

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - Second Regular Session

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - Second Regular Session

CAUCUS AGENDA

April 29, 2026

Bill Number	Short Title	Committee	Date	Action
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[Blue Sheet #12](#)

Committee on Appropriations

Chairman: David Livingston, LD 28

Vice Chairman: Matt Gress, LD 4

Analyst: Duncan Spilsbury

Intern: Jaiden Arleo

HB 4138 _(BSI)	2026-2027; general appropriations act.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4139 _(BSI)	2026-2027; amusements.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4140 _(BSI)	2026-2027; state budget implementation.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4141 _(BSI)	capital outlay; 2026-2027; appropriations.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4142 _(BSI)	2026-2027; commerce.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4143 _(BSI)	2026-2027; criminal justice.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4144 _(BSI)	2026-2027; environment.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4145 _(BSI)	2026-2027; health care.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4146 _(BSI)	2026-2027; higher education.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None

HB 4147 _(BSI)	2026-2027; human services.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4148 _(BSI)	2026-2027; K-12 education.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4149 _(BSI)	2026-2027; local government.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4150 _(BSI)	management; state properties; 2026-2027.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4151 _(BSI)	2026-2027; revenue.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4152 _(BSI)	2026-2027; taxation; omnibus.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None
HB 4153 _(BSI)	2026-2027; transportation.			
SPONSOR:	LIVINGSTON, LD 28	HOUSE		
	APPROP			None

Committee on Education

Chairman: Matt Gress, LD 4
Analyst: Chase Houser

Vice Chairman: Michele Peña, LD 23
Intern: Jasmine Dominguez

[SB 1798](#)_(BSI) ~~school safety; identification system; appropriation~~
 (Now: FAFSA; financial aid awareness program)
 SPONSOR: SEARS, LD 9

ED 3/24/2026 DP (8-2-0-2)
 (No: OLSON, FINK Abs: MARSHALL, ABEYTIA)



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4138: 2026-2027; general appropriations act.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Appropriates monies for the operation of the state government in FY 2027.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills prepared according to subject area.

Provisions

The tables below indicate state General Fund (GF) and other fund (OF) changes for appropriated state agencies in FY 2027 stated in terms of changes to the [FY 2027 JLBC Baseline](#).

Major footnotes are stated in terms of changes to the [FY 2026 General Appropriations Act](#).

Summary of Changes	Fund	Comments	FY 2027 Changes to JLBC Baseline
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Department of Administration (ADOA) (Sec. 4)

- Requires that ADOA distribute \$377,100 for county support for corrections officer employer contributions in FY 2027 and specifies the amounts to be distributed to each county.

ADOA – School Facilities Division (SFD) (Sec. 5)

Building Renewal Grant Funding	GF	Onetime	\$183,300,000
New School Construction Projects	GF	Onetime prior year project savings	\$(20,200,000)

- Allows SFD to use the unencumbered balance of \$20,622,600 in the New School Facilities Fund for facilities and land costs for districts that received final approval on or before December 15, 2025.

Arizona Health Care Cost Containment System (AHCCCS) (Sec. 9)

Formula	GF	Ongoing	\$(42,000,000)
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Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

Department of Child Safety (DCS) (Sec. 15)

Congregate Care	GF	Onetime	\$36,900,000
Extended Foster Care Comprehensive Service Model	GF	Onetime	\$8,200,000

Arizona Commerce Authority (ACA) (Sec. 17)

Eliminate Annual Competes Fund General Fund Deposit	GF	Ongoing	\$(500,000)
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Department of Corrections (DOC) (Sec. 21)

4% Correctional Officer Stipend	GF	Onetime	\$21,400,000
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3. Requires the Director of DOC to award a onetime four percent stipend payment to an employee that is employed by the agency after July 3, 2026.
4. Requires the stipend be equal to four percent of the employee's annual salary level and the amount must be distributed evenly throughout each pay period in FY 2027.
5. Requires DOC to amend private prison bed contracts to increase per diem rates in FY 2027 on a onetime basis to provide an amount sufficient for a onetime four percent stipend to each correctional officer employed in a private prison that contracts with Arizona.

Arizona Criminal Justice Commission (ACJC) (Sec. 22)

Victims of Crime Act Federal Backfill	GF	Onetime	\$2,250,000
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Arizona State Schools for the Deaf and the Blind (ASDB) (Sec. 23)

6. Requires, on or before September 1, 2026, ASDB to report to the Joint Legislative Budget Committee detailing the school's operations and budgetary changes since FY 2026.

Department of Economic Security (DES) (Sec. 27)

Victims of Crime Act Federal Backfill	GF	Onetime	\$11,500,000
Child Care Assistance Program	GF	Onetime	\$44,800,000
Community Based Services	GF	Onetime; community-based services for high-cost developmental disability (DD) clients	\$17,900,000

Department of Education (ADE) (Sec. 29)

Formula	GF	Ongoing	\$(92,100,000)
Unused Land Trust Balance One-Time Formula Offset	GF	Onetime	\$(8,000,000)
3rd Year Low Income Weight Increase	GF	Onetime	\$37,000,000
3rd Year Additional Assistance Increase	GF	Onetime	\$29,000,000
School Meals	GF	Onetime	\$2,000,000

7. Specifies that, of the \$29,000,000 appropriated for additional assistance, \$23,142,00 is included for a onetime district additional assistance supplement and \$5,858,00 is included for a onetime charter additional assistance supplement.
8. Requires ADE to distribute monies for district additional assistance and charter additional assistance on a proportional basis based on the district or charters additional assistance funding that each district or charter receives in FY 2027.
9. Allows a school district to budget the onetime district additional assistance in either the school district's maintenance and operation fund or unrestricted capital outlay fund.
10. Requires ADE to allocate \$37,000,000 for onetime free and reduced-price lunch (FRPL) group B weight supplement in FY 2027.
11. Directs ADE to distribute the appropriated amount for onetime FRPL group B weight supplement to school districts and charter schools on a pro rata basis using the weighted student count for FRPL students in FY 2027 for the school district or charter school.
12. Allows a school district to budget the monies it receives from the onetime FRPL group B weight supplement in either the school district's maintenance and operation fund or unrestricted capital outlay fund.
13. Requires ADE to allocate monies for the onetime school meal grants to school districts and charter schools that participate in the National Lunch Program or School Breakfast Program under the National School Lunch and Child Nutrition Acts for grants to reduce or eliminate copayments that would be charged to eligible children for reduced-price meals.
14. Stipulates that, if there are insufficient monies to cover the school meal grant awards for all eligible grantees, ADE must reduce each grant proportionately to cover all eligible grantees.

Department of Juvenile Corrections (ADJC) (Sec. 50)			
4% Youth Correctional Officer Stipend	GF	Onetime	\$500,000

15. Requires the Director of ADJC to award a onetime four percent stipend payment to an employee that is employed by the agency after July 3, 2026.
16. Requires the stipend be equal to four percent of the employee's annual salary level and the amount must be distributed evenly throughout each pay period in FY 2027.

Department of Public Safety (DPS) (Sec. 75)			
Victims of Crime Act Federal Backfill	GF	Onetime	\$9,300,000

Secretary of State (SOS) (Sec. 81)

17. Requires the Secretary of State to submit a monthly report to the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting detailing actual expenditures from the Election Services line item in the previous month and year-to-date expenditures.

Arizona Office of Tourism

18. Eliminates the General Fund appropriation to the Office of Tourism.

Universities (Sec. 88 - 90)

19. Declares it is the Legislature's intent for the School of Civic and Economic Thought and Leadership at Arizona State University, the Economic Policy Institute at Northern Arizona University and for the Center for the Philosophy of Freedom at the University of Arizona maintain the same funding level as FY 2026, except the universities may allocate the lump sum reduction of no more than 5% as prescribed by this Legislation.

