

## **FY 2022 BUDGET RECONCILIATION BILLS (BRBs) AND MAJOR FOOTNOTE CHANGES\***

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\*Chapter numbers refer to Laws 2021, 1<sup>st</sup> Regular Session.

## FY 2022 BUDGET RECONCILIATION BILL PROVISIONS

The budget includes the enactment of statutory changes associated with its funding amount. The following provisions are grouped by subject into Budget Reconciliation Bills (BRBs).

### BUDGET PROCEDURES – CHAPTER 405 (SB 1819)

<b>Statewide</b>	<b><u>Section</u></b>
1. As session law, continues to set the FY 2022 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$17.87/square foot for rentable office space and \$6.43/square foot for rentable storage space.	BP 36
2. As session law, adds a provision allowing ADOA to approve agency rent exemptions in FY 2022 without Joint Committee on Capital Review (JCCR) review. Requires ADOA to report to the Joint Legislative Budget Committee (JLBC) Staff on rent exemptions prior to taking action.	BP 36
3. As session law, continues to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	BP 34
4. As session law, continues to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund through FY 2024.	BP 37
5. As session law, prior to spending more than \$10,000,000, requires the following entities to report to the Senate President, Speaker of the House of Representatives, Appropriations Committee chairmen, and the JLBC Director on the use of monies received from the American Rescue Plan Act. In addition, require each entity to report quarterly on all expenditures. <ul style="list-style-type: none"> <li>– The Governor's Office would report on the Coronavirus State Fiscal Recovery Fund, and the Coronavirus Capital Projects Fund.</li> <li>– The Superintendent of Public Instruction would report on the Elementary and Secondary School Emergency Relief Fund.</li> <li>– The Arizona Board of Regents would report the Higher Education Emergency Relief Fund.</li> </ul> The Legislature's intent is that the Executive branch also report on any additional federal aid distributed to Arizona through federal legislation enacted before the end of FY 2022.	BP 38
6. As permanent law, changes the JLBC's January 31 reporting requirement for state debt and obligations to include information for the upcoming fiscal year instead of the prior fiscal year and eliminate the requirement that the report be based on the ADOA Report of Bonded Indebtedness.	BP 24
7. As permanent law, limits the Governor's initial state of emergency for public health to 30 days. Allows the Governor to extend the order in 30-day increments with a report to the Joint Committee of Health Committees. Requires legislative approval to extend the state of emergency beyond 120 days.	BP 7, 8
8. As session law, states that COVID-19 is a matter of statewide concern. Prohibits a county, city, or town from issuing a rule or ordinance to mitigate COVID-19 that impacts schools or private entities. Allows a county, city, or town to enforce mitigation policies within its own buildings.	BP 39
9. As permanent law, allows a person to refuse a vaccination as mandated during certain public health emergencies based on the person's personal beliefs.	BP 11
 <b>Arizona Department of Administration</b>	
10. As permanent law, allows ADOA to transfer unspent Automation Project Fund (APF) subaccount funding back to the fund of origin at the completion of an information technology project. Require ADOA to annually report on transfers.	BP 22
11. As permanent law, establishes the State Permitting Director and the State Permitting Dashboard and outline the requirements of the database and its use.	BP 30, 31, 45, 46
12. As permanent law, expands the use of the Monument and Memorial Repair Fund to include alter and modify monuments and memorials.	BP 28
13. As permanent law, allows the Governor's Regulatory Review Council (GRRC) to initiate a review of an agency rule, policy or procedure in addition to the current requirement that a petition be submitted to GRRC for that purpose.	BP 23

14. As permanent law, removes prohibition that a newspaper be defined as not a publication that does not have a second class mail rate. BP 19

**Attorney General**

15. As session law, modifies the Missing and Murdered Indigenous Peoples Study Committee and extend the committee through September 30, 2025. BP 32
16. As permanent law, establishes the Unreported In-kind Political Contributions Task Force Fund consisting of legislative appropriations. The fund is continuously appropriated and is administered by the Attorney General. The Task Force consists of designees of the Attorney General and the Secretary of State. The Task Force is to investigate whether the practices of social media platforms and internet search engines result in unreported in-kind political contributions. Appropriates \$500,000 to the Attorney General from the General Fund for the Task Force Fund. BP 21, 49

**Auditor General**

17. As permanent law, requires the Auditor General to review the processes and statutory requirements for maintaining the statewide voter registration database, county early voting lists and the county voter registration databases for Maricopa and Pima Counties. Specifies the information the Secretary of State and the county recorders are to provide to the Auditor General. On June 30 of each even-numbered year, the Auditor General shall submit a report of its findings. Appropriates \$500,000 to the Auditor General from the General Fund for this purpose. BP 25, 50

**Arizona Commerce Authority**

18. As permanent law, establishes the Major Events Fund consisting of monies appropriated by the Legislature for a special event promotion and attraction pilot program. Monies are non-lapsing and can be used for planning and operations of competitively bid major events, grants to local organizing committees for infrastructure and operations costs of major events, and other economic development activities associated with major event operations. Requires ACA to report semi-annually on expenditures. BP 29

**Department of Emergency and Military Affairs**

19. As permanent law, amends A.R.S. § 35-192 to allow the Governor’s Emergency Fund to reimburse expenses from the fund at Department of Forestry and Fire Management cooperators rates with approval of the Governor or the State Emergency Council. BP 9

**Arizona Game and Fish Department**

20. As permanent law, requires the Arizona Game and Fish Department to provide assistance with voter registration when accepting applications for a hunting, fishing, or trapping license. BP 4

**Department of Gaming**

21. As permanent law, converts a dog racing permit to a harness racing permit by January 1, 2023 if the permittee meets all the qualifications for a harness racing permit. BP 1
22. As permanent law, amends Laws 2021, Chapter 234 to require the Department of Gaming to transfer all monies in the Event Wagering Fund to the General Fund after up to 10% of monies are used for administrative and regulatory purposes. Previously, the department was required to transfer all monies in the fund to the General Fund on the 25th day of each month. BP 3, 52

**Arizona Department of Health Services**

23. As permanent law, allows the Director of the Department of Health Services to adopt rules regarding the collection of data from health care institutions. BP 10

**Legislature**

24. As session law, establishes a special Senate committee on the election audit to receive and review the findings of the Senate audit of the 2020 General Election in Maricopa County and to make recommendations on legislative action. BP 47

**Department of Liquor Licenses and Control**

25. As session law, allows the Department of Liquor Licenses and Control to adopt rules and be exempt from rulemaking for recent legislation associated with liquor delivery and off-sale permits and leases. BP 43

**Arizona State Lottery Commission**

26. As permanent law, prohibits the State Lottery from directly or indirectly spending or allocating lottery funds to advertise the lottery at a professional sporting event or in conjunction with any professional sports team. BP 2, 41

**Department of Public Safety**

27. As session law, exempts the FY 2022 appropriation for DPS body cameras from oversight from the Information Technology Authorization Committee. BP 42

**Public Safety Personnel Retirement System**

28. As permanent law, requires PSPRS to submit a final report on contribution rates for the ensuing fiscal year on December 1 of each year. BP 12, 13, 14, 15, 16, 17, 18

**Department of Real Estate**

29. As session law, through FY 2022, increases threshold for the termination of a condominium from 80% agreement of owner units to 100% of the votes in the association. This language shall not be construed to interfere with existing contracts. BP 51

**Secretary of State**

30. As permanent law, caps the procurement exemption for the Library, Archives and Public Records at \$150,000. BP 20
31. As permanent law, transfers oversight of the State Museum from the Secretary of State to Legislative Council. BP 26,27, 44
32. As session law, states that legislative intent that the Attorney General has the authority in all state election-related litigation through June 30, 2023. This authority excludes the Clean Elections Commission. BP 33
33. As permanent law, requires that the Secretary of State (SOS) and county recorder shall post on their website a list of each event that the SOS office or the recorder attends and provides voter registration services. BP 4
34. As permanent law, specifies the type of paper that is used for ballots. BP 5
35. As session law, requires the Secretary of State to request, on or before December 31, 2021, Arizona-specific guidance from the U.S. Election Assistance Commission on federal-only voter registration. BP 35
36. As permanent law, requires the Secretary of State to provide access to the statewide voter registration database to a person or entity that is designated by the Legislature and to the election integrity unit of the Attorney General's office for the purpose of analyzing voter registration rolls. Requires the Secretary of State to notify county recorders if the analysis determines there are persons registered to vote who are not eligible. Requires county recorders to submit annual reports with information on federal-only voters. BP 4

**State Treasurer**

37. As permanent law, establishes the Election Integrity Fund consisting of legislative appropriations. The Treasurer shall administer the fund. Monies may only be used to pay county recorders for voter education expenses and election security measures, including tabulation equipment, cybersecurity, and postelection hand tabulation efforts. Based upon applications from the county recorders, the Treasurer shall make payments from the fund. BP 6
38. As session law, the sum of \$12,000,000 is appropriated from the General Fund in FY 2022 to the Election Integrity Fund. BP 48

**Office of Tourism**

39. As session law, establishes the Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority. BP 40

**CRIMINAL JUSTICE – CHAPTER 403 (HB 2893)**

**Section**

**Attorney General**

40. As permanent law, expands A.R.S. § 41-194.01 to require the Attorney General to investigate any written policy, rule, or regulation adopted by any county, city, or town agency, department, or other entity at the request of a legislative member. Requires that the member notify the local government in writing of the alleged violation, and allows the body 60 days to resolve the issue before the legislator can request that the AG investigate. CJ 18

