

House Engrossed Senate Bill  
2025-2026; general appropriations act

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

# SENATE BILL 1735

AN ACT

AMENDING LAWS 2024, CHAPTER 209, SECTIONS 25, 31 AND 134; APPROPRIATING  
MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

	<u>2024-25</u>
4	
5	3,283.1
6	<del>\$147,799,100</del>
7	<del>\$151,250,000</del>
8	
9	27,894,900
10	<del>131,939,000</del>
11	<del>146,739,700</del>
12	
13	<del>11,235,900</del>
14	<del>11,184,300</del>
15	9,150,000
16	
17	<del>103,682,000</del>
18	<del>122,482,000</del>
19	<del>19,887,200</del>
20	<del>22,079,200</del>
21	<del>42,547,300</del>
22	<del>40,447,300</del>
23	
24	32,753,600
25	<del>20,584,600</del>
26	<del>15,584,600</del>
27	
28	<del>287,221,600</del>
29	<del>281,648,400</del>
30	<del>16,805,600</del>
31	<del>17,186,800</del>
32	
33	61,675,400
34	<del>34,488,100</del>
35	<del>42,559,200</del>
36	<del>122,710,800</del>
37	<del>103,339,700</del>
38	32,412,700
39	
40	
41	<del>127,989,800</del>
42	<del>174,472,000</del>
43	
44	<del>28,642,700</del>
45	<del>25,563,300</del>

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

Additional operating resources

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

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

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

Out-of-home placements

The department of child safety may transfer up to ten percent of the total amount of federal temporary assistance for needy families block grant monies appropriated to the department of economic security and the department of child safety to the social services block grant. Before transferring federal temporary assistance for needy families block grant monies to the social services block grant, the department of child safety shall report the proposed amount of the transfer to the director of the joint legislative budget committee. This report may be in the form of an

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

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

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

19 Support services

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

26 Departmentwide

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

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

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

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

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

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

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

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

9 Benchmarks

10 For the purposes of this section:

11 1. "Backlog case":

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

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

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

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

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

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

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

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

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

9 Sec. 2. Laws 2024, chapter 209, section 31 is amended to read:  
 10 Sec. 31. STATE DEPARTMENT OF CORRECTIONS

	<u>2024-25</u>
11 FTE positions	9,592.0
12 Operating lump sum appropriation	<del>\$ 823,381,600</del>
13	\$ 832,520,500
14 Overtime and compensatory time	15,540,500
15 Private prison per diem	275,716,800
16 Community corrections	27,452,300
17 Inmate health care contracted	
18 services	<del>367,557,100</del>
19	376,978,900
20 Substance abuse treatment	3,945,400
21 Noncontract medication	<del>55,000,000</del>
22	18,000,000
23 Injunction-related IT upgrades	16,000,000
24 Total appropriation – state department	
25 of corrections	<del>\$1,584,593,700</del>
26	\$1,566,154,400
27 Fund sources:	
28 State general fund	<del>\$1,515,971,300</del>
29	\$1,497,456,000
30 State education fund for	
31 correctional education	723,200
32 Alcohol abuse treatment fund	555,800
33 Penitentiary land fund	3,460,300
34 State charitable, penal and	
35 reformatory institutions	
36 land fund	3,734,100
37 Corrections fund	31,312,500
38 Transition program fund	15,048,600
39 Prison construction and	
40 operations fund	<del>12,500,100</del>
41	12,576,100
42 Inmate store proceeds fund	1,287,800

43 Of the amount appropriated in the operating lump sum, \$487,093,200  
 44 is designated for personal services and \$222,017,000 is designated for  
 45

1 employee-related expenditures. The department shall submit an expenditure  
2 plan for review by the joint legislative budget committee before spending  
3 these monies other than for personal services or employee-related  
4 expenditures.

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

12 The department shall submit an expenditure plan for review by the  
13 joint legislative budget committee before spending monies appropriated for  
14 the overtime and compensatory time line item other than for personal  
15 services or employee-related expenditures.

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

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

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

37 On or before November 1, 2024, the state department of corrections  
38 shall provide a report on bed capacity to the joint legislative budget  
39 committee. The report shall reflect the bed capacity for each security  
40 classification by gender at each state-run and private institution,  
41 divided by rated and total beds. The report shall include bed capacity  
42 data for June 30, 2023 and June 30, 2024 and the projected capacity for  
43 June 30, 2025, as well as the reasons for any change within that time  
44 period. Within the total bed count, the department shall provide the  
45 number of temporary and special use beds. The report shall also address

1 the department's rationale for eliminating any permanent beds rather than  
2 reducing the level of temporary beds. The report shall also include any  
3 plans to vacate beds but not permanently remove the beds from the bed  
4 count.

5 If the department develops a plan after the department's November 1,  
6 2024 report to open or close one hundred or more state-operated or private  
7 prison rated beds, the department shall submit a plan detailing the  
8 proposed bed changes for review by the joint legislative budget committee  
9 before implementing these changes.

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

14 On or before December 15, 2024 and July 15, 2025, the state  
15 department of corrections shall submit a report to the joint legislative  
16 budget committee on the progress made in meeting the staffing needs for  
17 correctional officers. Each report shall include the number of filled  
18 correctional officer positions, the number of vacant correctional officer  
19 positions, the number of people in training, the number of separations and  
20 the number of hours of overtime worked year-to-date. The report shall  
21 detail these amounts both departmentwide and by prison complex.

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

27 Before spending any state education fund for correctional education  
28 monies in excess of \$723,200, the state department of corrections shall  
29 report the intended use of the monies to the director of the joint  
30 legislative budget committee.

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

35 On or before August 1, 2024 and February 1, 2025, the state  
36 department of corrections shall submit a report to the joint legislative  
37 budget committee on the status of all inmate health care performance  
38 measures that are tracked by the department for contract monitoring  
39 purposes. Each report must include:

- 40 1. The total number of performance measures, by facility, for which  
41 the department is not in substantial compliance.
- 42 2. An explanation for each instance of noncompliance.
- 43 3. The department's plan to comply with the performance measures.

44 On or before August 1, 2024, the state department of corrections  
45 shall transfer to the public safety personnel retirement system via the

1 department of administration its estimated required annual contribution to  
2 the corrections officer retirement plan for fiscal year 2024-2025.

3 The department shall report actual fiscal year 2023-2024, estimated  
4 fiscal year 2024-2025 and requested fiscal year 2025-2026 expenditures as  
5 delineated in the prior year when the department submits its fiscal year  
6 2025-2026 budget request pursuant to section 35-113, Arizona Revised  
7 Statutes.

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

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

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

22 Sec. 3. Laws 2024, chapter 209, section 134 is amended to read:

23 Sec. 134. Fund balance transfer; state highway fund; fiscal  
24 year 2024-2025

25 A. Notwithstanding any other law, on or before June 30, 2025,  
26 ~~\$18,700,000~~ \$17,200,000 is transferred from state highway fund established  
27 by section 28-6991, Arizona Revised Statutes, to the state general fund in  
28 fiscal year 2024-2025 for the purpose of providing adequate support and  
29 maintenance for agencies of this state.

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

36 Sec. 4. Subject to applicable laws, the sums or sources of revenue  
37 set forth in this act are appropriated for the fiscal years indicated and  
38 only from the funding sources listed for the purposes and objects  
39 specified. If monies from funding sources in this act are unavailable, no  
40 other funding source may be used.

41 Sec. 5. ARIZONA STATE BOARD OF ACCOUNTANCY

42		<u>2025-26</u>
43	FTE positions	14.0
44	Lump sum appropriation	\$ 2,258,100

1	Fund sources:	
2	Board of accountancy fund	\$ 2,258,100
3	Sec. 6. ACUPUNCTURE BOARD OF EXAMINERS	
4		<u>2025-26</u>
5	FTE positions	1.0
6	Lump sum appropriation	\$ 199,700
7	Fund sources:	
8	Acupuncture board of examiners	
9	fund	\$ 199,700
10	Of the amount appropriated in the lump sum appropriation, \$42,818	
11	may be used to pay outstanding costs of services provided by the	
12	department of administration-central services bureau in prior years.	
13	Sec. 7. DEPARTMENT OF ADMINISTRATION	
14		<u>2025-26</u>
15	FTE positions	549.1
16	Operating lump sum appropriation	\$ 96,570,000
17	Utilities	7,649,900
18	Arizona financial information	
19	system	15,238,700
20	Risk management administrative	
21	expenses	14,770,700
22	Risk management losses and	
23	premiums	93,864,300
24	Workers' compensation losses	
25	and premiums	28,741,000
26	Cyber risk insurance	23,037,200
27	Information technology project	
28	management and oversight	1,778,100
29	State surplus property sales	
30	agency proceeds	1,810,000
31	Digital solutions office	1,345,700
32	Critical applications catalogue	400,000
33	Cybersecurity systems	
34	administration	446,500
35	Government transformation office	2,074,700
36	Health care interoperability grants	1,000,000
37	State employee professional	
38	development pilot program	1,000,000
39	State employee child care study	100,000
40	Law enforcement records	
41	management system	3,208,500*
42	Fire incident management grants	2,291,600

1	Erroneous convictions fund deposit	3,000,000
2	Tribal health care investment	<u>3,000,000*</u>
3	Total appropriation – department of	
4	administration	\$301,326,900
5	Fund sources:	
6	State general fund	\$ 21,145,200
7	Air quality fund	929,900
8	Arizona financial information	
9	system collections fund	12,098,300
10	Automation operations fund	29,840,500
11	Capital outlay stabilization fund	21,137,300
12	Corrections fund	629,400
13	Cyber risk insurance fund	23,037,200
14	Federal surplus materials revolving	
15	fund	473,500
16	Information technology fund	6,174,300
17	Peace officer training	
18	equipment fund	500,000
19	Personnel division fund	18,610,600
20	Risk management revolving fund	145,634,000
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 \$3,211,500 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 The amount appropriated for the health care interoperability grants  
21 line item in fiscal year 2025-2026 is exempt from the provisions of  
22 section 35-190, Arizona Revised Statutes, relating to lapsing of  
23 appropriations, until June 30, 2028.

24 The \$1,000,000 appropriated to the department of administration for  
25 Navajo Nation electrical connections in fiscal year 2024-2025 pursuant to  
26 Laws 2024, chapter 209, section 130 is exempt from the provisions of  
27 section 35-190, Arizona Revised Statutes, relating to lapsing of  
28 appropriations, until June 30, 2026.

29 The general accounting office of the department of administration  
30 shall account for the second \$37,500,000 semi-annual payment due on June  
31 30, 2025 from Maricopa county special health care district to the Arizona  
32 department of administration pursuant to Arizona department of  
33 administration agreement number IGA-ADA-05232024-01 in state general fund  
34 revenues for fiscal year 2024-2025 in the annual financial report  
35 published for fiscal year 2024-2025 pursuant to section 35-131, subsection  
36 E, Arizona Revised Statutes.

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

- |    |                                 |           |
|----|---------------------------------|-----------|
| 41 | 1. Phoenix police department    | \$343,000 |
| 42 | 2. Mesa police department       | \$215,800 |
| 43 | 3. Chandler police department   | \$111,700 |
| 44 | 4. Scottsdale police department | \$125,900 |
| 45 | 5. Tempe police department      | \$189,700 |

1	6. Paradise Valley police department	\$ 51,800
2	7. Arizona state university police department	\$ 64,900
3	8. Peoria police department	\$ 83,900
4	9. Buckeye police department	\$ 65,900
5	10. El Mirage police department	\$ 55,000
6	11. Tolleson police department	\$ 50,700
7	12. Goodyear police department	\$ 69,200
8	13. Surprise police department	\$ 73,600
9	14. Avondale police department	\$ 72,500
10	15. Department of public safety	\$349,500
11	16. Tucson police department	\$233,600
12	17. Oro Valley police department	\$ 67,000
13	18. Marana police department	\$ 65,000
14	19. Pima county sheriff's office	\$171,800
15	20. University of Arizona police department	\$ 64,900
16	21. Flagstaff police department	\$ 82,500
17	22. Coconino county sheriff's office	\$ 47,800
18	23. Northern Arizona university police department	\$ 52,800
19	24. Pinal county sheriff's office	\$500,000

20 The department shall distribute the \$2,291,600 fire incident  
 21 management grants line item in fiscal year 2025-2026 as follows:

- 22 1. \$239,400 to Sun City fire district.
- 23 2. \$333,200 to Queen Creek fire department.
- 24 3. \$1,402,900 to Mesa fire department.
- 25 4. \$316,100 to Tempe fire department.

26 The monies appropriated for the erroneous convictions fund deposit  
 27 line item revert to the general fund if a bill authorizing compensation  
 28 for individuals erroneously convicted of crimes does not become law in the  
 29 fifty-seventh legislature, first regular session.

30 Sec. 8. DEPARTMENT OF ADMINISTRATION, DIVISION OF SCHOOL FACILITIES

31		<u>2025-26</u>
32	FTE positions	22.0
33	Operating lump sum appropriation	\$ 1,624,700
34	New school facilities debt service	9,938,100
35	Building renewal grants deposit	199,967,900
36	Building renewal grants	
37	administration	750,000*
38	New school facilities	<u>95,597,700</u>
39	Total appropriation – department of	
40	administration, division	
41	of school facilities	\$307,878,400
42	Fund sources:	
43	State general fund	\$307,878,400

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

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

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

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

19 The division of school facilities may also use the unencumbered  
 20 balance of \$18,117,400 in the new school facilities fund established by  
 21 section 41-5741, Arizona Revised Statutes, for facilities and land costs  
 22 for school districts that received final approval from the division of  
 23 school facilities on or before December 15, 2024 pursuant to section  
 24 41-5741, Arizona Revised Statutes.

25 The legislature intends that the appropriation to the division of  
 26 school facilities in fiscal year 2026-2027 for new school facilities may  
 27 include up to \$10,000,000 for end of useful life projects that receive  
 28 final approval from the division of school facilities on or before  
 29 December 15, 2025 pursuant to section 41-5741, Arizona Revised Statutes.

30 Sec. 9. OFFICE OF ADMINISTRATIVE HEARINGS

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

36 Sec. 10. ARIZONA DEPARTMENT OF AGRICULTURE

		<u>2025-26</u>
	FTE positions	215.4
	Operating lump sum appropriation	\$ 17,126,600
	Agricultural employment relations board	23,300
	Agriculture and water innovation fund deposit	2,000,000

1	Animal damage control	65,000
2	Red imported fire ant control	23,200
3	Agricultural consulting and	
4	training	<u>135,700</u>
5	Total appropriation – Arizona department	
6	of agriculture	\$ 19,373,800
7	Fund sources:	
8	State general fund	\$ 15,758,100
9	Air quality fund	1,615,700
10	Long-term water augmentation fund	2,000,000
11	In addition to any other appropriations made in fiscal year	
12	2025-2026, the Arizona department of agriculture may spend up to \$250,000	
13	from the commercial feed trust fund established by section 3-2607, Arizona	
14	Revised Statutes, in fiscal year 2025-2026 for expenses related to the	
15	avian influenza outbreak.	
16	Sec. 11. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
17		<u>2025-26</u>
18	FTE positions	2,459.3
19	Operating lump sum appropriation	\$ 193,361,800
20	<u>Administration</u>	
21	AHCCCS data storage	19,605,800
22	DES eligibility	99,294,500
23	Proposition 204 – AHCCCS	
24	administration	15,625,100
25	Proposition 204 – DES eligibility	44,358,700
26	<u>Medicaid services</u>	
27	Traditional medicaid services	10,124,311,200
28	Proposition 204 services	7,450,961,800
29	Adult expansion services	798,727,300
30	Comprehensive health plan	178,650,800
31	KidsCare services	257,635,300
32	ALTCS services	2,457,084,800
33	Behavioral health services	
34	in schools	8,445,400
35	<u>Nonmedicaid behavioral health services</u>	
36	Crisis services	16,391,300
37	Nonmedicaid seriously mentally	
38	ill services	77,646,900
39	Supported housing	65,324,800
40	Secure behavioral health residential	
41	facilities	5,000,000
42	<u>Hospital payments</u>	
43	Disproportionate share payments	884,800
44	Disproportionate share payments –	
45	voluntary match	205,641,700

1	Critical access hospitals	28,512,600
2	Graduate medical education	540,065,700
3	Targeted investments program	<u>67,000,000</u>
4	Total appropriation and expenditure	
5	authority – Arizona health	
6	care cost containment system	\$22,654,530,300
7	Fund sources:	
8	State general fund	\$ 2,611,707,100
9	Budget neutrality compliance fund	5,112,300
10	Children's health insurance	
11	program fund	194,417,200
12	IGA and ISA fund	3,200,000
13	Prescription drug rebate	
14	fund – state	341,207,200
15	Seriously mentally ill	
16	housing trust fund	2,017,700
17	Substance abuse services fund	2,250,200
18	Tobacco products tax fund –	
19	emergency health services	
20	account	15,400,000
21	Tobacco tax and health care	
22	fund – medically needy account	57,545,600
23	Expenditure authority	19,421,673,000

24 Operating budget

25 Of the amount appropriated for the operating lump sum, \$100,000 from  
 26 the prescription drug rebate fund – state may be used for the  
 27 administrative costs of granting one-year extensions for all managed care  
 28 organizations with existing Arizona health care cost containment system  
 29 administration complete care contracts and regional behavioral health  
 30 agreements.

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

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

41 Before spending the monies for the replacement of the prepaid  
 42 medicaid management information system, the Arizona strategic enterprise  
 43 technology office shall submit, on behalf of the Arizona health care cost  
 44 containment system, an expenditure plan for review by the joint  
 45 legislative budget committee. The report shall include the project cost,

1 deliverables, the timeline for completion and the method of procurement  
2 that are consistent with the department's prior reports for its  
3 appropriations from the automation projects fund.

4 Medical services and behavioral health services

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

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

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

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

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

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

41 Of the amount appropriated for the proposition 204 services line  
42 item, \$100,000,000 shall be used from the hospital assessment fund  
43 established by section 36-2901.09, Arizona Revised Statutes, to cover a  
44 portion of the nonfederal share of the costs of services described in

1 section 36-2907, subsection F, Arizona Revised Statutes. This amount is  
2 included in the expenditure authority fund source.

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

15 The Arizona health care cost containment system administration shall  
16 distribute the appropriated monies in the secure behavioral health  
17 residential facilities line item to secure behavioral health residential  
18 facilities that intend to apply for licensure with the department of  
19 health services pursuant to section 36-425.06, Arizona Revised Statutes,  
20 and that provide secure on-site supportive treatment to persons who are  
21 determined to be seriously mentally ill, who are chronically resistant to  
22 treatment and who are placed in the facility pursuant to a court order  
23 pursuant to section 36-550.09, Arizona Revised Statutes, or who have been  
24 committed pursuant to a court order issued pursuant to section 13-4521,  
25 Arizona Revised Statutes.

26 On or before February 1, 2026, the Arizona health care cost  
27 containment system administration and the department of health services  
28 shall coordinate to produce an implementation plan that contains  
29 recommendations regarding secure behavioral health facilities for  
30 populations subject to section 36-425.06 or 13-4521, Arizona Revised  
31 Statutes, to the governor, the president of the senate and the speaker of  
32 the house of representatives and shall include analysis regarding:

33 1. A proposed fee schedule for secure behavioral health residential  
34 facilities, including possible enhancement rates and modifiers.

35 2. Utilization projections for medicaid eligible and non-title XIX  
36 members of the Arizona health care cost containment system, incorporating  
37 existing network analysis.

38 3. Potential impacts to capitation rates given utilization  
39 projections for medicaid eligible members of the Arizona health care cost  
40 containment system.

41 4. Whether utilization projections for medicaid eligible and  
42 non-title XIX members of the Arizona health care cost containment system  
43 will impact the state general fund or require reductions in other covered  
44 services.

1           5. A network adequacy evaluation and proposed mitigation of any  
2 network issues.

3           6. Whether the Arizona health care cost containment system will be  
4 required to submit a proposed 1115 waiver amendment to the centers for  
5 medicare and medicaid services, and any other considerations regarding  
6 maximizing matching federal monies.

7           7. Whether additional licensing statutes and regulations should be  
8 updated.

9           8. Proposed policies regarding secure behavioral health facilities  
10 for the Arizona health care cost containment system medical policy manual,  
11 including policies regarding discharge readiness indicators.

12           9. After coordinating with the Arizona office of the courts and  
13 other relevant stakeholders, proposed updates to any relevant court  
14 ordered treatment forms or proposed orders.

15           10. Analysis regarding whether providing covered services in secure  
16 behavioral health facilities would violate the laws of this state or  
17 federal law, including relevant precedent related to disability rights,  
18 including Olmstead v. L.C. and Arnold v. Sarn.

19           The Arizona health care cost containment system administration, in  
20 consultation with the department of administration, shall issue a request  
21 for proposals for the secure behavioral health residential facilities  
22 prescribed by this act on or before May 1, 2026. In determining the entity  
23 or entities that will receive monies appropriated by this act, the Arizona  
24 health care cost containment system administration shall:

25           1. Prioritize facilities that can open within twelve months after  
26 the effective date of this act.

27           2. Prioritize facilities that meet the geographic needs of this  
28 state.

29           3. Consider an entity's experience in operating behavioral health  
30 facilities.

31           4. Consider the benefits of selecting one entity or multiple  
32 entities to receive the monies appropriated by this act.

33           5. Award the contract or contracts to the best qualified bidder or  
34 bidders.

35           In order to receive an award, an entity must submit a bid that  
36 includes the entity's plan to either construct a new secure behavioral  
37 health residential facility, or retrofit an existing building to become a  
38 secure behavioral health residential facility, subject to prior approval  
39 from the Arizona health care cost containment system administration.

40           Long-term care

41           Any federal monies that the Arizona health care cost containment  
42 system administration passes through to the department of economic  
43 security for use in long-term care for persons with developmental  
44 disabilities do not count against the long-term care expenditure  
45 authority.

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

5 Any supplemental payments received in excess of \$93,066,100 for  
6 nursing facilities that serve Arizona long-term care system medicaid  
7 patients in fiscal year 2025-2026, including any federal matching monies,  
8 by the Arizona health care cost containment system administration are  
9 appropriated to the administration in fiscal year 2025-2026. Before  
10 spending these increased monies, the administration shall notify the joint  
11 legislative budget committee and the governor's office of strategic  
12 planning and budgeting of the amount of monies that will be spent under  
13 this provision. These payments are included in the expenditure authority  
14 fund source.

15 Payments to hospitals

16 Any monies received for disproportionate share hospital payments  
17 from political subdivisions of this state, tribal governments and any  
18 university under the jurisdiction of the Arizona board of regents, and any  
19 federal monies used to match those payments, in fiscal year 2025-2026 by  
20 the Arizona health care cost containment system administration in excess  
21 of \$155,153,000 are appropriated to the administration in fiscal year  
22 2025-2026. Before spending these increased monies, the administration  
23 shall notify the joint legislative budget committee and the governor's  
24 office of strategic planning and budgeting of the amount of monies that  
25 will be spent under this provision.

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

33 The expenditure authority fund source includes voluntary payments  
34 made from political subdivisions for payments to hospitals that operate a  
35 graduate medical education program or treat low-income patients and for  
36 payments to qualifying providers affiliated with teaching hospitals. The  
37 political subdivision portions of the fiscal year 2025-2026 costs of  
38 graduate medical education, disproportionate share payments – voluntary  
39 match, traditional medicaid services, proposition 204 services and adult  
40 expansion services line items are included in the expenditure authority  
41 fund source.

1 Any monies for graduate medical education received in fiscal year  
2 2025-2026, including any federal matching monies, by the Arizona health  
3 care cost containment system administration in excess of \$528,558,300 are  
4 appropriated to the administration in fiscal year 2025-2026. Before  
5 spending these increased monies, the administration shall notify the joint  
6 legislative budget committee and the governor's office of strategic  
7 planning and budgeting of the amount of monies that will be spent under  
8 this provision.

