

**House and Senate Budget Bills
As Introduced**

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

	A	B	C	D
	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
1 Beginning Balance	\$ 1,367.3	\$ 772.6	\$ 41.2	\$ 24.3
2 Ongoing Revenues				
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
11 Subtotal - Ongoing Revenues	\$ 16,704.4	\$ 17,572.5	\$ 18,276.6	\$ 19,164.3
12 One-Time Revenues/Transfers				
13 One-Time Revenues - January Baseline (Excluding Beginning Balance)	30.1	9.7	0.6	
14 New Proposed Fund Transfers				
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 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
27 DIFI - Financial Services Fund	3.3			
28 Judiciary - Supreme Court - Judicial Collection Enhancement Fund	8.0			
29 Land - Trust Land Management Fund	9.0			
30 Parks - State Parks Revenue Fund	8.6			
31 ADOT - SMART Rural Transportation Fund [BRB Adds \$2.5 M Permanent HURF Funding]	6.7			
32 ADOT - Motor Vehicle Liability Insurance Enforcement Fund	15.0			
33 ADOT - Vehicle Inspection and Certification Enforcement Fund	3.5			
34 WIFA - Water Supply Development Revolving Fund	20.0			
35 <u>Other One-Time Revenue Issues</u>				
36 One-Time Revenue Forecast Increase	275.0			
37 TPT Exemption for Data Center Equipment - 3 Year Moratorium for New ACA Certifications		12.0	19.0	26.0
38 Vacant Property Sales Revenue [With Capitol Mall Land Sales Report]		10.0		
39 Public Infrastructure (Increase \$200 M Cumulative Cap to \$250 M/\$300 M/\$350 M Thru FY 29)		(50.0)	(50.0)	(50.0)
40 Subtotal - One-Time Revenues (Including Beginning Balance)	\$ 1,812.0	\$ 754.3	\$ 10.8	\$ 0.3
41 Total Revenues	\$ 18,516.4	\$ 18,326.8	\$ 18,287.4	\$ 19,164.6
42 JLBC Baseline - Ongoing Spending	\$ 16,543.5	\$ 17,401.1	\$ 18,185.4	\$ 18,860.3
43 Ongoing Changes to JLBC Baseline				
44 AHCCCS - Formula Adjustment Due to Lower Than Expected Enrollment [Net FY 27 Growth = \$141 M]		(42.0)	(42.0)	(42.0)
45 AHCCCS - Office of Inspector General (OIG) - 7 FTE for Fraud Enforcement		0.4	0.4	0.4
46 AHCCCS - Fund Perinatal Psychiatry Access Hotline (Operated By UA) [Continuation Footnote]		Footnote	Footnote	Footnote
47 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
48 ADC - Non-Contract Medication - Substance Abuse/Hep C - Opioid \$ Backfill		6.7	6.7	6.7
49 ADC - Continue FY 26 One-Time 4% CO Stipend As Ongoing [Includes \$3.8 M for Private Prisons]		24.0	24.0	24.0
50 ADC - Health Care Federal Injunction Costs [\$9.5 M Operating/\$46.3 M Health Line Item]		55.8	55.8	55.8
51 ADC - Shift \$10 M Other Fund Spending to Capital Uses - Backfill With General Fund		10.0	10.0	10.0
52 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
53 ACJC - Victims of Crime Act (VOCA) Federal Funds Backfill (\$2.25 M)		2.3	2.3	2.3
54 Comm Colleges - Formula Adjustments Related to Declining Enrollment		0.7	(1.7)	(4.6)
55 Corp Comm - Shift Railroad Safety Funding From General Fund to Securities Fund		(0.8)	(0.8)	(0.8)

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

	A	B	C	D
	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
56 DES - Formula Adjustment Due to Lower Than Expected Inflation [FY 27 Net Growth = \$244 M]		(42.4)	(54.6)	(49.1)
57 DES - SNAP Administrative Match Rate Adjustment		(0.9)	(1.8)	(1.8)
58 DES - Eliminate Baseline Projected SNAP Error Rate Penalty Due to Human Services BRB Changes		See FY 28/29	(138.7)	(185.0)
59 DES - Victims of Crime Act (VOCA) Federal Funds Backfill		11.5	11.5	11.5
60 ADE - Formula Adjustment Due to Lower Than Expected Enrollment [FY 27 Net Growth = \$186 M]		(92.1)	(131.0)	(131.0)
61 Executive Clemency - Increase Board Member Salaries (\$157k)		0.2	0.2	0.2
62 Housing - Mobile Home Relocation Fund Changes [Increase Reimbursements By \$10k]		Yes	Yes	Yes
63 DIFI - Shift GF Budget to New Fee Authority [+ \$2 M New Resources, \$1 M for Financial Services]		(6.3)	(6.3)	(6.3)
64 Judiciary - Judicial Salary Increase [\$10k Increase Effective 1/1/27 for All Courts]		1.1	2.2	2.2
65 Judiciary - Fund Prior County Probation Salary Increases In FY 29 Ongoing - See Below For One-Time		See FY 29	See FY 29	10.5
66 DJC - Continue FY 26 One-Time 4% Youth Correctional Officer Stipend As Ongoing		0.8	0.8	0.8
67 Land - Central Arizona Project (CAP) Fees Technical Adjustment		(0.2)	(0.2)	(0.2)
68 Navigable Stream Commission - Assume Agency Sunsets In FY 29 - \$(143)k Savings		See FY 29	See FY 29	(0.1)
69 DPS - Security for Newly Established Lieutenant Gov. Office (\$424k Ongoing/\$281k One-Time)		0.7	0.4	0.4
70 DPS - Victims of Crime Act (VOCA) Federal Funds Backfill		9.3	9.3	9.3
71 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
72 Real Estate - IT Project Ongoing Maintenance Costs (No Agency Fee Increase)		0.1	0.1	0.1
73 Treasurer - JP Salary Funding - Linked to Superior Judge Increase - See Above		0.1	0.2	0.2
74 Univ - UA - Remove Nat'l Resource Users Law/Policy Center Funding [See UA One-Time Adjudication]		(1.6)	(1.6)	(1.6)
75 Other - Reduce Unfunded Vacant Agency FTE Counts By (1,071) FTEs [See Attached Chart]		Yes	Yes	Yes
76 Other - State Employee Health Insurance Funding - FY 29 \$100 M Ongoing - See Below For One-Time		See FY 29	See FY 29	100.0
77 Other - Statewide Fleet Charge Adjustments - Operating [Also See One-Time]		2.9	2.9	2.9
78 Other - Statewide Rent Charge Adjustments		0.1	0.1	0.1
79 Other - Statewide Retirement Costs Adjustment		(3.8)	(3.8)	(3.8)
80 Other - Statewide Risk Management Charge Adjustment [Also See One-Time]		4.9	4.9	4.9
81 Other - Administrative Adjustments/Revertments	(6.5)	(25.5)	(25.4)	(27.9)
82 Subtotal - Ongoing Changes to JLBC Baseline	\$ (6.5)	\$ (68.1)	\$ (205.9)	\$ (141.7)
83 Total Ongoing Spending	\$ 16,537.0	\$ 17,333.0	\$ 17,979.5	\$ 18,718.6
84 JLBC Baseline - One-Time Spending	\$ 1,246.8	\$ 218.9	\$ 294.0	\$ 177.3
85 One-Time Changes to JLBC Baseline				

