

FY 2024 BUDGET RECONCILIATION BILLS (BRBs) AND MAJOR FOOTNOTE CHANGES*

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*Chapter numbers refer to Laws 2023, 1st Regular Session.

FY 2024 BUDGET RECONCILIATION BILL PROVISIONS

The budget includes the enactment of statutory changes associated with its funding amount. The following provisions are grouped by subject into Budget Reconciliation Bills (BRBs).

AMUSEMENTS – CHAPTER 134 (SB 1721)

	<u>Section</u>
Department of Gaming	
1. As session law, continues to set the Regulatory Wagering Assessment at 0.5% in FY 2024 only.	AMUS 1
2. As session law, requires the Department of Gaming to issue refunds for any event wagering operator application fees associated with the Cocopah Tribe, Colorado River Indian Tribe, Pascua Yaqui Tribe, Yavapai-Apache Nation, White Mountain Apache Tribe, and Havasupai Tribe.	AMUS 2
Arizona Exposition and State Fair Board	
3. As session law, changes the time period for the \$400,000 cap on the Permanent Revolving Fund balance. That cap had previously been in place from October 1 to November 30 of each year (otherwise the cap is \$60,000 during the rest of the year). The \$400,000 cap will now be in place for the period between 15 days before and 15 days after the 2023 State Fair.	AMUS 3

STATE BUDGET IMPLEMENTATION – CHAPTER 145 (SB 1732)

	<u>Section</u>
Statewide	
4. As session law, continues to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	BI 1
5. As session law, continues to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund (BSF) through FY 2026. Also, notwithstands the 10% BSF cap for FY 2024.	BI 2

COMMERCE – CHAPTER 136 (SB 1723)

	<u>Section</u>
Arizona Commerce Authority	
6. As session law, establishes the non-appropriated Rural Broadband Accelerated Match Fund for the Arizona Commerce Authority (ACA) to provide matching monies for the federal Broadband, Equity, Access and Deployment (BEAD) program. Of the monies in the fund, 50% is distributed to rural counties (with half going to counties with populations under 100,000) and 50% is distributed to municipalities (with half going to municipalities with populations under 10,000). Up to 1% of monies in the fund may be used for administrative costs and monies in the fund are exempt from lapsing. Requires ACA to report to the Senate President, Speaker of the House of Representatives, Joint Legislative Budget Committee (JLBC), and the Governor's Office of Strategic Planning and Budgeting (OSPB) on September 1 of each year until the funding is exhausted on which entities received monies, the site of the projects funded, the federal match rate on each project, status of each project, price of services, and an assessment of total impact. Allows ACA to prioritize projects that provide matching funding from the applicant or will partner with other entities to complete the project.	COM 2
7. As session law, notwithstands A.R.S. § 41-1510 to shift Water Infrastructure and Commerce Grant Fund project eligibility requirements forward by one year. Projects receiving a grant would begin after January 1, 2023 (instead of 2022) and be allocated and distributed by December 31, 2025 (instead of 2024).	COM 3
8. As permanent law, reduces the annual distribution from income tax withholding tax revenues to the Arizona Competes Fund from \$5,500,000 to \$500,000.	COM 1

Office of Economic Opportunity

9. As session law, establishes the non-appropriated Microbusiness Loan Fund. Establishes rules and conditions for distributing grants to community development financial institutions (CDFIs) and eligible nonprofits with experience in lending for micro business loans. Defines micro businesses as Arizona businesses that are independently owned and operated and employ 5 or fewer people, and limits fees for loans. Requires the Office of Economic Opportunity (OEO) to submit a report within 6 months of the effective date evaluating the need for micro business loans in Arizona. Requires OEO to report by February 1, 2024 on microlending in Arizona. Requires OEO to submit a report by July 31, 2024 detailing monies expended from the fund. COM 4

CRIMINAL JUSTICE – CHAPTER 137 (SB 1724)

Section

Attorney General

10. As permanent law, require that all monies deposited into the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund from opioid litigation be appropriated by the Legislature. Also require the Attorney General, in its quarterly report, separately delineate the receipts and disbursements from opioid litigation. CJ 2

Arizona Department of Homeland Security

11. As session law, establishes the non-appropriated Anti-Human Trafficking Grant Fund administered by the Department of Homeland Security. Monies in the fund can be distributed to organizations to reduce human trafficking in the state. CJ 5
12. As session law, establishes the Nonprofit Security Grant Program Fund to provide safety and security grants for projects at nonprofit organization that are at a high risk of terrorist attack or hate crimes because of the organization’s ideology, belief, or mission. The department shall award up to \$1,000,000 in any grant year and a nonprofit may not receive more than \$100,000 in any grant year. Priority shall be given to organizations that are unable to apply for other funding. Includes a delayed repeal date of September 30, 2028. CJ 6

Judiciary

13. As session law, in FY 2024 - FY 2026, amends Laws 2018, Chapter 278 as amended by Laws 2021, Chapter 403 and Laws 2022, Chapter 310 to allow the Supreme Court to spend money on a new appellate case management system in FY 2024 - FY 2026. CJ 3

Department of Juvenile Corrections

14. As permanent law, repeals the requirement for Pima County to pay an assessed amount determined by its proportional share by population for the costs of the Department of Juvenile Corrections. CJ 1

Department of Public Safety

15. As session law, establishes the non-appropriated Fentanyl Prosecution, Diversion and Testing Fund, which will be used by the department to allocate to local jurisdictions on a first-come, first-serve basis to assist with costs related to fentanyl prosecution and testing. Permits funding of DPS administrative costs. CJ 4

ENVIRONMENT – CHAPTER 138 (SB 1725)

	<u>Section</u>
Arizona Department of Administration	
16. As session law, establishes the non-appropriated Fire Incident Management Fund. Monies in the fund shall be used for grants to local fire districts for fire incident management hardware and software, with no more than \$200,000 being used for administrative costs.	ENV 3
Arizona Department of Agriculture	
17. As session law, continues the fee raising authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2024, including legislative intent that limits additional revenues to \$357,000.	ENV 9
Department of Emergency and Military Affairs	
18. As permanent law, establish the non-appropriated Hazard Mitigation Revolving Fund consisting of legislative appropriations and monies received from the federal government for the Department of Emergency and Military Affairs to spend in accordance with Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act guidelines. Monies in the fund are exempt from lapsing. Includes a delayed repeal date of June 30, 2028.	ENV 1,2
Department of Environmental Quality	
19. As session law, continues to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank Fund in FY 2024 for department administrative expenses and for sewage remediation.	ENV 5
20. As session law, continues notwithstanding the \$18,000,000 annual funding level for the Water Quality Assurance Revolving Fund (WQARF) and limiting the General Fund transfer to \$15,000,000.	ENV 7
21. As session law, continues to charge fees that are not greater than the FY 2023 level of vehicle emissions inspection fees in FY 2024.	ENV 8
Arizona Navigable Stream Adjudication Commission	
22. As session law, continues to allow use of the Water Banking Fund for the commission's legal obligations.	ENV 6
Department of Water Resources	
23. As session law, continues to allow the department's Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2024.	ENV 4

HEALTH CARE – CHAPTER 139 (SB 1726)

	<u>Section</u>
Arizona Department of Administration	
24. As session law, modifies the Health Care Interoperability Grant program to require the grant to be awarded to only 1 vendor whose software can function on a smart device and who does not use a third-party vendor to comply with the grant program requirements. Includes a delayed repeal date of June 30, 2024.	HLTH 3
AHCCCS	
<i>Rates and Services</i>	
25. As session law, continues the FY 2010 risk contingency rate reduction for all managed care organizations. Continues to impose a reduction on funding for all managed care organizations' administrative funding levels.	HLTH 16
26. As permanent law, raises income eligibility for KidsCare to 225% FPL, conditional on approval of the Centers for Medicare and Medicaid Services.	HLTH 2

27. As session law, requires AHCCCS to provide pilot coverage of rapid whole genome sequencing as a separately payable service for infant members that meet certain criteria. The service involves examining the patient's entire human genome to identify disease-causing genetic changes in order to diagnose and treat the patient. Includes a delayed repeal date of December 31, 2026. HLTH 9

