



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2810: general appropriations act; 2023-2024
Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Appropriates monies for the operation of the state government in FY 2024.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills prepared according to subject area.

Provisions

1. Clarifies that the FY 2023 allocation of \$4,000,000 for Navajo and Hopi nation housing projects may be used for projects on the tribal nations. (Sec. 1)
2. Reduces the FY 2024 New School Facilities Fund advance appropriation from the FY 2023 budget by \$5,388,900. (Sec. 2)

The tables below indicate state General Fund (GF) and other fund (OF) changes for appropriated state agencies in FY 2024 stated in terms of changes to the [FY 2024 JLBC Baseline](#).

Major footnotes are stated in terms of changes to the [FY 2023 General Appropriations Act](#).

Summary of Changes	Fund	Comments	FY 2024 Changes to JLBC Baseline
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Acupuncture Board of Examiners (Sec. 5)

eLicensing Costs	OF	Acupuncture Board of Examiners Fund; ongoing	\$3,000
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Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

Arizona Department of Administration (ADOA) (Sec. 6)

Health Care Interoperability Grants	GF	One-time	\$3,000,000
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Fire Incident Management System Grants	GF	One-time	\$12,200,000
School Financial Transparency Portal	GF	One-time	\$2,000,000
K-12 Transportation Grants	GF	One-time	\$15,000,000
School Gym Floors	GF	One-time transfer to Miami Unified School District	\$350,000
Employee Compensation Study	GF	One-time	\$4,000,000
Accounting System Upgrade	OF	Arizona Financial Information System Collections Fund	\$557,000
Risk Management Claims Adjustments	OF		\$6,455,100

- Requires ADOA to report to the Director of the Joint Legislative Budget Committee (JLBC) on prior year Cyber Risk Insurance Fund expenditures by November 1, 2024.
- Requires ADOA to submit a report to the Legislature on the results outcome of the employee compensation study by October 1, 2024.

ADOA – School Facilities Division (SFD) (Sec. 7)			
School Facilities Inspections	GF	One-time, non-lapsing	\$1,000,000
Building Renewal Grants	GF	One-time, in addition to ongoing \$16,667,900 in the Baseline	\$183,300,000
Santa Cruz Valley High School	GF	One-time additional funding	\$2,000,000
FY 2024 Land Cost Estimates	GF	One-time	\$42,300,000
FY 2024 Site Conditions	GF	One-time	\$3,800,000
Revert Sahuarita Funding	GF	Cancelled by SFD due to enrollment data	\$(22,811,800)
Revert Pima Funding	GF	Land purchase price less than prior funding	\$(3,600,000)

- Allows ADOA-SFD to use the unencumbered balance of the New School Facilities Fund for facilities that received final approval before December 15, 2022.
- Requires ADOA-SFD to report to JLBC and the Governor's Office of Strategic Planning and Budgeting (OSPB) on the final amount of a distribution for a land purchase.

Office of Administrative Hearings (OAH) (Sec. 8)			
Increased Workload	GF	One-time in each of FYs 2024, 2025 and 2026	\$180,000

7. States that Increased Workload line item will revert to the GF if a bill addressing provider claims against insurers does not become law in the 1st Regular Session of the 56th Legislature.

Arizona Department of Agriculture (Sec. 9)			
IT Support	GF	One-time	\$1,200,000

Arizona Health Care Cost Containment System (AHCCCS) (Sec. 10)			
KidsCare Expansion	GF	Ongoing; from 200% to 225% of the Federal Poverty Level	\$5,000,000
Indian Health Care	GF	Ongoing; also \$300,000 of federal funds and 4 full-time equivalent positions (FTEs)	\$200,000
Secure Behavioral Health Facility (SBHRF) Provider Rate Change	GF	Ongoing reduction	\$(10,000,000)
Critical Access Hospitals	GF	One-time	\$4,200,000
On-Call OBGYN Services	GF	One-time; non-lapsing	\$7,500,000
KidsCare Expansion	OF	Children's Health Insurance Program Fund; ongoing	\$16,620,800

8. Specifies that \$700,000 of the AHCCCS operating lump sum appropriation is for the prepaid Medicaid management information system (PMMIS) is exempt from lapsing through FY 2025.
9. Directs the Arizona Strategic Enterprise Technology office (ASET) to submit an expenditure plan on the PMMIS to JLBC for review before expending monies for the project.
10. Instructs AHCCCS to distribute \$2,500,000 of the on-call obstetrics and gynecological services line item per year to maintain service availability in low-volume and rural communities and establishes reporting requirements.

Arizona Commission on the Arts (Sec. 11)			
Arts Fund Deposit	GF	One-time	\$5,000,000

Attorney General (Sec. 13)			
Federalism and Voter Fraud Unit Removal	OF	Ongoing	\$(1,881,900)
Civil Rights Funding	OF	Consumer Protection – Consumer Fraud Revolving Fund (CPCF); ongoing; 3 FTEs	\$287,300
Child and Family Advocacy Centers	OF	CPCF; for a Child Advocacy Center in Maricopa County	\$500,000
Operating Funding	OF	CPCF; one-time; non-lapsing	\$3,000,000
Opioid Abatement	OF	Consumer Remediation subaccount; requires an expenditure plan for JLBC review	\$12,000,000

Department of Child Safety (DCS) (Sec. 17)			
Visitation Aides	FTEs	Ongoing; no net cost	80

Vehicle Replacement	GF	One-time; 50 vehicles	\$2,300,000
Extended Foster Care Service Model Fund	GF	One-time	\$12,600,000
Adoption Incentive Backfill	GF	One-time backfill of federal funds	\$2,000,000
Positive Parenting Pilot Program	GF	One-time; non-lapsing; for post-permanency placements	\$4,000,000
Congregate Care Backfill	GF	One-time backfill of federal reimbursement reductions	\$10,900,000
Emergency Shelter Living	GF	One-time	\$10,000,000

State Board of Chiropractic Examiners (Sec. 18)

Deputy Director	OF	Board of Chiropractic Examiners Fund; ongoing	\$51,300
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Arizona Commerce Authority (ACA) (Sec. 19)

Competes Fund Deposit Reduction	GF	Ongoing	\$(5,000,000)
Rural Broadband Accelerated Match Fund	GF	One-time	\$25,000,000
Major Events Fund Deposit Removal	GF	One-time in each of FYs 2024 and 2025	\$(7,500,000)
Rural Development Council	GF	One-time; non-lapsing; in the Operating Lump Sum	\$1,000,000
Small Business Incubator	GF	One-time; non-lapsing; in the Operating Lump Sum	\$500,000
Business Trade Organization	GF	One-time; non-lapsing; in the Operating Lump Sum	\$500,000
Commercial Truck Driver Shortage	GF	One-time; non-lapsing; in the Operating Lump Sum	\$500,000
Arizona State Trade Expansion Program	GF	One-time; non-lapsing; in the Operating Lump Sum	\$1,000,000
Canada Trade Office	GF	One-time; non-lapsing	\$750,000
Asia-Pacific Trade Office	GF	One-time; non-lapsing	\$750,000
Trade Office Funding	GF	One-time	\$2,000,000
Small Business Export Assistance	GF	One-time; non-lapsing; in the Operating Lump Sum	\$1,000,000
Water Infrastructure Grant Funding	GF	One-time	\$7,000,000
Wearable Technology	GF	One-time; non-lapsing through FY 2027	\$2,500,000
Economic Transition Resources	GF	One-time	\$9,000,000

11. Requires ACA to report to the Legislature by December 1, 2023, on the implementation plan for trade office funding, including proposed trade office locations.
12. Provides that an applied research center or institute located in Arizona is eligible to receive distributions of funding from the wearable technology line item.
13. Directs the Economic Transition Resources line item to be used by a nonprofit organization for projects located within 20 miles of a coal mine that closed within the past five years.

Community Colleges (Sec. 20)			
Formula Adjustment	GF	FY 2024 impact; Baseline in FYs 2025 and 2026	\$(100,000)
Rural Funding	GF	One-time	\$10,000,000
Tohono O'odham College	GF	One-time; remedial education	\$2,000,000
San Carlos Apache College	GF	One-time; remedial education	\$2,000,000
Nursing Program	GF	One-time; Arizona Western College	\$7,500,000
Santa Cruz Provisional College	GF	One-time	\$200,000

14. Adds requirements that the Tohono O'odham Community College Board of Trustees and the San Carlos College Board of Regents must report on completion rates of students who received remedial education by October 15, 2024.

Corporation Commission (Sec. 22)			
Fill Vacant Positions	OF	Ongoing; operating lump sum	\$2,690,000
Salary Increases	OF	Ongoing; operating lump sum	\$2,110,000
Operating Costs	OF	One-time	\$1,200,000

Arizona Department of Corrections (ADC) (Sec. 23)			
Florence Prison Closure	GF	Ongoing	\$(3,500,000)
Private Prison Contract Increase	GF	Ongoing; for parity with the FY 2023 enacted salary increases (20%)	\$7,101,400
Inmate Health Care Cost Increase	GF	One-time	\$51,200,000
Florence Prison Closure Costs	GF	One-time	\$36,500,000
Prison Food Contract	GF	One-time	\$9,100,000
Correctional System Assessment	GF	One-time	\$2,000,000
Inmate Dog Training	GF	One-time	\$750,000
Transitional and Reentry Housing	GF	One-time; non-lapsing	\$5,000,000

15. Outlines uses for the Transitional and Reentry Housing line item, for a competitive grant to provide residential treatment services for up to 90 days and recovery housing up to 24 months after treatment.

16. Provides requirements for the Transitional Housing Grants line item, with a report from ADC by August 31, 2024.

17. States that the Inmate Dog Training line item is for a contract with a nonprofit organization that trains inmates to socialize at-risk shelter dogs.

Arizona Criminal Justice Commission (ACJC) (Sec. 24)			
Crime Victim Notification Fund	GF	One-time deposit	\$10,000,000

18. Permits ACJC to use up to \$400,000 of the Law Enforcement Crime Victim Notification Fund deposit in FY 2024 to administer the Fund.

Commission for the Deaf and Hard of Hearing (Sec. 26)

19. Extends the appropriation from the FY 2023 General Appropriations Act ([Laws 2022, Ch. 313](#)) for Aging Individuals Research through FY 2024.

State Board of Dental Examiners (Sec. 27)			
Attorney General Legal Services	OF	Dental Board Fund	\$31,400
Compliance Administrative Assistant	OF	Dental Board Fund; ongoing; 1 FTE	\$62,600
Licensing Administrative Assistant	OF	Dental Board Fund; ongoing; 1 FTE	\$62,600

Office of Economic Opportunity (OEO) (Sec. 28)			
Micro Business Loans	GF	One-time	\$5,000,000

Department of Economic Security (DES) (Sec. 29)			
IT Security	GF	Ongoing	\$70,000
Homeless Youth Assistance Funding	GF	Delayed until FY 2025	\$(1,000,000)
Adult Protective Services Backfill	GF	One-time	\$9,100,000
IT Security	GF	One-time	\$1,500,000
Produce Incentive Program	GF	One-time; non-lapsing; "Double Up Food Bucks"	\$5,462,600
Graham County Rehabilitation Center	GF	One-time; \$800,000 for a facility remodel and \$30,000 for an afterschool program	\$830,000
Globe-Miami Food Bank	GF	One-time	\$250,000
Area Agencies on Aging	GF	One-time; Adult Services line-item	\$5,000,000
Diaper and Incontinence Assistance	GF	One-time	\$1,000,000

Arizona Department of Education (ADE) (Sec. 31)

Formula Adjustments	GF	Ongoing; also \$(19.4) million compared to the FY 2023 Baseline supplemental	\$(6,300,000)
Base Level Increase	GF	Ongoing; 0.9% above the 2.0% Baseline inflator	\$68,600,000
Results Based Funding Elimination	GF	Ongoing	\$(68,600,000)
District Additional Assistance	GF	Ongoing	\$20,000,000
Continuing High School Program Enrollment Cap	GF	Ongoing in both FYs 2023 and 2024, also \$(4.6) million in FY 2025	\$(3,100,000)
State Aid Supplement	GF	One-time	\$300,000,000
Dual Enrollment Student Incentives	GF	One-time	\$15,000,000
Dual Enrollment Teacher Incentives	GF	One-time	\$500,000
Broadband Funding	GF	One-time	\$5,000,000
Civics Education and Leadership Development	GF	One-time	\$300,000
Education and Career Exploration	GF	One-time	\$5,000,000
K-12 Alternative Transportation Model	GF	One-time	\$250,000
Live Remote Instruction	GF	One-time in each of FYs 2024 and 2025; non-lapsing through December 31, 2025	\$100,000
Administration Funding	GF	One-time; non-lapsing through FY 2026	\$10,000,000
Low Income Student Assistance	GF	One-time	\$500,000
Feminine Hygiene Products	GF	One-time	\$2,000,000
Alternative Teacher Development	GF	One-time	\$800,000
Phoenix Science Education	GF	One-time	\$2,500,000
Nonprofit Education Initiatives	GF	One-time	\$100,000
Globe Youth Summer Education	GF	One-time	\$250,000
Consumable Art/Music Supplies	GF	One-time	\$10,000,000
Flagstaff Unified Robotics	GF	One-time for each of FYs 2024, 2025 and 2026	\$20,000
County Jails Education	GF	One-time	\$100,000
Gila County Jail Adult Education	GF	One-time	\$10,000

Juvenile Detention Centers	GF	One-time; \$22,600 for Yavapai County, \$20,000 for Pinal County and \$10,000 for Maricopa County	\$52,600
Professional Development	GF	One-time	\$3,000,000
School Campus Vegetation	GF	One-time; non-lapsing	\$400,000
Endowment Earnings Growth	OF		\$872,600

20. Requires ADE to submit an expenditure plan to JLBC and OSPB for increased Early Literacy funding provided in the FY 2023 3-year budget plan and report to JLBC and OSPB by July 31, 2024 on the actual expenditures.
21. Specifies distributions for the Nonprofit Education Initiatives, Phoenix Science Education and Low-Income Student Assistance line items.
22. Directs ADE to develop a per pupil weighted transportation formula for K-12 students and report by December 31, 2023.
23. Specifies that School Campus Vegetation Grants are to be awarded on a first-come, first-served basis for public schools with a free and reduced-price lunch eligibility of at least 75% being eligible first through December 31, 2023, followed by other public schools.
24. Modifies footnote specifying the distribution of Adult Education monies to account for the delayed phase-in of the enrollment cap increase.
25. Provides the onetime State Aid Supplement to districts and charter schools on a pro rata basis using weighted student counts, including nonresident attending students for school districts.
26. Allows a school district to budget the onetime State Aid Supplement for either maintenance and operations or unrestricted capital outlays.
27. Directs ADE to distribute the Art Consumables Grant Program funding for up to \$1,000 per specified teachers to purchase consumable art supplies, materials and instructional aids.

Department of Emergency and Military Affairs (DEMA) (Sec. 32)			
Emergency Hazard Mitigation	GF	One-time	\$1,333,300
Hazard Mitigation Revolving Fund	GF	One-time deposits in each of FY 2024, 2025 and 2026	\$200,000
Hazard Mitigation Assistance	GF	One-time in both FY 2024 and 2025	\$500,000
National Guard Uniform Allowance	GF	One-time	\$300,000
National Guard Equipment	GF	One-time	\$33,900

28. Deems the Federal Government Matching Repayment line item non-lapsing through December 31, 2024.

Arizona Department of Environmental Quality (ADEQ) (Sec. 33)			
Water Quality Fee Fund Deposit	GF	One-time	\$9,500,000
PFAS Mitigation	GF	One-time; non-lapsing	\$5,000,000

29. Outlines a JLBC reporting requirement for PFAS mitigation by July 31, 2024.

Governor's Office of Equal Opportunity (Sec. 34)			
ADA Coordinator	OF	Personnel Division Fund; also 1 FTE	\$100,000

Board of Executive Clemency (Sec. 36)			
Operating Costs	GF	Ongoing	\$39,000
Records Management	GF	One-time	\$45,000

Arizona Exposition and State Fair (Sec. 36)

30. Exempts \$2,300,000 from the FY 2023 General Appropriations Act ([Laws 2022, Ch. 313](#)) from lapsing through June 30, 2024.

Arizona Department of Forestry and Fire Management (DFFM) (Sec. 38)			
Wildfire Mitigation Technical Change	GF	Ongoing; also removed in FYs 2025 and 2026	\$(956,000)

Arizona Game and Fish Department (Sec. 40)			
Operational Costs	OF	Game and Fish Fund	\$653,000

Department of Gaming (Sec. 41)			
Racetrack Purse, Maintenance and Operations Funding	GF	Ongoing	\$(5,396,900)
Event Wagering License Fee Refund	GF	One-time	\$500,000
Administrative Funding	OF	Aligned with statutory minimum	\$(1,320,000)

Office of the Governor (Sec. 42)			
African American Affairs Shift	GF	Ongoing	\$146,600
Operating Funding	GF	One-time	\$2,000,000
Missing and Murdered Indigenous People Task Force	GF	One-time; non-lapsing	\$1,000,000

Department of Health Services (DHS) (Sec. 44)			
Arizona State Hospital (ASH) Contracted Services	GF	Ongoing	\$1,100,000
Alzheimer's Research	GF	Ongoing	\$500,000
ASH Contracted Services	GF	One-time	\$6,000,000
Dementia Services and Alzheimer's State Plan	GF	One-time; non-lapsing through FY 2026	\$964,100
Dementia Awareness	GF	One-time; non-lapsing	\$500,000

Psilocybin Research	GF	One-time	\$5,000,000
Collaborative Care Uptake Fund	GF	Onetime	\$1,000,000
Trauma Recovery Center Fund	GF	One-time	\$7,000,000
Fentanyl Testing and Mass Spectrometers	GF	One-time	\$300,000
Health Crisis Review and Wraparound Services	GF	One-time	\$5,000,000
ASH Video Security	GF	One-time	\$3,500,000
Homeless Pregnant Women Services	OF	Health Services Lottery Monies Fund	\$(100,000)

31. Extends the FY 2023 appropriation of \$1,000,000 for the Behavioral Health Care Provider Loan Repayment Program through FY 2024.
32. Directs the Trauma Recovery Center appropriation for technical assistance grants, operational and service costs of a state pilot trauma recovery center and grant funding for a public research institution to track outcomes.

