

Summary

August 2025 General Fund revenues totaled \$1.26 billion, an amount which was 12.8% above August 2024. Revenue collections during August were \$107 million above the enacted budget revenue forecast.

The August forecast gain was entirely related to surprising growth in Individual Income Tax withholding collections. August withholding collections grew by 31.7% during the month, far exceeding current levels of wage and salary growth, which has been in the 5% range during recent months.

In particular, the state experienced a single, unusually large revenue deposit during one day in August. Given longstanding patterns in the timing of withholding collections, this large deposit raises technical questions if a business used an incorrect tax code when submitting its payment or if the deposit potentially reflects an overpayment that will be later refunded by the state. We will be discussing this issue with the Arizona Department of Revenue (ADOR).

In terms of the state's other revenue categories, their August results did not generate significant differences from the enacted budget revenue forecast:

- August Sales Tax collections (which represent July sales activity) grew by 2.7% during the month and generated a minor forecast loss of \$(4) million compared to the enacted budget forecast. The retail classification performed well (increasing by 7%), as did restaurant/bar sales (increasing by 5.9%). In contrast, the contracting classification had disappointing performance, declining by (5.1)% during the month.

- August Corporate Income Tax revenues declined by (12.1)% during the month. However, given that August is a relatively minor collection month for the tax category, this decline only resulted in a \$(6) million forecast loss for the month.
- Insurance Premium Tax collections grew by 6.7% during August compared to August 2024, which generated a \$4 million forecast gain.

Year-to-Date Results

Year-to-date through August, excluding Urban Revenue Sharing and one-time revenue adjustments, FY 2026 General Fund revenues are 1.4% above the prior year.

With the August results, after 2 months of tracking against the enacted budget forecast, the state has generated a cumulative forecast gain of \$158 million.

We would, however, caution against extrapolating this year-to-date forecast overage given the unique circumstances of these results. Our office will be releasing a revised revenue projection in conjunction with the October 9th meeting of the Finance Advisory Committee.

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August Revenues

Table 1			
General Fund Revenues (\$ in Millions)			
	FY 2026 Collections	Difference From Enacted Forecast	Difference From FY 2025
August	\$ 1,260.3	\$ 107.4	\$ 143.5
Year-to-Date	\$ 2,518.3	\$ 158.1	\$ 50.1

Sales Tax collections of \$682.2 million in August were 2.7% above the amount collected in August 2024 and \$(4.0) million below the enacted budget forecast. Sales tax revenue collected in August reflects sales activity that occurred in July.

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

Table 2		
August Sales Tax Growth Rates Compared to Prior Year		
	August	YTD
Retail/Remote Seller	7.0%	6.7%
Contracting	(5.1)%	1.9%
Use Tax	(0.6)%	5.3%
Restaurant & Bar	5.9%	4.3%
Utilities	(3.4)%	0.4%

Tax revenue from the combined Retail/Remote Seller category increased, year-over-year, by 7.0% in August and is up by 6.7% through the first 2 months of FY 2026 compared to the same period in the prior year. Although Remote Sellers typically make up no more than 10% to 13% of total retail sales in any given month, they have contributed 34% to the overall year-over-year retail revenue gain through August.

As shown above in Table 2, sales tax collections from the Contracting and Utilities Transaction Privilege Tax (TPT) classifications, as well as for Use Tax, declined (year-over-year) in August. These decreases were in contrast to the results from July sales tax collections, when the three categories recorded year-over-year gains in the 5% to 10% range.

Individual Income Tax (IIT) net revenue was \$528.2 million in August, 30.6% greater than the previous August and \$106.8 million more than the enacted budget forecast. A high level of withholding collections and lower-than-anticipated refunds are the reason for the strong growth in overall IIT. Year-to-date (YTD), IIT is 17.4% higher than the same period in FY 2025, for a forecast gain of \$182.0 million.

August withholding revenue was \$522.0 million, 31.7% greater than the previous year and \$109.4 million above the forecast. YTD, withholding is 15.4% higher than the same period in FY 2025 and \$163.5 million more than forecasted.

