

House Engrossed

general appropriations act; 2025-2026

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2947

AN ACT

AMENDING LAWS 2024, CHAPTER 209, SECTION 25; AMENDING LAWS 2024, CHAPTER 209, SECTION 134; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
 2 Section 1. Laws 2024, chapter 209, section 25 is amended to read:
 3 Sec. 25. DEPARTMENT OF CHILD SAFETY

4		<u>2024-25</u>
5	FTE positions	3,283.1
6	Operating lump sum appropriation	\$147,799,100
7		\$151,250,000
8	Additional operating resources	
9	Attorney general legal services	27,894,900
10	Caseworkers	131,939,000
11		146,739,700
12	Office of child welfare	
13	investigations	11,235,900
14		11,184,300
15	Training resources	9,150,000
16	Out-of-home placements	
17	Congregate group care	103,682,000
18		122,482,000
19	Extended foster care	19,887,200
20		22,079,200
21	Foster home placement	42,547,300
22		40,447,300
23	Foster home recruitment,	
24	study and supervision	32,753,600
25	Kinship care	20,584,600
26		15,584,600
27	Permanent placements	
28	Adoption services	287,221,600
29		281,648,400
30	Permanent guardianship subsidy	16,805,600
31		17,186,800
32	Support services	
33	DCS child care subsidy	61,675,400
34	In-home mitigation	34,488,100
35		42,559,200
36	Out-of-home support services	122,710,800
37		103,339,700
38	Preventive services	32,412,700
39	Comprehensive health plan	
40	Comprehensive health plan	
41	services	127,989,800
42		174,472,000
43	Comprehensive health plan	
44	administration	28,642,700
45		25,563,300

1	Comprehensive health plan	
2	premium tax	3,196,600
3		<u>3,581,300</u>
4	Total appropriation and expenditure	
5	authority – department of	
6	child safety	\$1,262,616,900
7		<u>\$1,322,004,400</u>
8	Fund sources:	
9	State general fund	\$ 458,314,500
10	Federal child care and	
11	development fund block grant	40,516,000
12	Federal temporary assistance	
13	for needy families block	
14	grant	161,082,200
15		<u>176,682,200</u>
16	Child abuse prevention fund	1,459,300
17	Children and family services	
18	training program fund	208,000
19	Child safety expenditure authority	440,186,100
20	Child welfare licensing fee fund	1,021,700
21	Comprehensive health plan	
22	expenditure authority fund –	
23	expenditure authority	159,829,100
24		<u>203,616,600</u>
25	<u>Additional operating resources</u>	
26	The department of child safety shall provide training to any new	
27	child safety FTE positions before assigning any client caseload duties to	
28	any of these employees.	
29	The legislature intends that the department of child safety use its	
30	funding to achieve a one hundred percent investigation rate.	
31	All expenditures made by the department of child safety for attorney	
32	general legal services shall be funded only from the attorney general	
33	legal services line item. Monies in department of child safety line items	
34	intended for this purpose shall be transferred to the attorney general	
35	legal services line item before expenditure.	
36	<u>Out-of-home placements</u>	
37	The department of child safety may transfer up to ten percent of the	
38	total amount of federal temporary assistance for needy families block	
39	grant monies appropriated to the department of economic security and the	
40	department of child safety to the social services block grant. Before	
41	transferring federal temporary assistance for needy families block grant	
42	monies to the social services block grant, the department of child safety	
43	shall report the proposed amount of the transfer to the director of the	
44	joint legislative budget committee. This report may be in the form of an	

1 expenditure plan that is submitted at the beginning of the fiscal year and
2 updated, if necessary, throughout the fiscal year.

3 The amount appropriated for kinship care shall be used for a stipend
4 of \$300 per month for a relative caretaker, including a grandparent, any
5 level of great-grandparent or any nongrandparent relative, or a caretaker
6 of fictive kinship, if a dependent child is placed in the care of a
7 relative caretaker or caretaker of fictive kinship pursuant to department
8 guidelines. The department shall provide the stipend on behalf of all
9 children placed with an unlicensed kinship foster care parent. The
10 unlicensed kinship foster care parent is not required to file an
11 application to receive the stipend. Before changing the eligibility for
12 the program or the amount of the stipend, the department shall submit a
13 report for review by the joint legislative budget committee detailing the
14 proposed changes.

15 On or before March 31, 2025, the department of child safety shall
16 report to the joint legislative budget committee the number of children
17 who are part of the kinship stipend program and reside with a nonrelative
18 caretaker of fictive kinship.

19 Support services

20 The preventive services line item appropriation includes \$264,400
21 from the state general fund to draw down \$1,322,000 in additional federal
22 monies associated with the community based child abuse prevention block
23 grant. If grant monies are no longer available, the appropriation is
24 reduced by the amounts of \$264,400 from the general fund and \$1,322,000
25 from child safety expenditure authority.

26 Departmentwide

27 The amount appropriated for any line item may not be transferred to
28 another line item or to the operating budget unless the transfer is
29 reviewed by the joint legislative budget committee, except that transfers
30 between any two line items relating to the comprehensive health plan are
31 not subject to review.

32 Child safety expenditure authority includes all department funding
33 sources excluding the state general fund, the federal child care and
34 development fund block grant, the federal temporary assistance for needy
35 families block grant, the child abuse prevention fund, the children and
36 family services training program fund and the comprehensive health plan
37 expenditure authority fund.

38 On or before December 1, 2024, the department of child safety shall
39 submit a report to the joint legislative budget committee on the
40 department's efforts to implement the family first prevention services act
41 of 2018. The report shall quantify the department's efforts in at least
42 the following areas, including any associated fiscal impacts:

43 1. Reducing the number of children placed for more than two weeks
44 in congregate care settings, excluding qualified residential treatment
45 programs, facilities for pregnant and parenting youth, supervised

1 independent living and specialized programs for victims of sex
2 trafficking.

3 2. Assisting congregate care providers in attaining status as
4 qualified residential treatment programs.

5 3. Identifying alternative placements, including therapeutic foster
6 homes, for children who would otherwise be placed in congregate care.

7 4. Expanding evidence-based, in-home parent skill-based programs
8 and mental health and substance abuse prevention and treatment services.

9 Benchmarks

10 For the purposes of this section:

11 1. "Backlog case":

12 (a) Means any nonactive case for which documentation has not been
13 entered in the child welfare automated system for at least sixty days and
14 for which services have not been authorized for at least sixty days and
15 any case that has had an investigation, has been referred to another unit
16 and has had no contact for at least sixty days.

17 (b) Includes any case for which the investigation has been open
18 without any documentation or contact for at least sixty days, any case
19 involving in-home services for which there has been no contact or services
20 authorized for at least sixty days and any case involving foster care in
21 which there has been no contact or any documentation entered in the child
22 welfare automated system for at least sixty days.

23 2. "Long-term case" means any case in which the child has been in
24 an out-of-home placement for at least eighteen months.

25 3. "Open report" means a report that is under investigation or
26 awaiting closure by a supervisor.

27 On or before February 28, 2025 and August 31, 2025, the department
28 of child safety shall present a report to the joint legislative budget
29 committee on the progress made during July 2024 through December 2024 and
30 January 2025 through June 2025, respectively, in meeting the caseload
31 standard and reducing the number of backlog and long-term cases. Each
32 report shall include the number of backlog cases, the number of open
33 reports, the number of long-term cases and the caseworker workload in
34 comparison to the previous six months. Each report shall provide the
35 number of backlog cases by disposition, including the number of backlog
36 cases in the investigation phase, the number of backlog cases associated
37 with out-of-home placements and the number of backlog cases associated
38 with in-home cases.

39 To determine the caseworker workload, the department shall report
40 the number of case-carrying caseworkers at each field office and the
41 number of investigations, in-home cases and long-term cases assigned to
42 each field office.

43 For backlog cases, the department's benchmark is 1,000 cases.

44 For open reports, the department's benchmark is fewer than 8,000
45 open reports.

1 For long-term cases, the department's benchmark is 3,323 cases.
 2 If the department of child safety has not submitted a required
 3 report within thirty days after the report is due, the director of the
 4 joint legislative budget committee shall inform the general accounting
 5 office of the department of administration, which shall withhold two
 6 percent of the department of child safety's operating lump sum semiannual
 7 budget allocation until the department of child safety submits the
 8 required report.

9 Sec. 2. Laws 2024, chapter 209, section 134 is amended to read:

10 Sec. 134. Fund balance transfer: state highway fund: fiscal
 11 year 2024-2025

12 A. Notwithstanding any other law, on or before June 30, 2025,
 13 ~~\$18,700,000~~ \$17,200,000 is transferred from state highway fund established
 14 by section 28-6991, Arizona Revised Statutes, to the state general fund in
 15 fiscal year 2024-2025 for the purpose of providing adequate support and
 16 maintenance for agencies of this state.

17 B. The amount transferred from the state highway fund in subsection
 18 A of this section reflects interest income earned from investment of
 19 monies in the state highway fund from a portion of revenues derived from
 20 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
 21 Statutes, that were transferred to the state highway fund by Laws 2022,
 22 chapter 321, section 20, subsection A, paragraph 2.

23 Sec. 3. Subject to applicable laws, the sums or sources of revenue
 24 set forth in this act are appropriated for the fiscal years indicated and
 25 only from the funding sources listed for the purposes and objects
 26 specified. If monies from funding sources in this act are unavailable, no
 27 other funding source may be used.

28 Sec. 4. ARIZONA STATE BOARD OF ACCOUNTANCY

	<u>2025-26</u>
FTE positions	14.0
Lump sum appropriation	\$ 2,258,100
Fund sources:	
Board of accountancy fund	\$ 2,258,100

35 Sec. 5. ACUPUNCTURE BOARD OF EXAMINERS

	<u>2025-26</u>
FTE positions	1.0
Lump sum appropriation	\$ 199,700
Fund sources:	
Acupuncture board of examiners	
fund	\$ 199,700

42 Of the amount appropriated in the lump sum appropriation, \$42,818
 43 may be used to pay outstanding costs of services provided by the
 44 department of administration-central services bureau in prior years.

1	Sec. 6.	DEPARTMENT OF ADMINISTRATION	
2			<u>2025-26</u>
3		FTE positions	549.1
4		Operating lump sum appropriation	\$ 96,546,000
5		Utilities	7,649,900
6		Arizona financial information	
7		system	14,681,700
8		Risk management administrative	
9		expenses	10,870,700
10		Risk management losses and	
11		premiums	54,414,800
12		Workers' compensation losses	
13		and premiums	28,395,000
14		Cyber risk insurance	23,037,200
15		Information technology project	
16		management and oversight	1,778,100
17		State surplus property sales	
18		agency proceeds	1,810,000
19		Digital solutions office	1,345,700
20		Critical applications catalogue	400,000
21		Cybersecurity systems	
22		administration	446,500
23		Government transformation office	2,074,700
24		Health care interoperability grants	1,000,000
25		Fire incident management	
26		system grants	2,291,600*
27		Law enforcement records management	
28		system	3,237,000
29	Total	appropriation – department of	
30		administration	\$249,978,900
31		Fund sources:	
32		State general fund	\$ 15,673,700
33		Air quality fund	929,900
34		Arizona financial information	
35		system collections fund	11,517,300
36		Automation operations fund	29,840,500
37		Capital outlay stabilization fund	21,137,300
38		Corrections fund	629,400
39		Cyber risk insurance fund	23,037,200
40		Federal surplus materials revolving	
41		fund	473,500
42		Information technology fund	6,174,300
43		Personnel division fund	17,510,600

1	Risk management revolving fund	101,938,500
2	Special employee health insurance	
3	trust fund	5,715,200
4	Special services revolving fund	1,255,700
5	State surplus materials revolving	
6	fund	3,211,500
7	State web portal fund	8,854,700
8	Telecommunications fund	2,079,600

9 The appropriation from the automation operations fund established by
 10 section 41-711, Arizona Revised Statutes, is an estimate representing all
 11 monies, including balance forward, revenues and transfers during fiscal
 12 year 2025-2026. These monies are appropriated to the department of
 13 administration for the purposes established in section 41-711, Arizona
 14 Revised Statutes. The appropriation is adjusted as necessary to reflect
 15 monies credited to the automation operations fund for automation operation
 16 center projects. Before spending any automation operations fund monies in
 17 excess of \$29,840,500 in fiscal year 2025-2026, the department shall
 18 report the intended use of the monies to the joint legislative budget
 19 committee.

20 On or before September 1, 2026, the department shall submit a report
 21 to the joint legislative budget committee on the results of projects
 22 implemented in fiscal year 2025-2026 for the state employee public
 23 transportation service reimbursements pursuant to section 41-710.01,
 24 Arizona Revised Statutes, in a vehicle emissions control area as defined
 25 in section 49-541, Arizona Revised Statutes, of a county with a population
 26 of more than four hundred thousand persons.

27 All state surplus materials revolving fund monies received by the
 28 department of administration in excess of \$3,211,500 in fiscal year
 29 2025-2026 are appropriated to the department. Before spending state
 30 surplus materials revolving fund monies in excess of \$3,211,500 in fiscal
 31 year 2025-2026, the department shall report the intended use of the monies
 32 to the joint legislative budget committee.

33 On or before November 1, 2026, the department shall submit a report
 34 to the director of the joint legislative budget committee on expenditures
 35 made from the cyber risk insurance fund established by section 41-622,
 36 Arizona Revised Statutes, from the prior year.

37 On or before March 31, 2026, the department shall submit a report to
 38 the director of the joint legislative budget committee and the governor's
 39 office of strategic planning and budgeting on the amount that the Maricopa
 40 county special health care district has agreed to send to the department
 41 for deposit in the state general fund in fiscal year 2025-2026. If the
 42 amount that the district has agreed to send to the department for deposit
 43 in fiscal year 2025-2026 has changed from the amount the district sent to
 44 the department for deposit in fiscal year 2024-2025, the report shall
 45 include the reason for the change.

1 The amount appropriated for the health care interoperability grants
2 line item in fiscal year 2025-2026 is exempt from the provisions of
3 section 35-190, Arizona Revised Statutes, relating to lapsing of
4 appropriations, until June 30, 2028.

5 The department shall distribute the amount appropriated in the fire
6 incident management system grants line item as follows:

- 7 1. \$239,400 to Sun City fire district.
- 8 2. \$333,200 to Queen Creek fire department.
- 9 3. \$1,402,900 to Mesa fire department.
- 10 4. \$316,100 to Tempe fire department.

11 The monies in the fire incident management system grants line item
12 shall be used for hardware and software that:

- 13 1. Enable the statewide deployment of a secure incident management
14 platform to fire and law enforcement agencies.
- 15 2. Provide a standardized incident command and management platform
16 based on federal emergency management agency standards that enable diverse
17 incident management and support entities to work together and ensure the
18 following:

- 19 (a) A clearly defined chain of command.
- 20 (b) The use of common terminology.
- 21 (c) The safety of first responders and others.
- 22 (d) The achievement of response objectives.
- 23 (e) The efficient use of resources.

- 24 3. Provide a collaboration and communications solution that does
25 the following:

- 26 (a) Identifies the location, status and assignment of assigned
27 resources.
- 28 (b) Allows status updates, tracking and management of an incident.
- 29 (c) Allows secure messaging and file sharing to all users involved
30 in an incident.
- 31 (d) Allows the sharing of collaborative maps, building floor plans
32 and images between public safety agencies.
- 33 (e) Allows collaboration and information sharing between disparate
34 agencies during a mass casualty incident.
- 35 (f) Defines a federal emergency management agency or national
36 incident management systems based organizational structure for the
37 management of incidents.
- 38 (g) Provides the ability to print standard integrated computer
39 solutions forms for tracking and cost reimbursement.
- 40 (h) Provides enhanced telemetry-based firefighter safety
41 monitoring.
- 42 (i) Works in areas without internet access in a disconnected mode.
- 43 (j) Provides a seamless and connected platform for notification,
44 response and rostering.
- 45 (k) Provides cross platform functionality.

1 (1) Provides a smartphone-based application for notification,
 2 accountability and situational awareness.

3 The amount appropriated in the law enforcement records management
 4 system line item in fiscal year 2025-2026 shall be distributed to the
 5 following entities to expand participation in the pilot program
 6 established by Laws 2024, chapter 209, section 127, paragraph 1:

7	1. Phoenix police department	\$343,000
8	2. Mesa police department	\$215,800
9	3. Chandler police department	\$111,700
10	4. Scottsdale police department	\$125,900
11	5. Tempe police department	\$189,700
12	6. Paradise Valley police department	\$ 51,800
13	7. Arizona state university police department	\$ 64,900
14	8. Peoria police department	\$ 83,900
15	9. Buckeye police department	\$ 65,900
16	10. El Mirage police department	\$ 55,000
17	11. Tolleson police department	\$ 50,700
18	12. Goodyear police department	\$ 69,200
19	13. Surprise police department	\$ 73,600
20	14. Avondale police department	\$ 72,500
21	15. Department of public safety	\$374,000
22	16. Tucson police department	\$237,600
23	17. Oro Valley police department	\$ 67,000
24	18. Marana police department	\$ 65,000
25	19. Pima county sheriff's office	\$171,800
26	20. University of Arizona police department	\$ 64,900
27	21. Flagstaff police department	\$ 82,500
28	22. Coconino county sheriff's office	\$ 47,800
29	23. Northern Arizona university police department	\$ 52,800
30	24. Pinal county sheriff's office	\$500,000

31 Sec. 7. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES

32		<u>2025-26</u>
33	FTE positions	17.0
34	Operating lump sum appropriation	\$ 1,624,700
35	New school facilities debt service	9,938,100
36	Building renewal grants deposit	199,967,900
37	New school facilities	<u>105,597,700</u>

38 Total appropriation – department of
 39 administration, division
 40 of school facilities \$317,128,400

41 Fund sources:

42 State general fund \$317,128,400

43 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 44 reimbursement received by or allocated to the division of school
 45 facilities under the federal qualified school construction bond program in

1 fiscal year 2025-2026 shall be deposited in or revert to the state general
2 fund.

3 At least thirty days before any monies are transferred out of the
4 new school facilities debt service line item, the division of school
5 facilities shall report the proposed transfer to the director of the joint
6 legislative budget committee.

7 Pursuant to section 41-5741, Arizona Revised Statutes, the amount
8 appropriated for new school facilities shall be used only for facilities
9 and land costs for school districts that received final approval from the
10 division of school facilities on or before December 15, 2024.

11 After approving a distribution of funding for a land purchase, a
12 land lease or the construction of a new school, the division of school
13 facilities shall report to the joint legislative budget committee and the
14 governor's office of strategic planning and budgeting the final amount of
15 the distribution.

16 Sec. 8. OFFICE OF ADMINISTRATIVE HEARINGS

		<u>2025-26</u>
	FTE positions	12.0
	Lump sum appropriation	\$ 970,000
	Fund sources:	
	State general fund	\$ 970,000

22 Sec. 9. ARIZONA DEPARTMENT OF AGRICULTURE

		<u>2025-26</u>
	FTE positions	214.4
	Operating lump sum appropriation	\$ 16,965,500
	Agricultural employment relations	
	board	23,300
	Agriculture and water innovation	
	fund deposit	1,000,000
	Animal damage control	65,000
	Red imported fire ant control	23,200
	Agricultural consulting and	
	training	<u>135,700</u>

34 Total appropriation – Arizona department
35 of agriculture \$ 18,212,700

36 Fund sources:

	State general fund	\$ 15,597,000
	Air quality fund	1,615,700
	Long-term water augmentation fund	1,000,000

40 The legislature intends that \$532,700 of the monies in the
41 department of agriculture operating lump sum and 5 FTE positions be
42 considered ongoing funding in future years.

43 The department of agriculture shall fill 5 FTE positions with the
44 following staff:

45 1. Three livestock inspectors.

1	2.	One veterinary assistant.	
2	3.	One veterinary technician.	
3	Sec. 10.	ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
4			<u>2025-26</u>
5		FTE positions	2,459.3
6		Operating lump sum appropriation \$	135,821,800
7		<u>Administration</u>	
8		AHCCCS data storage	19,605,800
9		DES eligibility	110,794,500
10		Proposition 204 – AHCCCS	
11		administration	15,625,100
12		Proposition 204 – DES eligibility	44,358,700
13		Procurement funding	200,000
14		<u>Medicaid services</u>	
15		Traditional medicaid services	9,260,253,300
16		Proposition 204 services	7,450,961,800
17		Adult expansion services	798,727,300
18		Comprehensive health plan	178,650,800
19		KidsCare services	257,635,300
20		ALTCS services	2,457,084,800
21		Behavioral health services	
22		in schools	8,445,400
23		<u>Nonmedicaid behavioral health services</u>	
24		Crisis services	16,391,300
25		Nonmedicaid seriously mentally	
26		ill services	77,646,900
27		Supported housing	65,324,800
28		Court-ordered stabilization	
29		for impaired persons	2,000,000*
30		<u>Hospital payments</u>	
31		Disproportionate share payments	884,800
32		Disproportionate share payments –	
33		voluntary match	205,641,700
34		Critical access hospitals	28,512,600
35		Graduate medical education	542,942,600
36		Targeted investments program	<u>67,000,000</u>
37	Total	appropriation and expenditure	
38		authority – Arizona health	
39		care cost containment system	\$21,744,509,300
40		Fund sources:	
41		State general fund	\$ 2,647,707,100
42		Budget neutrality compliance fund	5,112,300
43		Children's health insurance	
44		program fund	194,417,200

1	Prescription drug rebate	
2	fund – state	316,207,200
3	Seriously mentally ill	
4	housing trust fund	217,700
5	Substance abuse services fund	2,250,200
6	Tobacco products tax fund –	
7	emergency health services	
8	account	15,400,000
9	Tobacco tax and health care	
10	fund – medically needy account	57,545,600
11	Expenditure authority	18,505,652,000

12 Operating budget

13 Of the amount appropriated for the operating lump sum, \$200,000
 14 shall be used to update the elderly and adults with physical disabilities
 15 preadmission screening instrument and staff training manuals for the
 16 purposes of complying with section 36-2936, Arizona Revised Statutes.

17 The amount appropriated for the DES eligibility line item shall be
 18 used for intergovernmental agreements with the department of economic
 19 security for eligibility determination and other functions. The state
 20 general fund share may be used for eligibility determination for other
 21 programs administered by the division of benefits and medical eligibility
 22 based on the results of the Arizona random moment sampling survey.

23 The amounts included in the proposition 204 – AHCCCS administration,
 24 proposition 204 – DES eligibility and proposition 204 services line items
 25 include all available sources of funding consistent with section
 26 36-2901.01, subsection B, Arizona Revised Statutes.

27 Before spending the monies for the replacement of the prepaid
 28 medicaid management information system, the Arizona strategic enterprise
 29 technology office shall submit, on behalf of the Arizona health care cost
 30 containment system, an expenditure plan for review by the joint
 31 legislative budget committee. The report shall include the project cost,
 32 deliverables, the timeline for completion and the method of procurement
 33 that are consistent with the department's prior reports for its
 34 appropriations from the automation projects fund.

35 The amount appropriated for the procurement funding line item shall
 36 be used for the administrative costs associated with extending the
 37 existing acute care contracts with all managed care organizations through
 38 September 30, 2028.

39 Medical services and behavioral health services

40 Before making fee-for-service program or rate changes that pertain
 41 to fee-for-service rate categories, the Arizona health care cost
 42 containment system administration shall report its expenditure plan for
 43 review by the joint legislative budget committee.

44 The Arizona health care cost containment system administration shall
 45 report to the joint legislative budget committee on or before March 1,

1 2026 on preliminary actuarial estimates of the capitation rate changes for
2 the following fiscal year along with the reasons for the estimated
3 changes. For any actuarial estimates that include a range, the total
4 range from minimum to maximum may not be more than two percent. Before
5 implementing any changes in capitation rates, the administration shall
6 report its expenditure plan for review by the joint legislative budget
7 committee. Before the administration implements any change in policy
8 affecting the amount, sufficiency, duration and scope of health care
9 services and who may provide services, the administration shall prepare a
10 fiscal impact analysis on the potential effects of this change on the
11 following year's capitation rates. If the fiscal impact analysis
12 demonstrates that this change will result in additional state costs of
13 \$1,000,000 or more for any fiscal year, the administration shall submit
14 the policy change for review by the joint legislative budget committee.

15 The legislature intends that the percentage attributable to
16 administration and profit for the regional behavioral health authorities
17 be nine percent of the overall capitation rate.

18 The Arizona health care cost containment system administration shall
19 transfer up to \$1,200,000 from the traditional medicaid services line item
20 for fiscal year 2025-2026 to the attorney general for costs associated
21 with e-cigarette enforcement and tobacco settlement litigation.

22 The Arizona health care cost containment system administration shall
23 transfer \$836,000 from the traditional medicaid services line item for
24 fiscal year 2025-2026 to the department of revenue for enforcement costs
25 associated with the March 13, 2013 master settlement agreement with
26 tobacco companies.

27 The amount appropriated for the traditional medicaid services line
28 item includes \$4,098,200 from the state general fund and \$8,059,900 from
29 expenditure authority for inpatient payments to rural hospitals as defined
30 in section 36-2905.02, Arizona Revised Statutes.

31 Of the amount appropriated for the proposition 204 services line
32 item, \$100,000,000 shall be used from the hospital assessment fund
33 established by section 36-2901.09, Arizona Revised Statutes, to cover a
34 portion of the nonfederal share of the costs of services described in
35 section 36-2907, subsection F, Arizona Revised Statutes. This amount is
36 included in the expenditure authority fund source. The legislature
37 intends that the Arizona health care cost containment system
38 administration shall discontinue the use of monies from the hospital
39 assessment fund to cover these costs beginning in fiscal year 2028-2029
40 and shall discontinue their use before fiscal year 2028-2029 to the extent
41 allowed by an increase in revenues above amounts budgeted as directed in
42 law.

43 On or before June 30, 2026, the Arizona health care cost containment
44 system administration shall report to the joint legislative budget
45 committee on the progress in implementing the Arnold v. Sarn lawsuit

1 settlement. The report shall include, at a minimum, the administration's
2 progress toward meeting all criteria specified in the 2014 joint
3 stipulation, including the development and estimated cost of additional
4 behavioral health service capacity in Maricopa county for supported
5 housing services for one thousand two hundred class members, supported
6 employment services for seven hundred fifty class members, eight assertive
7 community treatment teams and consumer operated services for one thousand
8 five hundred class members. The administration shall also report by fund
9 source the amounts it plans to use to pay for expanded services.

10 Long-term care

11 Any federal monies that the Arizona health care cost containment
12 system administration passes through to the department of economic
13 security for use in long-term care for persons with developmental
14 disabilities do not count against the long-term care expenditure
15 authority.

16 Pursuant to section 11-292, subsection B, Arizona Revised Statutes,
17 the county portion of the fiscal year 2025-2026 nonfederal costs of
18 providing long-term care system services is \$409,537,600. This amount is
19 included in the expenditure authority fund source.

20 Any supplemental payments received in excess of \$93,066,100 for
21 nursing facilities that serve Arizona long-term care system medicaid
22 patients in fiscal year 2025-2026, including any federal matching monies,
23 by the Arizona health care cost containment system administration are
24 appropriated to the administration in fiscal year 2025-2026. Before
25 spending these increased monies, the administration shall notify the joint
26 legislative budget committee and the governor's office of strategic
27 planning and budgeting of the amount of monies that will be spent under
28 this provision. These payments are included in the expenditure authority
29 fund source.

30 Payments to hospitals

31 Any monies received for disproportionate share hospital payments
32 from political subdivisions of this state, tribal governments and any
33 university under the jurisdiction of the Arizona board of regents, and any
34 federal monies used to match those payments, in fiscal year 2025-2026 by
35 the Arizona health care cost containment system administration in excess
36 of \$155,153,000 are appropriated to the administration in fiscal year
37 2025-2026. Before spending these increased monies, the administration
38 shall notify the joint legislative budget committee and the governor's
39 office of strategic planning and budgeting of the amount of monies that
40 will be spent under this provision.

1 On or before March 31, 2026, the Arizona health care cost
2 containment system administration shall submit a report to the director of
3 the joint legislative budget committee and the governor's office of
4 strategic planning and budgeting on the amount of directed payments that
5 the Maricopa county special health care district will receive from the
6 safety net services initiative in fiscal year 2025-2026, disaggregated by
7 state match and by federal match.

8 The expenditure authority fund source includes voluntary payments
9 made from political subdivisions for payments to hospitals that operate a
10 graduate medical education program or treat low-income patients and for
11 payments to qualifying providers affiliated with teaching hospitals. The
12 political subdivision portions of the fiscal year 2025-2026 costs of
13 graduate medical education, disproportionate share payments – voluntary
14 match, traditional medicaid services, proposition 204 services and adult
15 expansion services line items are included in the expenditure authority
16 fund source.

17 Any monies for graduate medical education received in fiscal year
18 2025-2026, including any federal matching monies, by the Arizona health
19 care cost containment system administration in excess of \$528,558,300 are
20 appropriated to the administration in fiscal year 2025-2026. Before
21 spending these increased monies, the administration shall notify the joint
22 legislative budget committee and the governor's office of strategic
23 planning and budgeting of the amount of monies that will be spent under
24 this provision.

25 If any graduate medical education monies remain after the Arizona
26 health care cost containment system administration has funded all eligible
27 graduate medical education programs in counties with a population of less
28 than five hundred thousand persons, the administration may fund the costs
29 of graduate medical education programs operated by community health
30 centers and rural health clinics.

