



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

House: APPROP DP 7-6-0-0

## HB 2895: general appropriations act; 2021-2022.

**Sponsor: Representative Cobb, LD 5**

**House Engrossed**

### Overview

Appropriates monies for the operation of the state government in FY 2022.

### 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 bills known as Budget Reconciliation Bills (BRBs). These BRBs are prepared according to subject area.

### Provisions

The tables below indicate GF and other fund (OF) changes for appropriated state agencies for FY 2022 along with major footnote changes (stated in terms of changes to the FY 2022 JLBC Baseline):

Summary of Changes	Fund	Comments	FY 2022 Changes to JLBC Baseline
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Arizona Department of Administration (ADOA)			
Permitting Dashboard	GF	\$3k ongoing; \$1k one-time	\$400,000
Arizona Financial Information System (AFIS) (Accounting System) Upgrade	GF	One-time	\$500,000 FY23/ \$600,000 FY24
K-12 Transportation Grants	GF	One-time; 2-year pilot; one-time increase to \$20M in FY23; includes a set aside for rural areas and 5% for administration	\$10,000,000
Counties/ADOA/ACJC - Re-Entry Planning Services	GF	One-time; \$7M in FY23 & FY24	\$10,000,000
ADOA AFIS Renewal Upgrade	OF		\$2,000,000
Enterprise-Wide Hoteling Pilot	OF	One-time	\$375,900

State Fleet Transfer	OF		(\$10,199,700)
Risk Management Claims Adjustments	OF		\$2,106,100
Enduring Freedom Renovations	OF		\$21,500

1. Eliminates requirement that the department report on the maintenance savings achieved by replacing state vehicles with an average of 80,000 miles as responsibility for state vehicle fleet management is transferred to ADOT. (Sec. 5)
2. Extends the lapsing date for the Hoteling Pilot Program appropriation through FY 2023. (Sec. 5)
3. Exempts \$2,000,000 from the AFIS line item from lapsing through FY 2023. (Sec. 5)

<b>Automation Projects Fund (APF)/ADOA</b>			
K-12 Financial Transparency Reporting System	GF	One-time; one-time decreases to \$1.5M in FY23 & FY24	\$3,000,000
Charter Board IT Platform Upgrade	GF	One-time	\$614,100
ADE – School Finance Payment System Replacement	OF	One-time; ESA fund	\$7,200,000
ADOA Business One-Stop	OF		\$7,758,900
ADOA - Relocate Tucson Data Center	OF		\$2,000,000
Charter Board – IT Platform Upgrade	OF		\$614,100
DES - Child Care Management System	OF	(Child Care Development fund/ Consolidated Appropriations Act)	\$9,000,000
Gaming eLicensing	OF		\$850,000
Industrial Commission – IT Systems	OF		\$1,067,700
Psychologist Exam eLicensing System Modifications	OF		\$20,000
ASRS Cloud Migration	OF		\$775,000

DPS Concealed Weapon Phase II	OF		\$550,000
ADE – School Financial Transparency Reporting	OF		\$3,000,000

4. Limits statutorily required JLBC review of APF expenditures in FY 2022 to the business one-stop portal, the child-care management system and the school finance data system. (Sec. 117)

<b>Arizona Department of Agriculture (ADA)</b>			
State Agriculture Laboratory Scientist	GF	1 FTE	\$85,000
Cloud Migration	GF	Ongoing \$1M; one-time \$2M	\$3,000,000
Plant Services Division Salary Increase	GF		\$170,000
Meat Inspection Staff	GF	2 FTE	\$220,000
Salary Increase	GF	12 ag lab positions	\$259,200
State Agriculture Laboratory Equipment	GF	One-time	\$2,500,000

<b>Arizona Health Care Cost Containment System (AHCCCS)</b>			
Formula Savings	GF		(\$76,100,000)
IT Operating Funding	GF		\$3,005,700
Enacted GME Increase	GF	Fund \$6M FY22, \$9M already part of baseline after FY22	(\$3,000,000)
Elderly and Physically Disabled (EPD) Provider Rate Increase	GF	Includes \$7M for skilled nursing facilities (SNF)	\$13,300,000
Prescription Drug Rebate Fund Shift	GF		(\$16,700,000)
Newborn Screening General Fund Costs	GF	Ongoing; increases to \$6k in FY23; increases to \$8k in FY24	\$508,200
AHCCCS/DES/DCS - Additional FMAP Savings	GF	One-time; FY21 savings (\$134M)	(\$267,000,000)

Health Care Investment Fund Supplement	OF	One-time; Prescription Drug Rebate Fund; maintains provider rates	\$4,000,000
PMMS Roadmap	OF	One-time; Prescription Drug Rebate Fund	\$78,000
Opioid Treatment	OF	Prescription Drug Rebate Fund	\$6,000,000
Higher Enrollment	OF		\$5,448,500
Prescription Drug Rebate Fund Shift	OF		\$16,700,000
SMI Housing Administration	OF		\$200,000

5. Moves \$1,000,000 from Tradition Medicaid line item to Operating line item (related to transfer of Children's Rehabilitative Services from DHS). (Sec. 9)
6. Requires AHCCCS to report to JLBC by September 30, 2022 on its progress in implementing services specified in the housing and health opportunities section 1115 waiver amendment. Prescribes minimum requirements for the contents of the report, including:
  - a) Types of services provided;
  - b) Expenditures by service category;
  - c) Number of members receiving services by eligibility category;
  - d) Number of members waitlisted for housing services; and
  - e) Progress towards achieving program outcomes, including changes in utilization of hospital, primary care and preventive health services. (Sec. 9)
7. Reduces expenditure authority in the Supported Housing line item by \$60,000,000 if AHCCCS is denied federal approval for its housing and health opportunities section 1115 waiver amendment. (Sec. 9)
8. Clarifies that e-cigarette enforcement costs are an allowable use of monies transferred to the Attorney General for tobacco settlement litigation. (Sec. 9)

<b>Attorney General (AG)</b>			
Technology Company Antitrust	OF	One-time	\$1,000,000
Attorney Stipend/Retention Bonuses	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$2,000,000
Additional Federalism Unit	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$200,000
Witness/Outside Counsel Funding	OF	One-time; Consumer Protection – Consumer Fraud Revolving Fund	\$1,200,000
Criminal Division Major Fraud Unit & 7 FTEs	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$1,139,000
Child and Family Advocacy Centers	OF	One-time; Consumer protection – Consumer Fraud Revolving Fund	\$500,000

