Joint Legislative Budget Committee

Monthly Fiscal Highlights

November 2026

Summary

October 2026 General Fund revenues totaled $1.24 billion, which was a decline of (13.4)% below October 2025. This level of October collections generated a total forecast loss of $(108) million below the enacted budget forecast. The large decline in overall October revenues was driven almost entirely by the weak performance of Corporate Income Tax during the month.

Corporate Income Tax

Corporate Income Tax (CIT) revenues experienced a significant downturn during October – the category declined by (81)% compared to the prior year and caused a loss of $(129) million compared to the enacted budget forecast. This unexpected CIT result is related to substantial variability in the category's recent collection history during the month of October.

While the CIT category overall experienced rapid growth through the COVID pandemic, October collections for several pandemic-era years remained at a modest level, in the general range of $40 million to $60 million each year.

However, this trend abruptly changed in recent years with rapid growth to $114 million in October 2024, then followed by $230 million in October 2025.

The recent surge in October CIT revenue appears to have been a temporary occurrence, with revenues now receding significantly down to the October 2026 collection level of $43 million, which marks the (81)% decline below the prior year.

As we have noted in prior *Monthly Fiscal Highlights*, our office does not have access to specific CIT tax filing data or CIT filing data separated by detailed industry classification. Because of this lack of data, we do not have information on potential causes of this substantial recent variability in October CIT collections.

Sales Tax

Overall October Sales Tax collections (which represent September sales activity) posted very strong growth of 10.2% above the prior year, the category's highest total growth rate since December 2023. This performance led to a gain of $34 million above the enacted budget forecast. In terms of Sales Tax components, the October growth was due in large part to retail sales growing by 10%, along with Utilities (16% growth) and Contracting (7% growth).

Individual Income Tax

Total Individual Income Tax collections during October declined by (14.4)% below October 2025, which resulted in a forecast loss of $(26) million below the enacted budget.

This steep percentage decline did not generate a large forecast loss, as it was caused by an expected technical timing issue in withholding collections. October typically experiences a large withholding deposit on the last day of the month (October 31st). Because this year that date falls on a Saturday, those revenues have shifted to the first business day of November.

Instead, the IIT forecast loss was related to an unexpected drop in tax payments, which declined by (13.6)% during the month and were $(24) million below forecast. The decline in tax payments is notable, as October payment activity is related to taxpayers who received a 6-month extension from the original April tax filing deadline.

Year-to-Date Results

Year-to-date, excluding Urban Revenue Sharing and one-time revenue adjustments, FY 2027 General Fund revenues are 0.9% above the prior year.

Following the substantial forecast loss in October, the year-to-date forecast gain we have reported in prior months has been reversed – now the state has generated a cumulative forecast loss of $(15) million during FY 2027.

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October Revenues

Table 1

General Fund Revenues ($ in Millions)

	FY 2027 Collections	Difference From Enacted Forecast	Difference From FY 2026
October	$ 1,242.9	$ (108.5)	$ (193.0)
Year-to-Date	$ 5,511.3	$ (15.3)	$ 0.9

Sales Tax collections were $752.8 million in October, which was 10.2% greater than the same month in the prior year and $33.6 million above the enacted budget forecast. Sales Tax revenue collected in October reflects sales activity that occurred in September. The last time sales tax revenue increased at a faster rate was in December 2023 when the year-over-year growth rate was 11.1%. Year to date, sales tax revenue is up by 7.6% and is $85.6 million above forecast.

Table 2 shows the October growth rate for the 5 major sales tax categories, which combined make up approximately 90% of total sales tax collections.

Table 2

Sales Tax Growth Rates Compared to Prior Year

	October	YTD
Retail/Remote Seller	10.4%	7.3%
Contracting	7.4%	8.6%
Use Tax	18.0%	11.9%
Restaurant & Bar	1.3%	3.4%
Utilities	16.3%	8.1%

As seen in *Table 2* above, all of the major sales tax categories with the exception for the Restaurant & Bar classification performed well in October. The combined Retail/Remote Seller category, which makes up close to 55% of total sales and use tax collections, grew (year-over-year) at an impressive rate of 10.4% in October, the largest percentage increase in 36 months. Available industry data through September provided by the Department of Revenue (DOR) suggests that this surge is at least in part attributable to sales by motor vehicle dealerships and furniture/home furnishings retailers.

According to DOR, both the growth rate of 18.0% for the Use Tax and 16.3% for the Utilities classification reflect certain technical adjustments (such as audits and/or taxpayer amended returns from prior periods) that had the effect of "inflating" the October year-over-year gains for those categories.

The Restaurant & Bar classification increased by a modest 1.3% in October, which also marked the 6th consecutive month with slower growth for this category. Anecdotal information suggests that rising menu prices may have had a negative impact on both customer count and dining frequency.

Individual Income Tax (IIT) net revenue was $449.3 million in October, a (14.4)% decline from the same month in the prior year and $(26.1) million below the enacted budget forecast. Year to date through October, IIT net revenue is up by 0.9% compared to the same period in FY 2026 and is $28.7 million above forecast.

Withholding revenue in October was $480.1 million, a (9.3)% decline from October 2025 and $(3.4) million below the enacted budget forecast. Historically, withholding deposits on the last day of October have tended to be large in years when October 31st falls on a weekday ($66 million to $90 million in the prior three years). However, since October 31st this year fell on a Saturday, the large month-end deposit occurred on the first business day of November instead. Since the withholding forecast assumed that such a shift would occur based on historical patterns, the forecast loss in October was limited to $(3.4) million despite the large year-over-year decline. Year to date through October, withholding revenue is up by 1.8% and is $42.1 million above forecast.

Total tax payments (estimated plus final) in October were $116.5 million, a (13.6)% decline from the amount collected in October 2025 and $(23.5) million below the enacted budget forecast. October is always an important month for final tax payments since this is when the 6-month extension for tax filers is due. Through the first 4 months of FY 2027, total tax payments are down by (1.8)% compared to the same period in FY 2026 and are $(21.3) million below forecast.

Refunds in October were $147.3 million, 5.5% more than in same month in the prior year. Since the enacted budget forecast assumed a slightly higher refund level of $148.1 million, the forecast gain for this category was $0.8 million

in October. As with final payments, October is also an important month for refunds due to the 6-month filing extension. Historically, only the months of February through April have larger refund levels than the month of October. Year to date through October, the amount of refunds is 3.8% higher compared to the same period in FY 2026 and the cumulative forecast gain through October is $7.9 million.

Table 3
Individual Income Tax Growth Rates Compared to Adjusted Prior Year

	October	YTD
Withholding	(9.3)%	1.8%
Estimated/Final Payments	(13.6)%	(1.8)%
Refunds	5.5%	3.8%

Net **Corporate Income Tax (CIT)** revenue in October was $43.1 million, a decrease of (81.3)% compared to October last year and $(129.4) million below the enacted budget forecast.

