General Fund Budget 4-Year Analysis ($ in Millions)

2/10/26

		A FY 2026 Exec Budget	B FY 2027 Exec Budget	C FY 2028 Exec Budget	D FY 2029 Exec Budget
1	**Beginning Balance**	**$ 1,367.3**	**$ 558.4**	**$ 392.5**	**$ 38.9**
2	**Ongoing Revenues**				
3	Ongoing Revenues - January Baseline	17,066.1	17,612.2	18,381.3	19,230.0
4	Base Revenue Adjustment	112.8	164.4	125.8	100.0
5	Increase Sports Betting Tax Rate From 10% to 45% (Operators > $75 M Monthly Rev.)		145.9	171.9	202.4
6	Tax Conformity (Standard Deduction/Senior Deduction/Tips/Overtime/Auto Loans)	(236.4)	(248.7)	(206.7)	(65.2)
7	Remove TPT Exemption for Data Center Equipment (ACA Certified Facilities)		38.5	38.5	38.5
8	Lottery Advertising Adjustment (Exec: $6 M Lottery Ad Increase = $26.5 M Add'l Revenue)		20.5	20.5	20.5
9	Tourism Advertising Adjustment (Exec: $5 M Tourism Ad Increase/See Spending Below)		8.5	8.5	8.5
10	Real Estate IT Project - Fee Revenue Impact (Statute = GF Funding Results in Fee Increase)		0.9	0.9	0.9
11	Liquor IT Project - Revenue Impact		(0.6)	(0.6)	(0.6)
12	$3.50/Day Short-Term Rental Surcharge (Utility Assistance/Weatherization/Housing)		Yes	Yes	Yes
13	1-Cent/Gallon Data Center Water Surcharge (Deposit to Colorado River Protection Fund)		Yes	Yes	Yes
14	**Subtotal - Ongoing Revenues**	**$ 16,942.5**	**$ 17,741.6**	**$ 18,540.1**	**$ 19,535.0**
15	**One-Time Revenues/Transfers**				
16	One-Time Revenues - January Baseline (Excluding Beginning Balance)	30.1	9.7	0.6	
17	<u>Executive Technical Adjustments/Issues</u>				
18	Exec Does Not Include Marana Prison Sale Revenue - Sale Completed	(14.6)			
19	Exec Reduces Baseline State Highway Fund Interest Transfer		(0.6)	(0.6)	
20	DEQ $15 M Ongoing GF to WQARF - Non-Issue - Baseline Scores in Spending		(15.0)	(15.0)	(15.0)
21	<u>Other One-Time Revenue Issues</u>				
22	H.R. 1 Border Security Reimbursement Funds		759.7		
23	Land Department Backfill - Prop 123 Extension [See Land Dept. Spending Below]		6.0		
24	Reimburse General Fund for Short-Term Rental Surcharge Administrative Costs		0.5		
25	Prior Enhanced FMAP Savings - Score As Revenue Gain	12.4			
26	**Subtotal - One-Time Revenues (Including Beginning Balance)**	**$ 1,395.2**	**$ 1,318.7**	**$ 377.5**	**$ 23.9**
27	**Total Revenues**	**$ 18,337.7**	**$ 19,060.3**	**$ 18,917.6**	**$ 19,558.9**

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		A	B	C	D
		FY 2026 Exec Budget	FY 2027 Exec Budget	FY 2028 Exec Budget	FY 2029 Exec Budget
28	**JLBC Baseline - Ongoing Spending**	**$ 16,543.5**	**$ 17,401.1**	**$ 18,185.4**	**$ 18,860.3**
29	**Ongoing Changes to JLBC Baseline**				
30	Agriculture - Licensing IT System Maintenance Costs (Development $ FY 23 Budget)		0.5	0.5	0.5
31	AHCCCS - Formula Adjustments	See One-Times	194.0	210.4	250.4
32	AHCCCS - Office of Inspector General (OIG) - 7 FTE for Fraud Enforcement		0.4	0.4	0.4
33	AHCCCS - Additional 7 FTE for Data Analytics		0.6	0.6	0.6
34	AHCCCS - Fund Perinatal Psychiatry Access Hotline (Operated By UA)		1.2	1.2	1.2
35	DCS - Federal Match Rate Adjustment		1.9	1.9	1.9
36	DCS - Extended Foster Care Caseload Increase (See One-Time for Foster Care Coaches)		1.0	1.0	1.0
