JLBC Annual State Funds Report

A.R.S. § 41-1273 requires the JLBC Staff to report to the Joint Legislative Budget Committee (JLBC) by December 1 of each year on statutorily deleted and newly created funds, including funds that changed appropriated status from the prior fiscal year.

During the 2026 Legislative Session, the state statutorily created 6 new funds, changed the appropriated status of 1 fund, and deleted 2 funds.

A detailed summary of the funds follows:

SUMMARY OF FUNDS BY AGENCY

New Funds

Arizona Health Care Cost Containment System

Arizona Rural Health Transformation Fund (HCA8888/A.R.S. § 36-2920.01/U.S. P.L. 119-21)

Appropriated Status: Non-Appropriated
Source of Revenue: Non-Medicaid federal grant monies appropriated in H.R. 1 (P.L. 119-21).
Purpose of Fund: To make investments in the education and training of the rural health care workforce. To award grants to rural health care providers to purchase new or upgraded technology. To fund projects that improve prevention and chronic disease management in rural areas. Per federal law, up to 10% of grant monies may be used to administer the program.
Funds Expended: The fund expended $70,267,300 in FY 2026 and is estimated to expend $166,989,000 in FY 2027.

Deaf and the Blind, Arizona State Schools for the

Property Proceeds Fund (SDA9999/A.R.S. § 15-1307)

Appropriated Status: Appropriated
Source of Revenue: Proceeds from the sale or lease of buildings and grounds by the Arizona State Schools for the Deaf and Blind (ASDB).
Purpose of Fund: To provide capital project funding for ASDB.
Funds Expended: The agency did not estimate expenditures for this fund.

Economic Security, Department of

Supplemental Nutrition Assistance Program Fund (DEA2009/Laws 2026, Chapter 134)

Appropriated Status: Non-Appropriated
Source of Revenue: Federal matching funding through the U.S. Department of Agriculture's Food and Nutrition Services.
Purpose of Fund: For the federal share of the administrative costs of SNAP.
Funds Expended: The fund is estimated to expend $52,185,500 in FY 2027.

Unemployment Insurance Operating Fund (DEA7511/Laws 2026, Chapter 140)

Appropriated Status: Non-Appropriated
Source of Revenue: Fees collected from experienced-rated employers equal to 3.15% of Unemployment Insurance contributions payable in CY 2027. Any fees collected in excess of $8,000,000 are deposited in the Unemployment Insurance Benefits Fund.
Purpose of Fund: To supplement federal grant monies for the administration of the unemployment compensation program.
Funds Expended: The fund is estimated to expend $5,000,000 in FY 2027.

Judiciary – Supreme Court

Veterans' Treatment Court Fund (SPA9999/A.R.S. § 12-119.06)

Appropriated Status: Non-Appropriated
Source of Revenue: Legislative appropriations.
Purpose of Fund: To provide monies to municipalities and counties to establish, expand or enhance veterans' court programs. Fund monies awarded to grantees shall be used for any relevant administrative costs, including hiring personnel to establish, maintain or enhance a veterans' court program.
Funds Expended: The agency did not estimate expenditures for this fund.

Osteopathic Examiners, Board of

Genetic Counselors Board Fund (OSA9999/ A.R.S. § 32-2713)

Appropriated Status: Appropriated
Source of Revenue: Monies collected by the board from the licensing of genetic counselors.
Purpose of Fund: To examine, license, investigate, and regulate genetics counselors, and for board administration.
Funds Expended: The fund is estimated to expend $41,200 in FY 2027.

SUMMARY OF FUNDS BY AGENCY

Modified Funds

Insurance and Financial Institutions, Department of

Financial Surveillance Fund (IDA2473/A.R.S. § 20-156)

Appropriated Status: Appropriated
Source of Revenue: Assessments paid by domestic, foreign, and alien insurers; other than life and disability re-insurers, service companies, and mechanical reimbursement re-insurers.
Purpose of Fund: To provide funds for administering the insurance operational functions of the department. Starting in FY 2027, the Financial Surveillance Fund is subject to legislative appropriation. FY 2026 expenditures are non-appropriated, while FY 2027 expenditures are appropriated.
Funds Expended: The fund expended $701,500 in FY 2026 and is estimated to expend $8,028,000 in FY 2027.

SUMMARY OF FUNDS BY AGENCY

Deleted Funds

Environmental Quality, Department of

Recycling Fund (EVA2289/A.R.S. § 49-837)

Appropriated Status: Appropriated
Source of Revenue: Landfill disposal (tipping) fees and legislative appropriations.
Purpose of Fund: For grants to local governments and others developing recycling markets and programs; for public information and assistance on source reduction and recycling; and for revenue collection and fund administration. Laws 2026, Chapter 209 repealed the fund and transferred its funds, uses and revenues to the Solid Waste Fee Fund.
Funds Expended: The fund expended $2,780,000 in FY 2026.

Gaming, Department of

Fantasy Sports Contest Fund (GMA2320/A.R.S. § 5-1212)

Appropriated Status: Appropriated

Source of Revenue: The fund has 2 primary sources of revenue. The first is license fees collected from operators and various other licensees. The second is the 5% privilege fee applied to fantasy sports contest adjusted revenues.

Purpose of Fund: To fund the administrative costs associated with regulating Fantasy Sports Contests in the state. The Department of Gaming may retain up to 10% of fantasy sports contest revenues for administrative costs after which the remainder is transferred to the General Fund. Laws 2026, Chapter 127 repealed the Fantasy Sports Contest Fund and transferred its funds, uses and revenues to the Event Wagering Fund.

Funds Expended: The fund expended $150,100 in FY 2026.