

House Engrossed  
general appropriations; FY2026

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

# HOUSE BILL 2962

AN ACT

AMENDING LAWS 2024, CHAPTER 209, SECTION 25; 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	<del>\$147,799,100</del>
7		\$151,250,000
8	Additional operating resources	
9	Attorney general legal services	27,894,900
10	Caseworkers	<del>131,939,000</del>
11		146,739,700
12	Office of child welfare	
13	investigations	<del>11,235,900</del>
14		11,184,300
15	Training resources	9,150,000
16	Out-of-home placements	
17	Congregate group care	<del>103,682,000</del>
18		122,482,000
19	Extended foster care	<del>19,887,200</del>
20		22,079,200
21	Foster home placement	<del>42,547,300</del>
22		40,447,300
23	Foster home recruitment,	
24	study and supervision	32,753,600
25	Kinship care	<del>20,584,600</del>
26		15,584,600
27	Permanent placements	
28	Adoption services	<del>287,221,600</del>
29		281,648,400
30	Permanent guardianship subsidy	<del>16,805,600</del>
31		17,186,800
32	Support services	
33	DCS child care subsidy	61,675,400
34	In-home mitigation	<del>34,488,100</del>
35		42,559,200
36	Out-of-home support services	<del>122,710,800</del>
37		103,339,700
38	Preventive services	32,412,700
39	Comprehensive health plan	
40	Comprehensive health plan	
41	services	<del>127,989,800</del>
42		174,472,000
43	Comprehensive health plan	
44	administration	<del>28,642,700</del>
45		25,563,300

1	Comprehensive health plan	
2	premium tax	<del>3,196,600</del>
3		3,581,300
4	Total appropriation and expenditure	
5	authority – department of	
6	child safety	<del>\$1,262,616,900</del>
7		\$1,322,004,400
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	<del>161,082,200</del>
15		176,682,200
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	<del>159,829,100</del>
24		203,616,600

25 Additional operating resources

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 Out-of-home placements

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. Subject to applicable laws, the sums or sources of revenue  
10 set forth in this act are appropriated for the fiscal years indicated and  
11 only from the funding sources listed for the purposes and objects  
12 specified. If monies from funding sources in this act are unavailable, no  
13 other funding source may be used.

14 Sec. 3. 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

20 Sec. 4. 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

27 Sec. 5. DEPARTMENT OF ADMINISTRATION

	<u>2025-26</u>
FTE positions	548.1
Operating lump sum appropriation	\$ 93,881,700
Utilities	7,649,900
Arizona financial information system	10,967,300
Risk management administrative expenses	10,870,700
Risk management losses and premiums	54,414,800
Workers' compensation losses and premiums	28,395,000
Cyber risk insurance	23,037,200
Information technology project management and oversight	1,674,600
State surplus property sales agency proceeds	1,810,000
Digital solutions office	1,345,700

1	Critical applications catalogue	400,000
2	Cybersecurity systems	
3	administration	446,500
4	Government transformation office	<u>2,074,700</u>
5	Total appropriation – department of	
6	administration	\$236,968,100
7	Fund sources:	
8	State general fund	\$ 9,145,100
9	Air quality fund	929,900
10	Arizona financial information	
11	system collections fund	10,967,300
12	Automation operations fund	29,840,500
13	Capital outlay stabilization fund	21,137,300
14	Corrections fund	629,400
15	Cyber risk insurance fund	23,037,200
16	Federal surplus materials revolving	
17	fund	473,500
18	Information technology fund	3,956,500
19	Personnel division fund	13,796,200
20	Risk management revolving fund	101,938,500
21	Special employee health insurance	
22	trust fund	5,715,200
23	Special services revolving fund	1,255,700
24	State surplus materials revolving	
25	fund	3,211,500
26	State web portal fund	8,854,700
27	Telecommunications fund	2,079,600

28 The appropriation from the automation operations fund established by  
 29 section 41-711, Arizona Revised Statutes, is an estimate representing all  
 30 monies, including balance forward, revenues and transfers during fiscal  
 31 year 2025-2026. These monies are appropriated to the department of  
 32 administration for the purposes established in section 41-711, Arizona  
 33 Revised Statutes. The appropriation is adjusted as necessary to reflect  
 34 monies credited to the automation operations fund for automation operation  
 35 center projects. Before spending any automation operations fund monies in  
 36 excess of \$29,840,500 in fiscal year 2025-2026, the department shall  
 37 report the intended use of the monies to the joint legislative budget  
 38 committee.

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

1 All state surplus materials revolving fund monies received by the  
 2 department of administration in excess of \$3,048,900 in fiscal year  
 3 2025-2026 are appropriated to the department. Before spending state  
 4 surplus materials revolving fund monies in excess of \$3,211,500 in fiscal  
 5 year 2025-2026, the department shall report the intended use of the monies  
 6 to the joint legislative budget committee.

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

11 On or before March 31, 2026, the department shall submit a report to  
 12 the director of the joint legislative budget committee and the governor's  
 13 office of strategic planning and budgeting on the amount that the Maricopa  
 14 county special health care district has agreed to send to the department  
 15 for deposit in the state general fund in fiscal year 2025-2026. If the  
 16 amount that the district has agreed to send to the department for deposit  
 17 in fiscal year 2025-2026 has changed from the amount the district sent to  
 18 the department for deposit in fiscal year 2024-2025, the report shall  
 19 include the reason for the change.

20 Sec. 6. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES

21		<u>2025-26</u>
22	FTE positions	17.0
23	Operating lump sum appropriation	\$ 1,624,700
24	New school facilities debt service	9,938,100
25	Building renewal grants deposit	199,967,900
26	New school facilities	<u>105,973,400</u>
27	Total appropriation – department of	
28	administration, division	
29	of school facilities	\$317,504,100
30	Fund sources:	
31	State general fund	\$317,504,100

32 Pursuant to section 35-142.01, Arizona Revised Statutes, any  
 33 reimbursement received by or allocated to the division of school  
 34 facilities under the federal qualified school construction bond program in  
 35 fiscal year 2025-2026 shall be deposited in or revert to the state general  
 36 fund.

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

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



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

Sec. 7. OFFICE OF ADMINISTRATIVE HEARINGS

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

Sec. 8. ARIZONA DEPARTMENT OF AGRICULTURE

	<u>2025-26</u>
FTE positions	209.4
Operating lump sum appropriation	\$ 16,008,300
Agricultural employment relations board	23,300
Animal damage control	65,000
Red imported fire ant control	23,200
Agricultural consulting and training	<u>135,700</u>
Total appropriation – Arizona department of agriculture	\$ 16,255,500
Fund sources:	
State general fund	\$ 14,639,800
Air quality fund	1,615,700

Sec. 9. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

	<u>2025-26</u>
FTE positions	2,459.3
Operating lump sum appropriation	\$ 134,446,800
Administration	
AHCCCS data storage	19,605,800
DES eligibility	97,074,500
Proposition 204 – AHCCCS administration	15,625,100
Proposition 204 – DES eligibility	44,358,700
<u>Medicaid services</u>	
Traditional medicaid services	9,288,829,500
Proposition 204 services	7,450,961,800
Adult expansion services	798,727,300
Comprehensive health plan	178,650,800
KidsCare services	257,635,300
ALTCS services	2,457,084,800
Behavioral health services in schools	8,445,400

1	<u>Nonmedicaid behavioral health services</u>	
2	Crisis services	16,391,300
3	Nonmedicaid seriously mentally	
4	ill services	77,646,900
5	Supported housing	65,324,800
6	<u>Hospital payments</u>	
7	Disproportionate share payments	884,800
8	Disproportionate share payments –	
9	voluntary match	205,641,700
10	Critical access hospitals	16,454,300
11	Graduate medical education	528,558,300
12	Targeted investments program	<u>67,000,000</u>
13	Total appropriation and expenditure	
14	authority – Arizona health	
15	care cost containment system	\$21,729,347,900
16	Fund sources:	
17	State general fund	\$ 2,627,312,900
18	Budget neutrality compliance fund	5,112,300
19	Children's health insurance	
20	program fund	194,417,200
21	Prescription drug rebate	
22	fund – state	339,832,200
23	Seriously mentally ill	
24	housing trust fund	217,700
25	Substance abuse services fund	2,250,200
26	Tobacco products tax fund –	
27	emergency health services	
28	account	15,400,000
29	Tobacco tax and health care	
30	fund – medically needy account	57,545,600
31	Expenditure authority	18,487,259,800

32 Operating budget

33 The amount appropriated for the DES eligibility line item shall be  
 34 used for intergovernmental agreements with the department of economic  
 35 security for eligibility determination and other functions. The state  
 36 general fund share may be used for eligibility determination for other  
 37 programs administered by the division of benefits and medical eligibility  
 38 based on the results of the Arizona random moment sampling survey.

39 The amounts included in the proposition 204 – AHCCCS administration,  
 40 proposition 204 – DES eligibility and proposition 204 services line items  
 41 include all available sources of funding consistent with section  
 42 36-2901.01, subsection B, Arizona Revised Statutes.

43 Before spending the monies for the replacement of the prepaid  
 44 medicaid management information system, the Arizona strategic enterprise  
 45 technology office shall submit, on behalf of the Arizona health care cost

1 containment system, an expenditure plan for review by the joint  
2 legislative budget committee. The report shall include the project cost,  
3 deliverables, the timeline for completion and the method of procurement  
4 that are consistent with the department's prior reports for its  
5 appropriations from the automation projects fund.

6 Medical services and behavioral health services

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

11 The Arizona health care cost containment system administration shall  
12 report to the joint legislative budget committee on or before March 1,  
13 2026 on preliminary actuarial estimates of the capitation rate changes for  
14 the following fiscal year along with the reasons for the estimated  
15 changes. For any actuarial estimates that include a range, the total  
16 range from minimum to maximum may not be more than two percent. Before  
17 implementing any changes in capitation rates, the administration shall  
18 report its expenditure plan for review by the joint legislative budget  
19 committee. Before the administration implements any change in policy  
20 affecting the amount, sufficiency, duration and scope of health care  
21 services and who may provide services, the administration shall prepare a  
22 fiscal impact analysis on the potential effects of this change on the  
23 following year's capitation rates. If the fiscal impact analysis  
24 demonstrates that this change will result in additional state costs of  
25 \$1,000,000 or more for any fiscal year, the administration shall submit  
26 the policy change for review by the joint legislative budget committee.

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

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

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

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

43 Of the amount appropriated for the proposition 204 services line  
44 item, \$100,000,000 shall be used from the hospital assessment fund  
45 established by section 36-2901.09, Arizona Revised Statutes, to cover a

1 portion of the nonfederal share of the costs of services described in  
2 section 36-2907, subsection F, Arizona Revised Statutes. This amount is  
3 included in the expenditure authority fund source.

4 On or before June 30, 2026, the Arizona health care cost containment  
5 system administration shall report to the joint legislative budget  
6 committee on the progress in implementing the Arnold v. Sarn lawsuit  
7 settlement. The report shall include, at a minimum, the administration's  
8 progress toward meeting all criteria specified in the 2014 joint  
9 stipulation, including the development and estimated cost of additional  
10 behavioral health service capacity in Maricopa county for supported  
11 housing services for one thousand two hundred class members, supported  
12 employment services for seven hundred fifty class members, eight assertive  
13 community treatment teams and consumer operated services for one thousand  
14 five hundred class members. The administration shall also report by fund  
15 source the amounts it plans to use to pay for expanded services.

16 Long-term care

17 Any federal monies that the Arizona health care cost containment  
18 system administration passes through to the department of economic  
19 security for use in long-term care for persons with developmental  
20 disabilities do not count against the long-term care expenditure  
21 authority.

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

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

36 Payments to hospitals

37 Any monies received for disproportionate share hospital payments  
38 from political subdivisions of this state, tribal governments and any  
39 university under the jurisdiction of the Arizona board of regents, and any  
40 federal monies used to match those payments, in fiscal year 2025-2026 by  
41 the Arizona health care cost containment system administration in excess  
42 of \$155,153,000 are appropriated to the administration in fiscal year  
43 2025-2026. Before spending these increased monies, the administration  
44 shall notify the joint legislative budget committee and the governor's

1 office of strategic planning and budgeting of the amount of monies that  
2 will be spent under this provision.

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

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

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

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

33 Notwithstanding section 36-2903.01, subsection G, paragraph 9,  
34 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for  
35 graduate medical education includes \$5,000,000 from the state general fund  
36 and \$9,384,300 from expenditure authority for the direct and indirect  
37 costs of graduate medical education programs located in counties with a  
38 population of less than five hundred thousand persons. The state general  
39 fund amount may supplement, but not supplant, voluntary payments made from  
40 political subdivisions for payments to hospitals that operate a graduate  
41 medical education program. The administration shall prioritize  
42 distribution to programs at hospitals in counties with a higher percentage  
43 of persons residing in a health professional shortage area as defined in  
44 42 Code of Federal Regulations part 5.

Notwithstanding section 36-2903.01, subsection G, paragraph 9, subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for graduate medical education includes \$4,000,000 from the state general fund and \$7,507,500 from expenditure authority for the direct and indirect costs of graduate medical education programs located in counties with a population of more than five hundred thousand persons. The state general fund amount may supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program.

