



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

September 30, 2026

The Chairman called the meeting to order at 1:33 p.m., Wednesday, September 30, 2026, in Senate Hearing Room 109. The following were present:

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

APPROVAL OF MINUTES

Representative Gress moved that the Committee approve the minutes of May 6, 2026. The motion carried by voice vote.

EXECUTIVE SESSION

Representative Gress moved that the Committee go into Executive Session. The motion carried by voice vote.

At 1:36 p.m. the Joint Legislative Budget Committee went into Executive Session.

Representative Gress moved that the Committee reconvene into open session. The motion carried by voice vote.

At 2:47 p.m. the Committee reconvened into open session.

A. ATTORNEY GENERAL (AG) - Consideration of Proposed Settlements under Rule 14.

Representative Gress moved that the Committee approve the recommended settlements proposed by the AG's office in the cases of:

- *Phillip Tau, et al. v. State of Arizona, et al.*
- *Sumlee Anderson, Sonia Calderon, and Michelle Curiel, individually and on behalf of individuals similarly situated v. Arizona Board of Regents and The University of Arizona Global Campus*

The motion carried by voice vote.

B. DEPARTMENT OF EDUCATION (ADE) – Review of Proposed New Multi-State Alternate Assessment Contract.

A.R.S. § 15-741.03 requires ADE to submit for review by the Joint Legislative Budget Committee a new or renewed contract for any portion of the statewide assessment. ADE requested review of a new Multi-State Alternate Assessment contract.

Representative Gress moved that the Committee give a favorable review to ADE's new Multi-State Alternate Assessment contract. The motion carried by voice vote.

REGULAR AGENDA

1A. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Consider Approval of State Employee Travel Rate Adjustments.

Mr. Ethan Scheider, JLBC Staff, stated A.R.S. § 38-624(B) and (C) require the Joint Legislative Budget Committee to approve any changes to ADOA's maximum reimbursement rates for lodging, meal, and mileage expenses. ADOA proposed travel reimbursement increases to align with federal rates as follows: 1) the July 1, 2026 federal rate of \$0.76 per mile for personal vehicle mileage; 2) the federal lodging daily reimbursement rates effective October 1, 2026 and 3) the federal daily meal reimbursement rates effective October 1, 2026, less \$10 a day.

ADOA proposed travel reimbursement increases to align with current federal rates. The JLBC Staff provided options and a potential provision:

- A. Committee approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.

Representative Gress moved that the Committee approve ADOA's recommended increases to travel rates for state employees. The motion carried by voice vote.

1B. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Review of Automation Project Fund Proposed Expenditures.

Mr. Ethan Scheider, JLBC Staff, stated A.R.S. § 41-714 requires Joint Legislative Budget Committee review prior to any monies being expended from the Automation Projects Fund (APF). ADOA requested to spend a total of \$13,465,000 from the APF on 3 projects as follows:

- \$375,000 for ADOA State Web Portal Software and Security Upgrades.
- \$150,000 for Arizona Medical Board Website Modernization.
- \$12,940,000 for Arizona Health Care Cost Containment System (AHCCCS) Medicaid Enterprise System IT Upgrades, consisting of:
 - \$8,517,100 to continue a multi-year mainframe replacement project;
 - \$3,626,100 to continue eligibility system upgrades; and
 - \$796,800 for AI call center integration.

The review of APF funding excluded the \$796,800 for AI call center integration, as ADOA and AHCCCS had not yet responded to questions concerning the extent of AI utilization in call handling services. After adjusting for this excluded item, the total request was \$12,668,200.

The JLBC Staff provided options.

Mr. Jeff Tegan, Assistant Director, CFO, AHCCCS, responded to member questions.

Representative Gress moved that the Committee give a favorable review of ADOA's request to spend a total of \$12,668,200 from the APF on 3 projects. The motion carried by voice vote.

2. ATTORNEY GENERAL (AG) – Review of Coordinated Reentry Expenditure Plan.

Mr. Jacob Cross Mayhew, JLBC Staff, stated A.R.S. § 44-1531.02(C) requires the AG to submit an expenditure plan for review by the Joint Legislative Budget Committee before spending any monies from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund. JLBC Staff distributed a handout (Attachment 1).

Of the \$17,000,000 FY 2027 appropriation for coordinated reentry planning services grants, the budget requires the Attorney General to distribute \$2,000,000 each to Coconino, Maricopa, Mohave, Navajo, Pima, Pinal, and Yavapai counties to support existing coordinated reentry planning services programs; to distribute \$2,000,000 to La Paz County to establish a new coordinated reentry planning services program; and to distribute the remaining \$1,000,000 as a grant to establish a statewide coordinated reentry planning services database. The AG's submission is consistent with the statutory language. The JLBC Staff provided options and a potential provision:

- A. The AG shall report to the Committee the grant recipient and any sub-grantees selected to create the statewide coordinated reentry planning services database. The report shall also address the scope of work and the expected deliverables.