**State Department of Corrections**

41. As session law, continues to require the department to report actual FY 2021, estimated FY 2022, and requested FY 2023 expenditures as delineated in the prior year when the department submits its FY 2023 budget request pursuant to A.R.S. § 35-113. CJ 25
42. As permanent law, amends A.R.S. § 31-227 to permit counties to send prosecution-related invoices directly to the department for payment without the approval of the Executive or ADOA. CJ 13
43. As permanent law, establishes a mental health transition pilot program in the Department of Corrections with a delayed repeal of June 30, 2026, and require ADC to place up to 500 inmates who have been diagnosed as seriously mentally ill and are eligible for AHCCCS benefits upon release in at least a 90-day program each year. Also requires ADC to study the recidivism of participants and submit an annual report by December 31. CJ 14,15
44. As permanent law, exempts correctional officers from jury duty. Current exemption expires January 1, 2022. CJ 9

**Counties and Cities & Towns**

45. As permanent law, amends A.R.S. § 13-1414 to allow expenses for forensic interviews to be paid by the county with federal monies, state monies appropriated by the Legislature, or by any applicable combination. CJ 8
46. As permanent law, allows counties to establish a coordinated reentry planning services program to provide screening and assessment of persons who are booked into county jail and connect them with behavioral health and substance abuse treatment. CJ 1

**Department of Emergency and Military Affairs**

47. As session law, extends the provision allowing the department to expend up to \$1,250,000 from the Military Installation Fund through June 30, 2026 for the construction of a new Readiness Center. This authority was previously in effect through FY 2022. CJ 23
48. As permanent law, establishes the non-appropriated Border Security Fund, which shall be used for preventing human trafficking, preventing unlawful entry into the state, commercial vehicle inspection infrastructure, clearing nonindigenous plants, and constructing and maintaining a physical border fence. CJ 11
49. As permanent law, creates a National Guard Cyber Response Revolving Fund with monies appropriated by the Legislature and monies received as reimbursement costs for the state has incurred for cyber-attack prevention, response, and support activities. Monies in the fund may be used for costs incurred for those same purposes or costs associated with assisting agencies and political subdivisions with cyber support activities. CJ 12

**Judiciary**

50. As session law, amends Laws 2018, Chapter 278, Section 17 to allow the Supreme Court to spend money from the funds on a new appellate case management system in FY 2022 and CJ 24

reduce the total allowed expenditure from \$3,150,000 to \$2,600,000. The new system was scheduled to be ready at the end of FY 2021, but due to the impact of the COVID-19 pandemic on staffing, the go-live date was delayed to FY 2022.

51. As permanent law, establishes the General Adjudication and Personnel Support Fund to be used by the Supreme Court and Department of Water Resources for general water adjudication staff, equipment and services. Allow the Supreme Court to appoint paralegals and law clerks for general water adjudication and require the positions to be fully funded by the state. Require the Supreme Court to submit an expenditure plan to the JLBC prior to expending any monies in FY 2022 and FY 2023. The JLBC may require a review of the plan. CJ 4,22
52. As permanent law, establishes 2 county probation funding programs to reward counties for reducing the number of probationers that are returned to state prison: CJ 7
- Probation success incentive payments: Payments are distributed to counties if they return fewer probationers to prison in a fiscal year compared to a baseline (the average number returned in FY 2008, FY 2015 and FY 2019). Incentive payments are equal to 50% of the marginal incarceration cost in the State Department of Corrections.
  - Probation success incentive grants: The total grant funding is calculated in the same way as the incentive payments, but is equal to 25% of the marginal incarceration cost. Distribution of the grant funding is determined by a board consisting of the chief probation officers of each county.
- The permanent law change also specifies the uses of the funds and requires annual reporting. The incentive payments and grant funding are subject to appropriation.
53. As permanent law, changes the name of the Arizona Lengthy Trial Fund to the “Arizona Lengthy Trial and Digital Evidence Fund” and allow the Courts to use excess revenue for digital storage costs. CJ 3,5,10
54. As permanent law, prohibits the Supreme Court from using rules or administrative orders from a) abridging, enlarging, or modifying substantive rights of a litigant, and b) abridging, enlarging, or modifying statutory, contractual or common law real property rights questions of substantive law. CJ 2
55. As permanent law, repeals A.R.S. § 12-284.02, an unused statute which allows the courts to charge a fee for electronic filing and access to superior court records. CJ 6

**Department of Public Safety**

56. As session law, continues to allow the State Aid to Indigent Defense Fund to be used for DPS operating expenses. CJ 26
57. As permanent law, adds requirements and restrictions for redaction and release of video footage by DPS to the public. CJ 20
58. As permanent law, requires the director to adopt rules for rapid DNA testing procedures. CJ 21
59. As session law, require the Department of Public Safety to purchase a virtual firing range for the White Mountain Apache Police Department using an existing appropriation. CJ 27
60. As permanent law, amends Laws 2021, Chapter 322 (HB 2567) and Laws 2021, Chapter 338 (HB 2462) to clarify that the requirements also apply to a person, agency or department; further defines a civilian review board; and makes the bills retroactive to January 1, 2021. Also exempts those who are, or who have ever been AZPOST certified and those serving on the AZPOST board from the training requirements in Chapter 338. CJ 16,17,28

**State Treasurer**

61. As permanent law, changes the name of the Public Safety Interoperability Fund to the School Safety Interoperability Fund and shift the administrative control of the fund from the Department of Public Safety to the Treasurer. CJ 19

## ENVIRONMENT – CHAPTER 407 (SB 1822)

### Section

#### **Drought Mitigation Board**

62. As permanent law, establishes the Drought Mitigation Revolving Fund to provide financial assistance for drought mitigation efforts and water supply development. Fund can be used for forbearance of water deliveries that would avoid cuts to Arizona’s Colorado River Water Supplies, grants for the State Land Department, low-cost long term loans for the planning, designing, constructing or financing of water supply development projects to import water supplies from outside Arizona into this state, and administrative costs. Creates a 7-member oversight Drought Mitigation Board comprised of the Department of Water Resources (DWR) director and 6 appointed members with a background in water issues within the state for 5-year terms. The Governor, Senate President, and Speaker of the House of Representatives are each to make 2 appointments that must meet geographic residential requirements. The Senate President, Speaker of the House of Representatives, and State Land Commissioner are non-voting advisory members of the board. Sets administration and procedures for the fund. Includes a provision that a water study must be conducted prior to development of any infrastructure associated with a State Land Department grant for the Butler Valley groundwater basin. ENV 4,5,13
63. As session law, establishes fund and board statutes retroactively to allow for deposit from a FY 2021 supplemental to the new fund. ENV 14

#### **Department of Environmental Quality**

64. As session law, continues to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank (UST) Fund in FY 2022 for department administrative expenses and for sewage remediation. ENV 9
65. As session law, appropriates \$15,000,000 from the General Fund to the Water Quality Assurance Revolving Fund (WQARF) in FY 2022. ENV 11
66. As session law, allows the department to charge FY 2022 vehicle emissions inspections fees that are no greater than the fees charged in FY 2021. ENV 12

#### **Department of Forestry and Fire Management**

67. As permanent law, directs the department to process and pay claims to reimburse fire districts with a population of less than 5,000 for expenses incurred responding to emergency medical services provided on federal lands. ENV 2
68. As session law, amends Laws 2019, Chapter 263, section 141 to allow monies distributed to the Mount Lemmon fire district to be used for capital and equipment and extend the lapsing date of those monies to December 31, 2022. ENV 7

#### **State Land Department**

69. As permanent law, increases the Due Diligence Fund balance cap from \$500,000 to \$5,000,000 before transferring excess monies to the General Fund. ENV 1

#### **Arizona Navigable Stream Adjudication Commission**

70. As session law, continues to allow use of the Water Banking Fund for the commission’s legal obligations. ENV 10

#### **Arizona State Parks**

71. As permanent law, establishes the Park Store Fund consisting of monies deposited pursuant to the fee schedule set by the agency to charge customers for gift shop items. Monies in the fund would be subject to appropriation for the purpose of operating and maintaining state-owned gift shops. Monies in the fund would be exempt from the provisions of A.R.S. § 35-190 relating to lapsing of appropriations and a fund balance capped at \$1.25 million. Any monies above the cap at the end of each fiscal year would be transferred to the State Parks Revenue Fund. ENV 3

**Water Infrastructure Finance Authority**

- 72. As permanent law, adds water supply studies to the permissible use of monies in the Water Supply Development Revolving Fund. ENV 6

**Department of Water Resources**

- 73. As session law, continues to allow the department’s Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2022. ENV 8

**HEALTH – CHAPTER 409 (SB 1824)**

**Section**

**Statewide**

- 74. As permanent law, requires employers to provide reasonable accommodation to employees who provide notice that sincerely held religious beliefs, practices or observances prevent the employee from taking the COVID-19 vaccination, unless the accommodation poses an undue hardship and more than a de minimus cost to the operation of the employer's business. HLTH 3
- 75. As permanent law, prohibit state and local governments from establishing a COVID-19 passport, requiring any person to be vaccinated for COVID-19, or requiring a business to obtain proof of COVID-19 vaccination status from patrons. HLTH 13

**AHCCCS**

*Rates and Services*

- 76. As session law, continues the FY 2010 risk contingency rate reduction for all managed care organizations. Continues to impose a reduction on funding for all managed care organizations administrative funding levels. HLTH 29

*Counties*

- 77. As session law, sets the FY 2022 county Arizona Long Term Care System (ALTCS) contributions at \$283,194,000. HLTH 22
- 78. As session law, sets the County Acute Care contribution at \$45,634,000. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. HLTH 25
- 79. As session law, continues to exclude Proposition 204 administration costs from county expenditure limitations. HLTH 27
- 80. As session law, continues to require AHCCCS to transfer any excess monies back to the counties by December 31, 2022 if the counties’ proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. HLTH 24