Counties

28. As session law, continues to exclude Proposition 204 administration costs from county expenditure limitations. HLTH 14
29. As session law, sets the FY 2024 County Acute Care contribution at \$43,733,700. HLTH 13
30. As session law, continues to require AHCCCS to transfer any excess monies back to the counties by December 31, 2024, if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. HLTH 12
31. As session law, sets the FY 2024 county Arizona Long Term Care System (ALTCS) contributions at \$366,205,400. HLTH 10

Hospitals

32. As session law, continues to establish FY 2024 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (Valleywise), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. The Valleywise distribution would remain at \$113,818,500 in FY 2024. HLTH 11
33. As session law, continues to require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow Valleywise to be eligible for Pool 5 allocations, as well as permit local jurisdictions to provide additional local match for Pool 5 distributions. HLTH 11
34. As session law, continues to establish priority for payments to private hospitals via the DSH-Voluntary program in FY 2024 according to county population size. Hospitals in rural counties (i.e., excluding Maricopa, Pima, and Pinal) have first priority; hospitals in Pinal County have second priority; and hospitals in Maricopa and Pima Counties have third priority. HLTH 11

Available Funding

35. As session law, continues to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. HLTH 17

State Board of Chiropractic Examiners

36. As permanent law, amends A.R.S. § 32-923 to require licensees to submit renewal applications by the end of the licensee's birth month instead of by January 1. HLTH 1

Department of Health Services

37. As session law, continues to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations. HLTH 15
38. As session law, establishes the non-appropriated Collaborative Care Uptake Fund and directs the Department of Health Services (DHS) to use the fund to award grant monies to primary care physicians meeting certain requirements related to behavioral health integration. Allows DHS to use up to 3% of monies in the fund for administrative costs. HLTH 4
39. As session law, establishes the Dementia Services Program within DHS and requires the department to develop an Alzheimer's Disease State Plan. Requires DHS to review and submit an updated state plan to the Legislature on or before July 1, 2024. Includes a delayed repeal date of June 30, 2026. HLTH 5
40. As session law, instructs DHS how to distribute monies appropriated for a dementia public awareness campaign. Requires DHS to report on the impact of the campaign by June 30, 2025. HLTH 8
41. As session law, stipulates that monies appropriated to DHS for psilocybin research be used to distribute competitive grants for phase I, II, and III clinical trials to evaluate the effects of whole mushroom psilocybin on treating specified disorders, including PTSD. Allows up to 2% of monies in the fund to be used for administrative costs. Establishes the psilocybin research advisory council to oversee the competitive grant application process and make recommendations to the Legislature on psychedelic-assisted therapy annually. Includes a delayed repeal date of June 30, 2026. HLTH 6

State Board of Nursing

- 42. As session law, establishes the Student Registered Nurse Anesthetist Clinical Rotation Program within the Board of Nursing. The board will establish an application process to award grants to health care institutions to expand the capacity of preceptor training programs for nurse anesthetist students. Preference will be given to expand or develop clinical rotations in obstetrics, pediatrics, and cardiovascular care. HLTH 7

HIGHER EDUCATION – CHAPTER 140 (SB 1727)

Section

Arizona Community Colleges

- 43. As session law, continues to suspend the Operating State Aid funding at levels specified in the General Appropriation Act, which effectively means suspending the formula in FY 2024 for only Maricopa and Pima Counties. HEd 5
- 44. As session law, continues to set the Science, Technology, Engineering and Mathematics and Workforce Programs district funding at levels specified in the General Appropriation Act, which effectively means suspending the inflation adjustment in FY 2024 for all community college districts. HEd 4

Universities

- 45. As session law, continues to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). HEd 1
- 46. As session law, establishes the Spouses and Dependents of Law Enforcement Officer Tuition Scholarship Fund. From FY 2024-FY 2027, requires the Arizona Board of Regents (ABOR) to award first-come first-served, last-dollar scholarships to students enrolled in a public or private university, community college, or career and technical education district and are either a spouse of a law enforcement officer or a dependent under 27 years old. Limits private university awards to the remainder of the average in-state tuition and fee costs charged by the public universities. Requires ABOR to submit a report to JLBC and OSPB on March 1 of each year with information on the number of recipients, average award, and the law enforcement agency employing the officer. HEd 6
- 47. As session law, requires ABOR to distribute monies appropriated for primary care residency programs in FY 2024 to the Arizona Area Health Education System (AHES) to establish a program for qualifying community health centers, rural health clinics, and tribal health clinics that expands primary care residency positions, provide technical assistance for programs in rural areas and health professional shortage areas, and facilitates in formation and resource sharing. Allows AHES to use up to \$500,000 of the total \$5,000,000 appropriated to support a collaborative of qualifying community health centers', rural health clinics' and tribal health facilities residency programs. HEd 7
- 48. As session law, allows the State Treasurer to invest and divest monies in the Arizona Veterinary Loan Assistance Fund in FY 2024 and require monies earned from investment to be credited to the fund. Includes a delayed repeal date of December 31, 2024. HEd 2
- 49. As session law, allows the State Treasurer to invest and divest monies in the Spouses of Military Veterans Tuition Scholarship Fund in FY 2024 and require monies earned from investment to be credited to the fund. Includes a delayed repeal date of December 31, 2024. HEd 3

HUMAN SERVICES – CHAPTER 141 (SB 1728)

Section

Department of Child Safety

- 50. As session law, establishes the non-appropriated Extended Foster Care Comprehensive Service Model Fund and requires the Department of Child Safety to implement an extended foster care comprehensive service model that provides support services and case management from contracted community providers to young adults 17.5-20 years of age in the Extended Foster Care program. HS 1

Department of Economic Security

- 51. As session law, continues to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable suspicion the recipient uses illegal drugs. HS 2

Department of Housing

- 52. As session law, establishes the non-appropriated Homeless Shelter and Services Fund consisting of legislative appropriations, other monies, and investment earnings. Monies in the fund shall be used for grants to counties, cities, towns, tribes, and nonprofit organizations for programs that provide shelter and services to unsheltered persons who are experiencing homelessness. Includes a delayed repeal date of September 30, 2027. HS 3

K-12 EDUCATION – CHAPTER 142 (SB 1729)

Arizona Department of Administration

Section

- 53. As session law, modifies reporting requirements for K-12 transportation modernization grants program to include a description of existing transportation options and an explanation of why alternative transportation is necessary for each grant recipient. Adds JLBC and OSPB as report recipients. K12 11

Department of Education

Formula Requirements

- 54. As permanent law, increases the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school “Additional Assistance” amounts (A.R.S. § 15-185B4) by 2.0% for standard inflation. Increase base level by additional 0.92% for a total of 2.92% K12 1,3,5
- 55. As permanent law, allocates \$13,000,000 to increase Group B weight in Basic State Aid formula for children eligible for the federal Free-and Reduced-Price Lunch (FRPL) program as part of the enacted FY 2023 budget's 3-year plan. K12 4
- 56. As permanent law, allocates \$20,000,000 General Fund to increase District Additional Assistance (DAA) per pupil formula amounts by an additional 4.35% in FY 2024. Including the \$23,122,000 already allocated to increase DAA pursuant to Section 127 of the FY 2023 General Appropriation Act, the total DAA per pupil formula increase for FY 2024 above FY 2023 is 9.38%. K12 6
- 57. As permanent law, allocates \$5,878,000 to increase Charter Additional Assistance (CAA) per pupil formula allocations as part of the enacted FY 2023 budget's 3-year plan. Including regular 2.0% inflation adjustment, results in total CAA increase of 3.20% for FY 2024. K12 1
- 58. As permanent law, updates the Qualifying Tax Rate cited in A.R.S. § 41-1276 to reflect the Truth in Taxation rates established for FY 2024. K12 10
- 59. As permanent law, repeals A.R.S. § 15-961 as enacted by Laws 2022, Chapter 285 and merge its provisions with A.R.S. § 15-961 as enacted by Laws 2022, Chapter 317 (the FY 2023 K-12 Education Budget Bill). Technical change that consolidates 2 existing statutes. K12 6,7
- 60. As permanent law, repeals Results-Based Funding. K12 2

Other

- 61. As session law, continues stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General. K12 22
- 62. As permanent law, requires ADE to report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the JLBC Director, and the OSPB Director within 60 days of the end of each calendar quarter on specified metrics related to the Empowerment Scholarship Account (ESA) program. The metrics include the number of ESA students disaggregated by eligibility category, previous public school attendance, grade level, the number of English language learners, the number of students with a disability, and zip code of permanent residence. The report would also include the annual award amount associated with each ESA account and approved ESA expenses disaggregated by type of expense. K12 9