Arizona Department of Homeland Security (AZDOHS) (Sec. 47)			
Antihuman Trafficking Grant Fund	GF	One-time; \$2.0 million for the Arizona Counter Terrorism Information Center; \$8.0 million for local law enforcement	\$10,000,000
Nonprofit Security Grant Program Fund	GF	One-time	\$5,000,000

33. Allows AZDOHS to spend up to 5% of the Nonprofit Security Grant Program Fund deposit to administer the program.
34. Specifies that the FY 2023 appropriation of \$300,000 for Statewide Information Security and Privacy Operations and Controls is non-lapsing through FY 2024.

Arizona Department of Housing (ADOH) (Sec. 49)			
Housing Trust Fund	GF	One-time deposit	\$150,000,000
Homeless Shelter and Services Fund	GF	One-time deposit	\$40,000,000
Mobile Home Relocation Fund	GF	One-time deposit	\$5,000,000
Military Transitional Housing Fund	GF	One-time deposit	\$1,900,000

35. Extends the FY 2023 appropriation for the Homeless Services Grant Pilot as non-lapsing through FY 2024.
36. Directs ADOH to submit an expenditure plan of Housing Trust Fund monies to JLBC by September 1, 2023.

Department of Insurance and Financial Institutions (DIFI) (Sec. 51)			
Increased Workload	GF	One-time in each of FYs 2024, 2025 and 2026	\$250,000

Financial Examination Staff	OF	Ongoing; 3 FTEs	\$276,300
Auto Crime Tracking Database	OF		\$154,100
Theft Task Force Vehicle Fuel	OF		\$68,600
Vehicle Theft Prosecution County Personnel	OF		\$431,200

37. Specifies that \$250,000 of DIFI's operating lump sum is for administering a bill addressing provider claims against insurers, but that the appropriation will revert to the GF if such a bill does not become law in the 1st Regular Session of the 56th Legislature.

Arizona Judiciary (Sec. 52)			
Supreme Court			
Private Fiduciary Investigator	GF	Ongoing; 1 FTE	\$102,000
Juvenile Monetary Sanctions Backfill	GF	One-time in each of FYs 2024, 2025 and 2026	\$250,000
Digital Evidence Software	GF	One-time in each of FYs 2024 and 2025	\$280,000
Private Fiduciary Backlog	GF	One-time in each of FYs 2024, 2025 and 2026	\$100,000
Judicial Conduct Backlog	GF	One-time in each of FYs 2024, 2025 and 2026	\$100,000
Automation Funding	GF	One-time	\$100,000
Court Appointed Special Advocate	GF	One-time	\$20,000
Private Fiduciary Licensing Subscription	OF		\$139,600

38. Provides legislative intent that the Juvenile Monetary Sanctions Backfill may only be spent on the passage of legislation that eliminates court-ordered fees for juveniles.

Court of Appeals

39. Extends the lapsing date of the \$450,000 FY 2023 appropriation to remodel the Court of Appeals chambers through FY 2024 and exempts the project from review by the Joint Committee on Capital Review.

Superior Court			
Yavapai County Judge	GF	Ongoing; state share for a new judge	\$149,000
Yuma County Judge	GF	Ongoing; state share for a new judge	\$149,000
Probation Salary Increase Backfill	GF	One-time	\$6,749,200

40. Modifies an existing footnote to include the two new Superior Court judges as FTEs.

41. Provides that, if counties approve probation officer salary increases in FY 2024 that increase the state cost, the Legislature intends for counties to absorb any additional costs to the state in FY 2024 and future years.

42. Specifies that the Probation Salary Increase Backfill is to cover the state share of probation officer salary increases approved by county Boards of Supervisors in FY 2023.

Department of Juvenile Corrections (DJC) (Sec. 53)			
Remove Pima County Cost Shift	GF	Ongoing	\$1,726,900

Legislature (Sec. 55)			
<i>Senate</i>			
Operating Funding	GF	One-time	\$2,000,000
<i>House of Representatives</i>			
Operating Funding	GF	One-time	\$2,000,000
<i>Ombudsman-Citizens Aide Office</i>			
Rent Funding	GF	Ongoing	\$53,000
<i>Auditor General</i>			
Operating Funding	GF	One-time	\$2,000,000

Legislative Council

43. Eliminates a footnote that required an affirmative vote of the Legislative Council to pay dues for the Council of State Governments.

Department of Liquor Licenses and Control (DLLC) (Sec. 56)			
Flagstaff Office Rent	OF	Liquor Licenses Fund	\$42,600

Board of Massage Therapy (Sec. 58)			
eLicensing Costs	OF	Board of Massage Therapy Fund; ongoing	\$22,100

State Mine Inspector (Sec. 60)			
Drone Purchases	GF	One-time; included in the Operating Lump Sum	\$100,000
Administrative Costs	GF	One-time; non-lapsing; included in the Operating Lump Sum	\$300,000

Naturopathic Physicians Medical Board (Sec. 61)			
eLicensing Costs	OF	Naturopathic Physicians Medical Board Fund; ongoing	\$3,200

Arizona State Board of Nursing (Sec. 63)			
Nurse Anesthetist Clinical Rotations	GF	One-time	\$200,000
Staff Attorney	OF	Board of Nursing Fund; ongoing	\$146,800
Licensing Specialists	OF	Board of Nursing Fund; ongoing; 2 FTEs	\$154,100

Arizona Board of Osteopathic Examiners in Medicine and Surgery (Sec. 68)			
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eLicensing Costs	OF	Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund; ongoing	\$6,600
Annual Leave Payout	OF	Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund; one-time	\$14,500

Arizona State Parks Board (ASPB) (Sec. 69)

Heritage Fund	GF	One-time deposit	\$6,000,000
Arizona Trail Fund	GF	One-time deposit	\$500,000
State Lake Improvement Fund	GF	One-time deposit	\$5,200,000
Rockin' River Operating Costs	OF	State Parks Revenue Fund (SPRF); ongoing; 4 FTEs	\$114,000
Dispatch Services Agreement	OF	SPRF	\$347,000
Operations Cost Increases	OF	SPRF	\$261,100

State Board of Podiatry Examiners (Sec. 74)

Executive Director Salary	OF	Podiatry Fund; ongoing	\$11,900
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Department of Public Safety (Sec. 77)

AZPOST Staffing	FTEs	Ongoing; no new funding	31
Commercial Vehicle Task Force Elimination	GF	Ongoing	\$(978,400)
Administration Funding	GF	One-time; non-lapsing	\$1,098,600
Vehicle Replacement	GF	One-time; 276 vehicles; exempt from lapsing through FY 2025	\$11,709,300
Civil Air Patrol Infrastructure	GF	One-time; non-lapsing; annual report by December 1 until funds are expended	\$10,000,000
Uniform Allowance	GF	One-time	\$700,000
Sexual Assault Kit Tracking Portal	GF	One-time	\$1,500,000
Radio Expansion and Upgrades	GF	One-time; non-lapsing	\$41,100,000
Law Enforcement Retention	GF	One-time	\$2,000,000
Real-time Crime Centers	GF	One-time; \$1.5 million for Tucson; \$2.6 million for Peoria	\$4,100,000
Fentanyl Prosecution and Testing Fund	GF	One-time deposit	\$3,000,000
Crime Lab Funding	GF	One-time; also \$200,000 in both of FY 2025 and 2026	\$400,000
Radio Expansion and Upgrades	OF	For the "master site"	\$3,000,000

Fuel Inflation Adjustment	OF		\$3,671,200
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44. Renames:

- a) the Border Strike Task Force line item as the Border Drug Interdiction line item; and
- b) the Border Strike Task Force Local Support line item as the Local Border Support line item.

45. Eliminates the existing footnote limits on the amount of funding that can go towards local law enforcement positions, the amount that can fund prosecution and detention grants and the local matching funds requirement.
46. Requires the Local Border Support line item to be used for positions that deter and apprehend individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes.
47. Allows DPS to use up to \$50,000 and 0.5 FTE positions to administer the Fentanyl Prosecution and Testing Fund.
48. Specifies that the Law Enforcement Retention line item is to be divided evenly for coaching resources and local matching funds for recruitment and retention grants.
49. Directs the Sexual Assault Kit Tracking Portal appropriation to provide an Internet portal that allows a victim to anonymously access information relating the victim's sexual assault kit evidence.

State Board of Respiratory Care Examiners (Sec. 80)			
ADOA Shared Services Costs	OF	Board of Respiratory Care Examiners Fund	\$19,700

Arizona State Retirement System (ASRS) (Sec. 81)			
IT Personnel	OF	ASRS Administration Account	\$305,000
Cybersecurity and Cloud Transition	OF	ASRS Administration Account	\$518,000

Department of Revenue (DOR) (Sec. 82)			
Shift Administrative Fund to GF	GF	One-time	\$2,000,000

Department of State (Sec. 83)			
Attorney General Legal Services	GF	Ongoing	\$100,000
Address Confidentiality Backfill	GF	Ongoing; included in the Operating Lump Sum	\$250,000
Talking Book Library Funding	GF	Ongoing; \$162,000 in FYs 2025 and 2026; included in the Operating Lump Sum	\$100,000
Administration Funding	GF	One-time; non-lapsing; \$330,000 for Business Services	\$2,330,000
Presidential Preference Election	GF	One-time; in addition to \$4 million in Baseline	\$1,926,100
Help America Vote Act Projects	OF	One-time; non-lapsing	\$5,000,000

50. States that the Secretary of State (SOS) may spend \$100,000 for legal expenses, either contracted through the Attorney General's Office or by hiring one FTE position, while prohibiting the use of outside or private attorneys.

51. Outlines requirements for the Help America Vote Act Projects line item, including that 75% must be distributed to counties for election systems improvements and the Secretary of State must provide an expenditure plan for review by JLBC before spending any monies.
52. Extends the FY 2020 appropriation from the Election Systems Improvement Fund for county allocations through FY 2024.
53. Directs the SOS to only use the Presidential Preference Election line item to reimburse counties for certified claims related to the 2024 Presidential Preference Election with a report to JLBC and OSPB, but allows \$100,000 for direct costs of the SOS.

Department of Transportation (Sec. 87)			
Spaying and Neutering of Animals Fund	GF	One-time deposit	\$550,000
Vehicle Purchases	OF		\$18,665,200
MVD Security Modernization	OF	State Highway Fund (SHF)	\$730,900
Litter Removal	OF	SHF	\$3,106,800
Radio Replacement	OF	SHF	\$1,656,100
Passenger Rail Service Operations	OF		\$250,000
Salary Increases	OF	Ongoing; 978 positions	\$6,845,600
Fleet Operations	OF		\$7,706,200
Fuel Inflation Adjustment	OF	SHF; one-time	\$2,337,900
Dispatch System	OF	SHF	\$442,700
Transit Program Administration	OF		\$551,500
MVD Call Center	OF	SHF	\$87,300
MVD Title Information System	OF	SHF	\$91,000
MVD Paper Cost	OF	SHF	\$701,700
Hoover Dam Bridge Liability Insurance	OF	SHF	\$209,800
New Highway Lane Maintenance	OF	SHF	\$2,350,300
South Mountain Freeway Maintenance	OF	SHF	\$321,800
Driver License/ID Production Costs	OF	SHF	\$183,100
License Plate Production Costs	OF	SHF	\$219,900
State Fleet Operating Adjustments	OF		\$6,791,800
Exempt Fleet Operating Adjustment	OF		\$6,995,500

State Treasurer (Sec. 88)			
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Accounting Manager	OF	Ongoing; 1 FTE	\$138,300
Investment Analyst	OF	Ongoing; 1 FTE	\$123,400
Chief Procurement Officer	OF	Ongoing; 1 FTE	\$96,600

Arizona Board of Regents (ABOR) (Sec. 90)			
Primary Care Residency Programs	GF	One-time; non-lapsing	\$5,000,000
Existing Promise Scholarship Expansion	GF	One-time	\$20,000,000
Teachers Academy	GF	One-time	\$15,000,000
Spouses and Dependents of Law Enforcement Scholarships	GF	One-time deposit	\$2,000,000
Museum of Democracy	GF	One-time; non-lapsing	\$2,000,000

54. Directs ABOR to report, by October 1, 2024, to JLBC and OSPB on the following scholarship programs:
- a) Arizona Promise Scholarships;
 - b) Spouses of Military Veterans Tuition Scholarships; and
 - c) Spouses and Dependents of Law Enforcement Officers Tuition Scholarships.

55. Directs ABOR to distribute the Museum of Democracy appropriation to ABOR universities to provide opportunities for undergraduate students, high school students and the broader community to become better informed on American presidencies and presidential elections.

Arizona State University (ASU) (Sec. 91)			
Operating Lump Sum Appropriation	GF	Ongoing	\$6,006,500
School of Civic and Economic Thought and Leadership	GF	Ongoing; with intent footnote	\$(6,006,500)
Center for American Institutions	GF	One-time; intent footnote	\$4,000,000
Collegiate Women's Wrestling Program	GF	One-time	\$500,000
Operating Funding	GF	One-time; also removes FY 2025 one-time operating funding	\$2,400,000

56. Directs any appropriated monies for the Center for American Institutions to be used at the sole discretion and on approval of the lead of the Center, which must provide a report to JLBC by October 1, 2024.

57. Outlines uses of the Collegiate Women's Wrestling Program line item, including for athletic scholarships and costs incurred to establish and maintain a collegiate women's wrestling program at ASU.

Northern Arizona University (NAU) (Sec. 92)			
Operating Lump Sum Appropriation	GF	Ongoing	\$865,300
Economic Policy Institute	GF	Ongoing; with intent footnote	\$(865,300)

Operating Funding	GF	One-time; also removes FY 2025 one-time operating funding	\$1,000,000
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University of Arizona (Sec. 93)			
<i>Main Campus</i>			
Operating Lump Sum Appropriation	GF	Ongoing	\$4,840,000
Center for the Philosophy of Freedom	GF	Ongoing; with intent footnote	\$(4,840,000)
Operating Funding	GF	One-time; also removes FY 2025 one-time operating funding	\$1,600,000
Space Analog Program	GF	One-time; Biosphere 2; intended to be used across FYs 2024, 2025 and 2026	\$1,500,000
Agricultural Workforce	GF	One-time; in the Arizona Cooperative Extension line item	\$1,000,000
On-Farm Irrigation efficiency Fund	GF	One-time deposit	\$16,200,000
<i>Health Sciences Center</i>			
Board of Medical Student Loans	GF	One-time	\$2,000,000
AZ REACH	GF	One-time	\$500,000

58. Designates the AZ REACH line time to provide medical care transfer services for hospitals with less than 20 beds.

Department of Veterans' Services (ADVS) (Sec. 94)			
Gila County Veterans Retreat	GF	One-time; non-lapsing	\$3,000,000
Veteran Suicide Prevention Training	GF	One-time; non-lapsing; Pilot Program	\$600,000
Burial Services	GF	One-time	\$15,000
Homeless Veterans' Reintegration Program	GF	One-time	\$5,000,000

59. Specifies that the \$15,000 for Burial Services is for members of the Arizona National Guard and United States Armed Forces Reserves if the member's service was terminated under honorable conditions.

60. Directs the Gila County Veterans Retreat to be distributed to Gila County for the Pleasant Valley veterans retreat.

61. Outlines the use of the Veteran Suicide Prevention Training Pilot Program as offering specialized training to claims examiners and county and municipal veteran services officers and requires ADVS to provide a report to the Legislature by July 30, 2024.

62. Provides that the Homeless Veterans' Reintegration Program line item is to be used to provide services that assist in reintegrating homeless veterans into employment.

Arizona State Veterinary Medical Examining Board (Sec. 95)			
Remove One-time Funding	OF	Veterinary Medical Examining Board Fund	\$(1,500)

Water Infrastructure Finance Authority of Arizona (WIFA) (Sec. 96)

Eastern Arizona Water Assistance	GF	One-time; non-lapsing	\$3,000,000
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63. Specifies that the \$3,000,000 appropriation for Eastern Arizona Water Assistance is to be evenly allocated between Cochise and Graham counties to contract for consultant and attorneys who enable irrigation districts to perform their duties.

Department of Water Resources (DWR) (Sec. 97)

Brackish Groundwater Study	GF	One-time; non-lapsing	\$100,000
Brackish Groundwater Recovery Pilot	GF	One-time; non-lapsing	\$11,000,000
Santa Rosa Canal Groundwater Delivery	GF	One-time; non-lapsing	\$25,000,000
Statewide Water Resources Planning	GF	One-time	\$5,000,000

64. Designates the Brackish Groundwater Study line item for DWR to review and update information contained in studies on the availability of brackish groundwater in Arizona.

65. Allocates \$2,000,000 of the Brackish Groundwater Recovery Pilot Program for a demonstration project in Arizona's active management areas and the remaining \$9,000,000 for matching participants for the benefit of Central Arizona Project water recipients.

66. Directs DWR to report to JLBC and OSPB by July 31, 2024, on the uses of the Statewide Water Resources Planning line item.

67. Distributes the Santa Rosa Canal Groundwater Delivery line item to the Maricopa-Stanfield Irrigation and Draining District, the Central Arizona Irrigation and Draining District, and the Ak-Chin Indian Community.

