

## Arizona Department of Homeland Security

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
<b>OPERATING BUDGET</b>			
Full Time Equivalent Positions	20.0	20.0	20.0 <sup>1/</sup>
<b>OPERATING SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SPECIAL LINE ITEMS</b>			
Cybersecurity Programs	0	0	200,000
Arizona State Nonprofit Security Grant Program Fund Deposit	0	5,000,000 <sup>2/</sup>	0
Statewide Information Security and Privacy Operations and Controls	9,617,600	11,319,400	11,054,700
Antihuman Trafficking Grant Fund Deposit	0	10,000,000 <sup>3/</sup>	0
Cybersecurity Software	1,741,500	0	0
Statewide Cybersecurity Grants	9,885,600	10,000,000	10,000,000 <sup>4/</sup>
<b>AGENCY TOTAL</b>	<b>21,244,700</b>	<b>36,319,400</b>	<b>21,254,700 <sup>5/</sup></b>
<b>FUND SOURCES</b>			
General Fund	11,627,100	25,000,000	10,200,000
<u>Other Appropriated Funds</u>			
Information Technology Fund	9,617,600	11,319,400	11,054,700
SUBTOTAL - Other Appropriated Funds	9,617,600	11,319,400	11,054,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>21,244,700</b>	<b>36,319,400</b>	<b>21,254,700</b>
Federal Funds	24,849,000	25,000,000	25,000,000
<b>TOTAL - ALL SOURCES</b>	<b>46,093,700</b>	<b>61,319,400</b>	<b>46,254,700</b>

**AGENCY DESCRIPTION** — The Arizona Department of Homeland Security distributes funding received from the U.S. Department of Homeland Security to state agencies and local governments to prevent and mitigate acts of terrorism and natural disasters. The department publishes the Arizona Homeland Security Strategy and provides planning assistance to aid in the development of regional response plans for natural disasters or terrorism incidents. In FY 2023, the department took responsibility of Statewide Information Security and Privacy Operations and Controls.

### FOOTNOTES

- <sup>1/</sup> Includes 20 OF FTE Positions funded from Special Line Items in FY 2025.
- <sup>2/</sup> Laws 2023, Chapter 209 Section 120 clarifies that monies appropriated to the Arizona State Nonprofit Security Grant Program Fund in FY 2024 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. (General Appropriation Act footnote)
- <sup>3/</sup> Laws 2023, Chapter 209 Section 120 clarifies that monies appropriated to the Antihuman Trafficking Grant Fund in FY 2024 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through FY 2025. (General Appropriation Act footnote)
- <sup>4/</sup> Of the amount appropriated for statewide cybersecurity grants, the Arizona department of homeland security may spend up to \$500,000 for grant administration. (General Appropriation Act footnote)
- <sup>5/</sup> General Appropriation Act funds are appropriated as a Lump Sum with Special Line Items by Agency.

### Cybersecurity Programs

The budget includes \$200,000 from the General Fund in FY 2025 for cybersecurity programs. Adjustments are as follows:

### One-Time Cybersecurity Funding

The budget includes an increase of \$200,000 from the General Fund in FY 2025 for one-time cybersecurity programs funding.

**Statewide Information Security and Privacy Operations and Controls**

The budget includes \$11,054,700 and 20 FTE Positions from the Information Technology (IT) Fund in FY 2025 for Statewide Information Security and Privacy Operations and Controls. Adjustments are as follows:

**Eliminate One-Time Funding**

The budget includes a decrease of \$(225,000) from the IT Fund in FY 2025 to remove additional cyber security resources.

**Statewide Adjustments**

The budget includes a decrease of \$(39,700) from the IT Fund in FY 2025 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

The Statewide Information Security and Privacy Office (SISPO) in the department performs strategic planning, policy development, risk assessment, facilitation, and coordination to protect the state’s information resources. The IT Fund receives revenue from a 0.61% pro-rata charge on agency payroll.

**Antihuman Trafficking Grant Fund Deposit**

The budget includes no funding in FY 2025 for an Antihuman Trafficking Grant Fund Deposit. Adjustments are as follows:

**Eliminate One-Time Funding**

The budget includes a decrease of \$(10,000,000) from the General Fund in FY 2025 to remove a one-time deposit into the Antihuman Trafficking Grant Fund.

The FY 2024 Criminal Justice Budget Reconciliation Bill (BRB) established the non-appropriated Antihuman Trafficking Grant Fund in the department.

Laws 2024, Chapter 209, Section 120 clarifies that monies appropriated to the Antihuman Trafficking Grant Fund in FY 2024 are non-lapsing through FY 2025. The monies were previously only available to spend in FY 2024.

A budget footnote specifies that of the \$10,000,000 deposited in the Antihuman Trafficking Grant Fund, \$2,000,000 shall be distributed to the Department of Public Safety (DPS) Arizona Counter Terrorism Information Center (ACTIC) and \$8,000,000 shall be distributed as grants to local law enforcement agencies, not to exceed \$500,000 per agency.

Monies in the line item provide grants to antihuman trafficking programs that work to reduce human

trafficking by providing assistance to law enforcement agencies, providing series to victims, or training law enforcement and prosecutorial agencies.

**Arizona State Nonprofit Security Grant Program Fund Deposit**

The budget includes no funding in FY 2025 for an Arizona State Nonprofit Security Grant Program Fund Deposit. Adjustments are as follows:

**Eliminate One-Time Funding**

The budget includes a decrease of \$(5,000,000) from the General Fund in FY 2025 to remove a one-time deposit into the Arizona State Nonprofit Security Grant Program Fund.

The FY 2024 Criminal Justice BRB established the non-appropriated Nonprofit Security Grant Program Fund to provide safety and security grants for projects at nonprofit organizations that are at a high risk of terrorist attacks or hate crimes. The FY 2025 Criminal Justice BRB limits grant eligibility to those entities that have not received federal funding for the last 3 cycles and establishes a review panel to ensure eligibility.

The line item funds a grant program to provide eligible nonprofits with safety and security grants. 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. A budget footnote allows the department to spend up to 5% of the monies deposited in the fund to administer the grant program.

**Statewide Cybersecurity Grants**

The budget includes \$10,000,000 from the General Fund in FY 2025 for statewide cybersecurity grants. This amount is unchanged from FY 2024.

The line item funds a grant program to provide local political subdivisions with resources for cybersecurity readiness and tools. A budget footnote allows the department to use up to \$500,000 of the appropriation to administer the grant program.

**Other Issues**

**Statutory Changes**

The Criminal Justice Budget Reconciliation Bill makes the following statutory changes:

- As session law, allow the Anti-Human Trafficking Grant Fund (established by Laws 2023, Chapter 137, Section 5) to be used beyond FY 2024 and exempts monies in the fund from lapsing. Repeals the fund on June 30, 2025 and directs unexpended or unencumbered monies to be deposited into the General Fund. In the FY 2024 budget, this fund was established in a session law that was only effective through the end of FY 2024.
- As session law, directs any unexpended or unencumbered monies in the Arizona State Nonprofit Security Grant Program Fund to be deposited into the General Fund after the existing lapsing date of September 30, 2028
- As session law, limit eligibility for funding from the Arizona State Nonprofit Security Program to entities that have not received federal funding in the last 3 federal grant cycles. Grant applicants must demonstrate a current risk or threat or one that has occurred in the last 2 years and that they did not receive federal funding in the last 3 grant cycles. Create an informal review panel to ensure that grant applications meet these criteria, and stipulates that members of the panel are not eligible for compensation or reimbursement. Makes these changes retroactive to July 1, 2024.