

Allocations of American Rescue Plan Act Funds

Program Summary

Overview

The federal American Rescue Plan (ARP) Act of 2021 (P.L. 117-2) was enacted on March 11, 2021. The Executive Branch has discretion in allocating monies from several ARP funds.

Section 131 of [Laws 2022, Chapter 313](#), the FY 2023 General Appropriation Act, requires that, prior to spending \$10.0 million or more from certain ARP funds, the relevant agencies must notify the President of the Senate, Speaker of the House of Representatives, Appropriations Committee chairpersons, and the Joint Legislative Budget Committee Director on the intended use of the monies. It also requires that these agencies submit actual expenditures from these ARP funds within 30 days after the last day of each quarter through June 30, 2025. The reporting requirements are for:

- The Governor's Office on the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund.
- The Superintendent of Public Instruction on the Elementary and Secondary School Emergency Relief Fund.
- The Arizona Board of Regents and each community college district on the Higher Education Emergency Relief Fund.

This report contains information on allocations from the Coronavirus State Fiscal Recovery Fund, Coronavirus Capital Projects Fund, and Elementary and Secondary School Emergency Relief Fund. This update to our program summary includes additional funding for the veteran home, Border Security Fund, and from the Elementary and Secondary School Emergency Relief Fund.

Coronavirus State Fiscal Recovery Fund

Arizona will receive a total of \$4.2 billion from the Coronavirus State Fiscal Recovery Fund. The state has received both tranches of this amount. Both tranches of Coronavirus State Fiscal Recovery Fund monies are available through December 31, 2024. From notifications from the Governor's Office as well as other sources, we are aware of \$2.0 billion in allocations. *Table 2* groups these allocations by subject area and agency. For allocations of \$10.0 million or more, the notification number is listed as well.

Broadband

Notification 1 – Broadband Infrastructure

- Arizona Department of Transportation: \$158.1 million to expand broadband infrastructure along I-17, I-19, and I-40. This initiative received 2 allocations in the amounts of [\\$100.0 million](#) and [\\$58.1 million](#). The Executive previously reported that this allocation would transfer to the Coronavirus Capital Projects Fund but now states it will remain in the Coronavirus State Fiscal Recovery Fund due to updated U.S. Treasury guidance.

Criminal Justice

Victims Compensation and Assistance Fund

- Arizona Criminal Justice Commission: [\\$1.2 million](#) for financial support to victims of crime. Recipients may use funds for medical or dental needs; mental health counseling; funeral and burial costs; lost wages or loss of support; crime scene clean-up; some transportation costs; and responding to economic consequences of COVID-19. Because the allocation was below \$10.0 million, it did not generate a notification letter.

Education

Notification 5 – Education Plus-Up Program

- Office of the Governor: [\\$163.0 million](#) to Local Education Agencies (LEAs) that received less than \$1,800 in per-pupil funding from the Enrollment Stabilization Grant program and federal Elementary and Secondary School Emergency Relief Funds. To be eligible for funding, LEAs must be in compliance with all state laws, including section 12 of [Laws 2021, Chapter 404](#), which prohibits mask and vaccine mandates.

Notification 6 – COVID-19 Educational Recovery Benefits

- Office of the Governor: [\\$10.0 million](#) to provide up to \$7,000 per student for child care, transportation, tutoring, and tuition expenses. To be eligible, families must have a household income at or below 350% of the federal poverty level, and students must be attending schools that have mask mandates, require students to isolate or quarantine, or provide preferential treatment to vaccinated students.

Notification 7 – Expand Learning Initiative

- Office of the Governor: [\\$20.1 million](#) for the following programs:
 - \$12.0 million for Goodwill Excel Centers, which award industry-recognized certifications and high school diplomas to adult learners,
 - \$5.0 million for the Elevated Education Teen Victory Program, which provides academic support to teens and young adults,
 - \$1.6 million to establish the Leading Men Fellowship in partnership with the Literacy Lab to recruit and train students in minority communities to provide evidence-based early literacy and social-emotional education, and
 - \$1.5 million for evidence-based literacy coaching through a contracted vendor.

