

REFERENCE TITLE: **general appropriations act; 2023-2024**

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2570

Introduced by
Representatives Livingston: Chaplik

AN ACT

APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Subject to applicable laws, the sums or sources of
 3 revenue set forth in this act are appropriated for the fiscal years
 4 indicated and only from the funding sources listed for the purposes and
 5 objects specified. If monies from funding sources in this act are
 6 unavailable, no other funding source may be used.

7 Sec. 2. ARIZONA STATE BOARD OF ACCOUNTANCY

8		<u>2023-24</u>
9	FTE positions	14.0
10	Lump sum appropriation	\$ 2,236,600
11	Fund sources:	
12	Board of accountancy fund	\$ 2,236,600

13 Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

14		<u>2023-24</u>
15	FTE positions	1.0
16	Lump sum appropriation	\$ 191,300
17	Fund sources:	
18	Acupuncture board of examiners	
19	fund	\$ 191,300

20 Sec. 4. DEPARTMENT OF ADMINISTRATION

21		<u>2023-24</u>
22	FTE positions	539.1
23	Operating lump sum appropriation	\$ 91,914,700
24	Utilities	7,649,900
25	Arizona financial information	
26	system	13,885,100
27	Risk management administrative	
28	expenses	8,597,800
29	Risk management losses and	
30	premiums	48,396,100
31	Workers' compensation losses	
32	and premiums	28,253,000
33	Cyber risk insurance	23,037,200
34	Information technology project	
35	management and oversight	1,667,300
36	State surplus property sales	
37	agency proceeds	1,810,000
38	Southwest defense contracts	25,000
39	Government transformation office	<u>2,063,000</u>
40	Total appropriation – department of	
41	administration	\$227,299,100

1	Fund sources:	
2	State general fund	\$ 9,350,900
3	Air quality fund	928,000
4	Arizona financial information	
5	system collections fund	13,885,100
6	Automation operations fund	31,568,300
7	Capital outlay stabilization fund	19,200,200
8	Corrections fund	634,600
9	Cyber risk insurance fund	23,037,200
10	Federal surplus materials revolving	
11	fund	468,500
12	Information technology fund	2,292,000
13	Personnel division fund	13,779,500
14	Risk management revolving fund	93,500,700
15	Special employee health insurance	
16	trust fund	5,719,900
17	Special services revolving fund	1,257,300
18	State surplus materials revolving	
19	fund	3,064,600
20	State web portal fund	6,798,300
21	Telecommunications fund	1,814,000

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

26 The appropriation from the automation operations fund established by
 27 section 41-711, Arizona Revised Statutes, is an estimate representing all
 28 monies, including balance forward, revenues and transfers during fiscal
 29 year 2023-2024. These monies are appropriated to the department of
 30 administration for the purposes established in section 41-711, Arizona
 31 Revised Statutes. The appropriation is adjusted as necessary to reflect
 32 monies credited to the automation operations fund for automation operation
 33 center projects. Before spending any automation operations fund monies in
 34 excess of \$31,568,300 in fiscal year 2023-2024, the department shall
 35 report the intended use of the monies to the joint legislative budget
 36 committee.

37 On or before September 1, 2024, the department shall submit a report
 38 to the joint legislative budget committee on the results of pilot projects
 39 implemented in fiscal year 2023-2024 for the state employee public
 40 transportation service reimbursements pursuant to section 41-710.01,
 41 Arizona Revised Statutes, in a vehicle emissions control area as defined
 42 in section 49-541, Arizona Revised Statutes, of a county with a population
 43 of more than four hundred thousand persons.

1 All state surplus materials revolving fund monies received by the
 2 department of administration in excess of \$3,064,600 in fiscal year
 3 2023-2024 are appropriated to the department. Before spending state
 4 surplus materials revolving fund monies in excess of \$3,064,600 in fiscal
 5 year 2023-2024, the department shall report the intended use of the monies
 6 to the joint legislative budget committee.

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

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

15 Sec. 5. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES

	<u>2023-24</u>
16	
17	FTE positions 17.0
18	Operating lump sum appropriation \$ 1,647,100
19	New school facilities debt service 9,938,100
20	Building renewal grants deposit 199,967,900
21	New school facilities <u>92,766,300</u>
22	Total appropriation – department of
23	administration, division
24	of school facilities \$304,319,400

25	Fund sources:
26	State general fund \$304,319,400

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

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

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

40 Sec. 6. OFFICE OF ADMINISTRATIVE HEARINGS

	<u>2023-24</u>
41	
42	FTE positions 12.0
43	Lump sum appropriation \$ 998,900
44	Fund sources:
45	State general fund \$ 998,900

1	Sec. 7. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS		
2			<u>2023-24</u>
3	FTE positions		3.0
4	Lump sum appropriation	\$	146,600
5	Fund sources:		
6	State general fund	\$	146,600
7	Sec. 8. ARIZONA DEPARTMENT OF AGRICULTURE		
8			<u>2023-24</u>
9	FTE positions		209.9
10	Operating lump sum appropriation	\$	16,304,600
11	Agricultural employment relations		
12	board		23,300
13	Animal damage control		65,000
14	Red imported fire ant control		23,200
15	Agricultural consulting and		
16	training		<u>136,300</u>
17	Total appropriation – Arizona department		
18	of agriculture	\$	16,552,400
19	Fund sources:		
20	State general fund	\$	14,954,600
21	Air quality fund		1,597,800
22	Sec. 9. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM		
23			<u>2023-24</u>
24	FTE positions		2,354.3
25	Operating lump sum appropriation	\$	129,506,600
26	Administration		
27	AHCCCS data storage		19,325,800
28	DES eligibility		97,074,500
29	Proposition 204 – AHCCCS		
30	administration		15,367,300
31	Proposition 204 – DES eligibility		44,358,700
32	<u>Medicaid services</u>		
33	Traditional medicaid services		7,977,675,900
34	Proposition 204 services		7,038,319,000
35	Adult expansion services		926,824,300
36	Comprehensive medical and		
37	dental program		203,903,500
38	KidsCare services		164,800,200
39	ALTCS services		2,680,175,800
40	Behavioral health services		
41	in schools		9,120,600

1	<u>Nonmedicaid behavioral health services</u>	
2	Crisis services	16,391,300
3	Nonmedicaid seriously mentally	
4	ill services	77,646,900
5	Supported housing	65,324,800
6	Secure behavioral health residential	
7	facilities	10,000,000
8	<u>Hospital payments</u>	
9	Disproportionate share payments	5,087,100
10	Disproportionate share payments –	
11	voluntary match	69,735,200
12	Rural hospitals	28,612,400
13	Graduate medical education	426,531,500
14	Targeted investments program	<u>26,000,000</u>
15	Total appropriation and expenditure	
16	authority – Arizona health	
17	care cost containment system	\$20,031,781,400
18	Fund sources:	
19	State general fund	\$ 2,508,542,000
20	Budget neutrality compliance fund	4,669,300
21	Children's health insurance	
22	program fund	134,214,800
23	Prescription drug rebate	
24	fund – state	165,160,800
25	Seriously mentally ill	
26	housing trust fund	217,300
27	Substance abuse services fund	2,250,200
28	Tobacco products tax fund –	
29	emergency health services	
30	account	17,458,500
31	Tobacco tax and health care	
32	fund – medically needy account	67,258,900
33	Expenditure authority	17,132,009,600

34 Operating budget

35 The amount appropriated for the DES eligibility line item shall be
36 used for intergovernmental agreements with the department of economic
37 security for eligibility determination and other functions. The state
38 general fund share may be used for eligibility determination for other
39 programs administered by the division of benefits and medical eligibility
40 based on the results of the Arizona random moment sampling survey.

1 The amounts included in the proposition 204 – AHCCCS administration,
2 proposition 204 – DES eligibility and proposition 204 services line items
3 include all available sources of funding consistent with section
4 36-2901.01, subsection B, Arizona Revised Statutes.

5 Medical services and behavioral health services

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

10 The Arizona health care cost containment system administration shall
11 report to the joint legislative budget committee on or before March 1,
12 2024 on preliminary actuarial estimates of the capitation rate changes for
13 the following fiscal year along with the reasons for the estimated
14 changes. For any actuarial estimates that include a range, the total
15 range from minimum to maximum may not be more than two percent. Before
16 implementing any changes in capitation rates, the administration shall
17 report its expenditure plan for review by the joint legislative budget
18 committee. Before the administration implements any change in policy
19 affecting the amount, sufficiency, duration and scope of health care
20 services and who may provide services, the administration shall prepare a
21 fiscal impact analysis on the potential effects of this change on the
22 following year's capitation rates. If the fiscal impact analysis
23 demonstrates that this change will result in additional state costs of
24 \$1,000,000 or more for any fiscal year, the administration shall submit
25 the policy change for review by the joint legislative budget committee.

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

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

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

38 The amount appropriated for the ALTCS services line item includes
39 \$347,740,500 from expenditure authority to implement the American rescue
40 plan act of 2021 (P.L. 117-2) home and community-based services spending
41 plan in fiscal year 2023-2024. The administration may not use these
42 monies for marketing purposes, and any direct payments or grants provided
43 with the monies shall include a notification to the recipient that the
44 monies are onetime funding. Beginning on or before July 31, 2023, the
45 administration shall provide quarterly reports to the joint legislative

1 budget committee at the same time that the information is provided to the
2 centers for medicare and medicaid services, reflecting any changes to the
3 administration's spending plan. Of the amount appropriated for the ALTCS
4 services line item in fiscal year 2023-2024, \$347,740,500 is exempt from
5 the provisions of section 35-190, Arizona Revised Statutes, relating to
6 lapsing of appropriations.

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

19 Long-term care

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

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

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

39 Payments to hospitals

40 The \$5,087,100 appropriation for disproportionate share payments for
41 fiscal year 2023-2024 made pursuant to section 36-2903.01, subsection 0,
42 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county
43 health care district and \$884,800 for private qualifying disproportionate
44 share hospitals.

1 Any monies received for disproportionate share hospital payments
2 from political subdivisions of this state, tribal governments and any
3 university under the jurisdiction of the Arizona board of regents, and any
4 federal monies used to match those payments, in fiscal year 2023-2024 by
5 the Arizona health care cost containment system administration in excess
6 of \$69,735,200 are appropriated to the administration in fiscal year 2023-
7 2024. Before spending these increased monies, the administration shall
8 notify the joint legislative budget committee and the governor's office of
9 strategic planning and budgeting of the amount of monies that will be
10 spent under this provision.

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

20 Any monies for graduate medical education received in fiscal year
21 2023-2024, including any federal matching monies, by the Arizona health
22 care cost containment system administration in excess of \$426,531,500 are
23 appropriated to the administration in fiscal year 2023-2024. Before
24 spending these increased monies, the administration shall notify the joint
25 legislative budget committee and the governor's office of strategic
26 planning and budgeting of the amount of monies that will be spent under
27 this provision.

28 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
29 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
30 graduate medical education includes \$5,000,000 from the state general fund
31 and \$15,721,100 from expenditure authority for the direct and indirect
32 costs of graduate medical education programs located in counties with a
33 population of less than five hundred thousand persons. The state general
34 fund amount may supplement, but not supplant, voluntary payments made from
35 political subdivisions for payments to hospitals that operate a graduate
36 medical education program. The administration shall prioritize
37 distribution to programs at hospitals in counties with a higher percentage
38 of persons residing in a health professional shortage area as defined in
39 42 Code of Federal Regulations part 5.

40 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
41 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
42 graduate medical education includes \$4,000,000 from the state general fund
43 and \$12,576,900 from expenditure authority for the direct and indirect
44 costs of graduate medical education programs located in counties with a
45 population of more than five hundred thousand persons. The state general

1 fund amount may supplement, but not supplant, voluntary payments made from
 2 political subdivisions for payments to hospitals that operate a graduate
 3 medical education program.

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

7 Other

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

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

15 Sec. 10. BOARD OF ATHLETIC TRAINING

16		<u>2023-24</u>
17	FTE positions	1.5
18	Lump sum appropriation	\$ 150,000
19	Fund sources:	
20	Athletic training fund	\$ 150,000

21 Sec. 11. ATTORNEY GENERAL – DEPARTMENT OF LAW

22		<u>2023-24</u>
23	FTE positions	655.7
24	Operating lump sum appropriation	\$ 65,021,300
25	Capital postconviction prosecution	881,400
26	Child and family advocacy centers	100,000
27	Criminal division major fraud unit	1,194,000
28	Internet crimes against children	
29	enforcement	1,271,500
30	Federalism unit	1,318,700
31	Government accountability and	
32	special litigation	1,334,200
33	Organized retail theft	
34	task force	1,570,700
35	Risk management interagency	
36	service agreement	10,703,900
37	State grand jury	194,100
38	Southern Arizona law enforcement	1,678,900
39	Tobacco enforcement	877,600
40	Victims' rights	4,023,400
41	Voter fraud unit	<u>563,200</u>
42	Total appropriation – attorney general –	
43	department of law	\$90,732,900

1	Fund sources:	
2	State general fund	\$27,437,900
3	Antitrust enforcement revolving	
4	fund	161,400
5	Attorney general legal services	
6	cost allocation fund	2,326,200
7	Collection enforcement revolving	
8	fund	7,599,300
9	Consumer protection-consumer	
10	fraud revolving fund	17,098,500
11	Interagency service agreements fund	18,199,300
12	Internet crimes against children	
13	enforcement fund	900,000
14	Risk management revolving fund	13,197,600
15	Victims' rights fund	3,812,700

16 All monies appropriated to the attorney general legal services line
17 item in the department of child safety budget do not count toward the
18 attorney general's interagency service agreements fund appropriation in
19 fiscal year 2023-2024.

20 Within ten days after receiving a complaint alleging a violation of
21 section 15-511, Arizona Revised Statutes, the attorney general shall
22 forward a copy of the complaint to the governor, the president of the
23 senate and the speaker of the house of representatives.