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

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

#### Other

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

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

#### Sec. 10. BOARD OF ATHLETIC TRAINING

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

#### Sec. 11. ATTORNEY GENERAL – DEPARTMENT OF LAW

	<u>2025-26</u>
FTE positions	671.7
Operating lump sum appropriation	\$ 64,048,000
Capital postconviction prosecution	885,500
Child and family advocacy centers	100,000
Criminal division major fraud unit	1,191,200
Internet crimes against children enforcement	1,278,300
Government accountability and special litigation	1,293,200
Organized retail theft task force	1,575,700

1	Risk management interagency	
2	service agreement	10,812,100
3	State grand jury	195,300
4	Southern Arizona law enforcement	1,682,500
5	Tobacco enforcement	877,500
6	Victims' rights	<u>4,027,700</u>
7	Total appropriation – attorney general –	
8	department of law	\$ 87,967,000
9	Fund sources:	
10	State general fund	\$ 27,007,700
11	Antitrust enforcement revolving	
12	fund	162,300
13	Attorney general legal services	
14	cost allocation fund	2,343,200
15	Collection enforcement revolving	
16	fund	7,339,500
17	Consumer protection-consumer	
18	fraud revolving fund	14,886,000
19	Interagency service agreements fund	18,246,300
20	Internet crimes against children	
21	enforcement fund	900,000
22	Risk management revolving fund	13,266,600
23	Victims' rights fund	3,815,400

24 All monies appropriated to the attorney general legal services line  
 25 item in the department of child safety budget do not count toward the  
 26 attorney general's interagency service agreements fund appropriation in  
 27 fiscal year 2025-2026.

28 Within ten days after receiving a complaint alleging a violation of  
 29 section 15-511, Arizona Revised Statutes, the attorney general shall  
 30 forward a copy of the complaint to the governor, the president of the  
 31 senate and the speaker of the house of representatives.

32 The amount appropriated for the child and family advocacy centers  
 33 line item is allocated to the child and family advocacy center fund  
 34 established by section 41-191.11, Arizona Revised Statutes.

35 The \$900,000 appropriation from the internet crimes against children  
 36 enforcement fund established by section 41-199, Arizona Revised Statutes,  
 37 and the \$378,300 appropriation from the state general fund for the  
 38 internet crimes against children enforcement line item are continuing  
 39 appropriations and are exempt from the provisions of section 35-190,  
 40 Arizona Revised Statutes, relating to lapsing of appropriations, until  
 41 June 30, 2027.

42 The \$1,575,700 appropriation for the organized retail theft task  
 43 force line item shall be used for operational expenses of the organized  
 44 retail task force and for hiring one attorney, one paralegal, two  
 45 investigators and one support staff person within the office of the

attorney general and four peace officers who are assigned to the task force to focus specifically on investigating and prosecuting organized retail crime.

Sec. 12. BARBERING AND COSMETOLOGY BOARD

2025-26

FTE positions 33.5

Lump sum appropriation \$ 3,030,900

Fund sources:

Barbering and cosmetology fund \$ 3,030,900

Sec. 13. BOARD OF BEHAVIORAL HEALTH EXAMINERS

2025-26

FTE positions 27.0

Lump sum appropriation \$ 2,721,100

Fund sources:

Board of behavioral health  
examiners fund \$ 2,721,100

Sec. 14. STATE BOARD FOR CHARTER SCHOOLS

2025-26

FTE positions 25.0

Lump sum appropriation \$ 2,749,300

Fund sources:

State general fund \$ 2,749,300

Sec. 15. DEPARTMENT OF CHILD SAFETY

2025-26

FTE positions 3,283.1

Operating lump sum appropriation \$146,580,900

Additional operating resources

Attorney general legal services 27,989,800

Caseworkers 132,188,700

Office of child welfare  
investigations 10,613,300

Training resources 9,150,000

Out-of-home placements

Congregate group care 103,682,000

Extended foster care 19,887,200

Foster home placement 42,547,300

Foster home recruitment,  
study and supervision 32,753,600

Kinship care 20,584,600

Permanent placements

Adoption services 286,840,400

Permanent guardianship subsidy 17,186,800

Support services

DCS child care subsidy 61,675,400

In-home mitigation 38,414,300



1	Out-of-home support services	113,284,600
2	Preventive services	21,412,700
3	<u>Comprehensive health plan</u>	
4	Comprehensive health plan	
5	services	134,550,700
6	Comprehensive health plan	
7	administration	25,072,800
8	Comprehensive health plan	
9	premium tax	<u>3,257,700</u>
10	Total appropriation and expenditure	
11	authority – department of	
12	child safety	\$1,247,672,800
13	Fund sources:	
14	State general fund	\$ 441,589,500
15	Federal child care and	
16	development fund block grant	40,516,000
17	Federal temporary assistance	
18	for needy families block	
19	grant	161,076,300
20	Child abuse prevention fund	1,459,300
21	Children and family services	
22	training program fund	207,500
23	Child safety expenditure authority	438,921,400
24	Child welfare licensing fee fund	1,021,600
25	Comprehensive health plan	
26	expenditure authority fund –	
27	expenditure authority	162,881,200

28 Additional operating resources

29 The department of child safety shall provide training to any new  
30 child safety FTE positions before assigning any client caseload duties to  
31 any of these employees.

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

34 All expenditures made by the department of child safety for attorney  
35 general legal services shall be funded only from the attorney general  
36 legal services line item. Monies in department of child safety line items  
37 intended for this purpose shall be transferred to the attorney general  
38 legal services line item before expenditure.

39 On or before September 1, 2025, the department of child safety shall  
40 submit a report to the joint legislative budget committee and the  
41 governor's office of strategic planning and budgeting on the actual  
42 operating expenses for the guardian case management system in fiscal year  
43 2024-2025 and the proposed system operating expenses for the system in  
44 fiscal year 2025-2026.

1       Out-of-home placements

2       The department of child safety may transfer up to ten percent of the  
3 total amount of federal temporary assistance for needy families block  
4 grant monies appropriated to the department of economic security and the  
5 department of child safety to the social services block grant. Before  
6 transferring federal temporary assistance for needy families block grant  
7 monies to the social services block grant, the department of child safety  
8 shall report the proposed amount of the transfer to the director of the  
9 joint legislative budget committee. This report may be in the form of an  
10 expenditure plan that is submitted at the beginning of the fiscal year and  
11 updated, if necessary, throughout the fiscal year.

12       The amount appropriated for kinship care shall be used for a stipend  
13 of \$300 per month for a relative caretaker, including a grandparent, any  
14 level of great-grandparent or any non-grandparent relative, or a caretaker  
15 of fictive kinship, if a dependent child is placed in the care of a  
16 relative caretaker or caretaker of fictive kinship pursuant to department  
17 guidelines. The department shall provide the stipend on behalf of all  
18 children placed with an unlicensed kinship foster care parent. The  
19 unlicensed kinship foster care parent is not required to file an  
20 application to receive the stipend. Before changing the eligibility for  
21 the program or the amount of the stipend, the department shall submit a  
22 report for review by the joint legislative budget committee detailing the  
23 proposed changes.

24       On or before March 31, 2026, the department of child safety shall  
25 report to the joint legislative budget committee the number of children  
26 who are part of the kinship stipend program and reside with a nonrelative  
27 caretaker of fictive kinship.

28       Support services

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

35       Departmentwide

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

41       Child safety expenditure authority includes all department funding  
42 sources excluding the state general fund, the federal child care and  
43 development fund block grant, the federal temporary assistance for needy  
44 families block grant, the child abuse prevention fund established by  
45 section 8-550.01, Arizona Revised Statutes, the children and family

1 services training program fund established pursuant to section 8-503.01,  
2 Arizona Revised Statutes, and the comprehensive health plan expenditure  
3 authority fund established pursuant to section 8-512.02, Arizona Revised  
4 Statutes.

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

11 1. Reducing the number of children placed for more than two weeks  
12 in congregate care settings, excluding qualified residential treatment  
13 programs, facilities for pregnant and parenting youth, supervised  
14 independent living and specialized programs for victims of sex  
15 trafficking.

16 2. Assisting congregate care providers in attaining status as  
17 qualified residential treatment programs.

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

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

22 Benchmarks

23 For the purposes of this section:

24 1. "Backlog case":

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

30 (b) Includes any case for which the investigation has been open  
31 without any documentation or contact for at least sixty days, any case  
32 involving in-home services for which there has been no contact or services  
33 authorized for at least sixty days and any case involving foster care in  
34 which there has been no contact or any documentation entered in the child  
35 welfare automated system for at least sixty days.

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

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

40 On or before February 28, 2026 and August 31, 2026, the department  
41 of child safety shall present a report to the joint legislative budget  
42 committee on the progress made during July 2025 through December 2025 and  
43 January 2026 through June 2026, respectively, in meeting the caseload  
44 standard and reducing the number of backlog and long-term cases. Each  
45 report shall include the number of backlog cases, the number of open

reports, the number of long-term cases and the caseworker workload in comparison to the previous six months. Each report shall provide the number of backlog cases by disposition, including the number of backlog cases in the investigation phase, the number of backlog cases associated with out-of-home placements and the number of backlog cases associated with in-home cases.

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

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

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

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

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

#### Sec. 16. STATE BOARD OF CHIROPRACTIC EXAMINERS

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

#### Sec. 17. ARIZONA COMMERCE AUTHORITY

		<u>2025-26</u>
FTE positions		100.0
Operating lump sum appropriation	\$	10,000,000
Arizona competes fund deposit		500,000
Asia trade offices		750,000
Economic development marketing		
and attraction		500,000
Frankfurt, Germany trade office		500,000
Israel trade office		300,000
Mexico trade offices		<u>500,000</u>
Total appropriation — Arizona commerce		
authority	\$	13,050,000
Fund sources:		
State general fund	\$	13,050,000

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

Sec. 18. ARIZONA COMMUNITY COLLEGES

	<u>2025-26</u>
<u>Equalization aid</u>	
Cochise	\$ 11,812,600
Graham	22,496,500
Navajo	12,885,200
Yuma/La Paz	<u>1,786,400</u>
Total — equalization aid	\$ 48,980,700
<u>Operating state aid</u>	
Cochise	\$ 3,818,600
Coconino	1,426,500
Gila	158,700
Graham	1,808,100
Mohave	1,056,600
Navajo	1,430,400
Pinal	1,082,900
Santa Cruz	45,100
Yavapai	555,900
Yuma/La Paz	<u>2,402,000</u>
Total — operating state aid	\$ 13,784,800
<u>STEM and workforce programs state aid</u>	
Cochise	\$ 1,021,100
Coconino	314,300
Gila	91,700
Graham	465,900
Maricopa	8,441,600
Mohave	430,500
Navajo	295,500
Pima	1,855,600
Pinal	654,800
Santa Cruz	38,000
Yavapai	710,200
Yuma/La Paz	<u>820,600</u>
Total — STEM and workforce programs state aid	\$ 15,139,800

1	<u>Rural aid</u>	
2	Cochise	\$ 2,703,600
3	Coconino	901,800
4	Gila	252,800
5	Graham	1,244,500
6	Mohave	1,202,500
7	Navajo	852,600
8	Pinal	1,807,400
9	Santa Cruz	99,900
10	Yavapai	1,955,300
11	Yuma/La Paz	<u>2,979,600</u>
12	Total – rural aid	\$ 14,000,000
13	Rural county reimbursement subsidy	\$ 1,082,900
14	Additional Gila workforce	
15	development aid	200,000
16	Diné college remedial education	<u>1,000,000</u>
17	Total appropriation – Arizona community	
18	colleges	\$ 94,188,200
19	Fund sources:	
20	State general fund	\$ 94,188,200
21	Of the \$1,082,900 appropriated to the rural county reimbursement	
22	subsidy line item, Apache county receives \$699,300 and Greenlee county	
23	receives \$383,600.	
24	On or before October 15, 2026, the Diné college board of regents	
25	shall submit to the governor, the speaker of the house of representatives,	
26	the president of the senate, the secretary of state and the joint	
27	legislative budget committee a report that details the course completion	
28	rate for students who received remedial education during the 2025-2026	
29	academic year.	
30	Sec. 19. REGISTRAR OF CONTRACTORS	
31		<u>2025-26</u>
32	FTE positions	105.6
33	Operating lump sum appropriation	\$ 12,908,000
34	Office of administrative	
35	hearings costs	<u>1,017,600</u>
36	Total appropriation – registrar of	
37	contractors	\$ 13,925,600
38	Fund sources:	
39	Registrar of contractors fund	\$ 13,925,600
40	Sec. 20. CORPORATION COMMISSION	
41		<u>2025-26</u>
42	FTE positions	301.9
43	Operating lump sum appropriation	\$ 35,396,100
44	Corporation filings, same-day	
45	service	417,300

1	Utilities audits, studies,	
2	investigations and hearings	<u>380,000*</u>
3	Total appropriation – corporation commission	\$ 36,193,400
4	Fund sources:	
5	State general fund	\$ 789,000
6	Arizona arts trust fund	60,000
7	Investment management regulatory	
8	and enforcement fund	1,329,700
9	Public access fund	8,121,600
10	Securities regulatory and	
11	enforcement fund	7,345,800
12	Utility regulation revolving fund	18,547,300
13	Sec. 21. STATE DEPARTMENT OF CORRECTIONS	
14		<u>2025-26</u>
15	FTE positions	9,569.0
16	Operating lump sum appropriation	\$ 762,109,600
17	Overtime and compensatory time	75,320,300
18	Private prison per diem	275,716,800
19	Community corrections	28,280,300
20	Inmate health care contracted	
21	services	367,557,100
22	Substance abuse treatment	3,945,400
23	Noncontract medication	55,000,000
24	Injunction-related IT upgrades	<u>16,000,000</u>
25	Total appropriation – state department	
26	of corrections	\$1,583,929,500
27	Fund sources:	
28	State general fund	\$1,527,944,500
29	State education fund for	
30	correctional education	736,400
31	Alcohol abuse treatment fund	555,800
32	Penitentiary land fund	3,466,000
33	State charitable, penal and	
34	reformatory institutions	
35	land fund	3,733,100
36	Corrections fund	31,312,500
37	Transition program fund	2,400,300
38	Prison construction and	
39	operations fund	12,500,100
40	Inmate store proceeds fund	1,280,800

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

7       After the state department of corrections submits an expenditure  
8 plan to the joint legislative budget committee, the department may  
9 transfer personal services and employee-related expenditures savings from  
10 the operating budget to the private prison per diem line item for private  
11 prison staff stipends. The amount of any private prison staff stipend may  
12 not exceed the amount given to department staff. The expenditure plan is  
13 not subject to review by the joint legislative budget committee.

