

House Engrossed Senate Bill

2025-2026; general appropriations act

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

CHAPTER 233
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	
4		<u>2024-25</u>
5	FTE positions	3,283.1
6	Operating lump sum appropriation	\$147,799,100 <ins>\$151,250,000</ins>
7		
8	Additional operating resources	
9	Attorney general legal services	27,894,900
10	Caseworkers	131,939,000 <ins>146,739,700</ins>
11		
12	Office of child welfare investigations	11,235,900 <ins>11,184,300</ins>
13		
14	Training resources	9,150,000
15	Out-of-home placements	
16	Congregate group care	103,682,000 <ins>122,482,000</ins>
17		
18	Extended foster care	19,887,200 <ins>22,079,200</ins>
19		
20	Foster home placement	42,547,300 <ins>40,447,300</ins>
21		
22	Foster home recruitment, study and supervision	32,753,600
23		
24	Kinship care	20,584,600 <ins>15,584,600</ins>
25		
26	Permanent placements	
27	Adoption services	287,221,600 <ins>281,648,400</ins>
28		
29	Permanent guardianship subsidy	16,805,600 <ins>17,186,800</ins>
30		
31	Support services	
32	DCS child care subsidy	61,675,400
33	In-home mitigation	34,488,100 <ins>42,559,200</ins>
34		
35	Out-of-home support services	122,710,800 <ins>103,339,700</ins>
36		
37	Preventive services	32,412,700
38	Comprehensive health plan	
39	Comprehensive health plan services	127,989,800 <ins>174,472,000</ins>
40		
41	Comprehensive health plan administration	28,642,700 <ins>25,563,300</ins>
42		
43		
44		
45		

1	Comprehensive health plan	
2	premium tax	3,196,600
3		3,581,300
4	Total appropriation and expenditure	
5	authority – department of	
6	child safety	\$1,262,616,900
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	161,082,200
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	159,829,100
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>
12 FTE positions	9,592.0
13 Operating lump sum appropriation	\$ 823,381,600
14	\$ 832,520,500
15 Overtime and compensatory time	15,540,500
16 Private prison per diem	275,716,800
17 Community corrections	27,452,300
18 Inmate health care contracted 19 services	367,557,100
20	376,978,900
21 Substance abuse treatment	3,945,400
22 Noncontract medication	55,000,000
23	18,000,000
24 Injunction-related IT upgrades	16,000,000
25 Total appropriation – state department 26 of corrections	\$1,584,593,700
27	\$1,566,154,400
28 Fund sources:	
29 State general fund	\$1,515,971,300
30	\$1,497,456,000
31 State education fund for 32 correctional education	723,200
33 Alcohol abuse treatment fund	555,800
34 Penitentiary land fund	3,460,300
35 State charitable, penal and 36 reformatory institutions	
37 land fund	3,734,100
38 Corrections fund	31,312,500
39 Transition program fund	15,048,600
40 Prison construction and 41 operations fund	12,500,100
42	12,576,100
43 Inmate store proceeds fund	1,287,800
44 Of the amount appropriated in the operating lump sum, \$487,093,200	
45 is designated for personal services and \$222,017,000 is designated for	

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 2025-26

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	<u>2025-26</u>
4		
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	<u>2025-26</u>
14		
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

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

On or before September 1, 2026, the department shall submit a report to the joint legislative budget committee on the results of projects implemented in fiscal year 2025-2026 for the state employee public transportation service reimbursements pursuant to section 41-710.01, Arizona Revised Statutes, in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population 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:

1. Phoenix police department	\$343,000
2. Mesa police department	\$215,800
3. Chandler police department	\$111,700
4. Scottsdale police department	\$125,900
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

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

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

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

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

2025-26

FTE positions	22.0
Operating lump sum appropriation	\$ 1,624,700
New school facilities debt service	9,938,100
Building renewal grants deposit	199,967,900
Building renewal grants	
administration	750,000*
New school facilities	<u>95,597,700</u>
Total appropriation – department of	
administration, division	
of school facilities	\$307,878,400
Fund sources:	
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>
32 FTE positions	12.0
33 Lump sum appropriation	\$ 970,000

34 Fund sources:

35 State general fund	\$ 970,000
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36 Sec. 10. ARIZONA DEPARTMENT OF AGRICULTURE

	<u>2025-26</u>
38 FTE positions	215.4
39 Operating lump sum appropriation	\$ 17,126,600
40 Agricultural employment relations	
41 board	23,300
42 Agriculture and water innovation	
43 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	<u>Operating budget</u>	
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
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 fund	162,300
4	Attorney general legal services cost allocation fund	2,343,200
5	Collection enforcement revolving fund	7,339,500
6	Consumer protection-consumer fraud revolving fund	15,425,100
7	Consumer restitution and remediation revolving fund - consumer remediation subaccount	10,000,000
8	Interagency service agreements fund	18,246,300
9	Internet crimes against children enforcement fund	900,000
10	Risk management revolving fund	13,266,600
11	Victims' rights fund	3,815,400
12	All monies appropriated to the attorney general legal services line item in the department of child safety budget do not count toward the attorney general's interagency service agreements fund appropriation in fiscal year 2025-2026.	