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	A	B	C	D
	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
86 ADOA - Continue One-Time State Employee Prof. Development [OF = ADOA Web Portal Fund]		OF \$1.0 M		
87 ADOA - Lapse Prior Budget Funding for Debt Retirement (FY 2022)		(5.0)		
88 ADOA - 911 Call Response Times [Other Fund = \$2.0 M DPS HPF and \$2.0 M ADOA Web Portal Fund]		OF \$4.0 M		
89 ADOA - Food Bank Capital Assistance		3.0		
90 ADOA - Local Flood Aid - Globe/Miami/Gila County (\$2.5 M/\$2.5 M/\$5.0 M) [7/15 Distribution]		OF \$10.0 M		
91 ADOA - Local Distribution - County Sheriff Support [July 31st Distribution Deadline]		7.0		
92 ADOA/APF - AHCCCS Mainframe Replacement (Multi-Year Project in Progress/90% Fed Match)		12.9		
93 ADOA/APF - Shift DOR From ADOA Mainframe (Will Be Retired In Dec 2027) [OF = DOR Admin. Fund]		OF \$1.4 M		
94 ADOA/APF - Adjust DOR Tax System Funding [Monies Shifted to FY 30/Plus FY 25 Approp Extension]		(10.3)	1.9	0.8
95 ADOA/SFD - Building Renewal Grants		183.3		
96 ADOA/SFD - Building Renewal Grants Administrative Costs [Non-Lapsing]		0.8		
97 ADOA/SFD - Adjust New Construction Formula Funding For Available Prior Year Surplus		(26.1)	5.0	
98 Agriculture - Licensing IT System Maintenance Costs [OF = Pest Management Fund]		OF \$0.5 M		
99 AHCCCS - FY 26 Formula Supplemental Above \$64.5 M In Baseline Due to Higher Inflation	40.2			
100 AHCCCS - H.R. 1 Eligibility Admin Costs [75 FTEs; Non-Lapsing] [Eligibility Verification Semi-Annually]		10.2		
101 AHCCCS - Continue Critical Access Rural Hospitals Aid [FY 26 Budget = \$4.3 M One-Time]		4.3		
102 AHCCCS - Behavioral Health Crisis Services Hotline (9-8-8) Funding		4.0		
103 AHCCCS - Urban Traditional Healing [3-Year Funding for Pilot Program]		0.4	0.4	0.4
104 Attorney General - Coordinated Reentry Assistance to Counties [Plus \$8.6 M Other Fund]		8.4		
105 Arts Commission - Arts Trust Fund Deposit		2.0	1.0	
106 DCS - Federal Match Rate Adjustment		1.9		
107 DCS - Extended Foster Care Caseload Increase		1.0		
108 DCS - Continue and Expand Extended Foster Care Coaching [FY 26 = \$6.4 M One-Time]		8.2		
109 DCS - Continue One-Time Congregate Care Funding		36.9		
110 DCS - Continue One-Time Guardian IT System Costs (FY 26 = \$9.8 M)		9.8		
111 ADC - Correctional Officer Filled Vacant Positions Supplemental	4.1			
112 ADC - Body Worn Cameras for Correctional Officers (Equipment/Software/Data Storage Costs)		3.5		
113 Comm Colleges - Shift FY 26 \$250k MCCCDC Wrestling Scholarship \$ to ADE Wrestling Allocation	Yes			
114 DES - FY 26 Formula Supplemental (Baseline = \$96.8 M Supplemental)	(14.0)			
115 DES - Increased Contractual Costs for Legacy Mainframe Systems [FY 26 = \$4 M One-Time]		6.1		
116 DES - Continue One-Time Admin for Summer SNAP \$120 Payment Food Benefit (SUN Bucks)	1.8	1.8	1.8	
117 DES - SNAP Error Rate Reduction Workload [88 FTEs; Non-Lapsing]		10.8		
118 DES - Continue One-Time DD High Need Client Supplement (FY 26 = \$14.8 M)		17.9		

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

	A	B	C	D
	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
119 DES - Continue One-Time Child Care Funding (FY 26 = \$44.8 M)		44.8		
120 DES - Continue One-Time Area Agencies on Aging Funding [Non-Lapsing/Footnote]		5.0		
121 DES - Continue One-Time Civil Legal Aid Funding [Non-Lapsing/Footnote]		3.0		
122 DES - Continue One-Time Double Up Food Bucks Funding [Non-Lapsing]		2.0	2.0	
123 DES - Continue One-Time Out-of-School Care Grant Funding [Non-Lapsing]		3.0		
124 DES - Reentry Employment Support - 31 FTEs (Backfill Federal WIOA Funding) [+ \$1.5 M Other Funds]		1.5		
125 ADE - FY 26 Formula Changes Due to Lower Than Expected Enrollment [Baseline = \$47.2 M Supp.]	(79.1)			
126 ADE - Unused Land Trust Balances - One-Time Fund Shift to Offset FY 27 Formula Costs		(8.0)		
127 ADE - Community Gardens [Non-Lapsing]		0.6	0.5	
128 ADE - Fund 3rd Year of Low Income Weight Increase In FY 27 [Baseline = Ongoing In FY 28]		37.0		
129 ADE - Fund 3rd Year of Additional Assistance Increase In FY 27 [Baseline = Ongoing In FY 28]		29.0		
130 ADE - Continue One-Time No School Meal Copay for 130-185% FPL Households (FY 26 = \$3.8 M)		2.0	2.0	
131 ADE - Shift Prior School Safety Funding to Threat Identification Technology Pilot Program [\$2 M]		Yes		
132 ADE - Shift Prior School Safety Funding to Child Sexual Abuse/Assault Prevention Pilot Program [\$100k]		Yes		
133 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2020)		(0.3)		
134 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2021)		(0.4)		
135 ADE - Lapse Prior Budget Funding for High Quality Teacher Professional Development (FY 2022)		(0.4)		
136 ADE - Lapse Prior Budget Funding for Live, Remote Instructional Courses (FY 2024)		(0.1)		
137 ADE - Lapse Prior Budget Funding for Live, Remote Instructional Courses (FY 2025)		(0.1)		
138 DEQ - Continue State Share of Iron King Mine/Humboldt Smelter Cleanup [FY 26 = \$2.0 M]		2.0		
139 DEQ - Continue One-Time Deposit to Water Quality Fee Fund (FY 26 \$9.0 M WIFA) (DEQ Other Funds)		OF \$9.5 M		
140 Forestry - Wildfire Suppression Funding [Last Allocation = \$35 M in FY 25]		10.0		
141 Gaming - Racing Regulation Fund Deposit [No Regulatory Wagering Assessment Increase]		1.9		
142 DHS - Sexually Violent Persons (SVP) Line Item Funding (Continue FY 26 One-Time \$ Amount)		1.5		
143 DHS - Arizona State Hospital (ASH) Operating Funding (Continue FY 26 One-Time \$ Amount)		2.1		
144 DHS - Continue Existing Cooling Centers for Heat Relief [OF = Health Services Lottery Fund]		OF \$0.4 M		
145 Homeland Security - Increase Cybersecurity State/Local Grants [OF = Highway Patrol Fund]		OF \$1.5 M		
146 DIFI - One-Time Funding to Transition to New Fee Authority [See Ongoing Issue Above]		1.6		
147 Judiciary - Superior Court - Fund Prior County Probation Salary Increases [FY 26 = ARPA \$]		10.5		
148 DJC - Operating Shortfall [+ \$600k Other Fund]		0.6		
149 DPS - End FY 27 Border Security Fund Shift 1 Year Early [Baseline Ends In FY 28] [Shift to DPS HPF \$10.9 M]		Yes		
150 DPS - Highway Patrol Operating Expenses Supplemental (OF = DPS Highway Patrol Fund)	OF \$4.75 M			
151 DPS - Caseload Increase of AZPOST Training Academy Cost [\$2,500/Graduate] [OF = DPS HPF]		OF \$2.0 M		