FY 2020 Appropriation Adjustment (Sec. 94)

20. Reduces the following amount from the GF in FY 2026 to the following agencies:

Agency	Amount
ADE – Teacher Development Pilot Program (FY 2020)	\$(344,300)

FY 2021 Appropriation Adjustment (Sec. 95)

21. Reduces the following amount from the GF in FY 2026 to the following agencies:

Agency	Amount
ADE – Teacher Development Pilot Program (FY 2021)	\$(400,000)

FY 2022 Appropriation Adjustment (Sec. 96)

22. Reduces the following amounts from the GF in FY 2026 to the following agencies:

Agency	Amount
ADE – Teacher Development Pilot Program (FY 2022)	\$(400,000)
ADOA – Retirement of the Financing Agreements (FY 2022)	\$(5,037,800)

FY 2023 Appropriation Adjustment (Sec. 97)

23. Reduces the following amount from the GF in FY 2026 to the following agencies:

Agency	Amount
DVS – Tribal Ceremonies (FY 2023)	\$(1,000,000)

FY 2024 Appropriation Adjustment (Sec. 98)

24. Reduces the following amounts from the GF in FY 2026 to the following agencies:

Agency	Amount
DOC – Transitional and Reentry Housing (FY 2024)	\$(3,733,300)
DPS – Civil Air Patrol Infrastructure (FY 2024)	\$(2,300,000)
DPS – Major Incident Division (FY 2024)	\$(1,323,200)

FY 2025 Appropriation Adjustment (Sec. 99)

25. Reduces the following amounts from the GF in FY 2026 to the following agencies:

Agency	Amount
AHCCCS – Graduate Medical Education (FY 2025)	\$(4,298,100)
DPS – Major Incident Division (FY 2025)	\$(6,433,200)

FY 2026 Appropriation Adjustment (Sec. 104 - 105)

26. Reduces the following amounts from the GF in FY 2026 to the following agencies:

Agency	Amount
SOS – Special Election Expenses (FY 2026)	\$(1,215,200)
ADE – Basic State Aid Formula	\$(31,859,000)

FY 2026 Supplemental Appropriations and Adjustments (Sec. 100 - 103)

Agency	Fund	Amount
AHCCCS - Formula	GF	\$64,528,400
AHCCCS - Formula	EA	\$340,175,800
DES - Developmental Disabilities Formula	GF	\$96,818,700
DES - Developmental Disabilities Formula	EA	\$241,928,300
DPS – Operating Expenditures	OF	\$4,750,000

27. Exempts the \$4,750,000 supplemental appropriation to DPS for operating expenditures from lapsing.

28. Declares the Legislature's intent that ADOA not enter into any agreements to pay for any federal reimbursements related to excess balances in the Special Employee Health Insurance Trust Fund unless proposed agreements have been reviewed by JLBC.

DES (Sec. 106)

29. Continues to allow DES, beginning April 1, 2027, to use up to \$25,000,000 from the Budget Stabilization Fund (BSF) to provide funding for reimbursement grants.

30. Requires DES, before using the BSF monies, to notify the Director of JLBC and the Director of OSPB.

31. Requires the BSF appropriation to be fully reimbursed by September 1, 2027, and to be reimbursed in full as part of the closing process for FY 2027.

32. Prohibits the BSF appropriation from being used for additional programmatic expenditures.

FY 2027 Lump Sum Reductions (Sec. 107)

33. Reduces the following GF monies from the lump sum appropriations of the following budget units in FY 2027.

Agency	Lump Sum Reductions
Department of Administration	\$(967,200)
ADOA – School Facilities Division	\$(78,200)
Office of Administrative Hearings	\$(46,300)
Department of Agriculture	\$(763,400)
AHCCCS	\$(10,576,400)
Attorney General	\$(1,292,900)

Board for Charter Schools	\$(134,900)
Arizona Commerce Authority	\$(127,500)
Community Colleges	\$(814,100)
Corporation Commission	\$(37,000)
Criminal Justice Commission	\$(230,000)
Office of Economic Opportunity	\$(24,800)
Department of Economic Security	\$(9,909,100)
Board of Education	\$(165,900)
Department of Education	\$(7,120,400)
Department of Emergency & Military Affairs	\$(564,500)
State Board of Equalization	\$(35,600)
Board of Executive Clemency	\$(72,900)
Department of Forestry & Fire Management	\$(2,170,400)
Department of Gaming	\$(310,200)
Governor's Office	\$(456,400)
Governor's Office of Strategic Planning and Budgeting	\$(138,300)
Department of Health Services	\$(5,717,600)
Arizona Historical Society	\$(142,500)
Prescott Historical Society	\$(47,200)
Department of Homeland Security	\$(500,000)
Industrial Commission	\$(4,200)
Department of Insurance & Financial Institutions	\$(299,400)
Judiciary – Supreme Court	\$(1,273,900)
Judiciary – Court of Appeals	\$(688,900)
Judiciary – Superior Court	\$(4,210,600)
Department of Juvenile Corrections	\$(1,465,500)
Land Department	\$(579,700)
Auditor General	\$(1,291,100)
House of Representatives	\$(907,800)
Joint Legislative Budget Committee	\$(148,200)
Legislative Council	\$(452,900)
Ombudsman – Citizens Aide Office	\$(77,000)
Senate	\$(806,500)
Mine Inspector	\$(107,900)

Natural Resource Conservation Board	\$(19,500)
Navigable Streams Commission	\$(6,700)
Real Estate Department	\$(150,200)
Department of Revenue	\$(2,862,000)
Secretary of State	\$(692,200)
Board of Tax Appeals	\$(15,300)
State Treasurer	\$(85,800)
Office of Tribal Relations	\$(3,200)
Arizona Board of Regents	\$(2,733,000)
Arizona State University	\$(16,142,600)
Northern Arizona University	\$(5,561,700)
University of Arizona – Main	\$(10,670,800)
University of Arizona – Health Services	\$(3,771,400)
Department of Veterans' Services	\$(569,800)
Department of Water Resources	\$(1,199,500)

Debt Service Payment (Sec. 108)

34. Allocates \$26,997,100 of state GF revenue in FY 2026 to the Arizona Convention Center Development Fund.

Fund Transfers (Sec. 109 - 110)

35. Transfers the following amounts from the following fund sources to the state GF by June 30, 2026 for the purpose of providing adequate support and maintenance for agencies of this state:

Fund	FY 2026	FY 2027
Arizona Department of Administration		
Risk Management Fund	\$24,300,000	
Construction Insurance Fund	\$8,500,000	
Attorney General		
Consumer Protection – Consumer Fraud Revolving Fund	\$3,000,000	
Arizona Board of Regents		
Technology And Research Initiative Fund	\$24,900,000	
Arizona Commerce Authority		
Arizona Competes Fund	\$63,300,000	
Corporation Commission		
Securities Regulatory and Enforcement Fund	\$16,900,000	
Utility Regulation Revolving Fund	\$6,800,000	
Department of Corrections		
Prison Construction and Operations Fund	\$10,000,000	

Corrections Fund	\$4,400,000	
Transition Program Fund	\$2,200,000	
Department of Environmental Quality		
Underground Storage Tank Revolving Fund	\$8,700,000	
Recycling Fund	\$4,000,000	
Arizona Game and Fish Department		
Heritage Land Acquisition Fund	\$10,000,000	
Watercraft Licensing Fund	\$3,400,000	
Department of Health Services		
Health Services Lottery Fund	\$5,100,000	
Arizona Department of Housing		
Housing Trust Fund	\$14,400,000	
Industrial Commission		
ICA Admin Fund	\$6,700,000	
Department of Insurance & Financial Institutions		
Automobile Theft Authority Fund	\$5,800,000	
Land Department		
Trust Land Management Fund	\$21,200,000	
Arizona State Parks Board		
State Parks Revenue Fund	\$11,900,000	
Off-Highway Vehicle Recreation Fund	\$10,000,000	
Arizona State Parks Heritage Fund	\$2,600,000	
Department of Revenue		
Department of Revenue Administrative Fund	\$5,000,000	
Supreme Court		
Judicial Collection and Enhancement Fund	\$9,600,000	
Department of Transportation		
SMART Rural Transportation Fund	\$26,300,000	
Motor Vehicle Liability Ins. Enforcement Fund	\$16,200,000	
State Vehicle Replacement Fund	\$5,000,000	
Water Infrastructure Finance Authority		
Water Supply Development Revolving Fund	\$30,000,000	

36. Transfers \$9,700,000, by July 1, 2027, from the State Highway Fund to the state GF in FY 2026 for the purposes of providing adequate support and maintenance for agencies of this state.
37. Specifies that the \$9,700,000 transferred from the State Highway Fund reflects the interest income earned from investment of State Highway Fund monies from a portion of revenues derived from the state GF portion of transaction privilege tax revenues transferred in the FY 2023 state budget.