*Hospitals*

- 81. As session law, continues to establish FY 2022 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (MIHS), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. Keep the MIHS distribution of \$113,818,500 in FY 2022. HLTH 23
- 82. As session law, continues to require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. Permit local jurisdictions to provide additional local match for Pool 5 distributions. HLTH 23

*Available Funding*

- 83. As session law, continues to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. HLTH 34

**Department of Child Safety**

- 84. As permanent law, establishes the Comprehensive Health Plan Fund consisting of comprehensive health plan revenues and require the department to transfer excess capitation payments to the General Fund at the end of the following fiscal year. The comprehensive health plan includes both acute and behavioral health services for foster care children. HLTH 1

**Department of Economic Security**

85. As session law, continues to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable suspicion the recipient uses illegal drugs. HLTH 31
86. As permanent law, establishes the Sexual Violence Services Fund to provide financial assistance to service providers for victims of sexual violence. Requires a report from DES to the Governor, Speaker of the House of Representatives, and Senate President on or before October 1 on the population served. HLTH 17
87. As permanent law, requires the Office of the State Long-Term Care Ombudsman to visit long-term care facilities biannually, require the Ombudsman to speak with residents or their representatives, investigate and resolve complaints and refer cases to Adult Protective Services or the appropriate agency, and change complaint communication requirements for DD service providers. HLTH 8,9,10, 11,16,20

**Department of Education**

88. As permanent law, prohibits K-12 schools from requiring vaccines issued under emergency use authorization for attendance. HLTH 12

**Department of Health Services**

89. As session law, continues to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations. HLTH 28
90. As session law, continue to notwithstanding A.R.S. § 5-572 and A.R.S. § 36-108.01 to allow the Health Services Lottery monies to be used for homeless pregnant women services. HLTH 30
91. As permanent law, requires the Department of Health Services to report on July 1 of each year to the JLBC on its distribution of Proposition 207 monies in the prior fiscal year, including monies in the Justice Reinvestment Fund and monies received from a \$19,000,000 fund transfer from the Medical Marijuana Fund. HLTH 5
92. As permanent law, eliminates the requirement that the first \$300,000 in radiation regulatory fees collected be deposited to the General Fund. HLTH 4
93. As session law, requires DHS to reduce fees collected for services provided by the Bureau of Radiation Control so that revenues generated by the fees are reduced by \$300,000. HLTH 26
94. As session law, requires DHS to add Spinal Muscular Atrophy and X-Linked Adrenoleukodystrophy to the newborn screening panel by December 30, 2021. As permanent law, require all congenital disorders that are included on the U.S. Department of Health and Human Services Recommended Uniform Screening Panel to be added by December 31, 2023. HLTH 14,32
95. As permanent law, allows DHS to set fees for newborns screening and require any fee changes to be presented to the JLBC for review. The Legislature intends that any fee increase not exceed the direct costs of testing. HLTH 14,33

**Department of Insurance and Financial Institutions**

96. As permanent law, requires the department to use data in existing regulatory filings to calculate an annual medical loss ratio for each dental insurer in the state and post the information on the department's website. HLTH 2

**Board of Examiners of Arizona Nursing Care Institution Administrators and Assisted Living Facility Managers**

97. As permanent law, adds a public member who represents an organization that advocates for the elderly and one person who is a family member of a resident in a skilled nursing facility or assisted living facility as members of the board. HLTH 6
98. As permanent law, requires all new licenses and certifications issued after June 30, 2021 to be approved by both the board and DHS. HLTH 7,36
99. As permanent law, continue the board through March 31, 2022 and repeal the board on January 1, 2023. HLTH 19,35,36
100. As session law, establishes the Nursing Care Institution and Assisted Living Facility Study Committee to consider whether the board should be administered independently, or the duties HLTH 21

should be moved to DHS or another successor. Requires the committee to report of its findings by December 1, 2021.

**State Treasurer**

- 101. As permanent law, requires the State Treasurer to submit an annual September 1 report to the JLBC and the Governor's Office of Strategic Planning and Budgeting on monies distributed from the Smart and Safe Arizona Fund to agencies for the administrative costs of implementing the provisions of Proposition 207. The report will include actual distributions from the prior fiscal year and estimated distributions for the current fiscal year. HLTH 5

**HIGHER EDUCATION – CHAPTER 410 (SB 1825)**

Section

**Arizona Community Colleges**

- 102. As session law, continues to suspend the Operating State Aid funding at levels specified in the General Appropriation Act, which effectively means suspending the formula in FY 2022 for only Maricopa and Pima Counties. HEd 14
- 103. As session law, continues to set the Science, Technology, Engineering and Mathematics and Workforce Programs district funding at levels specified in the General Appropriation Act, which effectively means suspending the formula in FY 2022 for only Maricopa, Pima and Pinal Counties. The Maricopa and Pima distributions are already set by the FY 2020 General Appropriation Act through FY 2022. HEd 13

**Department of Economic Security**

- 104. As session law, establishes a Return to Work Program to provide last-dollar community college scholarships to part-time students who were receiving unemployment benefits or had filed for unemployment benefits as of May 15, 2021, are currently working at least 20 hours per week, are enrolled in at least 6 credit hours per semester, and demonstrate financial need as determined by the FAFSA. Allows awards to cover up to 6 credit hours per semester for up to 2 years or 4 academic semesters. Requires the Department of Economic Security (DES) to reimburse community colleges for scholarships provided under the program. HEd 15

**Commission for Postsecondary Education**

- 105. As permanent law, repeals the Commission for Postsecondary Education and transfer its responsibilities to the Arizona Board of Regents beginning January 1, 2022. HEd 6,7,16,17
- 106. As permanent law, repeals the Private Postsecondary Education Student Financial Assistance Program and the Private Postsecondary Education Grant Program. HEd 8,9,11
- 107. As permanent law, requires all future awards made from the Arizona Teacher Student Loan Program to be made to private school students. HEd 5,17

**Universities**

- 108. As session law, continues to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). HEd 12
- 109. As permanent law, revises the current annual inflation adjustment for university capital infrastructure appropriations beginning in FY 2023. Current law requires the adjustment to be based off full calendar year growth rates. The revised calculation would be based on the growth rate from the second quarter of the second preceding calendar year to the second quarter of the calendar year immediately preceding the fiscal year to avoid timing issues between the release of preceding year inflation data and enactment of the budget. Using second quarter data will provide certainty in the level of the annual appropriation. HEd 3,17
- 110. As permanent law, establishes the Agriculture Workforce Development Program in the University of Arizona Cooperative Extension Office to provide reimbursements to food-producing agricultural organizations for the costs of hiring apprentices and require the university to submit a report to the Governor, President of the Senate, and the Speaker of the HEd 1,17

- House of Representatives on December 1 of each year regarding the effectiveness of the program.
111. As permanent law, allows a university under the jurisdiction of the Arizona Board or Regents to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights. Require the university to submit a report on the university's assistance activities to the Governor, Speaker of the House of Representatives, and Senate President on November 15 of each year. HEd 2
112. As permanent law, establishes the Arizona Promise Program to provide financial assistance to full-time university students who meet certain requirements. Requires the Arizona Board of Regents to guarantee awards to university students. Establish the Arizona Promise Program Fund in the Arizona Board of Regents consisting of legislative appropriations and other monies for administering the program and limit fund expenditures for marketing and administering the program to 3% of monies in fund each fiscal year. HEd 4
113. As permanent law, prohibits the universities from mandating that students obtain a COVID-19 vaccination, show proof of vaccination, or place any conditions on attendance or participation in classes or academic activities if a person chooses not to obtain a vaccine or disclose vaccination status. Students participating in clinical settings at a healthcare institution may be required to provide proof of COVID-19 vaccination as determined by the healthcare institution. Allows universities to require COVID-19 testing only if there is a significant outbreak in shared student housing and with approval from DHS. States that these requirements do not apply to students participating in research involving the live COVID-19 virus. HEd 2
114. As session law, eliminates the requirement that the universities use \$376,000,000 in SPEED bond authority for the projects on the Phoenix Biomedical Campus. HEd 10

## **K-12 EDUCATION – CHAPTER 404 (HB 2898)**

### Section

#### **Arizona Department of Administration**

115. As session law, requires ADOA to select a 501(c)(3) nonprofit organization to administer the Transportation Modernization Grants Program. Requires the nonprofit organization to submit a report on the program's results by December 31, 2021 and June 30, 2022. Permits 5% of monies appropriated for the program to be spent on administrative expenses. K12 111
116. As permanent law, requires ADOA to develop a school financial transparency portal with school level data from districts and charter schools on revenues generated by weighted student count, allocation of federal, state, and local revenue, allocation of Classroom Site Fund monies, and expenditures on teacher pay and benefits, classroom supplies, student support, and other expenditures. K12 22,23,118

#### **Arizona State Schools for the Deaf and the Blind**

117. As permanent law, establishes the Cooperative Services Fund. Authorize the fund to receive special education voucher monies paid to ASDB by the Department of Education pursuant to A.R.S. § 15-1202 on behalf of students enrolled in one of ASDB's 5 regional cooperatives, tuition payments from school districts, and district membership fees. These changes codify into law an existing administrative fund, but make monies appropriated and non-lapsing. A General Appropriation Footnote will allow ASDB to spend monies in excess of the appropriation from the fund, but requires the agency to first submit a report to JLBC on the intended use of the monies. K12 43
118. As permanent law, repeals the requirement in A.R.S. § 15-1304 that special education vouchers for enrollees in a regional cooperative be continuously appropriated. K12 43

#### **Department of Education**

##### *Formula Requirements*

119. As permanent law, increases the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school "Additional Assistance" amounts (A.R.S. § 15-185B4) by 1.21% for standard inflation. The base level also includes an increase of \$32.82 to K12 4,27,33

incorporate into Basic State Aid \$50,000,000 for teacher salary increases that was funded from the Classroom Site Fund on a one-time basis in FY 2021 pursuant to Section 137 of the FY 2019 General Appropriation Act.