FY 2023 Adjustments

68. Appropriates \$3,107,700 from the Risk Management Revolving Fund in FY 2023 to ADOA to pay disallowed costs and for FY 2022 fund transfers. (Sec. 98)

69. Appropriates \$15,000 from the GF in FY 2023 to the Arizona Commission of African-American Affairs to address an operating shortfall. (Sec. 99)

70. Transfers \$1,750,000 from the Personnel Division Fund in FY 2023 for deposit into the Human Resources Information System (HRIS) Subaccount of the Automation Projects Fund (APF). (Sec. 100)

71. Reduces the FY 2023 appropriation from the GF to AHCCCS for SBHRF construction by \$25,000,000. (Sec. 101)

72. Appropriates \$19,888,200 of expenditure authority in FY 2023 to the DCS operating lump sum for increased federal funding. (Sec. 102)

73. Appropriates \$11,100,000 of expenditure authority in FY 2023 to the DCS adoption services line item for a technical adjustment. (Sec. 103)

74. Appropriates a non-lapsing \$20,000,000 from the GF in FY 2023 to ADOH for programs that provide shelter and services to unsheltered persons experiencing homelessness. (Sec. 104)

75. Appropriates \$180,624,300 from the GF in FY 2023 to the Superintendent of Public Instruction for additional basic state aid formula costs. (Sec. 105)
 76. Appropriates \$5,600,000 from the GF in FY 2023 to DHS for the ASH operating line item to address an operating shortfall. (Sec. 106)
 77. Appropriates \$3,364,200 from the Arizona Highway Patrol Fund in FY 2023 to the DPS motor vehicle fuel line item to address inflationary increases in fuel costs. (Sec. 107)
 78. Appropriates \$15,200,000 from the SHF in FY 2023 to the ADOT highway maintenance line item to address highway maintenance due to the winter months. (Sec. 108)
 79. Exempts various FY 2023 eLicensing system upgrade appropriations contained in the FY 2023 General Appropriations Act ([Laws 2022, Ch. 313](#)) from lapsing through June 30, 2024. (Sec. 109)
- FY 2024 Appropriations***
80. Reduces the FY 2024 appropriation to the WIFA Long-Term Water Augmentation Fund by \$138,800,000. (Sec. 110)
 81. Appropriates the following sums from the GF to ADOA in FY 2024 for counties:
 - a) \$7,150,650 for distribution to continues with a population under 900,000;
 - b) \$500,000 for distribution to Graham County;
 - c) \$3,000,000 for distributing to counties to supplement pension payments;
 - d) \$7,000,000 for distribution to counties to establish a coordinated reentry planning services program. (Sec. 111)
 82. Appropriates the following sums that are non-lapsing through June 30, 2025 from subaccounts of the APF in FY 2024:
 - a) \$20,647,800 from the HRIS subaccount to ADOA to replace the HRIS;
 - b) \$15,000,000 from the Health and Human Services Information System subaccount to ADOA for administration of statewide health and human services information technology projects;
 - c) \$7,000,000 from the Corporation Commission subaccount to the Corporation Commission to replace its online records and filings system, with a report on how the new system will integrate with the Business One-Stop;
 - d) \$494,500 from the DPS subaccount to DPS to replace the concealed weapons tracking system;
 - e) \$19,369,400 from the DOR subaccount to DOR to implement the integrated tax system modernization project that meets outlined minimum specifications, with a report on how the new system will integrate with the Business One-Stop;
 - f) \$3,270,000 from the Judiciary-Supreme Court subaccount to the Arizona Supreme Court to replace the probation case management system; and
 - g) \$2,500,000 from the Judiciary-Supreme Court subaccount to the Arizona Supreme Court for a statewide community supervision electronic monitoring system. (Sec. 112)
 83. Requires ADOA to provide quarterly reports to JLBC on automation projects, including project expenditures, deliverables, timeline and current status. (Sec. 112)
 84. Continues to exempt the following projects from the FY 2022 General Appropriations Act ([Laws 2021, Ch. 408](#)) from lapsing through June 30, 2024:
 - a) \$7,758,900 for the Business One-Stop appropriation;
 - b) \$9,000,000 for the DES childcare management system; and
 - c) \$550,000 for the DPS concealed weapons tracking system. (Sec. 112)
 85. Continues to allow DES to use up to \$25,000,000 from the Budget Stabilization Fund to provide funding for reimbursement grants, with reporting requirements. (Sec. 113)
 86. Appropriates the following amounts from the GF in FY 2024 to the State Treasurer for local government distributions:
 - a) \$2,500,000 for county sheriffs for search and rescue equipment;
 - b) \$9,000,000 for Mohave County substation capital improvements;
 - c) \$860,000 for La Paz County server replacement, public safety dock and boat lifts and the Salome substation roof;

- d) \$500,000 for Mohave County sheriff's office vehicle purchases;
- e) \$3,000,000 for police department support:
 - i. \$2,000,000 for Wickenburg Police Department; and
 - ii. \$1,000,000 for Hayden Police Department;
- f) \$750,000 for the Copper Canyon Fire and Medical District;
- g) \$3,500,000 for Peoria Police Department to purchase a helicopter;
- h) \$1,500,000 for Peoria Police Department for a mobile command center;
- i) \$3,400,000 for Mohave County to design and construct the Mohave wash recharge basin;
- j) \$3,500,000 for the City of Prescott and the Town of Prescott Valley for the Glassford Dells regional park;
- k) \$27,800,000 for the City of Gilbert for water wells;
- l) \$1,400,000 for the City of Wickenburg for fire station upgrades;
- m) \$8,987,000 for the City of Flagstaff for post-fire mitigation;
- n) \$750,000 for the Town of Snowflake for a sewer main lift station replacement;
- o) \$3,214,500 for the City of Glendale for a veterans community project;
- p) \$126,200 for counties for property owner notification systems;
- q) \$750,000 for the Chandler, Tucson and Mesa Police Departments for a pepper ball pilot program;
- r) \$10,000,000 for the City of Peoria for new wells and water infrastructure;
- s) \$850,000 for the Maricopa Association of Governments (MAG) for a Sun City transportation study;
- t) \$10,050,000 for MAG to relocate utilities related to the construction of State Route 30;
- u) \$500,000 for the Town of Kearny for public building remediation;
- v) \$810,000 for the City of Glendale for an irrigation system and xeriscaping;
- w) \$1,000,000 for the Vernon Fire District for equipment and operations; and
- x) \$20,000,000 for Navajo County to reconstruct the Little Colorado River levee at the City of Winslow; and
- y) \$2,000,000 for Chandler Police Department support. (Sec. 114)

87. Appropriates \$1,368,000 from the Peace Office Training Equipment Fund in FY 2024 to the State Treasurer for distribution to the following recipients for firearm training simulators:

- a) \$300,000 for Flagstaff Police Department;
- b) \$300,000 for Mohave County Probation Department;
- c) \$138,000 for Casa Grande Police Department;
- d) \$330,000 for Maricopa County Sheriff's Office; and
- e) \$300,000 for Navajo County Sheriff's Office. (Sec. 115)

88. Appropriates the following amounts from the GF in FY 2024 to the State Treasurer for distribution to nonprofit organizations:

- a) \$10,000,000 for a nonprofit that is designated as an international dark sky discovery center;
- b) \$15,300,000 for a nonprofit volunteer organization that operates a rodeo at the Yavapai County fairgrounds; and
- c) \$5,600,000 for a nonprofit that operates an astronomy center and observatory in northern Arizona. (Sec. 116)

89. Allocates \$25,498,600 from the GF in FY 2024 to the Arizona Convention Center Development Fund. (Sec. 117)

90. Distributes an estimated \$16,000,000 in FY 2024 to the Rio Nuevo Multipurpose Facility District. (Sec. 118)

Fund Balance Transfers and Payment Deferrals

91. Establishes fund balance transfer amounts for automation projects but specifies that transfers into the APF are not appropriations. (Sec. 119)

92. Defers \$800,727,700 of the basic state aid and additional state aid entitlement to July 12, 2024. (Sec. 120)

93. Directs school districts to include the deferred payments when computing tax rates for FY 2024. (Sec. 120)

Statewide Adjustments

94. Sets statewide adjustments to be determined by JLBC, in consultation with the OSPB, and allocated by ADOA, as follows:

Operating Adjustment	GF	OF	Total
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Employer Health Insurance Contribution Reduction	\$(63,244,800)	\$(32,224,200)	\$(95,469,000)
University Health Insurance Backfill Removal	\$(40,033,000)	\$0	\$(40,033,000)
Employer Health Insurance Contribution Increase	\$73,000,000	\$30,000,000	\$103,000,000
Agency Rent	\$(558,100)	\$100,000	\$(458,100)
Agency Risk Management	\$(154,200)	\$100,000	\$(54,200)
AFIS	\$116,700	\$200,000	\$316,700
Agency Retirement	\$359,600	\$(22,000,000)	\$(21,640,400)
Salary Increase	\$7,517,000	\$3,000,000	\$10,517,000
State Fleet Rate	\$8,195,100	\$6,000,000	\$14,195,100

95. Sets FY 2024 charges for general agency counsel provided by the Department of Law. (Sec.122)

FY 2025 Appropriation

96. Appropriates \$77,898,600 from the GF in FY 2025 for a one-time deposit into the New School Facilities Fund for projects that received final approval from ADOA-SFD by December 15, 2022. (Sec. 123)

Miscellaneous

97. Requires the Governor to report to the Legislature the total planned allocations and actual expenditures from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund from the federal American Rescue Plan Act of 2021 (ARPA) within 45 days of the end of each calendar quarter through June 30, 2026. (Sec. 124)

98. Requires the Superintendent of Public Instruction to report to the Legislature the total planned allocations and actual expenditures from the Elementary and Secondary School Emergency Relief Fund from ARPA within 45 days of the end of each calendar quarter through June 30, 2026. (Sec. 124)

99. Requires ABOR to report to the Legislature the total planned allocations and actual expenditures from Higher Education Emergency Relief Fund (HEERF) from ARPA through June 30, 2026. (Sec. 124)

100. Requires each community college district to report to the Legislature the total planned allocations and actual expenditures from HEERF from ARPA through June 30, 2026. (Sec. 124)

101. States the intent of the Legislature that the Executive Branch report on additional federal aid enacted by the end of FY 2024. (Sec. 124)

102. States the intent of the Legislature that budget units continue to report expenditures in a similar format that was used in prior years. (Sec. 125)

103. Requires all FTEs to be subject to appropriation and outlines reporting requirements for ADOA and each university to compare the FTE usage to the appropriated level of FTEs. (Sec. 126)

104. Requires each agency to submit a report to JLBC by October 1, 2023, on the number of filled appropriated and non-appropriated FTEs as of September 1, 2023. (Sec. 127)

105. Directs ADOA to provide a monthly report to JLBC on any transfers of spending authority during the prior month. (Sec. 128)

106. Forecasts GF revenue estimates for FY 2023, 2024, 2025 and 2026 and GF expenditure estimates for FY 2025 and 2026. (Sec. 129)

107. Requires the Executive Branch to provide JLBC a preliminary estimate of the FY 2023 ending GF balance by September 15, 2023. (Sec. 129)

108. Directs JLBC staff to report to JLBC by October 15, 2023, whether the FY 2024 revenues and ending balance are expected to change by more than \$50,000,000 from the budgeted projections. (Sec. 129)

109. Defines *, *expenditure authority* and *review by the Joint Legislative Budget Committee*. (Sec. 130, 131, 132)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2811: amusements; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to amusements needed to implement the FY 2024 budget.

History

Pursuant to [A.R.S. § 5-104](#), the Arizona Department of Gaming (ADG) Division of Racing establishes and collects a regulatory assessment from each commercial racing permittee, payable from amounts deducted from pari-mutuel pools by the permittee, from amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by the permittee. All monies received from the regulatory assessment are deposited into the Racing Regulation Fund, which is the primary funding source for the Division of Racing. While ADG has the authority to set the regulatory assessment rate, the Legislature, for each FY since 2017, has set the rate at 0.5% of the amounts wagered.

The Arizona Exposition and State Fair Board (Board) has statutory authority to direct and conduct state fairs, exhibits, contests and entertainments, as well as, to promote, co-promote or lease the state fairgrounds for such events, exhibitions, entertainments or other purposes it deems proper. Monies received from fees or leases are deposited into the Arizona Exposition and State Fair Fund ([A.R.S. § 3-1003](#)).

The Exposition and State Fair Permanent Revolving Fund is established as a separate account for use in making change at fairs and for purchases and activities requiring immediate cash outlay for events sponsored by the Board that are proper as ultimate claims for payment from the Exposition and State Fair Fund. The amount of monies in the Revolving Fund cannot exceed \$60,000, except for a period beginning October 1 and ending November 30 each year the amount cannot exceed \$400,000, for use during the annual state fair ([A.R.S. § 3-1005](#)).

The 2023 Arizona State Fair is scheduled for September 22 through October 29.

Provisions

Racing Wagering Assessment

110. Continues for FY 2024, as session law, to set ADG's regulatory assessment to 0.5% on the amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by a commercial racing permittee. (Sec. 1)

Exposition and State Fair Board Permanent Revolving Fund

111. Changes for FY 2024, as session law, the period in which the amount of monies in the Exposition and State Fair Permanent Revolving Fund cannot exceed \$400,000:

- a. from beginning October 1 and ending November 30;
- b. to beginning 15 days before and ending 15 days after the 2023 Az State Fair. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2812: capital outlay; appropriations; 2023-2024
Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Makes capital appropriations to state agencies in FY 2024.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Building Renewal (Sec. 7)

112. Appropriates the following amounts to the specified agencies in FY 2024 for the maintenance and repair of state buildings:

Arizona Department of Administration (ADOA)

- a. \$25,124,700 from the State General Fund (GF);
- b. \$14,000,000 [Capital Outlay Stabilization Fund](#) (COSF);
 - i. Requires ADOA to allocate these monies to state agencies for necessary building renewal;
 - ii. Reduces the appropriation from COSF to the amount available in that fund if the monies in COSF are insufficient to fund the full appropriation; and
 - iii. Allows the monies to be used for retrofitting facilities for space consolidation.

Arizona Department of Corrections (ADC)

- c. \$33,942,600 from the GF;
- d. \$5,864,300 from the [Department of Corrections Building Renewal Fund](#):
 - i. Restricts ADC from spending these monies on personal services or overhead expenses related to managing the funded projects;

Arizona Game and Fish Department (AZGF)

- e. \$1,776,400 from the [Game and Fish Fund](#);

Arizona State Lottery Commission

- f. \$214,200 from the [State Lottery Fund](#);

Arizona Department of Transportation (ADOT)

- g. \$21,978,300 from the [State Highway Fund](#); and
- h. \$441,900 from the [State Aviation Fund](#).

Individual Capital Projects (Sec. 8, 9)

113. Appropriates the following sums of money to be used by each agency for the indicated individual capital projects in FY 2024:

ADOA

- a. \$5,000,000 from the GF for electric vehicle charging and advance fuel infrastructure;

ADC

- b. \$115,434,200 from the GF:
 - i. \$66,783,600 to replace evaporative cooling statewide with HVAC;
 - ii. \$48,650,600 for statewide door, lock and fire systems replacement;

Department of Emergency and Military Affairs

- c. \$1,125,000 from the GF as additional construction monies for the Surprise Readiness Center;

Arizona Exposition and State Fair Board

- d. \$3,802,100 from the [Arizona Exposition and State Fair Fund](#) for capital improvements;

AZGF

- e. \$850,000 from the [Capital Improvement Fund](#) and \$500,000 from the [Game and Fish Fund](#):
 - i. [\\$150,000 for dam maintenance](#);
 - ii. \$400,000 for hatchery [maintenance](#);
 - iii. \$300,000 for property [maintenance](#);
 - iv. \$500,000 for water conservation projects;

Arizona Department of Health Services

- f. \$409,000 from the [Arizona State Hospital Fund](#):
 - i. \$209,000 for State Hospital water pump replacements;
 - ii. \$200,000 for State Hospital water isolation valves;

Arizona State Parks Board (ASPB)

- g. \$7,000,000 from the GF and \$3,034,400 from the [State Park Revenue Fund](#):
 - i. \$3,034,400 for capital improvements;
 - ii. \$7,000,000 for Verde River State Park;
 - iii. Requires ASPB to establish a state park at the headwaters of the Verde River;
 - iv. Requires ASPB to report to the Joint Committee on Capital Review (JCCR) and the Governor's Office of Strategic Planning and Budgeting if ASPB revises the plan for any project for which these monies are appropriated because the ASPB receives land and water conservation grant funding;

Arizona Pioneers' Home

- h. \$793,700 from the [Miners' Hospital for Miners with Disabilities Land Fund](#):
 - i. \$468,700 for Capital Improvements;
 - ii. \$75,000 for cemetery columbarium;
 - iii. \$250,000 for cemetery parking;

Department of Public Safety

- i. \$320,000 from the GF to renovate the Flagstaff Aviation Hangar;

ADOT

- j. \$3,500,000 from the GF and \$20,100,000 from the [State Highway Fund](#):
 - i. [\\$3,400,000 to construct a new maintenance facility in Keams Canyon](#);
 - ii. [\\$2,600,000 to replace vehicle fueling facilities in Springerville, Holbrook and Chambers](#);
 - iii. \$2,500,000 for electric vehicle charging and advance fuel infrastructure at ADOT facilities open and accessible to the public, excluding rest areas;
 - iv. \$5,000,000 for electric vehicle charging and advance fuel infrastructure at ADOT fleet facilities;
 - v. \$4,100,000 to renovate Motor Vehicle Division in north Tucson;
 - vi. \$2,500,000 for water conservation projects;
 - vii. \$3,500,000 for planning of passenger rail service from Phoenix to Tucson.
- k. Appropriates \$10,000,000 from the GF in FY 2023 to ADOA to distribute to the Diné College Board of Regents for capital improvements:
 - i. States this appropriation is exempt from review by the JCCR.