In the 5 fiscal years prior to FY 2025, net CIT collections in October fluctuated between a low of $34 million and a high of $69 million. This period was followed by annual triple-digit percentage increases resulting in October collections of $114 million in FY 2025 and $230 million in FY 2026. Since the JLBC Staff does not have access to corporate tax-filing data, we cannot determine the reasons for the sharp increases in October 2024 and October 2025.

To build some caution into forecast, we assumed that October CIT collections this year would decline by $(57.4) million, or (25.0)%. This assumption was not sufficiently cautious, however, as actual collections in October decreased by $(186.8) million, or (81.3)% below the prior year. Year to date through October, corporate income tax revenue is down by (28.7)% and is $(145.3) million below forecast.

Insurance Premium Tax (IPT) revenue was $27.3 million in October. This is in sharp contrast to the slightly more than $100,000 collected in both October 2024 and October 2025. Historically, IPT revenue in October makes up less than 2% of the fiscal year total. The much higher than projected IPT level in October appears to be related to a partial AHCCCS payment carried over from September. The forecast gain in October was $27.2 million. Year to date through October, IPT revenue is up by 11.6% and is $36.9 million above the enacted budget forecast.

The amount of **Tobacco Tax** deposited into the General Fund in October was $1.4 million, which is 17.6% above the prior year and $0.2 million more than the enacted forecast. Year to date, General Fund tobacco tax revenue totals $5.0 million, which is (13.7)% below the comparable period in FY 2026 and $(0.6) million less than forecast.

Liquor Tax revenue deposited into the General Fund in October was $4.1 million, which is essentially the same amount as deposited in October 2025 and $(0.5) million below the enacted budget forecast. Year to date, General Fund deposits from liquor tax collections total $14.9 million, a 5.1% increase over the same period in FY 2026, and $(1.2) million below forecast.

Highway User Revenue Fund (HURF) collections of $148.3 million in October were (0.4)% below the amount collected in October 2025 and $(2.1) million below forecast. Year to date through October, HURF collections are $599.2 million, 0.9% above the same period in the prior year and $(4.9) million less than forecast.

The state collected $13.3 million in dedicated **Marijuana Excise Taxes** in October 2026, which is 6.3% above October 2025 collections. Monies from this excise tax are deposited into dedicated non-General Fund accounts. General Fund TPT collections from marijuana (both medical and recreational) totaled $3.6 million in October, which is 2.6% above October 2025 collections.

Table 4

General Fund Revenue:
Change from Previous Year and Enacted Forecast
October 2026

	Current Month					FY 2027 YTD (Four Months)				
		Change From					Change from			
	Actual	October 2025		Enacted Forecast		Actual	October 2025		Enacted Forecast	
	October 2026	Amount	Percent	Amount	Percent	October 2026	Amount	Percent	Amount	Percent
Taxes										
Sales and Use	$752,801,458	$69,615,903	10.2 %	$33,597,003	4.7 %	$2,954,799,232	$209,488,260	7.6 %	$85,633,561	3.0 %
Income - Individual	449,304,481	(75,347,283)	(14.4)	(26,109,454)	(5.5)	2,039,545,751	18,402,304	0.9	28,687,162	1.4
- Corporate	43,107,088	(186,816,867)	(81.3)	(129,363,540)	(75.0)	468,495,172	(188,763,260)	(28.7)	(145,327,654)	(23.7)
Property	5,653,184	(4,484,740)	(44.2)	(4,455,261)	(44.1)	8,685,825	(2,327,604)	(21.1)	(3,307,880)	(27.6)
Luxury - Tobacco	1,401,321	209,428	17.6	158,842	12.8	5,049,825	(803,520)	(13.7)	(558,441)	(10.0)
- Liquor	4,052,359	481	0.0	(511,449)	(11.2)	14,935,262	718,145	5.1	(1,249,189)	(7.7)
Insurance Premium	27,313,759	27,201,249	--	27,191,350	--	313,013,007	32,573,134	11.6	36,880,028	13.4
Other Taxes	2,269,877	1,077,693	90.4	1,024,204	82.2	13,471,631	8,633,453	178.4	7,983,423	145.5
Sub-Total Taxes	$1,285,903,527	($168,544,136)	(11.6) %	($98,468,305)	(7.1) %	$5,817,995,704	$77,920,911	1.4 %	$8,741,009	0.2 %
Other Revenue										
Lottery	35,690,300	(6,645,800)	(15.7)	(5,384,700)	(13.1)	35,690,300	(6,645,800)	(15.7)	(5,384,700)	(13.1)
Gaming	3,410,042	218,866	6.9	309,690	10.0	11,773,199	(853,274)	(6.8)	(2,760,050)	(19.0)
License, Fees and Permits	5,938,431	921,145	18.4	365,758	6.6	20,071,527	2,657,436	15.3	1,144,690	6.0
Interest	14,171,481	(4,973,210)	(26.0)	(914,710)	(6.1)	43,123,762	(17,526,011)	(28.9)	(4,717,881)	(9.9)
Sales and Services	1,422,567	(2,672,026)	(65.3)	(1,445,948)	(50.4)	6,361,454	(2,333,632)	(26.8)	(2,684,841)	(29.7)
Other Miscellaneous	2,213,167	(3,794,525)	(63.2)	(4,063,455)	(64.7)	6,475,514	(1,498,278)	(18.8)	(6,694,898)	(50.8)
Medicaid Hospital Revenue	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	939,859	472,974	101.3	(573,886)	(37.9)	2,108,973	650,312	44.6	(4,648,174)	(68.8)
Sub-Total Other Revenue	$63,785,848	($16,472,577)	(20.5) %	($11,707,250)	(15.5) %	$125,604,729	($25,549,247)	(16.9) %	($25,745,855)	(17.0) %
TOTAL BASE REVENUE	**$1,349,689,374**	**($185,016,713)**	**(12.1) %**	**($110,175,555)**	**(7.5) %**	**$5,943,600,432**	**$52,371,664**	**0.9 %**	**($17,004,847)**	**(0.3) %**
Other Adjustments										
Urban Revenue Sharing	(108,502,222)	(9,643,409)	9.8	0	(0.0)	(434,008,889)	(38,573,635)	9.8	0	(0.0)
One-Time Transfers	1,700,000	1,700,000	--	1,700,000	--	1,700,000	1,700,000	--	1,700,000	--
Income Tax Rebate	0	250	--	0	--	(500)	250	(33.3)	(500)	--
Other One-Time Revenue Adjustments	0	0	--	0	--	0	(14,574,359)	--	0	--
Sub-Total Other Adjustments	(106,802,222)	(7,943,159)	8.0 %	1,700,000	(1.6) %	(432,309,389)	(51,447,744)	13.5 %	1,699,500	(0.4) %
TOTAL GENERAL FUND REVENUE	**$1,242,887,152**	**($192,959,871)**	**(13.4) %**	**($108,475,555)**	**(8.0) %**	**$5,511,291,044**	**$923,920**	**0.0 %**	**($15,305,347)**	**(0.3) %**
Non-General Funds										
Highway User Revenue Fund	148,328,148	(569,339)	(0.4) %	(2,058,314)	(1.4) %	599,187,213	5,605,703	0.9 %	(4,923,135)	(0.8) %

Monthly Indicators

NATIONAL

The real U.S. **Gross Domestic Product** (GDP) increased at an annual rate of 3.4% in the 3rd quarter of 2026, according to the advance estimate by the Bureau of Economic Analysis (BEA). In the 2nd quarter, real GDP grew by 2.2%. The faster growth in the 3rd quarter was primarily driven by increases in investment, consumer spending, and government spending that were partly offset by a combination of lower exports and higher imports.