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

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

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

1	Sec. 12. BARBERING AND COSMETOLOGY BOARD	
2		<u>2023-24</u>
3	FTE positions	29.5
4	Lump sum appropriation	\$ 2,715,500
5	Fund sources:	
6	Barbering and cosmetology fund	\$ 2,715,500
7	Sec. 13. BOARD OF BEHAVIORAL HEALTH EXAMINERS	
8		<u>2023-24</u>
9	FTE positions	20.0
10	Lump sum appropriation	\$ 2,123,000
11	Fund sources:	
12	Board of behavioral health	
13	examiners fund	\$ 2,123,000
14	Sec. 14. STATE BOARD FOR CHARTER SCHOOLS	
15		<u>2023-24</u>
16	FTE positions	25.0
17	Lump sum appropriation	\$ 2,939,200
18	Fund sources:	
19	State general fund	\$ 2,939,200
20	Sec. 15. DEPARTMENT OF CHILD SAFETY	
21		<u>2023-24</u>
22	FTE positions	3,203.1
23	Operating lump sum appropriation	\$141,920,000
24	<u>Additional operating resources</u>	
25	Attorney general legal services	25,522,800
26	Caseworkers	119,775,000
27	Office of child welfare	
28	investigations	10,594,100
29	Training resources	9,150,000
30	<u>Out-of-home placements</u>	
31	Congregate group care	100,709,000
32	Extended foster care	17,037,200
33	Foster home placement	51,929,500
34	Foster home recruitment,	
35	study and supervision	32,753,600
36	Kinship care	24,811,200
37	<u>Permanent placements</u>	
38	Adoption services	289,358,500
39	Permanent guardianship subsidy	12,516,900
40	<u>Support services</u>	
41	DCS child care subsidy	61,675,400
42	In-home mitigation	28,988,100
43	Out-of-home support services	122,710,800
44	Preventive services	27,648,300

1	<u>Comprehensive health plan</u>	
2	Comprehensive health plan	
3	services	161,546,700
4	Comprehensive health plan	
5	administration	27,461,200
6	Comprehensive health plan	
7	premium tax	<u>3,857,300</u>
8	Total appropriation and expenditure	
9	authority – department of	
10	child safety	\$1,269,965,600
11	Fund sources:	
12	State general fund	\$ 454,503,200
13	Federal child care and	
14	development fund block grant	40,516,000
15	Federal temporary assistance	
16	for needy families block	
17	grant	161,082,200
18	Child abuse prevention fund	1,459,300
19	Children and family services	
20	training program fund	208,000
21	Child safety expenditure authority	418,310,900
22	Child welfare licensing fee fund	1,020,800
23	Comprehensive health plan	
24	expenditure authority fund –	
25	expenditure authority	192,865,200

26 Additional operating resources

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

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

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

37 Out-of-home placements

38 The department of child safety may transfer up to ten percent of the
 39 total amount of federal temporary assistance for needy families block
 40 grant monies appropriated to the department of economic security and the
 41 department of child safety to the social services block grant. Before
 42 transferring federal temporary assistance for needy families block grant
 43 monies to the social services block grant, the department of child safety
 44 shall report the proposed amount of the transfer to the director of the
 45 joint legislative budget committee. This report may be in the form of an

1 expenditure plan that is submitted at the beginning of the fiscal year and
2 updated, if necessary, throughout the fiscal year.

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

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

19 Departmentwide

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

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

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

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

41 2. Assisting congregate care providers in attaining status as
42 qualified residential treatment programs.

43 3. Identifying alternative placements, including therapeutic foster
44 homes, for children who would otherwise be placed in congregate care.

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

3 Benchmarks

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

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

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

16 For the purposes of this section:

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

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

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

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

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

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

40 For long-term cases, the department's benchmark is the caseload
41 reported for December 2022.

42 If the department of child safety has not submitted a required
43 report within thirty days after the report is due, the director of the
44 joint legislative budget committee shall inform the general accounting
45 office of the department of administration, which shall withhold two

1 percent of the department of child safety's operating lump sum semiannual
 2 budget allocation until the department of child safety submits the
 3 required report.

4	Sec. 16. STATE BOARD OF CHIROPRACTIC EXAMINERS	
5		<u>2023-24</u>
6	FTE positions	5.0
7	Lump sum appropriation	\$ 485,900
8	Fund sources:	
9	Board of chiropractic examiners	
10	fund	\$ 485,900
11	Sec. 17. ARIZONA COMMERCE AUTHORITY	
12		<u>2023-24</u>
13	Operating lump sum appropriation	\$ 10,000,000
14	Arizona competes fund deposit	5,500,000
15	Asia trade offices	750,000
16	Economic development marketing	
17	and attraction	1,000,000
18	Frankfurt, Germany trade office	500,000
19	Israel trade office	300,000
20	Mexico trade offices	500,000
21	Major events fund deposit	<u>7,500,000</u>
22	Total appropriation – Arizona commerce	
23	authority	\$ 26,050,000
24	Fund sources:	
25	State general fund	\$ 26,050,000

26
 27 Pursuant to section 43-409, Arizona Revised Statutes, of the amounts
 28 listed above, \$15,500,000 of the state general fund withholding tax
 29 revenues is allocated in fiscal year 2023-2024 to the Arizona commerce
 30 authority, of which \$10,000,000 is credited to the Arizona commerce
 31 authority fund established by section 41-1506, Arizona Revised Statutes,
 32 and \$5,500,000 is credited to the Arizona competes fund established by
 33 section 41-1545.01, Arizona Revised Statutes.

34	Sec. 18. ARIZONA COMMUNITY COLLEGES	
35		<u>2023-24</u>
36	<u>Equalization aid</u>	
37	Cochise	\$ 9,759,600
38	Graham	19,912,000
39	Navajo	11,189,600
40	Yuma/La Paz	<u>716,100</u>
41	Total – equalization aid	\$ 41,577,300
42	<u>Operating state aid</u>	
43	Cochise	\$ 4,428,300
44	Coconino	1,424,100
45	Gila	155,100

1	Graham	1,674,800
2	Mohave	934,100
3	Navajo	1,349,900
4	Pinal	1,108,100
5	Yavapai	382,300
6	Yuma/La Paz	<u>2,276,500</u>
7	Total – operating state aid	\$ 13,733,200
8	<u>STEM and workforce programs state aid</u>	
9	Cochise	\$ 954,700
10	Coconino	309,500
11	Gila	88,700
12	Graham	409,700
13	Maricopa	7,927,600
14	Mohave	378,600
15	Navajo	262,500
16	Pima	1,769,000
17	Pinal	656,700
18	Santa Cruz	21,200
19	Yavapai	637,200
20	Yuma/La Paz	<u>777,700</u>
21	Total – STEM and workforce programs	
22	state aid	\$ 14,193,100
23	<u>Rural aid</u>	
24	Cochise	\$ 3,365,600
25	Coconino	887,000
26	Gila	256,400
27	Graham	1,118,700
28	Mohave	1,089,000
29	Navajo	771,400
30	Pinal	1,814,400
31	Santa Cruz	56,700
32	Yavapai	1,799,200
33	Yuma/La Paz	<u>2,841,600</u>
34	Total – rural aid	\$ 14,000,000
35	Rural county reimbursement subsidy	\$ 1,082,900
36	Additional Gila workforce	
37	development aid	200,000
38	Diné college remedial education	<u>1,000,000</u>
39	Total appropriation – Arizona community	
40	colleges	\$ 85,786,500
41	Fund sources:	
42	State general fund	\$ 85,786,500

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

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

10 Sec. 19. REGISTRAR OF CONTRACTORS

		<u>2023-24</u>
11		
12	FTE positions	105.6
13	Operating lump sum appropriation	\$ 12,737,000
14	Office of administrative	
15	hearings costs	<u>1,017,600</u>
16	Total appropriation – registrar of	
17	contractors	\$ 13,754,600
18	Fund sources:	
19	Registrar of contractors fund	\$ 13,754,600

20 Sec. 20. CORPORATION COMMISSION

		<u>2023-24</u>
21		
22	FTE positions	301.9
23	Operating lump sum appropriation	\$ 30,288,500
24	Corporation filings, same-day	
25	service	417,000
26	Utilities audits, studies,	
27	investigations and hearings	<u>380,000*</u>
28	Total appropriation – corporation commission	\$ 31,085,500
29	Fund sources:	
30	State general fund	\$ 807,200
31	Arizona arts trust fund	58,800
32	Investment management regulatory	
33	and enforcement fund	812,000
34	Public access fund	7,464,500
35	Securities regulatory and	
36	enforcement fund	5,706,900
37	Utility regulation revolving fund	16,236,100

38 Sec. 21. STATE DEPARTMENT OF CORRECTIONS

		<u>2023-24</u>
39		
40	FTE positions	9,569.0
41	Operating lump sum appropriation	\$ 883,713,300
42	Private prison per diem	259,555,500

1	Community corrections	27,681,200
2	Inmate health care contracted	
3	services	267,719,900
4	Substance abuse treatment	<u>5,445,400</u>
5	Total appropriation – state department	
6	of corrections	\$1,444,115,300
7	Fund sources:	
8	State general fund	\$1,390,823,500
9	State education fund for	
10	correctional education	738,900
11	Alcohol abuse treatment fund	555,800
12	Penitentiary land fund	2,777,600
13	State charitable, penal and	
14	reformatory institutions	
15	land fund	2,665,100
16	Corrections fund	30,312,500
17	Transition program fund	2,400,300
18	Prison construction and	
19	operations fund	12,500,100
20	Inmate store proceeds fund	1,341,500

21 Of the amount appropriated in the operating lump sum, \$488,047,400
 22 is designated for personal services, \$240,676,100 is designated for
 23 employee-related expenditures and \$15,540,500 is designated for overtime
 24 expenditures. The department shall submit an expenditure plan to the
 25 joint legislative budget committee for review before spending these monies
 26 other than for personal services or employee-related expenditures.

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

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

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

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

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

27 If the department develops a plan after the department's November 1,
 28 2023 report to open or close 100 or more state-operated or private prison
 29 rated beds, the department shall submit a plan detailing the proposed bed
 30 changes for review by the joint legislative budget committee before
 31 implementing these changes.

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

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

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

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

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

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

- 19 1. The total number of performance measures, by facility, for which
- 20 the department is not in substantial compliance.
- 21 2. An explanation for each instance of noncompliance.
- 22 3. The department's plan to comply with the performance measures.

23 On or before August 1, 2023, the state department of corrections
24 shall transfer to the public safety personnel retirement system via the
25 department of administration its estimated required annual contribution to
26 the corrections officer retirement plan for fiscal year 2023-2024.

27 The department shall report actual fiscal year 2022-2023, estimated
28 fiscal year 2023-2024 and requested fiscal year 2024-2025 expenditures as
29 delineated in the prior year when the department submits its fiscal year
30 2024-2025 budget request pursuant to section 35-113, Arizona Revised
31 Statutes.

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

37 Sec. 22. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2023-24</u>
38 FTE positions	11.0
39 Operating lump sum appropriation	\$ 1,382,100
40 Major incident regional law	
41 enforcement task force	600,000
42	

1	State aid to county attorneys	973,700
2	State aid to indigent defense	700,000
3	State aid for juvenile dependency	
4	proceedings fund deposit	2,000,000
5	Victim compensation and	
6	assistance	<u>6,224,600</u>
7	Total appropriation – Arizona criminal	
8	justice commission	\$ 11,880,400
9	Fund sources:	
10	State general fund	4,600,000
11	Criminal justice enhancement fund	708,900
12	Resource center fund	647,100
13	State aid to county attorneys fund	973,700
14	State aid to indigent defense fund	700,000
15	Victim compensation and assistance	
16	fund	4,250,700
17	All victim compensation and assistance fund monies received by the	
18	Arizona criminal justice commission in excess of \$4,250,700 in fiscal year	
19	2023-2024 are appropriated to the crime victims program. Before spending	
20	any victim compensation and assistance fund monies in excess of \$4,250,700	
21	in fiscal year 2023-2024, the Arizona criminal justice commission shall	
22	report the intended use of the monies to the joint legislative budget	
23	committee.	
24	All monies received by the Arizona criminal justice commission in	
25	excess of \$973,700 in fiscal year 2023-2024 from the state aid to county	
26	attorneys fund established by section 11-539, Arizona Revised Statutes,	
27	are appropriated to the state aid to county attorneys program. Before	
28	spending any state aid to county attorneys fund monies in excess of	
29	\$973,700 in fiscal year 2023-2024, the Arizona criminal justice commission	
30	shall report the intended use of the monies to the joint legislative	
31	budget committee.	
32	Sec. 23. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND	
33		<u>2023-24</u>
34	FTE positions	562.2
35	Administration/statewide	\$ 9,298,500
36	Phoenix day school for the deaf	12,098,200
37	Tucson campus	11,967,500
38	Preschool/outreach programs	7,181,200
39	School bus/agency vehicle	
40	replacement	369,000
41	Cooperative services	<u>20,125,900</u>
42	Total appropriation – Arizona state schools	
43	for the deaf and the blind	\$ 61,040,300

1	Fund sources:	
2	State general fund	\$ 25,571,700
3	Schools for the deaf and	
4	the blind fund	15,342,700
5	Cooperative services fund	20,125,900
6	Before spending any schools for the deaf and the blind fund monies	
7	in excess of \$15,342,700 in fiscal year 2023-2024, the Arizona state	
8	schools for the deaf and the blind shall report to the joint legislative	
9	budget committee the intended use of the monies.	
10	Before spending any cooperative services fund monies in excess of	
11	\$20,125,900 in fiscal year 2023-2024, the Arizona state schools for the	
12	deaf and the blind shall report to the joint legislative budget committee	
13	the intended use of the monies.	
14	Sec. 24. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
15		<u>2023-24</u>
16	FTE positions	21.0
17	Operating lump sum appropriation	\$ 4,644,000
18	Support services for the	
19	deaf-blind	<u>192,000</u>
20	Total appropriation – commission for the	
21	deaf and the hard of hearing	\$ 4,836,000
22	Fund sources:	
23	Telecommunication fund for	
24	the deaf	\$ 4,836,000
25	Sec. 25. STATE BOARD OF DENTAL EXAMINERS	
26		<u>2023-24</u>
27	FTE positions	11.0
28	Lump sum appropriation	\$ 1,903,300
29	Fund sources:	
30	Dental board fund	\$ 1,903,300
31	Sec. 26. OFFICE OF ECONOMIC OPPORTUNITY	
32		<u>2023-24</u>
33	FTE positions	5.0
34	Lump sum appropriation	\$ 525,800
35	Fund sources:	
36	State general fund	\$ 525,800
37	Sec. 27. DEPARTMENT OF ECONOMIC SECURITY	
38		<u>2023-24</u>
39	FTE positions	4,533.8
40	Operating lump sum appropriation	\$321,738,700
41	<u>Administration</u>	
42	Attorney general legal services	11,379,800

