



FY 2024 Executive Budget

January 13, 2023

Arizona Governor's Office of Strategic Planning and Budgeting

Overview

- The Economy and State Revenues
- FY 2024 Budget Overview
- FY 2024 Budget Priorities
 - Education
 - Health & Welfare
 - Government that Works
 - Culture & Natural Resources
 - Public Safety

The Economy and State Revenues

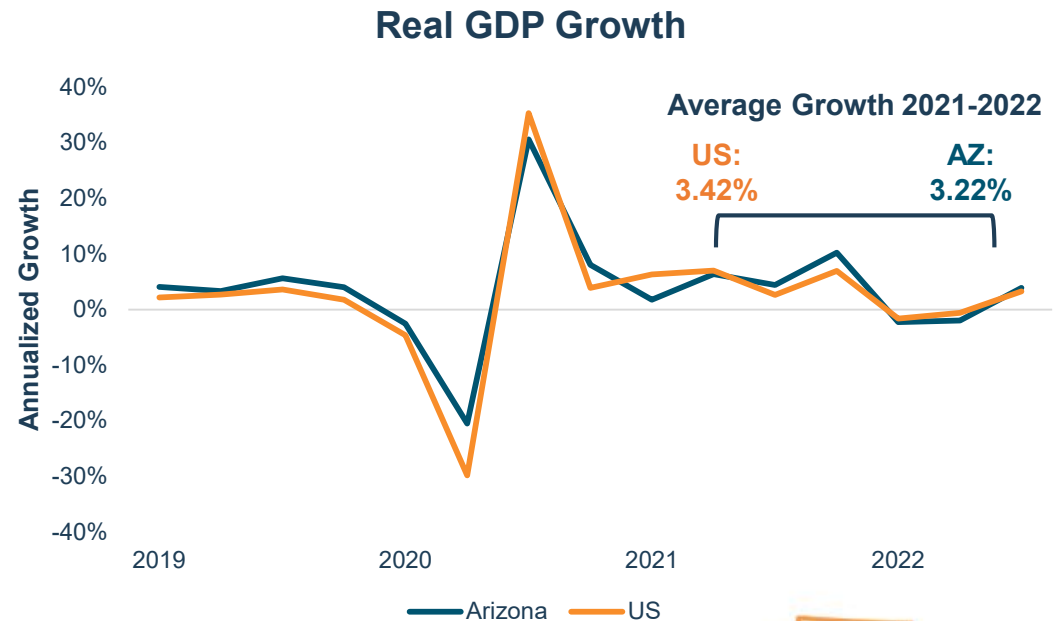
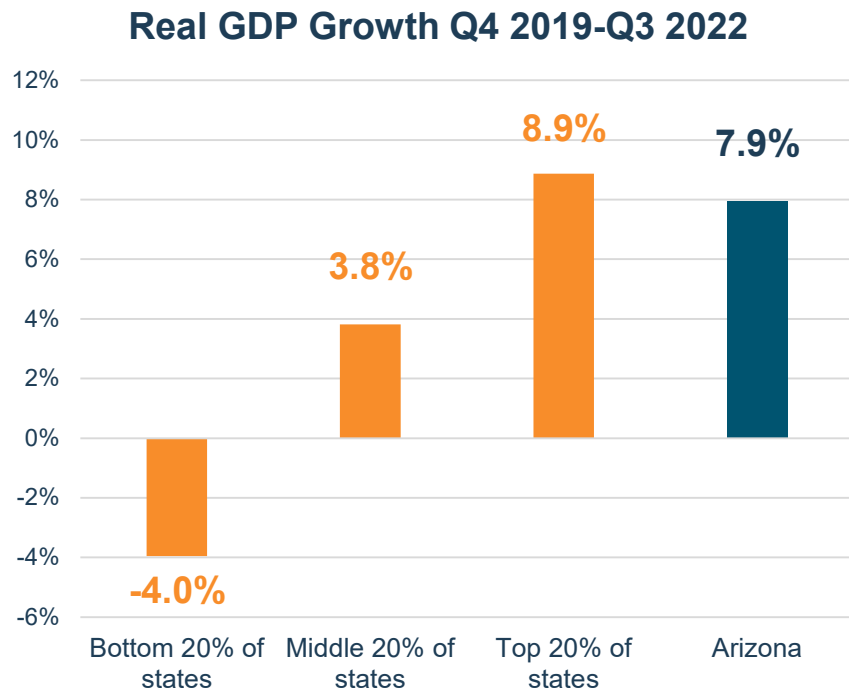
“Even as our state continues to be an incredible place to live and work, we can do more to help our fellow Arizonans get ahead.”

Governor Katie Hobbs



Arizona Growth Ranks 6th in the Nation

- Arizona has experienced similar GDP growth to the nation since 2021
- However, relative to pre-pandemic GDP levels, AZ growth nearly doubles that of U.S., and it ranks **6th among all states**



The Arizona Economy Is Strong

5th

In personal income
growth
2011-2021

7th

In job growth
above pre-
pandemic levels

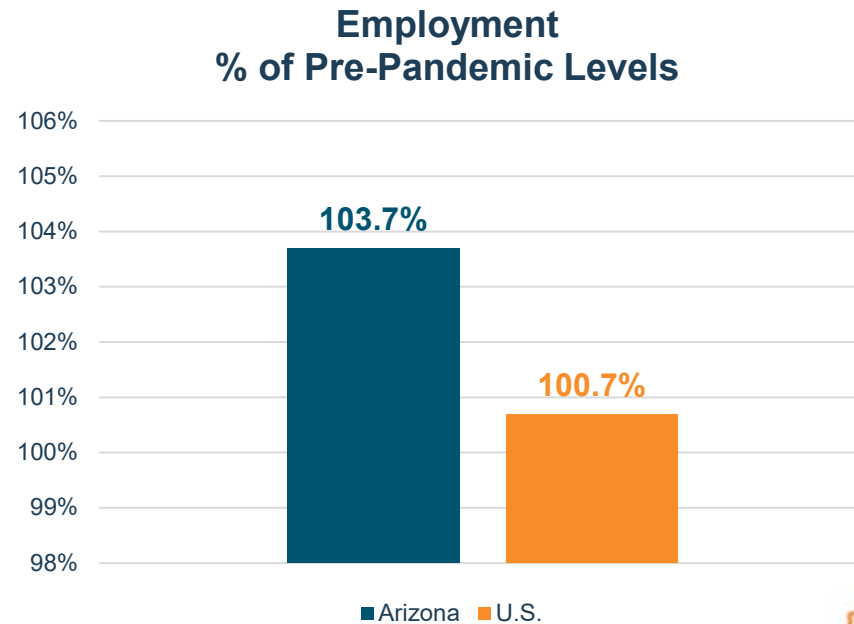
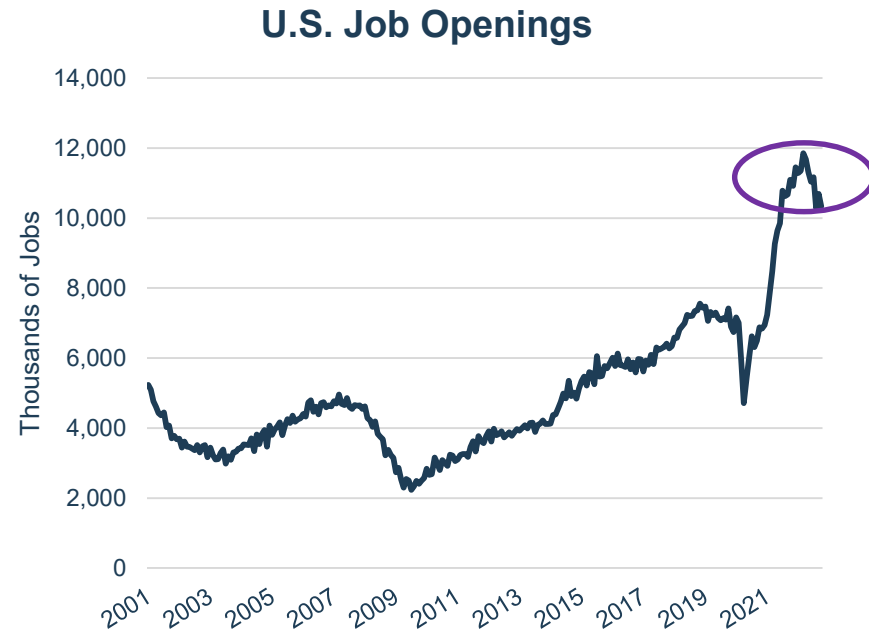
8th

In population growth
Jul 2021 - Jul 2022

- Arizona continues to attract people and businesses alike, putting it in the top 10 in both population growth and net migration
- Movement and expansion of high-tech manufacturing firms in Arizona will continue to promote growth

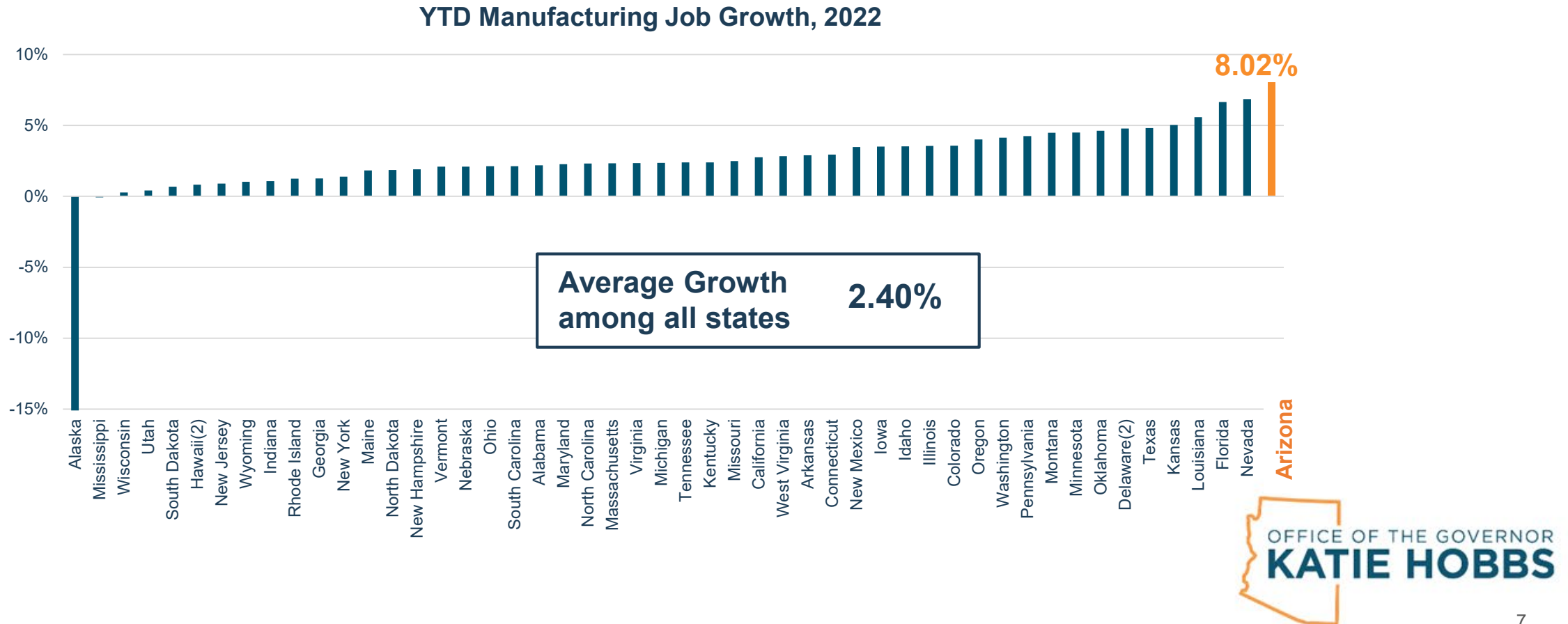
A Robust Labor Market

- U.S. job openings skyrocketed in 2021 and 2022, and remain near record highs
- **Arizona has been one of the fastest states in the nation to recover Covid-19 job losses**
- Unemployment in Arizona has ticked up; **remains below 2019 levels**



Arizona #1 In Manufacturing Job Growth

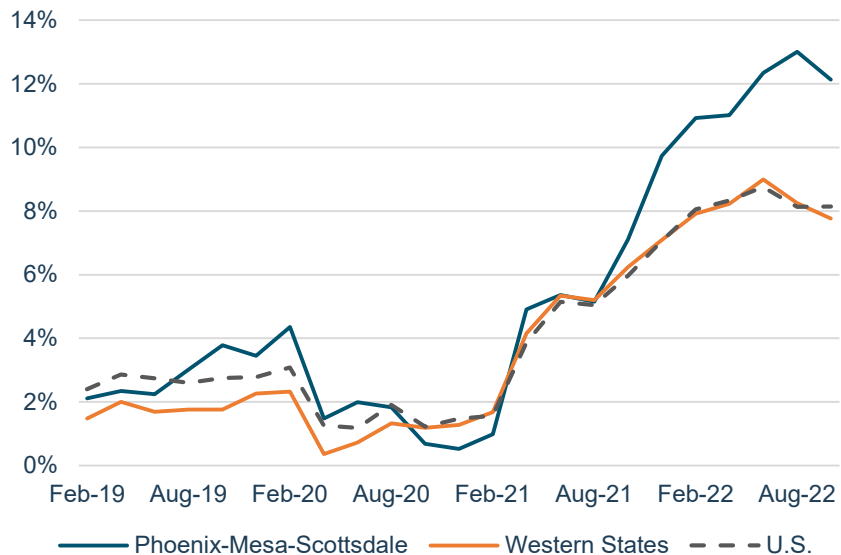
- Last year, Arizona led the nation in manufacturing job growth with **over 8.0% growth** from January to November of 2022



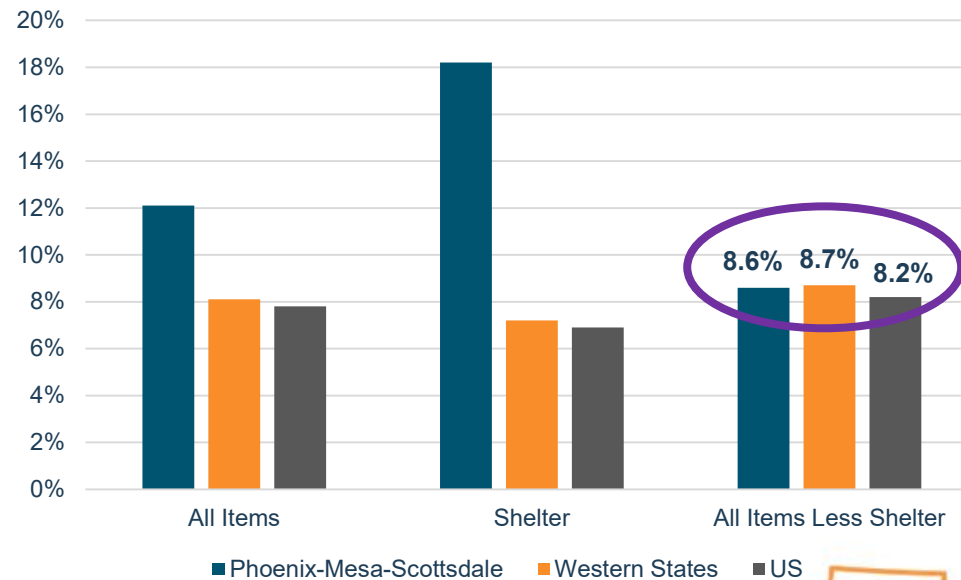
High Inflation Plagues U.S. And Arizona

- Inflation is still near 40-year highs despite moderating slightly at the end of 2022
- Arizona has experienced some of the highest inflation of all states, due to persistently high housing prices
- Excluding shelter and housing, inflation in Arizona is on par with the U.S.

