

**House and Senate Budget Bills  
As Engrossed**

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
<b>1 Beginning Balance</b>	\$ 1,367.3	\$ 772.6	\$ 41.2	\$ 24.3
<b>2 Ongoing Revenues</b>				
3 Ongoing Revenues - January Baseline	17,066.1	17,612.2	18,381.3	19,230.0
4 Base Revenue Adjustment	79.2	196.9	156.5	137.2
Tax Conformity [See Attached Chart]				
TY 25/FY 26 = Conform to All H.R. 1 Individual/Business Provisions				
TY 26/FY 27 And Beyond = Conform to H.R. 1 With the Following Changes:				
5        Add = Increase Dependent Credit From \$100 to \$125, Child/Dependent Care Expenses Deduction	(440.9)	(281.1)	(307.5)	(249.2)
Remove = SALT Deduction Increase (\$10k to \$40k), New Car Auto Loan Interest Deduction,				
New 100% Depreciation Allowance for Non-Residential Production Property				
6 Repeal New Employment Tax Credit (\$3k Per Job For 3 Years)		10.3	10.3	10.3
7 Research and Development Tax Credit - Repeal Refundable Credit Only (15%/24% Credit)		7.5	7.5	7.5
8 Repeal Pollution Control Device Tax Credit (10% Credit/\$500k Limit)		1.7	1.7	1.7
9 ACA Lottery Reduction (Current Law = \$1.75 M FY 27 -> \$3.5 M FY 28, Stay At \$1.75 M Thru FY 30)		See FY 28/29	1.8	1.8
10 Reduce Corporate STO Credit Cap From \$135 M to \$110 M		25.0	25.0	25.0
<b>11 Subtotal - Ongoing Revenues</b>	<b>\$ 16,704.4</b>	<b>\$ 17,572.5</b>	<b>\$ 18,276.6</b>	<b>\$ 19,164.3</b>
<b>12 One-Time Revenues/Transfers</b>				
13 One-Time Revenues - January Baseline (Excluding Beginning Balance)	30.1	9.7	0.6	
<b>14 New Proposed Fund Transfers</b>				
15 ADOA - Risk Management Fund	6.1			
16 ADOA - Construction Insurance Fund	5.5			
17 ADOA - Co-Op State Purchasing Fund	3.0			
18 Commerce Authority - Competes Fund	10.0			
19 Corp. Comm. - Securities Regulatory And Enforcement Fund	14.7			
20 Corp. Comm. - Utility Regulation Revolving Fund	3.4			
21 DEQ - Recycling Fund	1.5			
22 DEQ - Underground Storage Tank Revolving Fund	2.4			
23 Game and Fish - Heritage Land Acquisition Fund	5.0			
24 Game and Fish - Watercraft Licensing Fund	3.4			
25 Industrial Commission - ICA Admin Fund	6.7			
26 DIFI - Automobile Theft Authority Fund	3.8			

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
27 DIFI - Financial Services Fund	3.3			
28 Judiciary - Supreme Court - Judicial Collection Enhancement Fund	1.0			
29 Judiciary - Supreme Court - Court Appointed Special Advocate and Vulnerable Persons (CASA) Fund	3.0			
30 Judiciary - Superior Court - Juvenile Probation Services Fund	4.0			
31 Land - Trust Land Management Fund	9.0			
32 Parks - State Parks Revenue Fund	8.6			
33 ADOT - SMART Rural Transportation Fund [BRB Adds \$2.5 M Permanent HURF Funding]	6.7			
34 ADOT - Motor Vehicle Liability Insurance Enforcement Fund	15.0			
35 ADOT - Vehicle Inspection and Certification Enforcement Fund	3.5			
36 WIFA - Water Supply Development Revolving Fund	20.0			
37 <u>Other One-Time Revenue Issues</u>				
38 One-Time Revenue Forecast Increase	275.0			
39 TPT Exemption for Data Center Equipment - 3 Year Moratorium for New ACA Certifications		12.0	19.0	26.0
40 Vacant Property Sales Revenue [With Capitol Mall Land Sales Report]		10.0		
41 Public Infrastructure (Increase \$200 M Cumulative Cap to \$250 M/\$300 M/\$350 M Thru FY 29)		(50.0)	(50.0)	(50.0)
<b>42 Subtotal - One-Time Revenues (Including Beginning Balance)</b>	<b>\$ 1,812.0</b>	<b>\$ 754.3</b>	<b>\$ 10.8</b>	<b>\$ 0.3</b>
<b>43 Total Revenues</b>	<b>\$ 18,516.4</b>	<b>\$ 18,326.8</b>	<b>\$ 18,287.4</b>	<b>\$ 19,164.6</b>
<b>44 JLBC Baseline - Ongoing Spending</b>	<b>\$ 16,543.5</b>	<b>\$ 17,401.1</b>	<b>\$ 18,185.4</b>	<b>\$ 18,860.3</b>
<b>45 Ongoing Changes to JLBC Baseline</b>				
46 AHCCCS - Formula Adjustment Due to Lower Than Expected Enrollment [Net FY 27 Growth = \$141 M]		(42.0)	(42.0)	(42.0)
47 AHCCCS - Office of Inspector General (OIG) - 7 FTE for Fraud Enforcement		0.4	0.4	0.4
48 AHCCCS - Fund Perinatal Psychiatry Access Hotline (Operated By UA) [Continuation Footnote]		Footnote	Footnote	Footnote
49 ADC - Shift OF to GF for Operating Needs [\$5.6 M Private Prison Line + \$10.3 M Health Care Line]		15.9	15.9	15.9
50 ADC - Non-Contract Medication - Substance Abuse/Hep C - Opioid \$ Backfill		6.7	6.7	6.7
51 ADC - Continue FY 26 One-Time 4% CO Stipend As Ongoing [Includes \$3.8 M for Private Prisons]		24.0	24.0	24.0
52 ADC - Health Care Federal Injunction Costs [\$9.5 M Operating/\$46.3 M Health Line Item]		55.8	55.8	55.8
53 ADC - Shift \$10 M Other Fund Spending to Capital Uses - Backfill With General Fund		10.0	10.0	10.0
54 ADC - Continue FY 25 - FY 27 \$54 M Private Prison One-Time Funding As Ongoing In FY 28		See FY 28/29	54.3	54.3
55 ACJC - Victims of Crime Act (VOCA) Federal Funds Backfill (\$2.25 M)		2.3	2.3	2.3

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
56 Comm Colleges - Formula Adjustments Related to Declining Enrollment		0.7	(1.7)	(4.6)
57 Corp Comm - Shift Railroad Safety Funding From General Fund to Securities Fund		(0.8)	(0.8)	(0.8)
58 DES - Formula Adjustment Due to Lower Than Expected Inflation [FY 27 Net Growth = \$244 M]		(42.4)	(54.6)	(49.1)
59 DES - SNAP Administrative Match Rate Adjustment		(0.9)	(1.8)	(1.8)
60 DES - Eliminate Baseline Projected SNAP Error Rate Penalty Due to Human Services BRB Changes		See FY 28/29	(138.7)	(185.0)
61 DES - Victims of Crime Act (VOCA) Federal Funds Backfill		11.5	11.5	11.5
62 ADE - Formula Adjustment Due to Lower Than Expected Enrollment [FY 27 Net Growth = \$186 M]		(92.1)	(131.0)	(131.0)
63 Executive Clemency - Increase Board Member Salaries (\$157k)		0.2	0.2	0.2
64 Housing - Mobile Home Relocation Fund Changes [Increase Reimbursements By \$10k]		Yes	Yes	Yes
65 DIFI - Shift GF Budget to New Fee Authority [+ \$2 M New Resources, \$1 M for Financial Services]		(6.3)	(6.3)	(6.3)
66 Judiciary - Judicial Salary Increase [\$10k Increase Effective 1/1/27 for All Courts]		1.1	2.2	2.2
67 Judiciary - Fund Prior County Probation Salary Increases In FY 29 Ongoing - See Below For One-Time		See FY 29	See FY 29	10.5
68 DJC - Continue FY 26 One-Time 4% Youth Correctional Officer Stipend As Ongoing		0.8	0.8	0.8
69 Land - Central Arizona Project (CAP) Fees Technical Adjustment		(0.2)	(0.2)	(0.2)
70 Navigable Stream Commission - Assume Agency Sunsets In FY 29 - \$(143)k Savings		See FY 29	See FY 29	(0.1)
71 DPS - Security for Newly Established Lieutenant Gov. Office (\$424k Ongoing/\$281k One-Time)		0.7	0.4	0.4
72 DPS - Victims of Crime Act (VOCA) Federal Funds Backfill		9.3	9.3	9.3
73 DPS - Public Safety Grant Support Staff - 5 FTE (Continue FY 26 One-Time Amount) [OF = DPS HPF]		OF \$0.5 M	OF \$0.5 M	OF \$0.5 M
74 Real Estate - IT Project Ongoing Maintenance Costs (No Agency Fee Increase)		0.1	0.1	0.1
75 Treasurer - JP Salary Funding - Linked to Superior Judge Increase - See Above		0.1	0.2	0.2
76 Univ - UA - Remove Nat'l Resource Users Law/Policy Center Funding [See UA One-Time Adjudication]		(1.6)	(1.6)	(1.6)
77 Other - Reduce Unfunded Vacant Agency FTE Counts By (1,056) FTEs [See Attached Chart]		Yes	Yes	Yes
78 Other - State Employee Health Insurance Funding - FY 29 \$100 M Ongoing - See Below For One-Time		See FY 29	See FY 29	100.0
79 Other - Statewide Fleet Charge Adjustments - Operating [Also See One-Time]		2.9	2.9	2.9
80 Other - Statewide Rent Charge Adjustments		0.1	0.1	0.1
81 Other - Statewide Retirement Costs Adjustment		(3.8)	(3.8)	(3.8)
82 Other - Statewide Risk Management Charge Adjustment [Also See One-Time]		4.9	4.9	4.9
83 Other - Administrative Adjustments/Revertments	(6.5)	(25.5)	(25.4)	(27.9)
<b>84 Subtotal - Ongoing Changes to JLBC Baseline</b>	<b>\$ (6.5)</b>	<b>\$ (68.1)</b>	<b>\$ (205.9)</b>	<b>\$ (141.7)</b>
<b>85 Total Ongoing Spending</b>	<b>\$ 16,537.0</b>	<b>\$ 17,333.0</b>	<b>\$ 17,979.5</b>	<b>\$ 18,718.6</b>
<b>86 JLBC Baseline - One-Time Spending</b>	<b>\$ 1,246.8</b>	<b>\$ 218.9</b>	<b>\$ 294.0</b>	<b>\$ 177.3</b>

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
<b>87 One-Time Changes to JLBC Baseline</b>				
88 ADOA - Continue One-Time State Employee Prof. Development [OF = ADOA Web Portal Fund]		OF \$1.0 M		
89 ADOA - Lapse Prior Budget Funding for Debt Retirement (FY 2022)		(5.0)		
90 ADOA - 911 Call Response Times [Other Fund = \$2.0 M DPS HPF and \$2.0 M ADOA Web Portal Fund]		OF \$4.0 M		
91 ADOA - Food Bank Capital Assistance		3.0		
92 ADOA - Local Flood Aid - Globe/Miami/Gila County (\$2.5 M/\$2.5 M/\$5.0 M) [7/15 Distribution]		OF \$10.0 M		
93 ADOA - Local Distribution - County Sheriff Support [July 31st Distribution Deadline]		7.0		
94 ADOA/APF - AHCCCS Mainframe Replacement (Multi-Year Project in Progress/90% Fed Match)		12.9		
95 ADOA/APF - Shift DOR From ADOA Mainframe (Will Be Retired In Dec 2027) [OF = DOR Admin. Fund]		OF \$1.4 M		
96 ADOA/APF - Adjust DOR Tax System Funding [Monies Shifted to FY 30/Plus FY 25 Approp Extension]		(10.3)	1.9	0.8
97 ADOA/SFD - Building Renewal Grants		183.3		
98 ADOA/SFD - Building Renewal Grants Administrative Costs [Non-Lapsing]		0.8		
99 ADOA/SFD - Adjust New Construction Formula Funding For Available Prior Year Surplus		(26.1)	5.0	
100 Agriculture - Licensing IT System Maintenance Costs [OF = Pest Management Fund]		OF \$0.5 M		
101 AHCCCS - FY 26 Formula Supplemental Above \$64.5 M In Baseline Due to Higher Inflation	40.2			
102 AHCCCS - H.R. 1 Eligibility Admin Costs [75 FTEs; Non-Lapsing] [Eligibility Verification Semi-Annually]		10.2		
103 AHCCCS - Continue Critical Access Rural Hospitals Aid [FY 26 Budget = \$4.3 M One-Time]		4.3		
104 AHCCCS - Behavioral Health Crisis Services Hotline (9-8-8) Funding		4.0		
105 AHCCCS - Urban Traditional Healing [3-Year Funding for Pilot Program]		0.4	0.4	0.4
106 Attorney General - Coordinated Reentry Assistance to Counties [Plus \$8.6 M Other Fund]		8.4		
107 Arts Commission - Arts Trust Fund Deposit		2.0	1.0	
108 DCS - Federal Match Rate Adjustment		1.9		
109 DCS - Extended Foster Care Caseload Increase		1.0		
110 DCS - Continue and Expand Extended Foster Care Coaching [FY 26 = \$6.4 M One-Time]		8.2		
111 DCS - Continue One-Time Congregate Care Funding		36.9		
112 DCS - Continue One-Time Guardian IT System Costs (FY 26 = \$9.8 M)		9.8		
113 ADC - Correctional Officer Filled Vacant Positions Supplemental	4.1			
114 ADC - Body Worn Cameras for Correctional Officers (Equipment/Software/Data Storage Costs)		3.5		
115 Comm Colleges - Shift FY 26 \$250k MCCCDC Wrestling Scholarship \$ to ADE Wrestling Allocation	Yes			
116 DES - FY 26 Formula Supplemental (Baseline = \$96.8 M Supplemental)	(14.0)			
117 DES - Increased Contractual Costs for Legacy Mainframe Systems [FY 26 = \$4 M One-Time]		6.1		
118 DES - Continue One-Time Admin for Summer SNAP \$120 Payment Food Benefit (SUN Bucks)	1.8	1.8	1.8	

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
119 DES - SNAP Error Rate Reduction Workload [88 FTEs; Non-Lapsing]		10.8		
120 DES - Continue One-Time DD High Need Client Supplement (FY 26 = \$14.8 M)		17.9		
121 DES - Continue One-Time Child Care Funding (FY 26 = \$44.8 M)		44.8		
122 DES - Continue One-Time Area Agencies on Aging Funding [Non-Lapsing/Footnote]		5.0		
123 DES - Continue One-Time Civil Legal Aid Funding [Non-Lapsing/Footnote]		3.0		
124 DES - Continue One-Time Double Up Food Bucks Funding [Non-Lapsing]		2.0	2.0	
125 DES - Continue One-Time Out-of-School Care Grant Funding [Non-Lapsing]		3.0		
126 DES - Reentry Employment Support - 31 FTEs (Backfill Federal WIOA Funding) [+ \$1.5 M Other Funds]		1.5		
127 ADE - FY 26 Formula Changes Due to Lower Than Expected Enrollment [Baseline = \$47.2 M Supp.]	(79.1)			
128 ADE - Unused Land Trust Balances - One-Time Fund Shift to Offset FY 27 Formula Costs		(8.0)		
129 ADE - Community Gardens [Non-Lapsing]		0.6	0.5	
130 ADE - Fund 3rd Year of Low Income Weight Increase In FY 27 [Baseline = Ongoing In FY 28]		37.0		
131 ADE - Fund 3rd Year of Additional Assistance Increase In FY 27 [Baseline = Ongoing In FY 28]		29.0		
132 ADE - Continue One-Time No School Meal Copay for 130-185% FPL Households (FY 26 = \$3.8 M)		2.0	2.0	
133 ADE - Shift Prior School Safety Funding to School Safety Interoperability Program [\$2 M]		Yes		
134 ADE - Shift Prior School Safety Funding to Child Sexual Abuse/Assault Prevention Pilot Program [\$100k]		Yes		
135 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2020)		(0.3)		
136 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2021)		(0.4)		
137 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2022)		(0.4)		
138 ADE - Lapse Prior Budget Funding for Live, Remote Instructional Courses (FY 2024)		(0.1)		
139 ADE - Lapse Prior Budget Funding for Live, Remote Instructional Courses (FY 2025)		(0.1)		
140 DEQ - Continue State Share of Iron King Mine/Humboldt Smelter Cleanup [FY 26 = \$2.0 M]		2.0		
141 DEQ - Water Quality Fee Fund Deposit [OF = Recycling Fund \$4.7 M/UST \$3.7 M/Air Quality Fund \$1.1 M]		OF \$9.5 M		
142 Forestry - Wildfire Suppression Funding [Last Allocation = \$35 M in FY 25]		10.0		
143 Gaming - Racing Regulation Fund Deposit [No Regulatory Wagering Assessment Increase]		1.9		
144 DHS - Sexually Violent Persons (SVP) Line Item Funding (Continue FY 26 One-Time \$ Amount)		1.5		
145 DHS - Arizona State Hospital (ASH) Operating Funding (Continue FY 26 One-Time \$ Amount)		2.1		
146 DHS - Continue Existing Cooling Centers for Heat Relief [OF = Health Services Lottery Fund]		OF \$0.4 M		
147 Homeland Security - Increase Cybersecurity State/Local Grants [OF = Highway Patrol Fund]		OF \$1.5 M		
148 DIFI - One-Time Funding to Transition to New Fee Authority [See Ongoing Issue Above]		1.6		
149 Judiciary - Superior Court - Fund Prior County Probation Salary Increases [FY 26 = ARPA \$]		10.5		
150 DJC - Operating Shortfall [+ \$600k Other Fund]		0.6		
151 DPS - End FY 27 Border Security Fund Shift 1 Year Early [Baseline Ends In FY 28] [Shift to DPS HPF \$10.9 M]		Yes		