- 120. As permanent law, establishes a Group B funding weight of 0.007 in the K-12 Basic State Aid formula for gifted pupils who score at or above the 97th percentile, based on national norms, on a test adopted by the State Board of Education. K12 27,32
- 121. As permanent law, increases the Group B funding weight for children with emotional disabilities, mild intellectual disabilities, a specific learning disability, a speech/language impairment, or other health impairments from 0.003 to 0.093. Increase the Group B funding weight for self-contained programs for children with multiple disabilities, autism, or severe intellectual disability from 5.833 to 5.988. K12 32
- 122. As permanent law, revises the Basic State Aid apportionment schedule to require ADE to distribute Basic State Aid payments to school districts and charter schools on the 15th day of every month beginning in FY 2023. K12 35,119

*Results-Based Funding*

- 123. As session law, continues to make eligible for Results-Based Funding schools with AzMERIT test results in the top 13% for schools with less than 60% of students eligible for free and reduced-price lunch (FRPL) and to the top 27% for schools with 60% or higher FRPL eligibility. K12 107
- 124. As session law, continues to establish per-pupil funding levels of \$225 for qualifying schools with less than 60% FRPL eligibility and for schools with more than 60% FRPL eligibility that have AzMERIT results in the top 27%, but not the top 13% of schools with 60% or higher FRPL eligibility. Qualifying schools with greater than 60% FRPL eligibility and with AzMERIT results in the top 13% of schools with 60% or more FRPL eligibility would receive \$400. K12 107
- 125. As session law, continues to provide an alternative school with \$400 per student if it reported AzMERIT scores for both math and English language arts for spring 2019 testing and its average pass rate for those 2 tests combined equaled or exceeded the average combined pass rate observed for the top 27% of schools with 60% or higher free or reduced price lunch eligibility rates. K12 107

*Career and Technical Education Districts*

- 126. As permanent law, establishes the Industry Recognized Certificate and Licensure Reimbursement Fund to be administered by the Department of Education. ADE shall use monies in the fund to reimburse CTEDs that cover the out-of-pocket exam costs for industry-recognized certificates and licensures for students eligible for free or reduced-price lunches. K12 41
- 127. As permanent law, permits CTEDs to receive ADM for 9th grade pupils enrolled in programs included on the Office of Economic Opportunity in-demand regional education list and that remain enrolled in the same CTED program through at least the 40th day of their junior year of high school. Also permits CTEDs to receive ADM for pupils enrolled in internship programs and pupils enrolled in a CTED in the year immediately following graduation. K12 14
- 128. As permanent law, requires ADE to include in its CTED annual report information on average daily membership, student counts, program enrollment, and program completion rates for CTED students in 9th grade eligible for Basic State Aid funding, students enrolled in internship programs, and students enrolled in the year immediately following graduation. The report shall include information on the number of 9th grade CTED pupils that receive BSA funding that remain in the same program through the end of junior year. K12 15
- 129. As session law, notwithstanding A.R.S. § 15-393 to permit students enrolled in a CTED to be included in ADM for FY 2022 through FY 2025 if their program is included on OEO's in-demand education list in the year immediately following graduation (ADM would otherwise only be allowed if the program was included on the list in the year the student initiated the program). K12 114

*Other*

- 130. As session law, continues stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General. K12 117
- 131. As permanent law, updates the Qualifying Tax Rate and State Equalization Tax Rate cited in A.R.S. § 41-1276 to reflect the Truth in Taxation rates established for FY 2022. K12 55
- 132. As permanent law, amends A.R.S. § 15-911 to add OSPB as a recipient of a report on the aggregate expenditures of local revenues for all school districts. K12 30

133.	As permanent law, increases the maximum allowable annual transfer of unclaimed lottery prize monies to the Department of Education’s Tribal College Dual Enrollment Program Fund pursuant to A.R.S. § 5-568 from \$250,000 currently to \$325,000.	K12 1
134.	As permanent law, transfers responsibility to direct and oversee the work of all investigators related to investigating certified and non-certified school personnel for unprofessional or immoral conduct from the Department of Education to the State Board of Education.	K12 5,8,9,13,18,19,2 0,56
135.	As permanent law, clarifies that districts and charter schools are eligible for reimbursement from the Extraordinary Special Education Needs Fund if they have a pupil receiving special education services who has incurred costs at least 3 times the statewide per pupil funding average. Stipulates that if available monies in the fund are insufficient to fund the cost of all claims that ADE shall prioritize districts and charter schools with the largest difference between the funding received for the student and the actual costs incurred for that student. Requires ADE to report by December 15th annually to the Governor, the President of the Senate, the Speaker of the House of Representatives, and JLBC and OSPB on the number of claims submitted and paid as well as use of the monies by recipient districts and charters.	K12 24
136.	As permanent law, requires ADE to develop policies to manage access to personally identifiable information, including a detailed security plan.	K12 39
137.	As session law, stipulates that ADE must receive review and approval from ITAC and ADOA prior to expending monies appropriated for the school finance system replacement project. Requires ADOA to establish development milestones for ADE’s school finance system replacement project within 30 days of the last day of FY 2021. Stipulates that ADE must receive approval from the ADOA director and the Superintendent of Public Instruction prior to receiving funding for any project milestone. Requires ADE to submit a school finance system replacement project staffing plan for review by ADOA and to contract with a third-party vendor for oversight of the project.	K12 110
138.	As permanent law, prohibits counties, cities, towns, school districts, or charter schools from requiring the use of masks in schools beginning July 1, 2021.	K12 12,118
139.	As session law, requires school districts and charter schools to report to ADE by July 1, 2021 whether they offered in-person, teacher led instruction for at least 100 days of the 2020-2021 school year or a proportionate level of in-person instruction for LEAs with less than 180 instructional days. In-person instruction data delineated by school site. Stipulates that ADE shall submit a report to OSPB and JLBC by August 1, 2021 that compiles the information on in-person instruction reported by school districts and charter schools.	K12 108
140.	As session law, requires ADE to post all the federally required academic learning loss plans on its website.	K12 108
141.	As session law, requires OSPB to publicly post K12 Supplementary Payment allocations by school district and charter school.	K12 108
142.	As session law, permits Buckeye Union High School District to submit corrections to the Teacher Experience Index (TEI) component of Basic State Aid formula calculations for FY 2021.	K12 109
143.	As session law, extends the placement of the crisis management team in Peach Springs Unified School District until April 1, 2022.	K12 106,118
144.	As session law, notwithstanding any other law to permit the state to only enforce statutory or regulatory requirements that are consistent with ADE’s current approved waiver of accountability, school identification, and reporting requirements authorized by the U.S. Department of Education.	K12 113
145.	As permanent law, permits schools, rather than school districts and charter schools, to provide instruction under an instructional time model authorized by A.R.S. § 15-901.08, including remote learning up to 50% in FY 2022 and 40% in FY 2023, reallocation of time between courses, and staggered learning times.	K12 28
146.	As permanent law, requires school districts to post information about open enrollment on each school’s website, including the school’s capacity and whether or not the school is accepting open enrollment students by grade level. SBE shall adopt a model school format school districts may use for describing open enrollment options on their websites and, subject to the availability of appropriated monies, shall design a public awareness campaign about open enrollment options. Stipulates that ADE shall annually report on open enrollment participation by school district, school, and county.	K12 10,25,26