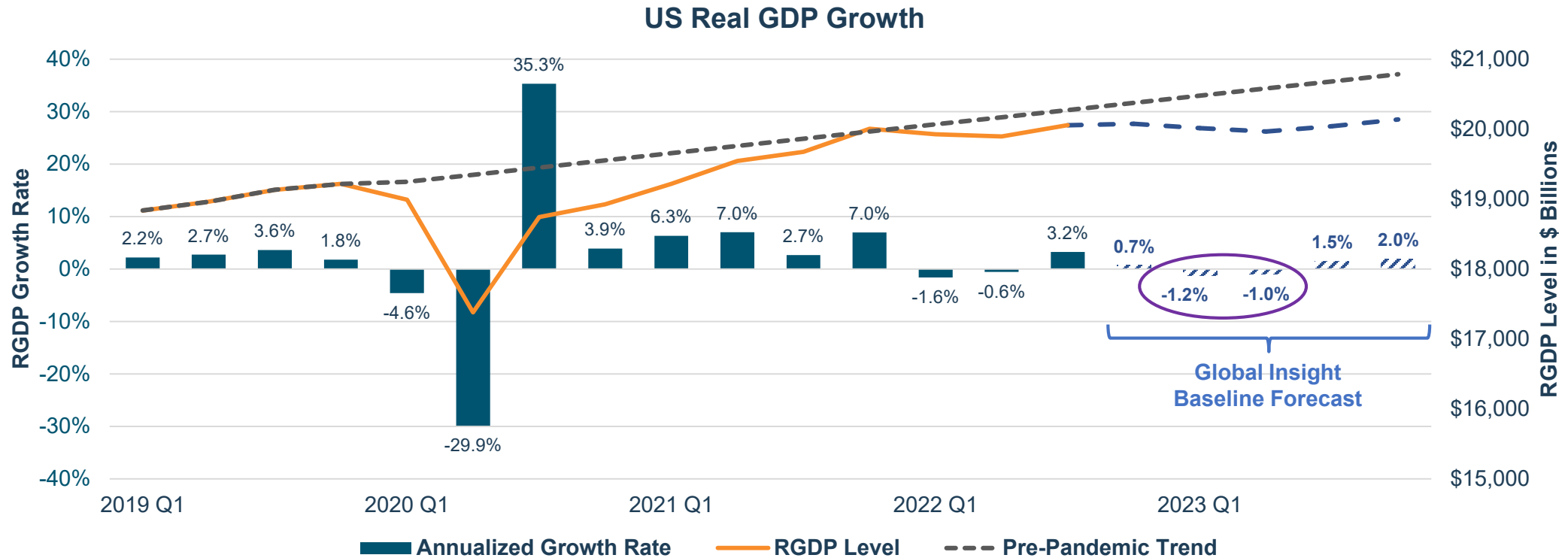
CPI All Items



CPI (October)



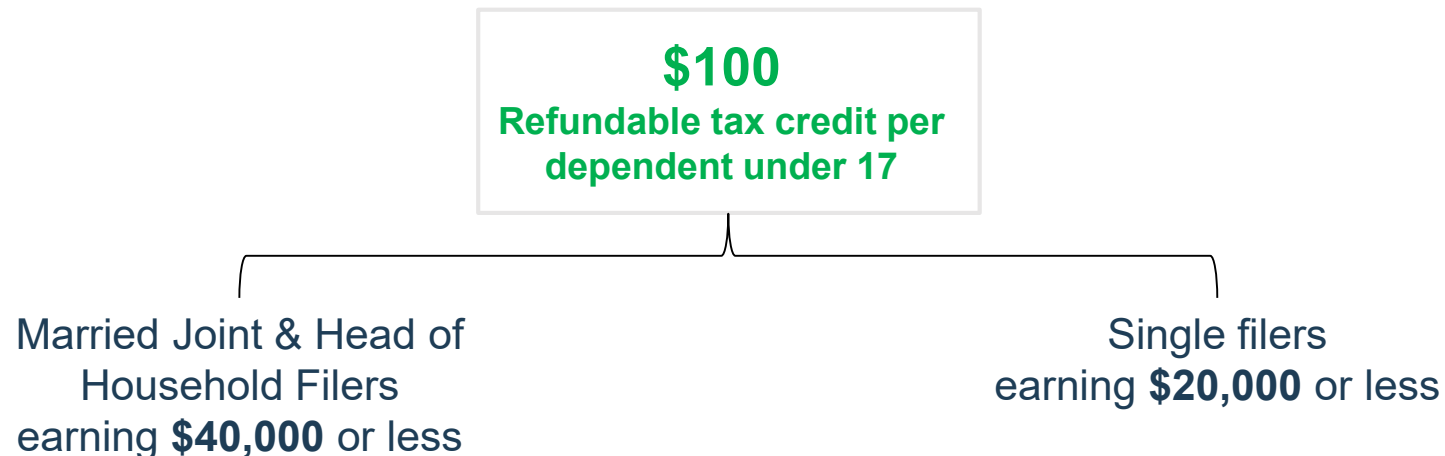
Economic Slowing On The Horizon



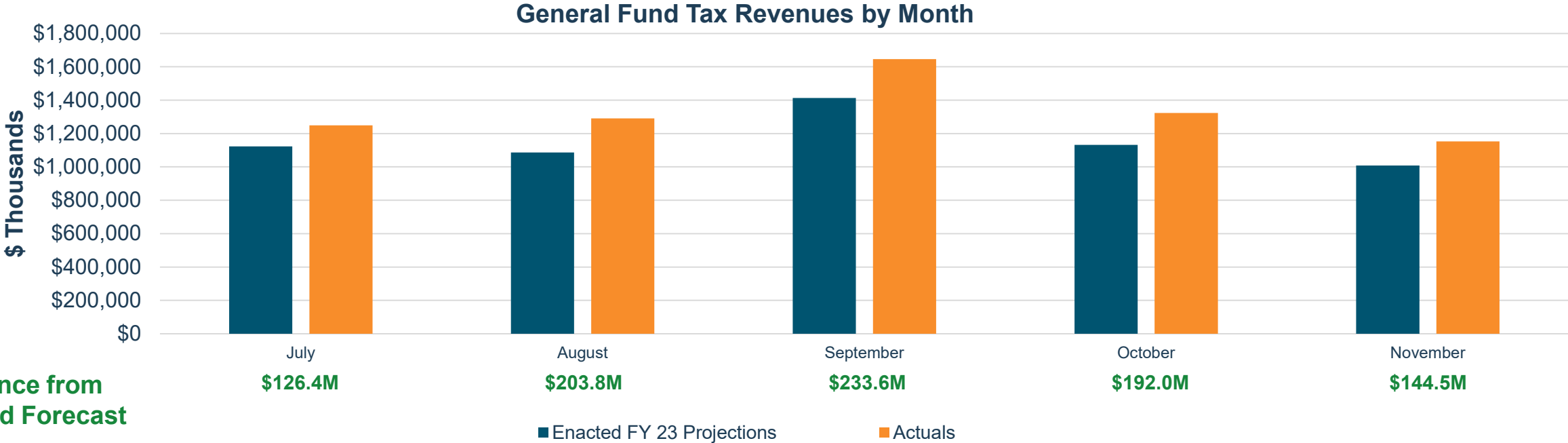
- After returning to the pre-pandemic trend in 2021, U.S. growth fell in 2022
- Economic slowing and/or a recession is expected in 2023

Affordability And Tax Reforms

- Two new transaction privilege tax (TPT) exemptions
 - Children's diapers - estimated **\$(16.0M)** ongoing
 - Feminine hygiene products – estimated **\$(24.0M)** ongoing
- Child tax credit beginning tax year 2023
 - Estimated **\$(50.0M)** ongoing



FY 2023 Revenues Remain Strong – May Overstate True Revenue Performance

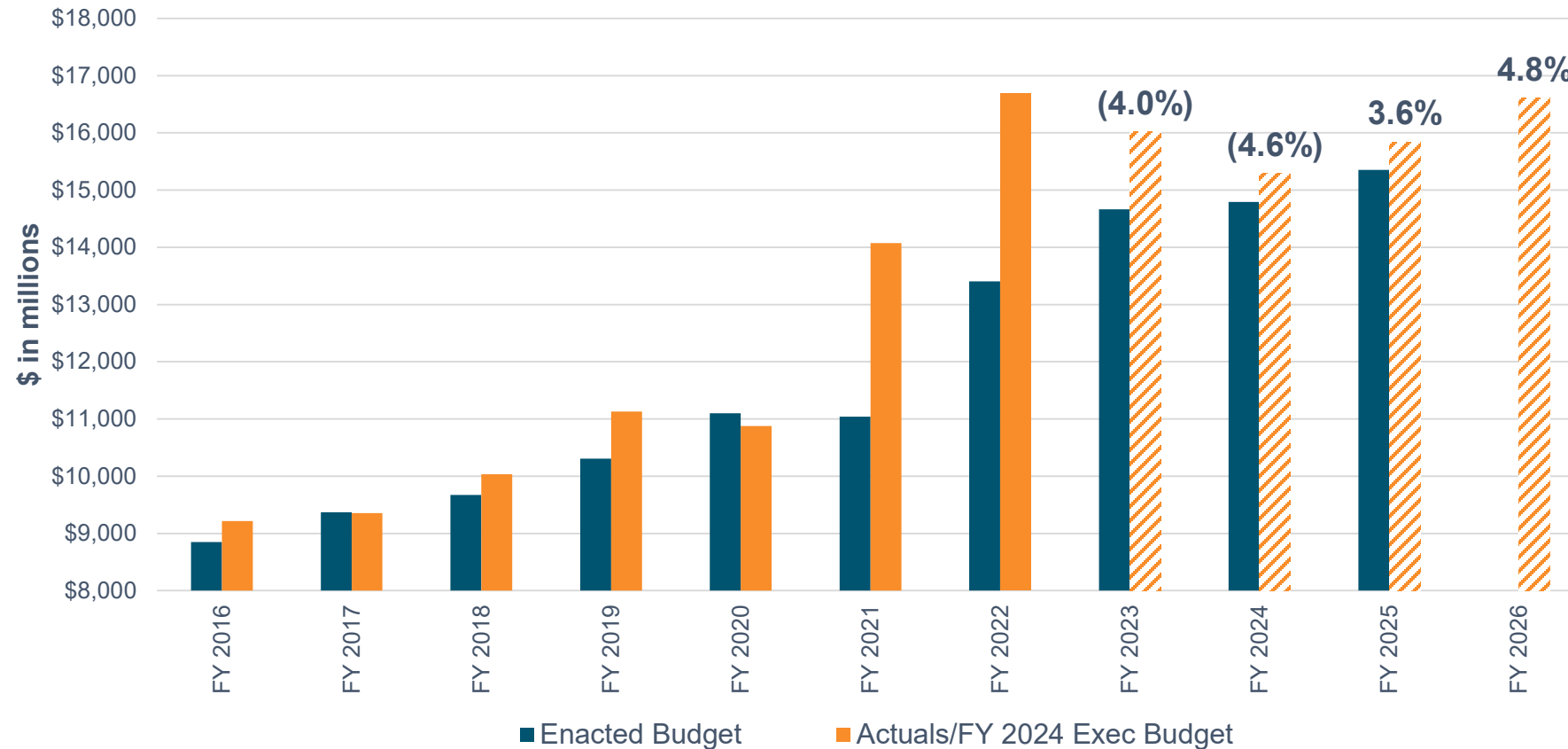


- FY 2023 will be the first fiscal year with reduced individual income tax rates according to the new law
- Taxpayers may not have adjusted to the new, lower tax rates, meaning current performance may be overstated; **this may result in a higher level of refunds during tax season**



