

**June 23rd House Budget Bills
As Introduced**

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Prepared by JLBC Staff
June 23, 2025

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

	A	B	C	D
	FY 2025 House 6/23	FY 2026 House 6/23	FY 2027 House 6/23	FY 2028 House 6/23
1 Beginning Balance	\$ 962.8	\$ 1,090.2	\$ 753.7	\$ 510.8
2 Ongoing Revenues				
3 Ongoing Revenues - January Baseline	15,997.4	16,661.8	17,370.4	18,185.1
4 Base Revenue Adjustment	(21.5)	(69.9)	(235.7)	(247.6)
5 Subtotal - Ongoing Revenues	\$ 15,975.9	\$ 16,591.9	\$ 17,134.7	\$ 17,937.5
6 One-Time Revenues/Transfers				
7 <u>Baseline Fund Transfers (From Prior Enacted Budget)</u>				
8 ADC Correctional Industries Revolving Fund	11.5			
9 ADOT State Highway Fund - Interest (FY 25 Budget Transfers)	18.7	15.0	10.0	
10 ADOT State Highway Fund - VLT Transfer - ECD Savings (FY 25 Budget Transfers)	2.0	2.0	2.0	
11 Industrial Commission Administrative Fund Transfer (Enacted Transfer Delayed From FY 24)	1.8			
12 <u>Other One-Time Revenue Issues</u>				
13 Revenue Adjustment - April Revenue Results (Income Tax Payment Gains)	166.5			
14 Valleywise Revenue	71.2			
15 Enhanced FMAP Savings - Score As Revenue Gain	131.1	62.9		
16 Subtotal - One-Time Revenues (Including Beginning Balance)	\$ 1,365.6	\$ 1,170.1	\$ 765.7	\$ 510.8
17 Total Revenues	\$ 17,341.5	\$ 17,762.0	\$ 17,900.4	\$ 18,448.3
18 JLBC Baseline - Ongoing Spending	\$ 15,570.2	\$ 16,532.6	\$ 17,020.9	\$ 17,627.0
19 Ongoing Changes to JLBC Baseline				
20 AHCCCS - Prescription Drug Rebate Fund (PDRF) Ongoing Shift		(150.0)	(100.0)	(100.0)
21 DES - Formula Adjustments	\$ in One-Times	160.0	160.0	160.0
22 DES - Community Based Services for DD High-Cost Clients	\$ in One-Times	14.8	14.8	14.8
23 Other - Administrative Adjustments/Revertments (Excluding ACA Transfer Issue)	(23.0)	(5.1)		
24 Other - Adjustment to Score Delayed ACA Rural Broadband Accelerated Match Fund Transfer	(23.6)			
25 Subtotal - Ongoing Changes to JLBC Baseline	\$ (46.6)	\$ 19.7	\$ 74.8	\$ 74.8
26 Total Ongoing Spending	\$ 15,523.6	\$ 16,552.3	\$ 17,095.7	\$ 17,701.8
27 JLBC Baseline - One-Time Spending	\$ 520.4	\$ 114.8	\$ 293.9	\$ 337.2
28 One-Time Changes to JLBC Baseline				
29 ADOA/SFD - Continue \$183 M One-Time Building Renewal Grants		183.3		
30 AHCCCS - Enhanced FMAP Adjustments [Baseline = \$(170) M In FY 25]	140.3	(6.0)		

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

		A	B	C	D
		FY 2025 House 6/23	FY 2026 House 6/23	FY 2027 House 6/23	FY 2028 House 6/23
31	DCS - FY 25 Line Item Funding Realignment/Same As House Engrossed 6/13 Bill (No Net GF Cost)	Yes			
32	DCS - Enhanced FMAP Adjustments [Baseline = \$(9.0) M In FY 25]	9.0			
33	DES - FY 26 DD Formula Issue - Backfill Prior Year DD Actuarial Loss (Current Policy Allows For 1% Loss)		32.3		
34	DES - Enhanced FMAP Adjustments [Baseline = \$(80) M In FY 25]	70.1	(8.4)		
35	DES - DD Supplemental [Baseline = \$76.1 M GF In FY 25] (Enacted Bill - Remove GF \$/Funded From PDRF)	(76.1)			
36	DES - Community Based Services for DD High-Cost Clients (FY 25 = Reflect Enacted PDRF Funding)	PDRF - \$13.1 M			
37	ADE - Formula Supplemental - Base Costs [Baseline = \$103.2 M In FY 25]	33.6			
38	ADE - Formula Supplemental - Final Qasimyar Settlement Amount [Baseline = \$61 M In FY 25]	8.4			
39	ADE - ESSER Federal Funds Backfill Supplemental	2.0			
40	Forestry - Fire Expenses Repayment - Debt to Federal Government for Prior Year Costs	11.2			
41	DHS - Arizona State Hospital - ASH Operating Supplemental	OF - \$3.3 M			
42	SOS - CD 7 Special Election (Non-Lapsing Thru FY 26/Includes \$212k for SOS Costs)	7.5			
43	Veterans Services - State Home for Veterans Trust Fund Deposit - Operating Costs Shortfall	1.0			
44	Other - One-Time State Employee Health Insurance Funding		140.0		
45	Other - Named Claimants Supplemental (\$293k) - Bill Enacted	0.3			
46	Subtotal - One-Time Changes to JLBC Baseline	\$ 207.3	\$ 341.2	\$ -	\$ -
47	Total One-Time Spending	\$ 727.7	\$ 456.0	\$ 293.9	\$ 337.2
48	Total Spending	\$ 16,251.3	\$ 17,008.3	\$ 17,389.6	\$ 18,039.0
49	Cash Balance	\$ 1,090.2	\$ 753.7	\$ 510.8	\$ 409.3
50	Ongoing Balance	\$ 452.3	\$ 39.6	\$ 39.0	\$ 235.7