Notification 18 – Open for Learning Recovery Benefit

- Office of the Governor: [\\$10.0 million](#) to provide up to \$7,000 per student for Department of Economic Security-approved child care, transportation, tutoring, tuition, and school supplies. Students are eligible if their school or classroom was closed for in-person instruction on or after January 3, 2022.

Notification 20 – AZ OnTrack Summer Camp

- Office of the Governor: [\\$100.0 million](#) to provide education opportunities to mitigate learning loss for K-12 students. Schools and community programs can apply for funds to expand, support, or collaborate with programs. Families may also use funds for program fees. In addition, participating teachers can take professional development classes and receive credits toward certification renewal.

Employment

Notification 2 – Unemployment Insurance Trust Fund

- Department of Economic Security: [\\$758.8 million](#) deposit into the Unemployment Insurance Trust Fund.

Notification 3 – Return to Work Bonus Program

- Department of Economic Security: [\\$238.4 million](#) for one-time bonuses for individuals who were receiving unemployment benefits as of May 15, 2021. The bonus for full-time jobs is \$2,000, and for part-time work is \$1,000. To be eligible, individuals must make \$25 per hour or less, begin working by September 6, 2021, and complete at least 10 weeks of work.

Notification 10 – Small Business Hiring and Retention Program

- Office of the Governor: [\\$16.2 million](#) for assistance to businesses owned and operated in Arizona. Businesses must have between 5 and 25 employees that work at its physical location (those affected by wildfires or floods may have up to 50 employees). Businesses may receive up to \$10,000 for employee hiring, signing, relocation, and retention bonuses, with at least 75% of the grant used for incentives of up to \$1,000 per employee and up to 25% of the grant used for other business expenditures. This program received at least 3 allocations, for a total of \$16.2 million. Because the [initial allocation](#) was below \$10.0 million, it did not generate a notification letter. The Governor's Office notified the Legislature of the [second allocation](#), which indicated an increase to \$10.0 million. The latest allocation also did not generate a notification letter and indicated that the first round of spending totaled \$11.2 million.

Aid to Nonprofit Organizations

- \$8.9 million to nonprofit organizations providing child care, mental health services, and workforce development. Because these allocations were below \$10.0 million, they did not generate a notification letter. This amount consists of:
 - \$3.9 million to the Arizona Center for Afterschool Excellence for training and technology for staff and afterschool programs,

- \$2.0 million to Arizona Career Pathways for job training,
- \$0.6 million to Valle del Sol to hire behavioral health clinicians,
- \$0.6 million to the Arizona Association for the Education of Young Children for professional development for preschool educators,
- \$0.5 million to the Zion Institute for early childhood education programs and behavioral health services,
- \$0.5 million to A Stepping Stone Foundation for COVID-19 mitigation services and child care,
- \$0.3 million to Ryan House for respite care to immunocompromised children,
- \$0.3 million to West Valley Arts Council to train artists to work with older adults,
- \$0.3 million to YWCA Southern Arizona for career readiness, entrepreneurship, financial stability, and economic mobility programs for women, and
- \$0.1 million to Ajo Center for Sustainable Agriculture for farm job training and to address food insecurity in Gila Bend.

Government

Notification 15 – State Employee Premium Pay Initiative

- [\\$95.0 million](#) for FY 2022 critical services premium pay increases to select positions employed by the state. *Table 1* lists agencies with select positions that will receive premium pay. The Executive has indicated that the increases would occur starting in December 2021 and that employees at the Department of Corrections and Department of Juvenile Corrections will receive a temporary 20% pay increase, Department of Public Safety 15%, and the other listed agencies 10%.

Table 1	
State Employee Premium Pay Initiative	
<u>Agency</u>	<u>Allocation</u>
Department of Child Safety	\$7,105,009
Department of Corrections	56,300,515
Department of Economic Security	5,182,183
Department of Health Services	2,750,345
Department of Juvenile Corrections	3,289,737
Department of Public Safety	18,571,940
Department of Transportation	1,023,701
Department of Veterans' Services	728,226
Total	94,951,656

Health

Notifications 8 and 16 – Hospital Staffing

- Department of Health Services: [\\$88.0 million](#) for staffing at health care facilities in rural and underserved areas of the state. Notification 8 allocated \$60.0 million, and Notification 16 allocated an additional \$28.0 million.