9 If any graduate medical education monies remain after the Arizona  
10 health care cost containment system administration has funded all eligible  
11 graduate medical education programs in counties with a population of less  
12 than five hundred thousand persons, the administration may fund the costs  
13 of graduate medical education programs operated by community health  
14 centers and rural health clinics.

15 Notwithstanding section 36-2903.01, subsection G, paragraph 9,  
16 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for  
17 graduate medical education includes \$7,200,000 from the state general fund  
18 and \$13,513,400 from expenditure authority for the direct and indirect  
19 costs of graduate medical education programs located in counties with a  
20 population of less than five hundred thousand persons. The state general  
21 fund amount may supplement, but not supplant, voluntary payments made from  
22 political subdivisions for payments to hospitals that operate a graduate  
23 medical education program. The administration shall prioritize  
24 distribution to programs at hospitals in counties with a higher percentage  
25 of persons residing in a health professional shortage area as defined in  
26 42 Code of Federal Regulations part 5.

27 Notwithstanding section 36-2903.01, subsection G, paragraph 9,  
28 subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for  
29 graduate medical education includes \$5,800,000 from the state general fund  
30 and \$10,886,000 from expenditure authority for the direct and indirect  
31 costs of graduate medical education programs located in counties with a  
32 population of more than five hundred thousand persons. The state general  
33 fund amount may supplement, but not supplant, voluntary payments made from  
34 political subdivisions for payments to hospitals that operate a graduate  
35 medical education program.

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

39 Of the amount appropriated for the graduate medical education line  
40 item, \$4,000,000 from the state general fund and \$7,507,400 from  
41 expenditure authority are exempt from the provisions of section 35-190,  
42 Arizona Revised Statutes, relating to lapsing of appropriations.

1 Of the amount appropriated from the expenditure authority fund  
 2 source, \$4,244,300,000 is for hospital enhanced access leading to health  
 3 improvements initiative payments in fiscal year 2025-2026. This amount  
 4 includes monies from hospital assessments collected pursuant to section  
 5 36-2999.72, Arizona Revised Statutes, and any federal monies used to match  
 6 those payments.

7 Other

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

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

15 Sec. 12. BOARD OF ATHLETIC TRAINING

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

21 Sec. 13. ATTORNEY GENERAL – DEPARTMENT OF LAW

		<u>2025-26</u>
23	FTE positions	677.7
24	Operating lump sum appropriation	\$ 64,252,100
25	Capital postconviction prosecution	885,500
26	Child and family advocacy centers	100,000
27	Coordinated reentry planning	
28	services grants	\$10,000,000
29	Criminal division major fraud unit	1,191,200
30	Internet crimes against children	
31	enforcement	1,613,300
32	Government accountability and	
33	special litigation	1,293,200
34	Organized retail theft	
35	task force	1,575,700
36	Risk management interagency	
37	service agreement	10,812,100
38	State grand jury	195,300
39	Southern Arizona law enforcement	1,682,500
40	Tobacco enforcement	877,500
41	Victims' rights	<u>4,027,700</u>
42	Total appropriation – attorney general –	
43	department of law	\$ 98,506,100

1	Fund sources:	
2	State general fund	\$ 27,007,700
3	Antitrust enforcement revolving	
4	fund	162,300
5	Attorney general legal services	
6	cost allocation fund	2,343,200
7	Collection enforcement revolving	
8	fund	7,339,500
9	Consumer protection-consumer	
10	fraud revolving fund	15,425,100
11	Consumer restitution and remediation	
12	revolving fund - consumer	
13	remediation subaccount	10,000,000
14	Interagency service agreements fund	18,246,300
15	Internet crimes against children	
16	enforcement fund	900,000
17	Risk management revolving fund	13,266,600
18	Victims' rights fund	3,815,400

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

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

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

30 Of the amount appropriated in the coordinated reentry planning  
31 services grants line item, \$2,000,000 shall be distributed to each of  
32 Coconino, Mohave, Navajo, Pinal and Yavapai counties in fiscal year  
33 2025-2026 to supplement costs associated with the operation of an existing  
34 coordinated reentry planning services program. The coordinated reentry  
35 planning services grants line item includes \$10,000,000 from opioid  
36 claims-related monies deposited in the consumer remediation subaccount of  
37 the consumer restitution and remediation revolving fund pursuant to  
38 section 44-1531.02, subsection C, Arizona Revised Statutes.

39 Before spending any monies in the coordinated reentry planning  
40 services grants line item, the attorney general shall complete the  
41 transfer of opioid claims-related monies to the state department of  
42 corrections as required pursuant this act.

1 Of the amount appropriated in the operating lump sum appropriation  
 2 in fiscal year 2025-2026, \$204,100 and 4 FTE positions shall be used to  
 3 expand the medicaid fraud control unit within the criminal division of the  
 4 office of the attorney general.

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

12 The \$1,575,700 appropriation for the organized retail theft task  
 13 force line item shall be used for operational expenses of the organized  
 14 retail task force and for hiring one attorney, one paralegal, two  
 15 investigators and one support staff person within the office of the  
 16 attorney general and four peace officers who are assigned to the task  
 17 force to focus specifically on investigating and prosecuting organized  
 18 retail crime.

19 Sec. 14. BARBERING AND COSMETOLOGY BOARD

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

25 Sec. 15. BOARD OF BEHAVIORAL HEALTH EXAMINERS

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

32 Sec. 16. STATE BOARD FOR CHARTER SCHOOLS

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

38 Sec. 17. DEPARTMENT OF CHILD SAFETY

		<u>2025-26</u>
	FTE positions	3,283.1
	Operating lump sum appropriation	\$164,502,200

1	<u>Additional operating resources</u>	
2	Attorney general legal services	27,989,800
3	Caseworkers	134,188,700
4	Office of child welfare	
5	investigations	11,213,300
6	Training resources	9,150,000
7	Group home monitoring	
8	training program	100,000*
9	Vehicle replacement	2,610,000
10	<u>Out-of-home placements</u>	
11	Congregate group care	116,892,500
12	Extended foster care	24,787,200
13	Extended foster care	
14	comprehensive service	
15	model fund deposit	9,100,000
16	Foster home placement	40,547,300
17	Foster home recruitment,	
18	study and supervision	32,753,600
19	Kinship care	15,184,600
20	<u>Permanent placements</u>	
21	Adoption services	282,440,400
22	Permanent guardianship subsidy	18,686,800
23	<u>Support services</u>	
24	DCS child care subsidy	61,675,400
25	In-home mitigation	44,414,300
26	Out-of-home support services	107,284,600
27	Preventive services	28,412,700
28	<u>Comprehensive health plan</u>	
29	Comprehensive health plan	
30	services	156,730,300
31	Comprehensive health plan	
32	administration	25,072,800
33	Comprehensive health plan	
34	premium tax	<u>3,257,700</u>
35	Total appropriation and expenditure	
36	authority – department of	
37	child safety	\$1,316,994,200
38	Fund sources:	
39	State general fund	\$ 479,882,000
40	Federal child care and	
41	development fund block grant	40,516,000
42	Federal temporary assistance	
43	for needy families block	
44	grant	161,076,300
45	Child abuse prevention fund	1,459,300

1	Children and family services	
2	training program fund	207,500
3	Child safety expenditure authority	447,770,700
4	Child welfare licensing fee fund	1,021,600
5	Comprehensive health plan	
6	expenditure authority fund –	
7	expenditure authority	185,060,800

8       Additional operating resources

9       The department of child safety shall provide training to any new  
10 child safety FTE positions before assigning any client caseload duties to  
11 any of these employees.

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

14       All expenditures made by the department of child safety for attorney  
15 general legal services shall be funded only from the attorney general  
16 legal services line item. Monies in department of child safety line items  
17 intended for this purpose shall be transferred to the attorney general  
18 legal services line item before expenditure.

19       On or before September 1, 2025, the department of child safety shall  
20 submit a report to the joint legislative budget committee and the  
21 governor's office of strategic planning and budgeting on the actual  
22 operating expenses for the guardian case management system in fiscal year  
23 2024-2025 and the proposed system operating expenses for the system in  
24 fiscal year 2025-2026.

25       The department of child safety shall develop and maintain a webpage  
26 for a group home training program that each employee of each group home  
27 that is contracted with the department of child safety must annually  
28 complete. The webpage shall include:

29       1. At least one training program that is provided free of charge  
30 and that includes instruction on preventing human trafficking. The  
31 department of child safety may use a training program that is provided  
32 free of charge by the Arizona department of homeland security if such a  
33 training program is available.

34       2. Educational materials and resources related to prevent human  
35 trafficking.

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 non-grandparent 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, 2026, 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 The department shall notify the director of the joint legislative  
27 budget committee and the governor's office of strategic planning and  
28 budgeting if the nurturing parenting and family connections programs are  
29 favorably reviewed by the federal government and qualify for federal  
30 reimbursement.

31 Departmentwide

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

37 Child safety expenditure authority includes all department funding  
38 sources excluding the state general fund, the federal child care and  
39 development fund block grant, the federal temporary assistance for needy  
40 families block grant, the child abuse prevention fund established by  
41 section 8-550.01, Arizona Revised Statutes, the children and family  
42 services training program fund established pursuant to section 8-503.01,  
43 Arizona Revised Statutes, and the comprehensive health plan expenditure  
44 authority fund established pursuant to section 8-512.02, Arizona Revised  
45 Statutes.

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

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

12 2. Assisting congregate care providers in attaining status as  
13 qualified residential treatment programs.

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

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

18 Benchmarks

19 For the purposes of this section:

20 1. "Backlog case":

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

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

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

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

36 On or before February 28, 2026 and August 31, 2026, the department  
37 of child safety shall present a report to the joint legislative budget  
38 committee on the progress made during July 2025 through December 2025 and  
39 January 2026 through June 2026, respectively, in meeting the caseload  
40 standard and reducing the number of backlog and long-term cases. Each  
41 report shall include the number of backlog cases, the number of open  
42 reports, the number of long-term cases and the caseworker workload in  
43 comparison to the previous six months. Each report shall provide the  
44 number of backlog cases by disposition, including the number of backlog  
45 cases in the investigation phase, the number of backlog cases associated

1 with out-of-home placements and the number of backlog cases associated  
 2 with in-home cases.

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

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

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

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

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

18 Sec. 18. 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

25 Sec. 19. ARIZONA COMMERCE AUTHORITY

		<u>2025-26</u>
FTE positions		100.0
Operating lump sum appropriation	\$	10,000,000
Applied research centers		500,000
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		500,000
Office of defense innovation		300,000
Romania trade office		125,000
State rural development council		<u>1,200,000</u>
Total appropriation – Arizona commerce		
authority	\$	15,175,000
Fund sources:		
State general fund	\$	15,175,000

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

8 The authority shall distribute the monies appropriated in the  
9 applied research centers line item to applied research centers located in  
10 this state that specialize in medical technology, including hardware or  
11 software components that monitor, enhance or improve the delivery of  
12 health care or human performance.

13 The authority shall distribute the monies appropriated in the  
14 applied research centers line item to any applied research center located  
15 in this state in increments of up to \$250,000 within thirty days after the  
16 applied research center notifies the authority in writing that the applied  
17 research center has received a matching amount from sources other than  
18 this state.

19 For the purpose of distributing the monies appropriated in the  
20 applied research centers line item, the authority is exempt from the  
21 requirements of title 41, chapter 23, Arizona Revised Statutes.

22 An applied research center that receives a distribution from monies  
23 appropriated in the applied research centers line item:

24 1. Shall collaborate with universities, nonprofit business  
25 associations, health science research centers, institutes or other  
26 technology businesses that do business in this state.

27 2. May collaborate with community colleges and universities in this  
28 state to train the workforce on skills relevant to technologies described  
29 above.

30 For each fiscal year that an applied research center located in this  
31 state receives monies pursuant to this section, the applied research  
32 center shall submit an expenditure and performance report to the  
33 authority. On or before February 1 of each year, the authority shall  
34 transmit the reports to the joint legislative budget committee and the  
35 governor's office of strategic planning and budgeting.

36 The appropriation made in the applied research centers line item is  
37 exempt from the provisions of section 35-190, Arizona Revised Statutes,  
38 relating to lapsing of appropriations, except that any monies that remain  
39 unexpended and unencumbered on June 30, 2027 revert to the state general  
40 fund.

41 On or before December 1, 2025, the authority shall submit a report  
42 to the joint legislative budget committee on the location, activities and  
43 annual expenses of each trade office operated by the authority during the  
44 prior fiscal year.

1	Sec. 20. ARIZONA COMMUNITY COLLEGES	
2		<u>2025-26</u>
3	<u>Equalization aid</u>	
4	Cochise	\$ 11,812,600
5	Graham	22,496,500
6	Navajo	12,885,200
7	Yuma/La Paz	<u>1,786,400</u>
8	Total – equalization aid	\$ 48,980,700
9	<u>Operating state aid</u>	
10	Cochise	\$ 3,818,600
11	Coconino	1,426,500
12	Gila	158,700
13	Graham	1,808,100
14	Mohave	1,056,600
15	Navajo	1,430,400
16	Pinal	1,082,900
17	Santa Cruz	45,100
18	Yavapai	555,900
19	Yuma/La Paz	<u>2,402,000</u>
20	Total – operating state aid	\$ 13,784,800
21	<u>STEM and workforce programs state aid</u>	
22	Cochise	\$ 1,021,100
23	Coconino	314,300
24	Gila	91,700
25	Graham	465,900
26	Maricopa	8,441,600
27	Mohave	430,500
28	Navajo	295,500
29	Pima	1,855,600
30	Pinal	654,800
31	Santa Cruz	38,000
32	Yavapai	710,200
33	Yuma/La Paz	<u>820,600</u>
34	Total – STEM and workforce programs	
35	state aid	\$ 15,139,800
36	<u>Rural aid</u>	
37	Cochise	\$ 2,703,600
38	Coconino	901,800
39	Gila	252,800
40	Graham	1,244,500

1	Mohave	1,202,500
2	Navajo	852,600
3	Pinal	1,807,400
4	Santa Cruz	99,900
5	Yavapai	1,955,300
6	Yuma/La Paz	<u>2,979,600</u>
7	Total – rural aid	\$ 14,000,000
8	Rural county reimbursement subsidy	\$ 1,082,900
9	Additional Gila workforce	
10	development aid	200,000
11	Diné college remedial education	1,000,000
12	Graham - Eastern Arizona	
13	college expenses	1,000,000
14	Maricopa - wrestling scholarships	<u>250,000</u>
15	Total appropriation – Arizona community	
16	colleges	\$ 95,438,200

17 Fund sources:

18 State general fund \$ 95,438,200

19 Of the \$1,082,900 appropriated to the rural county reimbursement  
 20 subsidy line item, Apache county receives \$699,300 and Greenlee county  
 21 receives \$383,600.

22 On or before October 15, 2026, the Diné college board of regents  
 23 shall submit to the governor, the president of the senate, the speaker of  
 24 the house of representatives, the secretary of state and the joint  
 25 legislative budget committee a report that details the course completion  
 26 rate for students who received remedial education during the 2025-2026  
 27 academic year.

28 Sec. 21. REGISTRAR OF CONTRACTORS

29		<u>2025-26</u>
30	FTE positions	105.6
31	Operating lump sum appropriation	\$ 12,908,000
32	Office of administrative	
33	hearings costs	<u>1,017,600</u>
34	Total appropriation – registrar of	
35	contractors	\$ 13,925,600
36	Fund sources:	
37	Registrar of contractors fund	\$ 13,925,600

38 Sec. 22. CORPORATION COMMISSION

39		<u>2025-26</u>
40	FTE positions	302.9
41	Operating lump sum appropriation	\$ 36,946,100
42	Corporation filings, same-day	
43	service	417,300

1	Utilities audits, studies,	
2	investigations and hearings	<u>1,000,000*</u>
3	Total appropriation – corporation commission	\$ 38,363,400
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	20,717,300

13	Sec. 23. STATE DEPARTMENT OF CORRECTIONS	
14		<u>2025-26</u>
15	FTE positions	9,592.0
16	Operating lump sum appropriation	\$ 816,308,500
17	Overtime and compensatory time	92,320,300
18	Private prison per diem	269,359,200
19	Community corrections	24,330,300
20	Inmate health care contracted	
21	services	380,978,900
22	Noncontract medication	15,000,000
23	Injunction-related IT upgrades	<u>2,400,000</u>

24	Total appropriation – state department	
25	of corrections	\$1,600,697,200

26	Fund sources:	
27	State general fund	\$1,537,433,000
28	State education fund for	
29	correctional education	736,400
30	Alcohol abuse treatment fund	555,800
31	Penitentiary land fund	3,466,000
32	State charitable, penal and	
33	reformatory institutions	
34	land fund	3,733,100
35	Corrections fund	35,787,600
36	Transition program fund	2,400,300
37	Prison construction and	
38	operations fund	12,500,100
39	Inmate store proceeds fund	4,084,900

40 Of the amount appropriated in the operating lump sum, \$406,735,800  
 41 is designated for personal services and \$234,854,700 is designated for  
 42 employee-related expenditures. The state department of corrections shall  
 43 submit an expenditure plan for review by the joint legislative budget  
 44 committee before spending these monies other than for personal services or  
 45 employee-related expenditures.

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

8 The state department of corrections shall submit an expenditure plan  
9 for review by the joint legislative budget committee before spending  
10 monies appropriated for the overtime and compensatory time line item other  
11 than for personal services or employee-related expenditures.

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

15 Before placing any inmates in out-of-state provisional beds, the  
16 state department of corrections shall place inmates in all available  
17 prison beds in facilities that are located in this state and that house  
18 Arizona inmates, unless the out-of-state provisional beds are of a  
19 comparable security level and price.

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

33 On or before November 1, 2025, the state department of corrections  
34 shall provide a report on bed capacity to the joint legislative budget  
35 committee. The report shall reflect the bed capacity for each security  
36 classification by gender at each state-run and private institution,  
37 divided by rated and total beds. The report shall include bed capacity  
38 data for June 30, 2024 and June 30, 2025 and the projected capacity for  
39 June 30, 2026, as well as the reasons for any change within that time  
40 period. Within the total bed count, the department shall provide the  
41 number of temporary and special use beds. The report shall also address  
42 the department's rationale for eliminating any permanent beds rather than  
43 reducing the level of temporary beds. The report shall also include any  
44 plans to vacate beds but not permanently remove the beds from the bed  
45 count. If the department develops a plan after the department's November

1 1, 2025 report to open or close one hundred or more state-operated or  
2 private prison rated beds, the department shall submit a plan detailing  
3 the proposed bed changes for review by the joint legislative budget  
4 committee before implementing these changes.

5 One hundred percent of land earnings and interest from the  
6 penitentiary land fund shall be distributed to the state department of  
7 corrections in compliance with the enabling act and the Constitution of  
8 Arizona to be used to support state penal institutions.

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

17 Twenty-five percent of land earnings and interest from the state  
18 charitable, penal and reformatory institutions land fund shall be  
19 distributed to the state department of corrections in compliance with the  
20 enabling act and the Constitution of Arizona to be used to support state  
21 penal institutions.

22 Before spending any state education fund for correctional education  
23 monies in excess of \$736,400, the state department of corrections shall  
24 report the intended use of the monies to the director of the joint  
25 legislative budget committee.

26 Before implementing any changes in contracted rates for inmate  
27 health care contracted services, the state department of corrections shall  
28 submit its expenditure plan for review by the joint legislative budget  
29 committee.

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

- 35 1. The total number of performance measures, by facility, for which  
36 the department is not in substantial compliance.
- 37 2. An explanation for each instance of noncompliance.
- 38 3. The department's plan to comply with the performance measures.

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

1 The department shall report actual fiscal year 2024-2025, estimated  
2 fiscal year 2025-2026 and requested fiscal year 2026-2027 expenditures as  
3 delineated in the prior year when the department submits its fiscal year  
4 2026-2027 budget request pursuant to section 35-113, Arizona Revised  
5 Statutes.

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

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

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

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

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

30 The department may use the amount appropriated by Laws 2023, chapter  
31 133, section 23, as amended by Laws 2024, chapter 209, section 8, in  
32 fiscal year 2023-2024 for noncontract medication to pay for fiscal year  
33 2023-2024 department operating expenses without seeking review by the  
34 joint legislative budget committee.

35 Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2025-26</u>
36	
37 FTE positions	11.0
38 Operating lump sum appropriation	\$ 1,415,400
39 Law enforcement crime victim	
40 notification fund deposit	2,594,800
41 Major incident regional law	
42 enforcement task force	600,000
43 State aid to county attorneys	973,700

1	State aid to indigent defense	700,000
2	State aid for juvenile dependency	
3	proceedings fund deposit	2,000,000
4	Victim compensation and assistance	<u>6,229,700</u>
5	Total appropriation – Arizona criminal	
6	justice commission	\$ 14,513,600
7	Fund sources:	
8	State general fund	\$ 4,600,000
9	Criminal justice enhancement fund	742,200
10	Resource center fund	647,100
11	State aid to county attorneys fund	973,700
12	State aid to indigent defense fund	700,000
13	Victim compensation and assistance	
14	fund	6,850,600
15	All victim compensation and assistance fund monies received by the	
16	Arizona criminal justice commission in excess of \$6,850,600 in fiscal year	
17	2025-2026 are appropriated to the crime victims program. Before spending	
18	any victim compensation and assistance fund monies in excess of \$6,850,600	
19	in fiscal year 2025-2026, the Arizona criminal justice commission shall	
20	report the intended use of the monies to the joint legislative budget	
21	committee.	
22	All monies received by the Arizona criminal justice commission in	
23	excess of \$973,700 in fiscal year 2025-2026 from the state aid to county	
24	attorneys fund established by section 11-539, Arizona Revised Statutes,	
25	are appropriated to the state aid to county attorneys program. Before	
26	spending any state aid to county attorneys fund monies in excess of	
27	\$973,700 in fiscal year 2025-2026, the Arizona criminal justice commission	
28	shall report the intended use of the monies to the joint legislative	
29	budget committee.	
30	Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND	
31		<u>2025-26</u>
32	FTE positions	562.2
33	Administration/statewide	\$ 7,726,700
34	Phoenix day school for the deaf	12,203,100
35	Tucson campus	12,354,100
36	Preschool/outreach programs	6,781,200
37	School bus/agency vehicle	
38	replacement	369,000
39	Supplemental early childhood	
40	therapies	100,000
41	Cooperative services	<u>19,131,000</u>
42	Total appropriation – Arizona state schools	
43	for the deaf and the blind	\$ 58,665,100

1	Fund sources:	
2	State general fund	\$ 25,391,300
3	Schools for the deaf and	
4	the blind fund	14,142,800
5	Cooperative services fund	19,131,000

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

10 Before spending any cooperative services fund monies in excess of  
 11 \$19,131,000 in fiscal year 2025-2026, the Arizona state schools for the  
 12 deaf and the blind shall report to the joint legislative budget committee  
 13 the intended use of the monies.

14 The monies appropriated in the supplemental early childhood  
 15 therapies line item in fiscal year 2025-2026 shall be spent to contract  
 16 with multiple providers to provide supplemental early childhood listening  
 17 and spoken language therapies, including parent coaching services, to  
 18 eligible infants and toddlers from birth to three years of age and their  
 19 families. Contractors chosen to provide the supplemental early childhood  
 20 listening and spoken language therapies shall ensure that the services  
 21 will be provided by or overseen by a certified auditory verbal educator or  
 22 therapist in a natural environment, a clinical setting, an educational  
 23 setting or virtually.

