

JOINT LEGISLATIVE BUDGET COMMITTEE

Thursday, January 29, 2026

1:35 p.m. or Upon Adjournment of JCCR

Senate Hearing Room 109



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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CHAIRMAN
LELA ALSTON
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JOINT LEGISLATIVE BUDGET COMMITTEE

Thursday, January 29, 2026
1:35 P.M. or immediately upon adjournment of JCCR
Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- [Approval of Minutes of November 10, 2025.](#)
- EXECUTIVE SESSION
 - A. Attorney General - Consideration of Proposed Settlements under Rule 14.
 - B. Arizona Department of Administration - Risk Management Annual Report.
- 1. [JLBC Staff – Consider Approval of Index for Arizona Department of Administration – School Facilities Division Construction Costs.](#)
- 2. DEPARTMENT OF EDUCATION
 - A. [Review of Federal Monies Report.](#)
 - B. [Review of Career Technical Education District Annual Report.](#)
- 3. DEPARTMENT OF ECONOMIC SECURITY
 - A. [Review of FY 2026 Division of Developmental Disabilities Line Item Transfers.](#)
 - B. [Review of Annual Plan for the Arizona Training Program at Coolidge.](#)

The Chairman reserves the right to set the order of the agenda.

01/22/2026

KP

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

November 10, 2025

The Chairman called the meeting to order at 3:22 p.m., Monday, November 10, 2025, in Senate Hearing Room 109. The following were present:

Members:	Senator Farnsworth, Vice-Chairman Senator Angius (Temporary Member in place of Senator Finchem) Senator Kavanagh Senator Kuby Senator Werner	Representative Livingston, Chairman Representative Austin Representative Blattman Representative Gress Representative Way
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Absent:	Senator Alston Senator Fernandez Senator Mesnard	Representative Carbone Representative Olson Representative Stahl Hamilton
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Excused: Senator Finchem

APPROVAL OF MINUTES

Senator Farnsworth moved that the Committee approve the minutes of March 20, 2025. The motion carried by voice vote.

Chairman Livingston announced that the following item was pulled from the consent agenda:

6. ARIZONA BOARD OF REGENTS (ABOR) – Review of FY 2026 Tuition Revenues.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUND (APF).

- A. Review of ADOA Human Resources Information System (HRIS) Replacement.**
- B. Review of ADOA State Website Migrations.**
- C. Review of ADOA Business One-Stop.**
- D. Review of AHCCCS Medicaid Enterprise System (MES).**
- E. Review of Department of Real Estate's IT System Replacement.**
- F. Review of Department of Revenue's (DOR) Tax System Replacement.**

A.R.S. § 41-714 requires Joint Legislative Budget Committee review prior to any monies being expended from the APF. ADOA requested review to spend a total of \$32,795,700 from the APF on six projects as follows:

- \$5,941,700 for ADOA's Human Resources Information System (HRIS) Replacement,
- \$1,750,000 for ADOA State Website Migrations,
- \$1,700,000 for ADOA's Business One-Stop,
- \$1,800,000 for the Arizona Health Care Cost Containment System (AHCCCS) Medicaid Enterprise System (MES) Replacement,
- \$734,200 for the Department of Real Estate's IT System Replacement, and
- \$20,869,800 for the Department of Revenue's (DOR) Tax System Replacement.

The JLBC Staff provided options.

2. ATTORNEY GENERAL (AG) – Review of Uncollectible Debts.

A.R.S. § 35-150E requires that the AG's annual report on uncollectible debts owed to the state be reviewed by the Committee before the debt can be removed from the state accounting system. The AG requested review of the Attorney General's FY 2025 list of \$43,004,000 in uncollectible debt. The JLBC Staff provided options.

3A. DEPARTMENT OF EDUCATION (ADE) – Review of Basic State Aid Recalculation.

A.R.S. § 15-915B, requires the Superintendent of Public Instruction to reimburse school districts for K-12 "local share" taxes that they must refund to a taxpayer due to an Arizona Tax Court ruling that reduces the taxpayer's assessed property value for prior fiscal years. ADE requested the Committee review ADE's computation of \$36,300 for corrected Basic State Aid funding to Bonita Elementary School District due to a recent Tax Court judgment concerning property taxes paid in FY 2025 by Naturesweet Farms. The JLBC Staff provided options.

3B. DEPARTMENT OF EDUCATION (ADE) – Review of K-12 Broadband Connectivity Projects.

A.R.S. § 15-249.07 requires ADE to submit for Committee review its annual report on K-12 broadband connectivity construction projects. The JLBC Staff provided options.

4. ARIZONA CRIMINAL JUSTICE COMMISSION (ACJC) – Review of Edward Byrne Memorial Justice Assistance Grant Federal Application.

A.R.S. § 41-2403 requires ACJC to submit its federal application for the Edward Byrne Memorial Justice Assistance Grant (JAG) to the Committee for review 30 days prior to submission to the federal government. The JLBC Staff provided options and a potential provision:

A. ACJC shall submit a preliminary proposal by May 15, 2026 if the federal guidelines have not yet been received for 2026.

5. DEPARTMENT OF PUBLIC SAFETY (DPS) – Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount.

Pursuant to A.R.S. § 41-1724G and A.R.S. § 41-1724H, DPS is required to submit to the Committee for review the FY 2026 expenditure plan for the GIITEM-Border Security and Law Enforcement Subaccount prior to expenditure. DPS requested review of the expenditure plan of \$1,796,400 of the \$2,396,400 FY 2026 appropriation to fund 3 existing programs: Detention Liaison Officers Program (\$420,000), Border County Officers Program (\$576,400), and Border Security and Law Enforcement Grants (\$800,000). The JLBC Staff provided options.

EXECUTIVE SESSION

B. JLBC – Annual Performance Review Per Rule 7.

This item was for information only and no Committee action was required.

Senator Farnsworth moved that the Committee give a favorable review of consent agenda items 1A, 1B, 1D, 1E, 1F, 1G, 2, 3A, 3B, 4, 5 with the JLBC Staff provisions and Executive Session Item B. The motion carried by voice vote.

REGULAR AGENDA

1C. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECT FUND (APF) – Review of ADOA A to Z Arizona State Services Access Portal.

Mr. Destin Moss, JLBC Staff, stated that A.R.S. § 41-714 requires Joint Legislative Budget Committee review prior to any monies being expended from the APF. ADOA requested review to spend \$3,370,000 from the APF for ADOA's A to Z Arizona State Services Access Portal. The JLBC Staff provided options.

Mr. J.R. Sloan, Deputy Director and Chief Information Officer, ADOA, responded to member questions.

Senator Farnsworth moved that the Committee give a favorable review to spend \$3,370,000 from the APF for ADOA's A to Z Arizona State Services Access Portal. The motion carried by voice vote.

