



13. Create a Reliable and Sustainable Funding Source for the Arizona Voter Information Database (AVID)

Description of issue and how recommending the agency's request furthers the agency's mandates: The Arizona Voter Information Database (AVID) is the state's central repository for voter registration data. It is used as the primary voter registration database for 13 of the state's 15 counties and the systems used by the other counties rely upon it as well.

Historically, AVID has been a collaboration between the state and counties and, as such, the maintenance and operations (M&O) costs have been evenly split between them. However, several recent developments make this funding model increasingly untenable.

First, previous funding was based on an incomplete assessment of M&O cost of AVID. The FY2023 budget assumed an approximate M&O cost of \$967,000. In the spring of 2023, AZSOS determined previous M&O estimates failed to include all direct and indirect components. Specially, they failed to include hosting fees and the five-person team to operate AVID and support counties. The revised estimate of annual AVID M&O cost is \$1.3 million.

Estimated Annual AVID M&O Costs (FY23 – FY25)

INXEL O&M	\$ 830,000
Cloud/servers	\$ 270,000
Other operational costs (PS & ERE)	\$ 200,000
Total cost	\$1,300,000

The Joint Legislative Budget Committee validated the revised AVID M&O estimate of \$1.3 million with actions it took at two separate meetings in June and October 2023. At both

meetings, JLBC authorized the use of additional funds to backfill the difference between AVID appropriations and actual costs.

The FY2025 budget appropriated \$483,500 of HAVA funds to AZSOS for its share of AVID M&O costs. This is short of the \$650,000 required for the state to meet its requirement; however, AZSOS was awarded \$175,000 in ARPA funds to backfill the prospective shortfall in FY2025. ARPA funds will not be available in FY2026.

Second, changes to AVID mandated by litigation and legislation have expanded its functionality (SB1485, SB1411, HB2492, HB2243, HB2482) and has significantly increased M&O cost. Additionally, counties have made it abundantly clear that more training, support, and testing are needed to ensure they are able to process voter registration accurately. Based on these legal mandates and county requests, AZSOS has revised the estimated AVID M&O to \$2.34 million in FY2026 and beyond.

Estimated Annual AVID M&O Costs (FY2026 & beyond)

INXEL M&O (including new legislative mandates)	\$ 1,200,000
Cloud/Servers	\$ 270,000
Existing operational costs (PS & ERE)	\$ 470,000
New operational cost (PS, ERE & POS)	\$ 400,000
Total cost	\$ 2.34,000

Third, the state's portion of AVID M&O has almost exclusively been paid for using HAVA funds appropriated by the legislature and reviewed by JLBC. The FY2024 state budget appropriated \$5 million of previously awarded, but unappropriated and future, HAVA funds to the state and counties with a 25% to 75% distribution. AZSOS believes its distribution of HAVA funds will only be able to cover AVID M&O obligations (the state's share and backfilling county underpayments) for one or additional fiscal year. While Congress awarded Arizona an additional \$1 million in HAVA funds in 2024, AZSOS believes future HAVA awards are very unlikely.

These factors indicate an urgent need for a predictable state funding source for AVID beginning in FY2026.

Proposal: Appropriate \$2.34 million from the state general fund to the AVID line item in FY2026 and thereafter.

Alternatives considered and reasons for rejection: N/A

Impact of not funding this fiscal year: It is a near certainty the state cannot continue to operate AVID using solely appropriated HAVA funds.

Statutory reference: ARS § 16-168

Equipment to be purchased: N/A

Classification of new positions: The request includes funding for three FTE positions to support AVID. These positions will likely include roles such as:

- Voter Registration Customer Service Representative
- Voter Registration Training and Quality Specialist
- Voter Registration Quality Assurance Support Specialist

Annualization: \$2.34 million