Representative Gress moved that the Committee give a favorable review of the FY 2027 Coordinated Reentry expenditure plan with the JLBC Staff provision. The motion carried by voice vote.

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

Mr. Ethan Scheider, JLBC Staff, stated A.R.S. § 41-2403 requires ACJC to submit its federal application for the Edward Byrne Memorial Justice Assistance Grant (JAG) to the Joint Legislative Budget 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, 2027, if the federal guidelines have not yet been received for 2027.

Representative Gress moved that the Committee give a favorable review of the FFY 2026 Edward Byrne Memorial Justice Assistance Grant federal application with the JLBC Staff provision. The motion carried by voice vote.

4A. ARIZONA DEPARTMENT OF EDUCATION (ADE) – Review of Basic State Aid Recalculation.

Ms. Emmalyn Meyer, JLBC Staff, stated A.R.S. § 15-915(B) allows a school district to have its K-12 Basic State Aid funding recalculated if court rulings change property values in its district, subject to review by the Joint Legislative Budget Committee. ADE requested review of a Basic State Aid recalculation totaling \$127,700 across 3 districts. The JLBC Staff provided options.

Representative Gress moved that the Committee give a favorable review of ADE's Basic State Aid recalculation. The motion carried by voice vote.

4B. ARIZONA DEPARTMENT OF EDUCATION (ADE) – Review of K-12 Broadband Connectivity Projects.

Ms. Emmalyn Meyer, JLBC Staff, stated A.R.S. § 15-249.07 requires ADE to submit for review by the Joint Legislative Budget Committee its annual report on K-12 broadband connectivity construction projects. The JLBC Staff provided options.

Representative Gress moved that the Committee give a favorable review of ADE's FY 2027 Broadband for Education Initiative Report. The motion carried by voice vote.

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.

Ms. Emmalyn Meyer, JLBC Staff, stated pursuant to A.R.S. § 41-1724(G) and A.R.S. § 41-1724(H), DPS is required to submit to the Joint Legislative Budget Committee for review its FY 2027 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expenditure. DPS requested review of \$1,796,400 from its FY 2027 appropriation to fund 3 existing programs. The JLBC Staff provided options.

Representative Gress moved that the Committee give a favorable review of the expenditure plan of \$1,796,400 of the \$2,430,700 FY 2027 appropriation to fund 3 existing programs: Detention Liaison Officer Program (\$420,000), Border County Officers Program (\$576,400), and Border Security and Law Enforcement Grants (\$800,000). The motion carried by voice vote.

6. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Update on Employee Health Insurance Trust Fund (Discussion Only).

Mr. Chandler Coiner, JLBC Staff, provided the Committee an update on the state employee health plan.

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

Without objection, the meeting adjourned at 4:09 p.m.

Respectfully submitted:

Kristy Paddack

Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director

David C. Farnsworth

Senator David Farnsworth, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <https://www.azjlbc.gov/jlbc-meetings/>.



ARIZONA SHERIFFS' ASSOCIATION

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DAVID CLOUSE, NAVAJO COUNTY SHERIFF, PRESIDENT
WILL PONCE, LA PAZ COUNTY SHERIFF, VICE PRESIDENT

THE ARIZONA SHERIFFS ASSOCIATION IS THE ONE UNITED CREDIBLE VOICE REPRESENTING LAW ENFORCEMENT
AND PUBLIC SAFETY FOR THE COUNTIES OF ARIZONA

September 29, 2026

The Honorable David C. Farnsworth, Chair
The Honorable David Livingston, Vice Chair
Members of the Joint Legislative Budget Committee
Phoenix, Arizona 85007

Re: Coordinated Reentry Expenditure Plan – Statewide Reentry Database

Dear Chairman Farnsworth, Vice Chairman Livingston, and Members of the Committee:

On behalf of the Arizona Sheriffs' Association and Arizona's county sheriffs, I am writing regarding the Attorney General's Coordinated Reentry Expenditure Plan currently before the Joint Legislative Budget Committee.

The Association supports the continued investment in coordinated reentry programs throughout Arizona and the FY 2027 appropriation for the statewide coordinated reentry database. The Legislature has provided \$1 million for the development and maintenance of this statewide resource, which provides greater coordination and consistency across county reentry efforts.

The Arizona Sheriffs' Association is prepared to serve as the grant recipient responsible for developing and managing the statewide database. As the organization representing county sheriffs and working directly with the agencies operating these programs, ASA is positioned to coordinate this work across jurisdictions while maintaining direct accountability for implementation.

The Association stands ready to work closely with the Attorney General's Office and participating counties, appropriately manage any vendors, and provide the Attorney General, JLBC, and the Legislature with all required fiscal, programmatic, and performance reporting. We welcome that accountability and understand the importance of ensuring that this investment produces a useful and sustainable statewide resource.

Thank you for your consideration and for your continued attention to Arizona's coordinated reentry efforts.

Respectfully,

David Clouse
President
Navajo County Sheriff