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

	FY 2025 House 6/23	FY 2026 House 6/23	FY 2027 House 6/23	FY 2028 House 6/23
REVENUES				
Ongoing Revenues	\$17,244,215,800	\$17,778,213,800	\$18,410,113,900	\$19,264,853,700
Urban Revenue Sharing	(1,268,255,600)	(1,186,305,800)	(1,275,391,400)	(1,327,335,000)
Net Ongoing Revenues	\$15,975,960,200	\$16,591,908,000	\$17,134,722,500	\$17,937,518,700
One-Time Revenues				
Balance Forward	962,823,000	1,090,271,300	753,770,400	510,890,500
One-Time Revenue Forecast Adjustment	166,500,000			
Enhanced FMAP One-Time Revenue Adjustments	131,100,000	62,900,000		
Other One-Time Revenue Adjustments	71,200,000			
Fund Transfers	33,991,800	17,000,000	12,000,000	
Subtotal One-Time Revenues	\$1,365,614,800	\$1,170,171,300	\$765,770,400	\$510,890,500
Total Revenues	\$17,341,575,000	\$17,762,079,300	\$17,900,492,900	\$18,448,409,200
EXPENDITURES				
Ongoing Operating Appropriations	\$15,610,223,500	\$16,607,379,400	\$17,150,713,000	\$17,756,819,000
Administrative Adjustments	83,400,000	134,900,000	145,000,000	145,000,000
Revertments	(170,000,000)	(190,000,000)	(200,000,000)	(200,000,000)
Subtotal Ongoing Expenditures	\$15,523,623,500	\$16,552,279,400	\$17,095,713,000	\$17,701,819,000
One-Time Expenditures				
Capital Outlay				25,000,000
Transportation Funding			30,000,000	136,240,000
FY 25 One-Time Supplementals	228,329,800			
FY 25 One-Time Ex-Appropriations	(115,951,600)			
Operating One-Time Spending	715,302,000	556,029,500	263,889,400	175,936,800
Hospital Assessment Savings	(100,000,000)	(100,000,000)		
Subtotal One-Time Expenditures	\$727,680,200	\$456,029,500	\$293,889,400	\$337,176,800
Total Expenditures	\$16,251,303,700	\$17,008,308,900	\$17,389,602,400	\$18,038,995,800
Ending Balance	\$1,090,271,300	\$753,770,400	\$510,890,500	\$409,413,400
Ongoing Balance	\$452,336,700	\$39,628,600	\$39,009,500	\$235,699,700

DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY

	FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
OPERATING SPENDING CHANGES					
1 DOA - Arizona Department of Administration	10,147,600				9,145,100
2 DOA - Remove One-Time Navajo Nation Household Electrical Connections			(1,000,000)		
3 DOA - Remove One-Time ASH Ombudsman Equipment			(2,500)		
4 APF - Automation Projects Fund/ADOA	15,243,300				11,725,500
5 APF - Remove One-Time AHCCCS IT Mainframe Replacement			(3,396,000)		
6 APF - Adjust DOR Integrated Tax System (part of FY 25 3-year plan)			(121,800)		
7 SFD - School Facilities Division/ADOA	320,918,800				362,581,200
8 SFD - Remove One-Time Building Renewal Funding			(183,300,000)	183,300,000	
9 SFD - Remove New School Construction Projects (FY 24 Starts)			(77,898,600)		
10 SFD - Continue New School Construction Projects (FY 25 Starts)			13,587,600		
11 SFD - Begin New School Construction Projects (FY 26 Starts)			105,973,400		
12 OA - Office of Administrative Hearings	970,000				970,000
13 AGR - Department of Agriculture	14,639,800				14,639,800
14 AXS - AHCCCS	2,669,731,700				2,627,312,900
15 AXS - Formula Adjustments			118,781,200		
16 AXS - Remove One-Time Critical Access Hospital Supplemental Pool			(4,200,000)		
17 AXS - Remove One-Time Case Management Provider Wage Increases			(1,000,000)		
18 AXS - Enhanced FMAP Savings				(6,000,000)	
19 AXS - Ongoing Prescription Drug Rebate Fund Shift				(150,000,000)	
20 ART - Arizona Commission on the Arts	2,000,000				0
21 ART - Remove One-Time Arts Trust Fund Deposit			(2,000,000)		
22 ATT - Attorney General	27,092,700				27,092,700
23 CHA - State Board for Charter Schools	2,749,300				2,749,300

	FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
24	DCS - Department of Child Safety	458,089,500			441,589,500
25	DCS - Remove One-Time Children and Family Supports Contract Increase		(5,500,000)		
26	DCS - Remove One-Time Healthy Families Expansion		(12,500,000)		
27	DCS - Preventative Services Technical Correction		1,500,000		
28	ACA - Arizona Commerce Authority	13,550,000			13,050,000
29	ACA - Remove One-Time Small Business Center Grants		(500,000)		
30	CCO - Arizona Community Colleges	96,082,700			101,738,300
31	CCO - Formula Adjustments		5,655,600		
32	COR - Corporation Commission	789,000			789,000
33	ADC - Department of Corrections	1,537,433,400			1,527,944,500
34	ADC - Remove One-Time Injunction-Related Costs		(9,488,900)		
35	CF - County Funding	10,650,700			10,650,700
36	JUS - Arizona Criminal Justice Commission	4,600,000			4,600,000
37	SDB - Arizona State Schools for the Deaf and the Blind	25,291,300			25,291,300
38	OEC - Office of Economic Opportunity	507,100			507,100
39	DES - Department of Economic Security	1,344,531,100			1,786,738,000
40	DES - Formula Adjustments		262,456,900	160,000,000	
41	DES - Remove One-Time Area Agencies on Aging Funding		(2,000,000)		
42	DES - Remove One-Time Low-Income Food Services for Tribal Reservations		(250,000)		
43	DES - Remove One-Time Navajo Nation Women's Services		(500,000)		
44	DES - Remove One-Time Navajo Nation Tribal Youth Programs		(500,000)		
45	DES - Remove One-Time Nutrition/Housing/Rent Programs (Pinal County)		(500,000)		
46	DES - Remove One-Time Pascua Yaqui Tribe Social Services Programs		(1,000,000)		
47	DES - Remove One-Time Low-Income Food Distribution (Cochise County)		(1,000,000)		
48	DES - Remove One-Time DD Job Training/Life Skills (Rural Counties)		(1,000,000)		
49	DES - Remove One-Time DD Group Home Monitoring Pilot		(1,200,000)		
50	DES - Remove One-Time Child Care Network Funding		(12,000,000)		

	FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
51	DES - Homeless Youth Assistance Backfill		1,000,000		
52	DES - Formula Adjustments - Backfill Prior Year DD Actuarial Loss			32,300,000	
53	DES - Enhanced FMAP Savings			(8,400,000)	
54	DES - Community Based Services for High-Cost DD Clients			14,800,000	
55	BOE - State Board of Education	3,342,400			3,342,400
56	ADE - Arizona Department of Education	7,676,669,800			8,173,308,600
57	ADE - Formula Adjustments		595,538,800		
58	ADE - Remove One-Time Increase FRPL Group B Weight		(37,000,000)		
59	ADE - Remove One-Time Increase DAA/CAA Per Pupil Funding		(29,000,000)		
60	ADE - Remove One-Time Live Remote Instruction		(100,000)		
61	ADE - Remove One-Time Center for High School Success		(1,000,000)		
62	ADE - Remove One-Time Elimination of School Meal Co-Pay		(3,800,000)		
63	ADE - Remove One-Time Continuing High School and Workforce Training		(4,000,000)		
64	ADE - Remove One-Time Comm College Adult Education		(4,000,000)		
65	ADE - Remove One-Time Adult Workforce Diploma Funding		(4,000,000)		
66	ADE - Remove One-Time English Language Learner Achievement Testing		(5,000,000)		
67	ADE - Remove One-Time Arizona Holocaust Education Center		(7,000,000)		
68	ADE - Remove One-Time K-12 Mental Health Telehealth Pilot		(2,000,000)		
69	ADE - Remove One-Time Low Income After School Programs		(2,000,000)		
70	EMA - Department of Emergency & Military Affairs	16,225,400			15,762,500
71	EMA - Remove One-Time Hazard Mitigation Assistance		(462,900)		
72	DEQ - Department of Environmental Quality	16,000,000			15,000,000
73	DEQ - Remove One-Time Zero Emissions Heavy-Duty 8-Ton Pilot Program		(1,000,000)		
74	EQU - State Board of Equalization	724,400			724,400
75	EXE - Board of Executive Clemency	1,377,600			1,377,600
76	FOR - Department of Forestry and Fire Management	51,471,600			46,471,600
77	FOR - Remove One-Time Fire Suppression Funding		(5,000,000)		
78	GAM - Department of Gaming	11,704,500			6,204,500

		FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
79	GAM - Remove One-Time Racing Purse Enhancement Funding			(4,000,000)		
80	GAM - Remove One-Time Racetrack Capital and Maint./Operations			(1,500,000)		
81	GOV - Office of the Governor	8,996,800				8,996,800
82	OSP - Gov's Office of Strategic Planning & Budgeting	2,852,500				2,852,500
83	DHS - Department of Health Services	122,466,300				117,363,900
84	DHS - Remove One-Time Preceptor Grant Program for Graduate Students			(500,000)		
85	DHS - Remove One-Time Funding Licensing Staff Costs			(1,202,400)		
86	DHS - Remove One-Time Women's Preventive Health Services			(500,000)		
87	DHS - Remove One-Time Services for Parents of Deceased Children			(500,000)		
88	DHS - Remove One-Time Heat Mitigation in Southern Arizona			(500,000)		
89	DHS - Remove One-Time Southern AZ Counseling/Community Service			(1,000,000)		
90	DHS - Remove One-Time Senior Health Promotion (Santa Cruz County)			(1,000,000)		
91	DHS - Remove One-Time AZ Care Check Portal Funding			(900,000)		
92	DHS - Remove One-Time Alzheimer's Research Shift to Health Care Fund			1,000,000		
93	AZH - Arizona Historical Society	2,978,700				2,978,700
94	PAZ - Prescott Historical Society	995,300				995,300
95	HOM - Department of Homeland Security	10,200,000				10,000,000
96	HOM - Remove One-Time Cybersecurity Programs			(200,000)		
97	DOH - Department of Housing	15,000,000				0
98	DOH - Remove One-Time Housing Trust Fund Deposit			(15,000,000)		
99	ICA - Industrial Commission	84,700				84,700
100	DIF - Department of Insurance and Financial Institutions	8,090,100				6,212,000
101	DIF - Insurance Fraud Unit Budget Shift to Non-Appropriated Funds			(1,878,100)		
102	SPA - Judiciary - Supreme Court	29,864,200				29,710,300
103	SPA - Remove One-Time Digital Evidence Software Funding			(280,000)		
104	SPA - Judicial Salary Increase (2nd of 3rd Phase)			126,100		

	FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
105	COA - Judiciary - Court of Appeals	24,407,400			24,911,700
106	COA - Judicial Salary Increase (2nd of 3rd Phase)		504,300		
107	SUP - Judiciary - Superior Court	115,194,800			116,834,000
108	SUP - Judicial Salary Increase (2nd of 3rd Phase)		1,639,200		
109	DJC - Department of Juvenile Corrections	29,978,900			29,978,900
110	LAN - State Land Department	12,411,300			12,078,300
111	LAN - CAP Rate Adjustment		56,400		
112	LAN - Transfer Funding to Natural Resource Conservation Board		(389,400)		
113	Legislature				
114	AUD - Auditor General	26,722,700			26,722,700
115	HOU - House of Representatives	21,565,600			21,565,600
116	JLBC - Joint Legislative Budget Committee	3,055,800			3,055,800
117	LEG - Legislative Council	9,275,700			9,275,700
118	LEG - Ombudsman-Citizens Aide Office	1,578,400			1,578,400
119	SEN - Senate	18,000,200			18,000,200
120	MIN - State Mine Inspector	2,299,300			2,299,300
121	NRB - State Natural Resource Conservation Board	0			389,400
122	NRB - Transfer Funding from State Land Department		389,400		
123	NAV - Arizona Navigable Steam Adjudication Comm.	140,500			140,500
124	SPB - Arizona State Parks Board	100,000			0
125	SPB - Remove One-Time Arizona Trail Fund Deposit		(100,000)		

		FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
126	DPS - Department of Public Safety	264,461,100				288,138,300
127	DPS - Remove One-Time Local Border Support Funding			(4,000,000)		
128	DPS - Remove One-Time Shift of Border Funding to Border Security Fund			27,677,200		
129	PSP - Public Safety Personnel Retirement System	6,000,000				6,000,000
130	REA - State Real Estate Department	3,111,800				3,111,800
131	REV - Department of Revenue	59,677,700				59,677,700
132	SOS - Secretary of State	22,993,900				14,093,900
133	SOS - Remove One-Time Operating Funding			(1,000,000)		
134	SOS - Remove One-Time Primary/General Election Funding			(7,900,000)		
135	TAX - State Board of Tax Appeals	318,600				318,600
136	TOU - Office of Tourism	8,325,000				8,325,000
137	TRE - State Treasurer	10,160,700				4,432,100
138	TRE - Remove One-Time Election Security Funding			(6,000,000)		
139	TRE - Justice of the Peace Salary Adjustment			271,400		
140	OTR - Governor's Office on Tribal Relations	67,100				67,100
141	UNI - Universities					
142	UNI - Arizona Board of Regents	55,726,000				54,726,000
143	UNI - Remove One-Time Arizona Teachers Academy Funding			(1,000,000)		
144	UNI - ASU	408,638,200				387,698,800
145	UNI - Lease-Purchase Adjustment			(5,400)		
146	UNI - Inflation Adjustment (2017 Capital Infrastructure)			266,000		
147	UNI - Remove One-Time Operating Funding			(21,200,000)		
148	UNI - Northern Arizona University	134,294,400				124,294,200
149	UNI - Lease-Purchase Adjustment			(1,000)		
150	UNI - Inflation Adjustment (2017 Capital Infrastructure)			100,800		

