



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Homeless Services Lottery Fund Report State Fiscal Year 2022

Governor
Douglas A. Ducey

Director
Michael Wisehart

**This report has been prepared pursuant to
Arizona Revised Statutes § 5-572 (E).**

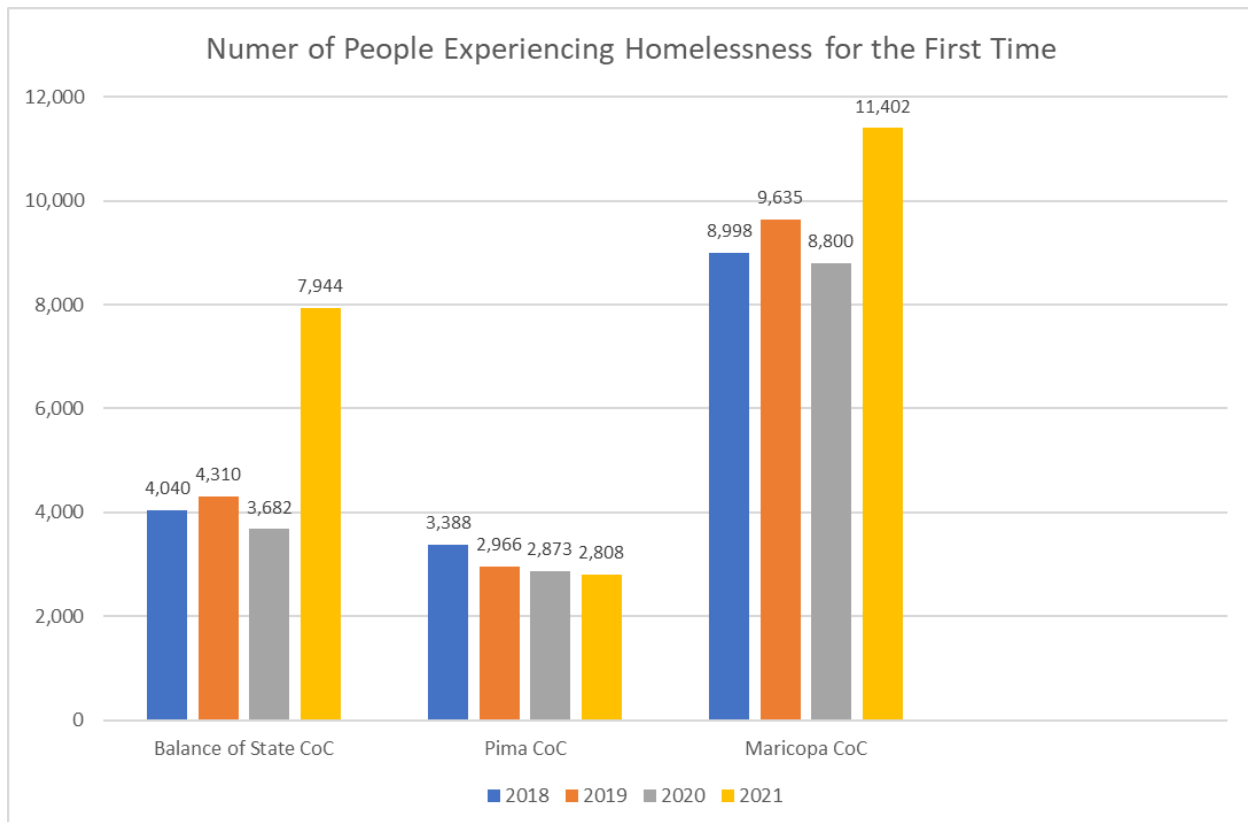
Of the monies remaining in the State Lottery Fund each fiscal year after appropriations and deposits authorized in subsections A through F of this section, one million dollars or the remaining balance in the fund, whichever is less, is appropriated to the Department of Economic Security for grants to nonprofit organizations, including faith-based organizations, for homeless emergency and transitional shelters, and related support services. The Department of Economic Security shall submit a report on the amounts, recipients, purposes, and results of each grant to the Governor, the Speaker of the House of Representatives, and the President of the Senate on or before December 31 of each year for the prior fiscal year and shall provide a copy of this report to the Secretary of State and the Director of the Arizona State Library, Archives and Public Records.