Payment Deferrals (Sec. 111-112)

38. Appropriates \$40,000,000 from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund in FY 2027 to the AG and specifies that the monies consist of opioid claims-related litigation or settlements.
39. Requires the AG, by July 8, 2026, or if sufficient monies are not available on July 8, 2026, within three calendar days after sufficient monies become available, to transfer the \$40,000,000 to the DOC Opioid Remediation Fund.
40. Requires DOC to use the monies in the specified opioid-related fund only for past and current costs for care, treatment, programs and other expenditures for individuals with opioid use disorder and any co-occurring substance use disorder or mental health conditions or for any other approved purposes prescribed in a court order, a settlement funds agreement that is entered into by the state and other parties to the opioid litigation.
41. Prohibits the AG from imposing any conditions on the transfer of the monies in the DOC Opioid Remediation Fund.
42. Stipulates that, if the AG does not transfer the full amounts specified by July 8, 2026, the ADOA General Accounting Office must directly transfer the amount from the subaccount to the DOC Opioid Remediation Fund.
43. Exempts the AG monies from lapsing.
44. Continues to defer \$800,727,700 in Basic State Aid (BSA) and additional state aid (ASA) payments from ADE in FY 2027 until after June 30, 2027, but no later than July 12, 2027, and excludes charter schools and school districts with a student count less than 4,000 pupils from the deferral.
45. Requires ADE to make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.
46. Requires ADE to disburse the FY 2028 appropriations of \$800,727,700 to the counties for the school districts starting July 1, 2027, and no later than July 12, 2027, in amounts equal to the reductions in the apportionment of BSA and ASA.
47. Requires school districts to include, in the revenue estimates used for computing FY 2027 tax rates, the deferred appropriation monies that the districts will receive.

Statewide Adjustments (Sec. 113 - 114)

Area of Adjustment	GF	OF	Total
Employer Health Insurance Contribution Reduction	\$(194,788,900)	\$(45,788,900)	\$(240,665,300)
Employer Health Insurance Contribution Increase	\$228,363,200	\$55,000,000	\$283,363,200
State Fleet Operations Adjustment	\$(5,205,900)	\$10,000	\$(5,195,900)
State Fleet Replacement	\$(2,422,400)	\$(2,700,000)	\$(5,122,400)
Agency Risk Management	\$(19,999,600)	\$(5,888,700)	\$(25,888,300)
Agency Retirement Adjustment	\$(3,135,800)	\$(271,500)	\$(3,407,300)

48. Outlines statewide adjustment instructions and procedures.
49. Outlines the FY 2027 individual agency charges totaling \$1,798,500 for general agency counsel provided by the AG.

Miscellaneous (Sec. 115 - 125)

50. Declares the Legislature's intent that all departments, agencies and budget units receiving appropriations continue to report actual, estimated and requested expenditures in a specified format.
51. Contains various reporting requirements.

52. Defines terms.



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4139: 2026-2027; amusements.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to amusements needed to implement the FY 2027 budget.

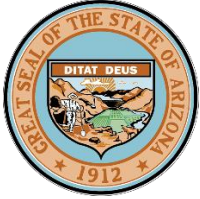
History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Continues for FY 2027, as session law, to set the Arizona Department of Gaming's (ADG) regulatory assessment to 0.5% of the amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by a commercial racing permittee. (Sec. 1)
2. Continues to authorize, as session law, ADG, for race meetings in 2026 and 2027, to allow a first-time starter horse to race as long as the horse has gate approval and at least two timed workouts. (Sec. 2)
3. Requires one of the timed workouts to be an out-of-the-gate workout that is conducted within 60 days of the race in which the horse is entered. (Sec. 2)
4. Repeals the gate approval authorization on January 1, 2028. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4140: 2026-2027; state budget implementation.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to budgetary fund revisions needed to implement the FY 2027 budget.

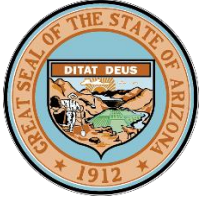
History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Requires, as session law, any unrestricted federal monies received by the state beginning July 1, 2026 through June 30, 2027 to be deposited in the state General Fund (GF) to pay essential government services. (Sec. 1)
2. Contains a retroactivity clause of July 1, 2026. (Sec. 1)
3. States, as session law, that the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund through FY 2028. (Sec. 2)
4. Asserts that for FY 2027, the Budget Stabilization Fund is not limited to 10% of the GF revenue and the State Treasurer may not transfer any surplus monies from the Budget Stabilization Fund to the GF. (Sec. 2)
5. Requires the Governor's budget submission to the Legislature for FY 2028 to include a full accounting of the monies available for expenditure from savings realized by the Government Efficiency and Reform Initiative. (Sec. 3)
6. Stipulates that the Governor's budget submission must include a:
 - a. report that demonstrates how the Government Efficiency and Reform Initiative savings target of \$100,000,000 will be accomplished; and
 - b. comprehensive list of the component initiatives, by savings amount, for each affected agency. (Sec. 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB4141: capital outlay; 2026-2027; appropriations.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Makes capital appropriations to state agencies in FY 2027.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Building Renewal (Sec. 2)

1. Appropriates the following amounts to the specified agencies in FY 2027 for the maintenance and repair of state buildings:

Arizona Department of Administration (ADOA)

- a. \$16,800,000 from the Capital Outlay Stabilization Fund (COSF);
 - i. requires ADOA to allocate these monies to state agencies for necessary building renewal;
 - ii. reduces the appropriation from the COSF to the amount available in that fund if the monies in COSF are insufficient to fund the full appropriation;
 - iii. allows the monies to be used for retrofitting facilities for space consolidation;

Arizona Department of Corrections (DOC)

- b. \$5,864,300 from the DOC Building Renewal Fund;
 - i. restricts DOC from spending these monies on personal services or overhead expenses related to managing the funded projects;

Arizona Game and Fish Department (AZGF)

- c. \$1,932,900 from the Game and Fish Fund;

Arizona State Lottery Commission (ASLC)

- d. \$237,800 from the State Lottery Fund;

Arizona Department of Transportation (ADOT)

- e. \$22,990,400 from the State Highway Fund (SHF); and
- f. \$394,900 from the State Aviation Fund (SAF).

ADOT Statewide Highway Construction (Sec. 3)

2. Appropriates \$432,663,000 from the SHF in FY 2027 to plan and construct state highways, including the national system of interstate highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, to acquire rights-of-way and to provide for the cost of contracted field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction.
3. Specifies that any balances and collections in the SHF that exceed the specific amounts appropriated in the General Appropriations Act and in the Capital Outlay Act for FY 2027 are appropriated to ADOT for the purposes

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

of statewide highway construction.

4. Directs ADOT, by November 1, 2026, to report to the directors of the Joint Legislative Budget Committee (JLBC) and the Governor's Office of Strategic Planning and Budgeting (OSPB) on its actual prior year, estimated current year and upcoming budget year highway construction expenses from all fund sources, as prescribed.
5. Requires ADOT, by November 1, 2026, to report as outlined capital outlay information for FYs 2026, 2027 and 2028, to the JLBC directors and OSPB.
6. Tasks ADOT with reporting, by November 1, 2026, ADOT's estimated outstanding debt principal balance at the end of FY 2028 and the estimated debt service payment amount for each FYs 2028, 2029, 2030 and 2031, to the JLBC directors and OSPB, as prescribed.
7. Exempts the \$432,663,000 appropriation from being subjected to a review by the Joint Committee on Capital Review (JCCR).

