SENATE BILL 1720

AN ACT

AMENDING LAWS 2022, CHAPTER 313, SECTION 49; AMENDING LAWS 2022, CHAPTER 313, SECTION 126; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Laws 2022, chapter 313, section 49 is amended to read:

Sec. 49. ARIZONA DEPARTMENT OF HOUSING

2022-23
FTE positions 3.0
Operating lump sum appropriation $ 322,700
Housing trust fund deposit 60,000,000
Homeless services grant pilot 10,000,000
Total appropriation — Arizona department of housing $ 70,322,700
Fund sources:
  State general fund $ 70,000,000
  Housing trust fund 322,700
All monies from the housing trust fund deposit shall be distributed in the form of grants, not loans, to projects in cities, towns and counties in this state. Of the $60,000,000 appropriated to the housing trust fund, $20,000,000 must be distributed to projects in counties other than Maricopa and Pima counties and an additional $4,000,000 must be distributed to, OR FOR PROJECTS ON, the Navajo and Hopi tribal nations.

The Arizona department of housing shall use the monies appropriated for the homeless services grant pilot to establish a grant program for cities, towns and counties in this state for homeless services programs designed to reduce homelessness. Eligible programs must allow homeless individuals to be compensated for daily work, offer a daily remuneration rate and help participants to access support services. Participating cities, towns and counties must provide a dollar-for-dollar local match for each grant dollar received. The department shall prioritize awarding grants to cities, towns and counties that have an established program that meets the grant requirements.

Sec. 2. Laws 2022, chapter 313, section 126 is amended to read:

Sec. 126. Appropriation; new school facilities fund; use; fiscal year 2023-2024
A. The sum of $31,753,900 $26,365,000 is appropriated from the state general fund in fiscal year 2023-2024 for a one-time deposit in the new school facilities fund established by section 41-5741, Arizona Revised Statutes. The division of school facilities within the department of administration shall use the monies only for facilities that will be constructed for school districts that received final approval from the division of school facilities within the department of administration on or before December 15, 2021.

Sec. 3. Subject to applicable laws, the sums or sources of revenue set forth in this act are appropriated for the fiscal years indicated and only from the funding sources listed for the purposes and objects specified. If monies from funding sources in this act are unavailable, no other funding source may be used.
<table>
<thead>
<tr>
<th>Section</th>
<th>Agency</th>
<th>Fiscal Year</th>
<th>FTE Positions</th>
<th>Lump Sum Appropriation</th>
<th>Fund Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 4</td>
<td>ARIZONA STATE BOARD OF ACCOUNTANCY</td>
<td>2023-24</td>
<td>14.0</td>
<td>$2,236,600</td>
<td>Board of accountancy fund $2,236,600</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>ACUPUNCTURE BOARD OF EXAMINERS</td>
<td>2023-24</td>
<td>1.0</td>
<td>$194,300</td>
<td>Acupuncture board of examiners fund $194,300</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>DEPARTMENT OF ADMINISTRATION</td>
<td>2023-24</td>
<td>539.1</td>
<td>$91,914,700</td>
<td>Operating lump sum appropriation $91,914,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Utilities 7,649,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Arizona financial information system 14,442,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Risk management administrative expenses 10,870,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Risk management losses and premiums 52,436,300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Workers' compensation losses and premiums 28,395,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cyber risk insurance 23,037,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Information technology project management and oversight 1,667,300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>State surplus property sales agency proceeds 1,810,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employee compensation study 4,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Health care interoperability grants 3,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fire incident management fund deposit 12,200,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Kirkland school district distribution 300,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Early literacy 250,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>K-12 transportation grants 15,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Miami unified school district gym floors 350,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Southwest defense contracts 25,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Government transformation office 2,063,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total appropriation – department of administration $269,411,200</td>
</tr>
</tbody>
</table>

- 2 -
Fund sources:

1. State general fund $44,450,900
2. Air quality fund 928,000
3. Arizona financial information system collections fund 14,442,100
4. Automation operations fund 29,901,000
5. Capital outlay stabilization fund 19,200,200
6. Corrections fund 634,600
7. Cyber risk insurance fund 23,037,200
8. Federal surplus materials revolving fund 468,500
9. Information technology fund 2,292,000
10. Personnel division fund 13,779,500
11. Risk management revolving fund 99,955,800
12. Special employee health insurance trust fund 5,719,900
13. Special services revolving fund 1,257,300
14. State surplus materials revolving fund 3,064,600
15. State web portal fund 8,465,600
16. Telecommunications fund 1,814,000

The amount appropriated for southwest defense contracts shall be distributed to a nonprofit organization that advocates for preserving and enhancing critical defense missions and assets in the southwestern United States.

The appropriation from the automation operations fund established by section 41-711, Arizona Revised Statutes, is an estimate representing all monies, including balance forward, revenues and transfers during fiscal year 2023-2024. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation is adjusted as necessary to reflect monies credited to the automation operations fund for automation operation center projects. Before spending any automation operations fund monies in excess of $29,901,000 in fiscal year 2023-2024, the department shall report the intended use of the monies to the joint legislative budget committee.

On or before September 1, 2024, the department shall submit a report to the joint legislative budget committee on the results of pilot projects implemented in fiscal year 2023-2024 for the state employee public transportation service reimbursements pursuant to section 41-710.01, Arizona Revised Statutes, in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.
All state surplus materials revolving fund monies received by the department of administration in excess of $3,064,600 in fiscal year 2023-2024 are appropriated to the department. Before spending state surplus materials revolving fund monies in excess of $3,064,600 in fiscal year 2023-2024, the department shall report the intended use of the monies to the joint legislative budget committee.

Of the amount appropriated for the Arizona financial information system line item in fiscal year 2023-2024, $4,000,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

On or before November 1, 2024, the department shall submit a report to the director of the joint legislative budget committee on expenditures made from the cyber risk insurance fund established by section 41-622, Arizona Revised Statutes, from the prior year.

On or before October 1, 2024, the department shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee on the outcome of the employee compensation study.

The amount appropriated for the K-12 transportation grants line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 5 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024.

The amount appropriated for the early literacy line item shall be distributed to a literacy program that places young adult role models in high-need preschool classrooms and childcare centers where they deliver targeted early literacy interventions to children who may otherwise never have had young adult role models.

The amount appropriated for the enduring freedom memorial repair line item in fiscal year 2021-2022 pursuant to Laws 2021, chapter 408, section 5 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024.

Sec. 7. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES 2023-24

| FTE positions | 17.0 |
| Operating lump sum appropriation | $1,647,100 |
| School facilities inspections | $1,000,000* |
| New school facilities debt service | $9,938,100 |
| Building renewal grants deposit | $199,967,900 |
| Santa Cruz Valley new school | $2,000,000 |
| New school facilities | $116,089,400 |

Total appropriation – department of administration, division of school facilities $330,642,500
Fund sources:

State general fund $330,642,500

Pursuant to section 35-142.01, Arizona Revised Statutes, any reimbursement received by or allocated to the division of school facilities under the federal qualified school construction bond program in fiscal year 2023-2024 shall be deposited in or revert to the state general fund.

At least thirty days before any monies are transferred out of the new school facilities debt service line item, the division of school facilities shall report the proposed transfer to the director of the joint legislative budget committee.

Pursuant to section 41-5741, Arizona Revised Statutes, the amount appropriated for new school facilities shall be used only for facilities and land costs for school districts that received final approval from the division of school facilities on or before December 15, 2022.

The division of school facilities may also use the unencumbered balance of up to $22,811,800 in the new school facilities fund established by section 41-5741, Arizona Revised Statutes, for facilities and land costs for school districts that received final approval from the division of school facilities on or before December 15, 2022, pursuant to section 41-5741, Arizona Revised Statutes.

After approving a distribution of funding for a land purchase, a land lease or the construction of a new school, the division of school facilities shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting the final amount of the distribution.

Sec. 8. OFFICE OF ADMINISTRATIVE HEARINGS

2023-24

FTE positions 12.0

Increased lump sum appropriation $ 998,900

Total appropriation - office of administrative hearings $1,178,900

Fund sources:

State general fund $1,178,900

The amount appropriated in the increased workload line item reverts to the state general fund if a bill addressing provider claims against insurers does not become law in the first regular session of the fifty-sixth legislature.

Sec. 9. ARIZONA DEPARTMENT OF AGRICULTURE

2023-24

FTE positions 209.9

Operating lump sum appropriation $17,504,200
<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agricultural employment relations board</td>
<td>23,300</td>
</tr>
<tr>
<td>2</td>
<td>Animal damage control</td>
<td>65,000</td>
</tr>
<tr>
<td>3</td>
<td>Red imported fire ant control</td>
<td>23,200</td>
</tr>
<tr>
<td>4</td>
<td>Agricultural consulting and training</td>
<td>136,300</td>
</tr>
<tr>
<td>5</td>
<td>Total appropriation — Arizona department of agriculture</td>
<td>$17,752,000</td>
</tr>
<tr>
<td>6</td>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>State general fund</td>
<td>$16,154,200</td>
</tr>
<tr>
<td>8</td>
<td>Air quality fund</td>
<td>1,597,800</td>
</tr>
<tr>
<td>9</td>
<td>Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>FTE positions</td>
<td>2,358.3</td>
</tr>
<tr>
<td>11</td>
<td>Operating lump sum appropriation</td>
<td>$137,506,600</td>
</tr>
<tr>
<td>12</td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>AHCCCS data storage</td>
<td>19,325,800</td>
</tr>
<tr>
<td>14</td>
<td>DES eligibility</td>
<td>97,074,500</td>
</tr>
<tr>
<td>15</td>
<td>Proposition 204 — AHCCCS administration</td>
<td>15,367,300</td>
</tr>
<tr>
<td>16</td>
<td>Proposition 204 — DES eligibility</td>
<td>44,358,700</td>
</tr>
<tr>
<td>17</td>
<td>Medicaid services</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Traditional medicaid services</td>
<td>7,978,162,400</td>
</tr>
<tr>
<td>19</td>
<td>Proposition 204 services</td>
<td>7,038,319,000</td>
</tr>
<tr>
<td>20</td>
<td>Adult expansion services</td>
<td>926,824,300</td>
</tr>
<tr>
<td>21</td>
<td>Comprehensive medical and dental program</td>
<td>203,903,500</td>
</tr>
<tr>
<td>22</td>
<td>KidsCare services</td>
<td>186,394,000</td>
</tr>
<tr>
<td>23</td>
<td>ALTCS services</td>
<td>2,680,175,800</td>
</tr>
<tr>
<td>24</td>
<td>Behavioral health services in schools</td>
<td>9,120,600</td>
</tr>
<tr>
<td>25</td>
<td>Nonmedicaid behavioral health services</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Crisis services</td>
<td>16,391,300</td>
</tr>
<tr>
<td>27</td>
<td>Nonmedicaid seriously mentally ill services</td>
<td>77,646,900</td>
</tr>
<tr>
<td>28</td>
<td>Supported housing</td>
<td>65,324,800</td>
</tr>
<tr>
<td>29</td>
<td>Children's behavioral health services fund deposit</td>
<td>250,000</td>
</tr>
<tr>
<td>30</td>
<td>Hospital payments</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Disproportionate share payments</td>
<td>5,087,100</td>
</tr>
<tr>
<td>32</td>
<td>Disproportionate share payments — voluntary match</td>
<td>69,735,200</td>
</tr>
<tr>
<td>33</td>
<td>Rural hospitals</td>
<td>41,074,400</td>
</tr>
<tr>
<td>34</td>
<td>Graduate medical education</td>
<td>426,531,500</td>
</tr>
<tr>
<td>35</td>
<td>Targeted investments program</td>
<td>26,000,000</td>
</tr>
</tbody>
</table>

- 6 -
On-call obstetrics and gynecological services 7,500,000*

Total appropriation and expenditure authority — Arizona health care cost containment system $20,072,073,700

Fund sources:

- State general fund $ 2,515,575,000
- Budget neutrality compliance fund 4,669,300
- Children's health insurance program fund 150,835,600
- Prescription drug rebate fund — state 165,410,800
- Seriously mentally ill housing trust fund 217,300
- Substance abuse services fund 2,250,200
- Tobacco products tax fund — emergency health services account 17,458,500
- Tobacco tax and health care fund — medically needy account 67,258,900
- Expenditure authority 17,148,398,100

Operating budget

The amount appropriated for the DES eligibility line item shall be used for intergovernmental agreements with the department of economic security for eligibility determination and other functions. The state general fund share may be used for eligibility determination for other programs administered by the division of benefits and medical eligibility based on the results of the Arizona random moment sampling survey. The amounts included in the proposition 204 — AHCCCS administration, proposition 204 — DES eligibility and proposition 204 services line items include all available sources of funding consistent with section 36-2901.01, subsection B, Arizona Revised Statutes.

Of the amount appropriated in the operating lump sum, $700,000 from the state general fund and $6,300,000 from expenditure authority is for replacement of the prepaid medicaid management information system and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

Before spending the monies for the replacement of the prepaid medicaid management information system, the Arizona strategic enterprise technology office shall submit, on behalf of the Arizona health care cost containment system, an expenditure plan for review by the joint legislative budget committee. The report shall include the project cost, deliverables, the timeline for completion and the method of procurement that are consistent with the department's prior reports for its appropriations from the automation projects fund.
Medical services and behavioral health services

Before making fee-for-service program or rate changes that pertain to fee-for-service rate categories, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee.

The Arizona health care cost containment system administration shall report to the joint legislative budget committee on or before March 1, 2024 on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum may not be more than two percent. Before implementing any changes in capitation rates, the administration shall report its expenditure plan for review by the joint legislative budget committee. Before the administration implements any change in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal impact analysis demonstrates that this change will result in additional state costs of $1,000,000 or more for any fiscal year, the administration shall submit the policy change for review by the joint legislative budget committee.

The legislature intends that the percentage attributable to administration and profit for the regional behavioral health authorities be nine percent of the overall capitation rate.

The Arizona health care cost containment system administration shall transfer up to $1,200,000 from the traditional medicaid services line item for fiscal year 2023-2024 to the attorney general for costs associated with e-cigarette enforcement and tobacco settlement litigation.

The Arizona health care cost containment system administration shall transfer $836,000 from the traditional medicaid services line item for fiscal year 2023-2024 to the department of revenue for enforcement costs associated with the March 13, 2013 master settlement agreement with tobacco companies.

The amount appropriated for the ALTCS services line item includes $347,740,500 from expenditure authority to implement the American rescue plan act of 2021 (P.L. 117-2) home and community-based services spending plan in fiscal year 2023-2024. The administration may not use these monies for marketing purposes, and any direct payments or grants provided with the monies shall include a notification to the recipient that the monies are onetime funding. Beginning on or before July 31, 2023, the administration shall provide quarterly reports to the joint legislative budget committee at the same time that the information is provided to the centers for medicare and medicaid services, reflecting any changes to the administration's spending plan. Of the amount appropriated for the ALTCS services line item in fiscal year 2023-2024, $347,740,500 is exempt from
the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

On or before June 30, 2024, the Arizona health care cost containment system administration shall report to the joint legislative budget committee on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report shall include, at a minimum, the administration's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa county for supported housing services for 1,200 class members, supported employment services for 750 class members, eight assertive community treatment teams and consumer operated services for 1,500 class members. The administration shall also report by fund source the amounts it plans to use to pay for expanded services.

Of the amount appropriated in the traditional medicaid services line item, $160,000 from the state general fund and $326,500 from expenditure authority is for pilot coverage of rapid whole genome sequencing and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026.

Long-term care

Any federal monies that the Arizona health care cost containment system administration passes through to the department of economic security for use in long-term care for persons with developmental disabilities do not count against the long-term care expenditure authority.

Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the county portion of the fiscal year 2023-2024 nonfederal costs of providing long-term care system services is $366,205,400. This amount is included in the expenditure authority fund source.

Any supplemental payments received in excess of $101,756,900 for nursing facilities that serve Arizona long-term care system medicaid patients in fiscal year 2023-2024, including any federal matching monies, by the Arizona health care cost containment system administration are appropriated to the administration in fiscal year 2023-2024. Before spending these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be spent under this provision. These payments are included in the expenditure authority fund source.

Payments to hospitals

The $5,087,100 appropriation for disproportionate share payments for fiscal year 2023-2024 made pursuant to section 36-2903.01, subsection O, Arizona Revised Statutes, includes $4,202,300 for the Maricopa county health care district and $884,800 for private qualifying disproportionate share hospitals.
Any monies received for disproportionate share hospital payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, in fiscal year 2023-2024 by the Arizona health care cost containment system administration in excess of $69,735,200 are appropriated to the administration in fiscal year 2023-2024. Before spending these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be spent under this provision.

The expenditure authority fund source includes voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program or treat low-income patients and for payments to qualifying providers affiliated with teaching hospitals. The political subdivision portions of the fiscal year 2023-2024 costs of graduate medical education, disproportionate share payments — voluntary match, traditional medicaid services, proposition 204 services and adult expansion services line items are included in the expenditure authority fund source.

Any monies for graduate medical education received in fiscal year 2023-2024, including any federal matching monies, by the Arizona health care cost containment system administration in excess of $426,531,500 are appropriated to the administration in fiscal year 2023-2024. Before spending these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be spent under this provision.

Notwithstanding section 36-2903.01, subsection G, paragraph 9, subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for graduate medical education includes $5,000,000 from the state general fund and $15,721,100 from expenditure authority for the direct and indirect costs of graduate medical education programs located in counties with a population of less than five hundred thousand persons. The state general fund amount may supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program. The administration shall prioritize distribution to programs at hospitals in counties with a higher percentage of persons residing in a health professional shortage area as defined in 42 Code of Federal Regulations part 5.

Notwithstanding section 36-2903.01, subsection G, paragraph 9, subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for graduate medical education includes $4,000,000 from the state general fund and $12,576,900 from expenditure authority for the direct and indirect costs of graduate medical education programs located in counties with a population of more than five hundred thousand persons. The state general
fund amount may supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program.

Monies appropriated for graduate medical education in this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

The Arizona health care cost containment system administration shall allocate the amount appropriated for the on-call obstetrics and gynecological services line item to maintain service availability in low-volume obstetric delivery areas and rural communities. The administration shall distribute up to $2,500,000 each year to qualifying community health centers for the unreimbursed cost necessary to maintain the availability of on-call obstetrics and gynecological services in low-volume obstetric delivery areas and rural communities. The administration may use up to five percent of the monies appropriated in this line item for the administrative costs to implement the program. On or before July 1 in 2024, 2025 and 2026, the Arizona health care cost containment system administration shall submit a report to the joint legislative budget committee regarding the use of the monies from the on-call obstetrics and gynecological services line item, including the number of deliveries and emergency procedures provided by the on-call health care providers for which the monies were spent. The appropriated amount for the on-call obstetrics and gynecological services line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026.

Other
On or before July 1, 2024, the Arizona health care cost containment system administration shall report to the director of the joint legislative budget committee the total amount of medicaid reconciliation payments and penalties received on or before that date since July 1, 2023.

The nonappropriated portion of the prescription drug rebate fund established by section 36-2930, Arizona Revised Statutes, is included in the federal portion of the expenditure authority fund source.

Sec. 11. ARIZONA COMMISSION ON THE ARTS

Arizona arts trust fund deposit $ 5,000,000

Fund sources:
State general fund $ 5,000,000

Sec. 12. BOARD OF ATHLETIC TRAINING

FTE positions 1.5
Lump sum appropriation $ 150,000

Fund sources:
Athletic training fund $ 150,000
**Sec. 13. ATTORNEY GENERAL — DEPARTMENT OF LAW**

<table>
<thead>
<tr>
<th>Item</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>671.7</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$68,308,600</td>
</tr>
<tr>
<td>Capital postconviction prosecution</td>
<td>881,400</td>
</tr>
<tr>
<td>Child and family advocacy centers</td>
<td>600,000</td>
</tr>
<tr>
<td>Criminal division major fraud unit</td>
<td>1,194,000</td>
</tr>
<tr>
<td>Internet crimes against children enforcement</td>
<td>1,271,500</td>
</tr>
<tr>
<td>Government accountability and special litigation</td>
<td>1,334,200</td>
</tr>
<tr>
<td>Organized retail theft task force</td>
<td>1,570,700</td>
</tr>
<tr>
<td>Opioid abatement</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Risk management interagency service agreement</td>
<td>10,703,900</td>
</tr>
<tr>
<td>State grand jury</td>
<td>194,100</td>
</tr>
<tr>
<td>Southern Arizona law enforcement</td>
<td>1,678,900</td>
</tr>
<tr>
<td>Tobacco enforcement</td>
<td>877,600</td>
</tr>
<tr>
<td>Victims' rights</td>
<td>4,023,400</td>
</tr>
<tr>
<td><strong>Total appropriation — attorney general — department of law</strong></td>
<td><strong>$104,638,300</strong></td>
</tr>
</tbody>
</table>

**Fund sources:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$27,437,900</td>
</tr>
<tr>
<td>Antitrust enforcement revolving fund</td>
<td>161,400</td>
</tr>
<tr>
<td>Attorney general legal services cost allocation fund</td>
<td>2,326,200</td>
</tr>
<tr>
<td>Collection enforcement revolving fund</td>
<td>7,599,300</td>
</tr>
<tr>
<td>Consumer protection-consumer fraud revolving fund</td>
<td>19,003,900</td>
</tr>
<tr>
<td>Consumer restitution and remediation revolving fund - consumer remediation subaccount</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Interagency service agreements fund</td>
<td>18,199,300</td>
</tr>
<tr>
<td>Internet crimes against children enforcement fund</td>
<td>900,000</td>
</tr>
<tr>
<td>Risk management revolving fund</td>
<td>13,197,600</td>
</tr>
<tr>
<td>Victims' rights fund</td>
<td>3,812,700</td>
</tr>
</tbody>
</table>

All monies appropriated to the attorney general legal services line item in the department of child safety budget do not count toward the attorney general's interagency service agreements fund appropriation in fiscal year 2023-2024.
Within ten days after receiving a complaint alleging a violation of section 15-511, Arizona Revised Statutes, the attorney general shall forward a copy of the complaint to the governor, the president of the senate and the speaker of the house of representatives.

The appropriated amount for the operating lump sum includes a onetime increase of $3,000,000 from the consumer protection-consumer fraud revolving fund established by section 44-1531.01, Arizona Revised Statutes, in fiscal year 2023-2024 for operating expenses. This increase is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

The amount appropriated for the child and family advocacy centers line item is allocated to the child and family advocacy center fund established by section 41-191.11, Arizona Revised Statutes.

Of the amount appropriated for the child and family advocacy centers line item in fiscal year 2023-2024, $500,000 shall be used to support an entity that provides child victim advocacy and mental health services through a child advocacy center that is based in a county with a population of more than three million persons.

The $900,000 appropriation from the internet crimes against children enforcement fund established by section 41-199, Arizona Revised Statutes, and the $371,500 appropriation from the state general fund for the internet crimes against children enforcement line item are continuing appropriations and are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

The attorney general shall submit an expenditure plan for review by the joint legislative budget committee before spending any monies appropriated for the opioid abatement line item. Monies in the opioid abatement line item shall be used to treat opioid use disorders, to support persons who are in opioid treatment and recovery or for any other specified purposes that are included in a court order or a settlement or compromise that is entered into by this state and other parties to the opioid litigation.

The $1,570,700 appropriation for the organized retail theft task force line item shall be used for operational expenses of the organized retail task force and for hiring one attorney, one paralegal, two investigators and one support staff person within the office of the attorney general and four peace officers who are assigned to the task force to focus specifically on investigating and prosecuting organized retail crime.