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

	A	B	C	D
	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
152 SOS - Election Expenses Supplemental for 2026 Primary/General Election (Reporting Footnote)	4.0			
153 SOS - Continue Address Confidentiality Program One-Time Funding [Footnote = No Transfers]		0.4		
154 Treasurer - Lapse Prior Budget Funding for Ballot Paper (FY 2024)		(5.0)		
155 Treasurer - Lapse Prior Budget Funding for Ballot Paper (FY 2025)		(6.0)		
156 Univ - UA - Water Adjudication Funding [Use Existing Footnote/Non-Lapsing]		0.5		
157 Univ - UA HSC - Continue One-Time Funding for Arizona REACH (Acute Medical Care Transfers)		0.5		
158 Veterans - State Home for Veterans Trust Fund Deposit [Funding Shortfall]	3.0			
159 Veterans - Expand Prior \$1 M FY 23 Tribal Ceremonies Funding to Support for Tribal Veterans Residents	Yes			
160 DWR - Colorado River Litigation Fund Deposit [OF = DWR System Conservation Fund]		OF \$6.0 M		
161 DWR - Extension of Pinal County Groundwater Withdrawal Fee Distribution		Yes		
162 Capital - ADOA - Building Renewal		10.0		
163 Capital - ADOT - Lapse Prior Budget Funding Due to Project Surpluses [See Attached Chart]		(20.4)		
164 Capital - ADOT - Lapse Prior Budget Funding for EV Charging at ADOT Fleet Facilities (FY 2024 - OF)	Yes			
165 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				
166 (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)		
167 Other - Continue State Employee Health Insurance One-Time Funding [Plus New Oversight Board BRB]		324.7		
168 Other - Statewide Fleet Charge Adjustments - Operating		2.9		
169 Other - Statewide Fleet Charge Adjustments - Replacement		2.0		
170 Other - Statewide Accounting System (AZ360) Charge Adjustment		1.3		
171 Other - Statewide Risk Management Charge Adjustment		5.0		
172 Subtotal - One-Time Changes to JLBC Baseline	\$ (40.0)	\$ 733.7	\$ (10.4)	\$ 26.2
173 Total One-Time Spending	\$ 1,206.8	\$ 952.6	\$ 283.6	\$ 203.5
174 Total Spending	\$ 17,743.8	\$ 18,285.6	\$ 18,263.1	\$ 18,922.1
175 Cash Balance	\$ 772.6	\$ 41.2	\$ 24.3	\$ 242.5
176 Ongoing Balance	\$ 167.4	\$ 239.5	\$ 297.1	\$ 445.7

Summary of Tax Conformity Provisions (\$ in Millions)

		FY 2026	FY 2027	FY 2028	FY 2029
	Revenue Adjustments - Individual Filers Provisions				
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	Subtotal - Individual Filers Provisions	(293.3)	(254.6)	(248.0)	(206.2)
	Revenue Adjustments - Business Filers Provisions				
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	Subtotal - Business Filers Provisions	(147.6)	(26.5)	(59.5)	(43.0)
21	Total - Revenue Adjustments - All Tax Conformity	(440.9)	(281.1)	(307.5)	(249.2)

FY 2027 Proposed FTE Reductions

Agency	FY 2026 Appropriated FTE	Proposed Reduction	Proposed FTE Appropriation^{1/}
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	15.0	132.4
DLLC	58.2	5.5	52.7
ROC	105.6	2.0	103.6
Total	15,442.7	1,070.5	14,372.2
^{1/} 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)

	FY 2027 Amount
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)
Total	(20.4)

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
Judiciary	
Supreme Court	(\$364,000)
Court of Appeals	(\$638,800)
Superior Court	(\$123,000)
Subtotal - Judiciary	(\$1,125,800)

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)
Legislature	
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)
Subtotal - Legislature	(\$1,349,100)
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)
Universities	
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)
Subtotal - Universities	(\$16,556,400)
Veterans' Services, Department of	Excluded
Water Resources, Department of	Excluded
Total	(\$23,838,700)

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

	FY 2026 6/9	FY 2027 6/9	FY 2028 6/9	FY 2029 6/9
REVENUES				
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>
Total Revenues	\$18,516,332,500	\$18,326,763,500	\$18,287,863,800	\$19,164,735,200
EXPENDITURES				
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>
Total Expenditures	\$17,743,768,200	\$18,285,085,000	\$18,263,415,500	\$18,922,462,600
Ending Balance	\$772,564,300	\$41,678,500	\$24,448,300	\$242,272,600
Ongoing Balance	\$167,399,500	\$239,236,500	\$296,786,700	\$445,334,000

DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY

	FY 2026 GF 6/9		FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
OPERATING SPENDING CHANGES					
1 DOA - Arizona Department of Administration	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	
10 APF - Automation Projects Fund/ADOA	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	
16 SFD - School Facilities Division/ADOA	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 [Exec: Plus \$1.5 B Land Trust Bond]				183,300,000	
23 SFD - Building Reneal Grants Admin Funding				750,000	
24 OAH - Office of Administrative Hearings	985,200				985,200
25 AGR - Department of Agriculture	16,247,500				15,866,400
26 AGR - Remove One-Time Equipment Funding			(381,100)		