Background

The Arizona Department of Economic Security (ADES) Homeless Coordination Office, using a combination of federal and state funds, contracts with not for profit and local government entities to provide services directly throughout the State of Arizona. ADES also collaborates on a statewide level with each of the Continuums Of Care to ensure that needs are being assessed and adequately addressed. One of the state funding sources received by ADES is from the State Lottery Fund. ADES allocates limited lottery fund dollars to community nonprofit homeless service providers in Maricopa and Pima Counties to administer homeless services. The Homeless Lottery Funds Report focuses on combined data from both counties.

Each year, these funds assist thousands of men, women, and children experiencing homelessness to access the necessary services to become self-sufficient. Nonprofit service providers may offer one or more of the following essential services: safe shelter; meals; substance use disorder treatment; job training and preparation; temporary and permanent job placement; case management; and assistance to return to permanent housing as rapidly as possible.

Arizona Revised Statutes (A.R.S.) § 5-572 (E) appropriates \$1,000,000 for homeless services, which is combined with other state and federal funds to meet the growing demands. In recent years, Arizona Continuums of Care System Performance Reports indicate many households are experiencing homelessness for the first time.



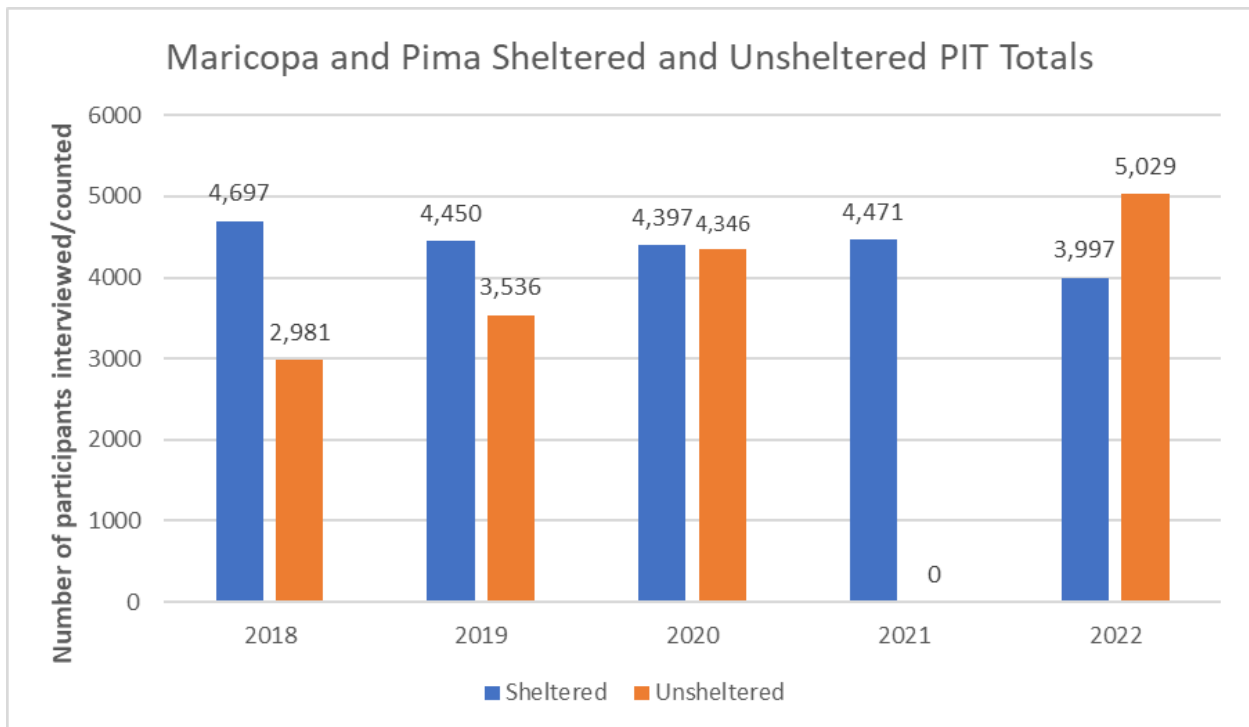
Estimates of the number of people experiencing homelessness in Arizona vary. One of the tools utilized to estimate the number of homeless individuals in Arizona is the Point in Time (PIT) count. The PIT count is a snapshot of a community's homeless population within a specified PIT, generally within twenty-four hours. The data collected during the PIT count is based on federal requirements to allow for consistent information across the country. However, the PIT count is not intended to provide an absolute number of individuals experiencing homelessness in the community.