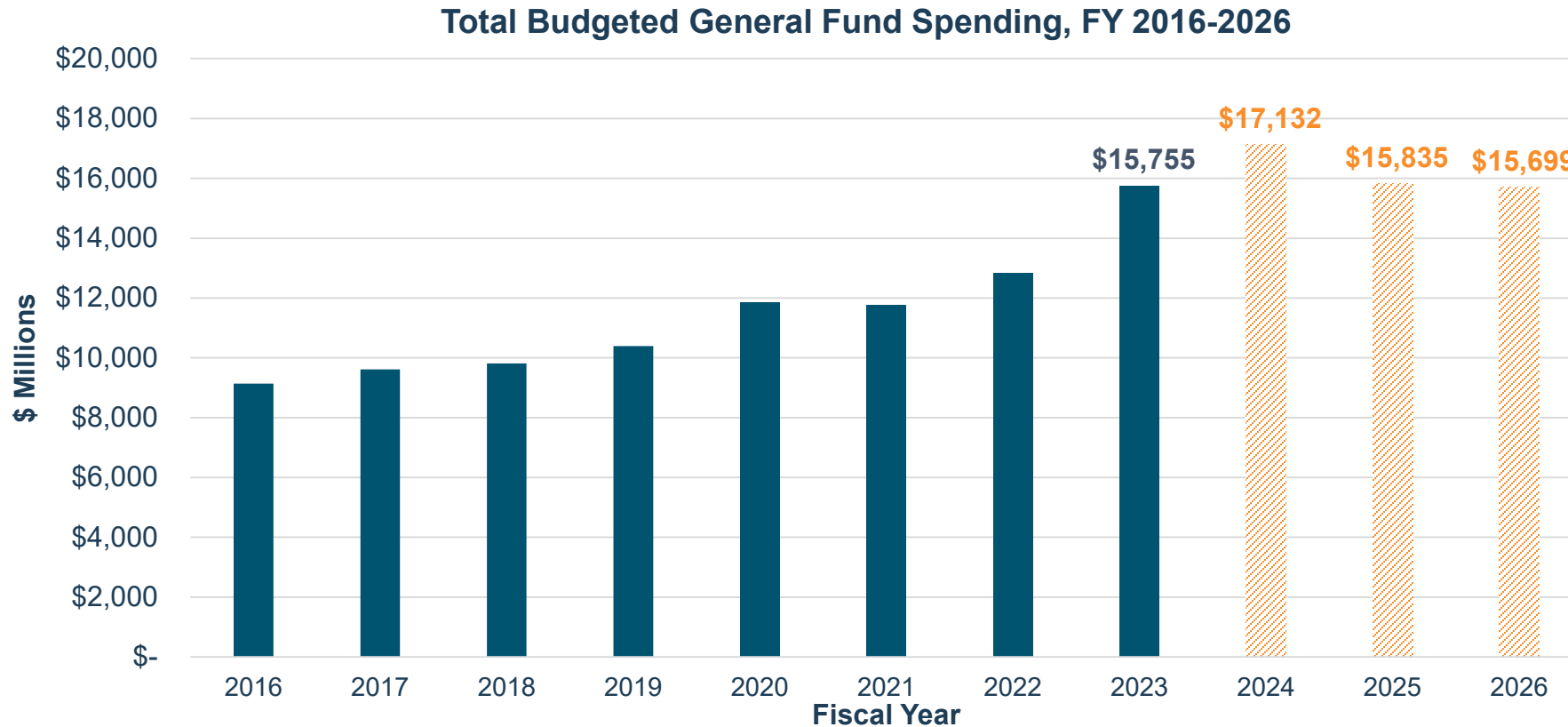
Executive Ongoing Revenue Forecast

- The FY 2024 Executive Budget contemplates revenue declines through 2024 due to prior enacted income tax cuts
- Modest growth forecasted for FY 2025 and beyond



Executive Total Spending Forecast

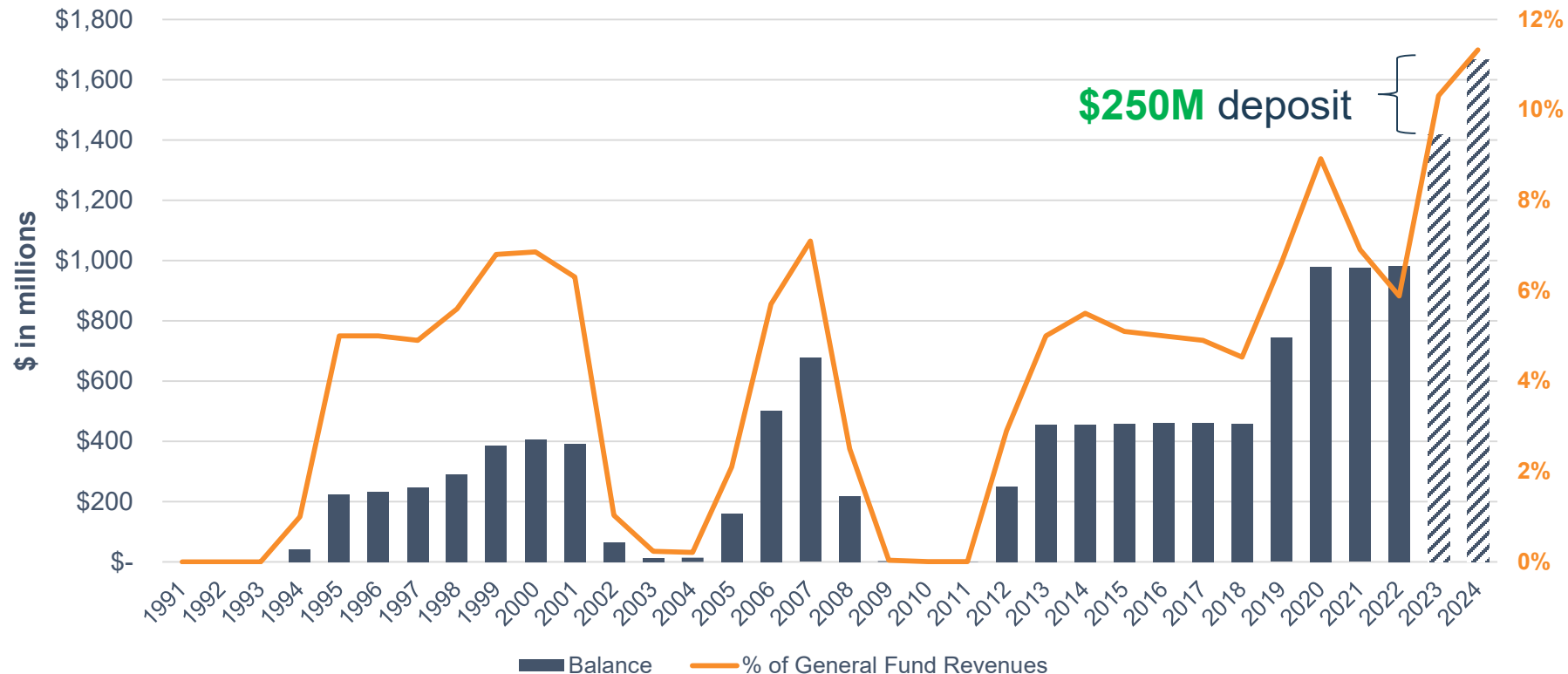
- Of the **\$17.1B** in total spending in FY 2024, **\$2.1B** is one-time
- Spending levels moderate in FY 2025 and 2026



Prioritizing Fiscal Responsibility

- The FY 2024 Executive Budget includes a **\$250.0M** deposit into the “rainy day fund”
- Balance is projected to exceed **\$1.6B** in 2024 - the highest balance in state history

Arizona's Rainy Day Fund



FY 2024 Budget Overview

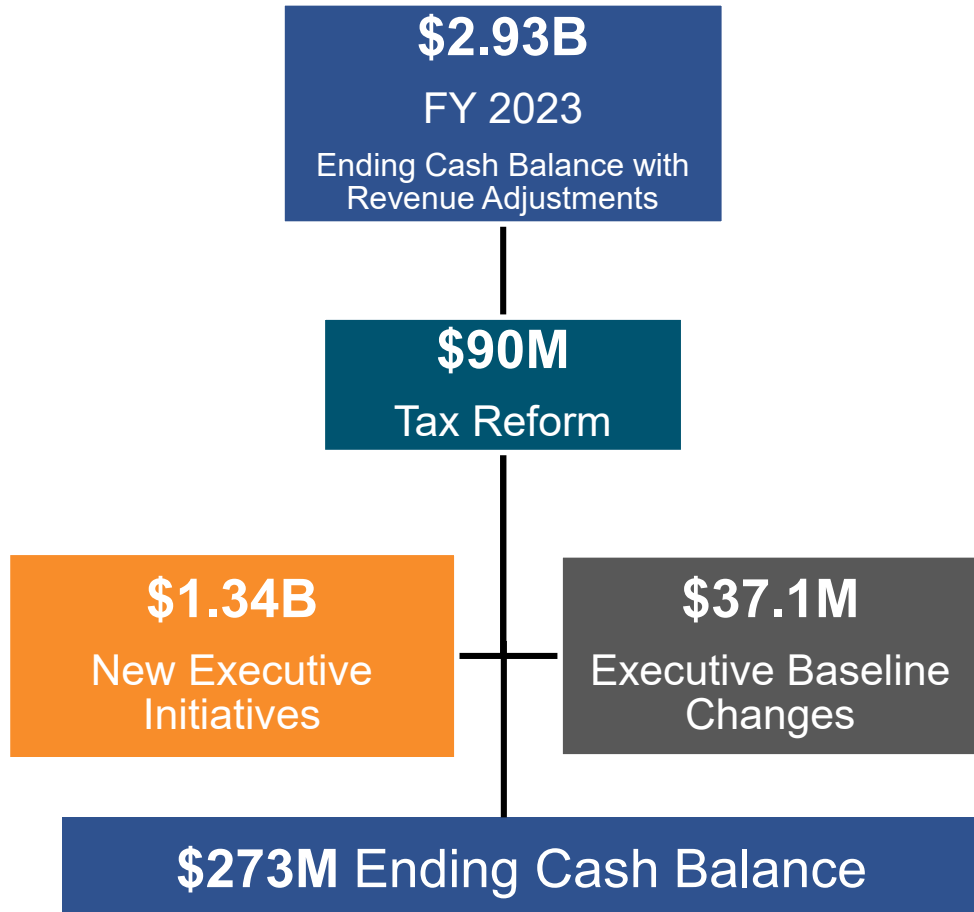
General Fund Sources and Uses

General Fund Sources and Uses (\$ in thousands)

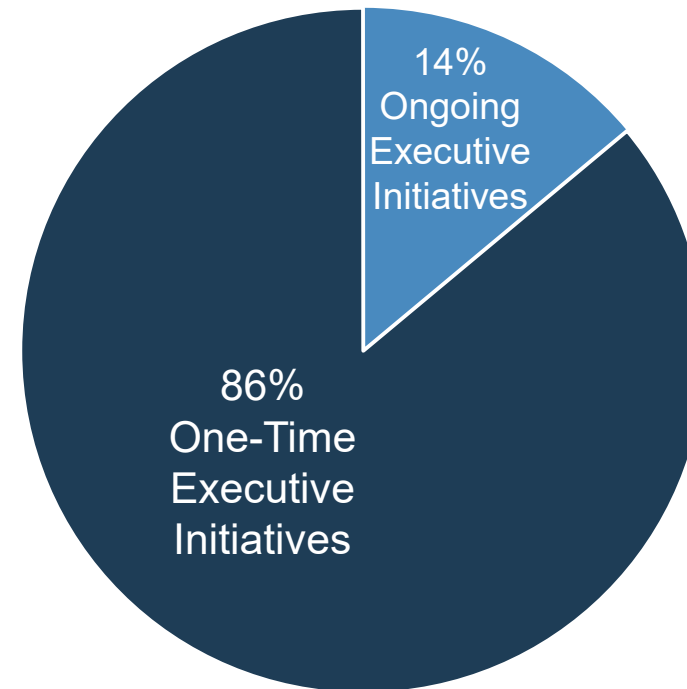
	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Balance	\$ 4,709,446.0	\$ 2,933,878.9	\$ 273,010.2	\$ 96,390.7
Revenues	\$ 13,736,368.5	\$ 14,720,733.5	\$ 15,658,001.5	\$ 16,484,317.8
Total Available	\$ 18,445,814.5	\$ 17,654,612.4	\$ 15,931,011.7	\$ 16,580,708.5
Total Uses	\$ 15,511,935.5	\$ 17,131,602.2	\$ 15,834,621.1	\$ 15,699,019.9
Rainy Day Fund	\$ -	\$ 250,000.0	\$ -	\$ -
Ending Cash Balance	\$ 2,933,879.0	\$ 273,010.2	\$ 96,390.6	\$ 881,688.6
Ending Structural Balance	\$ 1,848,674.9	\$ 65,156.3	\$ 281,849.4	\$ 807,592.6

FY 2024 Executive Funding

The \$1.34B New Executive Initiatives are primarily composed of one-time items. The Executive Budget results in an ending cash balance of \$273M.



Composition of New Executive Initiatives



Education

“Arizonans have made clear it’s time to rebuild and reinvest in our public schools.”

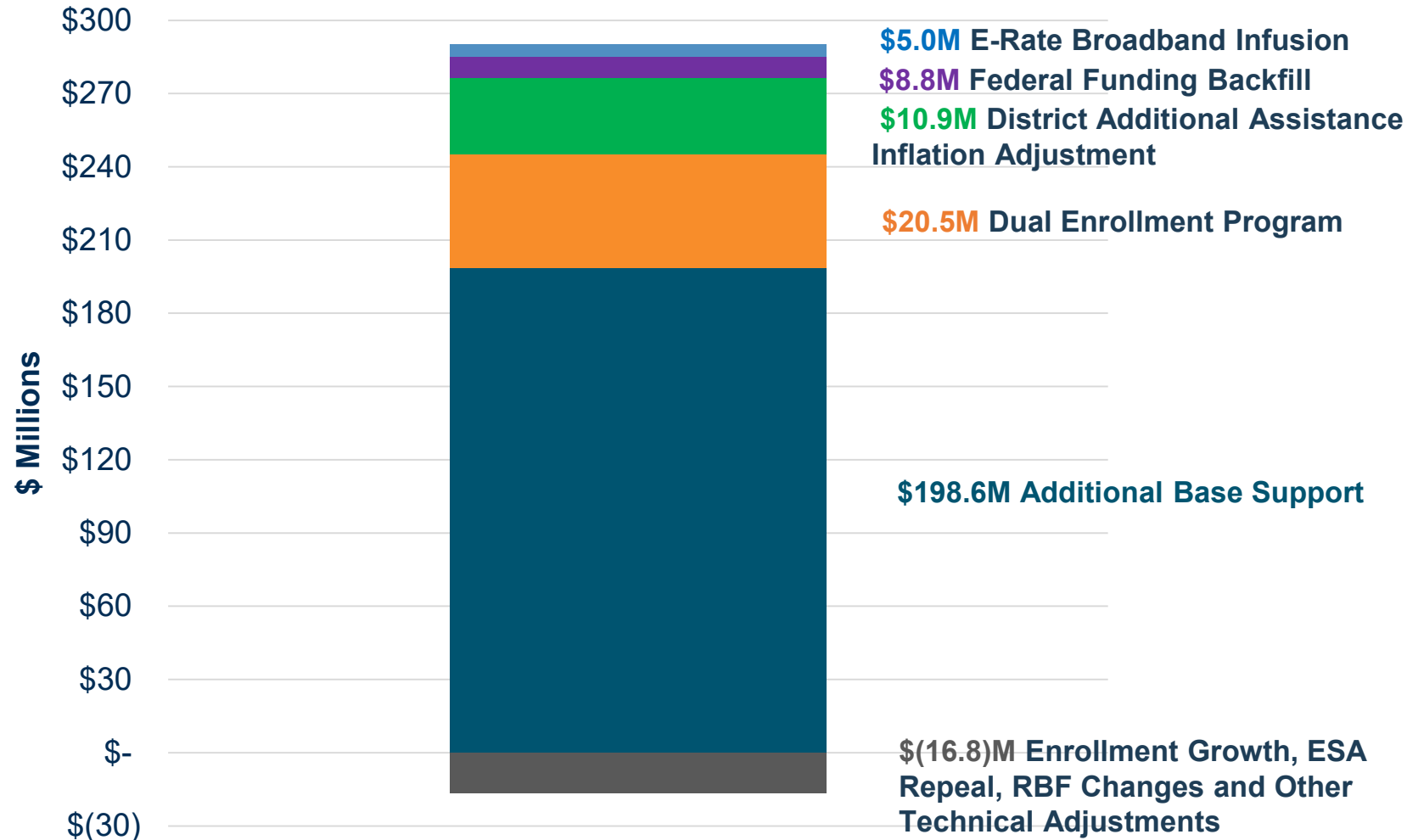
Governor Katie Hobbs

Empowerment Scholarship Account Fixes

- Repeal of ESA Universal Expansion
 - A repeal results in **\$144.4M** in savings for FY 2024
 - If not repealed, universal ESAs are on pace to cost **\$1.5B** over a 10 year period
- This action will save taxpayer dollars from an underreported and unnecessary use and bolster support for our public schools
- Charter schools and ESA funded private schools will be held to the same reporting requirements as district schools

