



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

FACT SHEET FOR S.B. 1720

general appropriations act; 2023-2024.

Purpose

Makes session law changes relating to general appropriations necessary to implement the FY 2024 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

The Joint Legislative Budget Committee (JLBC) Baseline includes an estimate of spending necessary to meet requirements of statutory formulas and other obligations ([FY 2024 JLBC Baseline](#)).

S.B. 1720 contains the budget provisions for changes relating to general appropriations.

Provisions

FY 2024 Ongoing Fund and Major Footnote Changes

Arizona Department of Administration (ADOA)

Major Footnote Changes

1. Requires ADOA, by November 1, 2024, to submit a report to the Director of JLBC on Cyber Risk Insurance Fund expenditures from the prior year.
2. Requires ADOA, by October 1, 2024, to submit a report on the outcome of the employee compensation study to the President of the Senate, Speaker of the House of Representatives (House), chairpersons of the Senate and House appropriations committees and Director of JLBC.

ADOA – School Facilities Division (SFD)

Major Footnote Changes

3. Requires the SFD, after approving a distribution of funding for a land purchase, a land lease or the construction of a new school, to report the final distribution amount to JLBC and the Governor's Office of Strategic Planning and Budgeting (OSPB).

4. Allows the SFD to use the unencumbered New School Facilities Fund balance of up to \$22,811,800 for facilities and land costs for school districts that received final SFD approval by December 15, 2022.
5. Exempts the \$1,000,000 appropriation for school facilities inspections from lapsing.

Office of Administrative Hearings

Major Footnote Changes

6. Reverts the \$180,000 appropriation for increased workload to the state General Fund (state GF), if a bill addressing provider claims against insurers does not become law in the Fifty-sixth Legislature, First Regular Session.

Arizona Health Care Cost Containment System (AHCCCS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Expand KidsCare from 200% to 225% of Federal Poverty Line	GF OF		5,000,000 16,620,800
Advisory Council on Indian Health Care	GF	4 FTEs	200,000
Removal of Unbuilt Secure Behavioral Health Facility Provider Rate Increases	GF		(10,000,000)

Major Footnote Changes

7. Requires the ADOA Arizona Strategic Enterprise Technology Office, before spending monies to replace the prepaid Medicaid Management Information System, to submit an expenditure plan for JLBC review that includes the project cost, deliverables, the timeline for completion and method of procurement consistent with prior ADOA reports for Automation Projects Fund appropriations.
8. Exempts the \$700,000 appropriation for the prepaid Medicaid Management Information System replacement from lapsing until June 30, 2025.
9. Requires AHCCCS to annually distribute up to \$2,500,000 to qualifying community health centers and rural hospitals 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.
10. Requires AHCCCS, by July 1 of 2024, 2025 and 2026, to submit a report to JLBC on the use of the monies appropriated for on-call obstetrics and gynecological services, including the number of deliveries and emergency procedures provided.

11. Exempts the appropriation for on-call obstetrics and gynecological services from lapsing until June 30, 2026.

Attorney General (AG)

Major Footnote Changes

12. Requires \$500,000 of the FY 2024 appropriation for child and family advocacy centers to be used to support an entity that provides child victim advocacy and mental health services through a child advocacy center based in a county with a population of more than 3,000,000 persons.
13. Requires the AG to submit an expenditure plan for JLBC review before spending any monies appropriated for opioid abatement.
14. Specifies that the operating lump sum appropriation includes a onetime increase of \$3,000,000 from the Consumer Protection-Consumer Fraud Revolving Fund in FY 2024 for operating expenses and exempts the increase from lapsing.

Department of Child Safety (DCS)

15. Exempts the \$4,000,000 appropriation for the Positive Parenting Program for Post Permanency Placements Pilot from lapsing.

Arizona Commerce Authority (ACA)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Reduce Arizona Competes Fund Deposit	GF		(5,000,000)

Major Footnote Changes

16. Specifies that \$3,500,000 of the operating lump sum appropriation is exempt from lapsing and allocates the monies as follows:
 - a) \$1,000,000 to distribute to a federally-recognized state rural development council in the national rural development partnership in Arizona to partner with businesses, community leaders, service organizations, economic development organizations and rural municipalities to work directly in rural communities;
 - b) \$500,000 to establish and administer a Small Business Incubator Program to assist current and former inmates participating in a state program in which the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) and the Department of Economic Security (DES) collaborate and bring comprehensive services to inmates who are near release;
 - c) \$500,000 to distribute to a nonpartisan 501(c)(3) nonprofit public foundation associated with a statewide business trade 501(c)(6) nonprofit organization that represents multiple industries to develop a strategic framework for policymakers to continue job growth, economic diversification and private sector investments that will make Arizona a top state economy and international trading partner by 2030;

- d) \$500,000 to distribute to a 501(c)(6) nonprofit membership organization that serves as a resource hub for all small businesses in Arizona to establish a program to recruit and retain truck drivers; and
 - e) \$1,000,000 to the Arizona State Trade Expansion Program.
17. Exempts the wearable technology research appropriation from lapsing until June 30, 2027.
 18. Requires the ACA to submit a report, by December 1, 2023, to the President of the Senate, Speaker of the House and Director of JLBC detailing the implementation plan for the trade office appropriations, including proposed trade office locations.
 19. Exempts the appropriations for the Canada and Asian-Pacific trade offices from lapsing.
 20. Requires monies appropriated for economic transition resources to be distributed to counties, cities, towns and Indian tribes in Arizona to provide economic transition resources to communities affected by coal plant closures.