Within ten days after receiving a complaint alleging a violation of section 15-511, Arizona Revised Statutes, the attorney general shall forward a copy of the complaint to the governor, the president of the 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>
21 FTE positions	33.5
22 Lump sum appropriation	\$ 3,030,900
23 Fund sources:	
24 Barbering and cosmetology fund	\$ 3,030,900

25 Sec. 15. BOARD OF BEHAVIORAL HEALTH EXAMINERS

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

32 Sec. 16. STATE BOARD FOR CHARTER SCHOOLS

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

38 Sec. 17. DEPARTMENT OF CHILD SAFETY

	<u>2025-26</u>
40 FTE positions	3,283.1
41 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	<u>Total appropriation and expenditure</u>	
36	authority – department of	
37	child safety	\$1,316,994,200
38	<u>Fund sources:</u>	
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>
20 FTE positions	6.0
21 Lump sum appropriation	\$ 643,700
22 Fund sources:	
23 Board of chiropractic examiners	
24 fund	\$ 643,700

25 Sec. 19. ARIZONA COMMERCE AUTHORITY

	<u>2025-26</u>
26 FTE positions	100.0
27 Operating lump sum appropriation	\$ 10,000,000
28 Applied research centers	500,000
29 Arizona competes fund deposit	500,000
30 Asia trade offices	750,000
31 Economic development marketing	
32 and attraction	500,000
33 Frankfurt, Germany trade office	500,000
34 Israel trade office	300,000
35 Mexico trade offices	500,000
36 Office of defense innovation	300,000
37 Romania trade office	125,000
38 State rural development council	<u>1,200,000</u>
39 Total appropriation – Arizona commerce	
40 authority	\$ 15,175,000
41 Fund sources:	
42 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>
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

2025-26

31	FTE positions	562.2
32	Administration/statewide	\$ 7,726,700
33	Phoenix day school for the deaf	12,203,100
34	Tucson campus	12,354,100
35	Preschool/outreach programs	6,781,200
36	School bus/agency vehicle	
37	replacement	369,000
38	Supplemental early childhood	
39	therapies	100,000
40	Cooperative services	<u>19,131,000</u>
41	Total appropriation – Arizona state schools	
42	for the deaf and the blind	\$ 58,665,100
43		

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	<u>2025-26</u>
2	FTE positions	5.0
3	Operating lump sum appropriation	\$ 507,100
4	Adult workforce diploma program	
5	fund deposit	2,000,000
6	Dual enrollment student development	
7	program	<u>1,500,000*</u>
8	Total appropriation - office of economic	
9	opportunity	\$ 4,007,100
10	Fund sources:	
11	State general fund	\$ 4,007,100
12	Any unexpended and unencumbered monies in the adult workforce	
13	diploma program fund established by section 15-217.02, Arizona Revised	
14	Statutes, are transferred on or before June 30, 2025 to the adult	
15	workforce diploma program fund established by section 41-5421, Arizona	
16	Revised Statutes, as added in the fifty-seventh legislature, first regular	
17	session.	
18	The amount appropriated for the dual enrollment student development	
19	program line item in fiscal year 2025-2026 shall be distributed for dual	
20	enrollment programs at community colleges, with a priority to serve	
21	students who qualify for free and reduced-price lunch. The office of	
22	economic opportunity may retain up to three percent of the appropriated	
23	amount for administration. On or before December 31, 2025, the office of	
24	economic opportunity shall submit a report to the president of the senate,	
25	the speaker of the house of representatives and the governor that outlines	
26	the number of students enrolled in dual enrollment programs funded by the	
27	office of economic opportunity, the number of students enrolled by grade	
28	level, the number of credits earned and the number of projected students	
29	that will be served in 2025.	
30	Sec. 29. DEPARTMENT OF ECONOMIC SECURITY	<u>2025-26</u>
31	FTE positions	4,727.8
32	Operating lump sum appropriation	\$365,941,800
33	<u>Administration</u>	
34	Attorney general legal services	12,810,300
35	<u>Aging and adult services</u>	
36	Adult services	12,731,900
37	Area agencies on aging	
38	housing assistance	5,000,000*
39	Civil legal aid	3,000,000
40	Community and emergency services	3,724,000
41	Coordinated homeless services	19,022,600
42	Coordinated hunger services	2,254,600
43	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	<u>Aging and adult services</u>	
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

	<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

	<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	325,000
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

27 2025-26

28	FTE positions	68.1
29	Administration	\$ 2,371,200
30	Emergency management	892,600
31	Emergency management matching funds	1,544,900
32	Military affairs	2,134,600
33	National guard matching funds	3,529,200
34	National guard tuition reimbursement	1,000,000
35	Local law enforcement fentanyl interdiction	3,000,000
36	Evacuation protocols awareness campaign	300,000
37	Additional grant support staff	<u>500.000</u>
38	Total appropriation – department of 39 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>
12 FTE positions	5.0
13 Lump sum appropriation	\$ 311,700

14 Fund sources:

15 Personnel division fund	\$ 311,700
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16 Sec. 35. STATE BOARD OF EQUALIZATION

	<u>2025-26</u>
18 FTE positions	7.0
19 Lump sum appropriation	\$ 724,400

20 Fund sources:

21 State general fund	\$ 724,400
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22 Sec. 36. BOARD OF EXECUTIVE CLEMENCY

	<u>2025-26</u>
24 FTE positions	15.5
25 Lump sum appropriation	\$ 1,489,000

26 Fund sources:

27 State general fund	\$ 1,489,000
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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>
34 FTE positions	184.0
35 Lump sum appropriation	\$ 19,927,300

36 Fund sources:

37 Arizona exposition and state 38 fair fund	\$ 19,927,300
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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.