1	<u>Aging and adult services</u>	
2	Adult services	10,731,900
3	Community and emergency services	3,724,000
4	Coordinated homeless services	3,522,600
5	Coordinated hunger services	2,254,600
6	Domestic violence prevention	14,004,000
7	Long-term care ombudsman	1,000,000
8	<u>Benefits and medical eligibility</u>	
9	Temporary assistance for needy	
10	families – cash benefits	22,736,400
11	Tribal pass-through funding	4,680,300
12	<u>Child support enforcement</u>	
13	County participation	8,539,700
14	<u>Developmental disabilities</u>	
15	DDD premium tax payment	61,199,900
16	Case management – medicaid	104,597,100
17	Home and community based	
18	services – medicaid	2,349,691,300
19	Institutional services –	
20	medicaid	47,171,500
21	Physical and behavioral	
22	health services – medicaid	541,328,700
23	Medicare clawback payments	6,055,500
24	Targeted case management – medicaid	15,321,600
25	State match transfer from AHCCCS	982,330,300
26	Case management – state-only	6,354,000
27	Home and community based	
28	services – state-only	14,089,000
29	Cost effectiveness study – client	
30	services	8,420,000
31	Arizona early intervention program	14,119,000
32	State-funded long-term care	
33	services	43,534,700
34	Group home monitoring program	1,200,000
35	<u>Employment and rehabilitation services</u>	
36	JOBS	11,005,600
37	Child care subsidy	187,080,200
38	Independent living rehabilitation	
39	services	1,289,400
40	Rehabilitation services	7,249,100
41	Workforce innovation	
42	and opportunity act	
43	services	<u>85,824,200</u>
44	Total appropriation and expenditure	
45	authority – department of	

1	economic security	\$4,892,173,100
2	Fund sources:	
3	State general fund	\$1,184,628,200
4	Federal child care and	
5	development fund block grant	200,010,200
6	Federal temporary assistance for	
7	needy families block grant	66,591,200
8	Long-term care system fund	33,864,200
9	Public assistance collections	
10	fund	430,400
11	Special administration fund	4,643,200
12	Spinal and head injuries trust	
13	fund	2,388,200
14	Statewide cost allocation plan	
15	fund	1,000,000
16	Child support enforcement	
17	administration fund	17,683,300
18	Domestic violence services fund	4,000,300
19	Workforce investment act grant	87,110,800
20	Child support enforcement	
21	administration fund expenditure	
22	authority	43,047,000
23	Developmental disabilities	
24	medicaid expenditure authority	3,192,363,800
25	Health care investment fund	
26	expenditure authority	54,412,300

27 Aging and adult services

28 Before expending the \$1,000,000 for homeless youth services within
 29 the coordinated homeless services line item, the department shall submit
 30 an expenditure plan to the joint legislative budget committee for review.

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

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

41 Benefits and medical eligibility

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

1 Child support enforcement

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

8 Developmental disabilities

9 On or before September 1, 2024, the department of economic security
10 shall report to the president of the senate, the speaker of the house of
11 representatives, the chairpersons of the senate and house of
12 representatives appropriations committees and the director of the joint
13 legislative budget committee any new placement into a state-owned ICF-IID
14 or the Arizona training program at the Coolidge campus in fiscal year
15 2023-2024 and the reason this placement, rather than a placement into a
16 privately run facility for persons with developmental disabilities, was
17 deemed as the most appropriate placement. The department shall also
18 report if no new placements were made. On or before September 1, 2024,
19 the department shall also report to the director of the joint legislative
20 budget committee the total costs associated with the Arizona training
21 program at Coolidge in fiscal year 2023-2024.

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

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

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

6 On or before November 30, 2023 and November 30, 2024, the department
7 of economic security shall submit a report to the joint legislative budget
8 committee regarding expenditures from the cost effectiveness study -
9 client services line item in the previous fiscal year. The report shall
10 include the number of clients and total amounts spent from the line item
11 in each setting type along with expenditures for those clients in other
12 line items. The report shall also include cost effectiveness spending in
13 other line items.

14 The amount appropriated for the home and community based services -
15 medicaid line item includes \$115,793,900 from expenditure authority to
16 implement the American rescue plan act of 2021 (P.L. 117-2) home and
17 community-based services spending plan in fiscal year 2023-2024. The
18 department may not use these monies for marketing purposes and any direct
19 payments or grants provided with the monies shall include a notification
20 to the recipient that the monies are onetime funding. Beginning on or
21 before July 31, 2023, the department shall provide quarterly reports to
22 the joint legislative budget committee at the same time that the
23 information is provided to the centers for medicare and medicaid services
24 reflecting any changes to the department's spending plan. Of the amount
25 appropriated for the home and community based services - medicaid line
26 item, \$115,793,900 is exempt from the provisions of section 35-190,
27 Arizona Revised Statutes, relating to lapsing of appropriations.

28 Employment and rehabilitation services

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

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

8 All workforce investment act grant monies that are received by this
 9 state in excess of \$87,110,800 are appropriated to the workforce
 10 innovation and opportunity act services line item. Before spending these
 11 increased monies, the department shall report the intended use of monies
 12 in excess of \$87,110,800 to the joint legislative budget committee.

13 Departmentwide

14 The above appropriations are in addition to monies granted to this
 15 state by the federal government for the same purposes but are deemed to
 16 include the sums deposited in the state treasury to the credit of the
 17 department of economic security pursuant to section 42-5029, Arizona
 18 Revised Statutes.

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

31 Sec. 28. STATE BOARD OF EDUCATION

32		<u>2023-24</u>
33	FTE positions	23.0
34	Operating lump sum appropriation	\$ 3,155,100
35	Arizona empowerment scholarship	
36	account appeals	<u>221,600</u>
37	Total appropriation –	
38	state board of education	\$ 3,376,700
39	Fund sources:	
40	State general fund	\$ 3,376,700

1	Sec. 29. SUPERINTENDENT OF PUBLIC INSTRUCTION	
2		<u>2023-24</u>
3	FTE positions	232.9
4	Operating lump sum appropriation	\$ 15,633,100
5	<u>Formula programs</u>	
6	Basic state aid	6,057,505,500
7	Results-based funding	68,600,000
8	Special education fund	36,029,200
9	Other state aid to districts	983,900
10	Classroom site fund	946,524,800
11	Instructional improvement fund	60,425,700
12	<u>Property tax relief</u>	
13	Additional state aid	509,801,100
14	<u>Non-formula programs</u>	
15	Accountability and achievement	
16	testing	16,442,300
17	Adult education	24,849,100
18	Alternative teacher development	
19	program	1,000,000
20	Arizona English language	
21	learner fund	4,960,400
22	CTED certification exam fee	
23	reimbursement	1,000,000
24	CTED completion grants	1,000,000
25	CTED soft capital and equipment	1,000,000
26	College credit by examination	
27	incentive program	7,472,100
28	College placement exam fee waiver	1,265,800
29	Computer science professional	
30	development program	1,000,000
31	Early literacy	18,880,000
32	Education learning and	
33	accountability system	5,447,100
34	English learner administration	6,597,100
35	Geographic literacy	100,000
36	Gifted assessments	850,000
37	Jobs for Arizona graduates	500,000
38	School safety program	81,992,600
39	State block grant for vocational	
40	education	11,774,700
41	Student level data access	357,900

1	Teacher certification	2,554,500
2	Tribal college dual enrollment	
3	program	<u>325,000</u>
4	Total appropriation and expenditure	
5	authority – superintendent	
6	of public instruction	\$7,884,871,900
7	Fund sources:	
8	State general fund	\$6,365,905,400
9	Education sales tax fund	7,000,000
10	Permanent state school fund	341,924,700
11	Teacher certification fund	2,527,900
12	Tribal college dual enrollment	
13	program fund	325,000
14	Department of education empowerment	
15	scholarship account fund	357,900
16	Expenditure authority	1,166,831,000

17 Operating budget

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

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

30 Basic state aid

31 The appropriation for basic state aid provides basic state support
 32 to school districts for maintenance and operations funding as provided by
 33 section 15-973, Arizona Revised Statutes, and includes an estimated
 34 \$341,924,700 in expendable income derived from the permanent state school
 35 fund and from state trust lands pursuant to section 37-521, subsection B,
 36 Arizona Revised Statutes, for fiscal year 2023-2024.

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

41 Except as required by section 37-521, Arizona Revised Statutes, all
 42 monies received during the fiscal year from national forests, interest
 43 collected on deferred payments on the purchase of state lands, income from
 44 investing permanent state school funds as prescribed by the enabling act
 45 and the Constitution of Arizona and all monies received by the

1 superintendent of public instruction from whatever source, except monies
2 received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes,
3 when paid into the state treasury are appropriated for apportionment to
4 the various counties in accordance with law. An expenditure may not be
5 made except as specifically authorized above.

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

12 Other programs

13 Any monies available to the department of education for the
14 classroom site fund pursuant to section 37-521, subsection B, paragraph 4,
15 Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph
16 10, Arizona Revised Statutes, in excess of expenditure authority amounts
17 are allocated for the purposes of section 37-521, subsection B, paragraph
18 4, Arizona Revised Statutes, and section 42-5029.02, subsection A,
19 paragraph 10, Arizona Revised Statutes.

20 Any monies available to the department of education from the
21 instructional improvement fund established by section 15-979, Arizona
22 Revised Statutes, in excess of the expenditure authority amounts are
23 allocated for the purposes of section 15-979, Arizona Revised Statutes.

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

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

33 The appropriated amount for adult education includes \$7,700,000 for
34 the continuing high school and workforce training program established by
35 section 15-217.01, Arizona Revised Statutes, \$6,000,000 for deposit in the
36 adult workforce diploma program fund established by section 15-217.02,
37 subsection B, Arizona Revised Statutes and \$6,000,000 for deposit in the
38 community college adult education workforce development program fund
39 established by section 15-217.03, subsection C, Arizona Revised Statutes.

40 Monies appropriated for CTED completion grants are intended to help
41 fund program completion for students who complete at least fifty percent
42 of a career technical education program before graduating from high school
43 and who successfully complete the career technical education district
44 program after graduating from high school. The application procedures

1 shall award grant funding only after an eligible student has successfully
2 completed a career technical education district program.

3 If the appropriated amount for CTED completion grants is
4 insufficient to fund all grant requests from career technical education
5 districts, the department of education shall reduce grant amounts on a
6 proportional basis in order to cap total statewide allocations at
7 \$1,000,000.

8 The appropriated amount for CTED completion grants is exempt from
9 the provisions of section 35-190, Arizona Revised Statutes, relating to
10 lapsing of appropriations, until June 30, 2025.

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

17 Before spending the \$6,880,000 increase in the appropriated amount
18 for the early literacy line item for literacy coaches, kindergarten entry
19 assessments, dyslexia training or science of reading exams, the department
20 of education shall submit an expenditure plan by the joint legislative
21 budget committee for review.

22 The department of education shall use the appropriated amount for
23 English learner administration to provide English language acquisition
24 services for the purposes of section 15-756.07, Arizona Revised Statutes,
25 and for the costs of providing English language proficiency assessments,
26 scoring and ancillary materials as prescribed by the department of
27 education to school districts and charter schools for the purposes of
28 title 15, chapter 7, article 3.1, Arizona Revised Statutes. The
29 department may use a portion of the appropriated amount to hire staff or
30 contract with a third party to carry out the purposes of section
31 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192,
32 Arizona Revised Statutes, the superintendent of public instruction also
33 may use a portion of the appropriated amount to contract with one or more
34 private attorneys to provide legal services in connection with the case of
35 Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

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

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

42 The amount appropriated for the school safety program in fiscal year
43 2022-2023 included an increase of \$50,000,000 for additional school safety
44 grants. In allocating the \$50,000,000 increase, the department of
45 education shall first distribute monies to schools on the school safety

1 program waiting list to receive grants for the costs of placing school
2 resource officers on school campuses. The awarded grants may not supplant
3 funding provided by local governments for school resource officers. If
4 the total cost of funding grants for school resource officer costs is less
5 than \$50,000,000, the department may allocate the remaining monies to
6 grants to schools for the costs of placing school counselors and social
7 workers on school campuses pursuant to section 15-154, Arizona Revised
8 Statutes.

9 Any monies available to the department of education for school
10 safety pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona
11 Revised Statutes, in excess of the expenditure authority amounts are
12 allocated for the purposes of section 42-5029.02, subsection A, paragraph
13 6, Arizona Revised Statutes.

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

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

30 Within fifteen days after each apportionment of state aid that
31 occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes,
32 the department shall post on its website the amount of state aid
33 apportioned to each recipient and the underlying data.

34 Notwithstanding section 15-901.03, Arizona Revised Statutes, the
35 superintendent of public instruction may transfer \$5,000,000 from the
36 state general fund appropriation for basic state aid for fiscal year
37 2022-2023 to the results-based funding program for fiscal year 2022-2023
38 without review by the joint legislative budget committee. Any amount
39 transferred to the results-based funding program under this section that
40 exceeds the amount needed to address a funding shortfall for the
41 results-based funding program for fiscal year 2022-2023 reverts to the
42 state general fund on June 30, 2023.