The acceleration in business spending reflected increased investments in information processing equipment and manufacturing facilities. Within government spending, the increase was driven in part by non-defense expenditures.

According to the University of Michigan's **Consumer Sentiment Index,** U.S. households' assessment of the economy largely held steady in the month of October. The index fell slightly, from 48.1 in September to 48.0 in October. This small decline was at least in part related to affordability concerns regarding the purchase of durables and the cost of financing them owing to higher interest rates. On the positive side, inflation expectations rose only marginally in October.

The **Leading Economic Index (LEI)**, published by the Conference Board, was 99.6 in September, representing no change from the revised August level. As with the month prior, the largest negative contribution to the composite index in September was consumer expectations for business conditions. The LEI grew by 0.6% between March and September 2026, reversing its 1.1% decline over the previous 6 months.

The U.S. Bureau of Labor Statistics' **Consumer Price Index (CPI)** in October increased at a seasonally adjusted annual rate of 0.4% from the prior month. This was a slight deceleration from the price increase of 0.6% in September. The index for food increased by 0.5% in October while the index for energy increased by 0.7%. Because the BLS did not collect survey data in October 2025 (owing to the federal government shutdown at that time), the October CPI release does not include any year-over-year comparison for this measure. The core CPI, which excludes food and energy prices, increased (month-over-month) by 0.3% in October.

ARIZONA

Housing

In September, Arizona had a 12-month total of 30,430 **single-family building permits** issued. This represents a decrease of (2.1)% from August's rolling total and a decrease of (14.2)% from the 12-month total a year prior.

Arizona's 12-month total of 15,550 **multi-family building permits** in September fell (3.8)% from August's rolling total and is 6.8% greater than the 12-month period ending in September 2025.

Tourism

Phoenix Sky Harbor Airport Ridership was 3.7 million passengers in September, which represents a (0.3)% decline from August and is (0.7)% below the September 2025 level.

Hotel occupancy was 62.0% in September, which marks a 6.0% increase over the prior month. Occupancy data for September 2025 was not published due to the federal government shutdown.

Revenue per available room was $89.12 in September, which represents a 37.2% increase over the average revenue in August. Data for September 2025 was not published due to the federal government shutdown.

Employment

The latest employment figures from the Arizona Office of Economic Opportunity (OEO) show that the state added 34,300 not-seasonally adjusted **nonfarm jobs** in October. This exceeds Arizona's pre-pandemic (2010 - 2019) historical average of 27,800 net new jobs for the month.

Most of these job gains were concentrated in the private sector (32,300 jobs), with the largest employment gain in the Trade, Transportation and Utilities sector (8,800 jobs). Year-over-year nonfarm employment grew by 28,600 positions compared to October 2025, corresponding to a 0.9% annual increase.

For the fifth consecutive month, the state's seasonally adjusted **unemployment rate** remained unchanged at 4.9% in October. The U.S. unemployment rate declined from 4.2% in September to 4.1% in October. A comparison to October 2025 is not possible since no data was collected during the federal government shutdown.

OEO reported that a total of 2,475 **initial claims for unemployment insurance** were filed in Arizona in the week ending on November 14th. This represents a (7.2)% decrease in initial claims compared to a year ago.

According to OEO, there were a total of 18,791 **continued claims for unemployment insurance** in Arizona for the week ending on November 7th, which is (8.5)% lower than for the comparable week in 2025.

State Agency Data

As of November 1, 2026, the total **AHCCCS caseload** was 1.71 million members. Total monthly enrollment was virtually unchanged from October to November and decreased (6.0)% compared to a year ago.

Parent and child enrollment in the Traditional population decreased (0.6)% in November compared to October and decreased (7.4)% compared to a year ago. Other Acute Care enrollment, including Prop 204 Childless Adults, Other Prop 204, Adult Expansion, and KidsCare, was 731,652, an increase of 0.6% from October and (5.3)% lower than last year.

For November 2026, the Elderly and Physically Disabled Long-Term Care population increased by 0.4% over the prior month. At 27,806, this population is 1.0% higher than a year ago. The Developmental Disabilities (DD) Long-Term Care population increased by 0.7% over the prior month. At 50,043, this population is 6.1% higher than a year ago.

Based on information the **Department of Child Safety** provided for September 2026, reports of child maltreatment totaled 45,237 over the last 12 months, an increase of 1.8% from the comparable period in the prior year.

There were 7,800 children in out-of-home care as of September 2026, or (6.1)% fewer than in September 2025. Compared to the prior month, the out-of-home children population decreased by (0.9)%.

The Arizona Department of Correction's **Inmate Population** was 34,490 as of September 30, 2026. This was a (0.1)% decrease since August 31, 2026 and a (2.3)% decrease since September 2025.

There were 4,374 individuals receiving **Temporary Assistance for Needy Families (TANF) Cash Assistance** in September 2026, representing a (0.6)% decrease from August 2026. Year over year, the number of cash benefit recipients has decreased by (34.3)%.

The **Supplemental Nutrition Assistance Program (SNAP)** provides assistance to low-income households to purchase food. There were 500,785 individuals receiving SNAP benefits in September 2026, representing a 1.8% increase from August 2026. Year over year, the number of SNAP recipients has decreased by (41.4)%.