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

Sec. 38. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT

2025-26

FTE positions	235.5
Operating lump sum appropriation	\$ 5,938,500
Environmental county grants	250,000
Inmate firefighting crews	876,600
Postrelease firefighting crews	1,292,700
Fire suppression	200,000
Northern Arizona wildland fire	
training facility	4,000,000
State fire marshal	1,805,300
State fire school	289,600
Hazardous vegetation removal	3,039,300
US forest service land thinning	1,669,300
Wildfire mitigation	<u>27,110,300</u>
Total appropriation – Arizona department of forestry and fire management	\$ 46,471,600
Fund sources:	

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

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

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

Sec. 39. ARIZONA GAME AND FISH DEPARTMENT

2025-26

FTE positions	273.5
Operating lump sum appropriation	\$ 44,694,200
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	<u>2025-26</u>
2	Operating lump sum appropriation	\$ 8,246,800*
3	Foster youth education success	
4	fund deposit	<u>1,500,000</u>
5	Total appropriation – office of the governor	\$ 9,746,800
6	Fund sources:	
7	State general fund	\$ 9,746,800
8	Included in the operating lump sum appropriation of \$8,246,800 for	
9	fiscal year 2025-2026 is \$10,000 for the purchase of mementos and items	
10	for visiting officials.	
11		
12	Sec. 42. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	<u>2025-26</u>
13	FTE positions	22.0
14	Lump sum appropriation	\$ 2,852,500*
15	Fund sources:	
16	State general fund	\$ 2,852,500
17	Sec. 43. DEPARTMENT OF HEALTH SERVICES	<u>2025-26</u>
18	FTE positions	1,171.0
19	Operating lump sum appropriation	\$ 65,352,600
20	<u>Public health/family health</u>	
21	Adult cystic fibrosis care	105,200
22	Advisory committee on maternal mental	
23	health technical assistance	100,000
24	AIDS reporting and surveillance	1,000,000
25	Alzheimer's disease research	4,125,000
26	Arizona nurse education investment	
27	pilot program	1,500,000
28	Behavioral health care provider	
29	loan repayment program	1,000,000
30	Biomedical research support	2,000,000
31	Breast and cervical cancer and	
32	bone density screening	1,369,400
33	Clinical health care training program	100,000
34	County tuberculosis provider	
35	care and control	590,700
36	Dementia awareness campaign	750,000
37	Folic acid program	400,000
38	Funeral services regulation	459,400
39	Health care directives registry	2,000,000
40	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.

10. The average time to process documents.

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

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

37 Sec. 45. PRESCOTT HISTORICAL SOCIETY

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

1	Fund sources:	
2	State general fund	\$ 1,495,300
3	Sec. 46. ARIZONA DEPARTMENT OF HOMELAND SECURITY	<u>2025-26</u>
4	FTE positions	26.0
5	Statewide information security	
6	and privacy operations and	
7	controls	\$ 11,054,700
8	Federal cybersecurity grant	
9	matching monies	107,800
10	Multi-factor authentication	550,000
11	Statewide cybersecurity grants	<u>10,000,000</u>
12	Total appropriation – Arizona department of	
13	homeland security	\$ 21,712,500
14	Fund sources:	
15	State general fund	\$ 10,107,800
16	Information technology fund	11,604,700
17	Of the amount appropriated for statewide cybersecurity grants, the	
18	Arizona department of homeland security may spend up to \$500,000 for grant	
19	administration.	
20	The amount appropriated for the federal cybersecurity grant matching	
21	monies line item is exempt from section 35-190, Arizona Revised Statutes,	
22	relating to the lapsing of appropriations, until June 30, 2028.	
23	Sec. 47. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
24	<u>2025-26</u>	
25	FTE positions	1.0
26	Lump sum appropriation	\$ 61,500
27	Fund sources:	
28	Board of homeopathic and	
29	integrated medicine	
30	examining fund	\$ 61,500
31	Sec. 48. ARIZONA DEPARTMENT OF HOUSING	
32	<u>2025-26</u>	
33	FTE positions	3.0
34	Lump sum appropriation	\$ 388,800
35	Fund sources:	
36	Housing trust fund	\$ 388,800
37	The department of housing shall use the monies deposited in the	
38	military transitional housing fund pursuant to Laws 2023, chapter 133,	
39	section 49 for supportive services and transitional unit rehabilitation	
40	for veterans.	
41		

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.	