1	Sec. 30. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	
2		<u>2023-24</u>
3	FTE positions	63.1
4	Administration	\$ 2,558,000
5	Emergency management	876,800
6	Military affairs	2,108,300
7	Emergency management matching funds	1,544,900
8	National guard matching funds	3,370,000
9	Federal government matching repayment	759,200
10	National guard tuition	
11	reimbursement	<u>1,000,000</u>
12	Total appropriation – department of	
13	emergency and military affairs	\$ 12,217,200

14 Fund sources:

15	State general fund	\$ 12,217,200
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16 The \$3,370,000 national guard matching funds appropriation is exempt
 17 from the provisions of section 35-190, Arizona Revised Statutes, relating
 18 to lapsing of appropriations, except that all fiscal year 2023-2024 monies
 19 remaining unexpended and unencumbered on December 31, 2024 revert to the
 20 state general fund.

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

24	Sec. 31. DEPARTMENT OF ENVIRONMENTAL QUALITY	
25		<u>2023-24</u>
26	FTE positions	355.7
27	Operating lump sum appropriation	\$ 60,550,000
28	Direct potable reuse of treated	
29	wastewater program	1,500,000
30	Safe drinking water program	1,998,500
31	Emissions control contractor	
32	payment	<u>26,219,500</u>

33 Total appropriation – department of
 34 environmental quality \$ 90,268,000

35	Fund sources:	
36	State general fund	\$ 1,500,000
37	Air quality fund	5,830,900
38	Emergency response fund	132,800
39	Emissions inspection fund	30,484,400
40	Hazardous waste management fund	1,946,600
41	Indirect cost fund	18,629,000
42	Permit administration fund	7,285,600
43	Recycling fund	1,522,400

1	Safe drinking water program	
2	fund	1,998,500
3	Solid waste fee fund	2,589,600
4	Water quality fee fund	18,348,200

5 The department of environmental quality shall report annually on the
6 progress of WQARF activities, including emergency response, priority site
7 remediation, cost recovery activity, revenue and expenditure activity and
8 other WQARF-funded program activity. The department shall submit the
9 fiscal year 2023-2024 report to the joint legislative budget committee on
10 or before September 1, 2023. This report shall also include a budget for
11 the WQARF program that is developed in consultation with the WQARF
12 advisory board. This budget shall specify the monies budgeted for each
13 listed site during fiscal year 2023-2024. In addition, the department and
14 the WQARF advisory board shall prepare and submit to the joint legislative
15 budget committee, on or before October 1, 2023, a report in a table format
16 summarizing the current progress on remediation of each listed site on the
17 WQARF registry. The table shall include the stage of remediation for each
18 site at the end of fiscal year 2022-2023, indicate whether the current
19 stage of remediation is anticipated to be completed in fiscal year 2023-
20 2024 and indicate the anticipated stage of remediation at each listed site
21 at the end of fiscal year 2023-2024, assuming fiscal year 2023-2024
22 funding levels. The department and the WQARF advisory board may include
23 other relevant information about the listed sites in the table.

24 All permit administration fund monies received by the department of
25 environmental quality in excess of \$7,285,600 in fiscal year 2023-2024 are
26 appropriated to the department. Before spending permit administration
27 fund monies in excess of \$7,285,600 in fiscal year 2023-2024, the
28 department shall report the intended use of the monies to the joint
29 legislative budget committee.

30 All monies in the department of environmental quality indirect cost
31 fund, including the beginning balance, that are in excess of \$18,629,000
32 in fiscal year 2023-2024 are appropriated to the department. Before
33 spending indirect cost fund monies in excess of \$18,629,000 in fiscal year
34 2023-2024, the department shall report the intended use of the monies to
35 the joint legislative budget committee.

36 Sec. 32. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

37			<u>2023-24</u>
38	FTE positions		4.0
39	Lump sum appropriation	\$	211,400
40	Fund sources:		
41	Personnel division fund	\$	211,400

1	Sec. 33. STATE BOARD OF EQUALIZATION	
2		<u>2023-24</u>
3	FTE positions	7.0
4	Lump sum appropriation	\$ 737,900
5	Fund sources:	
6	State general fund	\$ 737,900
7	Sec. 34. BOARD OF EXECUTIVE CLEMENCY	
8		<u>2023-24</u>
9	FTE positions	14.5
10	Lump sum appropriation	\$ 1,336,800
11	Fund sources:	
12	State general fund	\$ 1,336,800
13	On or before November 1, 2023, the board of executive clemency shall	
14	report to the directors of the joint legislative budget committee and the	
15	governor's office of strategic planning and budgeting the total number and	
16	types of cases the board reviewed in fiscal year 2022-2023.	
17	Sec. 35. ARIZONA EXPOSITION AND STATE FAIR BOARD	
18		<u>2023-24</u>
19	FTE positions	184.0
20	Lump sum appropriation	\$ 16,056,800
21	Fund sources:	
22	Arizona exposition and state	
23	fair fund	\$ 16,056,800
24	Of the monies in the Arizona exposition and state fair board	
25	operating budget, \$2,000,000 shall be spent for enhanced state fair	
26	operations. Before spending monies in the operating budget on capital	
27	projects, the board shall report the scope, purpose and estimated cost of	
28	the capital improvements to the joint committee on capital review.	
29	Sec. 36. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	
30		<u>2023-24</u>
31	FTE positions	235.5
32	Operating lump sum appropriation	\$ 3,937,200
33	Environmental county grants	250,000
34	Inmate firefighting crews	869,600
35	Postrelease firefighting crews	1,282,700
36	Fire suppression	200,000
37	State fire marshal	1,795,600
38	State fire school	289,100
39	Hazardous vegetation removal	3,040,300
40	US forest service land thinning	1,660,900
41	Wildfire mitigation	<u>33,005,700</u>
42	Total appropriation – Arizona department	
43	of forestry and fire management	\$46,331,100
44	Fund sources:	
45	State general fund	\$46,331,100

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

4 Sec. 37. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS
 5 2023-24
 6 FTE positions 4.0
 7 Lump sum appropriation \$ 476,800

8 Fund sources:
 9 Board of funeral directors' and
 10 embalmers' fund \$ 476,800

11 Sec. 38. ARIZONA GAME AND FISH DEPARTMENT
 12 2023-24
 13 FTE positions 273.5
 14 Operating lump sum appropriation \$47,438,600
 15 Pittman-Robertson/Dingell-Johnson
 16 act 3,058,000

17 Total appropriation – Arizona game and fish
 18 department \$50,496,600

19 Fund sources:
 20 Capital improvement fund \$ 1,001,200
 21 Game and fish fund 43,863,200
 22 Wildlife endowment fund 16,200
 23 Watercraft licensing fund 5,226,800
 24 Game, nongame, fish and
 25 endangered species fund 389,200

26 Sec. 39. DEPARTMENT OF GAMING
 27 2023-24
 28 FTE positions 155.8
 29 Operating lump sum appropriation \$ 13,740,100
 30 Additional operating expenses 1,080,000
 31 Arizona breeders' award 250,000
 32 Casino operations certification 2,308,700
 33 County fairs livestock and
 34 agriculture promotion 6,029,500
 35 Division of racing 2,431,200
 36 Contract veterinarian 175,000
 37 Horseracing integrity and safety
 38 act assessment 355,100
 39 Racing purse enhancement 5,000,000
 40 Racetrack purse and maintenance
 41 and operations funding 5,396,900
 42 Problem gambling 3,560,000

43 Total appropriation – department of gaming \$ 40,326,500

1	Fund sources:	
2	State general fund	\$ 16,956,500
3	Fantasy sports contest fund	150,100
4	Tribal-state compact fund	2,308,700
5	Arizona benefits fund	17,930,000
6	State lottery fund	300,000
7	Racing regulation fund	2,576,600
8	Racing regulation fund – unarmed	
9	combat subaccount	104,600

10 On or before October 1, 2023, the department of gaming shall report
 11 to the directors of the joint legislative budget committee and the
 12 governor's office of strategic planning and budgeting on the expected
 13 amount and purpose of expenditures from the additional operating expenses
 14 line item for fiscal year 2023-2024. The report shall include the
 15 projected line item detail.

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

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

26 The appropriation made in the racetrack purse and maintenance and
 27 operations funding line item shall be distributed to commercial live
 28 racing permittees to enhance the general purse structure and for track
 29 maintenance and operations. From the amount appropriated in the racetrack
 30 purse and maintenance and operations funding line item, the department of
 31 gaming shall allocate the monies as follows:

- 32 1. \$4,231,800 to a commercial live racing permittee located in
 33 Maricopa county.
- 34 2. \$815,600 to a commercial live racing permittee located in
 35 Yavapai county.
- 36 3. \$349,500 to a commercial live racing permittee located in Pima
 37 county.

38 On or before August 1, 2023, the department of gaming shall report
 39 to the directors of the joint legislative budget committee and the
 40 governor's office of strategic planning and budgeting on the expected
 41 amount and purpose of expenditures from the event wagering fund
 42 established by section 5-1318, Arizona Revised Statutes, for fiscal year
 43 2023-2024. The report shall include the projected line item detail and
 44 the number of filled full-time equivalent positions.

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

8 The amount appropriated to the horseracing integrity and safety act
 9 assessment line item shall be distributed to commercial live racing
 10 permittees during fiscal year 2023-2024 to pay the calendar year 2023
 11 assessment levied by the horseracing integrity and safety authority. If
 12 the appropriated amount for the horseracing integrity act assessment line
 13 item is insufficient to fund all assessments levied by the horseracing
 14 integrity and safety authority, the department shall reduce the
 15 distribution amounts on a proportional basis in order to cap total
 16 statewide distributions at \$355,100. The distributions for fiscal year
 17 2023-2024 are estimated to be \$309,300 to a commercial live racing
 18 permittee located in Maricopa county and \$45,800 to a commercial live
 19 racing permittee located in Yavapai county.

20 Sec. 40. OFFICE OF THE GOVERNOR

	<u>2023-24</u>
Operating lump sum appropriation	\$ 7,776,100*
Foster youth education success	
fund deposit	<u>1,500,000</u>
Total appropriation – office of the governor	\$ 9,276,100

26 Fund sources:

State general fund	\$ 9,276,100
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28 Included in the operating lump sum appropriation of \$7,776,100 for
 29 fiscal year 2023-2024 is \$10,000 for the purchase of mementos and items
 30 for visiting officials.

31 Sec. 41. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	<u>2023-24</u>
FTE positions	22.0
Lump sum appropriation	\$ 2,961,400*
Fund sources:	
State general fund	\$ 2,961,400

37 Sec. 42. DEPARTMENT OF HEALTH SERVICES

	<u>2023-24</u>
FTE positions	1,141.5
Operating lump sum appropriation	\$ 60,922,300
<u>Public health/family health</u>	
Adult cystic fibrosis care	105,200
AIDS reporting and surveillance	1,000,000
Alzheimer's disease research	3,625,000

1	Behavioral health care provider	
2	loan repayment program	1,000,000
3	Biomedical research support	2,000,000
4	Breast and cervical cancer and	
5	bone density screening	1,369,400
6	County tuberculosis provider	
7	care and control	590,700
8	Folic acid program	400,000
9	High-risk perinatal services	2,343,400
10	Homeless pregnant women services	200,000
11	Newborn screening program	12,388,500
12	Nonrenal disease management	198,000
13	Arizona nurse education investment	
14	pilot program	15,000,000
15	Nursing care special projects	200,000
16	Poison control centers funding	990,000
17	Preceptor grant program for graduate	
18	students	500,000
19	Renal dental care and nutrition	
20	supplements	300,000
21	Renal transplant drugs	183,000
22	<u>Arizona state hospital</u>	
23	Arizona state hospital –	
24	operating	76,508,500
25	Arizona state hospital –	
26	restoration to competency	900,000
27	Arizona state hospital –	
28	sexually violent persons	<u>10,951,800</u>
29	Total appropriation – department of	
30	health services	\$191,675,800
31	Fund sources:	
32	State general fund	\$ 133,434,300
33	Arizona state hospital fund	3,145,800
34	Arizona state hospital land fund	650,000
35	Child fatality review fund	196,500
36	Disease control research fund	1,000,000
37	DHS indirect cost fund	12,298,700
38	Emergency medical services	
39	operating fund	4,167,900
40	Environmental laboratory licensure	
41	revolving fund	1,001,700
42	Federal child care and development	
43	fund block grant	998,600
44	Health services licensing fund	16,960,500
45	Health services lottery monies fund	200,000

1	Newborn screening program fund	12,821,300
2	Nursing care institution resident	
3	protection revolving fund	238,200
4	Tobacco tax and health care	
5	fund – medically needy account	700,000
6	Vital records electronic systems	
7	fund	3,862,300

8 Public health/family health

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

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

21 The department of health services shall distribute monies
22 appropriated for homeless pregnant women services to nonprofit
23 organizations that are located in a county with a population of more than
24 three million persons and whose primary function is to provide shelter,
25 food, clothing, transportation for health services and support to homeless
26 pregnant women and their children who are under one year of age. Monies
27 may not be granted for abortion referral services or distributed to
28 entities that promote, refer or perform abortions.

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

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

- 1 1. Is headquartered in this state.
- 2 2. Has been operating in this state for at least the last ten
- 3 years.
- 4 3. Has participating member institutions that work together to end
- 5 Alzheimer's disease within a statewide collaborative model by using their
- 6 complementary strengths in brain imaging, computer science, genomics,
- 7 basic and cognitive neurosciences and clinical and neuropathology
- 8 research.
- 9 4. Has participating member institutions that educate residents of
- 10 this state about Alzheimer's disease, research progress and resources to
- 11 help patients, families and professionals manage the disease.

12 The terms of the grant made to the charitable organization may not

13 impose any requirements that were not imposed in prior grant agreements

14 entered into between the department of health services and the charitable

15 organization.

16 The amount appropriated to the department of health services for the

17 preceptor grant program for graduate students is exempt from the

18 provisions of section 35-190, Arizona Revised Statutes, relating to the

19 lapsing of appropriations. Any monies remaining unexpended on July 1,

20 2026 revert to the state general fund.

21 Arizona state hospital

22 In addition to the appropriation for the department of health

23 services, earnings on state lands and interest on the investment of the

24 permanent state land funds are appropriated to the Arizona state hospital

25 in compliance with the enabling act and the Constitution of Arizona.

