

STABILIZE, CONNECT, & STIMULATE



A CROSS-SECTOR, COVID-19 RECOVERY ROADMAP

Information contributed and compiled by Valley Leadership's Impact Maker and the Covid-19 Impact Team, including strategic partners: Alliance of Arizona Nonprofits, Arizona Council of Human Services Providers, Arizona Department of Transportation, Arizona Early Childhood Alliance, Arizona Public Interest Research Group, Chicanos Por La Causa, Expect More Arizona, Local First Arizona, Native American Connections, New River Group, The Opportunity Tree and Valley of the Sun United Way.

SUMMARY

The framework outlined below will foster and facilitate a swift and productive recovery to ensure Arizona continues to build on the economic momentum and success it enjoyed preceding the pandemic.

This group came together to look at what policies, if put in place now, could have the greatest impact across sectors and the state. The recommendations that follow are the result of conversations driven by data and equity, focused on supporting vulnerable populations and driving economic stability and growth. As we've all come to learn, the pandemic has spared no sector, and the data show we still face many challenges. However, we know we can accomplish more together.

Cross-sector Recommendations for Economic Recovery

STABILIZE

Both families and businesses are struggling to fulfill their most basic needs, given new or exacerbated obstacles due to COVID-19. The following recommendations require urgent action to provide diverse stakeholders with the support they need to participate in the state's long-term recovery:

- Create and apply a specific debt relief model for small businesses and nonprofits** that exempts or delays payment of debt for businesses and nonprofits if they can demonstrate lost income.
- Provide high-quality early childhood education and care** by giving the Arizona Department of Economic Security (DES) legislative spending authority of the \$88 million from the federal CARES Act Child Care Development Block Grant.
- Increase Arizona's federal rental voucher allocation** (HUD Section 8, Project-Based and Veterans Affairs Supportive Housing [VASH]) to prevent an increase in homelessness.



CONNECT

Without access to quality internet connection, students, patients and workers lack the tools they need to gain a quality education, the right health care and opportunities for career growth. The following recommendations prioritize broadband connection to ensure that Arizonans can learn, live and work safely – from anywhere in the state:

Provide access to devices, internet and infrastructure, with a particular focus on rural, low-income and Tribal communities and other students in need.

Make telehealth (video and telephonic) services permanent, with special consideration for the Division of Developmental Disabilities service system with other Arizona Health Care Cost Containment System (AHCCCS) managed care organization (MCO) provider entities in the disbursement of resources and the creation of policy.

Require state agencies with staff capacity and resources to increase telecommuting and promote telehealth services while lobbying for state public transit funding to help connect our most isolated and vulnerable communities.

STIMULATE

The long-term solutions implemented today will determine Arizona's ability to rebound from the pandemic in the future. The following recommendations provide strategies to protect and sustain businesses and enhance the state's workforce:

Restore the state housing trust fund to 55% of unclaimed property to allocate over \$25M every year to develop affordable housing and reduce the heightened strain on renters.

Prioritize competitive employment in an integrated setting with ongoing support services for individuals with the most severe disabilities and invest in well-trained staff by allocating funding for supported employment services.

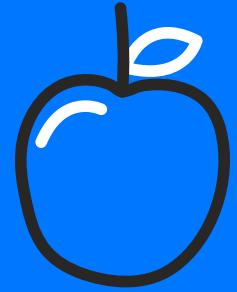
Increase access and affordability to postsecondary education, training and opportunities for workforce and skill-building in addition to supporting student persistence towards completion of a degree or credential.

About Impact Maker and the Criteria Used to Develop These Recommendations

This executive summary and accompanying sector-based white papers were created by the Impact Maker COVID-19 Response Team. The team comprises community leaders and organizations across all sectors who came together to vet and determine the policies and actions most needed for Arizona communities to emerge from the pandemic in an equitable, resilient way.

Our team seeks to work with state-level policymakers to advance these recommendations, which details cross-sector policy priorities for addressing our most critical needs. Learn more about our work [here](#).

BEHAVIORAL HEALTH



Information contributed and compiled by Arizona Council of Human Service Providers and Crisis Preparation and Recovery

SUMMARY

The items listed below will dramatically increase access to care related to behavioral health needs throughout Arizona, in both urban and rural areas.

It will further enhance the multiplier effect for expanding access and choice of Medicaid managed care organizations (MCOs) and reducing premiums for individuals and employer groups. Finally, the investment-reinvestment of “unused” capitation dollars will support health care delivery systems to expand service lines, quality and innovation and act as a major pipeline to more jobs across the sector.

TOP SECTOR RECOMMENDATIONS

Consider Provider Types: Behavioral Health Outpatient (77), Integrated Clinics (IC), Certified Independent Social Worker (85), Certified Marriage/Family Therapist (86), Certified Professional Counselor (87), etc. to provide direct care to primary care physician (PCP) locations under the tax ID of the serving provider.

Make telehealth (video and telephonic) services permanent.

1332 Waiver: Use Affordable Care Act premium supports to expand Medicaid buy-in to expand coverage/reduce costs, as well as reinsurance to reduce premiums.

Enhance provider rates from Medicaid MCOs from April 1, 2020, to the end of the public health emergency by accessing savings from health care utilization trends.

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SECTOR DESCRIPTION

With more than 850 behavioral health providers in Arizona, the behavioral health sector comprises small, mid-size and large organizations. They range from independently licensed clinicians who operate a private practice, to multi-million-dollar organizations with hundreds or thousands of employees. According to the Arizona Health Care Cost Containment System (AHCCCS), along with Health Current, the single Health Information Exchange in Arizona, there are:

861 agencies registered with AHCCCS as a behavioral health provider.

Most behavioral health services and AHCCCS member volume are concentrated in a small number of large agencies:

Since COVID-19, the telehealth service delivery codes have been vastly and successfully expanded to allow providers the ability to continue to meet with clients, but with less risk of community spread of the virus.