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

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

21       Before placing any inmates in out-of-state provisional beds, the  
22 state department of corrections shall place inmates in all available  
23 prison beds in facilities that are located in this state and that house  
24 Arizona inmates, unless the out-of-state provisional beds are of a  
25 comparable security level and price.

26       The state department of corrections shall forward to the president  
27 of the senate, the speaker of the house of representatives, the  
28 chairpersons of the senate and house of representatives appropriations  
29 committees and the director of the joint legislative budget committee a  
30 monthly report comparing department expenditures for the month and  
31 year-to-date as compared to prior-year expenditures on or before the  
32 thirtieth of the following month. The report shall be in the same format  
33 as the prior fiscal year and include an estimate of potential shortfalls,  
34 potential surpluses that may be available to offset these shortfalls and a  
35 plan, if necessary, for eliminating any shortfall without a supplemental  
36 appropriation. The report shall include the number of filled and vacant  
37 correctional officer and medical staff positions departmentwide and by  
38 prison complex.

39       On or before November 1, 2025, the state department of corrections  
40 shall provide a report on bed capacity to the joint legislative budget  
41 committee. The report shall reflect the bed capacity for each security  
42 classification by gender at each state-run and private institution,  
43 divided by rated and total beds. The report shall include bed capacity  
44 data for June 30, 2024 and June 30, 2025 and the projected capacity for  
45 June 30, 2026, as well as the reasons for any change within that time



1 period. Within the total bed count, the department shall provide the  
2 number of temporary and special use beds. The report shall also address  
3 the department's rationale for eliminating any permanent beds rather than  
4 reducing the level of temporary beds. The report shall also include any  
5 plans to vacate beds but not permanently remove the beds from the bed  
6 count. If the department develops a plan after the department's November  
7 1, 2025 report to open or close one hundred or more state-operated or  
8 private prison rated beds, the department shall submit a plan detailing  
9 the proposed bed changes for review by the joint legislative budget  
10 committee before implementing these changes.

11 One hundred percent of land earnings and interest from the  
12 penitentiary land fund shall be distributed to the state department of  
13 corrections in compliance with the enabling act and the Constitution of  
14 Arizona to be used to support state penal institutions.

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

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

28 Before spending any state education fund for correctional education  
29 monies in excess of \$736,400, the state department of corrections shall  
30 report the intended use of the monies to the director of the joint  
31 legislative budget committee.

32 Before implementing any changes in contracted rates for inmate  
33 health care contracted services, the state department of corrections shall  
34 submit its expenditure plan for review by the joint legislative budget  
35 committee.

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

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

43 2. An explanation for each instance of noncompliance.

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

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

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

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

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

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

Sec. 22. 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

1	State aid to indigent defense fund	700,000
2	Victim compensation and assistance	
3	fund	4,255,800

4 All victim compensation and assistance fund monies received by the  
 5 Arizona criminal justice commission in excess of \$4,225,800 in fiscal year  
 6 2025-2026 are appropriated to the crime victims program. Before spending  
 7 any victim compensation and assistance fund monies in excess of \$4,225,800  
 8 in fiscal year 2025-2026, the Arizona criminal justice commission shall  
 9 report the intended use of the monies to the joint legislative budget  
 10 committee.

11 All monies received by the Arizona criminal justice commission in  
 12 excess of \$973,700 in fiscal year 2025-2026 from the state aid to county  
 13 attorneys fund established by section 11-539, Arizona Revised Statutes,  
 14 are appropriated to the state aid to county attorneys program. Before  
 15 spending any state aid to county attorneys fund monies in excess of  
 16 \$973,700 in fiscal year 2025-2026, the Arizona criminal justice commission  
 17 shall report the intended use of the monies to the joint legislative  
 18 budget committee.

19 Sec. 23. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

20		<u>2025-26</u>
21	FTE positions	562.2
22	Administration/statewide	\$ 7,726,700
23	Phoenix day school for the deaf	12,203,100
24	Tucson campus	12,354,100
25	Preschool/outreach programs	6,949,200
26	School bus/agency vehicle	
27	replacement	369,000
28	Cooperative services	<u>19,131,000</u>
29	Total appropriation – Arizona state schools	
30	for the deaf and the blind	\$ 58,733,100
31	Fund sources:	
32	State general fund	\$ 25,291,300
33	Schools for the deaf and	
34	the blind fund	14,142,800
35	Cooperative services fund	19,131,000
36	Telecommunication fund	
37	for the deaf	168,000

38 Before spending any schools for the deaf and the blind fund monies  
 39 in excess of \$14,142,800 in fiscal year 2025-2026, the Arizona state  
 40 schools for the deaf and the blind shall report to the joint legislative  
 41 budget committee the intended use of the monies.

42 Before spending any cooperative services fund monies in excess of  
 43 \$19,131,000 in fiscal year 2025-2026, the Arizona state schools for the  
 44 deaf and the blind shall report to the joint legislative budget committee  
 45 the intended use of the monies.

1	Sec. 24.	COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
2			<u>2025-26</u>
3		FTE positions	21.0
4		Operating lump sum appropriation	\$ 4,655,800
5		Support services for the	
6		deaf-blind	<u>192,000</u>
7		Total appropriation – commission for the	
8		deaf and the hard of hearing	\$ 4,847,800
9		Fund sources:	
10		Telecommunication fund for	
11		the deaf	\$ 4,847,800
12	Sec. 25.	STATE BOARD OF DENTAL EXAMINERS	
13			<u>2025-26</u>
14		FTE positions	13.0
15		Lump sum appropriation	\$ 2,120,500
16		Total appropriation – state board of	
17		dental examiners	\$ 2,120,500
18		Fund sources:	
19		Dental board fund	\$ 2,120,500
20	Sec. 26.	OFFICE OF ECONOMIC OPPORTUNITY	
21			<u>2025-26</u>
22		FTE positions	5.0
23		Lump sum appropriation	<u>\$ 507,100</u>
24		Fund sources:	
25		State general fund	\$ 507,100
26	Sec. 27.	DEPARTMENT OF ECONOMIC SECURITY	
27			<u>2025-26</u>
28		FTE positions	4,683.8
29		Operating lump sum appropriation	\$340,799,000
30		<u>Administration</u>	
31		Attorney general legal services	12,810,300
32		<u>Aging and adult services</u>	
33		Adult services	10,731,900
34		Community and emergency services	3,724,000
35		Coordinated homeless services	3,522,600
36		Coordinated hunger services	2,254,600
37		Domestic violence prevention	14,004,000
38		Long-term care ombudsman	1,000,000
39		<u>Benefits and medical eligibility</u>	
40		Temporary assistance for needy	
41		families – cash benefits	22,736,400
42		Tribal pass-through funding	4,680,300

1	<u>Child support enforcement</u>	
2	Child support -	
3	clerk of the court and	
4	family law services	8,539,700
5	<u>Developmental disabilities</u>	
6	DDD premium tax payment	77,751,400
7	Case management - medicaid	142,378,800
8	Home and community based	
9	services - medicaid	3,234,327,100
10	Institutional services -	
11	medicaid	54,678,000
12	Physical and behavioral	
13	health services - medicaid	852,328,500
14	Medicare clawback payments	7,940,400
15	Targeted case management - medicaid	22,621,300
16	State match transfer from AHCCCS	1,545,157,300
17	Case management - state-only	6,383,200
18	Home and community based	
19	services - state-only	14,089,000
20	Cost effectiveness study - client	
21	services	23,220,000
22	Arizona early intervention program	16,119,000
23	State-funded long-term care	
24	services	45,231,000
25	DD reconciliation payment	32,300,000
26	<u>Employment and rehabilitation services</u>	
27	JOBS	11,005,600
28	Child care subsidy	187,080,200
29	Independent living rehabilitation	
30	services	1,289,400
31	Rehabilitation services	7,249,100
32	Workforce innovation	
33	and opportunity act	
34	services	<u>85,824,200</u>
35	Total appropriation and expenditure	
36	authority - department of	
37	economic security	\$6,791,776,300
38	Fund sources:	
39	State general fund	\$1,786,738,000
40	Federal child care and	
41	development fund block grant	200,027,900
42	Federal temporary assistance for	
43	needy families block grant	66,588,900
44	Long-term care system fund	34,971,600

1	Public assistance collections	
2	fund	441,800
3	Special administration fund	4,654,600
4	Spinal and head injuries trust	
5	fund	2,390,200
6	Statewide cost allocation plan	
7	fund	1,000,000
8	Child support enforcement	
9	administration fund	17,678,400
10	Domestic violence services fund	4,000,300
11	Workforce investment act grant	87,116,200
12	Child support enforcement	
13	administration fund	
14	expenditure authority	44,401,200
15	Developmental disabilities	
16	medicaid expenditure	
17	authority	4,505,619,200
18	Health care investment fund	
19	expenditure authority	36,148,000

20 Aging and adult services

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

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

31 Benefits and medical eligibility

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

35 Child support enforcement

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

42 Developmental disabilities

43 On or before September 1, 2026, the department of economic security  
 44 shall report to the president of the senate, the speaker of the house of  
 45 representatives, the chairpersons of the senate and house of

representatives appropriations committees and the director of the joint legislative budget committee any new placement into a state-owned ICF-IID or the Arizona training program at the Coolidge campus in fiscal year 2025-2026 and the reason for this placement, rather than a placement into a privately run facility for persons with developmental disabilities, was deemed as the most appropriate placement. The department shall also report if no new placements were made. On or before September 1, 2026, the department shall also report to the director of the joint legislative budget committee the total costs associated with the Arizona training program at Coolidge in fiscal year 2025-2026.

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

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

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

On or before November 30, 2025, the department of economic security shall submit a report to the joint legislative budget committee regarding expenditures from the cost effectiveness study – client services line item in the previous fiscal year. The report shall include the number of

1 clients and total amounts spent from the line item in each setting type  
2 along with expenditures for those clients in other line items. The report  
3 shall also include cost effectiveness spending in other line items.

4 The amount appropriated for the DD reconciliation payment line item  
5 shall be used to process the reconciliation payment associated with an  
6 operating costs shortfall for the contract year ending on September 30,  
7 2024.

8 Employment and rehabilitation services

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

17 The department of economic security shall forward to the joint  
18 legislative budget committee a monthly report listing data on the child  
19 care population served. The report must include, at a minimum, in each  
20 program the number of unduplicated children enrolled in child care within  
21 the department of economic security and the department of child safety by  
22 program and the average amount paid per child plus quality-related  
23 spending.

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

30 Departmentwide

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

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



shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 28. STATE BOARD OF EDUCATION

		<u>2025-26</u>
	FTE positions	23.0
	Operating lump sum appropriation	\$ 3,113,900
	Arizona empowerment scholarship	
	account appeals	<u>228,500</u>
	Total appropriation –	
	state board of education	\$ 3,342,400
	Fund sources:	
	State general fund	\$ 3,342,400

Sec. 29. SUPERINTENDENT OF PUBLIC INSTRUCTION

		<u>2025-26</u>
	FTE positions	232.9
	Operating lump sum appropriation	\$ 15,362,500
	<u>Formula programs</u>	
	Basic state aid	6,793,977,300
	State aid supplement	75,000,000
	Special education fund	36,029,200
	Classroom site fund	1,053,335,300
	Instructional improvement fund	80,425,700
	<u>Property tax relief</u>	
	Additional state aid	530,408,900
	<u>Non-formula programs</u>	
	Accountability and achievement	
	testing	16,444,800
	Adult education	4,903,200
	Alternative teacher development	
	program	1,000,000
	Arizona English language	
	learner fund	4,960,400
	CTED certification exam fee	
	reimbursement	1,000,000
	CTED completion grants	1,000,000
	CTED soft capital and equipment	1,000,000
	College credit by examination	
	incentive program	3,772,100
	College placement exam fee waiver	1,265,800
	Computer science professional	
	development program	1,000,000
	Early literacy	17,386,200
	Education learning and	
	accountability system	5,470,200
	English learner administration	6,608,800

1	Flagstaff robotics program	10,000
2	Geographic literacy	100,000
3	Gifted assessments	850,000
4	Jobs for Arizona graduates	500,000
5	School safety program	82,010,200
6	Show Low robotics program	10,000
7	State block grant for vocational	
8	education	11,798,200
9	Student level data access	359,000
10	Teacher certification	2,403,600
11	Tribal college dual enrollment	
12	program	<u>325,000</u>
13	Total appropriation and expenditure	
14	authority – superintendent	
15	of public instruction	\$8,748,716,400
16	Fund sources:	
17	State general fund	\$7,372,580,900
18	Education sales tax fund	7,000,000
19	Permanent state school fund	72,263,000
20	Teacher certification fund	2,547,000
21	Tribal college dual enrollment	
22	program fund	325,000
23	Department of education empowerment	
24	scholarship account fund	359,000
25	Expenditure authority	1,293,641,500

26 Operating lump sum

27 Any monies available to the department of education pursuant to  
 28 section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes,  
 29 for the failing schools tutoring fund established by section 15-241,  
 30 Arizona Revised Statutes, in excess of the expenditure authority amounts  
 31 are allocated for the purposes of section 42-5029.02, subsection A,  
 32 paragraph 8, Arizona Revised Statutes.