A significant portion of the large withholding increase in August appears to be related to factors other than regular wage and salary growth (which is about 5% based on national and state wage data). According to daily revenue data from the Department of Revenue, \$106 million was deposited on August 21, 2025, making it the 10th largest withholding deposit in a single day on record. This large deposit was highly unusual for two reasons. First, the largest daily withholding deposits in any given month rarely exceed \$60 million. Second, the \$106 million deposit occurred on a Thursday when the range of daily deposits tends to vary between \$5 million and \$10 million. At current time, we lack sufficient information to determine the reason for the unusually large deposit on August 21st. However, since the August surge in withholding revenue does not appear to be related to regular wage and salary disbursements, we believe this is a technical issue that will require additional research to determine the exact cause.

Total (estimated plus final) tax payments in August were \$36.9 million, an (8.4)% contraction from last year for a forecast loss of \$(3.8) million. Income tax payments in August typically make up between 2%-3% of the fiscal year total. YTD, total payments have grown by 8.9% compared to the same period in FY 2025, exceeding the forecast by \$5.2 million.



Refunds in August were \$30.8 million, (4.0)% less than August 2024. In a typical year, August refunds make up about 2% of the yearly total. Since the enacted budget forecast assumed a higher refund level of \$32.0 million, the forecast gain for this subcategory was \$1.2 million in August. Refunds are down (14.4)% YTD for a forecast gain of \$13.3 million.

Table 3
Individual Income Tax Growth Rates
Compared to Prior Year

	<u>August</u>	<u>YTD</u>
Withholding	31.7%	15.4%
Estimated/Final Payments	(8.4)%	8.9%
Refunds	(4.0)%	(14.4)%

Net **Corporate Income Tax (CIT)** collections in August were \$16.0 million, a decrease of (12.1)% from last year and \$(6.5) million under the enacted budget forecast. On average, August CIT revenue makes up less than 2% of the fiscal year total. YTD, CIT collections are down (57.2)% for a forecast loss of \$(41.1) million.

Insurance Premium Tax (IPT) revenue was \$92.8 million in August, an increase of 6.7% compared to the same month in the prior year. IPT revenue in August was \$4.0 million above the enacted budget forecast. Year to date through August, IPT revenue is \$173.3 million, which is 10.6% above the level last year and \$13.2 million above forecast.

The amount of **Tobacco Tax** deposited into the General Fund in August was \$2.0 million, which is 24.0% above collections a year prior and \$0.3 million above the enacted forecast. Year to date, General Fund tobacco tax revenues total \$3.4 million, which is 22.3% higher than collections through the comparable period in FY 2025 and \$0.5 million above forecast.

Liquor Tax revenue deposited into the General Fund in August was \$4.8 million. This is (0.1)% below the amount deposited in August 2024 and \$1.3 million above the enacted forecast. Year to date, General Fund deposits from liquor tax collections total \$7.3 million, a (17.2)% decrease over the same period in FY 2025, and \$(0.1) million below forecast.

The **Lottery Commission** reported that total ticket sales in August were \$138.2 million. This amount is \$25.5 million, or 22.7% higher than in August 2024.

Highway User Revenue Fund (HURF) collections of \$148.0 million in August were 4.0% above the amount collected in August 2024 and \$0.9 million above forecast. Year to date, HURF collections are \$295.8 million, 3.3% above the prior year and \$(0.1) million less than forecast.

In August, the state collected \$13.6 million in dedicated **Marijuana Excise Taxes**, which was 5.9% higher than August 2024 collections. Monies from this excise tax are deposited into dedicated non-General Fund accounts. August's total combined amount of Medical and Recreational state Transaction Privilege Tax (TPT) revenue was \$4.7 million. Of this amount, the General Fund received \$3.5 million. (See *Table 4*).

Table 4
Marijuana State Tax Collections and Distributions
(\$ in Millions)*

	<u>August</u>	<u>YTD</u>
Marijuana Excise Tax	\$13.6	\$27.6
Medical Marijuana TPT	\$0.8	\$1.6
<u>Distribution:</u>		
General Fund	\$0.6	\$1.2
Counties	\$0.1	\$0.3
Cities	\$0.1	\$0.2
Recreational Marijuana TPT	\$3.9	\$8.5
<u>Distribution:</u>		
General Fund	\$2.9	\$6.3
Counties	\$0.6	\$1.4
Cities	\$0.4	\$0.9
Total State Marijuana Tax Collections	\$18.2	\$37.7

* Amounts may not add to total due to rounding



Table 5

General Fund Revenue: **Change from Previous Year and Enacted Budget Forecast** **August 2025**