Funding All Arizona Schools Fairly

\$273.7M in new K-12 Investments, \$9.0B in Total Funding



\$8,250
State
Funding Per-
Pupil

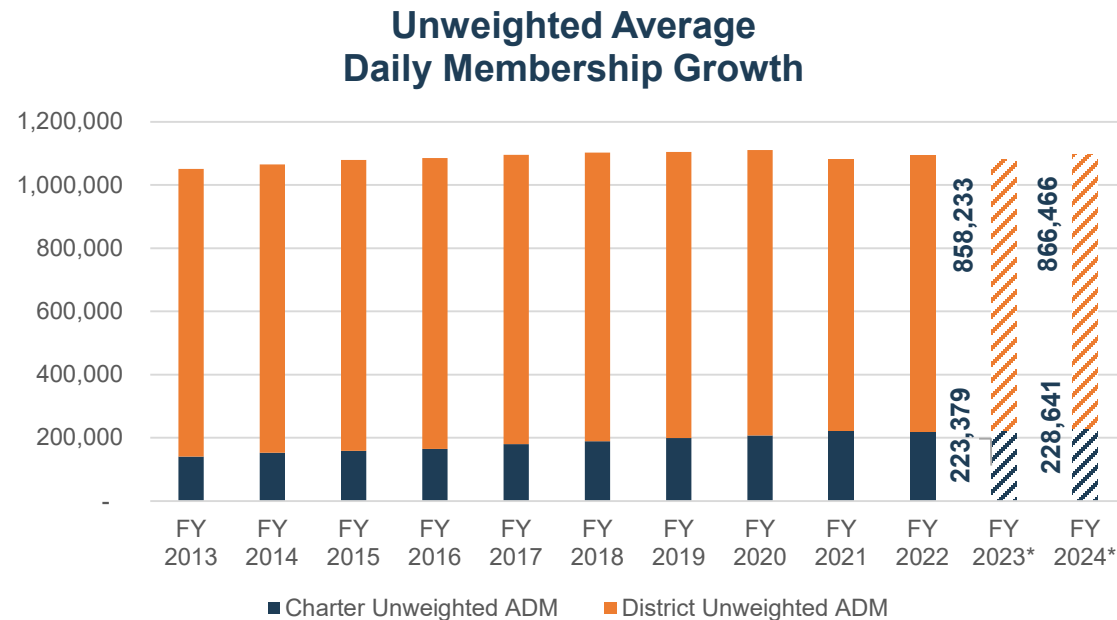


Additional Base Support Funding

- **\$198.6M** towards base support funding
 - \$130.0M in new funding from savings realized from repealing the universal ESA expansion is added to the Base Support Level
 - \$68.6M is infused into Basic State Aid via the elimination of the inequitable Results Based Funding model

Enrollment Trends

- **\$109.2M** for a 1.25% enrollment increase
 - FY 2023 saw enrollment declines due to the passage of Universal Empowerment Scholarship Accounts expansion. With a repeal in FY 2024, the Executive forecasts an anticipated increase in student enrollment.



Expanding Support for Students & Educators

- **Educator Retention Taskforce**

- The taskforce will provide best practices and recommendations for attracting, retaining, and supporting educators in Arizona public schools

- **\$20.5M** for Dual Enrollment Program

- Offers low-income students a \$50 reimbursement per credit hour, up to 6 credit hours for students in grades 9 and 10, and up to 12 credit hours for students in grades 11 and 12

- **\$5.0M** for E-Rate Broadband Matching

- Assists schools in developing broadband infrastructure so that student needs can be served
- Historical rate of return for federal matching would result in a total investment of \$65.0M

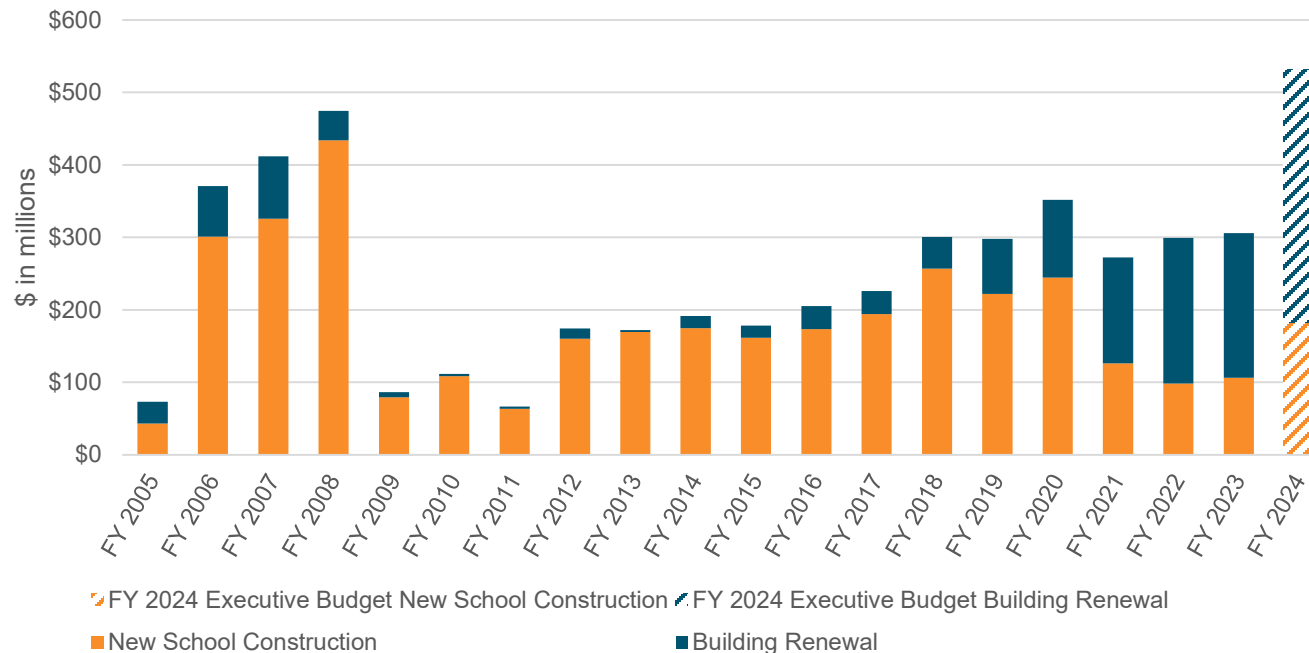
Addressing Inflation

- **\$177.9M** for inflation adjustments to the Base Support Level, Charter Additional Assistance, and Transportation Support
 - This adjustment is statutorily capped at 2%
- **\$10.9M** for a new statutory annual inflation adjustment to District Additional Assistance
 - This adjustment will be statutorily capped at 2%
- **\$2.4M** is provided to the Arizona School for the Deaf and Blind for transportation support

Funding School Facilities

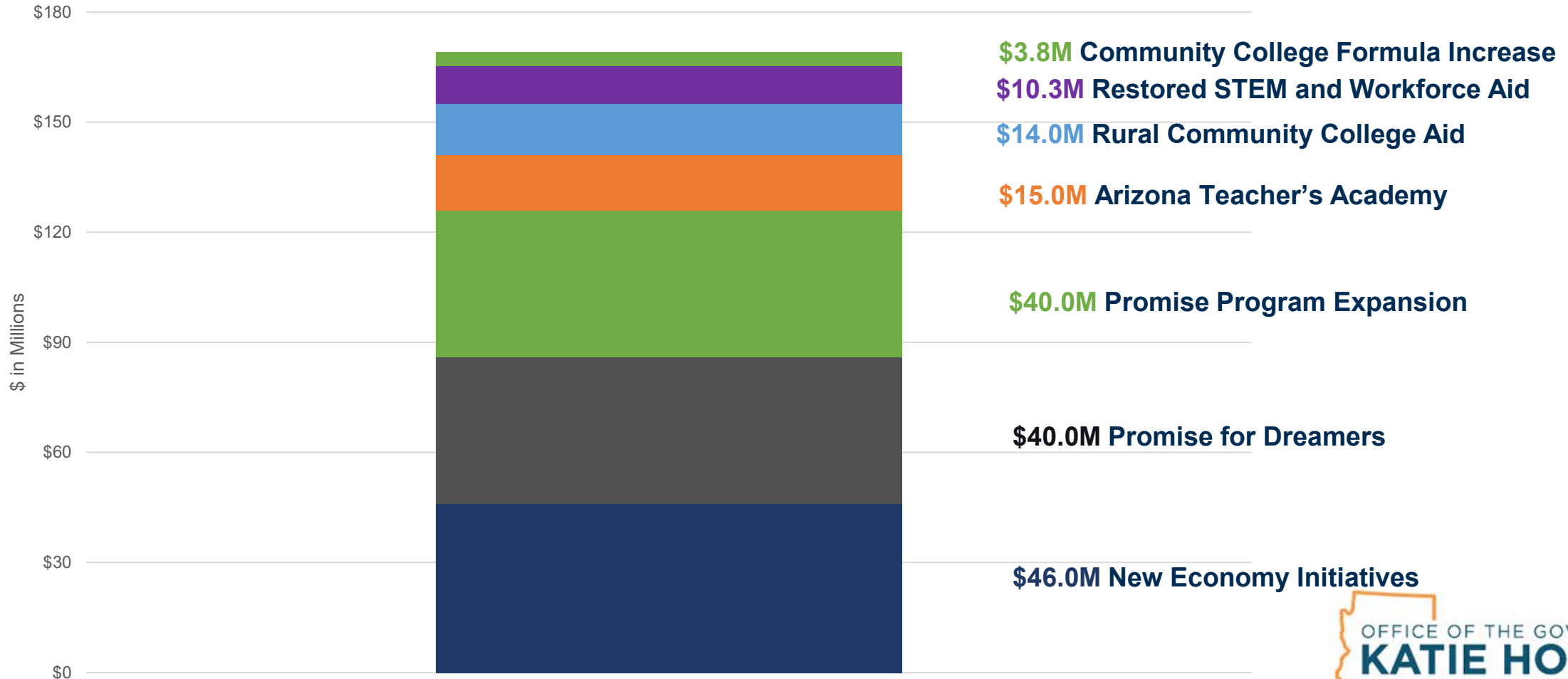
The FY 2024 Executive Budget a historic investment in school facilities; the largest investment in at least 20 years

- **\$172.7M** one-time to complete three new schools already under construction and start construction on new projects
- **\$348.9M** one-time for building renewal projects at school facilities
 - **\$1M** to develop and implement a plan to conduct in-person inspections of school facilities



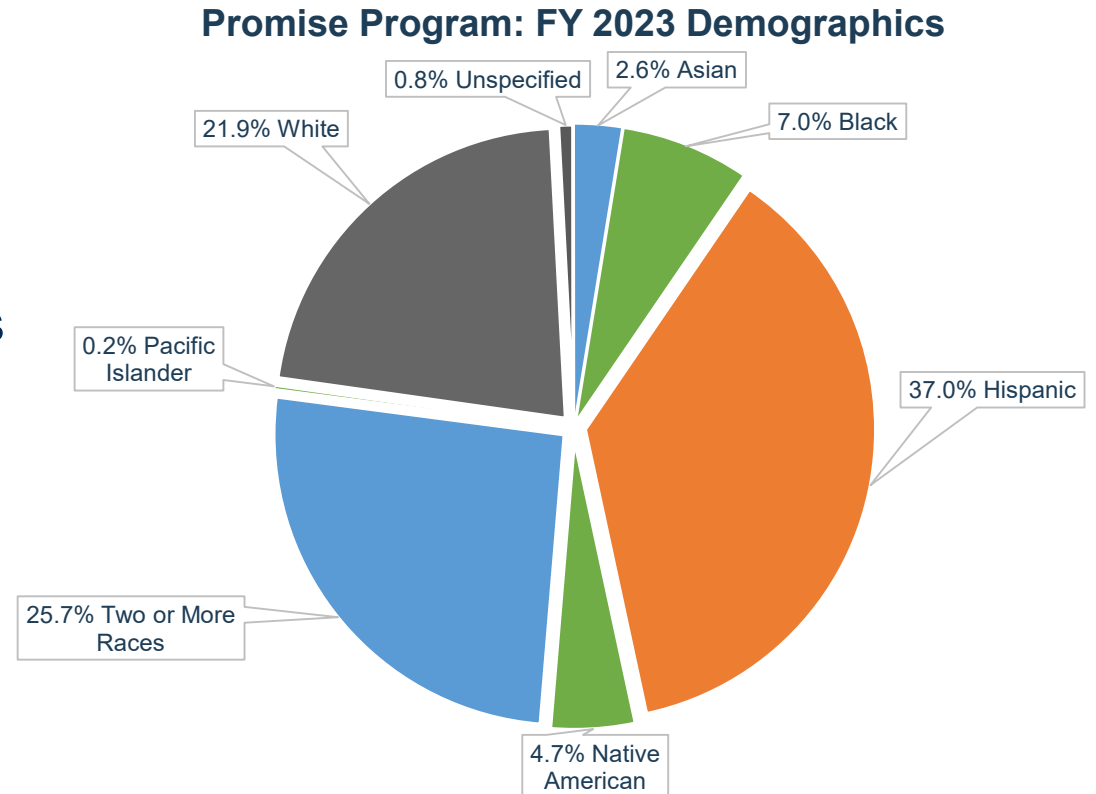
\$169.1M in Higher Education Investments