Sec. 14. BARBERING AND COSMETOLOGY BOARD

| FTE positions | 29.5 |
| Lump sum appropriation | $2,915,500 |
Fund sources:
Barbering and cosmetology fund $2,915,500

Sec. 15. BOARD OF BEHAVIORAL HEALTH EXAMINERS
2023-24
FTE positions 20.0
Lump sum appropriation $2,123,000

Fund sources:
Board of behavioral health examiners fund $2,123,000

Sec. 16. STATE BOARD FOR CHARTER SCHOOLS
2023-24
FTE positions 25.0
Lump sum appropriation $2,939,200

Fund sources:
State general fund $2,939,200

Sec. 17. DEPARTMENT OF CHILD SAFETY
2023-24
FTE positions 3,283.1
Operating lump sum appropriation $147,938,100

Additional operating resources
Attorney general legal services 25,522,800
Caseworkers 124,293,500
Office of child welfare investigations 11,245,700
Training resources 9,150,000

Out-of-home placements
Congregate group care 114,918,700
Extended foster care 26,553,900
Extended foster care service model fund deposit 19,243,300*
Foster home placement 51,929,500
Foster home recruitment, study and supervision 32,753,600
Kinship care 24,811,200

Permanent placements
Adoption services 294,923,500
Permanent guardianship subsidy 12,516,900
Positive parenting program for post permanency placements pilot 4,000,000*

Support services
DCS child care subsidy 61,675,400
In-home mitigation 28,988,100
Out-of-home support services 122,710,800
Preventive services 29,648,300
**Comprehensive health plan**

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive health plan services</td>
<td>161,546,700</td>
</tr>
<tr>
<td>Comprehensive health plan administration</td>
<td>27,461,200</td>
</tr>
<tr>
<td>Comprehensive health plan premium tax</td>
<td>3,857,300</td>
</tr>
</tbody>
</table>

**Total appropriation and expenditure authority — department of child safety**

<table>
<thead>
<tr>
<th>Fund sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>496,179,600</td>
</tr>
<tr>
<td>Federal child care and development fund block grant</td>
<td>40,516,000</td>
</tr>
<tr>
<td>Federal temporary assistance for needy families block grant</td>
<td>161,082,200</td>
</tr>
<tr>
<td>Child abuse prevention fund</td>
<td>1,459,300</td>
</tr>
<tr>
<td>Children and family services training program fund</td>
<td>208,000</td>
</tr>
<tr>
<td>Child safety expenditure authority</td>
<td>442,357,400</td>
</tr>
<tr>
<td>Child welfare licensing fee fund</td>
<td>1,020,800</td>
</tr>
<tr>
<td>Comprehensive health plan expenditure authority fund</td>
<td>192,865,200</td>
</tr>
</tbody>
</table>

**Additional operating resources**

The department of child safety shall provide training to any new child safety FTE positions before assigning any client caseload duties to any of these employees.

The legislature intends that the department of child safety use its funding to achieve a one hundred percent investigation rate.

All expenditures made by the department of child safety for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in department of child safety line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure.

**Out-of-home placements**

The department of child safety may transfer up to ten percent of the total amount of federal temporary assistance for needy families block grant monies appropriated to the department of economic security and the department of child safety to the social services block grant. Before transferring federal temporary assistance for needy families block grant monies to the social services block grant, the department of child safety shall report the proposed amount of the transfer to the director of the joint legislative budget committee. This report may be in the form of an
expenditure plan that is submitted at the beginning of the fiscal year and
updated, if necessary, throughout the fiscal year.

The amount appropriated for kinship care shall be used for a stipend
of $300 per month for a relative caretaker, including a grandparent, any
level of great-grandparent or any nongrandparent relative, or a caretaker
of fictive kinship, if a dependent child is placed in the care of a
relative caretaker or caretaker of fictive kinship pursuant to department
guidelines. The department shall provide the stipend on behalf of all
children placed with an unlicensed kinship foster care parent. The
unlicensed kinship foster care parent is not required to file an
application to receive the stipend. Before changing the eligibility for
the program or the amount of the stipend, the department shall submit a
report for review by the joint legislative budget committee detailing the
proposed changes.

On or before March 31, 2024, the department of child safety shall
report to the joint legislative budget committee the number of children
who are part of the kinship stipend program and reside with a nonrelative
caretaker of fictive kinship.

Departmentwide

The amount appropriated for any line item may not be transferred to
another line item or to the operating budget unless the transfer is
reviewed by the joint legislative budget committee, except that transfers
between any two line items relating to the comprehensive health plan are
not subject to review.

Child safety expenditure authority includes all department funding
sources excluding the state general fund, the federal child care and
development fund block grant, the federal temporary assistance for needy
families block grant, the child abuse prevention fund, the children and
family services training program fund and the comprehensive health plan
expenditure authority fund.

On or before December 1, 2023, the department of child safety shall
submit a report to the joint legislative budget committee on the
department's efforts to implement the family first prevention services act
of 2018. The report shall quantify the department's efforts in at least
the following areas, including any associated fiscal impacts:

1. Reducing the number of children placed for more than two weeks
in congregate care settings, excluding qualified residential treatment
programs, facilities for pregnant and parenting youth, supervised
independent living and specialized programs for victims of sex
trafficking.

2. Assisting congregate care providers in attaining status as
qualified residential treatment programs.
3. Identifying alternative placements, including therapeutic foster homes, for children who would otherwise be placed in congregate care.

4. Expanding evidence-based, in-home parent skill-based programs and mental health and substance abuse prevention and treatment services.

**Benchmarks**

For the purposes of this section, "backlog case":

1. Means any nonactive case for which documentation has not been entered in the child welfare automated system for at least sixty days and for which services have not been authorized for at least sixty days and any case that has had an investigation, has been referred to another unit and has had no contact for at least sixty days.

2. Includes any case for which the investigation has been open without any documentation or contact for at least sixty days, any case involving in-home services for which there has been no contact or services authorized for at least sixty days and any case involving foster care in which there has been no contact or any documentation entered in the child welfare automated system for at least sixty days.

For the purposes of this section:

1. "Long-term case" means any case in which the child has been in an out-of-home placement for at least eighteen months.

2. "Open report" means a report that is under investigation or awaiting closure by a supervisor.

On or before February 28, 2024 and August 31, 2024, the department of child safety shall present a report to the joint legislative budget committee on the progress made during July 2023 through December 2023 and January 2024 through June 2024, respectively, in meeting the caseload standard and reducing the number of backlog and long-term cases. Each report shall include the number of backlog cases, the number of open reports, the number of long-term cases and the caseworker workload in comparison to the previous six months. Each report shall provide the number of backlog cases by disposition, including the number of backlog cases in the investigation phase, the number of backlog cases associated with out-of-home placements and the number of backlog cases associated with in-home cases.

To determine the caseworker workload, the department shall report the number of case-carrying caseworkers at each field office and the number of investigations, in-home cases and long-term cases assigned to each field office.

For backlog cases, the department's benchmark is 1,000 cases.

For open reports, the department's benchmark is fewer than 8,000 open reports.

For long-term cases, the department's benchmark is 3,323 cases.
If the department of child safety has not submitted a required report within thirty days after the report is due, the director of the joint legislative budget committee shall inform the general accounting office of the department of administration, which shall withhold two percent of the department of child safety's operating lump sum semiannual budget allocation until the department of child safety submits the required report.

Sec. 18. STATE BOARD OF CHIROPRACTIC EXAMINERS

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lump sum appropriation</th>
<th>$537,200</th>
</tr>
</thead>
</table>

Fund sources:
- Board of chiropractic examiners fund $537,200

Sec. 19. ARIZONA COMMERCE AUTHORITY

<table>
<thead>
<tr>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Arizona competes fund deposit</td>
</tr>
<tr>
<td>Asia trade offices</td>
</tr>
<tr>
<td>Asia-Pacific trade office</td>
</tr>
<tr>
<td>Canada trade office</td>
</tr>
<tr>
<td>Economic development marketing and attraction</td>
</tr>
<tr>
<td>Economic transition resources</td>
</tr>
<tr>
<td>Frankfurt, Germany trade office</td>
</tr>
<tr>
<td>Israel trade office</td>
</tr>
<tr>
<td>Mexico trade offices</td>
</tr>
<tr>
<td>Rural broadband accelerated match fund deposit</td>
</tr>
<tr>
<td>Trade office funding</td>
</tr>
<tr>
<td>Water infrastructure and commerce grant fund deposit</td>
</tr>
<tr>
<td>Wearable technology research</td>
</tr>
</tbody>
</table>

Total appropriation — Arizona commerce authority $62,650,000

Fund sources:
- State general fund $62,650,000

Pursuant to section 43-409, Arizona Revised Statutes, of the amounts listed above, $10,500,000 of the state general fund withholding tax revenues is allocated in fiscal year 2023-2024 to the Arizona commerce authority, of which $10,000,000 is credited to the Arizona commerce authority fund established by section 41-1506, Arizona Revised Statutes, and $500,000 is credited to the Arizona competes fund established by section 41-1545.01, Arizona Revised Statutes.
Of the amount appropriated in the operating lump sum, $3,500,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, and is allocated as follows:

1. $1,000,000 to distribute to a federally recognized state rural development council in the national rural development partnership in this state to partner with businesses, community leaders, service organizations, economic development organizations and rural municipalities to work directly in rural communities across this state.

2. $500,000 to establish and administer a small business incubator program to assist current and former inmates who are participating in a state program in which the state department of corrections and the department of economic security collaborate and bring comprehensive services to inmates who are nearing release. On or before September 1, 2024, the authority shall submit a report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on the program implementation, the number of participants, the industry of employment or entrepreneurship and program results, including the recidivism rates of program participants.

3. $500,000 to distribute to a nonpartisan public foundation in this state that is qualified under section 501(c)(3) of the internal revenue code and that is associated with a statewide business trade organization that is qualified under section 501(c)(6) of the internal revenue code and that represents multiple industries to develop a strategic framework for policymakers to continue job growth, economic diversification and private sector investments that will make this state a top state economy and international trading partner by 2030.

4. $500,000 to distribute to a membership organization in this state that is qualified under section 501(c)(6) of the internal revenue code and that serves as a resource hub for all small businesses in this state to establish a program to recruit and retain truck drivers.

5. $1,000,000 to the Arizona state trade expansion program.

Monies in the economic transition resources line item shall be distributed to a nonprofit organization for capital projects, economic sustainability developments, renewable energy projects and broadband projects located within twenty miles of a coal mine that closed within the past five years.

The authority shall use the monies in the rural broadband accelerated match fund deposit line item to provide funding for projects that will receive matching monies from federal programs related to broadband expansion.

On or before December 1, 2023, the authority shall report to the president of the senate, the speaker of the house of representatives and the director of the joint legislative budget committee detailing the authority's implementation plan for the monies in the trade office funding line item, including proposed trade office locations.
The authority shall distribute the monies in the wearable technology research line item to applied research centers located in this state that specialize in wearable technology, including hardware or software components, or both. Subject to available funding, the authority shall distribute monies appropriated in the wearable technology research line item to any applied research center in increments of up to $250,000 within thirty days after the applied research center notifies the authority in writing that the applied research center has received a matching amount from sources other than this state.

An applied research center that receives a distribution pursuant to this section must collaborate with universities, nonprofit business associations, health science research centers, institutes or other technology businesses that do business in this state. On or before September 15, 2027, the applied research center or institute shall return to the authority all monies received by the applied research center or institute pursuant to this section that remain unexpended and unencumbered on September 1, 2027. The authority shall deposit the returned monies in the state general fund. The authority shall notify the president of the senate and the speaker of the house of representatives on or before July 1, 2024 and July 1, 2025 if the authority has not distributed any monies pursuant to this section.

An applied research center or institute that receives monies pursuant to this section shall annually submit an expenditure and performance report to the authority. On or before February 1 of each year, the authority shall transmit the report to the joint legislative budget committee and the governor's office of strategic planning and budgeting.

For the purposes of this distributing the monies in the wearable technology research line item pursuant to this section, the authority is exempt from the requirements of title 41, chapter 23, Arizona Revised Statutes.

The appropriation made in the wearable technology research line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that any monies that remain unexpended and unencumbered on June 30, 2027 revert to the state general fund.

Sec. 20. ARIZONA COMMUNITY COLLEGES

<table>
<thead>
<tr>
<th></th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equalization aid</td>
<td></td>
</tr>
<tr>
<td>Cochise</td>
<td>$9,759,600</td>
</tr>
<tr>
<td>Graham</td>
<td>19,912,000</td>
</tr>
<tr>
<td>Navajo</td>
<td>11,189,600</td>
</tr>
<tr>
<td>Yuma/La Paz</td>
<td>716,100</td>
</tr>
<tr>
<td>Total - equalization aid</td>
<td>$41,577,300</td>
</tr>
<tr>
<td>County</td>
<td>Operating State Aid</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Cochise</td>
<td>$4,423,700</td>
</tr>
<tr>
<td>Coconino</td>
<td>$1,415,900</td>
</tr>
<tr>
<td>Gila</td>
<td>151,400</td>
</tr>
<tr>
<td>Graham</td>
<td>1,661,900</td>
</tr>
<tr>
<td>Mohave</td>
<td>924,400</td>
</tr>
<tr>
<td>Pima</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Navajo</td>
<td>1,346,100</td>
</tr>
<tr>
<td>Pinal</td>
<td>1,090,900</td>
</tr>
<tr>
<td>Yavapai</td>
<td>373,000</td>
</tr>
<tr>
<td>Yuma/La Paz</td>
<td>2,260,700</td>
</tr>
<tr>
<td>Total — Operating State Aid</td>
<td>$15,648,000</td>
</tr>
<tr>
<td>Total — STEM and Workforce Programs State Aid</td>
<td>$14,193,100</td>
</tr>
<tr>
<td>Total — Rural Aid</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Rural County Reimbursement subsidy</td>
<td>$1,082,900</td>
</tr>
<tr>
<td>Arizona Western College</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>CTE Workforce</td>
<td>$200,000</td>
</tr>
<tr>
<td>Institution</td>
<td>Appropriation</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Diné college remedial education</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Tohono O'odham community college</td>
<td>2,000,000</td>
</tr>
<tr>
<td>San Carlos Apache college</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Santa Cruz provisional community</td>
<td>200,000</td>
</tr>
</tbody>
</table>

**Total appropriation — Arizona community colleges** $116,901,300

**Fund sources:**
- State general fund $116,901,300

Of the $1,082,900 appropriated to the rural county reimbursement subsidy line item, Apache county receives $699,300 and Greenlee county receives $383,600.

On or before October 15, 2024, the Diné college board of regents shall submit to the governor, the speaker of the house of representatives, the president of the senate, the secretary of state and the joint legislative budget committee a report that details the course completion rate for students who received remedial education during the 2023-2024 academic year.

On or before October 15, 2024, the Tohono O'odham community college board of trustees shall submit to the governor, the speaker of the house of representatives, the president of the senate, the secretary of state and the joint legislative budget committee a report that details the course completion rate for students who received remedial education during the 2023-2024 academic year.

On or before October 15, 2024, the San Carlos Apache college board of regents shall submit to the governor, the speaker of the house of representatives, the president of the senate, the secretary of state and the joint legislative budget committee a report that details the course completion rate for students who received remedial education during the 2023-2024 academic year.

**Sec. 21. REGISTRAR OF CONTRACTORS**

<table>
<thead>
<tr>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Office of administrative hearings costs</td>
</tr>
</tbody>
</table>

**Total appropriation — registrar of contractors** $13,754,600

**Fund sources:**
- Registrar of contractors fund $13,754,600
Sec. 22. CORPORATION COMMISSION

FTE positions 301.9
Operating lump sum appropriation $ 36,288,500
Corporation filings, same-day service 417,000
Utilities audits, studies, investigations and hearings 380,000*
Total appropriation — corporation commission $ 37,085,500

Fund sources:
State general fund $ 807,200
Arizona arts trust fund 58,800
Investment management regulatory and enforcement fund 1,312,000
Public access fund 8,464,500
Securities regulatory and enforcement fund 7,706,900
Utility regulation revolving fund 18,736,100

Sec. 23. STATE DEPARTMENT OF CORRECTIONS

FTE positions 9,569.0
Operating lump sum appropriation $ 898,184,300
Private prison per diem 289,858,400
Community corrections 27,681,200
Inmate health care contracted services 321,620,200
Substance abuse treatment 5,445,400
Transitional and reentry housing 5,000,000*
Transitional housing grants 2,000,000
Inmate dog training 650,000
Total appropriation — state department of corrections $1,550,439,500

Fund sources:
State general fund $1,492,541,000
State education fund for correctional education 738,900
Alcohol abuse treatment fund 555,800
Penitentiary land fund 2,777,600
State charitable, penal and reformatory institutions land fund 2,665,100
Corrections fund 31,312,500
Transition program fund 4,400,300
Prison construction and
operations fund 14,106,800
Inmate store proceeds fund 1,341,500

Of the amount appropriated in the operating lump sum, $495,853,200 is designated for personal services, $234,006,200 is designated for employee-related expenditures and $15,540,500 is designated for overtime expenditures. The department shall submit an expenditure plan for review by the joint legislative budget committee before spending these monies other than for personal services or employee-related expenditures.

After the department submits an expenditure plan to the joint legislative budget committee, the department may transfer personal services and employee-related expenditures savings from the operating budget to the private prison per diem line item for private prison staff stipends. The amount of any private prison staff stipend may not exceed the amount given to department staff. The expenditure plan is not subject to review by the joint legislative budget committee.

Private prison vendors who contract with this state may use staff vacancy savings to pay for overtime costs without incurring a penalty or staffing offset.

Before placing any inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds in facilities that are located in this state and that house Arizona inmates, unless the out-of-state provisional beds are of a comparable security level and price.

The state department of corrections shall forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing department expenditures for the month and year-to-date as compared to prior-year expenditures on or before the thirtieth of the following month. The report shall be in the same format as the prior fiscal year and include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation. The report shall include the number of filled and vacant correctional officer and medical staff positions departmentwide and by prison complex.

On or before November 1, 2023, the state department of corrections shall provide a report on bed capacity to the joint legislative budget committee. The report shall reflect the bed capacity for each security classification by gender at each state-run and private institution, divided by rated and total beds. The report shall include bed capacity data for June 30, 2022 and June 30, 2023 and the projected capacity for June 30, 2024, as well as the reasons for any change within that time.
period. Within the total bed count, the department shall provide the number of temporary and special use beds. The report shall also address the department's rationale for eliminating any permanent beds rather than reducing the level of temporary beds. The report shall also include any plans to vacate beds but not permanently remove the beds from the bed count.

If the department develops a plan after the department's November 1, 2023 report to open or close 100 or more state-operated or private prison rated beds, the department shall submit a plan detailing the proposed bed changes for review by the joint legislative budget committee before implementing these changes.

One hundred percent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used to support state penal institutions.

On or before December 15, 2023 and July 15, 2024, the state department of corrections shall submit a report to the joint legislative budget committee on the progress made in meeting the staffing needs for correctional officers. Each report shall include the number of filled correctional officer positions, the number of vacant correctional officer positions, the number of people in training, the number of separations and the number of hours of overtime worked year-to-date. The report shall detail these amounts both departmentwide and by prison complex.

Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used to support state penal institutions.

Before spending any state education fund for correctional education monies in excess of $738,900, the state department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

Before implementing any changes in contracted rates for inmate health care contracted services, the state department of corrections shall submit its expenditure plan for review by the joint legislative budget committee.

On or before August 1, 2023 and February 1, 2024, the state department of corrections shall submit a report to the joint legislative budget committee on the status of all inmate health care performance measures that are tracked by the department for contract monitoring purposes. Each report must include:

1. The total number of performance measures, by facility, for which the department is not in substantial compliance.
2. An explanation for each instance of noncompliance.
3. The department's plan to comply with the performance measures.
On or before August 1, 2023, the state department of corrections shall transfer to the public safety personnel retirement system via the department of administration its estimated required annual contribution to the corrections officer retirement plan for fiscal year 2023-2024.

The department shall report actual fiscal year 2022-2023, estimated fiscal year 2023-2024 and requested fiscal year 2024-2025 expenditures as delineated in the prior year when the department submits its fiscal year 2024-2025 budget request pursuant to section 35-113, Arizona Revised Statutes.

On or before July 15, 2023, the state department of corrections shall submit a report to the joint legislative budget committee detailing the expenditure of monies appropriated in fiscal year 2021-2022 for medical staffing augmentation. The department shall continue to report on July 15 of each year until all monies have been expended.

The amount appropriated in the transitional and reentry housing line item shall be used by the state department of corrections to secure through a competitive grant process a program that does all of the following:

1. Provides evidence-based, evidence-informed and culturally competent substance use treatment and substance use early intervention services that includes referral services, stabilization, detox, inpatient treatment, transitional residence and outpatient services to individuals who may have one or a combination of the following conditions:
   (a) Involvement with the justice system.
   (b) A mental health diagnosis, including a diagnosis as being seriously mentally ill.
   (c) A co-occurring chronic health condition.
   (d) Experienced homelessness or are at a high risk of becoming homeless.

2. Provides residential inpatient treatment services for up to ninety days and provides long-term recovery supportive housing for up to twenty-four months after inpatient treatment services end.

3. Delivers forensic peer and family support services to enhance and strengthen successful reentry into the community that include workforce development, securing permanent housing, navigating systems of care, educational and professional development opportunities, family connection and reintegration services, supporting multiple pathways to recovery and providing sober social activities.

4. Uses technology to promote long-term recovery.

5. Delivers treatment for reentry and long-term recovery services and provides support via a campus-based continuum of care model where services and support are collocated.
The amount appropriated in the transitional housing grants line item shall be used to establish a program to provide grants to nonprofit organizations that support individuals who are incarcerated by helping prepare them for release and transition back into the community. To be eligible for a grant, a nonprofit organization must meet all of the following criteria:

1. Have a verifiable record of mentoring at least three thousand inmates while the inmates were in prison for at least a two-year period.

2. Use the grant monies for individuals that have been previously mentored by the nonprofit organization. To receive resources from the grant, individuals being released from prison must have been mentored for at least three months by the nonprofit organization while the individual was in prison.

3. Demonstrate that the nonprofit organization can provide individuals being released from prison with all of the following:
   (a) Up to two weeks of housing at no cost to the individual, if necessary as assessed by the nonprofit organization and up to six months of housing at a reduced rate.
   (b) Behavioral health services, including peer support and case management.
   (c) Assistance with obtaining government-issued documents.
   (d) Within four months after release, assistance with securing employment that offers health insurance and assistance with disenrolling from the Arizona health care cost containment system.

On or before August 31, 2024, the department shall submit a report to the governor, the president of the senate and the speaker of the house of representatives that includes all of the following for the prior year:

1. The names of the nonprofit organizations that were awarded grants.

2. The number of individuals who were served by the nonprofit organizations through the grant program.

3. The number of individuals who were served by the nonprofit organizations, who found employment that provides health insurance and who were disenrolled from the Arizona health care cost containment system.

The amount appropriated in the inmate dog training line item shall be used to contract with a nonprofit organization that trains inmates to rehabilitate and resocialize at-risk shelter dogs. The amount appropriated in the inmate dog training line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

FTE positions 11.0
Operating lump sum appropriation $1,382,100
Law enforcement crime victim notification fund deposit 10,000,000
Major incident regional law enforcement task force 600,000
State aid to county attorneys 973,700
State aid to indigent defense 700,000
State aid for juvenile dependency proceedings fund deposit 2,000,000
Victim compensation and assistance 6,224,600
Total appropriation — Arizona criminal justice commission $21,880,400

Fund sources:
State general fund $14,600,000
Criminal justice enhancement fund 708,900
Resource center fund 647,100
State aid to county attorneys fund 973,700
State aid to indigent defense fund 700,000
Victim compensation and assistance fund 4,250,700

Of the $10,000,000 appropriated in the law enforcement crime victim notification fund deposit line item, the Arizona criminal justice commission may use up to $400,000 in fiscal year 2023-2024 to evaluate, certify and pay for any costs associated with the law enforcement crime victim notification fund established by section 41-180, Arizona Revised Statutes.