6. ARIZONA BOARD OF REGENTS (ABOR) – Review of FY 2026 Tuition Revenues.

Ms. Grace Timpany, JLBC Staff, stated an FY 2026 General Appropriations Act footnote requires ABOR to submit to the Joint Legislative Budget Committee for review an expenditure plan for all projected FY 2026 tuition and fee revenues by expenditure category. The JLBC Staff provided options.

Senator Farnsworth moved that the Committee give a favorable review of ABOR's 2026 plan. The motion carried by voice vote.

EXECUTIVE SESSION

Senator Farnsworth moved that the Committee go into Executive Session. The motion carried by voice vote.

At 3:56 p.m. the Joint Legislative Budget Committee went into Executive Session.

Senator Farnsworth moved that the Committee reconvene into open session. The motion carried by voice vote.

At 4:39 p.m. the Committee reconvened into open session.

A. Attorney General - Consideration of Proposed Settlements under Rule 14.

Senator Farnsworth moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the cases of:

- *Brooke Edwards et al. v. State of Arizona*
- *David Morales et al. v. State of Arizona*

The motion carried by voice vote.

Without objection, the meeting adjourned at 4:39 p.m.

Respectfully submitted:

Kristy Paddock

Kristy Paddock, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, Chairman



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DATE: January 22, 2026
TO: Members of the Legislative Budget Committee
FROM: Gordon Robertson, Senior Fiscal Analyst
SUBJECT: JLBC Staff – Consider Approval of Index for Arizona Department of Administration – School Facilities Division Construction Costs

Request

A.R.S. § 41-5741D3(c) requires that the cost-per-square-foot factors used in the Arizona Department of Administration (ADOA) School Facilities Division (SFD) new school construction formula “shall be adjusted annually for construction market considerations based on an index identified or developed by the Joint Legislative Budget Committee (JLBC) as necessary but not less than once each year.”

Committee Options

The Committee has at least the following options:

1. Approve a 4.80% adjustment in the cost-per-square-foot factors. The adjustment is based on the Rider Levett Bucknall (RLB) Phoenix construction cost index, which the Committee has used since 2013. (See *Table 1*)
2. A different adjustment factor. ADOA has not offered a recommended adjustment.

Under either option, the Committee may also consider the following provision:

- A. The cost-per-square foot factor adjustment approved by the Committee shall be applied retroactively to any new construction projects approved by the School Facilities Oversight Board at its December 10, 2025 meeting.

Table 1

Cost-Per-Square-Foot Amounts

	<u>K-6</u>	<u>7-8</u>	<u>9-12</u>
Current Cost-Per-Square Foot Amounts	\$ 342.04	361.11	418.04
Committee Option - Phoenix Construction Index 4.80%	358.46	378.44	438.11

Key Points

- 1) JLBC is annually required to adjust SFD new construction cost-per-square-foot factors.
- 2) Based on a local Phoenix construction cost index, prices have increased by 4.80% in the last year.
- 3) The Committee has used this same index for the last 12 years.
- 4) Based on the most recent data from SFD, the adjustment would have no impact on FY 2027 new school construction costs, and would increase construction costs by \$5.9 million in FY 2028 and \$7.6 million in FY 2029.
- 5) If the Committee adopts Provision A above, this estimate would be applied retroactively to new school construction projects approved at the December 10, 2025 School Facilities Oversight Board meeting, as part of SFD's FY 2027 Capital Plan.

Analysis

Background Information

Statute establishes funding amounts per-square-foot of space for new construction for grades K-6, 7-8, and 9-12. SFD may adjust the formula based on geographic or site conditions as defined in statute. Statute requires that the Committee adjust the cost-per-square-foot amounts at least once per year for construction market considerations.

Table 2 outlines the rate increases over the last 12 years. During 2013 – 2015, the Committee adopted a 0% adjustment, as the Great Recession caused construction costs to remain below the levels of November 2008 (which was the last Committee action before 2013).

Table 2	
Cost per Square Foot Rate Changes	
<u>Date Approved</u>	<u>Rate Increase</u>
<u>JLBC Approved Inflation Factor</u>	
December 2013	0.00%
December 2014	0.00%
December 2015	0.00%
December 2016	4.31%
December 2017	3.12%
December 2018	6.19%
December 2019	5.29%
December 2020	2.76%
December 2021	6.63%
December 2022	7.27%
December 2023	6.52%
December 2024	3.88%
<u>Legislative Rate Change</u>	
July 2021 - FY 2022 Budget	60.00%

Apart from the Committee's annual inflation adjustment, the FY 2022 budget increased the cost-per-square-foot factors by 60% to address longer term construction market changes in school building standards, design, and technology requirements. This 60% legislative rate change was applied to FY 2022 school awards and retroactively to schools that had not started construction.

Adjustment Options

The Committee has used the RLB Phoenix construction cost index methodology since 2013. Since the Committee last approved an adjustment in December 2024, the RLB index has increased by 4.80%.

The ADOA School Facilities Division has not offered a recommended adjustment.

Fiscal Impact

The most recent list of new construction awards from SFD is from the current capital planning cycle that started in December 2025. Based on the new construction projections from SFD's December 2025 meeting, the state would begin construction on 8 new projects during the upcoming 3-year budget planning cycle (FY 2027 – FY 2029).

For these new projects, a 4.80% construction funding increase would have no impact in FY 2027, as SFD did not approve any projects to begin construction in FY 2027.

The 4.80% formula adjustment would impact the cost of projects in SFD's long-term projections that are scheduled to begin construction in FY 2028 and FY 2029. This would result in cost increases of \$5.9 million in FY 2028 and \$7.6 million in FY 2029 million above the assumptions used in the enacted budget.

GR:kp

2A



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DATE: January 22, 2026

TO: Members of the Joint Legislative Budget Committee

FROM: Gordon Robertson, Senior Fiscal Analyst

SUBJECT: Arizona Department of Education – Review of Federal Monies Report

Request

The Arizona Department of Education (ADE) requests Committee review of its annual federal monies report, as required by A.R.S. § 15-1052.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Key Points

- 1) ADE is required to report annually on the allocation of its federal funds for review by the Committee.
- 2) ADE reports a total of \$1.38 billion in federal funding for FY 2026:
 - \$1.35 billion *formula* (97.8%)
 - \$29.9 million *discretionary* (2.2%)

Analysis

ADE reports that in FY 2026, the department received 27 federal grants totaling \$1.38 billion for the current fiscal year. The report lists each grant's Catalog of Federal Domestic Assistance (CFDA) number, awarding agency, title, whether it is a "discretionary, formula or reimbursement" grant, the award amount, the portion reserved for program administration, and the uses of the monies.