	Current Month					FY 2026 YTD (Two Months)				
		Change From					Change from			
	Actual	August 2024		Enacted Budget Forecast		Actual	August 2024		Enacted Budget Forecast	
	August 2025	Amount	Percent	Amount	Percent	August 2025	Amount	Percent	Amount	Percent
Taxes										
Sales and Use	\$682,222,649	\$17,930,973	2.7 %	(\$3,984,021)	(0.6) %	\$1,388,701,428	\$56,117,958	4.2 %	\$8,143,917	0.6 %
Income - Individual	528,178,561	123,655,130	30.6	106,777,305	25.3	1,036,161,005	153,332,664	17.4	181,994,956	21.3
- Corporate	16,007,502	(2,196,371)	(12.1)	(6,458,956)	(28.7)	69,311,193	(92,781,317)	(57.2)	(41,116,770)	(37.2)
Property	156,046	(327,214)	(67.7)	(322,974)	(67.4)	801,574	(82,748)	(9.4)	(435,863)	(35.2)
Luxury - Tobacco	1,972,827	381,253	24.0	302,208	18.1	3,424,768	623,909	22.3	476,244	16.2
- Liquor	4,815,144	(3,609)	(0.1)	1,254,877	35.2	7,253,401	(1,502,750)	(17.2)	(101,695)	(1.4)
Insurance Premium	92,753,478	5,796,445	6.7	3,970,347	4.5	173,321,602	16,652,037	10.6	13,222,551	8.3
Other Taxes	1,182,041	88,934	8.1	(86,798)	(6.8)	2,295,567	(1,700,069)	(42.5)	(944,140)	(29.1)
Sub-Total Taxes	\$1,327,288,247	\$145,325,540	12.3 %	\$101,451,987	8.3 %	\$2,681,270,539	\$130,659,684	5.1 %	\$161,239,200	6.4 %
Other Revenue										
Lottery	0	0	--	0	--	0	0	--	0	--
Gaming	5,919,566	3,018,236	104.0	3,289,152	125.0	5,919,566	3,018,236	104.0	736,684	14.2
License, Fees and Permits	4,477,134	(795,005)	(15.1)	(1,044,207)	(18.9)	7,240,958	(1,919,258)	(21.0)	(1,968,618)	(21.4)
Interest	21,692,471	(6,013,633)	(21.7)	9,892,969	83.8	21,702,601	(5,945,043)	(21.5)	9,837,991	82.9
Sales and Services	1,313,874	(974,157)	(42.6)	(1,138,094)	(46.4)	2,769,352	(825,551)	(23.0)	(1,158,453)	(29.5)
Other Miscellaneous	1,645,815	333,852	25.4	382,940	30.3	(211,710)	(12,587,228)	(101.7)	(3,403,403)	(106.6)
Medicaid Hospital Revenue	0	0	--	0	--	0	(71,248,984)	--	0	--
Transfers and Reimbursements	(3,167,842)	(4,228,528)	--	(5,417,842)	--	(2,719,564)	(4,668,631)	(239.5)	(7,219,564)	(160.4)
Sub-Total Other Revenue	\$31,881,019	(\$8,659,236)	(21.4) %	\$5,964,917	23.0 %	\$34,701,203	(\$94,176,460)	(73.1) %	(\$3,175,363)	(8.4) %
TOTAL BASE REVENUE	\$1,359,169,265	\$136,666,305	11.2 %	\$107,416,905	8.6 %	\$2,715,971,742	\$36,483,224	1.4 %	\$158,063,838	6.2 %
Other Adjustments										
Urban Revenue Sharing	(98,858,813)	6,829,335	(6.5)	0	0.0	(197,717,627)	13,658,671	(6.5)	0	0.0
One-Time Transfers	0	0	--	0	--	0	0	--	0	--
Income Tax Rebate	(250)	1,100	(81.5)	(250)	--	(250)	7,250	(96.7)	(250)	--
Sub-Total Other Adjustments	(98,859,063)	6,830,435	(6.5) %	(250)	0.0 %	(197,717,877)	13,665,921	(6.5) %	(250)	0.0 %
TOTAL GENERAL FUND REVENUE	\$1,260,310,202	\$143,496,740	12.8 %	\$107,416,655	9.3 %	\$2,518,253,865	\$50,149,145	2.0 %	\$158,063,588	6.7 %
Non-General Funds										
Highway User Revenue Fund	147,959,397	5,723,631	4.0 %	926,650	0.6 %	295,757,210	9,375,849	3.3 %	(46,453)	(0.0) %

Monthly Indicators

NATIONAL

According to the Bureau of Economic Analysis' (BEA) second estimate of U.S. real **Gross Domestic Product** (GDP), economic output increased at a seasonally adjusted annual rate of 3.3% in the 2nd quarter of 2025. This is an upward revision from the advance estimate of 3.0%.