Infant CPR Anytime Kits

- [\\$400,000](#) to the American Heart Association, which will collaborate with neonatal intensive care units in Maricopa County hospitals to reach 5,000 families with Infant CPR Anytime Kits. Because the allocation was below \$10.0 million, it did not generate a notification letter.

Notification 17 – COVID-19 Testing

- Department of Health Services: [\\$10.0 million](#) for COVID-19 testing in partnership with Arizona State University.

Special Olympics Arizona

- [\\$1.0 million](#) for the Healthy Athletes program. The allocation will provide general and mental health, physical therapy, dental, and vision services for 1,000 athletes with intellectual disabilities. It will also support health education for 1,500 students and training for 300 health care students and professionals caring for Arizonans with disabilities. Because the allocation was below \$10.0 million, it did not generate a notification letter.

Housing

Notification 12 – Affordable Housing and Homelessness

- Department of Housing: [\\$40.7 million](#). This amount consists of:
 - \$10.0 million to the Arizona Housing Coalition to allocate to counties for services and resources for those experiencing homelessness,
 - \$7.5 million to the Arizona Coalition to End Sexual and Domestic Violence (ACESDV) to allocate to counties for services and resources to survivors of domestic violence,
 - \$7.2 million for Native American Connections to acquire a 58-bed transitional housing facility for youths experiencing homelessness,
 - \$5.0 million to Chicanos Por La Causa for personnel to assist with housing services,
 - \$4.0 million to ACESDV for domestic violence providers serving tribal communities,
 - \$2.5 million for Home Matters to Arizona to support affordable housing and transitional, homeless, and domestic abuse shelters,
 - \$1.9 million for Habitat for Humanity Tucson for job training programs and affordable housing,
 - \$0.5 million to one-n-ten to provide housing for LGBTQ+ youth facing housing insecurity,
 - \$0.4 million for Tanner Community Development Corporation to provide housing for veterans experiencing homelessness,
 - \$0.4 million to Circle the City for mental health services to those experiencing homelessness,
 - \$0.3 million for Native Americans for Community Action for services to individuals experiencing homelessness,
 - \$0.3 million for Primavera Foundation to renovate and expand affordable housing units,
 - \$0.3 million to First Place Arizona for independent living outreach, health programming, community engagement, and mental health coordination for neurodiverse individuals,
 - \$0.3 million to Southern Arizona AIDS Foundation for counseling and housing programs for those living with HIV/AIDS and LGBTQ+ youth facing housing insecurity,
 - \$0.3 million to Tohdenasshai Committee Against Family Abuse for child care and transportation services at its domestic violence shelter on the Navajo Nation,
 - \$0.1 million for Free Arts to provide art supplies to children in shelters and facilities, and
 - \$0.1 million to Streets of Joy for shelter and counseling services to those with mental illness and formerly incarcerated individuals.

Notification 19 – Department of Housing Initiatives

- Department of Housing: [\\$50.0 million](#). This amount consists of:
 - \$40.0 million to 6 sites to provide 600 bridge housing units for 2,000 persons experiencing homelessness annually. These sites include those developed by Flagstaff Shelter Services, Housing Solutions of Northern Arizona in Cottonwood, and Pinal Hispanic Council in Pinal County.
 - \$10.0 million to maintain and rehabilitate 500 existing Low Income Housing Tax Credit housing units.

Notification 20 – Veteran Home

- Department of Veterans' Services: [\\$19.6 million](#) to offset the veteran home revenue shortfall.

Infrastructure

Notification 21 – Border Security Fund

- Department of Emergency and Military Affairs: [\\$12.8 million](#) deposit into the Border Security Fund.

Tax Conformity

Notification 20 – Tax Conformity

- The Governor's Office notified the Legislature of a planned deposit of [\\$635.0 million](#) into the General Fund to reimburse the state for the costs of IRS tax conformity. The enacted budget included the assumption of this one-time transfer. However, due to federal requirements, the Executive later decided to achieve a comparable level of General Fund savings through spending offsets in certain agencies. We do not have any additional information at this time.