147.	As permanent law, notwithstanding any other law to stipulate that age-appropriate and grade-appropriate classroom instruction regarding child assault awareness and abuse prevention is allowed.	K12 21,120
148.	As permanent law, stipulates that teachers, administrators, or other employees of a school district, charter school, or state agency may not allow instruction that includes certain concepts related to race, ethnicity, and sex. Teachers in violation shall be subject to discipline, including suspension or revocation of certification, as determined by the State Board of Education. Authorizes the Court to impose a maximum civil penalty of \$5,000 per district, charter, or state agency where the violation occurs and authorizes the Attorney General to bring an action seeking injunctive relief or civil remedies against teachers, administrators, or other school district or charter school employees or a state employee that provides such instruction.	K12 21,50
149.	As permanent law, authorizes the Attorney General to bring an action seeking injunctive relief or civil remedies against a public official of this state that uses public resources to plan or execute any activity that impedes or prevents a public school from operating for any period of time unless the public official is acting in good faith and in furtherance of his or her official duties.	K12 50
150.	As permanent law, allows districts and charter schools to provide in lieu of transportation grants to parents of children in that district or school. Districts may use a portion of their existing transportation funding for such grants while charters may use Charter Additional Assistance funding.	K12 31
151.	As permanent law, stipulates that children attending or residing within the attendance boundaries of a school or school district assigned a letter grade of D or F and that are FRPL-eligible do not have to attend a public school prior to enrolling in the ESA program (previously only kindergarten students in the attendance boundaries of a D or F school were not required to attend a public school prior to enrolling in an ESA).	K12 46
152.	As permanent law, stipulates that most ESA enrollees have to attend a public school for 45 days in the current year or prior year before becoming eligible for the ESA program (previously the requirement was 100 days in the prior year). Allows kindergartners in Arizona Online Instruction to meet public school attendance requirements if they logged at least 200 hours in an AOI program in the current or prior year.	K12 46
153.	As permanent law, modifies various ESA program requirements. Allows ESAs to be used for out-of-pocket expenses from educational therapies; prohibits ADE from closing ESA accounts earlier than 4 years after high school graduation for accounts in good standing; requires ADE to make decisions on ESA applications in 30 days instead of 45; and modifies procedures related to ineligible expenses, suspended accounts, and appeals of agency decisions concerning ESAs.	K12 47,48,54
154.	As permanent law, prohibits districts or charter schools from requiring a student or teacher to receive a vaccine for COVID-19 or to wear a face covering to participate in in-person instruction.	K12 12,118
<b>School Facilities Board</b>		
155.	As permanent law, authorizes the board to procure professional services to assess, and determine the scope of work to address, building deficiencies for the building renewal and emergency deficiency corrections programs.	K12 69
156.	As permanent law, increases the new school cost-per-square foot rates by 60%.	K12 70
157.	As session law, notwithstanding current new school construction cost-per-square foot rates for schools authorized to begin construction in FY 2022 or earlier that have not yet received final SFB approval to begin construction.	K12 112
158.	As permanent law, requires SFB to apply the rates approved by the JLBC in the same year when allocating funding to schools approved for new school facilities in that year.	K12 70
159.	As permanent law, establishes the School Facilities Division within the Arizona Department of Administration. Authorizes the Division to administer the Building Renewal Grants Fund, the Emergency Deficiency Corrections Fund, and the New School Facilities Fund; establish contracts for school inspections related to building adequacy standards; and establish policies and procedures related to preventive maintenance in school buildings. Replaces the School Facilities Board with the School Facilities Oversight Board consisting of 6 members appointed by the Governor. Requires the board to approve student population projections submitted by	K12 2,3,5,6,7,10,11, 16,17,29,34,36, 37,38,40,44,45, 49,51,52,53,57- 105, 115,116

school districts to determine eligibility for New School Facilities funding; submit reports on monies distributed by the board; and adopt minimum school facility adequacy guidelines.

**State Treasurer**

- 160. As permanent law, requires the State Treasurer to submit an annual September 1 report to the JLBC and the Governor's Office of Strategic Planning and Budgeting on monies distributed from the Student Support and Safety Fund and Career Training and Workforce Fund to agencies for the administrative costs of implementing the provisions of Proposition 208. The report will include actual distributions from the prior fiscal year and estimated distributions for the current fiscal year. K12 42

**REVENUE – CHAPTER 411 (SB 1827)**

Section

**Arizona Department of Agriculture**

- 161. As session law, continues fee charging authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2022. Continues an intent clause that limits additional revenues to \$357,000. REV 10

**Counties and Cities & Towns**

- 162. As session law, continue to allow counties with a population of less than 250,000 according to the 2010 Decennial Census to use any source of county revenue to meet a county fiscal obligation for FY 2022, up to \$1,250,000 of county revenue for each county. The bill also requires counties using this authority to report to the Director of the JLBC on the intended amount and sources of funds by October 1, 2021. REV 11
- 163. As session law, adds a provision requiring ADOA to bill the city of Flagstaff for the costs of their minimum wage above the statewide minimum wage, in accordance with the provisions in A.R.S. § 35-121.01. The bill would be \$1,110,992. REV 12

**Department of Gaming**

- 164. As session law, continues to set the Racing Wagering Assessment at 0.5% in FY 2022 only. REV 9

**Industrial Commission of Arizona**

- 165. As permanent law, establishes the Municipal Firefighter Cancer Reimbursement Fund consisting of fees charged to each city and town that receives state shared revenues for the purpose of reimbursing municipalities for firefighter cancer claims. The total amount of fees may not exceed \$15,000,000 in each fiscal year. The share of fees assessed to each city shall be based on population. Monies in the fund are continuously appropriated. REV 1,13,14

**Department of Revenue**

- 166. As permanent law, repeals the fee charged to cities, towns, counties, councils of governments and regional transportation authorities used to recover a portion of administrative expenses for tax collection services. REV 2,3,15
- 167. As session law, delays the reversion of Native American Veteran's Income Tax Settlement Fund monies from June 30, 2021 to June 30, 2023. REV 5,6,7,8,15
- 168. As permanent law, beginning in TY 2021, caps the total marginal tax rate for taxable income above \$250,000/\$500,000, including the Proposition 208 surcharge, at no more than 4.5%. Proposition 208 would receive the proceeds from the 3.5% surcharge. REV 4

## TRANSPORTATION – CHAPTER 405 (SB 1829)

	<u>Section</u>
<b>Arizona Department of Administration</b>	
169. As permanent law, repeals the Motor Pool Revolving Fund and transfers the \$1,000,000 balance to the ADOT State Vehicle Purchase Fund.	TR 20,21,28
<b>Department of Public Safety/Department of Transportation</b>	
170. As permanent law, repeals the DPS and ADOT Safety Enforcement and Transportation Infrastructure Funds on July 1, 2021. The remaining balances and subsequent revenue are deposited to the State Highway Fund and State Highway Patrol Fund.	TR 5,6,7,13,14,15,1 6,17,18,19,23
<b>Department of Transportation</b>	
171. As permanent law, establishes the State Vehicle Replacement Fund consisting of monies deposited pursuant to a fee schedule set by ADOT to charge agencies for replacing and purchasing vehicles and equipment. The fund would be subject to appropriation and exempt from lapsing provisions.	TR 3
172. As permanent law, requires ADOT to submit an annual report to JLBC and OSPB on October 1 on the amount of monies in each agency subaccount, the number of vehicles being replaced, the number of vehicles at each agency, the replacement lifecycle for each vehicle, and the number of vehicles identified as not requiring replacement.	TR 3
173. As permanent law, establishes the State Fleet Operations Fund consisting of monies deposited pursuant to fee schedule set by ADOT for maintenance of vehicles and equipment. The fund would be subject to appropriation for the purpose of operating and maintaining the motor fleet and exempt from lapsing provisions.	TR 3
174. As session law, allows any business engaged in renting vehicles to use monies collected from their 2021 rental vehicle surcharge to reimburse the amount of vehicle license tax imposed on rental vehicles in 2020 and 2021.	TR 29
175. As permanent law, dismisses a violation for driving without registration or license plates if the person obtains the appropriate registration after the violation but before their court date.	TR 8
176. As permanent law, increases the daily storage fee for an impounded vehicle from \$15 to \$25.	TR 10
177. As permanent law, decreases the mandatory impoundment period for a vehicle from 30 days to 20 days.	TR 9,10,11,12
178. As permanent law, allows passengers in a vehicle other than the spouse to take possession of a vehicle rather than having it towed.	TR 9
179. As permanent law, repeals statutory provisions in A.R.S. § 28-9401 and A.R.S. § 28-9402 which require railroads to submit information to ADOT on major rail projects and creates a freight advisory council within ADOT.	TR 20
180. As permanent law, prohibits the department from charging the highway safety fee to any vehicle registrations that take effect starting in July 2021 moving forward. Any issuance of the highway safety fee from July 2021 moving forward will be refunded to the customer.	TR 4,30

## TAX OMNIBUS – CHAPTER 412 (SB 1828)

	<u>Section</u>
<b>Income Tax</b>	
181. As permanent law, reduces the individual income tax rates to 2.55% for taxable income up to \$27,272/\$54,544 and to 2.98% for taxable income above \$27,272/\$54,544 in TY 2022. Further rate reductions beyond the proposed 2.55%/2.98% rates for TY 2022 will be contingent upon the state receiving more revenue than forecast as determined by JLBC and OSPB in September of each year. Excluding the beginning balance, the "trigger" target is set at \$12.8 billion in FY 2022 and \$13.0 billion in FY 2023 and each year thereafter. If the state receives more than the FY 2022 trigger level, the rates will be reduced to 2.53%/2.75% starting in TY 2023. If the state	TO 13,15

receives more than \$13.0 billion in FY 2023 or any subsequent year, the rate will be reduced to a single 2.5% rate in the following Tax Year.

- |      |  |                       |
|------|--|-----------------------|
| 182. | As permanent law, adjusts for inflation the percentage of charitable contributions that taxpayers that take the standard deduction are allowed to claim over and above the regular standard deduction, beginning in TY 2022. The adjusted percentage cannot exceed 100%.   | TO 17                 |
| 183. | As permanent law, provides a full individual income tax exemption for benefits, annuities, and pensions received by military retirees, beginning in TY 2021. The current exemption is \$3,500.   | TO 16,30              |
| 184. | As permanent law, expands the eligibility for students receiving “switcher” individual or low-income corporate school tuition organization (STO) scholarships to include those who were homeschooled, moved from out of state, or held an Empowerment Scholarship Account (ESA), beginning in TY 2021.   | TO 23,24,30           |
| 185. | As permanent law, increases the credit cap for contributions by corporations and insurers to School Tuition Organizations for Displaced/Disabled students from \$5,000,000 to \$6,000,000, beginning in FY 2022.   | TO 22,30              |
| 186. | As session law, for calendar year 2021, applications submitted to the Department of Revenue for the individual and corporate renewable energy production tax credit are allowed to be made prior to February 7.  | TO 27                 |
| 187. | As permanent law, allows public service corporations retroactively from January 1, 2021 to deduct for income tax purposes any amount of monies or other property contributed to them to expand, improve or replace their water system or sewage disposal facilities.   | TO 20,30              |
| 188. | As permanent law, establishes a new nonrefundable income tax credit for the processing of qualified forest products, beginning in TY 2021. The credit has an annual cap of \$500,000 per taxpayer and \$2 million in total for all taxpayers.  | TO 12,18,<br>21,29,30 |
| 189. | As permanent law, clarifies retroactively from January 1, 2016 that the transaction privilege tax and use tax exemption for machinery and equipment includes containment structures.   | TO 7,8,9,<br>26,20,32 |
| 190. | As permanent law, provides that the payments of estimated tax by individual income tax filers do not apply to liability accruing from the Proposition 208 Surcharge.   | TO 14                 |
| 191. | As permanent law, continues to include capital items, community school meal programs, student consumable health care supplies, and playground equipment as eligible expenses for purposes of the individual income tax credit for public school fees and extracurricular activities until June 30, 2024 (eligibility for these items expires June 30, 2022). | TO 19                 |
| 192. | As session law, expands the definition of Qualifying Foster Care Charitable Organizations (QFCO) for TY 2021 to allow tax credit donations to QFCOs that serve persons who have left the foster care system due to reaching 18 years of age, adoption or legal guardianship after reaching 16 years of age or reunification at 14 or 15 years of age.        | TO 28                 |