5 New Vehicles – Operating & Maintenance	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$49,800
5 New Vehicles – Purchase Cost	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$156,300
Election Litigation Funding	OF	One-time; Risk Management Fund	\$500,000
Organized Retail Theft Task Force	OF	Consumer Protection – Consumer Fraud Revolving Fund	\$1,500,000
Missing and Murdered Indigenous Peoples Study Committee	OF	One-time; non-lapsing; Consumer Protection – Consumer Fraud Revolving Fund	\$40,000

9. Denotes that the Technology Company Antitrust appropriation be used for attorneys to investigate and pursue enforcement actions against technology companies that engage in anticompetitive, anti-consumer or monopolistic behavior and makes the appropriation non-lapsing. (Sec. 11)
10. Requires the AG to establish the Organized Retail Theft Task Force and outlines certain requirements. (Sec. 11)
11. Prohibits the Attorney General from representing or providing legal advice to the SOS on any matter through June 30, 2023. (Sec. 11)

<b>Department of Child Safety (DCS)</b>			
Caseworker Salary Increase	GF	Step 1-11%/all other caseworkers – 5%	\$5,401,000
Higher Congregate Care Provider Rates/New Settings	GF	Scored as one-time; funded in FY22 and FY23	\$19,238,200
Backfill Potential Loss of Federal Funds/ 14 Day Reimbursement	GF	Scored as one-time; funded in FY22 and FY23	\$5,900,000
Child Care Development Fund Block Grant	OF		\$5,116,000
Additional Child Care Development Fund Proposal	OF		\$90,400,000
Non-contracting Licensees	OF	Related to enactment of HB 2399	\$941,900

12. Moves \$2,500,000 in appropriation authority from the Overtime line item to the Operating Budget and \$5,900,000 from the Overtime line item to the Caseworkers line item. (Sec. 15)
13. Allow transfers between Comprehensive Health Plan line items without JLBC review. (Sec. 15)

14. Changes DCS benchmark report cadence from quarterly to semi-annually, on February 28<sup>th</sup> and August 31<sup>st</sup>, and eliminates the requirement that JLBC perform a formal review of the report. (Sec. 15)

<b>Arizona Commerce Authority (ACA)</b>			
Blockchain/Wearables	GF	One-time; \$2.5M each	\$5,000,000
Special Event Promotion	GF	4-year pilot program in FY22 through FY25	\$7,500,000
Competes Fund Deposit	GF	One-time	\$50,000,000
Frankfurt Trade Office	GF	One-time	\$250,000

15. Outlines requirements for the distribution and use of the blockchain/wearables monies. (Sec. 17)

<b>Community Colleges</b>			
Rural Community College Aid	GF	Ongoing \$14M; one-time \$14M; both by student count	\$28,000,000
Urban Community College Aid	GF	One-time; Maricopa/Pima STEM formula	\$13,000,000
Out of County Reimbursement Aid	GF	One-time	\$500,000

<b>Arizona Department of Corrections (ADC)</b>			
Braille Program Expansion	GF	FY22-\$250k/FY23 and FY24-\$200k	\$250,000
Florence Bed Closure/Shift	GF	Ongoing; increases to \$21.1M in FY23; increases to \$28.3M in FY24	\$18,650,200
Correctional Officer Salary Increase	GF	5% + \$2k sergeant increase	\$30,747,700
New Corporal Classification	GF		\$1,632,900
Transition Program	GF		\$1,300,000
Contracted Increases	GF		\$28,000,000
Rent Savings from Building Demolition	GF	Savings begin in FY23	(\$600,000)
Radio Replacement	GF	One-Time; 8,182 radios	\$17,300,000
Ballistic and Stab Vest Replacement	GF	One-Time; 294/7,351 vests	\$3,851,900
Substance Abuse Treatment Expansion	GF	One-time	\$5,000,600
Medical Staffing Augmentation	GF	One-time; non-lapsing	\$15,000,000

16. Requires the bed capacity report to include any plans to vacate beds but not permanently remove them from the bed count and moves the due date of the report from August 1 to November 1. (Sec. 21)
17. Instructs the Department, in cooperation with the Arizona Strategic Enterprise Technology Office, to report to JLBC on progress made in incorporating all sentence calculations into the Arizona Corrections Information System by March 31, 2022. Prescribes requirements for the report, including a description of any work needed to implement other system functions and the associated cost and staffing requirements. (Sec. 21)
18. Eliminates requirement that JLBC formally review the ADC staffing report and requires the report to be submitted to JLBC semi-annually, instead of quarterly. (Sec. 21)
19. Removes language specifying that the Private Prison Per Diem line items includes funding for debt service on the Kingman complex. (Sec. 21)
20. Requires the Department to submit semi-annual expenditure reports to the JLBC on the Medical Staffing Augmentation line item and exempts this appropriation from lapsing. (Sec. 21)
21. Exempts expenditure plans for personal services and employee-related expenditures from JLBC review requirements through January 1, 2023 if the department makes the transfer to maximize the use of federal funding. (Sec. 21)

<b>Arizona Board of Cosmetology (ABOC)</b>			
Inspector/Investigator Equipment Purchase	OF		6,800

<b>Arizona Criminal Justice Commission (ACJC)</b>			
Counties/ADOA/ACJC - Re-Entry Planning Services	GF	One-time	\$1,000,000
State Aid to Indigent Defense	OF	State Aid to Indigent Defense Fund	\$700,000

<b>AZ State Schools for the Deaf and Blind</b>			
Establish Cooperative Services Fund	OF	For deaf & blind students attending school in their home district	\$17,914,500

22. Requires a report to JLBC on the intended use of monies prior to expending in excess of \$17,914,500 from the Cooperative Services Fund in FY 2022. (Sec. 24)

<b>Board of Dental Examiners</b>			
Board Compensation	OF		\$42,400
Fill 3 Vacant FTE Positions	OF		\$193,300
Contract Investigators	OF		\$271,400
Compliance Files Digitization Project	OF		\$65,700
IT Services	OF		\$8,200