118 PROVIDER AGENCIES	544 PROVIDER AGENCIES	90 PROVIDER AGENCIES
served 500+ members each	served <50 members each	served just one AHCCCS member

Note, some providers are not registered with AHCCCS, and only serve clients through private insurance.

In Arizona, behavioral health services are available to both children and adults and may include one or more, but not limited to, the following services:

GENERAL MENTAL HEALTH SERVICES	SUBSTANCE USE DISORDERS (SUD) AND MEDICATION ASSISTED TREATMENT (MAT)
INDIVIDUAL, GROUP, FAMILY OR SCHOOL-BASED THERAPY	CRISIS RESPONSE
INTENSIVE OUTPATIENT CARE	PARTIAL HOSPITALIZATION OR HOSPITALIZATION
MEDICATION MONITORING	PSYCHIATRIC SERVICES



IMPACT OF COVID-19

There has been a significant impact to this sector due to COVID-19. One of the major issues has been the need to transition from in-person service delivery to telehealth services, which includes telephonic only or video conferencing options. While telehealth services were previously available, they were limited by who, when, where and how they could be delivered. Since COVID-19, the telehealth service delivery codes have been vastly and successfully expanded to allow providers the ability to continue to meet with clients, but with less risk of community spread of the virus. Without this adjustment, many providers would have been forced to stop providing services, and potentially go out of business.

Advancing towards our new and expanded telehealth service delivery system meant that providers had to adapt quickly to be able to meet the needs of their clients. This meant securing additional equipment, ensuring participants had access to phones and/or internet, and adjusting policies and procedures to be aligned with guidance, requirements and changes that were being implemented at both state and national levels. Furthermore, there were adjustments needed to enhance cybersecurity to ensure Health Insurance Portability and Accountability Act (HIPAA) compliance, as well as changes to claims processing and the billing structure that resides within electronic health records.

The benefit of these telehealth flexibilities has been transformative to the behavioral health system of care in Arizona. Through this growth and modernization, providers have been able to increase access to care and reduce barriers that have kept people from seeking services in the past. Especially now, in a time of growing anxiety due to isolation and loneliness, access to telehealth services provides a way to safely promote well-being and good mental health. Providers also realize that telehealth services are not ideal for every situation. However, the value of having a flexible system of care that allows for a variety of behavioral health options is what is in the best interest of the end-user.



EDUCATION



Information contributed and compiled by Expect More Arizona, Arizona Community Colleges Coordinating Council, Arizona Early Childhood Alliance, Arizona School Administrators, and Center for the Future of Arizona

SUMMARY

COVID-19 has exposed and threatens to deepen the inequities that perpetuate P-20 educational achievement gaps – the longstanding barriers to reaching the goals of the [Arizona Education Progress Meter](#).

These gaps disproportionately affect low-income students and students of color in Arizona. Simply put, Arizona's economic prosperity, civic health and quality of life depend on how well we close our persistent achievement gaps – and the work to reduce those gaps must rapidly accelerate, starting today.

TOP SECTOR RECOMMENDATIONS

To address these issues and make progress towards our state's goals on education, we recommend additional policies and funding that will support:

Early Education | Ensure affordable child care is accessible to all children and families

who desire it by continuing the Enrichment Center and Scholarship Program and reimbursing Arizona Department of Economic Security (DES) child care assistance providers at the January 2020 rate until the effects of the pandemic have subsided. Additionally, we recommend increasing the reimbursement rate of providers accepting DES child care assistance to at least the 50th percentile of the most recent market rate survey, with a clear plan to achieve the federally mandated 75th percentile between 2021 and 2022; and continue fee waivers for child care license renewals for the next three years.

K-12 Education | Ensure technology access, meet the needs of students with disabilities and English language learners (ELLs), ensure food security, retain quality teachers and leadership, support the mental health and social-emotional needs of students and teachers and support school infrastructure needs. To do so: restore district/charter additional assistance funding to provide access to devices, internet and infrastructure, with a particular focus on rural, low-income and Tribal communities and other students in need; conduct a special education cost study and provide additional funding to meet student needs by creating an opportunity weight in the funding formula; provide additional state funding via the school funding formula to reach more students who are food insecure; take action to recruit, train and support our educators and school leaders at all



levels; leverage teletherapy in areas where there is a shortage of providers; and provide additional funding for personal protective equipment (PPE), cleaning supplies, and other equipment.

Postsecondary Education & Training | Increase access and affordability to postsecondary education, training and opportunities for workforce and skill-building in addition to supporting student persistence towards completion of a degree or credential. To do so: the state and its post-secondary institutions should create a stable funding model that supports Arizona resident students and increase awareness of affordability; modernize how Arizona supports dual enrollment and increase funding to a full Full-time Student Equivalent, remove the 25% cap on high school freshman and sophomore students attending dual enrollment and provide an opportunity to increase the Carnegie units for dual enrollment; fully fund the STEM and Workforce Program formula for all community college districts, including Maricopa and Pima Community college districts; and update the community college expenditure limitation (EL) formula to allow for shorter, more concentrated and stackable certificates and credentials to get more people to work faster. Additionally, provide additional state funding to Arizona's community colleges' guided pathways program and support the Arizona Center for Community College Success.

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SECTOR DESCRIPTION

In Arizona, achievement gaps define the education sector. The state's achievement gaps are the result of inequities that students face every day: nutrition, health, housing, income level, English language proficiency, special needs and other factors. Take third-grade reading, for example. The state average shows 46% of third graders are proficient in reading by the end of the school year. However, white students far outpace the average at 61% proficient, while Latinx and Black students lag far behind at 36% and 35% proficient, respectively. These proficiency gaps require additional resources and support to ensure that students of color and those in poverty can reach reading proficiency by the end of third grade. These efforts aren't just needed in third grade but beginning in the early years and continuing through postsecondary education and career.