33 Any monies available to the department of education pursuant to  
 34 section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes,  
 35 for character education matching grants pursuant to section 15-154.01,  
 36 Arizona Revised Statutes, in excess of the expenditure authority amounts  
 37 are allocated for the purposes of section 42-5029.02, subsection A,  
 38 paragraph 6, Arizona Revised Statutes.

39 Basic state aid

40 The appropriation for basic state aid provides basic state support  
 41 to school districts for maintenance and operations funding as provided by  
 42 section 15-973, Arizona Revised Statutes, and includes an estimated  
 43 \$72,263,000 in expendable income derived from the permanent state school  
 44 fund and from state trust lands pursuant to section 37-521, subsection B,  
 45 Arizona Revised Statutes, for fiscal year 2025-2026.

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

5 Except as required by section 37-521, Arizona Revised Statutes, all  
6 monies received during the fiscal year from national forests, interest  
7 collected on deferred payments on the purchase of state lands, income from  
8 investing permanent state school funds as prescribed by the enabling act  
9 and the Constitution of Arizona and all monies received by the  
10 superintendent of public instruction from whatever source, except monies  
11 received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes,  
12 when paid into the state treasury are appropriated for apportionment to  
13 the various counties in accordance with law. An expenditure may not be  
14 made except as specifically authorized above.

15 Any monies available to the department of education pursuant to  
16 section 42-5029.02, subsection A, paragraph 5, Arizona Revised Statutes,  
17 for the increased cost of basic state aid under section 15-971, Arizona  
18 Revised Statutes, due to added school days in excess of the expenditure  
19 authority amounts are allocated for the purposes of section 42-5029.02,  
20 subsection A, paragraph 5, Arizona Revised Statutes.

21 The department of education shall allocate the appropriated amount  
22 for the state aid supplement to districts and charter schools on a pro  
23 rata basis using the weighted student count for the school district or  
24 charter school for the fiscal year pursuant to section 15-943, paragraph  
25 2, subdivision (a), Arizona Revised Statutes, and increase the budget  
26 limits pursuant to section 15-947, Arizona Revised Statutes, accordingly.  
27 The weighted student count for a school district that serves as the  
28 district of attendance for nonresident pupils shall be increased to  
29 include nonresident pupils who attend school in the district.

30 Other programs

31 Any monies available to the department of education for the  
32 classroom site fund pursuant to section 37-521, subsection B, paragraph 4,  
33 Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph  
34 10, Arizona Revised Statutes, in excess of expenditure authority amounts  
35 are allocated for the purposes of section 37-521, subsection B, paragraph  
36 4, Arizona Revised Statutes, and section 42-5029.02, subsection A,  
37 paragraph 10, Arizona Revised Statutes.

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

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

1 Any monies available to the department of education for  
2 accountability purposes pursuant to section 42-5029.02, subsection A,  
3 paragraph 7, Arizona Revised Statutes, in excess of the expenditure  
4 authority amounts are allocated for the purposes of section 42-5029.02,  
5 subsection A, paragraph 7, Arizona Revised Statutes.

6 The department of education may use the appropriated amount for  
7 accountability and achievement testing in fiscal year 2025-2026 for costs  
8 of the English language proficiency assessments required by section  
9 15-756.05, Arizona Revised Statutes.

10 Monies appropriated for CTED completion grants are intended to help  
11 fund program completion for students who complete at least fifty percent  
12 of a career technical education program before graduating from high school  
13 and who successfully complete the career technical education district  
14 program after graduating from high school. The application procedures  
15 shall award grant funding only after an eligible student has successfully  
16 completed a career technical education district program.

17 If the appropriated amount for CTED completion grants is  
18 insufficient to fund all grant requests from career technical education  
19 districts, the department of education shall reduce grant amounts on a  
20 proportional basis in order to cap total statewide allocations at  
21 \$1,000,000.

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

25 The department of education shall distribute the appropriated amount  
26 for CTED soft capital and equipment to career technical education  
27 districts with fewer than two thousand average daily membership pupils for  
28 soft capital and equipment expenses. The appropriated amount shall be  
29 allocated on a pro rata basis based on the average daily membership of  
30 eligible career technical education districts.

31 The department of education shall use the appropriated amount for  
32 English learner administration to provide English language acquisition  
33 services for the purposes of section 15-756.07, Arizona Revised Statutes,  
34 and for the costs of providing English language proficiency assessments,  
35 scoring and ancillary materials as prescribed by the department of  
36 education to school districts and charter schools for the purposes of  
37 title 15, chapter 7, article 3.1, Arizona Revised Statutes. The  
38 department may use a portion of the appropriated amount to hire staff or  
39 contract with a third party to carry out the purposes of section  
40 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192,  
41 Arizona Revised Statutes, the superintendent of public instruction also  
42 may use a portion of the appropriated amount to contract with one or more  
43 private attorneys to provide legal services in connection with the case of  
44 Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

1       The department of education shall use the appropriated amount for  
2 geographic literacy to issue a grant to a statewide geographic alliance  
3 for strengthening geographic literacy in this state.

4       The department of education shall use the appropriated amount for  
5 jobs for Arizona graduates to issue a grant to a nonprofit organization  
6 for a JOBS for Arizona graduates program.

7       The amount appropriated for the school safety program in fiscal year  
8 2022-2023 pursuant to Laws 2022, chapter 313, section 31, as amended by  
9 Laws 2024, chapter 209, section 1, included an increase of \$50,000,000 for  
10 additional school safety grants. In allocating the \$50,000,000 increase,  
11 the department of education shall first distribute monies to schools on  
12 the school safety program waiting list to receive grants for the costs of  
13 placing school resource officers on school campuses. The awarded grants  
14 may not supplant funding provided by local governments for school resource  
15 officers. If the total cost of funding grants for school resource  
16 officers is less than \$50,000,000, the department may allocate the  
17 remaining monies to grants to schools for the costs of placing school  
18 counselors and social workers on school campuses pursuant to section  
19 15-154, Arizona Revised Statutes.

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

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

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

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

## 1    Sec. 30.    DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

2		<u>2025-26</u>
3	FTE positions	63.1
4	Administration	\$ 2,371,200
5	Emergency management	892,600
6	Emergency management matching funds	1,544,900
7	Military affairs	2,134,600
8	National guard matching funds	3,529,200
9	National guard tuition	
10	reimbursement	1,000,000
11	Hazard mitigation revolving	
12	fund deposit	<u>200,000</u>

13    Total appropriation – department of  
 14        emergency and military affairs        \$ 11,672,500

## 15        Fund sources:

16        State general fund        \$ 11,672,500

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

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

## 25    Sec. 31.    DEPARTMENT OF ENVIRONMENTAL QUALITY

26		<u>2025-26</u>
27	FTE positions	358.7
28	Operating lump sum appropriation	\$ 63,619,900
29	Safe drinking water program	2,001,600
30	Emissions control contractor	
31	payment	<u>28,894,500</u>

32    Total appropriation – department of  
 33        environmental quality        \$ 94,516,000

## 34        Fund sources:

35	Air quality fund	\$ 6,307,200
36	Emergency response fund	132,800
37	Emissions inspection fund	33,012,700
38	Hazardous waste management fund	1,960,100
39	Indirect cost fund	18,788,100
40	Permit administration fund	7,333,900
41	Recycling fund	1,534,100
42	Safe drinking water program	
43	fund	2,001,600
44	Solid waste fee fund	2,592,700
45	Water quality fee fund	20,852,800

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

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

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

Sec. 32. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

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

Sec. 33. STATE BOARD OF EQUALIZATION

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

## Sec. 34. BOARD OF EXECUTIVE CLEMENCY

2025-26

FTE positions	14.5
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Lump sum appropriation	\$ 1,377,600
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Fund sources:

State general fund	\$ 1,377,600
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On or before November 1, 2025, the board of executive clemency shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting the total number and types of cases the board reviewed in fiscal year 2024-2025.

Sec. 35. ARIZONA EXPOSITION AND STATE FAIR BOARD

2025-26

FTE positions	184.0
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Lump sum appropriation \$ 19,927,300

Fund sources:

## Arizona exposition and state

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.

Sec. 36. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

2025-26

FTE positions	235.5
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Operating lump sum appropriation	\$ 5,938,500
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Environmental county grants	250,000
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Inmate firefighting crews	876,600
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Postrelease firefighting crews	1,292,700
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Fire suppression	200,000
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State fire marshal	1,805,300
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State fire school	289,600
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Hazardous vegetation removal	3,039,300
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US forest service land thinning	1,669,300
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Wildfire mitigation	27,110,300
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Total appropriation – Arizona department of forestry and fire management	\$ 42,471,600
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Fund sources:

State general fund	\$ 42,471,600
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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.



## 1    Sec. 37.    ARIZONA GAME AND FISH DEPARTMENT

2		<u>2025-26</u>
3	FTE positions	273.5
4	Operating lump sum appropriation	\$39,494,200
5	Pittman-Robertson/Dingell-Johnson	
6	act	<u>3,058,000</u>
7	Total appropriation – Arizona game and fish	
8	department	\$42,552,200
9	Fund sources:	
10	Capital improvement fund	\$ 1,001,200
11	Game and fish fund	36,079,800
12	Wildlife endowment fund	16,200
13	Watercraft licensing fund	5,063,300
14	Game, nongame, fish and	
15	endangered species fund	391,700

## 16    Sec. 38.    DEPARTMENT OF GAMING

17		<u>2025-26</u>
18	FTE positions	155.8
19	Operating lump sum appropriation	\$ 13,740,100
20	Arizona breeders' award	250,000
21	Casino operations certification	2,330,300
22	County fairs livestock and	
23	agriculture promotion	6,029,500
24	Division of racing	2,448,500
25	Contract veterinarian	175,000
26	Horseracing integrity and safety	
27	act assessment	1,355,100
28	Problem gambling	<u>3,320,000</u>
29	Total appropriation – department of gaming	\$ 29,648,500
30	Fund sources:	
31	State general fund	\$ 6,204,500
32	Fantasy sports contest fund	150,100
33	Tribal-state compact fund	2,330,300
34	Arizona benefits fund	16,610,000
35	State lottery fund	300,000
36	Racing regulation fund	3,948,400
37	Racing regulation fund – unarmed	
38	combat subaccount	105,200

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

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

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

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

#### Sec. 39. 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
Fund sources:	
State general fund	\$ 8,996,800

Included in the operating lump sum appropriation of \$7,496,800 for fiscal year 2025-2026 is \$10,000 for the purchase of mementos and items for visiting officials.

#### Sec. 40. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	<u>2025-26</u>
FTE positions	22.0
Lump sum appropriation	\$ 2,852,500*
Fund sources:	
State general fund	\$ 2,852,500

#### Sec. 41. DEPARTMENT OF HEALTH SERVICES

	<u>2025-26</u>
FTE positions	1,168.0
Operating lump sum appropriation	\$ 61,259,500
<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

1	Behavioral health care provider	1,000,000
2	loan repayment program	
3	Biomedical research support	2,000,000
4	Breast and cervical cancer and	
5	bone density screening	1,369,400
6	County tuberculosis provider	
7	care and control	590,700
8	Folic acid program	400,000
9	Funeral services regulation	459,400
10	High-risk perinatal services	2,343,400
11	Newborn screening program	12,419,300
12	Nonrenal disease management	198,000
13	Nursing care special projects	200,000
14	Poison control centers funding	990,000
15	Renal dental care and nutrition	
16	supplements	300,000
17	Renal transplant drugs	183,000
18	<u>Arizona state hospital</u>	
19	Arizona state hospital –	
20	operating	78,309,600
21	Arizona state hospital –	
22	restoration to competency	900,000
23	Arizona state hospital –	
24	sexually violent persons	<u>11,330,900</u>
25	Total appropriation – department of	
26	health services	\$179,483,400
27	Fund sources:	
28	State general fund	\$117,363,900
29	Arizona state hospital fund	3,395,700
30	Arizona state hospital land fund	650,000
31	Child fatality review fund	196,500
32	Disease control research fund	1,000,000
33	DHS indirect cost fund	13,318,300
34	Emergency medical services	
35	operating fund	4,260,700
36	Environmental laboratory licensure	
37	revolving fund	1,008,400
38	Federal child care and development	
39	fund block grant	1,011,300
40	Health services licensing fund	17,607,900
41	Newborn screening program fund	12,838,700
42	Nursing care institution resident	
43	protection revolving fund	238,200

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

Public health/family health

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

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

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

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

1. Is headquartered in this state.
2. Has been operating in this state for at least the last ten years.
3. Has participating member institutions that work together to end Alzheimer's disease within a statewide collaborative model by using their complementary strengths in brain imaging, computer science, genomics, basic and cognitive neurosciences and clinical and neuropathology research.