37	DCS - Continue Congregate Care One-Time as Ongoing [FY 26 Budget = Same $ Amount]		19.4	19.4	19.4
38	DCS - Congregate Care Provider Rate Increases (Primarily Behavioral Health Facilities)		8.8	8.8	8.8
39	DCS - Backfill FY 26 Congregate Care Monies (Prior Source TBD)		5.4	5.4	5.4
40	DCS - Other Congregate Care Increases (Reasons TBD)		3.3	3.3	3.3
41	DCS - Continue One-Time Guardian IT System Costs as Ongoing (FY 26 = $9.8 M)		9.8	9.8	9.8
42	DCS - Child and Family Support Contracts Cost Increases - Placeholder		TBD	TBD	TBD
43	Comm Colleges - Formula Adjustments		See FY 28/FY 29	(2.4)	(5.3)
44	ADC - Shift $25 M Other Fund Spending to General Fund (Freed Up OF $ to Operating Budget)		25.0	25.0	25.0
45	ADC - Shift $10 M Other Fund Spending to Capital Uses - Backfill With General Fund		10.0	10.0	10.0
46	ADC - Shift Various Other Fund Spending to General Fund Due to Lower Vacancy Savings		7.7	7.7	7.7
47	ADC - Non-Contract Medication - Substance Abuse/Hep C - Opioid $ Backfill		6.7	6.7	6.7
48	ADC - Continue FY 26 One-Time 4% Correctional Officer Stipend (FY 26 = $20.8 M)		23.7	23.7	23.7
49	ADC - Health Care Federal Injunction Costs - Additional 615 Vendor FTEs (28 Adv)		See One-Time	108.2	108.2
50	ACJC - Victims of Crime Act (VOCA) Federal Funds Backfill ($2.25 M)		2.3	2.3	2.3
51	DES - Formula Adjustments	See Below	12.5	14.5	36.5
52	DES - SNAP Admin. Match Rate Adjustment (Exec Funds as One-Time in FY 27)		(32.7)	(44.2)	(44.2)
53	DES - SNAP Benefit Match Rate Adjustment (JLBC Uses FY 24 Error Rate/Exec Excludes)		See FY 28	(138.7)	(185.0)
54	DES - Reentry Employment Support - 31 FTEs (Backfill Federal WIOA Funding)		3.0	3.0	3.0
55	DES - Benefits Services Digital Portal (Continue $1.2 M FY 26 One-Time + 6 New FTEs)		2.2	2.2	2.2
56	DES - Victims of Crime Act (VOCA) Federal Funds Backfill		11.5	11.5	11.5
57	DES - Child Care Assistance Funding (Same $ Amount Funded One-Time In FY 26)		44.8	44.8	44.8
58	ADE - Formula	See Below	(61.6)	(167.0)	(332.6)
59	ADE - Prohibit ESA Enrollment for Households Above $250k Annual Income		(89.3)	(91.5)	(93.0)

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		A	B	C	D
		FY 2026 Exec Budget	FY 2027 Exec Budget	FY 2028 Exec Budget	FY 2029 Exec Budget
60	DEMA - Grant Support Staff - 5 FTE (Continue FY 26 One-Time Amount)		0.5	0.5	0.5
61	DEQ - Backfill Tribal Federal Air Quality Grant Reductions (Research/Monitoring/Enforcement)		3.9	3.9	3.9
62	DEQ - Continue One-Time Deposit to Water Quality Fee Fund as Ongoing (FY 26: $9.0 M WIFA)		9.5	9.5	9.5
63	DEQ - JLBC Restores WQARF GF (FY 26 3-Year Plan) - Non-Issue - Exec Has Revenue Loss		(15.0)	(15.0)	(15.0)
64	Executive Clemency - Increase Board Member Salaries ($157k)		0.2	0.2	0.2
65	Governor - Establish Lieutenant Governor Office ($238k) [2022 Prop 131] [2 FTE: Lt. Gov./1 Staff]		0.2	0.2	0.2
66	DHS - Sexually Violent Persons (SVP) Line Item Funding (Continue FY 26 One-Time $ Amount)		1.5	1.5	1.5
67	DHS - Arizona State Hospital (ASH) Contract Services Cost Increases - Placeholder		TBD	TBD	TBD
68	DHS - ASH Operating Funding (Continue FY 26 One-Time $ Amount)		1.8	1.8	1.8
69	Homeland Security - Fund Border Coordination Office [4 FTE] (Started w/ ARPA $ in FY 24)		0.8	0.8	0.8