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

	A	B	C	D
	FY 2026 6/11	FY 2027 6/11	FY 2028 6/11	FY 2029 6/11
152 DPS - Highway Patrol Operating Expenses Supplemental (OF = DPS Highway Patrol Fund)	OF \$4.75 M			
153 DPS - Caseload Increase of AZPOST Training Academy Cost [\$2,500/Graduate] [OF = DPS HPF]		OF \$2.0 M		
154 SOS - Election Expenses Supplemental for 2026 Primary/General Election (Reporting Footnote)	4.0			
155 SOS - Continue Address Confidentiality Program One-Time Funding [Footnote = No Transfers]		0.4		
156 Treasurer - Lapse Prior Budget Funding for Ballot Paper (FY 2024)		(5.0)		
157 Treasurer - Lapse Prior Budget Funding for Ballot Paper (FY 2025)		(6.0)		
158 Univ - UA - Water Adjudication Funding [Use Existing Footnote/Non-Lapsing]		0.5		
159 Univ - UA HSC - Continue One-Time Funding for Arizona REACH (Acute Medical Care Transfers)		0.5		
160 Veterans - State Home for Veterans Trust Fund Deposit [Funding Shortfall]	3.0			
161 Veterans - Expand Prior \$1 M FY 23 Tribal Ceremonies Funding to Support for Tribal Veterans Residents	Yes			
162 DWR - Colorado River Litigation Fund Deposit [OF = DWR System Conservation Fund]		OF \$6.0 M		
163 DWR - Extension of Pinal County Groundwater Withdrawal Fee Distribution		Yes		
164 Capital - ADOA - Building Renewal		10.0		
165 Capital - ADOT - Lapse Prior Budget Funding Due to Project Surpluses [See Attached Chart]		(20.4)		
166 Capital - ADOT - Lapse Prior Budget Funding for EV Charging at ADOT Fleet Facilities (FY 2024 - OF)	Yes			
167 Capital - Veterans Services - Shift \$25 M Northwest AZ Veterans Home From FY 28 to FY 29			(25.0)	25.0
Other - One-Time 2.5% Statewide Reduction 168 (Excludes AHCCCS/DCS/ADC/ASDB/DES/Forestry/DHS/DJC/Aud. Gen./DPS/DVS/DWR) [Reduction Applied to Agency Operating Budgets - See Attached Chart]		(23.8)		
169 Other - Continue State Employee Health Insurance One-Time Funding [Plus New Oversight Board BRB]		324.7		
170 Other - Statewide Fleet Charge Adjustments - Operating		2.9		
171 Other - Statewide Fleet Charge Adjustments - Replacement		2.0		
172 Other - Statewide Accounting System (AZ360) Charge Adjustment		1.3		
173 Other - Statewide Risk Management Charge Adjustment		5.0		
<b>174 Subtotal - One-Time Changes to JLBC Baseline</b>	<b>\$ (40.0)</b>	<b>\$ 733.7</b>	<b>\$ (10.4)</b>	<b>\$ 26.2</b>
<b>175 Total One-Time Spending</b>	<b>\$ 1,206.8</b>	<b>\$ 952.6</b>	<b>\$ 283.6</b>	<b>\$ 203.5</b>
<b>176 Total Spending</b>	<b>\$ 17,743.8</b>	<b>\$ 18,285.6</b>	<b>\$ 18,263.1</b>	<b>\$ 18,922.1</b>
<b>177 Cash Balance</b>	<b>\$ 772.6</b>	<b>\$ 41.2</b>	<b>\$ 24.3</b>	<b>\$ 242.5</b>
<b>178 Ongoing Balance</b>	<b>\$ 167.4</b>	<b>\$ 239.5</b>	<b>\$ 297.1</b>	<b>\$ 445.7</b>

## Summary of Tax Conformity Provisions (\$ in Millions)

		FY 2026	FY 2027	FY 2028	FY 2029
	<b>Revenue Adjustments - Individual Filers Provisions</b>				
1	Increase Standard Deduction (\$750/\$1,500)	(65.0)	(65.0)	(65.0)	(65.0)
2	Establish Additional \$6,000 Deduction for Seniors	(74.4)	(74.4)	(74.4)	(74.4)
3	Increase Dependent Tax Credit from \$100 to \$125 (Dependents Under 17 Years of Age)	-	(33.5)	(33.5)	(33.5)
4	Provide Deduction for Child and Dependent Care Expenses	-	(15.7)	(15.7)	(15.7)
5	Increase SALT Deduction from \$10k to \$40k	(40.7)	-	-	-
6	Create New Auto Loan Interest Deduction	(12.6)	-	-	-
7	Reduce Income Tax on Tips	(23.6)	(17.9)	(18.8)	(12.3)
8	Reduce Income Tax on Overtime	(76.5)	(59.8)	(53.6)	(18.9)
9	Require 0.5% Floor on Deduction of Itemized Charitable Deduction	-	11.0	11.0	11.0
10	Allow Non-Itemizers to Deduct \$1,000/\$2,000 of Charitable Contributions	-	(5.1)	(5.1)	(5.1)
11	Establish Trump Accounts and Contribution Pilot Program - Minimal Estimated Impact	-	-	-	-
12	All Other Provisions	(0.5)	5.8	7.1	7.7
13	<b>Subtotal - Individual Filers Provisions</b>	<b>(293.3)</b>	<b>(254.6)</b>	<b>(248.0)</b>	<b>(206.2)</b>
	<b>Revenue Adjustments - Business Filers Provisions</b>				
14	Establish Permanent Full Expensing for Certain Business Property	(31.8)	(20.8)	(15.2)	(11.0)
15	Restore Full Expensing of Domestic Research and Development Expenditures	(50.5)	(30.8)	(20.7)	(11.2)
16	Restore Higher Deduction on Business Interest	(9.8)	(9.3)	(8.5)	(7.9)
17	Increase Small Business Expensing Allowance from \$1.25M to \$2.5M	(10.0)	(8.4)	(7.0)	(5.9)
18	Create Special 100% Depreciation Allowance for Certain Non-Residential Production Property	(45.5)	-	-	-
19	Make Opportunity Zone Program Permanent along with Other Changes to the Program	-	42.8	(8.1)	(7.0)
20	<b>Subtotal - Business Filers Provisions</b>	<b>(147.6)</b>	<b>(26.5)</b>	<b>(59.5)</b>	<b>(43.0)</b>
21	<b>Total - Revenue Adjustments - All Tax Conformity</b>	<b>(440.9)</b>	<b>(281.1)</b>	<b>(307.5)</b>	<b>(249.2)</b>

**FY 2027 Proposed FTE Reductions**

<b>Agency</b>	<b>FY 2026 Appropriated FTE</b>	<b>Proposed Reduction</b>	<b>Proposed FTE Appropriation<sup>1/</sup></b>
ADOT	4,581.0	485.0	4,096.0
DJC	738.5	155.0	583.5
AHCCCS	2,459.3	120.0	2,339.3
DES	4,727.8	100.0	4,627.8
ADOA	571.1	50.0	521.1
DHS	1,171.0	40.0	1,131.0
ICA	250.6	35.0	215.6
Gaming	155.8	25.0	130.8
DFFM	235.5	20.0	215.5
ASRS	240.9	18.0	222.9
DIFI	147.4	6.0	141.4
ROC	105.6	2.0	103.6
<b>Total</b>	<b>15,384.5</b>	<b>1,056.0</b>	<b>14,328.5</b>
<sup>1/</sup> The proposed FTE appropriation does not include other proposed FTE changes in the budget and only reflects reductions in this chart.			

## ADOT Prior Year Project Surpluses (\$ in Millions)

	<b>FY 2027 Amount</b>
SR 69 Repave in Prescott Valley	(0.1)
SR 95 Repave in Mohave County	(1.7)
SR 186 and State Business Route 10 Repair in Willcox	(0.1)
U.S. Route 89 Traffic Circle in Page	(1.1)
SR 69 Repave in Prescott Valley	(1.8)
SR 95 Repave in Mohave County	(6.1)
SR 186 and State Business Route 10 Repair in Willcox	(0.8)
Pavement Rehabilitation on U.S. Route 191 between Armory Road and East Safford	(1.6)
Design/Construction of a Screen Wall Along the East Side of Loop 101 Near 16th Street	(0.9)
Lighting Install on the Sentinel Exit in Gila Bend	(0.3)
Pavement Rehabilitation on U.S. Route 191 Between Mile Post 163/Mile Post 173	(5.9)
<b>Total</b>	<b>(20.4)</b>

## FY 2027 General Fund Operating Lump Sum Reduction (One-Time)

<u>Agency</u>	<u>FY 27 Reduction</u>
Administration, Arizona Department of	(\$235,200)
ADOA - School Facilities Division	(\$40,600)
Administrative Hearings, Office of	(\$24,600)
Agriculture, Arizona Department of	(\$390,500)
AHCCCS	Excluded
Attorney General - Department of Law	(\$610,000)
Charter Schools, State Board for	(\$70,300)
Child Safety, Department of	Excluded
Commerce Authority, Arizona	(\$250,000)
Corporation Commission	Other Reduction
Corrections, State Department of	Excluded
Deaf and the Blind, Arizona State Schools for the	Excluded
Economic Opportunity, Office of	(\$13,300)
Economic Security, Department of	Excluded
Education, State Board of	(\$80,600)
Education, Department of	(\$343,500)
Emergency and Military Affairs, Department of	(\$150,200)
Equalization, State Board of	(\$18,400)
Executive Clemency, Board of	(\$37,100)
Forestry and Fire Management, Arizona Department of	Excluded
Office of the Governor	(\$203,600)
Governor's Office of Strategic Planning and Budgeting	(\$71,400)
Health Services, Department of	Excluded
Historical Society, Arizona	(\$59,900)
Historical Society of Arizona, Prescott	(\$26,900)
Insurance and Financial Institutions, Department of	Other Reduction
<b>Judiciary</b>	
Supreme Court	(\$364,000)
Court of Appeals	(\$638,800)
Superior Court	(\$123,000)
<b>Subtotal - Judiciary</b>	<b>(\$1,125,800)</b>

## FY 2027 General Fund Operating Lump Sum Reduction (One-Time)

<u>Agency</u>	<u>FY 27 Reduction</u>
Juvenile Corrections, Department of	Excluded
Land Department, State	(\$265,600)
<b>Legislature</b>	
Auditor General	Excluded
Joint Legislative Budget Committee	(\$76,800)
Legislative Council	(\$235,600)
Ombudsman-Citizens Aid Office	(\$40,200)
Senate	(\$451,600)
House of Representatives	(\$544,900)
<b>Subtotal - Legislature</b>	<b>(\$1,349,100)</b>
Mine Inspector, State	(\$39,700)
Navigable Stream Adjudication Commission, Arizona	(\$3,600)
Public Safety, Department of	Excluded
Real Estate Department, State	(\$78,000)
Revenue, Department of	(\$1,255,500)
Secretary of State, Department of State	(\$338,500)
Tax Appeals, State Board of	(\$8,000)
Tourism, Office of	(\$182,100)
Treasurer, State	(\$8,600)
Tribal Relations, Governor's Office on	(\$1,700)
<b>Universities</b>	
Regents, Arizona Board of	(\$82,300)
Arizona State University	(\$8,096,000)
Northern Arizona University	(\$2,624,500)
University of Arizona - Main Campus	(\$4,725,900)
University of Arizona - Health Sciences Center	(\$1,027,700)
<b>Subtotal - Universities</b>	<b>(\$16,556,400)</b>
Veterans' Services, Department of	Excluded
Water Resources, Department of	Excluded
<b>Total</b>	<b>(\$23,838,700)</b>

**STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
WITH ONE-TIME FINANCING SOURCES**

	<u>FY 2026 6/11</u>	<u>FY 2027 6/11</u>	<u>FY 2028 6/11</u>	<u>FY 2029 6/11</u>
<b>REVENUES</b>				
Ongoing Revenues	\$18,331,573,900	\$19,111,128,800	\$19,908,691,700	\$20,805,799,600
Tax Conformity	(440,900,000)	(281,100,000)	(307,500,000)	(249,200,000)
Newly Enacted Revenue Adjustments		44,500,000	46,300,000	46,300,000
Urban Revenue Sharing	(1,186,305,800)	(1,302,029,600)	(1,370,906,400)	(1,438,612,700)
Net Ongoing Revenues	<u>\$16,704,368,100</u>	<u>\$17,572,499,200</u>	<u>\$18,276,585,300</u>	<u>\$19,164,286,900</u>
One-Time Revenues				
Balance Forward	1,367,290,000	772,564,300	41,678,500	24,448,300
Public Infrastructure TPT Distribution		(50,000,000)	(50,000,000)	(50,000,000)
Data Center TPT - 3 Year Moratorium		12,000,000	19,000,000	26,000,000
One-Time Revenue Forecast Adjustment	275,000,000			
Marana Prison Sale (Already Enacted)	14,574,400			
Vacant Property Sales Revenue		10,000,000		
Fund Transfers (Already Enacted)	15,500,000	9,700,000	600,000	
Newly Enacted Fund Transfers	139,600,000			
Subtotal One-Time Revenues	<u>\$1,811,964,400</u>	<u>\$754,264,300</u>	<u>\$11,278,500</u>	<u>\$448,300</u>
<b>Total Revenues</b>	<b>\$18,516,332,500</b>	<b>\$18,326,763,500</b>	<b>\$18,287,863,800</b>	<b>\$19,164,735,200</b>
<b>EXPENDITURES</b>				
Ongoing Operating Appropriations	\$16,614,985,900	\$17,413,817,900	\$18,060,162,400	\$18,801,818,100
Administrative Adjustments	132,984,000	137,310,000	136,983,800	141,247,500
Revertments	(211,001,300)	(217,865,200)	(217,347,600)	(224,112,700)
Subtotal Ongoing Expenditures	<u>\$16,536,968,600</u>	<u>\$17,333,262,700</u>	<u>\$17,979,798,600</u>	<u>\$18,718,952,900</u>
One-Time Expenditures				
Capital Outlay	26,227,100	10,000,000		25,000,000
Transportation Funding	109,989,000	30,000,000	125,000,000	
FY 26 One-Time Supplementals	200,408,900			
FY 26 One-Time Ex-Appropriations	(31,859,000)			
Prior Year Ex-Appropriations		(37,750,200)		
Operating One-Time Spending	1,002,033,600	949,572,500	158,616,900	178,509,700
Hospital Assessment Savings	(100,000,000)			
Subtotal One-Time Expenditures	<u>\$1,206,799,600</u>	<u>\$951,822,300</u>	<u>\$283,616,900</u>	<u>\$203,509,700</u>
<b>Total Expenditures</b>	<b>\$17,743,768,200</b>	<b>\$18,285,085,000</b>	<b>\$18,263,415,500</b>	<b>\$18,922,462,600</b>
<b>Ending Balance</b>	<b>\$772,564,300</b>	<b>\$41,678,500</b>	<b>\$24,448,300</b>	<b>\$242,272,600</b>
<b>Ongoing Balance</b>	<b>\$167,399,500</b>	<b>\$239,236,500</b>	<b>\$296,786,700</b>	<b>\$445,334,000</b>

**DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY**

	FY 2026 GF 6/11		FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
<b>OPERATING SPENDING CHANGES</b>					
<b>1 DOA - Arizona Department of Administration</b>	32,058,300				30,435,300
2 DOA - Remove One-Time Fire Incident Management Grants			(2,291,600)		
3 DOA - Remove One-Time Records Mgmt System/Data Sharing Funding			(2,708,500)		
4 DOA - Remove One-Time Tribal Healthcare Investment			(3,000,000)		
5 DOA - Remove One-Time Healthcare Interoperability Grants			(1,000,000)		
6 DOA - Remove One-Time Erroneous Convictions Fund (Pilot)			(3,000,000)		
7 DOA - County Support for Corrections Officer Employer Contributions				377,100	
8 DOA - Local Distribution County Sheriff Support				7,000,000	
9 DOA - Food Bank Capital				3,000,000	
<b>10 APF - Automation Projects Fund/ADOA</b>	3,762,000				15,134,100
11 APF - Remove One-Time AHCCCS IT Mainframe Replacement			(1,800,000)		
12 APF - Remove One-Time Real Estate System Modernization			(1,962,000)		
13 APF - Restore DOR Tax System as Part of Enacted 3-Yr Plan			12,538,400	(10,344,300)	
14 APF - Shift DOR from ADOA Mainframe (Mainframe Will Be Retired Dec 2027)				OF	
15 APF - One-Time AHCCCS MES Modernization				12,940,000	
<b>16 SFD - School Facilities Division/ADOA</b>	352,955,500				319,153,500
17 SFD - Remove One-Time Building Renewal Grants Admin Funding			(750,000)		
18 SFD - Remove One-Time Building Renewal Funding			(183,300,000)		
19 SFD - Remove New School Construction Projects (FY 25 Starts)			(45,077,100)		
20 SFD - Continue New School Construction Projects (FY 26 Starts)			(1,459,800)	(26,074,500)	
21 SFD - Agua Fria Construction Adjustment and Site Conditions			38,809,400		
22 SFD - Building Renewal Grants Funding				183,300,000	
23 SFD - Building Reneal Grants Admin Funding				750,000	
<b>24 OAH - Office of Administrative Hearings</b>	985,200				985,200
<b>25 AGR - Department of Agriculture</b>	16,247,500				15,866,400
26 AGR - Remove One-Time Equipment Funding			(381,100)		

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	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
27	<b>AXS - AHCCCS</b>	2,613,652,600		2,919,510,700
28	AXS - Formula Adjustments		183,092,100	(42,000,000)
29	AXS - Remove One-Time Enhanced FMAP Savings		6,000,000	
30	AXS - Continue One-Time Critical Access Hospital Supplemental Pool		(4,300,000)	4,300,000
31	AXS - Remove One-Time Eligibility Income Verification Charge		(2,220,000)	
32	AXS - Remove One-Time PDRF Rebate Shift		50,000,000	
33	AXS - Remove One-Time Hospital Assessment Behavioral Health Shift		100,000,000	
34	AXS - Remove One-Time Funding for GME Payments		(4,000,000)	
35	AXS - Office of Inspector General (OIG) - 7 FTE for Fraud Enforcement			365,000
36	AXS - H.R. 1 Eligibility [150 FTEs] [Eligibility Verification Semi-Annually] (One-Time)			10,200,000
37	AXS - Behavioral Health Crisis Services Hotline (One-Time)			4,000,000
38	AXS - Urban Traditional Healing [3-Year Pilot Program]			421,000
39	<b>ART - Arizona Commission on the Arts</b>	2,000,000		2,000,000
40	ART - Continue One-Time Arts Trust Fund Deposit		(2,000,000)	2,000,000
41	<b>ATT - Attorney General</b>	27,692,600		36,092,600
42	ATT - Coordinated Reentry (One-Time; Plus \$8.6 M OF)			8,400,000
43	<b>CHA - State Board for Charter Schools</b>	2,811,100		2,811,100
44	<b>DCS - Department of Child Safety</b>	488,771,000		508,279,500
45	DCS - Continue and Expand Extended Foster Coaching		(6,400,000)	8,196,100
46	DCS - Remove One-Time Vehicle Replacement Funding		(2,610,000)	
47	DCS - Continue One-Time IT System (Guardian) Maintenance Funding		(9,823,000)	9,823,000
48	DCS - Remove One-Time Congregate Care Funding		(19,359,500)	
49	DCS - Remove One-Time Group Home Training (Human Trafficking)		(100,000)	
50	DCS - Extended Foster Care Caseload Increase			1,018,100
51	DCS - Federal Match Rate Adjustment			1,867,100
52	DCS - Congregate Care One-Time			36,896,700
53	<b>ACA - Arizona Commerce Authority</b>	15,175,000		13,050,000
54	ACA - Remove One-Time Applied Research Centers Funding		(500,000)	
55	ACA - Remove One-Time Office of Defense Innovation Funding		(300,000)	
56	ACA - Remove One-Time State Rural Development Council Funding		(1,200,000)	
57	ACA - Remove One-Time Romania Trade Office Funding		(125,000)	

