



## City of Glendale Legislative Link Update January 21st, 2025



Governor Katie Hobbs provided her 2025 State of the State address last week as we mark the beginning of the 57th Legislature, First Regular Session. Governor Hobbs highlighted several times the resilience of Arizona residents and our economy, while laying out her priorities in 2025 that, if achieved, could strengthen our state's prosperity.

The 2025 State of the State addressed the Governor's highlights, priorities, and vision for Arizona's future, emphasizing collaboration and shared responsibility.

Key themes from the speech included the following:

1. **Housing and Cost of Living:** The governor outlined efforts to reduce housing costs, combat housing shortages, and provide support for first-time homebuyers through programs like "Arizona Is Home."
2. **Veteran Homelessness:** A commitment was made to end veteran homelessness within a decade, with funding for initiatives like the "Homes for Heroes Fund."
3. **Childcare and Family Support:** The "Working Families Child Care Act" aims to lower childcare costs significantly, recognizing the strain on working parents.
4. **Economic Growth and Jobs:** Highlighting success in sectors like semiconductors, construction, and small businesses, the state aims to expand opportunities through education, training, and public-private partnerships.

5. Public Education: Renewing funding mechanisms like Prop 123 is critical for sustaining public education and supporting teachers.
6. Border Security and Public Safety: The governor emphasized combating the fentanyl crisis, supporting law enforcement, and ensuring community safety.
7. Water Conservation: Addressing water security with innovative programs and settlements to safeguard resources for future generations.
8. Accountability in Programs: Reforming the Education Savings Account (ESA) program to prevent misuse and ensure fiscal responsibility.

The speech calls for bipartisan cooperation to tackle these challenges, deliver on the "Arizona Promise," and secure a better future for all residents.

Here is a link to view her address.

And, here is a copy of her transcript.

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Governor Hobbs followed up her State of the State by releasing her FY 26 Executive Budget proposal this past Friday. The \$17.7 billion state spending plan is a near increase of \$2 billion compared to this year's current budget and includes a General Fund structural balance of \$185.8 million.

The budget highlights include:

General Fiscal Management:

- Of the \$17.7 billion in total spending in FY 2026, \$886 million is committed to one-time spending proposals.
- Arizona's Budget Stabilization Fund balance as of November 2024 is \$1.48 billion and is expected to reach over \$1.54 billion in FY 2025.

Appropriations:

- Public Safety
  - \$9.3 million in American Rescue Plan Act funds to the Department of Public Safety for local services for victims of crime (referred to as VOCA)
  - \$5 million ongoing and \$5M one-time from General Fund to the Department of Public Safety's (DPS) Local Border Support special line item.
  - \$5 million one-time appropriation to Arizona Department of Emergency & Military Affairs to expand drug interdiction efforts, focusing on combating fentanyl.
  - \$1 million one-time from Consumer Protection Consumer Revolving Fund to the Attorney General to enforce retail compliance with marijuana laws, including grants to local law enforcement.
  - \$ 7 million one-time deposit from General Fund to Arizona Attorney General for Sober Living Home Tribal Response Fund.
- Housing
  - \$15 million one-time deposit from General Fund to Housing Trust Fund.
  - Extend Low-Income Housing Tax Credit program to 2031, totaling \$600M with \$10M in annual credits.
  - \$5 million one-time deposit from General Fund to Homes for Heroes Fund to combat veteran homelessness.
- Major Events Fund
  - \$5 million one-time deposit into the Major Events Fund (MEF) to support Arizona's ability to manage major events that attract economic activity to the State.

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Intergovernmental staff will begin reviewing all 825 bills introduced so far, and with the help of our different departments, we will begin monitoring those bills that, if voted on and signed into law, would impact your community.

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Thank you again for your participation in Glendale's Legislative Link Program.

Remember, you can watch committee hearings via the internet by going to the [legislature's website](#) and clicking on the live proceedings hyperlink located in the column on the left side of the page.

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Arizona State Legislature Website: [www.azleg.gov](http://www.azleg.gov)

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