

Executive Allocation of Discretionary COVID Funding Program Summary

Overview

The Legislature has passed and the Executive has signed into law 2 pieces of legislation that 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, 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

On March 30, 2020, the Executive notified the Legislature of the intent to spend [\\$6.8 million](#) from the Crisis Contingency and Safety Net Fund, including:

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.

Table 1	
State Funding for COVID-19 Crisis Contingency and Safety Net Fund	
Homeless Shelters and Housing	
Assistance to Homeless Shelters	\$5,000,000
Food Assistance	
Food Bank Assistance	1,000,000
Expand the "Double-Up" Food Bucks Program	500,000
Expand the Arizona Produce Purchasing Program	<u>250,000</u>
Total Allocated as of 3/30/20	\$6,750,000
Total Unallocated	\$43,250,000

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.

Table 1 displays the Executive's use of monies from the Crisis Contingency and Safety Net Fund as of April 2, 2020.

Public Health Emergencies Fund

On April 1, 2020, the Department of Health Services notified JLBC of its intent to spend \$23.5 million of the \$55.5 million available in the Public Health Emergencies Fund. In addition, the department plans to spend \$11.7 million in Federal Funds from the Coronavirus Preparedness and Response Supplemental Appropriations Act, signed by the President on March 6, for a total expenditure plan of \$35.2 million. Their planned expenditures include:

- \$19.1 million to purchase medical supplies for treatment of COVID-19, including \$10.0 million for ventilators, \$8.5 million for masks, \$500,000 for isolation gowns, and \$100,000 for hand sanitizer.
- \$5.8 million to counties and \$1.2 million to tribes for local preparedness and response to COVID-19.
- \$1.1 million to Boys & Girls Clubs and \$2.4 million to the YMCA to expand childcare options for essential workers.
- \$3.0 million to purchase lab equipment and other supplies needed to process COVID-19 tests in the State Health Lab and in private labs.
- \$1.8 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.
- \$750,000 on hospital build-out to expand the state's hospital bed capacity for treatment of COVID-19 patients.

The department reports that expenses will be charged to Federal Funds as allowed, and the remaining expenses will be charged to the Public Health Emergencies Fund. Table 2 displays the department's planned use of monies as of April 2, 2020.

Table 2	
State Funding for COVID-19	
Public Health Emergencies Fund/Federal Funds	
Medical Supplies	\$19,100,000
County Distribution	5,800,000
Tribal Distribution	1,200,000
Boys & Girls Clubs	1,100,000
YMCA	2,400,000
Lap Equipment/Supplies	3,000,000
DEMA Distribution	1,800,000
Hospital Build-Out	<u>750,000</u>
Total Allocated as of 4/1/20	\$35,150,000 ^{1/}
^{1/} The total allocated amount includes \$11.7 million from the Coronavirus Preparedness and Response Supplemental Appropriations Act and the remaining amount is allocated from the Public Health Emergencies Fund.	

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.