	FY 2025 GF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
151	UNI - Remove One-Time Operating Funding		(10,100,000)		
152	UNI - UA - Main Campus	295,913,700			281,450,100
153	UNI - Lease-Purchase Adjustment		1,100		
154	UNI - Inflation Adjustment (2017 Capital Infrastructure)		235,300		
155	UNI - Remove One-Time Operating Funding		(14,700,000)		
156	UNI - UA - Health Sciences Center	75,428,400			75,428,400
157	VSC - Department of Veterans' Services	11,999,100			11,499,100
158	VSC - Remove One-Time Veterans Center Funding		(500,000)		
159	WAT - Department of Water Resources	24,618,200			24,618,200
160	OTH - Other				
161	OTH - AHCCCS Formula Costs (Ex-Appropriation)	(76,351,600)	76,351,600		0
162	OTH - AHCCCS Federal Match Savings (Ex-Appropriation)	(29,700,000)	29,700,000		0
163	OTH - DCS FY 2025 Line Item Funding Realignment	Yes			0
164	OTH - DES Federal Match Savings (Ex-Appropriation)	(9,900,000)	9,900,000		0
165	OTH - ADE Formula Costs (Supplemental)	136,764,400	(136,764,400)		0
166	OTH - ADE Qasimyar State Aid Adjustments (Supplemental)	69,441,600	(69,441,600)		0
167	OTH - ADE Operating Costs (Supplemental)	2,000,000	(2,000,000)		0
168	OTH - Forestry Fire Suppression Federal Repayment (Supplemental)	11,180,800	(11,180,800)		0
169	OTH - SOS CD7 Special Election (Supplemental)	7,512,000	(7,512,000)		0
170	OTH - Treasurer Justice of the Peace Salary Adjustment (Supplemental)	138,600	(138,600)		0
171	OTH - DVS Veterans' Home Trust Fund Deposit (Supplemental)	1,000,000	(1,000,000)		0
172	OTH - Named Claimants (Laws 2025, Ch. 59) (Supplemental)	292,400	(292,400)		0
173	OTH - Phoenix Convention Center Debt Service	25,998,700	498,700		26,497,400
174	OTH - Rio Nuevo District	19,000,000			19,000,000
175	OTH - Remove One-Time FY 2025 State Fleet Adjustments	0	(3,299,000)		(3,299,000)
176	OTH - Remove One-Time FY 2025 Health Insurance Adjustments	0	(140,000,000)		(140,000,000)
177	OTH - FY 2026 Health Insurance Adjustments	0		140,000,000	140,000,000
178	OTH - Administrative Adjustments	83,400,000	51,500,000		134,900,000
179	OTH - Revertments	(170,000,000)	(20,000,000)		(190,000,000)
180	TOTAL - OPERATING SPENDING CHANGES	16,251,303,700	391,005,200	366,000,000	17,008,308,900

	FY 2025 GF House 6/23		FY 26 Baseline <u>1</u> / Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 GF House 6/23
181	TOTAL - CAPITAL SPENDING	0	0	0	0
182	TOTAL - ALL SPENDING	16,251,303,700	391,005,200	366,000,000	17,008,308,900
183	REVENUE CHANGES				
184	Ongoing Revenue				
185	REV - Ongoing Revenue (Including Urban Revenue Sharing)	15,975,960,200	664,358,400	(69,900,000)	16,591,908,000
186	One-Time Revenue				
187	REV - One-Time Revenue	0			0
188	REV - Beginning Balance	962,823,000	(59,161,700)	186,610,000	1,090,271,300
189	REV - One-Time Revenue Forecast Adjustment	166,500,000			0
190	REV - Enhanced FMAP One-Time Revenue Adjustments	131,100,000		62,900,000	62,900,000
191	REV - Other One-Time Revenue Adjustments	71,200,000			0
192	REV - One-Time Fund Transfers to GF	33,991,800	(16,991,800)		17,000,000
193	SUBTOTAL - One-Time Changes				
194	TOTAL - REVENUE CHANGES	17,341,575,000	588,204,900	179,610,000	17,762,079,300
195	ENDING BALANCE	1,090,271,300	197,199,700	(186,390,000)	753,770,400

1/ Represents FY 2026 Baseline spending above the FY 2025 Adjusted Appropriation.

DETAILED LIST OF OTHER FUND CHANGES BY AGENCY

	FY 2025 OF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
OPERATING SPENDING CHANGES					
1 SBA - State Board of Accountancy	2,258,100				2,258,100
2 ACU - Acupuncture Board of Examiners	199,700				199,700
3 DOA - Arizona Department of Administration	229,455,000				227,823,000
4 DOA - Remove One-Time School District Actuarial Study to Expand HITF			(250,000)		
5 DOA - Remove One-Time Critical Applications Catalogue			(500,000)		
6 DOA - Remove One-Time Capitol Mall Fiber Network Upgrades			(325,000)		
7 DOA - Remove One-Time AFIS Operations/Maintenance Funding			(557,000)		
8 APF - Automation Projects Fund/ADOA	29,694,000				19,256,800
9 APF - Remove One-Time ADOA Personnel System (HRIS) Replacement			(6,841,200)		
10 APF - Remove One-Time AHCCCS IT Mainframe Replacement			(3,396,000)		
11 APF - Adjust DOR Integrated Tax System Funding			(200,000)		
12 AGR - Department of Agriculture	1,924,300				1,962,800
13 AGR - NEMF Assessment Alignment (Laws 2025, Ch. 56)			38,500		
14 AXS - AHCCCS	455,300,200				614,775,200
15 AXS - Formula Adjustments			7,802,400		
16 AXS - Valleywise Adjustments			1,672,600		
17 AXS - Ongoing Prescription Drug Rebate Fund Shift				150,000,000	
18 BAT - Board of Athletic Training	167,800				167,800
19 ATT - Attorney General	109,959,300				100,959,300
20 ATT - Remove One-Time Veterans Substance Abuse Treatment Grants			(5,000,000)		
21 ATT - Remove One-Time Opioid Remediation - Fentanyl Interdiction (DEMA)			(3,000,000)		
22 ATT - Remove One-Time Opioid Remediation - Overdose Medication (DHS)			(1,000,000)		
23 BCB - Barbering and Cosmetology Board	3,230,900				3,230,900
24 BHE - Board of Behavioral Health Examiners	2,757,400				2,721,100
25 BHE - Remove One-Time Licensing/Investigations FTE Costs			(36,300)		