The Conference Board's **Consumer Confidence Index** decreased by 1.3 points to 97.4 in August. Consumers reported greater concern about inflation, tariffs, and the job market. As a result, views on both the present and future situations slid during the month. The Conference Board believes this signals a weakening economy, but they do not believe a recession is imminent. Over the last 12 months, the index has decreased by (7.8)%.

The **U.S. Leading Economic Index** (LEI), published by the Conference Board, declined (0.1)% in July to a level of 98.7. Of the ten components that make up the index, only 3 saw a decrease during the month. These were consumer expectations, manufacturing orders, and building permits, offsetting gains in stock prices, employment, and credit. In the 6 months from January to July, the LEI fell by (2.7)%, compared to the (1.0)% contraction in the previous 6-month period.

The U.S. Bureau of Labor Statistics' **Consumer Price Index (CPI)** in August increased at a seasonally adjusted rate of 0.4% from the previous month. Compared to the same month last year, consumer prices are up by 2.9% before seasonal adjustment. Prices for shelter, food, and energy all increased during the month. The Core CPI, which excludes food and energy, is up by 3.1% from a year ago.

ARIZONA

Housing

In July, Arizona had a 12-month total of 37,599 **single-family building permits** issued. This represents a decrease of (2.7)% from the prior month's rolling total and a decrease of (9.6)% from the previous July's 12-month total.

Arizona's 12-month total of 15,834 **multi-family building permits** in July is 3.6% above June's rolling total and (23.5)% below the 12-month period ending in July 2024.

The **median home price** in Maricopa County was \$472,723 in August, 0.6% above the level in July and (0.5)% less than August 2024's median sale price.



Tourism

Phoenix Sky Harbor Airport Ridership remained steady at about 4.2 million passengers in July, which is a (0.6)% drop from the prior month and (1.6)% below July 2024's figure.

Employment

According to the latest employment report released by the Arizona Office of Economic Opportunity (OEO), the state gained 42,100 **nonfarm jobs** in August compared to July. In the 10-year period prior to the pandemic (2010-2019), Arizona experienced an average net gain of 54,000 jobs in August. Slightly more than 62% of August's monthly job gain was related to local government education employment. Job gains typically occur in August when schools return from summer recess. Compared to the same month in 2024, the state gained 38,500 jobs in August 2025, an increase of 1.2%.

The state's seasonally adjusted **unemployment rate** remained at 4.1% for the sixth consecutive month in August. The U.S. seasonally adjusted unemployment rate rose slightly from 4.2% in July to 4.3% in August.

OEO reported that a total of 2,980 **initial claims for unemployment insurance** were filed in Arizona in the week ending on August 30th. This represents a (20.9)% decrease in initial claims compared to a year ago.

According to OEO, there were a total of 31,134 **continued claims for unemployment insurance** in Arizona for the week ending on August 23rd, which is (2.8)% lower than the comparable week in 2024.

State Agency Data

As of September 1, 2025, the total **AHCCCS caseload** was 1.9 million members. Total monthly enrollment decreased (0.5)% from August to September and decreased (11.2)% compared to a year ago.

Parent and child enrollment in the Traditional population decreased (0.5)% in September compared to August and decreased (7.7)% compared to a year ago. Other Acute Care enrollment, including Prop 204 Childless Adults, Other Prop 204, Adult Expansion, and KidsCare, was 789,567, a decrease of (0.7)% from August and (16.3)% lower than last year.

For September 2025, the Elderly, Physically Disabled and Developmental Disabilities Long-Term Care population increased by 0.3% over the prior month. At 74,237, this population is 4.3% higher than a year ago.

Based on information the **Department of Child Safety** provided for July 2025, reports of child maltreatment totaled 44,011 over the last 12 months, an increase of 3.2% from the comparable period in the prior year.

There were 8,305 children in out-of-home care as of July 2025, or (8.6)% less than in July 2024. Compared to the prior month, the out-of-home children population decreased by (1.1)%.

There were 7,277 individuals receiving **TANF Cash Assistance** in August 2025, representing a (0.8)% decline from July 2025. Year over year, the number of cash benefit recipients has decreased by (28.8)%.