31 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
32 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
33 graduate medical education includes \$7,750,000 from the state general fund
34 and \$14,545,700 from expenditure authority for the direct and indirect
35 costs of graduate medical education programs located in counties with a
36 population of less than five hundred thousand persons. The state general
37 fund amount may supplement, but not supplant, voluntary payments made from
38 political subdivisions for payments to hospitals that operate a graduate
39 medical education program. The administration shall prioritize
40 distribution to programs at hospitals in counties with a higher percentage
41 of persons residing in a health professional shortage area as defined in
42 42 Code of Federal Regulations part 5.

43 Notwithstanding section 36-2903.01, subsection G, paragraph 9,
44 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for
45 graduate medical education includes \$6,250,000 from the state general fund

1 and \$11,730,400 from expenditure authority for the direct and indirect
 2 costs of graduate medical education programs located in counties with a
 3 population of more than five hundred thousand persons. The state general
 4 fund amount may supplement, but not supplant, voluntary payments made from
 5 political subdivisions for payments to hospitals that operate a graduate
 6 medical education program.

7 Monies appropriated for graduate medical education in this section
 8 are exempt from the provisions of section 35-190, Arizona Revised
 9 Statutes, relating to lapsing of appropriations, until June 30, 2027.

10 Of the amount appropriated for the graduate medical education line
 11 item in fiscal year 2025-2026, \$5,000,000 from the state general fund and
 12 \$9,384,300 from expenditure authority are exempt from the provisions of
 13 section 35-190, Arizona Revised Statutes, relating to lapsing of
 14 appropriations.

15 Of the amount appropriated from the expenditure authority fund
 16 source, \$3,606,700,000 is for hospital enhanced access leading to health
 17 improvements initiative payments in fiscal year 2025-2026. This amount
 18 includes monies from hospital assessments collected pursuant to section
 19 36-2999.72, Arizona Revised Statutes, and any federal monies used to match
 20 those payments.

21 Other

22 On or before July 1, 2026, the Arizona health care cost containment
 23 system administration shall report to the director of the joint
 24 legislative budget committee the total amount of medicaid reconciliation
 25 payments and penalties received on or before that date since July 1, 2025.

26 The nonappropriated portion of the prescription drug rebate fund
 27 established by section 36-2930, Arizona Revised Statutes, is included in
 28 the federal portion of the expenditure authority fund source.

29 Sec. 11. BOARD OF ATHLETIC TRAINING

30		<u>2025-26</u>
31	FTE positions	1.5
32	Lump sum appropriation	\$ 167,800
33	Fund sources:	
34	Athletic training fund	\$ 167,800

35 Sec. 12. ATTORNEY GENERAL — DEPARTMENT OF LAW

36		<u>2025-26</u>
37	FTE positions	673.7
38	Operating lump sum appropriation	\$ 64,048,000
39	Capital postconviction prosecution	885,500
40	Child and family advocacy centers	100,000
41	Criminal division major fraud unit	1,191,200
42	Internet crimes against children	
43	enforcement	1,613,300
44	Government accountability and	
45	special litigation	1,293,200

1	Organized retail theft	
2	task force	1,575,700
3	Risk management interagency	
4	service agreement	10,812,100
5	State grand jury	195,300
6	Southern Arizona law enforcement	1,682,500
7	Tobacco enforcement	877,500
8	Victims' rights	<u>4,027,700</u>
9	Total appropriation – attorney general –	
10	department of law	\$ 88,302,000
11	Fund sources:	
12	State general fund	\$ 27,007,700
13	Antitrust enforcement revolving	
14	fund	162,300
15	Attorney general legal services	
16	cost allocation fund	2,343,200
17	Collection enforcement revolving	
18	fund	7,339,500
19	Consumer protection-consumer	
20	fraud revolving fund	15,221,000
21	Interagency service agreements fund	18,246,300
22	Internet crimes against children	
23	enforcement fund	900,000
24	Risk management revolving fund	13,266,600
25	Victims' rights fund	3,815,400
26	All monies appropriated to the attorney general legal services line	
27	item in the department of child safety budget do not count toward the	
28	attorney general's interagency service agreements fund appropriation in	
29	fiscal year 2025-2026.	
30	Within ten days after receiving a complaint alleging a violation of	
31	section 15-511, Arizona Revised Statutes, the attorney general shall	
32	forward a copy of the complaint to the governor, the president of the	
33	senate and the speaker of the house of representatives.	
34	The amount appropriated for the child and family advocacy centers	
35	line item is allocated to the child and family advocacy center fund	
36	established by section 41-191.11, Arizona Revised Statutes.	
37	The \$900,000 appropriation from the internet crimes against children	
38	enforcement fund established by section 41-199, Arizona Revised Statutes,	
39	and the \$378,300 appropriation from the state general fund for the	
40	internet crimes against children enforcement line item are continuing	
41	appropriations and are exempt from the provisions of section 35-190,	
42	Arizona Revised Statutes, relating to lapsing of appropriations, until	
43	June 30, 2027.	
44	The \$1,575,700 appropriation for the organized retail theft task	
45	force line item shall be used for operational expenses of the organized	

1 retail task force and for hiring one attorney, one paralegal, two
 2 investigators and one support staff person within the office of the
 3 attorney general and four peace officers who are assigned to the task
 4 force to focus specifically on investigating and prosecuting organized
 5 retail crime.

6 Monies appropriated for the government accountability and special
 7 litigation line item shall be used only for purposes prescribed in section
 8 41-194.01, Arizona Revised Statutes.

9 Sec. 13. BARBERING AND COSMETOLOGY BOARD

10		<u>2025-26</u>
11	FTE positions	33.5
12	Lump sum appropriation	\$ 3,030,900
13	Fund sources:	
14	Barbering and cosmetology fund	\$ 3,030,900

15 Sec. 14. BOARD OF BEHAVIORAL HEALTH EXAMINERS

16		<u>2025-26</u>
17	FTE positions	27.0
18	Lump sum appropriation	\$ 2,929,400
19	Fund sources:	
20	Board of behavioral health	
21	examiners fund	\$ 2,929,400

22 Sec. 15. STATE BOARD FOR CHARTER SCHOOLS

23		<u>2025-26</u>
24	FTE positions	25.0
25	Lump sum appropriation	\$ 2,749,300
26	Fund sources:	
27	State general fund	\$ 2,749,300

28 Sec. 16. DEPARTMENT OF CHILD SAFETY

29		<u>2025-26</u>
30	FTE positions	3,283.1
31	Operating lump sum appropriation	\$148,529,900
32	<u>Additional operating resources</u>	
33	Attorney general legal services	27,989,800
34	Caseworkers	134,188,700
35	Office of child welfare	
36	investigations	11,213,300
37	Training resources	9,150,000
38	Group home monitoring	
39	training program	100,000*
40	<u>Out-of-home placements</u>	
41	Congregate group care	116,892,500
42	Extended foster care	24,787,200
43	Extended foster care comprehensive	
44	service model fund deposit	9,100,000
45	Foster home placement	40,547,300

1	Foster home recruitment,	
2	study and supervision	32,753,600
3	Kinship care	15,184,600
4	<u>Permanent placements</u>	
5	Adoption services	282,440,400
6	Permanent guardianship subsidy	18,686,800
7	<u>Support services</u>	
8	DCS child care subsidy	61,675,400
9	In-home mitigation	44,414,300
10	Out-of-home support services	107,284,600
11	Preventive services	28,412,700
12	<u>Comprehensive health plan</u>	
13	Comprehensive health plan	
14	services	156,730,300
15	Comprehensive health plan	
16	administration	25,072,800
17	Comprehensive health plan	
18	premium tax	<u>3,257,700</u>
19	Total appropriation and expenditure	
20	authority – department of	
21	child safety	\$1,298,411,900
22	Fund sources:	
23	State general fund	\$ 467,449,000
24	Federal child care and	
25	development fund block grant	40,516,000
26	Federal temporary assistance	
27	for needy families block	
28	grant	161,076,300
29	Child abuse prevention fund	1,459,300
30	Children and family services	
31	training program fund	207,500
32	Child safety expenditure authority	441,621,400
33	Child welfare licensing fee fund	1,021,600
34	Comprehensive health plan	
35	expenditure authority fund –	
36	expenditure authority	185,060,800

37 Additional operating resources

38 The department of child safety shall provide training to any new
 39 child safety FTE positions before assigning any client caseload duties to
 40 any of these employees.

41 The legislature intends that the department of child safety use its
 42 funding to achieve a one hundred percent investigation rate.

43 All expenditures made by the department of child safety for attorney
 44 general legal services shall be funded only from the attorney general
 45 legal services line item. Monies in department of child safety line items

1 intended for this purpose shall be transferred to the attorney general
2 legal services line item before expenditure.

3 On or before September 1, 2025, the department of child safety shall
4 submit a report to the joint legislative budget committee and the
5 governor's office of strategic planning and budgeting on the actual
6 operating expenses for the guardian case management system in fiscal year
7 2024-2025 and the proposed system operating expenses for the system in
8 fiscal year 2025-2026.

9 The department of child safety shall develop and maintain a webpage
10 for a group home training program that each employee of each group home
11 that is contracted with the department of child safety must annually
12 complete. The webpage shall include:

13 1. At least one training program that is provided free of charge
14 and that includes instruction on preventing child sex trafficking and
15 internet crimes against children. The department of child safety may use a
16 training program that is provided free of charge by the Arizona department
17 of homeland security if such a training program is available.

18 2. Educational materials and resources related to preventing child
19 sex trafficking and internet crimes against children.

20 Out-of-home placements

21 The department of child safety may transfer up to ten percent of the
22 total amount of federal temporary assistance for needy families block
23 grant monies appropriated to the department of economic security and the
24 department of child safety to the social services block grant. Before
25 transferring federal temporary assistance for needy families block grant
26 monies to the social services block grant, the department of child safety
27 shall report the proposed amount of the transfer to the director of the
28 joint legislative budget committee. This report may be in the form of an
29 expenditure plan that is submitted at the beginning of the fiscal year and
30 updated, if necessary, throughout the fiscal year.

31 The amount appropriated for kinship care shall be used for a stipend
32 of \$300 per month for a relative caretaker, including a grandparent, any
33 level of great-grandparent or any non-grandparent relative, or a caretaker
34 of fictive kinship, if a dependent child is placed in the care of a
35 relative caretaker or caretaker of fictive kinship pursuant to department
36 guidelines. The department shall provide the stipend on behalf of all
37 children placed with an unlicensed kinship foster care parent. The
38 unlicensed kinship foster care parent is not required to file an
39 application to receive the stipend. Before changing the eligibility for
40 the program or the amount of the stipend, the department shall submit a
41 report for review by the joint legislative budget committee detailing the
42 proposed changes.

43 On or before March 31, 2026, the department of child safety shall
44 report to the joint legislative budget committee the number of children

1 who are part of the kinship stipend program and reside with a nonrelative
2 caretaker of fictive kinship.

3 Support services

4 The preventive services line item appropriation includes \$264,400
5 from the state general fund to draw down \$1,322,000 in additional federal
6 monies associated with the community-based child abuse prevention block
7 grant. If grant monies are no longer available, the appropriation is
8 reduced by the amounts of \$264,400 from the general fund and \$1,322,000
9 from child safety expenditure authority.

10 Departmentwide

11 The amount appropriated for any line item may not be transferred to
12 another line item or to the operating budget unless the transfer is
13 reviewed by the joint legislative budget committee, except that transfers
14 between any two line items relating to the comprehensive health plan are
15 not subject to review.

16 Child safety expenditure authority includes all department funding
17 sources excluding the state general fund, the federal child care and
18 development fund block grant, the federal temporary assistance for needy
19 families block grant, the child abuse prevention fund established by
20 section 8-550.01, Arizona Revised Statutes, the children and family
21 services training program fund established pursuant to section 8-503.01,
22 Arizona Revised Statutes, and the comprehensive health plan expenditure
23 authority fund established pursuant to section 8-512.02, Arizona Revised
24 Statutes.

25 On or before December 1, 2025, the department of child safety shall
26 submit a report to the joint legislative budget committee on the
27 department's efforts to implement the family first prevention services act
28 of 2018 (P.L. 115-123). The report shall quantify the department's
29 efforts in at least the following areas, including any associated fiscal
30 impacts:

31 1. Reducing the number of children placed for more than two weeks
32 in congregate care settings, excluding qualified residential treatment
33 programs, facilities for pregnant and parenting youth, supervised
34 independent living and specialized programs for victims of sex
35 trafficking.

36 2. Assisting congregate care providers in attaining status as
37 qualified residential treatment programs.

38 3. Identifying alternative placements, including therapeutic foster
39 homes, for children who would otherwise be placed in congregate care.

40 4. Expanding evidence-based, in-home parent skill-based programs
41 and mental health and substance abuse prevention and treatment services.

42 Benchmarks

43 For the purposes of this section:

44 1. "Backlog case":

1 (a) Means any nonactive case for which documentation has not been
2 entered in the child welfare automated system for at least sixty days and
3 for which services have not been authorized for at least sixty days and
4 any case that has had an investigation, has been referred to another unit
5 and has had no contact for at least sixty days.

6 (b) Includes any case for which the investigation has been open
7 without any documentation or contact for at least sixty days, any case
8 involving in-home services for which there has been no contact or services
9 authorized for at least sixty days and any case involving foster care in
10 which there has been no contact or any documentation entered in the child
11 welfare automated system for at least sixty days.

12 2. "Long-term case" means any case in which the child has been in
13 an out-of-home placement for at least eighteen months.

14 3. "Open report" means a report that is under investigation or
15 awaiting closure by a supervisor.

16 On or before February 28, 2026 and August 31, 2026, the department
17 of child safety shall present a report to the joint legislative budget
18 committee on the progress made during July 2025 through December 2025 and
19 January 2026 through June 2026, respectively, in meeting the caseload
20 standard and reducing the number of backlog and long-term cases. Each
21 report shall include the number of backlog cases, the number of open
22 reports, the number of long-term cases and the caseworker workload in
23 comparison to the previous six months. Each report shall provide the
24 number of backlog cases by disposition, including the number of backlog
25 cases in the investigation phase, the number of backlog cases associated
26 with out-of-home placements and the number of backlog cases associated
27 with in-home cases.

28 To determine the caseworker workload, the department shall report
29 the number of case-carrying caseworkers at each field office and the
30 number of investigations, in-home cases and long-term cases assigned to
31 each field office.

32 For backlog cases, the department's benchmark is 1,000 cases.

33 For open reports, the department's benchmark is fewer than 8,000
34 open reports.

35 For long-term cases, the department's benchmark is 3,323 cases.

36 If the department of child safety has not submitted a required
37 report within thirty days after the report is due, the director of the
38 joint legislative budget committee shall inform the general accounting
39 office of the department of administration, which shall withhold two
40 percent of the department of child safety's operating lump sum semiannual
41 budget allocation until the department of child safety submits the
42 required report.

1 Sec. 17. STATE BOARD OF CHIROPRACTIC EXAMINERS

2		<u>2025-26</u>
3	FTE positions	6.0
4	Lump sum appropriation	\$ 643,700
5	Fund sources:	
6	Board of chiropractic examiners	
7	fund	\$ 643,700

8 Sec. 18. ARIZONA COMMERCE AUTHORITY

9		<u>2025-26</u>
10	FTE positions	100.0
11	Operating lump sum appropriation	\$ 10,000,000
12	Arizona competes fund deposit	500,000
13	Asia trade offices	750,000
14	Economic development marketing	
15	and attraction	500,000
16	Frankfurt, Germany trade office	500,000
17	Israel trade office	300,000
18	Mexico trade offices	500,000
19	Wearable technology research	<u>500,000</u>
20	Total appropriation – Arizona commerce	
21	authority	\$ 13,550,000

22	Fund sources:	
23	State general fund	\$ 13,550,000

24 Pursuant to section 43-409, Arizona Revised Statutes, of the amounts
 25 listed above, \$10,500,000 of the state general fund withholding tax
 26 revenues is allocated in fiscal year 2025-2026 to the Arizona commerce
 27 authority, of which \$10,000,000 is credited to the Arizona commerce
 28 authority fund established by section 41-1506, Arizona Revised Statutes,
 29 and \$500,000 is credited to the Arizona competes fund established by
 30 section 41-1545.01, Arizona Revised Statutes.

31 The authority shall distribute the monies in the wearable technology
 32 research line item to applied research centers located in this state that
 33 specialize in wearable technology, including hardware or software
 34 components, or both. Subject to available funding, the authority shall
 35 distribute monies appropriated in the wearable technology research line
 36 item to any applied research center in increments of up to \$250,000 within
 37 thirty days after the applied research center notifies the authority in
 38 writing that the applied research center has received a matching amount
 39 from sources other than this state.

40 An applied research center that receives a distribution pursuant to
 41 this section shall collaborate with universities, nonprofit business
 42 associations, health science research centers, institutes or other
 43 technology businesses that do business in this state. On or before
 44 September 15, 2029, the applied research center or institute shall return
 45 to the authority all monies received by the applied research center or

1 institute pursuant to this section that remain unexpended and unencumbered
 2 on September 1, 2029. The authority shall deposit the returned monies in
 3 the state general fund. The authority shall notify the president of the
 4 senate and the speaker of the house of representatives on or before July
 5 1, 2026 and July 1, 2027 if the authority has not distributed any monies
 6 pursuant to this section.

7 An applied research center or institute that receives monies
 8 pursuant to this section shall annually submit an expenditure and
 9 performance report to the authority. On or before February 1 of each
 10 year, the authority shall transmit the report to the joint legislative
 11 budget committee and the governor's office of strategic planning and
 12 budgeting.

13 For the purposes of distributing the monies in the wearable
 14 technology research line item pursuant to this section, the authority is
 15 exempt from the requirements of title 41, chapter 23, Arizona Revised
 16 Statutes.

17 The appropriation made in the wearable technology research line item
 18 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
 19 relating to lapsing of appropriations, except that any monies that remain
 20 unexpended and unencumbered on June 30, 2029 revert to the state general
 21 fund.

22 Sec. 19. ARIZONA COMMUNITY COLLEGES

23		<u>2025-26</u>
24	<u>Equalization aid</u>	
25	Cochise	\$ 11,812,600
26	Graham	22,496,500
27	Navajo	12,885,200
28	Yuma/La Paz	<u>1,786,400</u>
29	Total — equalization aid	\$ 48,980,700
30	<u>Operating state aid</u>	
31	Cochise	\$ 3,818,600
32	Coconino	1,426,500
33	Gila	158,700
34	Graham	1,808,100
35	Mohave	1,056,600
36	Navajo	1,430,400
37	Pinal	1,082,900
38	Santa Cruz	45,100
39	Yavapai	555,900
40	Yuma/La Paz	<u>2,402,000</u>
41	Total — operating state aid	\$ 13,784,800

1	<u>STEM and workforce programs state aid</u>	
2	Cochise	\$ 1,021,100
3	Coconino	314,300
4	Gila	91,700
5	Graham	465,900
6	Maricopa	8,441,600
7	Mohave	430,500
8	Navajo	295,500
9	Pima	1,855,600
10	Pinal	654,800
11	Santa Cruz	38,000
12	Yavapai	710,200
13	Yuma/La Paz	<u>820,600</u>
14	Total – STEM and workforce programs	
15	state aid	\$ 15,139,800
16	<u>Rural aid</u>	
17	Cochise	\$ 2,703,600
18	Coconino	901,800
19	Gila	252,800
20	Graham	1,244,500
21	Mohave	1,202,500
22	Navajo	852,600
23	Pinal	1,807,400
24	Santa Cruz	99,900
25	Yavapai	1,955,300
26	Yuma/La Paz	<u>2,979,600</u>
27	Total – rural aid	\$ 14,000,000
28	Rural county reimbursement subsidy	\$ 1,082,900
29	Additional Gila workforce	
30	development aid	200,000
31	Diné college remedial education	<u>1,000,000</u>
32	Total appropriation – Arizona community	
33	colleges	\$ 94,188,200
34	Fund sources:	
35	State general fund	\$ 94,188,200
36	Of the \$1,082,900 appropriated to the rural county reimbursement	
37	subsidy line item, Apache county receives \$699,300 and Greenlee county	
38	receives \$383,600.	
39	On or before October 15, 2026, the Diné college board of regents	
40	shall submit to the governor, the president of the senate, the speaker of	
41	the house of representatives, the secretary of state and the joint	
42	legislative budget committee a report that details the course completion	
43	rate for students who received remedial education during the 2025-2026	
44	academic year.	

1	Sec. 20.	REGISTRAR OF CONTRACTORS	
2			<u>2025-26</u>
3		FTE positions	105.6
4		Operating lump sum appropriation	\$ 12,908,000
5		Office of administrative	
6		hearings costs	<u>1,017,600</u>
7	Total appropriation – registrar of		
8	contractors		\$ 13,925,600
9	Fund sources:		
10		Registrar of contractors fund	\$ 13,925,600
11	Sec. 21.	CORPORATION COMMISSION	
12			<u>2025-26</u>
13		FTE positions	302.9
14		Operating lump sum appropriation	\$ 36,946,100
15		Corporation filings, same-day	
16		service	417,300
17		Utilities audits, studies,	
18		investigations and hearings	<u>1,000,000*</u>
19	Total appropriation – corporation commission		\$ 38,363,400
20	Fund sources:		
21		State general fund	\$ 789,000
22		Arizona arts trust fund	60,000
23		Investment management regulatory	
24		and enforcement fund	1,329,700
25		Public access fund	8,121,600
26		Securities regulatory and	
27		enforcement fund	7,345,800
28		Utility regulation revolving fund	20,717,300
29	Sec. 22.	STATE DEPARTMENT OF CORRECTIONS	
30			<u>2025-26</u>
31		FTE positions	9,569.0
32		Operating lump sum appropriation	\$ 778,877,300
33		Overtime and compensatory time	75,320,300
34		Private prison per diem	279,800,100
35		Community corrections	28,280,300
36		Inmate health care contracted	
37		services	367,557,100
38		Substance abuse treatment	3,945,400
39		Noncontract medication	55,000,000
40		Injunction-related IT upgrades	<u>16,000,000</u>
41	Total appropriation – state department		
42	of corrections		\$1,604,780,500

1	Fund sources:	
2	State general fund	\$1,541,516,300
3	State education fund for	
4	correctional education	736,400
5	Alcohol abuse treatment fund	555,800
6	Penitentiary land fund	3,466,000
7	State charitable, penal and	
8	reformatory institutions	
9	land fund	3,733,100
10	Corrections fund	35,787,600
11	Transition program fund	2,400,300
12	Prison construction and	
13	operations fund	12,500,100
14	Inmate store proceeds fund	4,084,900

15 Of the amount appropriated in the operating lump sum, \$401,635,800
 16 is designated for personal services and \$233,154,700 is designated for
 17 employee-related expenditures. The state department of corrections shall
 18 submit an expenditure plan for review by the joint legislative budget
 19 committee before spending these monies other than for personal services or
 20 employee-related expenditures.

21 After the state department of corrections submits an expenditure
 22 plan to the joint legislative budget committee, the department may
 23 transfer personal services and employee-related expenditures savings from
 24 the operating budget to the private prison per diem line item for private
 25 prison staff stipends. The amount of any private prison staff stipend may
 26 not exceed the amount given to department staff. The expenditure plan is
 27 not subject to review by the joint legislative budget committee.

28 The state department of corrections shall submit an expenditure plan
 29 for review by the joint legislative budget committee before spending
 30 monies appropriated for the overtime and compensatory timeline item other
 31 than for personal services or employee-related expenditures.

32 Private prison vendors that contract with this state may use staff
 33 vacancy savings to pay for overtime costs without incurring a penalty or
 34 staffing offset.

35 Before placing any inmates in out-of-state provisional beds, the
 36 state department of corrections shall place inmates in all available
 37 prison beds in facilities that are located in this state and that house
 38 Arizona inmates, unless the out-of-state provisional beds are of a
 39 comparable security level and price.

40 The state department of corrections shall forward to the president
 41 of the senate, the speaker of the house of representatives, the
 42 chairpersons of the senate and house of representatives appropriations
 43 committees and the director of the joint legislative budget committee a
 44 monthly report comparing department expenditures for the month and
 45 year-to-date as compared to prior year expenditures on or before the

1 thirtieth of the following month. The report shall be in the same format
2 as the prior fiscal year and include an estimate of potential shortfalls,
3 potential surpluses that may be available to offset these shortfalls and a
4 plan, if necessary, for eliminating any shortfall without a supplemental
5 appropriation. The report shall include the number of filled and vacant
6 correctional officer and medical staff positions departmentwide and by
7 prison complex.

8 On or before November 1, 2025, the state department of corrections
9 shall provide a report on bed capacity to the joint legislative budget
10 committee. The report shall reflect the bed capacity for each security
11 classification by gender at each state-run and private institution,
12 divided by rated and total beds. The report shall include bed capacity
13 data for June 30, 2024 and June 30, 2025 and the projected capacity for
14 June 30, 2026, as well as the reasons for any change within that time
15 period. Within the total bed count, the department shall provide the
16 number of temporary and special use beds. The report shall also address
17 the department's rationale for eliminating any permanent beds rather than
18 reducing the level of temporary beds. The report shall also include any
19 plans to vacate beds but not permanently remove the beds from the bed
20 count. If the department develops a plan after the department's November
21 1, 2025 report to open or close one hundred or more state-operated or
22 private prison rated beds, the department shall submit a plan detailing
23 the proposed bed changes for review by the joint legislative budget
24 committee before implementing these changes.

25 One hundred percent of land earnings and interest from the
26 penitentiary land fund shall be distributed to the state department of
27 corrections in compliance with the enabling act and the Constitution of
28 Arizona to be used to support state penal institutions.

29 On or before December 15, 2025 and July 15, 2026, the state
30 department of corrections shall submit a report to the joint legislative
31 budget committee on the progress made in meeting the staffing needs for
32 correctional officers. Each report shall include the number of filled
33 correctional officer positions, the number of vacant correctional officer
34 positions, the number of people in training, the number of separations and
35 the number of hours of overtime worked year-to-date. The report shall
36 detail these amounts both departmentwide and by prison complex.

37 Twenty-five percent of land earnings and interest from the state
38 charitable, penal and reformatory institutions land fund shall be
39 distributed to the state department of corrections in compliance with the
40 enabling act and the Constitution of Arizona to be used to support state
41 penal institutions.

1 Before spending any state education fund for correctional education
2 monies in excess of \$736,400, the state department of corrections shall
3 report the intended use of the monies to the director of the joint
4 legislative budget committee.

5 Before implementing any changes in contracted rates for inmate
6 health care contracted services, the state department of corrections shall
7 submit its expenditure plan for review by the joint legislative budget
8 committee.

9 On or before August 1, 2025 and February 1, 2026, the state
10 department of corrections shall submit a report to the joint legislative
11 budget committee on the status of all inmate health care performance
12 measures that are tracked by the department for contract monitoring
13 purposes. Each report must include:

14 1. The total number of performance measures, by facility, for which
15 the department is not in substantial compliance.

16 2. An explanation for each instance of noncompliance.

17 3. The department's plan to comply with the performance measures.

18 On or before August 1, 2025, the state department of corrections
19 shall transfer to the public safety personnel retirement system via the
20 department of administration its estimated required annual contribution to
21 the corrections officer retirement plan for fiscal year 2025-2026.

22 The department shall report actual fiscal year 2024-2025, estimated
23 fiscal year 2025-2026 and requested fiscal year 2026-2027 expenditures as
24 delineated in the prior year when the department submits its fiscal year
25 2026-2027 budget request pursuant to section 35-113, Arizona Revised
26 Statutes.

27 The state department of corrections shall use the amount
28 appropriated in the private prison per diem line item to pay private
29 prison contractors for housing and providing medical care to Arizona
30 inmates. Before spending these monies for any other purpose, the
31 department shall submit an expenditure plan for review by the joint
32 legislative budget committee.

33 The private prison per diem line item includes an increase of
34 \$4,083,300 for a five percent salary increase for private prison
35 correctional officers.

36 The amount appropriated in the injunction-related IT upgrades line
37 item shall be used to address information technology improvements as
38 required by the court in the Jensen v. Thornell inmate health care
39 litigation.

40 The state department of corrections shall use the amount
41 appropriated in the noncontract medication line item to purchase
42 medications to treat hepatitis C and for medication-assisted treatment for
43 substance use disorder. Before spending these monies for any other
44 purpose, the department shall submit an expenditure plan for review by the
45 joint legislative budget committee.

Of the amount appropriated by Laws 2024, chapter 209, section 31 for the noncontract medication line item, up to \$9,500,000 may be used for the payment of obligations incurred in fiscal year 2023-2024 for the department's operating expenses.

The \$650,000 appropriated to the state department of corrections by Laws 2023, chapter 133, section 23 in fiscal year 2023-2024 for inmate dog training is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations.

Sec. 23. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2025-26</u>
FTE positions	11.0
Operating lump sum appropriation	\$ 1,415,400
Major incident regional law enforcement task force	600,000
State aid to county attorneys	973,700
State aid to indigent defense	700,000
State aid for juvenile dependency proceedings fund deposit	2,000,000
Victim compensation and assistance	<u>6,229,700</u>
Total appropriation – Arizona criminal justice commission	\$ 11,918,800
Fund sources:	
State general fund	\$ 4,600,000
Criminal justice enhancement fund	742,200
Resource center fund	647,100
State aid to county attorneys fund	973,700
State aid to indigent defense fund	700,000
Victim compensation and assistance fund	4,255,800

All victim compensation and assistance fund monies received by the Arizona criminal justice commission in excess of \$4,225,800 in fiscal year 2025-2026 are appropriated to the crime victims program. Before spending any victim compensation and assistance fund monies in excess of \$4,225,800 in fiscal year 2025-2026, the Arizona criminal justice commission shall report the intended use of the monies to the joint legislative budget committee.