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

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

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. 42. 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. 43. PRESCOTT HISTORICAL SOCIETY

		<u>2025-26</u>
	FTE positions	13.0
	Lump sum appropriation	\$ 995,300
	Fund sources:	
	State general fund	\$ 995,300

1	Sec. 44.	ARIZONA DEPARTMENT OF HOMELAND SECURITY	
2			<u>2025-26</u>
3		FTE positions	20.0
4		Statewide information security	
5		and privacy operations and	
6		controls	\$ 11,054,700
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	Information technology fund		11,054,700
13	Of the amount appropriated for statewide cybersecurity grants, the		
14	Arizona department of homeland security may spend up to \$500,000 for grant		
15	administration.		
16	Sec. 45.	BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
17			<u>2025-26</u>
18		FTE positions	1.0
19		Lump sum appropriation	\$ 61,500
20	Fund sources:		
21	Board of homeopathic and		
22	integrated medicine		
23	examiners' fund		\$ 61,500
24	Sec. 46.	ARIZONA DEPARTMENT OF HOUSING	
25			<u>2025-26</u>
26		FTE positions	3.0
27		Lump sum appropriation	\$ 388,800
28	Total appropriation – Arizona department of		
29	housing		\$ 388,800
30	Fund sources:		
31	Housing trust fund		\$ 388,800
32	Sec. 47.	INDUSTRIAL COMMISSION OF ARIZONA	
33			<u>2025-26</u>
34		FTE positions	236.6
35		Operating lump sum appropriation	\$ 22,138,000
36		Municipal firefighter reimbursement	
37		administration	<u>84,700</u>
38	Total appropriation – industrial commission		
39	of Arizona		\$ 22,222,700
40	Fund sources:		
41	State general fund		\$ 84,700
42	Administrative fund		22,138,000

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. 48. 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. 49. ARIZONA JUDICIARY

	<u>2025-26</u>
<u>Supreme court</u>	
FTE positions	205.0
Operating lump sum appropriation	\$ 18,270,000
Arizona trial and digital	
evidence fund deposit	1,620,000

1	Automation	24,927,800
2	County reimbursements	187,900
3	Court appointed special advocate	
4	and vulnerable persons	6,423,300
5	Courthouse security	751,700
6	Domestic relations	701,000
7	State foster care review board	3,570,200
8	Commission on judicial conduct	620,800
9	Judicial nominations and	
10	performance review	620,600
11	Juvenile monetary sanctions	
12	funding backfill	250,000
13	Model court	660,800
14	State aid	<u>5,955,500</u>
15	Total appropriation – supreme court	\$ 64,559,600
16	Fund sources:	
17	State general fund	\$ 29,710,300
18	Confidential intermediary and	
19	fiduciary fund	690,600
20	Court appointed special advocate	
21	and vulnerable persons fund	6,622,600
22	Criminal justice enhancement fund	4,765,200
23	Defensive driving school fund	4,521,000
24	Judicial collection enhancement	
25	fund	15,303,000
26	State aid to the courts fund	2,946,900

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

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



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

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

Court of appeals

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

Fund sources:

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

Superior court

FTE positions	240.5
Operating lump sum appropriation	\$ 5,375,200
Judges' compensation	32,039,000
Centralized service payments	4,667,000
Adult standard probation	22,297,500
Adult intensive probation	13,150,200
Community punishment	2,310,300
Court-ordered removals	315,000
Interstate compact	513,700
Drug court	1,096,400
General adjudication personnel and support fund deposit	2,000,000
Juvenile standard probation	3,781,800
Juvenile intensive probation	6,087,200
Juvenile treatment services	20,803,000
Juvenile family counseling	500,000
Juvenile crime reduction	3,313,700
Juvenile diversion consequences	9,088,500
Probation incentive payments	1,000,000
Special water master	<u>511,100</u>
Total appropriation – superior court	\$128,849,600

Fund sources:

State general fund	\$116,834,000
Criminal justice enhancement fund	5,496,000
Drug treatment and education fund	504,200
Judicial collection enhancement 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 240.5 FTE positions, 182 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

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

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

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

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

Sec. 50. DEPARTMENT OF JUVENILE CORRECTIONS

	<u>2025-26</u>
FTE positions	738.5
Lump sum appropriation	\$ 43,576,600
Fund sources:	
State general fund	\$ 29,978,900
State charitable, penal and reformatory institutions land fund	4,881,100
Criminal justice enhancement fund	528,900
State education fund for committed youth	1,463,700
Department of juvenile corrections 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. 51. STATE LAND DEPARTMENT

	<u>2025-26</u>
FTE positions	136.7
Operating lump sum appropriation	\$ 17,736,000
CAP user fees	1,577,900
Due diligence program	<u>5,000,000</u>
Total appropriation – state land department	\$ 24,313,900
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	7,058,000

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. 52. LEGISLATURE

	<u>2025-26</u>
<u>Senate</u>	
Lump sum appropriation	\$ 18,000,200*
Fund sources:	
State general fund	\$ 18,000,200
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.	
<u>House of representatives</u>	
Lump sum appropriation	\$ 21,565,600*
Fund sources:	
State general fund	\$ 21,565,600
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.	
<u>Legislative council</u>	
FTE positions	56.0
Lump sum appropriation	\$ 9,275,700*
Fund sources:	
State general fund	\$ 9,275,700

1 Ombudsman-citizens aide office

2	FTE positions	12.0
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3	Lump sum appropriation	\$ 1,578,400*
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4 Fund sources:

5	State general fund	\$ 1,578,400
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6           The legislature intends that the ombudsman-citizens aide prioritize  
7   investigating and processing complaints relating to the department of  
8   child safety.

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

13 Joint legislative budget committee

14	FTE positions	29.0
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15	Lump sum appropriation	\$ 3,055,800*
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16 Fund sources:

17	State general fund	\$ 3,055,800
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18 Auditor general

19	FTE positions	224.8
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20	Lump sum appropriation	\$26,722,700*
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21 Fund sources:

22	State general fund	\$ 26,722,700
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23 Of the amount appropriated for the lump sum appropriation, the  
24 auditor general shall use \$3,300,000 for additional agency performance  
25 audits and school district audits.

26 Sec. 53. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

27 [2025-26](#)

28	FTE positions	58.2
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29	Lump sum appropriation	\$ 6,126,800
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30 Fund sources:

31	Liquor licenses fund	\$ 6,126,800
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32 Sec. 54. ARIZONA STATE LOTTERY COMMISSION

33 2025-26

34	FTE positions	98.8
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35	Operating lump sum appropriation	\$ 10,195,900
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36	Advertising	<u>15,500,000</u>
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37 Total appropriation – Arizona state

38	lottery commission	\$ 25,695,900
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39 Fund sources:

40	State lottery fund	\$ 25,695,900
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41 An amount equal to twenty percent of tab ticket sales is  
42 appropriated to pay sales commissions to charitable organizations. This  
43 amount is currently estimated to be \$1,815,700 in fiscal year 2025-2026.

An amount equal to 3.6 percent of actual instant ticket sales is appropriated to print instant tickets or to pay contractual obligations concerning instant ticket distribution. This amount is currently estimated to be \$40,643,600 in fiscal year 2025-2026.

An amount equal to a percentage of total ticket sales as determined by contract is appropriated to pay online vendor fees. This amount is currently estimated to be \$17,747,100, or 1.079 percent of total ticket sales, in fiscal year 2025-2026.

An amount equal to 6.5 percent of gross lottery game sales, minus charitable tab tickets, is appropriated to pay sales commissions to ticket retailers. An additional amount not to exceed 0.5 percent of gross lottery game sales is appropriated to pay sales commissions to ticket retailers. The combined amount is currently estimated to be \$109,591,300, or 6.7 percent of total ticket sales, in fiscal year 2025-2026.

Sec. 55. BOARD OF MASSAGE THERAPY

	<u>2025-26</u>
FTE positions	5.0
Lump sum appropriation	\$ 607,700
Fund sources:	
Board of massage therapy fund	\$ 607,700

Sec. 56. ARIZONA MEDICAL BOARD

	<u>2025-26</u>
FTE positions	63.5
Operating lump sum appropriation	\$ 8,259,300
Employee performance incentive program	165,600
Total appropriation – Arizona medical board	\$ 8,424,900
Fund sources:	
Arizona medical board fund	\$ 8,424,900

Sec. 57. STATE MINE INSPECTOR

	<u>2025-26</u>
FTE positions	22.0
Operating lump sum appropriation	\$ 1,468,600
Abandoned mines	830,700
Aggregate mining land reclamation	<u>112,900</u>
Total appropriation – state mine inspector	\$ 2,412,200
Fund sources:	
State general fund	\$ 2,299,300
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. 58. STATE NATURAL RESOURCE CONSERVATION BOARD

		<u>2025-26</u>
Lump sum appropriation	\$	650,000
Fund sources:		
State general fund	\$	389,400
Environmental special plate fund		260,600

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

Sec. 59. 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. 60. 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

Sec. 61. ARIZONA STATE BOARD OF NURSING

		<u>2025-26</u>
FTE positions		63.0
Operating lump sum appropriation	\$	6,434,800
Certified nursing assistant credentialing program		<u>548,000</u>

Total appropriation – Arizona state

board of nursing	\$	6,982,800
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Fund sources:		
Board of nursing fund		6,982,800

Sec. 62. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

		<u>2025-26</u>
FTE positions		7.0
Lump sum appropriation	\$	613,100

1	Fund sources:		
2	Nursing care institution		
3	administrators' licensing and		
4	assisted living facility		
5	managers' certification fund	\$	613,100
6	Sec. 63. BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
7			<u>2025-26</u>
8	FTE positions		2.0
9	Lump sum appropriation	\$	302,700
10	Fund sources:		
11	Occupational therapy fund	\$	302,700
12	Sec. 64. STATE BOARD OF DISPENSING OPTICIANS		
13			<u>2025-26</u>
14	FTE positions		1.0
15	Lump sum appropriation	\$	198,500
16	Fund sources:		
17	Board of dispensing opticians fund	\$	198,500
18	Sec. 65. STATE BOARD OF OPTOMETRY		
19			<u>2025-26</u>
20	FTE positions		2.0
21	Lump sum appropriation	\$	295,600
22	Fund sources:		
23	Board of optometry fund	\$	295,600
24	Sec. 66. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		
25			<u>2025-26</u>
26	FTE positions		10.0
27	Lump sum appropriation	\$	1,403,100
28	Fund sources:		
29	Arizona board of osteopathic		
30	examiners in medicine		
31	and surgery fund	\$	1,403,100
32	Sec. 67. ARIZONA STATE PARKS BOARD		
33			<u>2025-26</u>
34	FTE positions		167.0
35	Operating lump sum appropriation	\$	16,525,300
36	State parks store		1,513,100
37	Kartchner caverns state park		<u>2,509,900</u>
38	Total appropriation – Arizona state parks		
39	board	\$	20,548,300
40	Fund sources:		
41	State parks revenue fund	\$	19,018,500
42	State parks store fund		1,513,100
43	Off-highway vehicle recreation fund		16,700



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

Sec. 68. STATE PERSONNEL BOARD

	<u>2025-26</u>
FTE positions	2.0
Lump sum appropriation	\$ 363,700

Fund sources:

Personnel division fund – personnel board subaccount	\$ 363,700
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Sec. 69. ARIZONA STATE BOARD OF PHARMACY

	<u>2025-26</u>
FTE positions	25.4
Operating lump sum appropriation	\$ 3,454,000
Prescriber report card	<u>50,000</u>

Total appropriation – Arizona state board of pharmacy	\$ 3,504,000
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Fund sources:

Arizona state board of pharmacy fund	\$ 3,504,000
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Sec. 70. BOARD OF PHYSICAL THERAPY

	<u>2025-26</u>
FTE positions	4.0
Lump sum appropriation	\$ 596,000

Fund sources:

Board of physical therapy fund	\$ 596,000
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Sec. 71. ARIZONA PIONEERS' HOME

	<u>2025-26</u>
FTE positions	107.3
Lump sum appropriation	\$ 8,492,100

Fund sources:

Miners' hospital for miners with disabilities land fund	\$ 2,363,700
State charitable fund	6,128,400

Earnings on state lands and interest on the investment of the permanent land funds are appropriated for the Arizona pioneers' home and the state hospital for miners with disabilities in compliance with the enabling act and the Constitution of Arizona.

