

## Department of Health Services

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	1,141.5	1,149.0	1,149.0 <sup>1/</sup>
Personal Services	26,004,600	29,224,500	29,224,500
Employee Related Expenditures	10,169,000	11,762,600	11,762,600
Professional and Outside Services	2,212,000	2,548,300	2,548,300
Travel - In State	430,100	761,500	761,500
Travel - Out of State	73,300	107,700	107,700
Other Operating Expenditures	16,450,300	16,516,300	16,516,300
Equipment	517,200	287,100	287,100
<b>OPERATING SUBTOTAL</b>	<b>55,856,500</b>	<b>61,208,000</b>	<b>61,208,000 <sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
<b>Arizona State Hospital</b>			
Arizona State Hospital-Operating	85,818,900	86,616,700	77,146,700 <sup>3/</sup>
Arizona State Hospital-Restoration to Competency	813,200	900,000	900,000
Arizona State Hospital-Sexually Violent Persons	10,762,100	10,881,900	10,881,900
<b>Public Health</b>			
Adult Cystic Fibrosis Care	78,900	105,200	105,200
AIDS Reporting and Surveillance	798,200	1,000,000	1,000,000
Alzheimer's Disease Research	3,625,000	4,125,000	4,125,000 <sup>4/</sup>
Biomedical Research Support	1,500,600	2,000,000	2,000,000 <sup>5/</sup>
Breast and Cervical Cancer and Bone Density Screening	581,400	1,369,400	1,369,400
County Tuberculosis Provider Care and Control	468,000	590,700	590,700
Dementia Awareness Campaign	0	750,000	0
Dementia Services Program and Alzheimer's Disease State Plan	0	964,100	0
Fentanyl Testing Strips and Mass Spectrometers	0	300,000	0
Funeral Services Regulation	870,000	459,400	459,400
Health Crisis Review Centers and Wraparound Services	0	5,000,000	0
Nonrenal Disease Management	145,900	198,000	198,000 <sup>6/</sup>
Nursing Care Special Projects	0	200,000	200,000
Poison Control Centers Funding	485,500	990,000	990,000
Psilocybin Research	0	5,000,000	0
Renal Dental Care and Nutrition Supplements	225,000	300,000	300,000
Renal Transplant Drugs	137,300	183,000	183,000
Trauma Recovery Center Fund Deposit	0	7,000,000	0
<b>Family Health</b>			
Family Health Pilot Program	812,900	0	0
Folic Acid Program	210,500	400,000	400,000
High Risk Perinatal Services	2,080,200	2,343,400	2,343,400
Homeless Pregnant Women Services	149,700	0	0
Newborn Screening Program	8,445,300	12,369,800	12,369,800
Nurse-Family Partnership Programs	0	2,500,000	0
<b>Medical Provider Support</b>			
Accelerated Nursing Programs	5,477,400	0	0
Behavioral Health Care Provider Loan Repayment Program	58,000	1,000,000	1,000,000
Collaborative Care Uptake Fund Deposit	0	1,000,000	0
Arizona Nurse Education Investment Pilot Program	15,000,000	15,000,000	15,000,000
Preceptor Grant Program for Graduate Students	223,100	500,000	500,000 <sup>7/</sup>
<b>AGENCY TOTAL</b>	<b>194,623,600</b>	<b>225,254,600</b>	<b>193,270,500 <sup>8/9/</sup></b>

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
<b>FUND SOURCES</b>			
General Fund	143,335,500	166,360,900	134,376,800
<u>Other Appropriated Funds</u>			
Arizona State Hospital Fund	3,022,400	3,145,800	3,145,800
ASH Land Earnings Fund	589,300	650,000	650,000
Child Fatality Review Fund	175,700	196,500	196,500
Disease Control Research Fund	798,200	1,000,000	1,000,000
Emergency Medical Services Operating Fund	3,714,900	4,209,500	4,209,500
Environmental Laboratory Licensure Revolving Fund	707,300	995,500	995,500
Federal Child Care and Development Fund Block Grant	998,500	992,500	992,500
Health Services Licensing Fund	16,656,100	17,416,400	17,416,400
Health Services Lottery Monies Fund	149,700	0	0
Indirect Cost Fund	11,906,800	12,673,500	12,673,500
Newborn Screening Program Fund	8,494,900	12,802,900	12,802,900
Nursing Care Institution Resident Protection Revolving Fund	0	238,200	238,200
Tobacco Tax and Health Care Fund - Medically Needy Account	435,500	700,000	700,000
Vital Records Electronic Systems Fund	3,638,800	3,872,900	3,872,900
SUBTOTAL - Other Appropriated Funds	51,288,100	58,893,700	58,893,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>194,623,600</b>	<b>225,254,600</b>	<b>193,270,500</b>
Other Non-Appropriated Funds	72,760,600	105,864,000	105,864,000
Federal Funds	525,107,600	483,682,800	483,682,800
<b>TOTAL - ALL SOURCESO</b>	<b>792,491,800</b>	<b>814,801,400</b>	<b>782,817,300</b>

**AGENCY DESCRIPTION** — The Department of Health Services (DHS) is responsible for the provision of most public health programs not administered by AHCCCS, the Arizona State Hospital (ASH), emergency medical services, state laboratory support, vital records maintenance, disease control, epidemiological monitoring, and radiation regulation.

**FOOTNOTES**

- 1/ Includes 733.5 GF and 28.1 OF FTE Positions funded from Special Line Items in FY 2025.
- 2/ Of the amount appropriated for the operating lump sum, \$100,000 shall be used for a suicide prevention coordinator to assist school districts and charter schools in suicide prevention efforts. On or before September 1, 2025, the department of health services, in consultation with the department of education, shall report to the governor, the president of the senate, the speaker of the house of representatives, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting on the suicide prevention coordinator's accomplishments in fiscal year 2024-2025. (General Appropriation Act footnote)
- 3/ In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona. (General Appropriation Act footnote)
- 4/ The department of health services shall distribute monies appropriated for Alzheimer's disease research through a grant to a charitable organization that is qualified under section 501(c)(3) of the internal revenue code and that meets the following criteria:
  1. Is headquartered in this state.
  2. Has been operating in this state for at least the last ten years.
  3. Has participating member institutions that work together to end Alzheimer's disease within a statewide collaborative model by using their complementary strengths in brain imaging, computer science, genomics, basic and cognitive neurosciences and clinical and neuropathology research.
  4. Has participating member institutions that educate residents of this state about Alzheimer's disease, research progress and resources to help patients, families and professionals manage the disease. The terms of the grant made to the charitable organization may not impose any requirements that were not imposed in prior grant agreements entered into between the department of health services and the charitable organization. (General Appropriation Act footnote)