IMPACT OF COVID-19

These gaps stand to widen across the education continuum due to the pandemic and will likely have a disproportionate impact on students of color and low-income students.

In early education, the future of child care is uncertain. At one point, the impact of COVID-19 caused more than half of child care providers to close. To date, one-third of child care centers



remain closed in Arizona, and those that are open are serving 38% of the number of students they served before COVID-19. Many child care providers are small businesses, and more than half say they may not be able to sustain themselves financially. The child care sector's ability to open and function is critical for parents to be able to return to work or education and for children to access quality early learning opportunities.

In K-12 education, distance learning has created new inequities with gaps in access to Wi-Fi, broadband and devices to do schoolwork from home. More than 200,000 students (19% of all K-12 students) still are without online access from home. This gap disproportionately impacts students of color: 62% of these students are Black or Latinx. In some cases, remote learning has limited access to counselors, social workers, special education and ELL programs and services. On top of this, many students lost a full quarter of learning that they will have to make up in the new school year.

Regarding postsecondary education, the good news is that students still want to pursue higher education or training. However, students are worried they will not be prepared for college; feel unprepared and unsupported; feel conflicted, as many must now care for older relatives or younger siblings while pursuing postsecondary education; are uncertain about completing their certificate or degree; and are struggling to meet basic needs, including housing, food and technology.

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Arizona is at a critical juncture in our trajectory as a state.

By 2030, the majority of our population will be people of color, while a majority of students of color already represent our K-12 population. Today's students are tomorrow's workforce, business owners, policymakers and community leaders. There is no path to reaching the goals in the Education Progress Meter without addressing the persistent achievement gaps and their underlying causes.

Arizona's COVID-19 Child Care Crisis: How lack of child care threatens Arizona's COVID-19 recovery and public policy solutions to consider (https://azeca.org/wp-content/uploads/2020/07/AZECA-Child-Care-Crisis-Report_DRAFT_FINAL-CHANGES.pdf)

Education Progress Meter (<https://www.expectmorearizona.org/progress/>)

Roadmap for P-20 Education Funding (<https://www.expectmorearizona.org/roadmap/>)

Digital Bridge (<https://digitalbridgek12.org/toolkit/assess-need/connectivity-map/>)



FAMILY STABILITY & CHILD WELL-BEING



Information contributed and compiled by Arizona Early Childhood Alliance and Prevent Child Abuse Arizona, Arizona Council of Human Service Providers and First Things First

SUMMARY

These policy recommendations will allow continued financial consistency for child care providers until the pandemic subsides, ensuring the child care infrastructure remains intact once all of Arizona's parents are ready to place their children back into organized child care.

Thus far, Arizona's leaders and state agencies have allowed the state to temporarily avoid the biggest child care crisis in modern history. But, as the pandemic continues to linger across Arizona, and as many parents grapple with the decision to place their children back into organized care, child care businesses will continue to struggle – and many might close permanently. We cannot let this happen. Otherwise, when Arizona emerges from this pandemic, there may not be enough child care providers to serve them. To preserve this essential pillar of Arizona's economic success, the policy recommendations outlined in this report are not only necessary; they are critical.

TOP SECTOR RECOMMENDATIONS

Several public policy actions can help thousands of child care small business owners, Arizona's working families and young learners at the same time:

Strengthen economic supports for families by raising the federal poverty level in Arizona from 138% to 200%, thus making more people eligible for housing assistance; creating a state-level low-income housing tax credit; removing the \$2.5 million cap on the State Housing Trust Fund to allow it to be restored to a fiscal level that matches the need of the community; and moving beyond the federal Family and Medical Leave Act (FMLA) as the primary option for family leave by enacting a robust Paid Family Leave (PFL) bill that allows for additional flexibility and eligibility.

Promote norms that stop cycles of abuse by engaging in community outreach campaigns that normalize parent help-seeking behavior and shared community responsibility for protecting children, and increasing awareness of child well-being through a statewide public awareness and education campaign.



Provide high-quality early childhood education by giving the Arizona Department of Economic Security (DES) legislative spending authority of the \$88 million from the federal CARES Act Child Care Development Block Grant. This action would allow maximum flexibility for DES to be responsive to the evolving needs of the child care programs. Additionally, we recommend increasing the reimbursement rate of providers accepting DES child care assistance to at least the 50th percentile of the most recent market rate survey, with a clear plan to achieve the federally mandated 75th percentile between 2021 and 2022, and ensuring the appropriation of additional state and federal funding to address the evolving early care and education needs of young children and their families during Arizona's COVID-19 recovery.

Enhance parenting skills by expanding and mandating telehealth or teleservice flexibilities for parenting skills development classes through Department of Child Safety and Arizona Health Care Cost Containment System (AHCCCS) in addition to funding for healthy families and requiring this program, and/or others like it, in the implementation of Families First Prevention Services Act (FFPSA) that will begin on Oct. 1, 2021.

Intervene to prevent further harm by accepting and stewarding federal funding sources that support family advocacy centers; fully implementing the FFPSA, which includes legislative education and action at a state level; and prioritizing the disproportionate impact of the child welfare system on Black and Native American families by requiring any legislative action in the realm of child welfare, education and child well-being have language that addresses racial disparities.

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SECTOR DESCRIPTION

Child well-being is central to the long-term prosperity of our state. Extensive research on child adversity has demonstrated that adverse childhood experiences (ACEs) lead to long-term detrimental health and economic outcomes for individuals, communities and states. Promoting child well-being both prevents and mitigates child adversity, thereby improving individual and community health and sustained economic prosperity.