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	FY 2026 GF 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
27	AXS - AHCCCS	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	ART - Arizona Commission on the Arts	2,000,000		2,000,000
40	ART - Continue One-Time Arts Trust Fund Deposit		(2,000,000)	2,000,000
41	ATT - Attorney General	27,692,600		36,092,600
42	ATT - Coordinated Reentry (One-Time; Plus \$12.6 OF)			8,400,000
43	CHA - State Board for Charter Schools	2,811,100		2,811,100
44	DCS - Department of Child Safety	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	ACA - Arizona Commerce Authority	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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
58	CCO - Arizona Community Colleges	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	COR - Corporation Commission	792,700		-
63	COR- Shift Railroad Safety Funding from General Fund to Securities Fund		(792,700)	
64	ADC - Department of Corrections	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	JUS - Arizona Criminal Justice Commission	4,600,000		6,850,000
74	JUS - Victims of Crime Act (VOCA) Federal Funds Backfill			2,250,000
75	SDB - AZ State Schools for the Deaf and the Blind	25,645,100		25,545,100
76	SDB - Remove One-Time Supplemental Childhood Therapies		(100,000)	
77	OEC - Office of Economic Opportunity	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	DES - Department of Economic Security	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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
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 \$2.0M 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) (Plus \$1.5 M OF)			1,500,000
107	BOE - State Board of Education	3,462,800		3,462,800
108	ADE - Arizona Department of Education	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 6/9		FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
125	EMA - Department of Emergency & Military Affairs	16,692,900				16,192,900
126	EMA - Remove One-Time Emergency Division Grant Support			(500,000)		
127	DEQ - Department of Environmental Quality	-				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	EQU - State Board of Equalization	734,700				734,700
131	EXE - Board of Executive Clemency	1,488,600				1,639,300
132	EXE - Remove One-Time Equipment Funding			(6,000)		
133	EXE - Increase Board Member Salaries				156,700	
134	FOR - Department of Forestry and Fire Management	47,222,200				57,222,200
135	FOR - Wildfire Suppression Funding (One-Time)				10,000,000	
136	GAM - Department of Gaming	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	GOV - Office of the Governor	10,394,700				9,644,700
140	GOV - Remove One-Time Funding			(750,000)		
141	OSP - Gov's Office of Strategic Planning and Budgeting	2,854,500				2,854,500
142	DHS - Department of Health Services	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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
153	AZH - Arizona Historical Society	4,113,500			3,034,400
154	AZH - Remove One-Time Flagstaff Pioneer Museum Re-Opening		(1,079,100)		
155	PAZ - Prescott Historical Society	1,574,300			1,074,300
156	PAZ - Remove One-Time Territorial Governor Mansion Remodeling		(500,000)		
157	HLA - Department of Homeland Security	10,107,800			10,000,000
158	HLA - Remove One-Time Federal Cybersecurity Grant State Match		(107,800)		
159	IND - Industrial Commission	90,100			90,100
160	DIF - Department of Insurance and Financial Institutions	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	SPA - Judiciary - Supreme Court	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	COA - Judiciary - Court of Appeals	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	SUP - Judiciary - Superior Court	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	DJC - Department of Juvenile Corrections	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 6/9		FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
182	LAN - State Land Department	12,199,900			12,030,000
183	LAN - Central Arizona Project (CAP) Fees Technical Adjustment		56,400	(226,300)	
184	Legislature				
185	AUD - Auditor General	32,009,000			26,709,000
186	AUD - Remove One-Time Special Audit Funding		(5,300,000)		
187	HOU - House of Representatives	22,545,300			21,795,300
188	HOU - Remove One-Time Funding		(750,000)		
189	JLBC - Joint Legislative Budget Committee	3,071,000			3,071,000
190	LEG - Legislative Council	9,422,400			9,422,400
191	OMB - Ombudsman-Citizens Aide Office	1,608,900			1,608,900
192	SEN - Senate	18,814,300			18,064,300
193	SEN - Remove One-Time Funding		(750,000)		
194	MIN - State Mine Inspector	2,431,400			2,431,400
195	NRB - State Natural Resource Conservation Board	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	NAV - Navigable Stream Adjudication Commission	143,900			143,900
199	NUR - State Board of Nursing	500,000			-
200	NUR - Remove One-Time Certified Nurse Anesthetist Preceptor Grant		(500,000)		
201	SPB - Arizona State Parks Board	2,500,000			-
202	SPB - Remove One-Time Heritage Fund Deposit [Exec Continues in FY 27]		(1,000,000)		
203	SPB - Remove One-Time State Lake Improvement Fund Deposit		(1,500,000)		

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	FY 2026 GF 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
204 DPS - Department of Public Safety	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	
216 PSP - Public Safety Personnel Retirement System	6,000,000			5,000,000
217 PSP - Remove Prescott Fire Pension Liability Funding		(1,000,000)		
218 REA - State Real Estate Department	3,119,300			3,259,400
219 REA - IT Project Ongoing Maintenance Costs			140,100	
220 REV - Department of Revenue	60,871,900			60,371,900
221 REV - Remove One-Time Prop 312 Property Tax Refund Admin Costs		(500,000)		
222 SOS - Secretary of State	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		
226 TAX - State Board of Tax Appeals	319,300			319,300
227 TOU - Office of Tourism	8,702,700			8,202,700
228 TOU - Remove One-Time Southern AZ Sports, Tourism and Film Authority		(500,000)		
229 DOT - Department of Transportation	500,000			-
230 DOT - Remove One-Time Spaying and Neutering Fund Deposit		(500,000)		

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	FY 2026 GF 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
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	OTR - Governor's Office on Tribal Relations	66,900			66,900
285	UNI - Universities				
286	UNI - Arizona Board of Regents	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	UNI - ASU	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	UNI - NAU	124,707,700			124,810,300
294	UNI - NAU - Lease-Purchase Adjustment		(200)		
295	UNI - NAU - Inflation Adjustment (2017 Capital Infrastructure)		102,800		
296	UNI - UA - Main Campus	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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
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	UNI - UA - Health Sciences Center	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	VSC - Department of Veterans' Services	12,814,700		11,814,700
309	VSC - Remove One-Time Mental Health Pilot Program		(1,000,000)	
310	WIF - Water Infrastructure Finance Authority	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	WAT - Department of Water Resources	25,077,500		25,077,500
314	OTH - Other			
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 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9	
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	TOTAL - OPERATING SPENDING CHANGES	17,607,552,100	(24,105,900)	682,006,900	18,265,453,100
359	CAPITAL SPENDING CHANGES				
360	Building Renewal				
361	Arizona Department of Administration	1,600,000	(1,600,000)	10,000,000	10,000,000
362	Ongoing Projects				
363	ADOT - ADOT - Expand I-10 Between SR85/Citrus Road	-	30,000,000		30,000,000

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	FY 2026 GF 6/9	FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
364	Eliminate Prior Funding			
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	TOTAL - CAPITAL SPENDING CHANGES	136,216,100	(106,216,100)	(10,368,100)
				19,631,900
393	TOTAL - OPERATING & CAPITAL SPENDING	17,743,768,200	(130,322,000)	671,638,800
				18,285,085,000
394	Revenue Changes			
395	Ongoing Revenue			
396	REV - Ongoing Revenue (Including Urban Revenue Sharing)	16,704,368,100	546,131,100	322,000,000
				17,572,499,200

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	FY 2026 GF 6/9		FY 2027 Baseline Above FY 26 ^{1/}	FY 27 Change to FY 27 Baseline	FY 2027 GF 6/9
397	One-Time Revenue				
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	TOTAL - REVENUE CHANGES	18,516,332,500	(308,014,300)	393,445,300	18,326,763,500
408	ENDING BALANCE	772,564,300	(177,692,300)	(278,193,500)	41,678,500

^{1/} Represents FY 2027 Baseline spending above the FY 2026 Adjusted Appropriation.