<b>Department of Economic Security (DES)</b>			
Area Agencies on Aging (AAA) Funding	GF	Provider rate increases	\$1,000,000
Developmental Disabilities (DD) Provider Rate Increase	GF	Also reallocate \$15M base funding	\$15,400,000
Homeless Youth	GF	\$1M ongoing starting in FY24	\$1,000,000
5% Salary Increase	GF	4,900 positions	\$2,307,700
Area Agencies on Aging (AAA) Funding	GF	One-time; helps draw down additional federal funds	\$1,474,000
Return to Work Grants	GF	One-time	\$7,500,000
Long-term Care Ombudsman Services	GF		\$1,000,000
After-School Summer Youth Program	GF	One-time	\$500,000
Division of Developmental Disabilities (DDD) State Funded Long Term Care Costs	OF		\$5,103,100
Child Care Development Fund Block Grant	OF		\$1,666,200
Additional Federal Child Care Development Funding	OF	Consolidated Appropriations Act, American Rescue Plan Act	\$1,086,612,800
Sexual Violence Service Fund	OF		\$8,000,000
Pandemic Assistance (TANF)	OF		\$14,546,500

23. Requires the department to report on childcare monies provided by federal coronavirus relief legislation including actual expenditures, the expenditure plan for remaining monies, number of children served, average childcare rates and the number of childcare settings with a quality rating. The report is to be submitted to JLBC, the President of the Senate, the Speaker of the House of Representatives and the Chairmen of the House and Senate Appropriations Committees by September 15, 2021 and March 15, 2022. (Sec. 28)
24. Removes requirement that the expenditure plan submitted to JLBC for new division of developmental disabilities salary adjustments be formally review by JLBC. (Sec. 28)
25. Eliminates the JLBC review requirement for childcare reimbursement rates. (Sec. 28)



26. Deletes language specifying that a minimum of 8,500 children be served by the childcare program. (Sec. 28)
27. Contains statement that the Legislature intends that DDD reallocate \$15,000,000 of its base appropriation spent for one-time DD purposes in FY 2020-2021 to partially finance the \$30,000,000 provider rate increase in FY 2021-2022. (Sec. 28)
28. Adds requirement that the department submit a report on federal pandemic emergency assistance monies provided by the American Rescue Plan Act, including actual expenditures to date, the expenditure plan for remaining monies, and the number of individuals served. Requires the report to be submitted to JLBC, the President of the Senate, Speaker of the House, and the Chairmen of the House and Senate Appropriations Committees by December 15, 2021 and July 15, 2022. (Sec. 28)
29. Exempts the appropriation for Return to Work Grants from lapsing until June 30, 2024. (Sec. 28)
30. Directs the Department to submit a report on the number of individuals who have received childcare support through Return to Work grants and the number of those individuals who did not return to unemployment insurance within six months. Instructs the Department to submit the report to JLBC, the President of the Senate, Speaker of the House, and the Chairmen of the House and Senate Appropriations Committees by March 15, 2022. (Sec. 28)
31. States the Legislature intends the child-care provider rate increases funded from this amount be contingent on available federal funding and not continue in future years after the monies have been spent. (Sec. 28)
32. Moves the deadline for DES to make a deposit to the Unemployment Compensation Fund from June 20, 2021 to July 15, 2021. (Sec. 104)

<b>Arizona Department of Education (ADE)</b>			
Formula Changes	GF	Ongoing; increases to (\$62.7M) in FY23; increases to (\$106.8M) in FY24	(\$32,691,900)
CTED Certification Exam Fee Reimbursement	GF	Ongoing starting in FY24	\$1,000,000
College Placement Exam Fee Waiver	GF		\$1,265,800
College Credit by Examination Incentive Program	GF		\$2,472,100
Literacy Coaches	GF	\$3.1M ongoing GF in FY24; 25 FTE	\$3,100,000
Kindergarten Entry Assessment	GF	Ongoing starting in FY24	\$1,500,000
Dyslexia Screening/Training	GF	Ongoing starting in FY24	\$1,300,000
Teacher Reading Instruction Exam	GF	Ongoing starting in FY24	\$1,000,000
Jobs for Arizona Graduates	GF	Ongoing starting in FY24	\$400,000

Alternative Teacher Development Program	GF	Ongoing starting in FY24	\$500,000
Adult Education State Match	GF		\$364,100
Special Ed Funding	GF	Group B weights	\$50,000,000
Gifted Funding	GF		\$1,000,000
K-12 Rollover Repayment	GF	Pays off portion of rollover; 1,350 to 2,000 average daily membership (ADM)	\$35,000,000
Additional Enrollment Savings	GF	One-time savings in FY21	(\$135,400,000)
Statewide Assessment Funding	GF	One-time	\$5,000,000
Procure Statewide Gifted Assessment	GF	One-time	\$850,000
Extraordinary Special Needs Fund Deposit	GF	One-time	\$5,000,000
CTED 4 <sup>th</sup> Year Funding	GF		\$5,000,000
Move Investigations Unit and Move Unit from ADE to SBE	GF		(\$556,000)
One-Time Tribal College Dual Enrollment Program Expansion	OF		\$75,000
School Personally Identifiable Information Policies/Security Plans	OF		\$350,000

33. Reduces the K-12 deferral from \$930,727,700 to \$865,727,700. Expands current exemption from deferral for districts with less than 600 students to districts with less than 2,000 students. (Sec. 130)
34. Allows the Superintendent of Public Instruction to transfer up to \$5,000,000 in GF appropriation for Basic State Aid to address shortfalls in the Results-Based Funding program in FY 2021 without review by JLBC and reverts any excess amounts transferred to the Results-Based Funding Program to the General Fund at the end of FY 2021. (Sec. 105)
35. Requires ADOA to distribute monies to counties to reimburse political subdivisions that paid property tax refunds ordered in the Transwestern Pipeline Co. V. Arizona Department of Revenue litigation (litigation) as follows in FY 2021:
- a) Apache: \$2,029,600;
  - b) Coconino: \$2,888,400;
  - c) Maricopa: \$2,477,100;

- d) Mohave: \$3,500,300;
- e) Navajo: \$1,183,300;
- f) Pinal: \$1,058,300; and
- g) Yavapai: \$3,906,300. (Sec. 100)