Tourism

Notification 4 – Visit Arizona Initiative

- Exposition and State Fair Board – State Fair Reopening: [\\$2.0 million](#) for infrastructure improvements, security, and other expenses.
- Office of the Governor – County Fair Promotion: [\\$2.3 million](#) to the County Fairs Livestock and Agriculture Promotion Fund.
- State Parks Board – Parks and Trails Improvements: [\\$25.0 million](#). Of this amount, \$20.0 million is allocated for capital improvements to parks and trails, and \$5.0 million is appropriated to the State Parks Heritage Fund for open space development, restoration or renovation, historic preservation, and outdoor education. An additional \$15.9 million was allocated in Notification 14 (see further discussion under "Water" below).
- Office of Tourism – Visit Arizona Initiative: [\\$71.8 million](#). This amount consists of:
 - \$25.0 million to attract and sponsor conferences, expositions, festivals, and other events that support the travel and hospitality sectors,
 - \$20.0 million for Destination Marketing Organizations,
 - \$8.0 million for improvements to major outdoor attractions,
 - \$8.0 million for improving water conservation at older golf courses,
 - \$5.8 million to expand existing Office of Tourism programs, including Rediscover Arizona Marketing; AZ Meetings Mean Business Campaign; the Arizona Lodging and Tourism Association's job fairs, continuing education programs, and talent pipeline development; and Local First Arizona's Rural Destination Development Program,
 - \$2.5 million to attract new international flight routes, and
 - \$2.5 million for domestic travel destination marketing.

Water

Notification 9 – Water Infrastructure Grants

- Department of Water Resources: [\\$20.0 million](#) for the rehabilitation and construction of wells and water-related infrastructure to provide groundwater to irrigation districts.

Notification 11 – Colorado River Water Conservation Project

- Department of Water Resources: [\\$30.0 million](#) for water conservation payments to users that forgo water deliveries from the Colorado River and Lake Mead.

Notification 14 – Wastewater Infrastructure in State Parks

- Department of Administration: [\\$15.9 million](#) for wastewater infrastructure projects. These monies are in addition to the \$25.0 million allocated to the State Parks Board in Notification 4, for a total of \$40.9 million. ADOA will receive \$30.9 million of the \$40.9 million to administer the wastewater infrastructure projects on behalf of the State Parks Board.

Coronavirus Capital Projects Fund

Arizona will receive \$190 million from the Coronavirus Capital Projects Fund. These monies are available until expended. From notifications from the Governor's Office as required by Laws 2021, Chapter 405 as well as other sources, we are aware of \$100 million in allocations. *Table 3* lists these allocations, along with the notification number.

Broadband

Notification 13 – Arizona Broadband Development Grants

- Arizona Commerce Authority: [\\$100.0 million](#), consisting of \$75.0 million for rural projects and \$25.0 million for urban projects.

Elementary and Secondary School Emergency Relief Fund

Arizona received a total of \$2.6 billion from the ARP Elementary and Secondary School Emergency Relief Fund. Of this amount, \$245 million will be allocated at the Superintendent of Public Instruction's discretion. These monies are available through September 30, 2024. From public releases of information, we are aware of the following allocations, which are also listed in *Table 4*.