ADOT State Highway Construction Projects (Sec. 10)

- 114. Appropriates the following amounts from the GF in FY 2024 to ADOT for the specified highway projects:
 - a. \$4,500,000 to improve the interchange at State Route (SR) 303 and U.S. Route 60;
 - b. \$6,321,400 for distribution to Clarkdale to replace the current bridge over Bitter Creek Wash;
 - c. \$18,000,000 to improve the intersection on SR 347 at Casa Blanca Road and Cement Plant Access;
 - d. \$12,500,000 for distribution to Phoenix for improvements on Happy Valley Road between 35th Avenue and 67th Avenue;
 - i. Declares that the Legislature intends that Phoenix contribute \$14,800,000 towards the project.
 - e. \$9,900,000 for distribution to Prescott Valley to improve Glassford Hill Road;
 - i. States that ADOT may only distribute the monies if Prescott Valley demonstrates to ADOT that the town has a commitment of at least \$1,100,000 in matching monies from sources other than this state.
 - f. \$5,300,000 for distribution to Coolidge for Coolidge Avenue reconstruction between Christensen Road and Clemans Road;

- g. \$5,000,000 for distribution to Eloy for Sunland Gin Road Interstate 10 (I-10) overpass and road improvements between I-10 and Arica Road;
- h. \$10,000,000 for distribution to Marana for design costs for a traffic interchange between I-10 and Cortaro Road;
- i. \$8,170,000 for distribution to Douglas for road development and construction connecting the Douglas international commercial port of entry and SR 80;
- j. \$1,500,000 for distribution to Patagonia for McKeown Avenue reconstruction between Fourth Avenue West and SR 82;
- k. \$1,800,000 for distribution to Sierra Vista for Theater Drive corridor improvements between 7th Street and Carmichael Avenue;
- l. \$500,000 for distribution to Graham County for intersection reconstruction at Norton Road and Reay Lane;
- m. \$6,100,000 for distribution to Cochise County for Moson Road drainage and safety improvements between SR 90 and Hereford Road;
- n. \$33,300,000 to improve U.S. Route 95 between Wellton Mohawk Canal Road and Aberdeen Road;
- o. \$5,910,400 for distribution to Yuma County for U.S. Route 95 pavement rehabilitation between County 22nd Street and County 11th Street;
- p. \$9,240,000 for distribution to Pinal County for engineering and design of the West Pinal Parkway East-West Corridor;
- q. \$6,500,000 for design work and engineer improvements on SR 85 between mile post 123 and Maricopa Road;
- r. \$8,000,000 to construct turn lanes along SR 95 near Bullhead City;
- s. \$35,500,000 to construct an emergency evacuation bridge in Lake Havasu City;
- t. \$87,500,000 for distribution to Queen Creek to extend SR 24 including a traffic interchange at SR 24 and Ironwood Road:
 - i. Allows Queen Creek to use the monies for all necessary expenses from the current project status until completion; and
 - ii. Requires Queen Creek to collaborate with Pinal County before spending the monies.
- u. \$9,000,000 to improve SR 83 within Santa Cruz County;
- v. \$250,000 for distribution to Cave Creek to study the construction of expanding lanes along Cave Creek Road between Loop 101 and Carefree Highway;
- w. \$5,000,000 to design a freeway interchange on I-10 at Jackrabbit Trail;
- x. \$6,500,000 for distribution to Phoenix to extend 43rd Avenue between Dove Valley Road and SR 74;
- y. \$700,000 for the design of SR 87 intersection improvements at Arica Road and Shedd Road;
- z. \$1,565,200 for distribution to Huachuca City for Skyline Drive reconstruction between SR 90 and the Huachuca City Landfill;
- aa. \$506,000 for distribution to Huachuca City for Skyline Pathway development along Skyline Drive between Gila Avenue and Edgewood Street;
- bb. \$2,242,200 for distribution to Pinetop-Lakeside for Porter Mountain Road improvements in the vicinity of Blue Ridge Elementary School;
- cc. \$3,501,100 for distribution to Globe for sidewalk construction along Jesse Hayes Road and Six Shooter Canyon Road;
- dd. \$1,529,800 for distribution to Payson for roundabout construction and improvements at the intersection of Longhorn Road and McLane Road;
- ee. \$643,200 for distribution to Globe for Jesse Hayes Road Bridge replacement and improvements at Pinal Creek;
- ff. \$632,500 for distribution to Globe for Cottonwood Street Bridge replacement and improvements at Pinal Creek;
- gg. \$243,600 for distribution to Gila County for Houston Mesa Road improvements between SR 260 and 0.4 miles south of Forest Road 198;
- hh. \$610,000 for distribution to the Canyon Water Improvement District to make improvements to infrastructure, including fire hydrants and other related water needs;
- ii. \$1,781,500 for distribution to Graham County for Stafford Bryce Road improvements in the vicinity of Talley Wash Crossing;
- jj. \$4,526,400 for distribution to Thatcher for 8th Street improvements between 1st Avenue and 20th Avenue;
- kk. \$10,500,000 to repave U.S. Route 60 between Morristown and Wickenburg;
- ll. \$1,560,900 for distribution to Winkelman for improvements to Golf Course Road and Quarelli Street;
- mm. \$2,486,700 for distribution to Superior for Panther Drive Bridge design and construction at Queen Creek;
- nn. \$4,250,000 to improve SR 260 within Navajo County;
- oo. \$10,000,000 for distribution to the Navajo Nation for improvements to N9402 Road near Lupton and Houck;
- pp. \$538,700 for distribution to Apache County for SR 264 turn lane construction into the Ganado Senior Citizens Center and Veterans Building Development Area;
- qq. \$15,000,000 for distribution to Tucson for improvements to the Drexel Road Bridge; and
- rr. \$8,600,000 for distribution to Santa Cruz County for improvements to the traffic interchange at I-19 and Rio Rico Drive and traffic interchange at I-19 and Ruby Road.

115. Requires ADOT to report to the Joint Legislative Budget Committee (JLBC) staff the projected cost and status of the projects within 30 days after the last day of each quarter.
116. Directs ADOT to submit a report for review by the JCCR before transferring monies between the outlined projects.
117. Exempts these appropriations from JCCR review.

Interstate 10 Widening (Sec. 11)

118. Appropriates \$89,000,000 from the GF in FY 2024 to ADOT to widen I-10 between Chandler and Casa Grande:
- a. Requires ADOT to use the monies for construction-related activities, including drawing down Federal matching monies for the project; and
 - b. Exempts the appropriation from JCCR review.

Interstate 17 Expansion (Sec. 12)

119. Appropriates \$76,200,000 from the GF in FY 2024 to ADOT to expand I-17 between Anthem and Black Canyon City:
- a. Requires ADOT to use the monies for construction-related activities, including drawing down Federal matching monies for the project; and
 - b. Exempts the appropriation from JCCR review.

ADOT Pavement Rehabilitation Projects (Sec. 13)

120. Appropriates \$54,300,000 from the GF in FY 2024 to ADOT for pavement rehabilitation projects:
- a. Directs ADOT to select pavement rehabilitation projects that are:
 - i. Not located in Pima or Maricopa County;
 - ii. On roads graded as being in fair or poor condition by ADOT; and
 - iii. Not contained in ADOT's five-year Transportation Facilities Construction Program.
 - b. Exempts the appropriation from JCCR review.

SR 347 Appropriation Reallocations (Sec. 14)

121. States that of the \$19,000,000 appropriated in [Laws 2022, Chapter 309 for the design to widen lanes along SR 347 between I-10 and the city of Maricopa](#):
- a. [\\$13,000,000 million is reallocated to the](#) following projects:
 - i. \$10,300,000 to ADOT for distribution to the city of Maricopa to design and construct improvements to SR 238 or SR 347, or both;
 - ii. \$2,000,000 to ADOT for distribution to the Gila River Indian Community for transportation infrastructure; and
 - iii. \$700,000 to ADOT for engineering and design costs associated with improvements along SR 87 near Coolidge.
 - b. Exempts the appropriations from review by the JCCR and from lapsing until their purpose has been accomplished or abandoned, or the appropriations stand for a full FY without expenditure or encumbrance.

State Match Advantage for Rural Transportation Fund (RTF) (Sec. 15)

122. Appropriates \$12,500,000 from the GF in FY 2024 to the [RTF](#).

State Highway Construction (Sec. 16)

123. Appropriates \$444,243,000 from the [State Highway Fund in FY 2024](#) to ADOT to:
- a) Plan and construct state highways;
 - b) Acquire rights-of-way; and
 - c) Provide for the cost of contracted field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction.
124. Appropriates any excess balances and collections in the [State Highway Fund](#) to ADOT for the aforementioned purposes.
125. Requires ADOT to report the following to the Directors of JLBC and the Governor's Office of Strategic Planning and Budgeting by November 1, 2023:
- a) The actual prior year, estimated current year and upcoming budget year highway construction expenses from all fund sources in a specified format;
 - b) Capital outlay information for FYs 2023-2025 in a specified format;
 - c) ADOT's estimated outstanding debt principal balance at the end of FY 2025 and the estimated debt service payment amount for FYs 2025-2028;
 - d) Specifies that the report shall include the following statewide construction bonds:
 - i. Arizona Highway User Revenue Fund bonds;
 - ii. Maricopa Association of Governments and Pima Association of Governments controlled access bonds;

- iii. Maricopa Regional Area Road Fund Bonds; and
- iv. Grant anticipation notes.

126. Exempts the appropriation from JCCR review.

ADOT Airport Planning and Development (Sec. 17-18)

127. Appropriates \$35,000,000 from the [State Aviation Fund](#) in FY2024 to ADOT to plan, construct, develop and improve state, county, city or town airports as determined by the State Transportation Board.

128. Appropriates any excess balances and collections in the [State Aviation Fund](#) to ADOT for the aforementioned purposes.

129. Requires ADOT to report to JLBC staff on the status of all aviation grant awards and distributions, which must be delineated by the individual airport and FY, including any future year commitments, by December 31, 2023.

130. Exempts the appropriation from JCCR review.

131. Appropriates \$7,000,000 from the GF in FY 2024 to ADOT for distribution to Phoenix-Mesa Gateway Airport:

- a. Exempts the appropriation from JCCR review.

Supplemental Appropriations (Sec. 19-20)

132. Appropriates, in addition to the appropriation made in FY 2023, \$5,000,000 from the GF in FY 2023 to ADOA for West Adams Street building renovation projects.

133. Appropriates, in addition to the appropriation made by [Laws 2022, Chapter 309, \\$52,090,000 from the GF in FY 2023 to ADOT to design and construct additional vehicle lanes, separated by a lighted median, on I-10 between SR 85 and Citrus Road:](#)

- a. [Exempts this appropriation from review by the JCCR.](#)

Exemptions from Lapsing (Sec. 21)

134. [Exempts the following appropriations from lapsing:](#)

- a. [Until June 30, 2024, the \\$24,200,000 appropriated to ADOA in FY 2022 by \[Laws 2021, Chapter 406 for building renewal at ADOA;\]\(#\)](#)
- b. [Until June 30, 2024, the \\$1,215,800 appropriated to AZGF in FY 2022 by \[Laws 2021, Chapter 406 for building renewal at AZGF;\]\(#\)](#)
- c. [Until June 30, 2024, the \\$2,800,000 appropriated to ADOA in FY 2022 by \[Laws 2021, Chapter 406 to demolish the state-owned buildings located at 1601 West Jefferson Street and 1645 West Jefferson Street and to convert the building's physical plant to provide services to 1535 West Jefferson Street;\]\(#\)](#)
- d. [Until June 30, 2024, the \\$3,500,000 appropriated to ADOA in FY 2022 by \[Laws 2021, Chapter 406 to replace capitol mall air handler units at the House of Representatives and Senate buildings at 1700 West Washington Street;\]\(#\)](#)
- e. [Until June 30, 2025, the \\$25,564,400 appropriated to ADC in FY 2022 by \[Laws 2021, Chapter 406 for fire and life safety upgrades at the Eyman State Prison Complex;\]\(#\)](#)
- f. [Until June 30, 2024, the \\$1,000,000 appropriated to the Arizona Exposition and State Fair Board in FY 2022 by \[Laws 2021, Chapter 406 for capital improvements;\]\(#\)](#)
- g. [Until June 30, 2024, the \\$1,000,000 appropriated to the Arizona Exposition and State Fair Board in FY 2022 by \[Laws 2021, Chapter 406 for replacement of the fire alarm system in the Arizona Veterans Memorial Coliseum Building on the State Fair Grounds;\]\(#\)](#)
- h. [The \\$1,800,000 appropriated to the Department of Emergency and Military Affairs in FY 2023 by \[Laws 2022, Chapter 309 for additional construction monies for the Tucson readiness center;\]\(#\)](#)
- i. [Until June 30, 2024, the \\$2,500,000 appropriated to the Department of Juvenile Corrections in FY 2022 by \[Laws 2021, Chapter 406 to replace doors in four units at the Adobe Mountain School facility;\]\(#\)](#)
- j. [Until June 30, 2024, the \\$2,396,700 appropriated to ASPB in FY 2022 by \[Laws 2021, Chapter 406 for capital improvements;\]\(#\)](#)
- k. [Until June 30, 2024, the \\$126,000 appropriated to ASPB in FY 2022 by \[Laws 2021, Chapter 406 to replace the fire suppression system at Red Rock State Park;\]\(#\)](#)
- l. [Until June 30, 2024, the \\$750,000 appropriated to ASPB in FY 2022 by \[Laws 2021, Chapter 406 to construct a new day-use park at the Rockin' River Ranch State Park;\]\(#\)](#)
- m. [Until June 30, 2024, the \\$353,100 appropriated to the Arizona Pioneers' Home in FY 2022 by \[Laws 2021, Chapter 406 for capital improvements;\]\(#\)](#)
- n. [Until June 30, 2024, the \\$3,150,000 appropriated to ADOT in FY 2022 by \[Laws 2021, Chapter 406 to construct new maintenance facilities in Wickenburg; and\]\(#\)](#)
- o. [Until June 30, 2023, the \\$4,600,000 appropriated to ADOT in FY 2020 by \[Laws 2019, Chapter 264 as amended by \\[Laws 2021, Chapter 406 to construct new maintenance facilities in Wickenburg.\\]\\(#\\)\]\(#\)](#)

Miscellaneous

135. Allows ADOA to spend up to 5% of the monies appropriated to ADOA in this act, excluding amounts meant for distribution to nonstate agencies, for expenditures for project management of building renewal and capital projects. (Sec. 22)
136. Restricts all other monies appropriated to ADOA in this act from being spent on personal services, employee-related expenditures or maintenance contracts on building components and equipment without review by the JCCR. (Sec. 22)
137. Prohibits all monies appropriated in this act, except for the allowed 5% for ADOA, from being spent on personnel services or employee-related expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities. (Sec. 22)
138. Modifies [Laws 2021, Chapter 406](#) by:
- a. Removing the FY 2021 appropriation of \$10,000,000 from the GF to ADOT to improve U.S. Route 95 near Yuma Proving Ground;
 - b. Increasing the FY 2021 appropriation from the GF to ADOT for pavement rehabilitation along SR 77 near Oro Valley to \$15,807,500 from \$13,600,000; and
 - c. Requiring ADOT to submit a report for review by the JCCR before transferring monies between the outlined projects. (Sec. 1)
139. Changes [Laws 2022, Chapter 309](#) by:
- a. Specifying that the \$1,000,000 appropriated from the GF in FY 2023 to ADOA for the Little Colorado River visitor center is to be distributed to the Navajo Nation, instead of Navajo County;
 - b. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to design and construct additional vehicle lanes on I-10 between SR 85 and Citrus Road to \$60,910,000 from \$64,200,000;
 - c. Increasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to construct a roundabout at the intersection of SR 69 and SR 169 to \$8,022,500 from \$1,500,000;
 - d. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to design a traffic interchange on SR 89 at SR 89A to \$600,000 from \$3,000,000;
 - e. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to rehabilitate pavement along SR 90 between Campus Drive and the U.S. Border Patrol station in Huachuca City to \$38,620,000 from \$39,200,000;
 - f. Increasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to rehabilitate pavement along U.S. Route 191 between Armory Road and East Safford to \$18,981,000 from \$16,330,000;
 - g. Removing the FY 2023 appropriation of \$6,142,800 from the [State Highway Fund](#) to ADOT to construct and improve former SR 279;
 - h. Increasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to install lighting on the Sentinel exit in Gila Bend to \$1,085,000 from \$568,000;
 - i. Increasing the FY 2023 appropriation from the State GF to ADOT for U.S. Route 89 to \$8,100,000 from \$5,000,000;
 - j. Increasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to repave SR 69 in Prescott Valley to \$1,823,000 from \$1,645,000;
 - k. Removing the FY 2023 appropriation of \$3,500,000 from the [State Highway Fund](#) to ADOT to improve U.S. Route 95 near Yuma Proving Ground;
 - l. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to repave SR 95 in Mohave County to \$13,373,000 from \$19,534,600;
 - m. Increasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to construct an overpass at Riggs Road and SR 347 to \$24,000,000 from \$8,750,000;
 - n. Removing the FY 2023 appropriation of \$2,625,000 from the [State Highway Fund](#) to ADOT for the final design plan, right of way and easements for an overpass at Riggs Road and SR 347;
 - o. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to repair SR 186 and State Business Route 10 in Willcox to \$1,455,000 from \$1,464,100; and
 - p. Decreasing the FY 2023 appropriation from the [State Highway Fund](#) to ADOT to improve SR 90 from Moson Road to Campus Drive to \$3,300,000 from \$3,710,000. (Sec. 2-5)
140. Repeals session law added by [Laws 2022, Chapter 309 which appropriated \\$25,000,000 from the GF in FY 2023 to ADOT for the Loop 101 slip ramp access project.](#) (Sec. 6)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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141. Makes conforming changes.

(Sec. 1, 3, 5)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

[HB 2813](#): commerce; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to commerce needed to implement the FY 2024 budget.

History

The Arizona Commerce Authority's (ACA) mission is to provide private sector leadership in growing and diversifying Arizona's economy, creating high quality employment in Arizona through expansion, attraction and retention of businesses and marketing Arizona for the purpose of expansion, attraction and retention of businesses ([A.R.S. § 41-1502](#)).