The child well-being sector consists of professionals and community members who work to ensure all children are safe, nurtured and have their physical and emotional needs met. When caregivers and families face overwhelming stress, without access to the resources, coping strategies, social connections and knowledge they need, they unintentionally compromise the well-being of children. Thus, the most effective way to achieve child well-being is to support parents and caregivers. Child care has always contributed to Arizona's economic health – quality

...quality early education generates a return on investment of \$7 to \$10 for every dollar invested.



early education generates a return on investment of \$7 to \$10 for every dollar invested. Today's employees need child care to work, and early learning programs provide the education that children need to be successful in school and become the workforce of tomorrow.

IMPACT OF COVID-19

Throughout the public health crisis, child care businesses faced many difficult decisions, one of the biggest being whether to remain open. Providers had to weigh many factors, including, but not limited to: the health and safety of their students and staff, supporting working families who needed care for their children throughout the pandemic and operating expenses that drastically faltered as a result of disenrollment of children. Various data sources suggest that between one-third and two-thirds of centers remained closed at the beginning of July 2020, and a survey of providers revealed many programs would not be able to stay open or reopen without financial assistance. In one national survey, over 80% of child care providers believed they would be permanently closed within 12 months if the current situation continues.

Weekly data collected from a subset of Arizona providers – those participating in a quality improvement initiative through First Things First – show the fragility of early learning programs overall: although half of participating providers generally have remained open, providers are temporarily closing and reopening weekly. These swift and unexpected closures are not only tough on providers, early childhood programs and their staff but also extremely challenging for the families and children. Out of necessity, Arizona's working parents found quick care solutions when both schools and child care programs rapidly closed in response to the pandemic. The unplanned disenrollment of children, sustained closures and lack of essential materials may lead to the biggest child care crisis in modern history. As the outbreak continues its widespread effect in the state, Arizona leaders are learning how important child care is – not just to essential workers but to Arizona's economic future.

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Education Progress Meter (<https://www.expectmorearizona.org/progress/>)

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HOUSING

Information contributed and compiled by Native American Connections, Arizona Housing Coalition, Arizona Housing Fund, Home Builders Association of Central Arizona, and La Frontera Arizona



SUMMARY

Today's solutions are not getting the job done, so what do we need to do to improve the next generation of affordable housing?

Leverage underutilized federal resources: The State Housing Trust Fund provides a dollar-for-dollar benefit toward developing affordable housing. Arizona should leverage other underutilized federal resources, such as the 4% Low-Income Housing Tax Credit (LIHTC) to create more affordable housing.

Create higher density: By allowing up to 15 units per acre, we can better utilize existing infrastructure and lower land costs per home. Maximum selling prices at Federal Housing Administration loan limits ensure that the increased density will benefit Arizona's workforce housing needs.

Enlist Congressional support to increase Arizona's Housing Choice Vouchers: Rental voucher allocations were set years ago by the federal government when Arizona's population was much lower. Rental vouchers are a very effective method to increase the availability of affordable housing. Limited rental assistance is one of the largest barriers to producing more permanent supportive housing to end chronic homelessness.

Reduce development costs: Any viable effort to reduce the cost of housing and increase the availability of affordable housing must include reducing or eliminating costly taxes, fees and other regulatory burdens wherever possible.

For-sale and for-rent homes have significantly increased in price over the last 10 years. Due to skyrocketing home prices and a shortage of 140,000 affordable and available homes, lower-income citizens are being priced out of an undersupplied market. If these recommendations are enacted, we will reduce costs and increase affordable and available homes.

TOP SECTOR RECOMMENDATIONS

Restore the State Housing Trust Fund to 55% of unclaimed property to allocate over \$25M every year to develop affordable housing and reduce the heightened strain on renters.



Create a Housing Affordability Zoning Overlay District (2020 HB 2841) over at least 30% of all vacant land that is zoned for single-family residential use within a municipality.

Increase Arizona's federal rental voucher allocation HUD Section 8, Project-Based and Veterans Affairs Supportive Housing [VASH]) to prevent an increase in homelessness.

Enact legislation that would make affordable housing projects serving citizens with incomes at or below 60% area median income (AMI) eligible for contractor privilege tax abatement, so general contractors do not need to charge the approximate 5.8% sales taxes on affordable housing projects. This action alone could save \$400,000 on a typical LIHTC project.

Introduce a state affordable housing tax credit to create about 1,800 construction jobs annually to build and rehab over 6,000 new and affordable housing units, which would create about \$2 billion in total state economic activity.

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SECTOR DESCRIPTION

Housing is a major contributor to social determinants of civic health, conditions in the environments in which people are born, live, learn, work, play, worship and age that affect a wide range of health, functioning and quality-of-life outcomes and risks. Decent, safe, affordable homes create stability in families and communities. Citizens are healthier and more productive when they have a home. As the costs for land, infrastructure, building components and government requirements continue to increase, more and more citizens are unable to afford housing. Arizona currently has an estimated shortage of 140,000 affordable homes, according to the National Low-Income Housing Coalition.

Phoenix-area home prices increased by 130% in the last 10 years, while incomes only increased by 22%. In 2010, the average price for a home in Phoenix was \$170,721 or \$88 per square foot. In 2020, the average home price is \$372,772 or \$185 per square foot. Over the same period, average rents for a one-bedroom apartment in Phoenix increased from \$618 to \$1,186 per month.