- 36. Instructs counties to reimburse each political subdivision in its jurisdiction for litigation refunds, including interest, ordered in the litigation. (Sec. 100)
- 37. Prohibits school districts from receiving distributions for Transwestern litigation refunds that are reimbursable under the K-12 formula and requires counties to reduce each school district's distribution by an amount equal to monies received from ADE as a result of recalculations of state aid. Requires ADE to report to each county by July 15, 2021 on the amount of monies distributed to each school for recalculations of state aid resulting from the litigation. (Sec. 100)
- 38. Specifies that political subdivisions impacted by the Transwestern litigation must submit a claim for reimbursement to counties by July 30, 2021. (Sec. 100)
- 39. Requires each county receiving distributions as a result of the litigation to report to the Director of JLBC on the total claims submitted, the total value of reimbursed claims and the total amount of unexpended and unencumbered monies by September 1, 2021. Stipulates that unexpended and unencumbered monies be transferred to the State Treasurer by June 30, 2022 for deposit in the GF. (Sec. 100)
- 40. Stipulates that if the disbursement is insufficient to cover the cost of all submitted claims from the litigation, distributions are proportionately reduced to cover all eligible claims. (Sec. 100)
- 41. Instructs ADE to use the amount appropriated for Gifted Assessments to procure an assessment that local education agencies may administer to pupils in second grade to identify gifted pupils. (Sec. 30)
- 42. Specifies that \$1,200,000 of the amount appropriated to replace the school finance data system is for engaging project management consultants. (Sec. 117)
- 43. Requires ADE to report to JLBC by December 31, 2021 on how monies appropriated for student level data access are being used to manage access and protect student level data. (Sec. 30)
- 44. Requires students to complete a CTED program through at least junior year in order to receive 4th year CTED funding. (Sec. 30)

<b>Department of Emergency and Military Affairs (DEMA)</b>			
Cyber Task Force	GF		\$495,200
National Guard Cyber Response Funding	GF	One-time	\$300,000
Aircraft Communication Equipment	GF	One-time	\$220,500
Border Security Fund	GF	One-time; FY21 supplemental; \$8.9M Yuma/Cochise/Zero Trafficking pilot; \$1.1M border cameras; \$20M jail/prosecution costs; \$25M national guard deployment	\$55,000,000

45. Specifies that \$2,700,000 of the Border Security Fund appropriations is to operate a pilot program to reduce human trafficking, with \$675,000 being distributed to each of DPS, and Cochise, Pinal, and Yuma counties. to operate a pilot program. Specifies allowable tools to be used by the pilot and program objectives. (Sec. 106)
46. Stipulates that \$1,100,000 of the Border Security Fund appropriation is to be distributed to Cochise, Pima, Santa Cruz, and Yuma County Sheriffs to purchase cameras and other related equipment, software and services for Southern Arizona border enforcement. (Sec. 106)
47. Extends lapsing date for National Guard Tuition reimbursement to September 30, 2021. (Sec. 31)

<b>Department of Environmental Quality (DEQ)</b>			
Change \$5M Water Quality Assurance Revolving Fund Funding (WQARF) to Ongoing	GF	One-time in FY21 budget	\$5,000,000
Shift WQARF to GF	OF	Removes one-time funding & moves WQARF to GF ongoing	(\$5,000,000)
One-Time Hazardous Waste Program/Solid Waste Fee Fund	OF		\$604,000
Surface Water Protection	OF	One-time from Safe Drinking Fund	\$600,000
Surface Water Protection	OF	One-time from Voluntary Vehicle Repair & Retrofit Fund	\$560,000
Net Vehicle Emission Inspection Cost Increase	OF		\$3,700,000
Water Quality Fee Fund Deposit	OF	From Recycling Fund	\$1,500,000

48. Moves \$200,000 in appropriation authority from the Water Quality Fee Fund to the Recycling Fund for the Surface Water Protection Program. (Sec. 32)

<b>Arizona Department of Forestry and Fire Management (Forestry)</b>			
Fire Marshal Personnel	GF		\$343,000
Additional Fire School Funding	GF		\$100,000
Rural Fire District Reimbursement	GF	One-time	\$2,500,000

49. Makes the appropriation for the rural fire district reimbursement line item non-lapsing. (Sec. 37)

<b>Board of Funeral Directors and Embalmers</b>			
Technology Update	OF		\$9,600

<b>Arizona Game and Fish Department (FIS)</b>			
10% Salary Adjustments	OF	405 wildlife series	\$1,586,300

<b>Arizona Department of Gaming</b>			
Racing Division – County Fair Promotion	GF	Ongoing; increases to \$2.25M in FY23	\$1,250,000
Racing Division – Racing Purse Enhancement	GF		\$5,000,000
Racetrack Purse and Maintenance and Operations Funding	GF	Ongoing; based on three year average of race days reflected in the length of the race track permit	\$5,000,000
Racing Division - County Fair Racing Promotion	GF	One-time	\$2,000,000
Fantasy Sports Betting	OF		\$145,000

50. Requires monies appropriated to Racing Purse Enhancement line item to be distributed to a nonprofit horsemen's organization that has represented since 1988 the horsemen participating in racing meetings to promote racing and enhance race purses for eligible horse races in Arizona. (Sec. 40)

<b>Governor's Office</b>			
Arizona Civics Corps	GF	One-time	\$1,000,000

51. Extends the lapsing date of the Crisis Contingency Fund from June 30, 2021 to June 30, 2022. (Sec. 1)

<b>Department of Health Services (DHS)</b>			
Long-Term Care Surveyor Team	GF	16 FTE	1,634,700
High Risk Perinatal	GF	Additional visits	250,000
Alzheimer's Research	GF		\$1,000,000
Adoption/Birth Certificate Records	GF		\$1,000,000
Move Biomedical Research Support to General Fund	GF		\$2,000,000
Guilty Except Insane Monitoring	GF		\$40,000
Board of Medical Student Loans	GF	One-time	\$2,000,000
Cognitive Decline/Caregiver	GF	One-time	\$160,000