Community Colleges

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Operating State Aid Formula – Technical Adjustment	GF		(100,000)

Major Footnote Changes

21. Requires, by October 15, 2024, the Tohono O'odham Community College Board of Trustees and the San Carlos Apache College Board of Regents to submit a report to the Governor, Speaker of the House, President of the Senate, JLBC and Secretary of State that details the course completion rate for students who received remedial education during the 2023-2024 academic year.

Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Florence Closure	GF		(3,500,000)
Private Prison Contract Increase	GF		7,100,000

Major Footnote Changes

22. Requires ADCRR to use the transitional and reentry housing appropriation to secure, through a competitive grant process, a program that:
 - a) provides evidence-based, evidence-informed and culturally competent substance use treatment and substance use early intervention services that include referral services, stabilization, detox, inpatient treatment, transitional residence and outpatient services to individuals who have specified conditions;

- b) provides residential inpatient treatment services for up to 90 days and provides long-term recovery supportive housing for up to 24 months after inpatient treatment services end;
 - c) 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;
 - d) uses technology to promote long-term recovery; and
 - e) delivers treatment for reentry and long-term recovery services and provides support through a campus-based continuum of care model where services and support are collocated.
23. Requires the transitional housing appropriation to be used to establish a program to provide grants to nonprofit organizations that meet outlined criteria and support individuals who are incarcerated by helping prepare them for release and transition back into community.
24. Requires ADCRR, by August 31, 2024, to submit a report to the Governor, President of the Senate and Speaker of the House that includes, for the prior year:
- a) the names of the nonprofit organizations that were awarded grants;
 - b) the number of individuals who were served by the nonprofit organizations through the grant program; and
 - c) the number of individuals who were served by the nonprofit organizations who found employment that provides health insurance and were disenrolled from AHCCCS.
25. Requires the inmate dog training appropriation to be used to contract with a nonprofit organization that trains inmates to rehabilitate and resocialize at-risk shelter dogs.

Arizona Criminal Justice Commission (ACJC)

Major Footnote Changes

26. Allows ACJC to use up to \$400,000 of appropriated Law Enforcement Crime Victim Notification Fund monies in FY 2024 to evaluate, certify and pay for any costs associated with the fund.

Commission of the Deaf and Hard Hearing

Major Footnote Changes

27. Exempts the FY 2023 appropriation for aging individuals research from lapsing until June 30, 2024.

Department of Economic Security (DES)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
IT Security Funding	GF		70,000
Delay Homeless Youth Assistance	GF	Funding delayed until FY 2025	(1,000,000)

Major Footnote Changes

28. Specifies that the Graham County Rehabilitation Center appropriation includes \$800,000 to remodel the facilities in Safford and \$30,000 for an afterschool program.
29. Requires the appropriation for the Globe-Miami area food bank to be distributed to a food bank that maintains its headquarters in the Globe-Miami area.
30. Exempts the \$5,462,600 Produce Incentive Program appropriation from lapsing.

Arizona Department of Education

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Formula Savings	GF		(6,300,000)
Additional 0.9% Base Level Increase	GF		68,600,000
Eliminate Results-Based Funding	GF		(68,600,000)
Increase District Additional Assistance	GF		20,000,000
Adjust Continuing High School Program Enrollment Caps	GF		(3,100,000)

Major Footnote Changes

31. Requires ADE to submit an expenditure plan to JLBC and OSPB before spending the \$6,880,000 increase to the early literacy appropriation for literacy coaches, kindergarten entry assessments, dyslexia training or science of reading exams.
32. Requires ADE to report to JLBC by July 31, 2024, the actual expenditures for literacy coaches, kindergarten entry assessments, dyslexia training or science of reading exams.
33. Exempts the onetime \$10,000,000 increase to ADE's operating lump sum appropriation from lapsing until June 30, 2026.
34. Requires ADE to distribute the Phoenix Science Education Programs appropriation to an organization based in Phoenix that provides science, technology, engineering and math education programs and professional development training.
35. Requires ADE to distribute the nonprofit low-income assistance appropriation to a 501(c) nonprofit organization that provides low-income children in kindergarten programs and grades one through eight with new clothing and shoes, hygiene kits and new books.