The good news is there are concrete actions that can change these trends. According to a National Association of Home-builders study, "The Local Impact of a Typical Tax Credit

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Housing Project,” the estimated one-year local impacts of building 100 multifamily units in a typical tax credit project include:

\$7.3 MILLION IN LOCAL INCOME	\$783,000 IN TAXES AND OTHER REVENUE FOR LOCAL GOVERNMENTS	151 LOCAL JOBS
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The additional, annually recurring impacts of building 100 multifamily units in a typical tax credit project include:

\$2.2 MILLION IN LOCAL INCOME	\$372,000 IN TAXES AND OTHER REVENUE FOR LOCAL GOVERNMENTS	38 LOCAL JOBS
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IMPACT OF COVID-19

COVID-19 spurred tremendous financial hardship through large-scale layoffs and furloughs in Arizona, which will have long-term consequences on renters. Since March 29, 2020, almost 1.4 million Arizonans have filed an initial unemployment claim. According to the recent ASU Morrison Institute for Public Policy-Arizona Republic poll, job losses and furloughs were most prevalent in Arizona households with a household income of less than \$25,000 per year. In September, Arizona’s unemployment rate was 6.7%.

Governor Doug Ducey extended the state eviction moratorium to October 31, 2020. Approximately 2,000 eviction notices have been filed in Maricopa and Pima counties but not processed, and Arizona landlords estimate that as many as 5,000 eviction notices could have been filed on the expiration of the moratorium. However, the Trump administration has since prohibited landlords from evicting tenants due to income lost to the coronavirus pandemic. The order, issued by the Centers for Disease Control and Prevention (CDC), would still require tenants to pay rent owed according to terms of the lease, but tenants will be allowed to stay in their unit through the end of the year, even if they are in arrears.

Still, the expiration of federal unemployment benefits and the upcoming eviction moratorium, along with persistent unemployment and historically high home and rental costs, could result in thousands of Arizonans becoming homeless – many for the first time in their lives.

ASU Morrison Institute-Arizona Republic COVID-19 Poll 2020 (<https://morrisoninstitute.asu.edu/content/asu-morrison-institute-arizona-republic-covid-19-poll-2020>)

Federal Register Notice: Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19 (<https://www.cdc.gov/coronavirus/2019-ncov/covid-eviction-declaration.html>)

Forecasting Homelessness in Arizona During the Covid-19 Crisis (https://sirow.arizona.edu/sites/sirow.arizona.edu/files/FORECASTING%20HOMELESSNESS%20IN%20ARIZONA%20DURING%20THE%20COVID-19%20CRISIS%20-Bentele%20Powell%20Final_2.pdf)

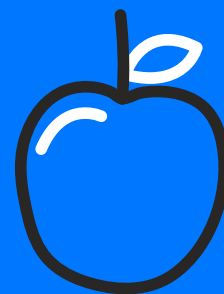
Governor Announces Additional Rental Assistance (<https://azgovernor.gov/governor/news/2020/07/governor-ducey-expands-covid-19-eviction-protections-expands-rental-assistance>)

The Local Economic Impact of Typical Housing Tax Credit Developments (https://www.novoco.com/sites/default/files/atoms/files/nahb_jobs-report_2010.pdf)

State Data Overview (<https://nlihc.org/housing-needs-by-state/arizona>)



INTELLECTUAL AND DEVELOPMENTAL DISABILITIES



Information contributed and compiled by The Opportunity Tree, Arizona Developmental Disabilities Planning Council, Association of People Supporting Employment First and University of Arizona Sonoran Center for Excellence in Disabilities.

SUMMARY

Outcomes for the people with intellectual and developmental disabilities (I/DD) who receive support from Division of Developmental Disabilities (DDD) are wholly dependent on the organizations and staff providing those supports.

People with I/DD have proven their successes and contributions to the competitive workforce when provided with quality, supported and customized employment services. Their contributions have been made even more evident during the pandemic, as many of the types of service jobs that individuals with I/DD work in are considered essential positions and in increased demand for skilled workers. A move from pre- and readiness models, such as group supported employment, the transition to work and center-based services, need to be shifted, as evident by policy, reimbursement rates, expected outcomes and performance accountability. When service providers receive adequate funding, and the sector's workforce receives appropriate recognition as essential health care workers, the health and overall outcomes for people with I/DD improve.

TOP SECTOR RECOMMENDATIONS

Fully fund the established rates for the DDD provider community to address the estimated \$250-400 million funding shortfall the sector has experienced while providing essential services that require personal protective equipment (PPE), social distancing and enhanced cleaning, among other new protocols.

Establish and mandate the professionalization of the direct care workforce (DCW) to address the current shortage of the DCW and improve the quality of services provided in the system by providing an equivalent compensation package with credentialing requirements.



Prioritize the DDD by including it with other Arizona Health Care Cost Containment System (AHCCCS) managed care organization (MCO) provider entities in the disbursement of resources such as PPE; prioritization in flu or future COVID-19 vaccines; and the creation of healthcare policy, given that DDD services are Medicaid-funded and medically necessary.

Prioritize competitive employment in an integrated setting with ongoing support services for individuals with the most severe disabilities and invest in well-trained staff by allocating funding for supported employment services, as defined as individual competitive jobs only.

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SECTOR DESCRIPTION

Individuals with I/DD, including those who qualify for long-term care support in Arizona for autism, epilepsy, Down's syndrome and cerebral palsy, are an integral part of our society. Yet nationally, 82.2% of individuals with I/DD are unemployed and are often not seen or considered by the general public or policymakers. In general, the I/DD sector comprises the businesses, service providers, the DDD, and the DCW who serve people with disabilities.

IMPACT OF COVID-19

People with I/DD have been disproportionately affected by the pandemic. They are more likely to contract the virus than people without I/DD, and those infected are more than twice as likely to die from it. There are a variety of reasons that are assumed to be contributing factors. Individuals with I/DD are more likely to live in congregant settings and are more likely to have co-occurring health conditions that place them at greater risk for related complications.

