



MEMORANDUM

Date: June 3, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Lester 
County Administrator

Re: **Additional Information for the June 4, 2024 Board of Supervisors Meeting - Addendum
Agenda Item #4 – Legal Asylum Seekers**

Introduction

On March 26, 2024 I notified the Board of Supervisors that, following the passage of the federal budget, which includes \$650 million in appropriations for U.S. Customs and Border Protection (CBP) and the related Shelter and Services Program (SSP) and discussions with staff at the Department of Homeland Security, CBP and FEMA, it was our expectation Pima County would have sufficient federal funding to continue the program in Pima County through December 31, 2024. That continues to be our expectation.

Discussion

As the fiscal agent, Pima County has received approximately \$98 million since 2019 to pay for the costs associated with the temporary sheltering and transportation assistance of Legally Processed Asylum Seekers (LPAS). As of May 22, 2024, Pima County has assisted 477,423 individuals moving through this community; individuals who would have been released on the street had it not been for this successful partnership and operation.

Receipt of the most recent tranche of funding - \$21,827,581 – was approved by the Board of Supervisors on May 21, 2024. This funding made it possible for Pima County to estimate that it would be able to provide services through the end of this calendar year. At that time, I stated that we have also asked staff to work with our vendors and contractors to re-examine the program delivery model to ensure that any further feasible economies are identified and implemented as we go into the new operating period.

The federal government has issued the next Notice of Federal Opportunity (NOFO), which will provide a total of \$340,900,000 to assist communities nationwide with this ongoing effort. Applications for this funding are due on June 13, 2024. While individual applications for funding may not exceed \$34,090,000, new requirements expand the application eligibility to local communities and states who heretofore have been ineligible to receive this funding. Quite simply, competition for this \$340,900,000 will be vigorous and the amount provided to areas such as Pima County that historically have received funding may be significantly smaller than in the past.

Over the past few months, staff has suggested that we may soon need to cease serving as the fiscal agent for federal funds to support this federal program. By notifying all involved that we will be ceasing

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to serve as the fiscal agent at the end of the calendar year, we will provide our many federal, state, tribal, and local partners adequate time to safely transition any needed operations.

The temporary sheltering and travel assistance of LPAS has moved beyond the temporary crisis that Pima County stepped in to assist with more than five years ago. It has become a chronic situation in which other governments have benefitted from the County's continued role as fiscal agent for sheltering of LPAS released in the border counties of the U.S. Border Patrol's Tucson Sector. It is possible that those governments have begun to assume and perhaps take for granted that Pima County will continue applying for these funds and serving as the fiscal agent and sheltering coordinator for as long as necessary.

Federal rules only allow governments and nonprofits to serve as fiscal agents. That severely limits the pool of available agencies that can apply for these funds. Across the country and especially in the border states, NGOs are exhausted by the relentlessness of this problem over the past four years, and they have been pulling back from their willingness to serve as fiscal agents or to provide assistance to LPAS at all. We're seeing the same in Pima County and Maricopa County where the largest NGOs involved and who have been crucial to our success have announced they are reducing their operations or ceasing their involvement. If it is the intent of Pima County to hand off responsibility for managing these federal funds and contracts for sheltering assistance, it will be necessary that a state or national NGO, or another Arizona government, apply for these SSP funds. Should another entity, another county, or even the State choose to apply for these funds, we stand ready, willing, and able to assist with their effort.

Every other border community in the country has come to terms with the reality and inevitability of street releases. Pima County and our sheltering coalition partners have staved off this reality for more than 60 months. After December, it may be time for our community to face the same reality as the others and switch efforts to managing the effects of street releases rather than suffer the enormous effort and substantial funding needed to prevent them.

Recommendation

I recommend that on June 13, 2024 Pima County not submit a grant application for additional federal funds and continue plans to smoothly transition out of the current role of fiscal agent at the end of the current grant period.

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c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Ellen Moulton, Director, Finance and Risk Management
RK Kelly, Director, Grants Management and Innovation
Shane Clark, Director, Office of Emergency Management
Terri Spencer, Director, Procurement
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