In the last week of January, the PIT count in both Maricopa and Pima Counties is conducted for one day each year. The graph below displays the combined changes in the unsheltered and sheltered PIT count numbers for Maricopa and Pima over a five-year period. The sheltered count has decreased over the five-year period; however the combined unsheltered count in Maricopa and Pima Counties has increased by 56 percent. There are currently not enough shelter beds for individuals or families.

Sheltered, Unsheltered and Gender PIT Estimates:

Maricopa and Pima Counties

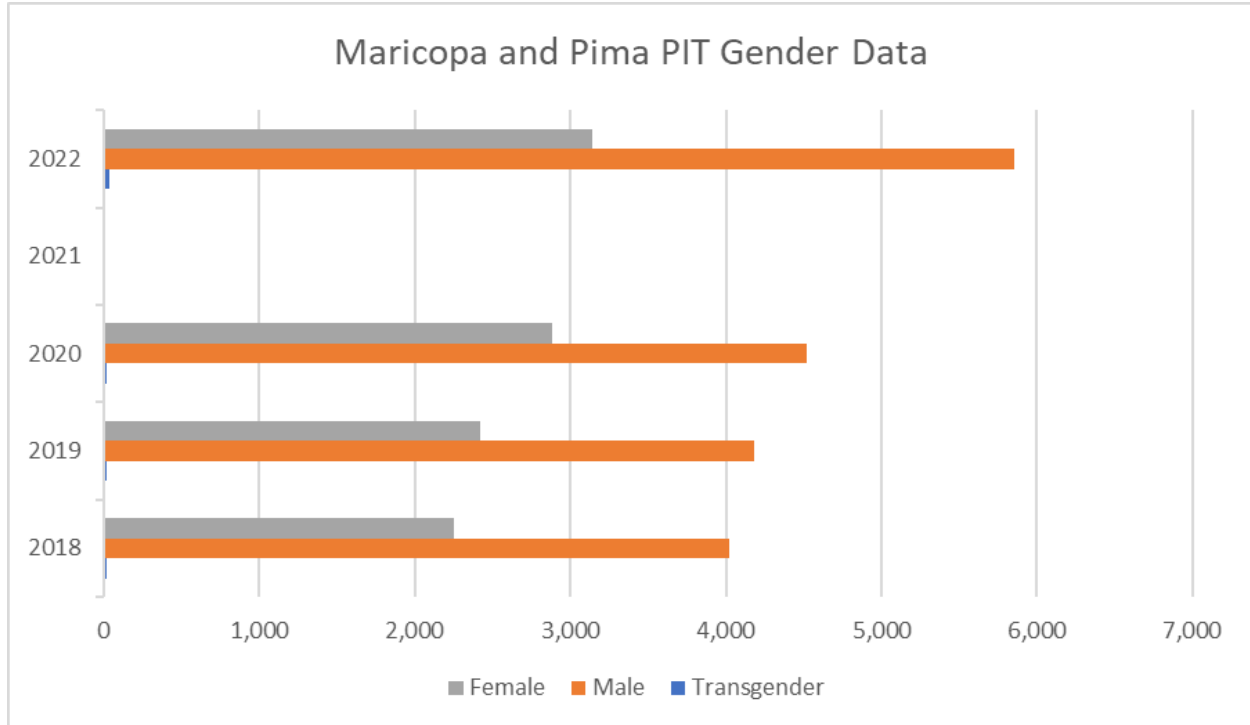
The graph below lists the estimated unsheltered and sheltered PIT totals for Maricopa County and Pima County from 2018-2022.