Table 5

MONTHLY INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
Employment				
- Seasonally Adjusted Unemployment Rate	October	4.9%	0.0%	N/A
- Total Unemployment Rate (discouraged/underemployed)	2nd Q 2026	8.9%	0.5%	1.0%
- Initial Unemployment Insurance Claims	Week Ending Nov. 14	2,475	(7.3)%	(7.2)%
- Continued Unemployment Insurance Claims	Week Ending Nov. 7	18,791	1.8%	(8.5)%
- Non-Farm Employment - Total	October	3,303,900	1.0%	0.9%
Manufacturing	October	193,000	0.5%	0.1%
Construction	October	232,400	1.8%	3.7%
- Average Hourly Earnings, Private Sector	October	$36.80	1.0%	4.5%
Building				
- Building Permits (12-month rolling sum)				
Single-family	September	30,430	(2.1)%	(14.2)%
Multi-family		15,550	(3.8)%	6.8%
Tourism and Restaurants				
- Phoenix Sky Harbor Air Passengers	September	3,684,236	(0.3)%	(0.7)%
- State Park Visitors	September	141,428	29.3%	(13.9)%
- Revenue Per Available Hotel Room	September	$89.12	37.2%	N/A
- Arizona Hotel Occupancy Rate	September	62.0%	6.0%	N/A
General Measures				
- Arizona Personal Income, SAAR	2nd Q 2026	$543.7 billion	3.2%	4.6%
- Arizona Population (U.S. Census)	July 2025	7,623,818	N/A	0.9%
- State Debt Rating				
Standards & Poor's/Moody's Rating	May 2015/Nov 2019	AA / Aa1	N/A	N/A
Standards & Poor's/Moody's Outlook	July 2024/Nov 2019	Positive/Stable	N/A	N/A
Agency Measures				
- AHCCCS Recipients	November 1st	1,706,762	0.0%	(6.0)%
Traditional Acute Care		897,261	(0.6)%	(7.4)%
Other Acute Care		731,652	0.6%	(5.3)%
Long-Term Care – Elderly & Physically Disabled		27,806	0.4%	1.0%
Long-Term Care – Developmentally Disabled (DD)		50,043	0.7%	6.1%
- Department of Child Safety (DCS)				
Reports of Child Maltreatment (12-month total)	September	45,237	(0.5)%	1.8%
DCS Out-of-Home Children	September	7,800	(0.9)%	(6.1)%
Filled Caseworkers (1,406 Budgeted)	September	1,253	4	(37)
- ADC Inmate Growth	September	34,490	(0.1)%	(2.3)%
- Department of Economic Security				
- TANF Cash Assistance Recipients	September	4,374	(0.6)%	(34.3)%
- SNAP Recipients	September	500,785	1.8%	(41.4)%
United States				
- Gross Domestic Product (Chained 2017 dollars, SAAR)	3rd Q, 2026 (1st Estimate)	$24.6 trillion	3.4%	2.1%
- Consumer Sentiment Index (1966 = 100)	October	48.0	(0.2)%	(10.4)%
- Leading Economic Index (2016 = 100)	September	99.6	0.0%	1.3%
- Consumer Price Index, (1982-84 = 100)	October	337.5	0.4%	N/A

JLBC Meeting Summary

At its **November 17, 2026** meeting, the Joint Legislative Budget Committee (JLBC) considered the following issues:

Executive Session

Department of Administration – Risk Management Annual Report – Pursuant to Committee Rule 14, Section 4(A), the Arizona Department of Administration (ADOA) submitted its annual Risk Management Report regarding the status of pending litigation, information on settlements and judgments, and projected fund balances. The Committee requested that future annual reports from ADOA continue to include specified information.

Attorney General – Consideration of Proposed Settlements Under Rule 14 – The Committee approved 3 settlements under Rule 14, which requires Committee approval of risk management settlements above $250,000 pursuant to A.R.S. § 41-621(O).

Department of Education – Review of Assessment Contracts (A.R.S. § 38-431.03) – Pursuant to A.R.S. 15-741.03, the Arizona Department of Education (ADE) requested Committee review of contracts to assess K-12 school achievement. The Committee gave a favorable review of ADE's proposed contracts.

JLBC Staff – JLBC Staff Performance Review – Per Rule 7, JLBC Staff submitted to the Committee information regarding the annual JLBC Staff performance review. The Committee was not required to take action on this item.

Regular Agenda

JLBC Staff – Consider Approval of Index for ADOA - School Facilities Division (SFD) Construction Costs – A.R.S. § 41-5741(D)(3)(c) requires that the cost-per-square-foot factors used in the ADOA SFD new school construction formula "shall be adjusted annually for construction market considerations based on an index identified or developed by the JLBC as necessary but not less than once each year".

The Committee agreed to table consideration of this item until the next legislative session.

Department of Administration/Automation Projects Fund – Review of Proposed Department of Revenue (DOR) Mainframe Migration Project and Arizona Health Care Cost Containment System (AHCCCS) Call Center Integration – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund (APF). ADOA requested Committee review to spend a total of $2.2 million from the APF on 2 projects as follows:

- $1.4 million for a DOR Mainframe Modernization, and
- $796,800 for AHCCCS Al Call Center lntegration

The Committee gave a favorable review to this request.

Attorney General – Review of Uncollectible Debts – Pursuant to A.R.S. § 35-150(E), the Attorney General (AG) requested Committee review of its listing of uncollectible debts to be removed from the state's accounting system. The Committee gave a favorable review of the AG's request to remove a total of $108.8 million of debts listed as uncollectible in FY 2026 and prior years.

The Committee's review included a provision requiring the AG to submit, prior to March 31, 2027, a report to the JLBC staff on the total dollar amount of debts under active debt collection proceedings by the AG's Collection Enforcement Unit.

Arizona Department of Corrections – Review of Inmate Health Care Contracted Rate Change – Laws 2026, Chapter 126 requires the Arizona Department of Corrections (ADC), prior to implementing any changes in contracted rates to a healthcare vendor, to submit an expenditure plan for review by the Committee. The Committee gave a favorable review of ADC's plan to expend $46.3 million appropriated in the FY 2027 budget to implement an inmate healthcare contracted rate change.

JCCR Meeting Summary

At its **November 17, 2026** meeting, the Joint Committee on Capital Review considered the following issues:

Regular Agenda

Rio Nuevo District – Presentation of Projects – A.R.S. § 48-4230E requires the Rio Neuvo Multipurpose Facilities District (District) to present to the Committee any construction project (or other improvement to real property) with a cost of more than $500,000. For FY 2026, the District presented to the Committee 4 projects above the $500,000 threshold and agreed to spend a combined total of $10,000,000 on these projects. The Committee gave a favorable review of the District's presentation.

Consent Agenda

Department of Administration – Review of $5,514,000 of FY 2027 Building Renewal Appropriations – A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Committee gave a favorable review of ADOA's plan to spend $4,600,000 from the Capital Outlay Stabilization Fund (COSF) and $554,000 from the Arizona State Hospital Land Earnings Fund. The review included a provision requiring the department to request Committee review prior to expending building renewal monies on projects not detailed in the Agency's JCCR submission.

Department of Corrections – Review of $1,757,000 of FY 2027 Building Renewal Allocation Plan – A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Committee gave a favorable review of $1,757,000 of this request allocated across 7 projects.

Game and Fish Department – Review of FY 2027 Building Renewal and Capital Project Allocations – A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital projects exceeding $250,000. The Arizona Game and Fish Department (AGFD) requested Committee review of $4,478,200, of which $1,878,000 is for 20 projects from the AGFD's FY 2027 building renewal appropriation and $2,600,000 is for 2 projects from the department's FY 2027 appropriation for Hatchery Repairs. The Committee gave a favorable review of this request.

Arizona State Lottery Commission – Review of FY 2027 Building Renewal Allocation Plan – A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona State Lottery Commission requested Committee review of its FY 2027 Building Renewal Allocation Plan, consisting of $100,000 appropriated from the Lottery Fund in the FY 2027 Capital Outlay Bill. The Committee gave a favorable review of this request.