**Urban Revenue Sharing**

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|------|--|-------|
| 193. | As permanent law, beginning in FY 2024, increases the distribution from the Urban Revenue Sharing Fund to incorporated cities and towns from 15% to 18% of the amount of individual and corporate income taxes collected 2 fiscal years prior. | TO 11 |
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**Property Tax**

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|------|--|-------|
| 194. | As permanent law, reduces the assessment ratio for Class 1 (commercial) property to from 18% to 16% over 4 years.  | TO 10 |
| 195. | As permanent law, changes the homeowner’s rebate on Class 3 (residential) property from 47.19% to 50.0%, beginning in TY 2022.   | TO 1  |
| 196. | As permanent law, increases the maximum property tax rate for Fire Assistance Districts from \$3.25 per \$100 Net Assessed Value (NAV) to \$3.375 in TY 2022 and \$3.50, beginning in TY 2023. As under current law, the fire district levy remains limited to the lesser of: (1) 8% more than the amount levied in the preceding year or (2) the maximum tax rate multiplied by the district's NAV. | TO 25 |

**Unemployment Insurance**

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| 197. | As permanent law, makes the following changes to unemployment insurance taxes and benefits:  | TO 2,3,4,5,31 |
|      | <ul style="list-style-type: none"> <li>– Increases the maximum weekly unemployment insurance benefit from \$240 per week to \$320 per week, effective July 1, 2022.</li> <li>– Increases the taxable payroll base from \$7,000 to \$8,000 on January 1, 2023.</li> </ul> |               |

- Decreases the maximum number of weeks of unemployment benefits from 26 weeks to 24 weeks if the state unemployment rate is less than 5% in the prior calendar quarter, effective July 1, 2022.

198. As permanent law, requires DES to obtain current and actual employment and earned income information from third-party sources when it determines eligibility for unemployment benefits. The identity verification process may include digital and/or physical identity authentication factors. Requires DES to report by December 31 annually on unemployment insurance fraud for the previous fiscal year.

TO 6

## FY 2022 GENERAL APPROPRIATION ACT PROVISIONS – CHAPTER 408 (SB 1823)/CAPITAL OUTLAY -- CHAPTER 406 (SB 1820)

The budget includes the following provisions in the General Appropriation Act. These provisions are in addition to the individual agency appropriations, but exclude supplemental appropriations, ex-appropriations, and fund transfers.

	<u>Section</u>
<b>Department of Education</b>	
1. As session law, continue deferral of Basic State Aid payments for FY 2022 until FY 2023, but reduce the deferral from \$930,727,700 to \$865,727,700. Expand exemption from deferral from districts with less than 600 students currently to districts with less than 2,000 students. Appropriate \$865,727,700 in FY 2023 for these deferred Basic State Aid payments. Allow ADE to make the rollover payment no later than July 12, 2022.	130
2. As session law, continue to require school districts to include in the FY 2022 revenue estimates that they use for computing their FY 2022 tax rates the rollover monies that they will receive for FY 2022 in July 2022.	130
<b>Revenues</b>	
3. As session law, continue to specify revenue and expenditure estimates for FY 2021, FY 2022, FY 2023, and FY 2024.	141
4. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2021 ending balances by September 15, 2021. Require JLBC Staff to report to JLBC by October 15, 2021 as to whether FY 2022 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	141
<b>Statewide</b>	
5. As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	137
6. As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2022 in all agencies and provide it to the JLBC Director by October 1, 2022. The Universities are exempt from the report but are required to report separately.	138
7. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2021 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2021.	139
8. As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	140
<b>General</b>	
9. As session law, continue to define “*” as designating an appropriation exempt from lapsing.	142
10. As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.	143
11. As session law, continue to define "review by the Joint Legislative Budget Committee" (JLBC) as a review by a vote of a majority of a quorum of the members.	144

### FY 2022 MAJOR FOOTNOTE CHANGES

The budget includes the following major additions, deletions or modifications of footnotes. This list does not include footnote changes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy. Sections refer to the General Appropriation Act except for Capital Outlay Bill provisions designated with "CO."

<b>Arizona Department of Administration</b>	<b><u>Section</u></b>
12. Deletes footnote requiring the department to report by August 1, 2021 on the maintenance savings associated with replacing vehicles with an average of 80,000 miles to the Arizona Department of Transportation.	
13. Deletes footnote allowing the department to use up to \$275,000 of the building renewal appropriation for Personal Services and Employee-Related Expenditures for up to 5 FTE Positions each fiscal year. Adds a footnote allowing the ADOA to use up to five percent (5%) of all capital outlay appropriations to the department for project management-related expenses. This footnote does not apply to appropriations for distribution to non-state entities. (Capital)	CO 40
14. Adds a footnote allowing the Department of Administration to use monies appropriated for building renewal to retrofit facilities for space consolidation initiatives. (Capital)	CO 2
15. Adds footnote extending the lapsing date of the \$17,000,000 FY 2020 appropriation for building renewal and \$1,000,000 FY 2020 appropriation for the replacement of air handlers at 1700 W Washington to June 30, 2022. (Capital)	CO 39
16. Adds footnote extending the lapsing date of the \$375,900 appropriation from the Capitol Mall Consolidation Fund for the Hoteling Pilot through FY 2023.	5
17. Adds footnote extending the lapsing date of \$2,000,000 of the appropriation for the Arizona Financial Information System line item through FY 2023.	5
18. Adds footnote requiring ADOA to report to the JLBC within 10 days after each of the School Facilities Board, Department of Corrections, and the 2010 Lottery Revenue Bonds retirement or defeasance is executed. The report shall include the date and final cost of each retirement or defeasance.	101
19. Adds footnote indicating state legislative intent that lottery revenues are not used for debt service payments beginning in FY 2022 to allow the General Fund to receive savings from the retirement or defeasance of state lottery revenue bonds.	120
20. Adds footnote exempting the appropriation for the HVAC system replacement at the State Capitol from JCCR review. (Capital)	CO 5
21. Adds footnote clarifying that ADOA may take all actions necessary in connection with debt repayments and defeasance. Reverts any amounts remaining after the payments to General Fund.	101
 <b>Department of Administration Automation Projects Fund</b>	
22. Adds footnote requiring JLBC's statutory review of APF expenditures in FY 2022 to encompass only the Department of Administration Business One-Stop Web Portal, Department of Economic Security child care system and the Department of Education student accountability system.	116
 <b>AHCCCS</b>	
23. Adds a footnote requiring AHCCCS to report to the JLBC by September 30, 2022 on its progress in implementing services specified in the housing and health opportunities section 1115 waiver amendment.	9
24. Adds a footnote stating that \$60,000,000 in Expenditure Authority reverts from the Supported Housing line item in the event AHCCCS does not receive federal approval for its housing and health opportunities section 1115 waiver amendment.	9
25. Modifies footnote to include e-cigarette enforcement costs as an allowable use associated with AHCCCS' transfer to the Attorney General.	9
 <b>Attorney General</b>	
26. Adds footnote requiring \$1,000,000 appropriation for technology company antitrust to be spent on attorneys for enforcement against technology companies and makes appropriation non-lapsing.	11
27. Adds footnote establishing an organized retail theft task force in the Attorney General to combat crimes related to retail merchandise for the purposes of reselling and to investigate and prosecute cases brought before the task force. Requires the Attorney General to enter the task force into intergovernmental agreements with state and local law enforcement agencies and other retail task forces. Requires the task force to consist of at least 1 full-time prosecutor, paralegal, and support staff person and at least 2 investigators and 4 peace officers, have	11

