

Arizona Department of Homeland Security

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	20.0	20.0	20.0
OPERATING SUBTOTAL	0	0	0
SPECIAL LINE ITEMS			
Cybersecurity Programs	0	200,000	0
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	11,054,700
Antihuman Trafficking Grant Fund Deposit	10,000,000	0	0
Statewide Cybersecurity Grants	9,622,800	10,000,000	10,000,000 ^{1/}
AGENCY TOTAL	34,043,900	21,254,700	21,054,700 ^{2/}
FUND SOURCES			
General Fund	24,622,800	10,200,000	10,000,000
<u>Other Appropriated Funds</u>			
Information Technology Fund	9,421,100	11,054,700	11,054,700
SUBTOTAL - Other Appropriated Funds	9,421,100	11,054,700	11,054,700
SUBTOTAL - Appropriated Funds	34,043,900	21,254,700	21,054,700
Federal Funds	32,840,500	32,855,600	32,855,600
TOTAL - ALL SOURCES	66,884,400	54,110,300	53,910,300

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/} 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)
- ^{2/} General Appropriations Act funds are appropriated as a Lump Sum with Special Line Items by Agency.

Cybersecurity Programs

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

Remove One-Time Cybersecurity Funding

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

Arizona State Nonprofit Security Grant Program Fund Deposit

The Baseline 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 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.

As of June 30, 2024, the department had distributed \$758,600 from this allocation. These monies are exempt from lapsing.

Statewide Information Security and Privacy Operations and Controls

The Baseline includes \$11,054,700 and 20 FTE Positions from the Information Technology (IT) Fund in FY 2026 for Statewide Information Security and Privacy Operations and Controls. These amounts are unchanged from FY 2025.

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 Baseline 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 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. The department did not have adequate FTE positions to manage the grant program, so the monies were ultimately deposited in 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. DEMA is currently working with DPS to administer the grant program.

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.

Statewide Cybersecurity Grants

The Baseline 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.

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Antihuman Trafficking Grant Fund (HLA9999/Laws 2023, Chapter 137)		Non-Appropriated
Source of Revenue: Monies appropriated by the legislature. The FY 2024 budget included a \$10,000,000 deposit from the General Fund.		
Purpose of Fund: To provide grants to reduce human trafficking in the state. To be eligible for grant monies, an antihuman trafficking program must do either of the following: 1. Work to reduce human trafficking by providing assistance and analytical services to law enforcement agencies. 2. Provide services to victims and training to law enforcement agencies, prosecutorial agencies and the public on preventing and identifying human trafficking. The Department does not report on the expenditures or balance from this fund. Instead, the \$10,000,000 FY 2024 deposit appears in the fund administered by the Department of Emergency and Military Affairs (DEMA). Please see the DEMA section for more information.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Arizona State Nonprofit Security Grant Program Fund (HLA8888/Laws 2023, Chapter 137)		Non-Appropriated
Source of Revenue: Grants, gifts, donations and legislative appropriations.		
Purpose of Fund: To provide funding for safety and security projects to nonprofit organizations that are at high risk of a terrorist attack or at risk of hate crimes or attacks because of the nonprofit's ideology, beliefs or mission for target hardening and other security enhancements and activities. General Fund appropriation expenditures are not displayed to avoid double counting of appropriations.		
Funds Expended	0	0
Year-End Fund Balance	4,241,400	4,241,400
Federal Funds (HLA2000/A.R.S. § 41-4254)		Federal Funds
Source of Revenue: Grants received from the U.S. Department of Homeland Security.		
Purpose of Fund: To provide state agencies and local governments with funding to deter and mitigate acts of terrorism. Federal grant guidelines allow up to 5% of the grand total to be used for administrative costs.		
Funds Expended	32,840,500	32,855,600
Year-End Fund Balance	0	0
Information Technology Fund (HLA2152/A.R.S. § 18-401)		Appropriated
Source of Revenue: A pro rata share of 0.61% of total payroll, charged to all budget units subject to oversight of information technology projects by ADOA's Arizona Strategic Enterprise Technology (ASET) Office or by the Information Technology Authorization Committee (ITAC).		
Purpose of Fund: Monies from the Information Technology (IT) Fund support the operation of the Statewide Information Security and Privacy Office (SISPO). Monies also provide personnel funding for statewide IT planning, coordinating, oversight, and consulting at the Arizona Department of Administration.		
Funds Expended	9,421,100	11,054,700
Year-End Fund Balance	0	0