The **Supplemental Nutrition Assistance Program (SNAP)** provides assistance to low-income households to purchase food. There were 897,162 individuals receiving SNAP benefits in August 2025, representing a (1.3)% decline from July 2025. Year over year, the number of SNAP recipients has decreased by (6.2)%.

The Arizona Department of Correction's **Inmate Population** was 35,466 as of August 31, 2025. This was unchanged since July 31, 2025 and a 0.6% increase since August 2024.



Table 6

MONTHLY INDICATORS				
Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
<u>Employment</u>				
- Seasonally Adjusted Unemployment Rate	August	4.1%	0.0%	0.4%
- Total Unemployment Rate (discouraged/underemployed)	2 nd Q 2025	7.9%	0.2%	0.7%
- Initial Unemployment Insurance Claims	Week Ending Aug 30	2,980	(9.9)%	(20.9)%
- Continued Unemployment Insurance Claims	Week Ending Aug 23	31,134	(9.0)%	(2.8)%
- Non-Farm Employment - Total	August	3,229,400	1.3%	1.2%
Manufacturing	August	192,200	0.2%	(0.6)%
Construction	August	228,700	1.3%	2.1%
- Average Hourly Earnings, Private Sector	August	\$34.91	0.3%	4.1%
<u>Building</u>				
- Building Permits (12 month rolling sum)				
Single-family	July	37,599	(2.7)%	(9.6)%
Multi-family		15,834	3.6%	(23.5)%
- Maricopa County/Other, Single-Family Home Sales (ARMLS)	August	4,904	(3.3)%	4.9%
- Maricopa County/Other, Single-Family Median Home Price (ARMLS)	August	\$472,723	0.6%	(0.5)%
<u>Tourism and Restaurants</u>				
- Phoenix Sky Harbor Air Passengers	July	4,178,644	(0.6)%	(1.6)%
- State Park Visitors	July	237,503	(1.1)%	(8.9)%
- Revenue Per Available Hotel Room	July	\$66.14	N/A	(4.6)%
- Arizona Hotel Occupancy Rate	July	56.0%	N/A	(2.8)%
<u>General Measures</u>				
- Arizona Personal Income, SAAR	1 st Q 2025	\$506.6 billion	5.4%	4.5%
- Arizona Population (U.S. Census)	July 2024	7,582,384	N/A	1.5%
- 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
<u>Agency Measures</u>				
- AHCCCS Recipients	September 1st	1,864,220	(0.5)%	(11.2)%
Traditional Acute Care		1,000,416	(0.5)%	(7.7)%
Other Acute Care		789,567	(0.7)%	(16.3)%
Long-Term Care – Elderly & DD		74,237	0.3%	4.3%
- Department of Child Safety (DCS)				
Reports of Child Maltreatment (12-month total)	July	44,011	0.4%	3.2%
DCS Out-of-Home Children	July	8,305	(1.1)%	(8.6)%
Filled Caseworkers (1406 Budgeted)	July	1,296	12	(3)
- ADC Inmate Growth	August	35,466	0.0%	0.6%
- Department of Economic Security				
- TANF Cash Assistance Recipients	August	7,277	(0.8)%	(28.8)%
- SNAP Recipients	August	897,162	(1.3)%	(6.2)%
United States				
- Gross Domestic Product (Chained 2017 dollars, SAAR)	2 nd Q, 2025 2 nd Estimate)	\$23.7 trillion	3.3%	2.1%
- Consumer Confidence Index (1985 = 100)	August	97.4	(1.3)%	(7.8)%
- Leading Economic Index (2016 = 100)	July	98.7	(0.1)%	(3.7)%
- Consumer Price Index, (1982-84 = 100)	August	324.0	0.4%	2.9%

JCCR Meeting Follow-Up

Arizona Department of Agriculture – Third Quarterly Report on Nogales Building Sale – Pursuant to a provision from the December 2024 JCCR meeting, AZDA submitted a 3rd quarterly status report on the status of selling the old inspection building in Nogales. The Committee favorably reviewed the purchase of a new inspection building in Rio Rico with the provision that AZDA provide quarterly reports until final sale of the Nogales building. AZDA now expects renovations to the new building to finish by December 2025 and the move to the building to occur after renovations finish. After the move, AZDA plans to list the old Nogales building for sale. (Nate Belcher)