26 Departmentwide

27 The department of health services shall electronically forward to

28 the president of the senate, the speaker of the house of representatives,

29 the chairpersons of the senate and house of representatives appropriations

30 committees and the director of the joint legislative budget committee a

31 monthly report comparing total expenditures for the month and year-to-date

32 as compared to prior-year totals on or before the thirtieth of the

33 following month. Each report shall include an estimate of potential

34 shortfalls in programs, potential federal and other monies, such as the

35 statewide assessment for indirect costs, that may be available to offset

36 these shortfalls, and a plan, if necessary, for eliminating any shortfall

37 without a supplemental appropriation.

38 Sec. 43. ARIZONA HISTORICAL SOCIETY

		<u>2023-24</u>
39		
40	FTE positions	50.9
41	Operating lump sum appropriation	\$ 2,427,600
42	Field services and grants	63,800
43	Papago park museum	<u>723,300</u>
44	Total appropriation – Arizona historical	
45	society	\$ 3,214,700

1	Fund sources:	
2	State general fund	\$ 3,214,700
3	Sec. 44. PRESCOTT HISTORICAL SOCIETY	
4		<u>2023-24</u>
5	FTE positions	13.0
6	Lump sum appropriation	\$ 1,016,100
7	Fund sources:	
8	State general fund	\$ 1,016,100
9	Sec. 45. ARIZONA DEPARTMENT OF HOMELAND SECURITY	
10		<u>2023-24</u>
11	FTE positions	20.0
12	Statewide information security	
13	and privacy operations and	
14	controls	\$ 10,739,800
15	Statewide cybersecurity grants	<u>10,000,000</u>
16	Total appropriation – Arizona department of	
17	homeland security	\$ 20,739,800
18	Fund sources:	
19	State general fund	\$ 10,000,000
20	Information technology fund	10,739,800
21	Of the amount appropriated for statewide cybersecurity grants, the	
22	Arizona department of homeland security may spend up to \$310,000 for grant	
23	administration.	
24	Sec. 46. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
25		<u>2023-24</u>
26	FTE positions	1.0
27	Lump sum appropriation	\$ 51,900
28	Fund sources:	
29	Board of homeopathic and	
30	integrated medicine	
31	examiners' fund	\$ 51,900
32	Sec. 47. ARIZONA DEPARTMENT OF HOUSING	
33		<u>2023-24</u>
34	FTE positions	3.0
35	Lump sum appropriation	\$ 367,400
36	Fund sources:	
37	Housing trust fund	\$ 367,400
38	Sec. 48. INDUSTRIAL COMMISSION OF ARIZONA	
39		<u>2023-24</u>
40	FTE positions	236.6
41	Operating lump sum appropriation	\$ 21,976,700
42	Municipal firefighter reimbursement	
43	administration	<u>84,600</u>
44	Total appropriation – industrial commission	
45	of Arizona	\$ 22,061,300

1 Fund sources:

2 State general fund \$ 84,600
 3 Administrative fund 21,976,700

4 The legislature intends that the state general fund appropriation be
 5 used only for administrative costs of title 23, chapter 11, Arizona
 6 Revised Statutes, and that this appropriation does not convey any
 7 responsibility for firefighter cancer compensation and benefits claims to
 8 this state.

9 Sec. 49. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

10 2023-24
 11 FTE positions 152.4
 12 Operating lump sum appropriation \$ 11,683,500
 13 Arizona vehicle theft task force 4,452,600
 14 Automobile theft authority
 15 operating budget 699,400
 16 Insurance fraud unit 1,851,400
 17 Local grants 957,700
 18 Reimbursable programs 50,000

19 Total appropriation – department of insurance
 20 and financial institutions \$ 19,694,600

21 Fund sources:

22 State general fund \$ 8,213,000
 23 Automobile theft authority fund 6,159,700
 24 Financial services fund 5,271,600
 25 Department revolving fund 50,300

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

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

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

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

1	Sec. 50. ARIZONA JUDICIARY	
2		<u>2023-24</u>
3	<u>Supreme court</u>	
4	FTE positions	202.0
5	Operating lump sum appropriation	\$ 18,199,400
6	Arizona trial and digital	
7	evidence fund deposit	1,620,000
8	Automation	22,595,700
9	County reimbursements	187,900
10	Court appointed special advocate	5,033,100
11	Courthouse security	750,000
12	Domestic relations	693,100
13	State foster care review board	3,535,700
14	Commission on judicial conduct	609,500
15	Judicial nominations and	
16	performance review	614,000
17	Model court	659,700
18	State aid	<u>5,950,700</u>
19	Total appropriation – supreme court	\$ 60,448,800
20	Fund sources:	
21	State general fund	\$ 27,320,900
22	Confidential intermediary and	
23	fiduciary fund	546,500
24	Court appointed special advocate	
25	fund	5,233,000
26	Criminal justice enhancement fund	4,722,800
27	Defensive driving school fund	4,487,700
28	Judicial collection enhancement	
29	fund	15,191,400
30	State aid to the courts fund	2,946,500

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

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

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

8 Of the \$187,900 appropriated for county reimbursements, state grand
 9 jury is limited to \$97,900 and capital postconviction relief is limited to
 10 \$90,000.

11 Court of appeals

12	FTE positions	162.8
13	Division one	\$ 16,186,100
14	Division two	<u>8,312,300</u>
15	Total appropriation – court of appeals	\$ 24,498,400

16 Fund sources:

17	State general fund	\$ 24,498,400
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18 Of the 162.8 FTE positions for fiscal year 2023-2024, 111.3 FTE
 19 positions are for division one and 51.5 FTE positions are for division
 20 two.

21 Superior court

22	FTE positions	238.5
23	Operating lump sum appropriation	\$ 5,338,600
24	Judges' compensation	27,913,900
25	Centralized service payments	4,631,300
26	Adult standard probation	22,297,500
27	Adult intensive probation	13,150,200
28	Community punishment	2,310,300
29	Court-ordered removals	315,000
30	Interstate compact	513,700
31	Drug court	1,096,400
32	General adjudication personnel	
33	and support fund deposit	2,000,000
34	Juvenile standard probation	3,781,800
35	Juvenile intensive probation	6,087,200
36	Juvenile treatment services	20,803,000
37	Juvenile family counseling	500,000
38	Juvenile crime reduction	3,313,100
39	Juvenile diversion consequences	9,088,500
40	Probation incentive payments	1,000,000
41	Special water master	<u>505,300</u>
42	Total appropriation – superior court	\$124,645,800

1 Fund sources:

2 State general fund	\$112,631,800
3 Criminal justice enhancement fund	5,494,400
4 Drug treatment and education fund	504,200
5 Judicial collection enhancement	
6 fund	6,015,400

7 Operating budget

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

13 Judges

14 Of the 238.5 FTE positions, 180 FTE positions represent superior
15 court judges. This FTE position clarification does not limit the
16 counties' ability to add judges pursuant to section 12-121, Arizona
17 Revised Statutes.

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

25 Probation

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

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

33 On or before November 1, 2023, the administrative office of the
34 courts shall report to the joint legislative budget committee and the
35 governor's office of strategic planning and budgeting the fiscal year
36 2022-2023 actual, fiscal year 2023-2024 estimated and fiscal year
37 2024-2025 requested amounts for each of the following:

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

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

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

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

25 On or before November 1, 2023, the administrative office of the
26 courts shall submit a report to the joint legislative budget committee on
27 the county-approved salary adjustments provided to probation officers
28 since the last report on November 1, 2022. The administrative office
29 shall also submit a copy of the report to the governor's office of
30 strategic planning and budgeting. The report shall include, for each
31 county, the:

- 32 1. Approved percentage salary increase by year.
- 33 2. Net increase in the amount allocated to each probation
34 department by the administrative office of the courts for each applicable
35 year.
- 36 3. Average number of probation officers by applicable year.
- 37 4. Average salary of probation officers for each applicable year.

38 Sec. 51. DEPARTMENT OF JUVENILE CORRECTIONS

39		<u>2023-24</u>
40	FTE positions	738.5
41	Lump sum appropriation	\$ 48,135,600

1 Fund sources:
2 State general fund \$ 33,065,600
3 State charitable, penal and
4 reformatory institutions
5 land fund 4,125,400
6 Criminal justice enhancement fund 538,500
7 State education fund for committed
8 youth 1,955,200
9 Department of juvenile corrections
10 local cost sharing fund 8,450,900
11 Twenty-five percent of land earnings and interest from the state
12 charitable, penal and reformatory institutions land fund shall be
13 distributed to the department of juvenile corrections, in compliance with
14 section 25 of the enabling act and the Constitution of Arizona, to be used
15 to support state juvenile institutions and reformatories.
16 Sec. 52. STATE LAND DEPARTMENT
17 2023-24
18 FTE positions 131.7
19 Operating lump sum appropriation \$ 17,378,700
20 Natural resource conservation
21 districts 650,000
22 CAP user fees 1,700,000
23 Due diligence program 5,000,000
24 Streambed navigability litigation 220,000
25 Total appropriation – state land department \$ 24,948,700
26 Fund sources:
27 State general fund \$ 13,159,300
28 Environmental special plate fund 260,600
29 Due diligence fund 5,000,000
30 Trust land management fund 6,528,800
31 The appropriation includes \$1,700,000 for CAP user fees in fiscal
32 year 2023-2024. For fiscal year 2023-2024, from municipalities that
33 assume their allocation of central Arizona project water for every dollar
34 received as reimbursement to this state for past central Arizona water
35 conservation district payments, \$1 reverts to the state general fund in
36 the year that the reimbursement is collected.
37 Of the amount appropriated for natural resource conservation
38 districts in fiscal year 2023-2024, \$30,000 shall be used to provide
39 grants to natural resource conservation districts environmental education
40 centers.

1	Sec. 53. LEGISLATURE	
2		<u>2023-24</u>
3	<u>Senate</u>	
4	Lump sum appropriation	\$ 18,385,300*
5	Fund sources:	
6	State general fund	\$ 18,385,300
7	Included in the lump sum appropriation of \$18,385,300 for fiscal	
8	year 2023-2024 is \$5,000 for the purchase of mementos and items for	
9	visiting officials.	
10	<u>House of representatives</u>	
11	Lump sum appropriation	\$ 22,020,300*
12	Fund sources:	
13	State general fund	\$ 22,020,300
14	Included in the lump sum appropriation of \$22,020,300 for fiscal	
15	year 2023-2024 is \$5,000 for the purchase of mementos and items for	
16	visiting officials.	
17	<u>Legislative council</u>	
18	FTE positions	56.0
19	Lump sum appropriation	\$ 9,546,500*
20	Fund sources:	
21	State general fund	\$ 9,546,500
22	Dues for the council of state governments may be expended only on an	
23	affirmative vote of the legislative council.	
24	<u>Ombudsman-citizens aide office</u>	
25	FTE positions	12.0
26	Lump sum appropriation	\$ 1, 516,200*
27	Fund sources:	
28	State general fund	\$ 1,516,200
29	The legislature intends that the ombudsman-citizens aide prioritize	
30	investigating and processing complaints relating to the department of	
31	child safety.	
32	The operating budget includes \$137,500 and 1 FTE position to address	
33	complaints relating to the administration of the Arizona empowerment	
34	scholarship account program established by section 15-2402, Arizona	
35	Revised Statutes.	
36	<u>Joint legislative budget committee</u>	
37	FTE positions	29.0
38	Lump sum appropriation	\$ 3,144,500*
39	Fund sources:	
40	State general fund	\$ 3,144,500
41	<u>Auditor general</u>	
42	FTE positions	224.8
43	Lump sum appropriation	\$ 26,491,600*
44	Fund sources:	
45	State general fund	\$ 26,491,600

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

4 Sec. 54. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

5		<u>2023-24</u>
6	FTE positions	58.2
7	Lump sum appropriation	\$ 6,512,600
8	Fund sources:	
9	Liquor licenses fund	\$ 6,512,600

10 Sec. 55. ARIZONA STATE LOTTERY COMMISSION

11		<u>2023-24</u>
12	FTE positions	98.8
13	Operating lump sum appropriation	\$ 10,468,900
14	Advertising	<u>15,500,000</u>
15	Total appropriation – Arizona state	
16	lottery commission	\$ 25,968,900
17	Fund sources:	
18	State lottery fund	\$ 25,968,900

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

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

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

30 An amount equal to 6.5 percent of gross lottery game sales, minus
 31 charitable tab tickets, is appropriated to pay sales commissions to ticket
 32 retailers. An additional amount not to exceed 0.5 percent of gross
 33 lottery game sales is appropriated to pay sales commissions to ticket
 34 retailers. The combined amount is currently estimated to be 6.7 percent
 35 of total ticket sales, or \$95,318,500 in fiscal year 2023-2024.