\$2.4B in Total Funding



Making Higher Education Attainable for More Arizonans

- **\$40.0M** to expand the Arizona Promise Program
 - Projected to fund **15,600** students
 - Builds upon \$20.0M in base funding for the Promise Program
 - Administered by the Arizona Board of Regents
 - Fills the tuition gap for students that are fully Pell-Eligible
- **\$40.0M** to create the Promise for Dreamers Program
 - Projected to fund **3,113** students
 - Builds off voter approved Proposition 308 in line with the will of Arizona voters



Investing in Arizona's Economic Future

- **\$46.0M** to support the Universities' New Economy Workforce Initiatives
 - The New Economy Initiatives are designed to expand and establish programs that prepare students for careers in future high-demand jobs
- **\$15.0M** to address the operating shortfall at the Arizona Teacher's Academy
- **\$14.0M** in aid to the ten rural Community Colleges
 - Doubling the State's investment in Rural Community College Aid
- **\$10.3M** to continue restored STEM and Workforce funding for Maricopa, Pima, and Pinal Community Colleges in order to match STEM and Workforce funding for rural counties

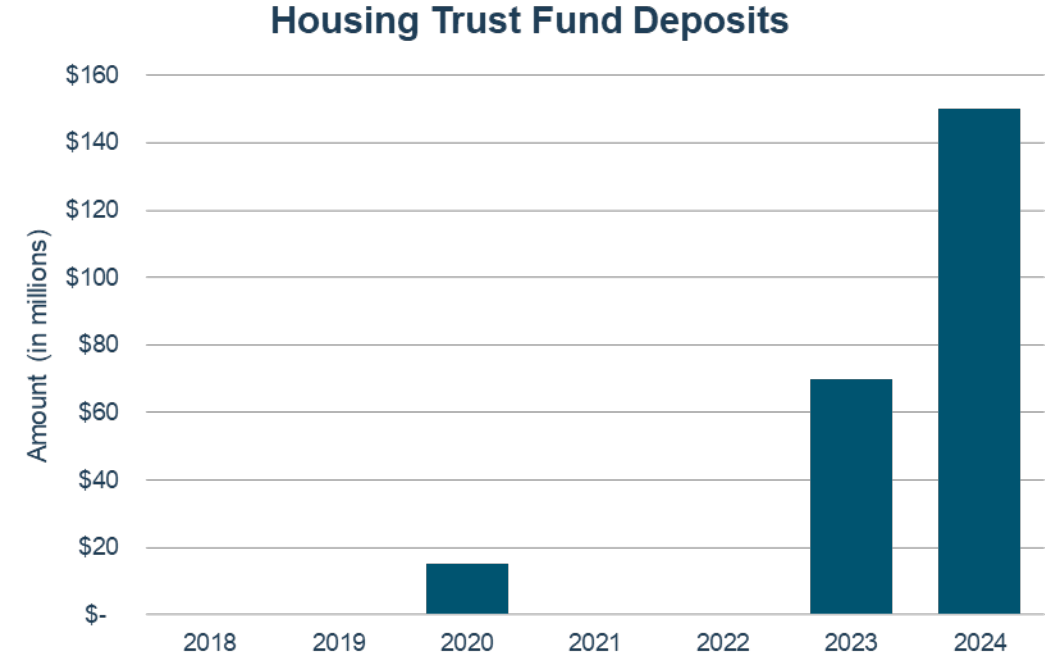
Health & Welfare

“One of the things I learned as a social worker is the power of prosperity - when families are doing well, so many other things start going the same way.”

Governor Katie Hobbs

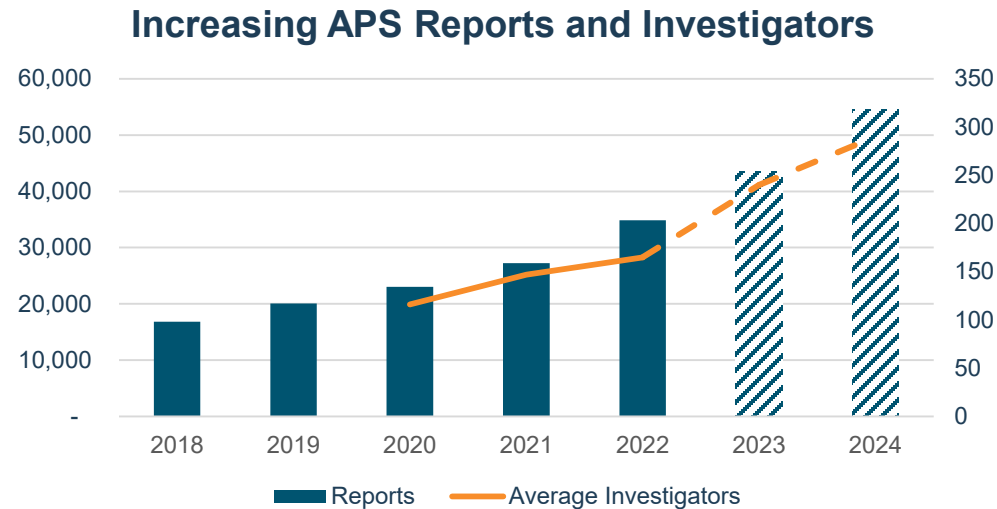
Housing Investment

- **\$150.0M** deposit into the Housing Trust Fund to support those at risk of becoming unhoused in Arizona through:
 - Utility assistance
 - Emergency rental assistance
 - Legal aid for families facing eviction
 - Home repair grant program for seniors
 - And other eligible Housing Trust Fund uses



Supporting Vulnerable Arizonans

- **\$14.6M** for Adult Protective Services (APS) for additional caseworkers and to backfill Victims of Crime Act (VOCA) grant funding



- **\$4.4M** for the Arizona Early Intervention Program to backfill provider rate increases supported by American Rescue Plan Act (ARPA) funding
- **\$1.5M** for IT security expansion to protect critical, sensitive data

Supporting Vulnerable Arizonans Continued

- **\$145.8M** General Fund for Developmental Disability Caseload growth and reduction in Federal Medical Assistance Percentage (FMAP) matching dollars
 - The main driver for the increase is the reduction of FMAP matching dollars
- **\$115.8M** Expenditure Authority to maximize available federal dollars for Home and Community Based Services (HCBS) through the ARPA directly distributed to DES
 - This money will continue to support direct care workers and IT enhancement in new programs associated with this additional federal funding

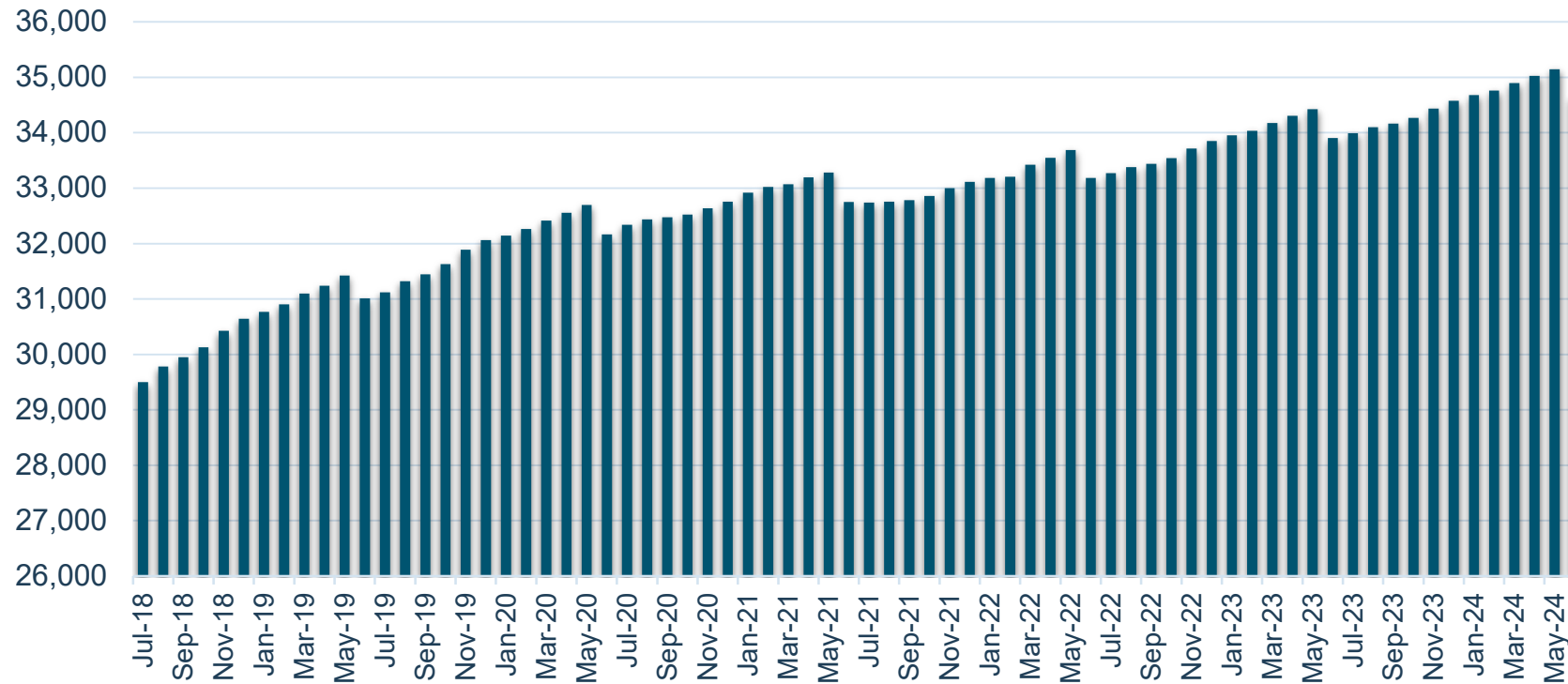
FMAP Phase Out by Quarter		
State Fiscal Year	Quarter	FMAP
FY 2023	1	76.22%
	2	75.76%
	3	75.76%
	4	74.56%
FY 2024	1	72.06%
	2	67.79%
	3	66.29%
	4	66.29%

Department of Child Safety Caseload

- **Foster Care - \$10.8M to backfill a loss in federal funding**
 - \$5.9M for eligibility reduction from 49.8% to 35.2%
 - \$4.9M for further eligibility reduction from 35.2% to 25.0%
- **Adoption Services – \$11.5M to address:**
 - \$5.5M for an estimated 2.1% caseload increase (723 adoptions)
 - \$2.0M for a reduction in the Adoption Incentive Award
 - \$4.0M for Adoption Savings Reinvestment through the Positive Parenting Program

Department of Child Safety Caseload Continued

DCS Adoption Population Projections (Monthly)



Department of Child Safety Initiatives

- **Visitation Aide Expansion**
 - 80.0 additional FTE positions in order to address the visitation backlog for children in the foster care system
 - This will not require any additional funding to implement
- **Continuing Arizona Healthy Families Expansion**
 - \$2.5M in order to expand the program to an additional 300 families
 - The Department will serve a total of 1,400 families in FY 2024
- **Vehicle Replacement**
 - \$2.3M to replace 50 aging vehicles at DCS. This will help ensure that children in DCS custody are transported safely

AHCCCS IT Modernization – Mainframe System Replacement

- The Arizona Health Care Cost Containment System (AHCCCS) is currently using a 30+ year old mainframe for all of its case management and member eligibility services
- The Executive Budget provides **\$2.7M** to start the multiyear replacement of that system
 - **\$2.0M** is for a systems integrator
 - **\$700,000** is for replacing the first set of modules

End of Federal Covid-19 Public Health Emergency

- The Executive Budget includes **\$257.0M** for AHCCCS program caseload growth and unwinding of federal Covid-19 policies.
- **Baseline FMAP Change** – 3.3% decrease in Arizona’s federal match rate for Medicaid expenses.
- **Phase Out of Enhanced FMAP Rate** – Phase out of the 6.2% boost to federal Medicaid match during calendar year 2023.
- **Capitation Rate Growth** – Expecting 4.0% growth in per-member per-month costs.
- **Eligibility Determination Resumes** – AHCCCS can resume determining eligibility for members on April 1, 2023.

AHCCCS Initiatives

- **\$463.5M** Expenditure Authority to maximize available federal dollars for Home and Community Based Services (HCBS) through ARPA directly distributed to AHCCCS
 - This money will continue to support direct care workers and IT enhancement in new programs associated with this one-time additional federal funding
- **\$20M** to expand the income eligibility cutoff for the KidsCare program from 200 percent of the federal poverty level to 300 percent of the federal poverty level

Family Planning and Inclusive Pregnancy Services

- **\$6.1M** to establish a grant program to provide family planning services to low-income individuals.
 - Expands the State's efforts in providing family planning services, including counseling and medical services, to low-income individuals regarding reproductive health to improve birth outcomes.
- **\$200,000** moving from the Homeless Pregnant Women Services SLI to the Department of Health Services' operating budget for pregnancy services that are inclusive of all options and support personal choice

Government that Works

“Those who work in public service should feel empowered and it is our responsibility to ensure barriers to accessibility and opportunities are broken down for all.”