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DETAILED LIST OF OTHER FUND CHANGES BY AGENCY

	FY 2026 OF 6/9	FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
OPERATING SPENDING CHANGES				
1	SBA - State Board of Accountancy	2,257,400		2,257,400
2	ACU - Acupuncture Board of Examiners	217,000		217,000
3	DOA - Arizona Department of Administration	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	APF - Automation Projects Fund/ADOA	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	AGR - Department of Agriculture	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 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
30	AXS - AHCCCS	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	BAT - Board of Athletic Training	166,000			166,000
37	ATT - Attorney General	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	BCB - Barbering and Cosmetology Board	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	BHE - Board of Behavioral Health Examiners	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	DCS - Department of Child Safety	204,235,700			204,235,700
46	BCE - State Board of Chiropractic Examiners	660,600			660,600
47	COM - Arizona Commerce Authority	-			2,000,000
48	COM - Shift Advanced Air Mobility Funding from Treasurer to ACA			2,000,000	
49	ROC - Registrar of Contractors	14,328,200			14,328,200
50	COR - Corporation Commission	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 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
53	ADC - Department of Corrections	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	JUS - Arizona Criminal Justice Commission	9,961,100			9,961,100
60	JUS - Continue One-Time Law Enforcement Crime Victim Notification Fund		(2,594,800)	2,594,800	
61	SDB - AZ State Schools for the Deaf and the Blind	33,259,500			28,351,800
62	SDB - Formula Adjustments for Less Revenue and Base Level Increases		(4,957,700)		
63	SDB - Transfer Early Childhood Listening/Spoken Language to DES			50,000	
64	HEA - Comm for the Deaf and the Hard of Hearing	5,045,800			5,045,800
65	DEN - Board of Dental Examiners	2,150,900			2,150,900
66	DES - Department of Economic Security	499,805,500			451,070,800
67	DES - Formula Adjustments Long Term Care System Fund (non-matched)		545,800		
68	DES - Remove One-Time Child Care Assistance Program Funding (CCDF)		(51,080,500)		
69	DES - Backfill WIOA Funding for Reentry Employment Support (31 FTEs)			1,500,000	
70	DES - Blind Adults Skills Training and Education			150,000	
71	DES - Transfer ASDB Early Childhood Listening/Spoken Language to AZEIP			150,000	
72	ADE - Arizona Department of Education	87,507,600			95,471,100
73	ADE - Offset ADE Formula Expenses with Unspent Land Trust Monies			7,963,500	
74	EMA - Department of Emergency & Military Affairs	5,620,900			2,408,500
75	EMA - Nuclear Emergency Mgmt. Fund Changes (Laws 2025, Ch. 56)		87,600		
76	EMA - Remove One-Time Evacuation Protocols Awareness Campaign		(300,000)		
77	EMA - Remove One-Time Local Law Enforcement Fentanyl Interdiction		(3,000,000)		

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

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

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		FY 2026 OF 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
134	BMT - Board of Massage Therapy	601,200				601,200
135	MED - Arizona Medical Board	8,472,700				8,472,700
136	MIN - State Mine Inspector	112,800				112,800
137	NRB - State Natural Resource Conservation Board	260,600				260,600
138	NAT - Naturopathic Physicians Medical Board	271,800				221,800
139	NAT - Remove One-Time Record Digitization/IT Costs			(50,000)		
140	NAV - Navigable Stream Adjudication Commission	200,000				200,000
141	NUR - State Board of Nursing	7,094,200				7,715,000
142	NUR - New Complaint Prioritization and 180 Day Investigation Timeline				620,800	
143	NCI - Nursing Care Inst. Administrators Board	611,600				611,600
144	OCC - Board of Occupational Therapy Examiners	298,000				298,000
145	DIS - State Board of Dispensing Opticians	199,700				229,700
146	DIS - Retiree Accumulated Sick Leave Payout and Onboarding				30,000	
147	OPT - State Board of Optometry	288,000				288,000
148	OST - AZ Board of Osteopathic Examiners in Medicine/Surgery	1,526,100				1,926,100
149	OST - Increased Board Staffing (5 FTEs)				400,000	
150	SPB - Arizona State Parks Board	22,578,500				23,344,100
151	SPB - Remove One-Time Family Campout Program Expenses			(231,000)		
152	SPB - State Park Staffing (6 Ranger FTEs & 5 Water Operator FTEs)				996,600	
153	PER - Personnel Board	369,900				369,900
154	PHA - Arizona State Board of Pharmacy	3,804,000				3,743,900
155	PHA - Remove One-Time Investigations Funding			(60,100)		

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		FY 2026 OF 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
156	PHY - Board of Physical Therapy Examiners	624,400				624,400
157	PIO - Arizona Pioneers' Home	9,160,800				9,160,800
158	POD - State Board of Podiatry Examiners	204,200				204,200
159	PRI - State Board for Private Postsecondary Education	557,500				557,500
160	PSY - State Board of Psychologist Examiners	872,600				872,600
161	DPS - Department of Public Safety	91,955,200				112,391,400
162	DPS - Remove One-Time Aircraft Maintenance Costs			(693,000)		
163	DPS - Remove One-Time North Loop Comm Network Conversion to Digital			(1,300,000)		
164	DPS - 47 Highway Patrol and 136 Non-Patrol Replacement Vehicles				15,540,300	
165	DPS - Aircraft Maintenance for Airplanes and Helicopters				2,079,200	
166	DPS - Backfill AZPOST Training Academy Reimbursements				2,045,000	
167	DPS - Wellness and Crisis Care Program				1,595,300	
168	DPS - Public Safety Grant Support Staff (Continue FY26 DEMA Approp Ongoing in DPS)				472,600	
169	DPS - Redaction Processing Workload (5 FTEs)				446,800	
170	DPS - Scrap Metal Dealer Compliance and Enforcement (2 FTEs)				250,000	
171	DPS - Move Border Security Fund Shift to Highway Patrol Fund				Yes	
172	RUC - Residential Utility Consumer Office	1,951,200				1,951,200
173	RES - Board of Respiratory Care Examiners	420,500				420,500
174	RET - Arizona State Retirement System	28,966,100				28,966,100
175	REV - Department of Revenue	28,732,800				28,732,800
176	SOS - Secretary of State	2,604,900				3,800,000
177	SOS - Pay for FY27 County Share of AVID Costs with HAVA Monies				1,000,500	
178	SOS - Record Retention Workload Costs				194,600	
179	TEC - State Board of Technical Registration	2,735,900				2,812,900
180	TEC - Renew E-licensing Contract				77,000	

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	FY 2026 OF 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
181 DOT - Department of Transportation	614,325,700				636,845,500
182 DOT - Remove One-Time Passenger Rail Planning			(200,000)		
183 DOT - Remove One-Time Building Management System Upgrade			(238,000)		
184 DOT - Remove One-Time MVD Security System Modernization			(789,100)		
185 DOT - Remove I-17 Flex Lane Highway Maintenance			(813,600)		
186 DOT - Remove One-Time Maintenance Mgmt. System Replacement			(3,222,500)		
187 DOT - Remove One-Time Construction Mgmt. System Replacement			(6,272,000)		
188 DOT - Remove One-Time Vehicle Purchases Funding			(8,101,600)		
189 DOT - Highway Maintenance - 487 New Lane Miles				10,178,500	
190 DOT - Construction Management System Replacement - Phase 4 of 5				6,844,600	
191 DOT - State Fleet - Replace 284 Vehicles (State Fleet Vehicle Replacement Fund)				6,361,300	
192 DOT - Ongoing Highway Maintenance of Poor and Fair-Rated Roads				5,201,600	
193 DOT - Maintenance Management System Replacement - Phase 2 of 3				4,570,600	
194 DOT - Fueling Facilities Increased Utilization				4,200,000	
195 DOT - State Fleet - Exempt Rate Increases (State Fleet Operations Fund)				1,682,400	
196 DOT - Highway Maintenance - I-17 Flex Lane Operations and Maintenance				1,142,000	
197 DOT - Expand Current Line for Livestock Control to Include Wildlife Crossings				700,000	
198 DOT - MVD Office Security Upgrades (Remaining 5 Offices) (MVLIE Fund)				563,100	
199 DOT - Driver License and ID Card Production				386,100	
200 DOT - License Plate Production				137,100	
201 DOT - Selected Staff Salary Statewide Adjustment Correction				76,600	
202 DOT - Highway Maintenance - South Mountain Freeway Contract COLA				66,000	
203 DOT - State Fleet - Statewide Adjustment (State Fleet Operations Fund)				46,700	
204 DOT - Ongoing \$2.5M HURF Deposit to SMART Fund				Yes	
205 TRE - State Treasurer	12,562,900				14,038,300
206 TRE - Remove One-Time Transportation Innovation Fund Deposit			(2,000,000)		
207 TRE - Remove One-Time Advanced Air Mobility Fund Deposit			(2,000,000)		
208 TRE - Remove One-Time Statewide Infrastructure Trust Fund Deposit			(1,000,000)		
209 TRE - Remove One-Time Bullhead City - Main Water Line Transmission			(1,000,000)		
210 TRE - Record Management Systems for Police and Sheriffs				4,078,400	
211 TRE - Virtual Police Training Simulators for ADC, Police, and Sheriffs				1,746,000	
212 TRE - Fire Incident Management Systems for Police and Sheriffs				1,501,000	
213 TRE - Paradise Valley Law Enforcement Equipment				150,000	
214 UNI - Universities					
215 UNI - ASU	907,759,500				907,759,500