Arizona State Parks Board – Review of $3,552,200 for FY 2027 Capital Improvements and $200,000 for Tonto Bridge Land Shift Monitoring – A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. The Arizona State Parks Board (ASPB) requested Committee review of $3,522,200 for FY 2027 capital improvements and $200,000 for Tonto Bridge Land Shift Monitoring. The Committee gave a favorable review of this request.

Pinal County Community College District – Review of Revenue Bond Projects – A.R.S. § 15-1483 requires Committee review of any community college projects financed with revenue bonds that do not require voter approval. Pinal County Community College District (PCCCD) requested Committee review of bond projects totaling $13.5 million. The monies will partially finance the construction of a new Performing Arts Center at the Signal Peak campus of Central Arizona College and other capital improvement projects. The Committee gave a favorable review of this request. The review included provisions with reporting requirements.

Department of Transportation – Review of FY 2027 Building Renewal Allocation Plan – A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) requested Committee review of its $24,574,100 FY 2027 Building Renewal Allocation Plan, of which $24,158,500 is from the State Highway Fund (187 projects) and $415,600 is from the State Aviation Fund (16 projects). The Committee gave a favorable review of this request.

Arizona State University – Review of Polytechnic Student Union Renovation and Expansion – A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requested Committee review of $66,000,000 in system revenue bonds issuances to renovate and expand the Student Union on the Polytechnic Campus. The Committee gave a favorable review of this request, including the standard university financing provisions.

Northern Arizona University – Review of Renovation and Deferred Maintenance Projects – A.R.S. § 15-1671 requires Committee review of cash projects funded from the university's Capital Infrastructure Fund (CIF). Northern Arizona University (NAU) requested Committee review of $5,245,000 for renovation and deferred maintenance projects funded via CIF cash. The Committee gave a favorable review of this request, including the standard university financing provisions.

University of Arizona – Review of Deferred Maintenance and Modernization Projects – A.R.S. § 15-1683 requires Committee review of any university projects funded with system revenue bonds. A.R.S. § 15-1671 requires Committee review of any projects funded by CIF. The University of Arizona (UA) requested Committee review of $150,000,000 in bond issuances and $10,000,000 in CIF cash for deferred maintenance and modernization projects. The Committee gave a favorable review of this request, including the standard university financing provisions.

Summary of Recent Agency Reports

Arizona Department of Administration – Report on School Safety Program Expenditures – Pursuant to A.R.S. § 41-1733(B), each county sheriff or city police department that has established a school safety program shall submit a report on all expenditures made in the preceding year. The FY 2023 budget appropriated $20.0 million from the General Fund to the Arizona Department of Administration (ADOA) to distribute to county sheriffs and police departments. A budget footnote delineated each allocation. In addition, the FY 2022 budget appropriated $2.5 million to the State Treasurer and delineated allocations to the Maricopa, Yavapai, Mohave, and Navajo County Sheriffs. Additionally, the FY 2026 budget transferred $2.0 million from the Peace Officer Training Equipment Fund to the School Safety Interoperability Fund and specified the distribution of these monies to 9 county sheriffs and police departments.

In FY 2026, recipient agencies reported expenditures totaling $2,639,000 for the implementation of school safety programs. As of this writing, Apache County, Graham County, La Paz County, Greenlee County, Navajo County, Maricopa County, Pinal County and Santa Cruz County did not submit a report detailing their expenditures. (Ethan Scheider)

Arizona Health Care Cost Containment System – Rural Health Transformation Program Expenditure Plan – Pursuant to A.R.S. § 36-2920.01, the Arizona Health Care Cost Containment System (AHCCCS) reported its expenditure plan for the Rural Health Transformation Program (RHTP). The RHTP is a 100% federally-funded grant program to support rural health initiatives. It consists of $50 billion nationwide over 5 years ($10 billion annually) appropriated by the federal budget reconciliation legislation H.R. 1. State law requires AHCCCS to hold three public forums and submit a report before spending Arizona's share of the RHTP grant monies. AHCCCS completed all three public forums in July 2026.

Arizona received $167.0 million for the first year of the program, which will be distributed as follows:

- $46.9 million for rural health workforce development, including recruitment and retention incentives and expansions to rural health education and training programs. The Office of Economic Opportunity will administer this program.
- $33.7 million for public health initiatives, including improving maternal healthcare and reducing chronic disease and substance use disorders. The Department of Health Services and AHCCCS will jointly administer this grant program.
- $41.3 million for expanding rural healthcare access, including telehealth and mobile clinics. AHCCCS will administer this program.
- $41.6 million for improving rural healthcare infrastructure, including diagnostic equipment purchases, electronic health record systems, and operations support. AHCCCS will administer this program.
- $3.5 million for AHCCCS' administration of the program. Federal law limits total administrative spending to 10% of a state's award. (Brian Belakovsky)

AHCCCS – Report on Graduate Medical Education Residency Positions – Pursuant to A.R.S. § 36-2903.01, the Arizona Health Care Cost Containment System (AHCCCS) submitted its annual report on the number of residency positions funded by local, county, or tribal governments. The agency reported that FY 2025 contributions provided $514.2 million for partial funding of 2,476 residency positions at 36 hospitals. The largest recipients included Banner University Medical Center - Tucson ($102.5 million), Phoenix Children's Hospital ($78.5 million), Valleywise Health Medical Center ($75.8 million), Banner University Medical Center - Phoenix ($70.7 million), and Dignity Health St. Joseph's Hospital - Phoenix ($44.5 million).

The $514.2 million in Total Funds included local contributions of $173.7 million and a federal match of $340.5 million. Local government contributors included University of Arizona ($111.1 million), Valleywise Health ($34.4 million), Arizona State University ($26.5 million), and Mohave County ($1.7 million). (Brian Belakovsky)

Attorney General – Quarterly Report on Child and Family Advocacy Center Fund Expenditures – Pursuant to A.R.S. § 41-191.11, the Attorney General (AG) submitted its quarterly report on expenditures from the Child and Family Advocacy Center Fund (CFAF), which funds nonprofit and government entities that serve victims of child abuse or investigate and prosecute their abusers.

Through the first quarter of FY 2027, the AG received $25,000 (one-fourth of the full $100,000 FY 2027 appropriation) for deposit in the fund. No monies have been expended from the fund (including prior year funds) through the first quarter of FY 2027. As of September 30, 2026, the CFAF had an unencumbered balance of $37,300. (Jacob Cross Mayhew)

Attorney General – Quarterly Reports on Legal Settlements – The Attorney General (AG) submitted its statutorily-required quarterly reports on the receipts to and disbursements from the Consumer Protection – Consumer Fraud (CPCF) Revolving Fund, the Antitrust Enforcement Revolving Fund, and the Consumer Restitution and Remediation Revolving Fund (including its 2 subaccounts), as well as deposits made to the General Fund and receipts and deposits of opioid claims-related litigation monies.