In Arizona, the DDD, the state agency that funds home and community-based services (HCBS) for individuals with I/DD, has tried to work closely with service providers to mitigate the spread of COVID-19. However, DDD has done so with little guidance from the Arizona Department of Health Services as it directly relates to the service population. There has been much national and local attention on the impact of COVID-19 on assisted living facilities but very little attention on the DDD population. Some center-based day-habilitation programs have closed, while others have remained open. Residential service providers have had to completely overhaul staffing and program models to focus on safety and health over community integration and I/DD inclusion.



The current impact of COVID-19 on the DDD population as of November 24, 2020:

RESIDENTIAL SETTING	TOTAL DDD	POSITIVE COVID-19 CASES	DDD DEATHS
Family/Own Home	39,674	581	12
Licensed Residential Setting	4,978	523	33
TOTAL	44,652	1104	45

COVID-19 Infections And Deaths Are Higher Among Those With Intellectual Disabilities (<https://www.npr.org/2020/06/09/872401607/covid-19-infections-and-deaths-are-higher-among-those-with-intellectual-disabili>)

DDD Actions Related to COVID-19 (https://des.az.gov/services/disabilities/developmental-disabilities/vendors-providers/actions_related_to_covid-19)

Facts About Developmental Disabilities (<https://www.cdc.gov/ncbddd/developmentaldisabilities/facts.html>)

Facts About Intellectual Disabilities (<https://www.cdc.gov/ncbddd/developmentaldisabilities/facts-about-intellectual-disability.html>)

In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends Through 2016: Residential Information Systems Project Report (https://ici-s.umn.edu/files/4pQ7Pt7HxF/risp2016_web)

The Direct Care Worker Crisis (<https://progressive.org/magazine/the-direct-care-worker-crisis-ervin/>)

Tips on Covid-19 Resources for the Disability Community (<https://addpc.az.gov/newsroom/tips-covid-19-resources-disability-community>)

2019 Rate Rebase Study (<https://des.az.gov/services/disabilities/developmental-disabilities/vendors-providers/rates-authorizations-billing/2019-rebase>)



NONPROFITS



Information contributed and compiled by Arizona Alliance of Nonprofits

SUMMARY

Arizona's nonprofit sector is a major economic engine for the state whose recovery needs to be considered along with other sectors as we continue through this pandemic.

The nonprofit community has swiftly organized to continue to provide services to the poor, elderly, homeless and other vulnerable individuals. The community also provides a respite with arts and culture activity and outdoor recreation – all while facing losses of staff, volunteers and financial resources. As unemployment and economic stress continue to create challenges for many Arizonans, the demand and need for the services that nonprofits provide will continue to rise. We want to ensure nonprofits remain sustainable and available for all who will continue to need them today and in the future.

To help the nonprofit sector continue to care for and provide services to vulnerable populations and the general community, the state must prioritize funding and resources to the nonprofit sector – and should reduce burdens and liability concerns.

TOP SECTOR RECOMMENDATIONS

Continue to incentivize giving to nonprofits by increasing the charitable deduction allowable for individual state income tax purposes. Under current law, 25% of the total amount of charitable deductions made by an Arizona taxpayer may be taken in addition to the standard deduction on an individual income tax return. The standard deduction for a single person or a married person filing separately is \$12,200. The standard deduction for a married couple filing a joint return or a single person who is the head of a household is \$24,400. Ideally, the charitable deduction would be taken to 100% of the charitable donation in addition to the standard deduction.

Similar to other businesses, provide full cost coverage for unemployment insurance costs for nonprofits that are self-insured/reimbursable employers. Nonprofits who self-insure do not pay into the state unemployment trust, but instead reimburse the state when claims occur. With unemployment claims soaring due to COVID-19, the amounts that nonprofits now owe the state are extremely high and financially crippling through no fault of their own. Through the federal CARES Act, the federal government is covering only 50% of the unemployment claims between March and December 2020.



Include nonprofits in the same liability protections as businesses, should the legislature consider liability protections for the business community related to the COVID-19 response.

Reduce red tape and restrictions for grants and other funding opportunities, allowing more nonprofits to access the relief they need now. For example, do not penalize a nonprofit from receiving additional relief funding or grants if they are receiving other types of federal funding already.

READ OUR EXECUTIVE SUMMARY FEATURING EIGHT SECTORS AT

impactmakeraz.org/roadmap

SECTOR DESCRIPTION

Arizona has about 23,000 registered nonprofits throughout the state, ranging from public and social benefit, environment and animal welfare, hospitals, human services, education, arts and many more. Together, the nonprofit sector generates more than 8% of Arizona's Gross State Product and is its fifth-largest non-government employer, generating more direct jobs and wages and salaries than, for example, the construction industry. Despite being exempt from corporate income tax, in 2016, nonprofits, directly and indirectly, generated approximately \$2.3 billion in state and local taxation – or 9.1% of all state and local sales tax revenue.

Arizona's nonprofit sector is a major economic engine for the state; however, the true value of the sector's programs and services exceeds economic impact alone. The nonprofit sector's social return on investment – its value to the community – is greater.

In a survey conducted by the Alliance of Arizona Nonprofits in June 2020, 99% of respondents indicated that their organization has been, or expects to be, impacted by the COVID-19 pandemic. Generally, during recessions or hard economic times, the community turns towards the nonprofit sector, and demand for services and resources from the sector increases.

IMPACT OF COVID-19

During the pandemic, the increase in demand for services and resources has been met with budgetary strains; cancellation of programs or events, resulting in reduced revenue; disruption of services to clients; disruption of services provided by partners; and, increased and sustained staff and volunteer absences. As of June 2020, nonprofits reported losing almost 3,000 employees due to layoffs or furloughs and over 36,000 volunteers.

