

JLBC Annual State Funds Report

A.R.S. § 41-1273 requires the JLBC Staff to report to the Joint Legislative Budget Committee (JLBC) by December 1 of each year on statutorily deleted and newly created funds, including funds that changed appropriated status from the prior fiscal year.

During the 2022 Legislative Session, the state statutorily created 25 new funds, made changes in the appropriated status of 1 fund, and deleted 2 funds.

A detailed summary of the funds follows:

SUMMARY OF FUNDS BY AGENCY

New Funds

Administration, Arizona Department of

Cyber Risk Insurance Fund (ADA4217/A.R.S. § 41-622)

Appropriated Status: Appropriated

Source of Revenue: The FY 2023 budget transferred \$24,624,400 from the Risk Management Revolving Fund in FY 2023 into the Cyber Risk Insurance Fund for FY 2023 and FY 2024 costs. Beginning in FY 2025, revenues may include actuarial charges assessed to state agencies, boards, and commissions insured under the state's risk management system.

Purpose of Fund: To pay claim costs and administrative program costs, and to purchase insurance for coverage for losses not covered under the self-insured limits for Cyber Security.

Funds Expended: The department estimates \$21,587,200 in expenditures in FY 2023.

Agriculture, Arizona Department of

Livestock Operator Fire and Flood Assistance Fund (AHA2374/A.R.S. § 3-109.03)

Appropriated Status: Non-Appropriated

Source of Revenue: Federal monies, legislative appropriations from the state General Fund, public and private grants and private donations received for the purpose of providing grant monies to landowners and lessees of a livestock operation for infrastructure projects. General Fund appropriation expenditures are not displayed to avoid double counting of appropriations.

Purpose of Fund: To administer the Livestock Operator Assistance Program.

Funds Expended: The agency did not estimate expenditures for this fund.

Arizona Health Care Cost Containment System

Pilot Program Fund (HCA9999/A.R.S. § 36-1807)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, grants, donations, and federal monies.

Purpose of Fund: Monies in the fund shall be used to expand the capacity of the Maricopa County Community College district and the Navajo County Community College district to train students as behavioral health workers by developing behavioral health curriculum in partnership with the Maricopa County Community College district and the Navajo County Community College district.

Funds Expended: The agency did not estimate expenditures for this fund.

SUMMARY OF FUNDS BY AGENCY

Commerce Authority, Arizona

Major Events Fund (CAA9999/A.R.S. § 41-1506.02)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To support the planning and operation of the competitive bid process for major events in coordination with the office of tourism, destination marketing organizations and local organizing committees. To negotiate and make grants to local organizing committees or equivalent organizations for the operating costs of major events and for other economic development activities associated with major event operations.

Funds Expended: The agency did not estimate expenditures for this fund.

Water Infrastructure and Commerce Grant Fund (CAA1090/A.R.S. § 41-1504)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To fund water infrastructure and commerce grant disbursements.

Funds Expended: The agency did not estimate expenditures for this fund.

Criminal Justice Commission, Arizona

State Aid for Juvenile Dependency Proceedings Fund (JCA2040/A.R.S. § 41-2410)

Appropriated Status: Non-Appropriated

Source of Revenue: Monies appropriated to the fund by the Legislature.

Purpose of Fund: To provide state aid to county public defenders, legal defenders and contract indigent defense counsel for the processing of juvenile dependency cases. ACJC administers the fund and distributes the monies to each eligible county in which the 3-year average of the total juvenile dependency case filings in the Superior Court in the county exceeds the 3-year average juvenile dependency case filings in the Superior Court of the county for Fiscal Years 2013, 2014 and 2015 based on the proportional share of the increase in petitions for each county. Expenditures from this fund are not displayed to avoid double counting General Fund monies.

Funds Expended: The agency did not estimate expenditures for this fund.

Education, Department of

Adult Workforce Diploma Program Fund (EDA1125/A.R.S. § 15-217.02)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, gifts, grants, and other donations.

Purpose of Fund: To pay approved program providers in the Adult Workforce Diploma Program pursuant to A.R.S. § 15-217.02E. Expenditures are not displayed to avoid double counting of the General Fund.

Funds Expended: The agency did not estimate expenditures for this fund.

Community College Adult Education Workforce Development Program Fund (EDA1124/A.R.S. § 15-217.03)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations and any other monies.

Purpose of Fund: To provide up to \$3,000 per full-time equivalent student to each community college district participating in the Community College Adult Education Workforce Development Program. Expenditures are not displayed to avoid double counting of the General Fund.

Funds Expended: The agency did not estimate expenditures for this fund.

SUMMARY OF FUNDS BY AGENCY

Invest in Postsecondary Success Program Fund (EDA2196/A.R.S. § 15-249.18)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To administer the Invest in Postsecondary Success Program and for distributing monies to a contracted vendor that administers college match savings accounts. Expenditures are not displayed to avoid double counting of the General Fund.

Funds Expended: The agency did not estimate expenditures for this fund.

