



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1823

general appropriations act; 2021-2022

Purpose

Makes session law changes relating to general appropriations necessary to implement the FY 2022 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

The JLBC Baseline includes an estimated of spending necessary to meet requirements of statutory formulas and other obligations ([FY 2022 JLBC Baseline](#)).

S.B. 1823 contains the budget provisions for changes relating to general appropriations.

Provisions

FY 2022 Ongoing Fund and Major Footnote Changes

Arizona Department of Administration (ADOA)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Permitting Dashboard	GF		300,000

Major Footnote Changes

1. Exempts the FY 2022 appropriation for the ADOA Hoteling Pilot Program from lapsing until June 30, 2023.
2. Exempts \$2,000,000 of the FY 2022 Arizona Financial Information System appropriation from lapsing until June 30, 2023.
3. Removes the requirement that ADOA report to the Arizona Department of Transportation by August 1, 2021, on the maintenance savings associated with replacing vehicles with an average of 80,000 miles or more.

Arizona Department of Agriculture

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
State Agriculture Laboratory Scientist	GF	1 FTE	100,000
Cloud Migration	GF		1,000,000
Plant Services Division Salary Increase	GF		170,000
Meat Inspection Staff	GF	2 FTEs	220,000
Salary Increases	GF	12 Ag Lab Positions	300,000

Arizona Health Care Cost Containment System (AHCCCS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Formula	GF		(76,100,000)
IT Operating Funding	GF		3,000,000
Graduate Medical Education	GF		(3,000,000)
Elderly/Physically Disabled Provider Rate Increase	GF		13,300,000
Prescription Drug Rebate Fund Shift	GF		(16,700,000)
Newborn Screening	GF		500,000

Major Footnote Changes

4. Reduces the appropriation for supported housing from the federal Medicaid expenditure authority by \$60,000,000 if the AHCCCS housing and health opportunities section 1115 waiver amendment is denied by the federal government.
5. Requires AHCCCS, by September 30, 2022, to report to the Joint Legislative Budget Committee (JLBC) on the progress of implementing services specified in the housing and health opportunities section 1115 waiver amendment.
6. Adds e-cigarette enforcement costs as an authorized use of the FY 2022 AHCCCS transfer to the Attorney General.

Attorney General (AG)

Major Footnote Changes

7. Requires the \$1,000,000 technology company antitrust appropriation to be used to employ or retain attorneys to investigate and pursue enforcement actions against technology companies that engage in anticompetitive, anti-consumer or monopolistic behavior and exempts the appropriation from lapsing.

8. Appropriates \$40,000 from the Consumer Fraud Fund to the AG for the Missing and Murdered Indigenous Peoples Study Committee.
9. Appropriates \$1,500,000 from the Consumer Fraud Fund to the AG for an Organized Retail Theft Task Force (Task Force).
10. Requires the AG to establish the Task Force to combat crimes relating to stealing, embezzling or obtaining by fraud, false pretenses or other illegal means of retail merchandise for the purpose of reselling or reentering the items into commerce.
11. Limits the jurisdiction of the Task Force to offenses returned by the state grand jury.
12. Requires the AG to invite federal, state and local law enforcement personnel to participate in the Task Force to effectively use their combined skills, expertise and resources.
13. Requires the Task Force to review, investigate and prosecute appropriate cases brought by law enforcement agencies, authorized loss prevention personnel or both.
14. Allows a member of the Legislature to submit a recommendation of a certified peace officer to the AG to be placed on the Task Force.
15. Requires members of the Task Force to:
 - a) investigate, apprehend and prosecute appropriate individuals or entities that participate in the purchase, sale or distribution of stolen property from a retail establishment or use an internet or network site; and
 - b) target individuals or entities that commit theft and other property crimes for financial gain.
16. Requires the AG to use monies appropriated to the Task Force to enter into one or more intergovernmental agreements with other state and local law enforcement agencies and with any similar organized retail theft task force program that coordinates a national network of coordinated task forces that assist law enforcement agencies in investigations, forensic examinations and prosecutions relating to organized retail theft.
17. Requires the Task Force to consist of at least one full-time prosecutor, one paralegal, one support staff, at least two investigators and four peace officers.
18. Requires the Task Force to have a regularly scheduled meeting to review cases and provide updates on ongoing cases to the Task Force.
19. Requires the Task Force, on or before July 1 of each year, to submit a report to the Legislature on the Task Force's activities and recommendations for legislative action relating to criminal penalties for crimes that have a negative impact on Arizona's economy.
20. Terminates the Task Force on July 1, 2029.

Arizona Department of Child Safety (DCS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Caseworker Salary Increase	GF	Step 1 – 11% All Other – 5%	5,400,000

Major Footnote Changes

21. Removes the JLBC review requirement relating to transfers of appropriated amounts within the Comprehensive Health Program.
22. Requires DCS, by February 28th, 2022, and August 31, 2022, to submit a report to JLBC on the progress made on the caseload standard and reducing the number of backlog cases and out-of-home children, rather than requiring a quarterly report for JLBC review.