Pursuant to [A.R.S. § 41-1545.02](#), the ACA Chief Executive Officer may negotiate the award of monies from the Arizona Competes Fund for the purposes of: 1) attracting, expanding or retaining Arizona basic enterprises with preferences given to job training and infrastructure activities that create private sector jobs; and 2) supporting and advancing programs and projects for microenterprises, rural businesses, small businesses and business development that enhance economic development.

The Arizona Competes Fund consists of, in part, an annual deposit of \$5,500,000 in income tax withholding revenues ([A.R.S. § 41-1545.01](#)). According to [JLBC](#), the fund has a year-end balance (FY 2023) of approximately \$105,000,000.

The Broadband Equity, Access and Deployment [Program](#) appropriates \$42.45 billion for states to utilize for broadband deployment, mapping and adoption programs. For Program [eligibility](#), an entity must provide matching funds of not less than 25% of project costs.

The Water Infrastructure and Commerce Grant Fund provides grants to eligible entities for contracting for the design and construction of water infrastructure at the eligible entity's location. A public service corporation that provides water service that acts on behalf of an employer with more than 250 employees that is located in a county with a population between 400,000 and 1,000,000 persons are eligible for grants. The ACA, which administers the fund, is responsible for establishing requirements and criteria by which grants are awarded, which must include at least the following:

- 1) grants may only be distributed to eligible applicants for new water infrastructure projects;
- 2) grants must be used for projects that create new jobs;
- 3) projects must begin after January 1, 2022 to qualify for a grant; and
- 4) grants must be allocated and distributed by December 31, 2024.

([A.R.S. § 41-1510](#))

Provisions

Arizona Competes Fund (Sec. 1)

142. Reduces the annual deposit in income tax withholding revenues to the Arizona Competes Fund from \$5,500,000 to \$500,000.

Rural Broadband Accelerate Match Fund (Sec. 2)

143. Establishes, as session law, the Rural Broadband Accelerated Match Fund consisting of legislative appropriations.

144. Directs the ACA to administer the fund.

145. Exempts fund monies from lapsing.

146. Requires, in FY2024, the ACA to use fund monies to assist political subdivisions to meet the matching requirement for the federal Broadband Equity, Access and Deployment program.

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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147. Instructs the ACA to distribute fund monies as follows:

- a. 25% to counties with a population between 100,000 and 1,000,000 persons;
- b. 25% to counties with a population of less than 100,000 persons;

- c. 25% to municipalities with a population of 10,000 persons or more, however municipalities that are partially or entirely located in an urbanized area and that have a population of more than 1,000,000 persons are not eligible for funding; and
 - d. 25% to municipalities with a population of less than 10,000 persons.
 - e. up to 1%, in FY 2024, for administration.
148. Requires the ACA, by September 1 of each year until all fund monies have been expended, to submit a detailed report on the use of fund monies for the previous fiscal year to the Legislature, Executive and JLBC.
149. Specifies the report must include:
- a. the entities that received fund monies and the amount received;
 - b. a description of the projects funded;
 - c. the federal match rate on each project;
 - d. the status of each project;
 - e. the price of services; and
 - f. an assessment of the total impact of each project.
150. Instructs the ACA to give preference to applicants that demonstrate either:
- a. the percentage of matching monies provided by the applicant; or
 - b. the extent that the applicant will partner with other entities to deliver the project.

Water Infrastructure and Commerce Grant Fund (Sec. 3)

151. Requires, as session law, the ACA to award grant fund monies to eligible entities for projects beginning after January 1, 2023.
152. Requires, as session law, the ACA to allocate and distribute grant fund monies by December 31, 2025.
153. Applies the grant fund provisions retroactively to January 1, 2023.

Microbusiness Loan Program (Sec. 4)

154. Requires, as session law, the Office of Economic Opportunity (OEO) to establish the Microbusiness Loan Program to provide funding to eligible entities that provide loans to microbusinesses in Arizona.
155. Instructs the OEO, in FY 2024, to use monies in the Microbusiness Loan Fund for the Microbusiness Loan Program.
156. Establishes, as session law, the Microbusiness Loan Fund consisting of legislative appropriations.
157. Requires the OEO to administer the fund.
158. Exempts the fund from lapsing.
159. Requires the OEO to publicly list and solicit program applications for the participation and funding of eligible entities.
160. Outlines the eligibility criteria for an entity to receive funding from the program.
161. Specifies a microbusiness loan provided by an eligible entity may be used for:
- a. operation of the microbusiness;
 - b. working capital;
 - c. acquisition or improvement of real property;
 - d. acquisition of machinery and equipment; or
 - e. refinancing of debt obligations.
162. Instructs the OEO to market and advertise the program to microbusinesses that are unable to access traditional funding sources and offer information on other similar programs.
163. Allows the OEO to use up to 1% of the monies in the Microbusiness Loan Fund for marketing and advertising the program.
164. Outlines applicable requirements for each loan disbursed by an eligible entity using monies from the program.
165. Requires an eligible entity to certify loan compliance with the OEO.
166. Permits an eligible entity to charge application, commitment and loan guarantee fees and provides restrictions to fees charged.
167. Instructs the OEO, by February 1, 2024, to submit a report to the Legislature, Executive and JLBC on:
- a. the number of microfinance lenders;
 - b. the availability of microbusiness credit; and
 - c. any recommendations for increasing the availability of credit to microbusinesses.

168. Instructs the OEO, by July 31, 2024, to submit a report to the Legislature, Executive and JLBC that contains all of the following:
- a. a list of the eligible entities that have received funding;
 - b. the number of microbusiness loans made by each eligible entity using monies from the program and the type of business each loan recipient operates;
 - c. the average principal amount of microbusiness loans made by each eligible entity;
 - d. the county and zip code of each eligible entity;
 - e. the county and zip code of the recipients of each loan made to an eligible entity;
 - f. the current outstanding principal of microbusiness loans made by eligible entities;
 - g. the total amount of loan losses for microbusiness loans made by eligible entities;
 - h. the total amount of principal repaid to eligible entities for microbusiness loans; and
 - i. the total amount of interest earned, and fees charged by eligible entities for microbusiness loans.
169. Prevents the OEO from allocating more than \$2,000,000 of fund monies to an eligible entity.
170. Requires the OEO to allocate program funds so that there is a participating eligible entity from at least two different counties.
171. Defines *eligible entity* as a community development financial institution or a nonprofit lender in this state with at least two years of lending experience.
172. Defines *community development financial institution* as an entity that is currently certified as a Community Development Financial Institution under federal law.
173. Defines *microbusiness* as a business that is located in this state, that is independently owned and operated and that employs five or fewer people.



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

HB 2814: criminal justice; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to criminal justice needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Attorney General

1. Amends existing permanent law to make all monies deposited into the *Consumer Remediation Subaccount* of the *Consumer Restitution and Remediation Revolving Fund* (Fund) through opioid claims-related litigation or settlements subject to legislative appropriation. (Sec. 2)
2. Requires the quarterly report of the Fund to separately delineate receipts and disbursements for all opioid claims-related litigation monies. (Sec. 2)

Department of Homeland Security

3. Creates, in session law, the non-appropriated *Antihuman Trafficking Grant Fund* administered by the Department of Homeland Security (Department) consisting of monies appropriated by the Legislature to be distributed in FY 24 to fund grants to eligible programs to reduce human trafficking in Arizona. (Sec. 5)
4. Establishes, in session law:
 - a) The *Arizona State Nonprofit Security Grant Program* (Program) administered by the Department to provide funding for safety and security projects to eligible nonprofit organizations that are at high risk of a terrorist attack or at risk of hate crimes or attacks because of the nonprofit's ideology, beliefs or mission; and
 - b) The non-appropriated *Arizona State Nonprofit Security Grant Program Fund* (Fund) consisting of grants, gifts, donations and legislative appropriations from which the Department is required to issue grants to applicants who qualify for the Program in FY 2024 through FY 2028. (Sec. 6)
5. Outlines grant application process and eligibility requirements for the Program and defines relevant terms. (Sec. 6)
6. For any fiscal year, requires the Department to award up to \$1,000,000 in grants from the Fund, prohibits a nonprofit from receiving more than \$100,000 and instructs the Department to give priority to nonprofit organizations that are unable to apply for funding from other sources. (Sec. 6)
7. Includes a delayed repeal date of October 1, 2028, for session law governing the Program and Fund. (Sec. 6)

Supreme Court

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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8. Changes existing session law to allow the Supreme Court to spend money on a new appellate case management system in FY 2024 through FY 2026. (Sec. 3)

Department of Juvenile Corrections

9. Amends existing permanent law to increase the minimum threshold county population needed for the Department of Juvenile Corrections to annually assess a *Committed Youth Confinement Cost Sharing Fee* from more than 500,000 persons to more than 3,000,000 persons. (Sec. 1)

Department of Public Safety

10. Establishes, in session law, the non-appropriated *Fentanyl Prosecution, Diversion and Testing Fund* (Fund) administered by the Department of Public Safety (DPS) consisting of monies appropriated by the Legislature. (Sec. 4)
11. Requires DPS to allocate monies in the Fund to certain agencies to assist with costs related to fentanyl prosecution and testing. (Sec. 4)
12. Permits DPS to use monies in the Fund for administrative costs. (Sec. 4)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

HB 2815: environment; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to the environment needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Hazard Mitigation Revolving Fund (Mitigation Fund)

174. Creates the Mitigation Fund that consists of legislative appropriations and federal monies and that is administered by the Arizona Department of Emergency and Military Affairs. (Sec. 1)
175. Specifies that Mitigation Fund monies are continuously appropriated and may be used in FYs 2024-2028 in accordance with federal guidelines. (Sec. 1)
176. Repeals the Mitigation Fund on July 1, 2028. (Sec. 2)

Fire Incident Management Fund (Incident Fund) (Session Law)

177. Establishes the Incident Fund for FY 2024 to consist of legislative appropriations that are continuously appropriated.
178. Requires the Arizona Department of Administration (ADOA) to administer the Incident Fund. (Sec. 3)
179. Requires the Incident Fund to provide grants to municipal fire departments and fire districts for hardware and software that:
 - a. enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies;
 - b. provides a standardized incident command and management platform based on Federal Emergency Management Agency (FEMA) standards that enable diverse incident management and support entities to work together; and
 - c. provides a collaboration and communications solutions. (Sec. 3)
180. Specifies that the standardized incident command and management platform ensure the following:
 - a. a clearly defined chain of command;
 - b. the use of common terminology;
 - c. the safety of first responders and others;
 - d. the achievement of response objectives; and
 - e. the efficient use of resources. (Sec. 3)
181. Requires the collaboration and communication solutions to:
 - a. identify the location, status and assignment of assigned resources;
 - b. allow status updates, tracking and management of an incident;
 - c. allow secure messaging and file sharing to all users involved in an incident;
 - d. allow the sharing of collaborative maps, building floor plans and images between public safety agencies;
 - e. allow collaboration and information sharing between agencies during a mass casualty event;
 - f. define a FEMA or National Incident Management Systems-based organizational structure for the management of incidents;

- g. provide the ability to print forms for tracking and cost reimbursement;
 - h. provide telemetry-based firefighter safety monitoring;
 - i. works in areas without internet access in a disconnected mode;
 - j. provide a connected platform for notification, response and rostering;
 - k. provide cross-platform functionality; and
 - l. provide a smartphone-based app for notification, accountability and situational awareness. (Sec. 3)
182. Allows each fire district or municipal fire department in Arizona to submit a grant request to ADOA for the costs of the secure incident management system. (Sec. 3)
183. Instructs ADOA to award grants on a first-come, first-served basis. (Sec. 3)
184. Requires awarded grants to fully fund the costs of the secure incident management system for each fire district or municipal fire department for three years. (Sec. 3)
- Arizona Water Protection Fund (AWPF) (Session Law)**
185. Authorizes the AWPF Commission to grant to the Arizona Department of Water Resources (ADWR) up to \$336,000 of the unobligated balance in AWPF for ADWR administrative costs in FY 2024. (Sec. 4)
- Underground Storage Tank Revolving Fund (USTR Fund) (Session Law)**
186. Authorizes the Arizona Department of Environmental Quality (ADEQ) to use up to \$6,531,000 from the USTR Fund in FY 2024 for ADEQ administrative costs and to remediate sewage discharge issues in Naco and other border areas of Arizona. (Sec. 5)
- Arizona Navigable Stream Adjudication Commission (Commission) (Session Law)**
187. Allows monies appropriated to the Commission from the Arizona Water Banking Fund to be used to pay legal fees in FY 2024. (Sec. 6)
- Water Quality Assurance Revolving Fund (WQARF) (Session Law)**
188. Limits to \$15,000,000 the amount of corporate income tax monies transferred to the WQARF in FY 2024. (Sec. 7)
- Vehicle Emission Testing Fees (Session Law)**
189. Directs the ADEQ Director to charge vehicle emissions testing fees in FY 2024 that do not exceed the fees charged in FY 2023 for testing in Area A. (Sec. 8)
190. Exempts ADEQ from rulemaking requirements until July 1, 2024 for setting vehicle emissions testing fees. (Sec. 8)
- Arizona Department of Agriculture (ADA) Fees (Session Law)**
191. Authorizes ADA to continue, with the assistance of the ADA Advisory Council, to increase or lower existing fees charged in FYs 2022 and 2023 for services provided in FY 2024. (Sec. 9)
192. States that the Legislature intends that for FY 2024, the additional revenue generated from ADA fees do not exceed:
- a. \$218,000 to the GF
 - b. \$113,000 to the Pesticide Trust Fund; and
 - c. \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. (Sec. 9)
193. Exempts the ADA from rulemaking requirements until July 1, 2024 for setting fees. (Sec. 9)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2816: health care; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to health care needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Arizona Board of Chiropractic Examiners

194. Requires Arizona licensed chiropractors to annually submit their renewal applications by the end of their birth month, rather than by January 1. (Sec. 1)

Children's Health Insurance Program (CHIP)

195. Raises, beginning October 1, 2023, the income eligibility for CHIP to 225% federal poverty level (FPL). (Sec. 2)

Arizona Department of Administration (ADOA) Session Law Provisions

196. Requires ADOA, for FY 2024, to administer the Interoperability Software Technology Solution Grant Program (Grant Program) to provide a single company that licenses an interoperability software technology solution to support acute care for rural hospitals, health care providers and trauma centers with resources to further treatment and coordination with a focus on reducing public and private health care costs and unnecessary transportation costs. (Sec. 3)

197. Prohibits the grant recipient from using a third-party vendor to comply with any Grant Program requirements. (Sec. 3)

198. Instructs ADOA to award the grant by December 1, 2023. (Sec. 3)

199. Requires the Grant Program to enable the implementation of a single licensed interoperability software technology solution that is shared by hospitals and health care providers to benefit patient's before and after a patient is discharged from the provider's care and accessible to current and future providers via a mobile, native smartphone application. (Sec. 3)

200. Requires the software to:

- a. be made available to participating rural hospitals, health care providers and trauma centers;
- b. enable a hospital's electronic medical records system to interface with interoperability technology and other electronic medical records systems; and
- c. enable providers to promote mobile connectivity between hospital systems and facilitate increased communication between hospital staff and providers that use different or distinctive online and mobile platforms and information systems when treating acute patients. (Sec. 3)

201. Requires ADOA to award one grant for an interoperability software technology solution that, at a minimum:

- a. is capable of providing proactive alerts to health care providers on their smartphones or smart devices;
- b. allows both synchronous and asynchronous communication via a native smartphone application;
- c. is mobile and can be used on multiple electronic devices. (Sec. 3)

202. Requires the mobile technology to include, at a minimum, the industry standard built-in application for the two most popular operating systems and a built-in application available to all users. (Sec. 3)

203. Requires the grant recipient to demonstrate that its interoperability software technology solution meets all outlined requirements at least 30 days before applying for the grant. (Sec. 3)

204. Instructs the grant recipient for FY 2024 to provide to ADOA a report that provides metrics and quantifies cost and time savings for using an interoperable software solution in health care that complies with HIPAA privacy standards. (Sec. 3)
205. Requires, by June 30, 2024, ADOA in coordination with AHCCCS to provide a report to the following entities on the allocation of grant funding and compiled analysis of the reports provided by the grant recipient:
- a. President of the Senate;
 - b. Speaker of the House of Representatives;
 - c. Chairpersons of the Senate Health and Human Services and House Health & Human Services Committee;
 - d. Directors of the Joint Legislative Budget Committee (JLBC); and
 - e. Governor's Office of Strategic Planning and Budgeting (OSP). (Sec. 3)
206. Specifies that monies appropriated for the purposes of the Grant Program in the FY 2024 General Appropriations Act do not affect the monies appropriated in FY 2023 for interoperability software technology solutions or any grant awarded to or contract with a grant recipient. (Sec. 3)
207. Repeals the FY 2024 Grant Program requirements by July 1, 2024. (Sec. 3)

Arizona Health Care Cost Containment System (AHCCCS) Session Law Provisions

208. Requires by December 31, 2024, for FY 2024, AHCCCS to transfer to the counties any portion necessary to comply with the Patient Protection and Affordable Care Act regarding the counties' proportional share of this state's contribution. (Sec. 11)
209. Allows, for the contract year beginning October 1, 2023, and ending September 30, 2024, AHCCCS to continue the risk contingency rate settings for all managed care organizations (MCO) and funding for all MCO administrative funding levels that were imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. (Sec. 15)
210. Continues to state that it is the intent of the Legislature for FY 2024 that AHCCCS implement a program within its available appropriation. (Sec. 16)