Governor Katie Hobbs



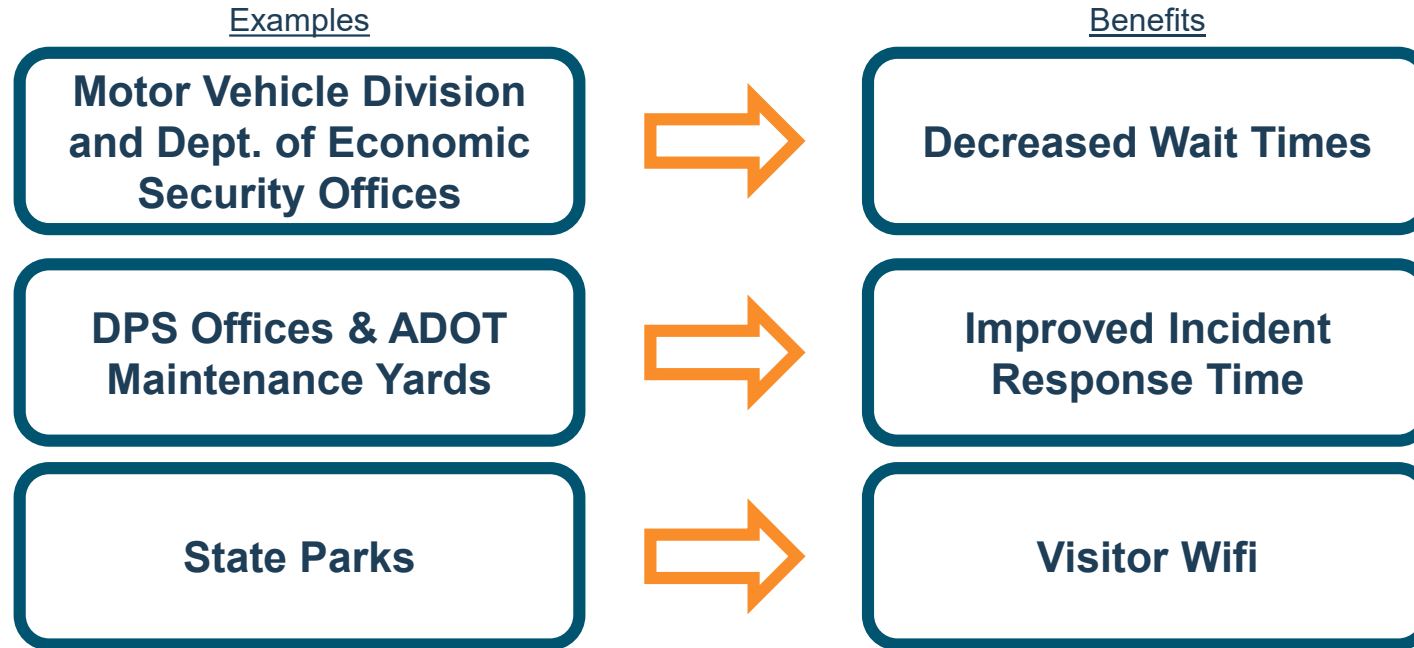
Critical Improvements to State Facilities

- **\$205.0M** towards capital outlay projects at agencies
- Largest building renewal investment in ADOA's building system in over 35 years

FY 2024 Building Renewal	
Agency	Amount
ADOA Building System	\$39,124,664
Corrections	\$65,629,300
Transportation	\$22,390,200
Exposition & State Fair	\$3,802,149
State Parks & Trails	\$3,034,355
Game and Fish	\$1,776,410
Pioneers' Home	\$468,653
State Lottery Commission	\$214,178
TOTAL	\$136,439,909

Deploying Broadband at State Facilities

- **\$16.0M** to enhance broadband infrastructure at State facilities

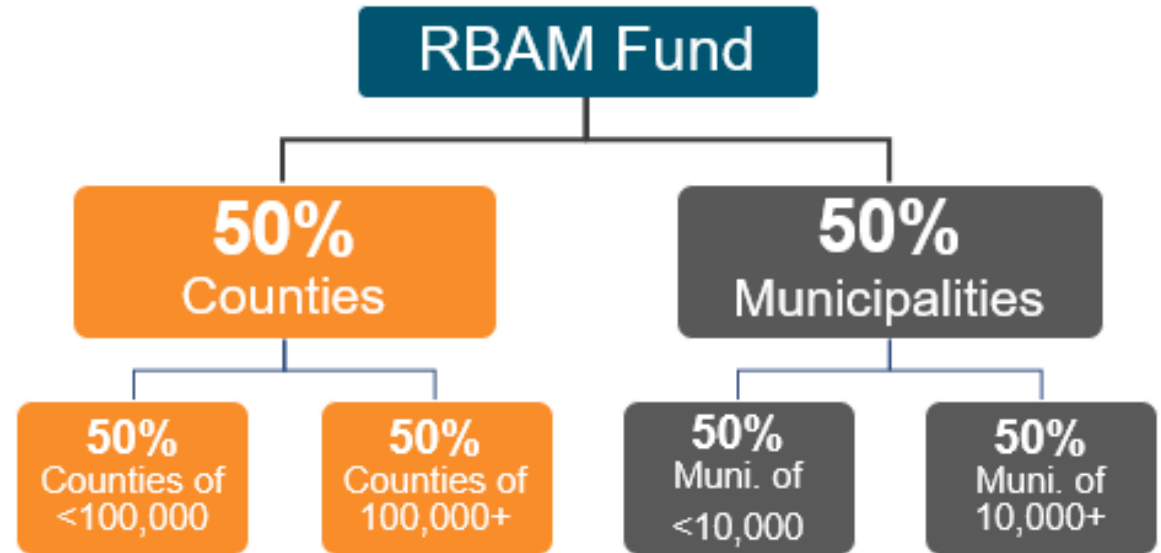


- ADOA will place emphasis on facilities within Greater Arizona, bundle facilities to maximize investment, and seek to leverage State facilities as anchor institutions to connect local communities.

Investing in Broadband Deployment in Greater Arizona

- **\$50.0M** deposit into the newly established Rural Broadband Accelerated Match (RBAM) Fund
- The RBAM Fund is designed to assist non-state eligible entities meet the match requirement associated with the federal Broadband, Equity, Access, and Deployment (BEAD) program within the Investment in Infrastructure and Jobs Act (IIJA)
- BEAD funds broadband infrastructure in unserved and underserved locations

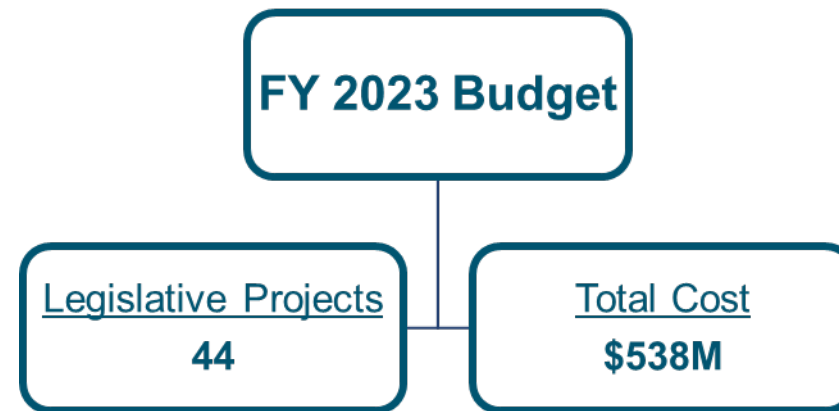
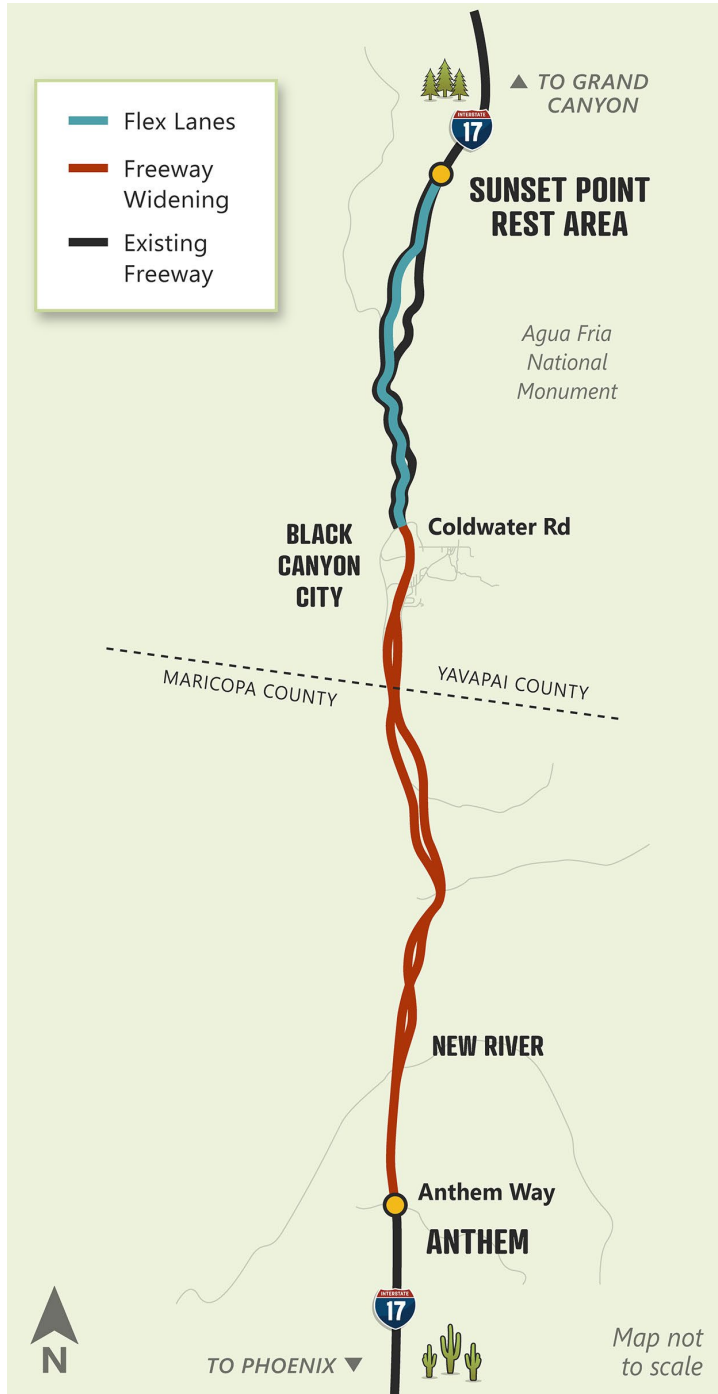
RBAM Fund Allocation Structure*



*To ensure an equitable distribution, a county with a population above 1 million or a municipality in an urbanized area of a county with a population above 1 million is not eligible for the RBAM Fund.

I-17 Expansion Shortfall

- The FY 2020 Budget initiated the project to construct a third highway lane in both directions between Anthem and Black Canyon City and a flex lane from Black Canyon City to Sunset Point
- Project facing **\$76.2M** shortfall due to unforeseen events associated with changes in Federal law and increased construction costs
- To address the shortfall, the Executive has instructed ADOT to review the merit of the Legislative transportation projects included in the FY 2023 Budget



Phoenix Passenger Rail Restoration

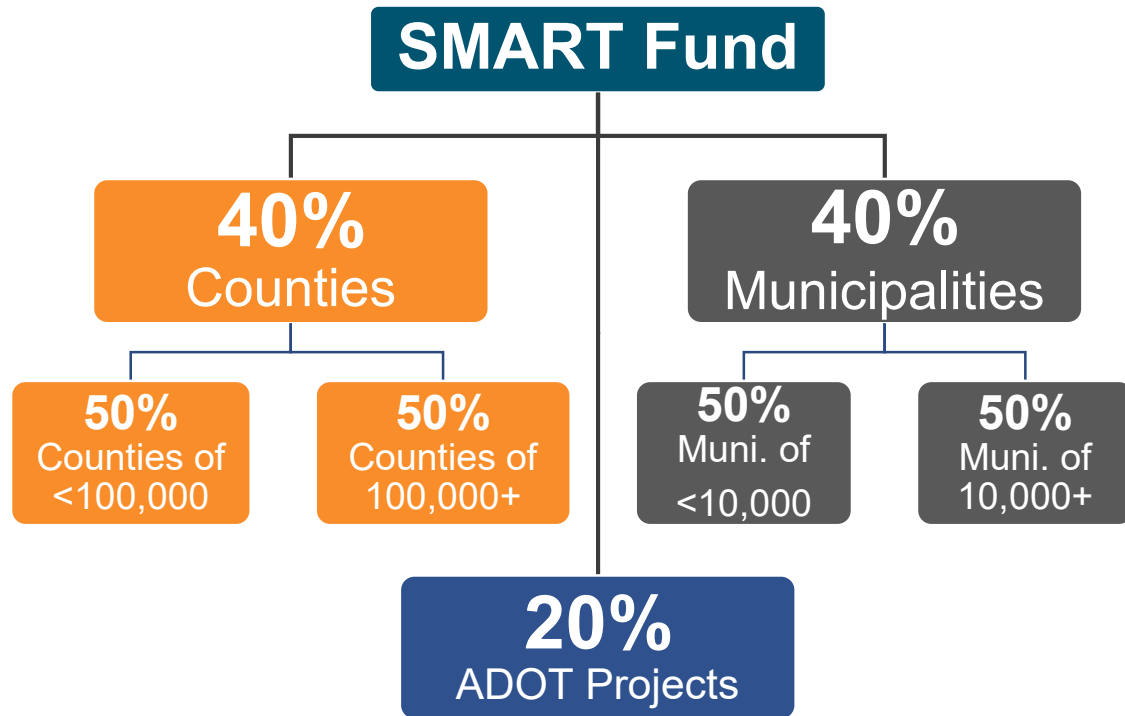
- The federal Investment in Infrastructure and Jobs Act (IIJA) set aside funding to initiate, restore, or enhance passenger rail service throughout the nation
- **\$7.5M** to be leveraged for federal support and funding in an effort to restore interstate passenger rail service to Phoenix
- Phoenix has not had interstate passenger rail service since 1996
- This initiative is intended to be a catalyst to partner with local entities in securing federal support and funding to restore interstate passenger rail service to Phoenix