Arizona Commerce Authority (ACA)

23. Requires the Arizona Commerce Authority (ACA) to distribute monies for blockchain and wearable research to applied research centers and institutes located in Arizona that specialize in blockchain or wearable technology to be allocated as follows:
 - a) \$2,500,000 to applied research centers that specialize in blockchain technology; and
 - b) \$2,500,000 to applied research centers that specialize in wearable technology.
24. Requires the ACA, subject to available funding, distribute monies for blockchain/wearable research to any applied research center in increments of \$250,000 within 30 days after the applied research center has notified the ACA that the center has received a matching amount from sources other than the state.
25. Exempts the ACA from statute requirements relating to the procurement code for distributions to applied research centers.
26. Requires an applied research center that receives funding to collaborate with universities, nonprofit business associations, health science research centers, institutes or other technology businesses in Arizona.
27. Requires the applied research center or institute, by September 15, 2025, to return all unexpended and unencumbered monies on September 1, 2025, to the ACA.
28. Requires the ACA to notify the Legislature, by July 1, 2022, and July 1, 2023, if the ACA has not distributed any monies.
29. Requires an applied research center or institute that receives monies to annually submit an expenditure and performance report to the ACA and for the ACA to transmit the report to the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting on or before February 1 of 2022, 2023, 2024, 2025 and 2026.
30. Exempts the appropriation to the ACA for blockchain/wearables technology from lapsing and reverts any unexpended and unencumbered monies on June 30, 2025 to the state GF.

Community Colleges

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Rural Community College Aid	GF	By Student Count	14,000,000
Urban Community College Aid	GF	One-time	13,000,000

Arizona Department of Corrections (ADC)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Braille Program	GF		250,000
Florence Bed Closure/Shift	GF		18,700,000
Correctional Officer Salary Increase	GF	5%	30,700,000
New Corporal Classification	GF		1,600,000
Transition Program	GF		1,300,000
Contracted Increases	GF		28,000,000

Major Footnote Changes

31. Requires ADC to include in the annual bed capacity report any plans to vacate beds but not permanently remove the beds from the bed count.
32. Delays, from August 1 to November 1, the annual deadline for the bed capacity report.
33. Requires ADC, by March 31, 2022, to submit a report to JLBC in cooperation with the Arizona Strategic Enterprise Technology Office on the progress made to incorporate all sentence calculations into the Arizona corrections information system.
34. Requires ADC to submit a semi-annual report, rather than quarterly report, on staffing levels to JLBC and removes the JLBC review requirement.
35. Removes the footnote relating to the debt service payment for the Kingman refinance.
36. Requires ADC, by December 15, 2021 and July 15, 2021, to submit a report to JLBC on medical staffing augmentation that includes actual expenditures and an expenditure plan.
37. Exempts the appropriation for medical staffing augmentation from lapsing.
38. Exempts, from the JLBC review requirement, an expenditure of monies designated for personal services or employee-related expenditures until January 2023, if ADC makes a transfer to maximize the use of federal monies, and requires ADC to submit an expenditure plan before spending the monies.

Arizona State Schools for the Deaf and the Blind (ASDB)

Major Footnote Changes

39. Requires the ASDB to submit a report to JLBC on the intended use of any FY 2022 expenditure from the Cooperative Services Fund in excess of \$17,914,500.

Arizona Department of Economic Security (DES)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Area Agencies on Aging	GF	Provider Rates	1,000,000
Developmental Disabilities	GF	Provider Rates	15,400,000
Homeless Youth	GF	1,000,000	Starting in FY 2024
Salary Increase	GF	5% (4,900 positions)	2,300,000

Major Footnote Changes

40. Requires DES, by September 15, 2021, and March 15, 2022, to submit a report to JLBC and the Legislature on Child Care Development Block Grant monies provided by federal coronavirus relief legislation including expenditures to date, an expenditure plan, number of children served, average child care rates and number of child care settings with a quality rating.
41. Removes the JLBC review requirement for the DES expenditure plan report to JLBC of new Division of Developmental Disabilities (DDD) salary adjustments.
42. Removes footnotes relating to JLBC review of child care reimbursement rates and minimum number of children served by the childcare program.
43. States the Legislature intends that DDD reallocate \$15,000,000 of the base appropriation DDD spent for onetime developmental disabilities purposes in FY 20221 to partially finance the \$30,000,000 provider rate increase in FY 2022.
44. Requires DES, by December 15, 2021, and July 15, 2022, to submit a report to JLBC and the Legislature on federal pandemic emergency assistance monies provided by the American Rescue Plan Act of 2021 that includes expenditures to date, an expenditure plan and number of individuals served.
45. Exempts the appropriation for Return to Work Grants from lapsing until June 30, 2024.
46. Requires DES, by March 15, 2022, to submit a report to JLBC and the Legislature on the number of individuals who received child care support through Return to Work Grants and the number of those individuals who did not return to unemployment insurance within six months.
47. Exempts \$1,086,612,800 of the appropriation from the Federal Child Care and Development Fund Block Grant from lapsing.

- 48. Exempts the FY 2021 \$30,200,000 appropriation from the Child Care and Development Fund Block Grant from lapsing.
- 49. Requires the \$500,000 After School and Summer Youth Program appropriation to be distributed to a 501(c)(3) charitable nonprofit organization located in Phoenix that provides after school and summer youth programs dealing with gang violence for at-risk youth.
- 50. States the Legislature intends that childcare provider rate increases are contingent upon available federal funding and may not continue in future years after the monies have been spent.

State Board of Education

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Investigations Unit	GF		500,000

Arizona Department of Education (ADE)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Formula	GF		(32,700,000)
CTED Certification Exam Fee Reimbursement	GF	1,000,000	Starting in FY 2024
College Placement Exam Fee Waiver	GF		1,300,000
College Credit by Examination Incentive Program	GF		2,500,000
Literacy Coaches	GF	25 FTEs/3,100,000	Starting in FY 2024
Kindergarten Entry Assessment	GF	1,500,000	Starting in FY 2024
Dyslexia Screening/Training	GF	1,300,000	Starting in FY 2024
Teacher Reading Instruction Exam	GF	1,000,000	Starting in FY 2024
Jobs for Arizona Graduates	GF	400,000	Starting in FY 2024
Alternative Teacher Development Program	GF	500,000	Starting in FY 2024
Adult Education State Match	GF		400,000
Special Education Funding	GF	Group B Weights	50,000,000
Gifted Funding	GF		1,000,000

Major Footnote Changes

- 51. Requires ADE to use the gifted assessments appropriation to procure an assessment that local education agencies may administer to second grade students to identify gifted students.

