

## Office of Economic Opportunity

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	5.0	5.0	5.0
Personal Services	334,200	342,000	342,000
Employee Related Expenditures	118,000	122,700	120,200
Professional and Outside Services	0	16,700	16,700
Travel - In State	0	600	600
Travel - Out of State	0	3,100	3,100
Other Operating Expenditures	6,900	38,900	38,900
Equipment	0	1,800	1,800
<b>OPERATING SUBTOTAL</b>	<b>459,100</b>	<b>525,800</b>	<b>523,300</b>
<b>SPECIAL LINE ITEMS</b>			
Microbusiness Loan Fund Deposit	0	0	5,000,000
<b>AGENCY TOTAL</b>	<b>459,100</b>	<b>525,800</b>	<b>5,523,300 <sup>1/</sup></b>
<b>FUND SOURCES</b>			
General Fund	459,100	525,800	5,523,300
<b>SUBTOTAL - Appropriated Funds</b>	<b>459,100</b>	<b>525,800</b>	<b>5,523,300</b>
Other Non-Appropriated Funds	5,514,700	9,561,500	9,561,500
Federal Funds	2,370,400	7,108,700	7,108,700
<b>TOTAL - ALL SOURCES</b>	<b>8,344,200</b>	<b>17,196,000</b>	<b>22,193,500</b>

**AGENCY DESCRIPTION** — The Office of Economic Opportunity (OEO) is responsible for monitoring the state's tax competitiveness, evaluating the effectiveness of state incentive programs, analyzing state and local regulatory costs to businesses, serving as the state's workforce planning coordinator, and providing economic and demographic research and analysis. Also established within OEO is the Arizona Finance Authority, which oversees the Greater Arizona Development Authority (GADA) in addition to being the state recipient of private activity bonding authority. Additionally, OEO oversees the Arizona Industrial Development Authority which is the sole state issuer of private activity bonds.

### FOOTNOTES

<sup>1/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

#### Operating Budget

The budget includes \$523,300 and 5 FTE Positions from the General Fund in FY 2024 for the operating budget. Adjustments are as follows:

##### Statewide Adjustments

The budget includes a decrease of \$(2,500) from the General Fund in FY 2024 for statewide adjustments. (Please see the Agency Detail and Allocations section.)

#### Microbusiness Loan Fund Deposit

The budget includes \$5,000,000 from the General Fund in FY 2024 for the Microbusiness Loan Fund Deposit line item. Adjustments are as follows:

#### One-Time Deposit

The budget includes a one-time increase of \$5,000,000 from the General Fund in FY 2024 for a deposit into the newly formed Microbusiness Loan Fund.

Monies in this line item provides funding to eligible entities that give loans to microbusinesses in Arizona. (See Statutory Changes below for more information.)

#### Other Issues

#### Statutory Changes

The Commerce Budget Reconciliation Bill makes the following statutory changes:

- As session law, establishes the Microbusiness Loan Fund consisting of legislative appropriations. The fund is not subject to appropriation. Establishes rules and conditions for distributing grants to community development financial institutions (CDFIs) and eligible nonprofits with experience in lending for microbusiness loans. Defines microbusinesses as Arizona businesses that are independently owned and operated and employ 5 or fewer people, and limits fees for loans. Requires OEO to submit a report within 6 months of the effective date evaluating the need for microbusiness loans in Arizona. Requires OEO to report by February 1, 2024 on microlending in Arizona. Requires OEO to submit a report by July 31, 2024 detailing monies expended from the fund.

### ***Agency Structure and Funding***

Laws 2016, Chapter 372 created 3 new governmental entities: The Office of Economic Opportunity (OEO), the Arizona Finance Authority (AFA), and the Arizona Industrial Development Authority (AIDA). AFA is established in OEO and the AFA board serves as the board of AIDA, thus OEO has statutory supervision over all 3 entities. *(Please see the FY 2020 Appropriations Report for more details.)*

#### OEO

OEO is the central state agency for economic, population, and unemployment statistical analysis, the administering agency for the Workforce Arizona Council, and oversees the Workforce Data Task Force.

#### AFA

AFA houses the functions of the Greater Arizona Development Authority (GADA), and administers the state's Private Activity Bond (PAB) authorization. Prior to FY 2023, AFA housed the Water Infrastructure Finance Authority (WIFA). Laws 2022, Chapter 366 established WIFA as an independent entity from the AFA. All WIFA funds previously administered by AFA are now overseen by the WIFA board and are reported in a separate section of the *Appropriations Report*. *(See the Water Infrastructure Finance Authority section for more details).*

#### AIDA

AFA also governs AIDA, which has responsibility for the former activities for the Arizona Housing Finance Authority, Arizona Health Facilities Authority, and the Arizona International Development Authority. In addition, AIDA is authorized to issue PABs for allowable projects not otherwise covered by the other state IDAs.