24	Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
25		<u>2025-26</u>
26	FTE positions	21.0
27	Operating lump sum appropriation	\$ 4,655,800
28	Support services for the	
29	deaf-blind	<u>350,000</u>
30	Total appropriation – commission for the	
31	deaf and the hard of hearing	\$ 5,005,800

32	Fund sources:	
33	Telecommunication fund for	
34	the deaf	\$ 5,005,800

35 The \$200,000 appropriated to the commission for the deaf and the  
 36 hard of hearing by Laws 2024, chapter 209, section 34 in fiscal year  
 37 2024-2025 for the website security upgrades is exempt from the provisions  
 38 of section 35-190, Arizona Revised Statutes, relating to the lapsing of  
 39 appropriations, until June 30, 2026.

40	Sec. 27. STATE BOARD OF DENTAL EXAMINERS	
41		<u>2025-26</u>
42	FTE positions	13.0
43	Lump sum appropriation	\$ 2,120,500
44	Fund sources:	
45	Dental board fund	\$ 2,120,500

1	Sec. 28. OFFICE OF ECONOMIC OPPORTUNITY	
2		<u>2025-26</u>
3	FTE positions	5.0
4	Operating lump sum appropriation	\$ 507,100
5	Adult workforce diploma program	
6	fund deposit	2,000,000
7	Dual enrollment student development	
8	program	<u>1,500,000*</u>
9	Total appropriation - office of economic	
10	opportunity	\$ 4,007,100
11	Fund sources:	
12	State general fund	\$ 4,007,100

13 Any unexpended and unencumbered monies in the adult workforce  
14 diploma program fund established by section 15-217.02, Arizona Revised  
15 Statutes, are transferred on or before June 30, 2025 to the adult  
16 workforce diploma program fund established by section 41-5421, Arizona  
17 Revised Statutes, as added in the fifty-seventh legislature, first regular  
18 session.

19 The amount appropriated for the dual enrollment student development  
20 program line item in fiscal year 2025-2026 shall be distributed for dual  
21 enrollment programs at community colleges, with a priority to serve  
22 students who qualify for free and reduced-price lunch. The office of  
23 economic opportunity may retain up to three percent of the appropriated  
24 amount for administration. On or before December 31, 2025, the office of  
25 economic opportunity shall submit a report to the president of the senate,  
26 the speaker of the house of representatives and the governor that outlines  
27 the number of students enrolled in dual enrollment programs funded by the  
28 office of economic opportunity, the number of students enrolled by grade  
29 level, the number of credits earned and the number of projected students  
30 that will be served in 2025.

31	Sec. 29. DEPARTMENT OF ECONOMIC SECURITY	
32		<u>2025-26</u>
33	FTE positions	4,727.8
34	Operating lump sum appropriation	\$365,941,800
35	<u>Administration</u>	
36	Attorney general legal services	12,810,300
37	<u>Aging and adult services</u>	
38	Adult services	12,731,900
39	Area agencies on aging	
40	housing assistance	5,000,000*
41	Civil legal aid	3,000,000
42	Community and emergency services	3,724,000
43	Coordinated homeless services	19,022,600
44	Coordinated hunger services	2,254,600
45	Domestic violence prevention	14,004,000

1	Homeless veterans services	1,500,000
2	Homeless veterans strategic plan	500,000
3	Long-term care ombudsman	1,000,000
4	Produce incentive program	2,000,000*
5	<u>Benefits and medical eligibility</u>	
6	Summer food benefits	200,000
7	Temporary assistance for needy	
8	families – cash benefits	22,736,400
9	Tribal pass-through funding	4,680,300
10	<u>Child support enforcement</u>	
11	Child support -	
12	clerk of the court and	
13	family law services	8,539,700
14	<u>Developmental disabilities</u>	
15	DDD premium tax payment	77,751,400
16	Case management – medicaid	142,378,800
17	Home and community based	
18	services – medicaid	3,274,327,100
19	Institutional services –	
20	medicaid	54,678,000
21	Physical and behavioral	
22	health services – medicaid	852,328,500
23	Medicare clawback payments	7,940,400
24	Targeted case management – medicaid	22,621,300
25	State match transfer from AHCCCS	1,555,157,300
26	Case management – state-only	6,383,200
27	Home and community based	
28	services – state-only	14,089,000
29	Cost effectiveness study – client	
30	services	23,220,000
31	Group home monitoring program	1,200,000
32	Arizona early intervention program	16,119,000
33	State-funded long-term care	
34	services	45,231,000
35	DD reconciliation payment	32,300,000
36	<u>Employment and rehabilitation services</u>	
37	Out-of-school time grant program	
38	fund deposit	3,000,000
39	JOBS	11,005,600
40	Child care subsidy	297,787,900
41	Education workforce innovation	
42	initiative	500,000
43	Independent living rehabilitation	
44	services	1,289,400
45	Rehabilitation services	7,249,100

1	Workforce innovation	
2	and opportunity act	
3	services	<u>85,824,200</u>
4	Total appropriation and expenditure	
5	authority – department of	
6	economic security	\$7,012,026,800
7	Fund sources:	
8	State general fund	\$1,885,908,000
9	Federal child care and	
10	development fund block grant	281,108,400
11	Federal temporary assistance for	
12	needy families block grant	66,588,900
13	Long-term care system fund	34,971,600
14	Public assistance collections	
15	fund	441,800
16	Special administration fund	4,654,600
17	Spinal and head injuries trust	
18	fund	2,390,200
19	Statewide cost allocation plan	
20	fund	1,000,000
21	Child support enforcement	
22	administration fund	17,678,400
23	Domestic violence services fund	4,000,300
24	Workforce investment act grant	87,116,200
25	Child support enforcement	
26	administration fund	
27	expenditure authority	44,401,200
28	Developmental disabilities	
29	medicaid expenditure	
30	authority	4,545,619,200
31	Health care investment fund	
32	expenditure authority	36,148,000

33 Aging and adult services

34 Of the amount appropriated for the adult services line item,  
 35 \$2,000,000 is exempt from the provisions of section 35-190, Arizona  
 36 Revised Statutes, relating to lapsing of appropriations.

37 Monies in the civil legal aid line item shall be distributed to nonprofit  
 38 organizations for the provision of statewide general civil legal aid  
 39 services consistent with the terms and restrictions of the legal services  
 40 corporation as of federal fiscal year 2025.

41 Of the amount appropriated to the coordinated homeless services line  
 42 item, the department of economic security shall allocate \$9,000,000 as  
 43 follows:

1           1. At least \$4,000,000 for eviction prevention services and  
2 assistance to provide a portion of monthly housing and utility expenses or  
3 legal aid and resources for Arizonans facing eviction.

4           2. At least \$4,000,000 for homeless response and operations to  
5 rehouse homeless youth and families.

6           3. At least \$1,000,000 for referral network operations to connect  
7 homeless individuals and individuals experiencing other crises with  
8 available state resources.

9           Monies appropriated by Laws 2024, chapter 209, section 130 to the  
10 department of economic security for distribution to the Navajo Nation for  
11 women's shelter and social services are exempt from the provisions of  
12 section 35-190, Arizona Revised Statutes, relating to lapsing of  
13 appropriations, until June 30, 2026.

14           Monies appropriated in Laws 2024, chapter 209, section 130 to the  
15 department of economic security for distribution to the Navajo Nation for  
16 youth programs are exempt from the provisions of section 35-190, Arizona  
17 Revised Statutes, relating to lapsing of appropriations, until June 30,  
18 2026.

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

24           The department of economic security shall use monies appropriated  
25 for the homeless veterans' services line item in collaboration with the  
26 department of veterans' services.

27           The department of economic security shall allocate the monies in the  
28 homeless veterans services line item as follows:

29           1. \$750,000 to veterans treatment court to provide services to  
30 veterans who have substance use disorders or mental health conditions.

31           2. \$750,000 for homeless prevention services to provide immediate  
32 assistance to homeless veterans through shelter connection and utility,  
33 rental and employment assistance.

34           The department of economic security shall use monies from the  
35 homeless veterans strategic plan line item in collaboration with the  
36 department of veterans' services to create a strategic plan to address  
37 veteran homelessness.

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

1           Benefits and medical eligibility

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

5           Child support enforcement

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

12           Developmental disabilities

13           On or before September 1, 2026, the department of economic security  
14 shall report to the president of the senate, the speaker of the house of  
15 representatives, the chairpersons of the senate and house of  
16 representatives appropriations committees and the director of the joint  
17 legislative budget committee any new placement into a state-owned ICF-IID  
18 or the Arizona training program at the Coolidge campus in fiscal year  
19 2025-2026 and the reason for this placement, rather than a placement into  
20 a privately run facility for persons with developmental disabilities, was  
21 deemed as the most appropriate placement. The department shall also  
22 report if no new placements were made. On or before September 1, 2026,  
23 the department shall also report to the director of the joint legislative  
24 budget committee the total costs associated with the Arizona training  
25 program at Coolidge in fiscal year 2025-2026.

26           The department of economic security shall report to the joint  
27 legislative budget committee on or before March 1 of each year on  
28 preliminary actuarial estimates of the capitation rate changes for the  
29 following fiscal year along with the reasons for the estimated  
30 changes. For any actuarial estimates that include a range, the total  
31 range from minimum to maximum may not be more than two percent. Before  
32 implementing any changes in capitation rates for the long-term care  
33 system, the department shall submit a report for review by the joint  
34 legislative budget committee. Before the department implements any change  
35 in policy affecting the amount, sufficiency, duration and scope of health  
36 care services and who may provide services, the department shall prepare a  
37 fiscal impact analysis on the potential effects of this change on the  
38 following year's capitation rates. If the fiscal impact analysis  
39 demonstrates that this change will result in additional state costs of  
40 \$500,000 or more for any fiscal year, the department shall submit the  
41 policy change for review by the joint legislative budget committee.

42           Before implementing developmental disabilities or long-term care  
43 statewide provider rate adjustments that are not already specifically  
44 authorized by the legislature, court mandates or changes to federal law,  
45 the department of economic security shall submit a report for review by

1 the joint legislative budget committee that includes, at a minimum, the  
2 estimated cost of the provider rate adjustment and the ongoing source of  
3 funding for the adjustment, if applicable.

4 On or before March 1, 2026, the department of economic security  
5 shall provide to the governor, the president of the senate, the speaker of  
6 the house of representatives, the chairpersons of the senate and house of  
7 representatives appropriations committees and the director of the joint  
8 legislative budget committee a report on the utilization of covered  
9 services under the developmental disabilities program by disability  
10 classification. The report shall include the total expenditures for each  
11 covered service by primary diagnosis in fiscal year 2024-2025.

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

20 On or before January 31, 2026, the department of economic security  
21 shall submit a report to the joint legislative budget committee regarding  
22 expenditures from the cost effectiveness study - client services line item  
23 in the previous fiscal year. The report shall include the number of  
24 clients and total amounts spent from the line item in each setting type  
25 along with expenditures for those clients in other line items. The report  
26 shall also include cost effectiveness spending in other line items.

27 The amount appropriated for the group home monitoring program line  
28 item is exempt from the provisions of section 35-190, Arizona Revised  
29 Statutes, relating to lapsing of appropriations, until December 31, 2027.

30 The amount appropriated for the DD reconciliation payment line item  
31 shall be used to process the reconciliation payment associated with an  
32 operating costs shortfall for the contract year ending on September 30,  
33 2024.

34 Employment and rehabilitation services

35 The amount appropriated for the out-of-school time program fund  
36 deposit line item is exempt from the provisions of section 35-190, Arizona  
37 Revised Statutes, relating to lapsing of appropriations, until June 30,  
38 2027.

39 On or before December 31, 2025 and June 30, 2026, the department of  
40 economic security shall submit a report to the joint legislative budget  
41 committee regarding federal child care monies. The report must include,  
42 at a minimum, the actual revenues delineated by fund source, the actual  
43 year-to-date expenditures by purpose and fund source and the beginning and  
44 ending balances for all fund sources for the preceding six months. The

1 report shall also include projected annual revenues, expenditures and  
2 balances for the current year and the budget year.

3 The department of economic security shall forward to the joint  
4 legislative budget committee a monthly report listing data on the child  
5 care population served. The report must include, at a minimum, in each  
6 program the number of unduplicated children enrolled in child care within  
7 the department of economic security and the department of child safety by  
8 program and the average amount paid per child plus quality-related  
9 spending.

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

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

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

26 3. Support the job placement of program participants with the  
27 partnered local education agency.

28 4. Provide continuing education and ongoing professional  
29 development to the parent educators once placed in professional education  
30 roles.

31 All workforce investment act grant monies that are received by this  
32 state in excess of \$87,116,600 are appropriated to the workforce  
33 innovation and opportunity act services line item. Before spending these  
34 increased monies, the department of economic security shall report the  
35 intended use of monies in excess of \$87,116,600 to the joint legislative  
36 budget committee.

37 Departmentwide

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

1 The department of economic security shall forward to the president  
 2 of the senate, the speaker of the house of representatives, the  
 3 chairpersons of the senate and house of representatives appropriations  
 4 committees and the director of the joint legislative budget committee a  
 5 monthly report comparing total expenditures for the month and year-to-date  
 6 as compared to prior year totals on or before the thirtieth of the  
 7 following month. The report shall include an estimate of potential  
 8 shortfalls in entitlement programs and potential federal and other monies,  
 9 such as the statewide assessment for indirect costs, and any projected  
 10 surplus in state-supported programs that may be available to offset these  
 11 shortfalls and a plan, if necessary, for eliminating any shortfall without  
 12 a supplemental appropriation.

13	Sec. 30. STATE BOARD OF EDUCATION		
14			<u>2025-26</u>
15	FTE positions		23.0
16	Operating lump sum appropriation	\$	3,113,900
17	Arizona empowerment scholarship		
18	account appeals		<u>228,500</u>
19	Total appropriation –		
20	state board of education	\$	3,342,400
21	Fund sources:		
22	State general fund	\$	3,342,400
23	Sec. 31. SUPERINTENDENT OF PUBLIC INSTRUCTION		
24			<u>2025-26</u>
25	FTE positions		232.9
26	Operating lump sum appropriation	\$	15,362,500
27	<u>Formula programs</u>		
28	Basic state aid		6,822,846,800
29	Onetime additional assistance		
30	supplement		29,000,000
31	Onetime FRPL group B		
32	weight supplement		37,000,000
33	State aid supplement		75,000,000
34	Special education fund		36,029,200
35	Classroom site fund		1,105,372,400
36	Instructional improvement fund		80,425,700
37	<u>Property tax relief</u>		
38	Additional state aid		531,585,000
39	<u>Non-formula programs</u>		
40	Accountability and achievement		
41	testing		16,844,800
42	Adult education		4,903,200

1	Alternative teacher development	
2	program	1,000,000
3	Apache Junction robotics program	200,000
4	Arizona English language	
5	learner fund	4,960,400
6	Automated external	
7	defibrillator grants	500,000
8	CTED certification exam fee	
9	reimbursement	1,000,000
10	CTED completion grants	1,000,000
11	CTED soft capital and equipment	1,000,000
12	College credit by examination	
13	incentive program	3,772,100
14	College placement exam fee waiver	1,265,800
15	Computer science professional	
16	development program	1,000,000
17	Community college adult education	
18	workforce development program	
19	fund deposit	6,000,000
20	Continuing high school and workforce	
21	training program	1,000,000
22	Early literacy	17,386,200
23	Education learning and	
24	accountability system	5,470,200
25	English learner administration	11,608,800
26	Flagstaff robotics program	10,000
27	Geographic literacy	100,000
28	Gifted assessments	850,000
29	Jobs for Arizona graduates	500,000
30	Ninth grade on-track program	3,400,000
31	Onetime school meal grants	3,800,000
32	Rural Arizona school nurse	
33	access program	2,500,000*
34	School safety program	82,010,200
35	Show Low robotics program	10,000
36	State block grant for vocational	
37	education	11,798,200
38	Student level data access	359,000
39	Teacher retention study	100,000
40	Teacher certification	2,403,600
41	Tribal college dual enrollment	
42	program	<u>325,000</u>
43	Total appropriation and expenditure	
44	authority – superintendent	
45	of public instruction	\$8,919,699,100

1	Fund sources:	
2	State general fund	\$7,486,526,500
3	Education sales tax fund	7,000,000
4	Permanent state school fund	72,263,000
5	Special education fund	5,000,000
6	Teacher certification fund	2,547,000
7	Tribal college dual enrollment	
8	program fund	325,000
9	Department of education empowerment	
10	scholarship account fund	359,000
11	Expenditure authority	1,345,678,600

12 Operating lump sum

13 Any monies available to the department of education pursuant to  
14 section 42-5029.02, subsection A, paragraph 8, Arizona Revised Statutes,  
15 for the failing schools tutoring fund established by section 15-241,  
16 Arizona Revised Statutes, in excess of the expenditure authority amounts  
17 are allocated for the purposes of section 42-5029.02, subsection A,  
18 paragraph 8, Arizona Revised Statutes.

19 Any monies available to the department of education pursuant to  
20 section 42-5029.02, subsection A, paragraph 6, Arizona Revised Statutes,  
21 for character education matching grants pursuant to section 15-154.01,  
22 Arizona Revised Statutes, in excess of the expenditure authority amounts  
23 are allocated for the purposes of section 42-5029.02, subsection A,  
24 paragraph 6, Arizona Revised Statutes.

25 Basic state aid

26 The appropriation for basic state aid provides basic state support  
27 to school districts for maintenance and operations funding as provided by  
28 section 15-973, Arizona Revised Statutes, and includes an estimated  
29 \$72,263,000 in expendable income derived from the permanent state school  
30 fund and from state trust lands pursuant to section 37-521, subsection B,  
31 Arizona Revised Statutes, for fiscal year 2025-2026.

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

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

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

7 The appropriated amount for onetime additional assistance includes  
8 \$23,142,000 for a onetime district additional assistance supplement and  
9 \$5,858,000 for a onetime charter additional assistance supplement. The  
10 department of education shall distribute the amount for a onetime district  
11 additional assistance supplement to school districts on a proportional  
12 basis based on the district additional assistance funding that each  
13 district in this state receives in fiscal year 2025-2026 and increase the  
14 budget limits pursuant to section 15-947, Arizona Revised Statutes,  
15 accordingly. A school district may budget the monies it receives from the  
16 onetime district additional assistance supplement in either the school  
17 district's maintenance and operation fund or unrestricted capital outlay  
18 fund. The department of education shall distribute the amount for a  
19 onetime charter additional assistance supplement to charter schools on a  
20 proportional basis based on the charter additional assistance funding that  
21 each charter school in this state receives in fiscal year 2025-2026.

22 The department of education shall distribute the appropriated amount  
23 for the onetime FRPL group B weight supplement to school districts and  
24 charter schools on a pro rata basis using the weighted student count for  
25 FRPL pupils for the school district or charter school pursuant to section  
26 15-943, paragraph 2, subdivision (b), Arizona Revised Statutes, and  
27 increase the budget limits pursuant to section 15-947, Arizona Revised  
28 Statutes, accordingly. A school district may budget the monies it  
29 receives from the onetime FRPL group B weight supplement in either the  
30 school district's maintenance and operation fund or unrestricted capital  
31 outlay fund.

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

41 Other programs

42 Any monies available to the department of education for the  
43 classroom site fund pursuant to section 37-521, subsection B, paragraph 4,  
44 Arizona Revised Statutes, and section 42-5029.02, subsection A, paragraph  
45 10, Arizona Revised Statutes, in excess of expenditure authority amounts

1 are allocated for the purposes of section 37-521, subsection B, paragraph  
2 4, Arizona Revised Statutes, and section 42-5029.02, subsection A,  
3 paragraph 10, Arizona Revised Statutes.

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

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

12 Any monies available to the department of education for  
13 accountability purposes pursuant to section 42-5029.02, subsection A,  
14 paragraph 7, Arizona Revised Statutes, in excess of the expenditure  
15 authority amounts are allocated for the purposes of section 42-5029.02,  
16 subsection A, paragraph 7, Arizona Revised Statutes.

17 The department of education may use the appropriated amount for  
18 accountability and achievement testing in fiscal year 2025-2026 for costs  
19 of the English language proficiency assessments required by section  
20 15-756.05, Arizona Revised Statutes.

21 The appropriated amount for accountability and achievement testing  
22 includes a onetime increase of \$400,000 for contracted third party vendor  
23 expenses associated with implementation of assessments in a virtual  
24 setting pursuant to section 15-808.01, Arizona Revised Statutes.

25 The amount appropriated for the automated external defibrillator  
26 grants line item shall be distributed to public schools in this state that  
27 provide instruction to students in any of grades nine through twelve and  
28 that sponsor an athletic team or sports program to purchase or maintain  
29 automated external defibrillators. In selecting grant recipients, the  
30 department of education shall prioritize schools in which fifty percent or  
31 more of the students are eligible for free or reduced-price lunches. The  
32 appropriated amount for automated external defibrillator grants is exempt  
33 from the provisions of section 35-190, Arizona Revised Statutes, relating  
34 to lapsing of appropriations, until June 30, 2027.

35 Any unexpended or unencumbered monies in the community college adult  
36 education workforce development program fund established by section  
37 15-217.03, Arizona Revised Statutes, are transferred on or before June 30,  
38 2025 for deposit in the community college adult education workforce  
39 development program fund established by section 15-217.01, Arizona Revised  
40 Statutes, as added in the fifty-seventh legislature, first regular  
41 session.

42 The amount appropriated by Laws 2024, chapter 209, section 39 for a  
43 \$4,000,000 onetime allocation to the continuing high school and workforce  
44 training program established by section 15-217.01, Arizona Revised  
45 Statutes, is exempt from the provisions of section 35-190, Arizona Revised

1 Statutes, relating to lapsing of appropriations. The department of  
2 education shall spend any monies available pursuant to this section for  
3 the continuing high school and workforce training program.

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

11 If the appropriated amount for CTED completion grants is  
12 insufficient to fund all grant requests from career technical education  
13 districts, the department of education shall reduce grant amounts on a  
14 proportional basis in order to cap total statewide allocations at  
15 \$1,000,000.

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

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

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

39 The department of education shall use the appropriated amount for  
40 geographic literacy to issue a grant to a statewide geographic alliance  
41 for strengthening geographic literacy in this state.

42 The department of education shall use the appropriated amount for  
43 jobs for Arizona graduates to issue a grant to a nonprofit organization  
44 for a JOBS for Arizona graduates program.

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

11           The department of education shall allocate at least \$500,000 of the  
12 amount appropriated for the rural Arizona school nurse access program line  
13 item for grants to increase the salaries of school nurses in rural school  
14 districts and charter schools. The department may spend any remaining  
15 monies on grants to rural school districts and charter schools to hire new  
16 school nurses.

17           The amount appropriated for the school safety program in fiscal year  
18 2022-2023 pursuant to Laws 2022, chapter 313, section 31, as amended by  
19 Laws 2024, chapter 209, section 1, included an increase of \$50,000,000 for  
20 additional school safety grants. In allocating the \$50,000,000 increase,  
21 the department of education shall first distribute monies to schools on  
22 the school safety program waiting list to receive grants for the costs of  
23 placing school resource officers on school campuses. The awarded grants  
24 may not supplant funding provided by local governments for school resource  
25 officers. If the total cost of funding grants for school resource  
26 officers is less than \$50,000,000, the department may allocate the  
27 remaining monies to grants to schools for the costs of placing school  
28 counselors and social workers on school campuses pursuant to section  
29 15-154, Arizona Revised Statutes.