63. As session law, establishes the non-appropriated Dual Enrollment Student Development Fund to provide financial assistance to high school students enrolled in a dual enrollment course. For FY 2024, the Department of Education shall use monies in the fund to pay community colleges, universities, or other institution that provides a dual enrollment to reimburse students up to \$50 per credit hour for each passing grade in a dual enrollment course. The department shall prioritize distributions to students eligible for Free or Reduced-Price Lunches (FRPL). Total reimbursement is capped at \$300 for 9th and 10th grade students and at \$600 for 11th grade and 12th grade students K12 17
64. As session law, establishes the non-appropriated Dual Enrollment Teacher Development Fund to provide incentive bonuses to high school teachers that provide instruction in at least one dual enrollment course in FY 2024. ADE shall administer the fund. If the appropriation exceeds the actual cost of the bonuses, ADE shall reduce bonuses proportionately to cover all eligible awards. K12 16
65. As permanent law, requires community colleges offering dual enrollment courses to provide access for pupils with disabilities to any supplementary aid, service, or accommodation provided in a student’s Individualized Education Plan (IEP) or section 504 plan, as allowable under community college accreditation guidelines. K12 8
66. As session law, establishes the Arizona Civics Education and Leadership Development Program within ADE to provide civics education and leadership development training to middle and high school students. Establishes the Arizona Civics Education and Leadership Development Fund consisting of legislative appropriations to implement the program. Creates reporting requirements. K12 12
67. As session law, stipulates that the State Board of Education shall require public schools to complete an education and career action plan for high school students. Requires ADE to establish an Early Education and Career Exploration Program to assist public schools in completing an Arizona Education and Career Action Plan for high school pupils. Stipulates that ADE shall contract with a nonprofit entity to provide a career mapping tool to public schools. Establishes the Early Education and Career Exploration Program Fund consisting of legislative appropriations to implement the program. Requires ADE to report on program outcomes to the Governor, President of the Senate, and the Speaker of the House of Representatives by June 30, 2024. K12 13
68. As session law, authorizes districts and charters to offer a live, remote instruction course for its high school students in FY 2024 and FY 2025. Authorizes the service provider to receive an incentive bonus under the College Credit by Examination Incentive Program of up to \$500 for each student for receiving a passing grade in the course. The actual award amount would be pro-rated downward if the total amount of qualifying students exceeds the appropriation for the program. Requires ADE to report to the President of the Senate, the Speaker of the House of Representatives, the Governor, and JLBC on participation and spending on the program by June 30th of FY 2024 and FY 2025. K12 15
69. As session law, notwithstanding A.R.S. § 15-913.01 to stipulate that county jail education programs be funded at 100% of the statutory formula amount instead of 72% for FY 2024. K12 19
70. As session law, establishes the Teacher Professional Development and Support Personnel Pilot program within ADE to provide grants to districts with a low Teacher Experience Index (TEI). Half of program monies would be distributed to districts in counties with less than 500,000 residents and the remainder would be distributed to larger counties. Creates reporting requirements. K12 18
71. As session law, reduces the statutory enrollment caps in the Continuing High School and Workforce Training program from 1,000 to 600 in FY 2024 and from 1,400 to 800 in FY 2025. The cap would return to 1,400 beginning in FY 2026. K12 14
72. As session law, increase the General Budget Limit for Duncan Unified by \$752,000 and for Blue Elementary by \$34,000 to allow each district to expend one-time balances previously accumulated from the State Equalization Tax in Greenlee County. Stipulates that the general budget limit increases shall be funded by prior-year carry forward instead of primary or secondary property tax increases. K12 20

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| 73. | As session law, notwithstanding A.R.S. § 15-241 to allow ADE to expend monies in FY 2024 from the Failing Schools Tutoring Fund for school improvement. Requires ADE to report on its proposed expenditures for school improvement from the fund to the Governor, Speaker of the House of Representatives, the President of the Senate, JLBC, and OSPB by September 1, 2023. | K12 21 |
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LOCAL GOVERNMENT – CHAPTER 143 (SB 1730)

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| | | <u>Section</u> |
| Counties and Cities & Towns | | |
| 74. | As session law, continues to allow counties with a population of less than 250,000 according to the 2020 Decennial Census to use any source of county revenue to meet a county fiscal obligation for FY 2024, up to \$1,250,000 of county revenue for each county. Continues to require counties using this authority to report to the JLBC Director on the intended amount and sources of funds by October 1, 2023. | LG 1 |

MANAGEMENT OF STATE BUILDINGS – CHAPTER 146 (SB 1733)

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| | | <u>Section</u> |
| Statewide | | |
| 75. | As session law, continues to set the FY 2024 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration at \$17.87/square foot for rentable office space and \$6.43/square foot for rentable storage space. | MSB 1 |

SECRETARY OF STATE – CHAPTER 144 (SB 1731)

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| | | <u>Section</u> |
| Secretary of State | | |
| 76. | As session law, delays registration of professional employer organizations from FY 2024 to FY 2025. | SOS 2,3 |
| 77. | As permanent law, add OSPB as a recipient off the Secretary of State’s total expenditure plan for the Election Systems Improvement Fund. | SOS 1 |

TAXATION – CHAPTER 147 (SB 1734)

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|------------------------------|---|----------------|
| | | <u>Section</u> |
| Department of Revenue | | |
| 78. | As session law, stipulates legislative intent that the amount to be charged to all counties, cities, towns, Council of Governments and regional transportation authorities with a population greater than 800,000 for the Integrated Tax System project shall not exceed \$6,597,200 for FY 2024. Each local government type (for example all counties share of the \$6,597,200) is based on that government type's proportionate share of certain state and locally-collected revenues received by those local entities 2 fiscal years prior to the current fiscal year. Once each government type's share of the local assessment has been calculated, population is the basis for determining the apportioning of fees among counties as well as among cities and towns. | TAX 4 |
| 79. | As session law, stipulates legislative intent that the amounts charged to the 16% recreational marijuana excise tax and the 0.6% education sales tax for the Integrated Tax System Project shall not exceed \$178,100 and \$800,000, respectively, in FY 2024. | TAX 4 |

Tax Provisions

- 80. As session law, requires the Department of Revenue (DOR) to issue a one-time individual income tax general welfare rebate known as the Arizona Families Tax Rebate to an Arizona taxpayer who: (1) filed a full-year resident individual income tax return for Tax Year (TY) 2021, (2) claimed a dependent tax credit on the TY 2021 tax return, and (3) had a tax liability of at least \$1 in TY 2021. If the taxpayer does not meet the tax liability requirement for TY 2021, the taxpayer can still qualify for the rebate if the following requirements are met: 1) taxpayer had a tax liability of at least \$1 in TY 2020 or TY 2019 and 2) filed a full-year resident tax return for TY 2020 or TY 2019 under the same filing status as for TY 2021. The rebate is \$250 for each dependent tax credit claimed on the taxpayer's TY 2021 tax return for a dependent who was under 17 years of age at the end of TY 2021 and \$100 for each dependent who was at least 17 years of age at the end of TY 2021. The maximum rebate that can be claimed is for 3 dependents. To be eligible for the dependent tax credit, a taxpayer's federal adjusted gross income cannot exceed \$219,000, or \$419,000 in the case of married couples filing jointly. Provides that the tax rebate is excluded from state income tax. Includes an intent statement that the general welfare rebate is issued to mitigate the harmful impacts of inflation by returning a portion of the state's surplus to taxpayers with dependents. Requires DOR to issue the rebates between October 15, 2023 and November 15, 2023. Requires DOR to issue a report on or before February 15, 2025 that includes the following information: (1) total amount of tax rebates paid, (2) administrative costs associated with the Tax Rebate program, and (3) the number of tax rebate claims. TAX 3

- 81. As session law, increases the individual income tax subtraction for unreimbursed adoption expenses from \$3,000 to \$40,000 for TY 2023 through TY 2025. TAX 2

- 82. As permanent law, beginning in TY 2023, a business organized as a partnership may have all of its income taxed at the entity level rather than having some of its income taxed at the entity level and the rest of it passed through to the individuals in the partnership. This change provides that partnerships and S corporations that elect to be taxed at the entity-level are treated the same way for income tax purposes. TAX 1

TRANSPORTATION – CHAPTER 148 (SB 1735)

Department of Transportation

- 83. As permanent law, clarifies that monies in the SMART Fund cannot be distributed to municipalities partially located in an urbanized area of a county with a population of more than 1,000,000 persons. Section
TR 1

FY 2024 GENERAL APPROPRIATION ACT PROVISIONS – CHAPTER 133 (SB 1720)/CAPITAL OUTLAY – CHAPTER 135 (SB 1722)

The budget includes the following provisions in the General Appropriation Act. These provisions are in addition to the individual agency appropriations, but exclude supplemental appropriations, ex-appropriations, and fund transfers.