52. Requires ADE, by December 31, 2021, to submit a report to JLBC on how the appropriation for student level data access are being used to manage access and protect student level data.

Department of Emergency and Military Affairs

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Cyber Task Force	GF		500,000

Major Footnote Changes

53. Exempts the appropriation for National Guard tuition reimbursement from lapsing until September 30, 2021.

Arizona Department of Environmental Quality

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Water Quality Assurance Revolving Fund	GF		5,000,000

Arizona Department of Forestry and Fire Management

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Fire Marshal Personnel	GF		300,000
Additional Fire School Funding	GF		100,000

Major Footnote Changes

54. Exempts the rural fire district reimbursement appropriation and \$3,850,000 of the fire suppression appropriation from lapsing.

Arizona Department of Gaming (ADG)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Racing Division – County Fair Promotion	GF		1,250,000
Racing Division – Racing Purse	GF		5,000,000
Racing Division – Racetrack Maintenance	GF	One-time	5,000,000

55. Requires the appropriation for racetrack purses and maintenance and operations to be distributed to commercial live racing permittees based on each permittee's three-year average of race days reflected in the length of the permit.

56. Requires the monies for racetrack purses and maintenance and operations to be used to enhance the general purse structure and for track maintenance and operations.

Arizona Department of Health Services (DHS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Long-Term Care Surveyor Team	GF	16 FTEs	1,600,000
High Risk Perinatal	GF		300,000
Alzheimer's Research	GF		1,000,000
Biomedical Research Support	GF		2,000,000
Guilty Except Insane Monitoring	GF		40,000

Major Footnote Changes

57. Requires DHS to distribute the appropriated Family Health Pilot Program monies to qualifying nonprofit organizations to implement a statewide system to provide direct services, support services, and social services case management and referrals to the biological or adoptive parents of children under the age of two, including unborn children.

58. Requires the monies appropriated to the Department of Health Services for a Family Health Pilot Program be distributed to at least two nonprofit organizations.

59. States that the purpose of the statewide system is to encourage healthy childbirth, support childbirth as an alternative to abortion, promote family formation, aid successful parenting and increase families' economic self-sufficiency.

60. Requires the selected nonprofit organizations to demonstrate experience in marketing and serving the eligible population and that the organizations can begin serving clients statewide within 60 days of receiving monies.

61. Requires a participating nonprofit organization to submit a quarterly report to DHS of the services and referrals the nonprofit organization provides including specified information.

Independent Redistricting Commission

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Funding	GF	See Onetime	(3,000,000)

Industrial Commission of Arizona (ICA)

62. Appropriates \$95,000 and 1 FTE from the state GF in FY 2022 to the ICA for municipal firefighter reimbursement administration.
63. States the Legislature's intent that the appropriation be used only for administrative costs and that the appropriation does not convey any responsibility for firefighter cancer compensation and benefits claims onto the state.

Judiciary

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Case Management IT System Operating Costs	GF	Supreme Court	200,000
Order of Protection – IT Staff	GF	Supreme Court	300,000
Dependency Alternative Program	GF	Supreme Court	200,000
Water Adjudication Personnel and Support	GF	Supreme Court	2,400,000
Probation Incentive Payments	GF	Superior Court	1,000,000
State Fleet Initiative	GF	Superior Court	100,000
Adult Intensive Probation	GF	Superior Court	200,000
Probation Salary Increases	GF	Superior Court	4,300,000

Major Footnote Changes

64. Requires counties to maintain FY 2020 expenditure levels for each probation program to qualify for state probation funding.
65. Specifies that the Special Water Master appropriation includes an increase of \$147,600 for two paralegal FTE positions and \$109,700 for one law clerk FTE position.
66. Adds the Office of Strategic Planning and Budgeting (OSP) to the list of receipts of the annual probation officer salary report.
67. Stipulates the appropriation relating to probation officer salary increases covers the state's share and that the Legislature intends that the counties pay any amount above the appropriated amount in FY 2022 and subsequent years if the counties approve salary increases in FY 2022 that increase the state's share.
68. Specifies that \$133,900 of the automation appropriation is to expand and maintain the Supreme Court's electronic case management system for water adjudication.

Department of Juvenile Corrections

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Land Trust Lease Adjustment	GF		100,000
Youth Correctional Officer Salary Increase	GF	5%	1,600,000

Legislature

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Ombudsman – Operating Costs	GF	1 FTE	200,000

Major Footnote Changes

69. Requires the Auditor General (OAG) to compile information on how all school districts and charter schools spent or plan to spend stimulus monies specified in federal acts relating to COVID-19, including how ADE has spent or is planning to spend discretionary funds in FYs 2020, 2021 and 2022.
70. Requires the OAG to report the findings and any recommendations to the Joint Legislative Audit Committee by January 1, 2022, and January 1, 2023.
71. Requires OAG to conduct a special audit of financial and related information of private, nongovernmental grant monies used in Arizona's 2020 elections and Maricopa County's procurement of voting systems and submit a report with specified information by March 31, 2022, to the Governor and Legislature.

Mine Inspector

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Inspection and Reclamation Land Programs	GF		200,000

Arizona State Parks Board

Major Footnote Changes

72. Appropriates an amount equal to the revenue share agreement with the U.S. Forest Service for Fool Hollow Lake Recreation Area to the Arizona State Parks Board from the State Parks Revenue Fund.