30           The amount appropriated for the teacher retention study line item in  
31 fiscal year 2025-2026 shall be used by the department of education to  
32 conduct and complete a comprehensive study to determine the retention rate  
33 of teachers in school districts and charter schools in this state,  
34 including aggregate data on the number of certified and noncertified  
35 teachers, teaching assignments, retention and turnover rates, longevity,  
36 vacant teaching positions and state board of education-approved teacher  
37 preparation programs. The department shall submit the results of the  
38 study to the governor, the president of the senate, the speaker of the  
39 house of representatives and the state board of education on or before  
40 December 31, 2025 and shall submit a copy to the secretary of state. The  
41 department shall develop and maintain a publicly accessible interactive  
42 dashboard on the department's website that contains the study results and  
43 recommendations.

1 Any monies available to the department of education for school  
 2 safety pursuant to section 42-5029.02, subsection A, paragraph 6, Arizona  
 3 Revised Statutes, in excess of the expenditure authority amounts are  
 4 allocated for the purposes of section 42-5029.02, subsection A, paragraph  
 5 6, Arizona Revised Statutes.

6 After review by the joint legislative budget committee, in fiscal  
 7 year 2025-2026, the department of education may use a portion of its  
 8 fiscal year 2025-2026 state general fund appropriations for basic state  
 9 aid, additional state aid or the special education fund to fund a  
 10 shortfall in funding for basic state aid, additional state aid or the  
 11 special education fund, if any, that occurred in fiscal year 2024-2025.

12 The department of education shall provide an updated report on its  
 13 budget status every three months for the first half of each fiscal year  
 14 and every month thereafter to the president of the senate, the speaker of  
 15 the house of representatives, the chairpersons of the senate and house of  
 16 representatives appropriations committees, the director of the joint  
 17 legislative budget committee and the director of the governor's office of  
 18 strategic planning and budgeting. Each report shall include, at a  
 19 minimum, the department's current funding surplus or shortfall projections  
 20 for basic state aid and other major formula-based programs and is due  
 21 thirty days after the end of the applicable reporting period.

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

26 Sec. 32. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	<u>2025-26</u>
27	
28	68.1
29	FTE positions
30	Administration \$ 2,371,200
31	Emergency management 892,600
32	Emergency management matching funds 1,544,900
33	Military affairs 2,134,600
34	National guard matching funds 3,529,200
35	National guard tuition reimbursement 1,000,000
36	Local law enforcement fentanyl interdiction 3,000,000
37	Evacuation protocols awareness campaign 300,000
38	Additional grant support
39	staff <u>500,000</u>
40	
41	
42	Total appropriation – department of
43	emergency and military affairs \$ 15,272,500

1 Fund sources:

2	State general fund	\$ 11,972,500
3	Border security fund	3,000,000
4	Long-term water augmentation fund	300,000

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

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

13 The amount appropriated for the additional grant support staff line  
 14 item is exempt from the provisions of section 35-190, Arizona Revised  
 15 Statutes, relating to lapsing of appropriations, until June 30, 2027.

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

22 Sec. 33. DEPARTMENT OF ENVIRONMENTAL QUALITY

23		<u>2025-26</u>
24	FTE positions	360.7
25	Operating lump sum appropriation	\$ 69,541,400
26	Water quality fee fund deposit	9,000,000
27	WQARF deposit	15,000,000
28	Safe drinking water program	2,001,600
29	Iron King mine Humboldt	
30	smelter cleanup	2,000,000
31	Emissions control contractor	
32	payment	<u>28,894,500</u>

33 Total appropriation – department of  
 34 environmental quality \$ 126,437,500

35 Fund sources:

36	Air quality fund	\$ 7,477,300
37	Emergency response fund	132,800
38	Emissions inspection fund	33,012,700
39	Hazardous waste management fund	2,677,600
40	Indirect cost fund	18,788,100
41	Long-term water augmentation fund	26,000,000
42	Permit administration fund	7,333,900

1	Recycling fund	3,491,400
2	Safe drinking water program	
3	fund	2,001,600
4	Solid waste fee fund	3,892,700
5	Water quality fee fund	21,629,400

6 The department of environmental quality shall report annually on the  
7 progress of WQARF activities, including emergency response, priority site  
8 remediation, cost recovery activity, revenue and expenditure activity and  
9 other WQARF-funded program activity. The department shall submit the  
10 fiscal year 2025-2026 report to the joint legislative budget committee on  
11 or before September 1, 2025. This report shall also include a budget for  
12 the WQARF program that is developed in consultation with the WQARF  
13 advisory board. This budget shall specify the monies budgeted for each  
14 listed site during fiscal year 2025-2026. In addition, the department and  
15 the WQARF advisory board shall prepare and submit to the joint legislative  
16 budget committee, on or before October 1, 2025, a report in a table format  
17 summarizing the current progress on remediation of each listed site on the  
18 WQARF registry. The table shall include the stage of remediation for each  
19 site at the end of fiscal year 2024-2025, indicate whether the current  
20 stage of remediation is anticipated to be completed in fiscal year  
21 2025-2026 and indicate the anticipated stage of remediation at each listed  
22 site at the end of fiscal year 2025-2026, assuming fiscal year 2025-2026  
23 funding levels. The department and the WQARF advisory board may include  
24 other relevant information about the listed sites in the table.

25 The amount appropriated for a zero-emission heavy-duty eight ton  
26 pilot program in fiscal year 2024-2025 pursuant to Laws 2024, chapter 209,  
27 section 130 is exempt from the provisions of section 35-190, Arizona  
28 Revised Statutes, relating to lapsing of appropriations, until June 30,  
29 2026.

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

36 All monies in the department of environmental quality indirect cost  
37 fund established by section 49-115, Arizona Revised Statutes, including  
38 the beginning balance, that are in excess of \$18,788,100 in fiscal year  
39 2025-2026 are appropriated to the department. Before spending indirect  
40 cost fund monies in excess of \$18,788,100 in fiscal year 2025-2026, the  
41 department shall report the intended use of the monies to the joint  
42 legislative budget committee.

1 The operating lump sum appropriation includes \$776,600 from the  
 2 water quality fee fund established by section 49-210, Arizona Revised  
 3 Statutes, to add two FTE positions to process an increase in permit  
 4 applications resulting from revised aquifer water quality standards. The  
 5 department of environmental quality may only spend these monies if  
 6 matching amounts of aquifer protection permit program fees collected  
 7 pursuant to section 49-241.02, Arizona Revised Statutes, are deposited in  
 8 the water quality fee fund established by section 49-210, Arizona Revised  
 9 Statutes, by the end of fiscal year 2025-2026.

10 Sec. 34. 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

16 Sec. 35. STATE BOARD OF EQUALIZATION

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

22 Sec. 36. BOARD OF EXECUTIVE CLEMENCY

		<u>2025-26</u>
	FTE positions	15.5
	Lump sum appropriation	\$ 1,489,000
	Fund sources:	
	State general fund	\$ 1,489,000

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

32 Sec. 37. ARIZONA EXPOSITION AND STATE FAIR BOARD

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

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

1 Notwithstanding section 35-190, Arizona Revised Statutes, the  
 2 \$3,771,400 appropriated to the Arizona exposition and state fair board by  
 3 Laws 2024, chapter 209, section 45 in fiscal year 2024-2025 for enhanced  
 4 state fair operations is exempt from the provisions of section 35-190,  
 5 Arizona Revised Statutes, relating to lapsing of appropriations, until  
 6 June 30, 2026.

7 Sec. 38. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

8			<u>2025-26</u>
9	FTE positions		235.5
10	Operating lump sum appropriation	\$	5,938,500
11	Environmental county grants		250,000
12	Inmate firefighting crews		876,600
13	Postrelease firefighting crews		1,292,700
14	Fire suppression		200,000
15	Northern Arizona wildland fire		
16	training facility		4,000,000
17	State fire marshal		1,805,300
18	State fire school		289,600
19	Hazardous vegetation removal		3,039,300
20	US forest service land thinning		1,669,300
21	Wildfire mitigation		<u>27,110,300</u>
22	Total appropriation – Arizona department		
23	of forestry and fire management	\$	46,471,600
24	Fund sources:		
25	State general fund	\$	42,471,600
26	Long-term water augmentation fund		4,000,000

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

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

33 Notwithstanding section 35-190, Arizona Revised Statutes, the  
 34 \$65,000,000 appropriated to the Arizona department of forestry and fire  
 35 management by Laws 2022, chapter 313, section 38 in fiscal year 2022-2023  
 36 for wildfire emergency response is exempt from the provisions of section  
 37 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
 38 until June 30, 2028.

39 Sec. 39. ARIZONA GAME AND FISH DEPARTMENT

40			<u>2025-26</u>
41	FTE positions		273.5
42	Operating lump sum appropriation	\$	44,694,200
43	Livestock loss compensation		250,000

1	Pittman-Robertson/Dingell-Johnson	
2	act	<u>3,058,000</u>
3	Total appropriation – Arizona game and fish	
4	department	\$ 48,002,200
5	Fund sources:	
6	Capital improvement fund	\$ 1,001,200
7	Game and fish fund	41,279,800
8	Wildlife endowment fund	16,200
9	Watercraft licensing fund	5,063,300
10	Game, nongame, fish and	
11	endangered species fund	641,700
12	Sec. 40. DEPARTMENT OF GAMING	
13		<u>2025-26</u>
14	FTE positions	155.8
15	Operating lump sum appropriation	\$ 13,740,100
16	Arizona breeders' award	250,000
17	Casino operations certification	2,330,300
18	County fairs livestock and	
19	agriculture promotion	6,029,500
20	Division of racing	2,743,300
21	Contract veterinarian	175,000
22	Horseracing integrity and safety	
23	act assessment	1,355,100
24	Racetrack capital projects and	
25	maintenance and operation funding	1,000,000
26	Racing purse enhancement	1,000,000
27	Racing regulation fund deposit	1,900,000
28	Problem gambling	<u>3,320,000</u>
29	Total appropriation – department of gaming	\$ 33,843,300
30	Fund sources:	
31	State general fund	\$ 10,104,500
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	400,000

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.

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

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

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

19 The amount appropriated for the racetrack capital projects and  
20 maintenance and operation funding line item shall be distributed to  
21 commercial live racing permittees for capital projects and track  
22 maintenance and operations, including costs associated with the compliance  
23 costs associated with the horseracing integrity and safety act of 2020  
24 (P.L. 116-260; 134 Stat. 3252; 15 United States Code sections 3051 through  
25 3060). From the amount appropriated in the racetrack capital projects and  
26 maintenance and operations funding line item, the department of gaming  
27 shall allocate \$1,000,000 to a commercial live racing permittee located in  
28 Maricopa county.

29 The amount appropriated for the racing purse enhancement line item  
30 shall be distributed to a recognized nonprofit horsemen's organization  
31 that has represented horsemen participating in racing meetings since 1988  
32 and shall be used to promote racing and enhance the general purse  
33 structure for eligible horse races held in this state.

34 On or before December 31, 2025, the department of gaming shall  
35 submit a report to the joint legislative budget committee detailing the  
36 division of racing's workload, regulatory and budgetary changes since  
37 fiscal year 2016-2017. The report shall detail the changes in the number  
38 of regulated tracks and the changes in the number of live races, and to  
39 the extent the number of regulated tracks and live races has declined, how  
40 the department has adjusted its staffing in response. In addition, the  
41 report shall detail the department's budgetary changes since fiscal year  
42 2016-2017, including the impact of the horseracing integrity and safety  
43 act of 2020.

1	Sec. 41. OFFICE OF THE GOVERNOR	
2		<u>2025-26</u>
3	Operating lump sum appropriation	\$ 8,246,800*
4	Foster youth education success	
5	fund deposit	<u>1,500,000</u>
6	Total appropriation – office of the governor	\$ 9,746,800
7	Fund sources:	
8	State general fund	\$ 9,746,800
9	Included in the operating lump sum appropriation of \$8,246,800 for	
10	fiscal year 2025-2026 is \$10,000 for the purchase of mementos and items	
11	for visiting officials.	
12	Sec. 42. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	
13		<u>2025-26</u>
14	FTE positions	22.0
15	Lump sum appropriation	\$ 2,852,500*
16	Fund sources:	
17	State general fund	\$ 2,852,500
18	Sec. 43. DEPARTMENT OF HEALTH SERVICES	
19		<u>2025-26</u>
20	FTE positions	1,171.0
21	Operating lump sum appropriation	\$ 65,352,600
22	<u>Public health/family health</u>	
23	Adult cystic fibrosis care	105,200
24	Advisory committee on maternal mental	
25	health technical assistance	100,000
26	AIDS reporting and surveillance	1,000,000
27	Alzheimer's disease research	4,125,000
28	Arizona nurse education investment	
29	pilot program	1,500,000
30	Behavioral health care provider	
31	loan repayment program	1,000,000
32	Biomedical research support	2,000,000
33	Breast and cervical cancer and	
34	bone density screening	1,369,400
35	Clinical health care training program	100,000
36	County tuberculosis provider	
37	care and control	590,700
38	Dementia awareness campaign	750,000
39	Folic acid program	400,000
40	Funeral services regulation	459,400
41	Health care directives registry	2,000,000
42	High-risk perinatal services	2,343,400

1	Ibogaine clinical research grants	5,000,000*
2	International medical school	
3	collaboration	125,000
4	Newborn screening program	15,188,900
5	Nonrenal disease management	198,000
6	Nursing care special projects	200,000
7	Poison control centers funding	990,000
8	Renal dental care and nutrition	
9	supplements	300,000
10	Renal transplant drugs	183,000
11	<u>Arizona state hospital</u>	
12	Arizona state hospital –	
13	operating	81,064,100
14	Arizona state hospital –	
15	restoration to competency	900,000
16	Arizona state hospital –	
17	sexually violent persons	<u>12,851,200</u>
18	Total appropriation – department of	
19	health services	\$200,195,900
20	Fund sources:	
21	State general fund	\$126,631,700
22	Arizona state hospital fund	3,395,700
23	Arizona state hospital land fund	1,596,600
24	Child fatality review fund	196,500
25	Disease control research fund	1,000,000
26	DHS indirect cost fund	13,318,300
27	Emergency medical services	
28	operating fund	4,260,700
29	Environmental laboratory licensure	
30	revolving fund	1,008,400
31	Federal child care and development	
32	fund block grant	1,011,300
33	Health services licensing fund	23,336,400
34	Health services lottery monies fund	2,000,000
35	Newborn screening program fund	15,608,300
36	Nursing care institution resident	
37	protection revolving fund	238,200
38	Tobacco tax and health care	
39	fund - health research account	2,000,000
40	Tobacco tax and health care	
41	fund – medically needy account	700,000
42	Vital records electronic systems	
43	fund	3,893,800

1           Public health/family health

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

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

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

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

- 30           1. Is headquartered in this state.
- 31           2. Has been operating in this state for at least the last ten  
32 years.
- 33           3. Has participating member institutions that work together to end  
34 Alzheimer's disease within a statewide collaborative model by using their  
35 complementary strengths in brain imaging, computer science, genomics,  
36 basic and cognitive neurosciences and clinical and neuropathology  
37 research.
- 38           4. Has participating member institutions that educate residents of  
39 this state about Alzheimer's disease, research progress and resources to  
40 help patients, families and professionals manage the disease.

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

1 The department of health services shall distribute the monies  
2 appropriated for fiscal year 2025-2026 for the dementia awareness campaign  
3 line item to a nonprofit organization to implement a public education  
4 campaign to increase awareness of Alzheimer's disease and dementia in  
5 rural and underserved urban areas in this state. The nonprofit  
6 organization that receives monies pursuant to this subsection must do all  
7 of the following:

8 1. Demonstrate expertise in memory loss, dementia and Alzheimer's  
9 disease.

10 2. Host a toll-free hotline that is available twenty-four hours a  
11 day, seven days a week, with interpreter services if needed, and that is  
12 staffed by master's level consultants to provide education on Alzheimer's  
13 disease signs and symptoms, decision-making support, dementia crisis  
14 assistance, treatment options and referrals to local community resources.

15 3. Provide care and support for those affected by Alzheimer's  
16 disease and other dementias.

17 4. Demonstrate experience in marketing and public awareness  
18 campaigns.

19 On or before November 1, 2026, the department of health services  
20 shall submit a report regarding the impact of the public awareness  
21 campaign to the governor, the president of the senate and the speaker of  
22 the house of representatives. The department shall submit a copy of the  
23 report to the secretary of state.

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

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

31 1. An overview of the operations and technological capabilities of  
32 the health care directives registry.

33 2. The total number of individual accounts.

34 3. The number of individual accounts created in the preceding six  
35 months.

36 4. The total number of document uploads.

37 5. The total number of document uploads in the preceding six  
38 months.

39 6. The total subscriber organizations using the health care  
40 directives registry.

41 7. A description of the subscriber organizations using the health  
42 care directives registry in the preceding six months.

43 8. The total number of active health care directives registry  
44 users.

45 9. The total number of participant searches.

1           10. The average time to process documents.

2           11. An overview of the past growth in the health care directives  
3 registry year over year.

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

6           The department of health services shall use the monies appropriated  
7 for the ibogaine clinical research grants line item to award a grant to  
8 conduct a certified clinical research study on the use of ibogaine for the  
9 treatment of neurological diseases. The department may award a grant only  
10 to an entity that satisfies all of the following:

11           1. Has a history of proven research and treatment of neurological  
12 diseases.

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

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

18           The amount appropriated for preventative health services for  
19 low-income and underserved women and their families in fiscal year  
20 2024-2025 pursuant to Laws 2024, chapter 209, section 130 is exempt from  
21 the provisions of section 35-190, Arizona Revised Statutes, relating to  
22 lapsing of appropriations, until June 30, 2026.

23           The amount appropriated for counseling services for parents whose  
24 children have died as a result of violence in fiscal year 2024-2025  
25 pursuant to Laws 2024, chapter 209, section 130 is exempt from the  
26 provisions of section 35-190, Arizona Revised Statutes, relating to  
27 lapsing of appropriations, until June 30, 2026.

28           The amount appropriated for counseling and community services in  
29 southern Arizona in fiscal year 2024-2025 pursuant to Laws 2024, chapter  
30 209, section 130 is exempt from the provisions of section 35-190, Arizona  
31 Revised Statutes, relating to lapsing of appropriations, until June 30,  
32 2026.

33           The amount appropriated for senior health promotion and coordination  
34 in Santa Cruz county in fiscal year 2024-2025 pursuant to Laws 2024,  
35 chapter 209, section 130 is exempt from the provisions of section 35-190,  
36 Arizona Revised Statutes, relating to lapsing of appropriations, until  
37 June 30, 2026.

38           The amount appropriated for the international medical school  
39 collaboration line item in fiscal year 2025-2026 shall be used by the  
40 department of health services for a onetime grant program to a public or  
41 private medical school in this state to establish a collaboration with an  
42 international medical school and provide international hands-on learning  
43 opportunities for students from this state.

44           The amount appropriated for the clinical health care training  
45 program line item in fiscal year 2025-2026 shall be used by the department

1 of health services for a onetime grant program to a public or private  
 2 university to operate a clinical health care training program that both  
 3 provides health care services to the working poor and provides hands-on  
 4 learning experiences for students of this state. At a minimum, the  
 5 program shall incorporate medical students, physician assistant students,  
 6 nursing students, physical therapy students and pharmacy students.

7 Arizona state hospital

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

12 Departmentwide

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

24 Sec. 44. ARIZONA HISTORICAL SOCIETY

		<u>2025-26</u>
	FTE positions	54.9
	Operating lump sum appropriation	\$ 2,344,600
	Field services and grants	66,200
	Flagstaff pioneer museum	1,079,100
	Papago park museum	<u>567,900</u>
31	Total appropriation – Arizona historical	
32	society	\$ 4,057,800
33	Fund sources:	
34	State general fund	\$ 4,057,800

35 The amount appropriated for the Flagstaff pioneer museum line item  
 36 is exempt from the provisions of section 35-190, Arizona Revised Statutes,  
 37 relating to the lapsing of appropriations, until June 30, 2028.

38 Sec. 45. PRESCOTT HISTORICAL SOCIETY

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

1	Fund sources:	
2	State general fund	\$ 1,495,300
3	Sec. 46. ARIZONA DEPARTMENT OF HOMELAND SECURITY	
4		<u>2025-26</u>
5	FTE positions	26.0
6	Statewide information security	
7	and privacy operations and	
8	controls	\$ 11,054,700
9	Federal cybersecurity grant	
10	matching monies	107,800
11	Multi-factor authentication	550,000
12	Statewide cybersecurity grants	<u>10,000,000</u>
13	Total appropriation – Arizona department of	
14	homeland security	\$ 21,712,500

15	Fund sources:	
16	State general fund	\$ 10,107,800
17	Information technology fund	11,604,700

18 Of the amount appropriated for statewide cybersecurity grants, the  
 19 Arizona department of homeland security may spend up to \$500,000 for grant  
 20 administration.

21 The amount appropriated for the federal cybersecurity grant matching  
 22 monies line item is exempt from section 35-190, Arizona Revised Statutes,  
 23 relating to the lapsing of appropriations, until June 30, 2028.

24	Sec. 47. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
25		<u>2025-26</u>
26	FTE positions	1.0
27	Lump sum appropriation	\$ 61,500

28	Fund sources:	
29	Board of homeopathic and	
30	integrated medicine	
31	examiners' fund	\$ 61,500

32	Sec. 48. ARIZONA DEPARTMENT OF HOUSING	
33		<u>2025-26</u>
34	FTE positions	3.0
35	Lump sum appropriation	\$ 388,800

36	Fund sources:	
37	Housing trust fund	\$ 388,800

38 The department of housing shall use the monies deposited in the  
 39 military transitional housing fund pursuant to Laws 2023, chapter 133,  
 40 section 49 for supportive services and transitional unit rehabilitation  
 41 for veterans.

1	Sec. 49. INDUSTRIAL COMMISSION OF ARIZONA	
2		<u>2025-26</u>
3	FTE positions	250.6
4	Operating lump sum appropriation	\$ 23,114,700
5	Municipal firefighter reimbursement	
6	administration	<u>84,700</u>
7	Total appropriation – industrial commission	
8	of Arizona	\$ 23,199,400
9	Fund sources:	
10	State general fund	\$ 84,700
11	Administrative fund	23,114,700
12	The legislature intends that the state general fund appropriation be	
13	used only for administrative costs of title 23, chapter 11, Arizona	
14	Revised Statutes, and that this appropriation does not convey any	
15	responsibility for firefighter cancer compensation and benefits claims to	
16	this state.	
17	Sec. 50. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS	
18		<u>2025-26</u>
19	FTE positions	147.4
20	Operating lump sum appropriation	\$ 12,468,500
21	Arizona vehicle theft task force	4,452,600
22	Automobile theft authority	
23	operating budget	709,100
24	Local grants	1,388,900
25	Reimbursable programs	<u>50,000</u>
26	Total appropriation – department of insurance	
27	and financial institutions	\$ 19,069,100
28	Fund sources:	
29	State general fund	\$ 6,212,000
30	Automobile theft authority fund	6,749,300
31	Financial services fund	6,057,500
32	Department revolving fund	50,300
33	Monies in the Arizona vehicle theft task force line item shall be	
34	used by the department of insurance and financial institutions to pay	
35	seventy-five percent of the personal services and employee-related	
36	expenditures for city, town and county sworn officers who participate in	
37	the Arizona vehicle theft task force.	
38	Local grants shall be awarded with consideration given to areas with	
39	greater automobile theft problems and shall be used to combat economic	
40	automobile theft operations.	
41	The department of insurance and financial institutions shall submit	
42	a report to the joint legislative budget committee before spending any	
43	monies for the reimbursable programs line item. The department shall show	
44	sufficient monies collected to cover the expenses indicated in the report.	