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		FY 2026 OF 6/9	FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
216	UNI - NAU	125,450,500			125,450,500
217	UNI - UA - Main Campus	443,990,600			443,990,600
218	UNI - UA - Health Sciences Center	44,684,000			44,684,000
219	VSC - Department of Veterans' Services	60,986,900			60,986,900
220	VME - Veterinary Medical Examining Board	922,700			939,500
221	VME - Digitize Licensee Prior Record Digitization			16,800	
222	WIF - Water Infrastructure Finance Authority	8,000,000			500,000
223	WIF - Remove One-Time Kingman Wells Project		(3,000,000)		
224	WIF - Remove One-Time Gilbert Wells Project		(5,000,000)		
225	WIF - Transfer \$500k from WSDRF to Small Drinking Water Systems Fund			500,000	
226	WAT - Department of Water Resources	3,767,300			8,767,300
227	WAT - Remove One-Time Colorado River Legal Defense		(1,000,000)		
228	WAT - Colorado River Litigation Fund Deposit			6,000,000	
229	OTH - Other				
230	OTH - DPS Operating Expenses (Supplemental)	4,750,000	(4,750,000)		-
231	OTH - DOA Federal Repayment (Supplemental)	2,018,700	(2,018,700)		-
232	OTH - Behavioral Health Examiners Board Operating Expenses (Supplemental)	150,000	(150,000)		-
233	OTH - Lapse FY24 SHF Appropriation for EV Charging at ADOT Fleet Facilities	(5,000,000)	5,000,000		-
234	OTH - Unallocated FY 2026 Risk Management Adjustments	5,611,300	(5,611,300)		-
235	OTH - Unallocated FY 2026 Health Insurance Adjustments	4,123,600	(4,123,600)		-
236	OTH - Unallocated FY 2026 Law Enforcement Salary Adjustments	1,172,200	(1,172,200)		-
237	OTH - Unallocated FY 2026 Fleet Operating Adjustments	510,000	(510,000)		-
238	OTH - Unallocated FY 2026 Rent and COP Adjustments	3,700	(3,700)		-
239	OTH - Unallocated FY 2026 AZ360 Adjustments	(8,400)	8,400		-
240	OTH - Unallocated FY 2026 Retirement Adjustments	(1,373,600)	1,373,600		-
241	OTH - Remove One-Time FY 2026 Fleet Operating Adjustments	-	10,000		10,000
242	OTH - Remove One-Time FY 2026 Fleet Replacement Adjustments	-	(2,700,000)		(2,700,000)
243	OTH - Remove One-Time FY 2026 Risk Management Adjustments	-	(5,888,700)		(5,888,700)
244	OTH - Remove One-Time FY 2026 Health Insurance Adjustments	-	(45,876,400)		(45,876,400)

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		FY 2026 OF 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
245	OTH - FY 2027 Health Insurance Adjustments	-			80,000,000	80,000,000
246	OTH - FY 2027 Risk Management Adjustments	-			3,000,000	3,000,000
247	OTH - FY 2027 AZ360 Adjustments	-			1,500,000	1,500,000
248	OTH - FY 2027 Fleet Replacement Adjustments	-			1,000,000	1,000,000
249	OTH - FY 2027 Fleet Operating Adjustments	-			500,000	500,000
250	OTH - FY 2027 Rent Adjustments	-			50,000	50,000
251	OTH - FY 2027 Retirement Adjustments	-			(271,500)	(271,500)
252	TOTAL - OPERATING SPENDING CHANGES	5,070,009,300		(271,825,600)	205,051,300	5,003,235,000
253	CAPITAL SPENDING CHANGES					
254	Building Renewal					
255	Arizona Department of Administration	20,313,500		(3,513,500)	(11,646,000)	5,154,000
256	Arizona Department of Corrections	5,864,300			9,787,900	15,652,200
257	Arizona Exposition and State Fair Board	3,815,100		(3,815,100)	3,905,900	3,905,900
258	Game & Fish Department	1,815,700		117,200		1,932,900
259	Arizona Lottery Commission	218,200		19,600	(137,800)	100,000
260	State Parks Board	3,633,300		(3,633,300)	3,552,200	3,552,200
261	Pioneers' Home	470,400		(470,400)	482,000	482,000
262	Arizona Department of Transportation	23,385,300			1,188,800	24,574,100
263	New Projects					
264	Game & Fish - Property Maintenance	300,000		(300,000)		-
265	Game & Fish - Hatchery Repairs at 6 Facilities	4,700,000		(4,700,000)		-
266	Game & Fish - State Match - Black Canyon/Fool Hollow Lakes Dam Repairs	6,850,000		(6,850,000)		-
267	Game & Fish - Dam Maintenance	150,000		(150,000)	150,000	150,000
268	Game & Fish - Hatchery Maintenance	400,000		(400,000)	400,000	400,000
269	Game & Fish - Hatchery Renovations - Phase 3	-		-	11,000,000	11,000,000
270	DHS - ASH Perimeter Detection System	83,000		(83,000)		-
271	DHS - ASH Above Ground Isolation Valve Installation	160,000		(160,000)		-
272	DHS - ASH Anti-Ligature Renovations	695,000		(695,000)		-
273	DJC - Adobe Mountain School Door and Lock Replacements	303,000		(303,000)		-
274	DJC - Fire Line Booster Pumps Replacement	536,600		(536,600)		-
275	DJC - Adobe Mountain School Kitchen Air Unit	641,000		(641,000)		-
276	Parks - Tonto Natural Bridge State Park Land Shift & Monitoring	-		-	200,000	200,000
277	Pioneers' Home - Replace All Windows/Doors	1,515,000		(1,515,000)		-