	regularly scheduled meetings, and submit a report to the Legislature on or before July 1 of each year on its activities and recommendations for legislative action. Establishes an end date for the task force on July 1, 2029.	
28.	Adds footnote specifying that the Attorney General may not represent or provide legal counsel to the Secretary of State through June 30, 2023.	11
<b>Department of Child Safety</b>		
29.	Modifies footnote to allow transfers between Comprehensive Medical and Program line items without JLBC review.	15
30.	Modifies footnote on quarterly report on DCS benchmarks by eliminating the JLBC review requirement. Requires semi-annual report to be submitted to JLBC on February 28, 2022 and August 31, 2022.	15
<b>Arizona Commerce Authority</b>		
31.	Adds footnote requiring ACA to submit an annual expenditure and performance report to JLBC and OSPB concerning applied research centers on blockchain technology as well as the Institute for Automated Mobility.	17
<b>Department of Corrections</b>		
32.	Modifies footnote requiring the Department of Corrections bed capacity report to also include any plans to vacate beds but not permanently remove them from the bed count.	21
33.	Modifies the footnote that mandates the annual bed capacity report. Change the deadline from August 1 to November 1 so that the report deadline does not coincide closely with the budget submission deadline and other report deadlines.	21
34.	Replaces existing IT oversight footnote with a requirement that the Arizona Strategic Enterprise Technology Office and ADC report on progress made in incorporating all sentence calculations into the Arizona Corrections Information System by March 31, 2022. The report shall include a description of any work needed to implement other system functions and the associated cost and staffing requirements.	21
35.	Modifies footnote on the quarterly report on ADC staffing report by eliminating the JLBC review requirement. Requires semi-annual report to be submitted to JLBC.	21
36.	Deletes the footnote specifying that the Private Prison Per Diem line item includes \$17,468,300 to be used to make a debt service payment for the Kingman refinance.	21
37.	Adds a footnote requiring the Department of Corrections to submit semi-annual reports to the JLBC on the expenditure of monies from the Medical Staffing Augmentation line item. This appropriation is non-lapsing.	21
38.	Modifies footnote to exempt from JLBC review through January 1, 2023 any expenditure of funding designated for Personal Services and Employee-Related Expenditures if the department makes a transfer to maximize the use of federal funding.	21
<b>Arizona State Schools for the Deaf and the Blind</b>		
39.	Adds footnote requiring the agency to report to the JLBC on any expenditure from the Cooperative Services Fund monies in excess of \$17,914,500 in FY 2022.	24
40.	Adds footnote exempting the appropriation for the ASDB classroom notification system replacement from JCCR review. (Capital)	CO 10
<b>Department of Economic Security</b>		
41.	Adds footnote requiring the department to submit a report to JLBC by September 15, 2021 and March 15, 2022 on child care monies provided by federal coronavirus relief legislation including actual expenditures to date, the expenditure plan for remaining monies, number of children served, average child care rates, and the number of child care settings with a quality rating. Requires department to also submit report to the President of the Senate, Speaker of the House of Representatives, and the Chairmen of the House and Senate Appropriations Committees.	28
42.	Modifies footnote on new Division of Developmental Disabilities salary adjustments by eliminating the JLBC review requirement. Requires report to be submitted to JLBC.	28
43.	Deletes footnote requiring JLBC review of child care reimbursement rates.	28

- 44. Deletes obsolete footnote on the 8,500 minimum number of children served by the child care program. 28
- 45. Adds footnote of legislative intent that DES reallocate \$15,000,000 of its base appropriation spent for one-time developmental disability purposes in FY 2021 to partially finance the \$30,000,000 provider rate increase in FY 2022. 28
- 46. Adds footnote requiring the department to submit a report to JLBC by December 15, 2021 and July 15, 2022 on federal pandemic emergency assistance monies provided by the American Rescue Plan Act including actual expenditures to date, the expenditure plan for remaining monies, and the number of individuals served. Requires the department to also submit report to the President of the Senate, Speaker of the House of Representatives, and the Chairmen of the House and Senate Appropriations Committees. 28
- 47. Adds footnote stipulating that the appropriated amount (\$7,500,000) for Return to Work Grants is non-lapsing through June 30, 2024. 28
- 48. Adds footnote requiring the department to submit a report to JLBC by March 15, 2022 on the number of individuals who have received child care support through Return to Work Grants and the number of those individuals who did not return to unemployment insurance within 6 months. Requires the department to also submit the report to the President of the Senate, Speaker of the House of Representatives, and the Chairmen of the House and Senate Appropriations Committees. 28
- 49. Adds footnote stipulating that \$1,086,612,800 of the \$1,272,026,800 from the Federal Child Care and Development Fund Block Grant in the Child Care Subsidy line item is non-lapsing. Also states that child care provider rate increases funded from this amount are contingent on available federal funding in future years and may not continue in the future once this funding has been expended. 28
- 50. Adds footnote stipulating that the FY 2021 supplemental appropriation of \$30,200,000 from the Child Care and Development Fund Block Grant is non-lapsing. 103
- 51. Adds footnote requiring that the \$500,000 appropriated to the After School and Summer Youth Program be distributed to a 501c3 organization in the City of Phoenix providing after school and summer youth programs for at-risk youth dealing with gang violence. 28

**Department of Education**

- 52. Adds a footnote that permits the Superintendent of Public Instruction to transfer monies from the General Fund appropriation for Basic State Aid, up to \$5,000,000 for FY 2021, to the Results-Based Funding program for FY 2021 without review by the JLBC. Any amount transferred to the Results-Based Funding program under this section that exceeds the amount needed to address a funding shortfall for the Results-Based Funding program for FY 2021 reverts to the General Fund on June 30, 2021. 105
- 53. Adds footnote stipulating that ADOA distribute \$17,043,300 in FY 2021 to counties with political subdivisions owing property tax refunds as a result of the Transwestern Pipeline Co. v. Arizona Department of Revenue litigation. Requires counties to reimburse affected political subdivisions for refunds, including interest costs, except for any refunds paid by school districts that are reimbursed by ADE via the K-12 Basic State Aid formula. Stipulates that affected political subdivisions submit a claim for reimbursement to counties by July 15, 2021 and that if the appropriated amount is insufficient to cover the cost of all submitted claims, the counties shall proportionately reduce reimbursement to cover all eligible claims. 100
- 54. Adds footnote stipulating that the \$850,000 appropriated to ADE for Gifted Assessments in FY 2022 be used to procure an assessment that districts and charter schools may administer to pupils in second grade to identify gifted pupils. 30
- 55. Adds footnote stipulating the \$1,200,000 of the appropriation for ADE's school finance system replacement be project be allocated to ADOA to contract with consultants to provide project management services to ADE related to the project. 30
- 56. Adds footnote requiring ADE to report to JLBC by December 31, 2021 on how monies appropriated for student level data access are being used to manage access and protect student level data. 30

**Department of Emergency and Military Affairs**

- 57. Adds footnote extending to FY 2026 the lapsing date of the FY 2019 appropriation of \$3,759,000 from the General Fund for the construction of a new Tucson Readiness Center. (Capital) CO 1
- 58. Adds footnote extending to FY 2026 the lapsing date of the FY 2020 appropriation of \$3,875,000 from the General Fund for the construction of a new West Valley Readiness Center. (Capital) CO 1
- 59. Adds footnote to allow a 90-day extension of the lapsing of any appropriation to the National Guard Tuition Reimbursement Program. 31
- 60. Adds footnote requiring the department to submit a report on the status of expenditures and progress in relocating the Yuma County Fairgrounds to the JCCR on or before July 31, 2022 and July 31, 2023. Makes the appropriation non-lapsing. (Capital) CO 12
- 61. Adds footnote specifying the distribution of the \$55,000,000 DEMA Border Security Fund. Of the appropriation, \$2,700,000 shall be equally distributed (\$675,000) to DPS, and Cochise, Pinal, and Yuma Counties to operate a pilot program to reduce human trafficking. In addition, a total of \$1,100,000 is allocated to Cochise, Pima, Santa Cruz, and Yuma County Sheriffs to purchase cameras and other related equipment for Southern Arizona border enforcement. Of the appropriation, \$20,000,000 will be distributed to cities and counties for border-related crimes. Of the appropriation, \$25,000,000 is allocated for Arizona National Guard costs in the southern border region. 106
- 62. Adds footnote exempting 2022 capital appropriations from JCCR review. (Capital) CO 11

**Arizona Department of Forestry and Fire Management**

- 63. Adds footnote making the appropriation for the Rural Fire District Reimbursement line item non-lapsing. 37

**Arizona Game and Fish Department**

- 64. Adds footnote exempting certain FY 2022 capital appropriations from JCCR review. (Capital) CO 15, 16, 17, 18

**Department of Gaming**

- 65. Adds footnote distributing monies appropriated to the Racing Purse Enhancement line item to a nonprofit horsemen’s organization to promote racing and enhance race purses. 40
- 66. Adds footnote distributing monies appropriated to Racetrack Purse and Maintenance and Operations Funding line item to be distributed to eligible racing permittees based on a 3-year average of race days. 40

**Governor's Office**

- 67. Adds footnote extending the lapsing date of the FY 2020 appropriation from the Crisis Contingency and Safety Net Fund through FY 2022. 1

**Department of Health Services**

- 68. Adds footnote exempting FY 2022 capital appropriation from JCCR review. (Capital) CO 19
- 69. Adds footnote requiring DHS to distribute monies appropriated for the Family Health Pilot Program to at least 2 nonprofit organizations to implement a statewide system to provide services and referrals to parents of children under 2 years of age, including unborn children. Requires nonprofit organizations participating in the program to submit quarterly reports to DHS on the population served. 43

**Industrial Commission of Arizona**

- 70. Adds footnote that stating that General Fund appropriation be used only for the administrative costs of Title 21, Chapter 11, Arizona Revised Statutes. The administration of the Municipal Firefighter Cancer Reimbursement Fund does not convey any responsibility for firefighter cancer compensation and benefits on to this state. 49

**Judiciary – Superior Court**

- 71. Modifies footnote to require counties to maintain FY 2020 expenditure levels for each probation program to qualify for state funding. 51