ADOT Airport Planning and Development (Sec. 6)

9. Appropriates \$29,048,900 from the SAF in FY 2027 to ADOT to plan, construct, develop and improve state, county, city or town airports as determined by the State Transportation Board.
10. Stipulates that any balances and collections in the SAF that exceed the specific amounts appropriated in the General Appropriations Act and the Capital Outlay Act for FY 2027 are appropriated to ADOT in FY 2027 for the purposes of airport planning and development.
11. Requires ADOT, by December 31, 2026, to report to JLBC staff on the status of all aviation grant awards and distributions, delineating projects by individual airport and fiscal year, including any future year commitments.
12. Exempts the \$29,048,900 appropriation from being subjected to a JCCR review.

Miscellaneous

13. Changes from FY 2028 to FY 2029 the appropriation of \$25,000,000 from the State General Fund (GF) to the Department of Veteran's Services to construct and establish a veteran's home facility in the northwestern portion of this state. (Sec. 1)
14. Transfers the \$2,500,000 reduction, made by Laws 2022 from the SHF to rehabilitate the pavement along U.S. Route 191 between Armory Road and East Safford, to the GF for the support and maintenance of state agencies. (Sec. 4)
14. Appropriates \$26,300,000 from the GF in FY 2029 to the State Match Advantage for Rural Transportation Fund. (Sec. 5)
15. Permits ADOA to spend up to 5% of the amounts appropriated to ADOA in the Capital Outlay Act for FY 2027, excluding amounts to be distributed to nonstate agencies, for expenditures for project management of building renewal and capital projects. (Sec. 7)
16. Prohibits all other monies appropriated to ADOA in the Capital Outlay Act for FY 2027 from being spent for personal services or employee-related expenditures or for maintenance contracts on building components and equipment without JCCR review. (Sec. 7)
17. Restricts the monies appropriated in the Capital Outlay Act for FY 2027 from being spent for personal services or employee-related expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities. (Sec. 7)



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

[HB 4142](#): 2026-2027; commerce.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to amusements needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Eliminates State Lottery Fund distributions to the Arizona Competes Fund. (Sec. 1)
2. Makes a conforming change. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4143: 2026-2027; criminal justice.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to criminal justice needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Directs the Department of Corrections (DOC) to provide a report on bed capacity to the Joint Legislative Budget Committee (JLBC) by November 1 of each year. (Sec. 1)
2. Requires the report to include the following:
 - a. the bed capacity for each security classification by gender at each state correctional facility and private prison, divided by rated and total beds;
 - b. bed capacity data from the end of the previous two fiscal years and the projected capacity for the end of the current fiscal year, along with reasons for any change within that time period;
 - c. the number of temporary and special use beds within the total bed count;
 - d. the DOC's rationale for eliminating any permanent beds rather than reducing the level of temporary beds; and
 - e. any plans to vacate beds but not permanently remove the beds from the bed count. (Sec. 1)
3. Stipulates DOC must submit to JLBC for review any plan to open or close 100 or more state correctional facility or private prison rated beds, before implementation of the proposed changes, if the plan is developed after DOC submits its annual report. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4144: 2026-2027; environment.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to the environment needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Underground Storage Tank Revolving Fund (USTR Fund) (Session Law)

1. Authorizes the Arizona Department of Environmental Quality (ADEQ) to use up to \$6,531,000 from the USTR Fund in FY 2027 for ADEQ administrative costs and to remediate sewage discharge issues in Naco and other border areas of Arizona. (Sec. 1)

Arizona Navigable Stream Adjudication Commission (Commission) (Session Law)

2. Allows monies appropriated to the Commission from the Arizona Water Banking Fund to be used to pay legal fees in FY 2027. (Sec. 2)

Arizona Water Protection Fund (AWPF) (Session Law)

3. Authorizes the AWPF Commission to grant to the Arizona Department of Water Resources (ADWR) up to \$336,000 of the unobligated balance in AWPF for ADWR administrative costs in FY 2027. (Sec. 3)

Vehicle Emission Testing Fees (Session Law)

4. Requires the ADEQ Director to maintain vehicle emissions testing fees in area A in FY 2027 so that vehicle emissions testing fees collected are at the area A emission fee level as of June 30, 2025. (Sec. 4)

Water Quality Assurance Revolving Fund (WQARF) (Session Law)

5. Limits to \$15,000,000 the amount of appropriated monies transferred to the WQARF in FY 2027. (Sec. 5)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4145: 2026-2027; health care.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to health care needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Arizona Department of Administration (ADOA)

1. Requires ADOA to implement a 10% increase to medical premiums paid by active employees and retirees enrolled in the state employee health plan for Plan Year (PY) 2027. (Sec. 6)
2. States the Legislature intends that ADOA increase these premiums by an additional 5% in PY 2028 and 5% in PY 2029. (Sec. 6)

Arizona Health Care Cost Containment System (AHCCCS) Member Eligibility

3. Requires AHCCCS to enter into a data matching agreement with Department of Revenue (DOR) to identify members who have lottery or gambling winnings of \$3,000 or more and directs AHCCCS to review this information at least once a month. (Sec. 1)
4. Declares that a member who fails to disclose winnings of \$3,000 or more and who is identified by AHCCCS through the database match is in violation of AHCCCS's terms of eligibility. (Sec. 1)
5. Requires AHCCCS, at least once a month, to:
 - a. receive and review death record information from the Department of Health Services concerning its members and to adjust system eligibility accordingly; and
 - b. review information concerning members indicating a change in circumstances that may affect eligibility, including changes in residency as identified by out-of-state electronic benefit transfer card transactions. (Sec. 1)
6. Directs AHCCCS, at least once a quarter, to:
 - a. redetermine the eligibility of able-bodied adults who are eligible and not American Indians or Alaskan natives; and
 - b. for the purposes of the redetermination process, receive and review information from:
 - i. DOR that indicates a change in members' circumstances that may affect eligibility, including potential changes in income, wages or residency as identified by tax records; and
 - ii. DES concerning members that indicates a change in circumstances that may affect eligibility, including changes to unemployment benefits, status or wages. (Sec. 1)
7. Prohibits AHCCCS, unless required by federal law, from accepting self-attestation of income, residency, age, household composition, caretaker or relative status or receipt of other health insurance coverage without independent verification before enrollment. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

8. Bars AHCCCS from requesting the authority to waive or decline to periodically check any available income-related data sources to verify eligibility. (Sec. 1)
9. Prohibits AHCSS from accepting eligibility determinations for the system from a federally-facilitated exchange established in accordance with federal law. (Sec. 1)
10. Allows AHCCCS to accept assessments from a federally-facilitated exchange established in accordance with federal law. (Sec. 1)
11. Requires AHCCCS to independently verify eligibility and make eligibility determinations from the assessments accepted from a federally-facilitated exchange. (Sec. 1)
12. Requires AHCCCS to review a member's eligibility if it receives information concerning that member indicating a change in circumstances that may affect eligibility. (Sec. 1)
13. Allows AHCCCS to enter a memorandum of understanding with any other department of this state to obtain the required information. (Sec. 1)
14. Authorizes AHCCCS to contract with one or more independent vendors to provide additional data or information that may indicate a change in an individual's circumstances and eligibility. (Sec. 1)
15. Requires AHCCCS to submit any waiver requests necessary to implement this act's requirements to the Centers for Medicare and Medicaid Services (CMS) on or before April 1, 2027. (Sec. 1)