Board of Pharmacy

Major Footnote Changes

73. Requires the Board of Pharmacy, by September 30, 2021, to submit a report to JLBC on the progress in implementing the OAG's September 2020 sunset audit recommendations.

Prescott Historical Society

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Sharlot Hall Funding	GF		50,000

Department of Public Safety

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Body Camera Funding	GF	29 FTEs	6,900,000
Overtime Funding	GF		6,600,000
Increased Recruitment Funding	GF		400,000
Salary Increases	GF	10%	23,500,000

Major Footnote Changes

74. Requires the appropriation relating to rapid DNA testing equipment to be used to purchase and deploy rapid DNA testing devices and, on request if sufficient funds are available, to train the requesting county sheriff's personnel on properly using the devices.

75. Exempts the peace officer training equipment appropriation from lapsing until June 30, 2022 and reverts any unexpended monies to the fund from which the monies were appropriated.

Arizona Department of Revenue (ADOR)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Repeal Local Cost Sharing Charge	GF		20,800,000
E-Commerce Compliance and Outreach	GF		900,000

Major Footnote Changes

76. Exempts the income tax information technology appropriation from lapsing until June 30, 2024.

School Facilities Board

Major Footnote Changes

- 77. Requires the Kirkland Elementary replacement appropriation school to be distributed to the Kirkland Elementary School District to replace an existing school building.
- 78. Requires the appropriation for Yuma Union High School to be distributed to the Yuma Union High School District for the construction of a new high school.

Secretary of State (SOS)

Major Footnote Changes

- 79. Allows the SOS to use the Records Services Fund appropriations in FY 2021 and FY 2022 for record storage costs incurred in FYs 2020, 2021 and 2022.
- 80. Allows the SOS to hire one FTE to serve as a legal advisor and to represent the SOS.
- 81. Prohibits the SOS from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services.

Office of Tourism

Major Footnote Changes

- 82. Exempts appropriation relating to the Southern Arizona Study Committee from lapsing.

Arizona Department of Transportation (ADOT)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Vehicle Fleet Fee Increase	GF		2,500,000

Major Footnote Changes

- 83. Requires the Arizona Strategic Enterprise Technology Office, by February 1, 2022, to report to JLBC Staff on behalf of ADOT the annual progress on the motor vehicle modernization system, and removes the JLBC review requirement.

State Treasurer

Major Footnote Changes

- 84. Requires the State Treasurer to distribute School Safety Interoperability Fund monies appropriated for the rural county interoperability communication system as follows:
 - a) \$430,540 to the Gila County Sheriff;
 - b) \$224,930 to the Graham County Sheriff;
 - c) \$189,338 to the Greenlee County Sheriff; and
 - d) \$655,192 to the Pinal County Sheriff.

85. Requires the State Treasurer to distribute monies relating to the school safety program as follows:

- a) \$2,085,800 to the Maricopa County Sheriff;
- b) \$224,900 to the Mohave County Sheriff; and
- c) \$189,300 to the Yavapai County Sheriff.

Universities

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
New Economy Initiatives	GF		25,000,000
Operating Funding – ASU	GF		21,900,000
Operating Funding – NAU	GF		10,500,000
Operating Funding – UA	GF		11,200,000
School of Mining – UA	GF		4,000,000
Water Law Clinic – UA	GF		500,000
Geological Survey – UA	GF	2 FTEs	200,000
HITF	GF		11,800,000
Promise Scholarship	GF		7,500,000

Major Footnote Changes

86. Adds OSPB as a recipient of Northern Arizona University's annual report on biomedical research funding distributed to a nonprofit medical research foundation.
87. Delays the lapsing date for the FY 2021 appropriation for Washington D.C. internships until June 30, 2022.
88. Requires the Arizona Board of Regents to reallocate Washington D.C. internship monies that are unspent on March 15, 2022, and requires monies be made available to any full-time student enrolled in a public university to provide internships in partnership with a third-party organization that meets outlined requirements.
89. Prohibits the University of Arizona (UA) from transferring or spending monies appropriated for the Arizona Geological Survey for any other purpose.
90. Requires Arizona State University (ASU) to spend monies appropriated for the Eastern Europe Cultural Collaborative to facilitate academic and cultural exchanges between ASU and academic institutions in Eastern Europe.
91. States the appropriation for the Political History and Leadership Program is to expand the political history and leadership program within the school of historical, philosophical and religious studies at ASU.

- 92. Requires the monies for the Political History and Leadership Program be used at the sole discretion and approval of the lead of the program and monies be used only to directly support the program, including teaching staff and teaching support.
- 93. Requires UA to spend monies appropriated for the Kazakhstan Studies Program to facilitate academic exchanges between UA students and academic institutions in Kazakhstan.
- 94. Specifies that the amount appropriated to each university includes funding to backfill tuition costs for each university's Health Insurance Trust Fund (HITF) costs associated with the FY 2022 employer health insurance premium increase.
- 95. States the Legislature's intent is that future costs associated with the HITF continue to be allocated proportional to each university's allocation of GF and appropriated tuition monies.
- 96. Expands the authorized uses of the \$800,000 appropriated to UA to include primary care physician scholarships on the College of Medicine Tucson Campus.

Arizona Department of Veteran Services (ADVS)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Veteran Benefit Counselors	GF	12 FTEs	732,000

Water Infrastructure Finance Authority

Major Footnote Changes

- 97. Allocates \$3,000,000 from the water projects assistance grants appropriation to provide financial assistance to cities and towns that provide water in Navajo and Apache counties.
- 98. Allocates \$2,000,000 from the water projects assistance grants appropriation to provide financial assistance to irrigation districts in Cochise and Graham counties.