Emergency and Military Affairs, Department of

Anti-Human Trafficking Grant Fund (MAA2606/A.R.S. § 26-106)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To distribute to programs to reduce human trafficking in the state of Arizona.

Funds Expended: The agency did not estimate expenditures for this fund.

Game and Fish, Department of

Arizona Game and Fish Department Fleet Operations Fund (GFA9902/A.R.S. § 17-275)

Appropriated Status: Non-Appropriated

Source of Revenue: Revenues received from the fees charged to the department for having vehicles in the state motor vehicle fleet.

Purpose of Fund: To make payments to ADOT to maintain and operate the Game and Fish motor vehicle fleet.

Funds Expended: The department estimates \$1,547,900 in expenditures in FY 2023.

Arizona Game and Fish Department Fleet Vehicle Replacement Fund (GFA9901/A.R.S. § 17-274)

Appropriated Status: Non-Appropriated

Source of Revenue: Revenues received from the fees charged to the department for having vehicles in the state motor vehicle fleet.

Purpose of Fund: To make payments to ADOT to acquire and replace Game and Fish vehicles and equipment.

Funds Expended: The department estimates \$1,417,500 in expenditures in FY 2023.

Health Services, Department of

Arizona Nurse Education Investment Pilot Program Fund (HSA4200/A.R.S. § 36-1802)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, private donations, grants and federal monies

Purpose of Fund: 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 revert to the General Fund.

Funds Expended: The agency did not estimate expenditures for this fund.

Trauma Recovery Center Fund (HSA4260/A.R.S. § 36-4102)

Appropriated Status: Appropriated

Source of Revenue: Legislative appropriations, grants and contributions.

Purpose of Fund: 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.

Funds Expended: The agency did not estimate expenditures for this fund.

SUMMARY OF FUNDS BY AGENCY

Housing, Arizona Department of

Military Transitional Housing Fund (HDA9999/A.R.S. § 41-3955.02)

Appropriated Status: Non-Appropriated

Source of Revenue: Federal monies.

Purpose of Fund: To provide transitional housing opportunities for military members separating from the military in newly constructed housing facilities. The department may not use more than 10% of fund monies to administer the fund.

Funds Expended: The agency did not estimate expenditures for this fund.

Judiciary - Supreme Court

State Court Fleet Operations and Replacement Fund (SPA3800/A.R.S. § 12-102.04)

Appropriated Status: Non-Appropriated

Source of Revenue: Proceeds from sales of the Supreme Court's surplus motor vehicles, legislative appropriations, and revenues received from fees.

Purpose of Fund: To make payments to ADOT to acquire vehicles and maintain the state court motor vehicle fleet.

Funds Expended: The agency did not estimate expenditures for this fund.

Revenue, Department of

Department of Revenue Integrated Tax System Project Fund (RVA2610/A.R.S. § 42-5041)

Appropriated Status: Appropriated

Source of Revenue: Monies deposited into the fund from fees charged to local governments (including councils of governments and regional transportation authorities with a population of more than 800,000) and revenues transferred from the 0.6% education sales tax and the 16% recreational marijuana excise tax. Statute requires DOR to charge the fee to local governments and implement the tax revenue transfers from FY 2023 to FY 2028 to recover a portion of the administrative, development and other operating costs of a new integrated tax system.

Purpose of Fund: To contribute to the Department of Revenue's administrative, development and other operating costs incurred in implementing the new integrated tax system at the department.

Funds Expended: The department estimates \$6,187,100 in expenditures in FY 2023.

Tourism, Office of

Tourism Development Fund (TOA9999/A.R.S. § 41-2307)

Appropriated Status: Non-Appropriated

Source of Revenue: Monies received from producing, owning, selling or licensing services related to marketing and branding related promotional materials or items, copyrightable publications, artwork, trademarks or other intellectual property.

Purpose of Fund: To support tourism marketing and branding in Arizona.

Funds Expended: The agency did not estimate expenditures for this fund.

Transportation, Arizona Department of

State Match Advantage for Rural Transportation Fund (DTA9901/A.R.S. § 28-339)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, gifts, grants, and donations. Laws 2022, Chapter 309 appropriates \$50 million from the State Highway Fund into the State Match Advantage for Rural Transportation Fund.

Purpose of Fund: To reimburse up to 50% of the costs associated with developing and submitting an application for a federal grant, as a match for a federal grant, and to reimburse design and other engineering services that meet federal standards for projects eligible for a federal grant.

Funds Expended: The department estimates \$15,000,000 in expenditures in FY 2023.

SUMMARY OF FUNDS BY AGENCY

Treasurer, State

Arizona Health Innovation Trust Fund (TRA3324/A.R.S. § 41-177)

Appropriated Status: Non-Appropriated

Source of Revenue: Monies appropriated by the legislature, earnings from the fund and gifts or grants donated or given to the fund.

Purpose of Fund: To invest and divest, as provided by A.R.S. § 35-313 and 35-314.03, any trust fund monies deposited in the State Treasury. The State Treasurer shall annually allocate 4% of the monies in the trust fund to an entity that satisfies statutory requirements. Expenditures are not displayed to avoid double counting the original General Fund appropriation to this fund.