For the purposes of this report, ADE labels *formula* grants as monies that are allocated to school districts and charter schools on a per pupil or other pro rata basis prescribed in federal law. All other remaining monies are labeled as *discretionary* grants. ADE reports FY 2026 grant receipts from the following federal agencies: Bureau of Indian Education (BIE), Department of Health and Human Services (DHHS), U.S. Department of Agriculture (USDA), U.S. Department of Education (USDOE), and U.S. Department of Labor (USDOL).

The largest reported grants for FY 2026 are for the National School Lunch Program (\$374.3 million – *formula*), Title I (\$318.2 million – *formula*), Special Education Grants (\$249.6 million – *formula*), and the School Breakfast Program (\$166.2 million – *formula*). These 4 programs together account for \$1.11 billion (80.4%) of ADE's \$1.38 billion grant total for FY 2026.

Table 1 sorts the reported data by type of grant to show their respective funding subtotals, which are as follows:

- \$1.35 billion *formula* (97.8%)
- \$29.9 million *discretionary* (2.2%)

Table 1

Federal Grants Received by ADE in FY 2026

<u>Program</u>	<u>Awarding Agency</u>	<u>Type</u> ^{1/}	<u>FY 2025 Award</u>
National School Lunch Program	USDA	Formula	\$ 374,262,924
Title I Grants to Local Educational Agencies	USDOE	Formula	318,202,366
Special Education Grants to States	USDOE	Formula	249,608,658
School Breakfast Program	USDA	Formula	166,200,204
Child and Adult Care Food Program	USDA	Formula	66,691,339
Supporting Effective Instruction State Grants	USDOE	Formula	43,931,852
Career and Technical Education -- Basic Grants to States	USDOL	Formula	31,422,282
Student Support and Academic Enrichment Program	USDOE	Formula	23,077,837
Adult Education - Basic Grants to States	USDOL	Formula	16,197,635
English Language Acquisition State Grants	USDOE	Formula	15,515,599
Migrant Education State Grant Program	USDOE	Formula	9,490,387
Grants for State Assessments and Related Activities	USDOE	Formula	7,542,091
State Administrative Expenses for Child Nutrition	USDA	Formula	7,493,908
Summer Food Service Program for Children	USDA	Formula	7,114,986
Special Education Preschool Grants	USDOE	Formula	6,010,894
Rural Education	USDOE	Formula	2,857,872
Education for Homeless Children and Youth	USDOE	Formula	2,163,582
Indian Education Assistance to Schools	BIE	Formula	284,794
Summer Electronic Benefit Transfer Program for Children	USDA	Formula	179,185
Title I State Agency Program for Neglected and Delinquent Children and Youth	USDOE	Formula	169,539
Special Milk Program for Children	USDA	Formula	<u>19,253</u>
Formula Subtotal			\$1,348,437,187
Twenty-First Century Community Learning Centers	USDOE	Discretionary	\$ 22,114,069
Fresh Fruit and Vegetable Program	USDA	Discretionary	5,050,658
Substance Abuse and Mental Health Services Project of Regional and National Significance (Aware)	DHHS	Discretionary	1,800,000
Substance Abuse and Mental Health Services Project of Regional and National Significance (Brighter Futures)	DHHS	Discretionary	734,992
Head Start	DHHS	Discretionary	175,000
Migrant Education Coordination Program	USDOE	Discretionary	<u>58,794</u>
Discretionary Subtotal			\$29,933,513
Grand Total			\$1,378,370,700

^{1/} As categorized by ADE, which uses the term *discretionary* for *noncustodial* monies

GR:kp



ARIZONA DEPARTMENT OF EDUCATION

November 30, 2025

Director Stavneak
Joint Legislative Budget Committee
1716 West Adams Street
Phoenix, AZ 85007

Dear Director Stavneak,

In compliance with A.R.S. § 15-1052, please see the attached FY26 federal monies report.

Please do not hesitate to contact my office with any questions.

Sincerely,

Art Harding
Chief Operations Officer
Arizona Department of Education

Tom Horne, Superintendent of Public Instruction

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"We are a service organization committed to raising academic outcomes and empowering parents."

Arizona Department of Education
Report of Federal Monies Received - FY26

ASSISTANCE LISTING	AWARDING AGENCY	TITLE OF PROGRAM	Discretionary, Formula or Reimbursement?	Grant Award FY26	Amount Retained for Program Admin	How Administrative Funds Are Used
10.553	USDA	School Breakfast Program	Formula	\$ 166,200,204.00		
10.555	USDA	National School Lunch Program	Formula	\$ 374,262,924.00		
10.556	USDA	Special Milk Program for Children	Formula	\$ 19,253.00		
10.558	USDA	Child and Adult Care Food Program	Formula	\$ 66,691,339.00		
10.559	USDA	Summer Food Service Program for Children	Formula	\$ 7,114,986.00	\$ 996,098.04	No current FTEs, plus operating expenses
10.560	USDA	State Administrative Expenses for Child Nutrition	Formula	\$ 7,493,908.00	\$ 7,493,908.00	Funds 55.9 FTEs, plus operating expenses
10.582	USDA	Fresh Fruit and Vegetable Program	Discretionary	\$ 5,050,658.00		
10.646	USDA	Summer Electronic Benefit Transfer Program for Children	Formula	\$ 179,185.00	\$ 179,185.00	Funds 1.675 FTEs, plus operating expenses
84.002	USDOL	Adult Education - Basic Grants to States	Formula	\$ 16,197,635.00	\$ 2,070,000.00	Funds 13.85 FTEs, plus operating expenses
84.048	USDOL	Career and Technical Education – Basic Grants to States	Formula	\$ 31,422,282.00	\$ 3,217,557.02	Funds 25.10 FTEs, plus operating expenses
84.011	USDOE	Migrant Education State Grant Program	Formula	\$ 9,490,387.00	\$ 1,044,104.55	Funds 7.90 FTEs, plus operating expenses
84.013	USDOE	Title I State Agency Program for Neglected and Delinquent Children and Youth	Formula	\$ 169,539.00	\$ 1,695.39	No current FTEs, plus operating expenses
84.027	USDOE	Special Education Grants to States	Formula	\$ 249,608,658.00	\$ 26,947,398.00	Funds 103.35 FTEs, plus operating expenses
84.144	USDOE	Migrant Education Coordination Program	Discretionary	\$ 58,794.00		No current FTEs, plus operating expenses
84.173	USDOE	Special Education Preschool Grants	Formula	\$ 6,010,894.00	\$ 1,017,869.00	Funds 11 FTEs, plus operating expenses
84.287	USDOE	Twenty-First Century Community Learning Centers	Discretionary	\$ 22,114,069.00	\$ 1,547,984.83	Funds 13.10 FTEs, plus operating expenses
84.358	USDOE	Rural Education	Formula	\$ 2,857,872.00	\$ 142,893.60	No current FTEs, plus operating expenses
84.365	USDOE	English Language Acquisition State Grants	Formula	\$ 15,515,599.00	\$ 775,779.00	Funds 9.55 FTEs, plus operating expenses
84.367	USDOE	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Formula	\$ 43,931,851.98	\$ 3,448,650.38	Funds 26 175 FTEs, plus operating expenses
84.369	USDOE	Grants for State Assessments and Related Activities	Formula	\$ 7,542,091.00	\$ 7,541,091.00	Funds 18 FTEs, plus operating expenses
84.424	USDOE	Student Support and Academic Enrichment Program	Formula	\$ 23,077,837.00	\$ 1,153,891.85	Funds 15.4 FTEs, plus operating expenses
84.010	USDOE	Title I Grants to Local Educational Agencies	Formula	\$ 318,202,366.25	\$ 3,138,934.85	Funds 41.92 FTEs, plus operating expenses
84.196	USDOE	Education for Homeless Children and Youth	Formula	\$ 2,163,582.00	\$ 454,352.22	Funds 7 FTEs, plus operating expenses
93.600	DHHS	Head Start	Discretionary	\$ 175,000.00	\$ 93,000.00	Funds .25 FTEs, plus operating expenses
93.243	DHHS	Substance Abuse and Mental Health Services Project of Regional and National Significance (Aware)	Discretionary	\$ 1,800,000.00	\$ 612,000.00	Funds 2.5 FTEs, plus operating expenses
93.243	DHHS	Substance Abuse and Mental Health Services Project of Regional and National Significance (Brighter Future)	Discretionary	\$ 734,992.00	\$ 712,163.00	Funds 1.0 FTEs, plus operating expenses
15.130	BIE	Indian Education Assistance to Schools	Direct Payments for Specified Use	\$ 284,983.00	\$ 49,174.00	Funds 1.33 FTEs, plus operating expenses
				\$ 1,378,370,889	\$ 62,637,730	