Collaborative Care Uptake Fund Session Law Provisions

211. Establishes the Collaborative Care Uptake Fund (Fund) within DHS consisting of monies appropriated by the Legislature that are continuously appropriated. (Sec. 4)
212. Prohibits DHS from using more than three percent of the Fund monies for Fund administration. (Sec. 4)
213. Requires DHS to use Fund monies to award grants to primary care physicians who are in a medical practice with not more than 50 employees to meet the initial costs of establishing and delivering behavioral health integration services through the Collaborative Care Model (Model) and for technical assistance grants. (Sec. 4)
214. Allows a primary care physician who receives a grant to use the monies for:
- a. hiring staff;
 - b. identifying and formalizing contractual relationships with other health care practitioners;
 - c. purchasing or upgrading software and other resources needed to appropriately provide behavioral health integration services through the Model, including resources needed to establish a patient registry and implement measurement-based care; and
 - d. any other purpose DHS prescribes as necessary to support the Model. (Sec. 4)
215. Specifies that contractual relationships include health care practitioners who will function as psychiatric consultants and behavioral health care managers in providing behavioral health integration services through the Model. (Sec. 4)
216. Directs DHS to solicit proposals from and enter into grant agreements for FY 2024 with eligible collaborative care technical assistance center applicants to provide technical assistance to primary care physicians on providing behavioral health integration services through the Model. (Sec. 4)
217. Requires each collaborative care technical assistance center applicant to provide in the grant application information on how the collaborative care technical assistance center will meet the prescribed assistance requirements in order to be eligible for a grant. (Sec. 4)
218. Instructs collaborative care technical assistance centers that receive a grant to provide technical assistance to primary care physicians with:
- a. developing financial models and budgets for program launch and sustainability based on practice size;
 - b. developing staffing models for essential staff roles, including care managers and consulting psychiatrists;

- c. providing information technology expertise to assist with building the Model requirements into electronic health records, including assistance with care manager tools, patient registry, ongoing patient monitoring and patient records;
- d. providing training support for all key staff and operational consultation to develop practice workflows;
- e. establishing methods to ensure the sharing of best practices and operational knowledge among primary care physicians who provide behavioral health integration services through the Model; and
- f. for any other purposes DHS prescribes as necessary to support the Model. (Sec. 4)

County Session Law Provisions

219. Sets the annual county Arizona Long Term Care System (ALTCS) contributions for FY 2024 at \$366,205,400 and:
- a. outlines each county's contribution;
 - b. requires the State Treasurer to recover the cost of any funding that was not provided; and
 - c. requires the State Treasurer to deposit monies received into the ALTCS fund. (Sec. 9)
220. Requires the counties' share of the state's contribution to comply with federal maintenance of effort requirements. (Sec. 9)
221. Sets the FY2024 county acute care contributions at \$43,733,700 and:
- a. outlines each county's contribution;
 - b. outlines payment processes and requirements;
 - c. requires the State Treasurer to recover the cost of any funding that was not provided by a county from other funds owed to that county, excluding the Highway User Revenue Fund; and
 - d. states that the Legislature intends that the Maricopa County contribution be reduced in each subsequent year according to changes in the GDP price deflator. (Sec. 12)
222. Continues to exclude the Proposition 204 administration costs from the county expenditure limitations. (Sec. 13)

Disproportionate Share Hospital (DSH) Payments Session Law Provisions

223. Sets the annual DSH payment allotment for the Maricopa County Special Health Care District (District) at \$113,818,500 for FY 2024 and:
- a. requires the District to provide a certified public expense form for the amount of qualifying DSH expenditures made to AHCCCS by May 1, 2024, for all state plan years as required by the AHCCCS state plan;
 - b. states that if the certification is equal to or less than \$113,818,500 and AHCCCS determines the revised amount is correct, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. distribute \$4,202,300 to the District and deposit the balance in the state GF.
 - c. states that if the certification is less than \$113,818,500 and AHCCCS determines the revised amount is not correct, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. deposit the total amount in the state GF.
 - d. provides that if the certification is greater than \$113,818,500, AHCCCS must:
 - i. distribute \$4,202,300 to the District; and
 - ii. \$71,248,000 of the federal financial participation in the state GF; and
 - e. allows AHCCCS to make additional DSH payments to the District pursuant to statute. (Sec. 10)
224. Sets the annual DSH payment allotment to the Arizona State Hospital (ASH) at \$28,474,900 for FY 2024 and:
- a. requires ASH to provide a certified public expense form for the amount of qualifying DSH expenditures made to AHCCCS by March 31, 2024;
 - b. directs AHCCCS to:
 - i. assist ASH in determining the amount of qualifying DSH expenditures; and
 - ii. deposit the entire amount of federal financial participation in the state GF;
 - c. states that if the certification is less than \$28,474,900, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. deposit the entire amount of federal financial participation in the state GF; and
 - d. requires the certified public expense form to contain the total amount of qualifying DSH expenditures and the amount limited by federal law. (Sec. 10)

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225. Establishes the annual DSH payment allotment for private qualifying DSH hospitals at \$884,800 for FY 2024, consistent with the appropriation and the terms of the State plan and:
- a. limits payments to hospitals that either:

- i. meet the mandatory definition of DSH qualifying hospital under Section 1923 of the Social Security Act; or
- ii. are located in Yuma County and contain at least 300 beds. (Sec. 10)

226. Outlines the order of priority for DSH payment allotments for private qualifying hospitals once the preceding DSH distributions are made. (Sec. 10)

Dementia Services Program Session Law Provisions

227. Designates DHS as the lead state agency to address Alzheimer's disease and related forms of dementia. (Sec. 5)

228. Requires the DHS Director to establish a Dementia Services Program (Program) within DHS to do all of the following:

- a. facilitate coordination and support of policies and programs in the Legislature and executive branch, including agencies of the executive branch that relate to Alzheimer's disease and related forms of dementia;
- b. facilitate the coordination, review, publication and implementation of and updates to the Alzheimer's disease state plan;
- c. facilitate and support coordination of outreach programs and services between state agencies, local public health departments, tribal nations, educational institutions and community groups to foster public awareness and education regarding Alzheimer's disease and related forms of dementia;
- d. facilitate the coordination of services and activities between groups that are interested in dementia research, programs and services, including Area Agencies on Aging, service providers, advocacy groups, legal services, emergency personnel, law enforcement, local public health departments, tribal nations, state colleges and universities;
- e. apply for federal funding and grants related to public health services for and early detection and risk reduction of Alzheimer's disease and related forms of dementia; and
- f. incorporate early detection and risk reduction strategies into existing DHS-led public health programs. (Sec. 5)

229. Allows the Program to use community partners, state agencies and local governments for assistance. (Sec. 5)

Alzheimer's Disease State Plan Session Law Provisions

230. Tasks DHS with developing an Alzheimer's disease state plan that:

- a) assesses the current and future impact of Alzheimer's disease and related forms of dementia in Arizona;
- b) assesses the existing state services and resources that address the needs of persons who have Alzheimer's disease or a related form of dementia and their family caregivers;
- c) assesses the needs of persons of all cultural backgrounds who have Alzheimer's disease or a related form of dementia and how their lives are affected by the disease, including from younger-onset, through mid-stage, to late-stage;
- d) assesses Arizona's capacity and capability to provide effective detection and diagnosis of cognitive impairments and dementia;
- e) identify gaps in the provision of public services and private services for persons who have Alzheimer's disease or a related form of dementia; and
- f) provides a strategic plan, including recommendations, for state action that does all of the following:
 - i. increases access to care, support and treatment for persons who have Alzheimer's disease or a related form of dementia;
 - ii. improves the quality of care for persons who have Alzheimer's disease or a related form of dementia; and
 - iii. ensure a coordinated statewide response to Alzheimer's disease and related forms of dementia;
 - iv. advance risk reduction, early detection and diagnosis of Alzheimer's disease and related form of dementia; and
- g) is published on DHS's public website. (Sec. 5)

231. Requires DHS, by July 1, 2024 and June 30, 2026, to review the Alzheimer's disease state plan and submit an updated state plan to the Governor, Legislature and submit a copy to the Secretary of State (SOS). (Sec. 5)

232. Instructs DHS to collaborate with individuals who have Alzheimer's disease or a related form of dementia, those who directly care for them and public, private and nonprofit organizations focused on Alzheimer's care services, research, advocacy, health care and caregiver support when reviewing and updating the Alzheimer's disease state plan. (Sec. 5)

233. Repeals the requirements for the Dementia Services Program and Alzheimer's State Plan on July 1, 2026. (Sec. 5)

Dementia Awareness Report Session Law Provisions

234. Requires DHS to distribute monies appropriated in FY 2024 to implement a public education campaign to increase awareness of Alzheimer's disease and related forms of dementia in rural and underserved urban areas in Arizona to a nonprofit organization that:
- demonstrates expertise in memory loss, dementia and Alzheimer's disease;
 - provides care and support for those affected by Alzheimer's disease and related forms of dementia;
 - demonstrates experience in marketing and public awareness campaigns; and
 - hosts a toll-free hotline 24 hours a day, seven days a week, with interpreter services if needed, that is staffed by master's-level consultants to provide education on the signs and symptoms of Alzheimer's disease and related forms of dementia, decision-making support, dementia crisis assistance, treatment options and referrals to local community resources. (Sec. 8)
235. Directs DHS, by June 30, 2024, to submit a report to the Governor, Legislature and a copy to the SOS on the impact of the public education campaign. (Sec. 8)

Psilocybin Research Grants Session Law Provisions

236. Requires the DHS Director to provide from appropriated monies, competitive research grants for whole mushroom psilocybin phase one, phase two and phase three clinical trials that are capable of being approved by the U.S. Food and Drug Administration to evaluate the effects of whole mushroom psilocybin on treating any of the following:
- post-traumatic stress disorder;
 - symptoms associated with long COVID-19;
 - depression;
 - anxiety disorders;
 - symptoms associated with end-of-life distress;
 - obsessive compulsive disorder;
 - substance abuse and addiction disorders;
 - eating disorders;
 - chronic pain;
 - inflammatory disorders;
 - autoimmune disorders;
 - seizure disorders; and
 - other degenerative disorders. (Sec. 6)
237. Requires DHS to announce the opening of the application process at least 30 days before applications are available and allow at least 30 days for applicants to complete their submission. (Sec. 6)
238. Requires funded psilocybin clinical trials to prioritize:
- using whole mushroom psilocybin cultivated under a schedule I license issued by the U.S. Drug Enforcement Administration; and
 - using veterans, first responders, frontline health care workers and persons from underserved communities as the research subjects. (Sec. 6)
239. Requires psilocybin research grants to be awarded no later than February 1 each year. (Sec. 6)
240. Asserts that a person who receives a grant for a whole mushroom psilocybin clinical trial and any of their employees working on the clinical trial are not to be charged with or prosecuted for psilocybin possession when the person is working on the clinical trial. (Sec. 6)
241. Establishes the 4-member Psilocybin Research Advisory Council (Advisory Council) and outlines membership. (Sec. 6)
242. Authorizes the DHS Director to appoint Advisory Council members and serve as Chairperson of the Advisory Council. (Sec. 6)
243. Requires the Advisory Council to:
- establish criteria for the clinical trials that qualify to receive research grants;
 - oversee the application process and review applications for the clinical trial research grants to assist the DHS Director in selecting the most credible clinical trials to award the research grants; and
 - ensure that all Advisory Council meetings are open to the public and allow for public testimony. (sec. 6)
244. Specifies that Advisory Council members are eligible to receive reimbursement of expenses. (Sec. 6)
245. Requires the Advisory Council, annually on June 1, to make recommendations to the Governor, Legislature and DHS on psychedelic-assisted therapy based on current and federal state research policy. (Sec. 6)
246. Repeals the Psilocybin Competitive Research Grant requirements by July 1, 2026. (Sec. 6)

Student Registered Nurse Anesthetist Clinical Rotation Program (Program)
Session Law Provisions

- 247. Establishes the Program within the Arizona State Board of Nursing (Board) for FY 2024 to expand the capacity of preceptor training programs at health care institutions for nurse anesthetist students. (Sec. 7)
- 248. Requires the Board to develop a grant program for FY 2024 to distribute Program monies to licensed health care institutions to expand or develop clinical training placements for nurse anesthetist students, with preference given to the expansion or development of clinical rotations in obstetrics, pediatrics and cardiovascular care. (Sec. 7)
- 249. Specifies that awarded grant monies are intended to supplement and not supplant existing training program expenses covered by the health care institution grantee. (Sec. 7)
- 250. Instructs the Board to establish an application process for the grant program. (Sec. 7)
- 251. Requires the Board to consider the following factors when determining grant awards:
 - a. the geographic and population distribution;
 - b. the number of nurse anesthetist students expected to be trained and retained; and
 - c. the cost of the proposal for the number of nurse anesthetist students expected to participate and be retained compared to other proposals. (Sec. 7)

Miscellaneous Session law Provisions

- 252. Exempts county expenditures for restoration to competency treatment from the county expenditure limitation. (Sec. 14)
- 253. Defines terms. (Sec. 4, 6 and 7)
- 254. Makes technical and conforming changes. (Sec. 1, 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2817: higher education; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains session law provisions relating to higher education needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Arizona Financial Aid Trust Fund (AFAT) (Sec. 1)

255. Allows, for FY 2024, each dollar raised by the surcharge on student registration fees assessed pursuant to AFAT to be matched by less than \$2 appropriated by the Legislature.

Community College Districts (CCDs) (Sec. 4, 5)

256. Declares, for FY 2024, science, technology, engineering and mathematics and workforce programs state aid and operating state aid for CCDs is as specified in the General Appropriations Act.

Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund (Fund) (Sec. 6)

257. Establishes the Fund that consists of legislative appropriations and tasks the Arizona Board of Regents (ABOR) with Fund administration.

258. States Fund monies are continuously appropriated and exempt from lapsing.

259. Authorizes ABOR to adopt rules to administer the Fund.

260. Directs ABOR, in FYs 2024-2027 and subject to available monies, to use Fund monies to award tuition scholarships to any person who applies and who:

- a. is either:
 - i. the spouse of a law enforcement officer (LEO); or
 - ii. younger than 27 years old and a dependent of a LEO; and
- b. enrolls in:
 - i. an Arizona public university;
 - ii. a community college;
 - iii. a career technical education district (CTED) program; or
 - iv. a licensed private postsecondary educational institution in Arizona.

261. Caps, subject to available monies, a tuition scholarship at the:

- a. amount of tuition and mandatory fees, minus other gifts or aid received, if the person is enrolled in an Arizona public university, community college or CTED; or
- b. remainder of the average in-state tuition and fees charged by Arizona public universities, minus other gifts or aid received, if the person is enrolled in a private postsecondary educational institution.

262. Asserts tuition scholarships are awarded on a first-come, first-served basis and may not be awarded if there are insufficient Fund monies.

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263. Stipulates ABOR must verify a person is eligible before awarding a tuition scholarship and, if the person is determined to no longer be eligible, ABOR may not distribute additional Fund monies until the person submits eligibility documentation.

264. Limits a tuition scholarship to being used for:
- a. four academic years or eight semesters;
 - b. a CTED program certificate or license, a private vocational program, an associate degree or a baccalaureate degree; and
 - c. paying tuition and mandatory fees.
265. Prohibits ABOR from awarding a tuition scholarship to an applicant who is not charged to attend a CTED program.
266. Details the documentation ABOR may rely on to verify that an individual is a LEO.
267. Requires ABOR to submit a report, by March 1, 2024 and annually thereafter, to specified entities that contains prescribed tuition scholarship and recipient data.
268. Defines *LEO*.

Arizona Area Health Education System (System) (Sec. 7)

269. Instructs ABOR to distribute monies appropriated for primary care residency programs in FY 2024 to the System to establish a program for qualifying community health centers, rural health clinics and tribal health facilities (qualifying health entities) that:
- a. supports and expands the number of primary care residency positions;
 - b. provides support and technical assistance for starting or expanding primary care residency programs in rural areas and health professional shortage areas; and
 - c. facilitates information and resource sharing and provides training and technical assistance to support the success of qualifying health entity primary care residency programs.
270. Allows the System to use up to \$500,000 of the monies distributed for the program to support a collaborative of qualifying health entities' primary care residency programs.
271. Defines *primary care* and *tribal health facility*.

State Treasurer (Sec. 2, 3)

272. Mandates the State Treasurer, in FY 2024 and on notice from ABOR, invest and divest monies in the:
- a. Arizona Veterinary Loan Assistance Fund; and
 - b. Spouses of Military Veterans Tuition Scholarship Fund.
273. Requires monies earned from investment to be credited to the respective fund.
274. Contains a retroactivity clause of July 1, 2023.
275. Repeals the requirement that the State Treasurer invest and divest monies from these funds on January 1, 2025.



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

[HB 2818](#): human services; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains session law provisions relating to human services needed to implement the FY 2024 budget.

History

Extended Foster Care Program

The Arizona Department of Child Safety (DCS) may establish an Extended Foster Care Program (Program) for qualified young adults. To participate in the program, a qualified young adult must meet certain criteria. DCS must provide a progress report every six months to the Young Adult Administrative Review Panel (Panel) for each participating young adult. The Panel must review, the qualified young adult's voluntary extended foster care case plan at least once every six months. This includes reviewing the services and supports provided and needed to assist the young adult in their successful transition to adulthood.

DCS must develop and coordinate educational case management plans for participating young adults to assist them in accomplishing: 1) graduating from high school; 2) passing the statewide assessment to measure pupil achievement; 3) applying for postsecondary education and financial assistance; and 4) completing postsecondary education classes ([A.R.S. § 8-521.02](#)).

Temporary Assistance for Needy Families (TANF)

The TANF Block Grant is used to: 1) provide assistance to needy families so that children may be cared for in their own homes or in homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encourage the formation and maintenance of two-parent families ([42 U.S.C. § 601](#)). The Arizona Department of Economic Security (DES) utilizes TANF funding to provide temporary financial assistance to dependent children in their own homes or in the homes of responsible caretaker individuals.