Presumptive Eligibility Determinations

16. Requires AHCCCS to request approval from CMS for a section 1115 waiver to allow the agency to eliminate mandatory hospital presumptive eligibility and restrict presumptive eligibility determinations to only children and pregnant women eligibility groups. (Sec. 1)
17. Declares that if the section 1115 waiver request for restricting presumptive eligibility is denied by CMS, AHCCCS is required to resubmit a subsequent request within 12 months of each denial. (Sec. 1)
18. Prohibits AHCCCS, unless required by federal law, from designating itself as a qualified health entity for the purpose of making presumptive eligibility determinations or for any other purpose not expressly authorized by statute. (Sec. 1)
19. Requires a qualified hospital making presumptive eligibility determinations to:
 - a. notify AHCCCS of each presumptive eligibility determination within five working days of the determination being made;
 - b. assist individuals determined to be presumptively eligible by the qualified hospital with completing and submitting a full application for AHCCCS eligibility;
 - c. notify each applicant in writing and on all relevant forms that if the applicant does not file a full application before the last day of the following month, presumptive eligibility coverage will end on the last day of the following month; and
 - d. notify each applicant that if they file a full application for AHCCCS eligibility before the last day of the following month coverage will continue until an eligibility determination is made on the filed application. (Sec. 1)
20. Outlines standards AHCCCS must establish and apply in order to ensure that accurate presumptive eligibility determinations are made by each qualified hospital. (Sec. 1)
21. Requires AHCCCS to notify a qualified hospital that fails to meet the established standards for any presumptive eligibility determinations within five days after the determination:
 - a. for the first violation:
 - i. a description of the standard that was not met and an explanation of why it was not met; and
 - ii. confirmation that a second finding will require all applicable hospital staff to participate in mandatory training by AHCCCS on hospital presumptive eligibility rules.
 - b. for the second violation:
 - i. a description of the standard that was not met and an explanation of why it was not met; and
 - ii. confirmation that all applicable hospital staff are required to participate in mandatory training by AHCCCS on hospital presumptive eligibility rules and the date, time and location of the training as determined by AHCCCS;

- iii. a description of available appellate procedures by which a qualified hospital may dispute the finding and remove it from the hospital's record by providing clear and convincing evidence the standards were met; and
 - iv. confirmation that if the qualified hospital subsequently fails to meet any of the standards for presumptive eligibility the hospital will no longer be qualified to make presumptive eligibility determinations under AHCCCS.
- c. For the third violation:
- i. a description of the standard that was not met and an explanation of why it was not met; and
 - ii. a description of available appellate procedures by which a qualified hospital may dispute the finding and remove it from the hospital's record by providing clear and convincing evidence the standards were met; and
 - iii. confirmation that, effective immediate, the hospital is no longer qualified to make presumptive eligibility determinations under AHCCCS. (Sec. 1)

22. Contains an effective date of January 1, 2027. (Sec. 12)

County Session Law Provisions

23. Sets the annual county Arizona Long Term Care System (ALTCS) contributions for FY 2027 at \$445,813,900 and:

- a. outlines each county's contribution;
- b. requires the State Treasurer to recover the cost of any funding that was not provided; and
- c. requires the State Treasurer to deposit monies received into the ALTCS fund. (Sec. 2)

24. Requires the counties' share of the state's contribution to comply with federal maintenance of effort requirements. (Sec. 2)

25. Sets the FY 2027 county acute care contributions at \$42,447,600 and:

- a. outlines each county's contribution;
- b. outlines payment processes and requirements;
- c. requires the State Treasurer to recover the cost of any funding that was not provided by a county from other funds owed to that county, excluding the Highway User Revenue Fund; and
- d. states that the Legislature intends that the Maricopa County contribution be reduced in each subsequent year according to changes in the GDP price deflator. (Sec. 5)

26. Continues to exclude Proposition 204 administration costs from county expenditure limitations. (Sec. 8)

27. Continues to exempt county expenditures on Restoration to Competency treatment at ASH from county expenditure limitations. (Sec. 9)

Disproportionate Share Hospital (DSH) Payment Session Law Provisions

28. Sets the annual DSH payment allotment to the Arizona State Hospital (ASH) at \$28,474,900 for FY 2026 and:

- a. requires ASH to provide a certified public expense form for qualifying DSH expenditures made to AHCCCS by March 31, 2026;
- b. directs AHCCCS to:
 - i. assist ASH in determining the amount of qualifying DSH expenditures; and
 - ii. deposit the entire amount of federal financial participation in the state GF;
- c. states that if the certification is less than \$28,474,900, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. deposit the entire amount of federal financial participation in the state GF; and
- d. requires the certified public expense form to contain the total amount of qualifying DSH expenditures and the amount limited by the Social Security Act. (Sec. 3)

29. Establishes the annual DSH payment allotment for private qualifying DSH hospitals at \$884,800 for FY 2026, consistent with the appropriation and the terms of the State plan and limits payments to hospitals that either:

- a. meet the mandatory definition of DSH qualifying hospital under Section 1923 of the Social Security Act; or
- b. are located in Yuma County and contain at least 300 beds. (Sec. 3)

30. Outlines the order of priority for DSH payment allotments for private qualifying hospitals once the preceding DSH distributions are made. (Sec. 3)

31. Requires, by December 31, 2027, for FY 2027, AHCCCS to transfer to the counties any portion necessary to comply with the Patient Protection and Affordable Care Act regarding the counties' proportional share of the state's contribution. (Sec. 4)

AHCCCS Mental Health Medication Utilization Report

32. Requires AHCCCS to report by January 31, 2027, on aggregate spending and aggregate utilization of mental health medications, including antipsychotics and antidepressants, during the contract year 2024-2025. (Sec. 7)
33. Requires the AHCCCS report on the costs and utilization of mental health medications to include the:
 - a. aggregate gross amount spent for each mental health medication class;
 - b. annual aggregate net amount spent for each mental health medication class after rebates, without disclosing any information about manufacturer-negotiated supplemental rebate agreements for any specific drug; and
 - c. average annual cost by class for generic and nongeneric mental health medications. (Sec. 7)
34. Requires AHCCCS to submit the mental health medication utilization report to the:
 - a. Governor;
 - b. chairpersons of the Health and Human Services Committees of the Senate and House of Representatives, or their successor committees;
 - c. Director of Joint Legislative Budget Committee;
 - d. Director of the Office of Strategic Planning & Budgeting; and
 - e. Secretary of State. (Sec. 7)
35. Requires the AHCCCS report on the costs and utilization of mental health medications, for antipsychotic and antidepressant medications, without disclosing any information about manufacturer-negotiated supplemental rebate agreements that could compromise the competitive or proprietary nature of the agreements, to include the:
 - a. total number of prior authorizations submitted for nonpreferred antipsychotic and antidepressant medications;
 - b. percentage of prior authorization approvals and denials;
 - c. generic antipsychotic and antidepressant medication utilization percentages; and
 - d. total amount of antipsychotic and antidepressant medication claims. (Sec. 7)
36. Defines *mental health medication*. (Sec. 7)

Miscellaneous

37. Allows, for the contract year beginning October 1, 2026, and ending September 30, 2027, AHCCCS to continue the risk contingency rate settings for all managed care organizations (MCO) and funding for all MCO administrative funding levels that were imposed for the contract year beginning October 1, 2010, and ending September 30, 2011. (Sec. 10)
38. Continues to state that it is the intent of the Legislature for FY 2027 that AHCCCS implement a program within its available appropriation. (Sec. 11)



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4146: 2026-2027; higher education.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to higher education needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. As session law for FY 2027, continues to allow each dollar raised by the surcharge on student registration fees assessed pursuant to the Arizona Financial Aid Trust Fund to be matched by less than \$2 appropriated by the Legislature. (Sec. 1)
2. As session law for FY 2027, continues to declare science, technology, engineering and mathematics and workforce programs state aid and operating state aid for community college districts are as specified in the General Appropriations Act. (Sec. 2, 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 4147: 2026-2027; human services.

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains session law provisions relating to human services needed to implement the FY 2027 budget.

History

The [Supplemental Nutrition Assistance Program \(SNAP\)](#) is a federal program that provides food benefits to low-income families to supplement their grocery budget and help the family afford nutritious food. It is administered by the U.S. Department of Agriculture (USDA), within its Food and Nutrition Service agency in partnership with state or tribal agencies. States operate the program locally under federal rules and oversight. Arizona's SNAP program is administered by the Arizona Department of Economic Security (DES) and is known as the Arizona Nutrition Assistance Program ([DES](#)).

H.R. 1, also known as the One Big Beautiful Bill, was signed into law on July 4, 2025, and makes several changes to the SNAP program. Prior to H.R. 1, the federal government paid 100% of the cost of SNAP benefits. The federal government and the state each paid 50% of the administrative costs of the program. H.R. 1 reduces the amount that USDA may pay a state agency for administrative costs involved in its operation of SNAP to 25%, from the current 50%, beginning in federal fiscal year (FFY) 2027 ([H.R. 1](#)).