All monies received by the Arizona criminal justice commission in excess of \$973,700 in fiscal year 2025-2026 from the state aid to county attorneys fund established by section 11-539, Arizona Revised Statutes, are appropriated to the state aid to county attorneys program. Before spending any state aid to county attorneys fund monies in excess of \$973,700 in fiscal year 2025-2026, the Arizona criminal justice commission shall report the intended use of the monies to the joint legislative budget committee.

1	Sec. 24.	ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND	
2			<u>2025-26</u>
3		FTE positions	562.2
4		Administration/statewide	\$ 7,726,700
5		Phoenix day school for the deaf	12,203,100
6		Tucson campus	12,354,100
7		Preschool/outreach programs	6,781,200
8		School bus/agency vehicle	
9		replacement	369,000
10		Supplemental early childhood therapies	100,000
11		Cooperative services	<u>19,131,000</u>
12	Total appropriation – Arizona state schools		
13	for the deaf and the blind		\$ 58,665,100
14	Fund sources:		
15	State general fund		\$ 25,391,300
16	Schools for the deaf and		
17	the blind fund		14,142,800
18	Cooperative services fund		19,131,000
19	Before spending any schools for the deaf and the blind fund monies		
20	in excess of \$14,142,800 in fiscal year 2025-2026, the Arizona state		
21	schools for the deaf and the blind shall report to the joint legislative		
22	budget committee the intended use of the monies.		
23	Before spending any cooperative services fund monies in excess of		
24	\$19,131,000 in fiscal year 2025-2026, the Arizona state schools for the		
25	deaf and the blind shall report to the joint legislative budget committee		
26	the intended use of the monies.		
27	The monies appropriated for the supplemental early childhood		
28	therapies line item in fiscal year 2025-2026 shall be spent to contract		
29	with multiple providers to provide supplemental early childhood listening		
30	and spoken language therapies, including parent coaching services, to		
31	eligible infants and toddlers from birth to three years of age and their		
32	families. Contractors chosen to provide the supplemental early childhood		
33	listening and spoken language therapies shall ensure that the services		
34	will be provided by or overseen by a certified auditory verbal educator or		
35	therapist in a natural environment, a clinical setting, an educational		
36	setting or virtually.		
37	Sec. 25.	COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
38			<u>2025-26</u>
39		FTE positions	21.0
40		Operating lump sum appropriation	\$ 4,655,800
41		Support services for the	
42		deaf-blind	<u>192,000</u>
43	Total appropriation – commission for the		
44	deaf and the hard of hearing		\$ 4,847,800

1	Fund sources:	
2	Telecommunication fund for	
3	the deaf	\$ 4,847,800
4	Sec. 26. STATE BOARD OF DENTAL EXAMINERS	
5		<u>2025-26</u>
6	FTE positions	13.0
7	Lump sum appropriation	\$ 2,120,500
8	Fund sources:	
9	Dental board fund	\$ 2,120,500
10	Sec. 27. OFFICE OF ECONOMIC OPPORTUNITY	
11		<u>2025-26</u>
12	FTE positions	5.0
13	Lump sum appropriation	\$ 507,100
14	Fund sources:	
15	State general fund	\$ 507,100
16	Sec. 28. DEPARTMENT OF ECONOMIC SECURITY	
17		<u>2025-26</u>
18	FTE positions	4,727.8
19	Operating lump sum appropriation	\$310,489,000
20	<u>Administration</u>	
21	Attorney general legal services	12,810,300
22	<u>Aging and adult services</u>	
23	Adult protective services	35,000,000
24	Adult services	10,731,900
25	Community and emergency services	3,724,000
26	Coordinated homeless services	3,522,600
27	Coordinated hunger services	2,254,600
28	Domestic violence prevention	14,004,000
29	Long-term care ombudsman	1,000,000
30	Produce incentive program	2,000,000
31	<u>Benefits and medical eligibility</u>	
32	Temporary assistance for needy	
33	families – cash benefits	22,736,400
34	Tribal pass-through funding	4,680,300
35	<u>Child support enforcement</u>	
36	Child support -	
37	clerk of the court and	
38	family law services	8,539,700
39	<u>Developmental disabilities</u>	
40	DDD premium tax payment	77,751,400
41	Case management – medicaid	142,378,800
42	Home and community based	
43	services – medicaid	3,394,327,100
44	Institutional services –	
45	medicaid	54,678,000

1	Physical and behavioral	
2	health services – medicaid	852,328,500
3	Medicare clawback payments	7,940,400
4	Targeted case management – medicaid	22,621,300
5	State match transfer from AHCCCS	1,385,157,300
6	Case management – state-only	6,383,200
7	Home and community based	
8	services – state-only	14,089,000
9	Cost effectiveness study – client	
10	services	23,220,000
11	Arizona early intervention program	16,119,000
12	State-funded long-term care	
13	services	45,231,000
14	DD reconciliation payment	32,300,000
15	<u>Employment and rehabilitation services</u>	
16	JOBS	11,005,600
17	Child care subsidy	265,733,200
18	Child development center	1,500,000
19	Education workforce innovation	
20	initiative	500,000
21	Independent living rehabilitation	
22	services	1,289,400
23	Older individuals who are blind	1,000,000
24	Rehabilitation services	7,249,100
25	Workforce innovation	
26	and opportunity act	
27	services	<u>85,824,200</u>
28	Total appropriation and expenditure	
29	authority – department of	
30	economic security	\$6,880,119,300
31	Fund sources:	
32	State general fund	\$1,796,428,000
33	Federal child care and	
34	development fund block grant	278,680,900
35	Federal temporary assistance for	
36	needy families block grant	66,588,900
37	Long-term care system fund	34,971,600
38	Public assistance collections	
39	fund	441,800
40	Special administration fund	4,654,600
41	Spinal and head injuries trust	
42	fund	2,390,200
43	Statewide cost allocation plan	
44	fund	1,000,000

1	Child support enforcement	
2	administration fund	17,678,400
3	Domestic violence services fund	4,000,300
4	Workforce investment act grant	87,116,200
5	Child support enforcement	
6	administration fund	
7	expenditure authority	44,401,200
8	Developmental disabilities	
9	medicaid expenditure	
10	authority	4,505,619,200
11	Health care investment fund	
12	expenditure authority	36,148,000

13 Aging and adult services

14 Before transferring any monies in or out of the adult protective
 15 services line item, the department of economic security shall submit a
 16 report for review by the joint legislative budget committee.

17 All domestic violence services fund monies in excess of \$4,000,300
 18 received by the department of economic security are appropriated for the
 19 domestic violence prevention line item. Before spending these increased
 20 monies, the department shall report the intended use of monies in excess
 21 of \$4,000,300 to the joint legislative budget committee.

22 On or before December 15, 2025, the department of economic security
 23 shall report to the joint legislative budget committee the amount of state
 24 and federal monies available statewide for domestic violence prevention
 25 funding. The report shall include, at a minimum, the amount of monies
 26 available and the state fiscal agent receiving those monies.

27 Benefits and medical eligibility

28 The operating lump sum appropriation may be spent on Arizona health
 29 care cost containment system eligibility determinations based on the
 30 results of the Arizona random moment sampling survey.

31 Child support enforcement

32 All state shares of retained earnings, fees and federal incentives
 33 in excess of \$17,678,400 received by the division of child support
 34 enforcement are appropriated for operating expenditures. New FTE
 35 positions are authorized with the increased funding. Before spending
 36 these increased monies, the department of economic security shall report
 37 the intended use of the monies to the joint legislative budget committee.

38 Developmental disabilities

39 On or before September 1, 2026, the department of economic security
 40 shall report to the president of the senate, the speaker of the house of
 41 representatives, the chairpersons of the senate and house of
 42 representatives appropriations committees and the director of the joint
 43 legislative budget committee any new placement into a state-owned ICF-IID
 44 or the Arizona training program at the Coolidge campus in fiscal year
 45 2025-2026 and the reason for this placement, rather than a placement into

1 a privately run facility for persons with developmental disabilities, was
2 deemed as the most appropriate placement. The department shall also
3 report if no new placements were made. On or before September 1, 2026,
4 the department shall also report to the director of the joint legislative
5 budget committee the total costs associated with the Arizona training
6 program at Coolidge in fiscal year 2025-2026.

7 The department of economic security shall report to the joint
8 legislative budget committee on or before March 1 of each year on
9 preliminary actuarial estimates of the capitation rate changes for the
10 following fiscal year along with the reasons for the estimated
11 changes. For any actuarial estimates that include a range, the total
12 range from minimum to maximum may not be more than two percent. Before
13 implementing any changes in capitation rates for the long-term care
14 system, the department shall submit a report for review by the joint
15 legislative budget committee. Before the department implements any change
16 in policy affecting the amount, sufficiency, duration and scope of health
17 care services and who may provide services, the department shall prepare a
18 fiscal impact analysis on the potential effects of this change on the
19 following year's capitation rates. If the fiscal impact analysis
20 demonstrates that this change will result in additional state costs of
21 \$500,000 or more for any fiscal year, the department shall submit the
22 policy change for review by the joint legislative budget committee.

23 Before implementing developmental disabilities or long-term care
24 statewide provider rate adjustments that are not already specifically
25 authorized by the legislature, court mandates or changes to federal law,
26 the department of economic security shall submit a report for review by
27 the joint legislative budget committee that includes, at a minimum, the
28 estimated cost of the provider rate adjustment and the ongoing source of
29 funding for the adjustment, if applicable.

30 On or before December 31, 2025, the department of economic security
31 shall provide to the president of the senate, the speaker of the house of
32 representatives, the chairpersons of the senate and house of
33 representatives appropriations committees and the director of the joint
34 legislative budget committee a report on the utilization of covered
35 services under the developmental disabilities program by disability
36 classification. The report shall include the total expenditure for each
37 covered service by primary diagnosis in fiscal year 2024-2025.

38 On or before December 31, 2025, the department of economic security
39 shall provide to the president of the senate, the speaker of the house of
40 representatives, the chairpersons of the senate and house of
41 representatives appropriations committees and the director of the joint
42 legislative budget committee a report on the employment classifications of
43 parent caregivers under the parents as paid caregivers program. The
44 report shall include the number of parent caregivers currently enrolled in
45 the program that are classified as W-2 employees and the number of parent

1 caregivers currently enrolled in the program that are classified as 1099
2 contractors.

3 Before transferring any monies in or out of the case management –
4 medicaid, case management – state-only, cost effectiveness study - client
5 services and developmental disabilities administration line items and
6 before transferring any monies in or out of the operating lump sum item
7 related to the developmental disabilities program and its administration,
8 the department of economic security shall submit a report for review by
9 the joint legislative budget committee, except that transfers from the
10 state match transfer from AHCCCS line item into those line items do not
11 require a report for review.

12 On or before November 30, 2025, the department of economic security
13 shall submit a report to the joint legislative budget committee regarding
14 expenditures from the cost effectiveness study - client services line item
15 in the previous fiscal year. The report shall include the number of
16 clients and total amounts spent from the line item in each setting type
17 along with expenditures for those clients in other line items. The report
18 shall also include cost effectiveness spending in other line items.

19 The department of economic security may spend the amount
20 appropriated for the DD reconciliation payment line item to process the
21 reconciliation payment associated with the operating costs shortfall for
22 the contract year ending on September 30, 2024, except that if the amount
23 appropriated for the DD reconciliation payment line item exceeds the
24 amount of the shortfall that appears in the auditor general's financial
25 audit of the ALTCS-DDD contract as indicated by the fund balance on
26 September 30, 2024, the department may not spend the amount that exceeds
27 the amount of the shortfall.

28 Employment and rehabilitation services

29 On or before December 31, 2025 and June 30, 2026, the department of
30 economic security shall submit a report to the joint legislative budget
31 committee regarding federal child care monies. The report must include,
32 at a minimum, the actual revenues delineated by fund source, the actual
33 year-to-date expenditures by purpose and fund source and the beginning and
34 ending balances for all fund sources for the preceding six months. The
35 report shall also include projected annual revenues, expenditures and
36 balances for the current year and the budget year.

37 The department of economic security shall forward to the joint
38 legislative budget committee a monthly report listing data on the child
39 care population served. The report must include, at a minimum, in each
40 program the number of unduplicated children enrolled in child care within
41 the department of economic security and the department of child safety by
42 program and the average amount paid per child plus quality-related
43 spending.

1 The department of economic security shall distribute all monies
2 appropriated in the child development center line item to the
3 Snowflake-Taylor child care development facility.

4 The department of economic security shall distribute the monies in
5 the education workforce innovation initiative line item to qualifying
6 programs led by Arizona-based organizations with supporting partnerships
7 from a public university and a local education agency. A request for
8 proposal shall be made public not later than September 1, 2025, and monies
9 shall be distributed to grantees not later than October 15, 2025.
10 Grantees that receive monies shall have a demonstrated record of
11 developing the leadership capacity of parents and caregivers in this state
12 and shall have been in operation for at least four years. Qualifying
13 programs shall meet the following requirements:

14 1. Focus on developing parents and caregivers as education
15 professionals whose income falls at or below the federal poverty levels
16 across urban and rural Arizona.

17 2. Provide participants with knowledge in the science of reading
18 and the skill development to enter the education profession as literacy
19 classroom aides or paraprofessional roles.

20 3. Support the job placement of program participants with the
21 partnered local education agency.

22 4. Provide continuing education and ongoing professional
23 development to the parent educators once placed in professional education
24 roles.

25 All workforce investment act grant monies that are received by this
26 state in excess of \$87,116,600 are appropriated to the workforce
27 innovation and opportunity act services line item. Before spending these
28 increased monies, the department of economic security shall report the
29 intended use of monies in excess of \$87,116,600 to the joint legislative
30 budget committee.

31 Departmentwide

32 The above appropriations are in addition to monies granted to this
33 state by the federal government for the same purposes but are deemed to
34 include the sums deposited in the state treasury to the credit of the
35 department of economic security pursuant to section 42-5029, Arizona
36 Revised Statutes.

37 The department of economic security shall forward to the president
38 of the senate, the speaker of the house of representatives, the
39 chairpersons of the senate and house of representatives appropriations
40 committees and the director of the joint legislative budget committee a
41 monthly report comparing total expenditures for the month and year-to-date
42 as compared to prior year totals on or before the thirtieth of the
43 following month. The report shall include an estimate of potential
44 shortfalls in entitlement programs and potential federal and other monies,
45 such as the statewide assessment for indirect costs, and any projected

1 surplus in state-supported programs that may be available to offset these
 2 shortfalls and a plan, if necessary, for eliminating any shortfall without
 3 a supplemental appropriation.

4 Sec. 29. STATE BOARD OF EDUCATION

5			<u>2025-26</u>
6	FTE positions		23.0
7	Operating lump sum appropriation	\$	3,113,900
8	Arizona empowerment scholarship		
9	account appeals		<u>228,500</u>
10	Total appropriation –		
11	state board of education	\$	3,342,400

12 Fund sources:

13	State general fund	\$	3,342,400
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14 Sec. 30. SUPERINTENDENT OF PUBLIC INSTRUCTION

15			<u>2025-26</u>
16	FTE positions		244.9
17	Operating lump sum appropriation	\$	17,362,500

18 Formula programs

19	Basic state aid		6,789,273,000
20	State aid supplement		75,000,000
21	Special education fund		36,029,200
22	Classroom site fund		1,105,372,400
23	Instructional improvement fund		80,425,700

24 Property tax relief

25	Additional state aid		531,585,000
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26 Non-formula programs

27	Accountability and achievement		
28	testing		16,444,800
29	Adult education		7,903,200
30	Alternative teacher development		
31	program		1,000,000
32	Arizona English language		
33	learner fund		4,960,400
34	Automated external		
35	defibrillator grants		500,000
36	CTED certification exam fee		
37	reimbursement		1,000,000
38	CTED completion grants		1,000,000
39	CTED soft capital and equipment		1,000,000
40	College credit by examination		
41	incentive program		3,772,100
42	College placement exam fee waiver		1,265,800
43	Computer science professional		
44	development program		1,000,000
45	Early literacy		17,386,200

1	Education learning and	
2	accountability system	5,470,200
3	English learner administration	11,608,800
4	Flagstaff robotics program	10,000
5	Geographic literacy	100,000
6	Gifted assessments	850,000
7	Jobs for Arizona graduates	500,000
8	Ninth grade on-track program	1,000,000
9	Rural Arizona school nurse	
10	access program	2,500,000*
11	School meal grants	3,800,000
12	School safety program	82,010,200
13	Show Low robotics program	10,000
14	State block grant for vocational	
15	education	11,798,200
16	Student level data access	359,000
17	Teacher certification	2,403,600
18	Teacher retention study	100,000
19	Tribal college dual enrollment	
20	program	<u>325,000</u>
21	Total appropriation and expenditure	
22	authority – superintendent	
23	of public instruction	\$8,815,125,300
24	Fund sources:	
25	State general fund	\$7,381,852,700
26	Education sales tax fund	7,000,000
27	Permanent state school fund	72,263,000
28	Special education fund	5,000,000
29	Teacher certification fund	2,647,000
30	Tribal college dual enrollment	
31	program fund	325,000
32	Department of education empowerment	
33	scholarship account fund	359,000
34	Expenditure authority	1,345,678,600

35 Operating lump sum

36 Any monies available to the department of education pursuant to
37 section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes,
38 for the failing schools tutoring fund established by section 15-241,
39 Arizona Revised Statutes, in excess of the expenditure authority amounts
40 are allocated for the purposes of section 42-5029.02, subsection A,
41 paragraph 8, Arizona Revised Statutes.

42 Any monies available to the department of education pursuant to
43 section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes,
44 for character education matching grants pursuant to section 15-154.01,
45 Arizona Revised Statutes, in excess of the expenditure authority amounts

1 are allocated for the purposes of section 42-5029.02, subsection A,
2 paragraph 6, Arizona Revised Statutes.

3 The operating lump sum includes an increase of \$2,000,000 from the
4 state general fund in fiscal year 2025-2026 for twelve additional FTE
5 positions to review purchases for enrollees in the Arizona empowerment
6 scholarship account program. The department may also allocate the
7 \$2,000,000 increase to additional contracted staff or services related to
8 the administration of the Arizona empowerment scholarship account program.

9 Basic state aid

10 The appropriation for basic state aid provides basic state support
11 to school districts for maintenance and operations funding as provided by
12 section 15-973, Arizona Revised Statutes, and includes an estimated
13 \$72,263,000 in expendable income derived from the permanent state school
14 fund and from state trust lands pursuant to section 37-521, subsection B,
15 Arizona Revised Statutes, for fiscal year 2025-2026.

16 Monies derived from the permanent state school fund and any other
17 non-state general fund revenue source that is dedicated to fund basic
18 state aid shall be spent, whenever possible, before spending state general
19 fund monies.

20 Except as required by section 37-521, Arizona Revised Statutes, all
21 monies received during the fiscal year from national forests, interest
22 collected on deferred payments on the purchase of state lands, income from
23 investing permanent state school funds as prescribed by the enabling act
24 and the Constitution of Arizona and all monies received by the
25 superintendent of public instruction from whatever source, except monies
26 received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes,
27 when paid into the state treasury are appropriated for apportionment to
28 the various counties in accordance with law. An expenditure may not be
29 made except as specifically authorized above.

30 Any monies available to the department of education pursuant to
31 section 42-5029.02, subsection A, paragraph 5, Arizona Revised Statutes,
32 for the increased cost of basic state aid under section 15-971, Arizona
33 Revised Statutes, due to added school days in excess of the expenditure
34 authority amounts are allocated for the purposes of section 42-5029.02,
35 subsection A, paragraph 5, Arizona Revised Statutes.

36 The department of education shall allocate the appropriated amount
37 for the state aid supplement to districts and charter schools on a pro
38 rata basis using the weighted student count for the school district or
39 charter school for the fiscal year pursuant to section 15-943, paragraph
40 2, subdivision (a), Arizona Revised Statutes, and increase the budget
41 limits pursuant to section 15-947, Arizona Revised Statutes, accordingly.
42 The weighted student count for a school district that serves as the
43 district of attendance for nonresident pupils shall be increased to
44 include nonresident pupils who attend school in the district.

1 Other programs

2 Any monies available to the department of education for the
3 classroom site fund pursuant to section 37-521, subsection B, paragraph 4,
4 Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph
5 10, Arizona Revised Statutes, in excess of expenditure authority amounts
6 are allocated for the purposes of section 37-521, subsection B, paragraph
7 4, Arizona Revised Statutes, and section 42-5029.02, subsection A,
8 paragraph 10, Arizona Revised Statutes.

9 Any monies available to the department of education from the
10 instructional improvement fund established by section 15-979, Arizona
11 Revised Statutes, in excess of the expenditure authority amounts are
12 allocated for the purposes of section 15-979, Arizona Revised Statutes.

13 Before making any changes to the achievement testing program that
14 will increase program costs, the department of education and the state
15 board of education shall submit the estimated fiscal impact of those
16 changes to the joint legislative budget committee for review.

17 Any monies available to the department of education for
18 accountability purposes pursuant to section 42-5029.02, subsection A,
19 paragraph 7, Arizona Revised Statutes, in excess of the expenditure
20 authority amounts are allocated for the purposes of section 42-5029.02,
21 subsection A, paragraph 7, Arizona Revised Statutes.

22 The department of education may use the appropriated amount for
23 accountability and achievement testing in fiscal year 2025-2026 for costs
24 of the English language proficiency assessments required by section
25 15-756.05, Arizona Revised Statutes.

26 The appropriated amount for adult education includes \$1,000,000 for
27 a onetime allocation to the continuing high school and workforce training
28 program established by section 15-217.01, Arizona Revised Statutes,
29 \$1,000,000 for a onetime deposit in the adult workforce diploma program
30 fund established by section 15-217.02, Arizona Revised Statutes, and
31 \$1,000,000 for a onetime deposit in the community college adult education
32 workforce development program fund established by section 15-217.03,
33 Arizona Revised Statutes.

34 The appropriated amount for automated external defibrillator grants
35 shall be distributed to public schools in this state that provide
36 instruction to students in any of grades nine through twelve and that
37 sponsors an athletic team or sports program to purchase or maintain
38 automated external defibrillators. In selecting grant recipients, the
39 department of education shall prioritize schools in which fifty percent or
40 more of the students are eligible for free or reduced-price lunches. The
41 appropriated amount for automated external defibrillator grants is exempt
42 from the provisions of section 35-190, Arizona Revised Statutes, relating
43 to lapsing of appropriations, until June 30, 2027.

44 Monies appropriated for CTED completion grants are intended to help
45 fund program completion for students who complete at least fifty percent

1 of a career technical education program before graduating from high school
2 and who successfully complete the career technical education district
3 program after graduating from high school. The application procedures
4 shall award grant funding only after an eligible student has successfully
5 completed a career technical education district program.

6 If the appropriated amount for CTED completion grants is
7 insufficient to fund all grant requests from career technical education
8 districts, the department of education shall reduce grant amounts on a
9 proportional basis in order to cap total statewide allocations at
10 \$1,000,000.

11 The appropriated amount for CTED completion grants is exempt from
12 the provisions of section 35-190, Arizona Revised Statutes, relating to
13 lapsing of appropriations, until June 30, 2027.

14 The department of education shall distribute the appropriated amount
15 for CTED soft capital and equipment to career technical education
16 districts with fewer than two thousand average daily membership pupils for
17 soft capital and equipment expenses. The appropriated amount shall be
18 allocated on a pro rata basis based on the average daily membership of
19 eligible career technical education districts.

20 The department of education shall use the appropriated amount for
21 English learner administration to provide English language acquisition
22 services for the purposes of section 15-756.07, Arizona Revised Statutes,
23 and for the costs of providing English language proficiency assessments,
24 scoring and ancillary materials as prescribed by the department of
25 education to school districts and charter schools for the purposes of
26 title 15, chapter 7, article 3.1, Arizona Revised Statutes. The
27 department may use a portion of the appropriated amount to hire staff or
28 contract with a third party to carry out the purposes of section
29 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192,
30 Arizona Revised Statutes, the superintendent of public instruction also
31 may use a portion of the appropriated amount to contract with one or more
32 private attorneys to provide legal services in connection with the case of
33 Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

34 The department of education shall use the appropriated amount for
35 geographic literacy to issue a grant to a statewide geographic alliance
36 for strengthening geographic literacy in this state.

37 The department of education shall use the appropriated amount for
38 jobs for Arizona graduates to issue a grant to a nonprofit organization
39 for a JOBS for Arizona graduates program.

40 The department of education shall allocate at least \$500,000 of the
41 appropriated amount for the rural Arizona school nurse access program line
42 item for grants to increase the salaries of school nurses in rural school
43 districts and charter schools. The department may spend any remaining
44 monies on grants to rural school districts and charter schools to hire new
45 school nurses.

1 The department of education shall allocate the appropriated amount
2 for the school meal grants line item to school districts and charter
3 schools that participate in the national school lunch program or school
4 breakfast program established under the national school lunch and child
5 nutrition acts (42 United States Code sections 1751 through 1793) for
6 grants to reduce or eliminate copayments that would otherwise be charged
7 to children eligible for reduced-price meals. If the appropriated amount
8 is insufficient to cover the grant awards for all eligible grantees, the
9 department shall reduce each grant proportionately to cover all eligible
10 grantees.

11 The amount appropriated for the school safety program in fiscal year
12 2022-2023 pursuant to Laws 2022, chapter 313, section 31, as amended by
13 Laws 2024, chapter 209, section 1, included an increase of \$50,000,000 for
14 additional school safety grants. In allocating the \$50,000,000 increase,
15 the department of education shall first distribute monies to schools on
16 the school safety program waiting list to receive grants for the costs of
17 placing school resource officers on school campuses. The awarded grants
18 may not supplant funding provided by local governments for school resource
19 officers. If the total cost of funding grants for school resource
20 officers is less than \$50,000,000, the department may allocate the
21 remaining monies to grants to schools for the costs of placing school
22 counselors and social workers on school campuses pursuant to section
23 15-154, Arizona Revised Statutes.

24 Any monies available to the department of education for school
25 safety pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona
26 Revised Statutes, in excess of the expenditure authority amounts are
27 allocated for the purposes of section 42-5029.02, subsection A, paragraph
28 6, Arizona Revised Statutes.

29 After review by the joint legislative budget committee, in fiscal
30 year 2025-2026, the department of education may use a portion of its
31 fiscal year 2025-2026 state general fund appropriations for basic state
32 aid, additional state aid or the special education fund to fund a
33 shortfall in funding for basic state aid, additional state aid or the
34 special education fund, if any, that occurred in fiscal year 2024-2025.

35 The department of education shall provide an updated report on its
36 budget status every three months for the first half of each fiscal year
37 and every month thereafter to the president of the senate, the speaker of
38 the house of representatives, the chairpersons of the senate and house of
39 representatives appropriations committees, the director of the joint
40 legislative budget committee and the director of the governor's office of
41 strategic planning and budgeting. Each report shall include, at a
42 minimum, the department's current funding surplus or shortfall projections
43 for basic state aid and other major formula-based programs and is due
44 thirty days after the end of the applicable reporting period.

Within fifteen days after each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department of education shall post on its website the amount of state aid apportioned to each recipient and the underlying data.

Sec. 31. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	<u>2025-26</u>
FTE positions	63.1
Administration	\$ 2,371,200
Emergency management	892,600
Emergency management matching funds	1,544,900
Military affairs	2,134,600
National guard matching funds	3,529,200
National guard tuition reimbursement	1,000,000
Hazard mitigation revolving fund deposit	<u>200,000</u>
Total appropriation – department of emergency and military affairs	\$ 11,672,500
Fund sources:	
State general fund	\$ 11,672,500

The \$3,529,200 national guard matching funds appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2025-2026 monies remaining unexpended and unencumbered on December 31, 2026 revert to the state general fund.

The appropriated amount for the national guard tuition reimbursement line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until September 30, 2026.

The amount appropriated by Laws 2022, chapter 313, section 110, subsection A, paragraph 1, as amended by Laws 2023, chapter 121, section 1, and Laws 2024, chapter 209, section 3, allocated to Cochise county to construct a new county jail facility is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2029.

Sec. 32. DEPARTMENT OF ENVIRONMENTAL QUALITY

	<u>2025-26</u>
FTE positions	360.7
Operating lump sum appropriation	\$ 66,768,300
Water quality fee fund deposit	9,000,000
Safe drinking water program	2,001,600
Iron King mine - Humboldt smelter cleanup	2,000,000

1	Emissions control contractor	
2	payment	<u>28,894,500</u>
3	Total appropriation – department of	
4	environmental quality	\$108,664,400
5	Fund sources:	
6	Air quality fund	\$ 7,477,300
7	Emergency response fund	132,800
8	Emissions inspection fund	33,012,700
9	Hazardous waste management fund	2,677,600
10	Indirect cost fund	18,788,100
11	Long-term water augmentation fund	11,000,000
12	Permit administration fund	7,333,900
13	Recycling fund	718,300
14	Safe drinking water program	
15	fund	2,001,600
16	Solid waste fee fund	3,892,700
17	Water quality fee fund	21,629,400

18 The operating lump sum appropriation includes \$776,600 from the
19 water quality fee fund established by section 49-210, Arizona Revised
20 Statutes, to add two FTE positions to process an increase in permit
21 applications resulting from revised aquifer water quality standards. The
22 department of environmental quality may only spend these monies contingent
23 on matching amounts of aquifer protection permit program fees collected
24 pursuant to section 49-241.02, Arizona Revised Statutes, being deposited
25 in the water quality fee fund established by section 49-210, Arizona
26 Revised Statutes, by the end of the fiscal year.