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	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
58	<b>CCO - Arizona Community Colleges</b>	103,901,900		108,737,500
59	CCO - Formula Adjustments		5,338,000	747,600
60	CCO - Remove One-Time Eastern Arizona College (Graham Co.) Expenses		(1,000,000)	
61	CCO - Remove One-Time Maricopa County Wrestling Scholarships		(250,000)	
62	<b>COR - Corporation Commission</b>	792,700		-
63	COR- Shift Railroad Safety Funding from General Fund to Securities Fund		(792,700)	
64	<b>ADC - Department of Corrections</b>	1,574,149,400		1,659,746,100
65	ADC - Remove One-Time Operating Funding (23 FTE)		(9,488,500)	
66	ADC - Remove One-Time Correctional Officer Stipend		(20,842,500)	
67	ADC - Continue FY 26 4% Correctional Officer Stipend (FY 26 = \$20.8 M)			24,034,300
68	ADC - Body Worn Cameras (One-Time)			3,533,600
69	ADC - Non-Contract Medication - Substance Abuse/Hep C - Opioid \$ Backfill			6,700,000
70	ADC - Shift Other Fund Spending to General Fund for Operating Needs			15,859,800
71	ADC - Shift \$10 M Other Fund Spending to Capital Uses - Backfill with General Fund			10,000,000
72	ADC - Health Care Federal Injunction Costs			55,800,000
73	<b>JUS - Arizona Criminal Justice Commission</b>	4,600,000		6,850,000
74	JUS - Victims of Crime Act (VOCA) Federal Funds Backfill			2,250,000
75	<b>SDB - AZ State Schools for the Deaf and the Blind</b>	25,645,100		25,545,100
76	SDB - Remove One-Time Supplemental Childhood Therapies		(100,000)	
77	<b>OEC - Office of Economic Opportunity</b>	4,031,900		531,900
78	OEC - Remove One-Time Dual Enrollment Incentive Program		(1,500,000)	
79	OEC - Remove One-Time Adult Workforce Diploma Program		(2,000,000)	
80	<b>DES - Department of Economic Security</b>	1,888,688,400		2,143,879,400
81	DES - Formula Adjustments		286,331,300	(42,400,000)
82	DES - SNAP Administrative Rate Adjustment		32,700,000	(900,000)
83	DES - Remove One-Time Enhanced FMAP Savings		8,400,000	
84	DES - Remove One-Time Backfill - Prior Year DD Actuarial Loss		(32,300,000)	
85	DES - Continue One-Time Out of School Child Care		(3,000,000)	3,000,000
86	DES - Continue One-Time Child Care Subsidy Funding		(44,900,000)	44,757,100
87	DES - Remove One-Time Food Benefit Administration (SUN Bucks)		(200,000)	
88	DES - Remove One-Time Eligibility Income Verification Data Charge		(990,000)	

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	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
89	DES - Remove One-Time Mainframe as a Service Contract Increase		(4,010,000)	
90	DES - Continue One-Time DD High Need Client Supplement		(14,800,000)	17,900,000
91	DES - Remove One-Time Adult Protective Services ARPA Backfill		(3,700,000)	
92	DES - Remove One-Time Benefit Services Digital Portal Implementation		(1,170,000)	
93	DES - Remove One-Time Coordinated Homelessness Services Funding		(15,500,000)	
94	DES - Remove One-Time Veteran Homelessness Strategic Plan Funding		(500,000)	
95	DES - Remove One-Time Veteran Homelessness Services Funding		(1,500,000)	
96	DES - Continue One-Time Produce Incentive (Double Up Food Bucks) (And \$2.0 M in FY 28)		(2,000,000)	2,000,000
97	DES - Remove One-Time Education Workforce Innovation Initiative		(500,000)	
98	DES - Continue One-Time Civil Legal Aid Funding		(3,000,000)	3,000,000
99	DES - Continue One-Time Area Agency on Aging Funding		(5,000,000)	5,000,000
100	DES - Remove One-Time Area Agency on Aging Funding		(2,000,000)	
101	DES - Remove One-Time DD Group Home Monitoring Pilot		(1,200,000)	
102	DES - Increased Contractual Costs for Legacy Mainframe Systems (One-Time)			6,105,300
103	DES - Continue One-Time Admin for Summer SNAP \$120 Payment Food Benefit			1,767,300
104	DES - SNAP Error Rate Reduction Workload [146 FTEs] (One-Time)			10,800,000
105	DES - Victims of Crime Act (VOCA) Federal Fund Backfill			11,500,000
106	DES - Reentry Employment Services (One-Time) (+ \$1.5 M OF)			1,500,000
107	<b>BOE - State Board of Education</b>	3,462,800		3,462,800
108	<b>ADE - Arizona Department of Education</b>	8,287,685,600		8,450,117,600
109	ADE - Formula Adjustments		277,781,100	(92,065,600)
110	ADE - Continue One-Time FRPL Group B Weight (Already Ongoing in FY 28)		(37,000,000)	37,000,000
111	ADE - Continue One-Time DAA/CAA Per Pupil Funding (Already Ongoing in FY 28)		(29,000,000)	29,000,000
112	ADE - Remove One-Time Flagstaff Unified Robotics Funding		(10,000)	
113	ADE - Continue One-Time No School Meal Copay for 130-185% FPL (One-Time)		(3,800,000)	2,000,000
114	ADE - Remove One-Time Comm College Adult Ed. Workforce Program		(6,000,000)	
115	ADE - Remove One-Time 9th Grade On Track Program Funding		(3,400,000)	
116	ADE - Remove One-Time Rural School Nurse Access Grant Fund		(2,500,000)	
117	ADE - Remove One-Time AEDs for Public High School Athletic Events		(500,000)	
118	ADE - Remove One-Time Virtual School Assessments		(400,000)	
119	ADE - Remove One-Time Apache Junction Unified Robotics Funding		(200,000)	
120	ADE - Remove One-Time Teacher Retention Study Funding		(100,000)	
121	ADE - Remove One-Time Adult Education Skills Center Funding		(1,000,000)	
122	ADE - Remove One-Time Show Low Robotics Funding		(10,000)	
123	ADE - Fund Shift to Land Trust Balance (One-Time)			(7,963,500)
124	ADE - Community Gardens (One-Time; Plus \$500K in FY 28)			600,000

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		FY 2026 GF 6/11		FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
125	<b>EMA - Department of Emergency &amp; Military Affairs</b>	16,692,900				16,192,900
126	EMA - Remove One-Time Emergency Division Grant Support			(500,000)		
127	<b>DEQ - Department of Environmental Quality</b>	-				17,000,000
128	DEQ - Remove One-Time WQARF Funding Offset			15,000,000		
129	DEQ - Continue State Share of Iron King Mine/Humboldt Smelter Cleanup (One-Time)				2,000,000	
130	<b>EQU - State Board of Equalization</b>	734,700				734,700
131	<b>EXE - Board of Executive Clemency</b>	1,488,600				1,639,300
132	EXE - Remove One-Time Equipment Funding			(6,000)		
133	EXE - Increase Board Member Salaries				156,700	
134	<b>FOR - Department of Forestry and Fire Management</b>	47,222,200				57,222,200
135	FOR - Wildfire Suppression Funding (One-Time)				10,000,000	
136	<b>GAM - Department of Gaming</b>	9,104,500				8,104,500
137	GAM - Remove One-Time Racing Purse Enhancement Funding			(1,000,000)		
138	GAM - Continue One-Time Racing Regulation Fund Deposit			(1,900,000)	1,900,000	
139	<b>GOV - Office of the Governor</b>	10,394,700				9,644,700
140	GOV - Remove One-Time Funding			(750,000)		
141	<b>OSP - Gov's Office of Strategic Planning and Budgeting</b>	2,854,500				2,854,500
142	<b>DHS - Department of Health Services</b>	127,571,300				122,263,600
143	DHS - Remove One-Time Biomedical Research Funding Shift			2,000,000		
144	DHS - Remove One-Time Dementia Awareness Campaign Funding			(750,000)		
145	DHS - Remove One-Time Ibogaine Clinical Research Grant Funding			(5,000,000)		
146	DHS - Remove One-Time Nurse Education Investment (Comm Colleges)			(1,500,000)		
147	DHS - Retain One-Time ASH Operating Shortfall Funding			(1,807,900)	2,115,300	
148	DHS - Remove One-Time ASH Sexually Violent Persons Funding			(1,520,300)		
149	DHS - Remove One-Time Contract Facilitator - Rural Maternal Health			(100,000)		
150	DHS - Remove One-Time Intl. Medical School Collaboration Funding			(125,000)		
151	DHS - Remove One-Time Clinical Health Training Program Funding			(100,000)		
152	DHS - Sexually Violent Persons (SVP) Line Item Funding				1,480,200	

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		FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
153	<b>AZH - Arizona Historical Society</b>	4,113,500			3,034,400
154	AZH - Remove One-Time Flagstaff Pioneer Museum Re-Opening		(1,079,100)		
155	<b>PAZ - Prescott Historical Society</b>	1,574,300			1,074,300
156	PAZ - Remove One-Time Territorial Governor Mansion Remodeling		(500,000)		
157	<b>HLA - Department of Homeland Security</b>	10,107,800			10,000,000
158	HLA - Remove One-Time Federal Cybersecurity Grant State Match		(107,800)		
159	<b>IND - Industrial Commission</b>	90,100			90,100
160	<b>DIF - Department of Insurance and Financial Institutions</b>	6,321,200			1,580,300
161	DIF - Shift Agency GF to Non-GF Source with New Fee Authority			(6,321,200)	
162	DIF - One-Time Funding to Transition to New Fee Authority			1,580,300	
163	<b>SPA - Judiciary - Supreme Court</b>	31,325,600			30,599,500
164	SPA - Remove One-Time Juvenile Monetary Sanctions Backfill		(250,000)		
165	SPA - Remove One-Time Child and Family Representation Funding		(600,000)		
166	SPA - Prior Judicial Salary Increase Annualization		63,000		
167	SPA - Judicial Salary Increase (\$10,000 Effective 1/1/27)			60,900	
168	<b>COA - Judiciary - Court of Appeals</b>	25,308,700			25,794,300
169	COA - Remove One-Time Equipment Funding		(10,000)		
170	COA - Prior Judicial Salary Increase Annualization		252,200		
171	COA - Judicial Salary Increase (\$10,000 Effective 1/1/27)			243,400	
172	<b>SUP - Judiciary - Superior Court</b>	117,217,300			129,301,600
173	SUP - Prior Judicial Salary Increase Annualization		819,600		
174	SUP - Fund Prior County Probation Salary Increases			10,460,800	
175	SUP - Judicial Salary Increase (\$10,000 Effective 1/1/27)			803,900	
176	<b>DJC - Department of Juvenile Corrections</b>	31,085,800			32,808,000
177	DJC - Remove One-Time Operating Shift to Land Trust Fund		800,000		
178	DJC - Remove One-Time Operating Shift to CJEF		100,000		
179	DJC - Remove One-Time Correctional Officer Stipend		(542,200)		
180	DJC - Continue FY 26 4% Youth Correctional Officer Stipend			764,400	
181	DJC - Operating Shortfall [+600k Other Fund]			600,000	

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	FY 2026 GF 6/11		FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
182	<b>LAN - State Land Department</b>	12,199,900			12,030,000
183	LAN - Central Arizona Project (CAP) Fees Technical Adjustment		56,400	(226,300)	
184	<b>Legislature</b>				
185	<b>AUD - Auditor General</b>	32,009,000			26,709,000
186	AUD - Remove One-Time Special Audit Funding		(5,300,000)		
187	<b>HOU - House of Representatives</b>	22,545,300			21,795,300
188	HOU - Remove One-Time Funding		(750,000)		
189	<b>JLBC - Joint Legislative Budget Committee</b>	3,071,000			3,071,000
190	<b>LEG - Legislative Council</b>	9,422,400			9,422,400
191	<b>OMB - Ombudsman-Citizens Aide Office</b>	1,608,900			1,608,900
192	<b>SEN - Senate</b>	18,814,300			18,064,300
193	SEN - Remove One-Time Funding		(750,000)		
194	<b>MIN - State Mine Inspector</b>	2,431,400			2,431,400
195	<b>NRB - State Natural Resource Conservation Board</b>	739,400			389,400
196	NRB - Remove One-Time Operating Costs		(100,000)		
197	NRB - Remove One-Time Groundwater Recharge Facilities Funding		(250,000)		
198	<b>NAV - Navigable Stream Adjudication Commission</b>	143,900			143,900
199	<b>NUR - State Board of Nursing</b>	500,000			-
200	NUR - Remove One-Time Certified Nurse Anesthetist Preceptor Grant		(500,000)		
201	<b>SPB - Arizona State Parks Board</b>	2,500,000			-
202	SPB - Remove One-Time Heritage Fund Deposit		(1,000,000)		
203	SPB - Remove One-Time State Lake Improvement Fund Deposit		(1,500,000)		

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
<b>204 DPS - Department of Public Safety</b>	313,660,800			305,292,600
205 DPS - Remove One-Time State Crime Lab Funding		(200,000)		
206 DPS - Remove One-Time Local Border Support Funding		(5,000,000)		
207 DPS - Remove One-Time Vehicle Replacements		(8,667,500)		
208 DPS - Remove One-Time Civil Air Patrol Maintenance and Operations		(106,000)		
209 DPS - Remove One-Time Recruitment Funding		(150,000)		
210 DPS - Remove One-Time Sex Offender Management Board Funding		(400,000)		
211 DPS - Remove One-Time Yuma County Family Advocacy Center		(750,000)		
212 DPS - Remove One-Time Anti-Human Trafficking Fund Deposit		(1,600,000)		
213 DPS - Remove One-Time One-Time ACTIC Funding Increase		(1,500,000)		
214 DPS - Victims of Crime Act (VOCA) Federal Funds Backfill			9,300,000	
215 DPS - Security for Newly Established Lieutenant Governor Office			705,300	
<b>216 PSP - Public Safety Personnel Retirement System</b>	6,000,000			5,000,000
217 PSP - Remove Prescott Fire Pension Liability Funding		(1,000,000)		
<b>218 REA - State Real Estate Department</b>	3,119,300			3,259,400
219 REA - IT Project Ongoing Maintenance Costs			140,100	
<b>220 REV - Department of Revenue</b>	60,871,900			60,371,900
221 REV - Remove One-Time Prop 312 Property Tax Refund Admin Costs		(500,000)		
<b>222 SOS - Secretary of State</b>	22,857,100			18,857,100
223 SOS - Remove One-Time CD7 Special Election Expenses		(8,000,000)		
224 SOS - Continue One-Time Address Confidentiality Program Fund Deposit		(400,000)	400,000	
225 SOS - 2026 Primary/General Election Funding [+ \$4.0 M in FY 2026]		4,000,000		
<b>226 TAX - State Board of Tax Appeals</b>	319,300			319,300
<b>227 TOU - Office of Tourism</b>	8,702,700			8,202,700
228 TOU - Remove One-Time Southern AZ Sports, Tourism and Film Authority		(500,000)		
<b>229 DOT - Department of Transportation</b>	500,000			-
230 DOT - Remove One-Time Spaying and Neutering Fund Deposit		(500,000)		

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
231	TRE - State Treasurer	42,734,700		4,714,700
232	TRE - Remove One-Time Local Dist. - Ak-Chin Police Department		(300,000)	
233	TRE - Remove One-Time Local Dist. - AZ City Fire District		(100,000)	
234	TRE - Remove One-Time Local Dist. - Casa Grande Police Department		(300,000)	
235	TRE - Remove One-Time Local Dist. - Casa Grande Fire Department		(200,000)	
236	TRE - Remove One-Time Local Dist. - Coolidge Police Department		(200,000)	
237	TRE - Remove One-Time Local Dist. - Coolidge Fire Department		(200,000)	
238	TRE - Remove One-Time Local Dist. - Eloy Police Department		(200,000)	
239	TRE - Remove One-Time Local Dist. - Eloy Fire Department		(200,000)	
240	TRE - Remove One-Time Local Dist. - Florence Police Department		(500,000)	
241	TRE - Remove One-Time Local Dist. - Florence Fire Department		(270,000)	
242	TRE - Remove One-Time Local Dist. - Gila River Police Department		(200,000)	
243	TRE - Remove One-Time Local Dist. - Gila River Fire Department		(200,000)	
244	TRE - Remove One-Time Local Dist. - Intl. Dark Sky Discovery Center		(3,300,000)	
245	TRE - Remove One-Time Local Dist. - La Paz County Sheriff		(500,000)	
246	TRE - Remove One-Time Local Dist. - City of Maricopa Police Department		(200,000)	
247	TRE - Remove One-Time Local Dist. - City of Maricopa Fire Department		(200,000)	
248	TRE - Remove One-Time Local Dist. - Maricopa Co. Investigator Training		(2,000,000)	
249	TRE - Remove One-Time Local Dist. - Maricopa Co. Recorder Funding		(4,100,000)	
250	TRE - Remove One-Time Local Dist. - Mohave Co. Meadview Launch Ramp		(500,000)	
251	TRE - Remove One-Time Local Dist. - Mohave Co. Horizon Six Fire Hydrants		(500,000)	
252	TRE - Remove One-Time Local Dist. - Mohave Co. Search/Rescue Training		(100,000)	
253	TRE - Remove One-Time Local Dist. - Mohave County Sheriff		(1,000,000)	
254	TRE - Remove One-Time Local Dist. - Paradise Valley Shooting Range		(100,000)	
255	TRE - Remove One-Time Local Dist. - City of Peoria Parks Infrastructure		(300,000)	
256	TRE - Remove One-Time Local Dist. - Phoenix Police Community Policing		(100,000)	
257	TRE - Remove One-Time Local Dist. - Pinal County Sheriff's Office		(400,000)	
258	TRE - Remove One-Time Local Dist. - Pinal County Veterans Center		(200,000)	
259	TRE - Remove One-Time Local Dist. - Pinal County Suicide Prevention		(300,000)	
260	TRE - Remove One-Time Local Dist. - Pinal Co. Legal Dumping Signs		(50,000)	
261	TRE - Remove One-Time Local Dist. - Pinal Co. Alliance Reading Program		(25,000)	
262	TRE - Remove One-Time Local Dist. - Prescott Valley Police Department		(450,000)	
263	TRE - Remove One-Time Local Dist. - Salt River Police Community Policing		(100,000)	
264	TRE - Remove One-Time Local Dist. - Scottsdale Adaptive Services Park		(100,000)	
265	TRE - Remove One-Time Local Dist. - Sierra Vista Infrastructure Funding		(100,000)	
266	TRE - Remove One-Time Local Dist. - Sierra Vista Spaceport License		(1,500,000)	
267	TRE - Remove One-Time Local Dist. - Snowflake - Flake Historical House		(350,000)	

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		FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
268	TRE - Remove One-Time Local Dist. - Sun Corridor Boys & Girls Club		(200,000)		
269	TRE - Remove One-Time Local Dist. - City of Taylor Child Dev. Center		(1,500,000)		
270	TRE - Remove One-Time Local Dist. - Thunderbird Fire District		(100,000)		
271	TRE - Remove One-Time Local Dist. - Yavapai Co. Criminal Intelligence		(2,000,000)		
272	TRE - Remove One-Time Local Dist. - Yavapai County Sheriff's Office		(950,000)		
273	TRE - Remove One-Time Local Dist. - Yavapai Co. Satellite Comm. Pilot		(500,000)		
274	TRE - Remove One-Time Local Dist. - SW Yavapai Co. Public Safety Building		(1,000,000)		
275	TRE - Remove One-Time Local Dist. - Yuma Co. Excess Waste Tire Cleanup		(850,000)		
276	TRE - Remove One-Time Local Dist. - Yuma County Recorder Operating		(1,000,000)		
277	TRE - Remove One-Time Local Dist. - Yuma Co. Nonprofit Regional Hospital		(3,000,000)		
278	TRE - Remove One-Time Local Dist. - City of Winslow		(2,500,000)		
279	TRE - Remove One-Time Transportation Innovation Fund Deposit		(2,000,000)		
280	TRE - Remove One-Time Advanced Air Mobility Fund Deposit		(2,000,000)		
281	TRE - Remove One-Time Statewide Infrastructure Trust Fund Deposit		(1,000,000)		
282	TRE - Remove One-Time Veterans Health Innovation Pilot		(150,000)		
283	TRE - JP Salary Increase Impact			75,000	
284	<b>OTR - Governor's Office on Tribal Relations</b>	66,900			66,900
285	<b>UNI - Universities</b>				
286	<b>UNI - Arizona Board of Regents</b>	71,382,600			54,932,600
287	UNI - ABOR - Remove One-Time Washington D.C. Internships		(150,000)		
288	UNI - ABOR - Remove One-Time Arizona Promise Program Funding		(16,300,000)		
289	<b>UNI - ASU</b>	412,671,200			412,438,700
290	UNI - ASU - Lease-Purchase Adjustment		(3,800)		
291	UNI - ASU - Inflation Adjustment (2017 Capital Infrastructure)		271,300		
292	UNI - ASU - Remove One-Time Decision Theater - Pinal Co. Transportation Plan		(500,000)		
293	<b>UNI - NAU</b>	124,707,700			124,810,300
294	UNI - NAU - Lease-Purchase Adjustment		(200)		
295	UNI - NAU - Inflation Adjustment (2017 Capital Infrastructure)		102,800		
296	<b>UNI - UA - Main Campus</b>	289,867,500			284,320,600
297	UNI - UA - Main Campus - Lease-Purchase Adjustment		2,900		
298	UNI - UA - Main Campus - Inflation Adjustment (2017 Capital Infrastructure)		240,000		
299	UNI - UA - Main Campus - Remove One-Time Yuma Center for Excellence for Desert Agriculture		(1,350,000)		