In the first quarter of FY 2027, the AG deposited a total of $33.6 million into various consumer accounts. Of that amount, $5.4 million was deposited in the CPCF Revolving Fund, $1.9 million was deposited in the Consumer Restitution Subaccount, and $26.3 million was deposited in the Consumer Remediation Subaccount, of which $26.2 million was opioid claims-related revenue. No monies were deposited into the Antitrust Enforcement Revolving Fund or the General Fund. Among the highlights of the report:

Deposits to the CPCF Revolving Fund
The AG deposited $5.4 million into the appropriated CPCF Revolving Fund. This amount included a deposit of $3.9 million from a settlement with Johnson & Johnson resolving allegations of deceptive marketing practices relating to the safety and purity of talc powder products. As of September 30, 2026, the fund had an unencumbered balance of $28.1 million.

Deposits to the Consumer Restitution Subaccount
The AG deposited $1.9 million into the non-appropriated Consumer Restitution Subaccount to compensate specific entities for economic loss resulting from consumer fraud. This amount included a deposit for $1.0 million from a settlement with Avenue5 Residential resolving practices of participating in a conspiracy with other landlords to set rental prices and reduce the supply of multifamily apartment units. As of September 30, 2026, the fund had an unencumbered balance of $11.5 million.

Opioid Claims-Related Deposits to the Consumer Remediation Subaccount
The AG deposited $26.2 million of opioid revenues into the partially-appropriated Consumer Remediation Subaccount. This amount included deposits of $10.9 million from a settlement with Cardinal Health, McKesson, and Amerisource Bergen, $5.8 million from a settlement with CVS, $3.3 million from a settlement with Allergan, $3.0 million from a settlement with Teva, and $2.8 million from settlements with Alvogen, Amneal, Apotex, Hikma, Indivior, Viatris (Mylan), Sun Pharma, and Zydus, all resolving allegations of deceptive practices related to the sale of opioids. The AG expended $32.9 million from opioid balances within the Remediation Subaccount during the first quarter of FY 2027. As of June 30, 2026, the Remediation Subaccount had an unencumbered balance of $15.3 million, none of which is related to opioid claims. (Jacob Cross Mayhew)

Attorney General – Quarterly Report on Internet Crimes Against Children Enforcement Fund Expenditures – Pursuant to A.R.S. § 41-199, the Attorney General (AG) submitted its quarterly report on expenditures from the Internet Crimes Against Children (ICAC) Enforcement Fund and progress made towards ICAC goals.

The ICAC Enforcement Fund receives an annual deposit of $900,000 in revenues from lottery games that are sold from instant ticket lottery vending machines in age-restricted areas. Monies in the fund are utilized to support the ICAC Task Force, which is housed within the Phoenix Police Department and works with federal, state, and local law enforcement to investigate technology-facilitated sexual exploitation of children.

Through the first quarter of FY 2027, the AG received no monies for deposit into the ICAC Enforcement Fund. The AG has expended $327,200 from the fund through the first quarter of FY 2027 to help pay for the operating costs of the ICAC Task Force. As of September 30, 2026, the ICAC Enforcement Fund had an unencumbered fund balance of $319,000. (Jacob Cross Mayhew)

County Attorneys – Report on Deferred Prosecution – Pursuant to A.R.S. § 11-362, each county attorney that oversees an established Deferred Prosecution Program shall submit an annual evaluation of their respective program that includes the following metrics:

- The number of persons who were enrolled in deferred prosecution programs during the previous fiscal year.
- The number of persons who successfully completed deferred prosecution programs during the previous fiscal year.
- If available, the number of persons who were enrolled in deferred prosecution programs during the previous fiscal year and who were subsequently convicted of a new felony offense.

As of this writing, 8 of the 15 counties submitted reports for FY 2026. A total of at least 8,659 individuals were enrolled in a deferred prosecution program in FY 2026. Of these individuals, 6,599 successfully completed the program during FY 2026, with another 483 individuals still enrolled.

Deferred prosecution allows individuals who commit non-dangerous, non-serious crimes to avoid prosecution through the completion of a program that may involve restitution, community service, substance abuse treatment, counseling, or other means by which the individual can make amends for their crime. After the completion of the program, the charges are dismissed. (Ethan Scheider)

Department of Economic Security – Report on Annual Child Care Expenditures – A.R.S. § 46-810 requires the Department of Economic Security (DES) to provide an annual child care report to the Committee. DES reported the following for FY 2026:

- The average number of children served decreased to 24,863, or (13.5)% below FY 2025.
- DES spent $312.4 million on child care subsidies, a decrease of $(51.7) million or (14.2)% from FY 2025. Reduced caseloads and spending are primarily a result of the end of COVID-era funding which temporarily expanded child care assistance eligibility.
- DES admitted a total of 1,500 children to the child care assistance program from the waiting list in FY 2026. As of November 6, 2026, there are 15,369 children on the waiting list.
- The total amount of copayments collected decreased by (13.5)% from FY 2025 to $6.1 million. Copayments ranged from $0.50 to $2.50 per day per child depending on the family eligibility category.
- Effective November 1, 2025, DES reduced the enhancement rate for high-quality providers from 50% to 40%. The department maintained rates at the 75th percentile of 2022 market rates for children under age 1 and at the 50th percentile for children between the ages of 1 and 12. (Grace Timpany)

Department of Education – Report on Estimated Cost of Empowerment Scholarship Accounts for FY 2027 – Pursuant to A.R.S. § 15-2403H, the Arizona Department of Education (ADE) recently reported that it will cost an estimated $1.264 billion to fund Empowerment Scholarship Accounts (ESAs) in FY 2027, and $1.423 billion in FY 2028. ADE's analysis assumes that enrollment in the program will reach 115,595 in FY 2027 and 127,711 in FY 2028. In comparison to ADE's projections, enrollment in the ESA program as of November 9, 2026 was 110,214. ESA enrollment typically peaks in the third quarter of the fiscal year. (Gordon Robertson)

Department of Education – Override Report – Pursuant to A.R.S. § 15-249.04, the Arizona Department of Education (ADE) has reported FY 2027 data on school district budget overrides. Overrides permit school districts to generate and spend additional monies from local property taxes if approved by voters.

The ADE report for FY 2027 indicates that 90 districts have Maintenance and Operation (M&O) overrides pursuant to A.R.S. § 15-481, 27 have "District Additional Assistance" overrides pursuant to A.R.S. § 15-481, and 1 district has a Special Program override pursuant to A.R.S. § 15-482. Districts are budgeting $855.0 million for overrides in FY 2027, including $720.6 million for M&O overrides, $129.1 million for District Additional Assistance Overrides, and $5.3 million for Special Program overrides. (Gordon Robertson)

Department of Health Services – Report on Suicide Prevention Progress – Pursuant to an FY 2026 General Appropriations Act footnote, the Arizona Department of Health Services (DHS) submitted a report on the department's suicide prevention accomplishments in FY 2026.