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36. Requires ADE to distribute the nonprofit education initiatives appropriation to a 501(c) nonprofit organization that provides scholarships and other educational programming and promotes youth activities, sports and cultural enrichment.
37. Exempts the appropriation for live, remote instructional courses from lapsing until December 31, 2025.
38. Requires the K-12 transportation formula study appropriation to be used to develop a per pupil weighted transportation funding formula for K-12 students and to be used only for costs associated with developing the formula.
39. Requires ADE, by December 31, 2023, to submit a report to the President of the Senate, Speaker of the House, chairpersons of the Senate and House education committees, Director of JLBC and Director of OSPB on the proposed base per pupil amount and weights for selected student groups.
40. Specifies that the juvenile detention centers appropriation includes \$22,600 for Yavapai County, \$20,000 for Pinal County and \$10,000 for Maricopa County.
41. Requires ADE to distribute the appropriation for school campus vegetation 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.
42. Requires ADE to distribute school campus vegetation grants as follows:
 - a) until December 31, 2023, on a first-come, first-served basis only to public schools in Arizona at which at least 75 percent of students are free-and-reduced-price-lunch-eligible; and
 - b) after December 31, 2023, any undistributed monies on a first-come, first-served basis to all public schools in Arizona.
43. Allows ADE to require each public school that receives school campus vegetation grants to issue a report on the school's use of received monies.
44. Allows a public school that receives school campus vegetation grant monies to partner with nonprofit organizations to plant the trees on the school's campus.
45. Requires the Art Consumables Grant Program to be distributed for grants up to \$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.
46. Requires ADE to allocate the onetime \$300,000,000 state aid supplement to school districts and charter schools on a pro rata basis using the Group A weighted student counts including the weighted student count for nonresident pupils for whom the school district serves as the school district of attendance.
47. Allows a school district to budget monies received from the onetime state aid supplement in either the school district's maintenance and operation fund or unrestricted capital outlay fund.

Department of Emergency and Military Affairs (DEMA)

Major Footnote Changes

48. Exempts the \$759,200 federal government matching repayment appropriation from lapsing until December 31, 2024.

Arizona Department of Environmental Quality (ADEQ)

Major Footnote Changes

49. Requires ADEQ to submit a report, by July 31, 2024, to JLBC on its progress expending monies for PFAS mitigation including funded projects, anticipated project and outcomes.
50. Exempts the PFAS mitigation appropriation from lapsing.

Board of Executive Clemency

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Increased Operational Costs	GF		39,000

Arizona Exposition and State Fair Board

Major Footnote Changes

51. Exempts \$2,300,000 of the FY 2023 Arizona Exposition and State Fair Board operating lump sum appropriation from lapsing until June 30, 2024.

Arizona Department of Forestry and Fire Management (DFFM)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Remove Wildfire Mitigation Funding - Technical Adjustment	GF		(1,000,000)

Arizona Department of Gaming

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Eliminate Racetrack Purse, Maintenance and Operations Funding	GF		(5,400,000)

Governor

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Shift African American Affairs to Governor's Office	GF	Shift no new cost	146,600

Department of Health Services (DHS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Funding Increase for Contracted Arizona State Hospital Services	GF		1,100,000
Alzheimer's Disease Research	GF		500,000

Major Footnote Changes

52. Exempts the dementia awareness campaign appropriation from lapsing and exempts, until June 30, 2026, the Dementia Services Program and Alzheimer's Disease State Plan appropriation from lapsing.
53. Requires DHS to use the appropriation for the Trauma Recovery Center Fund deposit to provide:
 - a) a technical assistance grant to help establish, train and coordinate a state pilot trauma recovery center;
 - b) three years of operational and service costs of the state pilot trauma recovery center; and
 - c) 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.
54. Allows DHS to use up to five percent of the Trauma Recovery Center Fund deposit to administer the fund.
55. Exempts \$1,000,000 of the FY 2023 appropriation for the Behavioral Health Care Provider Loan Repayment Program from lapsing until June 30, 2024.

Arizona Department of Homeland Security (AZDHS)

Major Footnote Changes

56. Requires AZDHS to distribute the \$10,000,000 appropriation for the Antihuman Trafficking Grant Fund deposit as follows:
 - a) \$2,000,000 to the Department of Public Safety Arizona Counter Terrorism Information Center for antihuman trafficking operations that provide assistance and analytical services to law enforcement agencies or provide services to victims and training on preventing and identifying human trafficking; and
 - b) \$8,000,000 in award grants to municipal and county law enforcement agencies for programs that reduce human trafficking, subject to a cap of \$500,000 per agency.

- 57. Allows AZDHS to use up to five percent of deposited Nonprofit Security Grant Program Fund monies for administration costs.
- 58. Exempts \$300,000 of the FY 2023 appropriation for statewide information security and privacy operations and controls from lapsing until June 30, 2024.

Arizona Department of Housing (ADOH)

Major Footnote Changes

- 59. Exempts the FY 2023 appropriation for the Homeless Services Grant Pilot from lapsing until June 30, 2024.
- 60. Requires ADOH, by September 1, 2023, to submit an expenditure plan report to JLBC for the appropriation to the Housing Trust Fund.

Department of Insurance and Financial Institutions (DIFI)

Major Footnote Changes

- 61. Stipulates that \$250,000 of the DIFI operating lump sum appropriation must be used to administer the provisions of a bill addressing insurance provider claims against insurers, if the bill becomes law in the Fifty-sixth Legislature, First Regular Session.
- 62. Reverts the \$250,000 allocation to the state GF, if the bill addressing provider claims against insurers does not become law in the Fifty-sixth Legislature, First Regular Session.

Judiciary

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Supreme Court – Additional Private Fiduciary Investigator	GF	1 FTE	102,000
Supreme Court – State Share of Funding for 1 New Judge	GF	Yavapai County	149,000
Supreme Court – State Share of Funding for 1 New Judge	GF	Yuma County	149,000

Major Footnote Changes

- 63. Specifies that \$450,000 of the FY 2023 Court of Appeals Division II operating lump sum appropriation is for the remodeling of chambers to accommodate a new three-judge court of appeals panel.
- 64. Exempts the \$450,000 for remodeling from review by the Joint Committee on Capital Review and from lapsing until June 30, 2024.