In the 2016 study, *"Arizona Nonprofits: Beyond the Bottom Line,"* the 336 responding nonprofits reported 203,433 active volunteers, estimated to account for at least 5.6 million volunteer hours each year – equivalent to 27.7 hours per volunteer. If this number holds today, the nonprofit sector has lost almost 1 million volunteer hours this year alone. Many nonprofits



rely heavily on volunteers to do their important work in the community, which means when volunteers are unable or unwilling to participate due to health concerns, it halts or severely impedes the nonprofit's ability to provide critical services. Nonprofits often are already operating on a shoestring budget and staff capacity. Therefore, even a small decrease in available employees could be the difference between resources being available or not.

In addition to the loss of staff and volunteers, nonprofits expect to lose \$270 million in revenue through the end of their fiscal year, with an average loss of \$1 million per nonprofit.

Arizona Nonprofits: Economic Power, Positive Impact (https://cdn.ymaws.com/arizonanonprofits.org/resource/resmgr/files/EconomicImpactReport_2016.pdf)

Arizona Nonprofits: Beyond the Bottom Line (https://cdn.ymaws.com/arizonanonprofits.org/resource/resmgr/files/az_noprofit_impact_2018_fina.pdf)

Arizona's COVID-19 Nonprofit Pulse Poll, Alliance of Arizona Nonprofits; Updated as of June 11, 2020 (https://cdn.ymaws.com/arizonanonprofits.org/resource/resmgr/files/covid19/updated_impact_poll_06.11.2.pdf)

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SMALL BUSINESS



Information contributed and compiled by Local First Arizona, Asian Chamber of Commerce and Institute for Local Self Reliance

SUMMARY

The highest-impacted businesses by the coronavirus pandemic are wide-ranging, spanning across the hospitality and service industries.

The decrease in revenue for these businesses has had a multiplier impact on Arizona, resulting in less local economic circulation of dollars among other businesses. Small businesses need immediate financial relief throughout the COVID-19 pandemic, while Arizona's economy, as a whole, needs long-term strategic assistance to rebuild from the economic crisis. The following recommendations require urgent action to provide diverse stakeholders with the support they need to participate in the state's long-term recovery. Additionally, they detail strategies to protect and sustain businesses and enhance the workforce in Arizona.

TOP SECTOR RECOMMENDATIONS

Compel commercial real estate lenders – local, national, commercial, private, and/or institutional – to modify mortgages for commercial property owners who can demonstrate loss of income due to the direct impacts of COVID-19. Apply forbearance in the following forms: 90- to 120-day forbearance of debt service with the delayed payment amounts added to note, extending the term without penalty or additional interest; relaxing loan covenants that would cause default, such as debt service ratio requirements that may be impacted when a tenant collects rent relief; removing default interest provisions in the debt instrument; and removing personal liability provisions for clearly articulated and proven loss of income or material adverse change that results in default.

Delay statewide property taxes and waive interest and late fees through 2021 by postponing all property taxes due in 2020 until December 31, 2020, and all property taxes due March 2021 until December 31, 2021, with no interest or penalty. Qualifying property is income-producing commercial or retail property impacted by commercial closures of their tenants who present demonstrative evidence of losses of income from delinquent tenant rents caused by the pandemic. County assessors should grant this relief if the property owner presents demonstrative evidence of loss due to loss of income from tenants, proof that savings will go to tenants and signed statements of relief from a tenant(s) or other proof of reduced or delayed payments from tenant to landlord.



Create a specific debt relief model for small businesses that present demonstrative evidence of losses of income from delinquent tenant rents caused by the pandemic. Specific businesses most heavily impacted and targeted for specialized COVID-19 debt relief or bankruptcy model include high-risk companies in the following areas: catering companies, special events-related businesses, restaurants and bars with series 6, 7 or 12 licenses, fitness studios, gyms, home services, spas, barbers and salons; businesses with fewer than 50 employees; businesses located in rural areas with similar business types existing outside of a 15-mile radius; those incorporated before January 1, 2020; and Arizona-owned, -operated, and -headquartered companies.

Adopt a local-first procurement policy similar to the commitments of many local governments to demonstrate the ability of locally owned businesses to meet local needs and direct public spending to support local businesses, helping to keep them afloat. The policy will also publicly amplify the importance of locally owned businesses to the community's economic health and well-being. Civic leaders should also be leery of signing purchasing agreements with Amazon, which often touts that its site can provide city staff with easy access to local businesses.

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SECTOR DESCRIPTION

Small businesses (those with 500 or fewer employees) are estimated to make up 99.4% of all firms of Arizona and represent over 106,000 businesses across the state, employing over 1 million people, according to the Small Business Administration. Dollars spent with Arizona's local businesses stay in the local economy and community longer than dollars spent with non-local businesses – and those extra dollars circulating in the community are an investment in local job creation and preserve diverse and prosperous communities. As the COVID-19 pandemic has disrupted the economy, small businesses have been at the forefront of needing long-term assistance in reviving Arizona's economy into 2021 and beyond.

IMPACT OF COVID-19

Greater Phoenix Economic Council survey projections showed as high as 33% of small businesses in Arizona could face closing in less than three months in May 2020, should the economic situation not drastically change. While reopening strategies have slowly occurred, the Arizona economy has not steadily picked up for our most vulnerable businesses, with fluctuating predictions on how many small businesses have officially closed or are considering closing due to the prolonging of the pandemic.



The COVID-19 pandemic and economic shutdown have been a wake-up call to local and state governments, in particular, to re-think procurement processes to make it easier for small businesses to compete. Even before the pandemic, a growing number of communities were prioritizing small businesses in their procurement practices. For example, Phoenix has created a database of small, local vendors as part of its Local Small Business Enterprise program, encouraging city agencies to steer their smaller purchases and contracts to them. Ultimately, the pandemic has quickly shifted attention to the central importance of small businesses and their essential roles in strengthening local economies. Among other things, locally owned small businesses keep money local; hire more people; promote income growth; provide a diverse range of employment opportunities; offer opportunities for business ownership and wealth growth and shape a community's personality and character. This is an ideal moment to begin refocusing community economic development activity around small businesses by helping existing small businesses grow into larger ones and helping aspiring entrepreneurs get started.