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

Sec. 51. ARIZONA JUDICIARY

2025-26

Supreme court

FTE positions	208.0
Operating lump sum appropriation	\$ 18,770,000
Arizona trial and digital evidence fund deposit	1,620,000
Automation	24,927,800
Child and family representation pilot program	600,000*
County reimbursements	187,900
Court appointed special advocate and vulnerable persons	6,773,200
Courthouse security	751,700
Domestic relations	701,000
State foster care review board	3,570,200
Commission on judicial conduct	765,800
Judicial nominations and performance review	620,600
Juvenile monetary sanctions funding backfill	250,000
Model court	660,800
State aid	<u>5,955,500</u>
appropriation – supreme court	\$ 66,154,500
d sources:	
State general fund	\$ 30,455,300
Confidential intermediary and fiduciary fund	690,600
Court appointed special advocate and vulnerable persons fund	6,972,500
Criminal justice enhancement fund	4,765,200
Defensive driving school fund	4,521,000
Judicial collection enhancement fund	15,803,000
State aid to the courts fund	2,946,900

On or before September 1, 2025, the supreme court shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on current and future automation projects coordinated by the administrative office of the courts. The report shall 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 fund	6,015,400

Operating budget

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

Judges

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

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

Probation

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

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

On or before November 1, 2025, the administrative office of the courts shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting the fiscal year 2024-2025 actual, fiscal year 2025-2026 estimated and fiscal year 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	<u>2025-26</u>
2	FTE positions	738.5
3	Lump sum appropriation	\$ 43,576,600
4	Fund sources:	
5	State general fund	\$ 29,978,900
6	State charitable, penal and	
7	reformatory institutions	
8	Land fund	4,881,100
9	Criminal justice enhancement fund	528,900
10	State education fund for committed	
11	youth	1,463,700
12	Department of juvenile corrections	
13	local cost sharing fund	6,724,000
14	Twenty-five percent of land earnings and interest from the state	
15	charitable, penal and reformatory institutions land fund shall be	
16	distributed to the department of juvenile corrections, in compliance with	
17	section 25 of the enabling act and the Constitution of Arizona, to be used	
18	to support state juvenile institutions and reformatories.	
19		
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	Senate	
42	Lump sum appropriation	\$ 18,750,200*
43	Fund sources:	
44	State general fund	\$ 18,750,200

1	Sec. 55. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	<u>2025-26</u>
2	FTE positions	58.2
3	Lump sum appropriation	\$ 6,226,800
4	Fund sources:	
5	Liquor licenses fund	\$ 6,226,800
6	Sec. 56. ARIZONA STATE LOTTERY COMMISSION	<u>2025-26</u>
7	FTE positions	98.8
8	Operating lump sum appropriation	\$ 10,195,900
9	Advertising	<u>15,500,000</u>
10	Total appropriation – Arizona state	
11	lottery commission	\$ 25,695,900
12	Fund sources:	
13	State lottery fund	\$ 25,695,900
14	An amount equal to twenty percent of tab ticket sales is appropriated to pay sales commissions to charitable organizations. This amount is currently estimated to be \$1,815,700 in fiscal year 2025-2026.	
15	An amount equal to 3.6 percent of actual instant ticket sales is appropriated to print instant tickets or to pay contractual obligations concerning instant ticket distribution. This amount is currently estimated to be \$40,643,600 in fiscal year 2025-2026.	
16	An amount equal to a percentage of total ticket sales as determined by contract is appropriated to pay online vendor fees. This amount is currently estimated to be \$17,747,100, or 1.079 percent of total ticket sales, in fiscal year 2025-2026.	
17	An amount equal to 6.5 percent of gross lottery game sales, minus charitable tab tickets, is appropriated to pay sales commissions to ticket retailers. An additional amount not to exceed 0.5 percent of gross lottery game sales is appropriated to pay sales commissions to ticket retailers. The combined amount is currently estimated to be \$109,591,300, or 6.7 percent of total ticket sales, in fiscal year 2025-2026.	
18	Sec. 57. BOARD OF MASSAGE THERAPY	<u>2025-26</u>
19	FTE positions	5.0
20	Lump sum appropriation	\$ 607,700
21	Fund sources:	
22	Board of massage therapy fund	\$ 607,700
23	Sec. 58. ARIZONA MEDICAL BOARD	<u>2025-26</u>
24	FTE positions	63.5
25	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	<u>2025-26</u>
2	FTE positions	2.0
3	Lump sum appropriation	\$ 270,000
4	Fund sources:	
5	Naturopathic physicians medical	
6	board fund	\$ 270,000
7	Sec. 62. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	<u>2025-26</u>
8	FTE positions	2.0
9	Lump sum appropriation	\$ 340,500
10	Fund sources:	
11	State general fund	\$ 140,500
12	Arizona water banking fund	200,000
13	Sec. 63. ARIZONA STATE BOARD OF NURSING	<u>2025-26</u>
14	FTE positions	64.0
15	Operating lump sum appropriation	\$ 6,434,800
16	Student registered nurse	
17	anesthetist clinical rotation	
18	program	500,000
19	Certified nursing assistant	
20	credentialing program	<u>548.000</u>
21	Total appropriation – Arizona state	
22	board of nursing	\$ 7,482,800
23	Fund sources:	
24	Board of nursing fund	\$ 6,982,800
25	State general fund	500,000
26	Sec. 64. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS	
27	FTE positions	<u>2025-26</u>
28	Lump sum appropriation	\$ 613,100
29	Fund sources:	
30	Nursing care institution	
31	administrators' licensing and	
32	assisted living facility	
33	managers' certification fund	\$ 613,100
34	Sec. 65. BOARD OF OCCUPATIONAL THERAPY EXAMINERS	<u>2025-26</u>
35	FTE positions	2.0
36	Lump sum appropriation	\$ 302,700
37	Fund sources:	
38	Occupational therapy fund	\$ 302,700