27 The department of environmental quality shall report annually on the
28 progress of WQARF activities, including emergency response, priority site
29 remediation, cost recovery activity, revenue and expenditure activity and
30 other WQARF-funded program activity. The department shall submit the
31 fiscal year 2025-2026 report to the joint legislative budget committee on
32 or before September 1, 2025. This report shall also include a budget for
33 the WQARF program that is developed in consultation with the WQARF
34 advisory board. This budget shall specify the monies budgeted for each
35 listed site during fiscal year 2025-2026. In addition, the department and
36 the WQARF advisory board shall prepare and submit to the joint legislative
37 budget committee, on or before October 1, 2025, a report in a table format
38 summarizing the current progress on remediation of each listed site on the
39 WQARF registry. The table shall include the stage of remediation for each
40 site at the end of fiscal year 2024-2025, indicate whether the current
41 stage of remediation is anticipated to be completed in fiscal year
42 2025-2026 and indicate the anticipated stage of remediation at each listed
43 site at the end of fiscal year 2025-2026, assuming fiscal year 2025-2026
44 funding levels. The department and the WQARF advisory board may include
45 other relevant information about the listed sites in the table.

1 All permit administration fund monies received by the department of
 2 environmental quality in excess of \$7,333,900 in fiscal year 2025-2026 are
 3 appropriated to the department. Before spending permit administration
 4 fund monies in excess of \$7,333,900 in fiscal year 2025-2026, the
 5 department shall report the intended use of the monies to the joint
 6 legislative budget committee.

7 All monies in the department of environmental quality indirect cost
 8 fund established by section 49-115, Arizona Revised Statutes, including
 9 the beginning balance, that are in excess of \$18,788,100 in fiscal year
 10 2025-2026 are appropriated to the department. Before spending indirect
 11 cost fund monies in excess of \$18,788,100 in fiscal year 2025-2026, the
 12 department shall report the intended use of the monies to the joint
 13 legislative budget committee.

14 Sec. 33. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

15			<u>2025-26</u>
16	FTE positions		5.0
17	Lump sum appropriation	\$	311,700
18	Fund sources:		
19	Personnel division fund	\$	311,700

20 Sec. 34. STATE BOARD OF EQUALIZATION

21			<u>2025-26</u>
22	FTE positions		7.0
23	Lump sum appropriation	\$	724,400
24	Fund sources:		
25	State general fund	\$	724,400

26 Sec. 35. BOARD OF EXECUTIVE CLEMENCY

27			<u>2025-26</u>
28	FTE positions		14.5
29	Lump sum appropriation	\$	1,377,600
30	Fund sources:		
31	State general fund	\$	1,377,600

32 On or before November 1, 2025, the board of executive clemency shall
 33 report to the directors of the joint legislative budget committee and the
 34 governor's office of strategic planning and budgeting the total number and
 35 types of cases the board reviewed in fiscal year 2024-2025.

36 Sec. 36. ARIZONA EXPOSITION AND STATE FAIR BOARD

37			<u>2025-26</u>
38	FTE positions		184.0
39	Lump sum appropriation	\$	19,927,300
40	Fund sources:		
41	Arizona exposition and state		
42	fair fund	\$	19,927,300

Of the monies appropriated in the Arizona exposition and state fair board lump sum appropriation, \$2,000,000 shall be spent for enhanced state fair operations. Pursuant to section 41-1252, Arizona Revised Statutes, before spending monies appropriated in the lump sum appropriation on capital projects, the board shall submit a report for review by the joint committee on capital review on the scope, purpose and estimated cost of the capital improvements.

The \$3,771,400 allocated to the Arizona exposition and state fair board by Laws 2024, chapter 209, section 45 in fiscal year 2024-2025 for enhanced state fair operations is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2026.

Sec. 37. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

	<u>2025-26</u>
FTE positions	235.5
Operating lump sum appropriation	\$ 5,938,500
Environmental county grants	250,000
Inmate firefighting crews	876,600
Postrelease firefighting crews	1,292,700
Fire suppression	200,000
State fire marshal	1,805,300
State fire school	289,600
Hazardous vegetation removal	3,039,300
US forest service land thinning	1,669,300
Wildfire mitigation	<u>27,110,300</u>

Total appropriation – Arizona department of forestry and fire management \$ 42,471,600

Fund sources:

State general fund \$ 42,471,600

The appropriation for the hazardous vegetation removal line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2027.

The appropriation for the wildfire mitigation line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2028.

The \$65,000,000 appropriated to the Arizona department of forestry and fire management by Laws 2022, chapter 313, section 38 in fiscal year 2022-2023 for wildfire emergency response is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2028.

1 Sec. 38. ARIZONA GAME AND FISH DEPARTMENT

2			<u>2025-26</u>
3	FTE positions		273.5
4	Operating lump sum appropriation	\$	45,868,500
5	Livestock compensation fund deposit		100,000
6	Pittman-Robertson/Dingell-Johnson		
7	act		<u>3,058,000</u>

8	Total appropriation – Arizona game and fish		
9	department	\$	49,026,500

10 Fund sources:

11	State general fund	\$	100,000
12	Capital improvement fund		1,001,200
13	Game and fish fund		42,359,800
14	Wildlife endowment fund		16,200
15	Watercraft licensing fund		5,147,000
16	Game, nongame, fish and		
17	endangered species fund		402,300

18 Sec. 39. DEPARTMENT OF GAMING

19			<u>2025-26</u>
20	FTE positions		155.8
21	Operating lump sum appropriation	\$	13,740,100
22	Arizona breeders' award		250,000
23	Casino operations certification		2,330,300
24	County fairs livestock and		
25	agriculture promotion		6,029,500
26	Division of racing		2,448,500
27	Contract veterinarian		175,000
28	Horseracing integrity and safety		
29	act assessment		1,355,100
30	Problem gambling		<u>3,320,000</u>

31	Total appropriation – department of gaming	\$	29,648,500
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32 Fund sources:

33	State general fund	\$	6,204,500
34	Fantasy sports contest fund		150,100
35	Tribal-state compact fund		2,330,300
36	Arizona benefits fund		16,610,000
37	State lottery fund		300,000
38	Racing regulation fund		3,948,400
39	Racing regulation fund – unarmed		
40	combat subaccount		105,200

41 The amount appropriated to the county fairs livestock and
 42 agriculture promotion line item is for deposit in the county fairs
 43 livestock and agriculture promotion fund established by section 5-113,
 44 Arizona Revised Statutes, and to be administered by the office of the
 45 governor.

1 On or before August 1, 2025, the department of gaming shall report
 2 to the directors of the joint legislative budget committee and the
 3 governor's office of strategic planning and budgeting on the expected
 4 amount and purpose of expenditures from the event wagering fund
 5 established by section 5-1318, Arizona Revised Statutes, for fiscal year
 6 2025-2026. The report shall include the projected line item detail and
 7 the number of filled full-time equivalent positions.

8 On or before the final day of each quarter of fiscal year 2025-2026,
 9 the department of gaming shall report to the members of the joint
 10 legislative budget committee on the number of equine deaths and injuries
 11 that occurred as a result of a horse race and the commercial live racing
 12 facility where each incident occurred. The report shall include the number
 13 of prerace inspections performed by a veterinarian employed by or
 14 contracted with this state.

15 The amount appropriated to the horseracing integrity and safety act
 16 assessment line item shall be used by the department of gaming during
 17 fiscal year 2025-2026 to pay the calendar year 2025 assessment levied by
 18 the horseracing integrity and safety authority.

19 Sec. 40. OFFICE OF THE GOVERNOR

	<u>2025-26</u>
Operating lump sum appropriation	\$ 7,496,800*
Foster youth education success	
fund deposit	<u>1,500,000</u>
Total appropriation – office of the governor	\$ 8,996,800

25 Fund sources:

State general fund	\$ 8,996,800
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27 Included in the operating lump sum appropriation of \$7,496,800 for
 28 fiscal year 2025-2026 is \$10,000 for the purchase of mementos and items
 29 for visiting officials.

30 Sec. 41. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	<u>2025-26</u>
FTE positions	22.0
Lump sum appropriation	\$ 2,852,500*

34 Fund sources:

State general fund	\$ 2,852,500
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36 Sec. 42. DEPARTMENT OF HEALTH SERVICES

	<u>2025-26</u>
FTE positions	1,168.0
Operating lump sum appropriation	\$ 65,790,000
<u>Public health/family health</u>	
Adult cystic fibrosis care	105,200
AIDS reporting and surveillance	1,000,000
Alzheimer's disease research	4,125,000
Behavioral health care provider	
loan repayment program	1,000,000

1	Biomedical research support	2,000,000
2	Breast and cervical cancer and	
3	bone density screening	1,369,400
4	County tuberculosis provider	
5	care and control	590,700
6	Dementia awareness campaign	750,000
7	Folic acid program	400,000
8	Funeral services regulation	459,400
9	Health care directives registry	2,000,000
10	High-risk perinatal services	2,343,400
11	Ibogaine clinical research grants	5,000,000*
12	Newborn screening program	15,188,900
13	Nonrenal disease management	198,000
14	Nursing care special projects	200,000
15	Poison control centers funding	990,000
16	Renal dental care and nutrition	
17	supplements	300,000
18	Renal transplant drugs	183,000
19	<u>Arizona state hospital</u>	
20	Arizona state hospital –	
21	operating	81,064,100
22	Arizona state hospital –	
23	restoration to competency	900,000
24	Arizona state hospital –	
25	sexually violent persons	<u>12,851,200</u>
26	Total appropriation – department of	
27	health services	\$198,808,300
28	Fund sources:	
29	State general fund	\$124,806,700
30	Arizona state hospital fund	3,395,700
31	Arizona state hospital land fund	1,596,600
32	Child fatality review fund	196,500
33	Disease control research fund	1,000,000
34	DHS indirect cost fund	13,318,300
35	Emergency medical services	
36	operating fund	4,260,700
37	Environmental laboratory licensure	
38	revolving fund	1,008,400
39	Federal child care and development	
40	fund block grant	1,011,300
41	Health services licensing fund	23,773,800
42	Health services lottery monies fund	2,000,000
43	Newborn screening program fund	15,608,300
44	Nursing care institution resident	
45	protection revolving fund	238,200

1	Tobacco tax and health care	
2	fund - health research account	2,000,000
3	Tobacco tax and health care	
4	fund - medically needy account	700,000
5	Vital records electronic systems	
6	fund	3,893,800

7 Public health/family health

8 Of the amount appropriated for the operating lump sum, \$100,000
 9 shall be used for a suicide prevention coordinator to assist school
 10 districts and charter schools in suicide prevention efforts. On or before
 11 September 1, 2026, the department of health services, in consultation with
 12 the department of education, shall report to the governor, the president
 13 of the senate, the speaker of the house of representatives, the director
 14 of the joint legislative budget committee and the director of the
 15 governor's office of strategic planning and budgeting on the suicide
 16 prevention coordinator's accomplishments in fiscal year 2025-2026.

17 On or before December 31, 2025 and June 30, 2026, the department of
 18 health services shall submit to the governor, the speaker of the house of
 19 representatives and president of the senate a report that includes the
 20 following information:

- 21 1. An overview of the operations and technological capabilities of
- 22 the health care directives registry.
- 23 2. The total number of individual accounts.
- 24 3. The number of individual accounts created in the preceding six
- 25 months.
- 26 4. The total number of document uploads.
- 27 5. The total number of document uploads in the preceding six
- 28 months.
- 29 6. The total subscriber organizations using the health care
- 30 directives registry.
- 31 7. A description of the subscriber organizations using the health
- 32 care directives registry in the preceding six months.
- 33 8. The total number of active health care directives registry
- 34 users.
- 35 9. The total number of participant searches.
- 36 10. The average time to process documents.
- 37 11. An overview of the past growth in the health care directives
- 38 registry year over year.

39 The department shall provide a copy of the health care directives
 40 registry reports to the secretary of state.

41 The department of health services may use up to four percent of the
 42 amount appropriated for nonrenal disease management for the administrative
 43 costs to implement the program.

44 The department of health services shall distribute monies
 45 appropriated for the biomedical research support line item to a nonprofit

1 medical research institute headquartered in this state that specializes in
2 biomedical research focusing on applying genomic technologies and
3 sequencing to clinical care, that has served as a resource to this state
4 to conduct molecular epidemiologic analyses to assist with disease
5 outbreak investigations and that collaborates with universities, hospitals
6 and health science research centers and other public and private
7 bioscience and related industries in this state. The recipient of these
8 monies shall commission an audit of the expenditure of these monies and
9 shall submit a copy of the audit to the department of health services on
10 or before February 1, 2027.

11 The department of health services shall distribute monies
12 appropriated for Alzheimer's disease research through a grant to a
13 charitable organization that is qualified under section 501(c)(3) of the
14 internal revenue code and that meets the following criteria:

15 1. Is headquartered in this state.
16 2. Has been operating in this state for at least the last ten
17 years.

18 3. Has participating member institutions that work together to end
19 Alzheimer's disease within a statewide collaborative model by using their
20 complementary strengths in brain imaging, computer science, genomics,
21 basic and cognitive neurosciences and clinical and neuropathology
22 research.

23 4. Has participating member institutions that educate residents of
24 this state about Alzheimer's disease, research progress and resources to
25 help patients, families and professionals manage the disease.

26 The terms of the grant made to the charitable organization may not
27 impose any requirements that were not imposed in prior grant agreements
28 entered into between the department of health services and the charitable
29 organization.

30 The appropriated amount in the dementia awareness campaign line item
31 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
32 relating to lapsing of appropriations, until June 30, 2027.

33 The department of health services shall use the monies in the
34 ibogaine clinical research grants line item to award a grant to conduct a
35 certified clinical research study on the use of ibogaine for the treatment
36 of neurological diseases. The department may award a grant only to an
37 entity that satisfies all of the following:

38 1. Has a history of proven research and treatment of neurological
39 diseases.

40 2. Has a neurosurgery program with the requisite clinical and
41 research facilities and that is staffed by professionals having expertise
42 in the most challenging neurological and neurosurgical conditions.

43 3. Has the ability to facilitate pioneering research and innovation
44 in diagnosis and treatment of neurological conditions.

4. Has demonstrated to the department that the entity has a commitment for matching monies of gifts, grants and donations from sources other than this state in the amount of at least \$5,000,000 to conduct the certified clinical research study on the use of ibogaine for the treatment of neurological diseases.

Arizona state hospital

In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona.

Departmentwide

The department of health services shall electronically forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals on or before the thirtieth of the following month. Each report shall include an estimate of potential shortfalls in programs, potential federal and other monies, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 43. ARIZONA HISTORICAL SOCIETY

		<u>2025-26</u>
	FTE positions	50.9
	Operating lump sum appropriation	\$ 2,344,600
	Field services and grants	66,200
	Papago park museum	<u>567,900</u>
Total appropriation – Arizona historical society		\$ 2,978,700
Fund sources:		
State general fund		\$ 2,978,700

Sec. 44. PRESCOTT HISTORICAL SOCIETY

		<u>2025-26</u>
	FTE positions	13.0
	Operating lump sum appropriation	\$ 995,300
	Territorial governor's mansion restoration	<u>500,000*</u>
Total appropriation – Prescott historical society		\$ 1,495,300
Fund sources:		
State general fund		\$ 1,495,300

1	Sec. 45.	ARIZONA DEPARTMENT OF HOMELAND SECURITY	<u>2025-26</u>
2		FTE positions	26.0
3		Statewide information security	
4		and privacy operations and	
5		controls	\$ 11,054,700
6			
7		Statewide cybersecurity grants	<u>10,000,000</u>
8	Total	appropriation – Arizona department of	
9		homeland security	\$ 21,054,700
10	Fund sources:		
11		State general fund	\$ 10,000,000
12			
13		Information technology fund	11,054,700
14		Of the amount appropriated for statewide cybersecurity grants, the	
15		Arizona department of homeland security may spend up to \$500,000 for grant	
16		administration.	
17	Sec. 46.	BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	<u>2025-26</u>
18			
19		FTE positions	1.0
20		Lump sum appropriation	\$ 61,500
21	Fund sources:		
22		Board of homeopathic and	
23		integrated medicine	
24		examiners' fund	\$ 61,500
25	Sec. 47.	ARIZONA DEPARTMENT OF HOUSING	<u>2025-26</u>
26			
27		FTE positions	3.0
28		Lump sum appropriation	\$ 388,800
29	Fund sources:		
30		Housing trust fund	\$ 388,800
31	Sec. 48.	INDUSTRIAL COMMISSION OF ARIZONA	<u>2025-26</u>
32			
33		FTE positions	246.6
34		Operating lump sum appropriation	\$ 22,885,800
35		Municipal firefighter reimbursement	
36		administration	<u>84,700</u>
37	Total	appropriation – industrial commission	
38		of Arizona	\$ 22,970,500
39	Fund sources:		
40		State general fund	\$ 84,700
41		Administrative fund	22,885,800

The legislature intends that the state general fund appropriation be used only for administrative costs of title 23, chapter 11, Arizona Revised Statutes, and that this appropriation does not convey any responsibility for firefighter cancer compensation and benefits claims to this state.

Sec. 49. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

	<u>2025-26</u>
FTE positions	147.4
Operating lump sum appropriation	\$ 12,468,500
Arizona vehicle theft task force	4,452,600
Automobile theft authority	
operating budget	709,100
Local grants	1,388,900
Reimbursable programs	<u>50,000</u>

Total appropriation – department of insurance and financial institutions \$ 19,069,100

Fund sources:

State general fund	\$ 6,212,000
Automobile theft authority fund	6,749,300
Financial services fund	6,057,500
Department revolving fund	50,300

Monies in the Arizona vehicle theft task force line item shall be used by the department of insurance and financial institutions to pay seventy-five percent of the personal services and employee-related expenditures for city, town and county sworn officers who participate in the Arizona vehicle theft task force.

Local grants shall be awarded with consideration given to areas with greater automobile theft problems and shall be used to combat economic automobile theft operations.

The department of insurance and financial institutions shall submit a report to the joint legislative budget committee before spending any monies for the reimbursable programs line item. The department shall show sufficient monies collected to cover the expenses indicated in the report.

Of the department fees required to be deposited in the state general fund by statute, the legislature intends that the department of insurance and financial institutions shall assess and set the fees at a level to ensure that the monies deposited in the state general fund will equal or exceed the department's expenditure from the state general fund.

Sec. 50. ARIZONA JUDICIARY

	<u>2025-26</u>
<u>Supreme court</u>	
FTE positions	208.0
Operating lump sum appropriation	\$ 18,270,000
Arizona trial and digital	
evidence fund deposit	1,620,000

1	Automation	24,927,800
2	Child and family representation	
3	program	200,000
4	County reimbursements	187,900
5	Court appointed special advocate	
6	and vulnerable persons	6,773,200
7	Courthouse security	751,700
8	Domestic relations	701,000
9	State foster care review board	3,570,200
10	Commission on judicial conduct	765,800
11	Judicial nominations and	
12	performance review	620,600
13	Juvenile monetary sanctions	
14	funding backfill	250,000
15	Model court	660,800
16	State aid	<u>5,955,500</u>
17	Total appropriation – supreme court	\$ 65,254,500
18	Fund sources:	
19	State general fund	\$ 30,055,300
20	Confidential intermediary and	
21	fiduciary fund	690,600
22	Court appointed special advocate	
23	and vulnerable persons fund	6,972,500
24	Criminal justice enhancement fund	4,765,200
25	Defensive driving school fund	4,521,000
26	Judicial collection enhancement	
27	fund	15,303,000
28	State aid to the courts fund	2,946,900

29 On or before September 1, 2025, the supreme court shall report to
30 the joint legislative budget committee and the governor's office of
31 strategic planning and budgeting on current and future automation projects
32 coordinated by the administrative office of the courts. The report shall
33 include a list of court automation projects that receive or are
34 anticipated to receive state monies in the current or next two fiscal
35 years as well as a description of each project, the number of FTE
36 positions, the entities involved and the goals and anticipated results for
37 each automation project. The report shall be submitted in one summary
38 document. The report shall indicate each project's total multiyear cost
39 by fund source and budget line item, including any prior year, current
40 year and future year expenditures.

41 Automation expenses of the judiciary shall be funded only from the
42 automation line item. Monies in the operating lump sum appropriation or
43 other line items intended for automation purposes shall be transferred to
44 the automation line item before expenditure.

1 Included in the operating lump sum appropriation for the supreme
 2 court is \$1,000 for the purchase of mementos and items for visiting
 3 officials.

4 Of the \$187,900 appropriated for county reimbursements, state grand
 5 jury is limited to \$97,900 and capital postconviction relief is limited to
 6 \$90,000.

7 Court of appeals

8	FTE positions	162.8
9	Division one	\$ 16,361,200
10	Division two	<u>8,550,500</u>
11	Total appropriation – court of appeals	\$ 24,911,700

12 Fund sources:

13	State general fund	\$ 24,911,700
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14 Of the 162.8 FTE positions for fiscal year 2025-2026, 111.3 FTE
 15 positions are for division one and 51.5 FTE positions are for division
 16 two.

17 Superior court

18	FTE positions	241.5
19	Operating lump sum appropriation	\$ 5,375,200
20	Judges' compensation	32,230,800
21	Centralized service payments	4,667,000
22	Adult standard probation	22,297,500
23	Adult intensive probation	13,150,200
24	Community punishment	2,310,300
25	Court-ordered removals	315,000
26	Interstate compact	513,700
27	Drug court	1,096,400
28	General adjudication personnel	
29	and support fund deposit	2,000,000
30	Juvenile standard probation	3,781,800
31	Juvenile intensive probation	6,087,200
32	Juvenile treatment services	20,803,000
33	Juvenile family counseling	500,000
34	Juvenile crime reduction	3,313,700
35	Juvenile diversion consequences	9,088,500
36	Probation incentive payments	1,000,000
37	Special water master	<u>511,100</u>

38	Total appropriation – superior court	\$129,041,400
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39 Fund sources:

40	State general fund	\$117,025,800
41	Criminal justice enhancement fund	5,496,000
42	Drug treatment and education fund	504,200
43	Judicial collection enhancement	
44	fund	6,015,400

1 Operating budget

2 All expenditures made by the administrative office of the courts to
3 administer superior court line items shall be funded only from the
4 superior court operating budget. Monies in superior court line items
5 intended for this purpose shall be transferred to the superior court
6 operating budget before expenditure.

7 Judges

8 Of the 241.5 FTE positions, 183 FTE positions represent superior
9 court judges. This FTE position clarification does not limit the
10 counties' ability to add judges pursuant to section 12-121, Arizona
11 Revised Statutes.

12 All monies in the judges' compensation line item shall be used to
13 pay for fifty percent of superior court judges' salaries, elected
14 officials' retirement plan costs and related state benefit costs for
15 judges pursuant to section 12-128, Arizona Revised Statutes. Monies in
16 the operating lump sum appropriation or other line items intended for this
17 purpose shall be transferred to the judges' compensation line item before
18 expenditure.

19 Probation

20 Monies appropriated to juvenile treatment services and juvenile
21 diversion consequences line items shall be deposited in the juvenile
22 probation services fund established by section 8-322, Arizona Revised
23 Statutes.

24 Receipt of state probation monies by the counties is contingent on
25 the county maintenance of fiscal year 2019-2020 expenditure levels for
26 each probation program. State probation monies are not intended to
27 supplant county dollars for probation programs.

28 On or before November 1, 2025, the administrative office of the
29 courts shall report to the joint legislative budget committee and the
30 governor's office of strategic planning and budgeting the fiscal year
31 2024-2025 actual, fiscal year 2025-2026 estimated and fiscal year
32 2026-2027 requested amounts for each of the following:

33 1. On a county-by-county basis, the number of authorized and filled
34 case carrying probation positions and non-case carrying probation
35 positions, distinguishing between adult standard, adult intensive,
36 juvenile standard and juvenile intensive. The report shall indicate the
37 level of state probation funding, other state funding, county funding and
38 probation surcharge funding for those positions.

39 2. Total receipts and expenditures by county and fund source for
40 the adult standard, adult intensive, juvenile standard and juvenile
41 intensive probation line items, including the amount of personal services
42 spent from each revenue source of each account.

43 All centralized service payments made by the administrative office
44 of the courts on behalf of counties shall be funded only from the
45 centralized service payments line item. Centralized service payments

1 include only training, motor vehicle payments, CORP review board funding,
 2 LEARN funding, research, operational reviews and GPS vendor payments.
 3 This footnote does not apply to treatment or counseling services payments
 4 made from the juvenile treatment services and juvenile diversion
 5 consequences line items. Monies in the operating lump sum appropriation
 6 or other line items intended for centralized service payments shall be
 7 transferred to the centralized service payments line item before
 8 expenditure.

9 All monies in the adult standard probation, adult intensive
 10 probation, community punishment, interstate compact, juvenile standard
 11 probation, juvenile intensive probation, juvenile treatment services,
 12 juvenile diversion consequences, juvenile crime reduction and probation
 13 incentive payments line items shall be used only as pass-through monies to
 14 county probation departments. Monies in the operating lump sum
 15 appropriation or other line items intended as pass-through for the purpose
 16 of administering a county probation program shall be transferred to the
 17 appropriate probation line item before expenditure.

18 On or before November 1, 2025, the administrative office of the
 19 courts shall submit a report to the joint legislative budget committee on
 20 the county-approved salary adjustments provided to probation officers
 21 since the last report on November 1, 2024. The administrative office
 22 shall also submit a copy of the report to the governor's office of
 23 strategic planning and budgeting. The report shall include, for each
 24 county, the:

- 25 1. Approved percentage salary increase by year.
- 26 2. Net increase in the amount allocated to each probation
- 27 department by the administrative office of the courts for each applicable
- 28 year.
- 29 3. Average number of probation officers by applicable year.
- 30 4. Average salary of probation officers for each applicable year.

31 Sec. 51. DEPARTMENT OF JUVENILE CORRECTIONS

32		<u>2025-26</u>
33	FTE positions	738.5
34	Lump sum appropriation	\$ 43,576,600
35	Fund sources:	
36	State general fund	\$ 29,978,900
37	State charitable, penal and	
38	reformatory institutions	
39	land fund	4,881,100
40	Criminal justice enhancement fund	528,900
41	State education fund for committed	
42	youth	1,463,700
43	Department of juvenile corrections	
44	local cost sharing fund	6,724,000

Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the department of juvenile corrections, in compliance with section 25 of the enabling act and the Constitution of Arizona, to be used to support state juvenile institutions and reformatories.

Sec. 52. STATE LAND DEPARTMENT

	<u>2025-26</u>
FTE positions	145.7
Operating lump sum appropriation	\$ 19,736,000
CAP user fees	1,577,900
Due diligence program	<u>5,000,000</u>
Total appropriation – state land department	\$ 26,313,900
Fund sources:	
State general fund	\$ 12,078,300
Off-highway vehicle recreation fund	177,600
Due diligence fund	5,000,000
Trust land management fund	9,058,000

The appropriation includes \$1,577,900 for CAP user fees in fiscal year 2025-2026. For fiscal year 2025-2026, from municipalities that assume their allocation of central Arizona project water for every dollar received as reimbursement to this state for past central Arizona water conservation district payments, \$1 reverts to the state general fund in the year that the reimbursement is collected.

Sec. 53. LEGISLATURE

	<u>2025-26</u>
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<u>Senate</u>	
Lump sum appropriation	\$ 18,000,200*

Fund sources:

State general fund	\$ 18,000,200
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Included in the lump sum appropriation of \$18,000,200 for fiscal year 2025-2026 is \$5,000 for the purchase of mementos and items for visiting officials.

House of representatives

Lump sum appropriation	\$ 21,565,600*
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Fund sources:

State general fund	\$ 21,565,600
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Included in the lump sum appropriation of \$21,565,600 for fiscal year 2025-2026 is \$5,000 for the purchase of mementos and items for visiting officials.

Legislative council

FTE positions	63.0
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Lump sum appropriation	\$ 10,275,700*
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Fund sources:

State general fund	\$ 10,275,700
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1 Of the amount appropriated for the lump sum appropriation,
 2 \$1,000,000 shall be used for priority-based budgeting software that
 3 analyzes state government spending and includes budget development and
 4 reporting capabilities.

5 Ombudsman-citizens aide office

6 FTE positions 12.0

7 Lump sum appropriation \$ 1,578,400*

8 Fund sources:

9 State general fund \$ 1,578,400

10 The legislature intends that the ombudsman-citizens aide prioritize
 11 investigating and processing complaints relating to the department of
 12 child safety.

13 The operating budget includes \$137,500 and 1 FTE position to address
 14 complaints relating to the administration of the Arizona empowerment
 15 scholarship account program established by section 15-2402, Arizona
 16 Revised Statutes.

17 Joint legislative budget committee

18 FTE positions 29.0

19 Lump sum appropriation \$ 3,055,800*

20 Fund sources:

21 State general fund \$ 3,055,800

22 Auditor general

23 FTE positions 239.8

24 Lump sum appropriation \$27,922,700*

25 Fund sources:

26 State general fund \$ 27,922,700

27 Of the amount appropriated for the lump sum appropriation, the
 28 auditor general shall use \$3,300,000 for additional agency performance
 29 audits and school district audits.

30 Of the amount appropriated for the lump sum appropriation, the
 31 auditor general shall use \$1,200,000 for procedural reviews of county
 32 treasurer offices.