Source: Amtrak Connect US

SMART Fund Deposit

SMART Fund Allocation Structure*

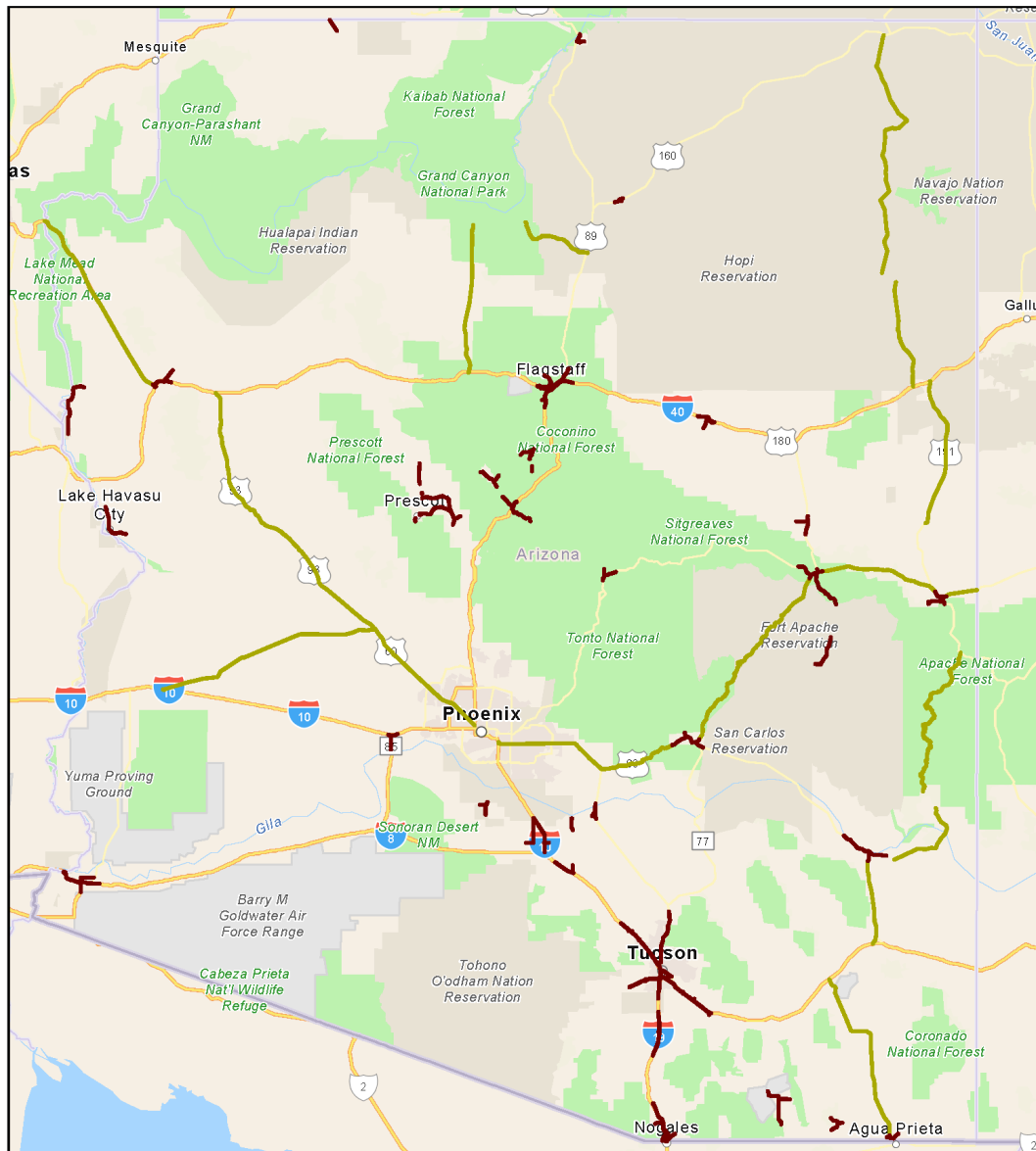


*To ensure an equitable distribution, a county with a population above 1 million or a municipality in an urbanized area of a county with a population above 1 million is not eligible for the RBAM Fund.

- The SMART Fund is designed to assist with costs associated with applying for and securing federal competitive transportation grants
- **\$25.0M** deposit into the State Match Advantage for Rural Transportation (SMART) Fund
- The additional deposit will ensure Arizona's competitiveness in drawing down these federal dollars

Statewide Targeted Litter Removal

- **\$3.1M** in addition to base funding to provide monthly litter-removal services on select interstate highways and highly visible routes throughout the state that currently do not receive regular litter removal
- Litter on and along State highways present safety concerns for travelers, produce negative environmental impacts, and affect tourism by detracting from the enjoyment of traveling in Arizona



— Litter Pickup Routes
— High Visibility Routes

State Fleet Modernization

- **\$15.0M** to install electric vehicle charging and advanced-fuel infrastructure, which is integral to modernize the fleet to become sustainable and reduce the State's negative environmental impact
- **\$10.1M** to replace 206 vehicles located at 26 agencies within the State Fleet
 - Of the 206 vehicles, 203 vehicles will be at least ten years old at time of replacement
- ADOT has been instructed to seek advanced fuel vehicle options when purchasing a vehicle, if the alternative fuel vehicle achieves its intended purpose, is cost effective, and is attainable
- The Executive Budget formally migrates the Arizona Schools for the Deaf and Blind into the State Fleet and removes their statutory exemption
- In addition, the Executive Budget instructs ADOT and Arizona Department of Child Safety (DCS) to start developing a FY 2025 proposal to migrate the DCS Fleet into the State Fleet

Ensuring Fair and Secure Elections

- **\$5.9M** for the 2024 Presidential Preference Election
- **\$1.5M** to support the Independent Redistricting Commission's voter protected duties
- **\$2.4M** to continue leveraging Help America Vote Act (HAVA) funding
 - **\$1.9M** to provide county subgrants, maintain election security, update infrastructure and equipment, and improve voter education by utilizing the State's HAVA Election Security Grant award
 - **\$477,500** for the Access Voter Information Database (AVID) for maintenance and operations
- **\$11.0M** is moved from the Treasurer's Office to the Secretary of State to address the objectives outlined by the Governor's Bipartisan Elections Task Force and enhance the accessibility, accuracy, and security of elections

Attorney General Initiatives

- **\$3.9M** for a 15% salary raise for the Child and Family Protection Division
- **\$3.0M** to support 18.5 FTE positions within the Criminal Division of the Attorney General's Office
- **\$1.8M** in funding for 13.0 FTE positions which make up 27% of the Consumer Protection and Advocacy Section at the Attorney General's Office to backfill settlement money that funded these positions
- **\$674,200** for 3.0 additional FTE positions and salary raises in the Civil Rights Section

Funding Initiatives for Courts

Superior Court

- **\$7.6M** for a Probation Stabilization Fund to support future raises for probation officers

Supreme Court

- **\$3.3M** to replace the Probation Case Management System (CMS)
 - The existing system was written over 20 years ago and is outdated. The new system will have additional features such as remote access.
- **\$1.3M** to cover a shortfall in the Courts' automation funding
 - The automation funding supports technology infrastructure and systems such as electronic portals for e-filing, management of court documents, and background checks

Investing in State Employees

- **\$200.0M** is provided to the Department of Administration to improve retention of State employees in FY24
- **\$54.3M** to increase salaries of targeted positions with high vacancy rates and difficulty recruiting, as well as to address compression and equity issues

FY 2024 Salary Increases by Agency		
Agency	Description	Funding Increase
AHCCCS	Nursing Positions	\$996,100
Board of Nursing	Nursing Positions	\$205,100
Economic Security	Nursing Positions	\$1,306,700
Health Services	Nursing Positions and all ASH Staff	\$3,925,600
Juvenile Corrections	Nursing Positions	\$149,000
Pioneers' Home	Nursing Positions	\$299,300
Veterans' Services	Nursing Positions	\$2,541,500
Attorney General	Child and Family Protection and Criminal Divisions	\$4,145,700
Child Safety	Caseworkers, Case Aides, Program Specialists, and Program Supervisors	\$23,676,000
Courts	Probation Officers and Justices	\$9,929,200
Transportation	Addresses compression and equity issues	\$7,100,000
TOTAL FY 2024 INVESTMENT		\$54,274,200



Culture & Natural Resources

“Together, we can build a more sustainable, resilient, and livable Arizona for everyone.”

Governor Katie Hobbs

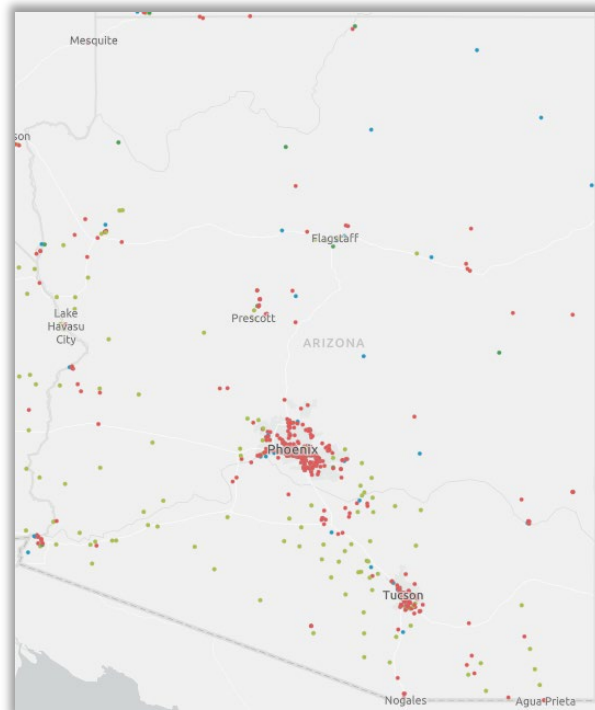
Strengthening Rural Arizona Water Supplies

- **\$20.0M** one-time is provided for initiatives to help rural communities better protect and gain access to water supplies
 - **\$5.0M** is for statewide water resource planning – this funding will allow the Department of Water Resources to identify groundwater shortages, assist with local water resource planning, and set up active management areas
 - **\$15.0M** is for a grant program for rural Arizonans and Latino and Indigenous communities – grants will be made to eligible communities to secure a certified well driller to dig permitted wells to provide safe drinking water

Protecting Arizona's Water Quality

- **\$5.0M** for treating groundwater for PFAS

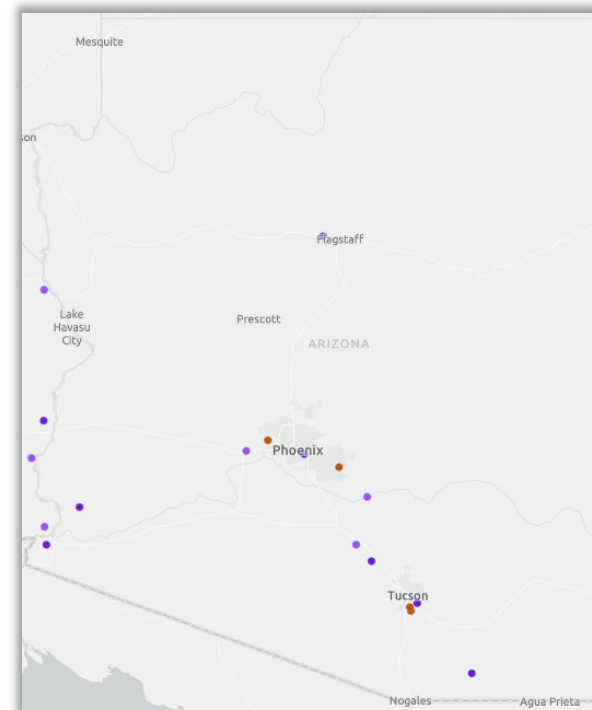
Presumptive Contamination Sites*



- Major Airport
- Industrial Facilities
- Wastewater Treatment Plant
- Military Sites

* Sites that are frequently sources of contamination but do not have a confirmed PFAS presence

Confirmed Contamination Sites



- >100,000 ng/L
- >1,000 – 100,000 ng/L
- >10 – 1,000 ng/L
- 0 – 10 ng/L

Source: [PFAS Project Lab](#)

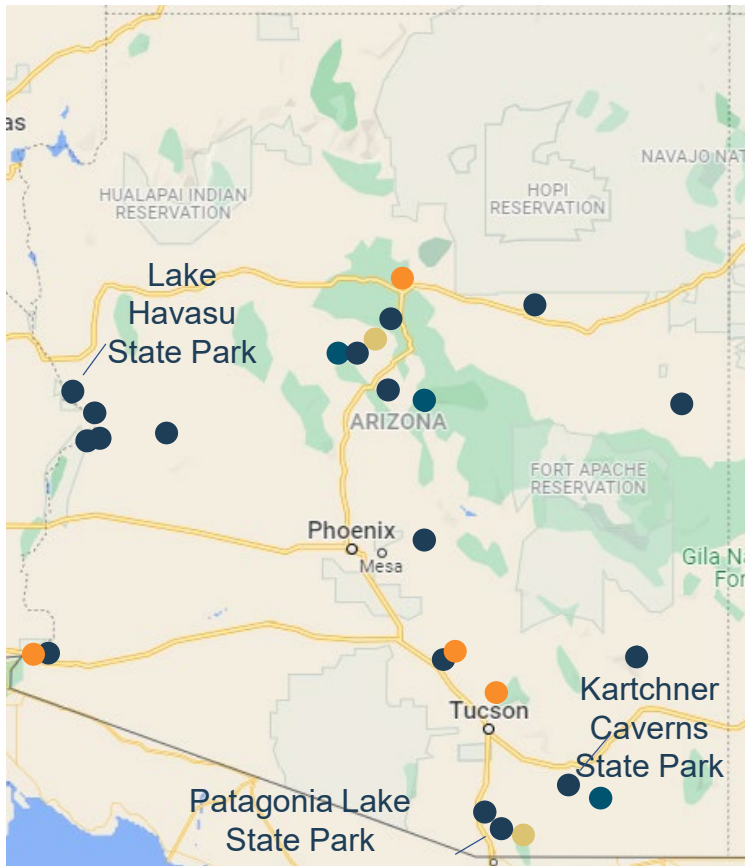


State Enterprise Sustainability

- **\$7.5M** to install the needed electric charging and advanced fuel infrastructure for vehicles at state facilities for public use at locations including State parks, Motor Vehicle Division Offices, Department of Child Safety and Department of Economic Security customer facing offices, and other highly used locations
- In addition, the Executive Budget includes **\$15.0M** to install electric vehicle charging and advanced-fuel infrastructure to support the Fleet
- **\$9.3M** to support an enterprise approach to increase the water resiliency of State facilities and properties
- This initiative will emphasize replacing water-thirsty fixtures with low-flow fixtures and modifying existing landscapes by adopting xeriscaping principles

