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.

Laws 2021, Chapter 405 requires that, prior to spending more than $10.0 million 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. In addition, these entities must report quarterly on all expenditures through June 30, 2024. The reporting requirements are for:

- The Governor’s Office on the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund.
- The Arizona Board of Regents on the Higher Education 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 the first tranche of $2.1 billion. Both tranches of Coronavirus State Fiscal Recovery Fund monies are available through December 31, 2024. From notifications from the Governor’s Office as required by Laws 2021, Chapter 405 as well as other sources, we are aware of $1.4 billion in allocations. Table 1 groups these allocations by subject area and agency. For allocations of more than $10.0 million, the notification number is listed as well.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Allocations of American Rescue Plan Act Funds</th>
<th>Amount</th>
<th>Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coronavirus State Fiscal Recovery Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband</td>
<td>Department of Transportation</td>
<td>$100,000,000</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>Office of the Governor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education Plus-Up Program</td>
<td>163,000,000</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>COVID-19 Educational Recovery Benefits</td>
<td>10,000,000</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Expand Learning Initiative</td>
<td>20,100,000</td>
<td>7</td>
</tr>
<tr>
<td>Employment</td>
<td>Department of Economic Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unemployment Insurance Trust Fund</td>
<td>758,826,752</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Return to Work Bonus Program</td>
<td>238,400,000</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Office of the Governor – Small Business Hiring and Retention Program</td>
<td>5,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Tourism</td>
<td>Exposition and State Fair Board – State Fair Reopening</td>
<td>2,000,000</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Office of the Governor – County Fair Promotion</td>
<td>2,300,000</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>State Parks Board – Parks and Trails Improvements</td>
<td>25,000,000</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Office of Tourism – Visit Arizona Initiative</td>
<td>71,750,000</td>
<td>4</td>
</tr>
<tr>
<td>Total Allocated</td>
<td></td>
<td>$1,396,376,752</td>
<td></td>
</tr>
<tr>
<td>Total Unallocated</td>
<td></td>
<td>2,786,450,740</td>
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</tbody>
</table>
Broadband

**Notification 1 – Broadband Infrastructure**
- Arizona Department of Transportation: **$100.0 million** to expand broadband infrastructure along I-17 and I-19. The project will transition to the Coronavirus Capital Projects Fund once those monies are available; at that time, the initial $100.0 million distribution will revert back to the Coronavirus State Fiscal Recovery Fund.

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](https://www.azleg.gov/Laws/PublicCh/2021Ch/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.

Employment

**Small Business Hiring and Retention Program**
- Office of the Governor: **$5.0 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. Because the allocation was below $10.0 million, it did not generate a notification letter.

**Notification 2 – Unemployment Insurance Trust Fund**
- Department of Economic Security: **$758.8 million** deposit.

**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.

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.

- **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.

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