33 Sec. 54. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

34 2025-26

35 FTE positions 58.2

36 Lump sum appropriation \$ 6,126,800

37 Fund sources:

38 Liquor licenses fund \$ 6,126,800

39 Sec. 55. ARIZONA STATE LOTTERY COMMISSION

40 2025-26

41 FTE positions 98.8

42 Operating lump sum appropriation \$ 10,195,900

43 Advertising 15,500,000

44 Total appropriation – Arizona state

45 lottery commission \$ 25,695,900

1 Fund sources:
 2 State lottery fund \$ 25,695,900
 3 An amount equal to twenty percent of tab ticket sales is
 4 appropriated to pay sales commissions to charitable organizations. This
 5 amount is currently estimated to be \$1,815,700 in fiscal year 2025-2026.
 6 An amount equal to 3.6 percent of actual instant ticket sales is
 7 appropriated to print instant tickets or to pay contractual obligations
 8 concerning instant ticket distribution. This amount is currently
 9 estimated to be \$40,643,600 in fiscal year 2025-2026.
 10 An amount equal to a percentage of total ticket sales as determined
 11 by contract is appropriated to pay online vendor fees. This amount is
 12 currently estimated to be \$17,747,100, or 1.079 percent of total ticket
 13 sales, in fiscal year 2025-2026.
 14 An amount equal to 6.5 percent of gross lottery game sales, minus
 15 charitable tab tickets, is appropriated to pay sales commissions to ticket
 16 retailers. An additional amount not to exceed 0.5 percent of gross
 17 lottery game sales is appropriated to pay sales commissions to ticket
 18 retailers. The combined amount is currently estimated to be \$109,591,300,
 19 or 6.7 percent of total ticket sales, in fiscal year 2025-2026.
 20 Sec. 56. BOARD OF MASSAGE THERAPY
 21 2025-26
 22 FTE positions 5.0
 23 Lump sum appropriation \$ 607,700
 24 Fund sources:
 25 Board of massage therapy fund \$ 607,700
 26 Sec. 57. ARIZONA MEDICAL BOARD
 27 2025-26
 28 FTE positions 63.5
 29 Operating lump sum appropriation \$ 8,259,300
 30 Employee performance incentive
 31 program 165,600
 32 Total appropriation – Arizona medical
 33 board \$ 8,424,900
 34 Fund sources:
 35 Arizona medical board fund \$ 8,424,900
 36 Sec. 58. STATE MINE INSPECTOR
 37 2025-26
 38 FTE positions 22.0
 39 Operating lump sum appropriation \$ 1,468,600
 40 Abandoned mines 830,700
 41 Aggregate mining land reclamation 112,900
 42 Total appropriation – state mine inspector \$ 2,412,200
 43 Fund sources:
 44 State general fund \$ 2,299,300
 45 Aggregate mining reclamation fund 112,900

All aggregate mining reclamation fund monies received by the state mine inspector in excess of \$112,900 in fiscal year 2025-2026 are appropriated to the aggregate mining land reclamation line item. Before spending any aggregate mining reclamation fund monies in excess of \$112,900 in fiscal year 2025-2026, the state mine inspector shall report the intended use of the monies to the joint legislative budget committee and the governor's office of strategic planning and budgeting.

Sec. 59. STATE NATURAL RESOURCE CONSERVATION BOARD

	<u>2025-26</u>
Lump sum appropriation	\$ 650,000
Groundwater recharge facilities	<u>250,000*</u>
Total appropriation – State natural resource conservation board	\$ 900,000
Fund sources:	
State general fund	\$ 389,400
Environmental special plate fund	260,600
Long-term water augmentation fund	250,000

Of the amount appropriated for deposit in the natural resource conservation district fund established by section 41-6014, Arizona Revised Statutes, in fiscal year 2025-2026, \$30,000 shall be used to provide grants to natural resource conservation districts environmental education centers.

The state natural resource conservation board shall use the amount appropriated for the groundwater recharge facilities line item in fiscal year 2025-2026 to clean and restore groundwater recharge facilities that provide flood control benefits and that are located in a groundwater basin that has been designated as a subsequent active management area pursuant to title 45, chapter 2, article 2, Arizona Revised Statutes.

Sec. 60. NATUROPATHIC PHYSICIANS MEDICAL BOARD

	<u>2025-26</u>
FTE positions	2.0
Lump sum appropriation	\$ 220,000
Fund sources:	
Naturopathic physicians medical board fund	\$ 220,000

Sec. 61. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

	<u>2025-26</u>
FTE positions	2.0
Lump sum appropriation	\$ 340,500
Fund sources:	
State general fund	\$ 140,500
Arizona water banking fund	200,000

1	Sec. 62.	ARIZONA STATE BOARD OF NURSING	
2			<u>2025-26</u>
3		FTE positions	64.0
4		Operating lump sum appropriation	\$ 6,434,800
5		Student registered nurse	
6		anesthetist clinical	
7		rotation program	500,000
8		Certified nursing assistant	
9		credentialing program	<u>548,000</u>
10	Total appropriation — Arizona state		
11		board of nursing	\$ 7,482,800
12	Fund sources:		
13		State general fund	\$ 500,000
14		Board of nursing fund	6,982,800
15	Sec. 63.	BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS	
16		AND ASSISTED LIVING FACILITY MANAGERS	
17			<u>2025-26</u>
18		FTE positions	7.0
19		Lump sum appropriation	\$ 613,100
20	Fund sources:		
21		Nursing care institution	
22		administrators' licensing and	
23		assisted living facility	
24		managers' certification fund	\$ 613,100
25	Sec. 64.	BOARD OF OCCUPATIONAL THERAPY EXAMINERS	
26			<u>2025-26</u>
27		FTE positions	2.0
28		Lump sum appropriation	\$ 302,700
29	Fund sources:		
30		Occupational therapy fund	\$ 302,700
31	Sec. 65.	STATE BOARD OF DISPENSING OPTICIANS	
32			<u>2025-26</u>
33		FTE positions	1.0
34		Lump sum appropriation	\$ 198,500
35	Fund sources:		
36		Board of dispensing opticians fund	\$ 198,500
37	Sec. 66.	STATE BOARD OF OPTOMETRY	
38			<u>2025-26</u>
39		FTE positions	2.0
40		Lump sum appropriation	\$ 295,600
41	Fund sources:		
42		Board of optometry fund	\$ 295,600

1 Sec. 67. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY
 2 2025-26

3 FTE positions 10.0
 4 Lump sum appropriation \$ 1,494,100
 5 Fund sources:
 6 Arizona board of osteopathic
 7 examiners in medicine
 8 and surgery fund \$ 1,494,100

9 Sec. 68. ARIZONA STATE PARKS BOARD

10 2025-26
 11 FTE positions 169.0
 12 Operating lump sum appropriation \$ 17,756,600
 13 State lake improvement fund deposit 500,000
 14 State parks store 1,513,100
 15 Kartchner caverns state park 2,509,900
 16 Total appropriation – Arizona state parks
 17 board \$ 22,279,600
 18 Fund sources:
 19 State general fund \$ 500,000
 20 State parks revenue fund 20,249,800
 21 State parks store fund 1,513,100
 22 Off-highway vehicle recreation fund 16,700

23 In addition to the operating lump sum appropriation, an amount equal
 24 to the revenue share agreement with the United States forest service for
 25 Fool Hollow Lake recreation area and Catalina state park is appropriated
 26 to the Arizona state parks board from the state parks revenue fund
 27 established by section 41-511.21, Arizona Revised Statutes.

28 If the Arizona state parks board receives land and water
 29 conservation grant funding for capital projects included in fiscal year
 30 2025-2026 budget legislation, the board shall report its revised
 31 expenditure plans to the joint committee on capital review and the
 32 governor's office of strategic planning and budgeting.

33 The \$10,000,000 appropriated to the Arizona state parks board by
 34 Laws 2023, chapter 199, section 6 in fiscal year 2023-2024 to purchase,
 35 design and construct the Arizona veterans memorial state park is exempt
 36 from the provisions of section 35-190, Arizona Revised Statutes, relating
 37 to lapsing of appropriations.

38 The \$500,000 appropriated to the Arizona state parks board by Laws
 39 2024, chapter 209, section 76 in fiscal year 2024-2025 for the veterans
 40 memorial park feasibility study is exempt from the provisions of section
 41 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

1	Sec. 69.	STATE PERSONNEL BOARD	
2			<u>2025-26</u>
3		FTE positions	2.0
4		Lump sum appropriation	\$ 363,700
5		Fund sources:	
6		Personnel division fund –	
7		personnel board subaccount	\$ 363,700
8	Sec. 70.	ARIZONA STATE BOARD OF PHARMACY	
9			<u>2025-26</u>
10		FTE positions	26.4
11		Operating lump sum appropriation	\$ 3,661,200
12		Prescriber report card	<u>50,000</u>
13	Total	appropriation – Arizona state	
14		board of pharmacy	\$ 3,711,200
15		Fund sources:	
16		Arizona state board of pharmacy	
17		fund	\$ 3,711,200
18	Sec. 71.	BOARD OF PHYSICAL THERAPY	
19			<u>2025-26</u>
20		FTE positions	4.5
21		Lump sum appropriation	\$ 619,200
22		Fund sources:	
23		Board of physical therapy fund	\$ 619,200
24	Sec. 72.	ARIZONA PIONEERS' HOME	
25			<u>2025-26</u>
26		FTE positions	107.3
27		Lump sum appropriation	\$ 8,492,100
28		Fund sources:	
29		Miners' hospital for miners with	
30		disabilities land fund	\$ 2,363,700
31		State charitable fund	6,128,400
32		Earnings on state lands and interest on the investment of the	
33		permanent land funds are appropriated for the Arizona pioneers' home and	
34		the state hospital for miners with disabilities in compliance with the	
35		enabling act and the Constitution of Arizona.	
36	Sec. 73.	STATE BOARD OF PODIATRY EXAMINERS	
37			<u>2025-26</u>
38		FTE positions	1.0
39		Lump sum appropriation	\$ 202,700
40		Fund sources:	
41		Podiatry fund	\$ 202,700
42		Of the amount appropriated in the lump sum appropriation, \$9,200 may	
43		be used to pay outstanding costs of services provided by the department of	
44		administration-central services bureau in prior years.	

1	Sec. 74.	STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
2			<u>2025-26</u>
3		FTE positions	4.0
4		Lump sum appropriation	\$ 553,000
5		Fund sources:	
6		Board for private postsecondary	
7		education fund	\$ 553,000
8	Sec. 75.	STATE BOARD OF PSYCHOLOGIST EXAMINERS	
9			<u>2025-26</u>
10		FTE positions	5.5
11		Lump sum appropriation	\$ 855,400
12		Fund sources:	
13		Behavioral analyst licensing	
14		and regulation account	\$ 390,400
15		Board of psychologist examiners	
16		fund	465,000
17	Sec. 76.	DEPARTMENT OF PUBLIC SAFETY	
18			<u>2025-26</u>
19		FTE positions	2,167.7
20		Operating lump sum appropriation	\$280,067,100
21		ACTIC	2,132,700
22		AZPOST	6,100,000
23		Border drug interdiction	17,414,800
24		Local border support	13,232,900
25		Civil air patrol maintenance and	
26		operations	244,000
27		Department of public safety	
28		crime lab assistance	200,000
29		GIITEM	24,749,000
30		GIITEM subaccount	2,396,400
31		Major incident division	15,500,000*
32		Motor vehicle fuel	5,454,600
33		Onetime vehicle replacement	8,667,500
34		Pharmaceutical diversion and	
35		drug theft task force	704,200
36		Public safety equipment	<u>2,890,000</u>
37	Total	appropriation – department of public	
38		safety	\$379,753,200
39		Fund sources:	
40		State general fund	\$296,905,800
41		State highway fund	10,000,000
42		Arizona highway patrol fund	29,797,200
43		Criminal justice enhancement fund	3,049,900
44		Department of public safety	
45		forensics fund	23,198,800

1 Gang and immigration intelligence
2 team enforcement mission border
3 security and law enforcement
4 subaccount 2,396,400
5 Motorcycle safety fund 198,900
6 Motor vehicle liability insurance
7 enforcement fund 1,003,300
8 Risk management revolving fund 1,141,900
9 Parity compensation fund 3,742,500
10 Public safety equipment fund 2,894,000
11 Concealed weapons permit fund 3,388,400
12 Fingerprint clearance card fund 2,036,100
13 Of the \$24,749,000 appropriated to the GIITEM line item, \$12,895,100
14 shall be used for one hundred department of public safety GIITEM
15 personnel. The additional staff shall include at least fifty sworn
16 department of public safety positions to be used for immigration
17 enforcement and border security and fifty department of public safety
18 positions to assist GIITEM in various efforts, including:
19 1. Strictly enforcing all federal laws relating to illegal aliens
20 and arresting illegal aliens.
21 2. Responding to or assisting any county sheriff or attorney in
22 investigating complaints of employment of illegal aliens.
23 3. Enforcing Arizona's law known as the Legal Arizona Workers Act,
24 strictly enforcing Arizona's SB 1070, Arizona's "Support Our Law
25 Enforcement and Safe Neighborhoods Act" and investigating crimes of
26 identity theft in the context of hiring illegal aliens and the unlawful
27 entry into this country.
28 4. Taking strict enforcement action.
29 Any change in the GIITEM mission or allocation of monies shall be
30 approved by the joint legislative budget committee. The department shall
31 submit an expenditure plan to the joint legislative budget committee for
32 review before expending any monies not identified in the department's
33 previous expenditure plans.
34 Of the \$24,749,000 appropriated to the GIITEM line item, only
35 \$1,203,400 is deposited in the GIITEM fund established by section 41-1724,
36 Arizona Revised Statutes, and is appropriated for the purposes of that
37 section. The \$1,203,400 is exempt from the provisions of section 35-190,
38 Arizona Revised Statutes, relating to lapsing of appropriations. This
39 state recognizes that states have inherent authority to arrest a person
40 for any immigration violation.
41 Any monies remaining in the department of public safety joint
42 account on June 30, 2026 revert to the funds from which they were
43 appropriated. The reverted monies shall be returned in direct proportion
44 to the amounts appropriated.

1 On or before September 1, 2025, the department of public safety
 2 shall submit an expenditure plan for the local border support line item to
 3 the joint legislative budget committee and the governor's office of
 4 strategic planning and budgeting.

5 The \$13,232,900 appropriated for the local border support line item
 6 shall be used to fund local law enforcement officer positions for border
 7 drug interdiction to deter and apprehend any individuals who are charged
 8 with drug trafficking, human smuggling, illegal immigration and other
 9 border-related crimes. The monies shall also be used for grants to
 10 cities, towns and counties for costs associated with prosecuting and
 11 detaining individuals who are charged with drug trafficking, human
 12 smuggling, illegal immigration and other border-related crimes. The
 13 department may fund all capital-related equipment.

14 The appropriation in the onetime vehicle replacement line item is
 15 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 16 relating to lapsing of appropriations, until June 30, 2027.

17 Of the amount appropriated for civil air patrol maintenance and
 18 operations, the department shall spend \$2,500 on dues to the National
 19 Association for Search and Rescue.

20 On or before October 1, 2025, the department of public safety shall
 21 submit a report to the governor, the speaker of the house of
 22 representatives, the president of the senate, the governor's office of
 23 strategic planning and budgeting and the joint legislative budget
 24 committee staff containing a list of the department's district offices,
 25 including descriptions on the status of each office and a ten-year plan
 26 regarding the maintenance and replacement needs of the offices.

27 Of the amount appropriated in the total appropriation for the
 28 department of public safety, \$178,897,700 is designated for personal
 29 services and \$72,291,400 is designated for employee-related expenditures.
 30 The department shall submit an expenditure plan to the joint legislative
 31 budget committee for review before spending these monies for other than
 32 personal services or employee-related expenditures.

33 Sec. 77. STATE REAL ESTATE DEPARTMENT

34		<u>2025-26</u>
35	FTE positions	37.0
36	Lump sum appropriation	\$ 3,111,800
37	Fund sources:	
38	State general fund	\$ 3,111,800

39 Sec. 78. RESIDENTIAL UTILITY CONSUMER OFFICE

40		<u>2025-26</u>
41	FTE positions	14.5
42	Operating lump sum appropriation	\$ 1,792,200
43	Professional witnesses	<u>145,000*</u>
44	Total appropriation – residential utility	
45	consumer office	\$ 1,937,200

1	Fund sources:	
2	Residential utility consumer	
3	office revolving fund	\$ 1,937,200
4	Sec. 79. BOARD OF RESPIRATORY CARE EXAMINERS	
5		<u>2025-26</u>
6	FTE positions	4.0
7	Lump sum appropriation	\$ 426,700
8	Fund sources:	
9	Board of respiratory care	
10	examiners fund	\$ 426,700
11	Sec. 80. ARIZONA STATE RETIREMENT SYSTEM	
12		<u>2025-26</u>
13	FTE positions	240.9
14	Lump sum appropriation	\$ 28,863,400
15	Fund sources:	
16	Arizona state retirement system	
17	administration account	27,063,400
18	Long-term disability trust fund	
19	administration account	1,800,000
20	Sec. 81. DEPARTMENT OF REVENUE	
21		<u>2025-26</u>
22	FTE positions	892.8
23	Operating lump sum appropriation	\$ 73,782,200
24	BRITS operational support	7,959,800
25	E-commerce compliance and outreach	961,900
26	Unclaimed property administration	
27	and audit	1,473,900
28	TPT simplification	1,063,100
29	Tax fraud prevention	<u>3,163,800</u>
30	Total appropriation – department of revenue	\$ 88,404,700
31	Fund sources:	
32	State general fund	\$ 59,677,700
33	Department of revenue	
34	administrative fund	27,101,900
35	Liability setoff program	
36	revolving fund	894,800
37	Tobacco tax and health care fund	730,300
38	If the total value of properties retained by unclaimed property	
39	contract auditors exceeds \$1,473,900, the excess amount is transferred	
40	from the state general fund to the department of revenue administrative	
41	fund established by section 42-1116.01, Arizona Revised Statutes, and is	
42	appropriated to the department for contract auditor fees.	

1 The department shall report the department's general fund revenue
 2 enforcement goals for fiscal year 2025-2026 to the joint legislative
 3 budget committee on or before September 30, 2025. On or before September
 4 30, 2026, the department shall provide an annual progress report to the
 5 joint legislative budget committee as to the effectiveness of the
 6 department's overall enforcement and collections program for fiscal year
 7 2025-2026. The reports shall compare projected and actual state general
 8 fund, total state tax, total county tax and total municipal tax revenue
 9 enforcement collections for fiscal year 2024-2025 and fiscal year
 10 2025-2026, including the amount of projected and actual enforcement
 11 collections for all tax types. The reports shall also include the total
 12 number of transaction privilege tax delinquent accounts, the total dollar
 13 value of those accounts classified by age of account and the total dollar
 14 amount of delinquent account write-offs determined to be uncollectible for
 15 fiscal year 2024-2025.

16 The department may not transfer any monies to or from the tax fraud
 17 prevention line item without prior review by the joint legislative budget
 18 committee.

19 The operating lump sum appropriation includes \$2,000,000 and 25 FTE
 20 positions for additional audit and collections staff.

21 On or before November 1, 2025, the department shall report the
 22 results of private fraud prevention investigation services during fiscal
 23 year 2024-2025 to the joint legislative budget committee. The report
 24 shall include the total number of fraudulent returns prevented and the
 25 total dollar amount of fraudulent returns prevented during fiscal year
 26 2024-2025.

27 Sec. 82. DEPARTMENT OF STATE – SECRETARY OF STATE

28		<u>2025-26</u>
29	FTE positions	149.1
30	Operating lump sum appropriation	\$ 14,547,200
31	Non-HAVA grants monies	5,500,000
32	Address confidentiality program	
33	fund deposit	400,000
34	Arizona America250 commission	500,000
35	Access voter information database	483,500
36	Electronic records repository	70,000
37	Library grants-in-aid	651,400*
38	Statewide radio reading service	
39	for the blind	97,000
40	Uniform state laws commission	<u>99,000</u>
41	Total appropriation and expenditure	
42	authority – department of	
43	state – secretary of state	\$ 22,348,100

1 Fund sources:

2	State general fund	\$ 14,993,900
3	Election systems improvement fund	483,500
4	Records services fund	1,370,700
5	Non-HAVA grant monies - expenditure	
6	authority	5,500,000

7 Included in the operating lump sum appropriation of \$14,547,200 for
8 fiscal year 2025-2026 is \$5,000 for the purchase of mementos and items for
9 visiting officials.

10 Included in the operating lump sum appropriation of \$14,547,200 for
11 fiscal year 2025-2026 is \$1,370,700 from the records services fund
12 established by section 41-151.12, Arizona Revised Statutes. This
13 appropriation may be used for the payment of obligations incurred in
14 fiscal year 2024-2025.

15 The operating lump sum appropriation includes \$100,000 for
16 additional support for the talking book library.

17 The operating lump sum appropriation includes \$250,000 for
18 additional support for the address confidentiality program.

19 The operating lump sum appropriation includes \$100,000 for
20 additional support for secretary of state legal expenses. The secretary
21 of state may spend these monies for legal services from the attorney
22 general, to hire one FTE position to serve as legal advisor to the
23 secretary of state. The secretary of state may make expenditures or incur
24 indebtedness to employ outside or private attorneys if all of the
25 following are true:

- 26 1. The secretary of state is named as a defendant.
- 27 2. The secretary of state believes a conflict exists that prevents
- 28 the attorney general from representing the secretary of state.
- 29 3. The secretary of state either remains a nominal party or is
- 30 defending the constitutionality of a law or referendum enacted by the
- 31 legislature.

32 Monies in the access voter information database line item may be
33 used only for the exclusive purpose of developing and administering the
34 statewide database of voter registration information required by section
35 16-168, Arizona Revised Statutes. The secretary of state may not transfer
36 any monies in or out of the access voter information database line item.

37 On or before November 1, 2025, the secretary of state shall submit a
38 report to the joint legislative budget committee and the governor's office
39 of strategic planning and budgeting reporting the actual expenditures for
40 the prior fiscal year for the access voter information database. The
41 report shall at a minimum include all of the following:

- 42 1. The actual expenditures for the operation and maintenance of the
- 43 database.
- 44 2. Any expenditures for updates to the database due to statutory
- 45 changes.

1 3. The purpose of each expenditure.

2 4. All funding sources used to support the database.

3 The appropriation of \$5,352,200 to the secretary of state for the
4 county allocation of the help America vote act election security grant
5 monies made by Laws 2020, chapter 58, section 104 is exempt from the
6 provisions of section 35-190, Arizona Revised Statutes, relating to the
7 lapsing of appropriations, until June 30, 2026. The monies that remain
8 unexpended and unencumbered on June 30, 2026 revert to the fund from which
9 the monies were appropriated. The secretary of state shall not place
10 restrictions or conditions on federal monies allocated to counties.

11 The monies in the address confidentiality program fund deposit line
12 item shall only be used for a deposit in the address confidentiality
13 program fund established by section 41-169, Arizona Revised Statutes.

14 The appropriation made in the Arizona America250 commission line
15 item is to the secretary of state to support the Arizona America250
16 commission established by Laws 2022, chapter 49. Public or private monies
17 in the control of the secretary shall not be used:

18 1. To register voters or coordinate with non-governmental
19 organizations that register voters.

20 2. To hire independent contractors.

21 3. For litigation or the retention of outside counsel.

22 4. Or distributed to any non-governmental organization or used for
23 the benefit of such an organization.

24 5. For communications with the general public which contain the
25 secretary's name regardless of the form of the communication.

26 6. In any manner in any way related to "misinformation" or
27 "disinformation". Additionally, no sums appropriated to the secretary to
28 support Arizona America250 shall be used in a manner in any way related to
29 voter registration or information technology. Before expending any such
30 funds, the secretary of state shall submit an expenditure plan for
31 approval by the joint legislative budget committee.

32 The \$500,000 appropriated for the Arizona America250 commission line
33 item is exempt from the provisions of section 35-190, Arizona Revised
34 Statutes, relating to the lapsing of appropriations, until December 31,
35 2026.

36 The secretary of state may not transfer any monies out of the
37 Arizona America250 commission line item.

38 Before spending any monies in the Arizona America250 commission line
39 item, the secretary of state shall submit an expenditure plan for approval
40 by the joint legislative budget committee.

41 Before expending any federal funds, the secretary of state shall
42 submit an expenditure plan for approval by the joint legislative budget
43 committee.

1 Expenditure authority

2 The non-HAVA grant monies - expenditure authority includes all
 3 federal grants received by the secretary of state directly from the
 4 federal government and any federal grant monies distributed or allocated
 5 to the secretary of state by the governor's office or another state
 6 agency, but does not include any monies received from federal help America
 7 vote act grants.

8 All non-HAVA grant monies - expenditure authority in excess of
 9 \$5,500,000 received by the secretary of state in fiscal year 2025-2026 are
 10 appropriated to the secretary of state in fiscal year 2025-2026. Before
 11 spending these increased monies, the secretary of state shall submit an
 12 expenditure plan for review by the joint legislative budget committee.

13 For the monies in the non-HAVA grant monies - expenditure authority,
 14 not more than ten days after the end of each calendar quarter, the
 15 secretary of state shall report quarterly to the joint legislative budget
 16 committee on the receipt of federal grant monies by grant source and all
 17 quarterly expenditures of non-HAVA federal grant monies by grant source.

18 Sec. 83. STATE BOARD OF TAX APPEALS

19		<u>2025-26</u>
20	FTE positions	4.0
21	Lump sum appropriation	\$ 318,600
22	Fund sources:	
23	State general fund	\$ 318,600

24 Sec. 84. STATE BOARD OF TECHNICAL REGISTRATION

25		<u>2025-26</u>
26	FTE positions	26.0
27	Lump sum appropriation	\$ 2,737,000
28	Fund sources:	
29	Technical registration fund	\$ 2,737,000

30 Sec. 85. OFFICE OF TOURISM

31		<u>2025-26</u>
32	FTE positions	31.0
33	Tourism fund deposit	\$ 7,406,000
34	Arizona promotion	819,000
35	Wine promotion	<u>100,000</u>
36	Total appropriation - office of tourism	\$ 8,325,000

37 Fund sources:

38	State general fund	\$ 8,325,000
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39 Sec. 86. DEPARTMENT OF TRANSPORTATION

40		<u>2025-26</u>
41	FTE positions	4,579.0
42	Operating lump sum appropriation	\$261,716,100
43	Attorney general legal services	3,940,400
44	Highway maintenance	181,700,500

1	ADOT fleet vehicles and heavy	
2	equipment maintenance	26,522,700
3	ADOT fleet vehicles and heavy	
4	equipment maintenance contingency	1,000,000
5	State fleet operations	32,422,900
6	State fleet vehicle replacement	12,536,000
7	Driver safety and livestock control	800,000
8	ADOT fleet vehicle and heavy	
9	equipment replacement	22,400,000
10	Highway damage recovery account	7,999,300
11	Statewide litter removal	3,106,800
12	Construction management system	
13	replacement	6,272,000
14	Radio lifecycle replacement	1,656,100
15	Preventive surface treatments	36,142,000
16	Authorized third parties	<u>2,262,600</u>
17	Total appropriation – department of	
18	transportation	\$600,477,400
19	Fund sources:	
20	Air quality fund	\$ 878,300
21	Arizona highway user revenue fund	951,500
22	Highway damage recovery account	7,999,300
23	Ignition interlock device fund	365,600
24	Motor vehicle liability	
25	insurance enforcement fund	1,615,600
26	State fleet operations fund	32,422,900
27	State vehicle replacement fund	12,536,000
28	State aviation fund	2,289,300
29	State highway fund	512,249,800
30	Department fleet operations fund	27,522,700
31	Vehicle inspection and certificate	
32	of title enforcement fund	1,646,400
33	<u>Motor vehicle division</u>	

34 On or before February 1, 2026, the Arizona strategic enterprise
 35 technology office shall submit, on behalf of the department of
 36 transportation, an annual progress report to the joint legislative budget
 37 committee staff. The annual report shall provide updated plans for
 38 spending the department-dedicated portion of the authorized third-party
 39 electronic service partner's fee retention on the motor vehicle
 40 modernization project in fiscal year 2025-2026, including any amounts for
 41 stabilization, maintenance, ongoing operations, support and enhancements
 42 for the motor vehicle modernization solution, maintenance of legacy
 43 mainframe processing and support capability, and other system projects
 44 outside the scope of the motor vehicle modernization project.

1 On or before August 1, 2025, the department of transportation shall
2 report to the director of the joint legislative budget committee the
3 state's share of fees retained by the service Arizona vendor in the prior
4 fiscal year. The report shall include the amount spent by the service
5 Arizona vendor on behalf of this state in the prior fiscal year and a list
6 of the projects funded with those monies.

7 The department of transportation shall submit an annual report to
8 the joint legislative budget committee on progress in improving motor
9 vehicle division wait times and vehicle registration renewal by mail
10 turnaround times in a format similar to prior years.

11 Other

12 Of the total amount appropriated, \$181,700,500 in fiscal year
13 2025-2026 for highway maintenance is exempt from the provisions of section
14 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
15 except that all unexpended and unencumbered monies of the appropriation
16 revert to the state highway fund established by section 28-6991, Arizona
17 Revised Statutes, on August 31, 2026.

18 The amount appropriated to the preventive surface treatments line
19 item is exempt from the provisions of section 35-190, Arizona Revised
20 Statutes, relating to lapsing of appropriations, except that all
21 unexpended and unencumbered monies of the appropriation revert to the
22 state highway fund established by section 28-6991, Arizona Revised
23 Statutes, on August 31, 2026.

24 Of the total amount appropriated, the department of transportation
25 shall pay \$15,981,300 in fiscal year 2025-2026 from all funds to the
26 department of administration for its risk management payment.

27 All expenditures made by the department of transportation for
28 attorney general legal services shall be funded only from the attorney
29 general legal services line item. Monies in the operating lump sum
30 appropriation or other line items intended for this purpose shall be
31 transferred to the attorney general legal services line item before
32 expenditure.

33 In accordance with section 35-142.01, Arizona Revised Statutes,
34 reimbursements for monies expended from the highway maintenance line item
35 may not be credited to the account out of which the expenditure was
36 incurred. The department shall deposit all reimbursements for monies
37 expended from the highway maintenance line item in the highway damage
38 recovery account established by section 28-6994, Arizona Revised Statutes.