State Recreation and State Heritage

- **\$19.1M** to continue the monumental investment into the State's park system that will enhance visitor experience and preserve the State's historical and cultural sites for future generations



FY 2024 Investments

- \$5.8M - Catalina State Park: Main Entrance Bridge, Phase 2
- \$4.1M - Statewide: Campground Improvements
- \$2.9M - Riordan Mansion Historic State Park: Historic Building Renovation
- \$2.2M - Statewide: Sunshade Structures
- \$2.0M - Oracle State Park: Historic Building Renovation
- \$1.3M - Statewide: Water Conservation
- \$750,000 - Yuma Territorial Prison State Historic Park: Historic Building Preservation

Legend

- American Rescue Plan Act
- FY 2023 Appropriation
- FY 2024 Adv. Appropriation
- FY 2025 Adv. Appropriation

Local Recreation and Local Heritage

- **\$10.0M** deposit into the State Parks Heritage Fund
- The Heritage Fund provide grants to local and regional entities for park development, historic preservation, non-motorized trails, and outdoor education
- This program has been utilized as a catalyst by grant recipients to leverage the State funding for additional funding

Heritage Fund Deposit Breakdown				
Fiscal Year	State Deposit	Obligated State Funds	Matching Funds	TOTAL INVESTMENT (As of 1/10/2023)
2021	\$5,000,000	\$4,907,458	\$5,481,515	\$10,388,973
2022	\$2,500,000	\$1,792,221	\$2,124,371	\$3,916,592

Project Investments (As of 1/10/2023)		
	FY 2021	FY 2022
Park Development	6	4
Historic Preservation	6	7
Outdoor Education	11	2
Non-Motorized Trails	6	2
TOTAL	29	15



Investing in Arizona's Culture

Base Grant Support Compared to Enhanced Grant Support		
County	Base Grant Support (FY 2020 – No Deposit)	Enhanced Grant Support (FY 2023 – 5.0M Deposit)
Cochise	\$32,500	\$77,450
Coconino	\$160,500	\$323,150
Gila	\$8,000	\$35,400
Graham	\$3,500	\$8,750
Greenlee	-	\$2,360
Maricopa	\$1,420,000	\$2,746,462
Mohave	\$8,500	\$39,500
Navajo	\$13,000	\$27,500
Pima	\$601,500	\$1,180,585
Pinal	\$3,500	\$41,500
Santa Cruz	\$20,000	\$48,785
Yavapai	\$105,500	\$276,790
Yuma	\$30,000	\$58,392
TOTAL	\$2,406,500	\$4,866,624

- **\$20.0M** deposit into the Arizona Arts Trust Fund
- The Arts Trust Fund is used to provide grants to non-profit, governmental units, and community centers for the purpose of producing, presenting, teaching or serving the arts

Public Safety

“Every community across our state also deserves to be safe. Building an Arizona for everyone means building a safe Arizona for everyone.”

Governor Katie Hobbs

Supporting Prison Operations

- **\$2.0M** is provided to conduct a systems assessment of the Arizona Department of Corrections
 - The study is intended to examine contracts, staffing levels, and retention issues, and identify opportunities for improvement and reform
- **\$69.2M** is provided to support continued operations at Arizona State prisons. Funding will be provided for:
 - \$44.5M - Private prison contract adjustments
 - \$10.6M - Inmate food
 - \$7.1M - Private prison salary adjustments
 - \$5.4M - Overtime costs of prison staff
 - \$1.6M - Cost increases resulting from the CY 2024 leap year

Improve the Corrections Environment

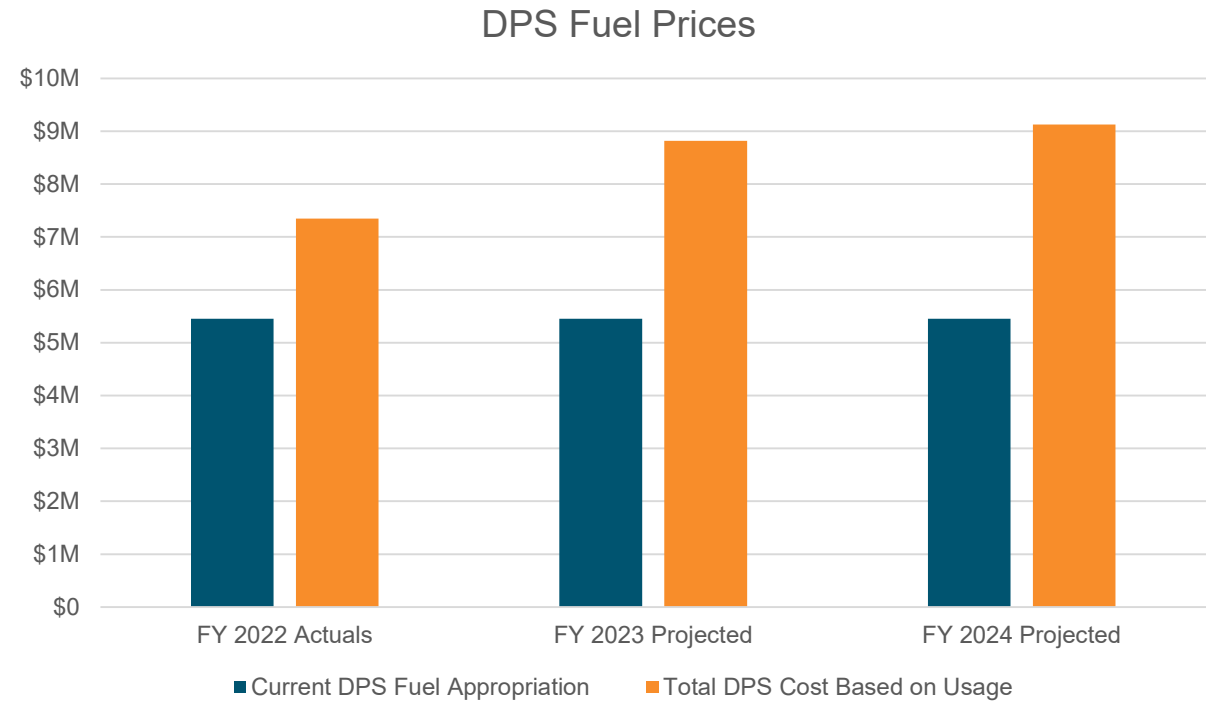
- **\$181.1M** to address infrastructure needs across DOC to ensure safety and reduce future State costs
 - Fire and life safety upgrades will be made to prison complexes and the Correctional Officer Training Academy (COTA)
 - Second year of a 4-year plan to convert all state-owned complexes to air conditioning

Corrections FY 2024 Capital Funding Breakdown	
Project	Investment
Building Renewal	\$65,629,300
Fire and Life Safety	\$48,650,600
Prison Complexes	Repair/upgrade fire alarm and fire sprinkler systems
COTA	Repair/upgrade fire alarm and fire sprinkler systems
HVAC	\$66,783,600
	Replace EVAC cooling systems at 4 prison complexes
TOTAL FY 2024 INVESTMENT	\$181,063,500



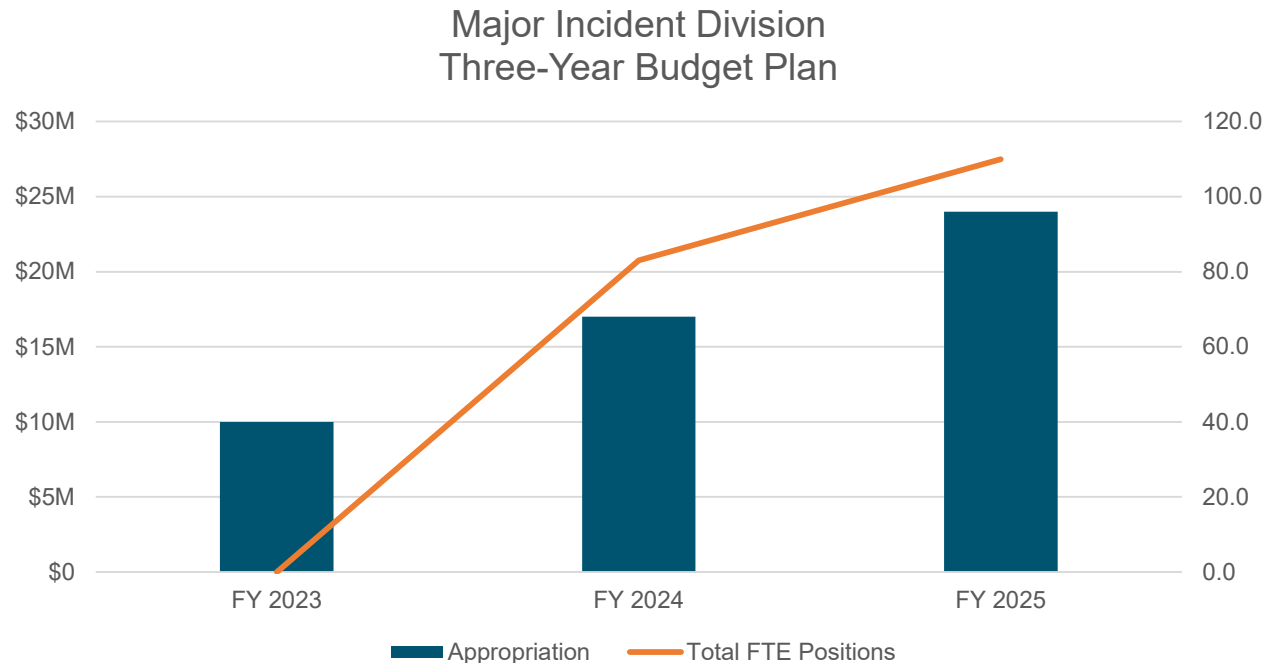
Supporting Public Safety Operations

- **\$11.7M** will go towards replacing DPS civilian and patrol vehicles
- **\$3.7M** is included to account for higher projected fuel costs
- **\$657,800** for a uniform allowance increase to relieve employees of covering the shortfall



Maintaining Critical Public Safety Programs

- **\$7.0M** and 83.0 FTE positions to continue the implementation of the Major Incident Division
 - MID will conduct independent investigations of critical force incidents
 - Upon request, MID will investigate a criminal allegation against a peace officer



Decreasing Disasters' Impacts

- **\$1.3M** for Governor's Emergency Fund (GEF) funding
 - GEF is a \$4M funding reserve for emergency response and recovery each fiscal year
 - Additional funding will be utilized for mitigation activities
- **\$1.0M** over five years to draw down Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act Federal Funding
 - The Federal Emergency Management Agency will provide \$9M from the match for a total of \$10M
 - Funding will provide hazard mitigation assistance for local governments
- **\$925,700** over two years for DEMA to perform pre-award grant activities to draw down additional grant funding for the state

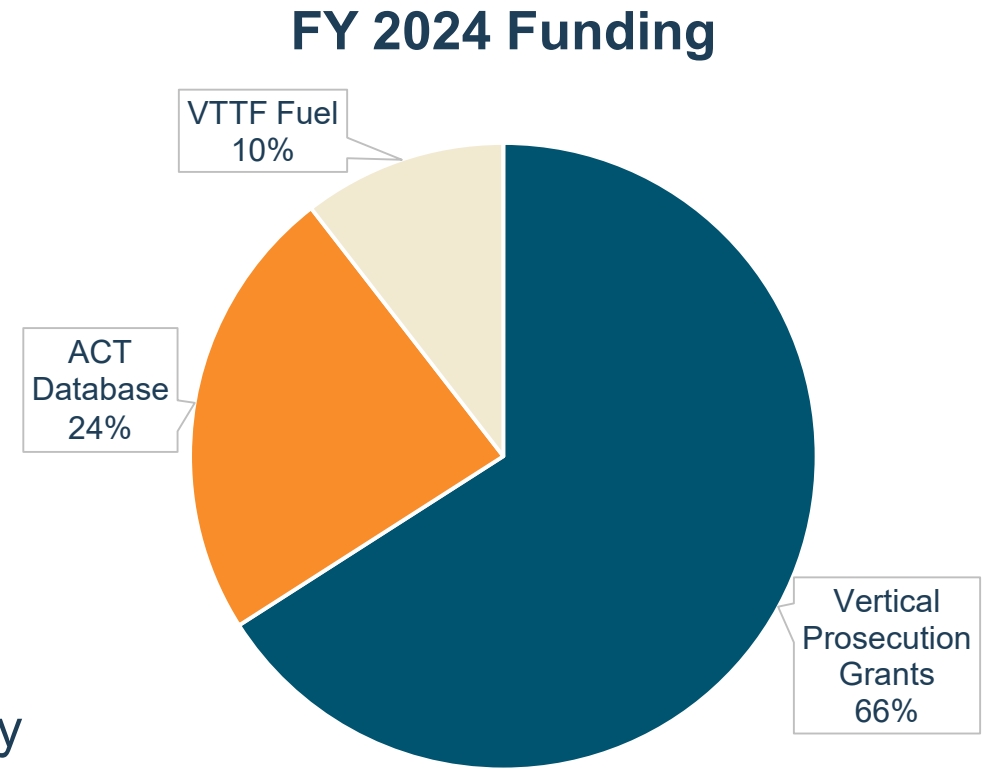
Cost:
\$1



Benefit:
\$13

Automobile Theft Intervention

- **\$653,900** is provided for initiatives that support the prevention of vehicle theft, and the investigation and prosecution of vehicle theft cases. Initiatives include:
 - Increasing vertical prosecution grant funding for 6 counties: La Paz, Maricopa, Mohave, Pima, Pinal, and Santa Cruz
 - Supporting the ongoing costs of the Auto Crime Tracking (ACT) Database
 - Covering the increased cost of fuel incurred by the Public Safety Officers assigned to the Vehicle Theft Task Force (VTTF)



Body Worn Cameras

- **\$3.7M** to equip officers within ADOT with body cameras and necessary support staff for video and IT management
- Staff will be responsible for video retention and redaction services



Address Confidentiality Program

- **\$514,100** to continue providing crucial services to survivors of domestic violence, sexual assault, and stalking through the Address Confidentiality Program (ACP)
 - The ACP served over **2,700** participants in FY 2022
 - Backfills fine revenue and reduced Victims of Crime Act (VOCA) federal funding

Acknowledgements

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FY 2024 Executive Budget available at:

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