- 65. Adds two superior court judge FTE positions and specifies that 182 of the 240.5 FTE positions represent superior court judges.
- 66. Requires the appropriation for the probation salary increase backfill to be used as backfill funding to cover the remaining state share of probation officer salary increases approved by county boards of supervisors for FY 2023.
- 67. Declares the Legislature's intent that the \$250,000 appropriation for the juvenile monetary sanctions funding backfill continues in FYs 2025 and 2026 and 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.

Arizona Department of Juvenile Corrections (ADJC)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Remove Pima County Cost Shift	GF		1,700,000

Legislature

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
Ombudsman Rent Funding	GF		53,000

Major Footnote Changes

- 68. Removes footnote requiring dues for the Council of State Governments to be expended only on an affirmative vote of the Legislative Council.

Mine Inspectors

Major Footnote Changes

- 69. Requires the State Mine Inspector to use \$100,000 of the operating lump sum appropriation to purchase a drone that uses self-stabilization technology and is able to enter and map enclosed spaces.
- 70. Exempts the onetime operating lump sum increase of \$300,000 in FY 2024 from lapsing.

Department of Public Safety (DPS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
AZPOST – Additional FTEs	GF	31 FTEs	
Eliminate DPS Commercial Vehicle Task Force	GF		(1,000,000)

Major Footnote Changes

71. Exempts the civil air patrol infrastructure appropriation from lapsing.
72. Requires DPS, until all monies from the civil air patrol infrastructure appropriation are distributed, to annually submit a report, by December 1, to JLBC on the distributions and intended purposes of the distributions.
73. Exempts \$11,709,300 of the FY 2023 appropriation and FY 2024 appropriation for onetime vehicle replacement from lapsing until June 30, 2025.
74. Requires \$2,600,000 of the real-time crime centers appropriation to be distributed to the City of Peoria and \$1,500,000 of the appropriation to be distributed to the City of Tucson to operate real-time crime centers that:
 - a) use technology to effectively and safely provide assistance to law enforcement agencies and fire departments and districts;
 - b) integrate crime investigation technology to provide real-time information to responding law enforcement agencies and fire departments and districts; and
 - c) 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.
75. Allows DPS to use up to \$50,000 and 0.5 FTE positions of the appropriation for the Fentanyl Prosecution and Testing Fund deposit for costs associated with administering the fund.
76. Exempts \$1,098,600 of the onetime increase to the DPS operating lump sum appropriation from lapsing.
77. Requires \$1,000,000 of the law enforcement retention initiatives appropriation to be used to acquire coaching resources with a special emphasis on improved retention and development of law enforcement professionals at DPS.
78. Requires \$1,000,000 of the law enforcement retention initiatives appropriation to be used for a Law Enforcement Recruitment and Retention Grant Program to provide matching grants to county, city and town law enforcement agencies for acquiring coaching resources with a special emphasis on improved retention and development.
79. Requires Maricopa and Pima county law enforcement agencies to provide a 50 percent match to receive a retention grant and all other county law enforcement agencies to provide a 25 percent match to receive a retention grant.
80. Requires Phoenix and Tucson city law enforcement agencies provide a 50 percent match to receive a retention grant and all other city and town law enforcement agencies provide a 25 percent match to receive a retention grant.
81. Requires DPS to establish procedures for applying for grants and requires any county, city and town law enforcement agencies that receive a grant to use the monies to obtain recruitment and retention resources and services.

82. Requires the \$1,500,000 appropriation for the sexual assault kit tracking portal to be used to provide or cause to be provided a secure internet portal that allows a victim to anonymously access the location of the sexual assault kit, date and results of the testing and whether a DNA profile was obtained.
83. Requires the local border support appropriation to be used to fund local law enforcement officer positions within the Border Drug Interdiction Task Force to deter and apprehend any individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes.
84. Eliminates the cap on funding local law enforcement positions and the cap on grant funding for prosecuting and detaining individuals for the specified crimes.

Secretary of State (SOS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2024 Changes
AG Legal Services Funding	GF		100,000
Shift Address Confidentiality Program to GF	GF		300,000
Talking Book Library Funding	GF		100,000

Major Footnote Changes

85. Specifies that \$2,330,000 of the SOS operating lump sum appropriation in FY 2024 is a onetime increase for administrative costs and is exempt from lapsing.
86. Specifies that \$330,000 of the \$2,330,000 is for the Business Services Department.
87. Requires the SOS to distribute 75 percent of the Help America Vote Act (HAVA) projects appropriation to counties for election systems improvements.
88. Requires the SOS, before expending HAVA project monies, to submit an expenditure plan for JLBC review that includes the planned expenditures and timeline for the expenditures by year.
89. Exempts the HAVA projects appropriation from lapsing.
90. Requires the SOS, by July 31, 2024, and December 31, 2024, to submit a report to JLBC detailing the actual expenditures from HAVA project monies and continue to report each year until all monies have been expended.
91. Extends the lapsing date for the FY 2020 appropriation of HAVA election security grants allocated to counties until June 30, 2024.