36 Sec. 56. BOARD OF MASSAGE THERAPY

37		<u>2023-24</u>
38	FTE positions	5.0
39	Lump sum appropriation	\$ 573,800
40	Fund sources:	
41	Board of massage therapy fund	\$ 573,800

1	Sec. 57. ARIZONA MEDICAL BOARD	
2		<u>2023-24</u>
3	FTE positions	61.5
4	Operating lump sum appropriation	\$ 8,023,600
5	Employee performance incentive	
6	program	<u>165,600</u>
7	Total appropriation – Arizona medical	
8	board	\$ 8,189,200
9	Fund sources:	
10	Arizona medical board fund	\$ 8,189,200
11	Sec. 58. STATE MINE INSPECTOR	
12		<u>2023-24</u>
13	FTE positions	22.0
14	Operating lump sum appropriation	\$ 1,433,400
15	Abandoned mines	820,600
16	Aggregate mining land reclamation	<u>181,800</u>
17	Total appropriation – state mine inspector	\$ 2,435,800
18	Fund sources:	
19	State general fund	\$ 2,322,900
20	Aggregate mining reclamation fund	112,900
21	All aggregate mining reclamation fund monies received by the state	
22	mine inspector in excess of \$112,900 in fiscal year 2023-2024 are	
23	appropriated to the aggregate mining land reclamation line item. Before	
24	spending any aggregate mining reclamation fund monies in excess of	
25	\$112,900 in fiscal year 2023-2024, the state mine inspector shall report	
26	the intended use of the monies to the joint legislative budget committee	
27	and the governor's office of strategic planning and budgeting.	
28	Sec. 59. NATUROPATHIC PHYSICIANS MEDICAL BOARD	
29		<u>2023-24</u>
30	FTE positions	2.0
31	Lump sum appropriation	\$ 212,000
32	Fund sources:	
33	Naturopathic physicians medical	
34	board fund	\$ 212,000
35	Sec. 60. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	
36		<u>2023-24</u>
37	FTE positions	2.0
38	Lump sum appropriation	\$ 344,200
39	Fund sources:	
40	State general fund	\$ 144,200
41	Arizona water banking fund	200,000

1	Sec. 61. ARIZONA STATE BOARD OF NURSING		
2			<u>2023-24</u>
3	FTE positions		52.0
4	Operating lump sum appropriation	\$	5,346,600
5	Certified nursing assistant		
6	credentiaing program		<u>538,400</u>
7	Total appropriation – Arizona state		
8	board of nursing	\$	5,885,000
9	Fund sources:		
10	Board of nursing fund	\$	5,885,000
11	Sec. 62. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS		
12	AND ASSISTED LIVING FACILITY MANAGERS		
13			<u>2023-24</u>
14	FTE positions		7.0
15	Lump sum appropriation	\$	595,600
16	Fund sources:		
17	Nursing care institution		
18	administrators' licensing and		
19	assisted living facility		
20	managers' certification fund	\$	595,600
21	Sec. 63. BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
22			<u>2023-24</u>
23	FTE positions		1.5
24	Lump sum appropriation	\$	243,200
25	Fund sources:		
26	Occupational therapy fund	\$	243,200
27	Sec. 64. STATE BOARD OF DISPENSING OPTICIANS		
28			<u>2023-24</u>
29	FTE positions		1.0
30	Lump sum appropriation	\$	186,900
31	Fund sources:		
32	Board of dispensing opticians fund	\$	186,900
33	Sec. 65. STATE BOARD OF OPTOMETRY		
34			<u>2023-24</u>
35	FTE positions		2.0
36	Lump sum appropriation	\$	291,300
37	Fund sources:		
38	Board of optometry fund	\$	291,300
39	Sec. 66. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		
40			<u>2023-24</u>
41	FTE positions		10.0
42	Lump sum appropriation	\$	1,373,500

1	Fund sources:	
2	Arizona board of osteopathic	
3	examiners in medicine	
4	and surgery fund	\$ 1,373,500
5	Sec. 67. ARIZONA STATE PARKS BOARD	
6		<u>2023-24</u>
7	FTE positions	163.0
8	Operating lump sum appropriation	\$ 15,751,200
9	State parks store	1,011,300
10	Kartchner caverns state park	<u>2,534,900</u>
11	Total appropriation – Arizona state parks	
12	board	\$ 19,297,400
13	Fund sources:	
14	State parks revenue fund	18,269,400
15	State parks store fund	1,011,300
16	Off-highway vehicle recreation fund	16,700
17	In addition to the operating lump sum appropriation, an amount equal	
18	to the revenue share agreement with the United States forest service for	
19	Fool Hollow Lake recreation area is appropriated to the Arizona state	
20	parks board from the state parks revenue fund established by section	
21	41-511.21, Arizona Revised Statutes.	
22	Sec. 68. STATE PERSONNEL BOARD	
23		<u>2023-24</u>
24	FTE positions	2.0
25	Lump sum appropriation	\$ 345,000
26	Fund sources:	
27	Personnel division fund –	
28	personnel board subaccount	\$ 345,000
29	Sec. 69. ARIZONA STATE BOARD OF PHARMACY	
30		<u>2023-24</u>
31	FTE positions	25.4
32	Operating lump sum appropriation	\$ 3,385,000
33	Prescriber report card	<u>50,000</u>
34	Total appropriation – Arizona state	
35	board of pharmacy	\$ 3,435,000
36	Fund sources:	
37	Arizona state board of pharmacy	
38	fund	\$ 3,435,000
39	Sec. 70. BOARD OF PHYSICAL THERAPY	
40		<u>2023-24</u>
41	FTE positions	4.0
42	Lump sum appropriation	\$ 587,500
43	Fund sources:	
44	Board of physical therapy fund	\$ 587,500

1	Sec. 71. ARIZONA PIONEERS' HOME	
2		<u>2023-24</u>
3	FTE positions	107.3
4	Lump sum appropriation	\$ 8,311,300
5	Fund sources:	
6	Miners' hospital for miners with	
7	disabilities land fund	\$ 2,318,600
8	State charitable fund	5,992,700
9	Earnings on state lands and interest on the investment of the	
10	permanent land funds are appropriated for the Arizona pioneers' home and	
11	the state hospital for miners with disabilities in compliance with the	
12	enabling act and the Constitution of Arizona.	
13	Sec. 72. STATE BOARD OF PODIATRY EXAMINERS	
14		<u>2023-24</u>
15	FTE positions	1.0
16	Lump sum appropriation	\$ 181,300
17	Fund sources:	
18	Podiatry fund	\$ 181,300
19	Sec. 73. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
20		<u>2023-24</u>
21	FTE positions	4.0
22	Lump sum appropriation	\$ 451,300
23	Fund sources:	
24	Board for private postsecondary	
25	education fund	\$ 451,300
26	Sec. 74. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
27		<u>2023-24</u>
28	FTE positions	4.5
29	Lump sum appropriation	\$ 635,300
30	Fund sources:	
31	Board of psychologist examiners	
32	fund	\$ 635,300
33	Sec. 75. DEPARTMENT OF PUBLIC SAFETY	
34		<u>2023-24</u>
35	FTE positions	2,074.2
36	Operating lump sum appropriation	\$281,759,900
37	ACTIC	1,450,000
38	AZPOST	6,576,000
39	Border strike task force ongoing	17,145,900
40	Border strike task force	
41	local support	12,232,900
42	Civil air patrol maintenance and	
43	operations	150,000
44	Commercial vehicle enforcement	
45	consolidation	978,400

1	GIITEM	25,329,700
2	GIITEM subaccount	2,396,400
3	Major incident division	17,000,000*
4	Motor vehicle fuel	5,454,600
5	Pharmaceutical diversion and	
6	drug theft task force	769,100
7	Public safety equipment	<u>2,890,000</u>
8	Total appropriation – department of public	
9	safety	\$374,132,900
10	Fund sources:	
11	State general fund	\$291,688,900
12	State highway fund	8,166,700
13	Arizona highway patrol fund	31,293,300
14	Criminal justice enhancement fund	2,989,100
15	Department of public safety	
16	forensics fund	22,985,300
17	Gang and immigration intelligence	
18	team enforcement mission border	
19	security and law enforcement	
20	subaccount	2,396,400
21	Motorcycle safety fund	198,900
22	Motor vehicle liability insurance	
23	enforcement fund	1,282,000
24	Risk management revolving fund	1,396,900
25	Parity compensation fund	4,088,100
26	Public safety equipment fund	2,894,000
27	Concealed weapons permit fund	3,172,200
28	Fingerprint clearance card fund	1,581,100

29 Of the \$25,329,700 appropriated to the GIITEM line item, \$13,275,800
 30 shall be used for one hundred department of public safety GIITEM
 31 personnel. The additional staff shall include at least fifty sworn
 32 department of public safety positions to be used for immigration
 33 enforcement and border security and fifty department of public safety
 34 positions to assist GIITEM in various efforts, including:

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

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

6 Of the \$25,329,700 appropriated to the GIITEM line item, only
7 \$1,403,400 is deposited in the GIITEM fund established by section 41-1724,
8 Arizona Revised Statutes, and is appropriated for the purposes of that
9 section. The \$1,403,400 is exempt from the provisions of section 35-190,
10 Arizona Revised Statutes, relating to lapsing of appropriations. This
11 state recognizes that states have inherent authority to arrest a person
12 for any immigration violation.

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

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

21 The \$12,232,900 appropriated for the border strike task force local
22 support line item shall be used to fund local law enforcement officer
23 positions within the border strike task force that will deter and
24 apprehend any individuals charged with drug trafficking, human smuggling,
25 illegal immigration and other border-related crimes. The monies shall
26 also be used for grants to cities, towns or counties for costs associated
27 with prosecuting and detaining individuals charged with drug trafficking,
28 human smuggling, illegal immigration and other border-related crimes. Any
29 city, town, county or other entity that enters into an agreement with the
30 department to participate in the border strike task force shall provide at
31 least twenty-five percent of the cost of the services, and the department
32 shall provide not more than seventy-five percent of personal services and
33 employee-related expenditures for each agreement or contract. The
34 department may fund all capital-related equipment.

35 Of the \$17,000,000 appropriated in the major incident division line
36 item, at least \$7,000,000 must be dedicated to reimbursing regional law
37 enforcement task forces and other law enforcement agencies to perform
38 criminal investigations of any critical force incidents in this state
39 pursuant to section 41-1762, subsection E, Arizona Revised Statutes.

40 Of the amount appropriated in the total appropriation for the
41 department of public safety, \$187,051,200 is designated for personal
42 services and \$78,847,200 is designated for employee-related expenditures.
43 The department shall submit an expenditure plan to the joint legislative
44 budget committee for review before spending these monies for other than
45 personal services or employee-related expenditures.

1	Sec. 76. STATE REAL ESTATE DEPARTMENT	
2		<u>2023-24</u>
3	FTE positions	37.0
4	Lump sum appropriation	\$ 3,221,000
5	Fund sources:	
6	State general fund	\$ 3,221,000
7	Sec. 77. RESIDENTIAL UTILITY CONSUMER OFFICE	
8		<u>2023-24</u>
9	FTE positions	12.0
10	Operating lump sum appropriation	\$ 1,433,900
11	Professional witnesses	<u>145,000*</u>
12	Total appropriation – residential utility	
13	consumer office	\$ 1,578,900
14	Fund sources:	
15	Residential utility consumer	
16	office revolving fund	\$ 1,578,900
17	Sec. 78. BOARD OF RESPIRATORY CARE EXAMINERS	
18		<u>2023-24</u>
19	FTE positions	4.0
20	Lump sum appropriation	\$ 385,100
21	Fund sources:	
22	Board of respiratory care	
23	examiners fund	\$ 385,100
24	Sec. 79. ARIZONA STATE RETIREMENT SYSTEM	
25		<u>2023-24</u>
26	FTE positions	240.9
27	Lump sum appropriation	\$28,070,400
28	Fund sources:	
29	Arizona state retirement system	
30	administration account	\$26,270,400
31	Long-term disability trust fund	
32	administration account	1,800,000
33	Sec. 80. DEPARTMENT OF REVENUE	
34		<u>2023-24</u>
35	FTE positions	892.8
36	Operating lump sum appropriation	\$75,507,400
37	BRITS operational support	8,008,800
38	E-commerce compliance and outreach	919,800
39	Unclaimed property administration	
40	and audit	1,487,000
41	TPT simplification	1,013,800
42	Tax fraud prevention	<u>3,150,000</u>
43	Total appropriation – department of revenue	\$90,086,800

1	Fund sources:	
2	State general fund	\$59,863,300
3	Department of revenue	
4	administrative fund	28,603,100
5	Liability setoff program	
6	revolving fund	892,500
7	Tobacco tax and health care fund	727,900

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

13 The department shall report the department's general fund revenue
 14 enforcement goals for fiscal year 2023-2024 to the joint legislative
 15 budget committee on or before September 30, 2023. On or before September
 16 30, 2024, the department shall provide an annual progress report to the
 17 joint legislative budget committee as to the effectiveness of the
 18 department's overall enforcement and collections program for fiscal year
 19 2023-2024. The reports shall compare projected and actual state general
 20 fund, total state tax, total county tax and total municipal tax revenue
 21 enforcement collections for fiscal year 2022-2023 and fiscal year
 22 2023-2024, including the amount of projected and actual enforcement
 23 collections for all tax types. The reports shall also include the total
 24 number of transaction privilege tax delinquent accounts, the total dollar
 25 value of those accounts classified by age of account and the total dollar
 26 amount of delinquent account write-offs determined to be uncollectible for
 27 fiscal year 2022-2023.

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

31 The operating lump sum appropriation includes \$2,000,000 and 25 FTE
 32 positions for additional audit and collections staff.

33 On or before November 1, 2023, the department shall report the
 34 results of private fraud prevention investigation services during fiscal
 35 year 2022-2023 to the joint legislative budget committee. The report
 36 shall include the total number of fraudulent returns prevented and the
 37 total dollar amount of fraudulent returns prevented during fiscal year
 38 2022-2023.

39 Sec. 81. DEPARTMENT OF STATE – SECRETARY OF STATE

40		<u>2023-24</u>
41	FTE positions	143.1
42	Operating lump sum appropriation	\$14,474,600
43	Access voter information database	483,500
44	Library grants-in-aid	651,400*
45	Presidential preference election	4,000,000

1	Statewide radio reading service	
2	for the blind	97,000
3	Uniform state laws commission	<u>99,000</u>
4	Total appropriation – department of	
5	state – secretary of state	\$19,805,500
6	Fund sources:	
7	State general fund	\$17,987,100
8	Election systems improvement fund	483,500
9	Records services fund	1,334,900

10 Included in the operating lump sum appropriation of \$14,474,600 for
 11 fiscal year 2023-2024 is \$5,000 for the purchase of mementos and items for
 12 visiting officials.

13 Included in the operating lump sum appropriation of \$14,474,600 for
 14 fiscal year 2023-2024 is \$1,334,900 from the records services fund. This
 15 appropriation may be used for the payment of obligations incurred in
 16 fiscal year 2022-2023.

17 The secretary of state may hire one full-time equivalent position to
 18 serve as legal advisor and to represent the secretary of state, but the
 19 secretary of state may not make expenditures or incur indebtedness to
 20 employ outside or private attorneys to provide representation or services.