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	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
300	UNI - UA - Main Campus - Remove One-Time Geological Survey		(500,000)	
301	UNI - UA - Main Campus - Remove One-Time Extractive Modular Metallurgy Facility		(850,000)	
302	UNI - UA - Main Campus - Remove One-Time On-Farm Irrigation Fund Deposit		(2,000,000)	
303	UNI - UA - Main Campus - Natural Resource Users Law and Policy Center		(1,589,800)	
304	UNI - UA - Main Campus - Water Adjudication Funding		500,000	
305	<b>UNI - UA - Health Sciences Center</b>	75,978,400		75,928,400
306	UNI - UA - Health Sciences Center - Continue One-Time AZ REACH Funding		(500,000)	500,000
307	UNI - UA - Health Sciences Center - Remove One-Time Medical Mission Scholarship Funding		(50,000)	
308	<b>VSC - Department of Veterans' Services</b>	12,814,700		11,814,700
309	VSC - Remove One-Time Mental Health Pilot Program		(1,000,000)	
310	<b>WIF - Water Infrastructure Finance Authority</b>	750,000		-
311	WIF - Remove One-Time Water Conservation Fund Deposit		(250,000)	
312	WIF - Remove One-Time Gila Valley Irrigation District		(500,000)	
313	<b>WAT - Department of Water Resources</b>	25,077,500		25,077,500
314	<b>OTH - Other</b>			
315	<u>Ex-Appropriate Unused Appropriations Prior to FY 2026</u>			
316	OTH - ADE FY 2020 High-Quality Teacher Prof. Dev. Pilot Program (Ex-Appropriation)	-		(344,300)
317	OTH - ADE FY 2021 High-Quality Teacher Prof. Dev. Pilot Program (Ex-Appropriation)	-		(400,000)
318	OTH - ADE FY 2022 High Quality Teacher Prof. Dev. Pilot Program (Ex-Appropriation)	-		(400,000)
319	OTH - ADE FY 2024 Live, Remote Instructional Courses (Ex-Appropriation)	-		(100,000)
320	OTH - ADE FY 2025 Live, Remote Instructional Courses (Ex-Appropriation)	-		(100,000)
321	OTH - ADOA Retirement of Defeasance of Financing Agreements (Ex-Appropriation)	-		(5,037,800)
322	OTH - TRE Lapse Prior Budget Funding for Ballot Paper (FY 2024)			(5,000,000)
323	OTH - TRE Lapse Prior Budget Funding for Ballot Paper (FY 2025)			(6,000,000)
324	<u>FY 2026 Supplementals and Ex-Appropriations</u>			
325	OTH - VET Veterans Trust Fund Deposit (Supplemental)	3,000,000	(3,000,000)	-
326	OTH - DES SUN Bucks Summer 2026 (Supplemental)	1,761,800	(1,761,800)	-
327	OTH - ADC Operating (Supplemental)	4,100,000	(4,100,000)	-
328	OTH - SOS Election Expenses (Supplemental)	4,000,000	(4,000,000)	-
329	OTH - AHCCCS Formula Costs (Supplemental)	104,728,400	(104,728,400)	-
330	OTH - DES Formula Costs (Supplemental)	82,818,700	(82,818,700)	-
331	OTH - ADE Formual Costs (Ex-Appropriation)	(31,859,000)	31,859,000	-

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	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11	
332	<u>Statewide Adjustments</u>				
333	OTH - CORP Employer Contribution Increase - DC Rate Increase	-	1,000,000	(1,000,000)	-
334	OTH - FY 2026 Unallocated Health Insurance Adjustments	152,100	(152,100)		-
335	OTH - FY 2026 Unallocated Fleet Operating Adjustments	125,600	(125,600)		-
336	OTH - FY 2026 Unallocated Fleet Replacement Adjustments	859,000	(859,000)		-
337	OTH - FY 2026 Unallocated Retirement Adjustments	(18,300)	18,300		-
338	OTH - FY 2026 Unallocated Risk Management Adjustments	400	(400)		-
339	OTH - FY 2026 Unallocated AZ360 Adjustments	(3,900)	3,900		-
340	OTH - FY 2026 Unallocated Salary Adjustments	63,100	(63,100)		-
341	OTH - Remove One-Time Risk Management Adjustments	-	(19,999,600)		(19,999,600)
342	OTH - Remove One-Time FY 2026 State Fleet Adjustments	-	(5,205,900)		(5,205,900)
343	OTH - Remove One-Time FY 2026 Health Insurance Adjustments	-	(194,788,900)		(194,788,900)
344	OTH - Remove One-Time FY 2026 Vehicle Replacement Adjustments	-	(2,422,400)		(2,422,400)
345	OTH - Phoenix Convention Center Debt Service	26,497,400	499,700		26,997,100
346	OTH - FY 2027 Health Insurance Adjustments	-		324,684,500	324,684,500
347	OTH - FY 2027 Fleet Operating Adjustments	-		5,690,600	5,690,600
348	OTH - FY 2027 Fleet Replacement Adjustments	-		1,964,200	1,964,200
349	OTH - FY 2027 Rent Adjustments	-		87,000	87,000
350	OTH - FY 2027 Retirement Adjustments	-		(3,135,800)	(3,135,800)
351	OTH - FY 2027 Risk Management Increase	-		9,897,300	9,897,300
352	OTH - FY 2027 AZ360 Adjustments	-		1,260,300	1,260,300
353	<u>Other Changes</u>				
354	OTH - Rio Nuevo District	19,000,000			19,000,000
355	OTH - 2.5% Lump Sum Reductions (One-Time)	-		(23,838,700)	(23,838,700)
356	OTH - Administrative Adjustments	132,984,000	10,000,000	(5,674,000)	137,310,000
357	OTH - Revertments	(211,001,300)	6,500,000	(13,363,900)	(217,865,200)
358	<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>17,607,552,100</b>	<b>(24,105,900)</b>	<b>682,006,900</b>	<b>18,265,453,100</b>
359	<b>CAPITAL SPENDING CHANGES</b>				
360	<b>Building Renewal</b>				
361	Arizona Department of Administration	1,600,000	(1,600,000)	10,000,000	10,000,000
362	<b>Ongoing Projects</b>				
363	ADOT - ADOT - Expand I-10 Between SR85/Citrus Road	-	30,000,000		30,000,000

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

	FY 2026 GF 6/11	FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
364	<b>Eliminate Prior Funding</b>			
365	ADC - Yuma Fire Alarm System Replacement	8,500,000	(8,500,000)	-
366	Parks - Verde Rive Headwaters State Park Costs	500,000	(500,000)	-
367	DPS - Office Replacements (Payson and Sanders)	2,000,000	(2,000,000)	-
368	DPS - Phoenix Headquarters Electrical Upgrade	11,227,100	(11,227,100)	-
369	ADOT - SR 347/Riggs Rd Overpass Construction - Shortfall	41,400,000	(41,400,000)	-
370	ADOT - SR 347 Intersection (Casa Blanca Rd/Cement Plant Rd) - Shortfall	10,839,000	(10,839,000)	-
371	ADOT - SR 347 Widening (I-10 to Maricopa) - Shortfall	1,500,000	(1,500,000)	-
372	ADOT - NB SR 87 Second Right Turn Lane - Design (Payson)	600,000	(600,000)	-
373	ADOT - Glendale 75th Ave Reconstruction	3,000,000	(3,000,000)	-
374	ADOT - SR 70 Safety Improvements (San Carlos Apache Reservation)	1,400,000	(1,400,000)	-
375	ADOT - SR 303/155th Ave Interchange Design (Surprise)	3,500,000	(3,500,000)	-
376	ADOT - Olga Rd Pavement Preservation/Rehab - Design (Bowie/San Simon)	850,000	(850,000)	-
377	ADOT - I-10 (SR 85 to Citrus Rd)	27,000,000	(27,000,000)	-
378	ADOT - SR 389 Traffic Control Systems (Colorado City)	1,500,000	(1,500,000)	-
379	ADOT - Local Dist. - Yuma Co. Somerton Ave Bridge Replacement	1,300,000	(1,300,000)	-
380	ADOT - Local Dist. - Bullhead City Hancock Road Repaving	1,500,000	(1,500,000)	-
381	ADOT - Local Dist. - Cottonwood Main St Preservation/Sidewalks	1,000,000	(1,000,000)	-
382	ADOT - Local Dist. - Flagstaff Woody Mountain Rd Streetlight	1,900,000	(1,900,000)	-
383	ADOT - Local Dist. - Kingman Eastern St Infrastructure	1,500,000	(1,500,000)	-
384	ADOT - Local Dist. - Mohave Co. Mountain View Rd Improvements	1,000,000	(1,000,000)	-
385	ADOT - Local Dist. - Nogales Frank Reed Rd Improvements	1,500,000	(1,500,000)	-
386	ADOT - Local Dist. - Nogales Industrial Park Rs Improvements	2,900,000	(2,900,000)	-
387	ADOT - Local Dist. - Nogales La Quinta Rd Improvements	1,800,000	(1,800,000)	-
388	ADOT - Local Dist. - Prescott Reg. Airport Fire Aircraft Ramp	3,500,000	(3,500,000)	-
389	ADOT - Local Dist. - Prescott Reg. Airport Maint. & Operations	500,000	(500,000)	-
390	Veterans' Services - Tucson Veterans' Home HVAC Replacement	2,400,000	(2,400,000)	-
391	ADOT - Lapse Prior Budget Funding Due to Project Surpluses	-		(20,368,100)
				(20,368,100)
392	<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>136,216,100</b>	<b>(106,216,100)</b>	<b>(10,368,100)</b>
				<b>19,631,900</b>
393	<b>TOTAL - OPERATING &amp; CAPITAL SPENDING</b>	<b>17,743,768,200</b>	<b>(130,322,000)</b>	<b>671,638,800</b>
				<b>18,285,085,000</b>
394	<b>Revenue Changes</b>			
395	<b>Ongoing Revenue</b>			
396	REV - Ongoing Revenue (Including Urban Revenue Sharing)	16,704,368,100	546,131,100	322,000,000
				17,572,499,200

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

	FY 2026 GF 6/11		FY 2027 Baseline Above FY 26 <sup>1/</sup>	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/11
397	<b>One-Time Revenue</b>				
398	REV - Beginning Balance	1,367,290,000	(694,171,000)	99,445,300	772,564,300
399	REV - One-Time Revenue Forecast Adjustment	275,000,000			
400	REV - One-Time Marana Prison Sale Revenue	14,574,400	(14,574,400)		-
401	REV - Public Infrastructure TPT Distribution			(50,000,000)	(50,000,000)
402	REV - Data Center TPT - 3 Year Moratorium			12,000,000	12,000,000
403	REV - Vacant Land Sale Proceeds			10,000,000	10,000,000
404	REV - One-Time Fund Transfers to GF (Baseline)	15,500,000	(5,800,000)		9,700,000
405	<u>Fund Transfers</u>				
406	REV - Fund Transfers	139,600,000	(139,600,000)		-
407	<b>TOTAL - REVENUE CHANGES</b>	<b>18,516,332,500</b>	<b>(308,014,300)</b>	<b>393,445,300</b>	<b>18,326,763,500</b>
408	<b>ENDING BALANCE</b>	<b>772,564,300</b>	<b>(177,692,300)</b>	<b>(278,193,500)</b>	<b>41,678,500</b>

<sup>1/</sup> Represents FY 2027 Baseline spending above the FY 2026 Adjusted Appropriation.

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

**DETAILED LIST OF OTHER FUND CHANGES BY AGENCY**

	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
<b>OPERATING SPENDING CHANGES</b>					
1	<b>SBA - State Board of Accountancy</b>	2,257,400			2,257,400
2	<b>ACU - Acupuncture Board of Examiners</b>	217,000			217,000
3	<b>DOA - Arizona Department of Administration</b>	280,901,000			269,498,000
4	DOA - Remove One-Time State Employee Child Care Study		(100,000)		
5	DOA - Remove One-Time Records Mgmt. System/Data Sharing		(500,000)		
6	DOA - Remove One-Time State Personnel IT System Software Transition		(1,911,800)		
7	DOA - Continue One-Time State FTE Professional Dev/Univ. Partnership		(1,000,000)	1,000,000	
8	DOA - Globe/Miami Disaster Aid Funding			10,000,000	
9	DOA - Establish Enterprise Resource Planning Division			7,512,200	
10	DOA - Risk Management Claims and Premiums			6,596,600	
11	DOA - 9-1-1 Call Response Times			4,000,000	
12	DOA - Remove Risk Management Claims-Related Adjustments			(37,000,000)	
13	<b>APF - Automation Projects Fund/ADOA</b>	16,898,700			18,171,800
14	APF - Remove One-Time ADOA State Web Portal Software Upgrades		(375,000)		
15	APF - Remove One-Time ADOA Business One-Stop Funding		(1,700,000)		
16	APF - Remove One-Time ADOA State Web Portal Platform Funding		(1,750,000)		
17	APF - Remove One-Time AHCCCS IT Mainframe Multi-year Replacement		(1,800,000)		
18	APF - Remove One-Time Real Estate IT Software Update Funding		(1,962,000)		
19	APF - Remove One-Time ADOA A to Z Single Access to State Services Funding		(3,370,000)		
20	APF - Remove One-Time ADOA State Personnel IT System Funding		(5,941,700)		
21	APF - Partially Fund FY 2027 DOR Tax System		19,756,800	(16,100,000)	
22	APF - One-Time AHCCCS Mainframe Replacement			12,940,000	
23	APF - One-Time DOR Mainframe Migration Funding			1,425,000	
24	APF - One-Time Medical Board Website Modernization			150,000	
25	<b>AGR - Department of Agriculture</b>	3,977,400			2,483,200
26	AGR - Nuclear Emergency Mgmt. Fund Changes (Laws 2025, Ch. 56)		5,800		
27	AGR - Remove One-Time Water and Innovation Fund Deposit		(2,000,000)		
28	AGR - Licensing IT System Maintenance Costs (FY 23 Development)			500,000	
29	AGR - Screw Worm Investigator - Redirect from Existing Avian Influenza Monies			Redirect	

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	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
30	<b>AXS - AHCCCS</b>	621,178,500			560,100,100
31	AXS - Formula Adjustments		(8,818,000)		
32	AXS - Remove One-Time Secure Behavioral Health Residential Facility Costs		(5,000,000)		
33	AXS - Remove One-Time Prescription Drug Rebate Fund Shift to GF		(50,000,000)		
34	AXS - Continue One-Time Contracted Legal Costs - Sober Living Homes		(1,375,000)	1,375,000	
35	AXS - Enhanced Residential Treatment (One-Time in FY27, FY28, & FY29)			2,739,600	
36	<b>BAT - Board of Athletic Training</b>	166,000			166,000
37	<b>ATT - Attorney General</b>	111,996,800			110,596,800
38	ATT - Expand One-Time Coordinated Re-Entry Funding (Includes \$8.4 M GF)		(10,000,000)	8,600,000	
39	<b>BCB - Barbering and Cosmetology Board</b>	3,227,300			3,262,300
40	BCB - Remove One-Time IT Development Costs (Laws 2024, Ch. 250)		(200,000)		
41	BCB - Additional Staffing Costs (3 FTEs)			235,000	
42	<b>BHE - Board of Behavioral Health Examiners</b>	2,975,200			2,766,900
43	BHE - Remove One-Time E-Licensing Transition Consultant		(20,400)		
44	BHE - Remove One-Time Office Space Reorganization		(187,900)		
45	<b>DCS - Department of Child Safety</b>	204,235,700			204,235,700
46	<b>BCE - State Board of Chiropractic Examiners</b>	660,600			660,600
47	<b>COM - Arizona Commerce Authority</b>	-			2,000,000
48	COM - Shift Advanced Air Mobility Funding from Treasurer to ACA			2,000,000	
49	<b>ROC - Registrar of Contractors</b>	14,328,200			14,328,200
50	<b>COR - Corporation Commission</b>	38,732,900			39,525,600
51	COR - Shift Railroad Safety from General Fund to Securities Fund			792,700	
52	COR - Technical Staffing Adjustment (0.1 FTE)			Yes	

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	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
53	<b>ADC - Department of Corrections</b>	63,451,500			39,676,700
54	ADC - Remove One-Time Cloud and Data Warehouse Systems		(165,900)		
55	ADC - Remove One-Time Kitchen Equipment Replacement		(1,535,300)		
56	ADC - Remove One-Time Correctional Information System Improvements		(2,000,000)		
57	ADC - Braille Transcription Program			300,000	
58	ADC - Reduce OF Funding for Operating and Shift Elsewhere			(20,373,600)	
59	<b>JUS - Arizona Criminal Justice Commission</b>	9,961,100			9,993,600
60	JUS - Continue One-Time Law Enforcement Crime Victim Notification Fund		(2,594,800)	2,594,800	
61	JUS - Ongoing Operating Budget Increase			32,500	
62	<b>SDB - AZ State Schools for the Deaf and the Blind</b>	33,259,500			28,351,800
63	SDB - Formula Adjustments for Less Revenue and Base Level Increases		(4,957,700)		
64	SDB - Transfer Early Childhood Listening/Spoken Language to DES			50,000	
65	<b>HEA - Comm for the Deaf and the Hard of Hearing</b>	5,045,800			5,045,800
66	<b>DEN - Board of Dental Examiners</b>	2,150,900			2,150,900
67	<b>DES - Department of Economic Security</b>	499,805,500			451,070,800
68	DES - Formula Adjustments Long Term Care System Fund (non-matched)		545,800		
69	DES - Remove One-Time Child Care Assistance Program Funding (CCDF)		(51,080,500)		
70	DES - Backfill WIOA Funding for Reentry Employment Support (31 FTEs)			1,500,000	
71	DES - Blind Adults Skills Training and Education			150,000	
72	DES - Transfer ASDB Early Childhood Listening/Spoken Language to AZEIP			150,000	
73	<b>ADE - Arizona Department of Education</b>	87,507,600			95,471,100
74	ADE - Offset ADE Formula Expenses with Unspent Land Trust Monies			7,963,500	
75	<b>EMA - Department of Emergency &amp; Military Affairs</b>	5,620,900			2,408,500
76	EMA - Nuclear Emergency Mgmt. Fund Changes (Laws 2025, Ch. 56)		87,600		
77	EMA - Remove One-Time Evacuation Protocols Awareness Campaign		(300,000)		
78	EMA - Remove One-Time Local Law Enforcement Fentanyl Interdiction		(3,000,000)		