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		FY 2026 OF 6/9		FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 OF 6/9
278	ADOT - Grand Canyon Airport Terminal Renovation - State Match	850,300		(850,300)		-
279	ADOT - Maint. Offices (Little Antelope/Gray Mountain) (SHF)	6,861,000		(6,861,000)		-
280	ADOT - Avondale Vehicle Repair Shop Improvements (SHF)	6,951,000		(6,951,000)		-
281	ADOT - Phoenix Traffic Signal & Lighting Warehouse Design (SHF)	-		-	611,000	611,000
282	ADOT - Replace 3 Statewide Vehicle Fueling Facilities (SHF)	-		-	4,944,000	4,944,000
283	ADOT - Replace Kingman Materials Lab (SHF)	-		-	5,038,000	5,038,000
284	State Highway Fund and Aviation Fund Adjustments					
285	ADOT - Airport Planning	44,340,700		(15,291,800)		29,048,900
286	ADOT - Debt Service	118,773,000		405,000		119,178,000
287	ADOT - Controlled Access	141,314,000		795,000		142,109,000
288	ADOT - Statewide Highway Construction	198,683,000		(27,307,000)		171,376,000
289	TOTAL - CAPITAL SPENDING CHANGES	593,622,400		(83,690,200)	29,476,000	539,408,200
290	TOTAL - OPERATING & CAPITAL SPENDING	5,663,631,700		(355,515,800)	234,527,300	5,542,643,200
291	FUND TRANSFERS					
292	<u>APF/DOA - Automation Projects Fund - All for IT Projects</u>					
293	APF/DOA - ADOA State Personnel System Replacement (IT Fund)	5,941,700		(5,941,700)		-
294	APF/DOA - ADOA A to Z Single Access to State Services (Web Portal Fund)	3,370,000		(3,370,000)		-
295	APF/DOA - ADOA Move State Agencies to State Web Portal (IT Fund)	1,750,000		(1,750,000)		-
296	APF/DOA - ADOA State Web Portal Software and Security (Web Portal Fund)	375,000		(375,000)		-
297	APF/DOA - Business One-Stop (IT Fund)	1,700,000		(1,700,000)		-
298	APF/DOA - DOR Integrated Tax System (IT Fund)	-		7,218,400	(5,755,700)	1,462,700
299	APF/DOA - Medical Board (Medical Board Fund)	-			150,000	150,000
300	APF/DOA - DOR Mainframe Migration (Admin Fund)	-			1,425,000	1,425,000
301	<u>Other Fund Transfers</u>					
302	OTH - ROC Recovery Fund to ROC Operating Fund	2,700,000		(2,700,000)		-
303	OTH - Peace Office Training Equip. Fund to School Safety Interop. Fund	2,000,000		(2,000,000)		-
304	TOTAL - FUND TRANSFERS	17,836,700		(10,618,300)	(4,180,700)	3,037,700

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DETAILED LIST OF EXPENDITURE AUTHORITY CHANGES BY AGENCY

	FY 2026 EA 6/9	FY 27 Baseline Above FY 26	FY 27 Change to FY 27 Baseline	FY 2027 EA 6/9
305 EXPENDITURE AUTHORITY CHANGES				
306 AXS - AHCCCS	19,423,891,500			19,480,826,900
307 AXS - Formula Adjustments		298,580,000	(222,322,900)	
308 AXS - One-Time Removals		(72,805,700)		
309 AXS - One-Time CHP Reconciliation Payment		15,285,900		
310 AXS - Remove Hospital Assessment Fund Shift		(100,000,000)		
311 AXS - MES System Development & Maintenance			82,700,000	
312 AXS - Urban Traditional Healing			1,179,000	
313 AXS - H.R. 1 Eligibility - Non-Lapsing (75 FTEs)			41,300,000	
314 AXS - Office of the Inspector General (7 FTEs)			365,000	
315 AXS - Critical Access Rural Hospitals			7,581,700	
316 AXS - AXS - Enhanced Residential Treatment			5,072,400	
317 DCS - Department of Child Safety	645,932,900			660,013,900
318 DCS - Formula Adjustments		15,047,100		
319 DCS - One-Time Removals		(8,849,300)		
320 DCS - Child Safety Information System			6,149,300	
321 DCS - Extended Foster Care Success Coaches			2,545,900	
322 DCS - Extended Foster Care			1,055,100	
323 DCS - Federal Match Rate Adjustment			(1,867,100)	
324 DES - Department of Economic Security	4,629,258,500			5,215,180,800
325 DES - Formula Adjustments		661,112,300	(75,190,000)	
326 ADE - Arizona Department of Education	1,345,678,600			1,370,260,300
327 ADE - Classroom Site Fund Recalculation			24,581,700	
328 OTH - Other				
329 OTH - AHCCCS Formula Costs (Supplemental)	471,741,800	(471,741,800)		-
330 OTH - DES Formula Costs (Supplemental)	216,304,700	(216,304,700)		-
331 TOTAL - EXPENDITURE AUTHORITY CHANGES	26,732,808,000	120,323,800	(126,849,900)	26,726,281,900

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FY 2027 BUDGET RECONCILIATION BILL PROVISIONS

AMUSEMENTS

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

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

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

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 4,11

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 5,6,7,9

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 1,2,3
- 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 8

Department of Public Safety

- 20. As permanent law, delay the full implementation of the Major Incident Division to FY 2029. CJ 10

ENVIRONMENT

Department of Environmental Quality

- 21. 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
- 22. 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
- 23. 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

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

Department of Water Resources

- 25. 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
- 26. As session law, extend the March 31, 2027 repeal of the Arizona System Conservation Fund to March 31, 2031. ENV 3
- 27. 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
- 28. 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
- 29. 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

Arizona Department of Administration

30. 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.
31. 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

32. 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
33. 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
34. 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
35. 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

36. As session law, continues to exclude Proposition 204 administration costs from county expenditure limitations. HLTH 15
37. As session law, sets the FY 2027 County Acute Care contribution at \$42,447,600. HLTH 13

38. 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
39. As session law, sets the FY 2027 county Arizona Long Term Care System (ALTCS) contributions at \$445,813,900. HLTH 10
- Hospitals*
40. 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
41. 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
42. 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
43. 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*
44. 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*
45. 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.
46. 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

- 47. 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
- 48. As permanent law, prevent a local government from spending opioid claims-related monies on safer smoking equipment. HLTH 1,22

Department of Health Services

- 49. As session law, continues to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations. HLTH 16
- 50. 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

Arizona Community Colleges

- 51. 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
- 52. 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

- 53. 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
- 54. 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
- 55. 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

Arizona Schools for the Deaf and Blind

- 56. 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 14,15

Department of Economic Security

57. 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 8
58. 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 13
59. As session law, requires DES to make the following changes regarding SNAP eligibility verification procedures: HS 10,12
- 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 report on the number of benefits accessed or spent outside the state by month.
 - 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.
60. 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 11
61. As session law, requires DES to submit a report on the anticipated error rate by June 30, 2027 and a monthly report on number of SNAP cases investigated for intentional program violations or fraud, the number of SNAP cases that were referred to the AG's office for prosecution, the amounts of improper payments and expenditures, the amount of monies recovered, and the amount of monies spent for improper payments and ineligible recipients as a percentage of cases that were investigated and reviewed through the end of FY 2027. HS 9
62. 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 4
63. 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 3

Department of Housing

- 64. 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 5
- 65. 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

Department of Veterans' Services

- 66. 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 2,6,7

K-12 EDUCATION

Arizona Schools for the Deaf and Blind

- 67. 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
- 68. 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

- 69. 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

- 70. 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

- 71. 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 10
- 72. As session law, continue to notwithstanding 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
- 73. As session law, establish the school safety and threat identification pilot program in ADE in FY 2027. Requires ADE to select a school district with between 80 and 85 schools that has applied to the pilot program to install a biometric identification system that detects the presence of registered sex offenders or other individuals with a criminal history and that supports the identification of missing, endangered, or runaway minors. Requires ADE to report to the House, Senate, and Governor by September 30, 2027 on the implementation of the pilot program. K12 7