	FY 2025 OF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
26	DCS - Department of Child Safety	204,280,700			204,280,700
27	BCE - State Board of Chiropractic Examiners	643,700			643,700
28	ROC - Registrar of Contractors	13,925,600			13,925,600
29	COR - Corporation Commission	35,404,400			35,404,400
30	ADC - Department of Corrections	68,633,300			55,985,000
31	ADC - Remove One-Time Food Contract Increase		(12,648,300)		
32	JUS - Arizona Criminal Justice Commission	7,318,800			7,318,800
33	SDB - AZ State Schools for the Deaf and the Blind	35,138,900			33,441,800
34	SDB - Formula Adjustments		(1,697,100)		
35	HEA - Comm for the Deaf & the Hard of Hearing	5,047,800			4,847,800
36	HEA - Remove One-Time Website Security Upgrades		(200,000)		
37	DEN - Board of Dental Examiners	2,129,800			2,120,500
38	DEN - Remove One-Time Annual Leave Payout		(9,300)		
39	DES - Department of Economic Security	549,327,500			418,869,900
40	DES - Formula Adjustments		542,400		
41	DES - Remove One-Time Child Care Assistance Program Funding		(131,000,000)		
42	ADE - Arizona Department of Education	368,120,000			82,494,000
43	ADE - Endowment Earnings Adjustment		(285,626,000)		
44	EMA - Department of Emergency & Military Affairs	2,176,000			2,320,900
45	EMA - NEMF Assessment Alignment (Laws 2025, Ch. 56)		144,900		
46	DEQ - Department of Environmental Quality	98,366,000			94,516,000
47	DEQ - Remove One-Time Voluntary Vehicle Repair/Retrofit Funding		(2,900,000)		
48	DEQ - Remove One-Time Backfill for Solid Waste Program		(950,000)		

	FY 2025 OF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
49	OEO - Governor's Office of Equal Opportunity	311,700			311,700
50	COL - Arizona Exposition and State Fair Board	23,698,700			19,927,300
51	COL - Remove One-Time Enhanced Operations Funding		(3,771,400)		
52	FIS - Arizona Game and Fish Department	42,552,200			42,552,200
53	GAM - Department of Gaming	23,444,000			23,444,000
54	DHS - Department of Health Services	63,124,900			62,119,500
55	DHS - Remove One-Time FTE Costs		(5,400)		
56	DHS - Remove One-Time Alzheimer's Research Shift to Hlth Research Fund		(1,000,000)		
57	HLS - Arizona Department of Homeland Security	11,054,700			11,054,700
58	HOM - Board of Homeopathic & Integrated Medicine Examiners	61,500			61,500
59	DOH - Department of Housing	388,800			388,800
60	IND - Industrial Commission	22,138,000			22,138,000
61	DIF - Department of Insurance and Financial Institutions	12,857,100			12,857,100
62	SPA - Judiciary - Supreme Court	35,020,400			34,849,300
63	SPA - Remove One-Time CASA Volunteer Ads/Salary Funding		(171,100)		
64	SUP - Judiciary - Superior Court	12,015,600			12,015,600
65	DJC - Department of Juvenile Corrections	13,597,700			13,597,700
66	LAN - State Land Department	12,496,200			12,235,600
67	LAN - Transfer Funding to Natural Resource Conservation Board		(260,600)		
68	LIQ - Department of Liquor Licenses & Control	6,126,800			6,126,800
69	LOT - Arizona State Lottery Commission	187,408,000			195,493,600
70	LOT - Tab Tickets		86,500		

		FY 2025 OF House 6/23	FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
71	LOT - Instant Ticket Sales		1,935,400		
72	LOT - On-Line Vendor Fees		845,100		
73	LOT - Retailer Commissions		5,218,600		
74	BMT - Board of Massage Therapy	607,700			607,700
75	MED - Arizona Medical Board	8,424,900			8,424,900
76	MIN - State Mine Inspector	112,900			112,900
77	NRB - State Natural Resource Conservation Board	0			260,600
78	NRB - Transfer Funding from State Land Department		260,600		
79	NAT - Naturopathic Physicians Medical Board	220,000			220,000
80	NAV - Navigable Stream Adjudication Commission	200,000			200,000
81	NUR - State Board of Nursing	7,016,600			6,982,800
82	NUR - Remove One-Time APRN Investigator FTE Costs		(12,700)		
83	NUR - Remove One-Time Senior Investigator FTE Costs		(21,100)		
84	NCI - Nursing Care Inst. Administrators Board	613,100			613,100
85	OCC - Board of Occupational Therapy Examiners	306,700			302,700
86	OCC - Remove One-Time Investigator FTE Costs		(4,000)		
87	DIS - State Board of Dispensing Opticians	198,500			198,500
88	OPT - State Board of Optometry	295,600			295,600
89	OST - AZ Board of Osteopathic Examiners in Medicine/Surgery	1,403,100			1,403,100
90	SPB - Arizona State Parks Board	21,048,300			20,548,300
91	SPB - Remove One-Time Veterans Memorial State Park Feasibility Study		(500,000)		
92	PER - Personnel Board	363,700			363,700