1	Sec. 66. STATE BOARD OF DISPENSING OPTICIANS	<u>2025-26</u>
2	FTE positions	1.0
3	Lump sum appropriation	\$ 198,500
4	Fund sources:	
5	Board of dispensing opticians fund	\$ 198,500
6	Sec. 67. STATE BOARD OF OPTOMETRY	<u>2025-26</u>
7	FTE positions	2.0
8	Lump sum appropriation	\$ 295,600
9	Fund sources:	
10	Board of optometry fund	\$ 295,600
11	Sec. 68. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY	<u>2025-26</u>
12	FTE positions	10.0
13	Lump sum appropriation	\$ 1,494,100
14	Fund sources:	
15	Arizona board of osteopathic	
16	examiners in medicine	
17	and surgery fund	\$ 1,494,100
18	Sec. 69. ARIZONA STATE PARKS BOARD	<u>2025-26</u>
19	FTE positions	169.0
20	Operating lump sum appropriation	\$ 16,973,500
21	Broadband infrastructure operations	
22	and maintenance	242,100
23	Heritage fund deposit	1,000,000
24	State lake improvement fund deposit	1,500,000
25	State parks store	1,513,100
26	Kartchner caverns state park	2,509,900
27	Water and wastewater infrastructure	
28	operations and maintenance	<u>541,000</u>
29	Total appropriation – Arizona state parks	
30	board	\$ 24,279,600
31	Fund sources:	
32	State general fund	2,500,000
33	State parks revenue fund	\$ 20,249,800
34	State parks store fund	1,513,100
35	Off-highway vehicle recreation fund	16,700
36	In addition to the operating lump sum appropriation, an amount equal	
37	to the revenue share agreement with the United States forest service for	
38	Fool Hollow Lake recreation area and Catalina state park is appropriated	
39	to the Arizona state parks board from the state parks revenue fund	
40	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>
24 FTE positions	2.0
25 Lump sum appropriation	\$ 363,700
26 Fund sources:	
27 Personnel division fund –	
28 personnel board subaccount	\$ 363,700

29 Sec. 71. ARIZONA STATE BOARD OF PHARMACY

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

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

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

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

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

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

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

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

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

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

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

Sec. 78. STATE REAL ESTATE DEPARTMENT

2025-26

FTE positions 37.0

Lump sum appropriation \$ 3,111,800

Fund sources:

State general fund \$ 3,111,800

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

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

	<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 for the blind	97,000
14 Uniform state laws commission	99,000
15 Address confidentiality program fund deposit	<u>400,000</u>
16 Total appropriation – department of 17 state – secretary of state	\$ 25,143,400

18 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:

1. Cochise county	\$ 139,500
2. Maricopa county	\$ 906,900
3. Pima county	\$5,347,700
4. Pinal county	\$ 66,100
5. Santa Cruz county	\$ 240,600
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.

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

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

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

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

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

1. The actual expenditures for the operation and maintenance of the database.

2. Any expenditures for updates to the database due to statutory changes.

3. The purpose of the expenditures.

4. All funding sources used to support the database.

Sec. 84 STATE BOARD OF TAX APPEALS

STATE BOARD

ETE positions 40

Lump sum appropriation \$ 318,600

Land sum appropriation Fund sources:

Fund Sources: State general fund \$ 318,600

Sec. 85 STATE BOARD OF TECHNICAL REGISTRATION

SEC. 65. STATE BOARD OF TECHNICAL REGISTRATION 2025 26

2025-26 ETE positions 26 0

FTE positions	26.0
Lump sum compensation	\$ 2,727,000

Lump sum appropriation \$ 2,737,000

Fund sources:

1	Sec. 86. OFFICE OF TOURISM	<u>2025-26</u>
2	FTE positions	31.0
3	Tourism fund deposit	\$ 7,406,000
4	Arizona promotion	819,000
5	Southern Arizona sports, tourism and film authority	500,000
6	Wine promotion	<u>100,000</u>
7	Total appropriation – office of tourism	\$ 8,825,000
8	Fund sources:	
9	State general fund	\$ 8,825,000
10	Sec. 87. DEPARTMENT OF TRANSPORTATION	<u>2025-26</u>
11	FTE positions	4,581.0
12	Operating lump sum appropriation	\$262,138,700
13	Attorney general legal services	3,940,400
14	Highway maintenance	181,700,500
15	ADOT fleet vehicles and heavy equipment maintenance	26,522,700
16	ADOT fleet vehicles and heavy equipment maintenance contingency	1,000,000
17	State fleet operations	32,422,900
18	State fleet vehicle replacement	15,351,600
19	Driver safety and livestock control	800,000
20	ADOT fleet vehicle and heavy equipment replacement	22,400,000
21	Highway damage recovery account	7,999,300
22	Statewide litter removal	3,106,800
23	Construction management system replacement	6,272,000
24	Radio lifecycle replacement	1,656,100
25	Spaying and neutering of animals fund deposit	500,000
26	Preventive surface treatments	36,142,000
27	Authorized third parties	<u>2,262,600</u>
28	Total appropriation – department of transportation	\$604,215,600
29	Fund sources:	
30	State general fund	500,000
31	Air quality fund	\$ 1,078,300
32	Arizona highway user revenue fund	951,500
33	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>
31 FTE positions	38.4
32 Operating lump sum appropriation	\$ 4,677,100
33 Advanced air mobility fund deposit	2,000,000
34 Justice of the peace salaries	2,797,200
35 Law enforcement/boating safety	
36 fund grants	2,183,800
37 Statewide infrastructure	
38 trust fund deposit	1,000,000
39 Statewide transportation	
40 innovation fund deposit	2,000,000
41 Veterans' health innovations	
42 pilot program	150,000
43 Total appropriation – state treasurer	<u>\$ 14,808,100</u>