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	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
79	<b>DEQ - Department of Environmental Quality</b>	128,029,600			121,395,700
80	DEQ - Remove One-Time Clean Air Plan/Diesel Match/Air Emission Data		(1,170,100)		
81	DEQ - Remove One-Time Iron King Mine/Humboldt Smelter Cleanup		(2,000,000)		
82	DEQ - Remove One-Time WQARF Funding Offset		(15,000,000)		
83	DEQ - Continue One-Time Water Quality Fee Fund Deposit		(9,000,000)	9,500,000	
84	DEQ - Backfill Federal Air Quality Reductions (Air Quality Fund)			3,900,300	
85	DEQ - Emissions Inspection Contract Increases			3,094,500	
86	DEQ - Expand Voluntary Vehicle Repair Eligibility (Air Quality Fund)			2,170,200	
87	DEQ - Geothermal Energy Research (Air Quality Fund)			1,500,000	
88	DEQ - Air Permit Portal			371,200	
89	<b>OEO - Governor's Office of Equal Opportunity</b>	317,400			317,400
90	<b>COL - Arizona Exposition and State Fair Board</b>	19,762,800			19,762,800
91	<b>FOR - Department of Forestry and Fire Management</b>	4,000,000			
92	FOR - Remove One-Time Northern AZ Wildland Fire Training Facility		(4,000,000)		
93	<b>FIS - Arizona Game and Fish Department</b>	48,521,400			48,518,200
94	FIS - Remove One-Time Livestock Loss Board (Wolf Depredation) Funding		(250,000)		
95	FIS - Selected Staff Salary Statewide Adjustment Correction			246,800	
96	<b>GAM - Department of Gaming</b>	23,783,700			24,558,800
97	GAM - Division of Problem Gambling			680,000	
98	GAM - Increase HISA Assessment Funding			644,900	
99	GAM - Shift Fantasy Sports/Unarmed Combat Monies to Event Wagering			(549,800)	
100	<b>DHS - Department of Health Services</b>	74,512,900			74,117,800
101	DHS - Remove One-Time Biomedical Research Funding Shift		(2,000,000)		
102	DHS - Remove One-Time Health Care Directives Registry Funding		(2,000,000)		
103	DHS - Continue One-Time ASH Technology Improvements		(946,600)	946,600	
104	DHS - Radiation Protection Grants			1,500,000	
105	DHS - Add Duchenne Muscular Dystrophy to Newborn Screening Panel (2 FTEs)			754,900	
106	DHS - Alzheimer's Funding			700,000	
107	DHS - Continue Existing Cooling Centers for Heat Relief			400,000	
108	DHS - Enhanced Residential Treatment - One-Time Licensing Costs			250,000	

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	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
109	<b>HLS - Arizona Department of Homeland Security</b>	11,695,200			13,495,200
110	HLS - Continue One-Time Multi-factor Authentication Funding		(550,000)	850,000	
111	HLS - Cyber Ready Arizona			1,500,000	
112	<b>HOM - Board of Homeopathic &amp; Integrated Medicine Examiners</b>	64,200			64,200
113	<b>DOH - Department of Housing</b>	360,700			360,700
114	<b>IND - Industrial Commission</b>	23,213,100			23,213,100
115	<b>DIF - Department of Insurance and Financial Institutions</b>	13,145,100			20,560,000
116	DIF - Shift Agency GF Budget to Financial Surveillance Fund			7,414,900	
117	<b>SPA - Judiciary - Supreme Court</b>	35,825,200			37,125,200
118	SPA - Electronic Monitoring System (CASA VP)			1,300,000	
119	<b>SUP - Judiciary - Superior Court</b>	12,014,500			12,014,500
120	<b>DJC - Department of Juvenile Corrections</b>	13,597,800			13,297,800
121	DJC - Remove One-Time Operating Budget Shift to CJEF		(100,000)		
122	DJC - Remove One-Time Operating Budget Shift to Land Trust Fund		(800,000)		
123	DJC - Adobe Mountain School Operating Shortfall (Includes \$600k GF)			600,000	
124	<b>LAN - State Land Department</b>	14,239,000			14,239,000
125	<b>AUD - Legislature - Auditor General</b>	-			500,000
126	AUD - State Employee Health Plan Contracted Audit			500,000	
127	<b>LIQ - Department of Liquor Licenses &amp; Control</b>	6,552,800			7,052,800
128	LIQ - Continue Records Management System Support (1 FTE)		600,000		
129	LIQ - Remove One-Time Operating Expenses		(100,000)		
130	<b>LOT - Arizona State Lottery Commission</b>	181,935,600			194,060,200
131	LOT - Retailer Commissions		9,051,100		
132	LOT - Instant Ticket Sales		1,604,500		
133	LOT - On-Line Vendor Fees		1,458,200		
134	LOT - Tab Tickets		10,800		

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135	<b>BMT - Board of Massage Therapy</b>	601,200				601,200
136	<b>MED - Arizona Medical Board</b>	8,472,700				8,472,700
137	<b>MIN - State Mine Inspector</b>	112,800				112,800
138	<b>NRB - State Natural Resource Conservation Board</b>	260,600				260,600
139	<b>NAT - Naturopathic Physicians Medical Board</b>	271,800				221,800
140	NAT - Remove One-Time Record Digitization/IT Costs			(50,000)		
141	<b>NAV - Navigable Stream Adjudication Commission</b>	200,000				200,000
142	<b>NUR - State Board of Nursing</b>	7,094,200				7,715,000
143	NUR - New Complaint Prioritization and 180 Day Investigation Timeline				620,800	
144	<b>NCI - Nursing Care Inst. Administrators Board</b>	611,600				611,600
145	<b>OCC - Board of Occupational Therapy Examiners</b>	298,000				298,000
146	<b>DIS - State Board of Dispensing Opticians</b>	199,700				229,700
147	DIS - Retiree Accumulated Sick Leave Payout and Onboarding				30,000	
148	<b>OPT - State Board of Optometry</b>	288,000				288,000
149	<b>OST - AZ Board of Osteopathic Examiners in Medicine/Surgery</b>	1,526,100				1,926,100
150	OST - Increased Board Staffing (5 FTEs)				400,000	
151	<b>SPB - Arizona State Parks Board</b>	22,578,500				23,344,100
152	SPB - Remove One-Time Family Campout Program Expenses			(231,000)		
153	SPB - State Park Staffing (6 Ranger FTEs & 5 Water Operator FTEs)				996,600	
154	<b>PER - Personnel Board</b>	369,900				369,900
155	<b>PHA - Arizona State Board of Pharmacy</b>	3,804,000				3,743,900
156	PHA - Remove One-Time Investigations Funding			(60,100)		

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		FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
157	<b>PHY - Board of Physical Therapy Examiners</b>	624,400				624,400
158	<b>PIO - Arizona Pioneers' Home</b>	9,160,800				9,160,800
159	<b>POD - State Board of Podiatry Examiners</b>	204,200				204,200
160	<b>PRI - State Board for Private Postsecondary Education</b>	557,500				557,500
161	<b>PSY - State Board of Psychologist Examiners</b>	872,600				872,600
162	<b>DPS - Department of Public Safety</b>	91,955,200				112,497,400
163	DPS - Remove One-Time Aircraft Maintenance Costs			(693,000)		
164	DPS - Remove One-Time North Loop Comm Network Conversion to Digital			(1,300,000)		
165	DPS - 47 Highway Patrol and 136 Non-Patrol Replacement Vehicles				15,540,300	
166	DPS - Aircraft Maintenance for Airplanes and Helicopters				2,079,200	
167	DPS - Backfill AZPOST Training Academy Reimbursements				2,045,000	
168	DPS - Wellness and Crisis Care Program				1,595,300	
169	DPS - Public Safety Grant Support Staff (Continue FY26 DEMA Approp Ongoing in DPS)				472,600	
170	DPS - Redaction Processing Workload (5 FTEs)				446,800	
171	DPS - Scrap Metal Dealer Compliance and Enforcement (2 FTEs)				250,000	
173	DPS - Civil Air Patrol Maintenance and Operations				106,000	
173	DPS - Move Border Security Fund Shift to Highway Patrol Fund				Yes	
174	<b>RUC - Residential Utility Consumer Office</b>	1,951,200				1,951,200
175	<b>RES - Board of Respiratory Care Examiners</b>	420,500				420,500
176	<b>RET - Arizona State Retirement System</b>	28,966,100				28,966,100
177	<b>REV - Department of Revenue</b>	28,732,800				28,732,800
178	<b>SOS - Secretary of State</b>	2,604,900				3,800,000
179	SOS - Pay for FY27 County Share of AVID Costs with HAVA Monies				1,000,500	
180	SOS - Record Retention Workload Costs				194,600	
181	<b>TEC - State Board of Technical Registration</b>	2,735,900				2,812,900
182	TEC - Renew E-licensing Contract				77,000	

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	FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
<b>183 DOT - Department of Transportation</b>	614,325,700				636,845,500
184 DOT - Remove One-Time Passenger Rail Planning			(200,000)		
185 DOT - Remove One-Time Building Management System Upgrade			(238,000)		
186 DOT - Remove One-Time MVD Security System Modernization			(789,100)		
187 DOT - Remove I-17 Flex Lane Highway Maintenance			(813,600)		
188 DOT - Remove One-Time Maintenance Mgmt. System Replacement			(3,222,500)		
189 DOT - Remove One-Time Construction Mgmt. System Replacement			(6,272,000)		
190 DOT - Remove One-Time Vehicle Purchases Funding			(8,101,600)		
191 DOT - Highway Maintenance - 487 New Lane Miles				10,178,500	
192 DOT - Construction Management System Replacement - Phase 4 of 5				6,844,600	
193 DOT - State Fleet - Replace 284 Vehicles (State Fleet Vehicle Replacement Fund)				6,361,300	
194 DOT - Ongoing Highway Maintenance of Poor and Fair-Rated Roads				5,201,600	
195 DOT - Maintenance Management System Replacement - Phase 2 of 3				4,570,600	
196 DOT - Fueling Facilities Increased Utilization				4,200,000	
197 DOT - State Fleet - Exempt Rate Increases (State Fleet Operations Fund)				1,682,400	
198 DOT - Highway Maintenance - I-17 Flex Lane Operations and Maintenance				1,142,000	
199 DOT - Expand Current Line for Livestock Control to Include Wildlife Crossings				700,000	
200 DOT - MVD Office Security Upgrades (Remaining 5 Offices) (MVLIE Fund)				563,100	
201 DOT - Driver License and ID Card Production				386,100	
202 DOT - License Plate Production				137,100	
203 DOT - Selected Staff Salary Statewide Adjustment Correction				76,600	
204 DOT - Highway Maintenance - South Mountain Freeway Contract COLA				66,000	
205 DOT - State Fleet - Statewide Adjustment (State Fleet Operations Fund)				46,700	
206 DOT - Ongoing \$2.5M HURF Deposit to SMART Fund				Yes	
<b>207 TRE - State Treasurer</b>	12,562,900				13,837,300
208 TRE - Remove One-Time Transportation Innovation Fund Deposit			(2,000,000)		
209 TRE - Remove One-Time Advanced Air Mobility Fund Deposit			(2,000,000)		
210 TRE - Remove One-Time Statewide Infrastructure Trust Fund Deposit			(1,000,000)		
211 TRE - Remove One-Time Bullhead City - Main Water Line Transmission			(1,000,000)		
212 TRE - Record Management Systems for Police and Sheriffs				4,078,400	
213 TRE - Virtual Police Training Simulators for ADC, Police, and Sheriffs				1,746,000	
214 TRE - Distribution to ACJC for Law Enforcement Recruitment & Technology Grants				1,000,000	
215 TRE - Distribution to ADE for School Hardening Grants				300,000	
216 TRE - Paradise Valley Law Enforcement Equipment				150,000	

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217	<b>UNI - Universities</b>				
218	<b>UNI - ASU</b>	907,759,500			907,759,500
219	<b>UNI - NAU</b>	125,450,500			125,450,500
220	<b>UNI - UA - Main Campus</b>	443,990,600			443,990,600
221	<b>UNI - UA - Health Sciences Center</b>	44,684,000			44,684,000
222	<b>VSC - Department of Veterans' Services</b>	60,986,900			60,986,900
223	<b>VME - Veterinary Medical Examining Board</b>	922,700			939,500
224	VME - Digitize Licensee Prior Record Digitization			16,800	
225	<b>WIF - Water Infrastructure Finance Authority</b>	8,000,000			500,000
226	WIF - Remove One-Time Kingman Wells Project		(3,000,000)		
227	WIF - Remove One-Time Gilbert Wells Project		(5,000,000)		
228	WIF - Transfer \$500k from WSDRF to Small Drinking Water Systems Fund			500,000	
229	<b>WAT - Department of Water Resources</b>	3,767,300			8,767,300
230	WAT - Remove One-Time Colorado River Legal Defense		(1,000,000)		
231	WAT - Colorado River Litigation Fund Deposit			6,000,000	
232	<b>OTH - Other</b>				
233	OTH - DPS Operating Expenses (Supplemental)	4,750,000	(4,750,000)		-
234	OTH - DOA Federal Repayment (Supplemental)	2,018,700	(2,018,700)		-
235	OTH - Behavioral Health Examiners Board Operating Expenses (Supplemental)	150,000	(150,000)		-
236	OTH - Lapse FY24 SHF Appropriation for EV Charging at ADOT Fleet Facilities	(5,000,000)	5,000,000		-
237	OTH - Unallocated FY 2026 Risk Management Adjustments	5,611,300	(5,611,300)		-
238	OTH - Unallocated FY 2026 Health Insurance Adjustments	4,123,600	(4,123,600)		-
239	OTH - Unallocated FY 2026 Law Enforcement Salary Adjustments	1,172,200	(1,172,200)		-
240	OTH - Unallocated FY 2026 Fleet Operating Adjustments	510,000	(510,000)		-
241	OTH - Unallocated FY 2026 Rent and COP Adjustments	3,700	(3,700)		-
242	OTH - Unallocated FY 2026 AZ360 Adjustments	(8,400)	8,400		-
243	OTH - Unallocated FY 2026 Retirement Adjustments	(1,373,600)	1,373,600		-
244	OTH - Remove One-Time FY 2026 Fleet Operating Adjustments	-	10,000		10,000
245	OTH - Remove One-Time FY 2026 Fleet Replacement Adjustments	-	(2,700,000)		(2,700,000)

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		FY 2026 OF 6/11		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/11
246	OTH - Remove One-Time FY 2026 Risk Management Adjustments	-		(5,888,700)		(5,888,700)
247	OTH - Remove One-Time FY 2026 Health Insurance Adjustments	-		(45,876,400)		(45,876,400)
248	OTH - FY 2027 Health Insurance Adjustments	-			80,000,000	80,000,000
249	OTH - FY 2027 Risk Management Adjustments	-			3,000,000	3,000,000
250	OTH - FY 2027 AZ360 Adjustments	-			1,500,000	1,500,000
251	OTH - FY 2027 Fleet Replacement Adjustments	-			1,000,000	1,000,000
252	OTH - FY 2027 Fleet Operating Adjustments	-			500,000	500,000
253	OTH - FY 2027 Rent Adjustments	-			50,000	50,000
254	OTH - FY 2027 Retirement Adjustments	-			(271,500)	(271,500)
255	<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>5,070,009,300</b>		<b>(271,825,600)</b>	<b>204,988,800</b>	<b>5,003,172,500</b>
256	<b>CAPITAL SPENDING CHANGES</b>					
257	<b>Building Renewal</b>					
258	Arizona Department of Administration	20,313,500		(3,513,500)	(11,646,000)	5,154,000
259	Arizona Department of Corrections	5,864,300			9,787,900	15,652,200
260	Arizona Exposition and State Fair Board	3,815,100		(3,815,100)	3,905,900	3,905,900
261	Game & Fish Department	1,815,700		117,200		1,932,900
262	Arizona Lottery Commission	218,200		19,600	(137,800)	100,000
263	State Parks Board	3,633,300		(3,633,300)	3,552,200	3,552,200
264	Pioneers' Home	470,400		(470,400)	482,000	482,000
265	Arizona Department of Transportation	23,385,300			1,188,800	24,574,100
266	<b>New Projects</b>					
267	Game & Fish - Property Maintenance	300,000		(300,000)		-
268	Game & Fish - Hatchery Repairs at 6 Facilities	4,700,000		(4,700,000)		-
269	Game & Fish - State Match - Black Canyon/Fool Hollow Lakes Dam Repairs	6,850,000		(6,850,000)		-
270	Game & Fish - Dam Maintenance	150,000		(150,000)	150,000	150,000
271	Game & Fish - Hatchery Maintenance	400,000		(400,000)	400,000	400,000
272	Game & Fish - Hatchery Renovations - Phase 3	-		-	11,000,000	11,000,000
273	DHS - ASH Perimeter Detection System	83,000		(83,000)		-
274	DHS - ASH Above Ground Isolation Valve Installation	160,000		(160,000)		-
275	DHS - ASH Anti-Ligature Renovations	695,000		(695,000)		-
276	DJC - Adobe Mountain School Door and Lock Replacements	303,000		(303,000)		-
277	DJC - Fire Line Booster Pumps Replacement	536,600		(536,600)		-
278	DJC - Adobe Mountain School Kitchen Air Unit	641,000		(641,000)		-
279	Parks - Tonto Natural Bridge State Park Land Shift & Monitoring	-		-	200,000	200,000
280	Pioneers' Home - Replace All Windows/Doors	1,515,000		(1,515,000)		-

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281	ADOT - Grand Canyon Airport Terminal Renovation - State Match	850,300		(850,300)		-
282	ADOT - Maint. Offices (Little Antelope/Gray Mountain) (SHF)	6,861,000		(6,861,000)		-
283	ADOT - Avondale Vehicle Repair Shop Improvements (SHF)	6,951,000		(6,951,000)		-
284	ADOT - Phoenix Traffic Signal & Lighting Warehouse Design (SHF)	-		-	611,000	611,000
285	ADOT - Replace 3 Statewide Vehicle Fueling Facilities (SHF)	-		-	4,944,000	4,944,000
286	ADOT - Replace Kingman Materials Lab (SHF)	-		-	5,038,000	5,038,000
287	<b>State Highway Fund and Aviation Fund Adjustments</b>					
288	ADOT - Airport Planning	44,340,700		(15,291,800)		29,048,900
289	ADOT - Debt Service	118,773,000		405,000		119,178,000
290	ADOT - Controlled Access	141,314,000		795,000		142,109,000
291	ADOT - Statewide Highway Construction	198,683,000		(27,307,000)		171,376,000
292	<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>593,622,400</b>		<b>(83,690,200)</b>	<b>29,476,000</b>	<b>539,408,200</b>
293	<b>TOTAL - OPERATING &amp; CAPITAL SPENDING</b>	<b>5,663,631,700</b>		<b>(355,515,800)</b>	<b>234,464,800</b>	<b>5,542,580,700</b>
294	<b>FUND TRANSFERS</b>					
295	<u>APF/DOA - Automation Projects Fund - All for IT Projects</u>					
296	APF/DOA - ADOA State Personnel System Replacement (IT Fund)	5,941,700		(5,941,700)		-
297	APF/DOA - ADOA A to Z Single Access to State Services (Web Portal Fund)	3,370,000		(3,370,000)		-
298	APF/DOA - ADOA Move State Agencies to State Web Portal (IT Fund)	1,750,000		(1,750,000)		-
299	APF/DOA - ADOA State Web Portal Software and Security (Web Portal Fund)	375,000		(375,000)		-
300	APF/DOA - Business One-Stop (IT Fund)	1,700,000		(1,700,000)		-
301	APF/DOA - DOR Integrated Tax System (IT Fund)	-		7,218,400	(5,755,700)	1,462,700
302	APF/DOA - Medical Board (Medical Board Fund)	-			150,000	150,000
303	APF/DOA - DOR Mainframe Migration (Admin Fund)	-			1,425,000	1,425,000
304	<u>Other Fund Transfers</u>					
305	OTH - ROC Recovery Fund to ROC Operating Fund	2,700,000		(2,700,000)		-
306	OTH - Peace Office Training Equip. Fund to School Safety Interop. Fund	2,000,000		(2,000,000)		-
307	<b>TOTAL - FUND TRANSFERS</b>	<b>17,836,700</b>		<b>(10,618,300)</b>	<b>(4,180,700)</b>	<b>3,037,700</b>

\* Any "Remove" references indicate that one-time FY 2026 funding is not continued in FY 2027. The original FY 2026 funding remains available.