***Note that no unsheltered PIT was conducted in 2021 due to the COVID-19 Pandemic.**

Gender PIT Estimates

The graph below lists the estimated gender PIT totals for Maricopa and Pima County from 2018-2022.

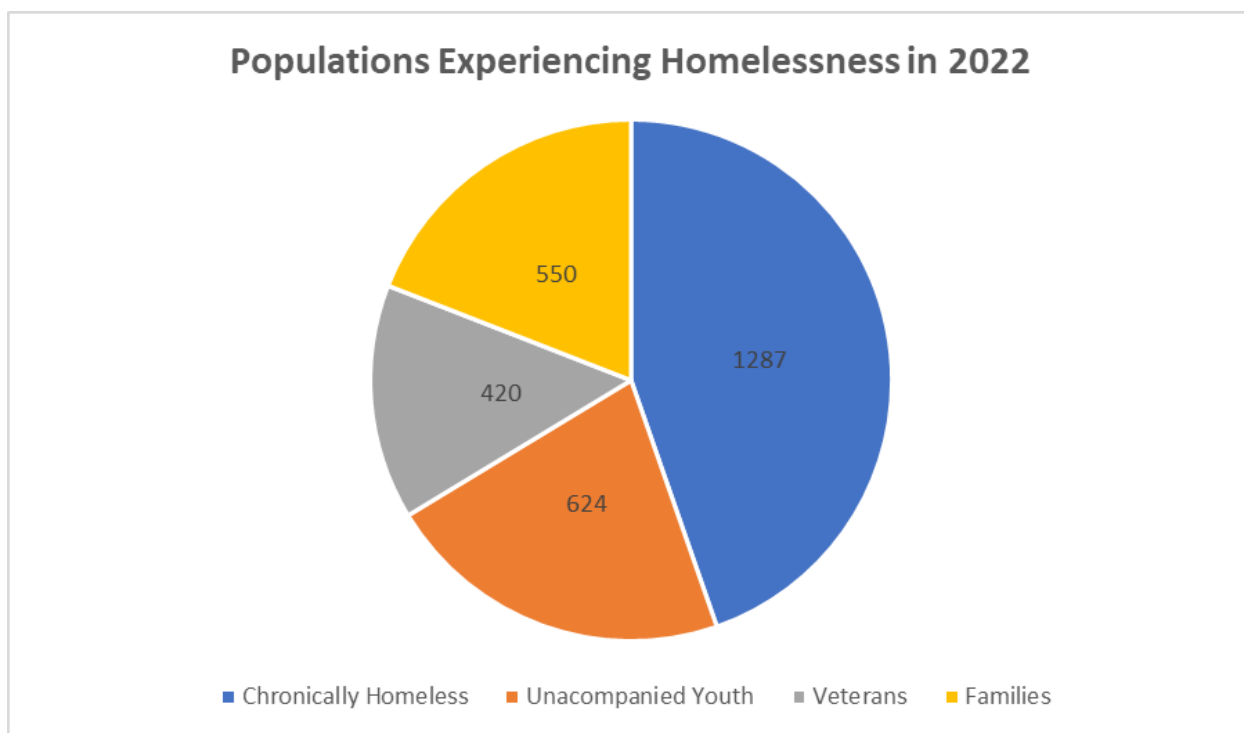


For the 2022 PIT count, 65 percent of the population experiencing homelessness identified as male, 35 percent identified as female, and less than 1 percent identified as transgender, gender non-conforming, or questioning. The proportion of gender has remained the same for the PIT count throughout the years. Additionally, 2022 PIT count data reflected a larger proportion of the population that identified as male when compared to Maricopa County's average of 49 percent from the 2019 American Community Survey (ACS) estimate.