All victim compensation and assistance fund monies received by the Arizona criminal justice commission in excess of $4,250,700 in fiscal year 2023-2024 are appropriated to the crime victims program. Before spending any victim compensation and assistance fund monies in excess of $4,250,700 in fiscal year 2023-2024, the Arizona criminal justice commission shall report the intended use of the monies to the joint legislative budget committee.

All monies received by the Arizona criminal justice commission in excess of $973,700 in fiscal year 2023-2024 from the state aid to county attorneys fund established by section 11-539, Arizona Revised Statutes, are appropriated to the state aid to county attorneys program. Before spending any state aid to county attorneys fund monies in excess of $973,700 in fiscal year 2023-2024, the Arizona criminal justice commission shall report the intended use of the monies to the joint legislative budget committee.

Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND
FTE positions 562.2
Administration/statewide $9,298,500
Phoenix day school for the deaf 12,098,200
Tucson campus 11,967,500
Preschool/outreach programs 7,181,200
School bus/agency vehicle replacement 369,000
Cooperative services 20,125,900
Total appropriation — Arizona state schools for the deaf and the blind $ 61,040,300

Fund sources:
State general fund $ 25,571,700
Schools for the deaf and the blind fund 15,342,700
Cooperative services fund 20,125,900

Before spending any schools for the deaf and the blind fund monies in excess of $15,342,700 in fiscal year 2023-2024, the Arizona state schools for the deaf and the blind shall report to the joint legislative budget committee the intended use of the monies.

Before spending any cooperative services fund monies in excess of $20,125,900 in fiscal year 2023-2024, the Arizona state schools for the deaf and the blind shall report to the joint legislative budget committee the intended use of the monies.

Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING 2023-24

FTE positions 21.0
Operating lump sum appropriation $ 4,644,000
Support services for the deaf-blind 192,000
Total appropriation — commission for the deaf and the hard of hearing $ 4,836,000

Fund sources:
Telecommunication fund for the deaf $ 4,836,000

The amount appropriated for the aging individuals research line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 26 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024.

Sec. 27. STATE BOARD OF DENTAL EXAMINERS 2023-24

FTE positions 13.0
Lump sum appropriation $ 2,059,900

Fund sources:
Dental board fund $ 2,059,900
Sec. 28. OFFICE OF ECONOMIC OPPORTUNITY

FTE positions 5.0

Operating lump sum appropriation $ 525,800

Microbusiness loan fund deposit 5,000,000

Total appropriation — office of economic opportunity $ 5,525,800

Fund sources:

State general fund $ 5,525,800

Sec. 29. DEPARTMENT OF ECONOMIC SECURITY

FTE positions 4,533.8

Operating lump sum appropriation $332,426,600

Administration

Attorney general legal services 11,379,800

Aging and adult services

Adult services 15,731,900

Area agencies on aging housing assistance 5,000,000*

Community and emergency services 3,724,000

Coordinated homeless services 2,522,600

Coordinated hunger services 2,254,600

Produce incentive program 5,462,600*

Globe-Miami area food bank 250,000

Domestic violence prevention 14,004,000

Long-term care ombudsman 1,000,000

Benefits and medical eligibility

Temporary assistance for needy families — cash benefits 22,736,400

Tribal pass-through funding 4,680,300

Diaper and incontinence products assistance 1,000,000

Child support enforcement

County participation 8,539,700

Developmental disabilities

DDD premium tax payment 61,199,900

Case management — medicaid 104,597,100

Home and community based services — medicaid 2,349,691,300

Institutional services — medicaid 47,171,500

Physical and behavioral health services — medicaid 541,328,700

Medicare clawback payments 6,055,500
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Targeted case management — medicaid</td>
<td>15,321,600</td>
</tr>
<tr>
<td>2</td>
<td>State match transfer from AHCCCS</td>
<td>982,330,300</td>
</tr>
<tr>
<td>3</td>
<td>Case management — state-only</td>
<td>6,354,000</td>
</tr>
<tr>
<td>4</td>
<td>Home and community based</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>services — state-only</td>
<td>14,089,000</td>
</tr>
<tr>
<td>6</td>
<td>Cost effectiveness study — client services</td>
<td>8,420,000</td>
</tr>
<tr>
<td>7</td>
<td>Arizona early intervention program</td>
<td>14,119,000</td>
</tr>
<tr>
<td>8</td>
<td>State-funded long-term care services</td>
<td>43,534,700</td>
</tr>
<tr>
<td>9</td>
<td>Group home monitoring program</td>
<td>1,200,000</td>
</tr>
<tr>
<td>10</td>
<td>Graham county rehabilitation center</td>
<td>830,000</td>
</tr>
<tr>
<td>11</td>
<td>Employment and rehabilitation services</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>JOBS</td>
<td>11,005,600</td>
</tr>
<tr>
<td>13</td>
<td>Child care subsidy</td>
<td>187,080,200</td>
</tr>
<tr>
<td>14</td>
<td>Independent living rehabilitation services</td>
<td>1,289,400</td>
</tr>
<tr>
<td>15</td>
<td>Rehabilitation services</td>
<td>7,249,100</td>
</tr>
<tr>
<td>16</td>
<td>Workforce innovation and opportunity act services</td>
<td>85,824,200</td>
</tr>
<tr>
<td>17</td>
<td>Total appropriation and expenditure</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>authority — department of economic security</td>
<td>$4,919,403,600</td>
</tr>
<tr>
<td>19</td>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>State general fund</td>
<td>$1,211,858,700</td>
</tr>
<tr>
<td>21</td>
<td>Federal child care and development fund block grant</td>
<td>200,010,200</td>
</tr>
<tr>
<td>22</td>
<td>Federal temporary assistance for needy families block grant</td>
<td>66,591,200</td>
</tr>
<tr>
<td>23</td>
<td>Long-term care system fund</td>
<td>33,864,200</td>
</tr>
<tr>
<td>24</td>
<td>Public assistance collections</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>fund</td>
<td>430,400</td>
</tr>
<tr>
<td>26</td>
<td>Special administration fund</td>
<td>4,643,200</td>
</tr>
<tr>
<td>27</td>
<td>Spinal and head injuries trust fund</td>
<td>2,388,200</td>
</tr>
<tr>
<td>28</td>
<td>Statewide cost allocation plan fund</td>
<td>1,000,000</td>
</tr>
<tr>
<td>29</td>
<td>Child support enforcement</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>administration fund</td>
<td>17,683,300</td>
</tr>
<tr>
<td>31</td>
<td>Domestic violence services fund</td>
<td>4,000,300</td>
</tr>
<tr>
<td>32</td>
<td>Workforce investment act grant</td>
<td>87,110,800</td>
</tr>
</tbody>
</table>
S.B. 1720

Child support enforcement
administration fund
expenditure authority 43,047,000

Developmental disabilities
medicaid expenditure
authority 3,192,363,800

Health care investment fund
expenditure authority 54,412,300

Aging and adult services
The amount appropriated for the area agencies on aging housing line item shall be distributed to area agencies on aging established pursuant to the older Americans act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code sections 3001 through 3058ff) for housing assistance for persons who are at least sixty years of age.

The amount appropriated for the Globe-Miami area food bank line item shall be distributed to a food bank that maintains its headquarters in the Globe-Miami area.

All domestic violence services fund monies in excess of $4,000,300 received by the department of economic security are appropriated for the domestic violence prevention line item. Before spending these increased monies, the department shall report the intended use of monies in excess of $4,000,300 to the joint legislative budget committee.

On or before December 15, 2023, the department of economic security shall report to the joint legislative budget committee the amount of state and federal monies available statewide for domestic violence prevention funding. The report shall include, at a minimum, the amount of monies available and the state fiscal agent receiving those monies.

Benefits and medical eligibility
The operating lump sum appropriation may be spent on Arizona health care cost containment system eligibility determinations based on the results of the Arizona random moment sampling survey.

Child support enforcement
All state shares of retained earnings, fees and federal incentives in excess of $17,683,300 received by the division of child support enforcement are appropriated for operating expenditures. New FTE positions are authorized with the increased funding. Before spending these increased monies, the department of economic security shall report the intended use of the monies to the joint legislative budget committee.

Developmental disabilities
On or before September 1, 2024, the department of economic security shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee any new placement into a state-owned ICF-IID or the Arizona training program at the Coolidge campus in fiscal year
2023-2024 and the reason this placement, rather than a placement into a privately run facility for persons with developmental disabilities, was deemed as the most appropriate placement. The department shall also report if no new placements were made. On or before September 1, 2024, the department shall also report to the director of the joint legislative budget committee the total costs associated with the Arizona training program at Coolidge in fiscal year 2023-2024.

The department shall report to the joint legislative budget committee on or before March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum may not be more than two percent. Before implementing any changes in capitation rates for the long-term care system, the department shall submit a report for review by the joint legislative budget committee. Before the department implements any change in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal impact analysis demonstrates that this change will result in additional state costs of $500,000 or more for any fiscal year, the department shall submit the policy change for review by the joint legislative budget committee.

Before implementing developmental disabilities or long-term care statewide provider rate adjustments that are not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee that includes, at a minimum, the estimated cost of the provider rate adjustment and the ongoing source of funding for the adjustment, if applicable.

Before transferring any monies in or out of the case management – medicaid, case management – state-only and DDD administration line items, the department shall submit a report for review by the joint legislative budget committee, except that transfers from the state match transfer from AHCCCS line item into those line items do not require a report for review.

On or before November 30, 2023 and November 30, 2024, the department of economic security shall submit a report to the joint legislative budget committee regarding expenditures from the cost effectiveness study – client services line item in the previous fiscal year. The report shall include the number of clients and total amounts spent from the line item in each setting type along with expenditures for those clients in other line items. The report shall also include cost effectiveness spending in other line items.
The amount appropriated for the home and community based services – medicaid line item includes $115,793,900 from expenditure authority to implement the American rescue plan act of 2021 (P.L. 117-2) home and community-based services spending plan in fiscal year 2023-2024. The department may not use these monies for marketing purposes and any direct payments or grants provided with the monies shall include a notification to the recipient that the monies are onetime funding. Beginning on or before July 31, 2023, the department shall provide quarterly reports to the joint legislative budget committee at the same time that the information is provided to the centers for medicare and medicaid services reflecting any changes to the department's spending plan. Of the amount appropriated for the home and community based services – medicaid line item, $115,793,900 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

The amount appropriated for the Graham county rehabilitation center line item includes $800,000 to remodel the Graham county rehabilitation center facilities in Safford and $30,000 for an afterschool program.

Employment and rehabilitation services

On or before September 15, 2023 and March 15, 2024, the department of economic security shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the joint legislative budget committee on child care development block grant monies provided from the coronavirus aid, relief, and economic security act, the consolidated appropriations act, 2021 and the American rescue plan act of 2021 (P.L. 117-2). The report must include, at a minimum, the actual expenditures made to date by purpose and, separately, by federal legislation, the expenditure plan for all remaining monies by purpose and, separately, by federal legislation, the number of children served with the monies on average each month, the average child care reimbursement rates for the entire program, including these monies, and the number of child care settings with a quality rating.

The department of economic security shall forward to the joint legislative budget committee a monthly report listing data on the child care population served. The report must include, at a minimum, in each program the number of unduplicated children enrolled in child care within the department of economic security and the department of child safety by program and the average amount paid per child plus quality-related spending.

All workforce investment act grant monies that are received by this state in excess of $87,110,800 are appropriated to the workforce innovation and opportunity act services line item. Before spending these increased monies, the department shall report the intended use of monies in excess of $87,110,800 to the joint legislative budget committee.
Departmentwide
The above appropriations are in addition to monies granted to this state by the federal government for the same purposes but are deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

The department of economic security shall forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior-year totals on or before the thirtieth of the following month. The report shall include an estimate of potential shortfalls in entitlement programs and potential federal and other monies, such as the statewide assessment for indirect costs, and any projected surplus in state-supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 30. STATE BOARD OF EDUCATION

| 2023-24 |  
| FTE positions | 23.0 |
| Operating lump sum appropriation | $ 3,155,100 |
| Arizona empowerment scholarship account appeals | 221,600 |
| Total appropriation — state board of education | $ 3,376,700 |

Fund sources:
| State general fund | $ 3,376,700 |

Sec. 31. SUPERINTENDENT OF PUBLIC INSTRUCTION

| 2023-24 |  
| FTE positions | 232.9 |
| Operating lump sum appropriation | $ 25,633,100 |

Formula programs
| Basic state aid | 6,138,916,800 |
| Onetime state aid supplement | 300,000,000 |
| Special education fund | 36,029,200 |
| Other state aid to districts | 983,900 |
| Classroom site fund | 1,018,912,500 |
| Instructional improvement fund | 60,425,700 |

Property tax relief
| Additional state aid | 511,613,100 |

Non-formula programs
| Accountability and achievement testing | 16,442,300 |
| Adult education | 21,769,100 |
1. Alternative teacher development program 1,800,000
2. Arizona civics education and leadership development program 300,000
3. Arizona English language learner fund 4,960,400
4. Art consumables 10,000,000
5. Broadband expansion fund deposit 5,000,000
6. CTED certification exam fee reimbursement 1,000,000
7. CTED completion grants 1,000,000
8. CTED soft capital and equipment 1,000,000
9. College credit by examination incentive program 7,472,100
10. College placement exam fee waiver 1,265,800
11. Computer science professional development program 1,000,000
12. Center for high school success 1,000,000
13. Dual enrollment student development fund deposit 15,000,000
14. Dual enrollment teacher development fund deposit 500,000
15. Early education and career exploration program 5,000,000
16. Early literacy 18,880,000
17. Education learning and accountability system 5,447,100
18. English learner administration 6,597,100
19. Feminine hygiene products 2,000,000
20. Flagstaff robotics program 20,000
21. Geographic literacy 100,000
22. Gifted assessments 850,000
23. Gila county jail education 10,000
24. Jobs for Arizona graduates 500,000
25. Juvenile detention centers 52,600
26. K-12 transportation formula study 250,000
27. Live, remote instructional courses 100,000
28. Nonprofit education initiatives 100,000
29. Nonprofit low-income assistance 500,000
30. Phoenix science education programs 2,500,000
31. Public school campus community gardens 100,000*
32. Public school campus trees 300,000*
33. School safety program 81,992,600
State block grant for vocational education $11,774,700
Student level data access $357,900
Teacher certification $2,554,500
Teacher professional development $3,000,000
Tribal college dual enrollment program $325,000
Youth summer education program $250,000

Total appropriation and expenditure authority — superintendent of public instruction $8,325,585,500

Fund sources:
State general fund $6,733,358,700
Education sales tax fund $7,000,000
Permanent state school fund $342,797,300
Teacher certification fund $2,527,900
Tribal college dual enrollment program fund $325,000
Department of education empowerment scholarship account fund $357,900
Expenditure authority $1,239,218,700

Operating lump sum
The appropriated amount for the operating lump sum includes a onetime increase of $10,000,000 from the state general fund in fiscal year 2023-2024 for operating expenses. The increase is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026.

Any moneys available to the department of education pursuant to section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes, for the failing schools tutoring fund established by section 15-241, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes.

Any moneys available to the department of education pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes, for character education matching grants pursuant to section 15-154.01, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes.

Basic state aid
The appropriation for basic state aid provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated $342,797,300 in expendable income derived from the permanent state school fund.
fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2023-2024.

Monies derived from the permanent state school fund and any other non-state general fund revenue source that is dedicated to fund basic state aid shall be spent, whenever possible, before spending state general fund monies.

Except as required by section 37-521, Arizona Revised Statutes, all monies received during the fiscal year from national forests, interest collected on deferred payments on the purchase of state lands, income from investing permanent state school funds as prescribed by the enabling act and the Constitution of Arizona and all monies received by the superintendent of public instruction from whatever source, except monies received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the state treasury are appropriated for apportionment to the various counties in accordance with law. An expenditure may not be made except as specifically authorized above.

Any monies available to the department of education pursuant to section 42-5029.02, subsection A, paragraph 5, Arizona Revised Statutes, for the increased cost of basic state aid under section 15-971, Arizona Revised Statutes, due to added school days in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 5, Arizona Revised Statutes.

Other programs

The department of education shall allocate the appropriated amount for the onetime state aid supplement to school districts and charter schools on a pro rata basis using the weighted student count for the school district or charter school for the fiscal year pursuant to section 15-943, paragraph 2, subdivision (a), Arizona Revised Statutes, and increase the budget limits pursuant to section 15-947, Arizona Revised Statutes, accordingly. For the purposes of this paragraph, the weighted student count for a school district that serves as the district of attendance for nonresident pupils shall be increased to include nonresident pupils who attend school in the school district.

A school district may budget the monies that it receives from the onetime state aid supplement line item in either the school district's maintenance and operation fund or unrestricted capital outlay fund.

Any monies available to the department of education for the classroom site fund pursuant to section 37-521, subsection B, paragraph 4, Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph 10, Arizona Revised Statutes, in excess of expenditure authority amounts are allocated for the purposes of section 37-521, subsection B, paragraph 4, Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph 10, Arizona Revised Statutes.
Any monies available to the department of education from the instructional improvement fund established by section 15-979, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 15-979, Arizona Revised Statutes.

Before making any changes to the achievement testing program that will increase program costs, the department of education and the state board of education shall submit the estimated fiscal impact of those changes to the joint legislative budget committee for review.

Any monies available to the department of education for accountability purposes pursuant to section 42-5029.02, subsection A, paragraph 7, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 7, Arizona Revised Statutes.

The department of education may use the appropriated amount for accountability and achievement testing in fiscal year 2023-2024 for costs of the English language proficiency assessments required by section 15-756.05, Arizona Revised Statutes.

The appropriated amount for adult education includes $4,620,000 for the continuing high school and workforce training program established by section 15-217.01, Arizona Revised Statutes, $6,000,000 for deposit in the adult workforce diploma program fund established by section 15-217.02, subsection B, Arizona Revised Statutes and $6,000,000 for deposit in the community college adult education workforce development program fund established by section 15-217.03, subsection C, Arizona Revised Statutes.

The appropriated amount for art consumables shall be distributed for grants of not more than $1,000 per recipient to public school arts teachers and any public school teachers for preschool through third grade for arts supplies, materials and instructional aids that are of a consumable nature as defined by the uniform system of financial records prescribed by the auditor general pursuant to section 15-271, Arizona Revised Statutes.

Monies appropriated for CTED completion grants are intended to help fund program completion for students who complete at least fifty percent of a career technical education program before graduating from high school and who successfully complete the career technical education district program after graduating from high school. The application procedures shall award grant funding only after an eligible student has successfully completed a career technical education district program.

If the appropriated amount for CTED completion grants is insufficient to fund all grant requests from career technical education districts, the department of education shall reduce grant amounts on a proportional basis in order to cap total statewide allocations at $1,000,000.
The appropriated amount for CTED completion grants is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

The department of education shall distribute the appropriated amount for CTED soft capital and equipment to career technical education districts with fewer than two thousand average daily membership pupils for soft capital and equipment expenses. The appropriated amount shall be allocated on a pro rata basis based on the average daily membership of eligible career technical education districts.

Before spending the $6,880,000 increase in the appropriated amount for the early literacy line item for literacy coaches, kindergarten entry assessments, dyslexia training or science of reading exams, the department of education shall submit an expenditure plan to the joint legislative budget committee and the governor's office of strategic planning and budgeting. The department shall report its actual expenditures for the early literacy line item for literacy coaches, kindergarten entry assessments, dyslexia training and science of reading exams to the joint legislative budget committee on or before July 31, 2024.

The department of education shall use the appropriated amount for English learner administration to provide English language acquisition services for the purposes of section 15-756.07, Arizona Revised Statutes, and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the department of education to school districts and charter schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The department may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of section 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192, Arizona Revised Statutes, the superintendent of public instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

The department of education shall use the appropriated amount for geographic literacy to issue a grant to a statewide geographic alliance for strengthening geographic literacy in this state.

The department of education shall use the appropriated amount for jobs for Arizona graduates to issue a grant to a nonprofit organization for a JOBS for Arizona graduates program.

The appropriated amount for juvenile detention centers includes $22,600 for Yavapai county, $20,000 for Pinal county and $10,000 for Maricopa county.

The appropriated amount for the K-12 transportation formula study shall be used to develop a per pupil weighted transportation funding formula for K-12 students. The appropriated amount shall be used only for the costs associated with developing the per pupil weighted transportation
formula. On or before December 31, 2023, the department of education shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives education committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting that includes at least the following information:

1. The amount determined to be the per pupil base transportation amount for every K-12 student.
2. The appropriate weight for students with extraordinary needs.
3. The appropriate weight for students in grades nine through twelve.
4. The appropriate weight for foster and homeless students.
5. The appropriate sparsity weight for rural, remote and isolated students, including long-distance open enrollment students.

The appropriated amount for live, remote instructional courses is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2025.

The department of education shall distribute the appropriated amount for nonprofit education initiatives to a nonprofit organization based in Scottsdale that is qualified under section 501(c)(3) of the internal revenue code and that provides scholarships and other educational programming and promotes youth activities, sports and cultural enrichment.

The department of education shall distribute the appropriated amount for nonprofit low-income assistance to a nonprofit organization that is qualified under section 501(c)(3) of the internal revenue code and that provides low-income children in kindergarten programs and grades one through eight with new clothing and shoes, hygiene kits, and new books.

The department of education shall distribute the appropriated amount for public school campus trees for grants to public schools to plant low-biogenic volatile organic compound-emitting trees on school campuses that are appropriate for each school's respective climate. Until December 31, 2023, the department shall distribute the appropriated amount on a first-come, first-served basis only to public schools in this state at which seventy-five percent or more of the students are eligible for free or reduced-price lunches under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793). If any monies remain undistributed from and after December 31, 2023, the department shall distribute the monies on a first-come, first-served basis to public schools in this state. The department may require each public school that receives grant monies to issue a report regarding the school's use of monies received. A public school that receives monies from the department may partner with nonprofit organizations to plant the trees on the school's campus.
The amount appropriated for the school safety program in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 31 included an increase of $50,000,000 for additional school safety grants. In allocating the $50,000,000 increase, the department of education shall first distribute monies to schools on the school safety program waiting list to receive grants for the costs of placing school resource officers on school campuses. The awarded grants may not supplant funding provided by local governments for school resource officers. If the total cost of funding grants for school resource officer costs is less than $50,000,000, the department may allocate the remaining monies to grants to schools for the costs of placing school counselors and social workers on school campuses pursuant to section 15-154, Arizona Revised Statutes.

Any monies available to the department of education for school safety pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes, in excess of the expenditure authority amounts are allocated for the purposes of section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes.

The department shall distribute the appropriated amount for Phoenix science education programs to an organization that is based in Phoenix and that provides science, technology, engineering and math education programs and professional development training.

The department shall distribute the appropriated amount for the youth summer education program to a nonprofit organization that is based in Globe and that provides summer education programs for youth.

After review by the joint legislative budget committee, in fiscal year 2023-2024, the department of education may use a portion of its fiscal year 2023-2024 state general fund appropriations for basic state aid, additional state aid or the special education fund to fund a shortfall in funding for basic state aid, additional state aid or the special education fund, if any, that occurred in fiscal year 2022-2023.

The department shall provide an updated report on its budget status every three months for the first half of each fiscal year and every month thereafter to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting. Each report shall include, at a minimum, the department's current funding surplus or shortfall projections for basic state aid and other major formula-based programs and is due thirty days after the end of the applicable reporting period.