70	DIFI - Shift Agency GF Budget to Non-GF Source With New Fee Authority		(6.3)	(6.3)	(6.3)
71	Judiciary - Superior Court - Fund Prior County Probation Salary Increases [FY 26 = ARPA $]		10.5	10.5	10.5
72	DJC - Continue FY 26 One-Time 4% Youth Correctional Officer Stipend ($764k)		0.8	0.8	0.8
73	Land - Shift GF Operating Budget to Land Trust [50% in '27/Remaining 50% in '28/Voter Approval]		(6.2)	(12.2)	(12.2)
74	Land - Central Arizona Project (CAP) Fees Technical Adjustment		(0.1)	(0.1)	(0.1)
75	Navigable Stream Commission - Assume Agency Sunsets In FY 29 - $(143)k Savings		See FY 29	See FY 29	(0.1)
76	DPS - Security for Newly Established Lieutenant Gov. Office ($424k Ongoing/$281k One-Time)		0.7	0.4	0.4
77	DPS - Victims of Crime Act (VOCA) Federal Funds Backfill		9.3	9.3	9.3
78	DPS - Caseload Increase of AZPOST Training Academy Reimbursements [$2,500/Graduate]		2.0	2.0	2.0
79	DPS - Increase Major Incident Division From $16.2 M to $23.6 M [+50 FTE] (Adv 28/29)		See FY 28	7.4	7.4
80	Real Estate - IT Project Ongoing Maintenance Costs ($870k) - Also See Revenue		0.9	0.9	0.9
81	SOS - Election Funding Differences (JLBC: $4 M/$4 M/$4M) (Exec: $8 M/Zero/$8 M)		4.0	(4.0)	4.0
82	DWR - Shift FY 26 Budget Personnel Funding From WIFA Funds to GF ($741k/6 FTE)		0.7	0.7	0.7
83	Other - State Employee Health Insurance Funding [+ 1-Times Exec Total = $273 M/$369 M/$469 M]		100.0	150.0	469.4
84	Other - Phoenix Convention Center Technical Difference		0.3	(0.2)	(0.7)
85	Other - Rio Nuevo Technical Difference (JLBC = $19 M All Years/Exec = $21 M/$22 M/$22 M)		2.0	3.0	3.0
86	Other - Statewide Fleet Charge Adjustments - Operating		5.8	5.8	5.8
87	Other - Statewide Fleet Charge Adjustments - Replacement		0.9	0.9	0.9
88	Other - Statewide Rent Charge Adjustments		0.1	0.1	0.1
89	Other - Statewide Accounting System (AZ360) Charge Adjustment		1.3	1.3	1.3
90	Other - Retirement Adj. [JLBC = + $1.0 M for CORP DC/Exec = $(4.0) M All Changes]		(5.0)	(5.0)	(5.0)
91	Other - Statewide Risk Management Charge Adjustment		9.9	9.9	9.9
92	Other - Administrative Adjustments/Revertments - Differences in Estimates	(13.5)	(30.0)	(30.0)	(30.0)

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		A	B	C	D
		FY 2026 Exec Budget	FY 2027 Exec Budget	FY 2028 Exec Budget	FY 2029 Exec Budget
93	**Subtotal - Ongoing Changes to JLBC Baseline**	$ (13.5)	$ 317.1	$ 227.1	$ 399.6
94	**Total Ongoing Spending**	$ 16,530.0	$ 17,718.2	$ 18,412.5	$ 19,259.9
95	**JLBC Baseline - One-Time Spending**	$ 1,246.8	$ 218.9	$ 294.0	$ 177.3
96	**One-Time Changes to JLBC Baseline**				
97	ADOA - Continue One-Time State Employee Professional Development [FY 26: $1 M OF]		1.0		
98	ADOA - Nonprofit Youth Development Grants (Student Success Coaches)		2.0		
99	ADOA/APF - AHCCCS Mainframe Replacement (Multi-Year Project in Progress/90% Fed Match)		15.2		
100	ADOA/APF - Shift DOR From ADOA Mainframe (Mainframe Will Be Retired In Dec 2027)		1.4		
101	ADOA/APF - Restore DOR Tax System as Part of Enacted 3-Yr Plan [JLBC: $12.5 M/$7.6 M/$11.7 M]		(0.8)	4.9	(4.1)
102	ADOA/SFD - Building Renewal Grants Funding [Exec: Plus $1.5 B Land Trust Bond]		93.3		