1	Sec. 72.	STATE BOARD OF PODIATRY EXAMINERS	
2			<u>2025-26</u>
3		FTE positions	1.0
4		Lump sum appropriation	\$ 202,700
5		Fund sources:	
6		Podiatry fund	\$ 202,700
7	Sec. 73.	STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
8			<u>2025-26</u>
9		FTE positions	4.0
10		Lump sum appropriation	\$ 453,000
11		Fund sources:	
12		Board for private postsecondary	
13		education fund	\$ 453,000
14	Sec. 74.	STATE BOARD OF PSYCHOLOGIST EXAMINERS	
15			<u>2025-26</u>
16		FTE positions	4.5
17		Lump sum appropriation	\$ 644,800
18		Fund sources:	
19		Behavioral analyst licensing	
20		and regulation account	\$ 216,100
21		Board of psychologist examiners	
22		fund	\$ 428,700
23	Sec. 75.	DEPARTMENT OF PUBLIC SAFETY	
24			<u>2025-26</u>
25		FTE positions	2,167.7
26		Operating lump sum appropriation	\$276,712,700
27		ACTIC	2,132,700
28		AZPOST	6,100,000
29		Border drug interdiction	17,414,800
30		Local border support	13,232,900
31		Civil air patrol maintenance and	
32		operations	144,000
33		Department of public safety	
34		crime lab assistance	200,000
35		GIITEM	24,749,000
36		GIITEM subaccount	2,396,400
37		Major incident division	15,500,000*
38		Motor vehicle fuel	5,454,600
39		Pharmaceutical diversion and	
40		drug theft task force	704,200
41		Public safety equipment	<u>2,890,000</u>
42	Total	appropriation – department of public	
43		safety	\$367,631,300

Fund sources:

State general fund	\$288,138,300
State highway fund	10,000,000
Arizona highway patrol fund	27,028,500
Criminal justice enhancement fund	3,049,900
Department of public safety	
forensics fund	23,198,800
Gang and immigration intelligence	
team enforcement mission border	
security and law enforcement	
subaccount	2,396,400
Motorcycle safety fund	198,900
Motor vehicle liability insurance	
enforcement fund	1,003,300
Risk management revolving fund	1,141,900
Parity compensation fund	3,156,800
Public safety equipment fund	2,894,000
Concealed weapons permit fund	3,388,400
Fingerprint clearance card fund	2,036,100

Of the \$24,749,000 appropriated to the GIITEM line item, \$12,895,100 shall be used for one hundred department of public safety GIITEM personnel. The additional staff shall include at least fifty sworn department of public safety positions to be used for immigration enforcement and border security and fifty department of public safety positions to assist GIITEM in various efforts, including:

1. Strictly enforcing all federal laws relating to illegal aliens and arresting illegal aliens.
2. Responding to or assisting any county sheriff or attorney in investigating complaints of employment of illegal aliens.
3. Enforcing Arizona's law known as the Legal Arizona Workers Act, strictly enforcing Arizona's SB 1070, Arizona's "Support Our Law Enforcement and Safe Neighborhoods Act" and investigating crimes of identity theft in the context of hiring illegal aliens and the unlawful entry into this country.
4. Taking strict enforcement action.

Any change in the GIITEM mission or allocation of monies shall be approved by the joint legislative budget committee. The department shall submit an expenditure plan to the joint legislative budget committee for review before expending any monies not identified in the department's previous expenditure plans.

Of the \$24,749,000 appropriated to the GIITEM line item, only \$1,203,400 is deposited in the GIITEM fund established by section 41-1724, Arizona Revised Statutes, and is appropriated for the purposes of that section. The \$1,203,400 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. This

1 state recognizes that states have inherent authority to arrest a person  
2 for any immigration violation.

3 Any monies remaining in the department of public safety joint  
4 account on June 30, 2026 revert to the funds from which they were  
5 appropriated. The reverted monies shall be returned in direct proportion  
6 to the amounts appropriated.

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

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

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

26 Sec. 76. STATE REAL ESTATE DEPARTMENT

27		<u>2025-26</u>
28	FTE positions	37.0
29	Lump sum appropriation	\$ 3,111,800
30	Fund sources:	
31	State general fund	\$ 3,111,800
32	Sec. 77. RESIDENTIAL UTILITY CONSUMER OFFICE	
33		<u>2025-26</u>
34	FTE positions	12.0
35	Operating lump sum appropriation	\$ 1,461,500
36	Professional witnesses	<u>145,000*</u>
37	Total appropriation – residential utility	
38	consumer office	\$ 1,606,500
39	Fund sources:	
40	Residential utility consumer	
41	office revolving fund	\$ 1,606,500

1	Sec. 78.	BOARD OF RESPIRATORY CARE EXAMINERS	
2			<u>2025-26</u>
3		FTE positions	4.0
4		Lump sum appropriation	\$ 426,700
5		Fund sources:	
6		Board of respiratory care	
7		examiners fund	\$ 426,700
8	Sec. 79.	ARIZONA STATE RETIREMENT SYSTEM	
9			<u>2025-26</u>
10		FTE positions	240.9
11		Lump sum appropriation	\$ 28,863,400
12		Fund sources:	
13		Arizona state retirement system	
14		administration account	27,063,400
15		Long-term disability trust fund	
16		administration account	1,800,000
17	Sec. 80.	DEPARTMENT OF REVENUE	
18			<u>2025-26</u>
19		FTE positions	892.8
20		Operating lump sum appropriation	\$ 73,782,200
21		BRITS operational support	7,959,800
22		E-commerce compliance and outreach	961,900
23		Unclaimed property administration	
24		and audit	1,473,900
25		TPT simplification	1,063,100
26		Tax fraud prevention	<u>3,163,800</u>
27	Total	appropriation – department of revenue	\$ 88,404,700
28		Fund sources:	
29		State general fund	\$ 59,677,700
30		Department of revenue	
31		administrative fund	27,101,900
32		Liability setoff program	
33		revolving fund	894,800
34		Tobacco tax and health care fund	730,300

If the total value of properties retained by unclaimed property contract auditors exceeds \$1,473,900, the excess amount is transferred from the state general fund to the department of revenue administrative fund established by section 42-1116.01, Arizona Revised Statutes, and is appropriated to the department for contract auditor fees.

The department shall report the department's general fund revenue enforcement goals for fiscal year 2025-2026 to the joint legislative budget committee on or before September 30, 2025. On or before September 30, 2026, the department shall provide an annual progress report to the joint legislative budget committee as to the effectiveness of the department's overall enforcement and collections program for fiscal year

2025-2026. The reports shall compare projected and actual state general fund, total state tax, total county tax and total municipal tax revenue enforcement collections for fiscal year 2024-2025 and fiscal year 2025-2026, including the amount of projected and actual enforcement collections for all tax types. The reports shall also include the total number of transaction privilege tax delinquent accounts, the total dollar value of those accounts classified by age of account and the total dollar amount of delinquent account write-offs determined to be uncollectible for fiscal year 2024-2025.

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

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

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

Sec. 81. DEPARTMENT OF STATE – SECRETARY OF STATE

	<u>2025-26</u>
FTE positions	144.1
Operating lump sum appropriation	\$ 14,547,200
Access voter information database	483,500
Electronic records repository	70,000
Library grants-in-aid	651,400*
Statewide radio reading service for the blind	97,000
Uniform state laws commission	<u>99,000</u>
Total appropriation – department of state – secretary of state	\$ 15,948,100
Fund sources:	
State general fund	\$ 14,093,900
Election systems improvement fund	483,500
Records services fund	1,370,700

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

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

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

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

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

1. The secretary of state is named as a defendant.

2. The secretary of state believes a conflict exists that prevents the attorney general from representing the secretary of state.

3. The secretary of state either remains a nominal party or is defending the constitutionality of a law or referendum enacted by the legislature.

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

#### Sec. 82. STATE BOARD OF TAX APPEALS

2025-26

FTE positions 4.0

Lump sum appropriation \$ 318,600

#### Fund sources:

State general fund \$ 318,600

#### Sec. 83. STATE BOARD OF TECHNICAL REGISTRATION

2025-26

FTE positions 25.0

Lump sum appropriation \$ 2,646,000

#### Fund sources:

Technical registration fund \$ 2,646,000

#### Sec. 84. OFFICE OF TOURISM

2025-26

FTE positions 31.0

Tourism fund deposit \$ 7,406,000

Arizona promotion 819,000

Wine promotion 100,000

Total appropriation – office of tourism \$ 8,325,000

#### Fund sources:

State general fund \$ 8,325,000

## 1    Sec. 85.    DEPARTMENT OF TRANSPORTATION

2		<u>2025-26</u>
3	FTE positions	4,571.0
4	Operating lump sum appropriation	\$254,804,200
5	Attorney general legal services	3,940,400
6	Highway maintenance	164,189,300
7	ADOT fleet vehicles and heavy	
8	equipment maintenance	26,522,700
9	ADOT fleet vehicles and heavy	
10	equipment maintenance contingency	1,000,000
11	State fleet operations	22,867,800
12	State fleet vehicle replacement	7,250,000
13	Driver safety and livestock control	800,000
14	ADOT fleet vehicle and heavy	
15	equipment replacement	22,400,000
16	Highway damage recovery account	7,999,300
17	Statewide litter removal	3,106,800
18	Radio lifecycle replacement	1,656,100
19	Preventive surface treatments	36,142,000
20	Authorized third parties	<u>2,262,600</u>

21    Total appropriation – department of  
 22                    transportation                    \$554,941,200

## 23    Fund sources:

24	Air quality fund	\$ 878,300
25	Arizona highway user revenue fund	951,500
26	Highway damage recovery account	7,999,300
27	Ignition interlock device fund	365,600
28	Motor vehicle liability	
29	insurance enforcement fund	1,615,600
30	State fleet operations fund	22,867,800
31	State vehicle replacement fund	7,250,000
32	State aviation fund	2,289,300
33	State highway fund	481,554,700
34	Department fleet operations fund	27,522,700
35	Vehicle inspection and certificate	
36	of title enforcement fund	1,646,400

37    Motor vehicle division

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



1 for the motor vehicle modernization solution, maintenance of legacy  
2 mainframe processing and support capability, and other system projects  
3 outside the scope of the motor vehicle modernization project.

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

10 Other

11 Of the total amount appropriated, \$164,189,300 in fiscal year  
12 2025-2026 for highway maintenance is exempt from the provisions of section  
13 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
14 except that all unexpended and unencumbered monies of the appropriation  
15 revert to the state highway fund established by section 28-6991, Arizona  
16 Revised Statutes, on August 31, 2026.

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

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

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

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

38 Expenditures made by the department of transportation for ADOT fleet  
39 vehicle and heavy equipment replacement shall be funded only from the ADOT  
40 fleet vehicle and heavy equipment replacement line item. Monies in the  
41 operating lump sum appropriation or other line items intended for this  
42 purpose shall be transferred to the ADOT fleet vehicle and heavy equipment  
43 replacement line item before expenditure.

## 1    Sec. 86.    STATE TREASURER

2			<u>2025-26</u>
3	FTE positions		38.4
4	Operating lump sum appropriation	\$	4,677,100
5	Justice of the peace salaries		2,589,600
6	Law enforcement/boating safety		
7	fund grants		<u>2,183,800</u>
8	Total appropriation – state treasurer	\$	9,450,500

## 9    Fund sources:

10	State general fund	\$	2,932,100
11	Law enforcement and boating		
12	safety fund		2,183,800
13	State treasurer's operating fund		4,334,600

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

## 21    Sec. 87.    GOVERNOR'S OFFICE ON TRIBAL RELATIONS

22			<u>2025-26</u>
23	FTE positions		3.0
24	Lump sum appropriation	\$	67,100
25	Fund sources:		
26	State general fund	\$	67,100

## 27    Sec. 88.    ARIZONA BOARD OF REGENTS

28			<u>2025-26</u>
29	FTE positions		30.9
30	Operating lump sum appropriation	\$	3,084,500
31	Adaptive athletics		160,000
32	Arizona promise program		20,000,000
33	Spouses of military veterans		
34	tuition scholarships		10,000,000
35	Arizona teachers academy		15,000,000
36	Arizona teachers incentive program		90,000
37	Arizona teacher student loan program		426,000
38	Arizona transfer articulation		
39	support system		213,700
40	Leveraging educational assistance		
41	partnership program		1,220,800
42	Washington, D.C. internships		300,000*

1	Western interstate commission	
2	office	153,000
3	WICHE student subsidies	<u>4,078,000</u>
4	Total appropriation – Arizona board of	
5	regents	\$ 54,726,000
6	Fund sources:	
7	State general fund	\$ 54,726,000

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

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

26 1. The total number of students receiving promise scholarships by  
27 each eligible postsecondary institution.

28 2. The total number of students enrolled at each eligible  
29 postsecondary institution that are eligible to receive federal pell  
30 grants.

31 3. A list of the programs of study in which promise scholarship  
32 recipients are enrolled, including the number of recipients enrolled in  
33 each program.

34 4. The average promise scholarship award amount for each eligible  
35 postsecondary institution.

36 5. A geographic representation of promise scholarship recipients  
37 based on the high school attended.

38 6. The average grade point average of promise scholarships  
39 recipients by each eligible postsecondary institution.

40 On or before October 1, 2026, the Arizona board of regents shall  
41 submit a report to the director of the joint legislative budget committee  
42 and the director of the governor's office of strategic planning and  
43 budgeting on spouses of military veterans tuition scholarships that  
44 includes all of the following for fiscal year 2025-2026:

1           1. The amount distributed to each eligible postsecondary  
2 institution.

3           2. The total number of award recipients by each eligible  
4 postsecondary institution.

5           3. The average award amount for each eligible postsecondary  
6 institution.

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

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

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

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

29           3. Have experience placing students in internships for at least ten  
30 consecutive years.