Department of Education	<u>Section</u>
1. As session law, continue deferral of \$800,727,700 of Basic State Aid payments for FY 2024 until FY 2025. Continue to exempt districts with less than 4,000 students from the deferral. Appropriate \$800,727,700 in FY 2025 for these deferred Basic State Aid payments. Allow Arizona Department of Education (ADE) to make the rollover payment no later than July 12, 2024.	122
2. As session law, continue to require school districts to include in the FY 2024 revenue estimates that they use for computing their FY 2024 tax rates the rollover monies that they will receive for FY 2024 in July 2024.	122
 Revenues	
3. As session law, continue to specify revenue and expenditure estimates for FY 2023, FY 2024, FY 2025, and FY 2026.	130
4. As session law, continue to require the Executive Branch to provide Joint Legislative Budget Committee (JLBC) preliminary estimates of FY 2023 ending balances by September 15, 2023. Require the JLBC Staff to report to JLBC by October 15, 2023 as to whether FY 2024 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	130
 Statewide	
5. As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	127
6. As session law, continue to require Arizona Department of Administration (ADOA) to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2024 in all agencies and provide it to the Director by October 1, 2024. The Universities are exempt from the report but are required to report separately.	127
7. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2023 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2023.	129
8. As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	130
9. As session law, the following entities shall report to the Senate President, Speaker of the House of Representatives, Appropriations Committee Chairmen, and the JLBC Director on all total planned allocations and actual expenditures for monies received from the American Rescue Plan Act. The report is due within 45 days after the last day of the calendar quarter.	126
– The Governor's Office would report on the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund.	
– The Superintendent of Public Instruction would report on the Elementary and Secondary School Emergency Relief Fund.	
– The Arizona Board of Regents (ABOR) and each community college district would report on the Higher Education Emergency Relief Fund.	
 The Legislature's intent is that the Executive Branch also report on any additional federal aid distributed to Arizona through federal legislation enacted before the end of FY 2024.	
 General	
10. As session law, continue to define “*” as designating an appropriation exempt from lapsing.	132
11. As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.	133

12. As session law, continue to define "review by the JLBC as a review by a vote of a majority of a quorum of the members. 134

FY 2024 MAJOR FOOTNOTE CHANGES – CHAPTER 133 (SB 1720)

The budget includes the following major additions, deletions or modifications of footnotes. This list does not include footnote changes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy.

Arizona Department of Administration	<u>Section</u>
13. Adds footnote requiring ADOA to report to the JLBC Staff on prior year Cyber Risk Insurance Fund expenditures.	6
14. Adds footnote requiring ADOA to submit a report on the results of Employees Compensation Study on or before October 1, 2024.	6
15. Adds footnote extending the FY 2023 appropriation for K-12 Transportation Grants through FY 2024.	6
16. Adds footnote extending the lapsing date of the FY 2022 appropriation for the repair of the Enduring Freedom Memorial through FY 2024.	6
17. Adds footnote that \$250,000 from the Early Literacy line item shall be distributed to a literacy program that places young adult role models in high-need preschool classrooms and childcare centers, where they deliver targeted early literacy interventions to children who may otherwise never had young adult role models	6
 Arizona Department of Administration – Automation Projects Fund	
18. Adds footnote extending the FY 2022 appropriation to the Department of Economic Security (DES), to replace the child care attendance tracking system through FY 2024.	113
19. Adds footnote extending the FY 2022 appropriation to ADOA for the Business One-Stop project through FY 2024.	113
20. Adds footnote extending the FY 2022 appropriation for the Concealed Weapons Tracking System project through FY 2024.	113
21. Adds footnote requiring that the Arizona Corporation Commission submit a report to the JLBC for review of the agency’s plan to support the Business One-Stop project through its completion, including plans for how the new e-Corp system will integrate with the Business One-Stop solution. The report shall be submitted as part of the agency's request for APF expenditure review by JLBC.	113
22. Adds footnote requiring that the Department of Revenue submit a report to the JLBC for review of the agency’s plan to support the Business One-Stop project through its completion, including plans for how the new tax system will integrate with the Business One-Stop solution. The report shall be submitted as part of the agency's request for APF expenditure review.	113
 Arizona Department of Administration – School Facilities Division	
23. Adds footnote specifying that the \$1.0 million appropriation for school building inspections is nonlapsing.	6
24. Adds footnote requiring the department to, upon approval of distribution of funding for a land purchase, land lease or for the construction of a new school, report to the JLBC Staff and the Governor's Office of Strategic Planning and Budgeting (OSPB) on the final amount to be distributed for the project. If a school district leases state trust land, the department shall revert excess appropriations for new school facilities land costs, less the lease costs.	6
25. Adds footnote extending the use of the unencumbered balance of \$22,811,500 in the New School Facilities Fund for facilities and land costs for school districts that received final approval from the Division of School Facilities on or before December 15, 2022.	6
 Office of Administrative Hearings	
26. Adds footnote specifying that \$250,000 appropriated in the department's Increased Workload line item shall be used to administer the provisions of a bill addressing insurance provider claims against insurers which becomes law. These monies shall revert to the State General Fund if a bill addressing provider claims against insurers does not pass.	8

AHCCCS

- 27. Adds footnote requiring the ASET Office to submit an expenditure plan on behalf of the department to the JLBC for review prior to the expenditure of any monies for the replacement of prepaid Medicaid management information system. The expenditure plan shall include the project cost, deliverables, and timeline for completion and method of procurement consistent with the department's prior reports for its appropriations from the Automation Projects Fund. 10
- 28. Adds footnote making the \$700,000 FY 2024 General Fund appropriation for prepaid Medicaid management information system replacement nonlapsing until the end of FY 2025. 10
- 29. Adds footnote instructing AHCCCS to distribute up to \$2.5 million each year from the On-Call Obstetrics and Gynecological Services line item to qualifying community health centers for the unreimbursed cost necessary to maintain on-call obstetrics and gynecological services. Requires recipient entities to submit a report regarding the use of monies, including the number of deliveries and emergency procedures provided. The appropriation is nonlapsing through FY 2026. Allows the department to use up to 5% for administrative costs. 10
- 30. Adds footnote making the \$486,500 FY 2024 appropriation for the Rapid Whole Genome Sequencing Pilot non-lapsing until the end of FY 2026.

Attorney General

- 31. Adds footnote specifying that the department shall allocate \$500,000 from the Child and Family Advocacy line item to an entity that supports child victim advocacy and mental health services through a Child Advocacy Center based in a county with a population greater than 3,000,000 persons. 13
- 32. Adds footnote requiring the monies appropriated in the Opioid Abatement line item be used to treat opioid use disorders and support persons in treatment and recovery. Also requires the Attorney General to submit an expenditure plan to the JLBC for review prior to the expenditure of any monies from the Opioid Abatement line item. 13
- 33. Adds footnote specifying that the Attorney General's operating lump sum includes a one-time increase of \$3,000,000 from the Consumer Protection - Consumer Fraud Revolving Fund for operating expenses and that this amount is nonlapsing. 13

Department of Child Safety

- 34. Adds footnote specifying that the amount appropriated for the Positive Parenting Program for Post Permanency Placements Pilot line item is nonlapsing. 17

Arizona Commerce Authority

- 35. Adds footnote specifying that \$3.5 million of the operating lump sum shall be allocated as follows: 19
 - \$1.0 million to distribute to a federally recognized state rural development council in the national rural development partnership in this state to establish partnerships in rural Arizona communities.
 - \$500,000 to establish a small business incubator program to assist current and former inmates who are participating in a state program in which the Arizona Department of Corrections (ADC) and the DES collaborate and bring comprehensive services to inmates who are nearing release. The Arizona Commerce Authority (ACA) shall submit a report to the Directors of JLBC and OSPB on program implementation on or before September 1, 2024.
 - \$500,000 to distribute to a nonpartisan public foundation that is a nonprofit organization associated with a statewide business trade organization and that represents multiple industries to develop a strategic framework for policymakers to continue job growth, economic diversification and private sector investments that will make this state a top state economy and international trading partner by 2030.
 - \$500,000 to distribute to a nonprofit partnered with the statewide trade business organization that serves as a resource hub for all Arizona small businesses to establish a program to recruit and train truck drivers.
 - \$1.0 million for the Arizona State Trade Expansion Program. The appropriations are nonlapsing.