<https://nhchc.org/wp-content/uploads/2019/08/homelessness-and-health.pdf>

Homeless Sub-Populations

The graph below lists the estimated PIT totals for the special homeless subpopulations in Maricopa and Pima Counties in SFY 2022.



“Best Practices” within the state and throughout the nation have shown that permanent housing supports the most rapid return to self-sufficiency and independence at the most affordable cost to the community.

Allocation of Funds

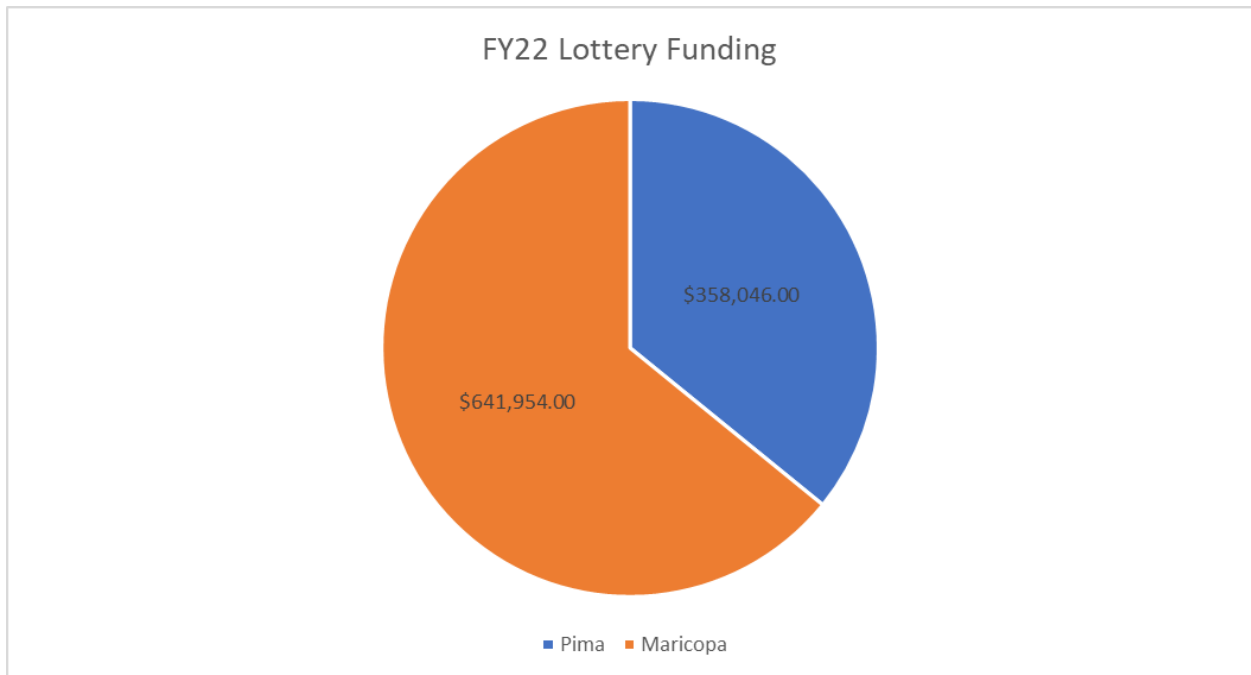
The SFY 2022 State Lottery funds were utilized as part of the Homeless Coordination Office for State Fiscal Year 2022 contracts (July 1, 2021 – June 30, 2022) with homelessness service providers in Maricopa and Pima counties.