Starting in FFY 2028, states will begin to pay a percentage of SNAP benefit costs if their error rate in administering SNAP is 6% or above. Every June, the USDA analyzes the final data collected from the states and uses the data to determine national and state payment error rates. The FY 2024 error rate for Arizona is 8.84% ([USDA](#)).

Temporary Assistance for Needy Families (TANF)

The TANF Block Grant is used to: 1) provide assistance to needy families so that children may be cared for in their own homes or in homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encourage the formation and maintenance of two-parent families ([42 U.S.C. § 601](#)). DES utilizes TANF funding to provide temporary financial assistance to dependent children in their own homes or in the homes of responsible caretaker individuals.

According to the [FY 2026 Appropriations Report](#), produced by the Arizona Joint Legislative Budget Committee (JLBC), the FY 2026 budget continued the provision that allows DES to drug test TANF recipients if there is a reasonable suspicion that they are using illegal drugs ([Laws 2025, Chapter 241](#)).

Provisions

SNAP Fund

1. Establishes the SNAP Fund as an expenditure authority fund used for the federal share of the administrative and benefit costs of SNAP. (Sec. 1)
2. Requires DES to administer the SNAP Fund. (Sec. 1)
3. Specifies that SNAP Fund monies are continuously appropriated. (Sec. 1)

SNAP Eligibility Evaluations

4. Prohibits DES from establishing a gross income limit of more than 185% of the Federal Poverty Level for categorically eligible SNAP recipients. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

5. Directs DES, to determine or evaluate SNAP eligibility, to:
 - a. enter into a data matching agreement with the Arizona Department of Revenue (DOR) to identify households with lottery or gambling winnings of \$3,000 or more;
 - b. treat the data obtained as verified on receipt, to the extent permissible under federal law; and
 - c. refer those households with lottery or gambling winnings that are equal to or greater than the resource limit for elderly or disabled households as defined under federal law to DES for further investigation if the DOR data cannot be verified on receipt. (Sec. 1)
6. Requires DES to review information provided by the Arizona Department of Health Services (DHS) that identifies individuals who have had a change in circumstances that may affect SNAP eligibility on at least a monthly basis. (Sec. 1)
7. Requires DES to review its own information to identify individuals who have had a change in circumstances that may affect SNAP eligibility, including an individual's change in unemployment benefits, employment status or wages on a quarterly basis. (Sec. 1)
8. Directs DES to review its own information that identifies individuals who have had a change in circumstances that may affect SNAP eligibility, including potential changes in residency as identified by out-of-state EBT card transactions on a monthly basis. (Sec. 1)
9. Instructs DES to review information provided by the Arizona Department of Corrections, Rehabilitation and Reentry that identifies individuals who have had a change in circumstances that may affect SNAP eligibility on a monthly basis. (Sec. 1)
10. Requires DES to review information provided by DOR that identifies households that have had a change in circumstances that may affect SNAP eligibility, including potential changes in income, wages or residency as identified by tax records on a quarterly basis. (Sec. 1)
11. Requires DES, on at least a quarterly basis, to post on its own public website the following aggregated amounts that were obtained from noncompliance and fraud investigations related to SNAP, excluding confidential and personally identifiable information:
 - a. the number of SNAP cases that were investigated for intentional violations or fraud;
 - b. the number of SNAP cases that were referred to the Attorney General's Office for prosecution;
 - c. the amount of improper payments and expenditures;
 - d. the amount of monies recovered;
 - e. the amount of monies spent for improper payments and ineligible recipients as a percentage of cases that were investigated and reviewed; and
 - f. the amount of monies spent by EBT card transactions that occurred outside of Arizona, categorized by state. (Sec. 1)
12. Directs DHS and DES, on at least a monthly basis, to review the following information from federal sources to assess a recipient's continued eligibility for SNAP:
 - a) earned income information, death register information, incarceration records, supplemental security income information, beneficiary records, earnings information and pension information that is maintained by the United States (U.S.) Social Security Administration;
 - b) income and employment information that is maintained by the National Directory of New Hires database and child support enforcement data that is maintained by the U.S. Department of Health and Human Services;
 - c) payment and earnings information that is maintained by the U.S. Department of Housing and Urban Development; and
 - d) national fleeing felon information that is maintained by the U.S. Federal Bureau of Investigation. (Sec. 1)
13. Directs DES to review an individual's case that is enrolled in SNAP if DES receives information that indicates a change in circumstances that may affect the individual's SNAP eligibility. (Sec. 1)
14. Defines *DES* and *SNAP*. (Sec. 1)

SNAP Payment Error Rate Reporting Requirements

15. Requires DES to reduce the SNAP payment error rate as reported by the USDA to not more than 3% by December 30, 2030. (Sec. 1)
16. Requires DES to submit a quarterly report to the Legislature within 30 days after the end of the quarter, beginning in FY 2027 and each FY thereafter, that details the monthly progress towards reducing the payment error rate and includes strategies and barriers that may be present in reducing the payment error rate.
17. Requires DES, if it fails to meet annual interim targets or reduce the payment error rate by 3% by December 30, 2030, to:
 - a. submit a corrective action plan to the Legislature within 60 days that includes an analysis of why the targets were not met and timelines for correcting the payment error rate;
 - b. pay 50% of any federal liabilities that may be imposed due to the excess payment error rates; and
 - c. implement a corrective action plan. (Sec. 1)
18. Specifies that the remaining liabilities will be paid from the state General Fund. (Sec. 1)
19. Reduces DES administrative funding by 10% if the agency fails to comply with the corrective plan until resolved. (Sec. 1)
20. Requires by November 15, 2027, the Office of Arizona Auditor General (OAG) to complete a special audit which will determine what factors contributed to the payment error rate and include recommendations to reduce the payment error rate. (Sec. 1)
21. Directs DES to implement the special audit recommendations within 12 months after receiving the recommendations from the OAG unless the recommendations are waived by the Joint Legislative Audit Committee. (Sec. 1)
22. Allows the OAG to request that DES submit a written status report on its implementation of the special audit recommendations. (Sec. 1)
23. Allows the Legislature to allocate additional funding for SNAP improvements if DES corrects the payment error rate ahead of schedule. (Sec. 1)
24. Contains a delayed repeal date of January 1, 2033. (Sec. 2)

EBT Card Transactions

25. Requires DES, on a monthly basis, to use the data from an electronic benefit transfer card to identify any individual who has made purchases exclusively out-of-state over a 90-day period. (Sec. 3)
26. Directs DES to contact the individual who is identified within 30 days to determine whether that individual resides in Arizona. (Sec. 3)
27. Requires DES to terminate assistance, including SNAP benefits, within 30 days after contacting the individual and the individual does not reside in Arizona. (Sec. 3)
28. Specifies that within 15 days after the individual's assistance being terminated, DES must refer them to the U.S. Attorney's Office for the District of Arizona. (Sec. 3)

TANF

29. Continues, as session law, DES to screen and test each adult recipient who is eligible for TANF cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. (Sec. 4)
30. Continues, as session law, to deem a TANF recipient ineligible for TANF benefits for one year if the recipient tests positive for the use of a controlled substance that was not prescribed by a licensed health care provider. (Sec. 4)



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4148: 2026-2027; K-12 education.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to K-12 education needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Public School Funding Formula

1. Increases the base level for FY 2027 from \$5,113.26 to \$5,215.53. (Sec. 2)
2. Increases the FY 2027 state support level per route mile from:
 - a. \$3.01 to \$3.07 for 0.5 or less approved daily route mileage per eligible student transported;
 - b. \$2.47 to \$2.52 for more than 0.5 through 1.0 approved daily route mileage per eligible student transported; and
 - c. \$3.01 to \$3.07 for more than 1.0 approved daily route mileage per eligible student transported. (Sec. 3)
3. Increases charter additional assistance from:
 - a. \$2,131.90 to \$2,174.54 per student count in preschool programs for children with disabilities, kindergarten programs and the 1st-8th grades; and
 - b. \$2,484.69 to \$2,534.38 per student count in the 9th-12th grades. (Sec. 1)
4. Adjusts tax year 2026 qualifying tax rates for school districts in accordance with statutory truth in taxation requirements. (Sec. 5)