		FY 2025 OF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
93	PHA - Arizona State Board of Pharmacy	3,568,600				3,504,000
94	PHA - Remove One-Time Annual Leave Payout			(64,600)		
95	PHY - Board of Physical Therapy Examiners	596,000				596,000
96	PIO - Arizona Pioneers' Home	8,492,100				8,492,100
97	POD - State Board of Podiatry Examiners	202,700				202,700
98	PRI - State Board for Private Postsecondary Education	453,000				453,000
99	PSY - State Board of Psychologist Examiners	644,800				644,800
100	DPS - Department of Public Safety	80,263,000				79,493,000
101	DPS - Remove One-Time Rifle Replacement			(770,000)		
102	RUC - Residential Utility Consumer Office	1,606,500				1,606,500
103	RES - Board of Respiratory Care Examiners	426,700				426,700
104	RET - Arizona State Retirement System	28,863,400				28,863,400
105	REV - Department of Revenue	29,927,000				28,727,000
106	REV - Remove One-Time IT Infrastructure for Cybersecurity/IRS Issues			(1,200,000)		
107	SOS - Secretary of State	2,304,200				1,854,200
108	SOS - Remove One-Time Electronic Records Repository Program			(450,000)		
109	TEC - State Board of Technical Registration	2,646,000				2,646,000
110	DOT - Department of Transportation	572,474,900				554,941,200
111	DOT - Remove One-Time State Vehicle Replacement Funding			(4,120,000)		
112	DOT - Remove One-Time MVD Security Modernization Funding (SHF)			(724,900)		
113	DOT - Remove One-Time Passenger Rail Study Operating Costs			(200,000)		
114	DOT - Remove One-Time ADOT Fleet Fuel Inflation Adjustment (SHF)			(3,297,900)		
115	DOT - Remove One-Time State Fleet Operating Adjustments			(6,273,900)		
116	DOT - Remove One-Time State Fleet Operating Costs			(5,200)		

	FY 2025 OF House 6/23	FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
117 DOT - Remove One-Time Construction Mgmt System Replacement (SHF)		(1,885,000)		
118 DOT - Remove One-Time South Mountain Highway Maintenance (SHF)		(509,300)		
119 DOT - Remove One-Time I-17 Flex Lane Highway Maintenance (SHF)		(517,500)		
120 DOT - Technical Shift for FY 24 Salary Increase in SLIs (SHF)		Yes		
121 TRE - State Treasurer	9,471,600			6,518,400
122 TRE - Remove One-Time Peace Officer Training Equipment Fund Allocation		(2,953,200)		
123 UNI - Universities				
124 UNI - ASU	856,998,800			856,998,800
125 UNI - Northern Arizona University	131,836,800			131,836,800
126 UNI - UA - Main Campus	368,549,100			368,549,100
127 UNI - UA - Health Sciences Center	61,522,800			61,522,800
128 VSC - Department of Veterans' Services	60,994,800			60,994,800
129 VME - Veterinary Medical Examining Board	787,900			787,900
130 WAT - Department of Water Resources	2,018,300			2,018,300
131 OTH - Other				
132 OTH - DCS Additional Operating/Congregate Care (TANF) (Supplemental)	15,600,000			15,600,000
133 OTH - DES DD Medicaid Program Expenses (Laws 2023, Ch. 93)	109,200,300	(109,200,300)		0
134 OTH - DES Cost Effectiveness Study - Client Services (Laws 2023, Ch. 93)	13,100,000	(13,100,000)		0
135 OTH - Auditor General DES PPCG Special Audit (Laws 2023, Ch. 93)	355,000	(355,000)		0
136 OTH - DHS ASH Shortfall - Registry/Permanent Staff (Supplemental)	3,328,200	(3,328,200)		0
137 OTH - Named Claimants (Laws 2025, Ch. 59) (Supplemental)	95,900	(95,900)		0
138 OTH - Remove One-Time FY 2025 Fleet Adjustments	0	(1,453,600)		(1,453,600)
139 OTH - Remove One-Time FY 2025 Health Insurance Adjustments	0	(41,551,600)		(41,551,600)
140 OTH - Unallocated FY 2025 Health Insurance Adjustments	18,448,400	(18,448,400)		0
141 OTH - Unallocated FY 2025 Fleet Adjustments	171,400	(171,400)		0
142 OTH - Unallocated FY 2025 Rent and COP Adjustments	13,000	(13,000)		0
143 OTH - Unallocated FY 2025 Retirement Adjustments	392,500	(392,500)		0
144 OTH - FY 2026 Health Insurance Adjustments	0		50,000,000	50,000,000

	FY 2025 OF House 6/23		FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
145	TOTAL - OPERATING SPENDING CHANGES	\$5,117,920,300	(\$654,416,900)	\$200,000,000	\$4,663,503,400
146	CAPITAL SPENDING CHANGES				
147	Building Renewal				
148	Arizona Department of Administration	19,000,000			19,000,000
149	Arizona Department of Corrections	8,557,000	(2,692,700)		5,864,300
150	Game & Fish Department	1,795,000	20,700		1,815,700
151	Arizona Lottery Commission	218,200			218,200
152	State Parks Board	3,022,000	(3,022,000)		0
153	Pioneers' Home	465,000	(465,000)		0
154	Arizona Department of Transportation	22,540,100			22,540,100
155	New Projects				
156	Parks - Statewide Campground Improvements	4,100,000	(4,100,000)		0
157	Parks - Statewide Solar Shade Structures	2,233,300	(2,233,300)		0
158	Parks - Statewide Water Conservation Projects	1,339,000	(1,339,000)		0
159	Parks - Yuma Territorial Prison State Historic Park	5,945,000	(5,945,000)		0
160	Parks - Red Rock Historic Building Renovations	4,000,000	(4,000,000)		0
161	Parks - San Rafeal Historic Building Renovation	1,500,000	(1,500,000)		0
162	Parks - Ex-Appropriate Unfunded/Cancelled FY 2025 Parks Projects	(19,117,300)	19,117,300		0
163	Parks - Cancelled Dead Horse Amphitheater (FY 2023 Ex-Appropriation)	(210,000)	210,000		0
164	Parks - Cancelled Construction Svcs Relocation (FY 2023 Ex-Appropriation)	(2,000,000)	2,000,000		0
165	Parks - Cancelled Water Conservation (FY 2023 Ex-Appropriation)	(1,339,000)	1,339,000		0
166	ADOT - Airport Planning	25,550,000	18,790,700		44,340,700
167	ADOT - Controlled Access	137,319,000	3,995,000		141,314,000
168	ADOT - Debt Service	128,482,000	(9,709,000)		118,773,000
169	ADOT - Statewide Highway Construction	196,687,000	1,996,000		198,683,000
170	ADOT - Vehicle Fueling Stations Shortfall (10 Stations) (SHF)	9,088,200	(9,088,200)		0
171	TOTAL - CAPITAL SPENDING CHANGES	\$549,174,500	3,374,500	\$0	\$552,549,000
172	TOTAL - OPERATING & CAPITAL SPENDING	\$5,667,094,800	(651,042,400)	\$200,000,000	\$5,216,052,400
173	FUND TRANSFERS				
174	APF/DOA - Automation Projects Fund - All For IT Projects				
175	APF/DOA - DOR Integrated Tax System	7,609,500	(78,200)		7,531,300