Summary of Recent Agency Reports

Department of Education – Report on Empowerment Scholarship Accounts – Pursuant to A.R.S. § 15-2406, the Arizona Department of Education (ADE) reported data for the fourth quarter of FY 2025 on the Empowerment Scholarship Account (ESA) program:

- There were 85,195 total enrollees in the program, including 62,184 universal ESA enrollees.
- Of the students grades 1-12 newly entering the universal ESA program, 7,021, or 57%, were enrolled in a public school immediately preceding their enrollment in the ESA program. The percentage for FY 2024 was 48%.
- 10% of ESA students were kindergarteners or preschoolers with disabilities, 69% were in grades 1-8, and 21% were in grades 9-12.
- There were 233 ESA students who were English Language Learners and 16,332 students with disabilities.
- ESA enrollees incurred \$191.8 million of expenses in the fourth quarter of FY 2025, including \$96.7 million for private school tuition, \$27.7 million for tutoring and teaching services, \$16.9 million for supplemental materials, \$13.9 million for curriculum, \$11.4 million for tuition or fees for online learning programs, and \$25.2 million for all other expenses.

The report also delineates all ESA awards by formula allocation and by zip code. (Gordon Robertson)

Arizona Department of Education – Report on Estimated Cost of Empowerment Scholarship Accounts for FY 2026 – Pursuant to A.R.S. § 15-2403H, the Arizona Department of Education (ADE) recently reported that it will cost an estimated \$1.026 billion to fund Empowerment Scholarship Accounts (ESAs) in FY 2026. ADE's analysis assumes that enrollment in the program will reach a peak of 98,051 students by the end of FY 2026. In comparison to ADE's projections, enrollment in the ESA program as of September 2, 2025 was 91,508. (Gordon Robertson)

Arizona Department of Forestry and Fire Management – Report on Gila River Nonnative Species Eradication Grant Expenditures – Pursuant to an FY 2023 General Appropriations Act (GAA) footnote as amended by the FY 2025 GAA, the Arizona Department of Forestry and Fire Management (DFFM) reported on the total expenditures for Gila River nonnative species eradication projects in FY 2025. In FY 2023, the Legislature appropriated \$5.0 million from the General Fund for nonnative species eradication projects along the Gila River and made the funds non-lapsing through June 30, 2025. In the FY 2025 budget, this lapsing date was extended through June 30, 2029.

In FY 2024, DFFM expended \$524,200 of the \$5.0 million appropriation on 6 projects to remove invasive plants, primarily tamarisk and stinknet, on 162 acres of land. DFFM also allocated \$2.2 million from federal American Rescue Plan Act (ARPA) funding for 3 projects in FY 2024.

In FY 2025, DFFM allocated \$3.6 million toward 13 projects to remove invasive plants from 316 acres of land along the Gila River. Of this amount, \$3.2 million allocated for 9 of the projects were funded by ARPA. The remaining 4



projects, totaling \$402,300, were funded from the General Fund appropriation. To date, DFFM has expended \$4.2 million on the 9 ARPA projects and \$411,900 on projects funded from the General Fund in FY 2024.

In FY 2026, DFFM projects allocating \$4.0 million for 8 projects to remove or replace invasive plants with native species on 898 acres of land. Of this amount, DFFM plans to use \$195,000 from ARPA for 2 projects, with the remaining 6 projects funded by \$3,825,000 from the General Fund appropriation. To date, DFFM reports no spending from the FY 2026 allocations.

In total, DFFM has allocated \$4.8 million of the \$5.0 million appropriated from the General Fund in FY 2023, leaving \$224,400 available through FY 2029. In addition to these monies, DFFM has allocated a total of \$5.6 million from ARPA. (Nate Belcher)

Arizona Department of Forestry and Fire Management – Report on Nonnative Vegetation Species Eradication Grant Expenditures – Pursuant to A.R.S. § 37-1309C, the Arizona Department of Forestry and Fire Management (DFFM) reported on the total expenditures of grant-funded nonnative vegetation species eradication (NVSE) projects in FY 2025 (See *Table 7* below).

The FY 2020 General Appropriation Act annually appropriates \$1,000,000 from the General Fund from FY 2021 to FY 2029 for deposit in the Nonnative Vegetation Species Eradication Fund.

DFFM reports that \$324,900 has been expended to date of its FY 2024 appropriation. All nine projects from this grant cycle are in progress.