103	ADOA/SFD - New Construction Formula (E: Use $20.6 M Fund Balance In FY 26 + Other Adj.)		(19.4)	5.0	
104	AHCCCS - FY 26 Formula Supplemental (JLBC: $64.5 M/Exec: $121.6 M)	57.1			
105	AHCCCS - H.R. 1 Eligibility [150 FTEs] [Eligibility Verification Semi-Annually]		14.4		
106	AHCCCS - Critical Access Rural Hospitals [FY 26 Budget = $4.3 M One-Time]		4.3		
107	AHCCCS - Behavioral Health Crisis Services Hotline (9-8-8) Funding		4.0		
108	AHCCCS - Health Insurance Navigators (Medicaid + ACA Marketplace Members)		2.2		
109	AHCCCS - Crisis Resources Centers/2-1-1 Hotline Funding		1.0		
110	Arts - Continue One-Time Funding for Arts Trust Fund Deposit		2.0		
111	DCS - Continue and Expand Extended Foster Care Coaching [FY 26 = $6.4 M One-Time]		8.2		
112	ADC - Health Care Federal Injunction Costs Supplemental - Additional Vendor FTEs	7.4			
113	ADC - Health Care Federal Injunction Costs - Additional 615 Vendor FTEs (FY 27 One-Time)		108.2		
114	ADC - Health Care Federal Injunction Costs [Starting in FY 28 Shifted to AHCCCS Fed. Funds]		10.1		
115	ADC - Body Cameras [30-Month Replacement Cycle + Unlimited Data Storage] (Adv 28/29)		5.0	10.1	15.2
116	ADC - Private Prison Funding [3-Yr One-Time Ends In '27] [JLBC: $54 M GF + $1 M OF/Exec: $55 M GF]		1.0		
117	OEO - Continue One-Time Funding for Adult Workforce Diplomas (Pay Vendor $1k Per GED)		2.0		
118	OEO - Continue One-Time Funding for Dual Enrollment Payments to Comm Colleges		1.5		
119	OEO - Create Housing Acceleration Fund [+$2.5 M ARPA] to Leverage Private Financing		2.5		
120	DES - FY 26 Formula Supplemental (JLBC: $96.8 M/Exec: $128.1 M)	31.3			
121	DES - Shift 2 Legacy Systems From DES Mainframe [Accounts Receivable/Child Care Tracking]		4.0		
122	DES - Increased Contractual Costs for Legacy Mainframe Systems [FY 26 = $4 M One-Time]		6.1		

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		FY 2026 Exec Budget	FY 2027 Exec Budget	FY 2028 Exec Budget	FY 2029 Exec Budget
123	DES - Continue One-Time Admin for Summer SNAP $120 Payment Food Benefit (SUN Bucks)	1.8	1.8		
124	DES - SNAP Admin. Match Rate Adjustment (JLBC: Ongoing $33 M FY 27/$44 M FY 28 And Beyond)		31.8		
125	DES - SNAP Error Rate Reduction Workload [146 FTEs]		16.6		
126	DES - Continue One-Time DD High Need Client Supplement (FY 26 = $14.8 M)		17.9		
127	ADE - FY 26 Formula Changes [JLBC: $47.2 M Supplemental/Exec: $(26.6) M Ex-Appropriation]	(73.8)			
128	ADE - Fund 3rd Year of Low Income Weight Increase In FY 27 [Baseline Funds Ongoing In FY 28]		37.0		
129	ADE - Fund 3rd Year of Additional Assistance Increase In FY 27 [Baseline Funds Ongoing In FY 28]		29.0		
130	ADE - Continue One-Time Comm College Adult Ed Grants [$5k/FTSE] (FY 26 = $6.0 M)		6.0		
131	ADE - Continue One-Time Funding - Nonprofit Vendor of GEDs [$7.7k/FTSE] (FY 26 Budget = $1.0 M)		1.0		
132	ADE - Continue One-Time No School Meal Copay for 130-185% FPL Households (FY 26 = $3.8 M)		3.8		
133	ADE - Expand Literacy Coaching Grant Program [Current Base = $3.1 M/25 Contract FTE]		2.0		
134	DEMA - Continue One-Time Local Law Enforcement Drug Interdiction Assistance [FY 26 = $3 M]		2.0		