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DATE: January 22, 2026

TO: Members of the Joint Legislative Budget Committee

FROM: Gordon Robertson, Senior Fiscal Analyst

SUBJECT: Arizona Department of Education - Review of Career Technical Education District Annual Report

Request

The Arizona Department of Education (ADE) requests Committee review of its annual Career Technical Education District (CTED) report for FY 2025, as required by A.R.S. § 15-393.01.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Key Points

- 1) For FY 2025, 14 CTEDs with 114 member school districts reported Average Daily Membership (ADM) of 31,404.
- 2) CTEDs collectively reported \$244 million in expenditures including \$129 million (53%) for central campus sites and \$115 million (47%) for satellite sites.
- 3) An average of 37% of CTE seniors who took the first course of a CTED program during their high school years also took the second course (retention rate).
- 4) An average of 79% of those seniors passed the second course.

Analysis

ADE's annual CTED report provides data on CTED enrollment, location, expenditures, retention rates, and pass rates. *Table 1* shows that CTEDs students collectively enrolled in 117,949 courses during the 2024-2025 school year. After accounting for pupils enrolling in more than one course, pupils who attended on a part-time basis, and exclusion of 9th graders, CTEDs served 31,404 Average Daily Membership (ADM) students.

Table 1 indicates that CTEDs collectively reported \$244 million in total costs for FY 2025. That total included \$129 million (53%) for central campus costs and \$115 million (47%) for satellite costs.

Table 1 also summarizes CTED retention and pass rate data. It shows that for the 2024-2025 school year an average of 37% of CTED seniors who took the first course in a CTED program during their high school years also took the second course during their high school years, as a measure of CTED retention rates. *Table 1* shows that 79% of those students enrolled in the second CTED course passed the course.

PM:kp

Table 1

Summary of CTED 2024-2025 Report Data 1/

CTED	Students		Reported Costs (\$)			Retention Rate (%) 4/	Pass Rate (%) 5/
	Enrollment 2/	ADM 3/	Central Campus	Satellites	Total		
CAVIAT	1,679	418	657,800	3,021,600	3,679,400	43.2%	77.4%
CAVIT	3,918	982	4,199,200	2,405,600	6,604,800	55.4%	73.5%
CTD	3,422	845	519,800		519,800	34.6%	81.6%
CVIT	995	264	1,214,200	900,200	2,114,400	32.7%	78.0%
EVIT	32,634	10,034	68,279,400	38,475,100	106,754,500	35.8%	79.5%
GIFT	1,536	529	1,658,800	3,044,100	4,702,900	41.3%	77.2%
MICTED	1,645	548	4,317,900	1,463,500	5,781,400	43.4%	81.9%
NATIVE	2,570	594	1,321,800	2,067,500	3,389,300	49.8%	78.8%
NAVIT	3,512	994	3,041,800	3,837,300	6,879,100	40.4%	69.3%
Pima CTED	21,909	5,066	25,516,300	22,117,000	47,633,300	40.1%	67.8%
STEDY	5,773	1,357	2,858,300	5,866,500	8,724,800	22.9%	89.9%
VACTE	915	296	764,700	695,900	1,460,600	41.6%	85.2%
WAVE	3,130	785	2,242,300	2,492,900	4,735,200	31.7%	77.8%
West-MEC	35,990	9,111	12,736,500	28,291,600	41,028,100	35.9%	86.7%
TOTALS	117,949	31,404	129,328,800	114,678,800	244,007,600	36.7%	79.3%

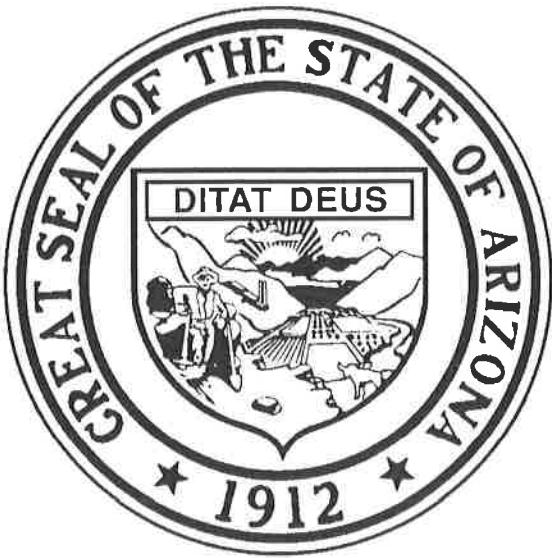
1/ Figures shown for each CTED are for its central campus(es) and satellite sites combined unless otherwise indicated.

2/ Duplicated for students enrolled in 2 or more CTED courses.

3/ Is less than enrollment because most students attend CTEDs on a part-time basis and 9th Graders are included in CTED enrollment data but are excluded from their ADM data.

4/ The percentage of SY 2024-2025 seniors who enrolled in the first course of a CTED eligible program during their years in high school and also enrolled in the second course. Statewide average is computed by JLBC Staff by weighting CTED-reported retention rates based on enrollment.