## FY 2027 BUDGET RECONCILIATION BILL PROVISIONS

### AMUSEMENTS (SB 1848/HB 4155)

#### Department of Gaming

1. As session law, continues to set the Regulatory Wagering Assessment at 0.5% in FY 2027 only. AMUS 8
2. As session law, the Department of Gaming may continue to allow a first-time starter horse to race in 2026 and 2027 as long as the horse has gate approval and at least 2 timed workouts. One of the timed workouts shall be an out-of-the-gate workout that is conducted within 60 days of the race. (For reference, "gate approval" means a demonstration to confirm a racehorse has been trained on how to safely enter and exit the starting gate prior to racing at a commercial racetrack.) AMUS 9
3. As permanent law, combines the Fantasy Sports Contest Fund into the Event Wagering Fund and moves the Unarmed Combat subaccount into the Event Wagering Fund. Allows the department to transfer monies from the Event Wagering Fund into the Unarmed Combat subaccount. Allows Event Wagering Fund to be used on problem gambling and adds up to \$500,000 for grantmaking authority. AMUS 2,3,4,5,6,7

#### Department of Liquor Licenses and Control

4. As permanent law, amends A.R.S. § 4-120(c) to require that monies in excess of \$700,000 be transferred from the Liquor Licenses Fund to the General Fund by December 31 of each fiscal year. AMUS 1

### STATE BUDGET IMPLEMENTATION (SB 1859/HB 4166)

#### Statewide

5. As session law, continues to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services. BI 2
6. As session law, continues to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund (BSF) through FY 2029. Also, notwithstanding the 10% BSF cap for FY 2027. BI 3
7. As permanent law, grants ADOA the ability to delegate authority or specific information technology functions to any budget unit and the authority to enter into agreements with any state agency or political subdivision of this state to furnish IT services. Additionally, requires ADOA to adopt certain software and data sharing practices and develop a statewide IT strategic plan. BI 1

### COMMERCE (SB 1850/HB 4157)

#### Arizona Commerce Authority

8. As session law, extend the current \$1.75 million yearly distribution from the State Lottery Fund to the Arizona Commerce Authority through FY 2029. In FY 2030, the distribution will increase to its pre-FY 2025 level of \$3.5 million. COMM 1,2
9. As permanent law, moves the administration of the Advanced Air Mobility Fund from the Treasurer to the Arizona Commerce Authority (ACA) and amends the fund purpose to allow for the Office of Defense Innovation within ACA to enter into a contract with an entity to advance the

state's defense, aerospace, dual use and national security innovation ecosystem. Requires a report on or before September 1, 2029 to the Governor, President of the Senate, and Speaker of the House with a summary on the activities and accomplishments of the Office of Defense Innovation. Removes requirement of JCCR review of expenditure plan prior to expending monies from the Advanced Air Mobility Fund.

10. As permanent law, extend the Arizona Competes Fund through the end of fiscal year 2028. COMM 6,11

**Registrar of Contractors**

11. As permanent law, amending A.R.S. 32-1334 to increase the Residential Contractors' Recovery Fund administrative expenditure cap from 14% to 20% of prior year deposits. COMM 5

**Corporation Commission**

12. As permanent law, adds "safety" to the allowable uses of the Securities Regulatory and Enforcement Fund. COMM 10

**Office of Economic Opportunity**

13. As permanent law, amend A.R.S. § 41-2257 to increase the population threshold for a city or town to one hundred fifty thousand persons and increase the population threshold for a county to five hundred thousand persons. COMM 8

**Department of Insurance and Financial Institutions**

14. As permanent law, allow the department to annually assess and collect from all insurers (domestic and foreign) at the current statutory fee schedule with the intent to pay for the department's operating expenses plus \$2.0 million in additional resources. Further makes the Financial Surveillance Fund an appropriated fund. COMM 3

**Office of Tourism**

15. As permanent law, allow gifts, grants, and donations to be deposited into the Tourism Fund. COMM 9

**CRIMINAL JUSTICE (SB 1851/HB 4158)**

**Arizona Department of Administration**

16. As permanent law, amends A.R.S 41-710.03 to specify that the state shall not use monies from any source other than the Erroneous Convictions Fund to pay erroneous convictions compensation claims. Specifies that the state is not liable to pay any amount for erroneous convictions claims in excess of the available monies in the Erroneous Convictions Fund. Applies this change retroactive to December 31, 2025. CJ 7,16

**Attorney General**

17. As permanent law, continues the Civil Rights Division within the Attorney General's Office and terminates the Civil Rights Advisory Board. The Civil Rights Division previously had a repeal date of January 1, 2027. CJ 8,9,10,14

**Arizona Department of Corrections**

- 18. As permanent law, amend A.R.S. § 31-281 and A.R.S. § 31-285 to combine the reporting requirements on the transition program. ADC currently reports separately on both the cost reductions associated with the transition program as well as details on the program participation. CJ 4,5,6
- 19. As permanent law, amend A.R.S. § 41-1641 by increasing the amount transferred from the Corrections Fund to the DOC Building Renewal Fund from \$2.5 million to \$12.5 million. CJ 11

**Arizona Criminal Justice Commission**

- 20. As permanent law, renames the Peace Officer Training Equipment Fund to the Law Enforcement Equipment Fund. Changes the administration of the fund from the State Treasurer to the Arizona Criminal Justice Commission (ACJC) and allows ACJC to use the fund for administrative costs. CJ 1,2,12,13

**Judiciary**

- 21. As permanent law, requires the Administrative Office of the Courts to submit an annual report to the Governor, Speaker of House, President of the Senate, JLBC, OSPB, and Secretary of State by December 1 on the enforcement and collection of restitution, fines, fees, surcharges, and assessments under A.R.S. § 13-810, including detail on amounts ordered and collected, collection rates, and instances in which a person was incarcerated due to nonpayment. CJ 3

**Department of Public Safety**

- 22. As permanent law, delay the full implementation of the Major Incident Division to FY 2029. CJ 15

**ENVIRONMENT (SB 1852/HB 4159)**

**Department of Environmental Quality**

- 23. As session law, continues to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank Fund in FY 2027 for department administrative expenses and for sewage remediation. ENV 5
- 24. As session law, maintain emission inspection fees in FY 2027 for Area A at the June 30, 2025, Area A fee level. Area A refers to the Phoenix Metropolitan Area and includes Maricopa County as well as portions of Pinal and Yavapai Counties. ENV 8
- 25. As session law, continue notwithstanding the \$18,000,000 annual funding level for the Water Quality Assurance Revolving Fund (WQARF) and limiting the General Fund transfer to \$15,000,000. ENV 9

**Arizona Navigable Stream Adjudication Commission**

- 26. As session law, continues to allow use of the Water Banking Fund for the commission's legal obligations. ENV 6

**Department of Water Resources**

- 27. As session law, continues to allow the department's Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2027. ENV 7
- 28. As session law, extend the March 31, 2027 repeal of the Arizona System Conservation Fund to March 31, 2031. ENV 3

29. As permanent law, for the Pinal County Active Management Area (AMA), extends from January 1, 2027 to December 31, 2030, the following: 1) The moratorium on levying and collecting annual groundwater withdrawal fee for Arizona water banking purposes; 2) the \$2.50 per acre-foot per year cap on the annual groundwater withdrawal fee for groundwater and efficiency projects in the Pinal AMA. ENV 1
30. As permanent law, monies collected for groundwater withdrawal fees from Pinal County for groundwater and irrigation efficiency projects in the Pinal AMA are deposited into the Temporary Groundwater and Irrigation Efficiency Projects Fund. Delays by 5 years, from 2027 to 2032, the year in which any unencumbered monies in the Fund must be proportionally distributed to the Fund's contributors. ENV 2
31. As session law, extends the repeal of the Temporary Groundwater and Irrigation Efficiency Projects Fund from March 31, 2028 to March 31, 2033. ENV 4

## **HEALTH CARE (SB 1853/HB 4160)**

### **Arizona Department of Administration**

32. As permanent law, establishes the Health Insurance Trust Fund (HITF) Oversight Board to approve changes to the state employee medical and dental insurance plans beginning in PY 2028. Establishes the following provisions governing the Board: HLTH 4,5
- The Board consists of 5 voting members:
    - The ADOA Benefits Division Assistant Director, Chair of the Board.
    - The ADOA Director or their designee.
    - The Department of Insurance and Financial Institutions Director or their designee.
    - One member appointed by the Speaker of the House of Representatives.
    - One member appointed by the President of the Senate.
  - None of the 5 members may be sitting elected officials, and the 2 members appointed by the Speaker/President must have at least 3 years of experience in the health care industry in Arizona and may not be a registered lobbyist.
  - The Board is required to meet at least twice per year and must vote to approve changes proposed by ADOA staff for any of the following:
    - Benefits.
    - Premiums.
    - Cost sharing (e.g. deductibles, copays, coinsurance, and out-of-pocket maximums).
    - Request for Proposals (RFP) contracts greater than \$3 million.
  - The Board is required to design policies that seek to achieve the following by PY 2035:
    - An 85% employer/15% employee medical premium cost share.
    - A consistent HITF reserve balance that is 2x the health plan's "Incurred But Not Reported" (IBNR) costs.
    - Optimal retiree cross-subsidization.
33. As permanent law, require that the HITF Oversight Board develop requirements for the sharing of state employee health plan anonymized and aggregated claims and trend with participating employers. HLTH 3

## AHCCCS

### *Rates and Services*

34. As session law, continues the FY 2010 risk contingency rate reduction for all managed care organizations. Continues to allow AHCCCS to impose a reduction on funding for all managed care organizations' administrative funding levels. HLTH 18
35. As session law, requires AHCCCS to report by January 31, 2027, on aggregate spending and aggregate utilization of mental health medications, including antipsychotics and antidepressants, during the contract year ending on September 30, 2025. HLTH 14
36. As session law, conditional on federal approval, establishes a 3-year pilot program in FY 2027 through FY 2029 for AHCCCS to cover traditional healing services when delivered at an Urban Indian Organization facility. HLTH 9
37. As session law, exempts AHCCCS from rulemaking requirements for policy changes related to service frequency or hour limitations in FY 2027. Requires that the agency provide an opportunity for public comment at least 30 days before implementing the changes. HLTH 19

### *Counties*

38. As session law, continues to exclude Proposition 204 administration costs from county expenditure limitations. HLTH 15
39. As session law, sets the FY 2027 County Acute Care contribution at \$42,447,600. HLTH 13
40. As session law, continues to require AHCCCS to transfer any excess monies back to the counties by December 31, 2027, if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. HLTH 12
41. As session law, sets the FY 2027 county Arizona Long Term Care System (ALTCs) contributions at \$445,813,900. HLTH 10

### *Hospitals*

42. As session law, continues to establish FY 2027 disproportionate share (DSH) distributions to the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. HLTH 11
43. As session law, continues to require AHCCCS to give priority to rural hospitals in Pool 5 distribution, as well as permit local jurisdictions to provide additional local match for Pool 5 distributions. HLTH 11
44. As session law, continues to establish priority for payments to private hospitals via the DSH-Voluntary program in FY 2027 according to county population size. Hospitals in rural counties (i.e., excluding Maricopa, Pima, and Pinal) have first priority; hospitals in Pinal County have second priority; and hospitals in Maricopa and Pima Counties have third priority. HLTH 11
45. As session law, exempts AHCCCS from rulemaking requirements for implementing the hospital assessment in FY 2027 and makes the rulemaking exemption retroactive to July 1, 2026. HLTH 20

### *Available Funding*

46. As session law, continues to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. HLTH 21

### *HR 1 Implementation*

47. As session law, makes the following changes in AHCCCS enrollment verification and presumptive eligibility in FY 2027: HLTH 6,7
- Requires AHCCCS to comply with federal Medicaid law and regulations on member eligibility redeterminations, which include a new requirement that states must renew the eligibility of Medicaid expansion adults at least every 6 months beginning January 1, 2027.
  - Requires AHCCCS to do the following when determining member eligibility:
    - Review Department of Health Services death records.
    - Review federal data on out-of-state enrollment in Medicaid, TANF, and SNAP, as well as out-of-state vital death records, to identify potential changes in residency.
    - Review Department of Economic Security information on changes to unemployment benefits, employment status, or wages.
    - Review Arizona Lottery Commission and Department of Gaming information to identify substantial lottery or gambling winnings, including online gambling winnings.

- Prohibits the use of self-attestation in verifying residency.
  - Prohibits the agency from accepting eligibility determinations made under the federal health insurance exchange without independent agency verification.
  - Regarding the hospital presumptive eligibility program:
    - Limits the program to children and pregnant women.
    - Establishes standards for hospitals when making presumptive eligibility determinations.
48. As permanent law, establishes the Arizona Rural Health Transformation (RHT) Fund as a non-appropriated fund under AHCCCS for federal RHT grants. Requires AHCCCS to hold 3 public meetings and provide a report to the JLBC detailing its expenditure plan for federal RHT grants before the Executive branch may spend any of the monies from the fund. HLTH 2

**Attorney General**

49. As session law, remove the penalty for exceeding the county expenditure limit to apply only on monies expended from the One Arizona opioid settlement in FY 2027. HLTH 17
50. As permanent law, prevent a local government from spending opioid claims-related monies on safer smoking equipment. HLTH 1,22

**Department of Health Services**

51. As session law, continues to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations. HLTH 16
52. As session law, continues the Dementia Services Program within DHS in FY 2027 and continues to require the Department to develop an Alzheimer’s Disease State Plan. Requires DHS to review and submit an updated state plan to the Legislature on or before June 30, 2027. HLTH 8

**HIGHER EDUCATION (SB 1854/HB 4161)**

**Arizona Community Colleges**

53. As session law, continues to suspend the Operating State Aid funding at levels specified in the General Appropriation Act, which effectively means suspending the formula in FY 2027 for only Maricopa and Pima Counties. HEd 5
54. As session law, continues to set the Science, Technology, Engineering and Mathematics and Workforce Programs district funding at levels specified in the General Appropriation Act, which effectively means suspending the inflation adjustment in FY 2027 for all community college districts. HEd 4

**Universities**

55. As session law, continues to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). HEd 3
56. As permanent law, increase the Veterinary Loan Assistance Program maximum from \$100,000 to \$200,000 and require ABOR to distribute funds to veterinarians in proportional distributions to the total assistance amount after each year of the 4 year service requirement. HEd 2
57. As permanent law, amend A.R.S. § 15-1626 to limit the Board of Regents authority to retain University monies to supplement the Board’s operating budget to no more than \$5 million annually. HEd 1

## HUMAN SERVICES (SB 1855/HB 4162)

### Arizona Schools for the Deaf and Blind

58. As session law, requires ASDB, on or before November 1, 2026, to transfer existing contracts for supplemental early childhood listening and spoken language services to DES. Further requires the agency to transfer the remaining balance of the FY 2027 appropriation for supplemental early childhood listening and spoken language services to DES. Adds succession language transferring authority, powers, responsibilities, duties, and contracts related to the speech and audition services from ASDB to DES. HS 17,18

### Department of Economic Security

59. As session law, establishes the Supplemental Nutrition Assistance Program (SNAP) Fund as a non-appropriated fund used to house the federal share of the administrative costs of SNAP. HS 10
60. As session law, continues to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable suspicion the recipient uses illegal drugs. HS 15
61. As session law, requires DES to make the following changes regarding SNAP eligibility verification procedures: HS 12,14
- To determine or evaluate SNAP eligibility:
    - Review DES' own information, information from the Lottery Commission and Department of Gaming to identify lottery or gambling winnings under the federal substantial winnings definition.
    - Review information from the Department of Health Services (DHS) that identifies individuals who have had a change in circumstances.
    - Review DES' own information as the state wage information collection agency and the agency that administers unemployment insurance benefits.
    - Review information from the Department of Corrections (DOC) that identifies individuals who have had a change in circumstances that affect SNAP eligibility.
    - Review information from federal sources including information on earned income, death master file, supplemental security income, beneficiary records, earnings and pension, child support enforcement data, and national fleeing felons.
  - Requires DES to review a SNAP case if the Department receives reliably information that indicates a recipient's change in circumstances.
  - Prohibits DES from relying solely on self-attestation to confirm residency for SNAP eligibility except in unusual circumstances.
  - Requires DES to publicly post the number of SNAP cases investigated for intentional program violations or fraud, the number of SNAP cases referred to the Attorney General's office, the amount of improper payments or expenditures, the amount of monies recovered, the amount of monies spent for improper payments as a percentage of cases that were investigated and reviewed, the amount of monies spent by EBT card that occurred outside of the state.
62. As session law, requires DES to submit a report detailing the Department's efforts to improve the quality and timeliness of eligibility determinations, including specific goals for, actions taken and barriers faced during the reporting period by June 30, 2027. HS 13
63. As session law, requires DES to submit a report on the anticipated error rate within 30 days of submission of the final month of quality control reviews to the US Department of Agriculture Food and Nutrition Service for FY 2026 and a monthly report on the number of SNAP cases, number of program participants and total benefits paid to persons who are categorically eligible for SNAP. HS 11

- 64. As permanent law, beginning July 1, 2027, requires the department to contract with listening and spoken language providers in the state that provide speech and audition services to early intervention programs to infant and toddler children who are deaf or hard of hearing. Further requires the department to refer all eligible families with infants and toddlers who are deaf or hard of hearing to both contracted listening and spoken language providers and ASDB. HS 6
- 65. As permanent law, modifies the Out-of-School Grant program within DES to state that the program shall target out-of-school time care for school aged children who are at least 5 years old and eligible for or enrolled in Kindergarten and not older than 18. Removes requirement to reduce cost of out-of-school time care by at least two-thirds. HS 5
- 66. As session law, allow the out-of-school time grant monies for rural communities to be spent for capital purposes in a public building if a school district partners with a nonprofit organization with a history of offering out-of-school time services to eligible pupils. HS 16

**Department of Housing**

- 67. As permanent law, revises the existing order of priority for Housing Trust Fund awards that occur during the first 4 months of each fiscal year. The Exec adds a new first priority of "state matching of monies for various federally funded housing programs". Under current law, the priorities are: 1) emergency shelter facilities, 2) transitional housing units, and 3) shelter for individuals with a serious mental illness. HS 7
- 68. As permanent law, increase the maximum payment amount from the Mobile Home Relocation Fund by \$10,000 to \$22,500 for single section mobile homes and by \$10,000 to \$30,000 for multi-section mobile homes. Allow tenants to move anywhere within the state. HS 1,2,3