	FY 2025 OF House 6/23	FY 26 Baseline 1/ Above FY 25	FY 26 Change to FY 26 Baseline	FY 2026 OF House 6/23
176 APF/DOA - One-Time ADOA Personnel System (HRIS) Replacement	2,421,200	(2,421,200)		0
177 <u>Other Fund Transfers</u>				
178 OTH - Water Quality Fee Fund from Air Quality Fund	7,200,000	(7,200,000)		0
179 TOTAL - FUND TRANSFERS	\$17,230,700	(\$9,699,400)	\$0	\$7,531,300
180 EXPENDITURE AUTHORITY CHANGES				
181 AXS - AHCCCS 3/	18,102,295,900			18,487,259,800
182 AXS - Formula Adjustments		25,230,200		
183 AXS - Valleywise Adjustments		389,407,100		
184 AXS - Remove One-Time Critical Access Supplemental Pool		(7,762,400)		
185 AXS - Remove One-Time IT Mainframe Replacement Funding		(21,911,000)		
186 DCS - Department of Child Safety	598,749,400			601,802,600
187 DCS - Formula Adjustments		3,053,200		
188 DES - Department of Economic Security	3,401,058,000			4,586,168,400
189 DES - Formula Adjustments		382,441,700	289,000,000	
190 DES - Administrative Pass-Through Adjustment		262,168,700	160,000,000	
191 DES - Directed Payments		91,500,000		
192 ADE - Arizona Department of Education	1,293,641,500			1,293,641,500
193 OTH - Other				
194 OTH - DCS Comprehensive Health Plan Adjustment (Supplemental)	43,787,500	43,787,500		0
195 OTH - DES Formula Costs (Supplemental)	333,619,000	(333,619,000)		0
196 OTH - DES DD Medicaid Program Expenses (Laws 2025, Ch. 93)	403,000,000	(403,000,000)		0
197 TOTAL - EXPENDITURE AUTHORITY CHANGES	\$24,176,151,300	\$431,296,000	\$449,000,000	\$24,968,872,300

1/ Represents FY 2026 Baseline spending above the FY 2025 Adjusted Appropriation.

FY 2026 BUDGET RECONCILIATION BILL PROVISIONS

AMUSEMENTS

Department of Gaming

- | | | |
|----|--|--------|
| 1. | As session law, continues to set the Regulatory Wagering Assessment at 0.5% in FY 2026 only. | AMUS 1 |
| 2. | As session law, continues to require that racehorses receive "gate approval" every 60 days in 2026. "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 2 |

STATE BUDGET IMPLEMENTATION

Statewide

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| 3. | As session law, continues to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services. | BI 1 |
| 4. | As session law, continues to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund (BSF) through FY 2028. Also, notwithstands the 10% BSF cap for FY 2026. | BI 2 |

ENVIRONMENT

Arizona Department of Agriculture

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| 5. | As session law, continues to allow the department to lower existing fees for any funds held in trust subject to review from the Agriculture Advisory Council. Continues to require the department to adopt emergency rules, in conjunction with the industry, to modify fees deposited in the Dangerous Plants, Pests, and Diseases Trust Fund in FY 2026. The rules are to be reviewed by the Agriculture Advisory Council. | ENV 6 |
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Department of Environmental Quality

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| 6. | As session law, continues to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank Fund in FY 2026 for department administrative expenses and for sewage remediation. | ENV 2 |
| 7. | As session law, continues 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 4 |
| 8. | As session law, continue to require the department reduce emission inspection fees in FY 2026 for Area A such that total Area A fee collections are reduced by 5% of the FY 2024 level of FY 2024 Area A fee collections. The FY 2025 Environment BRB required ADEQ to reduce emissions inspection fees for Area A, starting in FY 2025, such that total Area A collections are reduced by 5%. Area A refers to the Phoenix Metropolitan Area and includes Maricopa County as well as portions of Pinal and Yavapai Counties | ENV 5 |

Arizona Navigable Stream Adjudication Commission

9. As session law, continues to allow use of the Water Banking Fund for the commission's legal obligations. ENV 3

Department of Water Resources

10. 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 2026. ENV 1

HEALTH CARE**AHCCCS***Rates and Services*

11. 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 7

Counties

12. As session law, continues to exclude Proposition 204 administration costs from county expenditure limitations. HLTH 5
 13. As session law, sets the FY 2026 County Acute Care contribution at \$42,814,200. HLTH 4
 14. As session law, continues to require AHCCCS to transfer any excess monies back to the counties by December 31, 2026, if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. HLTH 3
 15. As session law, sets the FY 2026 county Arizona Long Term Care System (ALTCs) contributions at \$409,537,600. HLTH 1

Hospitals

16. As session law, modify the FY 2026 disproportionate share (DSH) distributions to continue to include the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center but eliminate the distribution to Valleywise which is now receiving funding from a separate federal program. HLTH 2
 17. 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 2
 18. As session law, continues to establish priority for payments to private hospitals via the DSH-Voluntary program in FY 2026 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 2

Available Funding

19. As session law, continues to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. HLTH 8

Department of Health Services

20. As session law, continues to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations. HLTH 6

HIGHER EDUCATION

Arizona Community Colleges

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| 21. | 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 2026 for only Maricopa and Pima Counties. | HEd 3 |
| 22. | 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 2026 for all community college districts. | HEd 2 |

Universities

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| 23. | 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 1 |
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HUMAN SERVICES

Department of Economic Security

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| 24. | 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 1 |
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K-12 EDUCATION

Arizona School for the Deaf and the Blind

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| 25. | As session law, continues to allow the Telecommunication for the Deaf Fund to be spent on educational and operational costs of ASDB. | K12 6 |
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Department of Education

Formula Requirements

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| 26. | 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 |
| 27. | 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 2026. | K12 4 |

Other

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| 28. | As session law, continue to notwithstanding A.R.S. 15-241 to allow ADE to expend monies in FY 2026 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, 2025. | K12 5 |
| 29. | 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 7 |