5/ The percentage of SY 2024-2025 seniors who received a passing grade for the second course of a CTED eligible program during their years in high school. Statewide average is computed by JLBC Staff by weighting CTED-reported pass rates based on enrollment.



Career and Technical Education District (CTED) Annual Report for School Year 2024-2025

Pursuant to Arizona Revised Statutes §15-393.01(C)

Submitted by the Arizona Department of Education Career
and Technical Education Section

Kevin Imes
Deputy Associate Superintendent & State CTE Director

Colette Chapman
Associate Superintendent

Scope of the Report

Arizona Revised Statutes (ARS) §15-393.01(C) requires that on or before December 31st of each year, the Career and Technical Education (CTE) division of the Department of Education (ADE) shall submit a Career & Technical Education District (CTED) annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Secretary of State, and the Joint Legislative Budget Committee. The annual report shall include the following:

- 1) The average daily membership of each career and technical education district, including the average daily membership of each centralized campus, satellite campus and leased satellite campus as defined in §15-393.

- 2) The actual student count of each career and technical education district, including the student count of each centralized campus, satellite campus and leased centralized campus as defined in §15-393.
- 3) The programs and corresponding courses offered by each career technical education district, including the location of each program and course.
- 4) For each career technical education district based on program or course location:
 - a. The student enrollment of each program and corresponding course.
 - b. The percentage of students who enrolled in the second year of each program and corresponding course relative to the number of students in the same cohort who enrolled in the first year of each program and corresponding course.
 - c. The percentage of students who completed each program relative to the number of students in the same cohort who began the program.
- 5) The costs associated with each program offered by the career technical education district.
- 6) A listing of any programs or courses that were discontinued by review of the Career and Technical Education division pursuant to §15-393, subsection W.
- 7) A listing of any programs or courses that were continued by review of the Career and Technical Education division pursuant to §15-393, subsection W.
- 8) A listing of any programs or courses that were added by the Career and Technical Education division.
- 9) For applicable school districts, the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to personnel, equipment, and facilities.
- 10) For students who meet the requirements to receive funding pursuant to section 15-393, subsection X, students enrolled in an internship course and students enrolled in the year immediately following graduation, a separate listing of the following information for each district:
 - a. Average daily membership
 - b. The actual student count
 - c. Enrollment by course or program and persistence at each grade level towards completion of the program
 - d. The percentage of students who completed each program
 - e. The number of certifications and licenses earned by students delineated by those who attended a satellite program and those who attended a centralized campus 11) Any other data or information deemed necessary by the Department of Education.

List of Career and Technical Education Districts (CTEDs) and Member Districts

CTDS	Entity Name
110801000	Central Arizona Valley Institute of Technology
110502000	Casa Grande Union High School District
110221000	Coolidge Unified District
110201000	Florence Unified School District
110220000	Maricopa Unified School District
110540000	Santa Cruz Valley Union High School District
110802000	Cobre Valley Institute of Technology District
040201000	Globe Unified District
040241000	Hayden-Winkelman Unified District
040240000	Miami Unified District
110203000	Ray Unified District
040220000	San Carlos Unified District
110215000	Superior Unified School District
020801000	Cochise Technology District
020209000	Benson Unified School District
020202000	Bisbee Unified District
020214000	Bowie Unified District
020227000	Douglas Unified District
120520000	Patagonia Union High School District
020218000	San Simon Unified District
020268000	Sierra Vista Unified District
020221000	St David Unified District
020201000	Tombstone Unified District

020522000	Valley Union High School District
020213000	Willcox Unified District
030801000	Coconino Association for Vocation Industry and Technology
030201000	Flagstaff Unified District
030206000	Fredonia-Moccasin Unified District
030204000	Grand Canyon Unified District
030208000	Page Unified District
030202000	Williams Unified District
070801000	East Valley Institute of Technology
078725000	American Leadership Academy, Inc.
110243000	Apache Junction Unified District
078412000	Arizona Agribusiness & Equine Center, Inc. (AAEC - Mesa)
070293000	Cave Creek Unified District
070280000	Chandler Unified District #80
070298000	Fountain Hills Unified District
070241000	Gilbert Unified District
078258000	Heritage Academy Gateway, Inc.
070260000	Higley Unified School District
110244000	J O Combs Unified School District
070204000	Mesa Unified District
108796000	Portable Practical Educational Preparation, Inc. (PPEP, Inc.)
070295000	Queen Creek Unified District
078539000	San Tan Montessori School, Inc.
070248000	Scottsdale Unified District
070513000	Tempe Union High School District
050802000	Gila Institute for Technology
060202000	Duncan Unified District

050207000	Fort Thomas Unified District
060218000	Morenci Unified District
050206000	Pima Unified District
050201000	Safford Unified District
050204000	Thatcher Unified District
130802000	Mountain Institute CTED
130231000	Ash Fork Joint Unified District
130220000	Bagdad Unified District
130251000	Chino Valley Unified District
130222000	Humboldt Unified District
130243000	Mayer Unified School District
130201000	Prescott Unified District
130240000	Seligman Unified District
090836000	Northeast Arizona Technological Institute of Vocational Education
010224000	Chinle Unified District
010220000	Ganado Unified School District
090227000	Kayenta Unified School District # 27
090204000	Pinon Unified District
010227000	Red Mesa Unified District
010218000	Sanders Unified District
030215000	Tuba City Unified School District #15
010208000	Window Rock Unified District
090835000	Northern Arizona Vocational Institute of Technology
090232000	Blue Ridge Unified School District No. 32
090206000	Heber-Overgaard Unified District
090203000	Holbrook Unified District
090202000	Joseph City Unified District

040210000	Payson Unified District
010210000	Round Valley Unified District
090210000	Show Low Unified District
090205000	Snowflake Unified District
010201000	St Johns Unified District
090220000	Whiteriver Unified District
090201000	Winslow Unified District
100811000	Pima County JTED
100215000	Ajo Unified District
100210000	Amphitheater Unified District
100240000	Baboquivari Unified School District #40
100216000	Catalina Foothills Unified District
100208000	Flowing Wells Unified District
110208000	Mammoth-San Manuel Unified District
100206000	Marana Unified District
120201000	Nogales Unified District
100230000	Sahuarita Unified District
120235000	Santa Cruz Valley Unified District
100212000	Sunnyside Unified District
100213000	Tanque Verde Unified District
100201000	Tucson Unified District
100220000	Vail Unified District
140801000	Southwest Technical Education District of Yuma
140550000	Antelope Union High School District
140570000	Yuma Union High School District
130801000	Valley Academy for Career and Technology Education
130228000	Camp Verde Unified District

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130406000	Cottonwood-Oak Creek Elementary District
130504000	Mingus Union High School District
130209000	Sedona-Oak Creek JUSD #9
070802000	West-MEC - Western Maricopa Education Center
070516000	Agua Fria Union High School District
070501000	Buckeye Union High School District
070297000	Deer Valley Unified District
070289000	Dysart Unified District
070224000	Gila Bend Unified District
070505000	Glendale Union High School District
070381000	Nadaburg Unified School District
070269000	Paradise Valley Unified District
078912000	Paragon Management, Inc.
070211000	Peoria Unified School District
078609000	Ridgeline Academy, Inc.
070290000	Saddle Mountain Unified School District
070514000	Tolleson Union High School District
070209000	Wickenburg Unified District
080850000	Western Arizona Vocational District #50
080502000	Colorado River Union High School District
080220000	Kingman Unified School District
080201000	Lake Havasu Unified District
088758000	Mohave Accelerated Learning Center
150227000	Parker Unified School District

Section 1: Average Daily Membership & Student Count

The average daily membership of each career and technical education district, including the average daily membership of each centralized campus, satellite campus and leased satellite campus as defined in §15-393.