Arizona Department of Water Resources (ADWR)

Ongoing General Fund (GF) and Other Fund (OF) Changes

Summary of Changes	Source	Comments	FY 2022 Changes
Salary Increases	GF		2,800,000

- 99. Requires ADWR to use the monies in the Agua Fria Flood Insurance Study to complete a study of the hydrology and hydraulics of the Agua Fria River from New Waddell Dam to the confluence with the Gila River.
- 100. Allows ADWR to contract with an engineering firm that has not contracted with or otherwise associated with a county flood control district in an Arizona county with a population of more than 1,500,000 persons.
- 101. Requires ADWR to complete the report by March 31, 2023.

FY 2021 Supplemental Appropriation and Adjustments***General Fund (GF) and Other Fund (OF)***

Agency	Fund	Amount
ADOA – Federal Government Disallowed Costs – Risk Management Revolving Fund	OF	2,801,500
DCS – Caseload Adjustments	OF	27,538,100
DCS – Expenses Relating to Licensing Organizations	OF	90,000
DCS – Physical and Behavioral Health Services	OF	43,785,000
DES – Caseload Adjustments	OF	115,000,000
DES – Physical and Behavioral Health Services and Home and Community Based Services	OF	20,147,300
DES – Federal Child Care and Development Block Grant	OF	30,200,000
DES – Long-term Care Room and Board Costs	OF	4,000,000
DES – Unemployment Compensation Fund	GF	62,000,000

Transwestern Pipeline Co. v. ADOR

102. Appropriates \$17,043,300 from the state GF in FY 2021 to ADOA to distribute to counties with political subdivisions that paid refunds ordered in the *Transwestern Pipeline Co. v. Arizona Department of Revenue* litigation.
103. Requires ADOA to allocate the monies as follows:
- \$2,029,600 to Apache County;
 - \$2,888,400 to Coconino County;
 - \$2,477,100 to Maricopa County;
 - \$3,500,300 to Mohave County;
 - \$1,183,300 to Navajo County;
 - \$1,058,300 to Pinal County; and
 - \$3,906,300 to Yavapai.
104. Requires each county that receives monies to distribute to each political subdivision within its jurisdiction an amount equal to refunds, including interest, the political subdivision paid.
105. Prohibits school districts from receiving refund monies that are reimbursable under the K-12 formula.
106. Requires each county, in computing the distributions, to reduce each school district's distribution by the amount of monies received by state aid recalculations reported by ADE.
107. Requires ADE, by July 15, 2021, to report to each county the amount distributed to affected school districts as a result of state aid recalculations associated with the Transwestern litigation.
108. Requires each eligible political subdivision, by July 30, 2021, to submit a claim for reimbursement to the county in which it is located.

109. Requires each county, by September 1, 2021, to submit a report to the Director of JLBC on the total claims submitted and outlines requirements for the report.
110. Reverts any unexpended and unencumbered monies to the state GF by July 1, 2022.
111. Stipulates, if the disbursement to counties is insufficient to reimburse the cost of all claims submitted by June 30, 2021, that the distributions to political subdivisions must be reduced proportionally to cover all eligible claims and that the reports include the estimated total dollar value of unreimbursed claims.
112. Exempts the appropriation from lapsing.

Debt

113. Appropriates \$972,100,000 from the state GF in FY 2021 to ADOA to pay for the retirement or defeasance of financing agreements and state lottery revenue bonds as follows:
 - a) \$65,850,000 for the retirement or defeasance of the financing agreement entered into in FY 2017;
 - b) \$171,700,000 for the retirement or defeasance of the financing agreement entered into in FY 2016;
 - c) \$269,550,000 for the retirement or defeasance of the state lottery revenue bonds issued in FY 2011; and
 - d) \$470,000,000 for the retirement or defiance of the financing agreement entered Laws 2009, Third Special Session, Chapter 6, Section 32.
114. Requires ADOA to notify the Director of JLBC within 10 days after each retirement or defeasance is executed.
115. Exempts the appropriation from lapsing and reverts any monies after the retirement or defeasances of the financing agreement.

Arizona Department of Education (ADE)

116. Allows the Superintendent of Public Instruction to transfer up to \$5,000,000 from the state GF appropriation for Basic State Aid for FY 2021 to the results-based funding program for FY 2021 without JLBC review.
117. Reverts any transferred amount that exceeds the amount needed to address a funding shortfall for the results-based funding program to the state GF on June 30, 2021.

Department of Emergency and Military Affairs (DEMA)

118. Appropriates \$55,000,000 from the state GF in FY 2021 to DEMA for deposit in the Border Security Fund.
119. Requires DEMA to allocate the monies as follows:
 - a) \$3,700,000 to Cochise County;
 - b) \$2,500,000 to Yuma County;
 - c) \$2,700,000 to operate a pilot program to reduce human trafficking;

- d) \$1,100,000 to distribute to the sheriffs in Cochise, Pima, Santa Cruz and Yuma counties to procure cameras and related equipment, software and services for southern Arizona border region enforcement;
- e) \$20,000,000 to distribute to cities, towns or counties for costs associated with prosecuting and imprisoning individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes; and
- f) \$25,000,000 for costs incurred by the Arizona National Guard assets augmenting and supporting DPS and local law enforcement in the border region.

Department of Forestry and Fire Management (DFFM)

- 120. Appropriates \$2,170,100 from the state GF in FY 2021 to DFFM for fire suppression costs incurred in FYs 2016 through 2020.
- 121. Exempts the appropriation from lapsing until June 20, 2022.

Independent Redistricting Commission (IRC)

- 122. Authorizes IRC to have six FTE positions in FY 2021.