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

6 Sec. 51. ARIZONA JUDICIARY

	<u>2025-26</u>
7	
8	<u>Supreme court</u>
9	FTE positions 208.0
10	Operating lump sum appropriation \$ 18,770,000
11	Arizona trial and digital
12	evidence fund deposit 1,620,000
13	Automation 24,927,800
14	Child and family representation
15	pilot program 600,000*
16	County reimbursements 187,900
17	Court appointed special advocate
18	and vulnerable persons 6,773,200
19	Courthouse security 751,700
20	Domestic relations 701,000
21	State foster care review board 3,570,200
22	Commission on judicial conduct 765,800
23	Judicial nominations and
24	performance review 620,600
25	Juvenile monetary sanctions
26	funding backfill 250,000
27	Model court 660,800
28	State aid <u>5,955,500</u>
29	Total appropriation – supreme court \$ 66,154,500
30	Fund sources:
31	State general fund \$ 30,455,300
32	Confidential intermediary and
33	fiduciary fund 690,600
34	Court appointed special advocate
35	and vulnerable persons fund 6,972,500
36	Criminal justice enhancement fund 4,765,200
37	Defensive driving school fund 4,521,000
38	Judicial collection enhancement
39	fund 15,803,000
40	State aid to the courts fund 2,946,900

41 On or before September 1, 2025, the supreme court shall report to  
 42 the joint legislative budget committee and the governor's office of  
 43 strategic planning and budgeting on current and future automation projects  
 44 coordinated by the administrative office of the courts. The report shall  
 45 include a list of court automation projects that receive or are

1 anticipated to receive state monies in the current or next two fiscal  
 2 years as well as a description of each project, the number of FTE  
 3 positions, the entities involved and the goals and anticipated results for  
 4 each automation project. The report shall be submitted in one summary  
 5 document. The report shall indicate each project's total multiyear cost  
 6 by fund source and budget line item, including any prior year, current  
 7 year and future year expenditures.

8 Automation expenses of the judiciary shall be funded only from the  
 9 automation line item. Monies in the operating lump sum appropriation or  
 10 other line items intended for automation purposes shall be transferred to  
 11 the automation line item before expenditure.

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

15 Of the \$187,900 appropriated for county reimbursements, state grand  
 16 jury is limited to \$97,900 and capital postconviction relief is limited to  
 17 \$90,000.

18 Court of appeals

19	FTE positions	163.8
20	Division one	\$ 16,454,900
21	Division two	<u>8,550,500</u>
22	Total appropriation – court of appeals	\$ 25,005,400

23 Fund sources:

24	State general fund	\$ 25,005,400
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25 Of the 163.8 FTE positions for fiscal year 2025-2026, 112.3 FTE  
 26 positions are for division one and 51.5 FTE positions are for division  
 27 two.

28 Superior court

29	FTE positions	241.5
30	Operating lump sum appropriation	\$ 5,375,200
31	Judges' compensation	32,230,800
32	Centralized service payments	4,667,000
33	Adult standard probation	22,297,500
34	Adult intensive probation	13,150,200
35	Community punishment	2,310,300
36	Court-ordered removals	315,000
37	Interstate compact	513,700
38	Drug court	1,096,400
39	General adjudication personnel	
40	and support fund deposit	2,000,000
41	Juvenile standard probation	3,781,800
42	Juvenile intensive probation	6,087,200
43	Juvenile treatment services	20,803,000
44	Juvenile family counseling	500,000
45	Juvenile crime reduction	3,313,700

1	Juvenile diversion consequences	9,088,500
2	Probation incentive payments	1,000,000
3	Special water master	<u>511,100</u>
4	Total appropriation – superior court	\$129,041,400
5	Fund sources:	
6	State general fund	\$117,025,800
7	Criminal justice enhancement fund	5,496,000
8	Drug treatment and education fund	504,200
9	Judicial collection enhancement	
10	fund	6,015,400

11 Operating budget

12 All expenditures made by the administrative office of the courts to  
 13 administer superior court line items shall be funded only from the  
 14 superior court operating budget. Monies in superior court line items  
 15 intended for this purpose shall be transferred to the superior court  
 16 operating budget before expenditure.

17 Judges

18 Of the 241.5 FTE positions, 183 FTE positions represent superior  
 19 court judges. This FTE position clarification does not limit the  
 20 counties' ability to add judges pursuant to section 12-121, Arizona  
 21 Revised Statutes.

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

29 Probation

30 Monies appropriated to juvenile treatment services and juvenile  
 31 diversion consequences line items shall be deposited in the juvenile  
 32 probation services fund established by section 8-322, Arizona Revised  
 33 Statutes.

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

38 On or before November 1, 2025, the administrative office of the  
 39 courts shall report to the joint legislative budget committee and the  
 40 governor's office of strategic planning and budgeting the fiscal year  
 41 2024-2025 actual, fiscal year 2025-2026 estimated and fiscal year  
 42 2026-2027 requested amounts for each of the following:

1           1. On a county-by-county basis, the number of authorized and filled  
2 case carrying probation positions and non-case carrying probation  
3 positions, distinguishing between adult standard, adult intensive,  
4 juvenile standard and juvenile intensive. The report shall indicate the  
5 level of state probation funding, other state funding, county funding and  
6 probation surcharge funding for those positions.

7           2. Total receipts and expenditures by county and fund source for  
8 the adult standard, adult intensive, juvenile standard and juvenile  
9 intensive probation line items, including the amount of personal services  
10 spent from each revenue source of each account.

11           All centralized service payments made by the administrative office  
12 of the courts on behalf of counties shall be funded only from the  
13 centralized service payments line item. Centralized service payments  
14 include only training, motor vehicle payments, CORP review board funding,  
15 LEARN funding, research, operational reviews and GPS vendor payments.  
16 This footnote does not apply to treatment or counseling services payments  
17 made from the juvenile treatment services and juvenile diversion  
18 consequences line items. Monies in the operating lump sum appropriation  
19 or other line items intended for centralized service payments shall be  
20 transferred to the centralized service payments line item before  
21 expenditure.

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

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

38           1. Approved percentage salary increase by year.

39           2. Net increase in the amount allocated to each probation  
40 department by the administrative office of the courts for each applicable  
41 year.

42           3. Average number of probation officers by applicable year.

43           4. Average salary of probation officers for each applicable year.

1	Sec. 52. DEPARTMENT OF JUVENILE CORRECTIONS	
2		<u>2025-26</u>
3	FTE positions	738.5
4	Lump sum appropriation	\$ 43,576,600
5	Fund sources:	
6	State general fund	\$ 29,978,900
7	State charitable, penal and	
8	reformatory institutions	
9	land fund	4,881,100
10	Criminal justice enhancement fund	528,900
11	State education fund for committed	
12	youth	1,463,700
13	Department of juvenile corrections	
14	local cost sharing fund	6,724,000
15	Twenty-five percent of land earnings and interest from the state	
16	charitable, penal and reformatory institutions land fund shall be	
17	distributed to the department of juvenile corrections, in compliance with	
18	section 25 of the enabling act and the Constitution of Arizona, to be used	
19	to support state juvenile institutions and reformatories.	
20	Sec. 53. STATE LAND DEPARTMENT	
21		<u>2025-26</u>
22	FTE positions	145.7
23	Operating lump sum appropriation	\$ 19,736,000
24	CAP user fees	1,577,900
25	Due diligence program	<u>5,000,000</u>
26	Total appropriation – state land department	\$ 26,313,900
27	Fund sources:	
28	State general fund	\$ 12,078,300
29	Off-highway vehicle recreation	
30	fund	177,600
31	Due diligence fund	5,000,000
32	Trust land management fund	9,058,000
33	The appropriation includes \$1,577,900 for CAP user fees in fiscal	
34	year 2025-2026. For fiscal year 2025-2026, from municipalities that	
35	assume their allocation of central Arizona project water for every dollar	
36	received as reimbursement to this state for past central Arizona water	
37	conservation district payments, \$1 reverts to the state general fund in	
38	the year that the reimbursement is collected.	
39	Sec. 54. LEGISLATURE	
40		<u>2025-26</u>
41	<u>Senate</u>	
42	Lump sum appropriation	\$ 18,750,200*
43	Fund sources:	
44	State general fund	\$ 18,750,200

1 Included in the lump sum appropriation of \$18,750,200 for fiscal  
2 year 2025-2026 is \$5,000 for the purchase of mementos and items for  
3 visiting officials.

4 House of representatives  
5 Lump sum appropriation \$ 22,315,600\*  
6 Fund sources:  
7 State general fund \$ 22,315,600

8 Included in the lump sum appropriation of \$22,315,600 for fiscal  
9 year 2025-2026 is \$5,000 for the purchase of mementos and items for  
10 visiting officials.

11 Legislative council  
12 FTE positions 63.0  
13 Lump sum appropriation \$ 9,275,700\*  
14 Fund sources:  
15 State general fund \$ 9,275,700

16 Ombudsman-citizens aide office  
17 FTE positions 12.0  
18 Lump sum appropriation \$ 1,578,400\*  
19 Fund sources:  
20 State general fund \$ 1,578,400

21 The legislature intends that the ombudsman-citizens aide prioritize  
22 investigating and processing complaints relating to the department of  
23 child safety.

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

28 Joint legislative budget committee  
29 FTE positions 29.0  
30 Lump sum appropriation \$ 3,055,800\*  
31 Fund sources:  
32 State general fund \$ 3,055,800

33 Auditor general  
34 FTE positions 236.8  
35 Lump sum appropriation \$32,022,700\*  
36 Fund sources:  
37 State general fund \$ 32,022,700

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

1	Sec. 55. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
2		<u>2025-26</u>
3	FTE positions	58.2
4	Lump sum appropriation	\$ 6,226,800
5	Fund sources:	
6	Liquor licenses fund	\$ 6,226,800
7	Sec. 56. ARIZONA STATE LOTTERY COMMISSION	
8		<u>2025-26</u>
9	FTE positions	98.8
10	Operating lump sum appropriation	\$ 10,195,900
11	Advertising	<u>15,500,000</u>
12	Total appropriation – Arizona state	
13	lottery commission	\$ 25,695,900
14	Fund sources:	
15	State lottery fund	\$ 25,695,900
16	An amount equal to twenty percent of tab ticket sales is	
17	appropriated to pay sales commissions to charitable organizations. This	
18	amount is currently estimated to be \$1,815,700 in fiscal year 2025-2026.	
19	An amount equal to 3.6 percent of actual instant ticket sales is	
20	appropriated to print instant tickets or to pay contractual obligations	
21	concerning instant ticket distribution. This amount is currently	
22	estimated to be \$40,643,600 in fiscal year 2025-2026.	
23	An amount equal to a percentage of total ticket sales as determined	
24	by contract is appropriated to pay online vendor fees. This amount is	
25	currently estimated to be \$17,747,100, or 1.079 percent of total ticket	
26	sales, in fiscal year 2025-2026.	
27	An amount equal to 6.5 percent of gross lottery game sales, minus	
28	charitable tab tickets, is appropriated to pay sales commissions to ticket	
29	retailers. An additional amount not to exceed 0.5 percent of gross	
30	lottery game sales is appropriated to pay sales commissions to ticket	
31	retailers. The combined amount is currently estimated to be \$109,591,300,	
32	or 6.7 percent of total ticket sales, in fiscal year 2025-2026.	
33	Sec. 57. BOARD OF MASSAGE THERAPY	
34		<u>2025-26</u>
35	FTE positions	5.0
36	Lump sum appropriation	\$ 607,700
37	Fund sources:	
38	Board of massage therapy fund	\$ 607,700
39	Sec. 58. ARIZONA MEDICAL BOARD	
40		<u>2025-26</u>
41	FTE positions	63.5
42	Operating lump sum appropriation	\$ 8,259,300

1	Employee performance incentive	
2	program	<u>165,600</u>
3	Total appropriation – Arizona medical	
4	board	\$ 8,424,900
5	Fund sources:	
6	Arizona medical board fund	\$ 8,424,900
7	Sec. 59. STATE MINE INSPECTOR	
8		<u>2025-26</u>
9	FTE positions	22.0
10	Operating lump sum appropriation	\$ 1,468,600
11	Abandoned mines	830,700
12	Aggregate mining land reclamation	<u>112,900</u>
13	Total appropriation – state mine inspector	\$ 2,412,200
14	Fund sources:	
15	State general fund	\$ 2,299,300
16	Aggregate mining reclamation fund	112,900

17 All aggregate mining reclamation fund monies received by the state  
 18 mine inspector in excess of \$112,900 in fiscal year 2025-2026 are  
 19 appropriated to the aggregate mining land reclamation line item. Before  
 20 spending any aggregate mining reclamation fund monies in excess of  
 21 \$112,900 in fiscal year 2025-2026, the state mine inspector shall report  
 22 the intended use of the monies to the joint legislative budget committee  
 23 and the governor's office of strategic planning and budgeting.

24	Sec. 60. STATE NATURAL RESOURCE CONSERVATION BOARD	
25		<u>2025-26</u>
26	Lump sum appropriation	\$ 100,000
27	Groundwater recharge facilities	250,000*
28	Natural resource conservation	
29	district fund deposit	<u>650,000</u>
30	Total appropriation – state natural resource	
31	conservation board	\$ 1,000,000
32	Fund sources:	
33	State general fund	\$ 739,400
34	Environmental special plate fund	260,600

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

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

1	Sec. 61.	NATUROPATHIC PHYSICIANS MEDICAL BOARD		
2				<u>2025-26</u>
3		FTE positions		2.0
4		Lump sum appropriation	\$	270,000
5		Fund sources:		
6		Naturopathic physicians medical		
7		board fund	\$	270,000
8	Sec. 62.	ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION		
9				<u>2025-26</u>
10		FTE positions		2.0
11		Lump sum appropriation	\$	340,500
12		Fund sources:		
13		State general fund	\$	140,500
14		Arizona water banking fund		200,000
15	Sec. 63.	ARIZONA STATE BOARD OF NURSING		
16				<u>2025-26</u>
17		FTE positions		64.0
18		Operating lump sum appropriation	\$	6,434,800
19		Student registered nurse		
20		anesthetist clinical rotation		
21		program		500,000
22		Certified nursing assistant		
23		credentialing program		<u>548,000</u>
24	Total	appropriation – Arizona state		
25		board of nursing	\$	7,482,800
26		Fund sources:		
27		Board of nursing fund	\$	6,982,800
28		State general fund		500,000
29	Sec. 64.	BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS		
30		AND ASSISTED LIVING FACILITY MANAGERS		
31				<u>2025-26</u>
32		FTE positions		7.0
33		Lump sum appropriation	\$	613,100
34		Fund sources:		
35		Nursing care institution		
36		administrators' licensing and		
37		assisted living facility		
38		managers' certification fund	\$	613,100
39	Sec. 65.	BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
40				<u>2025-26</u>
41		FTE positions		2.0
42		Lump sum appropriation	\$	302,700
43		Fund sources:		
44		Occupational therapy fund	\$	302,700

1	Sec. 66.	STATE BOARD OF DISPENSING OPTICIANS	
2			<u>2025-26</u>
3		FTE positions	1.0
4		Lump sum appropriation	\$ 198,500
5		Fund sources:	
6		Board of dispensing opticians fund	\$ 198,500
7	Sec. 67.	STATE BOARD OF OPTOMETRY	
8			<u>2025-26</u>
9		FTE positions	2.0
10		Lump sum appropriation	\$ 295,600
11		Fund sources:	
12		Board of optometry fund	\$ 295,600
13	Sec. 68.	ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY	
14			<u>2025-26</u>
15		FTE positions	10.0
16		Lump sum appropriation	\$ 1,494,100
17		Fund sources:	
18		Arizona board of osteopathic	
19		examiners in medicine	
20		and surgery fund	\$ 1,494,100
21	Sec. 69.	ARIZONA STATE PARKS BOARD	
22			<u>2025-26</u>
23		FTE positions	169.0
24		Operating lump sum appropriation	\$ 16,973,500
25		Broadband infrastructure operations	
26		and maintenance	242,100
27		Heritage fund deposit	1,000,000
28		State lake improvement fund deposit	1,500,000
29		State parks store	1,513,100
30		Kartchner caverns state park	2,509,900
31		Water and wastewater infrastructure	
32		operations and maintenance	<u>541,000</u>
33	Total appropriation – Arizona state parks	board	\$ 24,279,600
34		Fund sources:	
35		State general fund	2,500,000
36		State parks revenue fund	\$ 20,249,800
37		State parks store fund	1,513,100
38		Off-highway vehicle recreation fund	16,700

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

1 The Arizona state parks board may not spend any monies appropriated  
 2 in the heritage fund deposit line item to purchase property.

3 If the Arizona state parks board receives land and water  
 4 conservation grant funding for capital projects included in fiscal year  
 5 2025-2026 budget legislation, the board shall report its revised  
 6 expenditure plans to the joint committee on capital review and the  
 7 governor's office of strategic planning and budgeting.

8 If federal historic preservation fund grant monies are unavailable  
 9 to the state historic preservation office in federal fiscal year  
 10 2025-2026, the Arizona state parks board may spend up to \$865,000 of the  
 11 monies in the state parks revenue fund established by section 41-511.21,  
 12 Arizona Revised Statutes, to pay for the state historic preservation  
 13 office's operating expenses. Before spending any monies from the state  
 14 parks revenue fund on state historic preservation office operating  
 15 expenses, the Arizona state parks board shall report its expenditure plan  
 16 to the joint legislative budget committee.

17 The \$10,000,000 appropriated to the Arizona state parks board by  
 18 Laws 2023, chapter 199, section 6 in fiscal year 2023-2024 to purchase,  
 19 design and construct the Arizona veterans memorial state park is exempt  
 20 from the provisions of section 35-190, Arizona Revised Statutes, relating  
 21 to lapsing of appropriations, until June 30, 2027.

22 Sec. 70. 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

29 Sec. 71. ARIZONA STATE BOARD OF PHARMACY

	<u>2025-26</u>
FTE positions	26.4
Operating lump sum appropriation	\$ 3,661,200
Prescriber report card	<u>50,000</u>
Total appropriation – Arizona state board of pharmacy	\$ 3,711,200
Fund sources:	
Arizona state board of pharmacy fund	\$ 3,711,200

39 Of the monies appropriated to the Arizona state board of pharmacy  
 40 pursuant to Laws 2022, chapter 313, section 71 and by Laws 2024, chapter  
 41 209, section 78, \$190,500 is exempt from the provisions of section 35-190,  
 42 Arizona Revised Statutes, relating to lapsing of appropriations, until  
 43 June 30, 2026, for the purposes of e-licensing system upgrades.

1	Sec. 72. BOARD OF PHYSICAL THERAPY		
2			<u>2025-26</u>
3	FTE positions		4.5
4	Lump sum appropriation	\$	619,200
5	Fund sources:		
6	Board of physical therapy fund	\$	619,200
7	Sec. 73. ARIZONA PIONEERS' HOME		
8			<u>2025-26</u>
9	FTE positions		107.3
10	Lump sum appropriation	\$	9,049,200
11	Fund sources:		
12	Miners' hospital for miners with		
13	disabilities land fund	\$	2,920,800
14	State charitable fund		6,128,400
15	Earnings on state lands and interest on the investment of the		
16	permanent land funds are appropriated for the Arizona pioneers' home and		
17	the state hospital for miners with disabilities in compliance with the		
18	enabling act and the Constitution of Arizona.		
19	Sec. 74. STATE BOARD OF PODIATRY EXAMINERS		
20			<u>2025-26</u>
21	FTE positions		1.0
22	Lump sum appropriation	\$	202,700
23	Fund sources:		
24	Podiatry fund	\$	202,700
25	Of the amount appropriated in the lump sum appropriation, \$9,200 may		
26	be used to pay outstanding costs of services provided by the department of		
27	administration-central services bureau in prior years.		
28	Sec. 75. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION		
29			<u>2025-26</u>
30	FTE positions		4.0
31	Lump sum appropriation	\$	553,000
32	Fund sources:		
33	Board for private postsecondary		
34	education fund	\$	553,000
35	Sec. 76. STATE BOARD OF PSYCHOLOGIST EXAMINERS		
36			<u>2025-26</u>
37	FTE positions		5.5
38	Lump sum appropriation	\$	855,400
39	Fund sources:		
40	Behavioral analyst licensing		
41	and regulation account	\$	390,400
42	Board of psychologist examiners		
43	fund		465,000

1	Sec. 77. DEPARTMENT OF PUBLIC SAFETY	
2		<u>2025-26</u>
3	FTE positions	2,178.7
4	Operating lump sum appropriation	\$281,005,300
5	ACTIC	3,632,700
6	Anti-human trafficking grant	
7	fund deposit	1,600,000
8	AZPOST	6,100,000
9	Border drug interdiction	17,414,800
10	Local border support	18,232,900
11	Civil air patrol maintenance and	
12	operations	250,000
13	Department of public safety	
14	crime lab assistance	200,000
15	GIITEM	24,749,000
16	GIITEM subaccount	2,396,400
17	Major incident division	15,500,000*
18	Motor vehicle fuel	5,454,600
19	Onetime vehicle replacement	8,667,500
20	Pharmaceutical diversion and	
21	drug theft task force	704,200
22	Public safety equipment	2,890,000
23	Sex offender management board	
24	administration	400,000
25	Yuma county family advocacy	
26	center distribution	<u>750,000</u>
27	Total appropriation – department of public	
28	safety	\$389,947,400
29	Fund sources:	
30	State general fund	\$296,200,000
31	State highway fund	10,000,000
32	Border security fund	10,900,000
33	Arizona highway patrol fund	29,797,200
34	Criminal justice enhancement fund	3,049,900
35	Department of public safety	
36	forensics fund	23,198,800
37	Gang and immigration intelligence	
38	team enforcement mission border	
39	security and law enforcement	
40	subaccount	2,396,400
41	Motorcycle safety fund	198,900
42	Motor vehicle liability insurance	
43	enforcement fund	1,003,300

1	Risk management revolving fund	1,141,900
2	Parity compensation fund	3,742,500
3	Public safety equipment fund	2,894,000
4	Concealed weapons permit fund	3,388,400
5	Fingerprint clearance card fund	2,036,100

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

12 1. Strictly enforcing all federal laws relating to illegal aliens  
13 and arresting illegal aliens.

14 2. Responding to or assisting any county sheriff or attorney in  
15 investigating complaints of employment of illegal aliens.

16 3. Enforcing Arizona's law known as the Legal Arizona Workers Act,  
17 strictly enforcing Arizona's SB 1070, Arizona's "Support Our Law  
18 Enforcement and Safe Neighborhoods Act" and investigating crimes of  
19 identity theft in the context of hiring illegal aliens and the unlawful  
20 entry into this country.

21 4. Taking strict enforcement action.

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

27 Of the \$24,749,000 appropriated to the GIITEM line item, only  
28 \$1,203,400 is deposited in the GIITEM fund established by section 41-1724,  
29 Arizona Revised Statutes, and is appropriated for the purposes of that  
30 section. The \$1,203,400 is exempt from the provisions of section 35-190,  
31 Arizona Revised Statutes, relating to lapsing of appropriations. This  
32 state recognizes that states have inherent authority to arrest a person  
33 for any immigration violation.

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

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

1 The \$18,232,900 appropriated for the local border support line item  
 2 shall be used to fund local law enforcement officer positions for border  
 3 drug interdiction to deter and apprehend any individuals who are charged  
 4 with drug trafficking, human smuggling, illegal immigration and other  
 5 border-related crimes. The monies shall also be used for grants to  
 6 cities, towns and counties for costs associated with prosecuting and  
 7 detaining individuals who are charged with drug trafficking, human  
 8 smuggling, illegal immigration and other border-related crimes. The  
 9 department may fund all capital-related equipment.

10 Of the amount appropriated for the ACTIC line item, \$1,500,000 shall  
 11 be used on anti-human trafficking efforts.

12 Of the amount appropriated for the local border support line item,  
 13 \$5,000,000 from the state general fund is exempt from the provisions of  
 14 section 35-190, Arizona Revised Statutes, relating to lapsing of  
 15 appropriations.