39 The amount appropriated in the operating lump sum includes a
40 \$2,000,000 reduction below the fiscal year 2023-2024 level from the state
41 highway fund established by section 28-6991, Arizona Revised Statutes, in
42 fiscal year 2025-2026 from the department of transportation's enforcement
43 and compliance division.

44 Expenditures made by the department of transportation for ADOT fleet
45 vehicle and heavy equipment replacement shall be funded only from the ADOT

1 fleet vehicle and heavy equipment replacement line item. Monies in the
 2 operating lump sum appropriation or other line items intended for this
 3 purpose shall be transferred to the ADOT fleet vehicle and heavy equipment
 4 replacement line item before expenditure.

5 Sec. 87. STATE TREASURER

6		<u>2025-26</u>
7	FTE positions	38.4
8	Operating lump sum appropriation	\$ 4,677,100
9	Justice of the peace salaries	2,589,600
10	Law enforcement/boating safety	
11	fund grants	<u>2,183,800</u>
12	Total appropriation – state treasurer	\$ 9,450,500
13	Fund sources:	
14	State general fund	\$ 2,932,100
15	Law enforcement and boating	
16	safety fund	2,183,800
17	State treasurer's operating fund	4,334,600

18 On or before June 30, 2026, the state treasurer shall report to the
 19 joint legislative budget committee staff on the state treasurer's current
 20 fiscal year and estimated next fiscal year expenditures of interest
 21 earnings spent pursuant to sections 35-315 and 35-318, Arizona Revised
 22 Statutes, for the state treasurer's banking service contract, external
 23 investment management agreement, administrative and information technology
 24 costs and any other costs.

25 Sec. 88. GOVERNOR'S OFFICE ON TRIBAL RELATIONS

26		<u>2025-26</u>
27	FTE positions	3.0
28	Lump sum appropriation	\$ 67,100
29	Fund sources:	
30	State general fund	\$ 67,100

31 Sec. 89. ARIZONA BOARD OF REGENTS

32		<u>2025-26</u>
33	FTE positions	30.9
34	Operating lump sum appropriation	\$ 3,084,500
35	Adaptive athletics	160,000
36	Arizona promise program	20,000,000
37	Spouses of military veterans	
38	tuition scholarships	10,000,000
39	Arizona teachers academy	15,000,000
40	Arizona teachers incentive program	90,000
41	Arizona teacher student loan program	426,000
42	Arizona transfer articulation	
43	support system	213,700

1	Leveraging educational assistance	
2	partnership program	1,220,800
3	Washington, D.C. internships	300,000*
4	Western interstate commission	
5	office	153,000
6	WICHE student subsidies	<u>4,078,000</u>
7	Total appropriation – Arizona board of	
8	regents	\$ 54,726,000
9	Fund sources:	
10	State general fund	\$ 54,726,000

11 The Arizona board of regents shall distribute monies appropriated
 12 for the adaptive athletics line item to each university under the
 13 jurisdiction of the board to maintain and operate an intercollegiate
 14 adaptive athletics program that provides opportunities for competitive
 15 wheelchair and adaptive sports to students and community members with
 16 disabilities. The monies may be spent only when the university collects
 17 matching monies of gifts, grants and donations for the intercollegiate
 18 adaptive athletics program from sources other than this state.
 19 Universities may spend the monies only on scholarships, equipment,
 20 uniforms, travel expenses and tournament fees for participants in the
 21 intercollegiate adaptive athletics program. The monies may not be used
 22 for administrative costs, personal services or employee
 23 related - expenditures.

24 On or before October 1, 2026, the Arizona board of regents shall
 25 submit a report to the director of the joint legislative budget committee
 26 and the director of the governor's office of strategic planning and
 27 budgeting on the Arizona promise program that includes all of the
 28 following for fiscal year 2025-2026:

29 1. The total number of students receiving promise scholarships by
 30 each eligible postsecondary institution.

31 2. The total number of students enrolled at each eligible
 32 postsecondary institution that are eligible to receive federal pell
 33 grants.

34 3. A list of the programs of study in which promise scholarship
 35 recipients are enrolled, including the number of recipients enrolled in
 36 each program.

37 4. The average promise scholarship award amount for each eligible
 38 postsecondary institution.

39 5. A geographic representation of promise scholarship recipients
 40 based on the high school attended.

41 6. The average grade point average of promise scholarships
 42 recipients by each eligible postsecondary institution.

43 On or before October 1, 2026, the Arizona board of regents shall
 44 submit a report to the director of the joint legislative budget committee
 45 and the director of the governor's office of strategic planning and

1 budgeting on spouses of military veterans tuition scholarships that
2 includes all of the following for fiscal year 2025-2026:

3 1. The amount distributed to each eligible postsecondary
4 institution.

5 2. The total number of award recipients by each eligible
6 postsecondary institution.

7 3. The average award amount for each eligible postsecondary
8 institution.

9 In order to be eligible to receive state matching monies under the
10 leveraging educational assistance partnership program for grants to
11 students, each participating institution, public or private, shall provide
12 an amount of institutional matching monies that equals the amount of
13 monies provided by this state to the institution for the leveraging
14 educational assistance partnership program. Administrative expenses
15 incurred by the Arizona board of regents shall be paid from institutional
16 matching monies and may not exceed twelve percent of the monies
17 appropriated in fiscal year 2025-2026.

18 The Arizona board of regents shall distribute monies appropriated
19 for Washington, D.C. internships for program fees and housing costs in
20 equal amounts to each of the three universities under the jurisdiction of
21 the board for the purpose of providing student internships and short-term
22 programs in Washington, D.C. in partnership with a third-party
23 organization. Short-term programs include one-week seminars and learning
24 opportunities shorter than one academic semester. The third-party
25 organization must meet the following requirements:

26 1. Have partnerships with Washington, D.C.-based organizations to
27 provide full-time, semester-long student internships and short-term
28 programs.

29 2. Have the ability to place as many students in internships and
30 short-term programs as needed by the universities.

31 3. Have experience placing students in internships for at least ten
32 consecutive years.

33 4. Have dedicated staff to ensure that student interns have access
34 to internships in their areas of interest.

35 Within ten days after the acceptance of the universities' semiannual
36 all funds budget reports, the Arizona board of regents shall submit a
37 current year expenditure plan to the joint legislative budget committee
38 for review. The expenditure plan shall include the use of all projected
39 tuition and fee revenues by expenditure category, including operating
40 expenses, plant fund, debt service and financial aid. The plan shall
41 include the amount by which each expenditure category is projected to
42 increase over the prior year and shall provide as much detail as the
43 university budget requests. The plan shall include the total revenue and
44 expenditure amounts from all tuition and student fee revenues, including

1 base tuition, differential tuition, program fees, course fees, summer
2 session fees and other miscellaneous and mandatory student fee revenues.

3 Sec. 90. ARIZONA STATE UNIVERSITY

4		<u>2025-26</u>
5	FTE positions	8,357.4
6	Operating lump sum appropriation	\$1,073,984,600
7	Biomedical informatics	3,758,100
8	Eastern Europe cultural collaborative	250,000
9	Arizona financial aid trust	5,985,800
10	Downtown Phoenix campus	<u>134,098,500</u>

11 Total appropriation – Arizona state
12 university \$1,218,077,000

13 Fund sources:

14	State general fund	\$ 361,078,200
15	University collections fund	856,998,800

16 The state general fund appropriation may not be used for alumni
17 association funding.

18 The increased state general fund appropriation from Laws 2014,
19 chapter 18 may not be used for medical marijuana research.

20 Other than scholarships awarded through the Arizona financial aid
21 trust, the appropriated monies may not be used for scholarships or any
22 student newspaper.

23 The appropriated monies may not be used by the Arizona state
24 university college of law legal clinic for any lawsuits involving inmates
25 of the state department of corrections in which this state is the adverse
26 party.

27 Of the amount appropriated to the Arizona state university operating
28 lump sum, \$400,000 shall be allocated to the center for American
29 institutions. The center for American institutions shall have the sole
30 authority to:

- 31 1. Approve or deny all faculty positions hired by the center.
- 32 2. Offer any public programming or class or establish a course of
33 study, including a major, minor, certificate or graduate program, into the
34 permanent academic catalog, without the consent, permission, approval or
35 endorsement from any other academic unit, school or department.
- 36 3. Offer and independently designate classes that fulfill the
37 academic requirements of Arizona state university's honors college,
38 including offering analogous introductory classes or designating classes
39 with other analogous content to fulfill those requirements.

40 Arizona state university shall use monies appropriated for the
41 eastern Europe cultural collaborative to facilitate cultural and academic
42 exchanges between university faculty and students and academic
43 institutions in eastern Europe.

44 Any appropriated monies allocated by the university for the school
45 of civic and economic thought and leadership shall be used to operate a

1 single stand-alone academic entity within Arizona state university. The
 2 appropriated monies may not supplant any existing state funding or private
 3 or external donations to the existing centers or to the school. The
 4 appropriated monies and all private and external donations for the school,
 5 including any remaining balances from prior fiscal years, shall be
 6 deposited in a separate account, shall be used only for the direct
 7 operation of the school and may not be used for indirect costs of the
 8 university. On or before October 1, 2025, the school shall submit a
 9 report to the president of the senate, the speaker of the house of
 10 representatives, the chairpersons of the senate education committee and
 11 the house of representatives education committee and the director of the
 12 joint legislative budget committee that includes at least the following
 13 information for the school:

- 14 1. The total amount of funding received from all sources.
- 15 2. A description of faculty positions and courses offered.
- 16 3. The total undergraduate and graduate student enrollment.
- 17 4. Significant community events, initiatives or publications.

18 The chairpersons of the senate education committee and the house of
 19 representatives education committee may request the director of the school
 20 to appear before the committees to report on the school's annual
 21 achievements.

22 The legislature intends that appropriated monies allocated by the
 23 university for the school of civic and economic thought and leadership in
 24 fiscal year 2025-2026 be consistent with the amount appropriated in fiscal
 25 year 2022-2023, except that the university may allocate to the school the
 26 lump sum reduction of not more than 3.45 percent prescribed by Laws 2024,
 27 chapter 209, section 129.

28 Any unencumbered balances remaining in the university collections
 29 fund on June 30, 2025 and all collections received by the university
 30 during the fiscal year are appropriated for operating expenditures,
 31 capital outlay and fixed charges. Earnings on state lands and interest on
 32 the investment of the permanent land funds are appropriated in compliance
 33 with the enabling act and the Constitution of Arizona. No part of this
 34 appropriation may be spent for supplemental life insurance or supplemental
 35 retirement.

36 Sec. 91. NORTHERN ARIZONA UNIVERSITY

37		<u>2025-26</u>
38	FTE positions	2,399
39	Operating lump sum appropriation	\$236,397,200
40	Arizona financial aid trust	1,326,000
41	Biomedical research funding	3,000,000
42	NAU – Yuma	3,088,400
43	Teacher training	<u>2,292,700</u>
44	Total appropriation – Northern Arizona	
45	university	\$246,104,300

1 Fund sources:

2 State general fund \$114,267,500

3 University collections fund 131,836,800

4 The state general fund appropriation may not be used for alumni
5 association funding.

6 The increased state general fund appropriation from Laws 2014,
7 chapter 18 may not be used for medical marijuana research.

8 Other than scholarships awarded through the Arizona financial aid
9 trust, the appropriated monies may not be used for scholarships or any
10 student newspaper.

11 The appropriated amount for the teacher training line item shall be
12 distributed to the Arizona K-12 center for program implementation and
13 mentor training for the Arizona mentor teacher program prescribed by the
14 state board of education.

15 Any unencumbered balances remaining in the university collections
16 fund on June 30, 2025 and all collections received by the university
17 during the fiscal year are appropriated for operating expenditures,
18 capital outlay and fixed charges. Earnings on state lands and interest on
19 the investment of the permanent land funds are appropriated in compliance
20 with the enabling act and the Constitution of Arizona. No part of this
21 appropriation may be spent for supplemental life insurance or supplemental
22 retirement.

23 The biomedical research funding shall be distributed to a nonprofit
24 medical research foundation in this state that collaborates with
25 universities, hospitals and biotechnology and health research centers. A
26 nonprofit foundation that receives monies shall submit an expenditure and
27 performance report to northern Arizona university. The university shall
28 transmit the report to the joint legislative budget committee and the
29 director of the governor's office of strategic planning and budgeting on
30 or before February 1, 2026. The report must include at least the
31 following:

32 1. The type and amount of expenditures from all state sources of
33 monies, including the amount leveraged for local, state, federal and
34 private grants.

35 2. A description of each grant received as well as the percentage
36 and locations of positions funded solely or partly by state monies and the
37 nonprofit foundation's projects with which those positions are associated.

38 3. Performance measures, including:

39 (a) Outcomes that are specifically related to the use of state
40 monies.

41 (b) Progress that has been made toward achieving each outcome,
42 including activities, resources and other evidence of the progress.

43 (c) Reportable inventions or discoveries related to each outcome.

(d) Publications, presentations and narratives related to each outcome and how the expenditures from all state sources of monies that the nonprofit foundation received have benefited this state.

Any appropriated monies allocated by the university for the economic policy institute may not supplant any existing state funding or private or external donations to the institute or to the university. The appropriated monies and all private and external donations for the institute, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the institute and may not be used for indirect costs of the university. On or before October 1, 2025, the institute shall submit to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives education committee and the director of the joint legislative budget committee a report that includes at least the following information for the institute:

1. The total amount of funding received from all sources.
2. A description of the faculty positions and courses offered.
3. The total undergraduate and graduate student participation.
4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives education committee may request the director of the institute to appear before the committees to report on the institute's annual achievements.

The legislature intends that appropriated monies allocated by the university for the economic policy institute in fiscal year 2025-2026 be consistent with the amount appropriated in fiscal year 2022-2023, except that the university may allocate to the institute the lump sum reduction of not more than 3.45 percent prescribed by Laws 2024, chapter 209, section 129.

Sec. 92. UNIVERSITY OF ARIZONA

2025-26

Main campus

FTE positions	6,164.8
Operating lump sum appropriation	\$522,346,100
Agriculture	44,176,800
Arizona cooperative extension	15,287,100
Arizona financial aid trust	2,729,400
Arizona geological survey	1,458,200
College of veterinary medicine	23,936,300
Kazakhstan studies program	250,000
Mining, mineral and natural	
resources educational museum	432,100
Natural resource users law and	
policy center	1,571,800

1	School of mining	4,170,200
2	Sierra Vista campus	5,056,700
3	Veterinary diagnostic laboratory	2,584,200
4	Yuma center of excellence	
5	for desert agriculture	<u>2,750,000</u>
6	Total – main campus	\$626,748,900
7	Fund sources:	
8	State general fund	\$258,199,800
9	University collections fund	368,549,100
10	<u>Health sciences center</u>	
11	FTE positions	1,044.0
12	Operating lump sum appropriation	\$87,356,100
13	AZ REACH	250,000
14	Clinical rural rotation	353,600
15	Clinical teaching support	8,587,000
16	Liver research institute	440,400
17	Medical mission scholarships	50,000
18	Phoenix medical campus	38,544,100
19	Telemedicine network	<u>1,670,000</u>
20	Total – health sciences center	\$137,251,200
21	Fund sources:	
22	State general fund	\$ 75,728,400
23	University collections fund	<u>61,522,800</u>
24	Total appropriation - university of	
25	Arizona	\$764,000,100
26	Fund sources:	
27	State general fund	\$333,928,200
28	University collections fund	430,071,900
29	The state general fund appropriation may not be used for alumni	
30	association funding.	
31	The increased state general fund appropriation from Laws 2014,	
32	chapter 18 may not be used for medical marijuana research.	
33	Other than scholarships awarded through the Arizona financial aid	
34	trust, the appropriated monies may not be used for scholarships or any	
35	student newspaper.	
36	The university of Arizona may not use monies appropriated for the	
37	Arizona geological survey line item for any other purpose and may not	
38	transfer the monies appropriated for the Arizona geological survey to the	
39	operating budget or any other line item.	
40	The legislature intends that \$8,000,000 of the amount appropriated	
41	to the health sciences center operating lump sum appropriation line item	
42	be used to expand the college of medicine Phoenix campus and to develop	
43	and administer a primary care physician scholarship program at the college	
44	of medicine Phoenix campus and the college of medicine Tucson campus. The	
45	legislature intends that the \$8,000,000 not be annualized in future years.	

1 Any appropriated monies allocated by the university for the center
2 for the philosophy of freedom may not supplant any existing state funding
3 or private or external donations to the center or the philosophy
4 department of the university of Arizona. The appropriated monies and all
5 private and external donations for the center, including any remaining
6 balances from prior fiscal years, shall be deposited in a separate
7 account, shall be used only for the direct operation of the center and may
8 not be used for indirect costs of the university. On or before October 1,
9 2025, the center shall submit a report to the president of the senate, the
10 speaker of the house of representatives, the chairpersons of the senate
11 education committee and the house of representatives education committee
12 and the director of the joint legislative budget committee that includes
13 at least the following information for the center:

- 14 1. The total amount of funding received from all sources.
- 15 2. A description of faculty positions and courses offered.
- 16 3. The total undergraduate and graduate student participation.
- 17 4. Significant community events, initiatives or publications.

18 The chairpersons of the senate education committee and the house of
19 representatives education committee may request the director of the center
20 to appear before the committees to report on the center's annual
21 achievements.

22 The legislature intends that appropriated monies allocated by the
23 university for the center for the philosophy of freedom in fiscal year
24 2025-2026 be consistent with the amount appropriated in fiscal year
25 2022-2023, except that the university may allocate to the center the lump
26 sum reduction of not more than 3.45 percent prescribed by Laws 2024,
27 chapter 209, section 129.

28 The amount appropriated to the college of veterinary medicine line
29 item shall be distributed to the college of veterinary medicine to
30 increase the number of students that are residents of this state. Before
31 spending these monies, the university of Arizona shall report to the joint
32 legislative budget committee all of the following information for the
33 college of veterinary medicine:

- 34 1. The current number of students who are residents of this state.
- 35 2. The current number of students who are not residents of this
36 state.

37 The university of Arizona shall use monies appropriated for the
38 Kazakhstan studies program to facilitate academic exchanges between
39 university students and academic institutions in Kazakhstan.

40 The amount appropriated for the natural resource users law and
41 policy center line item shall be used by the natural resource users law
42 and policy center within the Arizona cooperative extension. Of the amount
43 appropriated, at least \$500,000 shall be used to assist claimants in the
44 general stream adjudication of water rights pursuant to section 15-1647,
45 Arizona Revised Statutes.

1 The amount appropriated for the AZ REACH line item shall be used to
 2 provide medical care transfer services for hospitals with less than twenty
 3 beds.

4 One hundred percent of the land earnings and interest from the
 5 school of mines land fund shall be distributed to the university of
 6 Arizona school of mining and mineral resources in compliance with the
 7 enabling act and the Constitution of Arizona.

8 Any unencumbered balances remaining in the university collections
 9 fund on June 30, 2025 and all collections received by the university
 10 during the fiscal year are appropriated for operating expenditures,
 11 capital outlay and fixed charges. Earnings on state lands and interest on
 12 the investment of the permanent land funds are appropriated in compliance
 13 with the enabling act and the Constitution of Arizona. No part of this
 14 appropriation may be spent for supplemental life insurance or supplemental
 15 retirement.

16 Sec. 93. DEPARTMENT OF VETERANS' SERVICES

17		<u>2025-26</u>
18	FTE positions	792.3
19	Operating lump sum appropriation	\$ 2,921,700
20	Arizona state veterans' homes	60,994,800
21	Arizona state veterans' cemeteries	970,300
22	Pinal county veterans center funding	125,000
23	Rural tribal nations veteran	
24	benefit counseling	2,217,900
25	Veterans' benefit counseling	3,713,100
26	Veterans' support services	1,226,100
27	Veterans' trauma treatment	
28	services	<u>450,000</u>
29	Total appropriation – department of	
30	veterans' services	\$ 72,618,900
31	Fund sources:	
32	State general fund	\$ 11,624,100
33	State home for veterans' trust	
34	fund	60,994,800

35 The amount appropriated for the Pinal county veterans center funding
 36 line item shall be distributed to a nonprofit that is located in Pinal
 37 county, that provides services to veterans in Pinal county with an
 38 in-person facility and a mobile outreach center and has previously
 39 received a grant from the department.

40 Monies appropriated for the rural tribal nations veteran benefit
 41 counseling line item shall be used for veterans' services officers to
 42 provide services in rural tribal nations in this state that have
 43 communities that are located one hundred miles or more from the nearest
 44 United States department of veterans' affairs service center.

The amount appropriated for veterans' support services line item shall be distributed to a nonprofit veterans' services organization that provides support services among this state's military and veteran population. The department may spend up to \$76,500 of this appropriation to hire a program specialist to liaise between the department and the selected nonprofit organization. Before the expenditure of the monies, the department shall submit an expenditure report to the joint legislative budget committee that includes the status of non-state matching grant monies.

Monies appropriated for the veterans' trauma treatment services line item shall be used to provide grants to contractors as defined in section 36-2901, Arizona Revised Statutes, that provide trauma treatment services training to any of the following health professionals licensed pursuant to title 32, Arizona Revised Statutes:

1. Physicians.
2. Registered nurse practitioners.
3. Physician assistants.
4. Psychologists.
5. Behavioral health professionals who are either licensed for individual practice or supervised by a psychologist, registered nurse practitioner or behavioral health professional licensed pursuant to title 32, Arizona Revised Statutes, for independent practice.

Sec. 94. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD
2025-26

FTE positions	8.0
Lump sum appropriation	\$ 897,600
Fund sources:	
Veterinary medical examining board fund	\$ 897,600

Sec. 95. DEPARTMENT OF WATER RESOURCES
2025-26

FTE positions	204.0
Operating lump sum appropriation	\$ 15,248,800
Adjudication support	1,914,400
Arizona water protection fund deposit	750,000
Assured and adequate water supply administration	2,531,200
Rural water studies	1,296,000
Conservation and drought program	433,500
Automated groundwater monitoring	421,100
Colorado River legal expenses	1,500,000*
Water supply and demand assessment	<u>3,541,500</u>
Total appropriation – department of water resources	\$ 27,636,500

1 Fund sources:

2 State general fund \$ 24,618,200
 3 Water resources fund 1,726,500
 4 Assured and adequate water
 5 supply administration fund 291,800
 6 Long-term water augmentation fund 1,000,000

7 Monies in the assured and adequate water supply administration line
 8 item may be used only for the exclusive purposes prescribed in sections
 9 45-108, 45-576, 45-577, 45-578 and 45-579, Arizona Revised Statutes. The
 10 department of water resources may not transfer any monies into or out of
 11 the assured and adequate water supply administration line item.

12 The legislature intends that monies in the rural water studies line
 13 item be spent only to assess local water use needs and to develop plans
 14 for sustainable future water supplies in rural areas outside this state's
 15 active management areas and not be made available for other department
 16 operating expenditures.

17 Monies in the adjudication support line item may be used only for
 18 the exclusive purposes prescribed in section 45-256, Arizona Revised
 19 Statutes, and section 45-257, subsection B, paragraph 4, Arizona Revised
 20 Statutes. The department of water resources may not transfer any monies
 21 into or out of the adjudication support line item.

22 The department of water resources may not transfer any monies from
 23 the Colorado River legal expenses line item without prior review by the
 24 joint legislative budget committee.

25 The Colorado River legal expenses line item includes \$1,000,000 from
 26 the long-term water augmentation fund for the sole purpose of initiating,
 27 defending or participating in litigation against any upper basin state,
 28 any party domiciled in an upper basin state or the United States related
 29 to this state's apportionment of Colorado River water or any other rights
 30 of this state regarding Colorado River water under the Colorado River
 31 Compact of 1922, Boulder Canyon Project Act of 1928, Colorado River Decree
 32 of 1964, Colorado River Basin Project Act of 1968 or any other federal law
 33 that affects this state's apportionment of Colorado River water or the
 34 right to divert water controlled by the United States or to exercise this
 35 state's entitlement to upper basin water.

36 Fiscal Year 2024-2025 Appropriation Adjustments

37 Sec. 96. Supplemental appropriation; department of
 38 administration; intent; review; fiscal year
 39 2024-2025

40 A. In addition to any other appropriations made in fiscal year
 41 2024-2025, the sum of \$15,000,000 is appropriated from the state general
 42 fund in fiscal year 2024-2025 to the department of administration for the
 43 following purposes:

44 1. To pay disallowed costs relating to excess retained earnings.

1 2. To pay disallowed costs relating to the statewide information
2 technology charges.

3 3. For fund transfers in fiscal year 2023-2024.

4 4. To pay interest owed from prior-year disallowed costs.

5 B. The legislature intends that the department of administration
6 not enter into any agreements to pay for any federal reimbursements
7 related to excess balances in the special employee health insurance trust
8 fund established by section 38-654, Arizona Revised Statutes, unless the
9 proposed agreements have been reviewed by the joint legislative budget
10 committee.

11 Sec. 97. Supplemental appropriation; Arizona health care cost
12 containment system administration; fiscal year
13 2024-2025

14 In addition to any other appropriations made in fiscal year
15 2024-2025, the sum of \$1,832,000 is appropriated from the state general
16 fund in fiscal year 2024-2025 to the Arizona health care cost containment
17 system administration for eligibility income verification costs.

18 Sec. 98. Appropriation reduction; Arizona health care cost
19 containment system administration; fiscal year
20 2024-2025

21 In addition to any other appropriations made in fiscal year
22 2024-2025, the sum of \$(106,051,600) is reduced from appropriations made
23 from the state general fund in fiscal year 2024-2025 to the Arizona health
24 care cost containment system administration for adjustments in formula
25 requirements.

26 Sec. 99. Supplemental appropriations; superintendent of
27 public instruction; fiscal year 2024-2025

28 A. In addition to any other appropriations made in fiscal year
29 2024-2025, the sum of \$206,206,000 is appropriated from the state general
30 fund in fiscal year 2024-2025 to the superintendent of public instruction
31 for additional basic state aid formula costs.

32 B. In addition to any other appropriations made in fiscal year
33 2024-2025, the sum of \$2,000,000 is appropriated from the special
34 education fund established by section 15-1182, Arizona Revised Statutes,
35 in fiscal year 2024-2025 to the superintendent of public instruction for
36 statewide assessment expenses.

37 Sec. 100. Supplemental appropriation; department of economic
38 security; fiscal year 2024-2025

39 In addition to any other appropriations made in fiscal year
40 2024-2025, the sum of \$700,000 is appropriated from the state general fund
41 in fiscal year 2024-2025 to the department of economic security for
42 eligibility income verification costs.

1 Sec. 101. Appropriation reduction: department of economic
2 security; fiscal year 2024-2025

3 In addition to any other appropriations made in fiscal year
4 2024-2025, the sum of \$(18,200,000) is reduced from appropriations made
5 from the state general fund in fiscal year 2024-2025 to the department of
6 economic security for adjustments in formula requirements.

7 Sec. 102. Supplemental appropriation; Arizona department of
8 forestry and fire management; fiscal year
9 2024-2025; exemption

10 In addition to any other appropriations made in fiscal year
11 2024-2025, the sum of \$11,180,800 is appropriated from the long-term water
12 augmentation fund established by section 49-1302, Arizona Revised
13 Statutes, in fiscal year 2024-2025 to the Arizona department of forestry
14 and fire management to repay debts owed to the federal government incurred
15 in the course of wildfire suppression activities. The appropriation made
16 in this section is exempt from the provisions of section 35-190, Arizona
17 Revised Statutes, relating to lapsing of appropriations.

18 Sec. 103. Supplemental appropriation; Arizona department of
19 forestry and fire management; wildfire emergency
20 response; reports; fiscal year 2024-2025;
21 exemption

22 A. In addition to any other appropriations made in fiscal year
23 2024-2025, the sum of \$30,000,000 is appropriated from the long-term water
24 augmentation fund established by section 49-1302, Arizona Revised
25 Statutes, in fiscal year 2024-2025 to the Arizona department of forestry
26 and fire management for wildfire suppression. The department may spend the
27 monies for:

28 1. Fire suppression and pre-positioning of fire suppression
29 equipment and staff.

30 2. Capital expenditures and equipment associated with fire
31 suppression and pre-positioning activities for fire suppression.

32 3. Mitigation projects to address postfire flooding and other
33 damage that may occur as a result of fires or fire suppression activities.

34 4. A state or local government agency's emergency liabilities
35 related to emergency sheltering, wraparound services and support
36 activities.

37 5. Financial assistance to public and private landowners for
38 emergency repairs for infrastructure damage resulting from fires or fire
39 suppression activities.

40 6. Reimbursement to a state agency or political subdivision for the
41 state agency's or political subdivision's cost share of eligible claims
42 arising from an emergency declared pursuant to section 35-192, Arizona
43 Revised Statutes, or a federal declaration of emergency or major disaster.

44 B. The appropriation made in subsection A of this section shall be
45 used to supplement and not supplant any monies allocated by the federal

1 government for this purpose. The department shall seek federal
2 reimbursement as appropriate for expenditures made from this
3 appropriation. Any reimbursements shall be credited to this
4 appropriation.

5 C. Before spending any monies from the appropriation made in
6 subsection A of this section on capital projects, the department shall
7 submit its expenditure plans for review by the joint committee on capital
8 review.

9 D. Not later than fifteen days after the end of each month, the
10 department shall report to the president of the senate, the speaker of the
11 house of representatives and the joint legislative budget committee on
12 expenditures from and reimbursements to the appropriation made in
13 subsection A of this section for the prior month. Each report shall
14 include, at a minimum, information regarding the total expenditures and
15 reimbursements for each paragraph listed in subsection A of this section
16 and the amount of monies remaining in the appropriation.