Modules for Risk Factor Survey			
Family Health Pilot Program	GF	\$1.5M in both FY22 and FY23	\$1,500,000
Homeless Pregnant Women Services	OF	One time in FY22 & FY23, increases appropriations for program to \$200k from the Health Services Lottery Fund	\$100,000
Alzheimer's Research Funding	OF	One-time in FY22 & FY23; Prescription Drug Rebate Fund	\$2,500,000
Move Alzheimer's Research Funding	OF	Decrease to move funding from Health Research Fund to GF	(\$1,000,000)
Reduce Emergency Medical Services (EMS) Fund and Replace with Prop 207 Funds	OF		(\$1,929,300)
Add 2 Newborn Screening Tests (Screening Fee – Prop 108)	OF		\$5,835,700
Expand Child Fatality Review Team	OF	2 FTE; Child Fatality Review Team Fund	\$100,000
Cyber Insurance Premium Increase	OF	2 FTE; Indirect Cost Fund	\$674,500
Move Biomedical Research Support to General Fund	OF		(\$2,000,000)

52. Moves \$310,000 of Arizona State Hospital (ASH) Operating appropriation authority from the Health Services Licensing Fund to the Arizona State Hospital Fund. (Sec. 43)
53. Requires that monies appropriated for the Family Health Pilot Program be distributed to at least two nonprofit organizations to implement a statewide system to parents of children under two years, including unborn children. Contains a purpose statement for the system and sets forth prohibitions and requirements for each non-profit to receive monies. Lists contents for a quarterly reporting required by each non-profit provider to DHS. (Sec. 43)

<b>Arizona/Prescott Historical Society</b>			
Prescott Historical Society	GF	Sharlot Hall funding	\$50,000

<b>Independent Redistricting Commission (IRC)</b>			
Commission Funding	GF	Remove baseline ongoing	(\$3,000,000)
Commission Funding	GF	\$7.9M one-time non-lapsing in FY22	\$7,900,000

<b>Independent Redistricting Commission (IRC)</b>			
Municipal Firefighter Reimbursement Administration	GF	1 FTE	\$95,000

54. States the appropriation for municipal firefighter reimbursement administration is intended to be used only for municipal firefighter cancer reimbursement administrative costs and does not convey any responsibility for firefighter cancer compensation and benefits claims on to the state. (Sec. 48)

<b>Arizona Department of Insurance &amp; Financial Institutions (DIFI)</b>			
Vehicle Theft Taskforce Funding	OF	Automobile theft authority fund	\$693,500

<b>Department of Juvenile Corrections (DJC)</b>			
Land Trust Lease Adjustment	GF		\$91,200
Youth Correctional Officer Salary Increase	GF	5% increase	\$1,582,600

<b>State Land Department</b>			
Appraisal Development	GF	One-time; Due Diligence Fund/increase balance limit; fund in FY22/FY23	\$1,500,000
Due Diligence Program	OF		\$4,500,000

<b>Legislature</b>			
Ombudsman	GF	Additional FTE & operating costs	\$236,500
Auditor General	GF	One-time; K-12 American Rescue Plan Act oversight decreases to \$200k in FY23	\$250,000
Financial Audit	GF	Non-Government Election Funding	\$165,000
Legislative Council	GF	One-time IT improvements	\$1,000,000
House of Representatives	GF	One-time	\$5,000,000
Senate	GF	One-time	\$5,000,000

55. Requires the Auditor General to compile information and issue a report by January 1, 2022 and January 1, 2023 on spending of federal COVID-19 stimulus monies by ADE, school districts and charter schools. Stipulates that school districts, charter schools, ADE and other state and local agencies that pass through related stimulus monies to cooperate with and

provide necessary information to the Auditor General. Allows the Auditor General to develop recommendations as necessary. (Sec. 54)

56. Requires the Auditor General to provide a report by March 31, 2022 to the Governor, President of the Senate and Speaker of the House of Representatives on private, nongovernmental grant monies received and expended for the 2020 elections by the following agencies:

- a) The Secretary of State for:
  - i. Educating voters how to sign up for the permanent early voting list or how to request an early ballot;
  - ii. Recruiting poll workers;
  - iii. Combating misinformation and disinformation; and
  - iv. Personnel and employee-related expenses.
- b) Pima County and Maricopa County on programs and processes for the 2020 elections.
- c) Maricopa County to acquire Dominion Voting Systems. (Sec. 54)

<b>Department of Liquor Licenses and Control</b>			
Cocktails-to-Go Automation and Staff	OF		\$1,025,000

<b>Arizona Medical Board</b>			
Cloud Enterprise and Managed Services	OF		\$450,000

<b>Arizona State Mine Inspector</b>			
Inspection and Reclamation Land Programs	GF		\$249,200

<b>State Board of Nursing</b>			
Expand Investigations Team	OF	3.5 FTEs, \$14.3k One-time	\$356,400
Preceptorship Awareness Campaign	OF		\$124,000

<b>Nursing Care Institution Administrators Board</b>			
Investigations Team Expansion	OF	1.0 FTE	\$68,300

<b>AZ Board of Osteopathic Examiners in Medicine/Surgery</b>			
Licensing Staff Increase	OF	1 FTE	\$53,400

<b>Arizona State Board of Dispensing Opticians</b>			
Executive Director Salary Increase	OF		\$6,500



<b>Arizona State Parks Board (ASPB)</b>			
Heritage Fund Deposit	GF	One-time	\$5,000,000
State Lake Improvement Deposit	GF	\$4M deposit in both FY22 & FY23	\$4,000,000
Arizona Trail	OF	One-time; State Parks Revenue Fund	\$250,000
One-Time Wastewater System Mitigation and Assessments	OF	State Parks Revenue Fund	\$1,116,000
Create Park Store Fund with Spending Authority	OF		\$1,000,000
Appropriate State Parks Revenue Fund (SPRF) to New Park Store Fund	OF		\$1,000,000
One-Time Cabin Debt Payoff	OF	State Parks Revenue Fund	\$528,400
Riordan Mansion State Historic Park	OF	State Parks Revenue Fund	\$350,200
Fool Hollow Revenue Share Agreement	OF	State Parks Revenue Fund	(\$26,000)
Salary Adjustments	OF	For 167 rangers	\$649,400

57. Appropriates an amount equal to the revenue share agreement with the U.S. Forest Service for Fool Hollow Lake Recreation Area from SPRF, in addition to the operating lump sum appropriation. (Sec. 68)