16 The \$750,000 appropriation for the Yuma county family advocacy  
 17 center distribution shall be allocated to an advocacy center in Yuma  
 18 county that has provided support for domestic violence, sexual assault,  
 19 child abuse and elderly abuse for at least twenty-five years. The funding  
 20 is intended to backfill federal funding cuts to the victims of crime act  
 21 of 1984 (P.L. 98-473; 98 Stat.2170).

22 The appropriation in fiscal year 2025-2026 for onetime vehicle  
 23 replacement is exempt from the provisions of section 35-190, Arizona  
 24 Revised Statutes, relating to lapsing of appropriations, until June 30,  
 25 2027.

26 Of the amount appropriated for civil air patrol maintenance and  
 27 operations, the department shall spend \$2,500 on dues to the national  
 28 association for search and rescue.

29 The appropriation in fiscal year 2025-2026 for sex offender  
 30 management board administration is exempt from the provisions of section  
 31 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
 32 until June 30, 2027.

33 Of the amount appropriated in the total appropriation for the  
 34 department of public safety, \$179,601,500 is designated for personal  
 35 services and \$72,575,800 is designated for employee-related expenditures.  
 36 The department shall submit an expenditure plan to the joint legislative  
 37 budget committee for review before spending these monies for other than  
 38 personal services or employee-related expenditures.

39 Sec. 78. STATE REAL ESTATE DEPARTMENT

40		<u>2025-26</u>
41	FTE positions	37.0
42	Lump sum appropriation	\$ 3,111,800
43	Fund sources:	
44	State general fund	\$ 3,111,800

1	Sec. 79. RESIDENTIAL UTILITY CONSUMER OFFICE	
2		<u>2025-26</u>
3	FTE positions	14.5
4	Operating lump sum appropriation	\$ 1,792,200
5	Professional witnesses	<u>145,000*</u>
6	Total appropriation – residential utility	
7	consumer office	\$ 1,937,200
8	Fund sources:	
9	Residential utility consumer	
10	office revolving fund	\$ 1,937,200
11	Sec. 80. BOARD OF RESPIRATORY CARE EXAMINERS	
12		<u>2025-26</u>
13	FTE positions	4.0
14	Lump sum appropriation	\$ 426,700
15	Fund sources:	
16	Board of respiratory care	
17	examiners fund	\$ 426,700
18	Sec. 81. ARIZONA STATE RETIREMENT SYSTEM	
19		<u>2025-26</u>
20	FTE positions	240.9
21	Lump sum appropriation	\$ 28,863,400
22	Fund sources:	
23	Arizona state retirement system	
24	administration account	27,063,400
25	Long-term disability trust fund	
26	administration account	1,800,000
27	Sec. 82. DEPARTMENT OF REVENUE	
28		<u>2025-26</u>
29	FTE positions	892.8
30	Operating lump sum appropriation	\$ 73,782,200
31	Proposition 312 - property tax	
32	refund administration costs	500,000
33	BRITS operational support	7,959,800
34	E-commerce compliance and outreach	961,900
35	Unclaimed property administration	
36	and audit	1,473,900
37	TPT simplification	1,063,100
38	Tax fraud prevention	<u>3,163,800</u>
39	Total appropriation – department of revenue	\$ 88,904,700
40	Fund sources:	
41	State general fund	\$ 60,177,700
42	Department of revenue	
43	administrative fund	27,101,900

1	Liability setoff program	
2	revolving fund	894,800
3	Tobacco tax and health care fund	730,300

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

9 If the department of revenue incurs legal expenses to protect the  
10 unclaimed property program from legal challenges, the amount of unclaimed  
11 property legal expenses is transferred from the state general fund to the  
12 department of revenue administrative fund established by section  
13 42-1116.01, Arizona Revised Statutes, and is appropriated to the  
14 department for unclaimed property legal expenses. The department may not  
15 transfer more than \$1,500,000 from the general fund in fiscal year  
16 2025-2026 for unclaimed property legal expenses.

17 The department of revenue shall report the department's general fund  
18 revenue enforcement goals for fiscal year 2025-2026 to the joint  
19 legislative budget committee on or before September 30, 2025. On or  
20 before September 30, 2026, the department shall provide an annual progress  
21 report to the joint legislative budget committee as to the effectiveness  
22 of the department's overall enforcement and collections program for fiscal  
23 year 2025-2026. The reports shall compare projected and actual state  
24 general fund, total state tax, total county tax and total municipal tax  
25 revenue enforcement collections for fiscal year 2024-2025 and fiscal year  
26 2025-2026, including the amount of projected and actual enforcement  
27 collections for all tax types. The reports shall also include the total  
28 number of transaction privilege tax delinquent accounts, the total dollar  
29 value of those accounts classified by age of account and the total dollar  
30 amount of delinquent account write-offs determined to be uncollectible for  
31 fiscal year 2024-2025.

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

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

37 On or before November 1, 2025, the department shall report the  
38 results of private fraud prevention investigation services during fiscal  
39 year 2024-2025 to the joint legislative budget committee. The report  
40 shall include the total number of fraudulent returns prevented and the  
41 total dollar amount of fraudulent returns prevented during fiscal year  
42 2024-2025.

1 The amount appropriated for the Proposition 312 - property tax  
 2 refund administration costs line item is exempt from the provisions of  
 3 section 35-190, Arizona Revised Statutes, relating to the lapsing of  
 4 appropriations, until June 30, 2027.

5 Sec. 83. DEPARTMENT OF STATE – SECRETARY OF STATE

6		<u>2025-26</u>
7	FTE positions	144.1
8	Operating lump sum appropriation	\$ 14,826,500
9	Special election expenses	8,000,000
10	Access voter information database	999,500
11	Electronic records repository	70,000
12	Library grants-in-aid	651,400*
13	Statewide radio reading service	
14	for the blind	97,000
15	Uniform state laws commission	99,000
16	Address confidentiality program	
17	fund deposit	<u>400,000</u>
18	Total appropriation – department of	
19	state – secretary of state	\$ 25,143,400
20	Fund sources:	
21	State general fund	\$ 22,493,900
22	Election systems improvement fund	999,500
23	Records services fund	1,650,000

24 Included in the operating lump sum appropriation of \$14,826,500 for  
 25 fiscal year 2025-2026 is \$5,000 for the purchase of mementos and items for  
 26 visiting officials.

27 Included in the operating lump sum appropriation of \$14,826,500 for  
 28 fiscal year 2025-2026 is \$1,650,000 from the records services fund  
 29 established by section 41-151.12, Arizona Revised Statutes. This  
 30 appropriation may be used for the payment of obligations incurred in  
 31 fiscal year 2024-2025.

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

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

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

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

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

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

7           Monies in the special election expenses line item shall be used for  
8 the purpose of reimbursing expenses incurred by Cochise, Maricopa, Pima,  
9 Pinal, Santa Cruz and Yuma counties for the administration of the special  
10 primary and special general elections to fill the vacancy in the United  
11 States house of representatives for Arizona's congressional district 7.

12           The secretary of state shall use monies in the special election  
13 expenses line item to reimburse a county for the additional cost of  
14 printing and mailing ballots and other election materials, compensation  
15 paid to election board and tally board officers serving during the special  
16 elections and other costs of administering the special elections. The  
17 secretary of state may advance a portion of the estimated expenses to the  
18 county.

19           The clerk of the board of supervisors shall submit to the secretary  
20 of state for approval itemized claims, together with documentation,  
21 verified by the clerk, for expenses incurred or to be incurred by the  
22 county recorder and the county elections department. The clerk of the  
23 board of supervisors shall submit the verified claims to the secretary of  
24 state on or before November 30, 2025.

25           On approval of a claim by the secretary of state, the secretary of  
26 state shall submit the claim to the department of administration for  
27 payment to the county from the monies appropriated in the special election  
28 expenses line item. Reimbursement of expenses incurred by a county for  
29 the administration of the special elections may not exceed:

30           1. Cochise county	\$ 139,500
31           2. Maricopa county	\$ 906,900
32           3. Pima county	\$5,347,700
33           4. Pinal county	\$ 66,100
34           5. Santa Cruz county	\$ 240,600
35           6. Yuma county	\$ 349,200

36           On or before March 1, 2026, the secretary of state shall submit a  
37 report to the joint legislative budget committee and the governor's office  
38 of strategic planning and budgeting regarding reimbursements made from the  
39 special election expenses line item.

40           Before transferring any monies in or out of the special election  
41 expenses line item, the secretary of state shall submit a report for  
42 review by the joint legislative budget committee.

1 Monies in the access voter information database line item may be  
 2 used only for the exclusive purpose of developing and administering the  
 3 statewide database of voter registration information required by section  
 4 16-168, Arizona Revised Statutes. The secretary of state may not transfer  
 5 any monies in or out of the access voter information database line item.

6 Of the amount appropriated to the secretary of state for the  
 7 electronic records repository line item in fiscal year 2024-2025 pursuant  
 8 to Laws 2024, chapter 209, section 90, \$450,000 from the record services  
 9 fund is exempt from the provisions of section 35-190, Arizona Revised  
 10 Statutes, relating to lapsing of appropriations, until June 30, 2026.

11 The appropriation of \$5,352,200 to the secretary of state for the  
 12 county allocation of the help America vote act election security grant  
 13 monies made by Laws 2020, chapter 58, section 104 is exempt from the  
 14 provisions of section 35-190, Arizona Revised Statutes, relating to the  
 15 lapsing of appropriations, until June 30, 2026. The monies that remain  
 16 unexpended and unencumbered on June 30, 2026 revert to the fund from which  
 17 the monies were appropriated.

18 Monies for the address confidentiality program fund deposit may not  
 19 be transferred to another line item.

20 On or before November 1, 2025, the secretary of state shall submit a  
 21 report to the joint legislative budget committee and the governor's office  
 22 of strategic planning and budgeting reporting the actual expenditures for  
 23 the prior fiscal year for the access voter information database. The  
 24 report shall, at a minimum, include:

- 25 1. The actual expenditures for the operation and maintenance of the  
 26 database.
- 27 2. Any expenditures for updates to the database due to statutory  
 28 changes.
- 29 3. The purpose of the expenditures.
- 30 4. All funding sources used to support the database.

31	Sec. 84.	STATE BOARD OF TAX APPEALS		
32				<u>2025-26</u>
33		FTE positions		4.0
34		Lump sum appropriation	\$	318,600
35		Fund sources:		
36		State general fund	\$	318,600
37	Sec. 85.	STATE BOARD OF TECHNICAL REGISTRATION		
38				<u>2025-26</u>
39		FTE positions		26.0
40		Lump sum appropriation	\$	2,737,000
41		Fund sources:		
42		Technical registration fund	\$	2,737,000

1	Sec. 86. OFFICE OF TOURISM	
2		<u>2025-26</u>
3	FTE positions	31.0
4	Tourism fund deposit	\$ 7,406,000
5	Arizona promotion	819,000
6	Southern Arizona sports, tourism	
7	and film authority	500,000
8	Wine promotion	<u>100,000</u>
9	Total appropriation – office of tourism	\$ 8,825,000
10	Fund sources:	
11	State general fund	\$ 8,825,000
12	Sec. 87. DEPARTMENT OF TRANSPORTATION	
13		<u>2025-26</u>
14	FTE positions	4,581.0
15	Operating lump sum appropriation	\$262,138,700
16	Attorney general legal services	3,940,400
17	Highway maintenance	181,700,500
18	ADOT fleet vehicles and heavy	
19	equipment maintenance	26,522,700
20	ADOT fleet vehicles and heavy	
21	equipment maintenance contingency	1,000,000
22	State fleet operations	32,422,900
23	State fleet vehicle replacement	15,351,600
24	Driver safety and livestock control	800,000
25	ADOT fleet vehicle and heavy	
26	equipment replacement	22,400,000
27	Highway damage recovery account	7,999,300
28	Statewide litter removal	3,106,800
29	Construction management system	
30	replacement	6,272,000
31	Radio lifecycle replacement	1,656,100
32	Spaying and neutering of	
33	animals fund deposit	500,000
34	Preventive surface treatments	36,142,000
35	Authorized third parties	<u>2,262,600</u>
36	Total appropriation – department of	
37	transportation	\$604,215,600
38	Fund sources:	
39	State general fund	500,000
40	Air quality fund	\$ 1,078,300
41	Arizona highway user revenue fund	951,500
42	Highway damage recovery account	7,999,300

1	Ignition interlock device fund	365,600
2	Motor vehicle liability	
3	insurance enforcement fund	1,615,600
4	State fleet operations fund	32,422,900
5	State vehicle replacement fund	15,351,600
6	State aviation fund	2,511,900
7	State highway fund	512,249,800
8	Department fleet operations fund	27,522,700
9	Vehicle inspection and certificate	
10	of title enforcement fund	1,646,400

11 Motor vehicle division

12 On or before February 1, 2026, the Arizona strategic enterprise  
13 technology office shall submit, on behalf of the department of  
14 transportation, an annual progress report to the joint legislative budget  
15 committee staff. The annual report shall provide updated plans for  
16 spending the department-dedicated portion of the authorized third-party  
17 electronic service partner's fee retention on the motor vehicle  
18 modernization project in fiscal year 2025-2026, including any amounts for  
19 stabilization, maintenance, ongoing operations, support and enhancements  
20 for the motor vehicle modernization solution, maintenance of legacy  
21 mainframe processing and support capability, and other system projects  
22 outside the scope of the motor vehicle modernization project.

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

29 The department of transportation shall submit an annual report to  
30 the joint legislative budget committee on progress in improving motor  
31 vehicle division wait times and vehicle registration renewal by mail  
32 turnaround times in a format similar to prior years. The report is due on  
33 or before July 31, 2026 for fiscal year 2025-2026.

34 Other

35 Of the total amount appropriated, \$181,700,500 in fiscal year  
36 2025-2026 for highway maintenance is exempt from the provisions of section  
37 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
38 except that all unexpended and unencumbered monies of the appropriation  
39 revert to the state highway fund established by section 28-6991, Arizona  
40 Revised Statutes, on August 31, 2026.

41 The amount appropriated to the preventive surface treatments line  
42 item is exempt from the provisions of section 35-190, Arizona Revised  
43 Statutes, relating to lapsing of appropriations, except that all  
44 unexpended and unencumbered monies of the appropriation revert to the

1 state highway fund established by section 28-6991, Arizona Revised  
 2 Statutes, on August 31, 2026.

3 Of the total amount appropriated, the department of transportation  
 4 shall pay \$21,233,800 in fiscal year 2025-2026 from all funds to the  
 5 department of administration for its risk management payment.

6 All expenditures made by the department of transportation for  
 7 attorney general legal services shall be funded only from the attorney  
 8 general legal services line item. Monies in the operating lump sum  
 9 appropriation or other line items intended for this purpose shall be  
 10 transferred to the attorney general legal services line item before  
 11 expenditure.

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

18 The amount appropriated in the operating lump sum includes a  
 19 \$2,000,000 reduction below the fiscal year 2023-2024 level from the state  
 20 highway fund established by section 28-6991, Arizona Revised Statutes, in  
 21 fiscal year 2025-2026 from the department's enforcement and compliance  
 22 division.

23 Expenditures made by the department of transportation for ADOT fleet  
 24 vehicle and heavy equipment replacement shall be funded only from the ADOT  
 25 fleet vehicle and heavy equipment replacement line item. Monies in the  
 26 operating lump sum appropriation or other line items intended for this  
 27 purpose shall be transferred to the ADOT fleet vehicle and heavy equipment  
 28 replacement line item before expenditure.

29 Sec. 88. STATE TREASURER

	<u>2025-26</u>
30	
31	38.4
32	FTE positions
33	Operating lump sum appropriation \$ 4,677,100
34	Advanced air mobility fund deposit 2,000,000
35	Justice of the peace salaries 2,797,200
36	Law enforcement/boating safety
37	fund grants 2,183,800
38	Statewide infrastructure
39	trust fund deposit 1,000,000
40	Statewide transportation
41	innovation fund deposit 2,000,000
42	Veterans' health innovations
43	pilot program <u>150,000</u>
	Total appropriation – state treasurer \$ 14,808,100

1	Fund sources:	
2	State general fund	\$ 8,289,700
3	Law enforcement and boating	
4	safety fund	2,183,800
5	State treasurer's operating fund	4,334,600

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

13 The monies in the statewide infrastructure trust fund deposit line  
 14 item, the advanced air mobility fund deposit line item and the statewide  
 15 transportation innovation fund deposit line item are appropriated from the  
 16 respective funds to the state treasurer for the purposes provided in  
 17 sections 28-7011, 28-8604, and 28-9571, Arizona Revised Statutes,  
 18 respectively.

19 Of the amount appropriated for the statewide transportation  
 20 innovation fund deposit line item, \$1,000,000 shall be allocated for  
 21 projects east of Power Road in Maricopa county and Pinal county.

22 The amount appropriated for the veterans' health innovations pilot  
 23 program line item shall be allocated to the entity described in section  
 24 41-177, subsection E, Arizona Revised Statutes, to conduct a pilot program  
 25 with an emphasis on innovations that improve veterans' health that satisfy  
 26 the requirements of section 41-177, subsections E and F, Arizona Revised  
 27 Statutes.

28	Sec. 89. GOVERNOR'S OFFICE ON TRIBAL RELATIONS	
29		<u>2025-26</u>
30	FTE positions	3.0
31	Lump sum appropriation	\$ 67,100

32	Fund sources:	
33	State general fund	\$ 67,100

34	Sec. 90. ARIZONA BOARD OF REGENTS	
35		<u>2025-26</u>
36	FTE positions	30.9
37	Operating lump sum appropriation	\$ 3,084,500
38	Adaptive athletics	160,000
39	Arizona promise program	36,300,000
40	Spouses of military veterans	
41	tuition scholarships	10,000,000
42	Arizona teachers academy	15,000,000

1	Arizona teachers incentive program	90,000
2	Arizona teacher student loan program	426,000
3	Arizona transfer articulation	
4	support system	213,700
5	Leveraging educational assistance	
6	partnership program	1,220,800
7	Washington, D.C. internships	450,000*
8	Western interstate commission	
9	office	153,000
10	WICHE student subsidies	<u>4,078,000</u>
11	Total appropriation – Arizona board of	
12	regents	\$ 71,176,000
13	Fund sources:	
14	State general fund	\$ 71,176,000

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

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

33 1. The total number of students receiving promise scholarships by  
 34 each eligible postsecondary institution.

35 2. The total number of students enrolled at each eligible  
 36 postsecondary institution that are eligible to receive federal Pell  
 37 grants.

38 3. A list of the programs of study in which promise scholarship  
 39 recipients are enrolled, including the number of recipients enrolled in  
 40 each program.

41 4. The average promise scholarship award amount for each eligible  
 42 postsecondary institution.

43 5. A geographic representation of promise scholarship recipients  
 44 based on the high school attended.

1           6. The average grade point average of promise scholarships  
2 recipients by each eligible postsecondary institution.

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

8           1. The amount distributed to each eligible postsecondary  
9 institution.

10          2. The total number of award recipients by each eligible  
11 postsecondary institution.

12          3. The average award amount for each eligible postsecondary  
13 institution.

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

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

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

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

36           3. Have experience placing students in internships for at least ten  
37 consecutive years.

38           4. Have dedicated staff to ensure that student interns have access  
39 to internships and short-term programs in their areas of interest.

40           Within ten days after the acceptance of the universities' semiannual  
41 all funds budget reports, the Arizona board of regents shall submit a  
42 current year expenditure plan to the joint legislative budget committee  
43 for review. The expenditure plan shall include the use of all projected  
44 tuition and fee revenues by expenditure category, including operating  
45 expenses, plant fund, debt service and financial aid. The plan shall

1 include the amount by which each expenditure category is projected to  
 2 increase over the prior year and shall provide as much detail as the  
 3 university budget requests. The plan shall include the total revenue and  
 4 expenditure amounts from all tuition and student fee revenues, including  
 5 base tuition, differential tuition, program fees, course fees, summer  
 6 session fees and other miscellaneous and mandatory student fee revenues.

7 Sec. 91. ARIZONA STATE UNIVERSITY

	<u>2025-26</u>
8 FTE positions	8,357.4
9 Operating lump sum appropriation	\$1,073,584,600
10 Biomedical informatics	3,758,100
11 Eastern Europe cultural	
12 collaborative	250,000
13 Arizona financial aid trust	5,985,800
14 Decision theater -	
15 Pinal county transportation	500,000
16 Downtown Phoenix campus	<u>134,098,500</u>
17 Total appropriation – Arizona state	
18 university	\$1,218,177,000
19 Fund sources:	
20 State general fund	\$ 361,178,200
21 University collections fund	856,998,800

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

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

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

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

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

37 Any appropriated monies allocated by the university for the school  
 38 of civic and economic thought and leadership shall be used to operate a  
 39 single stand-alone academic entity within Arizona state university. The  
 40 appropriated monies may not supplant any existing state funding or private  
 41 or external donations to the existing centers or to the school. The  
 42 appropriated monies and all private and external donations for the school,  
 43 including any remaining balances from prior fiscal years, shall be  
 44 deposited in a separate account, shall be used only for the direct  
 45

1 operation of the school and may not be used for indirect costs of the  
 2 university. On or before October 1, 2025, the school shall submit a  
 3 report to the president of the senate, the speaker of the house of  
 4 representatives, the chairpersons of the senate education committee and  
 5 the house of representatives education committee and the director of the  
 6 joint legislative budget committee that includes at least the following  
 7 information for the school:

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

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

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

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

30 Sec. 92. NORTHERN ARIZONA UNIVERSITY

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

42 The state general fund appropriation may not be used for alumni  
 43 association funding.  
 44

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

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

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

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

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

27 1. The type and amount of expenditures from all state sources of  
28 monies, including the amount leveraged for local, state, federal and  
29 private grants.

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

33 3. Performance measures, including:

34 (a) Outcomes that are specifically related to the use of state  
35 monies.

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

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

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

42 Any appropriated monies allocated by the university for the economic  
43 policy institute may not supplant any existing state funding or private or  
44 external donations to the institute or to the university. The  
45 appropriated monies and all private and external donations for the

1 institute, including any remaining balances from prior fiscal years, shall  
 2 be deposited in a separate account, shall be used only for the direct  
 3 operation of the institute and may not be used for indirect costs of the  
 4 university. On or before October 1, 2025, the institute shall submit to  
 5 the president of the senate, the speaker of the house of representatives,  
 6 the chairpersons of the senate education committee and the house of  
 7 representatives education committee and the director of the joint  
 8 legislative budget committee a report that includes at least the following  
 9 information for the institute:

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

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

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

24 Sec. 93. UNIVERSITY OF ARIZONA

	<u>2025-26</u>
25	
26	<u>Main campus</u>
27	FTE positions 6,162.8
28	Operating lump sum appropriation \$523,696,100
29	Agriculture 44,176,800
30	Arizona cooperative extension 15,287,100
31	Arizona financial aid trust 2,729,400
32	Arizona geological survey 1,708,200
33	College of veterinary medicine 23,936,300
34	Extractive modular metallurgy
35	facility 850,000
36	Kazakhstan studies program 250,000
37	Mining, mineral and natural
38	resources educational museum 432,100
39	Natural resource users law and
40	policy center 1,571,800
41	On-farm irrigation efficiency
42	fund deposit 2,000,000

1	School of mining	4,170,200
2	Sierra Vista campus	5,056,700
3	Veterinary diagnostic laboratory	<u>2,584,200</u>
4	Total – main campus	\$628,448,900
5	Fund sources:	
6	State general fund	\$259,899,800
7	University collections fund	368,549,100
8	<u>Health sciences center</u>	
9	FTE positions	1,044.0
10	Operating lump sum appropriation	\$87,356,100
11	AZ REACH	500,000
12	Clinical rural rotation	353,600
13	Clinical teaching support	8,587,000
14	Medical mission scholarships	50,000
15	Liver research institute	440,400
16	Phoenix medical campus	38,544,100
17	Telemedicine network	<u>1,670,000</u>
18	Total – health sciences center	\$137,501,200
19	Fund sources:	
20	State general fund	\$ 75,978,400
21	University collections fund	<u>61,522,800</u>
22	Total appropriation - university of	
23	Arizona	\$765,950,100
24	Fund sources:	
25	State general fund	\$335,878,200
26	University collections fund	430,071,900

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

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

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

34 The university of Arizona may not use monies appropriated for the  
 35 Arizona geological survey line item for any other purpose and may not  
 36 transfer the monies appropriated for the Arizona geological survey to the  
 37 operating budget or any other line item.