The average daily membership (ADM) and student count for each Career and Technical Education District (CTED) was provided by the Department's School Finance division which utilizes ADM to calculate school payments. ADM and student count for the 100th day of school was used for all CTEDs. Please note that students in the 9th grade do not generate CTED ADM and not included in that value in this report but may be enrolled in CTED programs (especially satellite programs) and are therefore included in the student count values in this report.

Link: [View ADM and student count by CTED location](#)

Career and Technical Education District	100th Day Average Daily Membership	100th Day Student Headcount
Central Arizona Valley Institute of Technology	982.1801	3,918
Cobre Valley Institute of Technology District	263.6639	995
Cochise Technology District	844.9197	3,422
Coconino Association for Vocation Industry and Technology	417.5369	1,679
East Valley Institute of Technology	10,034.2193	32,634
Gila Institute for Technology	529.4940	1,536
Mountain Institute CTED	547.6374	1,645
Northeast Arizona Technological Institute of Vocational Education	593.8680	2,570
Northern Arizona Vocational Institute of Technology	993.9654	3,512
Pima County JTED	5,065.5120	21,909
Southwest Technical Education District of Yuma	1,357.2139	5,773
Valley Academy for Career and Technical Education	295.6869	915

Western Arizona Vocational Education District	784.9273	3,130
West-MEC - Western Maricopa Education Center	9,110.8308	35,990

Section 2: Program Enrollment and Completion

The programs and corresponding courses offered by each career technical education district, including the location of each program and course.

For each career technical education district based on program or course location:

- a. *The student enrollment of each program and corresponding course.*
- b. *The percentage of students who enrolled in the second year of each program and corresponding course relative to the number of students in the same cohort who enrolled in the first year of each program and corresponding course.*
- c. *The percentage of students who completed each program relative to the number of students in the same cohort who began the program.*

ADE-CTE gathers student enrollment data for all CTE programs through the CTE Data Portal, an online data collection and reporting application. This data includes student enrollment in all programs and corresponding courses including credits earned by students. Since both school districts and CTEDs report enrollment data for the same group of students (CTED central/leased central/community college campus students), ADE-CTE can compare the two datasets to verify accuracy and completeness.

Program persistence (element 4b) is calculated as the total number of unduplicated students who enrolled in more than one course (i.e., the second course) within the specific program divided by the total number of unduplicated students who enrolled in at least one course (i.e., the first course) within the specific program. Program completion (element 4c) is calculated as the total number of unduplicated students who completed (passed) all required courses within a specific program divided by the total number of unduplicated students that enrolled in at least one course within the specific program. For FY 2025, program persistence and completion are calculated using students in expected graduation cohort 2024-2025.

View program offerings by CTED:

<u>CAVIAT</u>	<u>GIFT</u>	<u>STEDY</u>
<u>CAVIT</u>	<u>MICTED</u>	<u>VACTE</u>
<u>CTD</u>	<u>NATIVE</u>	<u>WAVE</u>
<u>CVIT</u>	<u>NAVIT</u>	<u>West-MEC</u>
<u>EVIT</u>	<u>PCJTED</u>	

View program enrollment data by CTED:

CAVIAT
CAVIT
CTD
CVIT
EVIT

GIFT
MICTED
NATIVE
NAVIT
PCJTED

STEDY
VACTE
WAVE
West-MEC

View program persistence and completion data by CTED:

CAVIAT
CAVIT
CTD
CVIT
EVIT

GIFT
MICTED
NATIVE
NAVIT
PCJTED

STEDY
VACTE
WAVE
West-MEC

Section 3: Program Costs

The costs associated with each program offered by the career technical education district.

The ADE-CTE annual CTED Report utilizes data gathered from the previous school year for analysis. Expenditures in support of career and technical education programs are reported from all funding sources rather than simply CTED funding. The cost reporting spreadsheet utilized for this report was reviewed in conjunction with the Arizona Office of the Auditor General (AOAG) to efficiently gather all required data. The Program 300 codes in the Chart of Accounts listed in the Uniform System of Financial Records for Arizona School Districts (USFR) has been identified for use in tracking local expenditures related to career and technical education programs. This reflects the second year these program codes to have been mandatory for use in tracking expenditures.

CTED member districts typically receive state and federal grants, as well as other local funding (such as local tax levy revenues, State Aid, State Vocational Block Grant funding, Carl D. Perkins funding, tax credit contributions, gifts of equipment/supplies and other secondary sources). It is important to note that, apart from the East Valley Institute of Technology (EVIT), CTEDs do not apply for federal Carl D. Perkins grant funds. Historically, teacher salaries and benefits have been the strongest indicator of total program costs, followed by the equipment/supplies utilized to implement career and technical education programs. The ADE-CTE will continue to work with the AOAG should any modifications become necessary to gather appropriate program cost information for future reports.

View Cost Reporting Summaries by CTED:

<u>CAVIAT</u>	<u>GIFT</u>	<u>STEDY</u>
<u>CAVIT</u>	<u>MICTED</u>	<u>VACTE</u>
<u>CTD</u>	<u>NATIVE</u>	<u>WAVE</u>
<u>CVIT</u>	<u>NAVIT</u>	<u>West-MEC</u>
<u>EVIT</u>	<u>PCJTED</u>	

Section 4: Program and Course Listings

4a – Discontinued Programs & Courses

A listing of any programs or courses that were discontinued by review of the Career and Technical Education division pursuant to §15-393, subsection W.

The following programs were found non-compliant pursuant to §15-393, subsection W and were discontinued as CTED-eligible programs pending remediation:

Program Name	Program Number
Electronics Drafting	15130500

The CTE Program Services unit provides technical assistance to programs found to be non-compliant.

4b – Continued Programs and Courses

A listing of any programs or courses that were continued by review of the Career and Technical Education division pursuant to §15-393, subsection W.

All programs and courses except for those listed above were continued for FY 2025.

View statewide continued courses: [Continued Courses in FY 2025](#)

To view continued courses for each CTED, please see section 2 of this report.