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

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

Sec. 89. ARIZONA STATE UNIVERSITY

	<u>2025-26</u>
FTE positions	8,357.4
Operating lump sum appropriation	\$1,073,584,600
Biomedical informatics	3,758,100
Eastern Europe cultural collaborative	250,000
Arizona financial aid trust	5,985,800
Downtown Phoenix campus	<u>134,098,500</u>

Total appropriation – Arizona state university \$1,217,677,000

Fund sources:

State general fund	\$ 360,678,200
University collections fund	856,998,800

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

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

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

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

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

Any appropriated monies allocated by the university for the school of civic and economic thought and leadership shall be used to operate a single stand-alone academic entity within Arizona state university. The appropriated monies may not supplant any existing state funding or private or external donations to the existing centers or to the school. The appropriated monies and all private and external donations for the school, 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 school and may not be used for indirect costs of the university. On or before October 1, 2025, the school shall submit a report 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 that includes at least the following information for the school:

1. The total amount of funding received from all sources.
2. A description of faculty positions and courses offered.

3. The total undergraduate and graduate student enrollment.

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 school to appear before the committees to report on the school's annual achievements.

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

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

Sec. 90. NORTHERN ARIZONA UNIVERSITY

	<u>2025-26</u>
FTE positions	2,399
Operating lump sum appropriation	\$236,397,200
Arizona financial aid trust	1,326,000
Biomedical research funding	3,000,000
NAU – Yuma	3,088,400
Teacher training	<u>2,292,700</u>
Total appropriation – Northern Arizona university	\$246,104,300
Fund sources:	
State general fund	\$114,267,500
University collections fund	131,836,800

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

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

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

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

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

9 The biomedical research funding shall be distributed to a nonprofit  
10 medical research foundation in this state that collaborates with  
11 universities, hospitals and biotechnology and health research centers. A  
12 nonprofit foundation that receives monies shall submit an expenditure and  
13 performance report to northern Arizona university. The university shall  
14 transmit the report to the joint legislative budget committee and the  
15 director of the governor's office of strategic planning and budgeting on  
16 or before February 1, 2026. The report must include at least the  
17 following:

18 1. The type and amount of expenditures from all state sources of  
19 monies, including the amount leveraged for local, state, federal and  
20 private grants.

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

24 3. Performance measures, including:

25 (a) Outcomes that are specifically related to the use of state  
26 monies.

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

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

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

33 Any appropriated monies allocated by the university for the economic  
34 policy institute may not supplant any existing state funding or private or  
35 external donations to the institute or to the university. The  
36 appropriated monies and all private and external donations for the  
37 institute, including any remaining balances from prior fiscal years, shall  
38 be deposited in a separate account, shall be used only for the direct  
39 operation of the institute and may not be used for indirect costs of the  
40 university. On or before October 1, 2025, the institute shall submit to  
41 the president of the senate, the speaker of the house of representatives,  
42 the chairpersons of the senate education committee and the house of  
43 representatives education committee and the director of the joint  
44 legislative budget committee a report that includes at least the following  
45 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. 91. UNIVERSITY OF ARIZONA

2025-26

Main campus

FTE positions	6,162.8
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	1,208,200
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
School of mining	4,170,200
Sierra Vista campus	5,056,700
Veterinary diagnostic laboratory	<u>2,584,200</u>
Total – main campus	\$623,748,900

Fund sources:

State general fund	\$255,199,800
University collections fund	368,549,100

Health sciences center

FTE positions	1,044.0
Operating lump sum appropriation	\$87,356,100
Clinical rural rotation	353,600
Clinical teaching support	8,587,000
Liver research institute	440,400
Phoenix medical campus	38,544,100
Telemedicine network	<u>1,670,000</u>
Total – health sciences center	\$136,951,200



1 Fund sources:

2 State general fund \$ 75,428,400

3 University collections fund 61,522,800

4 Total appropriation - university of  
5 Arizona \$760,700,100

6 Fund sources:

7 State general fund \$330,628,200

8 University collections fund 430,071,900

9 The state general fund appropriation may not be used for alumni  
10 association funding.

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

13 Other than scholarships awarded through the Arizona financial aid  
14 trust, the appropriated monies may not be used for scholarships or any  
15 student newspaper.

16 The university of Arizona may not use monies appropriated for the  
17 Arizona geological survey line item for any other purpose and may not  
18 transfer the monies appropriated for the Arizona geological survey to the  
19 operating budget or any other line item.

20 The legislature intends that \$8,000,000 of the amount appropriated  
21 to the health sciences center operating lump sum appropriation line item  
22 be used to expand the college of medicine Phoenix campus and to develop  
23 and administer a primary care physician scholarship program at the college  
24 of medicine Phoenix campus and the college of medicine Tucson campus. The  
25 legislature intends that the \$8,000,000 not be annualized in future years.

26 Any appropriated monies allocated by the university for the center  
27 for the philosophy of freedom may not supplant any existing state funding  
28 or private or external donations to the center or the philosophy  
29 department of the university of Arizona. The appropriated monies and all  
30 private and external donations for the center, including any remaining  
31 balances from prior fiscal years, shall be deposited in a separate  
32 account, shall be used only for the direct operation of the center and may  
33 not be used for indirect costs of the university. On or before October 1,  
34 2025, the center shall submit a report to the president of the senate, the  
35 speaker of the house of representatives, the chairpersons of the senate  
36 education committee and the house of representatives education committee  
37 and the director of the joint legislative budget committee that includes  
38 at least the following information for the center:

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

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

5           The legislature intends that appropriated monies allocated by the  
6 university for the center for the philosophy of freedom in fiscal year  
7 2025-2026 be consistent with the amount appropriated in fiscal year  
8 2022-2023, except that the university may allocate to the center the lump  
9 sum reduction of not more than 3.45 percent prescribed by Laws 2024,  
10 chapter 209, section 129.

11           The amount appropriated to the college of veterinary medicine line  
12 item shall be distributed to the college of veterinary medicine to  
13 increase the number of students that are residents of this state. Before  
14 spending these monies, the university of Arizona shall report to the joint  
15 legislative budget committee all of the following information for the  
16 college of veterinary medicine:

- 17           1. The current number of students who are residents of this state.
- 18           2. The current number of students who are not residents of this  
19 state.

20           The university of Arizona shall use monies appropriated for the  
21 Kazakhstan studies program to facilitate academic exchanges between  
22 university students and academic institutions in Kazakhstan.

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

29           One hundred percent of the land earnings and interest from the  
30 school of mines land fund shall be distributed to the university of  
31 Arizona school of mining and mineral resources in compliance with the  
32 enabling act and the Constitution of Arizona.

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

## 1    Sec. 92.    DEPARTMENT OF VETERANS' SERVICES

2		<u>2025-26</u>
3	FTE positions	792.3
4	Operating lump sum appropriation	\$ 2,921,700
5	Arizona state veterans' homes	60,994,800
6	Arizona state veterans' cemeteries	970,300
7	Rural tribal nations veteran	
8	benefit counseling	2,217,900
9	Veterans' benefit counseling	3,713,100
10	Veterans' support services	1,226,100
11	Veterans' trauma treatment	
12	services	<u>450,000</u>
13	Total appropriation – department of	
14	veterans' services	\$ 72,493,900
15	Fund sources:	
16	State general fund	\$ 11,499,100
17	State home for veterans' trust	
18	fund	60,994,800

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

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

33        Monies appropriated for the veterans' trauma treatment services line  
34        item shall be used to provide grants to contractors as defined in section  
35        36-2901, Arizona Revised Statutes, that provide trauma treatment services  
36        training to any of the following health professionals licensed pursuant to  
37        title 32, Arizona Revised Statutes:

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

1	Sec. 93.	ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD	
2			<u>2025-26</u>
3		FTE positions	7.0
4		Lump sum appropriation	\$ 787,900
5		Fund sources:	
6		Veterinary medical examining	
7		board fund	\$ 787,900
8	Sec. 94.	DEPARTMENT OF WATER RESOURCES	
9			<u>2025-26</u>
10		FTE positions	204.0
11		Operating lump sum appropriation	\$ 15,248,800
12		Adjudication support	1,914,400
13		Arizona water protection fund	
14		deposit	750,000
15		Assured and adequate water supply	
16		administration	2,531,200
17		Rural water studies	1,296,000
18		Conservation and drought program	433,500
19		Automated groundwater monitoring	421,100
20		Colorado River legal expenses	500,000*
21		Water supply and demand assessment	<u>3,541,500</u>
22	Total appropriation – department of water		
23	resources		\$ 26,636,500
24		Fund sources:	
25		State general fund	\$ 24,618,200
26		Water resources fund	1,726,500
27		Assured and adequate water	
28		supply administration fund	291,800

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

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

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

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

4       Fiscal Year 2024-2025 Appropriation Adjustments

5       Sec. 95. Appropriation reduction; Arizona health care cost  
6               containment system administration; fiscal year  
7               2024-2025

8       In addition to any other appropriations made in fiscal year  
9       2024-2025, the sum of \$(106,051,600) is reduced from appropriations made  
10      from the state general fund in fiscal year 2024-2025 to the Arizona health  
11      care cost containment system administration for adjustments in formula  
12      requirements.

13      Sec. 96. Appropriation reduction; department of economic  
14               security; fiscal year 2024-2025

15      In addition to any other appropriations made in fiscal year  
16      2024-2025, the sum of \$(9,900,000) is reduced from appropriations made  
17      from the state general fund in fiscal year 2024-2025 to the department of  
18      economic security for adjustments in formula requirements.

19      Sec. 97. Supplemental appropriations; superintendent of  
20               public instruction; fiscal year 2024-2025

21      A. In addition to any other appropriations made in fiscal year  
22      2024-2025, the sum of \$206,206,000 is appropriated from the state general  
23      fund in fiscal year 2024-2025 to the superintendent of public instruction  
24      for additional basic state aid formula costs.

25      B. In addition to any other appropriations made in fiscal year  
26      2024-2025, the sum of \$2,000,000 is appropriated from the state general  
27      fund in fiscal year 2024-2025 to the superintendent of public instruction  
28      for statewide assessment expenses.

29      Sec. 98. Supplemental appropriation; Arizona department of  
30               forestry and fire management; fiscal year  
31               2024-2025; exemption

32      In addition to any other appropriations made in fiscal year  
33      2024-2025, the sum of \$11,180,800 is appropriated from the state general  
34      fund in fiscal year 2024-2025 to the Arizona department of forestry and  
35      fire management to repay debts owed to the federal government incurred in  
36      the course of wildfire suppression activities. The appropriation made in  
37      this section is exempt from the provisions of section 35-190, Arizona  
38      Revised Statutes, relating to lapsing of appropriations.

39      Sec. 99. Supplemental appropriation; department of health  
40               services; operating shortfall; fiscal year  
41               2024-2025

42      In addition to any other appropriations made in fiscal year  
43      2024-2025, the sum of \$3,328,200 is appropriated from the Arizona state  
44      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 costs shortfall.

3 Sec. 100. Supplemental appropriations; secretary of state;  
4 district special primary and special general  
5 elections; report; fiscal year 2024-2025;  
6 exemption

7 A. In addition to any other appropriations made in fiscal year  
8 2024-2025, the sum of \$7,300,000 is appropriated from the state general  
9 fund in fiscal year 2024-2025 to the secretary of state for the purpose of  
10 reimbursing expenses incurred by Cochise, Maricopa, Pima, Pinal, Santa  
11 Cruz and Yuma counties for the administration of the special primary and  
12 special general elections to fill the vacancy in the United States house  
13 of representatives for Arizona's congressional district 7.

14 B. In addition to any other appropriations made in fiscal year  
15 2024-2025, the sum of \$212,000 is appropriated from the state general fund  
16 in fiscal year 2024-2025 to the secretary of state for expenses incurred  
17 for the administration of the special primary and special general  
18 elections to fill the vacancy in the United States house of  
19 representatives for Arizona's congressional district 7.

20 C. The secretary of state shall reimburse a county for the  
21 additional cost of printing and mailing ballots and other election  
22 materials, compensation paid to election board and tally board officers  
23 serving during the special elections, as well as other costs of  
24 administering the special elections. The secretary of state may advance a  
25 portion of the estimated expenses to the county. A county that receives  
26 an advance shall provide subsequent documentation to the secretary of  
27 state pursuant to subsection D of this section.

28 D. The clerk of the board of supervisors shall submit to the  
29 secretary of state for approval itemized claims, together with  
30 documentation, verified by the clerk, for expenses incurred or to be  
31 incurred by the county recorder and the county elections department as  
32 prescribed by subsection C of this section. The clerk of the board of  
33 supervisors shall submit the verified claims to the secretary of state on  
34 or before November 30, 2025.

35 E. On approval of a claim by the secretary of state, the secretary  
36 of state shall submit the claim to the department of administration for  
37 payment to the county from the monies appropriated in subsection A of this  
38 section. Reimbursement of expenses incurred by a county for the  
39 administration of the special election may not exceed:

- |    |                      |             |
|----|----------------------|-------------|
| 40 | 1. Cochise county    | \$ 139,500  |
| 41 | 2. Maricopa county   | \$ 906,900  |
| 42 | 3. Pima county       | \$5,597,700 |
| 43 | 4. Pinal county      | \$ 66,100   |
| 44 | 5. Santa Cruz county | \$ 240,600  |
| 45 | 6. Yuma county       | \$ 349,200  |

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

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

10 Sec. 101. Supplemental appropriation: state treasurer: fiscal  
11 year 2024-2025

12 In addition to any other appropriations made in fiscal year  
13 2024-2025, the sum of \$138,600 is appropriated from the state general fund  
14 in fiscal year 2024-2025 to the state treasurer for a justice of the peace  
15 salary adjustment.