92. Requires the SOS to spend the presidential preference election (PPE) appropriation only:
 - a) to reimburse expenses incurred by counties to administer the 2024 PPE;
 - b) for logic and accuracy testing of voting equipment for the 2024 PPE; and
 - c) direct costs of the SOS related to the 2024 PPE, subject to a cap of \$100,000.
93. Requires each county to submit its certified claims to the SOS for the 2024 PPE by May 1, 2024.
94. Requires the SOS, by May 15, 2024, to review the county claims and submit a report to JLBC and OSPB on county reimbursements for the 2024 PPE.

Universities

Major Footnote Changes

95. Requires the Arizona Board of Regents (ABOR), by October 1, 2024, to submit a report to the Director of JLBC and the Director of OSPB on the Arizona Promise Program that includes, for FY 2024:
 - a) the total number of students receiving promise scholarships by each eligible postsecondary institution;
 - b) the total number of students enrolled at each eligible postsecondary institution that are eligible to receive Federal Pell Grants;
 - c) a list of the programs of study in which promise scholarship recipients are enrolled, including the number of recipients in each program;
 - d) the average promise scholarship award amount for each eligible postsecondary institution;
 - e) a geographic representation of promise scholarship recipients based on the high school attended; and
 - f) the average grade point average of promise scholarship recipients by each eligible postsecondary institution.
96. Requires ABOR, by October 1, 2024, to submit a report to the Director of JLBC and the Director of OSPB on spouses of military veterans tuition scholarships and spouses and dependents of law enforcement officers tuition scholarships for FY 2024 that includes the:
 - a) amount distributed to each eligible postsecondary institution;
 - b) total number of award recipients by each eligible postsecondary institution; and
 - c) average award amount for each eligible postsecondary institution.
97. Requires ABOR to distribute the appropriation for the Museum of Democracy Presidential project to public universities to provide opportunities for undergraduate students, high school students and the broader community to become better informed on American presidencies and presidential elections.
98. Allows Museum of Democracy Presidential project programming to include public speakers, high school leadership academies and undergraduate student workshops and requires monies to be used to display presidential memorabilia collections, combining visual arts, exhibitions and civic education programs.
99. Exempts the Museum of Democracy Presidential project appropriation from lapsing.

100. Exempts the Primary Care Residency Programs appropriation from lapsing.
101. Declares the Legislature's intent that any appropriated monies that the Arizona State University (ASU) allocates for the School of Civic and Economic Thought and Leadership, the Northern Arizona University allocates for the Economic Policy Institute and the University of Arizona (UofA) allocates for the Center for the Philosophy of Freedom in FY 2024 be consistent with the amount appropriated in FY 2023.
102. Requires any appropriated monies ASU allocates for the Center for American Institutions (Center) to be used at the sole discretion and on approval of the Lead of the Center and prohibits the monies from supplanting existing state funding or private or external donations.
103. Requires any prior fiscal year remaining balances for the Center to be deposited into a separate account for the direct operation of the Center and prohibits the remaining balances from being used for any indirect costs of ASU.
104. Requires the Center, by October 1, 2024, to submit a report to JLBC that includes the total funding received from all sources and a description of activities and accomplishments.
105. Declares the Legislature's intent that \$4,000,000 of the ASU operating lump sum appropriation be deposited in a separate account for the Center.
106. Allows up to \$150,000 of the appropriation for ASU's Collegiate Women's Wrestling Program to be used for costs incurred to establish and maintain the program and requires the remaining balance to be used to award athletic scholarships on a first-come, first-served basis to any individual that meets outlined criteria.
107. Requires \$1,000,000 of the appropriation for the Arizona Cooperative Extension to be used for the Agricultural Workforce Development Program.
108. Requires the appropriation for AZ REACH to be used to provide medical care transfer services for hospitals with fewer than 20 beds.
109. Requires the appropriation for the Space Analog for the Moon and Mars (SAM) to be used for the continued progression of the SAM Program at Biosphere 2 at UofA.
110. Declares the Legislature's intent that FY 2024 SAM Program funding be used to fund the continued progression of the program across FYs 2024, 2025 and 2026.

Department of Veteran Services (ADVS)

Major Footnote Changes

111. Requires the Gila County Veterans Retreat appropriation to be distributed to Gila County for the Pleasant Valley Veterans Retreat and exempts the appropriation from lapsing.
112. Requires monies appropriated for the Veteran Suicide Prevention Training Pilot Program (Pilot Program) to be used to offer claims examiners and county and municipal veteran service officers specialized training and certification in preventing veteran suicides and exempts the \$600,000 from lapsing.

113. Requires ADVS to contract with an organization that has experience in developing and implementing veteran-relevant and evidence-based suicide prevention training to develop the training curriculum.
114. Requires ADVS to establish and oversee the process for selecting participants for the Pilot Program and certifying participants for successful training completion.
115. Requires the Pilot Program to 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.
116. Requires ADVS to adopt rules necessary to implement the Pilot Program.
117. Requires ADVS, by July 30, 2024, to submit a report to the President of the Senate and Speaker of the House that includes information concerning the Pilot Program and whether changes should be made to increase the Pilot Program's effectiveness.
118. Requires the Homeless Veterans' Reintegration Program appropriation to be used to provide services that assist in reintegrating homeless veterans into meaningful employment within the labor force and stimulate the development of effective service delivery systems that address the complex problems facing homeless veterans.
119. Allocates \$15,000 of the Arizona State Veterans' Cemeteries appropriation to provide burial services in state veteran cemeteries for members of the Arizona National Guard and U.S. Armed Forces Reserves, if the member's service was terminated under honorable conditions.