72.	Adds a footnote specifying that of the amount appropriated in the Special Water Master line item \$147,600 is for 2 paralegals and \$109,700 is for a law clerk.	51
73.	Adds OSPB to the recipients of the annual probation salary report.	51
74.	Adds a footnote stating that the amounts appropriated in the probation line items includes funding for a 2.5% increase to cover the state's share of the cost of estimated FY 2022 probation officer salary increases and states that if the counties approve salary increases in FY 2022 that increase the state's share above the amount appropriated it is the legislative intent that the counties pay for that cost in FY 2022 and subsequent years.	51
<b>Judiciary – Supreme Court</b>		
75.	Adds a footnote specifying that of the amount appropriated in the Automation line item, \$133,900 is to expand and maintain the court’s case management system for water adjudication.	51
<b>Legislature - Auditor General</b>		
76.	Adds footnote to require the Auditor General to compile a report on how Local Education Agencies (LEAs) spent or plan to spend federal COVID stimulus funds including how ADE has spent or is planning to spend its discretionary funds. Require the Auditor General to present its findings and any potential recommendations to the Joint Legislative Audit Committee by January 1, 2022 and January 1, 2023. Require school districts, charters schools, the Department of Education and other state and local agencies that pass through related stimulus monies to cooperate with and provide necessary information in a format prescribed by the Auditor General.	54
77.	Adds footnote requiring the Auditor General to conduct a special audit of financial and related information of private, non-governmental grant monies used for Arizona 2020 elections and Maricopa County’s procurement of voting systems, and report on or before March 31, 2022 to the Governor, President of the Senate, and Speaker of the House of Representatives.	54
<b>Arizona State Parks Board</b>		
78.	Adds footnote requiring the Arizona State Parks Board to submit a report to the JLBC Staff on the status of all capital projects and capital expenditures on or before November 30, 2021 and May 31, 2022. (Capital)	CO 21
79.	Modifies footnote to clarify Fool Hollow revenue sharing arrangement with Show Low. In addition to receiving the operating lump sum appropriation from the State Parks Revenue Fund (SPRF) for State Parks, the agency is appropriated from SPRF an amount equal to the revenue share agreement with the U.S. Forest Service for Fool Hollow Lake Recreation Area.	67
80.	Adds footnote exempting smaller FY 2022 projects from JCCR review. (Capital)	CO 22, 23, 24, 25, 26
81.	Adds footnote extending the lapsing date of the Arizona Trails line item through FY 2023.	68
<b>Board of Pharmacy</b>		
82.	Adds footnote requiring the board to report to the JLBC Staff and OSPB on or before September 30, 2021 on its progress in implementing the Auditor General recommendations as outlined in the September 2020 sunset audit.	70
<b>Arizona Pioneers' Home</b>		
83.	Adds footnote exempting the FY 2022 capital improvements from JCCR review. (Capital)	CO 27
84.	Adds footnote extending the lapsing date of the \$414,000 FY 2020 appropriation for capital improvements to June 30, 2022. (Capital)	CO 39
<b>Department of Public Safety</b>		
85.	Adds footnote extending the lapsing date for the FY 2020 appropriation for Peace Officer Training Equipment to June 30, 2022 and reverting any unexpended monies to the fund from which the monies were appropriated.	77
86.	Adds a footnote stating legislative intent that, after FY 2022, Proposition 207 money received by local law enforcement agencies is expected to cover reimbursements to regional peace officer training academies for training officers.	136

87.	Adds footnote requiring DPS to submit an annual progress report on the update to the microwave backbone communication system until the project is completed.	119
88.	Adds footnote specifying that the Rapid DNA Testing Equipment line item shall be used to purchase and deploy rapid DNA testing devices through the state. Requires the department to report quarterly on devices, training, and utilization.	77
<b>Public Safety Personnel Retirement System</b>		
89.	Adds footnote requiring PSPRS to incorporate the FY 2021 DPS and ADC pension payoff appropriation in the June 30, 2021 PSPRS and CORP valuation, and account for the appropriation in calculating FY 2023 DPS and ADC contribution rates.	110
<b>Department of Revenue</b>		
90.	Adds footnote making the FY 2022 appropriation in the Income Tax Information Technology line item non-lapsing through FY 2024.	82
<b>School Facilities Board</b>		
91.	Adds footnote requiring the board to distribute funding to the Kirkland Elementary School District to replace an existing school building including necessary demolition of existing buildings.	83
92.	Adds footnote requiring the board to distribute funding to the Yuma Union High School District to construct a new high school.	83
<b>Secretary of State</b>		
93.	Adds footnote allowing the Secretary of State to use the Records Services Fund appropriations for FY 2021 and FY 2022 for record storage costs incurred during fiscal years 2020, 2021, and 2022.	84
94.	Adds footnote allowing the Secretary of State to hire 1 FTE Position as a legal adviser. Prohibits the Secretary of state from making expenditures or incurring indebtedness to employ outside or private attorneys.	84
<b>Office of Tourism</b>		
95.	Adds footnote making the Southern Arizona Study Committee line item non-lapsing.	87
<b>Department of Transportation</b>		
96.	Modifies footnote requiring the Arizona Strategic Enterprise Technology to report, on behalf of ADOT, the annual progress on the motor vehicle modernization system, including updated plans for spending on stabilization, maintenance, ongoing operations, support and enhancements to the system. Annual JLBC review would be deleted.	88
97.	Adds footnote extending the lapsing date of the \$2,300,000 FY 2020 appropriation for the replacement of office buildings at Seligman and Williams and the \$4,600,000 FY 2020 appropriation for the replacement of the maintenance office building in Wickenburg to June 30, 2023. (Capital)	CO 39
98.	Adds footnote extending the fiscal year for the Preventive Surface Treatments line item from 12 months to 14 months.	88
99.	Adds footnote stipulating that the Interstate 10 widening appropriation reverts on June 30, 2022 if the department is unable to secure right of way agreements necessary for the project by that date. The appropriation reverts on June 30, 2023 if the department secures federal funding for the project. (Capital)	CO 35
100.	Adds footnote stipulating that the \$90,000,000 appropriation for pavement rehabilitation shall be used for projects that are not in Maricopa or Pima County, on roads that are graded as being in fair or poor condition and are not in the department's 5-year transportation plan. (Capital)	CO 33
<b>State Treasurer</b>		
101.	Adds footnote distributing the FY 2022 appropriation from the School Safety Interoperability Fund to Graham, Greenlee, Gila, and Pinal Counties for costs associated with implementing an interoperable communication sharing platform.	89

- 102. Adds footnote distributing monies from the School Safety Program line item to Maricopa, Navajo, Yavapai, and Mohave Counties for costs associated with implementing a school safety pilot program. 89
- 103. Adds footnote clarifying the distribution of the \$3,300,000 General Fund transfer to the normal vehicle license tax distribution for excess rental vehicle surcharges. 89

**Universities**

- 104. Modifies footnote to add OSPB as a recipient of the annual report from Northern Arizona University on monies distributed to a nonprofit foundation for biomedical research. 93
- 105. Modifies footnote for Washington D.C. Internships to require unspent monies as of March 15, 2022 to be made available to any student enrolled at an Arizona public university and require ABOR to provide internships in partnership with a third-party organization meeting certain requirements. 91
- 106. Extends the lapsing data of the FY 2021 appropriation for the Washington, DC Internships line item until June 30, 2022. 91
- 107. Adds footnote stating UA may not transfer or spend monies appropriated for the Arizona Geological Survey for any other purpose.
- 108. Adds footnote requiring ASU to spend monies appropriated for the Eastern Europe Cultural Collaborative to facilitate academic and cultural exchanges between university faculty and students and academic institutions in eastern Europe. 92
- 109. Adds footnote requiring UA to spend monies appropriated for the Kazakhstan Studies Program to facilitate academic exchanges between university students and academic institutions in Kazakhstan. 94
- 110. Adds footnote specifying that the amount appropriated to each university from the General Fund includes funding to backfill tuition costs for each university's cost associated with the FY 2022 employer health insurance premium increase. It is the intent of the Legislature that future costs associated with health insurance continue to be allocated proportional to each university's General Fund and appropriated tuition. 92, 93, 94
- 111. Modifies footnote to expand the use of \$8,000,000 appropriated to the UA operating budget for primary care physician scholarships on the College of Medicine Tucson campus. 94
- 112. Adds footnote requiring monies appropriated for the UA Natural Resource Users Law and Policy Center to be used to assist claimants in the general stream adjudications of water rights pursuant to A.R.S. § 15-1647. 94
- 113. Adds footnote requiring monies appropriated for the ASU Political History and Leadership Program to be used at the sole discretion and approval of the lead of the program and for direct support of the program 94

**Department of Veterans' Services**

- 114. Modifies footnote requiring the department to submit an expenditure report on the veteran support services expenditure plan to JLBC Staff rather than for committee review. 95
- 115. Adds footnote requiring the department to receive a 65% match of the total costs to build a veteran's home from the federal government. Requires the department to consult the Veterans Advisory Commission when selecting a site for the new veterans' home. (Capital) CO 29
- 116. Adds footnote requiring that the \$100,000 appropriated for Veteran Suicide Prevention be distributed to a 501c3 organization located in southern Arizona that works with regional veteran organizations to improve services to veterans to reduce veteran suicide. 113

**Water Infrastructure Finance Authority**

- 117. Adds footnote designating \$3,000,000 to be distributed for water projects assistance grants to cities and towns in Navajo and Apache Counties. 97
- 118. Adds footnote designating \$1,000,000 each for Cochise and Graham Counties distributed for water projects assistance grants to political irrigation districts. 97

**Department of Water Resources**

- 119. Adds a footnote requiring the department to use monies appropriated for the Agua Fria flood insurance study to complete a study of the hydrology and hydraulics of the Agua Fria River by 98

March 31, 2023. DWR may contract with an engineering firm that has not contracted with or otherwise associated with the Maricopa County Flood Control District.

**Capital**

120. Modifies ADOA, ADC, Game and Fish, and ADOT capital expenditure reporting date from January 31 and July 31 to November 30 and May 31. (Capital) CO 2