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| 74. | 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 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, and requires each participating school to publish a report by October 1, 2028 on the outcomes of the pilot program. | K12 8 |
| 75. | 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 9 |

LOCAL GOVERNMENT

Counties and Cities & Towns

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| 76. | 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 |
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STATE PROPERTIES; MANAGEMENT

Statewide

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| 77. | 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 |
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Arizona Department of Administration

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| 78. | 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 |
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REVENUE

Department of Revenue

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| 79. | 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 |
| 80. | 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 |

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| 81. | 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 |
| 82. | 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

Department of Economic Security

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| 83. | 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 |
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Department of Revenue

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| 84. | 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: <ul style="list-style-type: none"> • 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. | TAX
9,12,15,16,35 |
| 85. | As permanent law, beginning in TY 2026, <u>excludes</u> the following provisions that are included in H.R. 1: <ul style="list-style-type: none"> • 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. • 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. | TAX
14,15,17,22,35 |
| 86. | 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"> • Increase of the current dependent tax credit from \$100 to \$125 for dependents under 17 years old. • Create a deduction for child and dependent care expenses in excess of the tax filer's federal Child and Dependent Care Credit. | TAX 15,18 |
| 87. | 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 |
| 88. | 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 |

89.	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
90.	As permanent law, states that, after the payment of operating expenses and debt service, 80% of the Rio Nuevo District state sales tax diversion program funding must be expended on Transaction Privilege Tax (TPT) generating projects.	TAX 29
91.	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
92.	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"> • Reduces the percentage of local government infrastructure costs to be reimbursed from 80% to 75%. • 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. • Requires the local government to provide at least 5% of the construction funding for infrastructure improvements. • Requires the local entity must provide DOR an analysis of the direct and indirect revenue impact to the state from any infrastructure improvements. • Requires DOR to post development and intergovernmental agreements with municipalities online. • Codifies a mechanism that allows DOR to continuously process and allocate claims through the end of the 3 years. • 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. • 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. • Effective retroactive from July 1, 2026. 	TAX 10,32,34,35,36
93.	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
94.	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
95.	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
96.	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

Department of Transportation

97. 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.

Department of Education	Section
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.	123
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.	123
 Revenues	
3. As session law, continue to specify revenue and expenditure estimates for FY 2026, FY 2027, FY 2028, and FY 2029.	133
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.	133
 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.	128
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.	130
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.	131
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.	132
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.	127
– 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.	
 General	
10. As session law, continue to define “*” as designating an appropriation exempt from lapsing.	134

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| 11. | As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations. | 135 |
| 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. | 136 |

FY 2027 FOOTNOTE CHANGES

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

		Section
Acupuncture		
1.	Adds footnote to allow Board to use up to \$50,000 of FY 2027 appropriation to address Central Services Bureau invoices.	4
Department of Administration		
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
ADOA – Automation Projects Fund		
6.	Adds footnote making the FY 2024 appropriation from the Health and Human Services Information System subaccount non-lapsing through FY 2027.	7

7.	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
8.	Adds footnote extending the lapsing date of DPS' APF appropriation for a concealed weapons tracking system from FY 2026 to FY 2027.	7
9.	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		
10.	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
11.	Adds footnote making the \$750,000 FY 2027 appropriation for Building Renewal Grant Administration non-lapsing.	6
Agriculture		
12.	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 for costs associated with screwworm response and foreign cattle imports.	9
AHCCCS		
13.	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
14.	Adds footnote exempting \$28.4 million of IT total funds related to H.R. 1 Implementation from ITAC review.	10
15.	Adds footnote extending the FY 2025 Graduate Medical Education line item appropriation by 6 months, until December 31, 2026.	10
16.	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		
17.	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		
18.	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		
19.	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
20.	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

Chiropractic Board

21. 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

Arizona Community Colleges

22. 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

Corporation Commission – APF Account

23. 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

Department of Corrections

24. 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
25. Adds footnote exempting the department's appropriation for body worn cameras from ITAC review. 23
26. 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.
27. Modifies footnote requiring ADC to report to the JLBC by January 31 annually on inmate health care performance measures. 23
28. 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.
29. 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 *Jensen v. Thornell* litigation.
30. 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.
31. 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.
32. 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
33. 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
34. 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.

- 35. Adds footnote exempting the FY 2026 Arizona Correctional Information System Upgrades appropriation from lapsing. 23
- 36. 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
- 37. 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
- 38. Adds footnote requiring that ADC prioritize inmates close to release when spending the \$300,000 one-time appropriation for braille transcription programs. 23

Arizona Criminal Justice Commission

- 39. 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

- 40. 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
- 41. 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

- 42. Adds footnote making the FY 2027 Summer Food Benefits appropriation non-lapsing through October 31, 2027. 29
- 43. Adds footnote making the supplemental FY 2026 Summer Food Benefits appropriation non-lapsing through October 31, 2026. 109
- 44. 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
- 45. 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
- 46. Adds footnote making the \$5.0 million FY 2027 appropriation for Area Agencies on Aging non-lapsing. 29
- 47. Adds footnote making the \$3.0 million FY 2027 appropriation for Civil Legal Aid non-lapsing. 29
- 48. 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
- 49. Adds footnote making the \$2.0 million FY 2027 appropriation for Produce Incentive Program non-lapsing. 29
- 50. Adds footnote making \$3.0 million FY 2027 appropriation for Out-of-School Child Care non-lapsing. 29
- 51. 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
- 52. 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
- 53. 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
- 54. Adds footnote making the \$150,000 FY 2027 appropriation for the Listening and Spoken Language Program non-lapsing. 29

Department of Education

- 55. 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
- 56. 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
- 57. 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
- 58. 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
- 59. Adds footnote making \$600,000 General Fund FY 2027 appropriation for community gardens non-lapsing. 31
- 60. 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
- 61. Adds footnote requiring \$2.0 million of the FY 2026 School Safety Program appropriation to be used for a school safety and threat identification pilot program in FY 2027. 31

Department of Emergency and Military Affairs

- 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

Exposition and State Fair

- 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

Forestry

- 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

Department of Health Services

- 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 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

Judiciary

71. 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 the courts to submit quarterly reports on expenditures, enrollment, compliance, and utilization to the Governor, President of the Senate, and Speaker of the House. 51

72. 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

73. 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

74. 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

75. Modifies 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

76. 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

77. 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

78. 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
79. Adds footnote extending the lapsing date of the State Parks Fund appropriation for the Arizona Veterans Memorial State Park through June 30, 2028. 69
80. 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

81. 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
82. 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

83. 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

84. 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

85. Adds footnote allowing SOS to use up to \$250,000 from the Election Services line item for direct costs. 83
86. Adds footnote making the \$450,000 FY 2025 appropriation to the Electronic Records Repository line item non-lapsing through FY 2027. 83
87. Adds footnote stating monies for the Address Confidentiality Program Fund deposit may not be transferred to another line item. 83
88. 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
89. 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

90. 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

91. 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
92. 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

Universities – Arizona Board of Regents

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

95. 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
96. 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
97. Adds footnote making the \$500,000 FY 2027 University of Arizona appropriation for water adjudication non-lapsing. 93
98. 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
99. 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

100. 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**

101. 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

102. Modifies 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
103. 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

104. Modifies 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