- 36. Adds footnotes specifying that the appropriations for the Asia-Pacific trade office and the Canada trade office are nonlapsing. Requires the ACA to report on the allocation of \$2 million for additional trade offices and their location by December 31, 2023. 19
- 37. Adds footnote outlining guidelines for the distribution of the monies in the Wearable Research line item. Exempts the appropriation from lapsing through FY 2027. 19
- 38. Adds footnote requiring the ACA to distribute the Economic Transition Resources grants to a nonprofit organization for capital projects, economic sustainability developments, renewable energy projects and broadband projects located within 20 miles of a coal mine that closed within the past 5 years. 19

Community Colleges

- 39. Adds a footnote requiring that the Tohono O’odham College Board of Trustees report on the completion rates of students who received remedial education. 20
- 40. Adds a footnote requiring that the San Carlos Apache College Board of Regents report on the completion rates of students who received remedial education. 20

Department of Corrections

- 41. Adds a footnote stating that the amount appropriated in the Transitional and Reentry Housing line item shall be used for a competitive grant process to provide evidence-based substance use treatment and early intervention for those with involvement with the justice system, a mental health diagnosis, a chronic health condition and/or have experienced homelessness or are at high risk of becoming homeless. Grant recipients must also provide residential treatment services for up to 90 days and recovery housing up to 24 months after completing treatment, deliver peer and family support services, utilize technology to promote recovery, and deliver treatment for reentry via a campus-based continuum care model. 23
- 42. Adds a footnote stating that the amount appropriated in the Transitional Housing Grants line item shall be used to provide grants to nonprofits that meet the following criteria: 1) have mentored at least 3,000 inmates who were in prison for at least 2 years, 2) have mentored inmates receiving resources for at least 3 months while incarcerated, and 3) provide individuals with housing up to 6 months, behavioral health services, assistance with obtaining identification documents, and assistance in securing employment and health insurance. The footnote also requires the department to report on August 31, 2024 on the recipient(s) of grants and specified performance metrics. 23
- 43. Adds footnote specifying that the amount appropriated in the Inmate Dog Training line item be used to contract with a nonprofit organization to train inmates to rehabilitate at-risk dogs. The appropriation is nonlapsing through FY 2025.

Arizona Criminal Justice Commission

- 44. Adds footnote specifying that the Arizona Criminal Justice Commission (ACJC) may use up to \$400,000 in FY 2024 to evaluate, certify and pay for any costs associated with the Law Enforcement Crime Victim Notification Fund. 24

Commission for the Deaf and the Hard of Hearing

- 45. Adds footnote extending the FY 2023 appropriation of \$115,000 from the Telecommunication Fund for the Deaf for Aging Individuals Research through FY 2024. 26

Department of Economic Security

- 46. Adds footnote specifying how the \$830,000 appropriated for the Graham County Rehabilitation Center is to be used. \$800,000 is for remodeling the facilities, and \$30,000 is for an afterschool program. 29
- 47. Adds footnote specifying the department distribute the \$250,000 appropriated for the Globe-Miami Area Food Bank to a food bank headquartered in the Globe-Miami area. 29
- 48. Adds footnote specifying that the amount appropriated for the Produce Incentive Program line item is nonlapsing. 29

49. Adds footnote specifying that the department distribute the \$5.0 million appropriated for the Area Agencies on Aging Housing Assistance line item to Area Agencies on Aging for housing assistance for persons who are at least 60 years old. The appropriation is nonlapsing. 39

Department of Education

50. Adds footnote requiring ADE to submit an expenditure plan prior to spending the \$6.8 million increase for the Early Literacy line item for the new General Fund programs for literacy coaches, kindergarten entry assessments, dyslexia training, and science of reading exams. Also requires ADE to submit a report to the JLBC and OSPB by July 31, 2024, on the actual expenditures of the appropriation. These programs were all included in the FY 2023 3-year budget plan. 31
51. Adds footnote requiring ADE to distribute the appropriated amount for nonprofit education initiatives to a 501(c)(3) nonprofit organization based in Scottsdale, Arizona that provides scholarships and other educational programming and promotes youth activities, sports, and cultural enrichment. 31
52. Adds footnote stipulating that ADE distribute the appropriated amount for nonprofit low-income assistance to a 501(c)(c) nonprofit organization that provides low-income children in grades kindergarten through 8th grade with new clothing and shoes, hygiene kits, and new books. 31
53. Adds footnote requiring ADE to distribute the appropriated amount for science education programs to an organization based in Phoenix, Arizona that provides science, technology, engineering and math education programs and professional development training. 31
54. Adds footnote stipulating that ADE use the appropriated amount for a K-12 transportation formula study to develop a per pupil weighted transportation formula for K-12 students. Requires ADE to report by December 31, 2023 to the President of the Senate, Speaker of the House, the Chairpersons of the Senate and House Education Committees, and the Directors of JLBC and OSPB on the proposed base per pupil amount of the formula and weights for select student groups. 31
55. Adds footnote stipulating that the one-time increase of \$10.0 million for ADE’s operating budget is nonlapsing through FY 2026. 31
56. Adds footnote requiring ADE to distribute the appropriated amount for public school campus trees for grants to public schools to plant low-biogenic volatile organic compound-emitting trees on school campuses. Grants would be distributed on a first-come first-served basis to schools with FRPL eligibility of at least 75% through December 31, 2023. After that date, the grants would be available to all public schools. Allows ADE to require grant recipients to report on their use of monies and authorizes recipients to partner with nonprofit organizations. The appropriation is nonlapsing. 31
57. Modifies footnote specifying distribution of Adult Education monies to allocate \$4.6 million to the Continuing High School and Workforce Training Program in FY 2024 instead of \$7.7 million based on a delayed phase-in of the increase in the enrollment cap for the program. 31
58. Adds footnote stipulating that ADE distribute the \$300.0 million one-time state aid supplement funding to districts and charter schools on a pro-rata basis using Group A weighted student counts, including nonresident attending students at school districts (same distribution as Proposition 123 State Aid Supplement). Authorizes districts to budget the monies for Maintenance and Operations or Unrestricted Capital. 31
59. Adds footnote stipulating that the appropriated amount for Juvenile Detention Centers includes \$22,600 for Yavapai County, \$20,000 for Pinal County, and \$10,000 for Maricopa County 31
60. Adds footnote requiring ADE to distribute the appropriation for an Art Consumables Grant Program as grants of up to \$1,000 per recipient for public school art teachers in kindergarten through 12th grade or any public school teacher for preschool through 3rd grade pupils for arts supplies, materials and instructional aids that are of a consumable nature as defined by the uniform system of financial records. 31
61. Adds footnote stipulating that the appropriated amount for live, remote instructional courses is nonlapsing until December 31, 2025. 31
62. Adds footnote authorizing ADE to use monies in the Accountability and Achievement Testing line item for costs associated with the Arizona English Language Learner Assessment (AZELLA) in FY 2024. 31

Department of Emergency and Military Affairs

- 63. Adds footnote specifying that the \$759,200 appropriated in Federal Government Matching Repayment line item is exempt from lapsing through December 31, 2024. 32
- 64. Adds footnote making the FY 2023 one-time \$13.3 million appropriation for One-Time Maintenance Backfill non-lapsing. 32
- 65. Adds footnote specifying the \$335.0 million allocated in FY 2023 to the Border Security Fund to construct and maintain a physical border fence and to purchase and install border security technologies can also be used for other purposes authorized under the Border Security Fund. 110

Department of Environmental Quality

- 66. Adds footnote requiring DEQ to submit a report to the JLBC on or before July 31, 2024, documenting its progress expending monies for PFAS mitigation. The appropriation is nonlapsing. 33

Arizona Exposition and State Fair Board

- 67. Adds footnote specifying \$2.3 million from the FY 2023 operating lump sum is exempt from lapsing through June 30, 2024. 37