Per the goals set forth in the Arizona Health Improvement Plan (the 5-year plan that establishes strategic priorities for the state), DHS and its suicide prevention coordinator achieved the following in FY 2026:

- Continued development of Arizona's first Suicide Prevention Action Plan (2026-2030), engaging with 120 stakeholders.
- Oversaw suicide prevention infrastructure grant awards to 10 organizations, which collectively supported 80 evidence-based trainings in 13 counties.

- Co-authored 3 SAMHSA grant applications to expand suicide prevention efforts.
- Served as a subject matter expert for Project Bright Futures, a school-based initiative to create safe, supportive school environments.
- Facilitated 6 monthly population-specific suicide prevention workgroups.
- Gave 5 notable presentations and keynotes, including being the keynote speaker for the 2025 SAMHSA/VA Innovations Conference.

(Maggie Rocker)

JLBC Staff – Report on FY 2026 Travel and Relocation Expenses – A.R.S. § 35-196.01 requires agencies to annually report relocation expenses for their employees. These relocation costs include any expense incurred by the employer for the transportation of any person newly employed or retained by the agency. As of November 1, 2026, 7 agencies reported spending a total of $25,827 on these purposes in FY 2026. *See Table 6*. In FY 2025, 7 agencies reported $24,441 for such expenses. (Emmalyn Meyer)

Table 6

Agency	FY 2026 Travel Expense
Attorney General	$624
Corporation Commission	10,000
Corrections, State Dept. of	2,620
Environmental Quality, Dept. of	1,929
Governor, Office of the	3,000
Judiciary - Supreme Court	2,889
Public Safety, Dept. of	4,765
Total	$25,827

JLBC Staff – Public Programs Eligibility Report – As enacted in the 2006 election, Proposition 300 limits participation in certain state programs to citizens, legal residents, or other persons lawfully present in the United States, and requires semi-annual reports to the Joint Legislative Budget Committee. Below is a summary of the reports:

Department of Economic Security - The department reported that 6,944 applications were received for childcare assistance during the reporting period of December 1, 2025, to May 31, 2026. Of those, 36 applications were denied because of failure to provide evidence of citizenship or legal residence in the United States.

Department of Education - The department did not submit a report for the reporting period of December 1, 2025, to May 31, 2026. (Grace Timpany)

Judiciary – Supreme Court – Report on FY 2025 Probation Incentive Payments – Pursuant to A.R.S. § 12-270M, the Administrative Office of the Courts (AOC) submitted a report on its FY 2025 probation success incentive program.

Under the program, county probation departments are eligible to receive payments if they return fewer probationers to prison in a fiscal year compared to a baseline (the average number returned in FY 2008, FY 2015 and FY 2019). Incentive payments are to be equal to 50% of the marginal incarceration cost in the Arizona Department of Corrections. Counties may also receive probation success incentive grants. The total grant funding is to be determined in the same way as payments but is equal to 25% of the marginal incarceration cost. The amount distributed as grants is to be determined by a board consisting of the chief probation officers of each county.

AOC reported that a total of 83,109 individuals were on probation in FY 2025 and that the statewide success rate was 76%.

The FY 2025 budget appropriated $1.0 million for the probation incentive program. AOC reported that $670,000 was distributed to the counties for incentive payments and $330,000 was distributed as grants. (Ethan Scheider)

Table 7

FY 2025 Probation Incentive Payments and Grants by County

County	Amount
Apache	$ 12,500
Cochise	22,600
Coconino	34,000
Gila	9,800
Graham	17,300
Greenlee	4,200
La Paz	2,200
Maricopa	409,300
Mohave	53,500
Navajo	25,000
Pima	179,000
Pinal	88,300
Santa Cruz	9,000
Yavapai	91,500
Yuma	41,800
Total	**$1,000,000**

Maricopa County Stadium District – Annual Report of Stadium Projects and Baseball Franchise Contributions – Pursuant to A.R.S. $ 48-4203(F)(2), the Maricopa County Stadium District submitted its annual report on all new projects for maintaining or improving Chase Field and adjacent buildings in the District. The report also indicates

which projects the Arizona Diamondbacks contributed money towards, along with the amount of the contributions. In the past year, the District reports no district monies or Arizona Diamondbacks contributions have been expended for new maintenance or improvement projects in the District. (Rowdy Roberson)

Department of Public Safety – Report on Local Border Support Expenditures – Pursuant to a FY 2027 General Appropriation Act footnote, DPS submitted an expenditure plan for the Local Border Support line item. The FY 2027 budget included $13.2 million from the General Fund for the Local Border Support line item. Table 8 on the next page delineates the FY 2026 actual allocations and planned allocation of the FY 2027 appropriation to local law enforcement agencies.

An additional footnote in the FY 2027 General Appropriation Act specifies that the $13.2 million appropriation shall be used as grants to local governments to fund law enforcement positions for border drug interdiction, prosecution costs of border-related crimes, and capital-related equipment. The allocation of the FY 2027 monies to the respective agencies will be utilized for border security projects and operating costs. (Emmalyn Meyer)

Arizona State University – Report on University Campuses – Pursuant to A.R.S. § 15-1601C Arizona State University (ASU) reported required financial and operational information for each of the university's campuses.

- Total capital expenditures in FY 2025 and FY 2026 (in millions):

ASU Capital Expenditures by Campus
($ in Millions)

	FY 2025	FY 2026
Tempe	$288.1	$143.7
Downtown	8.7	28.0
West	22.6	9.5
East	16.8	44.2
Multiple Campuses	7.4	11.1
TOTAL	**$343.6**	**$236.5**

- 21st day Full-time Equivalent (FTE) student and a head count of students enrolled in one or more courses by campus:

ASU 21st Day Enrollment

	FTEs	Headcount
Tempe	87,739	121,417
Downtown	29,181	53,626
West	15,354	35,602
East	8,797	19,134
TOTAL	**141,071**	**229,779**

- Revenues: $1.35 billion, including $434.6 million from General Fund and $914.4 million in appropriated tuition revenue (ASU excluded all non-appropriated revenues, including the non-appropriated share of tuition revenues, from the reported amounts). Of the General Fund amount, $331.6 million is allocated to the Tempe campus, $52.6 million to the Downtown campus, $28.4 million to the West campus, and $22.0 million to the Polytechnic campus. ASU did not provide a campus breakdown of tuition revenues.

- ASU is also required to report any long-term capital or expansion plans for each campus. The university included its one- and three-year Annual Capital Plans, which include construction of the new ASU Health Building, construction of the McCain Center, and various deferred maintenance and renovation projects. (Grace Timpany)

Universities – Report on University Centers – An FY 2027 General Appropriations Act footnote requires Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA) to operate University Centers and report on each Center's 1) total funding received; 2) faculty and courses; 3) student enrollment; and 4) significant community events, initiatives, and publications. Legislative intent footnotes also state that General Fund monies allocated from university operating budgets in FY 2027 be consistent with the amount appropriated in FY 2026, except that the universities may allocate a lump sum reduction of no more than 2.5% as prescribed by the FY 2027 General Appropriations Act.