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
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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

7 Sec. 91. ARIZONA STATE UNIVERSITY

8 2025-26

9 FTE positions	8,357.4
10 Operating lump sum appropriation	\$1,073,584,600
11 Biomedical informatics	3,758,100
12 Eastern Europe cultural	
13 collaborative	250,000
14 Arizona financial aid trust	5,985,800
15 Decision theater -	
16 Pinal county transportation	500,000
17 Downtown Phoenix campus	<u>134,098,500</u>
18 Total appropriation - Arizona state	
19 university	\$1,218,177,000

20 Fund sources:
21 State general fund \$ 361,178,200
22 University collections fund 856,998,800
23 The state general fund appropriation may not be used for alumni
24 association funding.

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

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

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

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

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

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

2025-26

32 FTE positions	2,399
33 Operating lump sum appropriation	\$236,397,200
34 Arizona financial aid trust	1,326,000
35 Biomedical research funding	3,000,000
36 NAU – Yuma	3,088,400
37 Teacher training	<u>2,292,700</u>
38 Total appropriation – Northern Arizona	
39 university	\$246,104,300
40 Fund sources:	
41 State general fund	\$114,267,500
42 University collections fund	131,836,800
43 The state general fund appropriation may not be used for alumni	
44 association funding.	

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

25 2025-26

26 Main campus

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

8 Any appropriated monies allocated by the university for the center
9 for the philosophy of freedom may not supplant any existing state funding
10 or private or external donations to the center or the philosophy
11 department of the university of Arizona. The appropriated monies and all
12 private and external donations for the center, including any remaining
13 balances from prior fiscal years, shall be deposited in a separate
14 account, shall be used only for the direct operation of the center and may
15 not be used for indirect costs of the university. On or before October 1,
16 2025, the center shall submit a report to the president of the senate, the
17 speaker of the house of representatives, the chairpersons of the senate
18 education committee and the house of representatives education committee
19 and the director of the joint legislative budget committee that includes
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>
24 FTE positions	792.3
25 Operating lump sum appropriation	\$ 2,921,700
26 Arizona state veterans' homes	60,994,800
27 Arizona state veterans' cemeteries	970,300
28 Rural tribal nations veteran 29 benefit counseling	2,217,900
30 Veterans' benefit counseling	3,713,100
31 Veterans' mental health pilot program	1,000,000*
32 Veterans' support services	1,226,100
33 Veterans' trauma treatment 34 services	<u>450,000</u>
35 Total appropriation – department of 36 veterans' services	\$ 73,493,900
37 Fund sources:	
38 State general fund	\$ 12,499,100
39 State home for veterans' trust 40 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.

Fund sources:

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

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

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

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

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

Fiscal Year 2024-2025 Appropriation Adjustments

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

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

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

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

1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.
3. For fund transfers in fiscal year 2023-2024.
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 for
29 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

1 implement the integrated tax system modernization project is exempt from
2 the provisions of section 35-190, Arizona Revised Statutes, relating to
3 lapsing of appropriations, until June 30, 2026.

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

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

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

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

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

- 29 1. \$300,000 to distribute to the Ak-Chin Indian community police
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
assault investigator training and anti-human trafficking activities.

1 15. \$200,000 to distribute to the city of Maricopa police
2 department.

3 16. \$200,000 to distribute to the city of Maricopa fire and medical
4 department.

5 17. \$500,000 to distribute to Mohave county to purchase a mobile
6 launch ramp for the south cove at Lake Mead recreational area.

7 18. \$500,000 to distribute to Mohave county for improvements to
8 firefighting infrastructure in the horizon six improvement district.

9 19. \$400,000 to distribute to the Pinal county sheriff's office.

10 20. \$50,000 to distribute to Pinal county for signage relating to
11 the prohibition of illegal dumping.

12 21. \$100,000 to distribute to the city of Sierra Vista for
13 infrastructure funding.

14 22. \$1,500,000 to distribute to the city of Sierra Vista for the
15 purpose of attaining a part 433 reentry license through the federal
16 aviation administration.

17 23. \$100,000 to distribute to the Mohave county sheriff's office
18 for search and rescue training expenses.

19 24. \$100,000 to distribute to the town of Paradise Valley for the
20 development of an indoor police shooting range.

21 25. \$100,000 to distribute to the Phoenix police department for
22 community policing.

23 26. \$100,000 to distribute to the Salt River police department for
24 community policing.

25 27. \$100,000 to distribute to the city of Scottsdale to be used for
26 an adaptive services park or adaptive services recreational facility.

27 28. \$350,000 to distribute to the city of Snowflake to restore the
28 James M. Flake house historical site for the purpose of providing
29 community educational programming.