Arizona State Parks Board (ASPB)

- 123. Appropriates \$147,100 from the State Parks Revenue Fund in FY 2021 to ASPB for expenses relating to shifting operational responsibility of the Riordan Mansion State Historic Park from the Arizona Historical Society to ASPB.

Public Safety Personnel Retirement System (PSPRS)

- 124. Appropriates \$500,000,000 from the state GF in FY 2021 to PSPRS to be deposited in the employer account of the Department of Public Safety Personnel Retirement System group to reduce the unfunded accrued liability.
- 125. Appropriates \$500,000,000 from the state GF in FY 2021 to the PSPRS to be deposited in the employer account of the State Department of Corrections Officer Retirement Plan (CORP) group to reduce the unfunded accrued liability.
- 126. Requires the Board of Trustees (Board) of the PRPRS account for the appropriation in the June 30, 2021 actuarial valuation of both PRPRS and CORP.
- 127. Requires the Board to account for the appropriation when calculating the employee contribution rates and employer rates, which PRPRS and CORP must use when making contributions during FY 2023.

School Facilities Board (SFB)

- 128. Appropriates \$38,759,000 from the state GF in FY 2021 to the SFB for building renewal grants.

Secretary of State (SOS)

129. Appropriates \$494,500 from the Records Services Fund in FY 2021 to SOS for records management expenses.

Arizona Department of Veteran Services (ADVS)

130. Appropriates \$100,000 from the Veterans' Income Tax Settlement Fund, in FY 2021, to ADVS to distribute to a 501(c)(3) charitable nonprofit organization that is in southern Arizona and works with regional veterans organizations to improve services to reduce veteran suicides.
131. Exempts the appropriation from lapsing until June 2023.

Drought Mitigation Revolving Fund

132. Appropriates \$160,000,000 from the state GF in FY 2021 to the Drought Mitigation Revolving Fund.
133. Specifies that, of the amount appropriated:
- a) up to \$10,000,000 may be used for awarding grants to facilitate the forbearance of water deliveries by June 30, 2025; and
 - b) up to \$10,000,000 may be used for State Land Department grants to make the best use of water resources associated with state trust land.

Water Supply Development Revolving Fund

134. Appropriates \$40,000,000 from the state GF in FY 2021 to the Water Supply Development Revolving Fund.
135. Requires the monies to be allocated for projects:
- a) that are located throughout all regions of Arizona and outside of active management areas; and
 - b) in amounts of no more than \$1,000,000 per project.

Additional FY 2022 Appropriations and Adjustments

Arizona Department of Administration (ADOA)

136. Appropriates \$7,150,650 from the state GF in FY 2022 to ADOA for equal distribution to counties with a population fewer than 900,000 persons according to the 2010 U.S. Decennial Census (2010 Census) to maintain essential county services.
137. Appropriates \$500,000 from the state GF in FY 2022 to ADOA for distribution to Graham county to maintain essential county services.

138. Appropriates \$3,000,000 from the state GF in FY 2022 to ADOA for equal distribution to counties with a population fewer than 300,000 persons according to the 2010 Census in order to supplement the cost of the Elected Officials' Retirement Plan (EORP).
139. Prohibits the counties from using the distributed FY 2022 \$3,000,000 appropriation for anything other than employer contributions to EORP.
140. Appropriates \$10,000,000 from the state GF in FY 2022 to ADOA to distribute to counties to establish a coordinate reentry planning services program and requires ADOA to allocate:
- \$5,000,000 to Mohave County;
 - \$4,000,000 to Pinal County; and
 - \$1,000,000 to Yavapai County.

Automation Projects Fund (APF)

141. Appropriates the following amounts in FY 2022 from the APF subaccounts to ADOA for the following automation and information technology (IT) projects:

Project	Subaccount	Amount
Tucson Data Center Relocation	ADOA Subaccount	2,000,000
Business One-Stop Web Portal	ADOA Subaccount	7,758,900
K-12 School Financial Transparency Reporting Portal	ADOA Subaccount	3,000,000
Charter School Board Online Platform	Charter School Board Subaccount	614,100
Child Care Management System	DES Subaccount	9,000,000
Replace School Finance Data System	ADE Subaccount	7,200,000
Develop E-Licensing Solution	ADG Subaccount	850,000
Replace and Modernize IT Systems	ICA Subaccount	1,067,700
Modify E-Licensing System	State Board of Psychologist Examiners Subaccount	20,000
Update the Concealed Weapons Tracking System	DPS Subaccount	550,000

142. Requires ADOA to submit a quarterly report to JLBC on implementing projects approved by the Information Technology Authorization Committee that includes the project expenditures, deliverables, timeline for completion and current status.
143. Exempts FY 2022 appropriations from the APF from lapsing until June 30, 2023, except that the appropriation relating to the K-12 school financial transparency reporting portal is exempt until June 30, 2025.
144. Exempts FY 2022 appropriations from the APF from JLBC review except for ADOA's business one-stop web portal, the DES child care management system and ADE's school finance data system.

145. Specifies that transfers into the APF are not appropriations out of the APF and that only direct appropriations out of the APF are appropriations.

Arizona Commerce Authority (ACA)

146. Appropriates \$50,000,000 from the state GF in FY 2022 to ACA and credits the appropriated amount to the Arizona Competes Fund.

Department of Public Safety (DPS)

147. Appropriates \$48,200,000 from the Arizona Highway Patrol Fund to DPS to update the microwave backbone statewide communication system.
148. Requires DPS, by May 31 of each year until the project's completion, to submit a report to JLBC staff on the status and expenditures of the update to the microwave backbone communication system that includes current status, expenditures to date, expected expenditures to complete the update, any changes to the construction timeline, the expected completion date and any change to the scope of the update.
149. Exempts the appropriation from review by the Joint Committee on Capital Review and from lapsing until the purpose is accomplished or abandoned or the appropriation stands without expenditure or encumbrance for a full fiscal year.