Within fifteen days after each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department shall post on its website the amount of state aid apportioned to each recipient and the underlying data.
Sec. 32. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

2023-24

FTE positions 65.1
Administration $ 2,558,000
Emergency management 876,800
Emergency management matching funds 1,544,900
Emergency hazard mitigation 1,333,300
Federal government matching repayment 759,200
Hazard mitigation assistance 462,900
Military affairs 2,142,200
National guard matching funds 3,370,000
National guard uniform allowance 300,000
National guard tuition reimbursement 1,000,000
Hazard mitigation revolving fund deposit 200,000

Total appropriation — department of emergency and military affairs $ 14,547,300

Fund sources:
State general fund $ 14,547,300

The $3,370,000 national guard matching funds appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2023-2024 monies remaining unexpended and unencumbered on December 31, 2024 revert to the state general fund.

The $759,200 federal government matching repayment appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2023-2024 monies remaining unexpended and unencumbered on December 31, 2024 revert to the state general fund.

The appropriated amount for the national guard tuition reimbursement line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until September 30, 2024.

Of the amount appropriated to the department of emergency and military affairs for onetime maintenance backfill in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 32, $13,300,000 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 33. DEPARTMENT OF ENVIRONMENTAL QUALITY

2023-24

FTE positions 355.7
Operating lump sum appropriation $ 73,050,000
Direct potable reuse of treated wastewater program 1,500,000
Safe drinking water program 1,998,500
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality fee fund deposit</td>
<td>9,500,000</td>
</tr>
<tr>
<td>PFAS mitigation</td>
<td>5,000,000*</td>
</tr>
<tr>
<td>Emissions control contractor payment</td>
<td></td>
</tr>
<tr>
<td><strong>Total appropriation — department of environmental quality</strong></td>
<td><strong>$117,268,000</strong></td>
</tr>
</tbody>
</table>

**Fund sources:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Air quality fund</td>
<td>5,830,900</td>
</tr>
<tr>
<td>Emergency response fund</td>
<td>132,800</td>
</tr>
<tr>
<td>Emissions inspection fund</td>
<td>30,484,400</td>
</tr>
<tr>
<td>Hazardous waste management fund</td>
<td>1,946,600</td>
</tr>
<tr>
<td>Indirect cost fund</td>
<td>18,629,000</td>
</tr>
<tr>
<td>Permit administration fund</td>
<td>7,285,600</td>
</tr>
<tr>
<td>Recycling fund</td>
<td>4,522,400</td>
</tr>
<tr>
<td>Safe drinking water program fund</td>
<td>1,998,500</td>
</tr>
<tr>
<td>Solid waste fee fund</td>
<td>2,589,600</td>
</tr>
<tr>
<td>Water quality fee fund</td>
<td>27,848,200</td>
</tr>
</tbody>
</table>

On or before July 31, 2024, the department of environmental quality shall report to the joint legislative budget committee on its progress in expending monies for PFAS mitigation, including funded projects, anticipated projects and outcomes as a result of mitigation efforts. The report shall include details about the scope and location of the projects.

The department of environmental quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. The department shall submit the fiscal year 2023-2024 report to the joint legislative budget committee on or before September 1, 2023. This report shall also include a budget for the WQARF program that is developed in consultation with the WQARF advisory board. This budget shall specify the monies budgeted for each listed site during fiscal year 2023-2024. In addition, the department and the WQARF advisory board shall prepare and submit to the joint legislative budget committee, on or before October 1, 2023, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of fiscal year 2022-2023, indicate whether the current stage of remediation is anticipated to be completed in fiscal year 2023-2024 and indicate the anticipated stage of remediation at each listed site at the end of fiscal year 2023-2024, assuming fiscal year 2023-2024 funding levels. The department and the WQARF advisory board may include other relevant information about the listed sites in the table.
All permit administration fund monies received by the department of environmental quality in excess of $7,285,600 in fiscal year 2023-2024 are appropriated to the department. Before spending permit administration fund monies in excess of $7,285,600 in fiscal year 2023-2024, the department shall report the intended use of the monies to the joint legislative budget committee.

All monies in the department of environmental quality indirect cost fund, including the beginning balance, that are in excess of $18,629,000 in fiscal year 2023-2024 are appropriated to the department. Before spending indirect cost fund monies in excess of $18,629,000 in fiscal year 2023-2024, the department shall report the intended use of the monies to the joint legislative budget committee.

Sec. 34. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

FTE positions 5.0
Lump sum appropriation $311,400

Fund sources:
Personnel division fund $311,400

Sec. 35. STATE BOARD OF EQUALIZATION

FTE positions 7.0
Lump sum appropriation $737,900

Fund sources:
State general fund $737,900

Sec. 36. BOARD OF EXECUTIVE CLEMENCY

FTE positions 14.5
Lump sum appropriation $1,426,300

Fund sources:
State general fund $1,426,300

On or before November 1, 2023, the board of executive clemency shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting the total number and types of cases the board reviewed in fiscal year 2022-2023.

Sec. 37. ARIZONA EXPOSITION AND STATE FAIR BOARD

FTE positions 184.0
Lump sum appropriation $16,056,800

Fund sources:
Arizona exposition and state fair fund $16,056,800

Of the monies in the Arizona exposition and state fair board operating budget, $2,000,000 shall be spent for enhanced state fair operations. Before spending monies in the operating budget on capital projects, the board shall submit a report for review by the joint legislative budget committee.
committee on capital review on the scope, purpose and estimated cost of the capital improvements.

Of the monies appropriated to the Arizona exposition and state fair board in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 37, $2,300,000 of the lump sum appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

Sec. 38. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

| 2023-24 |
|-----------------|-----------------|
| **FTE positions** | 235.5 |
| **Operating lump sum appropriation** | $3,937,200 |
| **Environmental county grants** | 250,000 |
| **Inmate firefighting crews** | 869,600 |
| **Postrelease firefighting crews** | 1,282,700 |
| **Fire suppression** | 200,000 |
| **State fire marshal** | 1,795,600 |
| **State fire school** | 289,100 |
| **Fire district grants** | 5,000,000* |
| **Hazardous vegetation removal** | 3,040,300 |
| **US forest service land thinning** | 1,660,900 |
| **Wildfire mitigation** | 32,049,700 |

Total appropriation — Arizona department of forestry and fire management $50,375,100

Fund sources:

| State general fund | $50,375,100 |

The appropriation for the hazardous vegetation removal line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

Monies in the fire district grants line item shall be used by the Arizona department of forestry and fire management to establish a program to provide grants to fire districts in this state. The department may use up to two percent of the monies in the fire district grants line item to administer the program. Grant applications shall be prioritized based on the need of the fire district and average response times of the fire district. A fire district may use fire district grant monies to:

1. Purchase capital equipment necessary to respond to public safety emergencies, including fire engines, ambulances, radio telecommunications, uniforms and equipment.
2. Construct or renovate fire stations.
3. Purchase and provide emergency alert services that are available through a mobile application or other means.
Sec. 39. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

FTE positions 4.0
Lump sum appropriation $ 476,800

Fund sources:
Board of funeral directors' and embalmers' fund $ 476,800

Sec. 40. ARIZONA GAME AND FISH DEPARTMENT

FTE positions 273.5
Operating lump sum appropriation $48,091,600
Pittman-Robertson/Dingell-Johnson act 3,058,000

Total appropriation — Arizona game and fish department $51,149,600

Fund sources:
Capital improvement fund $ 1,001,200
Game and fish fund 44,516,200
Wildlife endowment fund 16,200
Watercraft licensing fund 5,226,800
Game, nongame, fish and endangered species fund 389,200

Sec. 41. DEPARTMENT OF GAMING

FTE positions 155.8
Operating lump sum appropriation $ 13,740,100
Arizona breeders' award 250,000
Casino operations certification 2,308,700
County fairs livestock and agriculture promotion 6,029,500
Division of racing 2,431,200
Contract veterinarian 175,000
Event wagering application fee refund 600,000
Horseracing integrity and safety act assessment 355,100
Racetrack capital projects and maintenance and operation funding 1,000,000
Racing purse enhancement 5,000,000
Problem gambling 3,320,000

Total appropriation — department of gaming $ 35,209,600

Fund sources:
State general fund $ 13,159,600
Fantasy sports contest fund 150,100
Tribal-state compact fund 2,308,700
Arizona benefits fund 16,610,000
State lottery fund 300,000
Racing regulation fund 2,576,600
Racing regulation fund – unarmed combat subaccount 104,600

The amount appropriated to the county fairs livestock and agriculture promotion line item is for deposit in the county fairs livestock and agriculture promotion fund established by section 5-113, Arizona Revised Statutes, and to be administered by the office of the governor.

The amount appropriated to the racing purse enhancement line item shall be distributed to a recognized nonprofit horsemen's organization that has represented since 1988 the horsemen participating in racing meetings to be used to promote racing and enhance the general purse structure for eligible horse races held in this state.

On or before August 1, 2023, the department of gaming shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on the expected amount and purpose of expenditures from the event wagering fund established by section 5-1318, Arizona Revised Statutes, for fiscal year 2023-2024. The report shall include the projected line item detail and the number of filled full-time equivalent positions.

On or before the final day of each quarter of fiscal year 2023-2024, the department of gaming shall report to the members of the joint legislative budget committee on the number of equine deaths and injuries that occurred as a result of a horse race and the commercial live racing facility where each incident occurred. The report shall include the number of pre-race inspections performed by a veterinarian employed by or contracted with this state.

The amount appropriated to the horseracing integrity and safety act assessment line item shall be distributed to commercial live racing permittees during fiscal year 2023-2024 to pay the calendar year 2023 assessment levied by the horseracing integrity and safety authority. If the appropriated amount for the horseracing integrity act assessment line item is insufficient to fund all assessments levied by the horseracing integrity and safety authority, the department shall reduce the distribution amounts on a proportional basis in order to cap total statewide distributions at $355,100. The distributions for fiscal year 2023-2024 are estimated to be $309,300 to a commercial live racing permittee located in Maricopa county and $45,800 to a commercial live racing permittee located in Yavapai county.

The appropriation made in the racetrack capital projects and maintenance and operation funding line item shall be distributed to commercial live racing permittees for capital projects and track maintenance and operations, including costs associated with the compliance
costs associated with the horseracing integrity and safety act of 2020 (P.L. 116-260; 134 Stat. 3252; 15 United States Code sections 3051 through 3060). From the amount appropriated in the racetrack capital projects and maintenance and operations funding line item, the department of gaming shall allocate $1,000,000 to a commercial live racing permittee located in Maricopa county.

Sec. 42. OFFICE OF THE GOVERNOR

Operating lump sum appropriation $ 9,922,700*
Missing and murdered indigenous people task force 1,000,000
Foster youth education success fund deposit 1,500,000
Total appropriation — office of the governor $ 12,422,700
Fund sources:
State general fund $ 12,422,700

Included in the operating lump sum appropriation of $9,922,700 for fiscal year 2023-2024 is $10,000 for the purchase of mementos and items for visiting officials.

Sec. 43. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

FTE positions 22.0
Lump sum appropriation $ 2,961,400*
Fund sources:
State general fund $ 2,961,400

Sec. 44. DEPARTMENT OF HEALTH SERVICES

FTE positions 1,145.0
Operating lump sum appropriation $ 60,922,300
Public health/family health
Adult cystic fibrosis care 105,200
AIDS reporting and surveillance 1,000,000
Alzheimer's disease research 4,125,000
Behavioral health care provider loan repayment program 1,000,000
Biomedical research support 2,000,000
Breast and cervical cancer and bone density screening 1,369,400
Collaborative care uptake fund deposit 1,000,000
County tuberculosis provider care and control 590,700
Dementia awareness campaign 750,000*
Dementia services program and Alzheimer's disease state plan 964,100
1. Fentanyl testing strips and mass spectrometers 300,000
2. Folic acid program 400,000
3. Health crisis review centers and wraparound services 5,000,000
4. High-risk perinatal services 2,343,400
5. Newborn screening program 12,388,500
6. Nonrenal disease management 198,000
7. Nurse-family partnership programs 2,500,000
8. Arizona nurse education investment pilot program 15,000,000
9. Nursing care special projects 200,000
10. Poison control centers funding 990,000
11. Preceptor grant program for graduate students 500,000
12. Psilocybin research 5,000,000
13. Renal dental care and nutrition supplements 300,000
14. Renal transplant drugs 183,000
15. Trauma recovery center fund deposit 7,000,000

Arizona state hospital
16. Arizona state hospital — operating 87,043,700
17. Arizona state hospital — restoration to competency 900,000
18. Arizona state hospital — sexually violent persons 10,951,800

Total appropriation — department of health services $225,025,100

Fund sources:
19. State general fund $166,983,600
20. Arizona state hospital fund 3,145,800
21. Arizona state hospital land fund 650,000
22. Child fatality review fund 196,500
23. Disease control research fund 1,000,000
24. DHS indirect cost fund 12,298,700
25. Emergency medical services operating fund 4,167,900
26. Environmental laboratory licensure revolving fund 1,001,700
27. Federal child care and development fund block grant 998,600
28. Health services licensing fund 16,960,500
29. Newborn screening program fund 12,821,300
Nursing care institution resident protection revolving fund 238,200
Tobacco tax and health care fund – medically needy account 700,000
Vital records electronic systems fund 3,862,300

Public health/family health

Of the amount appropriated for the operating lump sum, $100,000 shall be used for a suicide prevention coordinator to assist school districts and charter schools in suicide prevention efforts. On or before September 1, 2024, the department of health services, in consultation with the department of education, shall report to the governor, the president of the senate, the speaker of the house of representatives, the director of the joint legislative budget committee and the director of the governor's office of strategic budgeting and budgeting on the suicide prevention coordinator's accomplishments in fiscal year 2023-2024.

The department of health services may use up to four percent of the amount appropriated for nonrenal disease management for the administrative costs to implement the program.

The appropriated amount for the dementia services program and Alzheimer's disease state plan line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026. The legislature intends that the appropriation be used for fiscal years 2023-2024, 2024-2025 and 2025-2026.

The department of health services shall distribute monies appropriated for the biomedical research support line item to a nonprofit medical research institute headquartered in this state that specializes in biomedical research focusing on applying genomic technologies and sequencing to clinical care, that has served as a resource to this state to conduct molecular epidemiologic analyses to assist with disease outbreak investigations and that collaborates with universities, hospitals and health science research centers and other public and private bioscience and related industries in this state. The recipient of these monies shall commission an audit of the expenditure of these monies and shall submit a copy of the audit to the department of health services on or before February 1, 2025.

The department of health services shall distribute monies appropriated for Alzheimer's disease research through a grant to a charitable organization that is qualified under section 501(c)(3) of the internal revenue code and that meets the following criteria:

1. Is headquartered in this state.
2. Has been operating in this state for at least the last ten years.
3. Has participating member institutions that work together to end Alzheimer's disease within a statewide collaborative model by using their complementary strengths in brain imaging, computer science, genomics, basic and cognitive neurosciences and clinical and neuropathology research.

4. Has participating member institutions that educate residents of this state about Alzheimer's disease, research progress and resources to help patients, families and professionals manage the disease.

The terms of the grant made to the charitable organization may not impose any requirements that were not imposed in prior grant agreements entered into between the department of health services and the charitable organization.

Of the amount appropriated to the department of health services for the behavioral health care provider loan repayment program in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 44, $1,000,000 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

The amount appropriated to the department of health services for the preceptor grant program for graduate students is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations. Any monies remaining unexpended on July 1, 2026 revert to the state general fund.

The amount appropriated in the trauma recovery center fund deposit line item shall be deposited in the trauma recovery center fund established by section 36-4102, Arizona Revised Statutes and is appropriated from the fund for the purposes of that section. Not more than five percent of the monies deposited in the fund may be used by the department of health services to administer the fund. The department shall use the remaining monies to provide all of the following:

1. A technical assistance grant to help establish, train and coordinate a state pilot trauma recovery center.

2. Three years of operational and service costs of the state pilot trauma recovery center.

3. A grant to a public research institution to track data and outcomes of the state pilot trauma recovery center and to produce a report at the conclusion of the pilot.

Arizona state hospital

In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona.

Departmentwide

The department of health services shall electronically forward to the president of the senate, the speaker of the house of representatives,
the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior-year totals on or before the thirtieth of the following month. Each report shall include an estimate of potential shortfalls in programs, potential federal and other monies, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 45. ARIZONA HISTORICAL SOCIETY

| 2023-24 |
|------------------|----------|
| FTE positions    | 50.9     |
| Operating lump sum appropriation | $2,585,100 |
| Field services and grants | 65,800 |
| Papago park museum | 563,800 |
| **Total appropriation — Arizona historical society** | **$3,214,700** |

*Fund sources:*
- State general fund | $3,214,700

Sec. 46. PRESCOTT HISTORICAL SOCIETY

| 2023-24 |
|------------------|----------|
| FTE positions    | 13.0     |
| Lump sum appropriation | $1,016,100 |
| **Fund sources:** |
| State general fund | $1,016,100 |

Sec. 47. ARIZONA DEPARTMENT OF HOMELAND SECURITY

| 2023-24 |
|------------------|----------|
| FTE positions    | 20.0     |
| Statewide information security and privacy operations and controls | $11,325,300 |
| Antihuman trafficking grant fund deposit | 10,000,000 |
| Arizona state nonprofit security grant program fund deposit | 5,000,000 |
| **Statewide cybersecurity grants** | **10,000,000** |
| **Total appropriation — Arizona department of homeland security** | **$36,325,300** |

*Fund sources:*
- State general fund | $25,000,000
- Information technology fund | 11,325,300

Of the amount appropriated for statewide cybersecurity grants, the Arizona department of homeland security may spend up to $310,000 for grant administration.
The amount appropriated in the antihuman trafficking grant fund deposit line item shall be deposited in the antihuman trafficking grant fund. The Arizona department of homeland security shall distribute these monies as follows:

1. $2,000,000 to the department of public safety Arizona counterterrorism information center for antihuman trafficking operations that work to reduce human trafficking by providing assistance and analytical services to law enforcement agencies or that provide services to victims and training to law enforcement agencies, prosecutorial agencies and the public on preventing and identifying human trafficking.

2. $8,000,000 in award grants to municipal and county law enforcement agencies, not to exceed $500,000 per agency, for programs that reduce human trafficking.

The amount appropriated in the nonprofit security grant program fund deposit line item shall be deposited in the nonprofit security grant program fund. Not more than five percent of the monies deposited in the fund may be used by the Arizona department of homeland security to administer the nonprofit security grant program.

Of the amount appropriated in the statewide information security and privacy operations and controls line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 47, $300,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024.

Sec. 48. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

2023-24

FTE positions 1.0

Lump sum appropriation $ 51,900

Fund sources:

Board of homeopathic and integrated medicine examiners' fund $ 51,900

Sec. 49. ARIZONA DEPARTMENT OF HOUSING

2023-24

FTE positions 3.0

Operating lump sum appropriation $ 367,400

Housing trust fund deposit 150,000,000

Homeless shelter and services fund deposit 40,000,000

Mobile home relocation fund deposit 5,000,000

Military transitional housing fund deposit 1,900,000

Total appropriation — Arizona department of housing $197,267,400
Fund sources:

State general fund $196,900,000
Housing trust fund 367,400

The amount appropriated to the Arizona department of housing for the homeless services grant pilot in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 49 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024.

On or before September 1, 2023, the department shall submit an expenditure plan report to the joint legislative budget committee for the monies deposited pursuant to this section in the housing trust fund established by section 41-3955, Arizona Revised Statutes.

The Arizona department of housing may use a portion of the monies appropriated for the housing trust fund deposit to support an investment for a long-term lease facilitated by this state to create a campus for transitional housing, workforce affordable housing, crisis response, detox and recovery, workforce development programs and integrated wrap-around services. The owner and lead operator of the campus must be a nonprofit homeless provider that:

1. Has at least thirty-five years of experience in providing emergency homeless services to adult men and women in Maricopa county, including the chronically homeless, veterans, seniors, people with disabling conditions, youth and families and children.

2. Has been providing rapid rehousing services and flexible housing support or rapid exit housing support for persons who do not qualify for rapid rehousing for at least five years.

3. Has at least ten years of experience running a mass congregate shelter of four hundred or more beds, annually serves at least five thousand people with homeless shelter and related housing services, has an annual budget of at least $10,000,000 and participates in the coordinate entry process and the homeless management information system.

Sec. 50. INDUSTRIAL COMMISSION OF ARIZONA

2023-24

FTE positions 236.6
Operating lump sum appropriation $21,976,700
Municipal firefighter reimbursement administration 84,600
Total appropriation – industrial commission of Arizona $22,061,300

Fund sources:

State general fund $ 84,600
Administrative fund 21,976,700
The legislature intends that the state general fund appropriation be used only for administrative costs of title 23, chapter 11, Arizona Revised Statutes, and that this appropriation does not convey any responsibility for firefighter cancer compensation and benefits claims to this state.

Sec. 51. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

2023-24

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>155.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$12,363,900</td>
</tr>
<tr>
<td>Arizona vehicle theft task force</td>
<td>$4,521,200</td>
</tr>
<tr>
<td>Automobile theft authority</td>
<td></td>
</tr>
<tr>
<td>operating budget</td>
<td>$699,400</td>
</tr>
<tr>
<td>Insurance fraud unit</td>
<td>$1,851,400</td>
</tr>
<tr>
<td>Local grants</td>
<td>$1,388,900</td>
</tr>
<tr>
<td>Reimbursable programs</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Total appropriation — department of insurance and financial institutions $20,874,800

Fund sources:

<table>
<thead>
<tr>
<th>State general fund</th>
<th>$8,463,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile theft authority fund</td>
<td>$6,813,600</td>
</tr>
<tr>
<td>Financial services fund</td>
<td>$5,547,900</td>
</tr>
<tr>
<td>Department revolving fund</td>
<td>$50,300</td>
</tr>
</tbody>
</table>

Of the monies appropriated to the department of insurance and financial institutions in the operating lump sum appropriation, $250,000 shall be used to administer the provisions of a bill addressing insurance provider claims against insurers if the bill becomes law in the first regular session of the fifty-sixth legislature. These monies revert to the state general fund if a bill addressing provider claims against insurers does not become law in the first regular session of the fifty-sixth legislature.

Monies in the Arizona vehicle theft task force line item shall be used by the department of insurance and financial institutions to pay seventy-five percent of the personal services and employee-related expenditures for city, town and county sworn officers who participate in the Arizona vehicle theft task force.

Local grants shall be awarded with consideration given to areas with greater automobile theft problems and shall be used to combat economic automobile theft operations.

The department of insurance and financial institutions shall submit a report to the joint legislative budget committee before spending any monies for the reimbursable programs line item. The department shall show sufficient monies collected to cover the expenses indicated in the report.

Of the department fees required to be deposited in the state general fund by statute, the legislature intends that the department of insurance and financial institutions shall assess and set the fees at a level to
ensure that the monies deposited in the state general fund will equal or exceed the department's expenditure from the state general fund.