- 5/ The department of health services shall distribute monies appropriated for the biomedical research support line item to a nonprofit medical research institute headquartered in this state that specializes in biomedical research focusing on applying genomic technologies and sequencing to clinical care, that has served as a resource to this state to conduct molecular epidemiologic analyses to assist with disease outbreak investigations and that collaborates with universities, hospitals and health science research centers and other public and private bioscience and related industries in this state. The recipient of these monies shall commission an audit of the expenditure of these monies and shall submit a copy of the audit to the department of health services on or before February 1, 2026. (General Appropriation Act footnote)
- 6/ The department of health services may use up to four percent of the amount appropriated for nonrenal disease management for the administrative costs to implement the program. (General Appropriation Act footnote)
- 7/ The amount appropriated to the department of health services for the preceptor grant program for graduate students is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations. Any monies remaining unexpended on July 1, 2026 revert to the state general fund. (General Appropriation Act footnote)
- 8/ The department of health services shall electronically forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior-year totals on or before the thirtieth of the following month. Each report shall include an estimate of potential shortfalls in programs, potential federal and other monies, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation. (General Appropriation Act footnote)
- 9/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

**Operating Budget**

ASH Land Earnings Fund 650,000

The Baseline includes \$61,208,000 and 387.4 FTE Positions in FY 2025 for the operating budget. These amounts are unchanged from FY 2024.

Adjustments are as follows:

**Remove One-Time Operating Costs**

The Baseline includes a decrease of \$(5,970,000) from the General Fund in FY 2025 to remove one-time funding for registry staffing services.

**Remove One-Time Surveillance System Upgrades**

The Baseline includes a decrease of \$(3,500,000) from the General Fund in FY 2025 to remove one-time funding to replace the ASH video surveillance system.

*Background* – This line item funds inpatient psychiatric hospitalization services for adult SMI residents. ASH residents that are subject to court-ordered treatment are treated in ASH’s civil hospital, and residents charged with or serving a sentence for committing a crime are treated in ASH’s forensic hospital. In FY 2023, ASH had an average daily census of 109 patients in its civil commitment unit, 112 patients in its forensic unit, and 113 Sexually Violent Persons (SVPs), for a total of 334 patients.

	<b>FY 2025</b>
General Fund	\$20,839,300
Child Fatality Review Fund	196,500
Emergency Medical Services (EMS) Operating Fund	4,209,500
Environmental Laboratory Licensure Revolving Fund	995,500
Federal Child Care and Development Fund (CCDF) Block Grant	992,500
Health Services Licensing Fund	16,957,000
DHS Indirect Cost Fund	12,673,500
Newborn Screening Program Fund	433,100
Nursing Care Institution Resident Protection Revolving Fund	38,200
Vital Records Electronic Systems Fund	3,872,900

Adjustments are as follows:

**Arizona State Hospital**

**ASH - Restoration to Competency**

**ASH - Operating**

The Baseline includes \$77,146,700 and 616.5 FTE Positions in FY 2025 for the ASH operating budget. These amounts consist of:

The Baseline includes \$900,000 from the ASH Fund in FY 2025 for ASH - Restoration to Competency. This amount is unchanged from FY 2024.

*Background* – This line item funds direct costs associated with the Restoration to Competency program. All other indirect costs are included in the Arizona State Hospital - Operating line item.

General Fund	74,250,900
ASH Fund	2,245,800

ASH provides treatment to restore to competency individuals who are found incompetent to stand trial. In FY 2023, there was an average daily census of 5 RTC patients treated at ASH. RTC patients are treated in ASH's forensic unit.

The FY 2025 Baseline continues a provision to exempt county expenditures on Restoration to Competency from county expenditure limitations.

### **ASH - Sexually Violent Persons**

The Baseline includes \$10,881,900 and 112.5 FTE Positions from the General Fund in FY 2025 for ASH - Sexually Violent Persons. These amounts are unchanged from FY 2024.

*Background* – This line item funds direct costs associated with the Sexually Violent Persons program. All other indirect costs are included in the Arizona State Hospital - Operating line item.

After serving their prison sentence, some persons convicted of sexually violent crimes may be remanded by the courts for further confinement and treatment. These individuals are housed at the Arizona State Hospital. In FY 2023, ASH had an average daily census of 113 Sexually Violent Persons (SVPs).

## **Public Health**

### **Adult Cystic Fibrosis Care**

The Baseline includes \$105,200 from the General Fund in FY 2025 for Adult Cystic Fibrosis Care. This amount is unchanged from FY 2024.

In FY 2023, this line item provided contracted care and treatment services through Phoenix Children's Hospital for 43 individuals with cystic fibrosis.

### **AIDS Reporting and Surveillance**

The Baseline includes \$1,000,000 from the Disease Control Research Fund in FY 2025 for AIDS Reporting and Surveillance. This amount is unchanged from FY 2024.

The line item provides \$125,000 for a database system administered by Maricopa and Pima Counties to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions. The remaining \$875,000 funds medications under the Arizona AIDS Drug Assistance Program (ADAP), which also receives Federal

Funds for the medications. The ADAP program served approximately 2,974 clients in FY 2023.

### **Alzheimer's Disease Research**

The Baseline includes \$4,125,000 from the General Fund in FY 2025 for Alzheimer's Disease Research. This amount is unchanged from FY 2024.

*Background* – DHS distributes funding in the line item to the Arizona Alzheimer's Consortium (AAC). The AAC provides dollar-for-dollar matching grants to universities, hospitals, and research centers for research on the causes of Alzheimer's disease.

### **Biomedical Research Support**

The Baseline includes \$2,000,000 from the General Fund in FY 2025 for Biomedical Research Support. This amount is unchanged from FY 2024.

*Background* – This line item funds a nonprofit medical research institute headquartered in Arizona that specializes in biomedical research focusing on the application of genomic technologies and sequencing to clinical care, assists with disease outbreak investigations, and collaborates with universities, hospitals, and other bioscience and related industries in this state.

DHS distributes monies in this line item to the Translational Genomics Research Institute (TGen), a nonprofit medical research institution. In addition to these monies, the budget includes \$3,000,000 from the General Fund to Northern Arizona University (NAU) for biotechnology. *(Please see the NAU narrative for more information.)*

### **Breast and Cervical Cancer and Bone Density Screening**

The Baseline includes \$1,369,400 and 1 FTE Position from the General Fund in FY 2025 for Breast and Cervical Cancer and Bone Density Screening. These amounts are unchanged from FY 2024.

The Well Woman Healthcheck program provides contracted cancer screenings for women over age 40 who lack health insurance and have incomes less than 250% of the FPL. Women who are diagnosed with breast and cervical cancer through this program are eligible to receive treatment through AHCCCS.

### **County Tuberculosis Provider Care and Control**

The Baseline includes \$590,700 from the General Fund in FY 2025 for County Tuberculosis Provider Care and Control. This amount is unchanged from FY 2024.

This line item provides reimbursement to hospitals and physicians for the care of hospitalized tuberculosis patients and for assistance to all county health departments for local tuberculosis control programs.

### **Dementia Awareness Campaign**

The Baseline includes no funding in FY 2025 for a Dementia Awareness Campaign. Adjustments are as follows:

#### **Remove One-Time Funding**

The Baseline includes a decrease of \$(750,000) from the General Fund in FY 2025 to remove one-time funding for a dementia awareness campaign for rural and underserved urban areas in Arizona.

The FY 2024 Health Care BRB instructed DHS to distribute the monies to a nonprofit organization that has expertise in dementia and provides care for individuals affected by Alzheimer's disease and other forms of dementia. The recipient organization must also have experience in marketing and public awareness campaigns and host a toll-free 24-hour hotline to provide dementia support and education. DHS is required to report on the impact of the public education campaign to the Governor, the President of the Senate, and the Speaker of the House of Representatives on or before June 30, 2025.

An FY 2024 General Appropriation Act footnote makes these monies non-lapsing.

### **Dementia Services Program and Alzheimer's Disease State Plan**

The Baseline includes no funding and 2 FTE Positions from the General Fund in FY 2025 for a Dementia Services Program and Alzheimer's Disease State Plan. Adjustments are as follows:

#### **Remove One-Time Program Funding**

The Baseline includes a decrease of \$(964,100) from the General Fund in FY 2025 to remove funding for DHS to establish a dementia services program and develop an Alzheimer's disease state plan, as required by the FY 2024 Health Care BRB.

Among other provisions, the dementia services program is required to facilitate coordination of policies and programs related to dementia and Alzheimer's disease within the Legislature and Executive branch. In addition, the dementia services program is responsible for coordinating, publishing, and implementing the Alzheimer's disease state plan, which is required to assess the current and future impact of dementia and Alzheimer's disease in Arizona. The plan must also assess existing capacity and resources to address needs. The plan must be published on DHS's website and include recommendations for increasing access to care and treatment, improving the quality of care for affected persons, ensuring a coordinated statewide response, and advancing early detection and diagnosis.

By July 1, 2024, and June 30, 2026, DHS must review and submit an updated Alzheimer's disease state plan to the Governor, the President of the Senate, and the Speaker of the House.

The FY 2024 General Appropriation Act included a footnote making these monies non-lapsing through FY 2026, after which the program's requirements are repealed. The footnote states that these monies are intended to be expended over 3 years. Any monies remaining unspent at the end of FY 2026 will revert to the General Fund.

### **Fentanyl Testing Strips and Mass Spectrometers**

The Baseline includes no funding in FY 2025 for Fentanyl Testing Strips and Mass Spectrometers. Adjustments are as follows:

#### **Remove One-Time Funding**

The Baseline includes a decrease of \$(300,000) from the General Fund in FY 2025 to remove funding for DHS to purchase and distribute fentanyl testing strips and mass spectrometers.

Fentanyl testing strips and mass spectrometers are both forms of drug checking technology. The test strips are dipped into water containing drug residue to determine the presence of fentanyl. The spectrometers are used to detect the compounds available in drugs.

### **Funeral Services Regulation**

The Baseline includes \$459,400 and 4 FTE Positions from the Health Services Licensing Fund in FY 2025 for Funeral Services Regulation. These amounts are unchanged from FY 2024.

*Background* – On January 10, 2023, the Senate and House Commerce Committee of Reference recommended the State Board of Funeral Directors and Embalmers be terminated, with its powers and duties transferred to DHS. Laws 2023, Chapter 194 transferred the board to DHS, retroactive to March 31, 2023. Enacted with an emergency clause, Chapter 194 became effective immediately upon the Governor's signature on June 20, 2023.

Pursuant to Chapter 194, all unencumbered and unexpended monies were transferred to DHS on the effective date, and all fees and monies collected in accordance with funeral services statutes were deposited into the Health Services Licensing Fund. The legislation removed all statutorily set fees for funeral services and allowed DHS to determine the new amounts.

To assist the DHS director in regulating funeral services, the legislation established an advisory committee consisting of seven members appointed by the Governor. The advisory committee is required to provide annual evaluations to the Governor regarding the performance of DHS in administering funeral services statutes.

Finally, Chapter 194 modified qualifications for individuals to receive embalmer and funeral director licenses, including requiring applicants to not have disqualifying criminal histories as determined by DHS.

#### **Health Crisis Review Centers and Wraparound Services**

The Baseline includes no funding in FY 2025 for Health Crisis Review Centers and Wraparound Services. Adjustments are as follows:

##### **Remove One-Time Funding**

The Baseline includes a decrease of \$(5,000,000) from the General Fund in FY 2025 to remove one-time funding for grants for mental health crisis relief centers that provide short-term supportive housing and peer support.

#### **Nonrenal Disease Management**

The Baseline includes \$198,000 from the General Fund in FY 2025 for Nonrenal Disease Management. This amount is unchanged from FY 2024.

This line item provides funding for medication and other transplant-related services for nonrenal transplant patients who are ineligible for other public assistance programs.

#### **Nursing Care Special Projects**

The Baseline includes \$200,000 from the Nursing Care Institution Resident Protection Revolving Fund in FY 2025 for special projects related to long-term care facilities. This amount is unchanged from FY 2024.

*Background* – The Nursing Care Institution Resident Protection Revolving Fund receives deposits from civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications. Historically, DHS's operating budget has included an ongoing appropriation of \$38,200 from this fund for emergency patient relocation and patient personal property replacement.

#### **Poison Control Centers Funding**

The Baseline includes \$990,000 from the General Fund in FY 2025 for Poison Control Centers. This amount is unchanged from FY 2024.

A.R.S. § 36-1161 requires 2 poison control centers to be maintained in Arizona. DHS allocated \$647,300 to the University of Arizona Poison Information Center and \$342,700 to the Banner Poison Control Center in FY 2023. A.R.S. § 32-1907 allows the Board of Pharmacy to transfer up to \$1,000,000 from the Arizona State Board of Pharmacy Fund to the University of Arizona (UA) Poison Control Information Center. However, this amount is not reflected in the table at the beginning of this narrative. The Board of Pharmacy transferred \$500,000 to the UA Poison Control Center in FY 2023.

#### **Psilocybin Research**

The Baseline includes no funding from the General Fund in FY 2025 for Psilocybin Research. Adjustments are as follows:

##### **Remove One-Time Funding**

The Baseline includes a decrease of \$(5,000,000) from the General Fund in FY 2025 to remove funding for DHS to provide psilocybin clinical research grants.

The FY 2024 Health Care BRB instructed DHS to distribute the monies as competitive research grants for phase I, II, and III clinical trials to evaluate the effects of whole mushroom psilocybin on treating specific disorders, including post-traumatic stress disorder. The Health Care BRB also established a psilocybin research advisory council charged with establishing criteria for qualifying clinical trials and overseeing the application process. By June 1 annually, the council must make recommendations

on psychedelic-assisted therapy to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The program is repealed on June 30, 2026.

#### **Renal Dental Care and Nutrition Supplements**

The Baseline includes \$300,000 from the TTHCF - Medically Needy Account in FY 2025 for Renal Dental Care and Nutrition Supplements. This amount is unchanged from FY 2024.

This line item provides pre-operative dental care and ongoing nutritional assistance for low-income renal disease patients. Funding in this line item treats kidney disease and associated kidney damage and provides transportation services for dialysis appointments.

#### **Renal Transplant Drugs**

The Baseline includes \$183,000 from the General Fund in FY 2025 for Renal Transplant Drugs. This amount is unchanged from FY 2024.

This line item provides funding for anti-rejection medications for renal transplant patients who cannot be listed for transplant because they cannot afford the cost of medications. In FY 2023, 64 people received anti-rejection medication assistance.

#### **Trauma Recovery Center Fund Deposit**

The Baseline includes no funding and 1.5 FTE Positions from the General Fund in FY 2025 for a Trauma Recovery Center Fund Deposit. Adjustments are as follows:

##### **Remove One-Time Fund Deposit**

The Baseline includes a decrease of \$(7,000,000) from the General Fund in FY 2025 to remove a one-time deposit into the Trauma Recovery Center Fund.

An FY 2024 General Appropriation Act footnote instructs DHS to use the monies to provide a technical assistance grant to help establish a state pilot trauma recovery center, including 3 years of operational costs, and a separate grant to a public research institution to track data and outcomes of the state pilot trauma recovery center. The public research institution is required to produce a report at the conclusion of the pilot.

## **Family Health**

#### **Folic Acid Program**

The Baseline includes \$400,000 from the TTHCF - Medically Needy Account in FY 2025 for the Folic Acid Program. This amount is unchanged from FY 2024.

This line item provides funding for the distribution of folic acid to women of childbearing age to help prevent birth defects. In FY 2023, 15,559 women received folic acid education and multivitamins.

#### **High Risk Perinatal Services**

The Baseline includes \$2,343,400 from the General Fund in FY 2025 for High Risk Perinatal Services. This amount is unchanged from FY 2024.

This line item provides contracted transport services for high risk perinatal care, hospital services, inpatient physician follow-up services, and community health nurse visits for newborns who spent at least 5 days in a neonatal intensive care unit. The purpose of the visits is to identify developmental issues and provide early intervention services to ensure school readiness by age 5.

#### **Newborn Screening Program**

The Baseline includes \$12,369,800 and 24.1 FTE Positions from the Newborn Screening Program Fund in FY 2025 for the Newborn Screening Program. These amounts are unchanged from FY 2024.

*Background* – This line item funds the centralized testing of all newborns in the state for a standard set of 61 disorders. In FY 2023, the program provided screening for 78,801 newborns. The program also provides follow-up counseling for the parents of affected newborns. The State Health Laboratory is the designated laboratory for testing, but DHS may designate other laboratories as testing facilities for conditions or tests added to the screening program.

#### **Nurse-Family Partnership Programs**

The Baseline includes no funding in FY 2025 for Nurse-Family Partnership Programs. Adjustments are as follows:

##### **Remove One-Time Program Funding**

The Baseline includes a decrease of \$(2,500,000) from the General Fund in FY 2025 to remove funding for DHS to fund nurse-family partnership programs.

Nurse-family partnership programs are home visiting programs that pair nurses with low-income, first-time mothers during their pregnancy and the first 2 years of the children's lives. Services typically include care coordination, case management, assessments and screenings, preventive education, referrals to health and human services, and job development resources, among other supports.

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**Medical Provider Support**

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**Accelerated Nursing Programs**

The Baseline includes no funding in FY 2025 for Accelerated Nursing Programs. This amount is unchanged from FY 2024.

The FY 2023 budget appropriated \$50,000,000 one-time to DHS to expand nursing programs. Of this amount, the FY 2023 Health Care BRB required DHS to distribute \$6,000,000 to a private university with a health sciences campus located in Phoenix that offers a 12-month accelerated nursing program. The recipient will use the monies for capital costs associated with adding a new cohort of accelerated nursing students.

DHS will distribute the remaining \$44,000,000 to public and private universities and community colleges located in Arizona for the purpose of expanding program capacity. The department is required to give priority to programs that can be completed within 12 months, but programs up to 18 months in length are also eligible for funding. Each institution receiving monies must use at least 80% of the award to provide scholarships and no more than 20% may be used for administrative expenses, including the cost of hiring faculty and purchasing equipment. The monies may not be used for capital costs.

In January 2023, DHS reported awarding \$43,100,000 of the \$44,000,000 appropriation: \$5.6 million to ASU for 104 scholarships; \$5.9 million to Creighton University for 80 scholarships; \$16.0 million to Grand Canyon University for 300 scholarships; \$6.4 million to NAU for 240 scholarships; and \$9.2 million to UA for 158 scholarships. At the end of FY 2023, DHS had expended \$5,477,400 million of the appropriation.

The FY 2023 Health Care BRB also stipulated that scholarship recipients agree to practice nursing in Arizona for at least 4 years after graduation from an accelerated nursing program. DHS is required to compile information from each institution and submit an annual report to JLBC and OSPB on October 1 of each year through 2030. The report will include data on the number of students

receiving scholarships, the number of nurses who are currently completing the 4-year service commitment, and the number of students who have reimbursed the institution for not completing the service requirement.

An FY 2023 General Appropriation Act footnote makes these monies non-lapsing through FY 2024. Any unspent monies at the end of FY 2024 will revert to the General Fund.

**Behavioral Health Care Provider Loan Repayment Program**

The Baseline includes \$1,000,000 from the General Fund in FY 2025 for the Behavioral Health Care Provider Loan Repayment Program. This amount is unchanged from FY 2024.

A.R.S. § 36-2175 establishes the program to provide loan repayment assistance to providers who agree to serve in behavioral health facilities for at least 2 years, with priority given to applicants who intend to practice in the Arizona State Hospital or a behavioral health residential facility. For the first 2 years of service, the maximum award is \$50,000. For each subsequent year, the maximum award is \$25,000.

**Collaborative Care Uptake Fund Deposit**

The Baseline includes no funding in FY 2025 for a Collaborative Care Uptake Fund Deposit. Adjustments are as follows:

**Remove One-Time General Fund Deposit**

The Baseline includes a decrease of \$(1,000,000) from the General Fund in FY 2025 to remove a one-time deposit into the Collaborative Care Uptake Fund, as created by the FY 2024 Health Care BRB.

Monies deposited into this fund are used to provide grants to primary care physicians (PCPs) in medical practices with fewer than 50 employees who establish and deliver services through the collaborative care model, an evidence-based, integrated behavioral health service delivery method requiring a formal arrangement between a PCP, a care manager, and a psychiatrist. This line item also funds grants to collaborative care technical assistance centers that aid PCPs in providing integrated behavioral health services.



### **Arizona Nurse Education Investment Pilot Program**

The Baseline includes \$15,000,000 from the General Fund in FY 2025 for the Arizona Nurse Education Investment Pilot Program. This amount is unchanged from FY 2024.

A.R.S. § 36-1802 requires these monies to be deposited into the Arizona Nurse Education Investment Pilot Program Fund to increase the capacity of nursing education programs in Arizona. DHS allocates these monies to the Arizona Board of Regents (ABOR) and community college districts based on the number of nursing students graduating in FY 2022, which includes programs for nursing assistants, licensed practical nurses, registered nurses, and advanced practice nurses. Recipients may use the monies to pay operating costs necessary to increase the number of faculty members teaching in nursing programs and for capital expenses directly related to additional faculty and students.

The 3-year spending plan associated with the enacted FY 2023 budget included \$15,000,000 from the General Fund for this line item in FY 2023, FY 2024, and FY 2025. Of this amount, the Arizona Board of Regents (ABOR) expects the universities to receive \$5.7 million annually through FY 2025, with \$3.0 million for ASU, \$1.4 million for NAU, and \$1.3 million for UA. The remaining \$9.3 million will go to community college programs.

These monies are one-time through FY 2025. Any monies remaining in the fund at the end of FY 2026 will revert to the General Fund.

### **Preceptor Grant Program for Graduate Students**

The Baseline includes \$500,000 from the General Fund in FY 2025 for a Preceptor Grant Program for Graduate Students. This amount is unchanged from FY 2024.

A.R.S. § 36-1806 establishes this program to expand the capacity of preceptor training for graduate students pursuing degrees as physicians in allopathic or osteopathic medicine, advanced practice nurses, physician assistants, or dentists. In the nursing profession, preceptors are licensed clinicians who supervise nursing students completing their clinical hours. DHS is required to allocate the monies to the 5 largest statewide nonprofit organization representing these professions in proportion to the number of active licenses within each.

The organizations will distribute monies to physicians, certified nurse midwives, registered nurse anesthetists, clinical nurse specialists, registered nurses, physician

assistants, and dentists who serve as volunteer preceptors who provide sufficient evidence of completing a preceptorship with a graduate student. Awards will be distributed on a first-come first-serve basis at a maximum of \$1,000 per preceptor per calendar year, with priority given to primary care preceptorships in rural areas of the state.

The 3-year spending plan associated with the enacted FY 2023 budget included \$500,000 from the General Fund for this line item in FY 2023, FY 2024, and FY 2025.

The 2025 Baseline includes a footnote making these monies non-lapsing through FY 2026. Any monies remaining unspent at the end of FY 2026 will revert to the General Fund.

### **Other Issues**

#### **Statutory Changes**

The Baseline would, as session law, continue to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations.

#### **Long-Term Budget Impacts**

As part of the FY 2025 Baseline's 3-year spending plan, DHS's General Fund costs are projected to decrease by \$(15,500,000) in FY 2026 below FY 2025.

The FY 2026 estimate is based on:

- \$(15,000,000) for the removal of one-time nurse education investment pilot program funding.
- \$(500,000) for the removal of one-time grants for preceptor training programs.

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Alzheimer's Disease Research Fund (HSA2255/A.R.S. § 36-123.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited into the Alzheimer's Disease Research Fund.		
<b>Purpose of Fund:</b> To distribute monies to charitable organizations in Arizona that have been operating for at least 10 years and have member institutions working to end Alzheimer's Disease and educate Arizona residents about Alzheimer's Disease.		
<b>Funds Expended</b>	0	32,000
<b>Year-End Fund Balance</b>	28,300	8,600
<b>Arizona Nurse Education Investment Pilot Program Fund (HSA4200/A.R.S. § 36-1802)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, private donations, grants and federal monies.		
<b>Purpose of Fund:</b> To increase the capacity of nursing education programs in this state by fostering collaboration among this state's education and health care communities and the state and federal governments. Any monies remaining in the fund on July 1, 2026, will revert to the General Fund. Expenditures are not displayed to avoid double counting the General Fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	9,019,700	4,509,900
<b>Arizona State Hospital Charitable Trust Fund (HSA9985/A.R.S. § 36-218)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from contracts and lease agreements on Arizona State Hospital property.		
<b>Purpose of Fund:</b> To benefit persons with mental illness in this state.		
<b>Funds Expended</b>	12,200	100,000
<b>Year-End Fund Balance</b>	170,300	226,300
<b>Arizona State Hospital Fund (HSA3120/A.R.S. § 36-545.08)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> State monies and matching federal monies for disproportionate share payments at the Arizona State Hospital, Medicaid reimbursement for services provided at the Arizona State Hospital, county payments, and other monies collected for services to clients at the state hospital.		
<b>Purpose of Fund:</b> To provide treatment of patients at the Arizona State Hospital or to place Arizona State Hospital patients in the community.		
<b>Funds Expended</b>	3,022,400	3,145,800
<b>Year-End Fund Balance</b>	2,975,600	3,393,600
<b>ASH Land Earnings Fund (HSA3128/A.R.S. § 36-211)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies received from interest on the Arizona State Hospital's Permanent Land Fund, as established through Arizona's Enabling Act, Section 25, and the monies derived from the lease of these lands and miscellaneous revenue.		
<b>Purpose of Fund:</b> For the benefit and support of the Arizona State Hospital.		
<b>Funds Expended</b>	589,300	650,000
<b>Year-End Fund Balance</b>	3,245,900	4,052,100
<b>Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (HSA2513/A.R.S. § 36-119)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited into the Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund.		
<b>Purpose of Fund:</b> For breast and cervical cancer screening and diagnostic and outreach services.		
<b>Funds Expended</b>	51,600	550,300
<b>Year-End Fund Balance</b>	1,111,600	693,500

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Child Fatality Review Fund (HSA3036/A.R.S. § 36-3504)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> A \$1 surcharge on fees collected on all certified copies of death certificates, up to \$200,000. Any revenue collected in excess of \$200,000 is transferred from the fund to the Child Abuse Prevention Fund in the Department of Child Safety.		
<b>Purpose of Fund:</b> To organize county child fatality review teams and to study data collected by these teams to determine ways to reduce the state's child mortality rate.		
<b>Funds Expended</b>	175,700	196,500
<b>Year-End Fund Balance</b>	263,100	266,200
<b>Childhood Cancer and Rare Childhood Disease Research Fund (HSA2560/A.R.S. § 36-121)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited to the Childhood Cancer and Rare Childhood Disease Research Fund.		
<b>Purpose of Fund:</b> To support childhood cancer research.		
<b>Funds Expended</b>	0	30,000
<b>Year-End Fund Balance</b>	89,600	89,600
<b>Collaborative Care Uptake Fund (HSA4270/Laws 2023, Chapter 139)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations.		
<b>Purpose of Fund:</b> For grants to primary care physicians to cover the initial costs of implementing behavioral health integration services through a collaborative care model, and for technical assistance grants. Expenditures are not displayed to avoid double counting the General Fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Congenital Heart Defect Special Plate Fund (HSA2258/A.R.S. § 36-123.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited to the Congenital Heart Defect Special Plate Fund.		
<b>Purpose of Fund:</b> Distribution to a foundation that supports a hospital with a focus on pediatric patient care and has a heart center.		
<b>Funds Expended</b>	0	32,000
<b>Year-End Fund Balance</b>	22,800	20,400
<b>Coronavirus Relief Fund (HSA2975/A.R.S. § 35-142)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Monies received by the state from the federal COVID-19 response legislation. Arizona received \$1.86 billion from the Coronavirus Relief Fund established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act based on the state's share of the population.		
<b>Purpose of Fund:</b> Monies are allocated by the Governor to supplement costs of the state's COVID-19 response, including necessary expenditures incurred by the state due to the pandemic public health emergency.		
<b>Funds Expended</b>	12,202,600	0
<b>Year-End Fund Balance</b>	0	0
<b>Coronavirus State and Local Fiscal Recovery Fund (HSA2985/U.S. P.L. 117-2)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Federal monies appropriated in the American Rescue Plan Act (P.L. 117-2).		
<b>Purpose of Fund:</b> To provide emergency support to households, small businesses, nonprofits, workers performing essential work, and certain industries negatively impacted by the COVID-19 pandemic. To extend government services that received a reduction in revenue as a result of the COVID-19 pandemic. To make investments in water, sewer, and broadband infrastructure.		
<b>Funds Expended</b>	4,427,900	5,083,300
<b>Year-End Fund Balance</b>	200	100

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Disease Control Research Fund (HSA2090/A.R.S. § 36-274)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies appropriated by the Legislature and any gifts, contributions or other monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
<b>Purpose of Fund:</b> To provide funding for AIDS Reporting and Surveillance. Please see the Non-Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	798,200	1,000,000
<b>Year-End Fund Balance</b>	4,911,300	4,075,700
<b>Disease Control Research Fund (HSA2090/A.R.S. § 36-274)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies appropriated by the Legislature and any gifts, contributions or other monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
<b>Purpose of Fund:</b> To be used for projects or services that may advance research in the causes, epidemiology and prevention of disease, including discovery and development. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	1,596,100	3,000,300
<b>Year-End Fund Balance</b>	4,911,300	4,075,700
<b>Donations - DHS (HSA3010/2025/A.R.S. § 36-132)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Individual donations for various health related purposes.		
<b>Purpose of Fund:</b> For specific purposes as designated by the donors. Monies donated pursuant to A.R.S. § 36-213 and A.R.S. § 36-204 for the Arizona State Hospital are accounted for separately.		
<b>Funds Expended</b>	1,233,000	710,700
<b>Year-End Fund Balance</b>	1,385,500	885,200
<b>Donations - Statewide (HSA2025/A.R.S. § 36-132)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Individual donations from employee recognition events.		
<b>Purpose of Fund:</b> Employee recognition purposes.		
<b>Funds Expended</b>	4,800	5,500
<b>Year-End Fund Balance</b>	9,200	9,200
<b>Drug Disposal Education and Awareness Fund (HSA2230/A.R.S. § 36-123.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Donations and contributions from private persons and organizations.		
<b>Purpose of Fund:</b> To pay for the cost of administering an education and awareness program regarding the disposal of prescription drugs, including controlled substances, nonprescription drugs, needles, and sharps.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	10,000	10,000
<b>Emergency Medical Services Operating Fund (HSA2171/A.R.S. § 36-2218)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The fund receives 48.9% of the Medical Services Enhancement Fund revenues, which are collected from a 13% surcharge on fines charged for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> To fund local and state emergency medical services systems.		
<b>Funds Expended</b>	3,714,900	4,209,500
<b>Year-End Fund Balance</b>	988,100	190,900
<b>Environmental Laboratory Licensure Revolving Fund (HSA3017/A.R.S. § 36-495.15)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees collected for environmental lab licensure, fees derived from department-sponsored workshops, and monies from gifts, grants, and donations.		
<b>Purpose of Fund:</b> For costs associated with licensing environmental laboratories by the Department of Health Services.		
<b>Funds Expended</b>	707,300	995,500
<b>Year-End Fund Balance</b>	860,200	571,300

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Federal Child Care and Development Block Grant (HSA2008/U.S. P.L 104-193)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Federal formula grant.		
<b>Purpose of Fund:</b> To provide reduced licensing fees for child care centers, via an intergovernmental service agreement with the Department of Economic Security. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	6,655,200	5,000,100
<b>Year-End Fund Balance</b>	485,000	504,500
<b>Federal Child Care and Development Fund Block Grant (HSA2008/U.S. P.L 104-193)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Federal formula grant.		
<b>Purpose of Fund:</b> A portion of the Federal Child Care and Development Block Grant provides the Assurance and Licensure Division with monies for the licensure of child care facilities. Please see the Federal Funds portion of the fund for additional information.		
<b>Funds Expended</b>	998,500	992,500
<b>Year-End Fund Balance</b>	485,000	504,500
<b>Federal Funds (HSA2000/A.R.S. § 35-142)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Grants and reimbursements from the federal government.		
<b>Purpose of Fund:</b> To provide health services in accordance with the terms of each specific grant.		
<b>Funds Expended</b>	501,821,900	473,599,400
<b>Year-End Fund Balance</b>	10,013,400	10,013,500
<b>Health Services Licensing Fund (HSA1995/A.R.S. § 36-405, A.R.S. § 36-414)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees for health care institution licensing services, monies from the examination and licensing of hearing and speech professionals, and fees collected for regulation of individuals utilizing radiological materials.		
<b>Purpose of Fund:</b> To fund regulatory actions for health care institutions, hearing and speech professionals, and radiation regulation. A total of 90% of assurance and licensure fees are deposited into this fund with the remaining 10% deposited into the General Fund.		
<b>Funds Expended</b>	16,656,100	17,416,400
<b>Year-End Fund Balance</b>	2,117,200	(2,449,100)
<b>Health Services Lottery Monies Fund (HSA4250/A.R.S. § 36-108.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> State Lottery monies.		
<b>Purpose of Fund:</b> To fund grants for homeless pregnant women services. Please see the Non-Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	149,700	0
<b>Year-End Fund Balance</b>	5,769,100	4,518,700
<b>Health Services Lottery Monies Fund (HSA4250/A.R.S. § 36-108.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> State Lottery monies.		
<b>Purpose of Fund:</b> To fund teenage pregnancy prevention programs, the Health Start program, and the federal Women, Infants and Children (WIC) food program. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	7,354,300	8,973,300
<b>Year-End Fund Balance</b>	5,769,100	4,518,700
<b>IGA and ISA Fund (HSA4500/A.R.S. § 36-108.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies from intergovernmental agreements and interagency services agreements between the Department of Health Services and other state and local entities. The fund receives annual revenue from the Department of Economic Security (DES) to provide nutrition education in schools for grades 1-6 using funds from the Supplemental Nutrition Assistance Program (SNAP).		
<b>Purpose of Fund:</b> To fund services which DHS has agreed to perform in IGAs and ISAs with state and local public agencies.		
<b>Funds Expended</b>	14,870,900	12,046,400
<b>Year-End Fund Balance</b>	17,446,100	10,680,000

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Indirect Cost Fund (HSA9001/A.R.S. § 36-108)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs.		
<b>Purpose of Fund:</b> To pay a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements.		
<b>Funds Expended</b>	11,906,800	12,673,500
<b>Year-End Fund Balance</b>	4,176,300	3,801,500
<b>Internal Services Fund (HSA4202/A.R.S. § 36-104)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Charges from other DHS funds.		
<b>Purpose of Fund:</b> Revolving Fund used by DHS warehouse for the purchase of goods.		
<b>Funds Expended</b>	14,800	0
<b>Year-End Fund Balance</b>	23,600	23,600
<b>Justice Reinvestment Fund (HSA1121/A.R.S. § 36-2863)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives 10% of revenues from the Smart and Safe Arizona Fund after state agencies pay administrative costs for implementing the provisions of Proposition 207, which legalized the adult use of recreational marijuana.		
<b>Purpose of Fund:</b> To pay administrative costs incurred by the State Treasurer and Arizona Department of Health Services (DHS). After administrative costs are paid, the remaining funds are distributed 35% to county public health departments, 35% to DHS for justice reinvestment program grants, and 30% to DHS for addressing public health issues.		
<b>Funds Expended</b>	2,958,900	12,747,400
<b>Year-End Fund Balance</b>	18,130,600	16,690,000
<b>Laser Safety Fund (HSA2388/A.R.S. § 32-3234)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Fees collected from the authorization of certificates to individuals that operate lasers of Intense Pulsed Light (IPL) devices for health and cosmetic related purposes.		
<b>Purpose of Fund:</b> To fund the costs of issuing licenses to individuals that operate lasers or IPL devices for health-related purposes.		
<b>Funds Expended</b>	6,900	0
<b>Year-End Fund Balance</b>	120,200	140,200
<b>Medical Marijuana Fund (HSA2544/A.R.S. § 36-2817)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives application and renewal fees from medical marijuana dispensaries, civil penalties and private donations.		
<b>Purpose of Fund:</b> To enforce provisions of Proposition 203 (Arizona Medical Marijuana Act) enacted in the 2010 General Election. The Arizona Medical Marijuana Act regulates dispensation, prescription, and use of medical marijuana, including an electronic registry of dispensary agents, patients and designated caregivers.		
<b>Funds Expended</b>	21,226,800	25,899,800
<b>Year-End Fund Balance</b>	36,081,900	16,682,100
<b>Newborn Screening Program Fund (HSA2184/A.R.S. § 36-694.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees paid to DHS for newborn screening services.		
<b>Purpose of Fund:</b> To provide monies for the centralized testing of all newborns in the state for a standard set of metabolic and congenital (environmental/inherited) disorders. Every 4 years the department solicits bids for the contracting of these tests. The State Health Lab holds the current contract. In addition, the fund provides monies for follow-up counseling for the parents of affected infants.		
<b>Funds Expended</b>	8,494,900	12,802,900
<b>Year-End Fund Balance</b>	1,597,100	1,594,200

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Nursing Care Institution Resident Protection Revolving Fund (HSA2329/A.R.S. § 36-431.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications.		
<b>Purpose of Fund:</b> For the protection of the health and property of residents of nursing care facilities that are found deficient.		
<b>Funds Expended</b>	0	238,200
<b>Year-End Fund Balance</b>	2,392,600	2,154,400
<b>Oral Health Fund (HSA3038/A.R.S. § 36-138)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from AHCCCS contracts for dental services.		
<b>Purpose of Fund:</b> To provide dental services to Medicaid-eligible children identified by the DHS Oral Health program.		
<b>Funds Expended</b>	73,500	581,200
<b>Year-End Fund Balance</b>	783,200	328,300
<b>Public Health Emergencies Fund (HSA2775/A.R.S. § 36-122)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations.		
<b>Purpose of Fund:</b> To fund public health emergency responses in the state following an emergency declaration by the Governor.		
<b>Funds Expended</b>	434,100	0
<b>Year-End Fund Balance</b>	958,600	958,600
<b>Smart and Safe Arizona Fund (HSA1120/A.R.S. § 36-2856)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives revenues from a 16.0% excise tax on the sale of recreational marijuana products and license and registration fees.		
<b>Purpose of Fund:</b> To pay costs incurred by state agencies to implement the provisions of Proposition 207, which legalized the adult use of recreational marijuana. After agencies pay administrative costs, the remaining funds are distributed 33.0% to community college districts, 31.4% to municipal police and fire departments, 25.4% to the Highway User Revenue Fund, 10.0% to the Justice Reinvestment Fund, and 0.2% to the Attorney General.		
<b>Funds Expended</b>	6,960,200	11,000,000
<b>Year-End Fund Balance</b>	3,106,200	1,806,200
<b>Smoke-Free Arizona Fund (HSA2541/A.R.S. § 36-601.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A 2¢ per pack tax on cigarettes. Any revenues not used by the department to enforce the smoking ban are deposited to the Tobacco Tax Products Fund to be used for education programs to reduce or eliminate tobacco use.		
<b>Purpose of Fund:</b> To enforce the provisions of Proposition 201 (Smoke Free Arizona Act) enacted in the 2006 General Election. The Smoke-Free Arizona Act banned smoking in public places except retail tobacco stores, veteran and fraternal clubs, hotel rooms designated as smoking rooms, and outdoor patios.		
<b>Funds Expended</b>	1,129,900	2,604,800
<b>Year-End Fund Balance</b>	1,788,400	1,332,100
<b>Tobacco Tax and Health Care Fund - Health Education Account (HSA1308/A.R.S. § 36-772)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The account receives 23¢ of each dollar deposited in the Tobacco Tax and Health Care Fund and 2¢ of each dollar in the Tobacco Products Tax Fund.		
<b>Purpose of Fund:</b> Monies are used for community-based education and evaluation, and other programs to discourage tobacco use among the general public, specifically targeting minors and culturally diverse populations. The monies from the Tobacco Products Tax Fund are used for the prevention and detection of the 4 leading causes of death.		
<b>Funds Expended</b>	12,263,400	18,000,000
<b>Year-End Fund Balance</b>	18,513,600	14,000,700

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Tobacco Tax and Health Care Fund - Health Research Account (HSA2096/A.R.S. § 36-275, A.R.S. § 36-773)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives monies from the Health Research Account of the Tobacco Tax and Health Care Fund.		
<b>Purpose of Fund:</b> Monies are used for research into the prevention and treatment of tobacco-related disease and addiction.		
<b>Funds Expended</b>	2,569,200	9,550,300
<b>Year-End Fund Balance</b>	9,789,000	6,774,900
<b>Tobacco Tax and Health Care Fund - Medically Needy Account (HSA1306/A.R.S. § 36-774)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The account receives funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund, which is managed by AHCCCS. All monies remaining unexpended at the end of the fiscal year revert to the AHCCCS Medically Needy Account.		
<b>Purpose of Fund:</b> To fund the Folic Acid Program and Renal Dental Care and Nutrition Supplements line items.		
<b>Funds Expended</b>	435,500	700,000
<b>Year-End Fund Balance</b>	511,700	511,700
<b>Trauma Recovery Center Fund (HSA4260/A.R.S. § 36-4102)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, grants and contributions.		
<b>Purpose of Fund:</b> The department, in consultation with a national alliance that supports trauma recovery centers, establishes priorities for the fund to provide grants to trauma recovery centers. Expenditures are not displayed to avoid double counting the General Fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Vital Records Electronic Systems Fund (HSA3039/A.R.S. § 36-341.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees collected for searches, copies of records, applications to file delayed records, requests for supplementary birth certificates, following adoption, legitimation, paternity determination, surgical alterations, and chromosomal counts, or amendments to existing records. DHS is authorized by A.R.S. § 36-341 to set vital records fees for individuals and counties that access the vital records electronic system. Total revenues are limited to \$4,530,000. Of the first \$4,000,000, 85% will be required into the Vital Records Electronic Systems Fund and 15% will be deposited into the General Fund. For any revenue above \$4,000,000, 40% will be deposited into the Vital Records Electronic Systems Fund and 60% will be deposited into the General Fund.		
<b>Purpose of Fund:</b> To develop and operate a new vital records automated system.		
<b>Funds Expended</b>	3,638,800	3,872,900
<b>Year-End Fund Balance</b>	(13,100)	(832,300)