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

24 Monies in the access voter information database line item may be
 25 used only for the exclusive purpose of developing and administering the
 26 statewide database of voter registration information required by section
 27 16-168, Arizona Revised Statutes. The secretary of state may not transfer
 28 any monies in or out of the access voter information database line item.

29 Sec. 82. STATE BOARD OF TAX APPEALS

30		<u>2023-24</u>
31	FTE positions	4.0
32	Lump sum appropriation	\$ 317,700
33	Fund sources:	
34	State general fund	\$ 317,700

35 Sec. 83. STATE BOARD OF TECHNICAL REGISTRATION

36		<u>2023-24</u>
37	FTE positions	25.0
38	Lump sum appropriation	\$ 2,620,600
39	Fund sources:	
40	Technical registration fund	\$ 2,620,600

1	Sec. 84. OFFICE OF TOURISM	
2		<u>2023-24</u>
3	FTE positions	28.0
4	Tourism fund deposit	\$ 7,452,600
5	Arizona promotion	1,000,000
6	Wine promotion	<u>100,000</u>
7	Total appropriation – office of tourism	\$ 8,552,600
8	Fund sources:	
9	State general fund	\$ 8,552,600
10	Sec. 85. DEPARTMENT OF TRANSPORTATION	
11		<u>2023-24</u>
12	FTE positions	4,554.0
13	Operating lump sum appropriation	\$242,933,500
14	Attorney general legal services	3,623,700
15	Highway maintenance	158,495,400
16	Vehicles and heavy equipment	
17	maintenance	21,110,500
18	State fleet operations	16,667,100
19	State fleet vehicle replacement	6,334,800
20	Driver safety and livestock control	800,000
21	Vehicle and heavy equipment	
22	replacement	22,400,000
23	Highway damage recovery account	8,000,600
24	Preventive surface treatments	36,142,000
25	Authorized third parties	<u>2,223,800</u>
26	Total appropriation – department of	
27	transportation	\$518,731,400
28	Fund sources:	
29	Air quality fund	\$ 326,600
30	Arizona highway user revenue fund	906,500
31	Highway damage recovery account	8,000,600
32	Ignition interlock device fund	363,600
33	Motor vehicle liability	
34	insurance enforcement fund	2,001,700
35	State fleet operations fund	16,667,100
36	State vehicle replacement fund	6,334,800
37	State aviation fund	2,163,600
38	State highway fund	458,609,800
39	Department fleet operations fund	21,110,500
40	Vehicle inspection and certificate	
41	of title enforcement fund	2,246,600

1 Other

2 Of the total amount appropriated, \$158,495,400 in fiscal year
3 2023-2024 for highway maintenance is exempt from the provisions of section
4 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
5 except that all unexpended and unencumbered monies of the appropriation
6 revert to the state highway fund established by section 28-6991, Arizona
7 Revised Statutes, on August 31, 2024.

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

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

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

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

29 Expenditures made by the department of transportation for vehicle
30 and heavy equipment replacement shall be funded only from the vehicle and
31 heavy equipment replacement line item. Monies in the operating lump sum
32 appropriation or other line items intended for this purpose shall be
33 transferred to the vehicle and heavy equipment replacement line item
34 before expenditure.

35 Sec. 86. STATE TREASURER

36		<u>2023-24</u>
37	FTE positions	35.4
38	Operating lump sum appropriation	\$ 4,307,700
39	Justice of the peace salaries	2,818,200
40	Law enforcement/boating safety	
41	fund grants	<u>2,183,800</u>
42	Total appropriation – state treasurer	\$ 9,309,700

1	Fund sources:	
2	State general fund	\$ 3,160,800
3	Law enforcement and boating	
4	safety fund	2,183,800
5	State treasurer's operating fund	3,965,100
6	On or before June 30, 2024, the state treasurer shall report to the	
7	joint legislative budget committee staff on the state treasurer's current	
8	fiscal year and estimated next fiscal year expenditures of interest	
9	earnings spent pursuant to sections 35-315 and 35-318, Arizona Revised	
10	Statutes, for the state treasurer's banking service contract, external	
11	investment management agreement, administrative and information technology	
12	costs and any other costs.	
13	Sec. 87. GOVERNOR'S OFFICE ON TRIBAL RELATIONS	
14		<u>2023-24</u>
15	FTE positions	3.0
16	Lump sum appropriation	\$ 69,900
17	Fund sources:	
18	State general fund	\$ 69,900
19	Sec. 88. ARIZONA BOARD OF REGENTS	
20		<u>2023-24</u>
21	FTE positions	30.9
22	Operating lump sum appropriation	\$ 2,496,500
23	Adaptive athletics	160,000
24	Arizona promise program	20,000,000
25	Spouses of military veterans	
26	tuition scholarships	10,000,000
27	Arizona teachers academy	15,000,000
28	Arizona teachers incentive program	90,000
29	Arizona teacher student loan program	426,000
30	Arizona transfer articulation	
31	support system	213,700
32	Leveraging educational assistance	
33	partnership program	1,220,800
34	Washington, D.C. internships	300,000*
35	Western interstate commission	
36	office	153,000
37	WICHE student subsidies	4,078,000
38	Total appropriation – Arizona board of	
39	regents	\$ 54,138,000
40	Fund sources:	
41	State general fund	\$ 54,138,000

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

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

23 The Arizona board of regents shall distribute monies appropriated
24 for Washington, D.C. internships in equal amounts to each of the three
25 universities under the jurisdiction of the board for the purpose of
26 providing student internships in Washington, D.C. in partnership with a
27 third-party organization. The third-party organization must meet the
28 following requirements:

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

37 Within ten days after the acceptance of the universities' semiannual
38 all funds budget reports, the Arizona board of regents shall submit a
39 current year expenditure plan to the joint legislative budget committee
40 for review. The expenditure plan shall include the use of all projected
41 tuition and fee revenues by expenditure category, including operating
42 expenses, plant fund, debt service and financial aid. The plan shall
43 include the amount by which each expenditure category is projected to
44 increase over the prior year and shall provide as much detail as the
45 university budget requests. The plan shall include the total revenue and

1 expenditure amounts from all tuition and student fee revenues, including
 2 base tuition, differential tuition, program fees, course fees, summer
 3 session fees and other miscellaneous and mandatory student fee revenues.

4 Sec. 89. ARIZONA STATE UNIVERSITY

5		<u>2023-24</u>
6	FTE positions	7,724.9
7	Operating lump sum appropriation	\$971,025,600
8	Biomedical informatics	3,701,700
9	Eastern Europe cultural collaborative	250,000
10	Arizona financial aid trust	5,985,800
11	Downtown Phoenix campus	<u>109,867,100</u>
12	Total appropriation – Arizona state	
13	university	\$1,090,830,200
14	Fund sources:	
15	State general fund	\$384,798,400
16	University collections fund	706,031,800

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

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

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

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

28 Of the amount appropriated to the Arizona state university operating
 29 budget, \$21,200,000 is onetime funding. On or before September 1, 2023,
 30 Arizona state university shall provide a detailed expenditure plan to the
 31 joint legislative budget committee that includes a description of the
 32 intended purposes and the estimated costs of each expenditure.

33 Arizona state university shall use monies appropriated for the
 34 eastern Europe cultural collaborative to facilitate cultural and academic
 35 exchanges between university faculty and students and academic
 36 institutions in eastern Europe.

37 Any appropriated monies allocated by the university for the school
 38 of civic and economic thought and leadership shall be used to operate a
 39 single stand-alone academic entity within Arizona state university. The
 40 appropriated monies may not supplant any existing state funding or private
 41 or external donations to the existing centers or to the school. The
 42 appropriated monies and all private and external donations for the school,
 43 including any remaining balances from prior fiscal years, shall be
 44 deposited in a separate account, shall be used only for the direct
 45 operation of the school and may not be used for indirect costs of the

1 university. On or before October 1, 2023, the school shall submit a
 2 report to the president of the senate, the speaker of the house of
 3 representatives, the chairpersons of the senate education committee and
 4 the house of representatives education committee and the director of the
 5 joint legislative budget committee that includes at least the following
 6 information for the school:

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

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

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

19 The legislature intends that appropriated monies allocated by the
 20 university for the center for American institutions in fiscal year 2023-
 21 2024 be consistent with the amount appropriated in fiscal year 2021-2022.
 22 Any appropriated monies to the center shall be used at the sole discretion
 23 and on approval of the lead of the center, and the monies shall be used
 24 only to directly support the center.

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

33 Sec. 90. NORTHERN ARIZONA UNIVERSITY

	<u>2023-24</u>
34	
35	2,376.2
36	\$248,663,200
37	1,326,000
38	3,000,000
39	3,119,800
40	<u>2,292,700</u>
41	Total appropriation – Northern Arizona
42	university \$258,401,700
43	Fund sources:
44	State general fund \$128,004,400
45	University collections fund 130,397,300

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

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

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

8 Of the amount appropriated to the northern Arizona university
9 operating budget, \$10,100,000 is onetime funding. On or before September
10 1, 2023, northern Arizona university shall provide a detailed expenditure
11 plan to the joint legislative budget committee that includes a description
12 of the intended purposes and the estimated costs of each expenditure.

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

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

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

34 1. The type and amount of expenditures from all state sources of
35 monies, including the amount leveraged for local, state, federal and
36 private grants.

37 2. A description of each grant received as well as the percentage
38 and locations of positions funded solely or partly by state monies and the
39 nonprofit foundation's projects with which those positions are associated.

40 3. Performance measures, including:

41 (a) Outcomes that are specifically related to the use of state
42 monies.

43 (b) Progress that has been made toward achieving each outcome,
44 including activities, resources and other evidence of the progress.

45 (c) Reportable inventions or discoveries related to each outcome.

1 (d) Publications, presentations and narratives related to each
 2 outcome and how the expenditures from all state sources of monies that the
 3 nonprofit foundation received have benefited this state.

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

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

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

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

28 Sec. 91. UNIVERSITY OF ARIZONA

	<u>2023-24</u>
29	
30	<u>Main campus</u>
31	FTE positions 6,294.5
32	Operating lump sum appropriation \$568,817,400
33	Agriculture 38,651,000
34	Arizona cooperative extension 16,619,900
35	Arizona financial aid trust 2,729,400
36	Arizona geological survey 1,148,500
37	College of veterinary medicine 8,000,000
38	Kazakhstan studies program 250,000
39	Mining, mineral and natural
40	resources educational museum 438,700

1	Natural resource users law and	
2	policy center	1,559,500
3	School of mining	4,476,000
4	Sierra Vista campus	5,031,700
5	Veterinary diagnostic laboratory	<u>2,500,000</u>
6	Total – main campus	\$650,222,100
7	Fund sources:	
8	State general fund	\$267,410,800
9	University collections fund	382,811,300
10	<u>Health sciences center</u>	
11	FTE positions	1,112.4
12	Operating lump sum appropriation	\$ 100,127,400
13	Clinical rural rotation	353,600
14	Clinical teaching support	8,587,000
15	Liver research institute	440,400
16	Phoenix medical campus	32,394,600
17	Telemedicine network	<u>1,670,000</u>
18	Total – health sciences center	\$143,573,000
19	Fund sources:	
20	State general fund	\$ 76,897,700
21	University collections fund	<u>66,675,300</u>
22	Total appropriation - university of	
23	Arizona	\$793,795,100
24	Fund sources:	
25	State general fund	\$344,308,500
26	University collections fund	449,486,600

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

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

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

34 Of the amount appropriated to the university of Arizona operating
 35 budget, \$14,700,000 is onetime funding. On or before September 1, 2023,
 36 the university of Arizona shall provide a detailed expenditure plan to the
 37 joint legislative budget committee that includes a description of the
 38 intended purposes and the estimated costs of each expenditure.

39 The university of Arizona may not use monies appropriated for the
 40 Arizona geological survey line item for any other purpose and may not
 41 transfer the monies appropriated for the Arizona geological survey to the
 42 operating budget or any other line item.

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

7 Any appropriated monies allocated by the university for the center
8 for the philosophy of freedom may not supplant any existing state funding
9 or private or external donations to the center or the philosophy
10 department of the university of Arizona. The appropriated monies and all
11 private and external donations for the center, including any remaining
12 balances from prior fiscal years, shall be deposited in a separate
13 account, shall be used only for the direct operation of the center and may
14 not be used for indirect costs of the university. On or before October 1,
15 2023, the center shall submit a report to the president of the senate, the
16 speaker of the house of representatives, the chairpersons of the senate
17 education committee and the house of representatives education committee
18 and the director of the joint legislative budget committee that includes
19 at least the following information for the center:

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

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

28 The legislature intends that appropriated monies allocated by the
29 university for the center for the philosophy of freedom in fiscal year
30 2023-2024 be consistent with the amount appropriated in fiscal year 2022-
31 2023.

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

- 38 1. The current number of students who are residents of this state.
- 39 2. The current number of students who are not residents of this
40 state.

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

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

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

15 Sec. 92. DEPARTMENT OF VETERANS' SERVICES

	<u>2023-24</u>
16 FTE positions	792.3
17 Operating lump sum appropriation	\$ 2,594,200
18 Arizona state veterans' homes	60,559,500
19 Arizona state veterans' cemeteries	1,003,200
20 Veterans' benefit counseling	3,910,600
21 Rural tribal nations veteran	
22 benefit counseling	2,265,100
23 Veterans' support services	1,226,100
24 Veterans' trauma treatment	
25 services	<u>450,000</u>
26 Total appropriation – department of	
27 veterans' services	\$ 72,008,700
28 Fund sources:	
29 State general fund	\$ 11,449,200
30 State home for veterans' trust	
31 fund	60,559,500

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

37 The amount appropriated for veterans' support services line item
 38 shall be distributed to a nonprofit veterans' services organization that
 39 provides support services among this state's military and veteran
 40 population. The department may spend up to \$76,500 of this appropriation
 41 to hire a program specialist to liaise between the department and the
 42 selected nonprofit organization. Before the expenditure of the monies,
 43 the department shall submit an expenditure report to the joint legislative
 44

1 budget committee that includes the status of non-state matching grant
 2 monies.