Sec. 52. ARIZONA JUDICIARY

<table>
<thead>
<tr>
<th>Supreme court</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>203.0</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$18,441,100</td>
</tr>
<tr>
<td>Arizona trial and digital evidence fund deposit</td>
<td>1,620,000</td>
</tr>
<tr>
<td>Automation</td>
<td>23,893,700</td>
</tr>
<tr>
<td>County reimbursements</td>
<td>187,900</td>
</tr>
<tr>
<td>Court appointed special advocate</td>
<td>5,053,100</td>
</tr>
<tr>
<td>Courthouse security</td>
<td>750,000</td>
</tr>
<tr>
<td>Digital evidence software</td>
<td>280,000</td>
</tr>
<tr>
<td>Domestic relations</td>
<td>693,100</td>
</tr>
<tr>
<td>State foster care review board</td>
<td>3,535,700</td>
</tr>
<tr>
<td>Commission on judicial conduct</td>
<td>609,500</td>
</tr>
<tr>
<td>Judicial nominations and performance review</td>
<td>614,000</td>
</tr>
<tr>
<td>Juvenile monetary sanctions funding backfill</td>
<td>250,000</td>
</tr>
<tr>
<td>Model court</td>
<td>659,700</td>
</tr>
<tr>
<td>State aid</td>
<td>5,950,700</td>
</tr>
<tr>
<td>Total appropriation – supreme court</td>
<td>$62,538,500</td>
</tr>
</tbody>
</table>

Fund sources:

| State general fund | $29,271,000 |
| Confidential intermediary and fiduciary fund | 686,100 |
| Court appointed special advocate fund | 5,233,000 |
| Criminal justice enhancement fund | 4,722,800 |
| Defensive driving school fund | 4,487,700 |
| Judicial collection enhancement fund | 15,191,400 |
| State aid to the courts fund | 2,946,500 |

On or before September 1, 2023, the supreme court shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects that receive or are anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, the number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multiyear cost.
by fund source and budget line item, including any prior-year, current-year and future-year expenditures.

Automation expenses of the judiciary shall be funded only from the automation line item. Monies in the operating lump sum appropriation or other line items intended for automation purposes shall be transferred to the automation line item before expenditure.

Included in the operating lump sum appropriation for the supreme court is $1,000 for the purchase of mementos and items for visiting officials.

Of the $187,900 appropriated for county reimbursements, state grand jury is limited to $97,900 and capital postconviction relief is limited to $90,000.

The legislature intends that the $250,000 appropriation to the juvenile monetary sanctions funding backfill line item continues in fiscal years 2024-2025 and 2025-2026. These monies may only be spent if legislation that eliminates court-ordered fees for juveniles, except for victim restitution and specified driving under the influence offenses, is enacted into law.

### Court of Appeals

| FTE positions | 162.8 |
| Division one  | $16,186,100 |
| Division two  | 8,312,300 |
| Total appropriation — court of appeals | $24,498,400 |

Fund sources:

- State general fund $24,498,400

Of the 162.8 FTE positions for fiscal year 2023-2024, 111.3 FTE positions are for division one and 51.5 FTE positions are for division two.

Of the amount appropriated for the operating lump sum for division two in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 52, $450,000 from the state general fund is for the remodeling of chambers to accommodate a new three-judge court of appeals panel, is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2024 and notwithstanding section 41-1252, Arizona Revised Statutes, is not subject to review by the joint committee on capital review.

### Superior Court

<p>| FTE positions | 240.5 |
| Operating lump sum appropriation | $5,338,600 |
| Judges' compensation | 28,213,100 |
| Centralized service payments | 4,631,300 |
| Probation salary increase backfill | 6,749,200 |
| Adult standard probation | 22,297,500 |
| Adult intensive probation | 13,150,200 |
| Community punishment | 2,310,300 |</p>
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court-ordered removals</td>
<td>315,000</td>
</tr>
<tr>
<td>Interstate compact</td>
<td>513,700</td>
</tr>
<tr>
<td>Drug court</td>
<td>1,096,400</td>
</tr>
<tr>
<td>General adjudication personnel and support fund deposit</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Juvenile standard probation</td>
<td>3,781,800</td>
</tr>
<tr>
<td>Juvenile intensive probation</td>
<td>6,087,200</td>
</tr>
<tr>
<td>Juvenile treatment services</td>
<td>20,803,000</td>
</tr>
<tr>
<td>Juvenile family counseling</td>
<td>500,000</td>
</tr>
<tr>
<td>Juvenile crime reduction</td>
<td>3,313,100</td>
</tr>
<tr>
<td>Juvenile diversion consequences</td>
<td>9,088,500</td>
</tr>
<tr>
<td>Probation incentive payments</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Special water master</td>
<td>505,300</td>
</tr>
<tr>
<td><strong>Total appropriation – superior court</strong></td>
<td><strong>$131,694,200</strong></td>
</tr>
</tbody>
</table>

**Fund sources:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$119,680,200</td>
</tr>
<tr>
<td>Criminal justice enhancement fund</td>
<td>5,494,400</td>
</tr>
<tr>
<td>Drug treatment and education fund</td>
<td>504,200</td>
</tr>
<tr>
<td>Judicial collection enhancement fund</td>
<td>6,015,400</td>
</tr>
</tbody>
</table>

**Operating budget**

All expenditures made by the administrative office of the courts to administer superior court line items shall be funded only from the superior court operating budget. Monies in superior court line items intended for this purpose shall be transferred to the superior court operating budget before expenditure.

**Judges**

Of the 240.5 FTE positions, 182 FTE positions represent superior court judges. This FTE position clarification does not limit the counties' ability to add judges pursuant to section 12-121, Arizona Revised Statutes.

All monies in the judges' compensation line item shall be used to pay for fifty percent of superior court judges' salaries, elected officials' retirement plan costs and related state benefit costs for judges pursuant to section 12-128, Arizona Revised Statutes. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the judges' compensation line item before expenditure.

**Probation**

Monies appropriated to juvenile treatment services and juvenile diversion consequences shall be deposited in the juvenile probation services fund established by section 8-322, Arizona Revised Statutes.

Receipt of state probation monies by the counties is contingent on the county maintenance of fiscal year 2019-2020 expenditure levels for
each probation program. State probation monies are not intended to supplant county dollars for probation programs.

On or before November 1, 2023, the administrative office of the courts shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting the fiscal year 2022-2023 actual, fiscal year 2023-2024 estimated and fiscal year 2024-2025 requested amounts for each of the following:

1. On a county-by-county basis, the number of authorized and filled case carrying probation positions and non-case carrying probation positions, distinguishing between adult standard, adult intensive, juvenile standard and juvenile intensive. The report shall indicate the level of state probation funding, other state funding, county funding and probation surcharge funding for those positions.

2. Total receipts and expenditures by county and fund source for the adult standard, adult intensive, juvenile standard and juvenile intensive probation line items, including the amount of personal services spent from each revenue source of each account.

All centralized service payments made by the administrative office of the courts on behalf of counties shall be funded only from the centralized service payments line item. Centralized service payments include only training, motor vehicle payments, CORP review board funding, LEARN funding, research, operational reviews and GPS vendor payments. This footnote does not apply to treatment or counseling services payments made from the juvenile treatment services and juvenile diversion consequences line items. Monies in the operating lump sum appropriation or other line items intended for centralized service payments shall be transferred to the centralized service payments line item before expenditure.

All monies in the adult standard probation, adult intensive probation, community punishment, interstate compact, juvenile standard probation, juvenile intensive probation, juvenile treatment services, juvenile diversion consequences, juvenile crime reduction and probation incentive payments line items shall be used only as pass-through monies to county probation departments. Monies in the operating lump sum appropriation or other line items intended as pass-through for the purpose of administering a county probation program shall be transferred to the appropriate probation line item before expenditure.

On or before November 1, 2023, the administrative office of the courts shall submit a report to the joint legislative budget committee on the county-approved salary adjustments provided to probation officers since the last report on November 1, 2022. The administrative office shall also submit a copy of the report to the governor's office of strategic planning and budgeting. The report shall include, for each county, the:
1. Approved percentage salary increase by year.
2. Net increase in the amount allocated to each probation department by the administrative office of the courts for each applicable year.
3. Average number of probation officers by applicable year.
4. Average salary of probation officers for each applicable year.

The amount appropriated to the probation salary increase backfill line item shall be used as backfill funding to cover the remaining state share of probation officer salary increases approved by county boards of supervisors for fiscal year 2022-2023.

Sec. 53. DEPARTMENT OF JUVENILE CORRECTIONS

<table>
<thead>
<tr>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:
- State general fund: $ 31,753,400
- State charitable, penal and reformatory institutions land fund: 4,125,400
- Criminal justice enhancement fund: 538,500
- State education fund for committed youth: 1,955,200
- Department of juvenile corrections local cost sharing fund: 6,724,000

Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the department of juvenile corrections, in compliance with section 25 of the enabling act and the Constitution of Arizona, to be used to support state juvenile institutions and reformatories.

Sec. 54. STATE LAND DEPARTMENT

<table>
<thead>
<tr>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Natural resource conservation districts</td>
</tr>
<tr>
<td>CAP user fees</td>
</tr>
<tr>
<td>Due diligence program</td>
</tr>
<tr>
<td>Streambed navigability litigation</td>
</tr>
<tr>
<td>Total appropriation – state land department</td>
</tr>
</tbody>
</table>

Fund sources:
- State general fund: $ 13,159,300
- Environmental special plate fund: 260,600
- Due diligence fund: 5,000,000
- Trust land management fund: 6,528,800
The appropriation includes $1,700,000 for CAP user fees in fiscal year 2023-2024. For fiscal year 2023-2024, from municipalities that assume their allocation of central Arizona project water for every dollar received as reimbursement to this state for past central Arizona water conservation district payments, $1 reverts to the state general fund in the year that the reimbursement is collected.

Of the amount appropriated for natural resource conservation districts in fiscal year 2023-2024, $30,000 shall be used to provide grants to natural resource conservation districts environmental education centers.

Sec. 55. LEGISLATURE

<table>
<thead>
<tr>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senate</strong></td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
<tr>
<td>Included in the lump sum appropriation of $20,385,300 for fiscal year 2023-2024 is $5,000 for the purchase of mementos and items for visiting officials.</td>
</tr>
</tbody>
</table>

| **House of representatives** |
| Lump sum appropriation | $ 24,020,300* |
| Fund sources: |
| State general fund | $ 24,020,300 |
| Included in the lump sum appropriation of $24,020,300 for fiscal year 2023-2024 is $5,000 for the purchase of mementos and items for visiting officials. |

| **Legislative council** |
| FTE positions | 56.0 |
| Lump sum appropriation | $ 9,546,500* |
| Fund sources: |
| State general fund | $ 9,546,500 |

| **Ombudsman-citizens aide office** |
| FTE positions | 12.0 |
| Lump sum appropriation | $ 1,569,200* |
| Fund sources: |
| State general fund | $ 1,569,200 |

The legislature intends that the ombudsman-citizens aide prioritize investigating and processing complaints relating to the department of child safety.

The operating budget includes $137,500 and 1 FTE position to address complaints relating to the administration of the Arizona empowerment scholarship account program established by section 15-2402, Arizona Revised Statutes.
Joint legislative budget committee

FTE positions 29.0
Lump sum appropriation $ 3,144,500*

Fund sources:
State general fund $ 3,144,500

Auditor general
FTE positions 224.8
Lump sum appropriation $ 28,491,600*

Fund sources:
State general fund $ 28,491,600

Of the amount appropriated for the lump sum appropriation, the
auditor general shall use $3,300,000 for additional agency performance
audits and school district audits.

Sec. 56. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

2023-24
FTE positions 58.2
Lump sum appropriation $ 6,555,200

Fund sources:
Liquor licenses fund $ 6,555,200

Sec. 57. ARIZONA STATE LOTTERY COMMISSION

2023-24
FTE positions 98.8
Operating lump sum appropriation $10,468,900
Advertising $15,500,000

Total appropriation — Arizona state lottery commission $25,968,900

Fund sources:
State lottery fund $ 25,968,900

An amount equal to twenty percent of tab ticket sales is
appropriated to pay sales commissions to charitable organizations. This
amount is currently estimated to be $1,768,000 in fiscal year 2023-2024.

An amount equal to 3.6 percent of actual instant ticket sales is
appropriated to print instant tickets or to pay contractual obligations
concerning instant ticket distribution. This amount is currently
estimated to be $37,965,000 in fiscal year 2023-2024.

An amount equal to a percentage of actual online game sales as
determined by contract is appropriated to pay online vendor fees. This
amount is currently estimated to be $16,041,700, or 4.256 percent of
actual online ticket sales, in fiscal year 2023-2024.

An amount equal to 6.5 percent of gross lottery game sales, minus
charitable tab tickets, is appropriated to pay sales commissions to ticket
retailers. An additional amount not to exceed 0.5 percent of gross
lottery game sales is appropriated to pay sales commissions to ticket
retailers. The combined amount is currently estimated to be 6.7 percent
of total ticket sales, or $95,318,500 in fiscal year 2023-2024.
Sec. 58. BOARD OF MASSAGE THERAPY

FTE positions 2023-24 5.0
Lump sum appropriation $595,900

Fund sources:
Board of massage therapy fund $595,900

Sec. 59. ARIZONA MEDICAL BOARD

FTE positions 2023-24 61.5
Operating lump sum appropriation $8,023,600
Employee performance incentive program 165,600

Total appropriation — Arizona medical board $8,189,200

Fund sources:
Arizona medical board fund $8,189,200

Sec. 60. STATE MINE INSPECTOR

FTE positions 2023-24 22.0
Operating lump sum appropriation $1,833,400
Abandoned mines 820,600
Aggregate mining land reclamation 181,800

Total appropriation — state mine inspector $2,835,800

Fund sources:
State general fund $2,722,900
Aggregate mining reclamation fund 112,900

All aggregate mining reclamation fund monies received by the state mine inspector in excess of $112,900 in fiscal year 2023-2024 are appropriated to the aggregate mining land reclamation line item. Before spending any aggregate mining reclamation fund monies in excess of $112,900 in fiscal year 2023-2024, the state mine inspector shall report the intended use of the monies to the joint legislative budget committee and the governor's office of strategic planning and budgeting.

Of the amount appropriated in the operating lump sum, the state mine inspector shall use $100,000 to purchase a drone that uses self-stabilization technology and that is capable of entering and mapping enclosed spaces.

Of the amount appropriated in the operating lump sum, $300,000 is for a one-time increase from the state general fund in fiscal year 2023-2024 for one-time operating expenses. The $300,000 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.
Sec. 61. NATUROPATHIC PHYSICIANS MEDICAL BOARD

FTE positions 2.0
Lump sum appropriation $215,200

Fund sources:
Naturopathic physicians medical board fund $215,200

Sec. 62. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

FTE positions 2.0
Lump sum appropriation $344,200

Fund sources:
State general fund $144,200
Arizona water banking fund 200,000

Sec. 63. ARIZONA STATE BOARD OF NURSING

FTE positions 55.0
Operating lump sum appropriation $5,647,500
Student registered nurse anesthetist clinical rotation program 450,000
Certified nursing assistant credentialing program 538,400
Total appropriation — Arizona state board of nursing $6,635,900

Fund sources:
State general fund $450,000
Board of nursing fund 6,185,900

Sec. 64. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

FTE positions 7.0
Lump sum appropriation $595,600

Fund sources:
Nursing care institution administrators' licensing and assisted living facility managers' certification fund $595,600

Sec. 65. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

FTE positions 1.5
Lump sum appropriation $243,200

Fund sources:
Occupational therapy fund $243,200
Sec. 66. STATE BOARD OF DISPENSING OPTICIANS

FTE positions 1.0
Lump sum appropriation $186,900

Fund sources:
Board of dispensing opticians fund $186,900

Sec. 67. STATE BOARD OF OPTOMETRY

FTE positions 2.0
Lump sum appropriation $291,300

Fund sources:
Board of optometry fund $291,300

Sec. 68. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

FTE positions 10.0
Lump sum appropriation $1,394,600

Fund sources:
Arizona board of osteopathic examiners in medicine and surgery fund $1,394,600

Sec. 69. ARIZONA STATE PARKS BOARD

FTE positions 167.0
Operating lump sum appropriation $16,473,300
Arizona trail fund deposit 500,000
Arizona state parks heritage fund deposit 6,000,000
State lake improvement fund deposit 5,200,000
State parks store 1,011,300
Kartchner caverns state park 2,534,900
Total appropriation — Arizona state parks board $31,719,500

Fund sources:
State general fund $11,700,000
State parks revenue fund 18,991,500
State parks store fund 1,011,300
Off-highway vehicle recreation fund 16,700

In addition to the operating lump sum appropriation, an amount equal to the revenue share agreement with the United States forest service for Fool Hollow Lake recreation area is appropriated to the Arizona state parks board from the state parks revenue fund established by section 41-511.21, Arizona Revised Statutes.
Sec. 70. STATE PERSONNEL BOARD

2023-24

FTE positions 2.0
Lump sum appropriation $ 345,000

Fund sources:
Personnel division fund — personnel board subaccount $ 345,000

Sec. 71. ARIZONA STATE BOARD OF PHARMACY

2023-24

FTE positions 25.4
Operating lump sum appropriation $ 3,385,000
Prescriber report card $ 50,000

Total appropriation — Arizona state board of pharmacy $ 3,435,000

Fund sources:
Arizona state board of pharmacy fund $ 3,435,000

Sec. 72. BOARD OF PHYSICAL THERAPY

2023-24

FTE positions 4.0
Lump sum appropriation $ 587,500

Fund sources:
Board of physical therapy fund $ 587,500

Sec. 73. ARIZONA PIONEERS' HOME

2023-24

FTE positions 107.3
Lump sum appropriation $ 8,311,300

Fund sources:
Miners' hospital for miners with disabilities land fund $ 2,318,600
State charitable fund $ 5,992,700

Earnings on state lands and interest on the investment of the permanent land funds are appropriated for the Arizona pioneers' home and the state hospital for miners with disabilities in compliance with the enabling act and the Constitution of Arizona.

Sec. 74. STATE BOARD OF PODIATRY EXAMINERS

2023-24

FTE positions 1.0
Lump sum appropriation $ 193,200

Fund sources:
Podiatry fund $ 193,200
Sec. 75.  STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

FTE positions 4.0
Lump sum appropriation $451,300

Fund sources:
Board for private postsecondary education fund $451,300

Sec. 76.  STATE BOARD OF PSYCHOLOGIST EXAMINERS

FTE positions 4.5
Lump sum appropriation $635,300

Fund sources:
Board of psychologist examiners fund $635,300

Sec. 77.  DEPARTMENT OF PUBLIC SAFETY

FTE positions 2,105.7
Operating lump sum appropriation $282,733,100
ACTIC 1,450,000
AZPOST 6,576,000
Border drug interdiction 17,145,900
Local border support 12,232,900
Civil air patrol infrastructure 10,000,000*
Civil air patrol maintenance and operations 150,000
Department of public safety crime lab assistance 400,000
Fentanyl prosecution, diversion and testing fund deposit 3,000,000
GIITEM 25,329,700
GIITEM subaccount 2,396,400
Land mobile radio expansion and upgrades 44,100,000*
Law enforcement retention initiatives 2,000,000
Major incident division 17,000,000*
Motor vehicle fuel 9,125,800
Onetime vehicle replacement 11,709,300
Pharmaceutical diversion and drug theft task force 769,100
Public safety equipment 2,890,000
Real-time crime centers 4,100,000
Total appropriation — department of public safety $453,108,200
Of the $25,329,700 appropriated to the GIITEM line item, $13,275,800 shall be used for one hundred department of public safety GIITEM personnel. The additional staff shall include at least fifty sworn department of public safety positions to be used for immigration enforcement and border security and fifty department of public safety positions to assist GIITEM in various efforts, including:

1. Strictly enforcing all federal laws relating to illegal aliens and arresting illegal aliens.
2. Responding to or assisting any county sheriff or attorney in investigating complaints of employment of illegal aliens.
3. Enforcing Arizona's law known as the Legal Arizona Workers Act, strictly enforcing Arizona's SB 1070, Arizona's "Support Our Law Enforcement and Safe Neighborhoods Act" and investigating crimes of identity theft in the context of hiring illegal aliens and the unlawful entry into this country.
4. Taking strict enforcement action.

Any change in the GIITEM mission or allocation of monies shall be approved by the joint legislative budget committee. The department shall submit an expenditure plan to the joint legislative budget committee for review before expending any monies not identified in the department's previous expenditure plans.

Of the $25,329,700 appropriated to the GIITEM line item, only $1,403,400 is deposited in the GIITEM fund established by section 41-1724, Arizona Revised Statutes, and is appropriated for the purposes of that section. The $1,403,400 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. This
state recognizes that states have inherent authority to arrest a person for any immigration violation.

Any monies remaining in the department of public safety joint account on June 30, 2024 revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

On or before September 1, 2023, the department of public safety shall submit an expenditure plan for the local border support line item to the joint legislative budget committee and the governor's office of strategic planning and budgeting.

The $12,232,900 appropriated for the local border support line item shall be used to fund local law enforcement officer positions for border drug interdiction to deter and apprehend any individuals who are charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes. The monies shall also be used for grants to cities, towns and counties for costs associated with prosecuting and detaining individuals who are charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes. The department may fund all capital-related equipment.

Until all of the monies in the civil air patrol infrastructure line item have been distributed, on or before December 1 of each year, the department of public safety shall submit a report to the joint legislative budget committee on the monies distributed from the civil air patrol infrastructure line item and the intended purposes of the distributions.

Of the amount appropriated for the department of public safety onetime vehicle replacement line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 77, $11,709,300 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2025 for the purpose of vehicle replacement.

Of the amount appropriated for the onetime vehicle replacement line item, $11,709,300 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

Of the amount appropriated in the real-time crime centers line item, $2,600,000 shall be distributed to the city of Peoria and $1,500,000 to the city of Tucson to operate real-time crime centers that:

1. Use technology to effectively and safely provide assistance to law enforcement agencies and fire departments and districts.
2. Integrate crime investigation technology to provide real-time information to responding law enforcement agencies and fire departments and districts.
3. Are available for use by law enforcement agencies and fire departments and districts that are located in any city, town or county in the region.
Of the amount appropriated in the total appropriation for the department of public safety, $187,051,200 is designated for personal services and $76,864,000 is designated for employee-related expenditures. The department shall submit an expenditure plan to the joint legislative budget committee for review before spending these monies for other than personal services or employee-related expenditures.

Of the amount appropriated in the fentanyl prosecution, diversion and testing fund deposit line item, up to $50,000 and 0.5 FTE positions may be used for costs associated with administering the fentanyl prosecution, diversion and testing fund.

Of the amount appropriated in the operating lump sum, $798,600 is for a onetime increase from the state general fund in fiscal year 2023-2024 for onetime operating expenses. The $798,600 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Of the amount appropriated in the law enforcement retention initiatives line item, $1,000,000 shall be used to acquire coaching resources with a special emphasis on improved retention and development of law enforcement professionals at the department of public safety. Resource providers must have coaches with backgrounds in law enforcement who have been trained in coaching with the best practices for law enforcement coaching from current or former federal bureau of investigation national academy instructors and must provide coaching services on an online platform that allows law enforcement professionals to choose a coach that fits their desired area of improvement. The provider must offer a wide array of subject areas and must have analytics to measure impacts specific to improvement, including officer retention.

Of the amount appropriated in the law enforcement retention initiatives line item, $1,000,000 shall be used for a law enforcement recruitment and retention grant program to provide matching grants to county, city and town law enforcement agencies for the purposes of acquiring coaching resources with a special emphasis on improved retention and development of law enforcement professionals at the county, city and town law enforcement agencies. Resource providers must have coaches with backgrounds in law enforcement who have been trained in coaching with the best practices for law enforcement coaching from current or former federal bureau of investigation national academy instructors and must provide coaching services on an online platform that allows law enforcement professionals to choose a coach that fits their desired area of improvement. The provider must offer a wide array of subject areas and must have analytics to measure impacts specific to improvement, including officer retention. The county law enforcement agencies in Maricopa and Pima counties must provide a fifty percent match to receive a grant and county law enforcement agencies in all other counties must provide a twenty-five percent match to receive a grant. The city law enforcement
agencies in Phoenix and Tucson must provide a fifty percent match to receive a grant and city and town law enforcement agencies in all other cities and towns must provide a twenty-five percent match to receive a grant. The department of public safety shall establish procedures for applying for grants, and county, city and town law enforcement agencies that receive grant monies must use the monies to obtain recruitment and retention resources and services.