The lottery funds were allocated using a combination of Census data and the reported number of persons experiencing homelessness in each county statewide. This methodology was applied to existing contracts and resulted in an allocation of 64 percent or \$641,954.08 to three providers serving Maricopa County and an allocation of 36 percent or \$358,945.92 to two providers serving Pima County. The graph below illustrates the percentage of Arizona Lottery funds allocated to each provider. Lottery funding supported a significant expansion of the Rapid Rehousing Program into the metropolitan areas of Maricopa and Pima Counties.

Lottery Allocations

The graph below lists the allocation percentage for each provider receiving State Lottery funding in Maricopa and Pima Counties in SFY 2022.

Agency	County	SFY22 Lottery Funding			Total Funding	Percentage
		Program/Funded Amount				
		Emergency Shelter	Rapid Rehousing	Homeless Prevention		
A New Leaf	Maricopa	\$80,138	\$106,650	\$5,000	\$191,788	19.2%
Catholic Community Services	Pima	-	\$60,000	-	\$60,000	6.0%
Centralized Arizona Shelter Services (CASS)	Maricopa	\$158,922	\$115,700	-	\$274,622	27.5%
Primavera Foundation	Pima	\$266,023	\$32,023	-	\$298,046	29.8%
UMOM New Day Center	Maricopa	\$70,000	\$105,544	-	\$175,544	17.5%
Total:		\$575,083	\$419,917	\$5,000	\$1,000,000	100.0%



Rapid Rehousing and Emergency Shelter

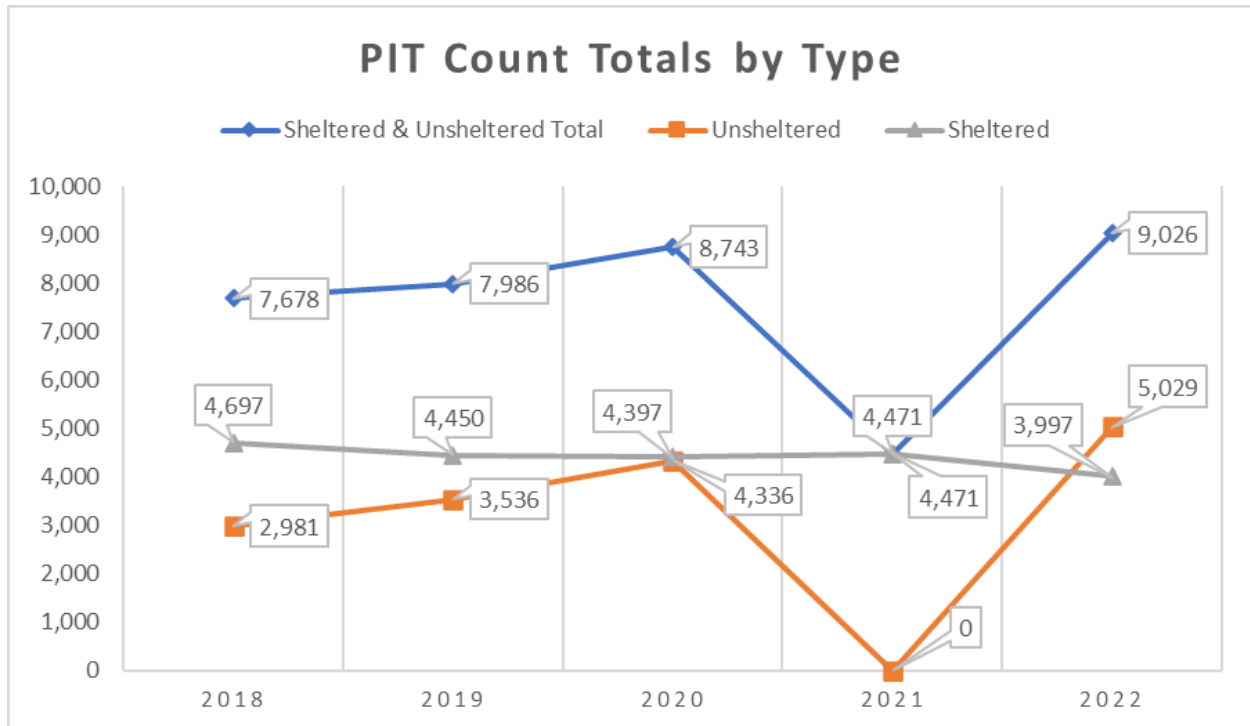
The Rapid Rehousing programs rapidly move individuals and families experiencing homelessness to permanent housing with access to wrap-around services. These services include case management, job search assistance, and child care, while helping to identify community resources to meet their individual needs. Results in Arizona and nationally have demonstrated that housing is the foundational intervention that promotes an individual or family to transition from homelessness to self-sufficiency. Without housing, all other intervention programs are significantly less effective.