135	DEMA - One-Time Increase in Governor's Emergency Fund Deposit From $4 M to $24 M		20.0		
136	DEQ - Complete State Share of Iron King Mine/Humboldt Smelter Cleanup [FY 26 = $2.0 M]		4.9		
137	Forestry - Wildfire Suppression Funding [Last Allocation = $35 M in FY 25]		20.0		
138	Gaming - Exec Does Not Remove Voided $1 M FY 26 Racetrack Capital Appropriation	1.0			
139	DHS - Cooling Centers for Heat Relief (Replaces $3.0 M Prior ARPA Funding)		4.2		
140	DHS - Heat Relief Training (EMS Personnel/Code Compliance Efforts)		3.7		
141	DHS - Statewide Heat Relief Call Center		1.5		
142	DHS - Heat Relief Rideshare Transportation Services		0.5		
143	DHS - Medical Examiner Database for Tracking Heat-Related Deaths [$130k]		0.1		
144	Homeland Security - Increase Cybersecurity State/Local Grants from $10 M to $20 M		10.0		
145	DIFI - One-Time Funding to Transition to New Fee Authority (See Ongoing Issue Above]		3.2		
146	DJC - Operating Shortfall [+$600k Other Fund]		0.6		
147	DJC - FY 28/FY 29 Technical Spending Adjustment		See FY 28/FY 29	(0.6)	(0.5)
148	Parks - Continue One-Time Heritage Fund Deposit [FY 26 Budget = $1 M One-Time]		1.0		
149	DPS - End FY 27 Border Security Fund Shift 1 Year Early [JLBC = End in FY 28 Under 3-Year Plan]		10.9		
150	DPS - Continue One-Time Increase in Local Border Support From $13 M to $18 M [Same As FY 26]		5.0		
151	DOR - Short-Term Rental Surcharge Implementation Costs (Also See GF Revenue for Offset]		0.5		
152	Tourism - International Marketing [3-Year One-Time] (Also See GF Revenue Above)		5.0	5.0	5.0
153	ADOT - SMART Fund Deposit [Rural Transportation Grants]		10.0		
154	Univ - UA HSC - Continue One-Time Funding for Arizona REACH (Acute Medical Care Transfers)		0.5	0.5	0.5
155	Veterans - State Home for Veterans Trust Fund Deposit [Funding Shortfall]	2.0			

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156	DWR - Colorado River Protection Fund Deposit [New Fund + 1-Cent/Gallon Data Center Surcharge]		30.0		
157	Capital - ADOA - Building Renewal [JLBC = $16.8 M Other Fund From Agency Rent]		10.0		
158	Capital - ADC - Tucson HVAC Replacement Design Costs [+ Adv FY 28/FY 29 Construction Funding]		25.8	30.1	30.1
159	Capital - Judiciary - Supreme Court HVAC Ductwork Replacement		2.5		
160	Capital - ADOT - Remove I-10 Citrus Rd Funding (JLBC: $27 M/$30 M/$76 M) (Exec: $2 M/$0/$0)	(25.0)	(30.0)	(76.0)	
161	Capital - Veterans Services - Shift $25 M Northwest AZ Veterans Home From FY 28 to FY 29			(25.0)	25.0
162	Other - State Employee Health Insurance Funding (Also See Ongoing)		172.8	218.7	
163	Other - Statewide Fleet Charge Adjustments - Replacement [One-Time]		2.0		
164	Other - Technical Change to Unallocated FY 2026 Statewide Adjustments	(1.3)			
165	Other	2.0	(2.1)	(0.5)	6.8
166	**Subtotal - One-Time Changes to JLBC Baseline**	**$ 2.5**	**$ 730.7**	**$ 172.2**	**$ 78.0**
167	**Total One-Time Spending**	**$ 1,249.3**	**$ 949.6**	**$ 466.2**	**$ 255.3**
168	**Total Spending**	**$ 17,779.3**	**$ 18,667.8**	**$ 18,878.7**	**$ 19,515.2**
169	**Cash Balance**	**$ 558.4**	**$ 392.5**	**$ 38.9**	**$ 43.7**
170	**Ongoing Balance**	**$ 412.5**	**$ 23.4**	**$ 127.6**	**$ 275.1**