Of the amount appropriated to the department of public safety for onetime K-9 support in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 77, $1,900,000 from the state general fund is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Of the amount appropriated in the operating lump sum, $1,500,000 is for a onetime increase from the state general fund in fiscal year 2023-2024 for rapid DNA testing and analysis.

Sec. 78. STATE REAL ESTATE DEPARTMENT

| 2023-24 | FTE positions | 37.0 |
| Fund sources: | State general fund | $3,221,000 |

Sec. 79. RESIDENTIAL UTILITY CONSUMER OFFICE

| 2023-24 | FTE positions | 12.0 |
| Operating lump sum appropriation | $1,433,900 |
| Professional witnesses | $145,000* |

Total appropriation — residential utility consumer office | $1,578,900 |

Fund sources: Residential utility consumer office revolving fund | $1,578,900 |

Sec. 80. BOARD OF RESPIRATORY CARE EXAMINERS

| 2023-24 | FTE positions | 4.0 |
| Lump sum appropriation | $404,800 |

Fund sources: Board of respiratory care examiners fund | $404,800 |

Sec. 81. ARIZONA STATE RETIREMENT SYSTEM

| 2023-24 | FTE positions | 240.9 |
| Lump sum appropriation | $28,893,400 |

Fund sources: Arizona state retirement system administration account | $27,093,400 |
Sec. 82. DEPARTMENT OF REVENUE

2023-24

FTE positions 892.8

Operating lump sum appropriation $ 75,507,400

BRITS operational support 8,008,800

E-commerce compliance and outreach 919,800

Unclaimed property administration and audit 1,487,000

TPT simplification 1,013,800

Tax fraud prevention 3,150,000

Total appropriation — department of revenue $ 90,086,800

Fund sources:

State general fund $ 61,863,300

Department of revenue administrative fund 26,603,100

Liability setoff program revolving fund 892,500

Tobacco tax and health care fund 727,900

If the total value of properties retained by unclaimed property contract auditors exceeds $1,487,000, the excess amount is transferred from the state general fund to the department of revenue administrative fund established by section 42-1116.01, Arizona Revised Statutes, and is appropriated to the department for contract auditor fees.

The department shall report the department's general fund revenue enforcement goals for fiscal year 2023-2024 to the joint legislative budget committee on or before September 30, 2023. On or before September 30, 2024, the department shall provide an annual progress report to the joint legislative budget committee as to the effectiveness of the department's overall enforcement and collections program for fiscal year 2023-2024. The reports shall compare projected and actual state general fund, total state tax, total county tax and total municipal tax revenue enforcement collections for fiscal year 2022-2023 and fiscal year 2023-2024, including the amount of projected and actual enforcement collections for all tax types. The reports shall also include the total number of transaction privilege tax delinquent accounts, the total dollar value of those accounts classified by age of account and the total dollar amount of delinquent account write-offs determined to be uncollectible for fiscal year 2022-2023.

The department may not transfer any monies to or from the tax fraud prevention line item without prior review by the joint legislative budget committee.

The operating lump sum appropriation includes $2,000,000 and 25 FTE positions for additional audit and collections staff.
On or before November 1, 2023, the department shall report the results of private fraud prevention investigation services during fiscal year 2022-2023 to the joint legislative budget committee. The report shall include the total number of fraudulent returns prevented and the total dollar amount of fraudulent returns prevented during fiscal year 2022-2023.

Sec. 83. DEPARTMENT OF STATE — SECRETARY OF STATE

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>143.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$17,254,600</td>
</tr>
<tr>
<td>Access voter information database</td>
<td>483,500</td>
</tr>
<tr>
<td>Help America vote act projects</td>
<td>5,000,000*</td>
</tr>
<tr>
<td>Library grants-in-aid</td>
<td>651,400*</td>
</tr>
<tr>
<td>Presidential preference election</td>
<td>5,926,100</td>
</tr>
<tr>
<td>Statewide radio reading service for the blind</td>
<td>97,000</td>
</tr>
<tr>
<td>Uniform state laws commission</td>
<td>99,000</td>
</tr>
</tbody>
</table>

Total appropriation — department of state — secretary of state $29,511,600

Fund sources:
- State general fund $22,693,200
- Election systems improvement fund 5,483,500
- Records services fund 1,334,900

Included in the operating lump sum appropriation of $17,254,600 for fiscal year 2023-2024 is $5,000 for the purchase of mementos and items for visiting officials.

Included in the operating lump sum appropriation of $17,254,600 for fiscal year 2023-2024 is $1,334,900 from the records services fund. This appropriation may be used for the payment of obligations incurred in fiscal year 2022-2023.

The operating lump sum appropriation includes $100,000 for additional support for the talking book library.

The operating lump sum appropriation includes $250,000 for additional support for the address confidentiality program.

The operating lump sum appropriation includes $100,000 for additional support for secretary of state legal expenses. The secretary of state may spend these monies for legal services from the attorney general or to hire one FTE position to serve as legal advisor and to represent the secretary of state. The secretary of state may not make expenditures or incur indebtedness to employ outside or private attorneys to provide representation or services.

Of the amount appropriated in the operating lump sum, $2,330,000 is for a onetime increase from the state general fund in fiscal year 2023-2024 for administrative costs. The $2,330,000 includes $330,000 for the business services department. The $2,330,000 is exempt from the
provisions of section 35-190, Arizona revised statutes, relating to the
lapse of appropriations.

Before transferring any monies in or out of the presidential
preference election line item, the secretary of state shall submit a
report for review by the joint legislative budget committee.

Monies in the access voter information database line item may be
used only for the exclusive purpose of developing and administering the
 statewide database of voter registration information required by section
16-168, Arizona Revised Statutes. The secretary of state may not transfer
any monies in or out of the access voter information database line item.

The secretary of state shall distribute seventy five percent of the
monies in the help America vote act projects line item to counties for
election systems improvements. Before spending monies in the help America
vote act projects line item, the secretary of state shall submit an
expenditure plan for review by the joint legislative budget committee that
includes, at a minimum, the planned expenditures and timeline for the
expenditures by year. On or before July 31, 2024 and December 31, 2024,
the secretary of state shall submit a report to the joint legislative
budget committee and the governor's office of strategic planning and
budgeting detailing the actual expenditures from the help America vote act
projects line item. The secretary of state shall continue to report on
July 31 and December 31 of each year until all monies from the help
America vote act projects line item have been expended.

Notwithstanding section 35-190, Arizona Revised Statutes, the
appropriation of $5,352,200 to the secretary of state for the county
allocation of help America vote act election security grant monies made by
Laws 2020, chapter 58, section 104 that remains unexpended on June 30,
2024 reverts to the fund from which the monies were appropriated.

Monies in the presidential preference election line item may only be
spent by the secretary of state to reimburse expenses incurred by counties
to administer the 2024 presidential preference election, for logic and
accuracy testing of voting equipment for the 2024 presidential preference
election and for the direct costs of the secretary of state related to the
2024 presidential preference election. The secretary of state may use up
to $100,000 of the monies in the presidential preference election line
item for the direct costs of the secretary of state related to the 2024
presidential preference election.

Each county shall submit its certified claims to the secretary of
state for the 2024 presidential preference election by May 1, 2024. On or
before May 15, 2024, the secretary of state shall review the county claims
and submit a report to the joint legislative budget committee and the
governor's office of strategic planning and budgeting regarding county
reimbursements for the 2024 presidential preference election.
Sec. 84. STATE BOARD OF TAX APPEALS

FTE positions 4.0
Lump sum appropriation $ 317,700

Fund sources:
State general fund $ 317,700

Sec. 85. STATE BOARD OF TECHNICAL REGISTRATION

FTE positions 25.0
Lump sum appropriation $ 2,620,600

Fund sources:
Technical registration fund $ 2,620,600

Sec. 86. OFFICE OF TOURISM

FTE positions 31.0
Tourism fund deposit $ 7,952,600
Arizona promotion 1,000,000
Wine promotion 100,000

Total appropriation — office of tourism $ 9,052,600

Fund sources:
State general fund $ 9,052,600

The tourism fund deposit line item includes $250,000 that the office of tourism shall distribute to a 501(c)(6) membership organization in this state that represents statewide hotels and resorts, tourism attractions, destination marketing organizations, sports teams, airlines, airports and related business partners to advance workforce development and education initiatives for the lodging and tourism industry.

The tourism fund deposit line item includes $250,000 that the office of tourism shall distribute to a 501(c)(6) membership organization in this state that represents restaurants to advance workforce development initiatives and for campaigns to highlight this state's restaurant and hospitality industry in support of increasing culinary tourism in this state.

Sec. 87. DEPARTMENT OF TRANSPORTATION

FTE positions 4,554.0
Operating lump sum appropriation $256,250,200
Attorney general legal services 3,623,700
Highway maintenance 161,589,100
ADOT fleet vehicles and heavy equipment maintenance 25,391,900
Spaying and neutering of animals fund deposit 550,000
State fleet operations 30,454,400
State fleet vehicle replacement 25,000,000
Driver safety and livestock control 800,000
ADOT fleet vehicle and heavy equipment replacement 22,400,000
Highway damage recovery account 8,000,600
Onetime fleet fuel inflation funding 2,337,900
Statewide litter removal 3,106,800
Radio lifecycle replacement 1,656,100
Preventive surface treatments 36,142,000
Authorized third parties 2,223,800
Total appropriation — department of transportation $579,526,500

Fund sources:
State general fund $ 550,000
Air quality fund 1,128,100
Arizona highway user revenue fund 935,200
Highway damage recovery account 8,000,600
Ignition interlock device fund 363,600
Motor vehicle liability insurance enforcement fund 1,601,800
State fleet operations fund 30,454,400
State vehicle replacement fund 25,000,000
State aviation fund 2,276,900
State highway fund 482,177,400
Department fleet operations fund 25,391,900
Vehicle inspection and certificate of title enforcement fund 1,646,600

Motor vehicle division
The department of transportation shall submit an annual report to the joint legislative budget committee on progress in improving motor vehicle division wait times and vehicle registration renewal by mail turnaround times in a format similar to prior years. The report is due on or before July 31, 2024 for fiscal year 2023-2024.

On or before February 1, 2024, the Arizona strategic enterprise technology office shall submit, on behalf of the department of transportation, an annual progress report to the joint legislative budget committee staff. The annual report shall provide updated plans for spending the department-dedicated portion of the authorized third-party electronic service partner's fee retention on the motor vehicle modernization project in fiscal year 2023-2024, including any amounts for stabilization, maintenance, ongoing operations, support and enhancements for the motor vehicle modernization solution, maintenance of legacy mainframe processing and support capability, and other system projects outside the scope of the motor vehicle modernization project.
On or before August 1, 2023, the department of transportation shall report to the director of the joint legislative budget committee the state's share of fees retained by the service Arizona vendor in the prior fiscal year. The report shall include the amount spent by the service Arizona vendor on behalf of this state in the prior fiscal year and a list of the projects funded with those monies.

Other

Of the total amount appropriated, $161,167,500 in fiscal year 2023-2024 for highway maintenance is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to the state highway fund established by section 28-6991, Arizona Revised Statutes, on August 31, 2024.

The amount appropriated to the preventive surface treatments line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to the state highway fund established by section 28-6991, Arizona Revised Statutes, on August 31, 2024.

Of the total amount appropriated, the department of transportation shall pay $15,981,300 in fiscal year 2023-2024 from all funds to the department of administration for its risk management payment.

All expenditures made by the department of transportation for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure.

In accordance with section 35-142.01, Arizona Revised Statutes, reimbursements for monies expended from the highway maintenance line item may not be credited to the account out of which the expenditure was incurred. The department shall deposit all reimbursements for monies expended from the highway maintenance line item in the highway damage recovery account established by section 28-6994, Arizona Revised Statutes.

Expenditures made by the department of transportation for ADOT fleet vehicle and heavy equipment replacement shall be funded only from the ADOT fleet vehicle and heavy equipment replacement line item. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the ADOT fleet vehicle and heavy equipment replacement line item before expenditure.
Sec. 88. STATE TREASURER

FTE positions 38.4
Operating lump sum appropriation $ 4,666,000
Justice of the peace salaries 2,818,200
Law enforcement/boating safety fund grants 2,183,800
Total appropriation – state treasurer $ 9,668,000

Fund sources:
State general fund $ 3,160,800
Law enforcement and boating safety fund 2,183,800
State treasurer's operating fund 4,323,400

On or before June 30, 2024, the state treasurer shall report to the joint legislative budget committee staff on the state treasurer's current fiscal year and estimated next fiscal year expenditures of interest earnings spent pursuant to sections 35-315 and 35-318, Arizona Revised Statutes, for the state treasurer's banking service contract, external investment management agreement, administrative and information technology costs and any other costs.

Sec. 89. GOVERNOR'S OFFICE ON TRIBAL RELATIONS

FTE positions 3.0
Lump sum appropriation $ 69,900

Fund sources:
State general fund $ 69,900

Sec. 90. ARIZONA BOARD OF REGENTS

FTE positions 30.9
Operating lump sum appropriation $ 2,496,500
Adaptive athletics 160,000
Primary care residency programs 5,000,000*
Arizona promise program 40,000,000
Spouses of military veterans tuition scholarships 10,000,000
Arizona teachers academy 30,000,000
Arizona teachers incentive program 90,000
Arizona teacher student loan program 426,000
Arizona transfer articulation support system 213,700
Spouses and dependents of law enforcement officers tuition scholarship fund deposit 2,000,000
Leveraging educational assistance partnership program $1,220,800

Museum of democracy presidential project $2,000,000*

Washington, D.C. internships $300,000*

Western interstate commission office $153,000

WICHE student subsidies $4,078,000

Total appropriation — Arizona board of regents $98,138,000

Fund sources:

State general fund $98,138,000

The Arizona board of regents shall distribute monies appropriated for the adaptive athletics line item to each university under the jurisdiction of the board to maintain and operate an intercollegiate adaptive athletics program that provides opportunities for competitive wheelchair and adaptive sports to students and community members with disabilities. The monies may be spent only when the university collects matching monies of gifts, grants and donations for the intercollegiate adaptive athletics program from sources other than this state. Universities may spend the monies only on scholarships, equipment, uniforms, travel expenses and tournament fees for participants in the intercollegiate adaptive athletics program. The monies may not be used for administrative costs, personal services or employee-related expenditures.

On or before October 1, 2024, the Arizona board of regents shall submit a report to the director of the joint legislative budget committee and the director of the governor’s office of strategic planning and budgeting on the Arizona promise program that includes all of the following for fiscal year 2023-2024:

1. The total number of students receiving promise scholarships by each eligible postsecondary institution.

2. The total number of students enrolled at each eligible postsecondary institution that are eligible to receive federal pell grants.

3. A list of the programs of study in which promise scholarship recipients are enrolled, including the number of recipients enrolled in each program.

4. The average promise scholarship award amount for each eligible postsecondary institution.

5. A geographic representation of promise scholarship recipients based on the high school attended.

6. The average grade point average of promise scholarships recipients by each eligible postsecondary institution.
On or before October 1, 2024, the Arizona board of regents shall submit a report to the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting on spouses of military veterans tuition scholarships that includes all of the following for fiscal year 2023-2024:

1. The amount distributed to each eligible postsecondary institution.
2. The total number of award recipients by each eligible postsecondary institution.
3. The average award amount for each eligible postsecondary institution.

In order to be eligible to receive state matching monies under the leveraging educational assistance partnership program for grants to students, each participating institution, public or private, shall provide an amount of institutional matching monies that equals the amount of monies provided by this state to the institution for the leveraging educational assistance partnership program. Administrative expenses incurred by the Arizona board of regents shall be paid from institutional matching monies and may not exceed twelve percent of the monies appropriated in fiscal year 2023-2024.

The Arizona board of regents shall distribute monies appropriated for the museum of democracy presidential project to universities under the jurisdiction of the board to provide opportunities for undergraduate students, high school students and the broader community to become better informed on American presidencies and presidential elections. Programming may include public speakers, high school leadership academies and undergraduate student workshops. The monies shall also be used to display presidential memorabilia collections, combining visual arts, exhibitions and civic education programs.

The Arizona board of regents shall distribute monies appropriated for Washington, D.C. internships for program fees and housing costs in equal amounts to each of the three universities under the jurisdiction of the board for the purpose of providing student internships and short-term programs in Washington, D.C. in partnership with a third-party organization. Short-term programs include one-week seminars and learning opportunities shorter than one academic semester. The third-party organization must meet the following requirements:

1. Have partnerships with Washington, D.C.-based organizations to provide full-time, semester-long student internships and short-term programs.
2. Have the ability to place as many students in internships and short-term programs as needed by the universities.
3. Have experience placing students in internships for at least ten consecutive years.
4. Have dedicated staff to ensure that student interns have access to internships in their areas of interest.

Within ten days after the acceptance of the universities’ semiannual all funds budget reports, the Arizona board of regents shall submit a current year expenditure plan to the joint legislative budget committee for review. The expenditure plan shall include the use of all projected tuition and fee revenues by expenditure category, including operating expenses, plant fund, debt service and financial aid. The plan shall include the amount by which each expenditure category is projected to increase over the prior year and shall provide as much detail as the university budget requests. The plan shall include the total revenue and expenditure amounts from all tuition and student fee revenues, including base tuition, differential tuition, program fees, course fees, summer session fees and other miscellaneous and mandatory student fee revenues.

Sec. 91. ARIZONA STATE UNIVERSITY

2023-24

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>7,724.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$977,425,600</td>
</tr>
<tr>
<td>Biomedical informatics</td>
<td>3,701,700</td>
</tr>
<tr>
<td>Eastern Europe cultural collaborative</td>
<td>250,000</td>
</tr>
<tr>
<td>Arizona financial aid trust</td>
<td>5,985,800</td>
</tr>
<tr>
<td>Downtown Phoenix campus</td>
<td>109,867,100</td>
</tr>
<tr>
<td>Collegiate women’s wrestling program</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Total appropriation — Arizona state university $1,097,730,200

Fund sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$391,698,400</td>
</tr>
<tr>
<td>University collections fund</td>
<td>706,031,800</td>
</tr>
</tbody>
</table>

The state general fund appropriation may not be used for alumni association funding.

The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.

Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper.

The appropriated monies may not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which this state is the adverse party.

Of the amount appropriated to the Arizona state university operating budget, $23,600,000 is onetime funding. On or before September 1, 2023, Arizona state university shall provide a detailed expenditure plan to the joint legislative budget committee that includes a description of the intended purposes and the estimated costs of each expenditure.
Arizona state university shall 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.

Any appropriated monies allocated by the university for the school of civic and economic thought and leadership shall be used to operate a single stand-alone academic entity within Arizona state university. The appropriated monies may not supplant any existing state funding or private or external donations to the existing centers or to the school. The appropriated monies and all private and external donations for the school, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the school and may not be used for indirect costs of the university. On or before October 1, 2023, the school shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives education committee and the director of the joint legislative budget committee that includes at least the following information for the school:

1. The total amount of funding received from all sources.
2. A description of faculty positions and courses offered.
3. The total undergraduate and graduate student enrollment.
4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives education committee may request the director of the school to appear before the committees to report on the school's annual achievements.

The legislature intends that appropriated monies allocated by the university for the school of civic and economic thought and leadership in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023.

Any appropriated monies allocated by Arizona state university for the center for American institutions shall be used at the sole discretion and on approval of the lead of the center and may not supplant any existing state funding or private or external donations to the center. The appropriated monies and all private and external donations for the center, including remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the center and may not be used for any indirect costs of the university.

On or before October 1, 2024, the center for American institutions shall submit a report to the joint legislative budget committee that includes the total amount of funding received from all sources and a description of the center's activities and accomplishments.
Of the monies appropriated to the operating lump sum, the legislature intends that $4,000,000 be deposited in a separate account for the center for American institutions.

Of the amount appropriated for the collegiate women's wrestling program, up to $150,000 may be used for costs incurred to establish and maintain a collegiate women's wrestling program at Arizona state university. The remaining monies shall be used to award athletic scholarships on a first-come, first-served basis to any individual who meets the following criteria:

1. Participates in the women's wrestling program.
2. Is or will be enrolled full time at Arizona state university.
3. Has an overall grade point average of 3.0 or higher on a 4.0 scale, or the equivalent.
4. Is ranked in the top ten of the student's weight class according to a national high school ranking system, except that students who are ranked in the top five of a national high school ranking system shall be given priority. If the student does not have a current national high school rank because the student has graduated from high school, the requirement may be satisfied by the student's most recent national high school rank.

Scholarships awarded shall be equal to the cost of tuition, room, board, books and university fees charged by Arizona state university, reduced by the amount of any federal aid scholarships or public grants or any other financial gifts, grants or aid received by that individual.

Any unencumbered balances remaining in the university collections fund on June 30, 2023 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be spent for supplemental life insurance or supplemental retirement.

Sec. 92. NORTHERN ARIZONA UNIVERSITY

| FTE positions | 2,376.2 |
|----------------|
| Operating lump sum appropriation | $249,663,200 |
| Arizona financial aid trust | 1,326,000 |
| Biomedical research funding | 3,000,000 |
| NAU – Yuma | 3,119,800 |
| Teacher training | 2,292,700 |
| Total appropriation – Northern Arizona university | $259,401,700 |

Fund sources:

| State general fund | $129,004,400 |
| University collections fund | 130,397,300 |
The state general fund appropriation may not be used for alumni association funding.

The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.

Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper.

Of the amount appropriated to the northern Arizona university operating budget, $11,100,000 is onetime funding. On or before September 1, 2023, northern Arizona university shall provide a detailed expenditure plan to the joint legislative budget committee that includes a description of the intended purposes and the estimated costs of each expenditure.

The appropriated amount for the teacher training line item shall be distributed to the Arizona K-12 center for program implementation and mentor training for the Arizona mentor teacher program prescribed by the state board of education.

Any unencumbered balances remaining in the university collections fund on June 30, 2023 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be spent for supplemental life insurance or supplemental retirement.

The biomedical research funding shall be distributed to a nonprofit medical research foundation in this state that collaborates with universities, hospitals and biotechnology and health research centers. A nonprofit foundation that receives monies shall submit an expenditure and performance report to Northern Arizona university. The university shall transmit the report to the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting on or before February 1, 2024. The report must include at least the following:

1. The type and amount of expenditures from all state sources of monies, including the amount leveraged for local, state, federal and private grants.
2. A description of each grant received as well as the percentage and locations of positions funded solely or partly by state monies and the nonprofit foundation's projects with which those positions are associated.
3. Performance measures, including:
   (a) Outcomes that are specifically related to the use of state monies.
   (b) Progress that has been made toward achieving each outcome, including activities, resources and other evidence of the progress.
   (c) Reportable inventions or discoveries related to each outcome.
(d) Publications, presentations and narratives related to each outcome and how the expenditures from all state sources of monies that the nonprofit foundation received have benefited this state.

Any appropriated monies allocated by the university for the economic policy institute may not supplant any existing state funding or private or external donations to the institute or to the university. The appropriated monies and all private and external donations for the institute, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the institute and may not be used for indirect costs of the university. On or before October 1, 2023, the institute shall submit to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives education committee and the director of the joint legislative budget committee a report that includes at least the following information for the institute:

1. The total amount of funding received from all sources.
2. A description of the faculty positions and courses offered.
3. The total undergraduate and graduate student participation.
4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives education committee may request the director of the institute to appear before the committees to report on the institute's annual achievements.