38 The university of Arizona shall use the monies appropriated for the  
 39 on-farm irrigation efficiency fund deposit line item in fiscal year  
 40 2025-2026 for growers in the Gila Valley irrigation district.

41 Of the amount appropriated for the university of Arizona main campus  
 42 operating lump sum, \$1,350,000 shall be used for the Yuma center of  
 43 excellence for desert agriculture.

1 The legislature intends that \$8,000,000 of the amount appropriated  
2 to the health sciences center operating lump sum appropriation line item  
3 be used to expand the college of medicine Phoenix campus and to develop  
4 and administer a primary care physician scholarship program at the college  
5 of medicine Phoenix campus and the college of medicine Tucson campus. The  
6 legislature intends that the \$8,000,000 not be annualized in future years.

7 Any appropriated monies allocated by the university for the center  
8 for the philosophy of freedom may not supplant any existing state funding  
9 or private or external donations to the center or the philosophy  
10 department of the university of Arizona. The appropriated monies and all  
11 private and external donations for the center, including any remaining  
12 balances from prior fiscal years, shall be deposited in a separate  
13 account, shall be used only for the direct operation of the center and may  
14 not be used for indirect costs of the university. On or before October 1,  
15 2025, the center shall submit a report to the president of the senate, the  
16 speaker of the house of representatives, the chairpersons of the senate  
17 education committee and the house of representatives education committee  
18 and the director of the joint legislative budget committee that includes  
19 at least the following information for the center:

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

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

28 The legislature intends that appropriated monies allocated by the  
29 university for the center for the philosophy of freedom in fiscal year  
30 2025-2026 be consistent with the amount appropriated in fiscal year  
31 2022-2023, except that the university may allocate to the center the lump  
32 sum reduction of not more than 3.45 percent prescribed by Laws 2024,  
33 chapter 209, section 129.

34 The amount appropriated to the college of veterinary medicine line  
35 item shall be distributed to the college of veterinary medicine to  
36 increase the number of students that are residents of this state. Before  
37 spending these monies, the university of Arizona shall report to the joint  
38 legislative budget committee all of the following information for the  
39 college of veterinary medicine:

- 40 1. The current number of students who are residents of this state.
- 41 2. The current number of students who are not residents of this  
42 state.

43 The university of Arizona shall use monies appropriated for the  
44 Kazakhstan studies program to facilitate academic exchanges between  
45 university students and academic institutions in Kazakhstan.

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

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

10 One hundred percent of the land earnings and interest from the  
 11 school of mines land fund shall be distributed to the university of  
 12 Arizona school of mining and mineral resources in compliance with the  
 13 enabling act and the Constitution of Arizona.

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

22 Sec. 94. DEPARTMENT OF VETERANS' SERVICES

	<u>2025-26</u>
FTE positions	792.3
Operating lump sum appropriation	\$ 2,921,700
Arizona state veterans' homes	60,994,800
Arizona state veterans' cemeteries	970,300
Rural tribal nations veteran benefit counseling	2,217,900
Veterans' benefit counseling	3,713,100
Veterans' mental health pilot program	1,000,000*
Veterans' support services	1,226,100
Veterans' trauma treatment services	<u>450,000</u>
Total appropriation – department of veterans' services	\$ 73,493,900
Fund sources:	
State general fund	\$ 12,499,100
State home for veterans' trust fund	60,994,800

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

1 The amount appropriated for the veterans' mental health pilot  
2 program line item shall be used for grants to nonprofit organizations that  
3 deliver evidence-based, trauma-informed, clinical care, physical fitness  
4 and strength conditioning training from a certified strength and  
5 conditioning specialist, mindful movement classes, nutritional guidance  
6 from a registered dietician, wellness, education, peer outreach,  
7 programming for Native American veterans and clinician training for the  
8 benefit of active duty service members, veterans of all eras and discharge  
9 status and their families who are impacted by mental and behavioral health  
10 issues, including any of the following:

- 11 1. Post-traumatic stress injuries.
- 12 2. Traumatic brain injuries.
- 13 3. Depression.
- 14 4. Anxiety.
- 15 5. Substance use disorder.
- 16 6. Suicidal ideation.

17 The nonprofit organizations shall administer these services in  
18 partnership with qualified hospital systems within this state and state  
19 universities, regardless of the dates the veterans or active duty service  
20 members served in the military or were discharged or separated from  
21 service.

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

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

- 36 1. Physicians.
- 37 2. Registered nurse practitioners.
- 38 3. Physician assistants.
- 39 4. Psychologists.

40 5. Behavioral health professionals who are either licensed for  
41 individual practice or supervised by a psychologist, registered nurse  
42 practitioner or behavioral health professional licensed pursuant to  
43 title 32, Arizona Revised Statutes, for independent practice.

1 The amount appropriated in Laws 2024, chapter 209, section 130 to  
 2 the department of veterans' services to distribute to a veterans center  
 3 that provides referral services for employment and job training, housing  
 4 and utility assistance in fiscal year 2024-2025 is exempt from the  
 5 provisions of section 35-190, Arizona Revised Statutes, related to lapsing  
 6 of appropriations, until June 30, 2026.

7 Sec. 95. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD  
 8 2025-26

9	FTE positions		8.0
10	Lump sum appropriation	\$	897,600
11	Fund sources:		
12	Veterinary medical examining		
13	board fund	\$	897,600

14 Sec. 96. WATER INFRASTRUCTURE FINANCE AUTHORITY  
 15 2025-26

16	Gila Valley irrigation district		
17	project		500,000
18	Gilbert wells project		5,000,000
19	Kingman water well drilling		
20	and rehabilitation		3,000,000
21	Water conservation grant		
22	fund deposit		<u>250,000</u>
23	Total appropriation – water infrastructure		
24	finance authority	\$	8,750,000
25	Fund sources:		
26	State general fund	\$	750,000
27	Long-term water augmentation fund		8,000,000

28 Sec. 97. DEPARTMENT OF WATER RESOURCES  
 29 2025-26

30	FTE positions		210.0
31	Operating lump sum appropriation	\$	15,989,900
32	Adjudication support		1,914,400
33	Arizona water protection fund		
34	deposit		750,000
35	Assured and adequate water supply		
36	administration		2,531,200
37	Rural water studies		1,296,000
38	Conservation and drought program		433,500
39	Automated groundwater monitoring		421,100
40	Colorado River legal expenses		500,000*
41	Colorado River litigation fund deposit		1,000,000
42	Water supply and demand assessment		<u>3,541,500</u>
43	Total appropriation – department of water		
44	resources	\$	28,377,600

1 Fund sources:

2 State general fund	\$ 24,618,200
3 Water resources fund	1,726,500
4 Assured and adequate water	
5 supply administration fund	291,800
6 Long-term water augmentation fund	1,741,100

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

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

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

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

25 Fiscal Year 2024-2025 Appropriation Adjustments

26 Sec. 98. Supplemental appropriation; acupuncture board of  
27 examiners; fiscal year 2024-2025

28 In addition to any other appropriations made in fiscal year  
29 2024-2025, the sum of \$15,000 is appropriated from the acupuncture board  
30 of examiners fund established by section 32-3905, Arizona Revised  
31 Statutes, in fiscal year 2024-2025 to the acupuncture board of examiners  
32 for operating costs.

33 Sec. 99. Supplemental appropriation; department of  
34 administration; intent; review; fiscal year  
35 2024-2025

36 A. In addition to any other appropriations made in fiscal year  
37 2024-2025, the sum of \$15,000,000 is appropriated from the state general  
38 fund in fiscal year 2024-2025 to the department of administration for the  
39 following purposes:

- 40 1. To pay disallowed costs relating to excess retained earnings.
- 41 2. To pay disallowed costs relating to the statewide information
- 42 technology charges.
- 43 3. For fund transfers in fiscal year 2023-2024.
- 44 4. To pay interest owed from prior-year disallowed costs.

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

7 Sec. 100. Supplemental appropriation; department of  
8 administration; risk management revolving fund;  
9 fiscal year 2024-2025

10 In addition to any other appropriations made in fiscal year  
11 2024-2025, the sum of \$8,900,000 is appropriated from the risk management  
12 revolving fund established by section 41-622, Arizona Revised Statutes, to  
13 the risk management losses and premiums line item in fiscal year  
14 2024-2025.

15 Sec. 101. Appropriation reduction; Arizona health care cost  
16 containment system administration; fiscal year  
17 2024-2025

18 In addition to any other appropriations made in fiscal year  
19 2024-2025, the sum of \$(94,051,600) is reduced from appropriations made  
20 from the state general fund in fiscal year 2024-2025 to the Arizona health  
21 care cost containment system administration for adjustments in formula  
22 requirements.

23 Sec. 102. Supplemental appropriation; Arizona health care  
24 cost containment system administration; fiscal  
25 year 2024-2025

26 In addition to any other appropriations made in fiscal year  
27 2024-2025, the sum of \$1,832,000 is appropriated from the state general  
28 fund in fiscal year 2024-2025 to the Arizona health care cost containment  
29 system administration for eligibility income verification costs.

30 Sec. 103. Supplemental appropriations; superintendent of  
31 public instruction; fiscal year 2024-2025

32 A. In addition to any other appropriations made in fiscal year  
33 2024-2025, the sum of \$206,206,000 is appropriated from the state general  
34 fund in fiscal year 2024-2025 to the superintendent of public instruction  
35 for additional basic state aid formula costs.

36 B. In addition to any other appropriations made in fiscal year  
37 2024-2025, the sum of \$2,000,000 is appropriated from the special  
38 education fund established by section 15-1182, Arizona Revised Statutes,  
39 in fiscal year 2024-2025 to the superintendent of public instruction for  
40 statewide assessment expenses.

41 Sec. 104. Supplemental appropriation; Arizona department of  
42 forestry and fire management; fiscal year  
43 2024-2025

44 In addition to any other appropriations made in fiscal year  
45 2024-2025, the sum of \$11,180,800 is appropriated from the long-term water

1 augmentation fund established by section 49-1302, Arizona Revised  
2 Statutes, in fiscal year 2024-2025 to the Arizona department of forestry  
3 and fire management to repay debts owed to the federal government incurred  
4 in the course of wildfire suppression activities. The appropriation made  
5 in this section is exempt from the provisions of section 35-190, Arizona  
6 Revised Statutes, relating to lapsing of appropriations.

7 Sec. 105. Supplemental appropriation; Arizona department of  
8 forestry and fire management; wildfire emergency  
9 response; reports; fiscal year 2024-2025

10 A. In addition to any other appropriations made in fiscal year  
11 2024-2025, the sum of \$30,000,000 is appropriated from the long-term water  
12 augmentation fund established by section 49-1302, Arizona Revised  
13 Statutes, in fiscal year 2024-2025 to the Arizona department of forestry  
14 and fire management for wildfire suppression. The department may spend the  
15 monies for:

16 1. Fire suppression and pre-positioning of fire suppression  
17 equipment and staff.

18 2. Capital expenditures and equipment associated with fire  
19 suppression and pre-positioning activities for fire suppression.

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

22 4. A state or local government agency's emergency liabilities  
23 related to emergency sheltering, wraparound services and support  
24 activities.

25 5. Financial assistance to public and private landowners for  
26 emergency repairs for infrastructure damage resulting from fires or fire  
27 suppression activities.

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

32 B. The appropriation made in subsection A of this section shall be  
33 used to supplement and not supplant any monies allocated by the federal  
34 government for this purpose. The department shall seek federal  
35 reimbursement as appropriate for expenditures made from this  
36 appropriation. Any reimbursements shall be credited to this  
37 appropriation.

38 C. Before spending any monies from the appropriation made in  
39 subsection A of this section on capital projects, the department shall  
40 submit its expenditure plans for review by the joint committee on capital  
41 review.

42 D. Not later than fifteen days after the end of each month, the  
43 department shall report to the president of the senate, the speaker of the  
44 house of representatives and the joint legislative budget committee on  
45 expenditures from and reimbursements to the appropriation made in

1 subsection A of this section for the prior month. Each report shall  
2 include, at a minimum, information regarding the total expenditures and  
3 reimbursements for each paragraph listed in subsection A of this section  
4 and the amount of monies remaining in the appropriation.

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

8 Sec. 106. Appropriation reduction; department of economic  
9 security; fiscal year 2024-2025

10 In addition to any other appropriations made in fiscal year  
11 2024-2025, the sum of \$(9,900,000) is reduced from appropriations made  
12 from the state general fund in fiscal year 2024-2025 to the department of  
13 economic security for adjustments in formula requirements.

14 Sec. 107. Supplemental appropriation; department of economic  
15 security; summer food benefits; exemption; fiscal  
16 year 2024-2025

17 A. In addition to any other appropriations made in fiscal year  
18 2024-2025, the sum of \$1,879,600 is appropriated from the state general  
19 fund in fiscal year 2024-2025 to the department of economic security for  
20 summer food benefits.

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

24 Sec. 108. Supplemental appropriation; department of economic  
25 security; eligibility income verification costs;  
26 fiscal year 2024-2025

27 In addition to any other appropriations made in fiscal year  
28 2024-2025, the sum of \$700,000 is appropriated from the state general fund  
29 in fiscal year 2024-2025 to the department of economic security for  
30 eligibility income verification costs.

31 Sec. 109. Supplemental appropriation; department of liquor  
32 licenses and control; exemption; fiscal year  
33 2024-2025

34 In addition to any other appropriations made in fiscal year  
35 2024-2025, the sum of \$2,900,000 is appropriated from the liquor licenses  
36 fund established by section 4-120, Arizona Revised Statutes, in fiscal  
37 year 2024-2025 to the department of liquor licenses and control to  
38 modernize the department's records system. This appropriation is exempt  
39 from the provisions of section 35-190, Arizona Revised Statutes, relating  
40 to lapsing of appropriations, until June 30, 2026.

41 Sec. 110. Supplemental appropriation; secretary of state;  
42 district special primary and special general  
43 elections; exemption; fiscal year 2024-2025

44 A. In addition to any other appropriations made in fiscal year  
45 2024-2025, the sum of \$500,000 is appropriated from the state general fund

1 in fiscal year 2024-2025 to the secretary of state for the direct costs of  
2 the secretary of state related to the special primary and special general  
3 elections to fill the vacancy in the United States house of  
4 representatives for Arizona's congressional district 7.

5 B. The appropriation made in subsection A of this section is exempt  
6 from the provisions of section 35-190, Arizona Revised Statutes, relating  
7 to lapsing of appropriations, except that all monies remaining unexpended  
8 and unencumbered on June 30, 2026 revert to the state general fund.

9 Sec. 111. Supplemental appropriation; state treasurer; fiscal  
10 year 2024-2025

11 In addition to any other appropriations made in fiscal year  
12 2024-2025, the sum of \$310,000 is appropriated from the state general fund  
13 in fiscal year 2024-2025 to the state treasurer for a justice of the peace  
14 salary adjustment.

15 Sec. 112. Supplemental appropriation; department of veterans'  
16 services; fiscal year 2024-2025

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

22 Sec. 113. Supplemental appropriation; department of health  
23 services; state hospital operating shortfall;  
24 fiscal year 2024-2025

25 In addition to any other appropriations made in fiscal year  
26 2024-2025, the sum of \$3,328,200 is appropriated from the Arizona state  
27 hospital land fund established by section 37-525, Arizona Revised  
28 Statutes, in fiscal year 2024-2025 to the department of health services  
29 for a state hospital operating cost shortfall.

30 Sec. 114. Supplemental appropriation; department of health  
31 services; child care licensing; fiscal year  
32 2024-2025

33 In addition to any other appropriations made in fiscal year  
34 2024-2025, the sum of \$1,992,000 is appropriated from the health services  
35 licensing fund established by section 36-414, Arizona Revised Statutes, in  
36 fiscal year 2024-2025 to the department of health services for child care  
37 licensing expenditures.

38 Fiscal Year 2025-2026 Appropriations

39 Sec. 115. Appropriations; department of administration;  
40 counties; allocations; report; fiscal year  
41 2025-2026

42 A. The sum of \$7,150,650 is appropriated from the state general  
43 fund in fiscal year 2025-2026 to the department of administration for  
44 distribution to counties to maintain essential county services. The  
45 department shall allocate the appropriation equally among all counties

1 with a population of less than nine hundred thousand persons according to  
2 the 2020 United States decennial census.

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

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

15 Sec. 116. Automation projects fund; appropriations; quarterly  
16 reports; exemption; fiscal year 2025-2026

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

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

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

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

37 E. The sum of \$1,800,000 is appropriated from the medicaid  
38 enterprise system modernization subaccount in the automation projects fund  
39 established pursuant to section 41-714, Arizona Revised Statutes, in  
40 fiscal year 2025-2026 to the department of administration for the  
41 replacement of the medicaid enterprise system mainframe.

42 F. The sum of \$1,962,000 is appropriated from the department of  
43 real estate subaccount in the automation projects fund established  
44 pursuant to section 41-714, Arizona Revised Statutes, in fiscal year

1 2025-2026 to the department of administration for the replacement of the  
2 department of real estate's information technology systems.

3 G. The sum of \$1,700,000 is appropriated from the business one-stop  
4 subaccount in the automation projects fund established pursuant to section  
5 41-714, Arizona Revised Statutes, in fiscal year 2025-2026 to the  
6 department of administration for the business one-stop portal.

7 Quarterly Reports

8 H. Within thirty days after the last day of each calendar quarter,  
9 the department of administration shall submit to the joint legislative  
10 budget committee a quarterly report on implementing projects approved by  
11 the information technology authorization committee established by section  
12 18-121, Arizona Revised Statutes, including the projects' expenditures to  
13 date, deliverables, timeline for completion and current status.

14 Nonlapsing

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

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

26 K. The sum of \$494,500 appropriated from the automation projects  
27 fund established by section 41-714, Arizona Revised Statutes, in fiscal  
28 year 2023-2024 to the department of public safety by Laws 2023, chapter  
29 133, section 113, as amended by Laws 2024, chapter 209, section 11, to  
30 replace the concealed weapons tracking system is exempt from the  
31 provisions of section 35-190, Arizona Revised Statutes, relating to  
32 lapsing of appropriations, until June 30, 2026.

33 L. The sum of \$6,700,000 appropriated from the automation projects  
34 fund established by section 41-714, Arizona Revised Statutes, in fiscal  
35 year 2023-2024 to the department of administration by Laws 2023, chapter  
36 133, section 113, as amended by Laws 2024, chapter 209, section 11, for a  
37 new information technology platform to authenticate individuals applying  
38 for health and human service programs to prevent fraud, waste and abuse is  
39 exempt from the provisions of section 35-190, Arizona Revised Statutes,  
40 relating to lapsing of appropriations, until June 30, 2026.

41 M. The sum of \$19,369,400 appropriated from the automation projects  
42 fund established by section 41-714, Arizona Revised Statutes, in fiscal  
43 year 2023-2024 to the department of revenue by Laws 2023, chapter 133,  
44 section 113, as amended by Laws 2024, chapter 209, section 11, to  
45 implement the integrated tax system modernization project is exempt from

1 the provisions of section 35-190, Arizona Revised Statutes, relating to  
2 lapsing of appropriations, until June 30, 2026.

3 N. The amount of \$7,000,000 appropriated from the automation  
4 projects fund established by section 41-714, Arizona Revised Statutes, in  
5 fiscal year 2023-2024 to the corporation commission by Laws 2023, chapter  
6 133, section 113, as amended by Laws 2024, chapter 209, section 11, to  
7 replace the corporation commission's online records and filing system is  
8 exempt from the provisions of section 35-190, Arizona Revised Statutes,  
9 relating to lapsing of appropriations, until June 30, 2026.

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

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

24 Sec. 118. Appropriations; state treasurer; local governments;  
25 distributions; fiscal year 2025-2026

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

- 28 1. \$300,000 to distribute to the Ak-Chin Indian community police  
29 department.
- 30 2. \$100,000 to distribute to the Arizona City fire district.
- 31 3. \$450,000 to distribute to the Prescott Valley police department.
- 32 4. \$300,000 to distribute to the Casa Grande police department.
- 33 5. \$200,000 to distribute to the Casa Grande fire department.
- 34 6. \$200,000 to distribute to the Coolidge police department.
- 35 7. \$200,000 to distribute to the Coolidge fire department.
- 36 8. \$200,000 to distribute to the Eloy police department.
- 37 9. \$200,000 to distribute to the Eloy fire district.
- 38 10. \$500,000 to distribute to the Florence police department.
- 39 11. \$270,000 to distribute to the Florence fire department.
- 40 12. \$200,000 to distribute to the Gila River police department.
- 41 13. \$200,000 to distribute to the Gila River fire department.
- 42 14. \$2,000,000 to the Maricopa county attorney's office for sexual  
43 assault investigator training and anti-human trafficking activities.
- 44 15. \$200,000 to distribute to the city of Maricopa police  
45 department.

- 1           16. \$200,000 to distribute to the city of Maricopa fire and medical  
2 department.
- 3           17. \$500,000 to distribute to Mohave county to purchase a mobile  
4 launch ramp for the south cove at Lake Mead recreational area.
- 5           18. \$500,000 to distribute to Mohave county for improvements to  
6 firefighting infrastructure in the horizon six improvement district.
- 7           19. \$400,000 to distribute to the Pinal county sheriff's office.
- 8           20. \$50,000 to distribute to Pinal county for signage relating to  
9 the prohibition of illegal dumping.
- 10          21. \$100,000 to distribute to the city of Sierra Vista for  
11 infrastructure funding.
- 12          22. \$1,500,000 to distribute to the city of Sierra Vista for the  
13 purpose of attaining a part 433 reentry license through the federal  
14 aviation administration.
- 15          23. \$100,000 to distribute to the Mohave county sheriff's office  
16 for search and rescue training expenses.
- 17          24. \$100,000 to distribute to the town of Paradise Valley for the  
18 development of an indoor police shooting range.
- 19          25. \$100,000 to distribute to the Phoenix police department for  
20 community policing.
- 21          26. \$100,000 to distribute to the Salt River police department for  
22 community policing.
- 23          27. \$100,000 to distribute to the city of Scottsdale to be used for  
24 an adaptive services park or adaptive services recreational facility.
- 25          28. \$350,000 to distribute to the city of Snowflake to restore the  
26 James M. Flake house historical site for the purpose of providing  
27 community educational programming.
- 28          29. \$100,000 to distribute to the Thunderbird fire district.
- 29          30. \$2,000,000 to distribute to the Yavapai county sheriff's office  
30 to operate a criminal information intelligence analysis coordination  
31 center that is responsible for collecting, analyzing, synthesizing, and  
32 disseminating real-time, actionable information and that is designed to  
33 interdict human trafficking and controlled substance trafficking conducted  
34 by international criminal cartels.
- 35          31. \$850,000 to distribute to Yuma county for the disposal of  
36 excess waste tires.
- 37          32. \$1,000,000 to distribute to the Mohave county sheriff's office.
- 38          33. \$500,000 to distribute to the La Paz county sheriff's office.
- 39          34. \$950,000 to distribute to the Yavapai county sheriff's office.
- 40          35. \$500,000 to distribute to the Yavapai county sheriff's office  
41 for a satellite communications pilot program.
- 42          36. \$1,000,000 to distribute to Yavapai county for costs related to  
43 the construction of a public safety facility in southwest Yavapai county.
- 44          37. \$1,000,000 to distribute to the Yuma county recorder for  
45 operating expenses.