Arizona Department of Forestry and Fire Management

- 68. Adds footnote specifying that monies in the Fire District Grants line item shall be used to establish a program to provide grants to fire districts in this state. The department may use up to 2% of the monies in the Fire District Grants line item to administer the program. Grant applications shall be prioritized based on the need of the fire district and average response times of the fire district. A fire district may use fire district grant monies to a) purchase capital equipment necessary to respond to public safety emergencies, including fire engines, ambulances, radio telecommunications, uniforms and equipment; b) construct or renovate fire stations; and c) purchase and provide emergency alert services that are available through a mobile application or other means. 38

Department of Gaming

- 69. Adds footnote specifying that the monies in the Racetrack Capital Projects and Maintenance and Operation Funding line item shall be distributed to commercial live racing permittees for capital projects and track maintenance and operations including costs of complying with the federal Horseracing Integrity and Safety Act. Of the amount appropriated, the Department of Gaming shall allocate \$1.0 million to a commercial live racing permittee located in Maricopa County. 41

Department of Health Services

- 70. Adds footnote stipulating that the \$7.0 million Trauma Recovery Center Fund appropriation shall be used to fund technical assistance grants, operational and service costs of a state pilot trauma recovery center, and grant funding for a public research institution to track outcomes. 44
- 71. Adds footnote making the Dementia Services Program appropriation nonlapsing through June 30, 2026. 44
- 72. Adds footnote making the Dementia Awareness Campaign appropriation nonlapsing. 44
- 73. Adds footnote extending the FY 2023 one-time \$1.0 million appropriation for the Behavioral Health Care Provider Loan Repayment Program through June 30, 2024. 44

Department of Homeland Security

- 74. Adds footnote specifying that of the \$10.0 million deposited in the Antihuman Trafficking Grant Fund, \$2.0 million shall be distributed to the Department of Public Safety (DPS) ACTIC and \$8.0 million shall be distributed as grants to local law enforcement agencies. The appropriation is nonlapsing. 47
- 75. Adds footnote allowing the department to spend up to 5% of the monies deposited in the Nonprofit Security Grant Fund for administering the Arizona State Nonprofit Security Grant Program. The appropriation is nonlapsing through FY 2026. 47

76.	Adds footnote extending \$300,000 of the FY 2023 appropriation for the Statewide Information Security and Privacy Operations and Controls line item through June 30, 2024.	47
Arizona Department of Housing		
77.	Adds footnote extending the FY 2023 appropriation of \$5.0 million for the Homeless Services Grant Pilot through June 30, 2024.	49
78.	Adds footnote requiring the department to submit an expenditure plan to the JLBC on for before September 1, 2023 for the monies deposited into the Housing Trust Fund.	49
79.	Modifies FY 2023 footnote regarding the \$4 million Housing Trust Fund tribal allocation to permit distribution for projects on Navajo and Hopi Tribal Nations.	1
80.	Adds footnote allowing a portion of the monies from the Housing Trust Fund Deposit to support a long term lease that would create a campus for projects such as: transitional housing, workforce development and housing, crisis response, and integrated wrap around services. Sets forth criteria for the qualifications of the owner and lead operator of the campus.	49
Department of Insurance and Financial Institutions		
81.	Adds footnote specifying that \$250,000 appropriated in the department's operating lump sum shall be used to administer the provisions of a bill addressing insurance provider claims against insurers which becomes law. These monies shall revert to the State General Fund if a bill addressing provider claims against insurers does not pass.	51
Judiciary - Court of Appeals		
82.	Adds footnote extending the lapsing date of \$450,000 of the FY 2023 appropriation to the operating lump sum for Division II of the Court of Appeals for the remodeling of chambers to accommodate a new 3-judge court of appeals panel through FY 2024. Expenditures for capital projects from the appropriation is exempt from JCCR Review.	52
Judiciary - Superior Court		
83.	Modifies footnote to include 2 additional Superior Court judge FTE Positions. Of 240.5 appropriated FTE Positions, 182 represent Superior Court judges.	52
84.	Adds footnote specifying that the amount appropriated for the Probation Salary Increase Backfill line item is used to cover the state's share of county-approved probation officer salary increases for FY 2023 above the amount appropriated for the state's share in the FY 2023 budget.	52
Judiciary - Supreme Court		
85.	Adds footnote stating legislative intent that the \$250,000 appropriation to the Juvenile Monetary Sanctions Funding Backfill continues in FY 2025 and FY 2026. Appropriations contingent on passage of SB 1197 (juvenile offenders; monetary sanctions; repeal).	52
Legislative Council		
86.	Deletes footnote requiring dues for the Council of State Governments to be expended only on an affirmative vote of the Legislative Council.	55
State Mine Inspector		
87.	Adds footnote specifying that of the amount appropriated in the operating lump sum, \$100,000 is for a drone that uses self-stabilization and Light Detection and Ranging mapping technologies.	60
88.	Adds footnote specifying that of the amount appropriated in the operating lump sum, \$300,000 is for a one-time increase for operating expenses and is exempt from lapsing.	60
Department of Public Safety		
89.	Combines 2 existing footnotes concerning the allocation of the \$12.2 million appropriation for the Border Strike Task Force Local Support line item and relabels the line as Local Border Support. Eliminates the existing cap of \$11.7 million for the funding of local law enforcement positions. Adds requirement that these positions shall be used to deter and apprehend any individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related	77

- crimes. Eliminates the existing cap of \$500,000 for the funding of grants to prosecute and detain individuals with these same crimes. Eliminates 25% local matching funds requirement.
90. Adds footnote requiring an annual report on the distribution of funds from the Civil Air Patrol Infrastructure line item and the intended purpose of the distributed funds by December 1 of each year. The appropriation is nonlapsing. 77
91. Adds footnote specifying of the amount appropriated in the Real-Time Crime Center line item, \$2.6 million will be distributed to Peoria and \$1.5 million to Tucson for the operation of real-time crime centers. 77
92. Adds footnote specifying that \$11.7 million appropriated in the One-Time Vehicle Replacement line item is exempt from lapsing through June 30, 2025. 77
93. Adds footnote specifying that of the amount appropriated in the operating lump sum, \$1,098,600 is for a one-time increase for operating expenses and is exempt from lapsing. 77
94. Adds footnote specifying that of the \$3.0 million deposited into the Fentanyl Prosecution and Testing Fund, DPS may use up to \$50,000 and 0.5 FTE Position to administer the fund. 77
95. Adds footnote specifying that DPS shall spend \$1.0 million appropriated from the Law Enforcement Retention Initiatives line item for the purpose of acquiring coaching resources with a special emphasis on improving retention and development of law enforcement positions at DPS. DPS shall grant \$1.0 million appropriated from the Law Enforcement Retention Initiatives line item for the purpose to providing matching grants to local government law enforcement agencies to acquire coaching resources. Maricopa County, Pima County, Phoenix, and Tucson are required to provide a 50% match. All other counties, cities, and towns must provide a 25% match. Service providers must have trained coaches with backgrounds in law enforcement and must be able to provide coaching services online. 77
96. Adds footnote making the FY 2023 one-time \$1.9 million appropriation for K-9 Support non-lapsing. 77
97. Adds footnote specifying that of the amount appropriated in the operating lump sum, \$1.5 million is for a one-time increase for rapid DNA testing and analysis. 77

Secretary of State

98. Adds footnote specifying that monies in the Presidential Preference Election (PPE) line item may only be spent by the Secretary of State to reimburse expenses incurred by counties to administer the 2024 PPE for logic and accuracy testing of voting equipment for the 2024 PPE and for the direct costs of the Secretary of State related to the 2024 PPE. The Secretary of State may use up to \$100,000 of the monies in the PPE line item for the direct costs of the Secretary of State related to the 2024 PPE. 83
99. Adds a footnote that requires all counties to send certified claims to the Secretary of State on or before May 1, 2024 on actual expenditures associated with executing the PPE. The SOS shall review the county claims and submit a report to the Directors of the JLBC and OSPB regarding county reimbursements for the 2024 PPE on or before May 15, 2024. 83
100. Adds footnote specifying that the operating lump sum appropriation includes \$100,000 for additional support for the talking book library. 83
101. Adds footnote specifying that the operating lump sum appropriation includes \$250,000 for additional support for the Address Confidentiality program. 83
102. Modifies footnote on the use of operating funding for legal expenses. The operating lump sum includes \$100,000 for additional support for Secretary of State legal expenses. The Secretary of State may expend these monies for legal services from the Attorney General or to hire 1 FTE Position to serve as legal advisor and to represent the Secretary of State. The footnote continues to prohibit the SOS from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services 83
103. Adds footnote specifying that of the amount appropriated in the operating lump sum, \$2.3 million is for an increase for administrative costs and is exempt from lapsing. Of this allocation, \$330,000 is designated for the Business Services Department. 83
104. Adds footnote extending the FY 2020 appropriation from the Election Systems Improvement Fund the Help America Vote Act (HAVA) December 2019 county allocation through June 30, 2024. 83
105. Adds footnote specifying that the new \$5 million HAVA Projects line item is exempt from lapsing. Prior to expending the HAVA Projects line item, SOS shall submit an expenditure plan to the JLBC 83

for review. The expenditure plan is to include, at a minimum, the planned expenditures and timeline of expenditures by year. Until all monies are expended, SOS shall report semi-annually to the JLBC and OSPB on actual expenditures (July 31st and December 31st of each year). Of the appropriation, 75% shall be made available to counties for election systems improvements.