16 Sec. 102. Supplemental appropriation: department of veterans'  
17 services: fiscal year 2024-2025

18 In addition to any other appropriations made in fiscal year  
19 2024-2025, the sum of \$1,000,000 is appropriated from the state general  
20 fund in fiscal year 2024-2025 to the department of veterans' services for  
21 deposit in the state homes for veterans trust fund established by section  
22 41-608.01, Arizona Revised Statutes, for an operating costs shortfall.

23 Fiscal Year 2025-2026 Appropriations

24 Sec. 103. Appropriations: department of administration;  
25 counties: allocations: report: fiscal year  
26 2025-2026

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

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

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

Sec. 104. Automation projects fund; appropriations; quarterly reports; exemption; fiscal year 2025-2026

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

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

2. For electronic corporate income tax returns, captures information regarding the principal business activity of the corporation. This requirement may be satisfied through North American industry classification system data listed on federal tax forms. The tax system shall allow for querying and reporting based on principal business activity.

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

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

Quarterly Reports

B. Within thirty days after the last day of each calendar quarter, the department of administration shall submit to the joint legislative budget committee a quarterly report on implementing projects approved by the information technology authorization committee established by section



1 18-121, Arizona Revised Statutes, including the projects' expenditures to  
2 date, deliverables, timeline for completion and current status.

3 Nonlapsing

4 C. The amounts appropriated pursuant to this section from the  
5 automation projects fund established by section 41-714, Arizona Revised  
6 Statutes, in fiscal year 2025-2026 are exempt from the provisions of  
7 section 35-190, Arizona Revised Statutes, relating to lapsing of  
8 appropriations, until June 30, 2027.

9 Sec. 105. Department of economic security; loans;  
10 reimbursement; prohibition; fiscal year 2025-2026

11 On or after April 1, 2026, the department of economic security may  
12 use up to \$25,000,000 from the budget stabilization fund established by  
13 section 35-144, Arizona Revised Statutes, for the purpose of providing  
14 funding for reimbursement grants. Before using the monies from the budget  
15 stabilization fund, the department shall notify the director of the joint  
16 legislative budget committee and the director of the governor's office of  
17 strategic planning and budgeting. This appropriation must be fully  
18 reimbursed on or before September 1, 2026 and must be reimbursed in full  
19 as part of the closing process for fiscal year 2025-2026. The department  
20 shall notify the joint legislative budget committee of the reimbursement  
21 on or before September 1, 2026. The appropriation may not be used for  
22 additional programmatic expenditures.

23 Sec. 106. Phoenix convention center; allocation; fiscal year  
24 2025-2026

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

29 Sec. 107. Rio Nuevo multipurpose facility district; estimated  
30 distribution; fiscal year 2025-2026

31 Pursuant to section 42-5031, Arizona Revised Statutes, a portion of  
32 the state transaction privilege tax revenues will be distributed to a  
33 multipurpose facility district. The Rio Nuevo multipurpose facility  
34 district is estimated to receive \$19,000,000 in fiscal year 2025-2026.  
35 The actual amount of the distribution will be made pursuant to section  
36 42-5031, Arizona Revised Statutes.

37 Fund Balance Transfers

38 Sec. 108. Fund balance transfer; state highway fund; fiscal  
39 year 2025-2026

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

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

7           Sec. 109. Fund balance transfer; state highway fund; vehicle  
8 license tax; fiscal year 2025-2026

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

15           Sec. 110. Fund balance transfers; automation projects fund;  
16 fiscal year 2025-2026

17           A. The following amounts are transferred from the following funds  
18 in fiscal year 2025-2026 for deposit in the department of revenue  
19 subaccount in the automation projects fund established pursuant to section  
20 41-714, Arizona Revised Statutes, to implement the integrated tax system  
21 modernization project:

22           1. \$11,725,500 from the state general fund.

23           2. \$7,531,300 from the department of revenue integrated tax system  
24 project fund established by section 42-5041, Arizona Revised Statutes.

25           B. The transfers into the automation projects fund established by  
26 section 41-714, Arizona Revised Statutes, as outlined in this section are  
27 not appropriations out of the automation project fund. Only direct  
28 appropriations out of the automation projects fund are appropriations.

29           Sec. 111. Appropriation; attorney general; state department  
30 of corrections; opioid remediation; fiscal year  
31 2025-2026; exemption

32           A. In addition to any other appropriation made in fiscal year  
33 2025-2026, the sum of \$40,000,000 is appropriated from the consumer  
34 remediation subaccount of the consumer restitution and remediation  
35 revolving fund established by section 44-1531.02, Arizona Revised  
36 Statutes, in fiscal year 2025-2026 to the attorney general. This amount  
37 consists of monies deposited in the subaccount pursuant to opioid claims-  
38 related litigation or settlements.

39           B. On or before July 3, 2025, or, if sufficient monies are not  
40 available on July 3, 2025, within three calendar days after sufficient  
41 monies become available, the attorney general shall transfer the monies  
42 appropriated in subsection A of this section to the state department of  
43 corrections opioid remediation fund established pursuant to section  
44 35-142, Arizona Revised Statutes.

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

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

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

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

23 Payment Deferrals

24 Sec. 112. Reduction in school district state aid  
25 apportionment in fiscal year 2025-2026;  
26 appropriation in fiscal year 2026-2027

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

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

aid that are required pursuant to subsection A of this section for fiscal year 2025-2026.

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

#### Statewide Adjustments

#### Sec. 113. Appropriations; operating adjustments 2025-26

1. Employer health insurance	
contribution reduction	\$ (181,551,600)
Fund sources:	
State general fund	\$ (140,000,000)
Other funds	(41,551,600)
2. State fleet rate reduction	\$ (4,752,600)
Fund sources:	
State general fund	\$ (3,299,000)
Other funds	(1,453,600)
3. Employer health insurance	
contribution increase	\$ 190,000,000
Fund sources:	
State general fund	\$ 140,000,000
Other funds	50,000,000

#### Employer health insurance contribution reduction

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

#### State fleet rate reduction

The amount appropriated is for a onetime state fleet rate reduction in fiscal year 2024-2025. The joint legislative budget committee staff, in consultation with the governor's office of strategic planning and budgeting staff, shall determine and the department of administration shall allocate to each agency or department an amount for the state fleet rate reduction. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority for the state fleet rate reduction.

Employer health insurance contribution increase

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

Sec. 114. Department of law; general agency counsel charges;  
fiscal year 2025-2026

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

1. Department of administration	\$127,700
2. Office of administrative hearings	\$ 3,000
3. Arizona arts commission	\$ 3,100
4. Citizens clean elections commission	\$ 2,700
5. State department of corrections	\$ 2,000
6. Arizona criminal justice commission	\$ 8,700
7. Arizona state schools for the deaf and the blind	\$100,200
8. Commission for the deaf and the hard of hearing	\$ 4,100
9. Arizona early childhood development and health board	\$ 47,100
10. Department of education	\$132,000
11. Department of emergency and military affairs	\$ 30,000
12. Department of environmental quality	\$135,600
13. Arizona exposition and state fair board	\$ 20,900
14. Arizona department of forestry and fire management	\$ 13,400
15. Department of gaming	\$ 37,300
16. Department of health services	\$173,800
17. Arizona historical society	\$ 700
18. Arizona department of housing	\$ 19,300
19. Department of insurance and financial institutions	\$ 13,800
20. Department of juvenile corrections	\$ 9,400

1	21. State land department	\$ 2,100
2	22. Department of liquor licenses and control	\$ 11,400
3	23. Arizona state lottery commission	\$ 24,800
4	24. Arizona state parks board	\$ 45,800
5	25. State personnel board	\$ 600
6	26. Arizona pioneers' home	\$ 12,100
7	27. Department of public safety	\$677,400
8	28. Arizona board of regents	\$ 1,800
9	29. Arizona state retirement system	\$ 69,100
10	30. Department of revenue	\$ 4,900
11	31. Department of state – secretary of state	\$ 1,800
12	32. State treasurer	\$ 9,200
13	33. Department of veterans' services	\$ 52,700

14 Fiscal Year 2026-2027 Appropriations

15 Sec. 115. Appropriation; new school facilities fund; use;  
 16 fiscal year 2026-2027

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

25 Reporting Requirements and Definitions

26 Sec. 116. Agency spending and encumbrances; quarterly report;  
 27 fiscal year 2025-2026

28 Within fifteen days of the last day of each quarter in fiscal year  
 29 2025-2026, the department of administration shall report to the director  
 30 of the joint legislative budget committee and the director of the  
 31 governor's office of strategic planning and budgeting the year-to-date  
 32 expenditures and year-to-date encumbrances for operating and capital  
 33 spending from the state general fund and other agency funds in fiscal year  
 34 2025-2026. The information shall be separately delineated by agency,  
 35 budget fiscal year and fund source, and shall classify each appropriation  
 36 by agency lump sum, special line item, or project.

37 Sec. 117. COVID-related expenditures; reporting requirements;  
 38 intent

39 A. Within forty-five days after the last day of each calendar  
 40 quarter through June 30, 2027, the office of the governor shall report to  
 41 the president of the senate, the speaker of the house of representatives,  
 42 the chairpersons of the senate and house of representatives appropriations  
 43 committees and the director of the joint legislative budget committee the  
 44 total planned allocations and actual expenditures from the coronavirus  
 45 state fiscal recovery fund and the coronavirus capital projects fund as

1 appropriated by section 9901 of the American rescue plan act of 2021  
2 (P.L. 117-2).

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

13 C. Reports required pursuant to this section shall delineate  
14 expenditures by agency and program and include descriptions of the purpose  
15 of the expenditures.

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

24 Sec. 118. Legislative intent; expenditure reporting

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

35 Sec. 119. FTE positions; reporting; definition

36 Full-time equivalent (FTE) positions contained in this act are  
37 subject to appropriation. The director of the department of  
38 administration shall account for the use of all appropriated and  
39 nonappropriated FTE positions, excluding those in the universities. The  
40 director of the department of administration shall submit the fiscal year  
41 2025-2026 report on or before October 1, 2026 to the director of the joint  
42 legislative budget committee. The report shall compare the level of  
43 appropriated FTE usage in each fiscal year to the appropriated level. For  
44 the purposes of this section, "FTE positions" means the total number of  
45 hours worked, including both regular and overtime hours as well as hours

1 taken as leave, divided by the number of hours in a work year. The  
2 director of the department of administration shall notify the director of  
3 a budget unit if the budget unit's appropriated FTE usage has exceeded its  
4 number of appropriated FTE positions. Each university shall report to the  
5 director of the joint legislative budget committee in a manner comparable  
6 to the department of administration reporting.

7 Sec. 120. Filled FTE positions; reporting

8 On or before October 1, 2025, each agency, including the judiciary  
9 and universities, shall submit a report to the director of the joint  
10 legislative budget committee on the number of filled appropriated and  
11 nonappropriated FTE positions, by fund source, as of September 1, 2024.

12 Sec. 121. Transfer of spending authority

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

17 Sec. 122. Interim reporting requirements

18 A. State general fund revenue for fiscal year 2024-2025, including  
19 a beginning balance of \$962,823,000 and other onetime revenues, is  
20 forecasted to be \$17,341,500,000.

21 B. State general fund revenue for fiscal year 2025-2026, including  
22 onetime revenues, is forecasted to be \$17,762,000,000.

23 C. State general fund revenue for fiscal year 2026-2027, including  
24 onetime revenues, is forecasted to be \$17,900,400,000. State general fund  
25 expenditures for fiscal year 2026-2027 are forecasted to be  
26 \$17,389,600,000.

27 D. State general fund revenue for fiscal year 2027-2028, including  
28 onetime revenues, is forecasted to be \$18,448,300,000. State general fund  
29 expenditures for fiscal year 2027-2028 are forecasted to be  
30 \$18,039,000,000.

31 E. On or before September 15, 2025, the executive branch shall  
32 provide to the joint legislative budget committee a preliminary estimate  
33 of the fiscal year 2024-2025 state general fund ending balance. The  
34 estimate shall include projections of total revenues, total expenditures  
35 and an ending balance. The department of administration shall continue to  
36 provide the final report for the fiscal year in its annual financial  
37 report pursuant to section 35-131, Arizona Revised Statutes.

38 F. Based on the information provided by the executive branch, the  
39 staff of the joint legislative budget committee shall report to the joint  
40 legislative budget committee on or before October 15, 2025 whether the  
41 fiscal year 2025-2026 revenues and ending balance are expected to change  
42 by more than \$50,000,000 from the budgeted projections. The joint  
43 legislative budget committee staff may make technical adjustments to the  
44 revenue and expenditure estimates in this section to reflect other bills



1 enacted into law. The executive branch may also provide its own estimates  
2 to the joint legislative budget committee on or before October 15, 2025.

3 Sec. 123. Definition

4 For the purposes of this act, "\*" means this appropriation is a  
5 continuing appropriation and is exempt from the provisions of section  
6 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

7 Sec. 124. Definition

8 For the purposes of this act, "expenditure authority" means that the  
9 fund sources are continuously appropriated monies that are included in the  
10 individual line items of appropriations.

11 Sec. 125. Definition

12 For the purposes of this act, "review by the joint legislative  
13 budget committee" means a review by a vote of a majority of a quorum of  
14 the members of the joint legislative budget committee.