The legislature intends that appropriated monies allocated by the university for the economic policy institute in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023.

Sec. 93. UNIVERSITY OF ARIZONA 2023-24

<table>
<thead>
<tr>
<th>Main campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Agriculture</td>
</tr>
<tr>
<td>Arizona cooperative extension</td>
</tr>
<tr>
<td>Arizona financial aid trust</td>
</tr>
<tr>
<td>Arizona geological survey</td>
</tr>
<tr>
<td>College of veterinary medicine</td>
</tr>
<tr>
<td>Kazakhstan studies program</td>
</tr>
<tr>
<td>Mining, mineral and natural resources educational museum</td>
</tr>
<tr>
<td>On-farm irrigation efficiency fund deposit</td>
</tr>
<tr>
<td>Natural resource users law and policy center</td>
</tr>
<tr>
<td>School of mining</td>
</tr>
</tbody>
</table>
Sierra Vista campus 5,031,700
Space analog for the Moon and Mars 1,500,000
Veterinary diagnostic laboratory 2,500,000
Total – main campus $669,522,100

Fund sources:
State general fund $286,710,800
University collections fund 382,811,300

Health sciences center
FTE positions 1,112.4
Operating lump sum appropriation $100,127,400
AZ REACH 500,000
Board of medical student loans 2,000,000
Clinical rural rotation 353,600
Clinical teaching support 8,587,000
Fall prevention studies 1,000,000
Liver research institute 440,400
Phoenix medical campus 32,394,600
Telemedicine network 1,670,000
Total – health sciences center $147,073,000

Fund sources:
State general fund $ 80,397,700
University collections fund 66,675,300

Total appropriation – university of Arizona $816,595,100

Fund sources:
State general fund $367,108,500
University collections fund 449,486,600

The state general fund appropriation may not be used for alumni association funding. The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.

Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper.

Of the amount appropriated to the university of Arizona operating budget, $16,300,000 is onetime funding. On or before September 1, 2023, the university of Arizona shall provide a detailed expenditure plan to the joint legislative budget committee that includes a description of the intended purposes and the estimated costs of each expenditure.

Of the amount appropriated for the Arizona cooperative extension line item, $1,000,000 shall be used for the agricultural workforce development program.
The university of Arizona may not use monies appropriated for the Arizona geological survey line item for any other purpose and may not transfer the monies appropriated for the Arizona geological survey to the operating budget or any other line item.

The legislature intends that $8,000,000 of the amount appropriated to the health sciences center operating lump sum appropriation line item be used to expand the college of medicine Phoenix campus and to develop and administer a primary care physician scholarship program at the college of medicine Phoenix campus and the college of medicine Tucson campus. The legislature intends that the $8,000,000 not be annualized in future years.

The amount appropriated for the AZ REACH line item shall be used to provide medical care transfer services for hospitals with less than twenty beds.

Any appropriated monies allocated by the university for the center for the philosophy of freedom may not supplant any existing state funding or private or external donations to the center or the philosophy department of the university of Arizona. The appropriated monies and all private and external donations for the center, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the center and may not be used for indirect costs of the university. On or before October 1, 2023, the center shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives education committee and the director of the joint legislative budget committee that includes at least the following information for the center:

1. The total amount of funding received from all sources.
2. A description of faculty positions and courses offered.
3. The total undergraduate and graduate student participation.
4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives education committee may request the director of the center to appear before the committees to report on the center's annual achievements.

The legislature intends that appropriated monies allocated by the university for the center for the philosophy of freedom in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023.

The amount appropriated to the college of veterinary medicine line item shall be distributed to the college of veterinary medicine to increase the number of students that are residents of this state. Before spending these monies, the university of Arizona shall report to the joint legislative budget committee all of the following information for the college of veterinary medicine:

1. The current number of students who are residents of this state.
2. The current number of students who are not residents of this state.

The university of Arizona shall use monies appropriated for the Kazakhstan studies program to facilitate academic exchanges between university students and academic institutions in Kazakhstan.

The amount appropriated for the natural resource users law and policy center line item shall be used by the natural resource users law and policy center within the Arizona cooperative extension. Of the amount appropriated, at least $500,000 shall be used to assist claimants in the general stream adjudication of water rights pursuant to section 15-1647, Arizona Revised Statutes.

One hundred percent of the land earnings and interest from the school of mines land fund shall be distributed to the university of Arizona school of mining and mineral resources in compliance with the enabling act and the Constitution of Arizona.

The amount appropriated for the space analog for the Moon and Mars line item shall be used for the continued progression of the space analog for the Moon and Mars program at Biosphere 2 at the university of Arizona.

The legislature intends that the amount appropriated in fiscal year 2023-2024 be used to fund the continued progression of the program across fiscal years 2023-2024, 2024-2025 and 2025-2026.

Any unencumbered balances remaining in the university collections fund on June 30, 2023 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be spent for supplemental life insurance or supplemental retirement.

Sec. 94. DEPARTMENT OF VETERANS' SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>792.3</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$ 2,924,900</td>
</tr>
<tr>
<td>Arizona state veterans' homes</td>
<td>60,559,500</td>
</tr>
<tr>
<td>Arizona state veterans' cemeteries</td>
<td>977,500</td>
</tr>
<tr>
<td>Gila county veterans retreat</td>
<td>3,000,000*</td>
</tr>
<tr>
<td>Rural tribal nations veteran benefit counseling</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Veterans' benefit counseling</td>
<td>3,685,700</td>
</tr>
<tr>
<td>Tribal connectivity project</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Veteran suicide prevention training pilot program</td>
<td>600,000*</td>
</tr>
<tr>
<td>Veterans' support services</td>
<td>1,226,100</td>
</tr>
</tbody>
</table>
Veterans' trauma treatment services
Homeless veterans' reintegration program

Total appropriation — department of veterans' services $82,123,700

Fund sources:
State general fund $21,564,200
State home for veterans' trust fund 60,559,500

Of the amount appropriated for the Arizona state veterans' cemeteries line item, $15,000 is allocated to provide burial services in state veterans' cemeteries for members of the Arizona national guard and the United States armed forces reserves if the member's service was terminated under honorable conditions as authorized by the burial equity for guards and reserves act (P.L. 117-103; 136 STAT. 1109).

Monies appropriated for the Gila county veterans retreat line item shall be distributed to Gila county for the Pleasant Valley veterans retreat.

Monies appropriated for the rural tribal nations veteran benefit counseling line item shall be used for veterans' services officers to provide services in rural tribal nations in this state that have communities that are located one hundred miles or more from the nearest United States department of veterans' affairs service center.

Monies appropriated for the tribal connectivity project line item shall be used to expand the telecommunications and satellite internet capabilities of chapter houses in rural tribal nations to increase access to services and benefits.

Monies appropriated for the veteran suicide prevention training pilot program line item shall be used to offer claims examiners and county and municipal veteran service officers specialized training and certification in preventing veteran suicides. The department of veterans' services shall contract with an organization that has experience in developing and implementing veteran-relevant and evidence-based suicide prevention training to develop the training curriculum. The department shall establish and oversee the process for selecting participants and certifying participants for successful training completion. The program shall train participants to identify indicators of elevated suicide risk in veterans and provide emergency crisis referrals for veterans who are expressing or exhibiting symptoms of emotional or psychological distress. The department shall adopt rules necessary to implement the pilot program. On or before July 30, 2024, the department shall submit a report to the president of the senate and the speaker of the house of representatives that includes information concerning the pilot program and whether any
changes should be made to the pilot program to increase the program's effectiveness.

The amount appropriated for veterans' support services line item shall be distributed to a nonprofit veterans' services organization that provides support services among this state's military and veteran population. The department may spend up to $76,500 of this appropriation to hire a program specialist to liaise between the department and the selected nonprofit organization. Before the expenditure of the monies, the department shall submit an expenditure report to the joint legislative budget committee that includes the status of non-state matching grant monies.

Monies appropriated for the veterans' trauma treatment services line item shall be used to provide grants to contractors as defined in section 36-2901, Arizona Revised Statutes, that provide trauma treatment services training to any of the following health professionals licensed pursuant to title 32, Arizona Revised Statutes:

1. Physicians.
2. Registered nurse practitioners.
3. Physician assistants.
4. Psychologists.
5. Behavioral health professionals who are either licensed for individual practice or supervised by a psychologist, registered nurse practitioner or behavioral health professional licensed pursuant to title 32, Arizona Revised Statutes, for independent practice.

Monies appropriated for the homeless veterans' reintegration program line item shall be used to provide services that assist in reintegrating homeless veterans into meaningful employment within the labor force and to stimulate the development of effective service delivery systems that address the complex problems facing homeless veterans.

Sec. 95. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

FTE positions 7.0
Lump sum appropriation $ 769,000

Fund sources:
Veterinary medical examining board fund $ 769,000

Sec. 96. WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

2023-24
Water projects assistance grants $ 3,000,000
Gilbert wells project 27,800,000
Glendale irrigation and xeriscaping 810,000
Little Colorado River levee 20,000,000
Mohave wash recharge basin 3,400,000
Peoria wells project 10,000,000

Total appropriation — water infrastructure

finance authority of Arizona $ 65,010,000

Fund sources:

State general fund $ 65,010,000

The water projects assistance grants are allocated to provide financial assistance to cities and towns that provide water in Navajo and Apache counties and to provide financial assistance to irrigation districts in Cochise and Graham counties to contract for services of outside advisors, attorneys, consultants and aides that are reasonably necessary to enable these cities and towns and irrigation districts to adequately perform their duties.

Of the amount appropriated to the water projects assistance grants line item, $1,000,000 is allocated to provide financial assistance to cities and towns that provide water in Navajo and Apache counties to contract for services of outside advisors, attorneys, consultants and aides that are reasonably necessary or desirable to enable the cities and towns to adequately perform their duties.

Of the amount appropriated to the water projects assistance grants line item, $1,000,000 is allocated to provide financial assistance to irrigation districts in Graham county to contract for services of outside advisors, attorneys, consultants and aides that are reasonably necessary or desirable to enable the irrigation districts to adequately perform their duties.

Of the amount appropriated to the water projects assistance grants line item, $1,000,000 is allocated to provide financial assistance to irrigation districts in Cochise county along the San Pedro River to contract for services of outside advisors, attorneys, consultants and aides that are reasonably necessary or desirable to enable the irrigation districts to adequately perform their duties.

The applications for these monies shall be presented for approval to the water infrastructure finance authority of Arizona and the authority shall distribute these monies to the qualified entities before December 31, 2023.

The water infrastructure finance authority of Arizona shall distribute the monies in the Gilbert wells project line item to the town of Gilbert for the rehabilitation and drilling of new water wells.

The water infrastructure finance authority of Arizona shall distribute the monies in the Glendale irrigation and xeriscaping line item to the city of Glendale for irrigation system and xeriscaping.

The water infrastructure finance authority of Arizona shall distribute the monies in the Little Colorado River levee line item to the city of Winslow to reconstruct the Little Colorado River levee.
The water infrastructure finance authority of Arizona shall distribute the monies in the Mohave wash recharge basin line item to Mohave county to design and construct the Mohave wash recharge basin.

The water infrastructure finance authority of Arizona shall distribute the monies in the Peoria wells project line item to the city of Peoria for new water wells and water infrastructure projects.

Sec. 97. DEPARTMENT OF WATER RESOURCES

| 2023-24 |
|-----------------|-----------------|
| FTE positions   | 179.0           |
| Operating lump sum appropriation | $ 15,228,500 |
| Adjudication support | 1,900,600   |
| Arizona water protection fund deposit | 1,250,000 |
| Assured and adequate water supply administration | 2,513,400 |
| Brackish groundwater study | 100,000* |
| Brackish groundwater recovery pilot program | 11,000,000* |
| Rural water studies | 1,290,800 |
| Conservation and drought program | 430,300 |
| Automated groundwater monitoring | 418,600 |
| Colorado River legal expenses | 500,000* |
| Water supply and demand assessment | 3,500,000 |
| Santa Rosa canal groundwater delivery | 25,000,000* |
| Statewide water resources planning | 5,000,000 |
| Total appropriation - department of water resources | $ 68,132,200 |

Fund sources:

| State general fund | $ 66,114,500 |
| Water resources fund | 1,726,500 |
| Assured and adequate water supply administration fund | 291,200 |

Monies in the assured and adequate water supply administration line item may be used only for the exclusive purposes prescribed in sections 45-108, 45-576, 45-577, 45-578 and 45-579, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the assured and adequate water supply administration line item.

The department of water resources shall use the monies in the brackish groundwater study line item to review and update information contained in studies on the availability of brackish groundwater in this state.
Of the $11,000,000 allocated to the brackish groundwater recovery pilot program line item, $2,000,000 is allocated to the department of water resources for a brackish groundwater desalination demonstration program and to develop a base of knowledge to enhance groundwater recovery through desalination in this state's active management areas. The department shall locate this pilot program within the department's active management area section and a portion of the monies may be used for staffing. The department shall organize the program following the model of work undertaken by the Texas water development board to further the use and development of cost-effective desalination technologies.

Of the $11,000,000 allocated to the brackish groundwater recovery pilot program line item, $9,000,000 is allocated for matching participants dollar-for-dollar for brackish groundwater desalination projects within active management areas undertaken for the benefit of those receiving water from the central Arizona project. The central Arizona project shall receive three dollars for every dollar it contributes to this pilot program.

The legislature intends that monies in the rural water studies line item be spent only to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside this state's active management areas and not be made available for other department operating expenditures.

Monies in the adjudication support line item may be used only for the exclusive purposes prescribed in section 45-256, Arizona Revised Statutes, and section 45-257, subsection B, paragraph 4, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the adjudication support line item.

The department of water resources may not transfer any monies from the Colorado River legal expenses line item without prior review by the joint legislative budget committee.

On or before July 31, 2024, the department of water resources shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on the uses of the monies appropriated to the statewide water resources planning line item.

The department of water resources shall use the monies in the Santa Rosa canal groundwater delivery line item to distribute equally between the irrigation districts that are constructing infrastructure in furtherance of the purposes of the settlement between the Maricopa-Stanfield irrigation and drainage district, the central Arizona irrigation and drainage district and the Ak-Chin Indian community and with respect to the delivery of groundwater by the districts by means other than the Santa Rosa canal.
Fiscal Year 2022-2023 Appropriation Adjustments

Sec. 98. Supplemental appropriation; department of administration; risk management revolving fund; review; fiscal year 2022-2023

A. In addition to any other appropriations made in fiscal year 2022-2023, the sum of $3,107,700 is appropriated from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, in fiscal year 2022-2023 to the department of administration for the following purposes:

1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.
3. For fund transfers in fiscal year 2021-2022.
4. To pay interest owed from prior-year disallowed costs.

B. The legislature intends that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, unless the proposed agreements have been reviewed by the joint legislative budget committee.

Sec. 99. Supplemental appropriation; Arizona commission of African-American affairs; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $15,000 is appropriated from the state general fund in fiscal year 2022-2023 to the Arizona commission of African-American affairs to address an operating shortfall.

Sec. 100. Supplemental appropriation; fund balance transfer; automation projects fund; fiscal year 2022-2023

The sum of $1,750,000 is transferred from the personnel division fund established by section 41-750, Arizona Revised Statutes in fiscal year 2022-2023 for deposit in the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised statutes to replace the state human resources information system.

Sec. 101. Supplemental appropriation reduction; Arizona health care cost containment system administration; facility construction; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $(25,000,000) is reduced from appropriations made from the state general fund in fiscal year 2022-2023 to the Arizona health care cost containment system administration to remove funding for the construction of secure behavioral health residential facilities.
Sec. 102. Supplemental appropriation; department of child safety; federal funding adjustment; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $19,888,200 is appropriated from expenditure authority in fiscal year 2022-2023 to the department of child safety operating lump sum to reflect increased federal funding for department operations.

Sec. 103. Supplemental appropriation; department of child safety; technical adjustment; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $11,100,000 is appropriated from expenditure authority in fiscal year 2022-2023 to the department of child safety adoption services line item for a technical adjustment.

Sec. 104. Supplemental appropriation; Arizona department of housing; homeless shelter and services; exemption; fiscal year 2022-2023

A. In addition to any other appropriations made in fiscal year 2022-2023, the sum of $20,000,000 is appropriated from the state general fund in fiscal year 2022-2023 to the Arizona department of housing for programs that provide shelter and services to unsheltered persons who are experiencing homelessness.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 105. Supplemental appropriation; superintendent of public instruction; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $180,624,300 is appropriated from the state general fund in fiscal year 2022-2023 to the superintendent of public instruction for additional basic state aid formula costs.

Sec. 106. Supplemental appropriation; department of health services; Arizona state hospital; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $5,600,000 is appropriated from the state general fund in fiscal year 2022-2023 to the department of health services Arizona state hospital - operating line item to address an operating shortfall.

Sec. 107. Supplemental appropriation; department of public safety; motor vehicle fuel; fiscal year 2022-2023

In addition to any other appropriations made in fiscal year 2022-2023, the sum of $3,364,200 is appropriated from the Arizona highway patrol fund established by section 41-1752, Arizona Revised Statutes, in
fiscal year 2022-2023 to the department of public safety motor vehicle
fuel line item to address inflationary increases in fuel costs.

Sec. 108. **Supplemental appropriation; department of
transportation; highway maintenance; fiscal year
2022-2023**

In addition to any other appropriations made in fiscal year
2022-2023, the sum of $15,200,000 is appropriated from the state highway
fund established by section 28-6991, Arizona Revised Statutes, in fiscal
year 2022-2023 to the department of transportation highway maintenance
line item to address highway maintenance due to the winter months.

Sec. 109. ** Appropriations; lapsing; exemption; fiscal year
2022-2023**

The following amounts appropriated in the agency lump sum
appropriations in fiscal year 2022-2023 to the following agencies pursuant
to Laws 2022, chapter 313 are exempt from the provisions of section
35-190, Arizona Revised Statutes, relating to the lapsing of
appropriations, until June 30, 2024, for the purposes of e-licensing
system upgrades:

1. Acupuncture board of examiners $ 5,500
2. Board of athletic training $ 9,700
3. Barbering and cosmetology board $354,400
4. Board of behavioral health examiners $ 65,700
5. State board of chiropactic examiners $ 11,100
6. State board of dental examiners $ 52,300
7. State board of funeral directors and embalmers $ 18,000
8. Department of insurance and
   financial institutions $700,000
9. Board of homeopathic and integrated
   medicine examiners $ 2,400
10. Board of massage therapy $ 60,300
11. Arizona medical board $173,600
12. Naturopathic physicians medical board $ 5,200
13. Board of examiners of nursing care
    institution administrators and
    assisted living facility managers $ 45,100
14. Board of occupational therapy examiners $ 34,100
15. Arizona board of osteopathic examiners
    in medicine and surgery $ 17,800
16. State board of dispensing opticians $ 16,300
17. State board of optometry $ 7,500
18. Arizona state board of pharmacy $190,500
19. Board of physical therapy $ 53,600
20. State board of podiatry examiners $ 4,500
21. Board for private postsecondary education $ 2,500
22. State board of psychologist examiners $ 18,000
23. Board of respiratory care examiners $ 45,900
24. State board of technical registration $167,700
25. Arizona state veterinary medical examining board $ 24,600

Sec. 110. Appropriation; border security fund; additional uses

In addition to the uses prescribed in Laws 2022, chapter 334, the monies deposited pursuant to Laws 2022, chapter 334 in the border security fund established by section 26-105, Arizona Revised Statutes, may also be used for any other purpose authorized by section 26-105, Arizona Revised Statutes.

Fiscal Year 2023-2024 Appropriations

Sec. 111. Appropriation; reduction; water infrastructure finance authority of Arizona; fiscal year 2023-2024

The appropriation made in Laws 2022, chapter 366, section 32, to the long-term water augmentation fund established by section 49-1302, Arizona Revised Statutes, in fiscal year 2023-2024 is reduced by $(143,800,000).

Sec. 112. Appropriations; department of administration; counties; allocations; report; fiscal year 2023-2024

A. The sum of $7,150,650 is appropriated from the state general fund in fiscal year 2023-2024 to the department of administration for distribution to counties to maintain essential county services. The department shall allocate the appropriation equally among all counties with a population of less than nine hundred thousand persons according to the 2020 United States decennial census.

B. The sum of $500,000 is appropriated from the state general fund in fiscal year 2023-2024 to the department of administration for distribution to Graham county to maintain essential county services.

C. The sum of $3,000,000 is appropriated from the state general fund in fiscal year 2023-2024 to the department of administration for distribution to counties to supplement the normal cost plus an amount to amortize the unfunded accrued liability pursuant to section 38-810, subsection C, Arizona Revised Statutes. The department shall allocate the appropriation equally among all counties with a population of less than three hundred thousand persons according to the 2020 United States decennial census. The counties may use these monies only for required employer contributions to the elected officials' retirement plan.

D. The sum of $7,000,000 is appropriated from the state general fund in fiscal year 2023-2024 to the department of administration for distribution to counties to establish a coordinated reentry planning services program.
Sec. 113. Automation projects fund; appropriations; quarterly reports; exemption; fiscal year 2023-2024

A. The sum of $20,647,800 is appropriated from the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration to replace the human resources information system.

B. The sum of $15,000,000 is appropriated from the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for statewide health and human services information technology projects.

C. The sum of $2,000,000 is appropriated from the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of administration for the K-12 school financial transparency reporting portal.

D. The sum of $7,000,000 is appropriated from the corporation commission subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the corporation commission to replace the corporation commission's online records and filing system. As part of the department of administration's request for expenditure review pursuant to section 41-714, Arizona Revised Statutes, the department shall also submit a report for review of the agency's plan to support the business one-stop project through its completion, including plans for how the new system will integrate with the business one-stop solution.

E. The sum of $494,500 is appropriated from the department of public safety subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of public safety to replace the concealed weapons tracking system.

F. The sum of $19,369,400 is appropriated from the department of revenue subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the department of revenue to implement the integrated tax system modernization project. The monies appropriated in this subsection shall be spent for an integrated tax system modernization project that meets the following minimum specifications:

1. Captures data fields from electronically filed individual and corporate income tax returns and makes the data available for querying and reporting purposes. The system shall provide the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff direct access to the querying and reporting functions. The querying and reporting functions shall
include procedures to protect taxpayer confidentiality under applicable state and federal law.

2. For electronic corporate income tax returns, captures information regarding the principal business activity of the corporation. This requirement may be satisfied through North American industry classification system data listed on federal tax forms. The tax system shall allow for querying and reporting based on principal business activity.

3. Includes an integrated individual income tax model within the project and provides the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff direct access to the individual income tax model. At a minimum, the model shall allow the department of revenue staff, the joint legislative budget committee staff and governor's office of strategic planning and budgeting staff to adjust tax law parameters against an anonymized representative sample of income tax returns to estimate the fiscal impact of proposed tax legislation. The model shall only include data from state and federal tax returns that are captured by the tax system. The individual income tax model shall include procedures to protect taxpayer confidentiality under applicable state and federal law.

4. Makes individual and corporate income tax data available for querying, modeling and reporting within twenty-four months following the end of a tax year.

Before awarding any procurement contract for the tax system, the department of revenue shall submit a report addressing the project specifications contained in this subsection for review by the joint legislative budget committee.

G. As part of the department of administration's request for expenditure review pursuant to section 41-714, Arizona Revised Statutes shall, the department shall also submit a report for review of the agency's plan to support the business one-stop project through its completion, including plans for how the new system will integrate with the business one-stop solution.

