rental assistance programs.
- \$250,000 to Chicanos Por La Causa for their Statewide Housing Program that helps find housing for homeless individuals.
- \$2.0 million to the Arizona Department of Housing Rental Eviction Assistance Program to tenants seeking rental assistance.
- \$7.0 million for the Rental Property Owner Preservation Fund to assist rental property owners during the COVID-19 pandemic.
- \$500,000 to the United States Veterans Initiative for the maintenance and repair of a housing facility to serve homeless, at-risk and underserved veterans.

Department of Health Services

On June 15, 2021, DHS reported \$67.3 million in expenditures currently charged to the Public Health Emergencies Fund (PHEF). Although the fund commitments are greater than the \$55.5 million available in the fund, the department expects monies received for FEMA reimbursements will cover the difference. For example, DHS' December 2020 report listed \$98.5 million in PHEF expenditures, but that number has been reduced as DHS has received more FEMA reimbursements. *Table 2* displays the expenses currently charged to the Public Health Emergencies Fund. Their expenditures include:

- \$20.9 million for COVID-19 testing expenses.
- \$12.7 million for traveling nurses from other states to support Arizona hospitals.
- \$9.8 million to purchase medical supplies and personal protective equipment.
- \$9.4 million for a bed reserve for post-acute care patients.
- \$8.1 million for COVID-related communications and marketing expenses.
- \$3.8 million to operate the Arizona Surge Line, a 24/7 toll-free call line to facilitate the transfer of patients during a healthcare facility surge.
- \$1.3 million for warehousing and storing COVID-19 supplies.
- \$972,700 for St. Luke's hospital build-out to expand the state's bed capacity for treatment of COVID-19 patients and for hospital operating costs.
- \$197,200 for COVID-19 contracted services.

COVID-19 Testing	\$20,921,000
Traveling Nurses	12,688,300
PPE Supplies	9,796,700
Post-Acute Bed Reserve	9,401,200
Communications	8,053,200
Arizona Surge Line	3,764,400
Warehousing	1,305,800
St. Luke's Hospital Build-Out	972,700
Contract Services	197,800
Vaccination System	79,400
Ventilators	37,800
Other	42,400
Total as of 6/15/21	\$67,260,700

- \$79,400 for the state's vaccine management system.
- \$37,800 for ventilator purchases.
- \$42,400 for other operating expenditures, including IT services and legal services.

In addition to these monies, the state has spent Federal Funds (including the federal Coronavirus Relief Fund) and private donations to address these issues; the Executive is not required to report on these expenditures made outside of the PHEF.

Arizona Coronavirus Relief Fund

The Executive established the [Arizona Coronavirus Relief Fund \(CRF\)](#) as part of the Arizona Together Initiative during the COVID-19 outbreak. The Executive reports that over \$9.8 million has been donated to this fund from individuals and organizations. Of the amount donated, the Ben and Catherine Ivy Foundation has donated \$5.0 million for the purchase of personal protective equipment (PPE).

The Executive has announced total allocations of \$10.1 million in CRF donations to Arizona entities and has specified \$9.8 million of allocations for the following purposes:

- \$5.2 million to DHS for purchase of PPE.
- \$480,000 for organizations providing out of school child care such as Boys and Girls Clubs across Arizona, the CLUB for YOUth Kingman, Cobre Valley Youth Club and the Patagonia Youth Enrichment Center.
- \$100,000 for organizations supporting children with special needs. Funds will be used to offer new services such as video conference check-ins, in-home treatment through telemedicine and remote supervision, and coaching for parents and supporting programs for newly diagnosed families.
- \$100,000 for organizations supporting foster families and children in out-of-home care. This allocation is to address the increased demand for services, supplies, and education needs of those children.
- \$994,400 to support the Association of Food Banks/Arizona Food Bank Network to address increased demand during the pandemic.
- \$320,000 to support senior citizens, those who are homebound, and those who are medically fragile. Funds will assist identified populations with services such as grocery shopping, meal deliveries, and emergency errands.
- \$1.0 million to 14 organizations supporting homeless populations.
- \$350,000 to shelters and support centers that provide support to victims of domestic violence through shelter space, supplies, virtual services, medical exams, and transportation.

Table 4	
Arizona Coronavirus Relief Fund	
Personal Protective Equipment	5,157,600
Education Continuity and Child Care	480,000
Special Needs Populations	100,000
Foster Children	100,000
Nutrition Assistance	994,400
Seniors, Homebound and Medically Fragile	320,000
Homeless Populations	1,000,000
Domestic Violence Prevention	350,000
Family Support and Stabilization	645,000
Mental Health Support Services	550,000
Remote Learning Support to Schools	<u>79,900</u>
Total Allocated as of 12/31/21	\$9,776,900

- \$645,000 for organizations supporting individuals and families in need through services such as short-term housing, food and living assistance, employment support, and health services.
- \$550,000 to 13 organizations in Arizona offering mental health support services for adults and children.
- \$79,900 to T-Mobile USA to support remote learning in schools.

For additional details on each CRF allocation, please see the [attached PDF](#). *Table 4* displays the Executive's allocation of CRF monies as of December 31, 2021.

Other

On March 27, 2020, the Executive [announced](#) that the Rental Eviction Prevention Assistance Program would be launched in the Arizona Department of Housing on March 30, 2020. This program will be funded with \$5.0 million from the State Housing Trust Fund. Rental assistance through this program may be provided to households whose primary residence is a rental unit in Arizona and who have seen a reduction in income caused by COVID-19. Households must also not exceed 100% of the area median income adjusted for family size in the county that they reside in.

Prepared by Alexis Pagel, Fiscal Analyst and Morgan Dorcheus, Principal Fiscal Analyst