



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

June 28, 2022

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

RE: Fiscal Year 2023 General Appropriations Act and related Budget Reconciliation Bills

Dear Secretary Hobbs,

Today I signed the Fiscal Year 2023 General Appropriations Act and related Budget Reconciliation Bills.

Arizona's Fiscal Year 2023 budget is a responsible package that pays down debt, secures our future and lays the foundation for even more growth — all while investing in the areas that matter most to Arizonans, including:

A Secure Future

This budget invests in our state's future by paying off over a billion dollars in debt and topping off the state's rainy day fund with an investment of \$425 million. Arizona's economy is booming, and these investments ensure we're prepared well into the future.

Tax Relief for Arizonans

Taxpayers deserve to keep more of their hard-earned dollars. The FY23 budget supports this belief by continuing the flat tax phase-in, keeping the state on track to fully phase in the 2.5 percent tax cut for the 2024 Tax Year. It also includes \$330.5 million to eliminate the State Equalization Tax Rate, backfilling lost property tax revenue to K-12 education with General Fund support.

Securing Arizona Communities

Arizona's public safety professionals put their lives on the line each and every day to protect our communities. This budget gives troopers a 15 percent pay increase and correctional officers a 20 percent pay increase, compensating them for their hard work and dedication to keeping our state safe.

Improving Access to Quality Healthcare

Health care and medical professionals work day and night to care for fellow Arizonans and protect their health. This budget makes significant investments to help train more Arizonans to join the healthcare workforce, including \$92 million of state and federal funding to expand both traditional and accelerated nursing programs.

Early and regular pregnancy care is vital to ensure the health of both the mother and the unborn child. With approximately half of the babies in the state born to mothers on the Arizona Health Care Cost Containment System (AHCCCS) program, it is important that we are investing to encourage more OBGYNs to accept AHCCCS coverage and ensure that low-income women have the same access to high quality care throughout their pregnancy as women covered by commercial insurance. The budget invests \$10 million general fund which, when paired with federal matching dollars, will increase AHCCCS rates for pregnancy care by 88 percent and bring them into parity with commercial plans.

Additionally, the budget provides funds to increase postpartum coverage from 60 days to a full year. This will ensure that women have coverage for treatment for any challenges that may arise after giving birth, such as postpartum depression.

The budget also includes \$2 million to create a new Behavioral Health Provider Loan Repayment program to attract and retain behavioral health workers here in the state.

Strengthening Arizona's Workforce of the Future

Arizona is full of high-paying, fulfilling job opportunities. This budget invests in our future workforce to help them gain the skills and expertise needed to connect with Arizona's wide range of jobs, including \$126 million for New Economy Initiatives at Arizona's three public universities.

The budget includes \$16.6 million for adult education programs, completely eliminating the 3,000-person waitlist. It also invests in rural community colleges, in-state tuition for veterans' spouses and STEM programs.

Bolstering Secure, Accountable and Transparent Elections

Arizona's election laws prioritize accountability and transparency. This budget makes key investments to strengthen our election system, with more than \$18.5 million over the next three years for secure ballot drop boxes, enhanced security measures and resources to clean up voter rolls and make sure they are accurate.

Delivering For Arizonans

These are just a few examples of how this budget delivers for Arizonans. Legislators on both sides of the aisle worked together to make sustainable, targeted investments in border security, K-12 education, support for vulnerable families and kids, infrastructure and more.

When I took office in 2015, Arizona had a billion dollar deficit and the economy was flat. Today, our finances are in order, the economy is booming and opportunities are plentiful. This largely due to strategic, fiscally conservative state budgets passed and signed over the last eight years.

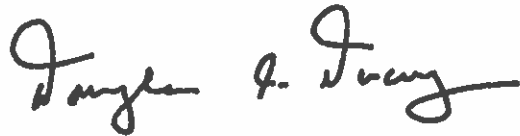
To ensure every dollar spent is useful to Arizonans, I also line-item vetoed the following appropriation of the budget:

House Bill 2862, page 85, lines 33 and 34

Arizona has created a strong, welcoming environment for our veterans. Over the last eight years there have been no shortage of policies that recognize their patriotism and heroism, including significant measures in this budget. This appropriation however has little support from the public and veteran community.

I thank Senate President Karen Fann, House Speaker Rusty Bowers, Senator David Gowan, Representative Regina Cobb and all the lawmakers who worked to secure a budget that delivers for all Arizonans, in every corner of our growing state.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas A. Ducey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Douglas A. Ducey
Governor
State of Arizona

cc: The Honorable Karen Fann
The Honorable Rusty Bowers
The Senate Secretary
The Chief Clerk of the House of Representatives
Arizona News Service