Arizona Department of Homeland Security

	FY 2025 ACTUAL	FY 2026 ESTIMATE	FY 2027 APPROVED
OPERATING BUDGET			
Full Time Equivalent Positions	20.0	26.0	26.0
OPERATING SUBTOTAL	**0**	**0**	**0**
SPECIAL LINE ITEMS			
Cybersecurity Programs	196,000	0	0
Federal Cybersecurity Grant Matching Monies	0	107,800 1/	0
Multi-factor Authentication	0	550,000	850,000
Statewide Information Security and Privacy Operations and Controls	10,494,200	11,145,200	11,257,700
Cyber Ready Arizona	9,741,300	10,000,000	11,515,900 2/
AGENCY TOTAL	**20,431,500**	**21,803,000**	**23,623,600** 3/
FUND SOURCES			
General Fund	9,937,300	10,107,800	10,015,900
Other Appropriated Funds			
Arizona Highway Patrol Fund	0		1,500,000
Information Technology Fund	10,494,200	11,695,200	12,107,700
SUBTOTAL - Other Appropriated Funds	10,494,200	11,695,200	13,607,700
SUBTOTAL - Appropriated Funds	**20,431,500**	**21,803,000**	**23,623,600**
Federal Funds	32,319,900	33,312,300	33,312,300
TOTAL - ALL SOURCES	52,751,400	55,115,300	56,935,900

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. (FY 2026 General Appropriations Act footnote)

2/ Of the amount appropriated for the cyber ready Arizona line item, the Arizona department of homeland security may spend up to $515,900 for administration and not more than $11,000,000 to purchase cybersecurity tool licenses. With the exception of the $515,900 allowed for administration, monies in the cyber ready Arizona line item may not be used to support permanent FTE positions at any state agency or political subdivision of this state. In addition to any existing recipient class, the department may consider grant applications from water and wastewater facilities. (General Appropriations Act footnote, as adjusted for statewide allocations)

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 2027 for cybersecurity programs. This amount is unchanged from FY 2026.

Federal Cybersecurity Grant Matching Monies

The budget includes no funding in FY 2027 for Federal Cybersecurity Grant Matching Monies. Adjustments are as follows:

Remove One-Time Federal Grant Match

The budget includes a decrease of $(107,800) from the General Fund in FY 2027 to eliminate one-time funding 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.

The FY 2026 budget included an appropriation of $107,800 for this line item, which is exempt from lapsing through FY 2028.

Multi-factor Authentication

The budget includes $850,000 from the Information Technology (IT) Fund in FY 2027 for Multi-Factor Authentication technologies. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of $(550,000) from the IT Fund in FY 2027 to eliminate one-time funding for multi-factor authentication technologies.

Additional Funding

The budget includes an increase of $850,000 from the IT Fund in FY 2027 to provide an additional funding for the implementation multi-factor authentication technologies. Of this amount, $300,000 is for one-time costs associated with the purchase of physical tokens for state agencies unable to use mobile or application-based multifactor authentication.

Arizona State Nonprofit Security Grant Program Fund Deposit

The budget includes no funding in FY 2027 for an Arizona State Nonprofit Security Grant Program Fund Deposit. This amount is unchanged from FY 2026.

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 each of FY 2025 – FY 2028 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 July 7, 2026, the department had distributed $2,366,500, from this allocation. These monies are exempt from lapsing.

Statewide Information Security and Privacy Operations and Controls

The budget includes $11,257,700 and 26 FTE Positions from the IT Fund in FY 2027 for Statewide Information Security and Privacy Operations and Controls. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of $112,500 from the IT Fund in FY 2027 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.

Cyber Ready Arizona

The budget includes $11,515,900 in FY 2027 for Cyber Ready Arizona (formerly "Statewide Cybersecurity Grants"). This amount consists of:

	FY 2027
General Fund	$10,015,900
Arizona Highway Patrol Fund	1,500,000

Adjustments are as follows:

Additional One-Time Funding

The budget includes a one-time increase of $1,500,000 from the Arizona Highway Patrol Fund in FY 2027 to provide additional cybersecurity support to public sector organizations, local governments, and state agencies.

Statewide Adjustments

The budget includes an increase of $15,900 from the General Fund in FY 2027 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

This line item was previously "Statewide Cybersecurity Grants" but was re-titled by the FY 2027 budget. 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 $515,900 of the appropriation to administer the grant program, restricts total expenditures on cybersecurity software licenses, and allows the department to additionally consider grant applications from water and wastewater facilities.