For more information, please see:

- [FY 2025 Approved Programs List](#)
- [FY 2025 Coherent Sequence](#)

4c – Added Programs & Courses

A listing of any programs or courses that were added by the Career and Technical Education division.

Three new programs were added to the statewide approved program list in FY 2025:

View statewide added courses: [Added Courses in FY 2025](#)

Section 6: Maintenance of Effort & Supplement Not Supplant

For applicable school districts, the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to personnel, equipment, and facilities.

Districts must demonstrate that funds were used to supplement and not supplant the amount used during the “base year” with regards to their CTED funding. The report specifically requires the inclusion of common expenditure types for career and technical education courses, which cover staffing, equipment, and facilities.

This data, provided by the School Finance division of the Department, provides a summary of the “Work Sheet for Determining the Appearance of Supplanting with CTED Monies” submitted by each CTED as part of their Annual Financial Report (AFR).

Link: [View supplement, not supplant spreadsheet](#)

Section 7 – In-demand Funding

For students who meet the requirements to receive funding pursuant to section 15-393, subsection X, students enrolled in an internship course and students enrolled in the year immediately following graduation, a separate listing of the following information for each district:

- 1) *Average daily membership*
- 2) *The actual student count*
- 3) *Enrollment by course or program and persistence at each grade level towards completion of the program*
- 4) *The percentage of students who completed each program*
- 5) *The number of certifications and licenses earned by students delineated by those who attended a satellite program and those who attended a centralized campus*

Students in the ninth grade and in the year immediately following graduation that are enrolled in regionally identified in-demand programs may qualify for ADM funding. For students in the ninth grade, funding is retroactively generated if the student remains enrolled in a CTE program on the fortieth day of their eleventh-grade school year. For students in the year following graduation, students qualify for funding if enrolled in a regional in-demand program.

The Arizona Department of Education is developing reporting methods to capture the reporting requirements of this section.

CTED	ADM	Student Count
Central Arizona Valley Institute of Technology	72.75	291
Cobre Valley Institute of Technology	9.5	38
Cochise Technology District	46.75	187
Coconino Association for Vocation Industry and Technology	27.5	110
East Valley Institute of Technology	543.75	2175
Gila Institute for Technology	8.5	34
Mountain Institute CTED	32.75	131
Northeast Arizona Technological Institute of Vocational Education	0.75	3
Northern Arizona Vocational Institute of Technology	0.5	2
Pima County JTED	183.25	733
Southwest Technical Education District of Yuma	32.75	131
Valley Academy for Career and Technical Education	16	64
Western Arizona Vocational District	97.25	389
West-MEC Western Maricopa Education Center	1000.5	4002

Credentials/Certificates Earned by Eligible Students Enrolled in a Regionally In-demand Program in the Ninth Grade and in the Year Immediately Following Graduation

CTED	Central	Satellite
Cobre Valley Institute of Technology	19	0
Cochise Technology District	4	0
East Valley Institute of Technology	149	0
Gila Institute for Technology	6	0
Mountain Institute CTED	29	0
Pima County JTED	13	0
Valley Academy for Career and Technology Education	3	0
Western Arizona Vocational District	102	0
West-MEC Western Maricopa Education Center	33	0

Section 7: Summary of CTE Annual Report Data FY 2024-2025

Per the request of the Joint Legislative Budget Committee, a summary table of report data is provided here.

CTED Name (1)	Students		Reported Costs			Completion	
	Enrollment (2)	ADM (3)	Central/Leased Campus	Satellites	Total	Retention (4)	Completion Rate (5)
CAVIAT	3,918	982.1801	\$657,832.56	\$3,021,614.64	\$3,679,447.20	70.32%	64.03%
CAVIT	995	263.6639	\$4,199,204.18	\$2,405,635.03	\$6,604,839.21	73.46%	66.67%
CTD	3,422	844.9197	\$519,801.39	\$9,182,599.63	\$9,702,401.02	63.47%	57.69%
CVIT	1,679	417.5369	\$1,214,171.80	\$900,171.06	\$2,114,342.86	68.27%	54.67%
EVIT	32,634	10,034.2193	\$68,279,421.30	\$38,475,050.17	\$112,159,120.34	69.18%	61.44%
GIFT	1,536	529.4940	\$1,658,790.90	\$3,044,095.64	\$4,730,198.83	56.58%	50.51%
MICTED	1,645	547.6374	\$4,317,938.00	\$1,463,457.00	\$5,781,395.00	57.76%	53.27%
NATIVE	2,570	593.8680	\$1,321,766.69	\$2,067,494.76	\$4,515,431.00	74.45%	62.41%
NAVIT	3,512	993.9654	\$3,041,781.24	\$3,837,345.17	\$6,879,126.41	83.33%	72.58%
Pima JTED	21,909	5,065.5120	\$24,712,312.44	\$22,116,997.08	\$46,829,309.52	69.91%	60.46%
STEDY	5,773	1,357.2139	\$2,858,349.73	\$5,866,536.65	\$8,724,886.38	63.85%	60.00%
VACTE	915	295.6869	\$764,714.52	\$695,916.23	\$1,460,630.75	74.52%	69.25%
WAVE	3,130	784.9273	\$2,242,302.52	\$2,492,919.50	\$4,735,222.02	58.11%	48.93%
West-MEC	35,990	9,110.8308	\$12,736,520.54	\$28,291,560.45	\$43,357,357.75	67.08%	63.38%

Summary Table Notes

- (1) Figures shown for each CTED are for its central campus(es) and satellite campuses combined unless otherwise indicated.
- (2) Unduplicated student headcount as of the 100th day of school.
- (3) ADM as of the 100th day of school. ADM is less than enrollment because more students attend CTEDs on a part-time basis and 9th grade students are included in the CTED enrollment but are excluded from their ADM data.
- (4) The percentage of SY 2024-2025 seniors who enrolled in the first course of a CTED eligible program and who also enrolled in the second or higher course of the same program.
- (5) The percentage of SY 2024-2025 seniors who enrolled in a course beyond the first course of a program and also completed the program.

3A



STATE OF ARIZONA

Joint Legislative Budget Committee

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DATE: January 22, 2026
TO: Members of the Joint Legislative Budget Committee
FROM: Brian Belakovsky, Fiscal Analyst
SUBJECT: Department of Economic Security - Review of FY 2026 Division of Developmental Disabilities Line Item Transfers

Request

Pursuant to an FY 2026 General Appropriation Act footnote, the Department of Economic Security (DES) requests review of a line item transfer of \$3,306,300 General Fund from the Home and Community Based Services (HCBS) - Medicaid special line item into the Case Management - State-Only special line item.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Key Points

- 1) DES proposes making a \$3.3 million General Fund transfer from the Home and Community-Based Services (HCBS) - Medicaid line item into the Case Management State-Only line item.
- 2) The transfer would align DDD appropriations with actual expenses incurred by DES as a result of growing state-only DDD membership.