**Department of Veterans' Services**

- 69. As session law, extends the lapsing date of the Military Family Relief Fund by five years, to December 31, 2031. Extends the tax credit from private donations to the fund until December 31, 2031. HS 4,8,9

**K-12 EDUCATION (SB 1856/HB 4163)**

**Arizona Schools for the Deaf and Blind**

- 70. As permanent law, establish the appropriated Property Proceeds Fund consisting of proceeds from the sale or lease of school buildings or grounds owned by ASDB. Excludes from deposit into the fund the proceeds from leases of property to other schools and leases of property for less than one year. Authorizes the State Treasurer to invest and divest monies in the fund on notice of ASDB and credit any monies earned to the fund. Specifies that in any fiscal year in which the legislature appropriates monies from the fund, ASDB shall prepare and submit an expenditure plan to the Joint Legislative Budget Committee for review. K12 4
- 71. As permanent law, requires that, prior to the sale of buildings or grounds, ASDB shall order two independent appraisals of the property and submit a proposal to sell the school buildings or grounds to the Joint Committee on Capital Review for review. Requires the sale of ASDB property to adhere to the requirements of A.R.S. 37-803, which governs the disposal of real property for state agencies. K12 4

**Department of Education**

*Formula Requirements*

- 72. As permanent law, increases the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school "Additional Assistance" amounts (A.R.S. § 15-185B4) by 2.0% for standard inflation. K12 1, 2, 3
- 73. As permanent law, update the Qualifying Tax Rate cited in A.R.S. § 41-1276 to reflect the Truth in Taxation rates established for FY 2027. K12 5

*Other*

- 74. As session law, continues stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General. K12 9
- 75. As session law, continue to notwithstand A.R.S. 15-241 to allow ADE to expend monies in FY 2027 from the Failing Schools Tutoring Fund for school improvement. Require ADE to report on proposed expenditures from the fund to the Governor, Speaker of the House, President of the Senate, JLBC and OSPB by September 1, 2026. K12 6
- 76. As session law, establish the child sexual abuse and assault awareness and prevention pilot program within ADE. Requires ADE to select six public schools that have applied to participate in the pilot program in FY 2028. Participating schools shall develop a child sexual abuse and assault response policy and provide instructional modules and resources to teachers and parents of students regarding the identification and prevention of child sexual abuse and assault. Requires ADE to contract with an organization subject to certain requirements to provide the instructional resources, including the provision of printed materials to parents upon request, and requires each participating school to publish a report by October 1, 2028 on the outcomes of the pilot program. K12 7
- 77. As session law, require ADE to recalculate state aid paid to Alhambra Elementary School District in FY 2025 as a result of a change in the district's assessed valuation, and to increase FY 2027 state aid paid to Alhambra Elementary School District by \$852,200. K12 8

**LOCAL GOVERNMENT (SB 1857/HB 4164)**

**Counties and Cities & Towns**

- 78. As session law, continues to allow counties with a population of less than 250,000 according to the 2020 Decennial Census to use any source of county revenue to meet a county fiscal obligation for FY 2027, up to \$1,250,000 of county revenue for each county. The Baseline would continue to require counties using this authority to report to the Director of the Joint Legislative Budget Committee (JLBC) on the intended amount and sources of funds by October 1, 2026. LG 1

**STATE PROPERTIES; MANAGEMENT (SB 1860/HB 4167)**

**Statewide**

- 79. As session law, continues to set the FY 2027 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration at \$17.87/square foot for rentable office space and \$6.43/square foot for rentable storage space. SPM 1

**Arizona Department of Administration**

- 80. As session law, requires the department to report sales of state property within the capitol mall to the Speaker of the House, President of the Senate, and JLBC within 10 days of the final transaction. The report shall include the address, square footage and final sales price of the property. SPM 2

**Legislative Council**

- 81. As session law, allows Legislative Council to place a plaque in the governmental mall that recognizes the service of the Arizona America 250 Commission. Prohibits public monies and state sponsored fund raising for costs of the plaque. Includes a repeal date of September 30, 2029. SPM 3

## REVENUE (SB 1858/HB 4165)

### Department of Revenue

82. As session law, continues to stipulate legislative intent the amounts to be charged to all counties, cities, towns, Council of Governments and regional transportation authorities with a population greater than 800,000 for the DOR Integrated Tax System project. The charges shall not exceed \$1,273,800 for FY 2027. Each local government type is based on that government type's proportionate share of certain state and locally-collected revenues received by those local entities 2 fiscal years prior to the current fiscal year. Once each government type's share of the local assessment has been calculated, population is the basis for determining the apportioning of fees among counties as well as among cities and towns. REV 4
83. As permanent law, extend the end date of the IT charge for the new tax modernization system from FY 2028 to FY 2030 since the charge was suspended for FY 2026 and reduced in FY 2027. REV 1,3
84. As permanent law, clarifies that the IT charge continue to be levied against the reauthorized Maricopa County Road Tax which went into effect on January 1, 2026. REV 2
85. As session law, continues to stipulate legislative intent the amounts to be charged to the 16% recreational marijuana excise tax and the 0.6% education sales tax for the Integrated Tax System Project. The charges shall not exceed \$34,400 and \$154,500, respectively, in FY 2027. REV 4

## TAX OMNIBUS (SB 1861/HB 4168)

### Department of Economic Security

86. As session law, establishes the non-appropriated Unemployment Insurance Operating Fund for the administrative costs of the unemployment insurance (UI) program. Requires that experienced-rated employers pay a fee equal to 3.15% of their UI tax liability each quarter to the department in Calendar Year 2027. Of these fee collections, the first \$8.0 million is deposited into the Unemployment Insurance Operating Fund, and any monies in excess of \$8.0 million are deposited into the UI Benefits Fund. Requires the department to hold employers harmless by reducing each employer's UI tax liability by (3.15)% each quarter. Includes a repeal date of December 31, 2027. TAX 33

### Department of Revenue

87. As permanent law, conforms Arizona state statute to the Internal Revenue Code retroactively to Tax Year (TY) 2025 to reflect the federal tax changes enacted in H.R. 1, including: TAX  
9,12,15,16,35
- Increase of standard deduction to match federal amounts in TY 2025. Beginning in TY 2026, Arizona amounts are adjusted for inflation annually based on the same inflation index used to adjust the federal amounts.
  - Deduction of up to \$25,000 for tips, beginning in TY 2025.
  - Deduction of up to \$12,500/\$25,000 for overtime compensation, beginning in TY 2025.
  - Deduction of up to \$6,000 for taxpayers aged 65 and older (seniors), beginning in TY 2025.
  - Deduction of up to \$10,000 for new auto loan interest for TY 2025 only.
  - Deduction of up to \$1,000/\$2,000 for charitable contributions by non-itemizing taxpayers, beginning in TY 2026.
88. As permanent law, beginning in TY 2026, excludes the following provisions that are included in H.R. 1: TAX  
14,15,17,22,35
- Deduction of up to \$10,000 for new auto loan interest.
  - Increase of the cap for the state and local tax (SALT) deduction from \$10,000 to \$40,000.

	<ul style="list-style-type: none"> <li>• 100% special depreciation allowance (full first-year expensing) for nonresidential real property used for “qualified production activity,” which includes manufacturing, agricultural and chemical production, as well as refining.</li> </ul>	
89.	As permanent law, beginning in TY 2026, <u>adds</u> the following policies beyond those included in H.R. 1: <ul style="list-style-type: none"> <li>• Increase of the current dependent tax credit from \$100 to \$125 for dependents under 17 years old.</li> <li>• Create a deduction for child and dependent care expenses in excess of the tax filer's federal Child and Dependent Care Credit.</li> </ul>	TAX 15,18
90.	As permanent law, repeals retroactively to TY 2026, the corporate income tax credit for Pollution Control Equipment under A.R.S. §43-1170. Credit is equal to 10% of the cost of equipment used to control or prevent pollution, up to a maximum of \$500,000.	TAX 13,27,34,36
91.	As permanent law, repeals retroactively to TY 2026, the individual, corporate, and insurance premium tax credit for New Employment under A.R.S. §41-1525 / §43-1074 / §43-1161 / §20-224.03. Credit is equal to \$3,000 per net new job added by an employer claimed over 3 years for a cumulative total of up to \$9,000.	TAX 3,8,19,24,34, 36
92.	As permanent law, repeals retroactively to TY 2026, the individual and corporate <u>refundable</u> Research and Development (R&D) credit under A.R.S. §41-1507 / §43-1074.01C / §43-1168C.	TAX 8,20,26,34,35, 36
93.	As permanent law, states that, after the payment of operating expenses and debt service, at least 80% of the Rio Nuevo District state sales tax diversion program funding must be expended on Transaction Privilege Tax (TPT) generating projects.	TAX 29
94.	As permanent law, cap the aggregate dollar level of the Corporate Low-Income Student Tuition Tax Credit at \$110 million annually, beginning in FY 2027.	TAX 28
95.	As permanent law, increase cap on public infrastructure improvement spending by \$50 million for 3 years (new hard cap of \$350 million). This existing program reimburses cities and counties for their cost of public infrastructure improvements associated with manufacturing facilities. The bill also includes the following changes: <ul style="list-style-type: none"> <li>• Reduces the percentage of local government infrastructure costs to be reimbursed from 80% to 75%.</li> <li>• Increases the minimum capital investment made by a manufacturing facility for a municipality or county to qualify for reimbursement. These will be \$3 billion for counties with more than 800,000 residents and \$100 million for counties with fewer residents. The current investment thresholds are \$500 million and \$50 million, respectively.</li> <li>• Requires the local government to provide at least 5% of the construction funding for infrastructure improvements.</li> <li>• Requires the local entity to provide DOR an analysis of the direct and indirect revenue impact to the state from any infrastructure improvements.</li> <li>• Requires DOR to post development and intergovernmental agreements with municipalities online.</li> <li>• Codifies a mechanism that allows DOR to continuously process and allocate claims through the end of the 3 years.</li> <li>• Provides requests for payments from local governments received by DOR between June 1, 2026 and the general effective date be processed and paid beginning on the general effective date.</li> <li>• Expands the definition of "public infrastructure" to include reclamation, recycling, treatment, and storage of wastewater. The current allowable activities are water production, wastewater production, deliver and disposal facilities and roads necessary to support the activities of the manufacturing facility being constructed.</li> <li>• Effective retroactive from July 1, 2026.</li> </ul>	TAX 10,32,34,35,36
96.	As session law, prohibits the Arizona Commerce Authority from accepting applications for any new computer data center from July 1, 2026 through June 30, 2029 and further clarifies that no new data center can qualify for data center equipment TPT exemption during this period.	TAX 31
97.	As permanent law, expands the disabled veteran property tax exemption to allow the surviving spouse of a disabled veteran to continue to claim the exemption if the spouse moves to another property in which the surviving spouse and the deceased veteran did not reside.	TAX 11,34

- 98. As permanent law, removes the income limits for disabled veterans and their surviving spouses to be eligible to receive either a partial or full property tax exemption on their primary residence, beginning in TY 2027. Does not modify existing calculation formula for the exemption. TAX 11,34
- 99. As session law, states that all Pinal County transportation excise tax monies that remain in an escrow account in the county or held by the department after the refunds have been processed must remain in these accounts until otherwise appropriated by the Legislature. Applies the section retroactively to April 10, 2026. TAX 30

**TRANSPORTATION (SB 1862/HB 4169)**

**Department of Transportation**

- 100. As permanent law, transfers \$2.5 million annually from the Highway User Revenue Fund (HURF) into the State Match Advantage for Rural Transportation (SMART) Fund. Further repeals the \$1.0 million annual transfer from HURF into the Economic Strength Projects Fund. Repeals the Economic Strength Project Fund in FY 2035. TR 1,2,3,4

## FY 2027 GENERAL APPROPRIATIONS ACT PROVISIONS

The Budget includes the following provisions in the General Appropriations Act. These provisions are in addition to the individual agency appropriations, but exclude supplemental appropriations, ex-appropriations, and fund transfers.

<b>Department of Education</b>	<b>Section</b>
1. As session law, continue deferral of \$800,727,700 of Basic State Aid payments for FY 2027 until FY 2028. Continue to exempt districts with less than 4,000 students from the deferral. Appropriate \$800,727,700 in FY 2028 for these deferred Basic State Aid payments. Allow ADE to make the rollover payment no later than July 12, 2027.	124
2. As session law, continue to require school districts to include in the FY 2027 revenue estimates that they use for computing their FY 2027 tax rates the rollover monies that they will receive for FY 2027 in July 2027.	124
 <b>Revenues</b>	
3. As session law, continue to specify revenue and expenditure estimates for FY 2026, FY 2027, FY 2028, and FY 2029.	134
4. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2026 ending balances by September 15, 2026. Require the Joint Legislative Budget Committee (JLBC) Staff to report to JLBC by October 15, 2026, as to whether FY 2027 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	134
 <b>Statewide</b>	
5. As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	129
6. As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2027 in all agencies and provide it to the Director by October 1, 2027. The Universities are exempt from the report but are required to report separately.	131
7. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2026, on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2026.	132
8. As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	133
9. As session law, the following entities shall report to the Senate President, Speaker of the House of Representatives, Appropriations Committee Chairmen, and the JLBC Director on all total planned allocations and actual expenditures for monies received from the American Rescue Plan Act. The report is due within 45 days after the last day of the calendar quarter.	128
– The Governor's Office would report on the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund.	
– The Superintendent of Public Instruction would report on the Elementary and Secondary School Emergency Relief Fund.	
– The Arizona Board of Regents (ABOR) and each community college district would report on the Higher Education Emergency Relief Fund.	
The Legislature's intent is that the Executive Branch also report on any additional federal aid distributed to Arizona through federal legislation enacted before the end of FY 2027.	
 <b>General</b>	
10. As session law, continue to define “*” as designating an appropriation exempt from lapsing.	135

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|-----|--|-----|
| 11. | As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.          | 136 |
| 12. | As session law, continue to define "review by the Joint Legislative Budget Committee" (JLBC) as a review by a vote of a majority of a quorum of the members. | 137 |

## FY 2027 FOOTNOTE CHANGES

The Budget includes the following additions, deletions or modifications of footnotes to the JLBC Baseline.

- | <b>Acupuncture</b>  | <b>Section</b> |
|---|----------------|
| 1. Adds footnote to allow Board to use up to \$50,000 of FY 2027 appropriation to address Central Services Bureau invoices.   | 4              |
| <br><b>Department of Administration</b>   |                |
| 2. Adds footnote requiring ADOA to distribute \$377,100 for county support for corrections officer employer contributions in FY 2027 and specifies the amounts of the total appropriation to be distributed to each county to fully cover the corrections officer retirement plan employer contribution rate increase as added in the FY 2026 budget. | 5              |
| 3. Adds footnote allocating monies appropriated from the Gila County Disaster Relief line item in FY 2027 to Globe, Miami and Gila County. Specifies that the full amount of these allocations shall be distributed by July 15, 2026.   | 5              |
| 4. Adds footnote requiring ADOA to distribute the \$7.0 million appropriated in the County Sheriffs Support line item to the sheriff's offices of the following counties by July 31, 2026:  | 5              |
| 1. Apache County \$400,000  |                |
| 2. Cochise County \$1,100,000   |                |
| 3. Coconino County \$400,000  |                |
| 4. Gila County \$600,000  |                |
| 5. Graham County \$300,000  |                |
| 6. Greenlee County \$100,000  |                |
| 7. La Paz County \$400,000  |                |
| 8. Mohave County \$300,000  |                |
| 9. Navajo County \$600,000  |                |
| 10. Pinal County \$600,000  |                |
| 11. Santa Cruz County \$300,000   |                |
| 12. Yavapai County \$1,200,000  |                |
| 13. Yuma County \$700,000   |                |
| 5. Adds footnote instructing ADOA to distribute the \$3.0 million FY 2027 appropriation for the Food Bank Capital line item to a food bank meeting the specified qualifications.  | 5              |
| 6. Adds footnote requiring ADE to transfer \$2.0 million of the FY 2026 School Safety Program appropriation to the School Safety Interoperability Fund. Requires ADOA to distribute the \$2.0 million to 9 specified counties to install and support school safety projects.  | 118            |

**ADOA – Automation Projects Fund**

- 7. Adds footnote making the FY 2024 appropriation from the Health and Human Services Information System subaccount non-lapsing through FY 2027. 7
- 8. Adds footnote making the FY 2025 AHCCCS Automation Projections Fund appropriation for AHCCCS' new IT system (Medicaid Enterprise System) non-lapsing through FY 2027. 7
- 9. Adds footnote extending the lapsing date of DPS' APF appropriation for a concealed weapons tracking system from FY 2026 to FY 2027. 7
- 10. Adds footnote exempting the FY 2025 appropriation of \$19.5 million for the Department of Revenue's IT system modernization project from lapsing until June 30, 2027. 7

**ADOA – School Facilities Division**

- 11. Adds footnote allowing the use of the unencumbered balance of \$27.3 million in the New School Facilities Fund for facilities and land costs for school districts that received final approval from the Division of School Facilities on or before December 15, 2025. 6
- 12. Adds footnote making the \$750,000 FY 2027 appropriation for Building Renewal Grant Administration non-lapsing. 6

**Agriculture**

- 13. Modifies existing footnote to allow the department to utilize up to \$250,000 from the Commercial Feed Trust Fund in FY 2027 for 2 FTE positions: 1 FTE for expenses associated with screwworm response if the border is open for live cattle imports (overseen by the state veterinarian), and 1 FTE for expenses related to foreign animal disease or pest, United States department of agriculture program disease, zoonotic disease, or other emerging animal disease responses. 9

**AHCCCS**

- 14. Adds footnote making the \$51.5 million FY 2027 total funds appropriation for the H.R. 1 Implementation – Medicaid line item non-lapsing through FY 2028. 10
- 15. Adds footnote exempting \$28.4 million of IT total funds related to H.R. 1 Implementation from ITAC review. 10
- 16. Adds footnote extending the FY 2025 Graduate Medical Education line item appropriation by 6 months, until December 31, 2026. 10
- 17. Adds footnote making the \$7.8 million FY 2027 total funds appropriation for the Enhanced Residential Treatment Program line item non-lapsing. States it is the intent of the Legislature to fund \$7.8 million in FY 2027, as part of a 3-year pilot program. 10

**Attorney General**

- 18. Adds footnote requiring the \$17.0 million FY 2027 appropriation for Coordinated Reentry Planning Services Grants to be distributed as follows: \$2.0 million to each of Coconino, Maricopa, Mohave, Navajo, Pima, Pinal, and Yavapai counties for existing coordinated reentry programs, \$2.0 million to La Paz County for a new coordinated reentry program, and \$1.0 million for a grant to establish a statewide coordinated reentry database. 13

**Barbering and Cosmetology**

- 19. Adds footnote requiring the board to use \$235,000 of its operating lump sum appropriation to fill 3 FTE Positions, including 1 licensing specialist, 1 customer service representative, and 1 quality assurance specialist. 14

**Department of Child Safety**

- 20. Modifies existing footnote to allow DCS to transfer monies between out-of-home placement line items (Congregate Care, Extended Foster Care, Foster Home Placements, Foster Home Recruitment, Kinship Care, and Extended Foster Care Service Model Fund Deposit) without seeking JLBC review. 17