Office of Tourism

- 106. Adds footnote specifying that \$250,000 of the Tourism Fund Deposit shall be distributed to a 501(c)(6) membership organization in this state that represents statewide hotels and resorts, tourism attractions, destination marketing organizations, sports teams, airlines, airports, and related business partners to advance workforce development and education initiatives for the lodging and tourism industry. 86
- 107. Adds footnote specifying that \$250,000 of the Tourism Fund Deposit shall be distributed to a 501(c)(6) membership organization in this state that represents restaurants to advance workforce development initiatives and for campaigns to highlight Arizona's restaurant and hospitality industry in support of increasing culinary tourism in Arizona. 86

State Treasurer

- 108. Adds footnote specifying that of the \$3.0 million appropriated for the distribution for police department support, \$2.0 million shall be distributed to the Wickenburg Police Department and \$1.0 million shall be distributed to the Hayden Police Department. The funding may not be used to supplant any existing funding for police. 116
- 109. Adds footnote specifying that of the \$3.5 million appropriated for the Glassford Dells Regional Park shall be distributed equally to the City of Prescott and the Town of Prescott Valley. The State Treasurer may not distribute the monies appropriated until Yavapai County, the City of Prescott and the Town of Prescott Valley jointly demonstrate to the State Treasurer that the county, city and town have a commitment for matching monies of gifts, grants and donations in the amount of at least \$3.5 million for the Glassford Dells Regional Park from sources other than this state. 116
- 110. Adds footnote delineating the distribution to counties for a Property Owner Notification System. 116
- 111. Adds footnote specifying that the amount appropriated for sheriff search and rescue equipment be distributed as follows: Cochise County (18%), Coconino County (21%), Gila County (2.5%), Greenlee County (0.5%), Mohave County (21%), Navajo County (0.5%), Pinal County (22%), Yavapai County (13.5%). The remaining 1% shall be distributed to Apache, Graham, La Paz, Maricopa, Pima, Santa Cruz, and Yuma Counties on a first-come, first served basis.
- 112. Adds footnote specifying that the Pepper Ball Pilot Program is intended to test a nonlethal compliance tool that does not cause significant bodily injury. Specify that funding is distributed equally to the Chandler, Tucson, and Mesa Police Departments. 116
- 113. Adds a footnote specifying that the amount appropriated from the Peace Officer Training Equipment Fund be distributed as follows to purchase firearm training simulators: \$300,000 to the Phoenix Police Department, \$300,000 to the Mohave County Probation Department, \$138,000 to the Casa Grande Police Department, \$330,000 to the Maricopa County Sheriff's Office, and \$300,000 to the Navajo County Sheriff's Office. 116

Universities

- 114. Adds legislative intent footnote in all 3 universities that the level of appropriated monies allocated for the freedom schools in FY 2024 be consistent with the amount appropriated for each school in FY 2023. (In prior budgets, the freedom schools were funded as separate line items, but the funding is now contained as part of each university's operating lump sum appropriation 92,93,94
- 115. Adds footnote specifying that \$1.0 million of the appropriation for the Arizona Cooperative Extension shall be used for agricultural workforce development grants. 93
- 116. Adds footnote specifying the Space Analog line item shall be used by the University of Arizona for the continued progression of the Space Analog for the Moon and Mars (SAM) Program at the Biosphere. It is the intent of the Legislature that the amount appropriated in FY 2024 be used to fund the program in FY 2024, FY 2025, and FY 2026. 93
- 117. Adds footnote that requires the ABOR, by October 1, 2024 to report to the JLBC Staff and the OSPB on each of the following: 91

	<ul style="list-style-type: none"> - The total number of students enrolled in the Arizona Promise Program of each eligible postsecondary institution. - The total number of Pell eligible students enrolled at each eligible postsecondary institution. - The number of students who completed a program of study through the Arizona Promise Program. - The total number of programs of study chosen by Arizona Promise Program recipients and how many Promise Program recipients are enrolled in each listed program of study. The average promise program award total for each participating institution. The geographic representation of promise program award recipients. The average GPA of promise program award recipients by eligible postsecondary institution. 	
118.	Adds a footnote that requires the ABOR, by October 1, 2024, to report to the JLBC Staff and the OSPB on each of the following for the Spouses of Military Veterans Tuition Scholarship Program: <ul style="list-style-type: none"> - The amount distributed to each eligible postsecondary institution. - The total number of award recipients at each eligible postsecondary institution. - The average award amount to report. 	91
119.	Adds footnote specifying that the amount appropriated for the Primary Care Residency Programs line item is nonlapsing.	91
120.	Adds footnote requiring ABOR to distribute monies for the Museum of Democracy Presidential Project to the universities to provide opportunities for undergraduate students, high school students, and the broader community to become better informed on American presidencies and presidential elections, including for public speakers, high school leadership academies, student workshops, and presidential memorabilia exhibitions. The appropriation is nonlapsing.	91
121.	Adds footnote requiring any monies allocated for the ASU Center for American Institutions to be used at sole discretion of the lead of the center, for direct operation of the center, and be deposited to a separate account. Requires the center to submit a report the JLBC by October 1, 2024 on the center's total fund sources and activities. Adds legislative intent statement that that ASU deposit \$4.0 million from the operating budget appropriation to the center's separate account.	92
122.	Adds footnote requiring ASU to distribute monies appropriated for the Collegiate Women's Wrestling Program for first-come first-serve athletic scholarships to individuals with at least a 3.0 GPA and are ranked in the top 10 of their weight class according to the National High School Ranking System, except that individuals ranked in the top 5 of their weight class shall be given priority. Allows up to \$150,000 to be used for costs incurred to establish and maintain the program.	92
123.	Added a footnote requiring that the amount appropriated for AZ REACH be used to provide medical care transfer services to hospitals with less than 20 beds.	93
124.	Modifies footnote for Washington D.C. internships to allow monies to be used for programs shorter than one academic semester.	91
125.	Adds footnote requiring proceeds from the School of Mines Land Fund to be used for direct support of the UA School of Mining and Mineral Resources.	94
Department of Veterans' Services		
126.	Adds footnote specifying the department distribute the \$3.0 million appropriated for the Gila County Veterans Retreat to Gila County for the Pleasant Valley Veterans Retreat. The appropriation is nonlapsing.	94
127.	Adds a footnote specifying \$15,000 of the Arizona State Veterans' Cemeteries line item is to provide burial services for members of the Arizona National Guard and the U.S. Armed Forces Reserves if the member's service was terminated under honorable conditions.	94
128.	Adds a footnote specifying the \$600,000 appropriated for the Veteran Suicide Prevention Training Pilot Program line item is to offer claims examiners and municipal and county veteran service officers training and certification in veterans suicide prevention. Requires the department to submit a report by July 30, 2024, on the pilot program that includes whether changes to the program should be made. The appropriation is nonlapsing.	94
129.	Adds a footnote specifying the \$5.0 million appropriated for the Homeless Veterans' Reintegration Program line item is to provide services for reintegrating homeless veterans into the labor force and addressing other problems homeless veterans face.	94

130. Adds a footnote specifying the \$1.5 million appropriated for the Tribal Connectivity Project line item is to expand the telecommunications and satellite internet capabilities of chapter houses in rural tribal nations to increase access to services and benefits. 94