DFFM reports spending \$14,600 through August 31, 2025 from its FY 2025 appropriation for grant reimbursements. DFFM selected 6 projects to receive NVSE grant funding out of 19 applicants. All 6 of the selected projects are in progress, and all projects are projected to be completed within 3 years of their respective start dates. Please see *Table 7* below for more information. (Nate Belcher)

Department of Health Services – Report on Suicide Prevention Progress – Pursuant to an FY 2025 General Appropriations Act footnote, the Arizona Department of Health Services (DHS) submitted a report on the department's suicide prevention accomplishments in FY 2025.

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 2025:

- Developed Arizona's first Suicide Prevention Action Plan (2026-2030).
- Released 2 competitive funding opportunities to support suicide prevention infrastructure.
- Participated in 6 monthly population-specific suicide prevention workgroups.

Table 7

**DFFM Nonnative Vegetation Species Eradication Grant FY 2025 Expenditures
For 2024 Grant Cycle
(\$ in thousands)**

<u>Grantee</u>	<u>Project Title</u>	<u>Grant Amount</u>	<u>Spending as of 8/31/25</u>	<u>Expected Completion</u>
Borderlands Restoration Network	Nature Conservancy Johnsongrass Treatment at the Nature Conservancy	\$192.0	\$ 0	3/27
Yuma Crossing National Heritage Area	Invasive Species Control at the Yuma East and West Wetlands	124.0	14.6	12/25
National Forest Foundation	Saving Saguaro in the Santa Catalina Mountains	142.0	0	12/26
City of Scottsdale	Protecting the McDowell Sonoran Preserve Phase II	175.0	0	6/26
Arizona State University	Deer Valley Petroglyph Preserve Invasive Plant Control	120.0	0	3/28
Pinal County	Invasive Plant Control at Peralta Regional Park	192.0	0	12/27
Total		\$945.0	\$14.6	



- Collaborated with the National Veterans Administration, the Substance Abuse and Mental Health Services Administration, and other state organizations to develop and facilitate the nation's first veteran-specific suicide mortality review.
- Gave 10+ presentations on a variety of topics, including suicide data, the state's Suicide Mortality Review program, and best practices for suicide prevention.
- Authored or contributed to 5 formal documents/publications.
(Maggie Rocker)

Southern Arizona Sports, Tourism and Film Authority – Report on FY 2025 Expenditures – Pursuant to A.R.S. § 5-1409A, the Southern Arizona Sports, Tourism, and Film Authority (SASTFA) submitted a report detailing its activities from the prior fiscal year. In FY 2025, SASTFA reported spending a total of \$563,600, which consisted of monies from its FY 2023 General Fund appropriation and revenues generated by hosting a World Baseball Classic Qualifier in Tucson. Of this amount, \$360,500 paid for expenses associated with hosting the World Baseball Classic Qualifier, \$127,000 for staffing, \$52,800 for office rent and other office/administrative expenses, \$17,300 for various vehicle/travel costs, and \$6,000 for outside professional services and website maintenance.

Including expenses from FY 2023 and FY 2024, SASTFA has spent its entire FY 2023 General Fund appropriation of \$750,000. In addition, SASTFA has spent \$153,500 of the \$237,800 it collected in revenues from the World Baseball Classic Qualifier. SASTFA has not yet spent an additional \$500,000 appropriated from the General Fund in the FY 2026 budget. (Nate Belcher)

Arizona Board of Regents – Report on College Credit by Exam Incentive Program – Pursuant to A.R.S. § 15-249.06, the Arizona Board of Regents (ABOR) submitted a list of qualifying examinations that a high school student may take to receive collect credit in mathematics, English language arts, social studies, or science at the state's public universities. For the 2024-2025 academic year, ABOR made no changes to the list of qualifying examinations. The list of qualifying exams contains 75 total examinations, including 25 Advanced Placement exams, 20 Cambridge International exams, and 30 International Baccalaureate exams. (Grace Timpany)

University of Arizona – College of Veterinary Medicine Report – Pursuant to an FY 2026 General Appropriations Act (Laws 2025, Chapter 233) footnote, the University of Arizona (UA) submitted a report detailing how monies appropriated from the General Fund in FY 2026 will impact the number of resident and non-residents students enrolled in the College of Veterinary Medicine (CVM). CVM currently enrolls 331 students, of which 235 are residents (71%) and 96 are non-residents (29%). (Grace Timpany)