- \$10.0 million to the Valley of the Sun United Way to establish state- and community-level literacy hubs to reduce learning loss and increase summer and out-of-school time learning.
- \$10.0 million to the ASU Center for Science and Imagination for the Arizona STEM Acceleration Project, which provides professional development opportunities to teachers in STEM.
- \$10.0 million to WestEd for its Quality Teaching for English Learners program to provide professional development to practitioners.
- \$10.0 million to Access ASU to provide academic support services for first-generation and low-income middle school, high school, and postsecondary students.
- \$9.9 million to the Maricopa County School Superintendent's Office for the Learning Acceleration Project for training for teachers and school leaders to address pandemic-related learning loss.
- \$7.3 million to the ASU Mary Lou Fulton Teachers College for community educators, particularly in rural areas.
- \$6.0 million to the Arizona Student Opportunity Collaborative for rural educators.
- \$5.9 million to the Santa Cruz County Education Services Agency for the Invest in Our Youth Project to address pandemic-related learning loss.
- \$5.1 million to Arizona Pathways to Prosperity for college and career readiness for K-12 students.
- \$4.8 million to the Coconino County Education Services Agency for the Building Resilient Youth and Schools project to address pandemic-related learning loss.
- \$3.0 million to Valley of the Sun YMCA to support the mental, physical, and behavioral health needs of students and educators, including through diabetes prevention and sports programming.
- \$3.0 million to Boys and Girls Clubs of the Valley to expand the Whole Child Approach program, which addresses social and emotional stress, to children ages 5 to 17 in Maricopa and Pinal Counties.
- \$2.8 million to the ASU Mary Lou Fulton Teachers College for Play On!, an afterschool enrichment program at 14 elementary schools in the Mesa Public Schools.
- \$2.3 million to the Higher Ground Resource Center to expand its Restart SMART community schools program, which serves low-income youth in Tucson.
- \$2.1 million to the Arizona Science Teachers Association to provide professional development resources to K-12 science teachers.
- \$2.0 million to notMYkid to expand mental and behavioral health services to 50,000 youth, parents, caregivers, and school faculty, with a focus on serving Title I schools, LGBTQ youth, and low-income students and families.
- \$2.0 million to the BARR Center to implement the Building Assets, Reducing Risks model in K-12 schools.
- \$2.0 million to the Cartwright Elementary School District for a three-pronged program to support students' reading, math, and social skills.
- \$2.0 million to Chicanos Por La Causa to hire on-site counselors for mental, behavioral, and physical health student support.
- \$2.0 million to Jobs for Arizona Graduates.
- \$2.0 million to Junior Achievement of Arizona for a career-readiness program.
- \$1.7 million to the Cottonwood-Oak Creek School District to implement Academic Parent-Teacher Teams.
- \$1.6 million to the Avondale Elementary School District for i-Ready Learning math and reading instructional resources.
- \$1.5 million to Playworks Education Energized to promote socialization skills and independent conflict resolution proficiency through gameplay at Title I schools.
- \$1.4 million to Special Olympics Arizona to expand its Unified Champion Schools program to promote acceptance and inclusion in school communities.
- \$1.3 million to the City of Tempe Human Services Department to provide college and career readiness support to underrepresented middle and high school students.
- \$1.2 million to the UA College of Education for its Native student outreach, access, and resiliency program.
- \$1.1 million to School Participatory Budgeting.
- \$1.1 million to Arizona Business Education Coalition for career exploration and development for students in grades 6-12.
- \$1.0 million to the Phoenix Conservatory of Music for after-school enrichment programs for low-income youth.
- \$1.0 million to Arizona PBS Educational Outreach to implement an evidence-based early literacy transition program for low-income 4- and 5-year-old students with little or no preschool experience.

- \$0.9 million to Mindfulness First to provide age-appropriate mental health education.
- \$0.6 million to the SciTech Institute to expand experiential STEM opportunities in Title I schools to serve 25,000 students.
- \$0.6 million to Childsplay AZ to provide literacy and language development training for teachers.
- \$0.6 million to Akimel O'Otham Pee Posh Charter School to provide books to preschool and kindergarten students.
- \$0.6 million to the Arizona Educational Foundation for the teachSTEM initiative.
- \$0.3 million to Arizona Autism United to expand speech and language therapy services for children with developmental disabilities in Maricopa County.