Arizona State University – For FY 2027, ASU reports a total of $8.9 million available for the School of Civic Economic Thought and Leadership (SCETL), of which $5.8 million is General Fund, $1.1 million is carry-forward from the prior year, and $2.0 million is from other sources. ASU expects to spend the remaining carryforward balance by FY 2029 as a result of planned increases in SCETL faculty positions. SCETL is currently staffed by 24 long-term PhD faculty, including 16 in tenure-line positions, 3 in career-track positions, and 5 in administrative or senior teaching positions.

Table 8

Agency	FY 2026 Actuals	FY 2027 Award
Apache County Sheriff's Office	$ 467,800	$ 829,200
Cochise County Sheriff's Office	1,567,300	467,300
Coconino County Sheriff's Office	443,900	345,000
Gila County Sheriff's Office	0	773,900
Gila County Sheriff's Office (with Payson Police Department)	775,200	0
Graham County Sheriff's Office	306,500	434,700
Greenlee County Sheriff's Office	228,700	635,000
La Paz County Sheriff's Office	538,000	677,700
Mohave County Sheriff's Office	281,000	0
Maricopa County Sheriff's Office	0	228,700
Navajo County Sheriff's Office	683,800	383,100
Pinal County Sheriff's Office	657,100	445,400
Santa Cruz County Sheriff's Office	444,600	155,000
Yavapai County Sheriff's Office	1,880,800	0
Yuma County Sheriff's Office	1,148,600	448,600
Apache Junction Police Department	135,900	9,700
Benson Police Department	22,100	0
Buckeye Police Department	273,000	1,219,000
Casa Grande Police Department	252,000	0
Chandler Police Department	302,600	262,000
Coolidge Police Department	258,600	116,000
Cottonwood Police Department	100,000	84,300
Douglas Police Department	396,000	0
Flagstaff Police Department	285,000	376,500
Florence Police Department	219,600	0
Nogales Police Department	997,400	501,100
Oro Valley Police Department	145,900	0
Parker Police Department	0	31,200
Phoenix Police Department	814,100	797,100
Pima Police Department	143,000	149,000
Prescott Valley Police Department	363,400	267,700
Safford Police Department	261,600	0
San Luis Police Department	511,400	1,144,200
Scottsdale Police Department	0	300,000
Sierra Vista Police Department	311,600	335,500
Snowflake Taylor Police Department	0	67,000
Thatcher Police Department	287,900	0
Tombstone Marshal's Office	63,800	0
Tucson Police Department	540,000	65,000
Tucson Police Department – Counter Narcotics Alliance (CNA)	478,900	552,300
Tucson Police Department Community Outreach Resource and Education (CORE) Unit	160,000	0
Tucson Police Department Service Dog Unit (K9)	178,100	0
Wellton Police Department	242,600	518,500
Willcox Police Department	93,400	0
Williams Police Department	0	613,200
Yuma Police Department	971,700	0
Total	**$18,232,900**	**$13,232,900**

As of Fall 2026, 1,259 undergraduate students and 79 graduate students are enrolled in SCETL's 85 offered courses. SCETL also offers internships, special courses, a public affairs program, and a visiting scholars program. In FY 2026, the school partnered with the Department of Education and the Center for American Civics (CAC) to improve civics education through various initiatives, including the Civic Leadership Institute (CLI). CLI is a high school summer program on ASU's Tempe Campus which, in Summer 2026, was focused on the Declaration of Independence at 250 years.

Northern Arizona University – NAU reports a total of $1.4 million available for the Economic Policy Institute (EPI) in FY 2026, of which $815,300 is from the General Fund and $561,500 is from other sources. EPI employs 5 graduate and 5 undergraduate students. NAU reports no formal EPI student enrollment in FY 2026 but reports 7,700 participants in EPI hosted programs and workshops. Topics include financial literacy and economic education, entrepreneurship, Tribal and rural community engagement, applied research, and economic development. EPI also hosts its annual Economic Outlook Conference, which provides discussion on the regional economy, current economic trends, and the economic outlook for the coming year. The Institute reports several upcoming projects including additional Tribal community and youth-focused programs, partnerships with schools and educators, and technical assistance and leadership development for NAU's American Indigenous Business Leaders (AIBL) chapter.

University of Arizona – UA reports a total of $4.2 million available for the Center for the Philosophy of Freedom in FY 2026, of which $4.2 million is from the General Fund and $50,000 is from private sources and grants. The Center has 11 core faculty members, 5 affiliated faculty, and 2 post-doctoral fellows. As of Fall 2026, UA's Freedom Center enrolls a total of 2,829 students of which 2,701 are undergraduate students, 128 are graduate students, and 260 are high school students. In addition to academic courses, the Center hosts debate and conservation forums, supports 6 prominent journals and related workshops, and partners with various academic institutions. Events include the Inaugural Conference on Academic Freedom, the Summer Entrepreneurship Academy, and the Philosophy, Politics, Economics and Law Undergraduate Summer School. The Center also reports offering a new dedicated track for students interested in becoming elected officials. (Grace Timpany)

Arizona Board of Regents – Report on Monies Retained from Universities – Pursuant to A.R.S. § 15-1626, the Arizona Board of Regents (ABOR) reported on monies retained from the state universities to support operations of the ABOR office. The report includes: 1) the amount of monies retained from each university under the board's jurisdiction; 2) ABOR's expenditure plan for monies retained for the current fiscal year; and 3) how ABOR spent monies retained in the immediately preceding fiscal year.

ABOR reports $8.2 million retained in FY 2026, of which $4.2 million was from Arizona State University (ASU), $720,800 from Northern Arizona University (NAU), and $3.3 million from the University of Arizona (UA). Retained funds represent 0.06% to 0.10% of each university's operating revenue. Beginning in FY 2027, statute limits the amount ABOR may retain to no more than $5.0 million per year. To operate within that limit, ABOR reports eliminating 2 vacant FTE positions, reducing funding for the Technology and Research Initiative Fund (TRIF) Regents' Grant program, and transitioning FAFSA and IT staff to ASU.

ABOR previously reported that state appropriations and monies retained from universities are deposited into a single operating fund, and that the board does not distinguish between these sources when expending monies for board operations. As a result, the reported expenditure plan includes both state appropriations and retained monies. In FY 2026, ABOR reported actual expenditures of $7.7 million, of which $4.2 million was for personnel costs and $3.6 million was for other operating expenditures. The difference between revenues and expenditures is attributed to FY 2026 expenses that are carried forward into FY 2027. ABOR also reports lower spending in FY 2026 due to vacancy savings and cost efficiencies.

The Board estimates a budget of $8.7 million for FY 2027 including $3.7 million from state appropriations and $5.0 million from retained monies. Of the $8.7 million budget, $6.2 million is for personnel costs and $2.6 million is for other operating expenditures. (Grace Timpany)