3 Monies appropriated for the veterans' trauma treatment services line
 4 item shall be used to provide grants to contractors as defined in section
 5 36-2901, Arizona Revised Statutes, that provide trauma treatment services
 6 training to any of the following health professionals licensed pursuant to
 7 title 32, Arizona Revised Statutes:

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

16 Sec. 93. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

	<u>2023-24</u>
17 FTE positions	7.0
18 Lump sum appropriation	\$ 770,500
19 Fund sources:	
20 Veterinary medical examining	
21 board fund	\$ 770,500

23 Sec. 94. DEPARTMENT OF WATER RESOURCES

	<u>2023-24</u>
24 FTE positions	149.0
25 Operating lump sum appropriation	\$ 15,228,500
26 Adjudication support	1,900,600
27 Arizona water protection fund	
28 deposit	1,250,000
29 Assured and adequate water supply	
30 administration	2,513,400
31 Rural water studies	1,290,800
32 Conservation and drought program	430,300
33 Automated groundwater monitoring	418,600
34 Colorado River legal expenses	500,000*
35 Water supply and demand assessment	<u>3,500,000</u>
36 Total appropriation - department of water	
37 resources	\$ 27,032,200
38 Fund sources:	
39 State general fund	\$ 25,014,500
40 Water resources fund	1,726,500
41 Assured and adequate water	
42 supply administration fund	291,200

1 Monies in the assured and adequate water supply administration line
2 item may be used only for the exclusive purposes prescribed in sections
3 45-108, 45-576, 45-577, 45-578 and 45-579, Arizona Revised Statutes. The
4 department of water resources may not transfer any monies into or out of
5 the assured and adequate water supply administration line item.

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

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

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

19 Fiscal Year 2022-2023 Appropriation Adjustments

20 Sec. 95. Supplemental appropriation; department of
21 administration; risk management revolving fund;
22 review; fiscal year 2022-2023

23 A. In addition to any other appropriations made in fiscal year
24 2022-2023, the sum of \$3,107,700 is appropriated from the risk management
25 revolving fund established by section 41-622, Arizona Revised Statutes, in
26 fiscal year 2022-2023 to the department of administration for the
27 following purposes:

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

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

39 Sec. 96. Supplemental appropriation; fund balance transfer;
40 automation projects fund; fiscal year 2022-2023

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

1 41-714, Arizona Revised statutes to replace the state human resources
2 information system.

3 Sec. 97. Supplemental appropriations; Arizona health care
4 cost containment system administration; fiscal
5 year 2022-2023

6 In addition to any other appropriations made in fiscal year
7 2022-2023, the sum of \$58,487,600 from the children's health insurance
8 program fund established by section 36-2995, Arizona Revised Statutes, and
9 \$3,307,915,900 from expenditure authority are appropriated in fiscal year
10 2022-2023 to the Arizona health care cost containment system
11 administration for adjustments in formula requirements. The sum of
12 \$(55,000) is reduced from appropriations made from the tobacco tax and
13 health care fund — medically needy account established by section 36-771,
14 Arizona Revised Statutes, in fiscal year 2022-2023 to the Arizona health
15 care cost containment system administration for adjustments in formula
16 requirements.

17 Sec. 98. Supplemental appropriation; department of child
18 safety; technical adjustment; fiscal year
19 2022-2023

20 In addition to any other appropriations made in fiscal year
21 2022-2023, the sum of \$11,100,000 is appropriated from expenditure
22 authority in fiscal year 2022-2023 to the department of child safety
23 adoption services line item for a technical adjustment.

24 Sec. 99. Supplemental appropriation; superintendent of public
25 instruction; fiscal year 2022-2023

26 In addition to any other appropriations made in fiscal year
27 2022-2023, the sum of \$200,000,000 is appropriated from the state general
28 fund in fiscal year 2022-2023 to the superintendent of public instruction
29 for additional basic state aid formula costs.

30 Fiscal Year 2023-2024 Appropriations

31 Sec. 100. Appropriations; department of administration;
32 counties; allocations; report; fiscal year 2023-
33 2024

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

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

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

10 D. The sum of \$7,000,000 is appropriated from the state general
11 fund in fiscal year 2023-2024 to the department of administration for
12 distribution to counties to establish a coordinated reentry planning
13 services program.

14 Sec. 101. Automation projects fund; appropriations; quarterly
15 reports; exemption; fiscal year 2023-2024

16 A. The sum of \$20,647,800 is appropriated from the human resources
17 information system subaccount in the automation projects fund established
18 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year
19 2023-2024 to the department of administration to replace the human
20 resources information system.

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

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

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

42 3. Includes an integrated individual income tax model within the
43 project and provides the department of revenue staff, the joint
44 legislative budget committee staff and governor's office of strategic
45 planning and budgeting staff direct access to the individual income tax

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

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

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

17 Quarterly Reports

18 C. Within thirty days after the last day of each calendar quarter,
19 the department of administration shall submit to the joint legislative
20 budget committee a quarterly report on implementing projects approved by
21 the information technology authorization committee established by section
22 18-121, Arizona Revised Statutes, including the projects' expenditures to
23 date, deliverables, timeline for completion and current status.

24 Nonlapsing

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

30 Sec. 102. Department of economic security; loans;
31 reimbursement; prohibition; fiscal year 2023-2024

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

1 30, 2024 but not later than July 12, 2024 \$800,727,700 of the basic state
 2 aid and additional state aid entitlement that otherwise would be
 3 apportioned to school districts during fiscal year 2023-2024 pursuant to
 4 section 15-973, Arizona Revised Statutes. The funding deferral required
 5 by this subsection does not apply to charter schools or to school
 6 districts with a student count of less than four thousand pupils. The
 7 department of education shall make the deferral by reducing the
 8 apportionment of state aid for each month in the fiscal year by the same
 9 amount.

10 B. In addition to any other appropriations made in fiscal year
 11 2024-2025, the sum of \$800,727,700 is appropriated from the state general
 12 fund in fiscal year 2025-2025 to the department of education and the
 13 superintendent of public instruction for basic state aid and additional
 14 state aid entitlement for fiscal year 2024-2025. This appropriation shall
 15 be disbursed after June 30, 2024 but not later than July 12, 2024 to the
 16 several counties for the school districts in each county in amounts equal
 17 to the reductions in apportionment of basic state aid and additional state
 18 aid that are required pursuant to subsection A of this section for fiscal
 19 year 2023-2024.

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

23 Statewide Adjustments

24 Sec. 107. Appropriations; operating adjustments

	<u>2023-24</u>
25	
26 1. Employer health insurance	
27 contribution reduction	\$ (95,469,000)
28 Fund sources:	
29 State general fund	\$ (63,244,800)
30 Other funds	(32,224,200)
31 2. University health insurance	
32 Backfill removal	\$ (40,033,000)
33 Fund sources:	
34 State general fund	\$ (40,033,000)
35 3. Employer health insurance	
36 contribution increase	\$ 102,000,000
37 Fund sources:	
38 State general fund	\$ 72,000,000
39 Other funds	30,000,000

40 Employer health insurance contribution reduction

41 The amount appropriated is for a onetime employer contribution rate
 42 reduction for employee health insurance in fiscal year 2023-2024. The
 43 joint legislative budget committee staff, in consultation with the
 44 governor's office of strategic planning and budgeting staff, shall
 45 determine and the department of administration shall allocate to each

1 agency or department an amount for the health insurance contribution
2 adjustment. The joint legislative budget committee staff shall also
3 determine and the department of administration shall allocate adjustments,
4 as necessary, in expenditure authority to implement the reduction in
5 employer health insurance contribution rates. The joint legislative
6 budget committee staff shall use the overall allocation of state general
7 fund and appropriated tuition monies for each university in determining
8 that university's specific adjustment. The joint legislative budget
9 committee staff shall use the overall allocation of state general fund and
10 appropriated tuition monies for each university in determining that
11 university's specific adjustment.

12 University health insurance backfill removal

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

20 Employer health insurance contribution increase

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

31 Sec. 108. Department of law; general agency counsel charges;
32 fiscal year 2023-2024

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

- | | | |
|----|--|-----------|
| 37 | 1. Department of administration | \$127,700 |
| 38 | 2. Office of administrative hearings | \$ 3,000 |
| 39 | 3. Arizona arts commission | \$ 3,100 |
| 40 | 4. Citizens clean elections commission | \$ 2,700 |
| 41 | 5. State department of corrections | \$ 2,000 |
| 42 | 6. Arizona criminal justice commission | \$ 8,700 |
| 43 | 7. Arizona state schools for the deaf | |
| 44 | and the blind | \$100,200 |

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

31 Fiscal Year 2024-2025 appropriations

32 Sec. 109. Appropriation: new school facilities fund: use:
 33 fiscal year 2024-2025

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

1 Reporting Requirements and Definitions

2 Sec. 110. COVID-related expenditures; reporting requirements;
3 intent

4 A. Before spending monies from the coronavirus state fiscal
5 recovery fund and the coronavirus capital projects fund as appropriated by
6 section 9901 of the American rescue plan act of 2021 (P.L. 117-2) in the
7 amount of \$10,000,000 or more for one designated purpose, the office of
8 the governor shall notify the president of the senate, the speaker of the
9 house of representatives, the chairpersons of the senate and house of
10 representatives appropriations committees and the director of the joint
11 legislative budget committee of the intended use of the monies.

12 B. Within thirty days after the last day of each calendar quarter
13 through June 30, 2026, the office of the governor shall report to the
14 president of the senate, the speaker of the house of representatives, the
15 chairpersons of the senate and house of representatives appropriations
16 committees and the director of the joint legislative budget committee the
17 actual expenditures from the coronavirus state fiscal recovery fund and
18 the coronavirus capital projects fund as appropriated by section 9901 of
19 the American rescue plan act of 2021 (P.L. 117-2).

20 C. Before spending monies allocated to the superintendent of public
21 instruction from the elementary and secondary school emergency relief fund
22 as appropriated by section 2001 of the American rescue plan act of 2021
23 (P.L. 117-2) in the amount of \$10,000,000 or more for one designated
24 purpose, the superintendent of public instruction shall notify the
25 president of the senate, the speaker of the house of representatives, the
26 chairpersons of the senate and house of representatives appropriations
27 committees and the director of the joint legislative budget committee of
28 the intended use of the monies.

29 D. Within thirty days after the last day of each calendar quarter
30 through June 30, 2026, the superintendent of public instruction shall
31 report to the president of the senate, the speaker of the house of
32 representatives, the chairpersons of the senate and house of
33 representatives appropriations committees and the director of the joint
34 legislative budget committee the actual expenditure of monies allocated to
35 the superintendent of public instruction from the elementary and secondary
36 school emergency relief fund as appropriated by section 2001 of the
37 American rescue plan act of 2021 (P.L. 117-2).

38 E. Within thirty days after the last day of each calendar quarter
39 through June 30, 2026, the Arizona board of regents shall report to the
40 president of the senate, the speaker of the house of representatives, the
41 chairpersons of the senate and house of representatives appropriations
42 committees and the director of the joint legislative budget committee the
43 actual expenditure of monies from the higher education emergency relief
44 fund as appropriated by section 2003 of the American rescue plan act of

1 2021 (P.L. 117-2) by Arizona state university, the university of Arizona
2 and northern Arizona university.

3 F. Within thirty days after the last day of each calendar quarter
4 through June 30, 2026, each community college district shall report to the
5 president of the senate, the speaker of the house of representatives, the
6 chairpersons of the senate and house of representatives appropriations
7 committees and the director of the joint legislative budget committee the
8 actual expenditure of monies from the higher education emergency relief
9 fund as appropriated by section 2003 of the American rescue plan act of
10 2021 (P.L. 117-2).

11 G. Reports required pursuant to this section shall delineate
12 expenditures by agency and program and include descriptions of the purpose
13 of the expenditures.

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

22 Sec. 111. Legislative intent; expenditure reporting

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

33 Sec. 112. FTE positions; reporting; definition

34 Full-time equivalent (FTE) positions contained in this act are
35 subject to appropriation. The director of the department of
36 administration shall account for the use of all appropriated and
37 nonappropriated FTE positions, excluding those in the universities. The
38 director of the department of administration shall submit the fiscal year
39 2023-2024 report on or before October 1, 2024 to the director of the joint
40 legislative budget committee. The report shall compare the level of
41 appropriated FTE usage in each fiscal year to the appropriated level. For
42 the purposes of this section, "FTE positions" means the total number of
43 hours worked, including both regular and overtime hours as well as hours
44 taken as leave, divided by the number of hours in a work year. The
45 director of the department of administration shall notify the director of

1 a budget unit if the budget unit's appropriated FTE usage has exceeded its
2 number of appropriated FTE positions. Each university shall report to the
3 director of the joint legislative budget committee in a manner comparable
4 to the department of administration reporting.

5 Sec. 113. Filled FTE positions; reporting

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

10 Sec. 114. Transfer of spending authority

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

15 Sec. 115. Interim reporting requirements

16 A. State general fund revenue for fiscal year 2022-2023, including
17 a beginning balance of \$4,709,446,000 and other onetime revenues, is
18 forecasted to be \$17,891,100,000.

19 B. State general fund revenue for fiscal year 2023-2024, including
20 onetime revenues, is forecasted to be \$17,601,200,000.

21 C. State general fund revenue for fiscal year 2024-2025, including
22 onetime revenues, is forecasted to be \$17,759,300,000. State general fund
23 expenditures for fiscal year 2024-2025 are forecasted to be
24 \$16,231,900,000.

25 D. State general fund revenue for fiscal year 2025-2026, including
26 onetime revenues, is forecasted to be \$18,340,000,000. State general fund
27 expenditures for fiscal year 2026-2026 are forecasted to be
28 \$16,578,200,000.

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

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

1 Sec. 116. Definition

2 For the purposes of this act, "*" means this appropriation is a
3 continuing appropriation and is exempt from the provisions of section
4 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

5 Sec. 117. Definition

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

9 Sec. 118. Definition

10 For the purposes of this act, "review by the joint legislative
11 budget committee" means a review by a vote of a majority of a quorum of
12 the members of the joint legislative budget committee.