Water Infrastructure Finance Authority (WIFA)

Major Footnote Changes

120. Requires, of the monies appropriated to the Eastern Arizona Water Projects Assistance Grants, that \$3,000,000 be allocated 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 or desirable to enable the irrigation districts to adequately perform their duties.
121. Requires Cochise and Graham County to receive \$1,500,000 each of the \$3,000,000 for Eastern Arizona Water Projects Assistance Grants.
122. Requires WIFA, by June 30, 2024, to develop a separate grant program to distribute the monies to qualified entities.
123. Exempts monies for the Eastern Arizona Water Projects Assistance Grants from lapsing.

Arizona Department of Water Resources (ADWR)

Major Footnote Changes

124. Requires ADWR to use the brackish groundwater study appropriation to review and update information contained in studies on the availability of brackish groundwater in Arizona.

125. Exempts the brackish groundwater study appropriation from lapsing.
126. Allocates \$2,000,000 of the \$11,000,000 appropriation for the Brackish Groundwater Recovery Pilot Program to ADWR for a Brackish Groundwater Desalination Demonstration Program (Pilot Program) and to develop a base of knowledge to enhance groundwater recovery through desalination in Arizona's active management areas (AMAs).
127. Requires ADWR to locate the Pilot Program within ADWR's AMA Section and allows a portion of the appropriation to be used for staffing.
128. Requires ADWR to organize the Pilot Program following the model of work undertaken by the Texas Water Development Board to further the use and development of cost-effective desalination technologies.
129. Allocates \$9,000,000 of the \$11,000,000 appropriation for the Pilot Program for matching participants dollar-for-dollar for brackish groundwater desalination projects with AMAs undertaken for the benefit of those receiving water from the Central Arizona Project (CAP).
130. Requires the CAP to receive \$3 for every \$1 it contributes to the Pilot Program.
131. Requires ADWR, by July 31, 2024, to report to JLBC and OSPB on the uses of the statewide water resources planning appropriation.
132. Requires ADWR to distribute the appropriation for Santa Rosa Canal groundwater delivery 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.

FY 2023 Supplemental Appropriations and Adjustments

General Fund (GF) and Other Fund (OF)

Agency	Fund	Amount
ADOA – Federal Government Disallowed Costs – Risk Management Revolving Fund	OF	3,107,700
Arizona Commission of African American Affairs – Operating Shortfall	GF	15,000
ADOA – Transfer from Personnel Division Fund to Human Resources Information System Subaccount	OF	1,750,000
Department of Child Safety – Increased Federal Funding (expenditure authority)	OF	19,888,200
DCS – Adoption Services Technical Adjustment (expenditure authority)	OF	11,100,000
AHCCCS – Reduced Appropriation for Secure Behavioral Health Residential Facilities	GF	(25,000,000)

Arizona Department of Housing (ADOH)

133. Appropriates \$20,000,000 from the state GF in FY 2023 to ADOH for programs that provide shelter and services to unsheltered persons experiencing homelessness and exempts the appropriation from lapsing.

Arizona Department of Education (ADE)

134. Appropriates \$180,624,300 from the state GF in FY 2023 to the Superintendent of Public Instruction for additional Basic State Aid (BSA) formula costs.

Department of Health Services (DHS)

135. Appropriates \$5,600,000 from the state GF in FY 2023 to DHS for the Arizona State Hospital operating shortfall.

Department of Public Safety (DPS)

136. Appropriates \$3,364,200 from the Arizona Highway Patrol Fund in FY 2023 to DPS for inflationary increases in fuel costs for motor vehicles.

Arizona Department of Transportation (ADOT)

137. Appropriates \$15,200,000 from the State Highway Fund in FY 2023 to ADOT for highway maintenance to address highway maintenance during winter months.

Miscellaneous

138. Exempts FY 2023 appropriations for e-licensing system upgrades to specified state entities until June 30, 2024.

Additional FY 2024 Appropriations and Adjustments

Water Infrastructure Finance Authority (WIFA)

139. Reduces the FY 2024 state GF appropriation to the Long-Term Water Augmentation Fund by \$138,800,000.

Arizona Department of Administration (ADOA)

140. Appropriates \$7,150,650 from the state GF in FY 2024 to ADOA for equal distribution to counties with a population of fewer than 900,000 persons according to the 2020 U.S. Decennial Census (2020 Census) to maintain essential county services.

141. Appropriates \$500,000 from the state GF in FY 2024 to ADOA for distribution to Graham County to maintain essential county services.

142. Appropriates \$3,000,000 from the state GF in FY 2024 to ADOA for equal distribution to counties with a population of fewer than 300,000 persons according to the 2020 Census to supplement the normal cost of the Elected Officials Retirement Plan (EORP) and to amortize unfunded accrued liability.

143. Allows the counties to use the distributed FY 2024 \$3,000,000 appropriation only for employer contributions to EORP.

144. Appropriates \$7,000,000 from the state GF in FY 2024 to ADOA for distribution to counties to establish a Coordinated Reentry Planning Services Program.