58. Extends the lapsing date for the Arizona Trail appropriation through June 2023. (Sec. 68)

<b>Arizona State Board of Pharmacy</b>			
Compliance Officers	OF	3 FTEs	\$445,400

59. Adds a requirement for the Board to report to JLBC by September 30, 2021 on its progress in implementing recommendations included in the September 2020 Auditor General's report. (Sec. 70)

<b>Arizona Pioneers' Home (PIO)</b>			
Minimum Wage Increase	OF	18 FTE/certified caregivers \$0.46 - 32 FTE	\$431,000

<b>State Board of Psychologist Examiners</b>			
Licensing Staff Increase	OF	0.5 FTE	\$33,100

<b>Department of Public Safety (DPS)</b>			
Body Camera Funding	GF	29 FTE	\$6,869,700
Overtime Funding	GF	21 add'l hours per trooper & civilian	\$6,613,600
Increased Recruitment Funding	GF		\$426,600
Salary Increase	GF	Troopers & civilians; 10% increase	\$23,530,500
Training of New K-9 Dogs	GF	One-time	\$250,000
Civil Asset Forfeiture Offset	GF	One-time	\$3,500,000
Rapid DNA Testing Equipment	GF	One-time	\$600,000
Active Shooter Equipment/Civil Unrest Response	OF	One-time; Highway Patrol Fund	\$2,912,900
Body Camera Equipment Funding	OF	One-time; Highway Patrol Fund	\$6,904,400
Microwave Backbone Replacement Funding	OF	One-time; Highway Patrol Fund	\$48,200,000
AZPOST Law Enforcement Training Support	OF	Highway Patrol Fund	\$1,196,300
Concealed Weapon IT – Phase II	OF	One-time \$550k	\$44,100

60. Moves \$1,715,000 in appropriation authority from the Safety Enforcement and Transportation Infrastructure Fund (SETIF) to the Highway Patrol Fund. (Sec. 77)
61. Extends the lapsing date for the FY 2020 appropriation for Peace Officer Training Equipment to June 30, 2022 and reverts unexpended monies to the fund from which the monies were appropriated on that date. (Sec. 77)
62. Requires the Department to submit an annual progress report by May 31 of each year on the microwave backbone communication system until the project is completed. (Sec. 119)
63. Specifies that monies appropriated for Rapid DNA Testing Equipment shall be used to purchase and deploy rapid DNA testing devices through the state and, subject to availability of monies and upon request of the county sheriff, to train county sheriff's personnel on properly using the rapid DNA testing devices. Requires the department to submit a quarterly report to the chairpersons of the judiciary committees in the House and Senate on outcomes related to the rapid DNA equipment. (Sec. 77)
64. Contains a Legislative intent statement that monies received by local law enforcement agencies from Proposition 207 are expected to cover reimbursements to regional training academies for training officers. (Sec. 136)

<b>Arizona State Retirement System</b>			
Cloud Migration and Operating Funding Costs	OF		\$775,000

<b>Department of Revenue (DOR)</b>			
Repeal Local Cost Sharing Charge/Backfill DOR Budget	GF		\$20,755,800
E-Commerce Compliance and Outreach	GF		\$854,900
Pass Through Tax Changes	GF	One-time; IT upgrades to implement HB 2838	\$466,300

65. Exempts the appropriation for Income Tax Information Technology from lapsing through FY 2024. (Sec. 82)

<b>State Board of Education (SBE)</b>			
Expand Investigations Unit and Move Unit from ADE to SBE	GF		\$1,028,500

<b>School Facilities Board (SFB)</b>			
Building Renewal Funding	GF	One-time; includes FY21 supplemental \$38.8M	\$90,832,100
New Construction	GF	One-time; increase formula cost per square foot to market rate; one-time \$29.1M in FY23; one-time \$14.7M in FY24	\$89,400,800
New Construction	GF	One-time; lower exec land estimate (Sahuarita 9-12/Tanque Verde K-6)	(\$6,679,500)
New Construction	GF	One-time; other FY23 differences	(\$1,400,000)
New Construction	GF	One-time; Kirkland Elementary School	\$3,000,000
New Construction	GF	One-time; accelerate Yuma Union High School project from FY23 to FY22 Start; (\$10.3M) savings in FY24	\$10,322,000

66. Instructs the board to distribute the appropriation for the Kirkland Elementary Replacement to the Kirkland Elementary School District to replace an existing school building including necessary demolition of existing buildings. (Sec. 83)

67. Directs the board to distribute funding on the Yuma Union High School line item to the Yuma Union High School district to construct a new high school. (Sec. 83)

<b>Secretary of State</b>			
Record Management	OF	Records Services Fund	\$542,000
AZ Voter Info Database	OF	Help America Vote Act Fund; \$324k in FY24	\$192,500

68. Allows the Secretary of State to use \$1,286,800 in appropriation from the Records Services Fund appropriations for the payment of obligations incurred during FY 2020, 2021, and 2022. (Sec. 84)

69. Limits the number of FTE positions that the Secretary of State is permitted to hire to serve as legal advisory and to represent the Secretary of State to one FTE position, Prohibits the Secretary of State from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services. (Sec. 84)

<b>Superior Court</b>			
Probation Incentive Payments	GF		\$1,000,000
State Fleet Initiative Ongoing Costs	GF		\$70,700
Adult Intensive Probation Growth	GF		\$243,800
Probation Salary Increases	GF	(Prior deficits/FY22)	\$4,251,500
Vehicle Purchases	GF	One-time	\$187,500

70. Updates base year to FY 2020 for counties to maintain expenditure levels for each probation program to qualify for state funding. (Sec. 51)

71. Specifies that of the monies appropriated in the Special Water Master line, \$147,600 is for two paralegals and \$109,700 is for a law clerk. (Sec. 51)

72. Includes OSPB as a recipient of the annual probation salary report. (Sec. 51)

73. States that the probation line items include funding to cover the state's share of probation officer salary increases and contains an intent statement that counties absorb any additional costs to the State in FY 2022 and subsequent years for county approved salary increases. (Sec. 51)