H. The following amounts are appropriated from the judiciary-supreme court subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 to the Arizona supreme court for the following automation and information projects:
   1. $3,270,000 to replace the probation case management system.
   2. $2,500,000 for a statewide community supervision electronic monitoring system.
Quarterly Reports

I. Within thirty days after the last day of each calendar quarter, the department of administration shall submit to the joint legislative budget committee a quarterly report on implementing projects approved by the information technology authorization committee established by section 18-121, Arizona Revised Statutes, including the projects' expenditures to date, deliverables, timeline for completion and current status.

Nonlapsing

J. The amount appropriated pursuant to this section from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2023-2024 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025.

K. Notwithstanding Laws 2021, chapter 408, section 117, the following amounts appropriated from the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, in fiscal year 2021-2022 to the department of administration by Laws 2021, chapter 408, section 117 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2024:

1. $7,758,900 from the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to develop a business one-stop web portal.
2. $9,000,000 appropriated from the department of economic security subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to update the childcare management system at the department of economic security.
3. $550,000 appropriated from the department of public safety subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, to the department of administration to update the concealed weapons tracking system at the department of public safety.

Sec. 114. Department of economic security; loans; reimbursement; prohibition; fiscal year 2023-2024

On or after April 1, 2024, the department of economic security may use up to $25,000,000 from the budget stabilization fund established by section 35-144, Arizona Revised Statutes, for the purpose of providing funding for reimbursement grants. Before using the monies from the budget stabilization fund, the department shall notify the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting. This appropriation must be fully reimbursed on or before September 1, 2024 and must be reimbursed in full as part of the closing process for fiscal year 2023-2024. The department shall notify the joint legislative budget committee of the reimbursement
on or before September 1, 2024. The appropriation may not be used for additional programmatic expenditures.

Sec. 115. Appropriation; Arizona power authority; resource planning and needs assessment; exemption; use

A. The sum of $1,000,000 is appropriated from the state general fund in fiscal year 2023-2024 to the Arizona power authority to conduct resource planning and a needs assessment on behalf of willing Arizona power authority customers and other nonprofit electric service providers in this state.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

C. If the purpose for which the appropriation made in subsection A of this section is accomplished, all monies remaining unexpended and unencumbered may be used by the Arizona power authority for any action that is authorized pursuant to title 30, Arizona Revised Statutes.

Sec. 116. Appropriations; state treasurer; local government distributions; fiscal year 2023-2024

The following amounts are appropriated from the state general fund in fiscal year 2023-2024 to the state treasurer for the following:

1. $2,500,000 to distribute to county sheriffs for search and rescue-related equipment to enhance the sheriff's search and rescue mission capabilities as follows:
   (a) Cochise county, not more than eighteen percent.
   (b) Coconino county, not more than twenty-one percent.
   (c) Gila county, not more than two and one-half percent.
   (d) Greenlee county, not more than one-half percent.
   (e) Mohave county, not more than twenty-one percent.
   (f) Navajo county, not more than one-half percent.
   (g) Pinal county, not more than twenty-two percent.
   (h) Yavapai county, not more than twenty-two percent.
   (i) Apache, Graham, La Paz, Maricopa, Pima, Santa Cruz and Yuma counties, not more than a total of one percent distributed on a first-come, first-served basis.

2. $9,000,000 to distribute to Mohave county for capital improvements to the following:
   (a) Lake Havasu substation.
   (b) Boating safety center on Lake Havasu.
   (c) Mohave Valley substation.
   (d) Beaver Dam substation.

3. $860,000 to distribute to La Paz county for the following:
   (a) Server replacement.
   (b) Public safety dock and boat lifts.
   (c) Salome substation roof.
4. $500,000 to distribute to the Mohave county sheriff's office for vehicle purchases.

5. $3,000,000 to distribute for police department support as follows:
   (a) $2,000,000 to the Wickenburg police department.
   (b) $1,000,000 to the Hayden police department.
   (c) The appropriated amounts may not be used to supplant any existing local funding for police.

6. $750,000 to distribute to the Copper Canyon fire and medical district to offset COVID-related expenses.

7. $3,500,000 to distribute to the Peoria police department for the purchase of a public safety helicopter.

8. $1,500,000 to distribute to the Peoria police department for a mobile command center.

9. $3,500,000 to distribute to the city of Prescott and the town of Prescott Valley as follows:
   (a) $1,750,000 to the city of Prescott.
   (b) $1,750,000 to the town of Prescott Valley.
   (c) The state treasurer may not distribute the monies appropriated by this paragraph until Yavapai county, the city of Prescott and the town of Prescott Valley jointly demonstrate to the state treasurer that the county, city and town have a commitment for matching monies of gifts, grants and donations in the amount of at least $3,500,000 for the Glassford Dells regional park from sources other than this state.

10. $1,400,000 to distribute to the city of Wickenburg for fire station upgrades.

11. $8,987,000 to distribute to the city of Flagstaff for post-fire mitigation, including detention basin maintenance and operation, and drainage capital improvement projects.

12. $750,000 to distribute to the town of Snowflake for a sewer main lift station replacement.

13. $3,214,500 to distribute to the city of Glendale for a veterans community project.

14. $126,200 to distribute to counties for property owner notification systems as follows:
   (a) $10,000 to Apache county.
   (b) $10,000 to Cochise county.
   (c) $17,000 to Coconino county.
   (d) $7,200 to Gila county.
   (e) $10,000 to Graham county.
   (f) $10,000 to Greenlee county.
   (g) $10,000 to La Paz county.
   (h) $25,000 to Mohave county.
   (i) $10,000 to Navajo county.
   (j) $10,000 to Santa Cruz county.
(k) $7,000 to Yuma county.

15. $750,000 to distribute to police departments for a pepper ball pilot program as follows:
   (a) $250,000 to the Chandler police department.
   (b) $250,000 to the Tucson police department.
   (c) $250,000 to the Mesa police department.

The pepper ball pilot program is intended to test a nonlethal compliance tool that can be deployed at a distance of greater than twenty feet and that does not cause significant bodily injury.

16. $850,000 to distribute to the Maricopa association of governments for a Sun City transportation project study.

17. $10,050,000 to distribute to the Maricopa association of governments for the relocation of utilities related to the construction of State Route 30.

18. $500,000 to distribute to the town of Kearny for public building remediation.

19. $1,000,000 to distribute to the Vernon fire district for equipment and operations.

20. $2,000,000 to distribute to the Chandler police department for new technology, building out services and officer wellness.

Sec. 117. Appropriations; state treasurer; firearm training simulators; fiscal year 2023-2024

A. The sum of $1,368,000 is appropriated from the peace officer training equipment fund established by section 41-1731, Arizona Revised Statutes, in fiscal year 2023-2024 to the state treasurer for firearm training simulators.

B. The state treasurer shall distribute the monies appropriated in subsection A of this section in the following amounts to the following recipients:

   1. $300,000 to the Phoenix police department.
   2. $300,000 to the Mohave county probation department.
   3. $138,000 to the Casa Grande police department
   4. $330,000 to the Maricopa county sheriff's office.
   5. $300,000 to the Navajo county sheriff's office.

Sec. 118. Appropriations; state treasurer; nonprofit organizations; fiscal year 2023-2024

The following amounts are appropriated from the state general fund in fiscal year 2023-2024 to the state treasurer for the following:

   1. $10,000,000 to distribute to a nonprofit organization that is designated as an international dark sky discovery center and that is focused on dark sky preservation in this state.
   2. $15,300,000 to distribute to a nonprofit volunteer organization that operates a rodeo at the Yavapai county fairgrounds.
3. $5,600,000 to distribute to a nonprofit organization that operates an astronomy center and observatory that is open to the public in northern Arizona.

Sec. 119. Phoenix convention center; allocation; fiscal year 2023-2024

Pursuant to section 9-602, Arizona Revised Statutes, $25,498,600 of state general fund revenue is allocated in fiscal year 2023-2024 to the Arizona convention center development fund established by section 9-601, Arizona Revised Statutes.

Sec. 120. Rio Nuevo multipurpose facility district; estimated distribution; fiscal year 2023-2024

Pursuant to section 42-5031, Arizona Revised Statutes, a portion of the state transaction privilege tax revenues will be distributed to a multipurpose facility district. The Rio Nuevo multipurpose facility district is estimated to receive $16,000,000 in fiscal year 2023-2024. The actual amount of the distribution will be made pursuant to section 42-5031, Arizona Revised Statutes.

Fund Balance Transfers

Sec. 121. Appropriations; fund balance transfers; automation projects fund; fiscal year 2023-2024

A. The sum of $20,647,800 is appropriated from all other state fund sources in fiscal year 2023-2024 for deposit in the human resources information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for the replacement of the human resources information system. The department of administration shall allocate to each agency or department an amount for the human resources information system replacement in the same manner as allocated in Laws 2022, chapter 313, section 123 based on each state fund's proportional share of payments to the personnel division fund established pursuant to section 41-750, Arizona Revised Statutes.

B. The sum of $15,000,000 is transferred from the state general fund in fiscal year 2023-2024 for deposit in the health and human services information system subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for statewide health and human services information technology projects.

C. The sum of $2,000,000 is transferred from the state general fund in fiscal year 2023-2024 for deposit in the department of administration subaccount in the automation projects fund established pursuant to section 41-714, Arizona Revised Statutes, for the K-12 school financial transparency reporting portal.

D. The sum of $7,000,000 is transferred from the securities regulatory and enforcement fund established by section 44-2039, Arizona Revised Statutes, in fiscal year 2023-2024 for deposit in the corporation commission subaccount in the automation projects fund established pursuant
to section 41-714, Arizona Revised Statutes, to replace the department's
online records and filing system.

E. The sum of $494,500 is transferred from the concealed weapons
permit fund established by section 41-1722, Arizona Revised Statutes, in
fiscal year 2023-2024 for deposit in the department of public safety
subaccount in the automation projects fund established pursuant to section
41-714, Arizona Revised Statutes, to replace the concealed weapons
tracking system.

F. The following amounts are transferred from the following funds
in fiscal year 2023-2024 for deposit in the department of revenue
subaccount in the automation projects fund established pursuant to section
41-714, Arizona Revised Statutes, to implement the integrated tax system
modernization project:

1. $11,794,100 from the state general fund.
2. $7,575,300 from the department of revenue integrated tax system
project fund established by section 42-5041, Arizona Revised Statutes.

G. The sum of $3,270,000 is transferred from the state general fund
in fiscal year 2023-2024 for deposit in the judiciary-supreme court
subaccount in the automation projects fund established pursuant to section
41-714, Arizona Revised Statutes, to replace the probation case management
system.

H. The sum of $2,500,000 is transferred from the state general fund
in fiscal year 2023-2024 for deposit in the judiciary-supreme court
subaccount in the automation projects fund established pursuant to section
41-714, Arizona Revised Statutes, a statewide community supervision
electronic monitoring system.

I. The transfers into the automation projects fund established by
section 41-714, Arizona Revised Statutes, as outlined in this section are
not appropriations out of the automation project fund. Only direct
appropriations out of the automation projects fund are appropriations.

Payment Deferrals
Sec. 122. Reduction in school district state aid
apportionment in fiscal year 2023-2024;
appropriation in fiscal year 2024-2025

A. In addition to any other appropriation reductions made in fiscal
year 2023-2024, the department of education shall defer until after June
30, 2024 but not later than July 12, 2024 $800,727,700 of the basic state
aid and additional state aid entitlement that otherwise would be
apportioned to school districts during fiscal year 2023-2024 pursuant to
section 15-973, Arizona Revised Statutes. The funding deferral required
by this subsection does not apply to charter schools or to school
districts with a student count of less than four thousand pupils. The
department of education shall make the deferral by reducing the
apportionment of state aid for each month in the fiscal year by the same
amount.
B. In addition to any other appropriations made in fiscal year 2024-2025, the sum of $800,727,700 is appropriated from the state general fund in fiscal year 2024-2025 to the department of education and the superintendent of public instruction for basic state aid and additional state aid entitlement for fiscal year 2024-2025. This appropriation shall be disbursed after June 30, 2024 but not later than July 12, 2024 to the several counties for the school districts in each county in amounts equal to the reductions in apportionment of basic state aid and additional state aid that are required pursuant to subsection A of this section for fiscal year 2023-2024.

C. School districts shall include in the revenue estimates they use for computing their tax rates for fiscal year 2023-2024 the monies they will receive pursuant to subsection B of this section.

Statewide Adjustments

Sec. 123. Appropriations; operating adjustments

2023-24

1. Employer health insurance contribution reduction $ (95,469,000)
   
   Fund sources:
   
   State general fund $ (63,244,800)
   Other funds $ 32,224,200

2. University health insurance backfill removal $ (40,033,000)

   Fund sources:
   
   State general fund $ (40,033,000)

3. Employer health insurance contribution increase $ 103,000,000

   Fund sources:
   
   State general fund $ 73,000,000
   Other funds $ 30,000,000

4. Agency rent adjustment $ (458,100)

   Fund sources:
   
   State general fund $ (558,100)
   Other funds $ 100,000

5. Agency risk management adjustments $ (54,200)

   Fund sources:
   
   State general fund $ (154,200)
   Other funds $ 100,000

6. Arizona financial information system adjustments $ 316,700

   Fund sources:
   
   State general fund $ 116,700
   Other funds $ 200,000
7. Agency retirement adjustment  $ (21,640,400)
   Fund sources:
   State general fund  $ 359,600
   Other funds  (22,000,000)

8. Salary increase adjustments  $ 10,517,000
   Fund sources:
   State general fund  $ 7,517,000
   Other funds  3,000,000

9. State fleet rate adjustments  $ 14,195,100
   Fund sources:
   State general fund  $ 8,195,100
   Other funds  6,000,000

Employer health insurance contribution reduction
The amount appropriated is for a onetime employer contribution rate
reduction for employee health insurance in fiscal year 2023-2024. The
joint legislative budget committee staff, in consultation with the
governor's office of strategic planning and budgeting staff, shall
determine and the department of administration shall allocate to each
agency or department an amount for the health insurance contribution
adjustment. The joint legislative budget committee staff shall also
determine and the department of administration shall allocate adjustments, as
necessary, in expenditure authority to implement the reduction in
employer health insurance contribution rates. The joint legislative
budget committee staff shall use the overall allocation of state general
fund and appropriated tuition monies for each university in determining
that university's specific adjustment.

University health insurance backfill removal
The amount appropriated is for the removal of a onetime university
health insurance backfill to backfill university tuition for employer
health insurance in fiscal year 2023-2024. The joint legislative budget
committee staff, in consultation with the governor's office of strategic
planning and budgeting staff, shall determine and the department of
administration shall allocate to each university an amount for the health
insurance contribution adjustment.

Employer health insurance contribution increase
The amount appropriated is for a onetime employer contribution rate
increase for employee health insurance in fiscal year 2023-2024. The
joint legislative budget committee staff, in consultation with the
governor's office of strategic planning and budgeting staff, shall
determine and the department of administration shall allocate to each
agency or department an amount for the health insurance contribution
adjustment. The joint legislative budget committee staff shall also
determine and the department of administration shall allocate adjustments, as
necessary, in expenditure authority to implement the increase in
employer health insurance contribution rates.
Agency rent adjustments

The amount appropriated is for agency rent adjustments for agencies relocating to and within state-owned and lease-purchase buildings in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the rent adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of the agency rent adjustments.

Agency risk management adjustments

The amount appropriated is for agency risk management premium adjustments in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the risk management adjustments. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of the risk management adjustments.

Arizona financial information system adjustments

The amount appropriated is for upgrades to the Arizona financial information system in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the Arizona financial information system collection charge. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow for the payment of Arizona financial information system charges.

Agency retirement adjustments

The amount appropriated is for retirement adjustments in fiscal year 2023-2024. The amount appropriated from the state general fund excludes retirement adjustments for the state department of corrections, department of juvenile corrections and department of public safety. The amount appropriated from other funds includes adjustments for all state agencies. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the agency retirement adjustments. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow for the payment of Arizona financial information system charges.
expenditure authority to allow implementation of the agency retirement adjustments.

Salary increase adjustments

The amount appropriated is for agency budget corrections in fiscal year 2023-2024 relating to the salary increases implemented during fiscal year 2022-2023. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for salary increase adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority for salary increase adjustments.

State fleet rate adjustments

The amount appropriated is for a onetime state fleet rate adjustment in fiscal year 2023-2024. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the state fleet rate adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority for the state fleet rate adjustment.

Sec. 124. Department of law; general agency counsel charges;
fiscal year 2023-2024

Pursuant to section 41-191.09, Arizona Revised Statutes, the following state agencies and departments are charged the following amounts in fiscal year 2023-2024 for general agency counsel provided by the department of law:

1. Department of administration $127,700
2. Office of administrative hearings $  3,000
3. Arizona arts commission $  3,100
4. Citizens clean elections commission $  2,700
5. State department of corrections $  2,000
6. Arizona criminal justice commission $  8,700
7. Arizona state schools for the deaf and the blind $100,200
8. Commission for the deaf and the hard of hearing $  4,100
9. Arizona early childhood development and health board $ 47,100
10. Department of education $132,000
11. Department of emergency and military affairs $  30,000
12. Department of environmental quality $135,600
13. Arizona exposition and state fair board $  20,900
14. Arizona department of forestry and fire management $13,400
15. Department of gaming $37,300
16. Department of health services $173,800
17. Arizona historical society $700
18. Arizona department of housing $19,300
19. Department of insurance and financial institutions $13,800
20. Department of juvenile corrections $9,400
21. State land department $2,100
22. Department of liquor licenses and control $11,400
23. Arizona state lottery commission $24,800
24. Arizona state parks board $45,800
25. State personnel board $600
26. Arizona pioneers' home $12,100
27. Department of public safety $677,400
28. Arizona board of regents $1,800
29. Arizona state retirement system $69,100
30. Department of revenue $4,900
31. Department of state — secretary of state $1,800
32. State treasurer $9,200
33. Department of veterans' services $52,700

Fiscal Year 2024-2025 Appropriations

Sec. 125. Appropriation; new school facilities fund; use; fiscal year 2024-2025
The sum of $77,898,600 is appropriated from the state general fund in fiscal year 2024-2025 for a onetime deposit in the new school facilities fund established by section 41-5741, Arizona Revised Statutes. The division of school facilities within the department of administration shall use the monies only for facilities that will be constructed for school districts that received final approval from the division of school facilities within the department of administration on or before December 15, 2022.

Reporting Requirements and Definitions

Sec. 126. COVID-related expenditures; reporting requirements; intent
A. Within forty-five days after the last day of each calendar quarter through June 30, 2026, the office of the governor shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee the total planned allocations and actual expenditures from the coronavirus state fiscal recovery fund and the coronavirus capital projects fund as appropriated by section 9901 of the American rescue plan act of 2021 (P.L. 117-2).
B. Within forty-five days after the last day of each calendar quarter through June 30, 2026, the superintendent of public instruction shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee the total planned allocations and actual expenditures of monies allocated to the superintendent of public instruction from the elementary and secondary school emergency relief fund as appropriated by section 2001 of the American rescue plan act of 2021 (P.L. 117-2).

C. Within forty-five days after the last day of each calendar quarter through June 30, 2026, the Arizona board of regents shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee the total planned allocations and actual expenditures of monies from the higher education emergency relief fund as appropriated by section 2003 of the American rescue plan act of 2021 (P.L. 117-2) by Arizona state university, the university of Arizona and northern Arizona university.

D. Within forty-five days after the last day of each calendar quarter through June 30, 2026, each community college district shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee the total planned allocations and actual expenditures of monies from the higher education emergency relief fund as appropriated by section 2003 of the American rescue plan act of 2021 (P.L. 117-2).

E. Reports required pursuant to this section shall delineate expenditures by agency and program and include descriptions of the purpose of the expenditures.

F. The legislature intends that the executive branch of state government report on its planned and actual use of any major additional federal aid to this state through federal legislation enacted by the end of fiscal year 2023-2024. The timing and frequency of these reports should be the same as required by subsections A through D of this section. The chairperson and vice chairperson of the joint legislative budget committee may provide recommendations to the executive branch concerning federal legislation that would qualify under this subsection.

Sec. 127. Legislative intent; expenditure reporting

The legislature intends that all departments, agencies and budget units receiving appropriations under the terms of this act continue to report actual, estimated and requested expenditures by budget programs and budget classes in a format that is similar to the budget programs and
budget classes used for budgetary purposes in prior years. A different format may be used if deemed necessary to implement section 35-113, Arizona Revised Statutes, agreed to by the director of the joint legislative budget committee and incorporated into the budget preparation instructions adopted by the governor's office of strategic planning and budgeting pursuant to section 35-112, Arizona Revised Statutes.

Sec. 128. **FTE positions; reporting; definition**

Full-time equivalent (FTE) positions contained in this act are subject to appropriation. The director of the department of administration shall account for the use of all appropriated and nonappropriated FTE positions, excluding those in the universities. The director of the department of administration shall submit the fiscal year 2023-2024 report on or before October 1, 2024 to the director of the joint legislative budget committee. The report shall compare the level of appropriated FTE usage in each fiscal year to the appropriated level. For the purposes of this section, "FTE positions" means the total number of hours worked, including both regular and overtime hours as well as hours taken as leave, divided by the number of hours in a work year. The director of the department of administration shall notify the director of a budget unit if the budget unit's appropriated FTE usage has exceeded its number of appropriated FTE positions. Each university shall report to the director of the joint legislative budget committee in a manner comparable to the department of administration reporting.

Sec. 129. **Filled FTE positions; reporting**

On or before October 1, 2023, each agency, including the judiciary and universities, shall submit a report to the director of the joint legislative budget committee on the number of filled appropriated and nonappropriated FTE positions, by fund source, as of September 1, 2023.

Sec. 130. **Transfer of spending authority**

The department of administration shall report monthly to the director of the joint legislative budget committee any transfers of spending authority made pursuant to section 35-173, subsection C, Arizona Revised Statutes, during the prior month.

Sec. 131. **Interim reporting requirements**

A. State general fund revenue for fiscal year 2022-2023, including a beginning balance of $4,709,446,000 and other onetime revenues, is forecasted to be $18,122,600,000.

B. State general fund revenue for fiscal year 2023-2024, including onetime revenues, is forecasted to be $17,827,000,000.

C. State general fund revenue for fiscal year 2024-2025, including onetime revenues, is forecasted to be $16,278,200,000. State general fund expenditures for fiscal year 2024-2025 are forecasted to be $16,207,500,000.
D. State general fund revenue for fiscal year 2025-2026, including onetime revenues, is forecasted to be $17,303,900,000. State general fund expenditures for fiscal year 2025-2026 are forecasted to be $16,565,000,000.

E. On or before September 15, 2023, the executive branch shall provide to the joint legislative budget committee a preliminary estimate of the fiscal year 2022-2023 state general fund ending balance. The estimate shall include projections of total revenues, total expenditures and an ending balance. The department of administration shall continue to provide the final report for the fiscal year in its annual financial report pursuant to section 35-131, Arizona Revised Statutes.

F. Based on the information provided by the executive branch, the staff of the joint legislative budget committee shall report to the joint legislative budget committee on or before October 15, 2023 whether the fiscal year 2023-2024 revenues and ending balance are expected to change by more than $50,000,000 from the budgeted projections. The joint legislative budget committee staff may make technical adjustments to the revenue and expenditure estimates in this section to reflect other bills enacted into law. The executive branch may also provide its own estimates to the joint legislative budget committee on or before October 15, 2023.

Sec. 132. Definition
For the purposes of this act, "*" means this appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 133. Definition
For the purposes of this act, "expenditure authority" means that the fund sources are continuously appropriated monies that are included in the individual line items of appropriations.

Sec. 134. Definition
For the purposes of this act, "review by the joint legislative budget committee" means a review by a vote of a majority of a quorum of the members of the joint legislative budget committee.