Appropriation Reductions

150. Reduces, by \$74,702,000, the appropriation made from the state GF in FY 2022 to eliminate debt service payments following the retirement or defeasance of financing agreements entered into in FY 2016 and FY 2017.
151. States the Legislature intends that the retirement or defeasance of state lottery revenue bonds entered into in FY 2011 occur by June 30, 2022, and that no monies from the State Lottery Fund be distributed to debt service beginning in FY 2022 to allow the state GF to receive savings from the retirement or defeasance of state lottery revenue bonds.

Department of Economic Security (DES)

152. Allows DES, beginning April 1, 2022, to use up to \$25,000,000 from the Budget Stabilization Fund (BSF) to provide funding for reimbursement grants.
153. Requires DES, before using the BSF monies, to notify the Directors of JLBC and the Governor's OSPB.
154. Requires the BSF appropriation to be fully reimbursed by September 1, 2022, and to be reimbursed in full as part of the closing process for FY 2022.
155. Prohibits the BSF appropriation from being used for additional programmatic expenditures.

Debt Service Payments

156. Allocates \$24,498,500 of the state GF revenue in FY 2022 to the Arizona Convention Center Development Fund.
157. Asserts that the Rio Nuevo Multipurpose Facility District is estimated to receive \$16,000,000 from a portion of state transaction privilege tax revenues in FY 2022 and the actual amount of distribution will be made as outlined in statute.

Fund Transfers

158. Transfers the following amounts in FY 2022 to the relevant APF subaccount from the following sources:

Project	Fund Source	Amount
Tucson Data Center Relocation	APF	2,000,000
K-12 School Finance Transparency Reporting Portal	state GF	3,000,000
Charter School Board Online Platform	state GF	614,100
Business One-Stop Web Portal	State Web Portal Fund	3,000,000
Business One-Stop Web Portal	Automation Operations Fund	4,758,900
Child Care Management System	Federal Child Care Development Fund Block Grant	9,000,000
School Finance Data System	Empowerment Scholarship Account (ESA) Fund	4,448,900
School Finance Data System	State Treasurer ESA Fund	2,751,100
ADG's E-Licensing Solution	Arizona Benefits Fund	850,000
ICA's IT Replacement	Administrative Fund	1,067,700
Update Concealed Weapons Tracking System	Concealed Weapons Permit Fund	550,000
Board of Psychologist Examiners E-Licensing System	Board Psychologist Examiners Fund	20,000

159. Transfers \$24,205,700 from the Arizona Highway Patrol Fund in FY 2021 to the state GF.
160. Appropriates \$3,300,000 from the state GF in FY 2022 for deposit in ADOT to be distributed according to the Vehicle License Tax surcharge statute.
161. Appropriates \$1,220,800 from the Highway Expansion and Extension Loan Program Fund in FY 2022 for deposit into ADOT's Federal Fund.
162. Appropriates \$1,500,000 from the Recycling Fund in FY 2021 to the Water Quality Fee Fund.

163. Transfers the following amounts in FY 2022 for deposit into the Sexual Violence Service Fund:

Agency	Fund Source	Amount
DHS	Health Services Licensing Fund	2,370,900
DHS	Health Services Lottery Monies Fund	93,700
DHS	Indirect Cost Fund	1,339,000
DPS	Criminal Justice Enhancement Fund	343,700
DPS	Licensing Fund	251,900
DPS	Fingerprint Clearance Card Fund	1,356,400
DPS	Motor Vehicle Liability Insurance Enforcement Fund	306,800
DPS	Parity Compensation Fund	921,900
DPS	Safety Enforcement and Transportation Infrastructure Fund	202,500
ADOT	Motor Vehicle Liability Insurance Enforcement Fund	247,800
ADOT	Vehicle Inspection and Certificate of Title Enforcement Fund	565,400

Payment Deferrals

164. Continues to defer \$865,727,700 in Basic State Aid (BSA) and additional state aid (ASA) payments from ADE in FY 2022 until after June 30, 2022, but not later than July 12, 2022, and excludes charter schools and school districts with a student count less than 1,350 pupils from the deferral.
165. Requires ADE to make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.
166. Requires ADE to disburse the FY 2023 appropriation of \$865,727,700 to the counties for the school districts starting in July 1, 2022, and no later than July 12, 2022, in amounts equal to the reductions in the apportionment of BSA and ASA.
167. Requires school districts to include, in the revenue estimates that they use for computing their FY 2022 tax rates, the deferred appropriation monies that they will receive.

Statewide Operating Adjustments

General Fund (GF) and Other Fund (OF)

Area of Adjustment	GF	OF	Total
Employer Health Insurance Contribution Reduction	(20,281,100)	(18,284,300)	(38,565,400)

Area of Adjustment	GF	OF	Total
Employer Health Insurance Contribution Increase	11,213,700	14,000,000	25,213,700
Non-university State Employee 27 th Pay Period Reduction	(43,078,600)	(30,400,000)	(73,478,600)
Agency Risk Management	(1,132,200)	(425,000)	(1,557,200)
Agency Retirement	3,600,000	4,000,000	7,600,000
Arizona Financial Information System	447,800	1,000,000	1,447,800
Agency Rent	(241,700)	(100,000)	(141,700)
State Fleet Rate	2,525,200	2,000,000	4,525,200

168. Provides statewide adjustment procedures and instructions.

169. Outlines the FY 2022 individual agency charges totaling \$1,798,500 for general agency counsel provided by the AG.

FY 2023 and FY 2024 Appropriations

170. Appropriates \$1,500,000 from the ADOA subaccount in the APF in FYs 2023 and 2024 to ADOA to develop a K-12 school financial transparency reporting system.