Water Infrastructure Finance Authority

131. Adds footnote specifying that \$3.0 million in the Water Projects Assistance Grants line item is for irrigation districts in Cochise and Graham Counties and to cities and towns in Navajo and Apache Counties to contract for services of outside advisors, attorneys, consultants and aides that are reasonably necessary or desirable to enable the irrigation districts to adequately perform their duties. The sum of \$1.0 million is allocated to each of the following 3: a) cities and towns in Navajo and Apache Counties; b) irrigation districts in Graham County and c) irrigation districts along the San Pedro River in Cochise County. The applications for these monies are to be presented for approval to Water Infrastructure Finance Authority (WIFA) and the authority is to distribute the monies to qualified entities before December 31, 2023. 96
132. Adds footnote specifying that WIFA shall distribute the monies in the Gilbert Wells Project line item to the town of Gilbert for the rehabilitation and drilling of new water wells. 96
133. Adds footnote specifying that WIFA shall distribute the monies in the Glendale Irrigation and Xeriscaping line item to the City of Glendale for irrigation system and xeriscaping. 96
134. Adds footnote specifying that WIFA shall distribute the monies in the Little Colorado River Levee line item to Navajo County to reconstruct the Little Colorado River levee. (FY 2024 General Appropriations Act as amended by Laws 2023, Chapter 166) 96
135. Adds footnote specifying that WIFA distribute the monies in the Mohave Wash Recharge Basin line item to Mohave County to design and construct the Mohave Wash Recharge Basin. 96
136. Adds footnote specifying that WIFA shall distribute the monies in the Peoria Wells Project line item to the City of Peoria for new water wells and water infrastructure projects. 96

Department of Water Resources

137. Adds footnote designating that monies in the Brackish Groundwater Study line item are for the Department of Water Resources (DWR) to review and update studies on the availability of brackish groundwater in the state. The appropriation is nonlapsing. 97
138. Adds footnote exempting the \$11.0 million appropriation for the Brackish Groundwater Recovery Pilot Program line item from the lapsing of appropriations. Allocates \$2.0 million of the \$11.0 million appropriation for a brackish groundwater desalination demonstration program and to develop a base of knowledge to enhance groundwater recovery through desalination in Active Management Areas (AMA) within their AMA section. The remaining \$9.0 million is for dollar-for-dollar matching grants to participants for brackish groundwater desalination projects within an AMA undertaken for the benefit of users in the Central Arizona Project. The Central Arizona Project shall receive \$3 for every dollar contributed to the pilot program. 97
139. Adds footnote for DWR to provide a report on or before July 31, 2024, the department shall report to the JLBC and OSPB on the uses of the \$5.0 million appropriated to the Statewide Water Resources Planning line item. 97
140. Adds footnote specifying that DWR shall distribute the monies in the Santa Rosa Canal Groundwater Delivery line item equally between the irrigation districts that are constructing infrastructure in furtherance of the purposes of the settlement between the Maricopa-Stanfield Irrigation and Drainage district, the Central Arizona Irrigation and Drainage district and the Ak-Chin Indian Community and with respect to the delivery of groundwater by the districts by means other than the Santa Rosa Canal. 97

Statewide

141. Adds footnote extending specified amounts appropriated in the agency lump sum in FY 2023 for e-licensing system upgrades through June 30, 2024 for the following agencies: Acupuncture Board of Examiners, Board of Athletic Training, Barbering and Cosmetology Board, Board of Behavioral Health Examiners, State Board of Chiropractic Examiners, State Board of Dental Examiners, State Board of Dispensing Opticians, State Board of Funeral Directors and Embalmers, Board of Massage Therapy, Arizona Medical Board, Board of Nursing Care Institution Administrators and Assisted Living Facility Managers, Board of Occupational Therapy Examiners, State Board of 109

Optometry, Arizona State Board of Pharmacy, Board of Physical Therapy, State Board of Podiatry Examiners, State Board for Private Postsecondary Education, State Board of Psychologist Examiners, Board of Respiratory Care Examiners, State Board of Technical Registration, and the Department of Insurance and Financial Institutions

CAPITAL – CHAPTER 135 (SB 1722)

Arizona Department of Administration

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| 142. | As session law, amend the FY 2023 Capital Bill in reference to the Little Colorado River Visitor Center so that the Department of Administration shall distribute monies to the Navajo Nation (instead of Navajo County). | 2 |
| 143. | Adds footnote extending the following FY 2022 appropriations through June 30, 2024: <ul style="list-style-type: none"> – \$24.2 million for ADOA Building Renewal. – \$2.8 million to demolish the state-owned buildings located at 1601 West Jefferson Street and 1645 West Jefferson Street and to convert the building's physical plant to provide service to 1535 West Jefferson Street. – \$3.5 million to replace Capitol Mall air handler units at the House of Representatives and Senate buildings at 1700 West Washington Street. | 21 |

Department of Corrections

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| 144. | Adds footnote extending the \$2.5 million FY 2022 appropriation to replace doors in 4 units at the Adobe Mountain School facility through June 30, 2024. | 21 |
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Department of Emergency and Military Affairs

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| 145. | Adds footnote making the FY 2023 appropriation for additional construction monies for the Tucson Readiness Center nonlapsing. | 21 |
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Arizona Exposition and State Fair Board

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| 146. | Adds footnote extending the following FY 2022 appropriations through June 30, 2024: <ul style="list-style-type: none"> – \$1.0 million for capital improvements. – \$1.0 million to replace the fire alarm system in the Arizona Veterans' Memorial Coliseum building on the State Fair Grounds. | 21 |
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Arizona Game and Fish Department

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| 147. | Adds footnote extending the \$1.2 million FY 2022 appropriation for building renewal through June 30, 2024. | 21 |
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Department of Juvenile Corrections

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| 148. | Adds footnote extending the \$25.6 million FY 2022 appropriation for the Eyman Fire and Life Safety Upgrades through June 30, 2024. | 21 |
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Arizona State Parks Board

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| 149. | Adds footnote requiring Arizona State Parks Board (SPB) to notify the Joint Committee on Capital Review (JCCR) and OSPB of revised expenditure plans should SPB receive any Land and Water Conservation Fund grant funding for the respective capital projects included in the budget. | 8 |
| 150. | Adds footnote extending the following FY 2022 appropriations through June 30, 2024: <ul style="list-style-type: none"> – \$2.4 million for capital improvements. – \$126,000 to replace the fire suppression system at Red Rock State Park. – \$750,000 to construct Rockin' River Ranch State Park. | 21 |

Pioneers' Home

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| 151. | Adds footnote extending the \$353,100 FY 2022 appropriation for the capital improvements through June 30, 2024. | 21 |
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Department of Transportation

- 152. Adds footnote stating that monies distributed to the town of Queen Creek to extend State Route 24 are eligible to be used for all necessary expenses from the current project status until completion. Queen Creek shall collaborate with Pinal County before spending the monies. 10
- 153. Adds footnote extending the FY 2020 and FY 2022 capital appropriation related to the Wickenburg Maintenance Yard through June 30, 2024. 21
- 154. Adds footnote that notwithstanding A.R.S § 41-1252, the State Highway and Local Transportation Project appropriations are not subject to review by the JCCR.
- 155. Adds footnote requiring Arizona Department of Transportation (ADOT) to, within 30 days after the last day of each calendar quarter report to the JLBC Staff and the OSPB the projected cost and status of the projects for specified General Fund highway projects. 10
- 156. Adds footnote stipulating that the department may transfer monies between each fiscal year (FY 2022, FY 2023, and FY 2024) projects to address a funding shortfall. The department shall submit any proposed transfer to JCCR for review. 10
- 157. Adds footnote stipulating that the \$54.3 million appropriation for pavement rehabilitation shall be used for projects that are not in Maricopa or Pima County, on roads that are graded as being in fair or poor condition and are not in the department's 5-year transportation plan. 13
- 158. Adds footnote specifying that of the \$19 million FY 2022 transportation project for widening SR 347 near Maricopa, \$13 million shall be reallocated as follows: 14
 - a) \$10.3 million to ADOT to distribute to the city of Maricopa to design and construct improvements to SR 238 and/or SR 347
 - b) \$2 million to the Gila River Indian Community for transportation infrastructure; and
 - c) \$700,000 to ADOT for engineering and design costs associated with improvements along SR 87 near Coolidge.