17 E. The appropriation made in subsection A of this section is exempt
18 from the provisions of section 35-190, Arizona Revised Statutes, relating
19 to lapsing of appropriations.

20 Sec. 104. Supplemental appropriations; secretary of state;
21 district special primary and special general
22 elections; report; fiscal year 2024-2025;
23 exemption

24 A. In addition to any other appropriations made in fiscal year
25 2024-2025, the sum of \$7,300,000 is appropriated from the state general
26 fund in fiscal year 2024-2025 to the secretary of state for the purpose of
27 reimbursing expenses incurred by Cochise, Maricopa, Pima, Pinal, Santa
28 Cruz and Yuma counties for the administration of the special primary and
29 special general elections to fill the vacancy in the United States house
30 of representatives for Arizona's congressional district 7.

31 B. In addition to any other appropriations made in fiscal year
32 2024-2025, the sum of \$212,000 is appropriated from the state general fund
33 in fiscal year 2024-2025 to the secretary of state for expenses incurred
34 for the administration of the special primary and special general
35 elections to fill the vacancy in the United States house of
36 representatives for Arizona's congressional district 7.

37 C. The secretary of state shall reimburse a county for the
38 additional cost of printing and mailing ballots and other election
39 materials, compensation paid to election board and tally board officers
40 serving during the special elections, as well as other costs of
41 administering the special elections. The secretary of state may advance a
42 portion of the estimated expenses to the county. A county that receives
43 an advance shall provide subsequent documentation to the secretary of
44 state pursuant to subsection D of this section.

1 D. The clerk of the board of supervisors shall submit to the
2 secretary of state for approval itemized claims, together with
3 documentation, verified by the clerk, for expenses incurred or to be
4 incurred by the county recorder and the county elections department as
5 prescribed by subsection C of this section. The clerk of the board of
6 supervisors shall submit the verified claims to the secretary of state on
7 or before November 30, 2025.

8 E. On approval of a claim by the secretary of state, the secretary
9 of state shall submit the claim to the department of administration for
10 payment to the county from the monies appropriated in subsection A of this
11 section. Reimbursement of expenses incurred by a county for the
12 administration of the special election may not exceed:

- 13 1. Cochise county \$ 139,500.
- 14 2. Maricopa county \$ 906,900.
- 15 3. Pima county \$5,597,700.
- 16 4. Pinal county \$ 66,100.
- 17 5. Santa Cruz county \$ 240,600.
- 18 6. Yuma county \$ 349,200.

19 F. On or before March 1, 2026, the secretary of state shall submit
20 a report to the joint legislative budget committee and the governor's
21 office of strategic planning and budgeting regarding reimbursements made
22 pursuant to this section.

23 G. The appropriations made in subsections A and B of this section
24 are exempt from the provisions of section 35-190, Arizona Revised
25 Statutes, relating to lapsing of appropriations, except that all monies
26 remaining unexpended and unencumbered on December 31, 2025 revert to the
27 state general fund.

28 Sec. 105. Supplemental appropriation; state treasurer; fiscal
29 year 2024-2025

30 In addition to any other appropriations made in fiscal year
31 2024-2025, the sum of \$138,600 is appropriated from the state general fund
32 in fiscal year 2024-2025 to the state treasurer for a justice of the peace
33 salary adjustment.

34 Sec. 106. Supplemental appropriation; department of veterans'
35 services; fiscal year 2024-2025

36 In addition to any other appropriations made in fiscal year
37 2024-2025, the sum of \$1,000,000 is appropriated from the state general
38 fund in fiscal year 2024-2025 to the department of veterans' services for
39 deposit in the state homes for veterans trust fund established by section
40 41-608.01, Arizona Revised Statutes, for an operating costs shortfall.

41 Sec. 107. Supplemental appropriation; department of health
42 services; fiscal year 2024-2025

43 In addition to any other appropriations made in fiscal year
44 2024-2025, the sum of \$3,328,200 is appropriated from the Arizona state
45 hospital land fund established by section 37-525, Arizona Revised

1 Statutes, in fiscal year 2024-2025 to the department of health services
2 for a state hospital operating cost shortfall.

3 Fiscal Year 2025-2026 Appropriations

4 Sec. 108. Appropriations; department of administration;
5 counties; allocations; report; fiscal year
6 2025-2026

7 A. The sum of \$7,150,650 is appropriated from the state general
8 fund in fiscal year 2025-2026 to the department of administration for
9 distribution to counties to maintain essential county services. The
10 department shall allocate the appropriation equally among all counties
11 with a population of less than nine hundred thousand persons according to
12 the 2020 United States decennial census.

13 B. The sum of \$500,000 is appropriated from the state general fund
14 in fiscal year 2025-2026 to the department of administration for
15 distribution to Graham county to maintain essential county services.

16 C. The sum of \$3,000,000 is appropriated from the state general
17 fund in fiscal year 2025-2026 to the department of administration for
18 distribution to counties to supplement the normal cost plus an amount to
19 amortize the unfunded accrued liability pursuant to section 38-810,
20 subsection C, Arizona Revised Statutes. The department shall allocate the
21 appropriation equally among all counties with a population of less than
22 three hundred thousand persons according to the 2020 United States
23 decennial census. The counties may use these monies only for required
24 employer contributions to the elected officials' retirement plan.

25 Sec. 109. Automation projects fund; appropriations; quarterly
26 reports; exemption; fiscal year 2025-2026

27 A. The sum of \$19,256,800 is appropriated from the department of
28 revenue subaccount in the automation projects fund established pursuant to
29 section 41-714, Arizona Revised Statutes, in fiscal year 2025-2026 to the
30 department of administration to implement the department of revenue's
31 integrated tax system modernization project. The monies appropriated in
32 this subsection shall be spent for an integrated tax system modernization
33 project that meets the following minimum specifications:

34 1. Captures data fields from electronically filed individual and
35 corporate income tax returns and makes the data available for querying and
36 reporting purposes. The system shall provide the department of revenue
37 staff, the joint legislative budget committee staff and governor's office
38 of strategic planning and budgeting staff direct access to the querying
39 and reporting functions. The querying and reporting functions shall
40 include procedures to protect taxpayer confidentiality under applicable
41 state and federal law.

42 2. For electronic corporate income tax returns, captures
43 information regarding the principal business activity of the corporation.
44 This requirement may be satisfied through North American industry
45 classification system data listed on federal tax forms. The tax system

1 shall allow for querying and reporting based on principal business
2 activity.

3 3. Includes an integrated individual income tax model within the
4 project and provides the department of revenue staff, the joint
5 legislative budget committee staff and governor's office of strategic
6 planning and budgeting staff direct access to the individual income tax
7 model. At a minimum, the model shall allow the department of revenue
8 staff, the joint legislative budget committee staff and governor's office
9 of strategic planning and budgeting staff to adjust tax law parameters
10 against an anonymized representative sample of income tax returns to
11 estimate the fiscal impact of proposed tax legislation. The model shall
12 only include data from state and federal tax returns that are captured by
13 the tax system. The individual income tax model shall include procedures
14 to protect taxpayer confidentiality under applicable state and federal
15 law.

16 4. Makes individual and corporate income tax data available for
17 querying, modeling and reporting within twenty-four months following the
18 end of a tax year.

19 B. The sum of \$5,941,700 is appropriated from the human resources
20 information system subaccount in the automation projects fund established
21 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year
22 2025-2026 to the department of administration to replace the human
23 resources information system.

24 C. The sum of \$1,750,000 is appropriated from the department of
25 administration subaccount in the automation projects fund established
26 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year
27 2025-2026 to the department of administration to migrate state websites to
28 a new software platform.

29 D. The sum of \$3,370,000 is appropriated from the department of
30 administration subaccount in the automation projects fund established
31 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year
32 2025-2026 to the department of administration to continue development of
33 the A to Z Arizona web portal.

34 E. The sum of \$375,000 is appropriated from the department of
35 administration subaccount in the automation projects fund established
36 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year
37 2025-2026 to the department of administration to perform software and
38 security upgrades for servers and applications on the state web portal.

39 F. The sum of \$17,100,000 is appropriated from the medicaid
40 enterprise system modernization subaccount in the automation projects fund
41 established pursuant to section 41-714, Arizona Revised Statutes, in
42 fiscal year 2025-2026 for the replacement of the medicaid enterprise
43 system mainframe.

44 G. The sum of \$1,700,000 is appropriated from the business one-stop
45 subaccount in the automation projects fund established pursuant to section

1 41-714, Arizona Revised Statutes, in fiscal year 2025-2026 to the
2 department of administration for the business one-stop portal.

3 Quarterly Reports

4 H. Within thirty days after the last day of each calendar quarter,
5 the department of administration shall submit to the joint legislative
6 budget committee a quarterly report on implementing projects approved by
7 the information technology authorization committee established by section
8 18-121, Arizona Revised Statutes, including the projects' expenditures to
9 date, deliverables, timeline for completion and current status.

10 Nonlapsing

11 I. The amounts appropriated pursuant to this section from the
12 automation projects fund established by section 41-714, Arizona Revised
13 Statutes, in fiscal year 2025-2026 are exempt from the provisions of
14 section 35-190, Arizona Revised Statutes, relating to lapsing of
15 appropriations, until June 30, 2027.

16 J. The amount of \$6,700,000 appropriated from the automation
17 projects fund established by section 41-714, Arizona Revised Statutes, in
18 fiscal year 2023-2024 to the department of administration by Laws 2023,
19 chapter 133, section 113, as amended by Laws 2024, chapter 209, section
20 11, for a new information technology platform to authenticate individuals
21 applying for health and human service programs to prevent fraud, waste and
22 abuse is exempt from the provisions of section 35-190, Arizona Revised
23 Statutes, relating to lapsing of appropriations until June 30, 2026.

24 K. The sum of \$2,000,000 appropriated from the automation projects
25 fund established by section 41-714, Arizona Revised Statutes, in fiscal
26 year 2022-2023 to the Arizona department of agriculture by Laws 2022,
27 chapter 313, section 107 for cloud migration is exempt from the provisions
28 of section 35-190, Arizona Revised Statutes, relating to lapsing of
29 appropriations, until June 30, 2027.

30 L. The sum of \$494,500 appropriated from the automation projects
31 fund established by section 41-714, Arizona Revised Statutes, in fiscal
32 year 2023-2024 to the department of public safety by Laws 2023, chapter
33 133, section 113, as amended by Laws 2024, chapter 209, section 11, to
34 replace the concealed weapons tracking system is exempt from the
35 provisions of section 35-190, Arizona Revised Statutes, relating to
36 lapsing of appropriations, until June 30, 2026.

37 M. The sum of \$19,369,400 appropriated from the automation projects
38 fund established by section 41-714, Arizona Revised Statutes, in fiscal
39 year 2023-2024 to the department of revenue by Laws 2023, chapter 133,
40 section 113, as amended by Laws 2024, chapter 209, section 11 to implement
41 the integrated tax system modernization project is exempt from the
42 provisions of section 35-190, Arizona Revised Statutes, relating to
43 lapsing of appropriations, until June 30, 2026.

44 N. The sum of \$1,500,000 appropriated from the automation projects
45 fund established by section 41-714, Arizona Revised Statutes, in fiscal

1 year 2022-2023 to the department of administration by Laws 2021, chapter
2 408, section 133 to a K-12 school financial transparency reporting system
3 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
4 relating to lapsing of appropriations, until June 30, 2026.

5 O. The amount of \$2,000,000 appropriated from the automation
6 projects fund established by section 41-714, Arizona Revised Statutes, in
7 fiscal year 2023-2024 to the department of administration by Laws 2023,
8 chapter 133, section 113, as amended by Laws 2024, chapter 209, section
9 11, for the K-12 school financial transparency reporting portal is exempt
10 from the provisions of section 35-190, Arizona Revised Statutes, relating
11 to lapsing of appropriations until June 30, 2026.

12 P. The amount of \$7,000,000 appropriated from the automation
13 projects fund established by section 41-714, Arizona Revised Statutes, in
14 fiscal year 2023-2024 to the corporation commission by Laws 2023, chapter
15 133, section 113, as amended by Laws 2024, chapter 209, section 11, to
16 replace the corporation commission's online records and filing system is
17 exempt from the provisions of section 35-190, Arizona Revised Statutes,
18 relating to lapsing of appropriations, until June 30, 2026.

19 Sec. 110. Appropriations: state treasurer; local government
20 distributions; fiscal year 2025-2026

21 A. The following amounts are appropriated from the state general
22 fund in fiscal year 2025-2026 to the state treasurer for the following:

23 1. \$1,000,000 to distribute to the city of Bullhead City for
24 Hancock Road improvements.

25 2. \$1,000,000 to distribute to the city of Bullhead City for the
26 installation of a new water transmission line.

27 3. \$1,000,000 to distribute to Mohave county for Mountain View Road
28 improvements.

29 4. \$850,000 to distribute to Yuma county for the disposal of excess
30 waste tires.

31 5. \$500,000 to distribute to the Yavapai county sheriff's office
32 for a satellite communications pilot program.

33 6. \$50,000 to distribute to the Maricopa county recorder's office
34 to implement and enforce the provisions of sections 16-165 and 16-166,
35 Arizona Revised Statutes.

36 7. \$3,500,000 to distribute to the Prescott regional airport for
37 infrastructure supporting firefighting aircraft.

38 8. \$500,000 to distribute to the Prescott regional airport for
39 maintenance and operations expenses.

40 9. \$500,000 to distribute to Mohave county for improvements to the
41 Meadview south cove launch ramp.

42 10. \$1,000,000 to distribute to the city of Kingman for Eastern
43 Street infrastructure improvements.

44 11. \$250,000 to distribute as reimbursements to counties for the
45 cost of implementing the federal safeguarding voter eligibility act.

1 12. \$500,000 to distribute to the city of Peoria for capital
2 improvements to city parks.

3 13. \$760,000 to distribute to the city of Sierra Vista for the
4 purpose of attaining a part 433 reentry license through the federal
5 aviation administration. The state treasurer may not distribute the
6 monies appropriated in this paragraph until the city of Sierra Vista has
7 demonstrated to the state treasurer that the city has a commitment for
8 matching monies of gifts, grants and donations from sources other than
9 this state in the amount of at least \$760,000 for the purpose of attaining
10 a part 433 reentry license through the federal aviation administration.

11 14. \$500,00 to distribute to Mohave county for distribution to the
12 Horizon Six district for firefighting infrastructure improvements.

13 15. \$200,000 to distribute to the Mohave county recorder's office
14 to purchase anti-fraud ballot paper for the purpose of administering the
15 2026 primary and general elections. The Mohave county recorder's office
16 shall submit a report not later than January 1, 2027 on the use of this
17 allocation to the president of the senate, the speaker of the house of
18 representatives and the governor's office.

19 B. The sum of \$1,700,000 is appropriated from the border security
20 fund established by section 26-105, Arizona Revised Statutes, in fiscal
21 year 2025-2026 to the state treasurer for distribution to Maricopa county
22 for improvements to the county jail kitchen and laundry facilities.

23 C. The sum of \$5,000,000 is appropriated from the long-term water
24 augmentation fund established pursuant to section 49-1302, Arizona Revised
25 Statutes, to the state treasurer for distribution to the town of Gilbert
26 for the rehabilitation and drilling of new water wells.

27 D. The following amounts are appropriated from the border security
28 fund established by section 26-105, Arizona Revised Statutes, in fiscal
29 year 2025-2026 to the state treasurer to be distributed to the following:

- 30 1. \$500,000 to the Apache county sheriff's office.
31 2. \$1,000,000 to the Cochise county sheriff's office.
32 3. \$500,000 to the Coconino county sheriff's office.
33 4. \$500,000 to the Gila county sheriff's office.
34 5. \$500,000 to the Graham county sheriff's office.
35 6. \$250,000 to the Greenlee county sheriff's office.
36 7. \$500,000 to the La Paz county sheriff's office.
37 8. \$1,000,000 to the Mohave county sheriff's office.
38 9. \$500,000 to the Navajo county sheriff's office.
39 10. \$1,025,000 to the Pinal county sheriff's office.

40 After the report that is required by subsection E of this section
41 has been submitted to the director of the joint legislative budget
42 committee, Pinal county shall further distribute the following amounts
43 from the amount allocated in this paragraph to the following entities:

- 44 (a) \$150,000 to the town of Florence.
45 (b) \$100,000 to the city of Eloy.

- 1 (c) \$100,000 to the city of Maricopa.
- 2 (d) \$100,000 to the city of Coolidge.
- 3 (e) \$125,000 to the city of Casa Grande.
- 4 (f) \$100,000 to the Gila River Indian community.
- 5 (g) \$100,000 to the Ak-Chin Indian community.
- 6 (h) \$25,000 to the Arizona City fire district.
- 7 (i) \$25,000 to the Thunderbird Farms fire district.
- 8 (j) \$200,000 to be retained by the Pinal county sheriff's office.
- 9 11. \$1,445,000 to the Yavapai county sheriff's office.

10 After the report that is required by subsection E of this section
11 has been submitted to the director of the joint legislative budget
12 committee, Yavapai county may further distribute \$445,000 from the amount
13 allocated in this paragraph to the town of Prescott Valley to be used for
14 law enforcement activities.

15 12. \$1,000,000 to the Yuma county sheriff's office.

16 E. On or before September 30, 2025, the county sheriff's offices
17 receiving distributions pursuant to subsection D of this section shall
18 collaborate with local law enforcement agencies to submit a report to the
19 director of the joint legislative budget committee detailing the expected
20 amount and purpose of expenditures from each distribution.

21 Sec. 111. Appropriation; Maricopa county recorder; use of
22 monies; shared facilities; exemption; fiscal year
23 2025-2026

24 A. The sum of \$4,000,000 is appropriated from the state general
25 fund in fiscal year 2025-2026 to the Maricopa county recorder for the
26 purposes prescribed in this section.

27 B. The expenditure of the monies appropriated in subsection A of
28 this section is at the sole discretion of the Maricopa county recorder.
29 Notwithstanding any other law, the Maricopa county board of supervisors
30 may not oversee, control, direct or otherwise limit the expenditure of the
31 monies appropriated in subsection A of this section.

32 C. The Maricopa county recorder shall use a portion of the monies
33 appropriated in subsection A of this section to hire information
34 technology staff and to possess, maintain and control all information
35 technology equipment that houses or contains data related to the statutory
36 duties of the county recorder. The county recorder shall establish and
37 control all access credentials for such equipment, and access is not
38 subject to oversight or limitation by the Maricopa county board of
39 supervisors.

40 D. The Maricopa county recorder has sole hiring authority for all
41 personnel employed using the monies appropriated in subsection A of this
42 section.

43 E. The Maricopa county recorder and the Maricopa county board of
44 supervisors shall share full access to the facilities located at the
45 Maricopa county tabulation and election center, 420 South Third Avenue and

1 the 301 Administrative Building. Any facility or part thereof where a task
2 is delegated to the county recorder by law or agreement shall be under the
3 control of the county recorder. Neither party may restrict the other
4 party's full access to these facilities. The terms of this subsection
5 apply to any additional or replacement facilities used for election
6 administration purposes.

7 Sec. 112. Appropriation; Yuma county recorder; use of monies;
8 exemption; fiscal year 2025-2026

9 A. The sum of \$1,000,000 is appropriated from the state general
10 fund in fiscal year 2025-2026 to the Yuma county recorder for the purposes
11 prescribed in this section.

12 B. The expenditure of the monies appropriated in subsection A of
13 this section is at the sole discretion of the Yuma county recorder.
14 Notwithstanding any other law, the Yuma county board of supervisors may
15 not oversee, control, direct or otherwise limit the expenditure of the
16 monies appropriated in subsection a of this section.

17 C. The Yuma county recorder shall use a portion of the monies
18 appropriated in subsection A of this section to hire information
19 technology staff and to possess, maintain and control all information
20 technology equipment that houses or contains data related to the statutory
21 duties of the county recorder. The county recorder shall establish and
22 control all access credentials for such equipment, and access is not
23 subject to oversight or limitation by the Yuma county board of
24 supervisors.

25 D. The Yuma county recorder has sole hiring authority for all
26 personnel employed using the monies appropriated in subsection a of this
27 section.

28 E. The Yuma county recorder and the Yuma county board of
29 supervisors shall share full access to the facilities located at the Yuma
30 county counting center. Any facility or part thereof where a task is
31 delegated to the county recorder by law or agreement shall be under the
32 control of the county recorder. Neither party may restrict the other
33 party's full access to these facilities. The terms of this subsection
34 apply to any additional or replacement facilities used for election
35 administration purposes.

36 Sec. 113. Appropriations; state treasurer; public safety
37 equipment; fiscal year 2025-2026

38 A. The following amounts are appropriated from the peace officer
39 training equipment fund established by section 41-1731, Arizona Revised
40 Statutes, in fiscal year 2025-2026 to the state treasurer to distribute to
41 the following recipients for public safety training simulators:

- 42 1. \$328,000 to the Flagstaff police department.
- 43 2. \$660,000 to the Glendale police department.
- 44 3. \$328,000 to the Yavapai county sheriff's office.

1 4. \$400,000 to the department of public safety for simulators at
2 Santa Cruz county and Arizona state university.

3 B. The following amounts are appropriated from the peace officer
4 training equipment fund established by section 41-1731, Arizona Revised
5 Statutes, in fiscal year 2025-2026 to the state treasurer to distribute to
6 the following recipients for pepper ball equipment:

- 7 1. \$53,645 to the Navajo county sheriff's office.
- 8 2. \$20,850 to the Page police department.
- 9 3. \$24,624 to the Benson police department.
- 10 4. \$121,434 to the Yuma police department.
- 11 5. \$103,487 to the Queen Creek police department.
- 12 6. \$30,337 to the Maricopa police department.
- 13 7. \$200,000 to the Mesa police department.
- 14 8. \$68,035 to the Apache county sheriff's office.
- 15 9. \$7,495 to the Show Low police department.
- 16 10. \$18,920 to the Pinetop-Lakeside police department.
- 17 11. \$25,412 to the Tempe police department.
- 18 12. \$34,323 to the Douglas police department.
- 19 13. \$22,474 to the Nogales police department.
- 20 14. \$12,735 to the Coconino county sheriff's office.
- 21 15. \$33,311 to the Clarkdale police department.
- 22 16. \$87,651 to the Bullhead City police department.
- 23 17. \$39,049 to the La Paz county sheriff department.
- 24 18. \$97,319 to the Flagstaff police department.
- 25 19. \$32,866 to the St. Johns police department.
- 26 20. \$39,574 to the Tonto Apache police department.
- 27 21. \$54,600 to the Arizona state university police department.
- 28 22. \$36,224 to the Yuma county sheriff's office.
- 29 23. \$74,828 to the Goodyear police department.
- 30 24. \$18,758 to the San Luis police department.
- 31 25. \$63,080 to the Pinal county sheriff's office.
- 32 26. \$13,807 to the Graham county sheriff's office.
- 33 27. \$16,562 to the Kingman police department.
- 34 28. \$19,118 to the Huachuca City police department.
- 35 29. \$52,879 to the Surprise police department.

36 C. The following amounts are appropriated from the peace officer
37 training equipment fund established by section 41-1731, Arizona Revised
38 Statutes, in fiscal year 2025-2026 to be distributed to the following
39 recipients for license plate readers:

- 40 1. \$21,000 to the city of Apache Junction.
- 41 2. \$30,000 to the town of Prescott Valley.
- 42 3. \$45,000 to the city of Surprise.
- 43 4. \$115,000 to Coconino county.
- 44 5. \$60,000 to Yavapai county.
- 45 6. \$12,000 to the city of Cottonwood.

1 7. \$30,000 to the city of Prescott.

2 8. \$100,000 to the Pinal county attorney's office.

3 9. \$9,000 to the city of San Luis.

4 D. The appropriations made in subsections A, B and C of this
5 section are exempt from the provisions of sections 35-190, Arizona Revised
6 Statutes, relating to lapsing of appropriations.

7 E. The legislature intends that the training simulators prescribed
8 in subsection A of this section be used to teach de-escalation tactics,
9 including dealing with persons who are deaf and the hard of hearing,
10 persons with autism and persons with mental illness.

11 Sec. 114. Appropriation; state treasurer; international dark
12 sky discovery center; fiscal year 2025-2026

13 The sum of \$5,000,000 is appropriated from the state general fund in
14 fiscal year 2025-2026 to the state treasurer to distribute to a nonprofit
15 organization that is designated as an international dark sky discovery
16 center and that is focused on dark sky preservation in this state. The
17 nonprofit organization shall use these monies for the public purpose of
18 providing educational programming to Arizona students and shall offer its
19 capabilities to university students for research purposes. The
20 legislature finds that this appropriation results in significant public
21 and economic benefits to the state. The state treasurer shall completely
22 distribute these monies to the nonprofit organization on or before July
23 15, 2025.

24 Sec. 115. Appropriation; state treasurer; family advocacy
25 center; fiscal year 2025-2026

26 The sum of \$750,000 is appropriated from the state general fund in
27 fiscal year 2025-2026 to the state treasurer to distribute to Yuma county
28 to distribute to a family advocacy center in Yuma county that has provided
29 support for victims of domestic violence, sexual assault, child abuse and
30 elderly abuse for at least twenty-five years. The monies are intended to
31 backfill federal funding cuts to the victims of crime act of 1984 and
32 serve a public purpose by promoting the public health, safety and welfare
33 of vulnerable populations in Yuma county. The legislature finds that this
34 appropriation results in significant public and economic benefits to Yuma
35 county and to this state.

36 Sec. 116. Appropriations; state treasurer; coordinated
37 reentry planning services; fiscal years
38 2025-2026, 2026-2027 and 2027-2028

39 A. The following amounts are appropriated from the border security
40 fund established by section 26-105, Arizona Revised Statutes in the
41 following fiscal years to the state treasurer for the following purposes:

42 1. \$10,000,000 in fiscal year 2025-2026 to be distributed as
43 follows:

1 (a) \$2,000,000 to Yavapai county to establish a statewide database
2 to accommodate additional counties participating in coordinated reentry
3 planning services programs.

4 (b) \$100,000 to a professional association in this state
5 representing Arizona county sheriffs to contract with a state university
6 to conduct a statewide evaluation of county coordinated reentry planning
7 services programs.

8 (c) The following amounts to the following entities for the purpose
9 of establishing or operating a coordinated reentry planning services
10 program:

11 (i) \$1,580,000 to Coconino county.

12 (ii) \$1,580,000 to Mohave county.

13 (iii) \$1,580,000 to Navajo county.

14 (iv) \$1,580,000 to Pinal county.

15 (v) \$1,580,000 to Yavapai county.

16 2. \$10,000,000 in fiscal year 2026-2027 to be distributed as
17 follows:

18 (a) \$100,000 to a professional association in this state
19 representing Arizona county sheriffs to contract with a state university
20 to conduct a statewide evaluation of county coordinated reentry planning
21 services programs.

22 (b) The following amounts to the following entities for the purpose
23 of establishing or operating a coordinated reentry planning services
24 program:

25 (i) \$1,980,000 to Coconino county.

26 (ii) \$1,980,000 to Mohave county.

27 (iii) \$1,980,000 to Navajo county.

28 (iv) \$1,980,000 to Pinal county.

29 (v) \$1,980,000 to Yavapai county.

30 3. \$10,000,000 in fiscal year 2027-2028 to be distributed as
31 follows:

32 (a) \$100,000 to a professional association in this state
33 representing Arizona county sheriffs to contract with a state university
34 to conduct a statewide evaluation of county coordinated reentry planning
35 services programs.

36 (b) The following amounts to the following entities for the purpose
37 of establishing or operating a coordinated reentry planning services
38 program:

39 (i) \$1,980,000 to Coconino county.

40 (ii) \$1,980,000 to Mohave county.

41 (iii) \$1,980,000 to Navajo county.

42 (iv) \$1,980,000 to Pinal county.

43 (v) \$1,980,000 to Yavapai county.

44 B. On or before December 1, 2026, December 1, 2027 and December 1,
45 2028, the professional association in this state representing Arizona

1 county sheriffs that receives monies pursuant to this section shall submit
2 a report to the president of the senate, the speaker of the house of
3 representatives and the joint legislative budget committee on the outcomes
4 of county coordinated reentry planning services programs in this state.
5 The professional association shall contract with a state university to
6 conduct a statewide evaluation of county coordinated reentry planning
7 services programs in order to develop this report.

8 C. Each county receiving monies pursuant to this section shall
9 furnish to the state university conducting the statewide evaluation
10 pursuant to subsection B of this section at least the following
11 information:

12 1. For persons who complete reentry screening pursuant to section
13 11-392, Arizona Revised Statutes:

14 (a) The percentage with low, moderate and high mental health
15 risks.

16 (b) The percentage with low, moderate and high substance use
17 disorder risks.

18 (c) The percentage with other presenting risk factors, including:

19 (i) Having no primary care provider.

20 (ii) Being unemployed.

21 (iii) Being uninsured.

22 (iv) Lacking access to transportation.

23 (v) Having physical health concerns.

24 (vi) Experiencing homelessness.

25 (vii) Having veteran status.

26 2. Incidence of recidivism, including:

27 (a) Overall population recidivism rates.

28 (b) Recidivism rates by mental health and substance use risk
29 factors.

30 (c) Recidivism rates, including other risk factors.

31 3. The percentage of released individuals who are connected and
32 diverted to services, including behavioral health and housing services.