LOCAL GOVERNMENT

Counties and Cities & Towns

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| 30. | 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 2026, 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, 2025. | LG 1 |
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MANAGEMENT OF STATE BUILDINGS

Statewide

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| 31. | As session law, continues to set the FY 2026 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. | MSB 1 |
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REVENUE

Department of Revenue

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| 32. | As permanent law, amends statute to specify that the Maricopa County Road Tax that becomes effective January 1, 2026 is included in the assessment of fees for the integrated tax system modernization project. | REV 1 |
| 33. | As session law, stipulates legislative intent that the amount to be charged to all counties, cities, towns, Council of Governments and regional transportation authorities with a population greater than 800,000 for the Integrated Tax System project shall not exceed \$6,558,800 for FY 2026. Each local government type (for example all counties share of the \$6,558,800) 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 2 |
| 34. | As session law, stipulates legislative intent that included within the amount that is charged to all counties, cities, towns, Council of Governments and regional transportation authorities with a population greater than 800,000 for the Integrated Tax System project shall also include the Maricopa County Road Tax that becomes effective January 1, 2026 (Proposition 479) | REV 2 |
| 35. | As session law, stipulates legislative intent that the amounts charged to the 16% recreational marijuana excise tax and the 0.6% education sales tax for the Integrated Tax System Project shall not exceed \$177,200 and \$795,300, respectively, in FY 2026. | REV 2 |

TRANSPORTATION

Department of Transportation

36. As permanent law, on or before July 31 each year, requires the department to submit an annual report to the Joint Legislative Budget Committee on the progress in improving Motor Vehicle Division wait times and vehicle registration renewal by mail turnaround times for the prior fiscal year in a format similar to prior years. This language replaces an ongoing annual footnote.

TR 1

FY 2026 GENERAL APPROPRIATION ACT PROVISIONS

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

	Section
Department of Education	
1. As session law, continue deferral of \$800,727,700 of Basic State Aid payments for FY 2026 until FY 2027. Continue to exempt districts with less than 4,000 students from the deferral. Appropriate \$800,727,700 in FY 2027 for these deferred Basic State Aid payments. Allow ADE to make the rollover payment no later than July 12, 2026.	112
2. As session law, continue to require school districts to include in the FY 2026 revenue estimates that they use for computing their FY 2026 tax rates the rollover monies that they will receive for FY 2026 in July 2026.	112
Revenues	
3. As session law, continue to specify revenue and expenditure estimates for FY 2025, FY 2026, FY 2027, and FY 2028.	122
4. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2025 ending balances by September 15, 2025. Require the Joint Legislative Budget Committee (JLBC) Staff to report to JLBC by October 15, 2025 as to whether FY 2026 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	122
Statewide	
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.	118
6. As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2026 in all agencies and provide it to the Director by October 1, 2026. The Universities are exempt from the report but are required to report separately.	119
7. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2025 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2025.	120
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.	121
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.	117
– 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 2026.	
General	
10. As session law, continue to define “*” as designating an appropriation exempt from lapsing.	123
11. As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.	124

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| 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. | 125 |
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FY 2026 MAJOR FOOTNOTE CHANGES

The Baseline includes the following major additions, deletions or modifications of footnotes. This list does not include footnote changes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy.

	Section
ADOA	
1. Adds footnote requiring the department to submit a report on or before March 31, 2026, to JLBC and OSPB on the amount that Valleywise Health has agreed to send the department for deposit to the General Fund in FY 2026, including the reason for any change in amount from the prior year, if applicable.	5
AHCCCS	
2. Replace existing footnote language specifying Valleywise Health share of Disproportionate Share Hospital (DSH) payments since they will no longer participate in DSH. Adds a new footnote requiring AHCCCS to report by March 31, 2026 on the amount of directed payments that Valleywise will receive from the new Safety Net Services Initiative.	9
Department of Economic Security	
3. Modifies footnote requiring DES to submit a report on coronavirus relief-related child care development block grant monies to require a biannual report regarding balances, revenues, and expenditures in the current year and budget year for all federal child care monies.	27
4. Adds footnote stating that the \$32.3 million FY 2026 appropriation for the DD Reconciliation Payment line item is for processing the reconciliation payment associated with the DD operating costs shortfall for the contract year ending on September 30, 2024.	27
Department of Education	
5. Adds footnote requiring ADE to allocate the amount appropriated for a State Aid Supplement on a pro rata basis to districts and charters using a school's weighted student count, and to increase each school's budget limit accordingly. This footnote continues previous footnote language in effect for FY 2016 through FY 2025 related to the distribution of the Proposition 123 State Aid Supplement pursuant to Laws 2015, 1st Special Session, Chapter 1.	29
Forestry	
6. Adds footnote making the \$11.2 million FY 2025 supplemental appropriation for fire expenses repayment non-lapsing.	98
Lottery	
7. Modifies footnote stating an amount appropriated to pay online vendor fees shall be equal to a percentage of total ticket sales rather than actual online game sales. The amount appropriated for these fees in FY 2026 is \$17,747,100, or 1.079% of total lottery ticket sales. In prior years, the amount was equal to 4.256% of online ticket sales.	54

Secretary of State	
8. Adds footnotes for a FY 2025 supplemental of \$7.5 million from the general fund for administrative costs of the special primary and general elections to fill the vacancy in Congressional District 7 allocating \$212,000 for Secretary of State (SOS) administrative costs and \$7.3 million for the SOS to reimburse Cochise, Maricopa, Pima, Pinal, Santa Cruz, and Yuma for incurred election costs. Footnotes specify: 1) the process for a county to make a claim and receive a reimbursement (or some monies as an advance); 2) the maximum amount each county can be reimbursed; 3) sets November 30, 2025 as the deadline for claims to be submitted by the respective county clerks; 4) requires the Secretary of State to report on the reimbursement of funds by March 1, 2026; 5) monies lapse on December 31, 2025.	100
Department of Transportation	
9. Deletes footnote requiring an annual report to JLBC from the department on the progress in improving Motor Vehicle Division wait times and vehicle registrations renewal by mail turnaround times for the prior fiscal year. The Baseline proposes to convert this footnote into permanent law.	85
Capital	
ADOA	
10. Deletes footnote allowing ADOA to use up to 5.0% of the amount appropriated to the agency in the Capital Outlay Bill for project management expenses. The FY 2025 budget increased the ADOA operating budget appropriation by an ongoing \$1.9 million from COSF for project management expenses to eliminate the need for the footnote.	CO 6