According to the [FY 2023 Appropriations Report](#), produced by the Arizona Joint Legislative Budget Committee (JLBC), the FY 2023 budget continued the provision that allows DES to drug test TANF recipients if there is a reasonable suspicion that they are using illegal drugs ([Laws 2022, Chapter 316](#)).

Arizona Department of Housing (ADOH)

ADOH was created in 2002 to establish policies, procedures and programs authorized to address the affordable housing issues confronting Arizona, including housing issues of low-income and moderate-income families, housing affordability, special needs populations and decaying housing stock. ADOH provides qualified housing participants and political subdivisions state financial, advisory, consultative, planning, training and educational assistance for the development of safe, decent and affordable housing. The agency is also responsible for maintaining and enforcing standards of quality and safety for manufactured homes, mobile homes and factory-built building ([A.R.S. § 41-3953](#)).

Provisions

Extended Foster Care Comprehensive Service Model (Extended Foster Care Model)

276. Directs DCS, within 10 days of the general effective date and for FY 2024, to prepare a scope of work for an Extended Foster Care Model that includes supportive services and required case management provided by contracted community providers for young adults who participate in the Program. (Sec. 1)

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277. Requires the scope of work for the Extended Foster Care Model to include:
a. weekly engagement with each young adult;
b. life skills training;

- c. mental and physical health and well-being;
- d. relational permanency;
- e. education and enrollment assistance;
- f. assistance with accessing safe housing attainment and stability for young adults;
- g. career and employment planning and readiness; and
- h. assistance with accessing transportation services for young adults. (Sec. 1)

Extended Foster Care Success Coaching Program (Success Coaching Program)

278. Requires the Extended Foster Care Model to include success coaches for young adults in the Program. (Sec. 1)
279. Requires the Success Coaching Program to be based on a practice that is youth driven to:
- a. promote permanent connections;
 - b. support the development of an educational foundation and skill set that enables young adults to gain and maintain employment to support their financial needs;
 - c. ensure that young adults reside in safe, stable and secure housing;
 - d. link young adults to appropriate services that address physical and behavioral health needs;
 - e. build skills for developing personal agency; and
 - f. ensure that young adults have the cognitive skills essential to survival. (Sec. 1)
280. Requires the Success Coaching Program to:
- a. operate from an evidence-based framework;
 - b. ensure that the young adults served are aware of their rights to normalcy;
 - c. assist young adults to advocate with caregivers to experience activities and opportunities that meet individual interests;
 - d. support caregivers in identifying root causes of behaviors that present barriers to transition and provide opportunities that assist young adults in healing and addressing underlying trauma;
 - e. develop feedback that allows young adults to communicate their needs and satisfaction with provided services and to request a different extended foster care success coach;
 - f. deliver interventions tailored to each young adult's strengths and experiences; and
 - g. contract with a public university to evaluate the effectiveness of the vendor's delivery of the Success Coaching Program. (Sec. 1)
281. Outlines experience and education qualifications for success coaches, which include:
- a. successfully completing a DCS administered foster care success coaching training program;
 - b. possessing a bachelor's or associates degree or have equivalent credits equal to an associate degree;
 - c. being at least 26 years old;
 - d. having experience working with youth or young adults who are 14 through 26 years old and involved in systems of care, which may include foster care, juvenile justice, runaway and homeless youth programs; and
 - e. exhibiting the belief that all young adults have the capacity to be successful in life. (Sec. 1)
282. Specifies that the bachelor's or associates degree or equivalent credits be in the fields of:
- a. social work;
 - b. psychology;
 - c. counseling;
 - d. marriage and family therapy; and
 - e. behavioral health or education. (Sec. 1)
283. Specifies that a success coach may possess skills that are acquired through alternative routes such as relevant job training, community college attendance, military service or an apprenticeship in lieu of a degree or credits. (Sec. 1)
284. Limits the caseload of each success coach at 20 young adults. (Sec. 1)
285. Instructs DCS to:
- a. solicit agencies to administer the Extended Foster Care Model within 30 days of the general effective date;
 - b. select an agency or agencies within 90 days of the general effective date; and
 - c. implement the Extended Foster Care Model within 150 days of the general effective date. (Sec. 1)
286. Instructs DCS to supervise and monitor the success of the Success Coaching Program. (Sec. 1)
287. Requires DCS to adopt rules to implement the Extended Foster Care Model and Success Coaching Program. (Sec. 1)

Extended Foster Care Quality Review Committee (Committee)

288. Establishes the Committee consisting of DCS staff members. (Sec. 1)

- 289. Requires the Committee to confirm that a young adult who participates in the Program:
 - a. meets eligibility criteria;
 - b. has connections to a permanent family and supportive adults who are actively involved in the young adult's life;
 - c. has a person-centered case and transition plan that supports the young adult's identified goals and future plans; and
 - d. is acquiring individualized skills to develop the tools needed to thrive outside of the foster care program. (Sec. 1)

Extended Foster Care Model Reporting Requirements

- 290. Directs DCS to submit a report to JLBC, Senate and House Health & Human Services Committees on the Extended Foster Care Model within 150 days after the general effective date. (Sec. 1)
- 291. Requires the Extended Foster Care model report to include data and statistics on:
 - a. the support and services to be offered by the Extended Foster Care Model;
 - b. the Program eligibility requirements;
 - c. the young adult's program responsibilities;
 - d. case and transition planning opportunities;
 - e. health insurance coverage for young adults in the Program;
 - f. educational opportunities for young adults in the Program;
 - g. opportunities for mentors through the extended foster care 30 program;
 - h. transportation services for young adults in the extended foster 32 care program, including obtaining a driver license; and
 - i. housing, including semi-supervised living arrangements if such 34 arrangements best meet the young adult's needs. (sec. 1)
- 292. Requires DCS to provide quarterly reports to JLBC that include:
 - a. the number of young adults served in the Extended Foster Care Model;
 - b. the young adult's participation in regular reviews with extended foster care staff; and
 - c. other performance measures as updated by the Committee and determined by the Chairperson of JLBC. (Sec. 1)

293. Defines terms. (Sec. 1)

Extended Foster Care Comprehensive Model Fund (Fund)

- 294. Establishes the Fund that consists of legislative appropriations and is administered by DCS. (Sec. 1)
- 295. Specifies that Fund monies are continuously appropriated and exempt from lapsing. (Sec. 1)
- 296. Instructs DCS, in FY 2024, to use Fund monies to implement the Extended Foster Care Model. (Sec. 1)

TANF

- 297. Requires DES to screen and test each adult recipient who is eligible for TANF cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. (Sec. 2)
- 298. Deems a TANF recipient who tests positive for the use of a controlled substance that was not prescribed for the recipient by a licensed health care provider ineligible for TANF benefits for one year. (Sec. 2)

Homeless Shelter and Services Fund (Fund)

- 299. Establishes the Fund that consists of legislative appropriations, other monies directed to be deposited in the Fund and investment earning on Fund monies. (Sec. 3)
- 300. Directs ADOH to administer the Fund. (Sec. 3)
- 301. Specifies that Fund monies are continuously appropriated and exempt from lapsing. (Sec. 3)
- 302. Requires ADOH, in FY's 2024-2027, to use Fund monies to award grants to counties, cities, towns, Indian tribes and nonprofit organizations for programs that provide shelter and services to unsheltered persons experiencing homelessness. (Sec. 3)
- 303. Instructs ADOH, by December 31, to submit an annual report to the Governor, President of the Senate and Speaker of the House of Representatives describing all grants awarded in each fiscal year. (Sec. 3)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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304. Repeals the Fund and its reporting requirement on October 1, 2027. (Sec. 3)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2819: K-12 education; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to K-12 education needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

School Finance Formula (Permanent Law)

- 305. Increases the base level for FY 2024 from \$4,775.27 to \$4,914.71. (Sec. 3)
- 306. Raises the Group B support level weight for students who are eligible for free or reduced-price lunches (FRPL) from 0.018 to 0.022. (Sec. 4)
- 307. Increases the FY 2024 state support level per route mile from:
 - a. \$2.83 to \$2.89 for 0.5 or less approved daily route mileage;
 - b. \$2.32 to \$2.37 for more than 0.5 through 1.0 approved daily route mileage; and
 - c. \$2.83 to \$2.89 for more than 1.0 per daily route mileage. (Sec. 5)
- 308. Sets district additional assistance as follows:
 - a. for school districts with a student count of less than 100 for:
 - i. kindergarten programs and the 1st-8th grades, from \$606.88 to \$663.81;
 - ii. the 9th-12th grades, from \$670.02 to \$732.87
 - b. for school districts with a student count between 100-599 for:
 - i. kindergarten programs and the 1st-8th grades, from \$433.78 to \$474.47
 - ii. the 9th-12th grades, from \$451.99 to \$494.39
 - c. for school districts with a student count of 600 or more for:
 - i. kindergarten programs and the 1st-8th grades, from \$502.33 to \$549.45
 - ii. the 9th-12th grades, from \$549.33 to \$600.86;
 - d. for programs for preschool children with disabilities, from \$502.33 to \$549.45; and
 - e. for the purchase of required textbooks and related printed subject matter materials for the 9th-12th grades, from \$77.65 to \$84.93. (Sec. 6)
- 309. Increases charter additional assistance from:
 - a. \$1,985.58 to \$2,049.12 per student count in preschool programs for children with disabilities, kindergarten programs and the 1st-8th grades; and
 - b. \$2,314.16 to \$2,388.21 per student in the 9th-12th grades. (Sec. 1)
- 310. Adjusts tax year 2023 qualifying tax rates in accordance with statutory truth-in-taxation requirements. (Sec. 10)

Results-Based Funding (Permanent Law, Sec. 2)

- 311. Repeals Results-Based Funding and the Results-Based Funding Fund.

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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Empowerment Scholarship Account (ESA) Program Reporting (Permanent Law, Sec. 9)

- 312. Requires the Arizona Department of Education (ADE), within 60 days after the last day of each calendar quarter and consistent with federal law, to submit a report to specified entities that includes:

- a. the number of qualified students disaggregated by:
 - i. eligibility category;
 - ii. the number of qualified students eligible for an ESA through universal eligibility who attended an Arizona public school in the school year immediately preceding the first year of their enrollment in the ESA Program;
 - iii. grade level;
 - iv. the school district or charter school that each qualified student attended in the school year immediately preceding the first year of their enrollment in the ESA Program, if applicable;
 - v. English language learners;
 - vi. qualified students enrolled in the ESA Program as a student with a disability; and
 - vii. the zip code of each qualified student's permanent residence;
- b. the annual award amount associated with each ESA; and
- c. the amount of approved expenses, disaggregated by expense type.

Arizona Civics Education and Leadership Development Program (Civics Program) (Session Law, Sec. 12)

- 313. Directs ADE to administer, in FY 2024, the Civics Program to provide civics education and leadership development training to middle school and high school students.
- 314. Requires ADE to develop procedures for eligible nonprofit organizations to apply to participate in FY 2024 and allows ADE to approve an application if the organization:
 - a) is a 501(c)(3) nonprofit organization;
 - b) provides American civics education and leadership development training to students who are at least 10 years old;
 - c) advances the principles of a democratic republic through multigenerational civics education, civil discourse and civic engagement;
 - d) can provide American civics education and leadership development training to middle school or high school students; and
 - e) submits a copy of its curriculum and all course materials.
- 315. Details the components the American civics education and leadership development training must include.
- 316. Creates reporting requirements for approved organizations and ADE regarding participation in and outcomes of the Civics Program.
- 317. Establishes the Civics Program Fund that consists of legislative appropriations, gifts, grants and donations and states monies are continuously appropriated and exempt from lapsing.
- 318. Tasks ADE with administering the Civics Program Fund and distributing monies to approved organizations.
- 319. Specifies the permissible uses of Civics Program Fund monies by approved organizations.

Arizona Education and Career Action Plans (Career Plans) and Early Education and Career Exploration Program (Career Program) (Session Law, Sec. 13)

- 320. Directs the State Board of Education (SBE), in FY 2024, to require public schools to:
 - a. complete a career plan for each high school student before their graduation; and
 - b. monitor, review and update each career plan at least once annually.
- 321. Directs ADE, in FY 2024, to administer a Career Program to provide resources to public schools and assist public schools in fulfilling career plan requirements.
- 322. Instructs ADE, in FY 2024 and subject to available monies, to contract with a nonprofit entity to provide public schools:
 - a. a career mapping tool that:
 - i. matches students with work-based learning opportunities;
 - ii. provides content modules for industry-recognized career tracks, single-sign-on access for public school students, parents and employees and customization options for public schools;
 - iii. allows students to continue accessing their profiles and using the career mapping tool after their high school graduation; and
 - iv. provides any other educational or career exploration activities or content developed by ADE and approved by SBE; and
 - b. training and resources for individuals implementing career plan requirements.
- 323. Requires ADE, in FY 2024, to coordinate with the nonprofit entity to provide the prescribed training and resources and consider each public school's enrollment size when determining what training to provide.

324. Authorizes ADE, in FY 2024, to provide access to the career mapping tool and related training and resources to a public school that serves any of the 6th-8th grades.
325. Clarifies that a public school is not required to complete, monitor, review or update a career plan for students in the 6th-8th grades.
326. Establishes the Career Program Fund that consists of legislative appropriations and states monies are continuously appropriated and exempt from lapsing.
327. Tasks ADE with administering the Career Program Fund and allows monies to be used for implementing and administering the Career Program.
328. Creates a reporting requirement for ADE regarding implementation, recommendations and public comment relating to the Career Program and Career Program Fund.
329. Defines *public school*.

Live, Remote Instructional Courses (Live Courses) (Session Law, Sec. 15)

330. Authorizes a school district or charter school, pursuant to a written agreement with a services provider and during the 2023-2024 and 2024-2025 school years, to offer live courses for its own 9th-12th grade students.
331. Specifies a school district or charter school offering a live course generates average daily membership (ADM) for its own students and a services provider may not generate ADM for remote students.
332. Directs a services provider to pay the live course instructor a stipend of at least 25% of the contractual amount of per-course, per-student monies.
333. Requires a school district or charter school offering a live course to:
 - a. provide an in-person teacher or instructional aide;
 - b. ensure its own participating students satisfy instructional time and hour requirements; and
 - c. provide administrative functions for its own participating students.
334. Stipulates, in the 2023-2024 and 2024-2025 school years, if a live course provides the relevant instruction for a qualifying exam for college credit, the services provider must receive any incentive bonuses provided under the College Credit by Examination Program (CCEIP).
335. Directs ADE, in the 2023-2024 and 2024-2025 school years, to pay an incentive bonus of \$500 for each remote student who receives a passing grade in a live course that provides the relevant instruction for a qualifying exam under the CCEIP.
336. Requires the \$500 incentive bonus to be paid to the school district or charter school acting as an instructional services provider for the live course.
337. Prohibits a school district or charter school from receiving a \$500 incentive bonus if fewer than 10 remote students receive a passing grade in the live course.
338. Reduces incentive bonus monies for live courses proportionally to cover all awards if the statewide sum of per student bonuses exceeds available appropriated monies.
339. Subjects incentive bonuses for live courses to the same statutory requirements as CCEIP incentive bonuses.
340. Creates reporting requirements for ADE regarding student participation, live courses offered and incentive bonus monies.
341. Specifies a school district or charter school, notwithstanding statutory remote setting instructional time limitations, may provide live courses in the school year without any impact to the school's funding.
342. Defines *services provider*.

Dual Enrollment Teacher Development Fund (DE Teacher Fund) (Session Law, Sec. 16)

343. Establishes the DE Teacher Fund that consists of legislative appropriations and states monies are continuously appropriated.
344. Tasks ADE, in FY 2024, with administering the DE Teacher Fund and distributing monies to schools to provide an incentive bonus of up to \$1,000 per teacher who:
 - a. satisfies the requirements for teaching a dual enrollment course as outlined; and
 - b. provides instruction in at least one dual enrollment course.
345. Limits a teacher to one incentive bonus.

346. Reduces bonus monies proportionally to cover all bonus awards if the statewide sum of per teacher bonuses exceeds the amount of available DE Teacher Fund monies.

Dual Enrollment Student Development Fund (DE Student Fund) (Session Law, Sec. 17)

347. Establishes the DE Student Fund within SBE and administered by ADE to provide financial assistance to eligible students.

348. States DE Student Fund monies are continuously appropriated.

349. Instructs ADE, in FY 2024, to distribute monies to qualifying providers for reimbursements to dual enrollment students and prioritize distributions to qualifying providers that serve students who are FRPL eligible.

350. Enables a student who obtains a passing grade in a qualifying dual enrollment course to receive a reimbursement of up to \$50 per credit hour for the course.

351. Limits reimbursement for an eligible student at:

- a. \$300 per school year if the student is in the 9th or 10th grade; and
- b. \$600 per school year if the student is in the 11th or 12th grade.

352. Requires a student to have at least a 2.5 grade point average to receive reimbursement.

353. Defines *passing grade*, *qualifying dual enrollment course* and *qualifying provider*.

Professional Development and Support Personnel Pilot Program (Professional Development Program) (Session Law, Sec. 18)

354. Creates the Professional Development Program within ADE to provide funding for school districts with a low teacher experience index to hire professional development and support personnel.

355. Requires, in FY 2024, ADE to distribute 50% of Professional Development Program monies to school districts in Maricopa and Pima counties and 50% to school districts in all other counties.

356. Mandates a school district receiving monies ensure that professional development and support services are made available to new teachers and teachers moving to a different grade or subject area.

357. Establishes reporting requirements for ADE and each school district that receives monies regarding average teacher salary, teacher retention rates and quantitative data.

County Jail Education Programs (Session Law, Sec. 19)

358. Funds, in FY 2024, pupils enrolled in an accommodation school county jail education program and disabled pupils funded through a county jail education fund at 100%, rather than 72%, of the amount the pupil generates according to statute.

359. Increases, for FY 2024, the amount added for capital outlay costs for a disabled pupil funded through a county jail education fund from \$72 to \$100.