30 29. \$100,000 to distribute to the Thunderbird fire district.

31 30. \$2,000,000 to distribute to the Yavapai county sheriff's office
32 to operate a criminal information intelligence analysis coordination
33 center that is responsible for collecting, analyzing, synthesizing, and
34 disseminating real-time, actionable information and that is designed to
35 interdict human trafficking and controlled substance trafficking conducted
36 by international criminal cartels.

37 31. \$850,000 to distribute to Yuma county for the disposal of
38 excess waste tires.

39 32. \$1,000,000 to distribute to the Mohave county sheriff's office.

40 33. \$500,000 to distribute to the La Paz county sheriff's office.

41 34. \$950,000 to distribute to the Yavapai county sheriff's office.

42 35. \$500,000 to distribute to the Yavapai county sheriff's office
43 for a satellite communications pilot program.

44 36. \$1,000,000 to distribute to Yavapai county for costs related to
45 the construction of a public safety facility in southwest Yavapai county.

1 37. \$1,000,000 to distribute to the Yuma county recorder for
2 operating expenses.

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

6 39. \$300,000 to distribute to the city of Peoria for capital
7 improvements to city parks.

8 40. \$2,500,000 to distribute to the city of Winslow.

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

13 C. The sum of \$4,100,000 is appropriated from the state general
14 fund in fiscal year 2025-2026 to the Maricopa county recorder for
15 election-related operations. For fiscal year 2025-2026, the Maricopa
16 county board of supervisors shall not in any way reduce the funding to the
17 Maricopa county recorder's office below the amount of the adopted fiscal
18 year budget for the Maricopa county recorder's office. The Maricopa
19 county recorder's office shall submit quarterly expenditure summaries to
20 the joint legislative budget committee detailing the use of the monies
21 appropriated by this subsection. The monies appropriated in this
22 subsection are exempt from the provisions of section 35-190, Arizona
23 Revised Statutes, relating to lapsing of appropriations, until June 30,
24 2028.

25 Sec. 119. Appropriations; state treasurer; nonprofit
26 organizations; fiscal year 2025-2026

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

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

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

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

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

1 5. \$200,000 to distribute to a nonprofit that is located in Pinal
2 county, that provides services to veterans in Pinal county with an
3 in-person facility and a mobile outreach center and has previously
4 received a grant from the department of veterans' services.

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

8 Sec. 120. Appropriations; onetime correctional officer
9 stipend

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

14 1. \$17,075,300 to the state department of corrections.

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

21 3. \$542,200 to the department of juvenile corrections.

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

28 Sec. 121. Appropriation: state treasurer: Prescott rodeo
29 grounds

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

41 Sec. 122. Appropriation: Arizona arts trust fund: fiscal year
42 2025-2026

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

1 Sec. 123. Phoenix convention center: allocation: fiscal year
2 2025-2026

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

7 Sec. 124. Rio Nuevo multipurpose facility district: estimated
8 distribution: fiscal year 2025-2026

9 Pursuant to section 42-5031, Arizona Revised Statutes, a portion of
10 the state transaction privilege tax revenues will be distributed to a
11 multipurpose facility district. The Rio Nuevo multipurpose facility
12 district is estimated to receive \$19,000,000 in fiscal year 2025-2026.
13 The actual amount of the distribution will be made pursuant to section
14 42-5031, Arizona Revised Statutes.

15 Fund Balance Transfers

16 Sec. 125. Fund balance transfer: Colorado River litigation
17 fund: fiscal year 2025-2026

18 The following unexpended and unencumbered amounts from the following
19 sources are transferred in fiscal year 2025-2026 to the Colorado River
20 litigation fund established by section 45-119, Arizona Revised Statutes:

21 1. The amount appropriated in the Lower Colorado River litigation
22 expenses line item appropriation by Laws 2015, chapter 8, section 110.

23 2. The amount appropriated in the Lower Colorado River litigation
24 expenses line item appropriation by Laws 2016, chapter 117, section 109.

25 3. The amount appropriated in the Colorado River legal expenses
26 line item appropriation by Laws 2020, chapter 58, section 96.

27 4. The amount appropriated in the Colorado River legal expenses
28 line item appropriation by Laws 2021, chapter 408, section 98.

29 Sec. 126. Fund balance transfer: state highway fund: fiscal
30 year 2025-2026

31 A. Notwithstanding any other law, on or before June 30, 2026,
32 \$15,500,000 is transferred from the state highway fund established by
33 section 28-6991, Arizona Revised Statutes, to the state general fund in
34 fiscal year 2025-2026 for the purpose of providing adequate support and
35 maintenance for agencies of this state.

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

1 Sec. 127. Fund balance transfer: peace officer training
2 equipment fund; school safety interoperability
3 fund; fiscal year 2025-2026

4 A. Notwithstanding any other law, \$2,000,000 is transferred from
5 the peace officer training equipment fund established by section 41-1731,
6 Arizona Revised Statutes, to the school safety interoperability fund
7 established by section 41-1733, Arizona Revised Statutes, in fiscal year
8 2025-2026.

9 B. Notwithstanding Laws 2022, chapter 313, section 5, the
10 department of administration shall not distribute any monies from the
11 school safety interoperability fund to the Coconino county sheriff.

