



NEWS RELEASE

Arizona House of Representatives
Representative David Livingston (R-28)
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JLBC Holds Governor Hobbs' Accountable for Fiscal Mismanagement, Directs DCS to Fix Budget with Existing Funds

STATE CAPITOL, PHOENIX – The Joint Legislative Budget Committee (JLBC), chaired by State Representative David Livingston, met today to address yet another financial mismanagement crisis caused by Governor Katie Hobbs' administration—this time, the Department of Child Safety's Congregate Care program teetering on the edge of bankruptcy.

The committee directed DCS to use existing funds within its budget to keep services running for vulnerable children in its care. However, Chairman Livingston and committee Republicans made it very clear that Governor Hobbs created this financial mess, and she has the resources to fix it without demanding more taxpayer dollars.

"Governor Hobbs's repeated failures to manage the budget responsibly have pushed agencies into crisis after crisis. Her administration's approach is to overspend, ignore reality, and then demand a last-minute bailout. That's not leadership—that's recklessness," Chairman Livingston said.

"Let me be clear: It is not the Legislature's job to cover for the Governor's poor decisions. DCS already has the money it needs to address this failure, and today we made sure it can use those funds. It should never have come to this. Her administration had the ability to fix this months ago, but instead, they sat on it—waiting until just 19 days before bankruptcy to sound the alarm. Arizona families have to live within their budgets, and we expect the Governor to do the same."

The JLBC's investigation into this crisis revealed more mismanagement. Governor Hobbs's team failed to disclose available federal funds that could have been used to keep Congregate Care afloat while simultaneously directing direct federal American Rescue Plan Act (ARPA) dollars into an entirely different program, Kinship Support Services, which the state has never funded.

"That decision by the Governor is stunning," Chairman Livingston added. **"Instead of prioritizing the program on the brink of insolvency, she chose to send federal dollars elsewhere. This raises serious questions about her administration's priorities and decision-making."**

Beyond the immediate issue at DCS, lawmakers are still being stonewalled about the looming financial disaster in the Developmental Disabilities (DDD) program, which is projected to collapse in April.

“We continue to hear rumblings that DDD will go bankrupt next month, but Governor Hobbs refuses to say when or explain how her administration allowed costs to double from \$2 billion to \$4 billion in just three years. If she thinks the Legislature is going to write her a blank check for that kind of fiscal disaster, she’s mistaken,” Chairman Livingston said.

On Monday, House Speaker Steve Montenegro [announced the creation](#) of the House Ad Hoc Committee on Executive Budget Mismanagement to investigate this pattern of financial failures by the Hobbs administration. Details on the committee’s membership and scope will be announced soon.

“We care deeply about the children in DCS’ care. That’s why we acted quickly today. The JLBC’s directive ensures that children in need will continue receiving care, but the Legislature will not reward fiscal irresponsibility by throwing more taxpayer dollars at a crisis of the Governor’s making. Moving forward, the Governor must be more transparent and accountable about her agency budgets. The pattern of mismanagement, secrecy, and last-minute bailout requests stops now,” Chairman Livingston concluded.

David Livingston is a Republican member of the Arizona House of Representatives serving Legislative District 28 in Peoria. He also serves as Chairman of the House Appropriations Committee. Follow him on X at @Livingston4AZ.

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