

Executive Allocation of Discretionary COVID Funding Program Summary

Latest Update

This summary has been updated to include updated information for the Crisis Contingency and Safety Net Fund.

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](#)

Table 1 displays the Executive's use of monies from the Crisis Contingency and Safety Net Fund as of May 6, 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	600,000
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
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 5/6/2021	\$47,795,000
Total Unallocated	\$2,205,000

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.
- \$600,000 to the Arizona Small Business Association to launch the Live Local program to assist small businesses in finding resources during the COVID-19 outbreak.
- \$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.

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 July 10, 2020, the Department of Health Services notified JLBC of its intent to spend \$166.2 million of the funding it received for responding to COVID-19. *Table 2* displays the department's use of all available monies. Of the \$104.5 million available, \$55.5 million was from the Public Health Emergencies Fund, \$31.0 million was from Federal Funds, \$12.5 million was from the federal Coronavirus Relief Fund, and \$5.5 million was from donations. In addition to these available funds, the department expected to receive reimbursement of approximately \$82.4 million in expenditures from the Federal Emergency Management Agency (FEMA) public assistance program, \$1.8 million from the Arizona Department of Economic Security (DES) for a portion of children's recreation and childcare costs, and an additional \$50 million from the Coronavirus Relief Fund, for an overall total funding of \$238.7 million. After reimbursement, approximately \$72.5 million remained unallocated.

Their planned expenditures for the \$166.2 million included:

- \$72.1 million to purchase medical supplies and personal protective equipment.
- \$29.2 million for COVID-19 testing, of which, \$12.7 million was for ASU testing, \$7.2 million was to expand testing, \$3.5 million was for serology/antibody testing, \$570,000 was for the Arizona Testing Blitz, and \$5.2 million was for additional testing expenses.
- \$13.0 million to provide up to 600 traveling nurses from other states to support up to 20% of licensed beds in Arizona hospitals.
- \$10.0 million to purchase ventilators.
- \$9.6 million 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.

State Funding for COVID-19 Department of Health Services	
<u>Available Funds</u>	
Public Health Emergencies Fund	\$55,500,000
Federal Funds	31,007,700
Federal Coronavirus Relief Fund	12,500,000
Donations Fund	<u>5,500,000</u>
Total Available as of 7/10/20	\$104,507,700
<u>Expenditure Plan</u>	
Medical/PPE Supplies	\$72,072,700
COVID-19 Testing	29,232,200
600 Traveling Nurses	13,000,000
Ventilators	10,000,000
St. Luke's Hospital Build-Out/Operating Expenses	9,622,300
County Distribution	8,175,400
Tribal Distribution	1,760,400
DEMA Distribution	5,727,700
Children's Recreation/Childcare	4,686,700
Arizona Surge Line	3,114,300
Infectious Disease Hotline	786,500
Lab Equipment/Supplies	1,773,300
Other Operating Expenditures	<u>6,272,200</u>
Total Allocated as of 7/10/20	\$166,223,700
Estimated FEMA Reimbursement	82,410,800
Estimated DES Reimbursement	1,838,600
Coronavirus Relief Fund Reimbursement	50,000,000
Unallocated Funds	72,533,400

- \$8.2 million to counties and \$1.8 million to tribes for local preparedness and response to COVID-19.
- \$5.7 million to the Department of Emergency and Military Affairs for expenses related to the activation of the State Emergency Operations Center and the Arizona National Guard.
- \$4.7 million to expand children's recreation and childcare options for essential workers.
- \$3.1 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, and \$786,500 for the Infectious Disease Hotline.
- \$1.7 million to purchase lab equipment and other supplies needed to process COVID-19 tests in the State Health Lab and in private labs.
- \$6.3 million for other operating expenditures, including IT services, legal services, advertising, and contract services.

The department charged expenses to Federal Funds, private donations, and the federal Coronavirus Relief Fund as allowed by federal law and donor agreement. Any additional expenses were charged to the Public Health Emergencies Fund.

On December 4, 2020, DHS updated their plans and reported \$98.5 million in expenditures currently charged to the Public Health Emergencies Fund. 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' October report listed \$108.6 million in expenditures, but that number has been reduced as DHS has received more FEMA reimbursements. *Table 3* displays the expenses currently charged to the Public Health Emergencies Fund. Because the information in *Table 2* has not been updated since July, those figures cannot be directly correlated with the figures below.

COVID-19 Testing	\$31,623,600
Traveling Nurses	23,506,700
PPE Supplies	22,834,700
Communications	8,054,300
Post-Acute Bed Reserve	5,133,800
St. Luke's Hospital Build-Out	2,593,900
Arizona Surge Line	1,837,500
Vaccination System	986,400
Warehousing	614,800
Ventilators	384,200
Palliative Care	300,000
Contract Services	185,800
Other	424,500
Total as of 12/4/20	\$98,480,200

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 allocations of \$8.5 million in CRF donations to Arizona entities for the following purposes:

- \$5.0 million from the Ben and Catherine Ivy Foundation 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.
- \$527,000 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.
- \$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.

For additional details on each CRF allocation, please see the [attached PDF](#). *Table 4* displays the Executive's allocation of CRF monies as of October 28, 2020.

Table 4	
Arizona Coronavirus Relief Fund	
Personal Protective Equipment	4,957,600
Education Continuity and Child Care	480,000
Special Needs Populations	100,000
Foster Children	100,000
Nutrition Assistance	527,000
Seniors, Homebound and Medically Fragile	320,000
Homeless Populations	1,000,000
Domestic Violence Prevention	350,000
Family Support and Stabilization	<u>645,000</u>
Total Allocated as of 10/28/20	\$8,479,600

Other

On March 27, 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.

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