



NEWS RELEASE

Arizona House of Representatives

Speaker Steve Montenegro (R-29)

1700 West Washington • Phoenix, Arizona • 85007

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FOR IMMEDIATE RELEASE

House Republicans Take Action to Protect Families with Developmental Disabilities

*Introduce Responsible Supplemental to Prevent Service Disruption
and Secure Program Stability*

STATE CAPITOL, PHOENIX – Arizona House Speaker Steve Montenegro today announced that the House is taking responsible and immediate action to prevent a shutdown of critical services for Arizonans with developmental disabilities by introducing and advancing supplemental legislation, which funds the Division of Developmental Disabilities (DDD) through the end of the fiscal year.

At the direction of Speaker Montenegro, Representative David Livingston, Chairman of the House Appropriations Committee, introduced [HB2945](#) today on behalf of House Republicans.

This emergency supplemental measure addresses a \$122 million shortfall in the Division of Developmental Disabilities, which serves nearly 60,000 vulnerable individuals across Arizona, including children and adults with autism, cerebral palsy, Down syndrome, and other developmental disabilities. The shortfall stems from Democrat Governor Katie Hobbs' decision to expand and fund programs without legislative approval or sustainable planning—leaving critical services on the brink of shutdown with only weeks left in the fiscal year.

“This crisis didn’t happen overnight,” said House Speaker Steve Montenegro. **“The Hobbs administration expanded programs in DDD without legislative approval and delayed or ignored key program limitations. They now want taxpayers to bail them out—without a plan to fix it. Republicans won’t do that. What we’re doing today is stepping up with a responsible, fully funded solution that protects families, restores order, and keeps this from happening again. We’re bringing compassion and common sense back into the process. Families deserve stability—not budget chaos and political excuses.”**

In addition to fully funding DDD services through June 30, the legislation includes key reforms to ensure the long-term health and sustainability of the program. These safeguards will help prevent future funding collapses, limit unchecked growth, and require the transparency that’s been missing under the current administration.

Without raising taxes or expanding government spending, the House legislation responsibly reallocates unused or mismanaged funds that are already under Governor Hobbs' control—yet her administration failed to use them when the crisis emerged:

- \$38 million from the Housing Trust Fund.
- \$10 million from the Arizona Commerce Authority Competes Fund.
- \$74 million from the Prescription Drug Rebate Fund.

Key policy reforms included in the legislation protect parental choice while restoring guardrails around a rapidly growing program that ballooned without legislative input or cost controls:

- Requires full legislative approval of all Medicaid waiver submissions—including new waivers, renewals, and terminations—before they are sent to the federal government.
- Requires all state agencies to report the use and planned use of federal funds, along with contingency plans for when those funds decrease or expire.
- Codifies the scheduled 40-hour weekly cap for Parents as Paid Caregivers (PPCG), effective July 1, 2025.
- Directs the state to submit a new waiver by October 1, 2025, to implement a reduced 20-hour cap for PPCG, while allowing parents to seek additional hours from non-parent Direct Care Workers.
- Maintains the PPCG program, but requires full legislative reauthorization when the current waiver expires in September 2027.

The House will act swiftly on this legislation. Speaker Montenegro urges his Democratic colleagues and the Governor to support this responsible plan and join Republicans in protecting Arizona's most vulnerable residents.

Steve Montenegro is the Speaker of the Arizona House of Representatives and serves Legislative District 29 in the West Valley, Goodyear, and Surprise. Follow him on X at @SteveMontenegro.

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