<b>Supreme Court</b>			
Appellate Case Management IT System Operating Costs	GF	Ongoing; increases to \$300k in FY23	\$239,400
Order of Protection IT Staff	GF		\$258,800
Dependency Alternative Program	GF		\$221,000
Water Adjudication Personnel and Support	GF		\$2,400,000
Digital Evidence Storage	GF	One-time; one-time increase to \$500k in FY23	\$400,000

Court Appointed Special Advocates (CASA) Growth	OF		\$464,900
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74. Earmarks \$133,900 of the amount appropriated in the Automation line item to expand and maintain the court's case management system for water adjudication. (Sec. 51)

<b>State Board of Technical Registration</b>			
Digitization of Agency Records	OF		\$145,200

<b>Arizona Office of Tourism</b>			
Southern Arizona Study Committee	GF	One-time	\$250,000

75. Makes the Southern Arizona Study Committee line item non-lapsing. (Sec. 87)

<b>Arizona Department of Transportation (ADOT)</b>			
Rental Vehicle Surcharge/VLT Reimbursement	GF	One-time; hold HURF harmless	\$3,300,000
Move Base ADOA Motor Pool Operating Costs to ADOT	OF		\$7,726,700
State Vehicle Purchase Line Item – Base	OF		(\$1,000,000)
State Vehicle Purchases – Newly Authorized	OF		\$4,500,000
Cloud Initiative Ongoing Costs	OF	State Highway Fund	\$863,000
Continuation of a Secondary Prison Call Center	OF	State Highway Fund	\$253,800
License Plate Production	OF	State Highway Fund	\$495,400
South Mountain Freeway Maintenance	OF	State Highway Fund	\$669,700
Highway Maintenance Workload	OF	State Highway Fund	\$3,284,500
9%/10% Salary Adjustments	OF	2,182 employees	\$10,133,000

76. Moves \$896,000 from Safety Enforcement and Transportation Fund (SETIF) to State Highway Fund. (Sec. 88)

77. Updates reporting requirement on the motor vehicle modernization system to remove the requirement that JLBC review the report, direct the Arizona Strategic Enterprise Technology

to submit the report on behalf of ADOT, and to include updated plans for spending on stabilization, maintenance, ongoing operations, support and enhancements to the system. (Sec. 88)

78. Extends lapsing date for the Preventive Surface Treatments line item from June 30, 2022 to August 31, 2022. (Sec. 88)

79. Directs ADOT to distribute the \$3,300,000 to backfill rental vehicle surcharge losses according to the VLT excess surcharge distribution. (Sec. 127)

<b>State Treasurer</b>			
School Safety Interoperability Program	OF	One-time to county sheriffs from the Highway Patrol Fund; \$2.1M to Maricopa; \$300k to Yavapai and Navajo County; \$100k to Mohave County	\$2,500,000
Rural County Interoperability Communication System	OF	One-time to county sheriff's; \$430,540 to Gila, \$224,930 to Graham, \$189,338 to Greenlee & \$655,192 to Pinal from School Safety Interoperability Fund	\$1,500,000
10% Statewide Accountant Parity Increase	OF		\$100,600
Payment Card Industry Compliance Officer	OF	1 FTE	\$123,600

80. Includes specifications for the Rural County Interoperability Communication System as listed in the bill. (Sec. 88)

<b>Universities – Arizona Board of Regents (ABOR)</b>			
Backfill HITF Tuition Costs	GF		\$11,800,000
Promise Scholarship	GF		\$7,500,000
Higher CIF Inflation – Technical Adjustment	GF	Adjustment in FY23	\$100,000
Additional Operating Funding New Economy Initiative	GF	Ongoing	\$25,000,000

81. Requires the Board to reallocate any monies that are unspent by March 15, 2020 for Washington D.C. internships and to make the monies available to any full-time student enrolled at a university under the jurisdiction of ABOR. Instructs the Board to provide internships in partnership with a third-party organization meeting certain requirements as specified in the bill. Extends the lapsing date for the appropriation until June 30, 2022. (Sec. 91)

82. Extends the lapsing data of the FY 2021 appropriation for the Washington, D.C. internships line item until June 30, 2022. (Sec. 91)

<b>Universities – Arizona State University (ASU)</b>			
Operating Funding	GF	Ongoing \$21.9M; one-time \$18.8M	\$40,681,300
Eastern Europe Cultural Collaborative	GF	One-time	\$250,000
School of Civic and Economic Thought and Leadership	GF	One-time	\$2,750,000
Political History and Leadership Program	GF		\$250,000

83. Instructs ASU to use monies appropriated for the Eastern Europe Cultural Collaborative to facilitate cultural and academic exchanges between university faculty and students and academic institutions in eastern Europe. (Sec. 92)
84. Contains a Legislative intent statement that future employer health insurance premium increases continue to be allocated using the overall allocation of state General Fund and appropriated tuition monies. (Sec. 92 through 94)
85. Stipulates the appropriation for the Political History and Leadership Program is for expanding the program and that the lead of the program has sole discretion over the monies that must be used to directly support the program. (Sec. 92)

<b>Universities – University of Arizona (UA)</b>			
Operating Funding	GF	Ongoing \$11.2M; one-time \$9.6M	\$20,800,000
School of Mining Funding	GF		\$4,000,000
Water Law Clinic	GF	Natural Resource Users Law & Policy Center	\$500,000
AZ Geological Survey Funding	GF	2 FTE	\$200,000
Wind Tunnel	GF	One-time	\$3,500,000
Center for the Philosophy of Freedom	GF	One-time	\$1,250,000
Agriculture Workforce Program	GF	One-time in FY22 & FY23	\$500,000
Kazakhstan Studies Program	GF	One-time	\$250,000
Enrollment/Tuition Estimates	OF	Main campus	\$81,677,100

86. Prohibits the UA from transferring or spending monies appropriated for the Arizona Geological Survey for any other purpose. (Sec. 94)
87. Instructs the UA to use monies appropriated for the Kazakhstan Studies Program to facilitate academic exchanges between university students and academic institutions in Kazakhstan. (Sec. 94)