12 C. In fiscal year 2025-2026, the department of administration may
13 use the monies in the school safety interoperability fund, in addition to
14 any transfers made into the school safety interoperability fund pursuant
15 to this section, for distribution to the sheriffs of the following
16 counties in the following amounts to install and support the school safety
17 projects authorized pursuant to section 41-1733, Arizona Revised Statutes:

- 18 1. \$275,000 to Apache county.
- 19 2. \$280,000 to Gila county.
- 20 3. \$280,000 to Graham county.
- 21 4. \$170,000 to Greenlee county.
- 22 5. \$200,000 to La Paz county.
- 23 6. \$525,000 to Mohave county.
- 24 7. \$540,000 to Navajo county.
- 25 8. \$350,000 to Santa Cruz county.
- 26 9. \$600,000 to Yavapai county.

27 Sec. 128. Fund balance transfers: automation projects fund:
28 fiscal year 2025-2026

29 A. The sum of \$5,941,700 is transferred from the information
30 technology fund established by section 18-401, Arizona Revised Statutes,
31 in fiscal year 2025-2026 for deposit in the human resources information
32 system subaccount in the automation projects fund established pursuant to
33 section 41-714, Arizona Revised Statutes, to replace the human resources
34 information system.

35 B. The sum of \$1,750,000 is transferred from the information
36 technology fund established by section 18-401, Arizona Revised Statutes,
37 in fiscal year 2025-2026 for deposit in the department of administration
38 subaccount in the automation projects fund established pursuant to section
39 41-714, Arizona Revised Statutes, to migrate state websites to a new
40 software platform.

41 C. The sum of \$3,370,000 is transferred from the state web portal
42 fund established by section 18-421, Arizona Revised Statutes, in fiscal
43 year 2025-2026 for deposit in the department of administration subaccount
44 in the automation projects fund established pursuant to section 41-714,

1 Arizona Revised Statutes, to 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 Sec. 131. Reduction in school district state aid
 2 apportionment in fiscal year 2025-2026;
 3 appropriation in fiscal year 2026-2027

4 A. In addition to any other appropriation reductions made in fiscal
 5 year 2025-2026, the department of education shall defer until after June
 6 30, 2026 but not later than July 12, 2026 \$800,727,700 of the basic state
 7 aid and additional state aid entitlement that otherwise would be
 8 apportioned to school districts during fiscal year 2025-2026 pursuant to
 9 section 15-973, Arizona Revised Statutes. The funding deferral required
 10 by this subsection does not apply to charter schools or to school
 11 districts with a student count of less than four thousand pupils. The
 12 department of education shall make the deferral by reducing the
 13 apportionment of state aid for each month in the fiscal year by the same
 14 amount.

15 B. In addition to any other appropriations made in fiscal year
 16 2026-2027, the sum of \$800,727,700 is appropriated from the state general
 17 fund in fiscal year 2026-2027 to the department of education and the
 18 superintendent of public instruction for basic state aid and additional
 19 state aid entitlement for fiscal year 2026-2027. This appropriation shall
 20 be disbursed after June 30, 2026 but not later than July 12, 2026 to the
 21 several counties for the school districts in each county in amounts equal
 22 to the reductions in apportionment of basic state aid and additional state
 23 aid that are required pursuant to subsection A of this section for fiscal
 24 year 2025-2026.

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

28 Statewide Adjustments

29 Sec. 132. Appropriations; operating adjustments

30 2025-26

31 1. Employer health insurance
 32 contribution reduction \$ (181,551,600)

33 Fund sources:
 34 State general fund \$ (140,000,000)
 35 Other funds (41,551,600)

36 2. Employer health insurance
 37 contribution increase \$ 244,941,000

38 Fund sources:
 39 State general fund \$ 194,941,000
 40 Other funds 50,000,000

41 3. State fleet operations
 42 adjustment \$ 5,831,500

43 Fund sources:
 44 State general fund \$ 5,331,500
 45 Other funds 500,000

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)

Employer health insurance contribution reduction

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

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.

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

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

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

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

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.

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:

1. The following mid-year capitation rate adjustments proposed by the Arizona health care cost containment system for the contract year 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:

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

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

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

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

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

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

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

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

7. The allocation of \$1,694,600 from the basic state aid line item in Laws 2024, chapter 209, section 39 for additional basic state aid funding in fiscal year 2024-2025 for the following recalculations performed by the department of education pursuant to section 15-915, subsection B, Arizona Revised Statutes:

(a) \$435,400 to Hyder elementary school district.

(b) \$789,200 to Antelope union high school district.

(c) \$360,700 to Southwest technical education district of Yuma.

(d) \$109,300 to Bonita elementary school district.

8. The plan submitted by the Arizona department of administration pursuant to section 38-658, Arizona Revised Statutes, relating to the planned contribution strategy for each state employee health plan.

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

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

(a) The Notice of Claim of Parker Terry, filed June 14, 2024.

(b) Jennifer Power, et al. v. Tuccino, King, Gallardo, et al.

United States District Court No. 2:19-cv-01546-DLR and Jennifer Power, et al. v. State of Arizona, et al., Maricopa County Superior Court No. CV2018-008861, settled jointly.

2. The transfer of the following amounts from the department of administration losses and premiums line item to the following line items 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.

APPROVED BY THE GOVERNOR JUNE 27, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 27, 2025.