Analysis

The FY 2026 budget continued a footnote requiring Committee review of any funding being transferred in or out of the DDD Administration line and the Case Management lines to provide oversight if the department proposes to change line item funding levels.

DES' proposed \$3.3 million transfer is intended align DDD appropriations with actual expenses in the state-only program. The department reports that increased need for the Case Management - State-Only funding stems from growth in membership above prior funding expectations. For example, in June 2025, there were 7,284 DDD clients receiving case management state-only services, a 41.7% increase from 2 years prior. The Case Management - State-Only line item funds services for individuals with a developmental disability who are not financially eligible and do not meet the medical requirements to qualify for the full long-term care package of benefits.

The FY 2026 budget appropriated \$6.4 million to the Case Management - State-Only line item. The \$3.3 million transfer therefore represents a 51.3% increase in funding for this population relative to the budgeted amount.

BB:kp

ARIZONA
— DEPARTMENT OF —
ECONOMIC SECURITY

Katie Hobbs
Governor

Michael Wisehart
Director

January 14, 2026

The Honorable David C. Farnsworth
Chairman, Joint Legislative Budget Committee
Arizona Senate
1700 W Washington Street
Phoenix, Arizona 85007

The Honorable David Livingston
Vice Chairman, Joint Legislative Budget Committee
Arizona House of Representatives
1700 W Washington Street
Phoenix, Arizona 85007

Dear Senator Farnsworth and Representative Livingston,

The Arizona Department of Economic Security (DES/Department) requests to be placed on the agenda of the next Joint Legislative Budget Committee meeting for the review of line item transfers for the Division of Developmental Disabilities (DDD), as required by Laws 2025, Chapter 233, Section 29. Justification for the transfer is outlined below.

FY 2026 General Fund Transfer Request

Special Line Item	Fiscal Year	Fund Source	Transfer Amount
Home & Community-Based Services - Medicaid	2026	GF	(\$3,306,300)
Case Management - State-Only	2026	GF	\$3,306,300

The Department requests to transfer General Fund from the Home & Community Based Services - Medicaid Special Line Item (SLI) into the Case Management - State-Only SLI. DDD has seen growth in State-Only membership, which has resulted in a shortfall in the Case Management - State-Only SLI. This transfer will ensure proper authority distribution for these lines in FY 2026 and allow DDD to fund Case Management - State-Only expenses properly.

If you have any questions, please contact Kathy Ber, Director of Public Affairs, at (602) 542-4669 or kber@azdes.gov.

Sincerely,



Michael Wisehart
Director

cc: Richard Stavneck, Director, Joint Legislative Budget Committee
Ben Henderson, Director, Office of Strategic Planning and Budgeting



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DATE: January 22, 2026
TO: Members of the Joint Legislative Budget Committee
FROM: Brian Belakovsky, Fiscal Analyst
SUBJECT: Department of Economic Security – Review of Annual Plan for the Arizona Training Program at Coolidge (ATPC)

Request

A.R.S. § 36-570 requires Committee review of Department of Economic Security plans for ATPC and associated group homes, including updates on the timetable of facility closures, the transition of residents to new facilities, and the identification of fiscal impacts. DES is requesting review of its plan to update the facilities at 20 Sandstone and to close 10 Sandstone upon the renovation, licensing, and certification of 20 Sandstone as an Intermediate Care Facility (ICF).

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Key Points

- 1) DES does not currently have plans to close ATPC.
- 2) DES plans to renovate and bring up to code the electrical wiring system at one currently vacant building called 20 Sandstone.
- 3) Following the renovations and licensure of 20 Sandstone, DES intends to close 10 Sandstone, leaving the total capacity on campus unchanged.

Analysis

ATPC is a state-run, 24-hour residential facility for persons with a severe or profound cognitive disability. ATPC consists of several intermediate care facilities (ICFs), which provide institutional services to clients. DES reports that ATPC had an enrollment of 48 in June 2025, a decrease of (3) from a year prior. DES has not effectively added any new clients to ATPC since 1979.

The electrical improvements at 20 Sandstone referenced in the department's report are one of several building renewal and capital proposals the department has for the campus. In its FY 2027 capital improvement plan, DES requested \$1.5 million for building renewal projects at ATPC and \$3.2 million for capital projects.



Katie Hobbs
Governor

Michael Wisehart
Director

October 30, 2025

The Honorable David Livingston
Chairman, Joint Legislative Budget Committee
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable David C. Farnsworth
Vice-Chairman, Joint Legislative Budget Committee
Arizona Senate
1700 West Washington Street
Phoenix, Arizona 85007

Dear Representative Livingston and Senator Farnsworth:

The Arizona Department of Economic Security is submitting its annual update on the plans for the Arizona Training Program at Coolidge (ATPC) within the Division of Developmental Disabilities (DDD), pursuant to Arizona Revised Statutes § 36-570. At this time, DDD does not have plans to close ATPC.

Background Summary

Over the past year, DDD has continued to improve the clinical care, infrastructure, and overall service provision to ATPC members. These improvements reflect a commitment to helping ATPC members live self-directed, healthy, and meaningful lives.

DDD has worked with the Arizona Health Care Cost Containment System since December 2022 to comply with the federal Home and Community-Based Services rules issued by the Centers for Medicare and Medicaid Services.

Future Planning

The Intermediate Care Facilities (ICFs) at ATPC are currently undergoing renovations to bring the electrical wiring up to code. ATPC currently has five licensed and certified ICFs: 10 Sandstone, 40 Sandstone, 50 Sandstone, 40 Oasis, and 50 Oasis. The five licensed and certified ICFs are needed to accommodate the residents during the renovations. The plan is to vacate buildings as the renovations are completed to bring the ICFs into compliance with the electrical code. Twenty Sandstone is the final building needing these improvements.

The Honorable David Livingston
The Honorable David C. Farnsworth
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Upon 20 Sandstone's renovation, licensing, and certification, 10 Sandstone will be closed. There will be five licensed and certified ICFs upon completion of the aforementioned projects. When there is a change to the census at ATPC, the State Operated Residential Services Executive Leadership Team meets to review the current staffing level, resident needs, and if there is a possibility of consolidating ICFs.

When a staff position is vacated at ATPC, the administrator reviews the current needs and determines if that position is still necessary to meet the needs of the facility or residents. All positions are reviewed by the Deputy Assistant Director for State Operated Residential Services before posting for recruitment.

If you have any questions, please contact Kathy Ber, Director of Public Affairs, at (602) 542-4669 or kber@azdes.gov.

Sincerely,



Michael Wisehart
Director

cc: Members of the Joint Legislative Budget Committee
Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Holly Henley, Director, Arizona State Library, Archives and Public Records