Arizona State Schools for the Deaf and the Blind (ASDB)

5. Establishes the Property Proceeds Fund that is administered by ASDB and that consists of proceeds from the sale or lease of school buildings and grounds. (Sec. 4)
6. Specifies the Property Proceeds Fund is subject to legislative appropriation and exempt from lapsing. (Sec. 4)
7. Requires ASDB to deposit in the Property Proceeds Fund all monies received for the sale or lease of school buildings and grounds. (Sec. 4)
8. Specifies monies received by ASDB for fees, rentals and other charges for the use of school facilities for nonschool events are not monies received for the lease of school buildings or grounds for the purposes of the Property Proceeds Fund. (Sec. 4)
9. Directs ASDB, in any fiscal year in which the Legislature appropriates monies from the Property Proceeds Fund to ASDB, to:
 - a. prepare an expenditure plan for the monies; and
 - b. submit the plan to the Joint Legislative Budget Committee for review. (Sec. 4)
10. Requires ASDB, before it may sell school buildings or grounds, to:

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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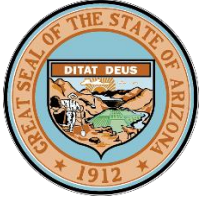
- a. determine the appraised value of the buildings or grounds by ordering independent appraisals from at least two different firms;
 - b. submit a proposal to sell school buildings or grounds to the Joint Committee on Capital Review for review; and
 - c. sell the property to the highest and most responsible bidder at a public sale. (Sec. 4)
11. Mandates ASDB procure appraisal services according to the Arizona Procurement Code. (Sec. 4)
 12. Stipulates ASDB may award a contract for appraisal services to a firm only if the appraiser is well qualified and a designated member of a nationally recognized real estate appraisal association, institute or society. (Sec. 4)
 13. Allows ASDB to use any appraisal ordered as prescribed as the appraised value of the buildings or grounds. (Sec. 4)
 14. Prohibits ASDB from accepting a bid that is lower than the appraised value. (Sec. 4)
 15. Requires ASDB to transmit, in each of FYs 2027, 2028 and 2029, the first \$1,200,000 it receives for the sale or lease of school buildings and grounds to the Treasurer for deposit in the state General Fund. (Sec. 7)

Failing Schools Tutoring Fund

16. Continues to authorize the Arizona Department of Education (ADE) to use Failing Schools Tutoring Fund monies in FY 2027 for:
 - a. providing assistance to school districts and charter schools for professional development and coaching for teachers and principals;
 - b. monitoring the progress of school districts and charter schools toward improved academic outcomes; and
 - c. outreach to ensure that schools and parents have access to tutoring opportunities. (Sec. 6)
17. Requires ADE, by September 1, 2026, to report proposed FY 2027 Failing Schools Tutoring Fund expenditures for the authorized purposes to specified individuals. (Sec. 6)

Miscellaneous

18. Continues to contain an intent clause relating to classroom spending for school districts. (Sec. 8)
19. Makes technical and conforming changes. (Sec. 2, 3)



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4149: 2026-2027; local government.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to local government needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Authorizes a county with a population of fewer than 250,000 individuals according to the 2020 US Census to meet any county fiscal obligation from any source of county revenue in FY 2027, including monies of countywide special taxing jurisdictions for which the Board of Supervisors serves as the board of directors. (Sec. 1)
2. Limits a county with a population of fewer than 250,000 individuals to using no more than \$1,250,000 for purposes other than the purposes of the revenue source. (Sec. 1)
3. Instructs each county with a population of fewer than 250,000 individuals, by October 1, 2026, to report to the director of the Joint Legislative Budget Committee:
 - a. whether the county used a revenue source for purposes other than the purposes of the revenue source to meet a county fiscal obligation; and
 - b. if so, the specific revenue source and amount of revenues the county intends to use in FY 2027. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4150: management; state properties; 2026-2027.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to the management of state-owned buildings needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Sets the Capital Outlay Stabilization Fund rental rates for state-owned buildings in FY 2027 at:
 - a. \$17.87 per square foot for office space; and
 - b. \$6.43 per square foot for storage space. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

[HB 4151](#): 2026-2027; revenue.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to taxation needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Department of Revenue Integrated Tax System Project Fund (ITSPF) [Laws 2022, Chapter 321](#) established the ITSPF to implement a multi-year integrated tax system modernization project under the aegis of the Arizona Department of Revenue (DOR). The fund consists of: 1) fees assessed from local governments; 2) a portion of the education sales tax; and 3) a portion of the marijuana excise tax. Monies in the fund are subject to legislative appropriation and will be used solely for the administrative, development and other operating costs incurred in implementing the integrated tax system modernization project. A legislative intent clause provides guidelines for the assessment and collection of the fees

Provisions

1. Extends the ITSPF charge from FY28 to FY29. (Sec. 1)
2. Clarifies the ITSPF charge continues to be levied against the Maricopa County Transportation Excise Tax. (Sec.1)
3. Stipulates, as session law, legislative intent that the amount to be charged to all counties, cities, towns, councils of governments and regional transportation authorities with a population greater than 800,000 for the ITSPF shall not exceed \$6,286,300 for FY27 and provides the mechanism to apportion the amount. (Sec. 2)
4. Stipulates, as session law, Legislative intent that the amounts charged to 16% recreational marijuana excise tax and the 0.6% education sales tax for the ITSPF shall not exceed \$169,000 and \$762,300, respectively in FY27. (Sec. 2)
5. Makes technical changes. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB 4152: 2026-2027; taxation; omnibus.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Makes changes related to taxation in the transaction privilege tax (TPT) and use tax, individual and corporate income tax statutes. Declares the state's election to participate in the federal tax credit for individuals who make qualified contributions to school granting organizations (SGOs) and outlines the certification and administration requirements.

History

Current law conforms Arizona's income tax calculation to the Internal Revenue Code (IRC) of 1986, as amended, in effect on January 1, 2025, including those provisions that became effective during 2024 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2025. ([A.R.S. § 43-105](#))

Generally, each year changes are made to the IRC that affect the Arizona income tax calculation. Tax conformity with the IRC is deemed necessary because the calculation of Arizona corporate income tax begins with federal taxable income and the federal adjusted gross income (FAGI) is the starting point for individual income tax. These amounts are then modified by additions and subtractions to arrive at the Arizona taxable income.

On July 4, 2025, major federal tax changes were enacted through H.R. 1 that impact federal taxable income and FAGI which the state would conform to by updating the statutory definition of the IRC.

Provisions

Conformity

1. Updates the statutory definition of IRC to include all provisions in effect as of January 1, 2026, with the specific adoption of all the retroactive effective dates, but excluding any changes to the IRC enacted after January 1, 2026. (Sec. 11, 21)
2. Updates the definition of IRC, for Tax Year (TY) 2025 to include the provisions of Public Law 119-21 that became retroactively effective during TY 2025. (Sec. 21)
3. Specifies the taxable years for the retroactive provisions associated with Public Law 119-21. (Sec. 21)

Subtractions from Arizona Gross Income

4. Includes, for taxable years beginning January 1, 2025, the following subtractions from Arizona gross income (AGI) to the extent they are not already excluded from AGI under the IRC:
 - a. the amount of qualified tips received during the TY that is deducted under Section 24 of the IRC and
 - b. the amount of qualified overtime compensation received during the TY that is deducted under Section 225 of the IRC. (Sec. 25)
5. Includes, for taxable years beginning January 1, 2026, the following subtractions from AGI to the extent they are not already excluded from AGI under the IRC:
 - a. the amount of a distribution from an account established pursuant to Section 530A of the IRC;
 - b. the amount of qualifying child and dependent care expenses; and
 - c. the amount allowed under A.R.S. § 43-1030, not to exceed \$6,000 or \$12,000 depending on filing status, relating to distributions from a pension or retirement account for taxpayers that are 60 years old before the close of the taxable year; and