1           38. \$3,000,000 to distribute to the city of Yuma for further  
2 distribution to a nonprofit regional hospital located in the city of Yuma  
3 that supports at least four hundred beds.

4           39. \$300,000 to distribute to the city of Peoria for capital  
5 improvements to city parks.

6           40. \$2,500,000 to distribute to the city of Winslow.

7           B. The sum of \$1,000,000 is appropriated from the long-term water  
8 augmentation fund established pursuant to section 49-1302, Arizona Revised  
9 Statutes, to the state treasurer for distribution to the city of Bullhead  
10 City for the installation of a new water transmission line.

11           C. The sum of \$4,100,000 is appropriated from the state general  
12 fund in fiscal year 2025-2026 to the Maricopa county recorder for  
13 election-related operations. For fiscal year 2025-2026, the Maricopa  
14 county board of supervisors shall not in any way reduce the funding to the  
15 Maricopa county recorder's office below the amount of the adopted fiscal  
16 year budget for the Maricopa county recorder's office. The Maricopa  
17 county recorder's office shall submit quarterly expenditure summaries to  
18 the joint legislative budget committee detailing the use of the monies  
19 appropriated by this subsection. The monies appropriated in this  
20 subsection are exempt from the provisions of section 35-190, Arizona  
21 Revised Statutes, relating to lapsing of appropriations, until June 30,  
22 2028.

23           Sec. 119. Appropriations; state treasurer; nonprofit  
24 organizations; fiscal year 2025-2026

25           The following amounts are appropriated from the state general fund  
26 in fiscal year 2025-2026 to the state treasurer for the following:

27           1. \$3,300,000 to distribute to a nonprofit organization that is  
28 designated as an international dark sky discovery center and that is  
29 focused on dark sky preservation in this state. The nonprofit  
30 organization shall use these monies for the public purpose of providing  
31 educational programming to Arizona students and shall offer its  
32 capabilities to university students for research purposes. The state  
33 treasurer shall completely distribute these monies to the nonprofit  
34 organization on or before July 15, 2025.

35           2. \$200,000 to distribute to a nonprofit organization located in  
36 Pinal county that provides after-school recreational and educational  
37 programming to students in Pinal county.

38           3. \$300,000 to distribute to a nonprofit organization located in  
39 Pinal county that provides suicide prevention services to the residents of  
40 Pinal county.

41           4. \$25,000 to distribute to a nonprofit organization that promotes  
42 economic development in Pinal county to support a reading program for  
43 residents of Pinal county.

44           5. \$200,000 to distribute to a nonprofit that is located in Pinal  
45 county, that provides services to veterans in Pinal county with an

1 in-person facility and a mobile outreach center and has previously  
2 received a grant from the department of veterans' services.

3 6. \$1,500,000 to distribute to a child development center located  
4 in the town of Taylor that supports long-term education and workforce  
5 needs.

6 Sec. 120. Appropriations; onetime correctional officer  
7 stipend

8 A. In addition to any other appropriations made in fiscal year  
9 2025-2026, the following amounts are appropriated from the state general  
10 fund in fiscal year 2025-2026 for the purposes of awarding a onetime  
11 correctional officer stipend:

12 1. \$17,075,300 to the state department of corrections.

13 2. \$3,767,200 to the state department of corrections private prison  
14 per diem special line item. The department shall amend private prison bed  
15 contracts to increase per diem rates in fiscal year 2025-2026 on a onetime  
16 basis to provide an amount sufficient for a onetime four percent stipend  
17 to each correctional officer employed in a private prison that contracts  
18 with the state.

19 3. \$542,200 to the department of juvenile corrections.

20 B. The director of the state department of corrections and the  
21 director of the department of juvenile corrections shall award a onetime  
22 stipend payment to an employee who is employed by the agency from and  
23 after July 4, 2025. The payment shall be equal to four percent of the  
24 employee's annual salary level and the amount shall be distributed evenly  
25 throughout each pay period in fiscal year 2025-2026.

26 Sec. 121. Appropriation; state treasurer; Prescott rodeo  
27 grounds

28 The state treasurer shall distribute the monies appropriated  
29 pursuant to Laws 2023, chapter 133, section 118, paragraph 2 to the city  
30 of Prescott to improve and refurbish the rodeo grounds owned by the city.  
31 The monies shall be promptly spent to promote use of the rodeo grounds,  
32 including landscaping, hardscaping, drainage and the replacement,  
33 improvement and increased capacity of aging water and sewer  
34 infrastructure, for upgrades to the main arena sound system and bleacher  
35 seating, for construction of new restroom facilities to accommodate large  
36 crowds during events and for other site improvements that support the  
37 economic and tourism activity generated by the year-round use of the rodeo  
38 grounds for rodeo, equine, and related events.

39 Sec. 122. Appropriation; Arizona arts trust fund; fiscal year  
40 2025-2026

41 The sum of \$2,000,000 is appropriated from the state general fund in  
42 fiscal year 2025-2026 for deposit in the Arizona arts trust fund  
43 established by section 41-983.01, Arizona Revised Statutes.





1 Arizona Revised Statutes, to continue development of the A to Z Arizona  
2 web portal.

3 D. The sum of \$375,000 is transferred from the state web portal  
4 fund established by section 18-421, Arizona Revised Statutes, in fiscal  
5 year 2025-2026 for deposit in the department of administration subaccount  
6 in the automation projects fund established pursuant to section 41-714,  
7 Arizona Revised Statutes, to perform software and security upgrades for  
8 servers and applications on the state web portal.

9 E. The sum of \$1,962,000 is transferred from the state general fund  
10 in fiscal year 2025-2026 for deposit in the department of real estate  
11 subaccount in the automation projects fund established pursuant to section  
12 41-714, Arizona Revised Statutes, to replace the department of real  
13 estate's information technology systems.

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

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

24 H. The transfers to the automation projects fund established by  
25 section 41-714, Arizona Revised Statutes, as outlined in this section are  
26 not appropriations from the automation project fund. Only direct  
27 appropriations from the automation projects fund are appropriations.

28 Sec. 129. Fund balance transfers; residential contractors'  
29 recovery fund; registrar of contractors fund;  
30 fiscal year 2025-2026

31 The sum of \$2,700,000 is transferred from the residential  
32 contractors' recovery fund established by section 32-1132, Arizona Revised  
33 Statutes, to the registrar of contractors fund established by section  
34 32-1107, Arizona Revised Statutes, in fiscal year 2025-2026

35 Payment Deferrals

36 Sec. 130. Appropriation; attorney general; state department  
37 of corrections; opioid remediation; fiscal year  
38 2025-2026; exemption

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

1           B. On or before July 8, 2025, the attorney general shall transfer  
2 the monies appropriated in subsection A of this section to the state  
3 department of corrections opioid remediation fund established pursuant to  
4 section 35-142, Arizona Revised Statutes. If sufficient monies are not  
5 available on July 8, 2025 to complete the transfer of all monies  
6 appropriated in subsection A of this section, on or before July 8, 2025,  
7 the attorney general shall transfer such monies as are then held in the  
8 consumer remediation subaccount of the consumer restitution and  
9 remediation revolving fund established by section 44-1531.02, Arizona  
10 Revised Statutes, and not otherwise appropriated by the legislature. If a  
11 partial transfer is made pursuant to the preceding sentence, then within  
12 three business days of receipt of additional monies into the consumer  
13 remediation subaccount of the consumer restitution and remediation  
14 revolving fund established by section 44-1531.02, Arizona Revised  
15 Statutes, the attorney general shall transfer such monies to the state  
16 department of corrections opioid remediation fund established pursuant to  
17 section 35-142, Arizona Revised Statutes, and shall repeat such transfer  
18 process on receipt of additional monies until the entirety of the amount  
19 appropriated in subsection A of this section has been transferred.

20           C. The state department of corrections shall use the monies in the  
21 state department of corrections opioid remediation fund only for past and  
22 current department costs for care, treatment, programs and other  
23 expenditures for individuals with opioid use disorder and any co-occurring  
24 substance use disorder or mental health conditions or for any other  
25 approved purposes as prescribed in a court order, a settlement agreement  
26 or the one Arizona distribution of opioid settlement funds agreement that  
27 is entered into by this state and other parties to the opioid litigation.

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

31           E. If the attorney general does not transfer the full amount  
32 specified in subsection A of this section on or before the date specified  
33 in subsection B of this section, the general accounting office of the  
34 department of administration shall directly transfer the amount from the  
35 consumer remediation subaccount of the consumer restitution and  
36 remediation revolving fund established by section 44-1531.02, Arizona  
37 Revised Statutes, to the state department of corrections opioid  
38 remediation fund.

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



1	4. State fleet replacement		
2	adjustment	\$	5,981,400
3	Fund sources:		
4	State general fund	\$	3,281,400
5	Other funds		2,700,000
6	5. Agency retirement adjustment	\$	(6,060,800)
7	Fund sources:		
8	State general fund	\$	(3,152,900)
9	Other funds		(2,907,900)
10	6. Agency rent adjustment	\$	1,715,700
11	Fund sources:		
12	State general fund	\$	1,650,700
13	Other funds		65,000
14	7. Agency risk management		
15	adjustment	\$	31,500,000
16	Fund sources:		
17	State general fund	\$	20,000,000
18	Other funds		11,500,000
19	8. Agency salary increase		
20	adjustment	\$	11,956,000
21	Fund sources:		
22	State general fund	\$	4,956,000
23	Other funds		7,000,000
24	9. Accounting system charge		
25	adjustment	\$	(477,000)
26	Fund sources:		
27	State general fund	\$	(200,300)
28	Other funds		(276,700)

29 Employer health insurance contribution reduction

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

1 Employer health insurance contribution increase

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

15 State fleet operations adjustment

16 The amount appropriated is for a onetime state fleet operations  
17 adjustment in fiscal year 2025-2026. The joint legislative budget  
18 committee staff, in consultation with the governor's office of strategic  
19 planning and budgeting staff, shall determine and the department of  
20 administration shall allocate to each agency or department an amount for  
21 the state fleet operations adjustment. The joint legislative budget  
22 committee staff shall also determine and the department of administration  
23 shall allocate adjustments, as necessary, in expenditure authority for the  
24 state fleet operations adjustment.

25 State fleet replacement adjustment

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

35 Agency retirement adjustment

36 The amount appropriated is for retirement adjustments in fiscal year  
37 2025-2026. The joint legislative budget committee staff, in consultation  
38 with the governor's office of strategic planning and budgeting staff,  
39 shall determine and the department of administration shall allocate to  
40 each agency or department an amount for the agency retirement adjustments.  
41 The joint legislative budget committee staff shall also determine and the  
42 department of administration shall allocate adjustments, as necessary, in  
43 expenditure authority to implement the agency retirement adjustments.

1 Agency rent adjustment

2 The amount appropriated is for agency rent adjustments for agencies  
3 relocating to and within state-owned and lease-purchase buildings in  
4 fiscal year 2025-2026. The joint legislative budget committee staff, in  
5 consultation with the governor's office of strategic planning and  
6 budgeting staff, shall determine and the department of administration  
7 shall allocate to each agency or department an amount for the agency rent  
8 adjustment. The joint legislative budget committee staff shall also  
9 determine, and the department of administration shall allocate  
10 adjustments, as necessary, in expenditure authority to allow  
11 implementation of the agency rent adjustment.

12 Agency risk management adjustment

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

22 Agency salary increase adjustments

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

32 Accounting system charge adjustment

33 The amount appropriated is for accounting system charge adjustments  
34 in fiscal year 2025-2026. The joint legislative budget committee staff,  
35 in consultation with the governor's office of strategic planning and  
36 budgeting staff, shall determine and the department of administration  
37 shall allocate to each agency or department an amount for the accounting  
38 system charge adjustment. The joint legislative budget committee staff  
39 shall also determine, and the department of administration shall allocate  
40 adjustments, as necessary, in expenditure authority to allow  
41 implementation of accounting system charge adjustments.

1 The department of administration may reallocate charges for the  
 2 accounting system in fiscal year 2025-2026 among state agencies based on  
 3 transactions within the accounting system. Any changes made during fiscal  
 4 year 2025-2026 do not represent legislative concurrence to fund additional  
 5 adjustments in future years.

6 Sec. 133. Department of law; general agency counsel charges;  
 7 fiscal year 2025-2026

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

12	1. Department of administration	\$127,700
13	2. Office of administrative hearings	\$ 3,000
14	3. Arizona arts commission	\$ 3,100
15	4. Citizens clean elections commission	\$ 2,700
16	5. State department of corrections	\$ 2,000
17	6. Arizona criminal justice commission	\$ 8,700
18	7. Arizona state schools for the deaf and the blind	\$100,200
20	8. Commission for the deaf and the hard of hearing	\$ 4,100
22	9. Arizona early childhood development and health board	\$ 47,100
24	10. Department of education	\$132,000
25	11. Department of emergency and military affairs	\$ 30,000
26	12. Department of environmental quality	\$135,600
27	13. Arizona exposition and state fair board	\$ 20,900
28	14. Arizona department of forestry and fire management	\$ 13,400
30	15. Department of gaming	\$ 37,300
31	16. Department of health services	\$173,800
32	17. Arizona historical society	\$ 700
33	18. Arizona department of housing	\$ 19,300
34	19. Department of insurance and financial institutions	\$ 13,800
36	20. Department of juvenile corrections	\$ 9,400
37	21. State land department	\$ 2,100
38	22. Department of liquor licenses and control	\$ 11,400
39	23. Arizona state lottery commission	\$ 24,800
40	24. Arizona state parks board	\$ 45,800
41	25. State personnel board	\$ 600
42	26. Arizona pioneers' home	\$ 12,100
43	27. Department of public safety	\$677,400
44	28. Arizona board of regents	\$ 1,800
45	29. Arizona state retirement system	\$ 69,100

1	30. Department of revenue	\$ 4,900
2	31. Department of state – secretary of state	\$ 1,800
3	32. State treasurer	\$ 9,200
4	33. Department of veterans' services	\$ 52,700

5 Fiscal Year 2026-2027 Appropriations

6 Sec. 134. Appropriation; new school facilities fund; use;  
7 fiscal year 2026-2027

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

16 Joint legislative budget committee project reviews and approvals

17 Sec. 135. Joint legislative budget committee; projects;  
18 review; approval

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

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

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

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

28 2. \$1,700,000 from the automation projects fund established by  
29 section 41-714, Arizona Revised Statutes, for the Arizona department of  
30 agriculture to develop a new licensing, compliance, inspection and  
31 enforcement system.

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

36 4. The transfer of \$3,236,400 from the department of economic  
37 security home and community based services - medicaid line item general  
38 fund appropriation to the case management - state-only line item in Laws  
39 2023, chapter 133, section 29 for increased formula expenses.

40 5. The transfer of the following amounts from expenditure authority  
41 in the following department of economic security line items to the home  
42 and community based services - medicaid line item in Laws 2023, chapter  
43 133, section 29 for vendor payments:

- 1 (a) \$8,241,900 from the targeted case management - medicaid line  
2 item.
- 3 (b) \$14,707,700 from the case management - medicaid line item.
- 4 (c) \$30,672,600 from the operating lump sum appropriation.
- 5 6. The transfer of the following amounts from the secretary of  
6 state elections services line item to the operating budget in Laws 2024,  
7 chapter 209, section 90 for the following purposes:
- 8 (a) \$72,200 of additional access voter information database  
9 operating costs in fiscal year 2024-2025.
- 10 (b) \$89,700 of additional access voter information database  
11 development costs in fiscal year 2024-2025.
- 12 (c) \$212,397 for access voter information database hosting costs  
13 incurred in fiscal year 2022-2023.
- 14 (d) \$27,487 for access voter information database hosting costs  
15 incurred in fiscal year 2021-2022.
- 16 7. The allocation of \$1,694,600 from the basic state aid line item  
17 in Laws 2024, chapter 209, section 39 for additional basic state aid  
18 funding in fiscal year 2024-2025 for the following recalculations  
19 performed by the department of education pursuant to section 15-915,  
20 subsection B, Arizona Revised Statutes:
- 21 (a) \$435,400 to Hyder elementary school district.
- 22 (b) \$789,200 to Antelope union high school district.
- 23 (c) \$360,700 to Southwest technical education district of Yuma.
- 24 (d) \$109,300 to Bonita elementary school district.
- 25 8. The plan submitted by the Arizona department of administration  
26 pursuant to section 38-658, Arizona Revised Statutes, relating to the  
27 planned contribution strategy for each state employee health plan.
- 28 B. The following items are deemed to have been approved by the  
29 joint legislative budget committee:
- 30 1. The following state liability claim settlement proposals  
31 submitted pursuant to section 41-621, subsection 0, Arizona Revised  
32 Statutes, in the cases of:
- 33 (a) The Notice of Claim of Parker Terry, filed June 14, 2024.
- 34 (b) Jennifer Power, et al. v. Tuccino, King, Gallardo, et al.,  
35 United States District Court No. 2:19-cv-01546-DLR and Jennifer Power, et  
36 al. v. State of Arizona, et al., Maricopa County Superior Court No.  
37 CV2018-008861, settled jointly.
- 38 2. The transfer of the following amounts from the department of  
39 administration losses and premiums line item to the following line items  
40 in Laws 2024, chapter 209, section 15 for the following purposes:

1 (a) \$3,900,000 to the administrative services line item for costs  
2 incurred by the office of the attorney general for external legal  
3 services.

4 (b) \$5,000,000 to the workers' compensation line item for increased  
5 workers' compensation program costs.

6 Reporting Requirements and Definitions

7 Sec. 136. Agency spending and encumbrances; quarterly report;  
8 fiscal year 2025-2026

9 Within fifteen days of the last day after each quarter in fiscal  
10 year 2025-2026, the department of administration shall report to the  
11 director of the joint legislative budget committee and the director of the  
12 governor's office of strategic planning and budgeting the year-to-date  
13 expenditures and year-to-date encumbrances for operating and capital  
14 spending from the state general fund and other agency funds in fiscal year  
15 2025-2026. The information shall be separately delineated by agency,  
16 budget fiscal year and fund source and shall classify each appropriation  
17 by agency lump sum, special line item or project.

18 Sec. 137. COVID-related expenditures; reporting requirements;  
19 intent

20 A. Within forty-five days after the last day of each calendar  
21 quarter through June 30, 2027, the office of the governor shall report to  
22 the president of the senate, the speaker of the house of representatives,  
23 the chairpersons of the senate and house of representatives appropriations  
24 committees and the director of the joint legislative budget committee the  
25 total planned allocations and actual expenditures from the coronavirus  
26 state fiscal recovery fund and the coronavirus capital projects fund as  
27 appropriated by section 9901 of the American rescue plan act of 2021  
28 (P.L. 117-2).

29 B. Within forty-five days after the last day of each calendar  
30 quarter through June 30, 2027, the superintendent of public instruction  
31 shall report to the president of the senate, the speaker of the house of  
32 representatives, the chairpersons of the senate and house of  
33 representatives appropriations committees and the director of the joint  
34 legislative budget committee the total planned allocations and actual  
35 expenditures of monies allocated to the superintendent of public  
36 instruction from the elementary and secondary school emergency relief fund  
37 as appropriated by section 2001 of the American rescue plan act of 2021  
38 (P.L. 117-2).

39 C. Reports required pursuant to this section shall delineate  
40 expenditures by agency and program and include descriptions of the  
41 purposes of the expenditures.

1 D. The legislature intends that the executive branch of state  
2 government report on its planned and actual use of any major additional  
3 federal aid to this state through federal legislation enacted by the end  
4 of fiscal year 2025-2026. The timing and frequency of these reports  
5 should be the same as required by subsections A and B of this section.  
6 The chairperson and vice chairperson of the joint legislative budget  
7 committee may provide recommendations to the executive branch concerning  
8 federal legislation that would qualify under this subsection.

9 Sec. 138. Legislative intent; expenditure reporting

10 The legislature intends that all departments, agencies and budget  
11 units receiving appropriations under the terms of this act continue to  
12 report actual, estimated and requested expenditures by budget programs and  
13 budget classes in a format that is similar to the budget programs and  
14 budget classes used for budgetary purposes in prior years. A different  
15 format may be used if deemed necessary to implement section 35-113,  
16 Arizona Revised Statutes, agreed to by the director of the joint  
17 legislative budget committee and incorporated into the budget preparation  
18 instructions adopted by the governor's office of strategic planning and  
19 budgeting pursuant to section 35-112, Arizona Revised Statutes.

20 Sec. 139. Border security; federal reimbursement

21 Pursuant to section 35-142.01, subsection A, Arizona Revised  
22 Statutes, if a budget unit receives federal monies in fiscal year  
23 2025-2026 as reimbursement in whole or in part for expenditures made by  
24 this state to secure its borders, the budget unit shall promptly deposit  
25 the monies in the state general fund. The directors of the budget units  
26 that receive reimbursements under this section shall notify the joint  
27 legislative budget committee, the governor's office of strategic planning  
28 and budgeting and the state comptroller in writing of the deposits.

29 Sec. 140. FTE positions; reporting; definition

30 Full-time equivalent (FTE) positions contained in this act are  
31 subject to appropriation. The director of the department of  
32 administration shall account for the use of all appropriated and  
33 nonappropriated FTE positions, excluding those in the universities. The  
34 director of the department of administration shall submit the fiscal year  
35 2025-2026 report on or before October 1, 2026 to the director of the joint  
36 legislative budget committee. The report shall compare the level of  
37 appropriated FTE usage in each fiscal year to the appropriated level. For  
38 the purposes of this section, "FTE positions" means the total number of  
39 hours worked, including both regular and overtime hours as well as hours  
40 taken as leave, divided by the number of hours in a work year. The  
41 director of the department of administration shall notify the director of  
42 a budget unit if the budget unit's appropriated FTE usage has exceeded its  
43 number of appropriated FTE positions. Each university shall report to the  
44 director of the joint legislative budget committee in a manner comparable  
45 to the department of administration reporting.

1           Sec. 141. Filled FTE positions; reporting

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

6           Sec. 142. Transfer of spending authority

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

11          Sec. 143. Interim reporting requirements

12          A. State general fund revenue for fiscal year 2024-2025, including  
13 a beginning balance of \$962,800,000 and other onetime revenues, is  
14 forecasted to be \$17,337,200,000.

15          B. State general fund revenue for fiscal year 2025-2026, including  
16 onetime revenues, is forecasted to be \$17,777,100,000.

17          C. State general fund revenue for fiscal year 2026-2027, including  
18 onetime revenues, is forecasted to be \$17,405,100,000. State general fund  
19 expenditures for fiscal year 2026-2027 are forecasted to be  
20 \$17,352,700,000.

21          D. State general fund revenue for fiscal year 2027-2028, including  
22 onetime revenues, is forecasted to be \$18,051,800,000. State general fund  
23 expenditures for fiscal year 2027-2028 are forecasted to be  
24 \$17,997,000,000.

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

32          F. Based on the information provided by the executive branch, the  
33 staff of the joint legislative budget committee shall report to the joint  
34 legislative budget committee on or before October 15, 2025 whether the  
35 fiscal year 2025-2026 revenues and ending balance are expected to change  
36 by more than \$50,000,000 from the budgeted projections. The joint  
37 legislative budget committee staff may make technical adjustments to the  
38 revenue and expenditure estimates in this section to reflect other bills  
39 enacted into law. The executive branch may also provide its own estimates  
40 to the joint legislative budget committee on or before October 15, 2025.

1           Sec. 144. Definition

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

5           Sec. 145. Definition

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

9           Sec. 146. Definition

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