Public School Transportation Modernization Grant Program (Transportation Program) (Session Law, Sec. 11)

360. Adds that the Transportation Program annual report must:

- a. be submitted to the directors of the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting; and
- b. include for each grant recipient:
 - i. a list of other presently available transportation options; and
 - ii. an explanation of why the proposed transportation alternative is necessary.

Continuing High School and Workforce Training Program (High School Program) (Session Law, Sec. 14)

361. Reduces maximum total projected full-time enrollment for High School Program schools from:

- a. 1,000 to 600 in FY 2024; and
- b. 1,400 to 800 in FY 2025.

362. Contains a retroactivity clause of July 1, 2023.

363. Repeals the reduction of total projected full-time enrollment on July 1, 2025.

Miscellaneous

364. As permanent law, requires a child with a disability to have access to any supplementary aid, service or accommodation provided in their individualized education program or Section 504 plan, as allowed under community college accreditation guidelines. (Sec. 8)

365. As session law, contains a legislative intent clause relating to classroom spending. (Sec. 20)

366. Makes technical changes. (Sec. 1, 10, 11)

367. Makes conforming changes. (Sec. 3, 6, 7, 11)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

[HB 2820](#): local government; 2023-2024
Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to local government needed to implement the FY 2024 budget.

History

The county Board of Supervisors (BOS) is tasked with various duties that are outlined in statute. The BOS is required to supervise the official conduct of all county officers charged with collecting, assessing, managing, safekeeping or disbursing public revenues and to see that the officers faithfully perform their duties ([A.R.S. § 11-251](#)).

The Joint Legislative Budget Committee (JLBC) is comprised of 16 members of the House of Representatives and the Senate. JLBC must ascertain facts and make recommendations to the Legislature regarding the state budget, revenues and expenditures of the State (A.R.S. §§ [41-1271](#), [41-1272](#)).

Provisions

368. States, as session law, that for FY 2024, a county with a population of fewer than 250,000 people according to the 2020 United States decennial census:

- a) May meet any county fiscal obligation, up to \$1,250,000, from any source of county revenue designated by the county; and
- b) Must report to the director of JLBC by October 1, 2023, whether the county met its fiscal obligation using a different revenue source and the specific source and amount of revenues intended for use in FY 2024. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2821: secretary of state; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to the Secretary of State needed to implement the FY 2024 budget.

History

Election Systems Improvement Fund

The Help America Vote Act of 2002 established certain minimum standards for the administration of elections and created a program to provide funding to the states to implement these standards, improve voting systems and technology and improve the overall administration of elections. The Election Systems Improvement Fund (Fund) is administered by the Secretary of State and consists of federal monies and state matching monies. The monies in the Fund are used to implement the provisions of the Help America Vote Act of 2002 ([52 USC § 20901](#), [A.R.S. § 41-129](#)).

Professional Employer Organizations

[Laws 2005, Chapter 212](#) requires the registration of Professional Employer Organizations (PEOs) with the Secretary of State. A PEO is a company that provides certain human resource services to another organization as a third party by entering into a co-employment relationship. Prior legislation has delayed the implementation of the PEO program until June 30, 2023 ([A.R.S. § 23-561](#) et. seq, [Laws 2008, Ch. 291 § 9](#), [Laws 2010, Ch. 313 § 16](#), [Laws 2011, Ch. 343 § 9](#), [Laws 2013, First Special Session, Ch. 2 § 9](#)).

Provisions

- 369. Includes the Governor's Office of Strategic Planning and Budgeting as an entity in which the Secretary of State must submit a summary of the total expenditure plan for the Fund. (Sec. 1)
- 370. Extends, effective July 1, 2023, the delayed implementation of the registration of PEOs from June 30, 2023, until June 30, 2024. (Sec. 2, 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2822: state budget implementation; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to budgetary fund revisions needed to implement the FY 2024 budget.

History

According to statute, the Budget Stabilization Fund (Fund) consists of monies transferred from the state General Fund (GF). The annual budget recommendations from the Governor and the Joint Legislative Budget Committee must include estimates of required appropriations or transfers. A final determination of the amount to be appropriated or transferred to or from the Fund is made using personal income and price deflator estimates as reported in the previous calendar year's second calendar quarter ([A.R.S. § 35-144](#)).

Provisions

371. Requires, as session law, any unrestricted federal monies received by the State beginning July 1, 2023 through June 30, 2024 to be deposited in the GF.
 - a) Stipulates that these monies must be used to pay essential government services; and
 - b) Contains a retroactivity clause of July 1, 2023. (Sec. 1)
2. Stipulates, as session law, that the Legislature is not required to appropriate monies to or transfer monies from the Fund through FY 2026. (Sec. 2)
3. States, as session law, that for FY 2024 the Fund is not limited to 10 percent of the GF revenue for the fiscal year.
 - a) Prohibits the State Treasurer from transferring any surplus monies from the Fund to the GF. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2823: state buildings; management; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to the management of state buildings needed to implement the FY 2024 budget.

History

The Capital Outlay Stabilization Fund (COSF) is a non-lapsing, appropriated fund that consists of rental rates charged by the Arizona Department of Administration for the costs of services provided to agencies that occupy state-owned buildings ([A.R.S. § 41-792.01](#)).

COSF rental rates of \$17.87 per square foot for office space and \$6.43 per square foot for storage space were first set in the FY 2020 budget ([Laws 2019, Ch. 267](#)).

Provisions

372. As session law, maintains the COSF rental rates for state buildings in FY 2024 at:
- a. \$17.87 per square foot for office space; and
 - b. \$6.43 per square foot for storage space. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2824: taxation; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to taxation needed to implement the FY 2024 budget.

History

Entity-Level Taxation for Partnerships

By default, partnerships are taxed at the individual business partner level. For Arizona income tax purposes, partnerships can elect to instead be taxed at the entity level. In this case the taxable income is the *Arizona taxable income* of the partnership ([A.R.S. § 43-1014](#)).

Income Tax Subtraction for Adoption

Under current statute, an income tax subtraction may be taken for the unreimbursed costs of adoption. These costs may include: 1) medical costs; 2) hospital costs; 3) adoption counseling fees; 4) legal fees; 5) agency fees; and 6) other nonrecurring costs of adoption. This income tax subtraction may not exceed \$3,000 and may only be claimed in the tax year (TY) during which the final adoption order is granted ([A.R.S. § 43-1022](#)).

Department of Revenue Integrated Tax System Project Fund (ITSPF)

[Laws 2022, Chapter 321](#) established the ITSPF to implement a multi-year integrated tax system modernization project under the aegis of the Arizona Department of Revenue (DOR). The fund consists of: 1) fees assessed from local governments; 2) a portion of the education sales tax; and 3) a portion of the marijuana excise tax. Monies in the fund are subject to legislative appropriation and will be used solely for the administrative, development and other operating costs incurred in implementing the integrated tax system modernization project. A legislative intent clause provides guidelines for the assessment and collection of the fees.

Provisions

Entity-Level Taxation for Partnerships

373. Changes, beginning in TY 2023, the taxable income calculation for partnerships to include the tax modifications for distributive income passed through to the partners. (Sec. 1)

Income Tax Subtraction for Adoption

374. Increases the income tax subtraction for unreimbursed costs of adoption from \$3,000 to \$40,000 in TYs 2023-2025. (Sec. 2)

Integrated Tax System Project Fund (ITSPF)

375. Caps, by legislative intent, the total amount of fees charged for all counties, cities, towns, councils of government and regional transportation authorities to \$6,597,200 in FY 2024 for the ITSPF. (Sec. 4)

376. Caps, by legislative intent, the total amount of transfers from the 0.6% educational sales tax to \$800,000 in FY 2024 for the ITSPF. (Sec. 4)

377. Caps, by legislative intent, the total amount of transfers from the 16% recreational marijuana tax to \$178,100 in FY 2024 for the ITSPF. (Sec. 4)

Income Tax General Welfare Rebate for Dependents (Dependents Rebate)

378. Creates the onetime individual income tax Dependents Rebate. (Sec. 3)

379. Stipulates that, to qualify for the Dependents Rebate, a taxpayer must have:

- | | | | |
|--|--|---|--------------------------------------|
| <input type="checkbox"/> Prop 105 (45 votes) | <input type="checkbox"/> Prop 108 (40 votes) | <input type="checkbox"/> Emergency (40 votes) | <input type="checkbox"/> Fiscal Note |
|--|--|---|--------------------------------------|

a. Been an Arizona resident as of

December 21, 2021;

b. Filed a full-year resident tax return;

c. Paid at least \$1 in taxes in TYs 2021, 2020 or 2019; and

- d. Claimed the dependent tax credit in TY 2021. (Sec. 3)
- 380. Entitles each qualifying taxpayer to \$250 for each dependent under 17 years old at the end of TY 2021. (Sec. 3)
- 381. Entitles each qualifying taxpayer to \$100 for each dependent 17 years old or older at the end of TY 2021. (Sec. 3)
- 382. Limits the amount a taxpayer may receive from the Dependents Rebate to no more than three dependents. (Sec. 3)
- 383. Requires the Dependents Rebate to be issued by DOR no later than November 15, 2023. (Sec. 3)
- 384. Directs DOR, on or before August 15, 2024, to submit a report to specified legislative entities with pertinent information about the Dependents Rebate. (Sec. 3)
- 385. Defines relevant terms. (Sec. 3)
- 386. Contains an intent clause. (Sec. 3)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

[HB 2825](#): transportation; 2023-2024

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to transportation needed to implement the FY 2024 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

[The State Match Advantage for Rural Transportation Fund \(SMART\)](#) is a Fund administered by the Arizona Department of Transportation (ADOT) whose monies are used: 1) to reimburse up to 50% of the costs associated with developing and submitting an application for a federal grant; 2) as a match for a federal grant; or 3) to reimburse design or other engineering services expenditures that meet federal standards for projects eligible for a federal grant. A municipality entirely located in an urbanized area of a county with a population of over one million people is ineligible for SMART Fund monies ([A.R.S. § 28-339](#)).

Provisions

13. Specifies that a municipality that is *partially* located in an urbanized area of a county with a population of over one million people is ineligible for SMART Fund monies. (Sec. 1)
14. Makes a technical change. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2826: health boards; AHCCCS; continuation.

**Sponsor: Representative Livingston, LD 28
Committee on Appropriations**

Overview

Continues the Arizona Health Care Cost Containment System and various health regulatory boards.

History

Arizona Health Care Cost Containment System (AHCCCS)

[Laws 1981, Fourth Special Session, Chapter 1](#), effective 1982, established AHCCCS to administer Arizona's Medicaid program. AHCCCS operates under an integrated managed care model, through a Research and Demonstration 1115 Waiver pursuant to [Section 1115](#) of the Social Security Act. AHCCCS is a federal health care program, jointly funded by the federal and state government, that contracts with health plans for the delivery of health care services to low-income individuals, children and families who qualify for Medicaid and other assistance programs. Members must meet certain financial and non-financial requirements to be eligible for AHCCCS.

Contracted health plans provide services to enrolled members and receive a fixed monthly amount or capitation payment for each enrolled member. AHCCCS enrolled members receive a full range of medical services under the following categories: 1) inpatient and outpatient services; 2) long term care services; and 3) behavioral health services (A.R.S. §§ [36-2901](#), [36-2904](#), [36-2907](#), [36-2932](#) and [36-3403](#)).

The Director of AHCCCS is appointed by the Governor and confirmed by the Senate ([A.R.S. § 36-2902](#)). AHCCCS terminates on July 1, 2023, unless legislation is enacted for its continuation ([A.R.S. § 41-3023.01](#)).

Arizona State Board of Dental Examiners (BODEX)

The BODEX was established in 1913 to regulate and license dental professionals, including dentists, dental hygienists, dental consultants, dental therapists, denturists, and dental assistants. Its [mission](#) is to provide professional, courteous service and information to the dental profession and the public through examination, licensure, complaint adjudication and enforcement processes to protect the oral health, safety and welfare of Arizona citizens. BODEX reviews complaints, investigates allegations and takes disciplinary action for violations of law (A.R.S. §§ [32-1203](#), [32-1207](#), [32-1233](#), [32-1234](#), [32-1261](#), [32-1276.01](#), [32-1284](#) and [32-1295](#)).

BODEX consists of 11 members appointed by the Governor to serve four-year terms: 1) six licensed dentists; 2) two licensed dental hygienists; 3) two public members; and 4) one business entity member ([A.R.S. § 32-1203](#)). BODEX terminates on July 1, 2023, unless legislation is enacted for its continuation ([A.R.S. § 41-3023.07](#)).

Arizona State Board of Massage Therapy (ABMT)

Established in 2003, ABMT licenses and regulates massage therapists who specialize in the wellness, relaxation, stress reduction, pain relief, postural improvement or therapeutic benefits of the public. Its mission is to protect the health, safety and welfare of Arizona citizens by regulating and maintaining the standards of the massage therapy profession. ABMT evaluates the professional competency of massage therapists and promotes continued competency and fitness by investigating complaints, holding hearings, monitoring the activities of its licensees, providing information to the public and enforcing the standards of practice for the massage therapy profession as set forth by law (A.R.S. §§ [32-4201](#), [32-4203](#), [32-4222](#), [32-4225](#), [32-4253](#), [32-4254](#) and [32-4259](#)).

ABMT consists of five members, three public members and two massage therapists all appointed by the Governor to five-year terms ([A.R.S. § 32-4202](#)).

ABMT terminates on July 1, 2023, unless legislation is enacted for its continuation ([A.R.S. § 41-3023.10](#)).

Arizona Naturopathic Physicians Medical Board (NPMB)

NPMB was created in 1935 to protect the public through regulation of the practice of naturopathic medicine. NPMB responsibilities include: 1) issuing licenses and certificates to qualified applicants; 2) investigating and resolving complaints; 3) adopting rules relating to naturopathic training and education programs; 4) regulating naturopathic medical students and naturopathic medical assistants; and 5) providing information to the public about licensees and certificate holders (A.R.S. §§ [32-1504](#), [32-1524](#), [32-1551](#), [32-1555](#) and [32-1559](#)).

NPMB consists of seven members, four naturopathic physicians and three public members who are appointed by the Governor for five-year terms (A.R.S. § [32-1502](#)).

NPMB terminates on July 1, 2023, unless legislation is enacted for its continuation (A.R.S. § [41-3023.05](#)).

Arizona State Board of Optometry (SBO)

SBO was created in 1907 to protect the health, safety and welfare of Arizona citizens by licensing and regulating optometrists. It accomplishes this by: 1) issuing licenses to qualified applicants to practice optometry; 2) investigating and adjudicating complaints against licensees; 3) adopting rules used to approve continuing education programs for licensees to maintain competency; and 4) providing information about licensees to the public, including disciplinary and nondisciplinary histories (A.R.S. §§ [32-1704](#), [32-1722](#), [32-1742](#) and [32-1744](#)).

SBO consists of seven members, five optometrists and two public members, who are appointed by the Governor to serve four-year terms (A.R.S. § [32-1702](#)).

SBO terminates on July 1, 2023, unless legislation is enacted for its continuation (A.R.S. § [41-3023.08](#)).

Senate Health and Human Services and House Health & Human Services Committees of Reference (COR)

The COR met jointly on January 12, 2023, to review the performance audits and sunset reviews conducted by the Auditor General, evaluate the agencies response to the sunset factors and receive public testimony. The COR recommended that BODEX and ABMT be continued for two years and that AHCCCS, NPMB and SBO be continued for six years. Additional recommendations were also adopted for each agency and can be found in their COR reports located [here](#).

Provisions

- 387. Continues, retroactive to July 1, 2023, the following agencies until July 1, 2025:
 - a. BODEX; and
 - b. ABMT. (Sec. 2, 8)
- 388. Continues, retroactive to July 1, 2023, the following agencies until July 1, 2029:
 - a. AHCCCS
 - b. NPMB; and
 - c. SBO. (Sec. 2, 8)
- 389. Repeals:
 - a. BODEX and ABMT on January 1, 2026; and
 - b. AHCCCS, NPMB and SBO on January 1, 2030. (Sec. 2)
- 390. Includes a purpose statement for AHCCCS, BODEX, AMDT, NPMB and SBO. (Sec. 3-7)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HCR 2050: school districts; expenditure limit; authorization
Sponsor: Representative Gress, LD 4
Committee on Appropriations

Overview

Allows school districts to exceed the aggregate expenditure limitation (AEL) in FY 2024.

History

In 1980, Arizona voters approved [Proposition 109](#), which amended the state Constitution by creating the AEL for all school districts. The Arizona Constitution and statute detail the formula to calculate the AEL and procedures if the AEL is exceeded.

Prior to May 1, the Economic Estimates Commission (EEC) must determine the AEL for the following year. The AEL is calculated by adjusting FY 1980 local revenue expenditures for all school districts to reflect changes in student population and the cost of living. This amount is then multiplied by 10%. The state Constitution details the monies, revenues, funds, property and receipts that comprise *local revenues* ([Ariz. Const. art. 9, sec. 21](#)).

By November 1, the State Board of Education (SBE) must determine the current year aggregate expenditures of local revenues for all school districts. If this amount exceeds the AEL, two options may occur. The Legislature may authorize, by March 1, the expenditures of local revenues in excess of the AEL upon two-thirds approval in both the House of Representatives and Senate. If the Legislature does not authorize the expenditures of local revenues in excess of the AEL, SBE must inform each school district, by March 5, of the amount by which the school district must reduce its expenditures of local revenues. Then, by April 1, each school district governing board must adopt a revised current year budget that is reduced by the amount determined by SBE ([A.R.S. § 15-911](#)).

The Legislature authorized school districts to spend \$1,385,809,642 of local revenues in excess of the AEL in FY 2023 ([HCR 2001](#)).

Provisions

391. Authorizes school districts to spend local revenues in excess of the AEL in FY 2024, subject to approval by at least two-thirds of the membership of the House of Representatives and Senate.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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