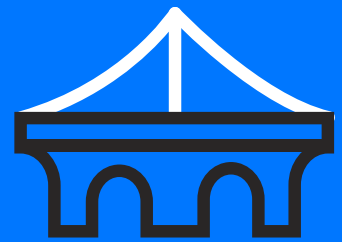
*Greater Phoenix
Economic Council
survey projections
showed as high
as 33% of small
businesses in
Arizona could face
closing in less than
three months*

Safeguarding Small Business During the Pandemic: 26 Strategies for Local Leaders (https://cdn.ilsr.org/wp-content/uploads/2020/07/ILSR_26PandemicTakeaways_LR.pdf)



TRANSPORTATION

Information contributed and compiled by Arizona Department of Transportation and Arizona Public Interest Research Group (Arizona PIRG)



SUMMARY

Arizona needs to collect and direct revenues to public transit to connect more communities and help Arizonans have transportation options to get to work, school, or to recreate.

Public transit has provided a valuable transportation mode for those with nearby access but has left too many Arizonans without this as a viable choice. It is used by a diverse set of individuals, including those that could otherwise choose to use a personal vehicle. Long-term, the state's investment in cohesive, intelligent transportation systems (ITS) architecture, including hardware, software, and cloud-based programs, to support public transit services will increase access to more jobs, schools and services. Proposition 400 in Maricopa County provides significant local funding, but this ends at the county line and legislative delays around its extension call for more immediate action. When enacted right now, the below recommendations will allow the state's seniors, persons with disabilities and other vulnerable groups to recover from debilitating COVID-19 impacts.

TOP SECTOR RECOMMENDATIONS

- Lobby for public transit funding** for statewide ITS architecture to help connect our most vulnerable communities such as those living with disabilities, limited mobility, and in isolation.
- Require all state agencies with staff capacity and resources to increase telecommuting** and promote telehealth services.
- Remove barriers to non-driving transportation options** by ensuring planning and zoning laws do not limit the ability of public officials to expand access to transportation choices.
- Promote active transportation, public transit, and shared services** during and post-COVID-19. Supplement and/or support regional and local education and outreach efforts to encourage the use of public transit and active transportation, and encourage the use of bike-sharing, car-sharing, and ride-sharing, especially in target areas with non-attainment air quality standards.



Provide more comprehensive, comparable, and timely data to the public to allow for better-informed analysis of the causes and magnitude of changes in driving trends. Officials at all levels should eliminate inconsistencies in the reporting of transportation data, increase the frequency of surveys that shed light on changes in transportation preferences and behaviors and use emerging sources of information to gain a better grasp of how driving trends are changing and why.

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impactmakeraz.org/roadmap

SECTOR DESCRIPTION

The public transit sector resides within the infrastructure sector, and as such, the Arizona Department of Administration (ADOA) largely influences infrastructure for state agencies using federal and state funding, including the Arizona Department of Transportation (ADOT). ADOT works with regional planning partners and private stakeholders by providing data for corridor studies and short- and long-term transportation plans. Additionally, regional planning partners provide funding priority recommendations for their region's transit providers as required by federal policy. This priority list is updated annually and includes all regional projects awarded federal funds.

ADOT accesses federal transit funding for every region of Arizona, including Tribal communities. Federal funding helps to support Arizona nonprofit and municipal agencies providing transit services for the general public and specialized transit for seniors and people with disabilities. This funding also supports mobility management activities by regional planning partners around the state. These projects help provide regional collaborative efforts, travel training programs, and technical support for transit agencies in their region. Additionally, these federal funds allow health care providers and associated human services agencies access to transit for their clients and provides a choice in addition to private for-profit transit providers. Municipal entities often identify public transit as a critical service in their community to provide access to jobs and services. According to the Center of the Future Arizona's Progress Meters, Phoenix's transit system ranks 35th of the 75 cities with more than 250,000 residents nationally. Though this is an improvement from 2016 numbers, the 5th largest city in the U.S. should rank higher.

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IMPACT OF COVID-19

The pandemic has significantly impacted public transit and the people who depend on it.

ADOT funds programs, including those that enhance the mobility of seniors and individuals with disabilities. Such programs only provide capital assistance for passenger transportation, but many passengers receiving assistance cannot see specialists and other support professionals due to travel concerns, provider closures or limited schedules. Regional planning partners are still required to provide mobility management services but have had to quickly shift to providing more emergency planning initiatives rather than the needs of the riding public. During the pandemic, ADOT has relied on accepted Federal Transit Administration waivers to permit program sub-recipients, like nonprofit staff and caregivers, to deliver meals and medication to clients and still get reimbursed for their costs. The transit programs for vulnerable populations often share funding with Area Agencies on Aging, an organization that coordinates services and programs for a similar demographic. Together, ADOT and partners help limit social isolation and the detrimental consequences that accompany it. However, given COVID-19 and parameters around social distancing, these at-risk individuals need interaction and support but cannot always get it.

Moreover, the vulnerable transit-riding public, including frontline workers, are often reliant on transit services to access jobs and other critical services. Thus, transit challenges during the pandemic put this population at risk of losing their jobs when they need them most. Yet, when the federal CARES Act was approved and appropriated to Arizona, transit services for seniors and people with disabilities received little to no funding outside of Maricopa County. Only rural transit agencies, where client-based services like senior living homes and health care facilities were charged with continuing service at a much higher per-mile cost, received additional funding. In short, the pandemic and resulting funding limitations impact the well-being of passengers and make travel difficult during this critical time.

Infrastructure Progress Meter (<https://www.arizonafuture.org/az-progress-meters/infrastructure/quality-of-public-transit/>)

