

October 15, 2025

The Honorable Warren Petersen
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

The Honorable Steve Montenegro
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear President Petersen and Speaker Montenegro:

A.R.S. § 41-3955.01(D) requires AHCCCS to submit a report on the status of the Seriously Mentally Ill (SMI) Housing Trust Fund (HTF), including a summary of facilities, the cost and location of each facility, and the number of individuals benefiting from operation, construction or renovation of the facilities.

In the State Fiscal Year (SFY) 2025, expenditures from the SMI HTF, in the amount of \$4,845,165, were directed toward facility-specific costs. Table 1 below identifies the location of each funded facility or recipient entity, the corresponding expenditures, and the number of individuals benefiting as a result of those expenditures.

Table 1:

Location of Project	Individuals Benefiting	SFY 2025 Expenditures
Yuma	6	\$414,210
Pascua Yaqui TRBHA	Undetermined	\$29,760
Mesa	10	\$200,000
Glendale	20	\$2,000,000
Phoenix	40	\$2,000,000
Phoenix	7	\$201,195
TOTAL	83	\$4,845,165

Whereas Table 1 details expenditures incurred during SFY 2025, Table 2 represents funding that has been allocated to specific projects but not yet expended. These figures reflect committed investments rather than disbursed funds.

Table 2:

Location of Project	Projected # of Individuals who will benefit	Expected SFY 2026 Expenditure
Show Low	20	\$1,100,000
Phoenix	Reported Above	\$498,805
Mesa	Reported Above	\$255,200
White Mountain Apache Tribe TRBHA	Undetermined	\$35,000
Pascua Yaqui TRBHA	Undetermined	\$73,454
Tucson	11	\$1,300,000
Phoenix	10	\$1,000,000
Phoenix	8	\$400,000
AHCCCS Housing Program (Rental Subsidies)	60	\$300,000
H2O	Undetermined	\$2,000,000
Secured BHRF (SB)	Undetermined	\$1,800,000
TOTAL		\$8,762,459

The SFY25 Appropriations allocated \$217,700 from the SMI HTF to AHCCCS for the purpose of funding two full-time positions dedicated to the operation and oversight of AHCCCS' state funded housing programs. As of July 30, 2025, one of these positions became vacant; AHCCCS is actively recruiting to fill the vacancy to maintain continuity in program operations and oversight. Additionally, a provider that previously received an SMI HTF award was found to be out of compliance with the governing covenants, conditions, and restrictions (CC&Rs). In response, AHCCCS utilized the contract to address the non-compliance, resulting in a return of \$37,000 to the SMI HTF. These recouped funds will be redirected to support additional housing facilities.

If you have any questions regarding this report, please contact Damien Carpenter, Chief Legislative Liaison, at (602) 396-0767.

Sincerely,



Virginia Rountree
Director

cc: Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee