

Arizona Department of Homeland Security

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	20.0	20.0	26.0
OPERATING SUBTOTAL	0	0	0
SPECIAL LINE ITEMS			
Cybersecurity Programs	0	200,000	0
Federal Cybersecurity Grant Matching Monies	0	0	107,800 ^{1/}
Multi-factor Authentication	0	0	550,000
Arizona State Nonprofit Security Grant Program Fund Deposit	5,000,000	0	0
Statewide Information Security and Privacy Operations and Controls	9,421,100	11,054,700	11,145,200
Antihuman Trafficking Grant Fund Deposit	10,000,000	0	0
Statewide Cybersecurity Grants	9,622,800	10,000,000	10,000,000 ^{2/}
AGENCY TOTAL	34,043,900	21,254,700	21,803,000 ^{3/}
FUND SOURCES			
General Fund	24,622,800	10,200,000	10,107,800
<u>Other Appropriated Funds</u>			
Information Technology Fund	9,421,100	11,054,700	11,695,200
SUBTOTAL - Other Appropriated Funds	9,421,100	11,054,700	11,695,200
SUBTOTAL - Appropriated Funds	34,043,900	21,254,700	21,803,000
Federal Funds	32,840,500	32,855,600	32,855,600
TOTAL - ALL SOURCES	66,884,400	54,110,300	54,658,600

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. Additionally, the department is responsible for Statewide Information Security and Privacy Operations and Controls.

FOOTNOTES

- ^{1/} The amount appropriated for the federal cybersecurity grant matching monies line item is exempt from section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations, until June 30, 2028. (General Appropriations Act footnote)
- ^{2/} Of the amount appropriated for statewide cybersecurity grants, the Arizona department of homeland security may spend up to \$500,000 for grant administration. (General Appropriations Act footnote)
- ^{3/} General Appropriations Act funds are appropriated as a Lump Sum with Special Line Items by Agency.

Cybersecurity Programs

The budget includes no funding in FY 2026 for cybersecurity programs. Adjustments are as follows:

Remove One-Time Cybersecurity Funding

The budget includes a decrease of \$(200,000) from the General Fund in FY 2026 to remove one-time cybersecurity programs funding.

Federal Cybersecurity Grant Matching Monies

The budget includes \$107,800 from the General Fund in FY 2026 for federal cybersecurity grant matching monies. Adjustments are as follows:

One-Time Federal Grant Match

The budget includes a one-time increase of \$107,800 from the General Fund in FY 2026 for a federal cybersecurity grant match.

As part of the federal Infrastructure Investment and Jobs Act, the U.S. Department of Homeland Security created the State and Local Cybersecurity Grant Program (SLCGP). The goal of SLCGP is to assist state, local, and tribal governments with managing and reducing systemic cybersecurity risks. This line item provides the necessary state matching monies to draw down approximately \$5,000,000 in federal SLCGP funding.

To receive monies under the SLCGP, a state must 1) establish a “Cybersecurity Planning Committee” that can organize statewide cybersecurity efforts and 2) develop a cybersecurity plan that addresses the entire jurisdiction and incorporates cybersecurity best practices. Federal grant requirements stipulate that the department must pass through at least 80% of the grant funding to local governments, with at least 25% of the 80% benefiting rural areas with populations of 50,000 or less.

Monies appropriated in this line item are exempt from lapsing through FY 2028.

Multi-factor Authentication

The budget includes \$550,000 from the Information Technology (IT) Fund in FY 2026 for multi-factor authentication technologies. Adjustments are as follows:

One-Time Multi-factor Authentication Funding

The budget includes a one-time increase of \$550,000 from the IT Fund in FY 2026 for multi-factor authentication technologies.

Arizona State Nonprofit Security Grant Program Fund Deposit

The budget includes no funding in FY 2026 for an Arizona State Nonprofit Security Grant Program Fund Deposit. This amount is unchanged from FY 2025.

The FY 2024 Criminal Justice Budget Reconciliation Bill (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 2024 budget included a one-time deposit of \$5,000,000 from the General Fund into the fund. The FY 2025 Criminal Justice BRB limited 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.

As of June 30, 2025, the department had distributed \$1,614,100, from this allocation. These monies are exempt from lapsing.

Statewide Information Security and Privacy Operations and Controls

The budget includes \$11,145,200 and 26 FTE Positions from the Information Technology (IT) Fund in FY 2026 for Statewide Information Security and Privacy Operations and Controls. Adjustments are as follows:

Additional FTE Positions

The budget includes an increase of 6 FTE Positions from the IT Fund in FY 2026. Of the 6 new FTE Positions, 4 will provide cybersecurity support for state agencies and 2 will perform assessments of contracted cyber programs.

Statewide Adjustments

The budget includes an increase of \$90,500 from the IT Fund in FY 2026 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 2026 for an Antihuman Trafficking Grant Fund Deposit. This amount is unchanged from FY 2025.

The FY 2024 Criminal Justice 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. The department did not have adequate FTE positions to manage the grant program, so the monies were ultimately transferred to the Department of Public Safety (DPS) to award and administer grants. The FY 2023 budget created a comparable fund within the Department of Emergency and Military Affairs (DEMA). DEMA had received a separate deposit of \$10,000,000 in FY 2023 for the same purpose.

As of June 30, 2025, DPS had an unencumbered balance of \$1,761,200 and the DEMA fund had a balance of \$6,679,500.

The FY 2026 Criminal Justice BRB transferred the DEMA fund to DPS. The FY 2026 budget also added another \$1,500,000 to the fund. *(See the DPS narrative for additional information.)*

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 services to victims, or training law enforcement and prosecutorial agencies.

Statewide Cybersecurity Grants

The budget includes \$10,000,000 from the General Fund in FY 2026 for statewide cybersecurity grants. This amount is unchanged from FY 2025.

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.