

## Executive Allocation of Discretionary COVID Funding Program Summary

### Latest Update

This summary has been updated to include new allocations from the Crisis Contingency and Safety Net Fund and an updated expenditure plan for the Public Health Emergencies 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](#)

*Table 1* displays the Executive's use of monies from the Crisis Contingency and Safety Net Fund as of July 13, 2020.

#### *Economic Assistance to Nonprofit Organizations*

- \$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.

<b>Table 1</b>	
<b>State Funding for COVID-19 Crisis Contingency and Safety Net Fund</b>	
Economic Assistance to Nonprofit Organizations	
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
Economic Assistance to Health Care Providers	
Santa Cruz Regional Hospital	5,400,000
Open Hearts Family Wellness	50,000
Food Assistance	
Food Bank Assistance	1,000,000
Expand the "Double-Up" Food Bucks Program	500,000
Expand the Arizona Produce Purchasing Program	250,000
Homeless Shelters and Housing	
Assistance to Homeless Shelters	5,000,000
St. Vincent de Paul Rent Assistance Program	<u>250,000</u>
<b>Total Allocated as of 7/13/20</b>	<b>\$17,420,000</b>
Total Unallocated	\$32,580,000

*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.

*Food Assistance*

- \$1.0 million for food bank assistance and enhancement of existing food bank infrastructure.
- \$500,000 for the "Double-Up" Food Bucks Program. 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 allocation of \$500,000.
- \$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.

*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.

**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 has received for responding to COVID-19. Of the \$104.5 million available, \$55.5 million is from the Public Health Emergencies Fund, \$31.0 million is from Federal Funds, \$12.5 million is from the federal Coronavirus Relief Fund, and \$5.5 million is from donations. In addition to funds available, the department expects to receive

reimbursement of approximately \$82.4 million in expenditures from the Federal Emergency Management Agency (FEMA) public assistance program and \$1.8 million from the Arizona Department of Economic Security (DES). After reimbursement, approximately \$22.5 million remains unallocated. Their planned expenditures include:

- \$72.1 million to purchase medical supplies and personal protective equipment.
- \$29.2 million for COVID-19 testing, of which, \$12.7 million is for ASU testing, \$7.2 million is to expand testing, \$3.5 million is for serology/antibody testing, \$570,000 is for the Arizona Testing Blitz, and \$5.2 million is 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.
- \$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 is charging expenses to Federal Funds, private donations, and the federal Coronavirus Relief Fund as allowed, and charging expenses eligible for FEMA reimbursement to the Public Health Emergencies Fund. In addition, DES will reimburse the department for a portion of children's recreation and childcare costs. *Table 2* displays the department's planned use of monies as of July 10, 2020.

#### **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 [\\$8.2 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 \$1.5 million in CRF donations for the following purposes:

##### *Family Support*

- [\\$100,000](#) for organizations supporting children with special needs. This allocation is distributed among the following organizations: Ability360, Southwest Autism Research Resource Center, Southern Arizona Network for Down Syndrome, and the Arizona Recreation Center for the Handicapped (ARCH). Funds will be used to offer new services such as video conference check-ins, in-home treatment through telemedicine and remote supervision, coaching for parents and support programs for newly-diagnosed families, and providing technology for children with special needs.
- [\\$100,000](#) for organizations that support foster families and the children in out-of-home care in Arizona. This allocation is to address the increased demand for services, supplies, and education needs of those children during this time.
- [\\$500,000](#) for organizations providing out of school child care in Arizona. The following organizations are reported to receive funds from this allocation: Boys & Girls Clubs across Arizona, the CLUB for YOUTH Kingman, Cobre Valley Youth Club, and the Patagonia Youth Enrichment Center.

##### *Food Assistance*

- [\\$500,000](#) to support the Association of Arizona Food Banks/Arizona Food Bank Network to address increased demand during the pandemic. The Executive reported that funds will be used to meet the needs of individuals

**Table 2****State Funding for COVID-19  
Department of Health Services**Available Funds

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>
<b>Total Available as of 7/10/20</b>	<b>\$104,507,700</b>

Expenditure Plan

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>
<b>Total Allocated as of 7/10/20</b>	<b>\$166,223,700</b>

**Estimated FEMA Reimbursement 82,410,800****Estimated DES Reimbursement 1,838,600****Unallocated Funds 22,533,400**

with disabilities, implement additional strategies to promote physical distancing, acquire more packaging materials to deliver food, and secure additional storage space for food.

*Vulnerable Population Support*

- [\\$300,000](#) to support senior citizens, those who are homebound, and those who are medically fragile. Recipients of these funds include the Foundation for Senior Living, Benevilla, and Aster Aging to help the identified population with “grocery shopping, meal deliveries, transportation to medical appointments, emergency errands and social interaction.”

Table 3 displays the department's planned use of monies as of May 20, 2020.

**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.

**Table 3****Other Funding for COVID-19  
Coronavirus Relief Fund**

Family Support	
Organizations supporting children with special needs	\$100,000
Organizations supporting out-of-home care	100,000
Organizations providing out of school child care	500,000
Food Assistance	
Association of Arizona Food Banks/Arizona Food Bank Network	500,000
Vulnerable Population Support	
Organizations supporting vulnerable populations	<u>300,000</u>
<b>Total Allocated as of 5/20/20</b>	<b>\$1,500,000</b>