171. Appropriates \$1,500,000 from the state GF in FYs 2023 and 2024 to deposit in the ADOA Subaccount to develop a K-12 school financial transparency reporting system.

172. Exempts the appropriations from lapsing until June 30, 2025, and from JLBC review.

School Facilities Board (SFB)

173. Appropriates \$47,950,000 from the state GF in FY 2023 for a onetime deposit in the New School Facilities Fund.

174. Requires SFB to use the monies only for facilities that will be constructed for school districts that received final approval from SFB by December 15, 2020.

175. Appropriates \$16,515,200 from the state GF in FY 2023 to SFB to distribute to the Yuma Union High School District for the construction of a new high school.

Miscellaneous

176. States the Legislature intends after FY 2022, monies received by local law enforcement agencies from Proposition 207 are expected to cover reimbursements to regional peace officer training academies for training officers.

177. States that it is the Legislature's intent is that all departments, agencies and budget units receiving appropriations continue to report actual, estimated and requested expenditures in a specified format.

178. Contains other reporting requirements.

179. Defines terms.

180. Becomes effective on the signature of the Governor.

Amendments Adopted by Committee of the Whole

1. Appropriates \$40,000 from the Consumer Fraud Fund to the AG for the Missing and Murdered Indigenous Peoples Study Committee.
2. Appropriates \$1,500,000 from the Consumer Fraud Fund to the AG for an Organized Retail Theft Task Force (Task Force).
3. Establishes the Task Force within the AG and outlines requirements and reporting requirements.
4. Clarifies DCS dates for the semiannual report.
5. Outlines allocation and reporting requirements relating to blockchain/wearable technology.
6. Increases the appropriation for Urban Aid to Maricopa Community College and Pima Community College.
7. Appropriates an additional \$1,500,000 from the state GF in FY 2022 to DES for Area Agencies on Aging.
8. Increases the K-12 rollover payment by \$35,000,000.
9. Removes additional funding for fire mitigation and suppression.
10. Appropriates \$5,000,000 from the state GF in FY 2022 to the Department of Gaming for racetrack purses and maintenance and operations funding.
11. Outlines requirements for allocation of monies for racetrack purses and maintenance and operations.
12. Requires the monies appropriated to DHS for a family health pilot program be distributed to at least two nonprofit organizations.
13. Appropriates \$95,000 and 1 FTE from the state GF in FY 2022 to the ICA for municipal firefighter reimbursement administration.
14. Reduces the appropriation for the Heritage Fund from \$10,000,000 to \$5,000,000.
15. Allows the SOS to hire one FTE to serve as a legal advisor and to represent the SOS.

16. Increases the appropriation to ASU School of Civic and Economic Thought and Leadership by \$1,500,000 from the state GF in FY 2022.
17. Appropriates \$250,000 from the state GF in FY 2022 to ASU for a Political History and Leadership Program.
18. States the appropriation for the Political History and Leadership Program is to expand the political history and leadership program within the school of historical, philosophical and religious studies at ASU.
19. Requires the monies for the Political History and Leadership Program be used at the sole discretion and approval of the lead of the program and monies be used only to directly support the program, including teaching staff and teaching support.
20. Increases the appropriation to the UA Center for the Philosophy of Freedom by \$1,000,000 from the state GF in FY 2022.
21. Increases the appropriation for the New Economy initiative by \$25,000,000 from the state GF in FY 2022.
22. Appropriates \$1,500,000 from the Recycling Fund to the Water Quality Fee Fund.
23. Requires ADWR to use the monies in the Agua Fria Flood Insurance Study to complete a study of the hydrology and hydraulics of the Agua Fria River from New Waddell Dam to the confluence with the Gila River.
24. Allows ADWR to contract with an engineering firm that has not contracted with or otherwise associated with a county flood control district in an Arizona county with a population of more than 1,500,000 persons.
25. Requires ADWR to complete the report by March 31, 2023.
26. Appropriates \$470,000,000 from the state GF in FY 2021 to ADOA for the retirement or defeasance of the financing agreement entered Laws 2009, Third Special Session, Chapter 6, Section 32.
27. Allows the Director of ADOA, for and on behalf of the School Facilities Board, execute and deliver documents, engage fiduciaries and take or direct all actions necessary in connection with the retirement and defeasance of the financing agreement.
28. Reverts any monies after the retirement or defeasances are executed to the state GF.
29. Increases the appropriation to the PSPRS to reduce the unfunded accrued liability from \$300,000,000 to \$500,000,000 from the state GF in FY 2021.
30. Appropriates \$500,000,000 from the state GF in FY 2021 to the PSPRS to be deposited in the employer account of the State Department of CORP group to reduce the unfunded accrued liability.

31. Requires the Board of Trustees (Board) of the PRPRS account for the appropriation in the June 30, 2021 actuarial valuation of both PRPRS and CORP.
32. Requires the Board to account for the appropriation when calculating the employee contribution rates and employer rates, which PRPRS and CORP must use when making contributions during FY 2023.
33. Changes the \$3,300,000 appropriation to the Highway User Revenue Fund to ADOT to be distributed by the Vehicle License Tax surcharge statute.
34. Changes the multi-year revenue and expenditure estimates.
35. Makes technical and conforming changes.

Senate Action

APPROP 5/25/21 DP 6-4-1

Prepared by Senate Research

June 22, 2021

LMM/lb