Automation Projects Fund (APF)

145. Appropriates the following amounts in FY 2024 from the APF subaccounts to ADOA for the following automation and information technology projects:

Project	Subaccount	Amount
Human Resources Information System	HRIS Subaccount	20,647,800
Statewide Health and Human Services Information Technology Projects	Health and Human Services Information System Subaccount	15,000,000
K-12 School Financial Transparency Reporting Portal	ADOA Subaccount	2,000,000
Online Records and Filing System Replacement	Arizona Corporation Commission Subaccount	7,000,000
Concealed Weapons Tracking System	DPS Subaccount	494,500
Integrated Tax System Modernization Project	ADOR Subaccount	19,369,400
Probation Case Management System	Judiciary Supreme Court Subaccount	3,270,000
Statewide Community Supervision Electronic Monitoring System	Judiciary Supreme Court Subaccount	2,500,000

146. Requires ADOA to submit a report for JLBC review of the agency's plan to support the business one-stop project through its completion, including how the new ADOR integrated tax system will integrate with the business one-stop solution.

147. Requires ADOA to submit a report for JLBC review of the agency's plan to support the business one-stop project through its competition including how the new ACC online records and filing system will integrate with the business one-stop solution.

148. Requires ADOA to submit a quarterly report to JLBC on implementing projects approved by the Information Technology Authorization Committee that includes the project expenditures, deliverables, timeline for completion and current status.

149. Exempts the FY 2024 appropriations from the APF from lapsing until June 30, 2025.
150. Extends the lapsing date for the following FY 2022 APF appropriations until June 30, 2024:
- a) \$7,758,900 from the ADOA Subaccount for a Business One-Stop Web Portal;
 - b) \$9,000,000 from the DES Subaccount for updating the Childcare Management System; and
 - c) \$550,000 from the DPS Subaccount for updating the Concealed Weapons Tracking System.

Department of Economic Security (DES)

151. Allows DES, beginning April 1, 2024, to use up to \$25,000,000 from the Budget Stabilization Fund (BSF) to provide funding for reimbursement grants.
152. Requires DES, before using the BSF monies, to notify the Director of JLBC and the Director of OSPB.
153. Requires the BSF appropriation to be fully reimbursed by September 1, 2024, and to be reimbursed in full as part of the closing process for FY 2024.
154. Prohibits the BSF appropriation from being used for additional programmatic expenditures.

State Treasurer

155. Appropriates \$2,500,000 from the state GF in FY 2024 to the State Treasurer to distribute to county sheriffs for search and rescue-related equipment.
156. Caps the percentages of the \$2,500,000 that each county sheriff may receive at:
- a) for Cochise County, 18 percent;
 - b) for Coconino County, 21 percent;
 - c) for Gila County, 2.5 percent;
 - d) for Greenlee County, 0.5 percent;
 - e) for Mohave County, 21 percent;
 - f) for Navajo County, 0.5 percent;
 - g) for Pinal County, 22 percent;
 - h) for Yavapai County, 13.5 percent; and
 - i) for Apache, Graham, La Paz, Maricopa, Pima, Santa Cruz and Yuma counties a total of 1 percent distributed on a first-come, first-served basis.
157. Appropriates \$9,000,000 from the state GF in FY 2024 to the State Treasurer to distribute to Mohave County for capital improvements at the Lake Havasu Substation, Boating Safety Center at Lake Havasu, Mohave Valley Substation and Beaver Dam Substation.
158. Appropriates \$860,000 from the state GF in FY 2024 to the State Treasurer to distribute to La Paz County for a server replacement, public safety dock and boat lifts and Salome Substation roof.

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159. Appropriates \$500,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Mohave County Sheriff for vehicle purchases.
160. Appropriates \$3,000,000 from the state GF in FY 2024 to the State Treasurer to distribute for police department support as follows:
 - a) \$2,000,000 to the Wickenburg Police Department; and
 - b) \$1,000,000 to the Hayden Police Department.
161. Prohibits the \$3,000,000 distributed for police department support from being used to supplant any existing local funding
162. Appropriates \$750,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Copper Canyon Fire and Medical District to offset COVID-related expenses.
163. Appropriates \$3,500,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Peoria Police Department for the purchase of a public safety helicopter.
164. Appropriates \$1,500,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Peoria Police Department for a mobile command center.
165. Appropriates \$3,400,000 from the state GF in FY 2024 to the State Treasurer to distribute Mohave County to design and construct the Mohave wash recharge basin.
166. Appropriates \$3,500,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Prescott and the Town of Prescott Valley, each receiving \$1,750,000, upon Yavapai County, the City of Prescott and the Town of Prescott Valley demonstrating a commitment for matching monies in amount of at least \$3,500,000 for the Glassford Dells Regional Park.
167. Appropriates \$27,800,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Gilbert for the rehabilitation and drilling of new water wells.
168. Appropriates \$1,400,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Wickenburg for fire station upgrades.
169. Appropriates \$8,987,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Flagstaff for post-fire mitigation, including detention basin maintenance and operation and drainage capital improvement projects.
170. Appropriates \$750,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Town of Snowflake for a sewer main lift station replacement.
171. Appropriates \$3,214,500 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Glendale for a veterans' community project.
172. Appropriates \$126,200 from the state GF in FY 2024 to the State Treasurer to distribute in the following amounts for property owner notification systems:
 - a) to Apache County, \$10,000;
 - b) to Cochise County, \$10,000;

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- c) to Coconino County, \$17,000;
- d) to Gila County, \$7,200;
- e) to Graham County, \$10,000;
- f) to Greenlee County, \$10,000;
- g) to La Paz County, \$10,000;
- h) to Mohave County, \$25,000;
- i) to Navajo County, \$10,000;
- j) to Santa Cruz County, \$10,000; and
- k) to Yuma County, \$7,000.