Table 2

**Allocations of American Rescue Plan Act Funds
Coronavirus State Fiscal Recovery Fund**

	<u>Amount</u>	<u>Notification</u>
<u>Broadband</u>		
Department of Transportation – I-17, I-19, and I-40	\$158,100,000	1
<u>Criminal Justice</u>		
Arizona Criminal Justice Commission – Victim Compensation and Assistance Fund	1,200,000	N/A
<u>Education</u>		
Office of the Governor		
Education Plus-Up Program	163,000,000	5
COVID-19 Educational Recovery Benefits	10,000,000	6
Expand Learning Initiative	20,100,000	7
Open for Learning Recovery Benefit	10,000,000	18
AZ OnTrack Summer Camp	100,000,000	20
<u>Employment</u>		
Department of Economic Security		
Unemployment Insurance Trust Fund	758,826,752	2
Return to Work Bonus Program	238,400,000	3
Office of the Governor – Small Business Hiring and Retention Program	16,200,000	10
Aid to Nonprofit Organizations	8,864,328	N/A
<u>Government</u>		
State Employee Premium Pay Initiative	94,951,656	15
<u>Health</u>		
Department of Health Services		
Hospital Staffing	88,000,000	8, 16
COVID-19 Testing	10,000,000	17
Infant CPR Anytime Kits	400,000	N/A
Special Olympics Arizona	1,000,000	N/A
<u>Housing</u>		
Department of Housing		
Housing Services	40,700,000	12
Bridge Housing	40,000,000	19
Existing Affordable Housing	10,000,000	19
Department of Veterans' Services – Veteran Home	19,600,000	20
<u>Infrastructure</u>		
Department of Emergency and Military Affairs – Border Security Fund	12,800,000	21
<u>Tax Conformity</u>		
General Fund ^{1/}	635,000,000	20
<u>Tourism</u>		
Exposition and State Fair Board – State Fair Reopening	2,000,000	4
Office of the Governor – County Fair Promotion	2,300,000	4
State Parks Board – Parks and Trails Improvements	25,000,000	4
Office of Tourism – Visit Arizona Initiative	71,750,000	4
<u>Water</u>		
Department of Administration – Wastewater Infrastructure in State Parks	15,850,000	14
Department of Water Resources		
Water Infrastructure Grants	20,000,000	9
Colorado River Water Conservation Project	30,000,000	11
Total Allocated	2,604,042,736	
Total Unallocated	1,578,784,756	

N/A = Only allocations of \$10.0 million or more require formal notifications pursuant to Laws 2021, Chapter 405. The Office of the Governor publicly announced these allocations but not through the notification process.

^{1/} The Governor's Office notified the Legislature of this planned allocation. However, the Executive later decided to achieve a comparable level of General Fund savings through spending offsets in certain agencies.

Table 3

**Allocations of American Rescue Plan Act Funds
Coronavirus Capital Projects Fund**

	<u>Amount</u>	<u>Notification</u>
<u>Broadband</u>		
Arizona Commerce Authority – Arizona Broadband Development Grant	\$100,000,000	13
Total Allocated	100,000,000	
Total Unallocated	90,220,002	

Table 4

**Allocations of American Rescue Plan Act Funds
Elementary and Secondary School Emergency Relief Fund**

<u>Organization</u>	<u>Amount</u>
ASU Mary Lou Fulton Teachers College	\$10,100,000
Valley of the Sun United Way	10,000,000
ASU Center for Science and Imagination	10,000,000
WestEd	10,000,000
Access ASU	10,000,000
Maricopa County School Superintendent's Office	9,900,000
Arizona Student Opportunity Collaborative	6,000,000
Santa Cruz County Education Services Agency	5,900,000
Arizona Pathways to Prosperity	5,100,000
Coconino County Education Services Agency	4,800,000
Valley of the Sun YMCA	3,000,000
Boys and Girls Clubs of the Valley	3,000,000
Higher Ground Resource Center	2,300,000
Arizona Science Teachers Association	2,100,000
notMYkid	2,000,000
BARR Center	2,000,000
Cartwright Elementary School District	2,000,000
Chicanos Por La Causa	2,000,000
Jobs for Arizona Graduates	2,000,000
Junior Achievement of Arizona	2,000,000
Cottonwood-Oak Creek School District	1,700,000
Avondale Elementary School District	1,600,000
Playworks Education Energized	1,500,000
Special Olympics Arizona	1,400,000
City of Tempe Human Services Department	1,300,000
UA College of Education	1,200,000
School Participatory Budgeting	1,100,000
Arizona Business Education Coalition	1,100,000
Phoenix Conservatory of Music	973,000
Arizona PBS Educational Outreach	961,000
Mindfulness First	879,000
SciTech Institute	620,000
Childsplay AZ	602,000
Akimel O'Otham Pee Posh Charter School	598,000
Arizona Educational Foundation	560,000
Arizona Autism United	300,000
Total Allocated	120,593,000
Total Unallocated	124,706,376

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