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

- d. the amount contributed, not to exceed \$6,000 or \$12,000 depending on filing status, to a Roth individual retirement account. (Sec. 25, 26)
- 6. Includes, for Tax Year 2025, the following subtractions from AGI to the extent they are not already excluded from AGI under the IRC:
 - a. the amount allowed for a qualifying senior, who turns 65 years old during the taxable year, under the federal deduction for seniors and
 - b. the amount of qualified passenger vehicle loan interest under Section 163(h)(4). (Sec. 25)
- 7. Defines *Pension, Qualified Individual and Retirement Account*. (Sec. 26)

Deductions from Taxable Income

- 8. Redefines standard deduction to the amount of the federal basic standard deduction pursuant to Section 63 of the IRC. (Sec. 27)
- 9. Allows, for taxable years beginning January 1, 2026, a taxpayer that takes the standard deduction to increase the deduction by an amount equal to the total amount of the taxpayer's charitable contributions, rather than up to 25 percent of qualifying contributions, and caps the contributions at:
 - a. \$1,000 for a single person or married person filing separately; and
 - b. \$2,000 for a married couple filing jointly (Sec. 27)
- 10. Limits, beginning January 1, 2026, the itemized deduction for state and local taxes to \$10,000, (Sec. 28)

Dependent Tax Credit

- 11. Increases the dependent tax credit, effective January 1, 2026, from \$100 to \$125. (Sec. 29)

Solar Energy Device Exemptions

- 12. Repeals, effective July 1, 2026, the Transaction Privilege and Use tax exemptions on the sales of solar energy devices. (Sec. 16, 17, 18, 48)

Renewable Energy Production Tax Credit

- 13. Repeals, effective January 1, 2026, the individual and corporate income tax credit for renewable energy production. (Sec. 32, 36, 47, 49)

Residential Solar Energy Devices Tax Credit

- 14. Repeals, effective January 1, 2026, the individual income tax credit for solar energy devices. (Sec. 32, 47, 49)

Pollution Control Equipment Tax Credit

- 15. Repeals, effective January 1, 2026, the corporate income tax credit for pollution control equipment. (Sec. 40, 47, 49)

Individual, Corporate and Insurance Premium Tax Credit

- 16. Repeals, effective January 1, 2026, the insurance premium tax credit for new employment. (Sec. 3)
- 17. Repeals, effective January 1, 2026, the tax credits for new employment for qualified positions. (Sec. 10)
- 18. Repeals, effective January 1, 2026, the individual income tax credit for new employment. (Sec. 30)
- 19. Repeals, effective January 1, 2026, the corporate income tax credit for new employment. (Sec. 36)

Research and Development Tax Credit

- 20. Repeals, effective January 1, 2026, the individual and corporate income tax credit for research and development. (Sec. 31, 39, 48, 49)

Rio Nuevo

- 21. Repeals, effective July 1, 2026, the distribution of multipurpose facility revenue to district statute. (Sec. 15)

Scholarship Granting Organizations

- 22. Declares that Arizona elects to participate in the federal tax credit for individuals who make qualified contributions to SGOs. (Sec.41)

23. Requires the Department of Revenue (DOR) to comply with all federal laws and regulations to administer the federal SGO credit to ensure Arizona is eligible to participate in taxable years beginning January 1, 2027, and to annually submit all required information to the U.S. Secretary of the Treasury for Participation. (Sec. 41)
24. Allows a nonprofit organization in Arizona that is exempt, or that has applied for exemption, from federal taxation to apply to DOR for certification as an SGO and requires DOR to certify that the SGO meets the federal requirements and applicable regulations or guidance issued by the U.S. Secretary of the Treasury. (Sec.41)
25. Requires DOR, by January 1 of each year, to a) submit to the U.S. Secretary of the Treasury a list of certified SGOs located in Arizona; and b) post the list on DOR's official website. (Sec.41)
26. Requires DOR to adopt rules and publish and prescribe forms and procedures necessary to administer SGO certification requirements. (Sec.41)
27. Allows, beginning January 1, 2027, an DOR-certified SGO that is on the list submitted to the U.S. Secretary of the Treasury to provide scholarships to eligible students for any qualified elementary or secondary education expenses to the extent allowed under federal law. (Sec.41)

Miscellaneous

28. Contains an applicability clause. (Sec. 47)
29. Contains retroactivity provisions. (Sec. 48)
30. Contains a savings clause. (Sec. 49)
31. Makes technical and conforming changes.



ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

HB4153: 2026-2027; transportation.

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to transportation needed to implement the FY 2027 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Tasks ADOT with reporting, by July 31 of each year, to JLBC on the progress in improving MVD wait times and vehicle registration renewal by mail turnaround times. (Sec. 1)
2. Stipulates the report must be in a format similar to the reports ADOT submitted to JLBC before the effective date. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session

Majority Research Staff

Senate: ED DPA/SE 5-1-1-0 | Third Read 22-5-3-0

House: ED DP 8-2-0-2

SB 1798: school safety; identification system; appropriation

NOW: FAFSA; financial aid awareness program

Sponsor: Senator Sears, LD 9

Caucus & COW

Overview

Creates the Financial Aid Awareness Program (Program) within the Arizona Department of Education (ADE) to recognize schools that provide financial aid awareness activities and support for completing the Free Application for Federal Student Aid (FAFSA).

History

Every individual applying for federal financial student aid must file the FAFSA with the Secretary of the United States Department of Education (ED) to determine their eligibility for the financial aid. When completing the FAFSA, an applicant and, if necessary, the applicant's parents or spouse, must provide specified personal and financial information. Federal law details the information the Secretary of ED must provide to an applicant who submits the FAFSA, such as: 1) the estimated amount of the federal Pell Grant award the applicant is eligible to receive; 2) information on the other types of federal financial aid the applicant may be eligible to receive; and 3) consumer-tested information regarding each institution selected by the applicant ([20 U.S.C. § 1090](#)).

Schools must complete an Arizona education and career action plan (ECAP) for every high school student in consultation with the student, student's parent or guardian and appropriate school personnel. The ECAP must, at a minimum, allow students to enter, track and update academic, career, postsecondary education and extracurricular activity goals ([A.A.C. R7-2-302.05](#)).

Provisions

1. Establishes the Program in ADE to recognize schools that provide financial aid awareness activities and support for completing the FAFSA.
2. Tasks ADE with administering the Program in collaboration with the Arizona Board of Regents (ABOR).
3. Allows, beginning in the 2027-2028 school year, any school operated by a school district or a charter school to elect to participate in the Program by notifying ADE and demonstrating that the school:
 - a. designates at least one employee as the school's point of contact for the FAFSA;
 - b. annually reports to ABOR and ADE the name and contact information of each designated employee;
 - c. includes the name and contact information of each designated employee in the student handbook and in at least one communication from the school to students and students' parents;
 - d. posts the name and contact information of each designated employee on the school's website;
 - e. develops and implements a FAFSA awareness strategy that is aligned with SBE-adopted ECAP requirements; and
 - f. provides, through the school's messaging system, social media or email accounts and student information system portal, the following information to the parents of 12th grade students:
 - i. the importance of completing the parent or contributor portion of the FAFSA;
 - ii. any available school-based or statewide support for completing the FAFSA; and
 - iii. any relevant deadlines or resources.
4. Requires the FAFSA awareness strategy to provide, through the school's messaging system, social media accounts and student information system portal, the following information in grade-level communications to high school students:
 - a. the purpose of the FAFSA;

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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- b. the benefits of completing the FAFSA; and
 - c. the role of financial aid in postsecondary education and career pathways.
5. Mandates each designated employee:
 - a. complete an initial orientation program for the FAFSA that is approved or recognized by ABOR or a FAFSA support partner; and
 - b. provide information about the FAFSA to students and students' families.
 6. Specifies how a designated employee may receive continuing education credits for Program-related duties.
 7. Instructs ADE to annually determine whether each school participating in the Program meets Program eligibility requirements.
 8. Permits ADE to require schools participating in the Program to submit reports or other evidence of eligibility in a form and manner prescribed by ADE.
 9. Allows a school participating in the Program and that meets the eligibility requirements to include the Program designation in the school report card, website, communications and promotional materials.
 10. Defines *FAFSA* and *school*.