33 Sec. 117. Department of economic security; loans;
34 reimbursement; prohibition; fiscal year 2025-2026

35 On or after April 1, 2026, the department of economic security may
36 use up to \$25,000,000 from the budget stabilization fund established by
37 section 35-144, Arizona Revised Statutes, for the purpose of providing
38 funding for reimbursement grants. Before using the monies from the budget
39 stabilization fund, the department shall notify the director of the joint
40 legislative budget committee and the director of the governor's office of
41 strategic planning and budgeting. This appropriation must be fully
42 reimbursed on or before September 1, 2026 and must be reimbursed in full
43 as part of the closing process for fiscal year 2025-2026. The department
44 shall notify the joint legislative budget committee of the reimbursement

1 on or before September 1, 2026. The appropriation may not be used for
2 additional programmatic expenditures.

3 Sec. 118. Appropriation; state treasurer; Prescott rodeo
4 grounds

5 On the entry of a final judgement by a court of competent
6 jurisdiction enjoining or declaring unconstitutional any part of Laws
7 2023, chapter 133, section 118, paragraph 2, the state treasurer shall
8 distribute the monies appropriated pursuant to Laws 2023, chapter 133,
9 section 118, paragraph 2 to the city of Prescott to improve and refurbish
10 the rodeo grounds owned by the city. The monies distributed pursuant to
11 this section shall be promptly used to promote the rodeo and equine use of
12 the rodeo grounds, including the following:

- 13 1. Improvements to landscaping, hardscaping and drainage.
- 14 2. The replacement, improvement and increased capacity of aging
15 water and sewer infrastructure.
- 16 3. Upgrades to the main arena sound system and bleacher seating.
- 17 4. Construction of new restroom facilities to accommodate large
18 crowds during rodeo events.
- 19 5. Other site improvements that support the economic and tourism
20 activity generated by the year-round use of the rodeo grounds for rodeo,
21 equine and related events.

22 Sec. 119. Phoenix convention center; allocation; fiscal year
23 2025-2026

24 Pursuant to section 9-602, Arizona Revised Statutes, \$26,497,400 of
25 state general fund revenue is allocated in fiscal year 2025-2026 to the
26 Arizona convention center development fund established by section 9-601,
27 Arizona Revised Statutes.

28 Sec. 120. Rio Nuevo multipurpose facility district; estimated
29 distribution; fiscal year 2025-2026

30 Pursuant to section 42-5031, Arizona Revised Statutes, a portion of
31 the state transaction privilege tax revenues will be distributed to a
32 multipurpose facility district. The Rio Nuevo multipurpose facility
33 district is estimated to receive \$19,000,000 in fiscal year 2025-2026.
34 The actual amount of the distribution will be made pursuant to section
35 42-5031, Arizona Revised Statutes.

36 Fund Balance Transfers

37 Sec. 121. Fund balance transfer; state highway fund; fiscal
38 year 2025-2026

39 A. Notwithstanding any other law, on or before June 30, 2026,
40 \$15,500,000 is transferred from the state highway fund established by
41 section 28-6991, Arizona Revised Statutes, to the state general fund in
42 fiscal year 2025-2026 for the purpose of providing adequate support and
43 maintenance for agencies of this state.

44 B. The amount transferred from the state highway fund in subsection
45 A of this section reflects interest income earned from investment of

1 monies in the state highway fund from a portion of revenues derived from
2 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
3 Statutes, that were transferred to the state highway fund by Laws 2022,
4 chapter 321, section 20, subsection A, paragraph 2.

5 Sec. 122. Fund balance transfer; state highway fund; vehicle
6 license tax; fiscal year 2025-2026

7 Notwithstanding any other law, \$2,000,000 received in fiscal year
8 2025-2026 pursuant to title 28, chapter 16, article 3, Arizona Revised
9 Statutes, relating to vehicle license tax, for distribution to the state
10 highway fund pursuant to section 28-6538, subsection A, paragraph 1,
11 Arizona Revised Statutes, shall be deposited in the state general fund.
12 The deposit may be made in even, monthly installments.

13 Sec. 123. Fund balance transfers; automation projects fund;
14 fiscal year 2025-2026

15 A. The following amounts are transferred from the following funds
16 in fiscal year 2025-2026 for deposit in the department of revenue
17 subaccount in the automation projects fund established pursuant to section
18 41-714, Arizona Revised Statutes, to implement the integrated tax system
19 modernization project:

20 1. \$11,725,500 from the state general fund.

21 2. \$7,531,300 from the department of revenue integrated tax system
22 project fund established by section 42-5041, Arizona Revised Statutes.

23 B. The sum of \$5,941,700 is transferred from the information
24 technology fund established by section 18-401, Arizona Revised Statutes,
25 in fiscal year 2025-2026 for deposit in the human resources information
26 system subaccount in the automation projects fund established pursuant to
27 section 41-714, Arizona Revised Statutes, to replace the human resources
28 information system.

29 C. The sum of \$1,750,000 is transferred from the information
30 technology fund established by section 18-401, Arizona Revised Statutes,
31 in fiscal year 2025-2026 for deposit in the department of administration
32 subaccount in the automation projects fund established pursuant to section
33 41-714, Arizona Revised Statutes, to migrate state websites to a new
34 software platform.

35 D. The sum of \$3,370,000 is transferred from the state web portal
36 fund established by section 18-421, Arizona Revised Statutes, in fiscal
37 year 2025-2026 for deposit in the department of administration subaccount
38 in the automation projects fund established pursuant to section 41-714,
39 Arizona Revised Statutes, to continue development of the A to Z Arizona
40 web portal.

41 E. The sum of \$375,000 is transferred from the state web portal
42 fund established by section 18-421, Arizona Revised Statutes, in fiscal
43 year 2025-2026 for deposit in the department of administration subaccount
44 in the automation projects fund established pursuant to section 41-714,

1 Arizona Revised Statutes, to perform software and security upgrades for
2 servers and applications on the state web portal.

3 F. The sum of \$1,800,000 is transferred from the state general fund
4 in fiscal year 2025-2026 for deposit in the medicaid enterprise system
5 modernization subaccount in the automation projects fund established
6 pursuant to section 41-714, Arizona Revised Statutes, for the replacement
7 of the medicaid enterprise system mainframe.

8 G. The sum of \$15,300,000 is transferred from the Arizona health
9 care cost containment system fund established by section 36-2913, Arizona
10 Revised Statutes, in fiscal year 2025-2026 for deposit in the medicaid
11 enterprise system modernization subaccount in the automation projects fund
12 established pursuant to section 41-714, Arizona Revised Statutes, for the
13 replacement of the medicaid enterprise system mainframe.

14 H. The sum of \$1,700,000 is transferred from the information
15 technology fund established by section 18-401, Arizona Revised Statutes,
16 in fiscal year 2025-2026 for deposit in the business one-stop subaccount
17 in the automation projects fund established pursuant to section 41-714,
18 Arizona Revised Statutes, for the business one-stop portal.

19 I. The transfers to the automation projects fund established by
20 section 41-714, Arizona Revised Statutes, as outlined in this section are
21 not appropriations from the automation project fund. Only direct
22 appropriations from the automation projects fund are appropriations.

23 Sec. 124. Fund balance transfers: residential contractors'
24 recovery fund; registrar of contractors fund;
25 fiscal year 2025-2026

26 The sum of \$2,000,000 is transferred from the residential
27 contractors' recovery fund established by section 32-1132, Arizona Revised
28 Statutes, to the registrar of contractors fund established by section
29 32-1107, Arizona Revised Statutes, in fiscal year 2025-2026.

30 Payment Deferrals

31 Sec. 125. Appropriation; attorney general; state department
32 of corrections; opioid remediation; fiscal year
33 2025-2026; exemption

34 A. In addition to any other appropriation made in fiscal year
35 2025-2026, the sum of \$40,000,000 is appropriated from the consumer
36 remediation subaccount of the consumer restitution and remediation
37 revolving fund established by section 44-1531.02, Arizona Revised
38 Statutes, in fiscal year 2025-2026 to the attorney general. This amount
39 consists of monies deposited in the subaccount pursuant to opioid
40 claims-related litigation or settlements.

41 B. On or before July 3, 2025, or, if sufficient monies are not
42 available on July 3, 2025, within three calendar days after sufficient
43 monies become available, the attorney general shall transfer the monies
44 appropriated in subsection A of this section to the state department of

1 corrections opioid remediation fund established pursuant to section
2 35-142, Arizona Revised Statutes.

3 C. The state department of corrections shall use the monies in the
4 state department of corrections opioid remediation fund only for past and
5 current department costs for care, treatment, programs and other
6 expenditures for individuals with opioid use disorder and any co-occurring
7 substance use disorder or mental health conditions or for any other
8 approved purposes as prescribed in a court order, a settlement agreement
9 or the one Arizona distribution of opioid settlement funds agreement that
10 is entered into by this state and other parties to the opioid litigation.

11 D. Except as provided in subsection C of this section, the attorney
12 general shall not impose any conditions on the transfer of the monies in
13 the state department of corrections opioid remediation fund.

14 E. If the attorney general does not transfer the full amount
15 specified in subsection A of this section on or before the date specified
16 in subsection B of this section, the general accounting office of the
17 department of administration shall directly transfer the amount from the
18 consumer remediation subaccount of the consumer restitution and
19 remediation revolving fund established by section 44-1531.02, Arizona
20 Revised Statutes, to the state department of corrections opioid
21 remediation fund.

22 F. The appropriation made in subsection A of this section is exempt
23 from the provisions of section 35-190, Arizona Revised Statutes, relating
24 to lapsing of appropriations.

25 Sec. 126. Reduction in school district state aid
26 apportionment in fiscal year 2025-2026;
27 appropriation in fiscal year 2026-2027

28 A. In addition to any other appropriation reductions made in fiscal
29 year 2025-2026, the department of education shall defer until after June
30 30, 2026 but not later than July 12, 2026 \$800,727,700 of the basic state
31 aid and additional state aid entitlement that otherwise would be
32 apportioned to school districts during fiscal year 2025-2026 pursuant to
33 section 15-973, Arizona Revised Statutes. The funding deferral required
34 by this subsection does not apply to charter schools or to school
35 districts with a student count of less than four thousand pupils. The
36 department of education shall make the deferral by reducing the
37 apportionment of state aid for each month in the fiscal year by the same
38 amount.

39 B. In addition to any other appropriations made in fiscal year
40 2026-2027, the sum of \$800,727,700 is appropriated from the state general
41 fund in fiscal year 2026-2027 to the department of education and the
42 superintendent of public instruction for basic state aid and additional
43 state aid entitlement for fiscal year 2026-2027. This appropriation shall
44 be disbursed after June 30, 2026 but not later than July 12, 2026 to the
45 several counties for the school districts in each county in amounts equal

1 to the reductions in apportionment of basic state aid and additional state
 2 aid that are required pursuant to subsection A of this section for fiscal
 3 year 2025-2026.

4 C. School districts shall include in the revenue estimates they use
 5 for computing their tax rates for fiscal year 2025-2026 the monies they
 6 will receive pursuant to subsection B of this section.

7 Statewide Adjustments

8 Sec. 127. Appropriations; operating adjustments
 9 2025-26

10	1. Employer health insurance	
11	contribution reduction	\$(181,551,600)
12	Fund sources:	
13	State general fund	\$(140,000,000)
14	Other funds	(41,551,600)
15	2. Employer health insurance	
16	contribution increase	\$ 180,000,000
17	Fund sources:	
18	State general fund	\$ 140,000,000
19	Other funds	40,000,000
20	3. State fleet rate reduction	\$ (4,752,600)
21	Fund sources:	
22	State general fund	\$ (3,299,000)
23	Other funds	(1,453,600)
24	4. Agency rent adjustment	\$ 903,600
25	Fund sources:	
26	State general fund	\$ 842,300
27	Other funds	61,300
28	5. Salary increase adjustments	\$ 28,299,700
29	Fund sources:	
30	State general fund	\$ 28,075,000
31	Other funds	224,700
32	6. Accounting system charge	
33	adjustments	\$ (466,300)
34	Fund sources:	
35	State general fund	\$ (200,300)
36	Other funds	(266,000)
37	7. Agency retirement adjustments	\$ (6,060,800)
38	Fund sources:	
39	State general fund	\$ (3,152,900)
40	Other funds	(2,907,900)

41 Employer health insurance contribution reduction

42 The amount appropriated is for a onetime employer contribution rate
 43 reduction for employee health insurance in fiscal year 2025-2026. The
 44 joint legislative budget committee staff, in consultation with the
 45 governor's office of strategic planning and budgeting staff, shall

1 determine and the department of administration shall allocate to each
2 agency or department an amount for the health insurance contribution
3 adjustment. The joint legislative budget committee staff shall also
4 determine and the department of administration shall allocate adjustments,
5 as necessary, in expenditure authority to implement the reduction in
6 employer health insurance contribution rates. The joint legislative
7 budget committee staff shall use the overall allocation of state general
8 fund and appropriated tuition monies for each university in determining
9 that university's specific adjustment.

10 Employer health insurance contribution increase

11 The amount appropriated is for a onetime employer contribution rate
12 increase for employee health insurance in fiscal year 2025-2026. The
13 joint legislative budget committee staff, in consultation with the
14 governor's office of strategic planning and budgeting staff, shall
15 determine and the department of administration shall allocate to each
16 agency or department an amount for the health insurance contribution
17 adjustment. The joint legislative budget committee staff shall also
18 determine and the department of administration shall allocate adjustments,
19 as necessary, in expenditure authority to implement the increase in
20 employer health insurance contribution rates. The joint legislative
21 budget committee staff shall use the overall allocation of state general
22 fund and appropriated tuition monies for each university in determining
23 that university's specific adjustment.

24 State fleet rate reduction

25 The amount appropriated is for a onetime state fleet rate reduction
26 in fiscal year 2025-2026. The joint legislative budget committee staff,
27 in consultation with the governor's office of strategic planning and
28 budgeting staff, shall determine and the department of administration
29 shall allocate to each agency or department an amount for the state fleet
30 rate reduction. The joint legislative budget committee staff shall also
31 determine, and the department of administration shall allocate
32 adjustments, as necessary, in expenditure authority for the state fleet
33 rate reduction.

34 Agency rent adjustment

35 The amount appropriated is for agency rent adjustments for agencies
36 relocating to and within state-owned and lease-purchase buildings in
37 fiscal year 2025-2026. The joint legislative budget committee staff, in
38 consultation with the governor's office of strategic planning and
39 budgeting staff, shall determine and the department of administration
40 shall allocate to each agency or department an amount for the agency rent
41 adjustment. The joint legislative budget committee staff shall also
42 determine, and the department of administration shall allocate
43 adjustments, as necessary, in expenditure authority to allow
44 implementation of the agency rent adjustment.

1 Salary increase adjustment

2 The amount appropriated is for selected salary increases in fiscal
 3 year 2025-2026. Salary increases include a five percent increase for
 4 AZPOST-certified employees, a five percent increase for correctional
 5 officers and a fifteen percent increase for state firefighters. The joint
 6 legislative budget committee staff, in consultation with the governor's
 7 office of strategic planning and budgeting staff, shall determine, and the
 8 department of administration shall allocate to each agency or department
 9 an amount for salary increase adjustments. The joint legislative budget
 10 committee staff shall also determine, and the department of administration
 11 shall allocate adjustments, as necessary, in expenditure authority for
 12 salary increase adjustments.

13 Accounting system charge adjustments

14 The amount appropriated is for accounting system charge adjustments
 15 in fiscal year 2025-2026. The joint legislative budget committee staff,
 16 in consultation with the governor's office of strategic planning and
 17 budgeting staff, shall determine and the department of administration
 18 shall allocate to each agency or department an amount for the accounting
 19 system charge adjustments. The joint legislative budget committee staff
 20 shall also determine, and the department of administration shall allocate
 21 adjustments, as necessary, in expenditure authority to allow
 22 implementation of the accounting system charge adjustments.

23 Agency retirement adjustments

24 The amount appropriated is for retirement adjustments in fiscal year
 25 2025-2026. The joint legislative budget committee staff, in consultation
 26 with the governor's office of strategic planning and budgeting staff,
 27 shall determine and the department of administration shall allocate to
 28 each agency or department an amount for the agency retirement adjustments.
 29 The joint legislative budget committee staff shall also determine, and the
 30 department of administration shall allocate adjustments, as necessary, in
 31 expenditure authority to implement the agency retirement adjustments.

32 Sec. 128. Department of law: general agency counsel charges:
 33 fiscal year 2025-2026

34 Pursuant to section 41-191.09, Arizona Revised Statutes, the
 35 following state agencies and departments are charged the following amounts
 36 in fiscal year 2025-2026 for general agency counsel provided by the
 37 department of law:

38	1. Department of administration	\$127,700
39	2. Office of administrative hearings	\$ 3,000
40	3. Arizona arts commission	\$ 3,100
41	4. Citizens clean elections commission	\$ 2,700
42	5. State department of corrections	\$ 2,000
43	6. Arizona criminal justice commission	\$ 8,700
44	7. Arizona state schools for the deaf	
45	and the blind	\$100,200

1	8. Commission for the deaf and the hard	
2	of hearing	\$ 4,100
3	9. Arizona early childhood development and	
4	health board	\$ 47,100
5	10. Department of education	\$132,000
6	11. Department of emergency and military affairs	\$ 30,000
7	12. Department of environmental quality	\$135,600
8	13. Arizona exposition and state fair board	\$ 20,900
9	14. Arizona department of forestry and fire	
10	management	\$ 13,400
11	15. Department of gaming	\$ 37,300
12	16. Department of health services	\$173,800
13	17. Arizona historical society	\$ 700
14	18. Arizona department of housing	\$ 19,300
15	19. Department of insurance and financial	
16	institutions	\$ 13,800
17	20. Department of juvenile corrections	\$ 9,400
18	21. State land department	\$ 2,100
19	22. Department of liquor licenses and control	\$ 11,400
20	23. Arizona state lottery commission	\$ 24,800
21	24. Arizona state parks board	\$ 45,800
22	25. State personnel board	\$ 600
23	26. Arizona pioneers' home	\$ 12,100
24	27. Department of public safety	\$677,400
25	28. Arizona board of regents	\$ 1,800
26	29. Arizona state retirement system	\$ 69,100
27	30. Department of revenue	\$ 4,900
28	31. Department of state – secretary of state	\$ 1,800
29	32. State treasurer	\$ 9,200
30	33. Department of veterans' services	\$ 52,700

31 Fiscal Year 2026-2027 Appropriations

32 Sec. 129. Appropriation; new school facilities fund; use;
 33 fiscal year 2026-2027

34 The sum of \$94,137,900 is appropriated from the state general fund
 35 in fiscal year 2026-2027 for a onetime deposit in the new school
 36 facilities fund established by section 41-5741, Arizona Revised Statutes.
 37 The division of school facilities within the department of administration
 38 shall use the monies only for facilities that will be constructed for
 39 school districts that received final approval from the division of school
 40 facilities within the department of administration on or before
 41 December 15, 2024.

1 Joint legislative budget committee project reviews and approvals

2 Sec. 130. Joint legislative budget committee; projects;
3 review; approval

4 A. The following projects are deemed to have been favorably
5 reviewed by the joint legislative budget committee:

6 1. The following mid-year capitation rate adjustments proposed by
7 the Arizona health care cost containment system for the contract year
8 ending September 30, 2025, retroactive to April 1, 2025:

9 (a) An average 6.0% adjustment across all Arizona health care cost
10 containment system programs.

11 (b) An increase of 12.9% in the department of economic security -
12 developmental disabilities program.

13 2. \$1,700,000 from the automation projects fund established by
14 section 41-714, Arizona Revised Statutes, for the Arizona department of
15 agriculture to develop a new licensing, compliance, inspection and
16 enforcement system.

17 3. The transfer of \$2,000,000 from the state department of
18 corrections private prison per diem line item to the overtime and
19 compensatory time line item in Laws 2024, chapter 209, section 31 to pay
20 compensatory time accruals.

21 4. The transfer of \$3,236,400 from the department of economic
22 security home and community based services - medicaid line item general
23 fund appropriation to the case management - state-only line item in Laws
24 2023, chapter 133, section 29 for increased formula expenses.

25 5. The transfer of the following amounts from expenditure authority
26 in the following department of economic security line items to the home
27 and community based services - medicaid line item in Laws 2023, chapter
28 133, section 29 for vendor payments:

29 (a) \$8,241,900 from the targeted case management - medicaid line
30 item.

31 (b) \$14,707,700 from the case management - medicaid line item.

32 (c) \$30,672,600 from the operating lump sum appropriation.

33 6. The transfer of the following amounts from the secretary of
34 state elections services line item to the operating budget in Laws 2024,
35 chapter 209, section 90, for the following purposes:

36 (a) \$72,200 of additional access voter information database
37 operating costs in fiscal year 2024-2025.

38 (b) \$89,700 of additional access voter information database
39 development costs in fiscal year 2024-2025.

40 (c) \$212,397 for access voter information database hosting costs
41 incurred in fiscal year 2022-2023.

42 (d) \$27,487 for access voter information database hosting costs
43 incurred in fiscal year 2021-2022.

44 7. The allocation of \$1,694,600 from the basic state aid line item
45 in Laws 2024, chapter 209, section 39 for additional basic state aid

1 funding in fiscal year 2024-2025 for the following recalculations
2 performed by the department of education pursuant to section 15-915,
3 subsection B, Arizona Revised Statutes:

- 4 (a) \$435,400 to Hyder elementary school district.
- 5 (b) \$789,200 to Antelope union high school district.
- 6 (c) \$360,700 to Southwest technical education district of Yuma.
- 7 (d) \$109,300 to Bonita elementary school district.

8 B. The following items are deemed to have been approved by the
9 joint legislative budget committee:

10 1. The following state liability claim settlement proposals
11 submitted pursuant to section 41-621, subsection 0, Arizona Revised
12 Statutes in the cases of:

- 13 (a) The Notice of Claim of Parker Terry, filed June 14, 2024.
- 14 (b) Jennifer Power, et al. v. Tuccino, King, Gallardo, et al.,
15 United States District Court No. 2:19-cv-01546-DLR and Jennifer Power, et
16 al. v. State of Arizona, et al., Maricopa County Superior Court No.
17 CV2018-008861, settled jointly.

18 2. The transfer of the following amounts from the department of
19 administration losses and premiums line item to the following line items
20 in Laws 2024, chapter 209, section 15 for the following purposes:

- 21 (a) \$3,900,000 to the administrative services line item for costs
22 incurred by the office of the attorney general for external legal
23 services.
- 24 (b) \$5,000,000 to the workers' compensation line item for increased
25 workers' compensation program costs.

26 Report
27 Reporting Requirements and Definitions

28 Sec. 131. Agency spending and encumbrances; quarterly report;
29 fiscal year 2025-2026

30 Within fifteen days of the last day after each quarter in fiscal
31 year 2025-2026, the department of administration shall report to the
32 director of the joint legislative budget committee and the director of the
33 governor's office of strategic planning and budgeting the year-to-date
34 expenditures and year-to-date encumbrances for operating and capital
35 spending from the state general fund and other agency funds in fiscal year
36 2025-2026. The information shall be separately delineated by agency,
37 budget fiscal year and fund source and shall classify each appropriation
38 by agency lump sum, special line item or project.

39 Sec. 132. COVID-related expenditures; reporting requirements;
40 intent

41 A. Within forty-five days after the last day of each calendar
42 quarter through June 30, 2027, the office of the governor shall report to
43 the president of the senate, the speaker of the house of representatives,
44 the chairpersons of the senate and house of representatives appropriations
45 committees and the director of the joint legislative budget committee the

1 total planned allocations and actual expenditures from the coronavirus
2 state fiscal recovery fund and the coronavirus capital projects fund as
3 appropriated by section 9901 of the American rescue plan act of 2021
4 (P.L. 117-2).

5 B. Within forty-five days after the last day of each calendar
6 quarter through June 30, 2027, the superintendent of public instruction
7 shall report to the president of the senate, the speaker of the house of
8 representatives, the chairpersons of the senate and house of
9 representatives appropriations committees and the director of the joint
10 legislative budget committee the total planned allocations and actual
11 expenditures of monies allocated to the superintendent of public
12 instruction from the elementary and secondary school emergency relief fund
13 as appropriated by section 2001 of the American rescue plan act of 2021
14 (P.L. 117-2).

15 C. Reports required pursuant to this section shall delineate
16 expenditures by agency and program and include descriptions of the
17 purposes of the expenditures.

18 D. The legislature intends that the executive branch of state
19 government report on its planned and actual use of any major additional
20 federal aid to this state through federal legislation enacted by the end
21 of fiscal year 2024-2025. The timing and frequency of these reports
22 should be the same as required by subsections A and B of this section.
23 The chairperson and vice chairperson of the joint legislative budget
24 committee may provide recommendations to the executive branch concerning
25 federal legislation that would qualify under this subsection.

26 Sec. 133. Legislative intent; expenditure reporting

27 The legislature intends that all departments, agencies and budget
28 units receiving appropriations under the terms of this act continue to
29 report actual, estimated and requested expenditures by budget programs and
30 budget classes in a format that is similar to the budget programs and
31 budget classes used for budgetary purposes in prior years. A different
32 format may be used if deemed necessary to implement section 35-113,
33 Arizona Revised Statutes, agreed to by the director of the joint
34 legislative budget committee and incorporated into the budget preparation
35 instructions adopted by the governor's office of strategic planning and
36 budgeting pursuant to section 35-112, Arizona Revised Statutes.

37 Sec. 134. Border security; federal reimbursement

38 Pursuant to section 35-142.01, subsection A, Arizona Revised
39 Statutes, if a budget unit receives federal monies in fiscal year
40 2025-2026 as reimbursement in whole or in part for expenditures made by
41 this state to secure its borders, the budget unit shall promptly deposit
42 the monies in the state general fund.

43 Sec. 135. FTE positions; reporting; definition

44 Full-time equivalent (FTE) positions contained in this act are
45 subject to appropriation. The director of the department of

1 administration shall account for the use of all appropriated and
2 nonappropriated FTE positions, excluding those in the universities. The
3 director of the department of administration shall submit the fiscal year
4 2025-2026 report on or before October 1, 2026 to the director of the joint
5 legislative budget committee. The report shall compare the level of
6 appropriated FTE usage in each fiscal year to the appropriated level. For
7 the purposes of this section, "FTE positions" means the total number of
8 hours worked, including both regular and overtime hours as well as hours
9 taken as leave, divided by the number of hours in a work year. The
10 director of the department of administration shall notify the director of
11 a budget unit if the budget unit's appropriated FTE usage has exceeded its
12 number of appropriated FTE positions. Each university shall report to the
13 director of the joint legislative budget committee in a manner comparable
14 to the department of administration reporting.

15 Sec. 136. Privately funded FTE positions; reporting;
16 definition

17 A. On or before October 31, 2024 and October 31, 2025, each budget
18 unit of this state shall submit a report to the staff of the joint
19 legislative budget committee and the governor's office of strategic
20 planning and budgeting if the budget unit had any privately funded
21 employees in fiscal year 2023-2024 or 2024-2025. The report shall include
22 the title, duties and salary compensation of each privately funded
23 employee.

24 B. For the purposes of this section, "privately funded" means
25 salary compensation paid for in whole or in part with monies from sources
26 other than this state, a political subdivision of this state or the
27 federal government.

28 Sec. 137. Filled FTE positions; reporting

29 On or before October 1, 2025, each agency, including the judiciary
30 and universities, shall submit a report to the director of the joint
31 legislative budget committee on the number of filled appropriated and
32 nonappropriated FTE positions, by fund source, as of September 1, 2025.

33 Sec. 138. Transfer of spending authority

34 The department of administration shall report monthly to the
35 director of the joint legislative budget committee any transfers of
36 spending authority made pursuant to section 35-173, subsection C, Arizona
37 Revised Statutes, during the prior month.

38 Sec. 139. Interim reporting requirements

39 A. State general fund revenue for fiscal year 2024-2025, including
40 a beginning balance of \$962,800,000 and other onetime revenues, is
41 forecasted to be \$17,302,500,000.

42 B. State general fund revenue for fiscal year 2025-2026, including
43 onetime revenues, is forecasted to be \$17,693,300,000.

44 C. State general fund revenue for fiscal year 2026-2027, including
45 onetime revenues, is forecasted to be \$17,567,300,000. State general fund

1 expenditures for fiscal year 2026-2027 are forecasted to be
2 \$17,401,100,000.

3 D. State general fund revenue for fiscal year 2027-2028, including
4 onetime revenues, is forecasted to be \$18,092,400,000. State general fund
5 expenditures for fiscal year 2027-2028 are forecasted to be
6 \$17,875,700,000.

7 E. On or before September 15, 2025, the executive branch shall
8 provide to the joint legislative budget committee a preliminary estimate
9 of the fiscal year 2024-2025 state general fund ending balance. The
10 estimate shall include projections of total revenues, total expenditures
11 and an ending balance. The department of administration shall continue to
12 provide the final report for the fiscal year in its annual financial
13 report pursuant to section 35-131, Arizona Revised Statutes.

14 F. Based on the information provided by the executive branch, the
15 staff of the joint legislative budget committee shall report to the joint
16 legislative budget committee on or before October 15, 2025 whether the
17 fiscal year 2025-2026 revenues and ending balance are expected to change
18 by more than \$50,000,000 from the budgeted projections. The joint
19 legislative budget committee staff may make technical adjustments to the
20 revenue and expenditure estimates in this section to reflect other bills
21 enacted into law. The executive branch may also provide its own estimates
22 to the joint legislative budget committee on or before October 15, 2025.

23 Sec. 140. Definition

24 For the purposes of this act, "*" means this appropriation is a
25 continuing appropriation and is exempt from the provisions of section
26 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

27 Sec. 141. Definition

28 For the purposes of this act, "expenditure authority" means that the
29 fund sources are continuously appropriated monies that are included in the
30 individual line items of appropriations.

31 Sec. 142. Definition

32 For the purposes of this act, "review by the joint legislative
33 budget committee" means a review by a vote of a majority of a quorum of
34 the members of the joint legislative budget committee.