Emergency Shelters also play a vital role for those experiencing homelessness by providing immediate, short-term shelter to persons without shelter or permanent residence. Emergency Shelter may be provided for a period of up to 120 days, and includes immediate short-term shelter, case planning, and supportive interventions. When Emergency Shelter and Rapid Rehousing are combined, they can provide enhanced (supportive) services, including temporary shelter, move-in assistance, transportation, child care, and a seamless transition to permanent housing.

Conclusion

The SFY 2022 State Lottery funds were allocated based on Census data and the reported number of persons experiencing homelessness in Maricopa and Pima counties. The current State Lottery allotment alone does not meet the growing demand for homelessness services in Maricopa and Pima.

This year's Homeless Lottery Funds Report focuses on combined Maricopa and Pima PIT data. Although PIT data is valuable, it is only one measure of homelessness and should be treated as an estimate. Furthermore, the PIT data is not intended to provide an absolute number of individuals experiencing homelessness in the community. However, the PIT count can give communities estimates or indicators of the severity of their homeless crisis.



***Note that no unsheltered PIT was conducted in 2021 due to the COVID-19 Pandemic.**

The total number of individuals counted in Pima and Maricopa during the 2022 PIT count was an estimated 9,026. This number represents a 22 percent increase from the 2020 estimated total. PIT count results over a three-year period illustrate that the number of sheltered individuals has increased. However, the unsheltered count in Maricopa and Pima counties has increased at a higher rate of 34 percent than the sheltered and overall PIT count.

Although the estimated number of people experiencing homelessness in Maricopa and Pima counties counted during the PIT count increased significantly from 2020-2022, the number of homeless individuals counted in both counties has steadily grown over the last ten years. In 2012, the estimated number of homeless individuals counted in Maricopa and Pima Counties during the PIT count was 8,851. In 2022, the estimated number of individuals counted in both counties during the PIT count was 9,026. This represents an estimated 18 percent increase in homelessness in Maricopa and Pima counties over ten years.

While the factors contributing to homelessness have always been varied and complex, the growing shortage of affordable housing continues to force many individuals and families out of their homes. Emergency Shelter, Rapid Rehousing, and Homeless Prevention services remain instrumental in serving households, single adults, families and others in temporary crisis. Although ADES is not directly responsible for many traditional homelessness reduction programs, the Department is leveraging the team's expertise and interaction with vulnerable populations to provide stabilizing services and address root causes before they escalate into homelessness, which is a barrier to long-

term self-sufficiency. ADES also contracts with not-for-profit and local government entities to provide transitional housing; which offers safe, temporary shelter while families gather documents and complete applications for stable housing; transportation to job interviews, job training and medical appointments; behavioral health services that allow clients to restore independence; and heat relief, blankets, and weather support.

Prepared by the State Homeless Coordination Office
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This report and past reports can be accessed at:

<https://www.azdes.gov/appreports.aspx?category=147&menu=28>