21. Adds footnote making the \$43.8 million FY 2025 Expenditure Authority supplemental appropriation for the Comprehensive Health Plan Services line item non-lapsing through FY 2027.	17
<b>Chiropractic Board</b>	
22. Adds footnote requiring the board to provide a report to the JLBC and OSPB by September 1, 2026, detailing the board’s proposal to resolve the imbalance between ongoing revenues and ongoing spending.	18
<b>Arizona Community Colleges</b>	
23. Adds footnote redirecting the \$250,000 FY 2026 appropriation to Maricopa County Community College District for wrestling scholarships to the Arizona Department of Education for a grant to a single Arizona high school that offers instruction to grades 6-12 and incorporates wrestling into its mission.	111
<b>Corporation Commission – APF Account</b>	
24. Adds footnote exempting the FY 2024 Corporation Commission Online Records and Filing System appropriation from lapsing, exempts the remaining monies from JLBC review, and allows the Commission to utilize the funding to pay expenses of the system including vendor contract extensions, licensing, maintenance and technical support.	7
<b>Department of Corrections</b>	
25. Modifies existing footnotes to change reporting requirements and deadlines related to the correctional officer staffing report, inmate healthcare performance metric report, and second budget request.	23
26. Adds footnote exempting the department's appropriation for body worn cameras from ITAC review.	23
27. Moves Overtime and Compensatory Time line items to the Operating Budget and eliminates footnote requiring ADC to seek JLBC review before spending monies from the Overtime and Compensatory Time line item for non-personnel costs.	
28. Modifies existing footnote requiring ADC to report to the JLBC by January 31 annually on inmate health care performance measures.	23
29. Moves Non-Contracted Medication line item to Jensen Injunction Compliance line item and eliminates related footnote requiring ADC to use the Non-Contract Medication line item appropriation to purchase medications to treat hep C and for medication assisted treatment for substance use disorders, and requiring JLBC review before expending monies for any other purpose.	
30. Moves the Injunction-Related IT line item to the Jensen Injunction Compliance line item and eliminates related footnote specifying that the appropriation for the Injunction-Related IT Upgrades line item shall be used for IT improvements as required by <i>Jensen v. Thornell</i> litigation.	
31. Eliminates footnote 1) specifying amounts appropriated for Personal Services and Employee Related Expenditures in the operating lump sum and 2) requiring ADC to submit an expenditure plan for JLBC review before expending the monies for any other purpose.	
32. Eliminates footnote requiring JLBC review of the transfer of Personal Services and Employee Related Expenditures savings from the operating budget to the Private Prison Per Diem line item for private prison staff stipends.	
33. Adds footnote that the operating budget includes funding to convert a one-time 4% stipend into a 4% annual salary increase for corrections officers in FY 2027.	23
34. Adds footnote awarding a correctional officer stipend to contracted private prisons in FY 2027. Requires the department to amend the private prison bed contract to increase the contracted rate in FY 2027.	23
35. Adds footnote stating that of the amount appropriated in the Jensen Injunction Compliance line item, \$45.1 million shall be distributed to the contracted vendor contingent on a signed agreement that includes the following:	23
1) Increases the healthcare staffing levels in accordance with ADC directives.	

- 2) Adopts quarterly reporting requirements from the healthcare vendor to ADC, OSPB, and JLBC that includes prior quarter staffing levels by position type and number of FTE positions and current progress towards outlined staffing goals.
- 3) Adopts a quarterly distribution schedule based on the healthcare vendor meeting implementation goals.
- 4) Adds automatic sanctioning and/or fines associated with failure to fill staffing vacancies consistent with the implementation goals.
- 36. Adds footnote exempting the FY 2026 Arizona Correctional Information System Upgrades appropriation from lapsing. 23
- 37. Adds footnote that allows the Department to use up to \$10.9 million of its FY 2026 operating lump sum appropriation in FY 2027 for FY 2026 compensatory or holiday liability accruals. 23
- 38. Adds language to transfer funding in the original FY 2026 budget as follows: 1) \$2,402,500 from the Private Prison Per Diem line item to the operating lump sum and 2) \$9,479,500 from the Inmate Health Care Contracted Services line item to the operating lump sum. Both transfers are the result of unrealized personal services and employee related expenditure savings in the operating budget. 1
- 39. Adds footnote stating that ADC may prioritize inmates close to release when spending the \$300,000 one-time appropriation for braille transcription programs. 23

**Arizona Criminal Justice Commission**

- 40. Adds footnote requiring ACJC to distribute the \$600,000 appropriation for a major incident regional law enforcement task force in FY 2027 evenly to the sheriff's offices of the original 5 major incident division task forces located in Cochise County, Coconino County, Navajo County, Pinal County and Yuma County. 24

**Arizona Schools for the Deaf and Blind**

- 41. Adds footnote requiring ASDB to provide a report to the JLBC and OSPB by September 1, 2026, detailing the schools' operations and budgetary changes since FY 2026. 25
- 42. Adds footnote requiring ASDB to use monies in the Supplemental Early Childhood Services line item in FY 2027 to continue current contracts for supplemental early childhood services to eligible infants and toddlers and their families. 25

**Department of Economic Security**

- 43. Adds footnote making the FY 2027 Summer Food Benefits appropriation non-lapsing through October 31, 2027. 29
- 44. Adds footnote making the supplemental FY 2026 Summer Food Benefits appropriation non-lapsing through October 31, 2026. 109
- 45. Adds footnote making the \$15.5 million FY 2026 appropriation from the General Fund for the Coordinated Homeless Services line item non-lapsing through FY 2027. 29
- 46. Adds footnote making the \$10.8 million FY 2027 appropriation from the General Fund for the H.R. 1 Implementation - SNAP line item non-lapsing through FY 2028. 29
- 47. Adds footnote making the \$5.0 million FY 2027 appropriation for Area Agencies on Aging non-lapsing. 29
- 48. Adds footnote making the \$3.0 million FY 2027 appropriation for Civil Legal Aid non-lapsing. 29
- 49. Adds footnote requiring monies in the Civil Legal Aid line item to be distributed to nonprofit organizations for the provision of statewide general civil legal aid services consistent with the terms of the Legal Services Corporation as of FFY 2026. 29
- 50. Adds footnote making the \$2.0 million FY 2027 appropriation for Produce Incentive Program non-lapsing. 29
- 51. Adds footnote making \$3.0 million FY 2027 appropriation for Out-of-School Child Care non-lapsing. 29
- 52. Adds footnote specifying that of the \$5.0 million FY 2027 appropriation for Area Agencies on Aging, \$500,000 is for the Inter-Tribal AAA and \$500,000 for the Navajo Nation AAA. 29
- 53. Adds footnote making the \$1.5 million FY 2026 appropriation from the General Fund for Homeless Veterans' Services line item non-lapsing through FY 2027. 29

54. Adds footnote making the \$500,000 FY 2026 appropriation from the General Fund for Homeless Veterans’ Strategic Plan line item non-lapsing through FY 2027.	29
55. Adds footnote making the \$150,000 FY 2027 appropriation for the Listening and Spoken Language Program non-lapsing.	29
<b>Department of Education</b>	
56. Adds footnote requiring ADE to allocate \$23.1 million for a one-time District Additional Assistance (DAA) supplement in FY 2027 and specifies that the monies be distributed on a proportional basis based on DAA formula allocations for each school district in FY 2027 and authorizes districts to allocate the monies for maintenance and operations or capital.	31
57. Adds footnote requiring ADE to allocate \$5.9 million for a one-time Charter Additional Assistance (CAA) in FY 2027 and specifies that the monies be distributed on a proportional basis based on CAA formula allocations for each charter school in FY 2027.	31
58. Adds footnote requiring ADE to allocate \$37.0 million for a one-time Free and Reduced Price Lunch (FRPL) Group B weight supplement on a pro-rata basis using weighted FRPL counts for FY 2027 and authorizes school districts to use the monies for maintenance and operations or capital.	31
59. Adds footnote stipulating that the appropriation for One-time School Meal Grants be distributed to districts and charters participating in the National School Lunch Program or School Breakfast Program for grants to reduce or eliminate copayments that would otherwise be charged to students eligible for reduced-price lunches (131% - 185% of the Federal Poverty Level). Requires ADE to reduce the grants proportionately if the appropriation is insufficient to cover all eligible districts and charters.	31
60. Adds footnote making \$600,000 General Fund FY 2027 appropriation for community gardens non-lapsing.	31
61. Adds footnote requiring \$100,000 of the FY 2026 School Safety Program appropriation to be used for a child sexual abuse and assault awareness and prevention pilot program in FY 2027.	31
<b>Department of Emergency and Military Affairs</b>	
62. Adds footnote allowing DEMA to use unexpended and unencumbered monies from its FY 2023 One-Time Maintenance Backfill line item appropriation to complete the construction of the Arizona Army National Guard Surprise Readiness Center in Surprise.	32
<b>Exposition and State Fair</b>	
63. Adds footnote extending the lapsing date of the FY 2026 \$2 million allocation from the operating budget for enhanced state fair operations through FY 2027.	37
<b>Forestry</b>	
64. Adds footnote specifying that \$10 million of the Fire Suppression line item appropriation shall be used for the purposes and are subject to the restrictions outlined in Laws 2021, 1st Special Session, Chapter 1. The FY 2027 appropriation would also be exempt from lapsing through FY 2029.	38
<b>Department of Health Services</b>	
65. Adds footnote making the \$400,000 FY 2027 appropriation from the Health Services Lottery Fund for the Cooling Centers for Heat Relief line item non-lapsing through October 31, 2027.	43
66. Adds footnote stating that \$1.5 million is appropriated to the Radiation Protection System Grants line item for DHS to establish and administer a grant program to assist rural hospitals with the cost of installing radiation protection systems in cardiac catheterization procedure rooms in which real-time x-ray imaging procedures occur.	43

**Arizona Historical Society**

67. Adds footnote allowing up to \$549,600 of monies in the State Parks Revenue Fund to be used for AHS expenses, contingent on if there is less than \$300,000 in the unrestricted balance of the AHS Donations Fund in FY 2027. Requires AHS to notify JLBC if there is less than \$300,000 in the unrestricted balance of the AHS Donations Fund and report on the intended use of monies before expending SPRF monies for operating expenses. 44

**Homeland Security**

68. Adds footnote permitting the department to expend up to \$500,000 of its Cyber Ready Arizona appropriation on administration and no more than \$11 million for the purchase of cybersecurity tool licenses. States that the department may consider applications from water and wastewater facilities for the program. States that funding cannot be used to hire permanent employees of the state or political subdivisions. 46

**Department of Insurance and Financial Institutions**

69. Adds footnote stating legislative intent that DIFI set fees at a level sufficient to fund its Financial Surveillance Fund appropriation and that DIFI continue collecting fees for deposit into the General Fund at the FY 2026 collection level. 50
70. Adds footnote allocating \$1 million of the FY 2027 Financial Surveillance Fund appropriation to the DIFI Financial Institutions Division. 50
71. Modifies existing footnote to require DIFI to pay 100% of overtime expenses for city, town, and county sworn officers participating in the Arizona vehicle theft task force. 50

**Judiciary**

72. Adds footnote requiring the funding distributed to the Supreme Court for Probation Electronic Monitoring System operating costs be used for the operation of an electronic monitoring system for sex offenders on probation supervision. Specifies that monies may be expended on platform services directly related to operation of the system. Allows the courts to authorize participating criminal justice and supervision agencies to utilize the system. Requires courts to submit quarterly reports on expenditures, enrollment, compliance, and utilization to the Governor, President of the Senate, and Speaker of the House. States any remaining monies in the appropriation may be used to operate the system for other violent offender populations. 51
73. Adds footnotes to the Supreme Court, Court of Appeals and Superior Court specifying that beginning January 1, 2027, the annual salary for all judges and justices shall increase by \$10,000. 51

**Department of Juvenile Corrections**

74. Adds footnote that the operating budget includes funding to convert a one-time 4% stipend into a 4% annual salary increase for juvenile corrections officers in FY 2027. 52

**Legislature - Auditor General**

75. Adds footnote requiring that the Auditor General conduct a contracted audit of the state employee health plan. The audit must cover the state health plan's application of best practices in health insurance cost containment and must include a forensic audit of a sample of claims from FY 2026. 54

**Liquor**

76. Modifies existing footnote to extend the lapsing date of the \$2.9 million FY 2025 supplemental appropriation for records management system by 2 years (through FY 2028) and allow monies to be used for the implementation of new regulations for alternative nicotine products. 55

**Natural Resource Conversation Board**

77. Adds footnote making the \$100,000 FY 2026 appropriation for one-time operating funding non-lapsing. 60

**Nursing Care Institution Administrators and Assisted Living Facility Board**

78. Adds footnote stating that \$30,000 of the lump sum appropriation may be used to pay outstanding costs of services provided by ADOA-CSB in prior years. 64

**State Parks**

79. Retains footnote allowing the board to use up to \$1.4 million of State Park Revenue Fund monies for State Historic Preservation Office (SHPO) operating expenses, contingent on if federal grant monies are unavailable in FFY 2027. Requires the board to notify JLBC if federal grant monies are unavailable and report on the intended use of monies for SHPO expenses. 69

80. Adds footnote extending the lapsing date of the State Parks Fund appropriation for the Arizona Veterans Memorial State Park through June 30, 2028. 69

81. Adds footnote requiring the department to notify JCCR and OSPB of revised expenditure plans should ASPT receive any Land and Water Conservation Fund grant funding for the capital projects included in the budget. 69

**Department of Public Safety**

82. Adds footnote making the \$750,000 FY 2026 appropriation for Yuma County Family Advocacy Center non-lapsing. Further specifies that the department must enter into a new agreement with the recipient of the monies to distribute any remaining funding from the appropriation. 77

83. Adds footnote making the \$15.5 million FY 2027 appropriation for one-time vehicle replacement exempt from lapsing until June 30, 2029. 77

**Real Estate**

84. Adds footnote stating the department's operating lump sum appropriation includes an ongoing increase of \$140,100 starting in FY 2027 for the maintenance and operations of the department's IT system. The legislature intends that this amount not be included in the calculation of the department's total appropriated budget for the purposes of A.R.S. 32-2103 or otherwise result in the increase of any fee or assessment levied by the department. 78

**Department of Revenue**

85. Amends footnote allowing DOR to use unclaimed property contract auditor fees in excess of \$1.5 million for preparing notices and communications to holders and property owners under the unclaimed property program. 82

**Secretary of State**

86. Adds footnote allowing SOS to use up to \$250,000 from the Election Services line item for direct costs. 83

87. Adds footnote making the \$450,000 FY 2025 appropriation to the Electronic Records Repository line item non-lapsing through FY 2027. 83

88. Adds footnote stating monies for the Address Confidentiality Program Fund deposit may not be transferred to another line item. 83

89. Add footnotes for the FY 2027 appropriation of \$4.0 million from the General Fund for 2026 primary and general elections expenses: 1) requiring the Secretary of State submit an expenditure plan to the Senate President, Speaker of the House of Representatives, JLBC, and OSPB Director prior to expending monies from the Election Services line item; 2) requiring the Secretary of State to submit a report to directors of JLBC and OSPB of the actual expenditures by purpose from the line item by January 31, 2027. 83

90. Add footnotes for a FY 2026 supplemental appropriation of \$4.0 million for 2026 primary and general election expenses: 1) requiring the Secretary of State submit an expenditure plan to the Senate President, Speaker of the House of Representatives, JLBC, and OSPB Director prior to expending monies from the FY 2026 Supplemental; 2) requiring the Secretary of State to submit a report to directors of JLBC and OSPB of the actual expenditures by purpose from the FY 2026 supplemental appropriation by January 31, 2027; 3) specifying that the monies appropriated in the FY 2026 supplemental lapse at the end of FY 2027. 112

**Department of Transportation**

91. Adds footnote allowing the department to use \$73,300 from the FY 2027 State Highway Fund appropriation to pay FY 2024 invoices. 87

**State Treasurer**

92. Adds footnote stipulating that, of the amounts appropriated in FY 2024 and FY 2025 for ballot paper purchases, all monies remaining unexpended and unencumbered on July 31, 2026, will lapse to the General Fund. 115

93. Adds footnote allowing unexpended monies from the \$50,000 FY 2026 State Treasurer distribution to Pinal County for illegal dumping prevention to be used to expand and support the Pinal County Community Cleanup Free Dump Day program. Specifies that the remaining monies may be used for operational costs, landfill access fees, anti-litter campaigns, staffing public outreach, and temporary waste disposal events intended to reduce illegal dumping within the unincorporated areas of the county. 88

94. Adds footnote requiring that the \$1.0 million FY 2027 appropriation to the Arizona Criminal Justice Commission for law enforcement recruitment and training technology grants be used to provide grants to implement recruitment technology-based tools that improve hiring and retention outcomes at state agencies with law enforcement functions, local law enforcement agencies, and tribal police agencies. Makes the appropriation non-lapsing. 119

**Universities – Arizona Board of Regents**

95. Modifies existing footnote to require ABOR to submit its Arizona Promise Program report by December 1 rather than October 1. 90

96. Modifies existing footnote to allow ABOR to distribute money from the Washington D.C. Internships line item to regional programs outside of Washington D.C. 90

**Universities**

97. Modifies existing freedom school footnotes to specify it is legislative intent that universities allocate the same amount to the Freedom Schools as was appropriated in FY 2026 except for up to the amount designated in the lump sum reduction portion of the feed bill. 91,92,93

98. Adds footnote requiring the FY 2027 appropriation for water adjudication to be used to assist claimants in the general stream adjudication of water rights. 93

99. Adds footnote making the \$500,000 FY 2027 University of Arizona appropriation for water adjudication non-lapsing. 93

100. Adds footnote requiring the University of Arizona to use up to \$1.2 million General Fund from the operating budget to operate the Arizona Perinatal and Pediatric Psychiatry Access hotline. 93

101. Adds footnote specifying that the amount appropriated to the AZ REACH line item shall be used to provide medical care transfer services for hospitals with fewer than 20 beds. 93

**Department of Veterans' Services**

102. Adds footnote specifying that \$1.0 million from the FY 2023 Tribal Ceremonies line item may be used for expenses incurred by tribal residents at Arizona State Veterans' Homes in FY 2026. 94

**CAPITAL OUTLAY BILL PROVISIONS**

**Capital – Department of Corrections**

103. Adds footnote stating ADC may spend up to \$4.6 million of its appropriation on the construction of new medical facilities to address capital needs as required by the court in the Jensen v. Thornell inmate health care litigation. CO 11

**Capital - Department of Transportation**

- 104. Modifies existing footnote that would have lapsed the \$850,300 FY 2026 capital appropriation for the Grand Canyon Airport terminal renovation if ADOT does not receive a federal grant award for the project by June 30, 2026. Extends the date to June 30, 2028. CO 9
- 105. Modifies footnotes of 9 appropriations between FY 2021 and FY 2026 concerning improvements to SR 347 at Casa Blanca Road and Cement Plant Access, improvements along SR 347 between I-10 and the City of Maricopa, and construction of an overpass at Riggs Road and SR 347. Allows monies to be expended on any aspect of the design, right of way acquisition, utility relocation, natural resource recovery and construction associated with these projects. CO 1,2,4,6,7,8,10

**Capital - Veterans' Services**

- 106. Modifies existing footnote extending the lapsing date of the \$2.4 million FY 2026 capital appropriation for HVAC replacement at the Tucson Veterans' Home. Specifies monies revert to the General Fund if U.S. Department of Veterans Affairs grant monies are not awarded in FY 2027. CO 9