88. Contains a Legislative intent statement that future employer health insurance premium increases continue to be allocated using the overall allocation of state general fund and appropriated tuition monies. (Sec. 94)
89. Contains a Legislative intent statement that \$8,000,000 of the amount appropriated to the Health Sciences Center operating lump sum be used to expand the College of Medicine Phoenix Campus and to develop and administer a primary care physician scholarship program at the Phoenix and Tucson campus. The Legislature also intends that the \$8,000,000 not be annualized in future years. (Sec. 94)

<b>Universities – Northern Arizona University (NAU)</b>			
Operating Funding	GF	Ongoing \$10.5M; one-time \$9.6M	\$19,456,300
Economic Policy Institute	GF	One-time	\$250,000

90. Adds OSPB to the recipients of the annual report from Northern Arizona on monies distributed to a nonprofit foundation for biomedical research. (Sec. 93)
91. Contains a Legislative intent statement that future employer health insurance premium increases continue to be allocated using the overall allocation of state general fund and appropriated tuition monies. (Sec. 93)

<b>Arizona Department of Veterans' Services (ADVS)</b>			
Additional Benefits Counselors	GF	12 FTE; ongoing \$732k/one-time \$84k	\$774,000
Operating Costs for New Veterans' Homes	OF	Flagstaff/Yuma	\$3,651,100
Increase Tucson Operating Capacity	OF	Veterans' Trust Fund	\$1,028,900
Rehabilitation Services for Veterans	OF	Veterans' Trust Fund	\$495,300
Veteran Suicide Prevention	OF	Veterans' Income Tax Settlement Fund	\$100,000

92. Removes the requirement that JLBC formally review the expenditure report on the Veteran Support Services line item. (Sec. 95)
93. Requires appropriation for Veteran Suicide Prevention to be distributed to a 501(c)(3) that is in southern Arizona and that works with veteran's organization to improve services to reduce veteran suicides. Makes the appropriation non-lapsing until June 30, 2023. (Sec. 95)

<b>Water Infrastructure Finance Authority of Arizona (WIFA)/ Office of Economic Opportunity</b>			
Small Water Systems Fund Deposit	GF	One-time	\$1,000,000
Water Supply Fund	GF	One-time	\$6,000,000
Water Project Assistance Grants	GF	One-time	\$5,000,000

94. Stipulates that \$3,000,000 of the appropriation for water projects assistance grants be distributed to cities and towns that provide water in Navajo and Apache counties. Enumerates



uses of the funding and requires WIFA to develop a separate grant program to distribute these monies to qualified entities by June 30, 2022. (Sec. 97)

95. Requires \$1,000,000 be allocated to both Cochise and Graham Counties from the Water Projects Assistance Grants line to provide financial assistance to irrigation districts. Lists uses of the funding and requires WIFA to develop a separate grant program to distribute these monies to qualified entities by June 30, 2022. (Sec. 97)

<b>Department of Water Resources (DWR)</b>			
Salary Increase	GF	Selected positions	\$2,782,700
Water Protection Fund Deposit	GF	One-time	\$1,000,000
Drought Mitigation Fund	GF	One-time; FY21 supplemental	\$200,000,000
Agua Fria Re-Delineation Study	GF	One-time	\$350,000

96. Instructs the Department of Water (DWR) Resources to use the monies in the Agua Fria flood insurance study line to complete a hydrological and hydraulic study. Allows DWR to contact with an engineering firm that has not contracted with or otherwise associated with a county flood control district in Maricopa County. Requires the report to be completed by March 31, 2023. (Sec. 98)

<b>Other</b>			
State Debt Payoff	GF	One-time; FY21 supplemental; SFB 2015/ADC Kingman 2016/lottery bonds payoff	\$507,100,000
Additional State Debt Payoff	GF	One-time; 2019A Sale/Leaseback Payoff	\$470,000,000
State Debt Payoff Savings	GF	SFB 2015/ADC Kingman 2016/lottery bonds payoff; ongoing savings	(\$109,200,000)
Additional State Debt Payoff Savings	GF		(\$53,700,000)
State Pension Payoff	GF	One-time; FY21 supplemental; DPS – PSPRS group	\$500,000,000
Additional State Pension Payoff	GF	One-time; FY21 supplemental; ADC – CORP PSPRS group	\$500,000,000
State Pension Payoff Savings	GF	Savings in FY23	(\$110,000,000)
Transwestern Settlement	GF	One-time; FY21 supplemental	\$17,000,000
Unemployment Trust Fund Deposit	GF	One-time; FY21 supplemental	\$62,000,000

Health Insurance Trust Fund Employer Premium	OF	One-time	\$14,000,000
Retirement Rate Adjustment	GF		\$3,600,000
State Employee Health Insurance Funding	GF	Ongoing (see also univ. backfill HITF tuition costs in ABOR sec.)	\$11,213,700
State Building Rental Rate Adjustment	GF		(\$241,700)
AFIS Transaction Fee Increase	GF	Arizona financial information system (state accounting system)	\$447,800
Risk Management Funding Adjustment	GF		(\$1,132,200)
ADOT Vehicle Fleet Fee Increase	GF		\$2,525,200
Administrative Adjustments/ Revertments Change	GF	Adjustment in FY23	(\$9,000,000)
Risk Management Adjustments	OF		(\$425,000)
Retirement Adjustments	OF		\$4,000,000
Arizona Financial Information System Transaction Fee	OF		\$200,000
Rent Adjustments	OF		(\$4,000)
Fleet Adjustments	OF		\$1,119,600

97. Requires ADOA to notify and report to the Director of JLBC within 10 days after each specified debt retirement or defeasance is executed on the date and final cost of each retirement or defeasance. (Sec. 101)
98. Allows the ADOA Director to execute and deliver documents, engage fiduciaries and take or direct all actions necessary in connection with the retirement and defeasance of the financing agreement from the FY 2016 K-12 education budget reconciliation bill to reduce the school facilities board's lease purchase payments, (Sec. 101)
99. Requires the supplemental monies not used by ADOA for purposes regarding financing agreements to revert to General Fund. (Sec. 101)
100. Requires the PSPRS Board to account for the \$500 million appropriation in the June 30, 2021 actuarial valuation and when calculating employee and employer contribution rates. (Sec. 110)

101. Contains an intent statement that lottery revenues not be distributed to the debt service fund beginning in FY 2022 to allow the General Fund to receive savings from the retirement or defeasance of state lottery revenue bond. (Sec. 120)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note