Funds Expended: The agency did not estimate expenditures for this fund.

Law Enforcement Crime Victim Notification Fund (TRA3710/A.R.S. § 41-180)

Appropriated Status: Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To be used by law enforcement agencies in the state to fund crime victim notification software. Expenditures from this fund are not displayed to avoid double counting appropriated expenditures.

Funds Expended: The agency did not estimate expenditures for this fund.

Universities - Regents, Arizona Board of

Spouses of Military Veterans Tuition Scholarship Fund (BRA5100/A.R.S. § 15-1809)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To distribute scholarships to spouses of military veterans who meet certain requirements. Amounts appropriated from the General Fund are not displayed to avoid double counting of expenditures.

Funds Expended: The agency did not estimate expenditures for this fund.

University of Arizona

On-Farm Irrigation Efficiency Fund (UNI8888/Laws 2022, Chapter 332)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, federal monies and grants, and any other lawful source.

Purpose of Fund: To administer the On-Farm Irrigation Efficiency Pilot Program which provides grants for on-farm irrigation efficiency systems to reduce on-farm use of groundwater, surface water, mainstream Colorado River water or water delivered through the Central Arizona Project while minimizing or eliminating the use of flood irrigation or fallowing to reduce on-farm use.

Funds Expended: The agency did not estimate expenditures for this fund.

Water Infrastructure Finance Authority

Long-Term Water Augmentation Fund (WFA9999/A.R.S. § 49-1302)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, federal monies, interest, gifts, grants, donations, and any other monies received for the purpose of the fund. The fund may also receive revenues from the sale of long-term water augmentation bonds and from public-private partnership agreements.

Purpose of Fund: To fund water supply development projects, including those that import water from outside of Arizona and other related expenses such as water studies, assessments, and environmental reviews. Eligible entities include water providers and cities, counties or another public entity/district/commission. The fund may be used for administrative costs, not to exceed 10 FTE Positions.

Funds Expended: The department estimates \$11,028,100 in expenditures in FY 2023.

SUMMARY OF FUNDS BY AGENCY

Water Conservation Grant Fund (WFA9998/A.R.S. § 49-1332)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations, federal monies, interest, gifts, grants, donations, and any other monies received for the purpose of the fund.

Purpose of Fund: Monies are to facilitate voluntary water conservation programs or projects that result in long-term reductions in water use and/or improvements in water use efficiency or water reliability. Projects and eligible programs range include education, research and other programs for water conservation and efficiency activities, including but not limited to: rainwater harvesting, drought-resistant landscaping/turf removal, groundwater storage and recovery and watershed protection. Funds can be used for program implementation and the administrative costs for eligible programs.

Funds Expended: The department estimates \$100,000,000 in expenditures in FY 2023.

SUMMARY OF FUNDS BY AGENCY

Changed Status

Administration, Arizona Department of

School Safety Interoperability Fund (ADA3076/A.R.S. § 41-1733)

Appropriated Status: Non-Appropriated

Source of Revenue: Legislative appropriations.

Purpose of Fund: To fund school safety pilot programs which enable the deployment of a secure, multimedia data communications system to a user base consisting of public safety agencies and public schools. General Fund appropriation expenditures are not displayed to avoid double counting of appropriations. The FY 2023 Automation Budget Reconciliation Bill (BRB) transferred this fund from the State Treasurer to ADOA in FY 2023.

Funds Expended: The agency did not estimate expenditures for this fund.

SUMMARY OF FUNDS BY AGENCY

Deleted Funds

Drought Mitigation, Board of

Drought Mitigation Revolving Fund (WCA3230/A.R.S. § 49-193.01)

Appropriated Status: Non-Appropriated

Source of Revenue: Monies appropriated by the Legislature, federal monies, loan repayments and charges, interest from investments, gifts, grants, and donations. Laws 2022, Chapter 366 repealed this fund and the Drought Mitigation Board and reallocated monies to either DWR's Arizona System Conservation Fund or Water Infrastructure Finance Authority's Water Supply Development Revolving Fund.

Purpose of Fund: Monies were to be used for assistance for projects to develop water supply and conservation projects, including projects to import water supplies from outside the state.

Funds Expended: The fund expended \$1,580,500 in FY 2022.

Barbers, Board of

Board of Barbers Fund (BBA2007/A.R.S. § 32-305)

Appropriated Status: Appropriated

Source of Revenue: Monies collected by the board from the examination and licensing of barbers, barber schools, and barbering establishments. The board retains 90% of these monies and deposits 10% in the General Fund.

Purpose of Fund: To examine, license, investigate, and regulate barbers, barber schools, and barbering establishments, and for board administration. Laws 2021 Chapter 334 repeals this fund effective January 1, 2022 and transfers the remaining balance to the Barbering and Cosmetology Fund.

Funds Expended: The fund expended \$328,300 in FY 2022.