173. Appropriates \$750,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Chandler, Tucson and Mesa, each receiving \$250,000, for a Pepper Ball Pilot Program.
174. States that the Pepper Ball Pilot Program is intended to test a nonlethal compliance tool that can be deployed at a distance greater than 20 feet and that does not cause significant bodily injury.
175. Appropriates \$10,000,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Peoria for new water wells and water infrastructure projects.
176. Appropriates \$850,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Maricopa Association of Governments (MAG) for a Sun City transportation project study.
177. Appropriates \$10,050,000 from the state GF in FY 2024 to the State Treasurer to distribute to MAG for the relocation of utilities related to the construction of State Route 30.
178. Appropriates \$500,000 from the state GF in FY 2024 to the State Treasurer to distribute to distribute to the Town of Kearny for public building remediation.
179. Appropriates \$810,000 from the state GF in FY 2024 to the State Treasurer to distribute to the City of Glendale for irrigation system and xeriscaping.
180. Appropriates \$1,000,000 from the state GF in FY 2024 to the State Treasurer to distribute to the Vernon Fire District for equipment and operations.
181. Appropriates \$20,000,000 from the state GF in FY 2024 to the State Treasurer to distribute to Navajo County to reconstruct the Little Colorado River levee at the City of Winslow.
182. Appropriates \$1,368,000 from the Peace Officer Training Equipment Fund in FY 2024 to the State Treasurer for firearm training simulators.
183. Requires the State Treasurer to distribute the monies for firearm training simulators as follows:
- a) Flagstaff Police Department - \$300,000;
 - b) Mohave County Probation Department - \$300,000;
 - c) Casa Grande Police Department - \$138,000;
 - d) Maricopa County Sheriff's Office - \$330,000; and
 - e) Navajo County Sheriff's Office - \$300,000.

184. Appropriates \$10,000,000 from the state GF in FY 2024 to the State Treasurer to distribute to a nonprofit organization that is designated as an international dark sky discovery center and is focused on dark sky preservation in Arizona.
185. Appropriates \$15,300,000 from the state GF in FY 2024 to the State Treasurer to distribute to a nonprofit volunteer organization that operates a rodeo at the Yavapai County fairgrounds.
186. Appropriates \$5,600,000 from the state GF in FY 2024 to the State Treasurer to a nonprofit organization that operates an astronomy center and observatory that is open to the public in Northern Arizona.

Debt Service Payments

187. Allocates \$25,498,600 of state GF revenue in FY 2024 to the Arizona Convention Center Development Fund.
188. Asserts that the Rio Nuevo Multipurpose Facility District is estimated to receive \$16,000,000 from a portion of state transaction privilege tax revenues in FY 2024 and that the actual amount of distribution will be made as outlined in statute.

Fund Transfers

189. Transfers the following amounts in FY 2024 to the relevant APF subaccount from the following sources:

Project	Fund Source	Amount
Human Resources Information System Replacement	OF	20,647,800
Statewide Health and Human Services Information Technology Projects	GF	15,000,000
K-12 School Financial Transparency Reporting Portal	GF	2,000,000
Arizona Corporation Commission Online Records and Filing System Replacement	OF	7,000,000
Concealed Weapons Tracking System	OF	494,500
Integrated Tax System Modernization Project	GF	11,794,100
Integrated Tax System Modernization Project	OF	7,575,300
Probation Case Management System Replacement	GF	3,270,000
Statewide Community Supervision Electronic Monitoring System	GF	2,500,000

190. Specifies that the transfers into the APF are not appropriated out of the APF and that only direct appropriations out of the APF are appropriations.

Payment Deferrals

191. Continues to defer \$800,727,700 in BSA and additional state aid (ASA) payments from ADE in FY 2024 until after June 30, 2024, but no later than July 12, 2024, and excludes charter schools and school districts with a student count less than 4,000 pupils from the deferral.

192. Requires ADE to make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.

193. Requires ADE to disburse the FY 2025 appropriations of \$800,727,700 to the counties for the school districts starting July 1, 2024, and no later than July 12, 2024, in amounts equal to the reductions in the apportionment of BSA and ASA.

194. Requires school districts to include, in the revenue estimates used for computing FY 2024 tax rates, the deferred appropriation monies that the districts will receive.

Statewide Operating Adjustments

General Fund (GF) and Other Fund (OF)

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

195. Provides statewide adjustment procedures and instructions.

196. Outlines the FY 2024 individual agency charges totaling \$1,798,500 for general agency counsel provided by the Attorney General.

FY 2025 Appropriations

197. Appropriates \$77,898,600 from the state GF in FY 2025 for a onetime deposit in the New School Facilities Fund.

198. Requires the School Facilities Division (SFD) to use monies only for facilities that will be constructed for school districts that received final approval from SFD by December 15, 2022.

Miscellaneous

199. Declares the Legislature's intent that all departments, agencies and budget units receiving appropriations continue to report actual, estimated and requested expenditures in a specified format.

200. Contains other reporting requirements.

201. Defines terms.

202. Becomes effective on the signature of the Governor.

Prepared by Senate Research

May 8, 2023

LMM/sr