

The Honorable  
**Kimberly Yee**

Arizona State Treasurer

Western Alliance Bank  
Phoenix Economic Forum

October 21, 2025



**AZ529**

ARIZONA'S EDUCATION SAVINGS PLAN

TREASURER KIMBERLY YEE





# Arizona State Budget Process

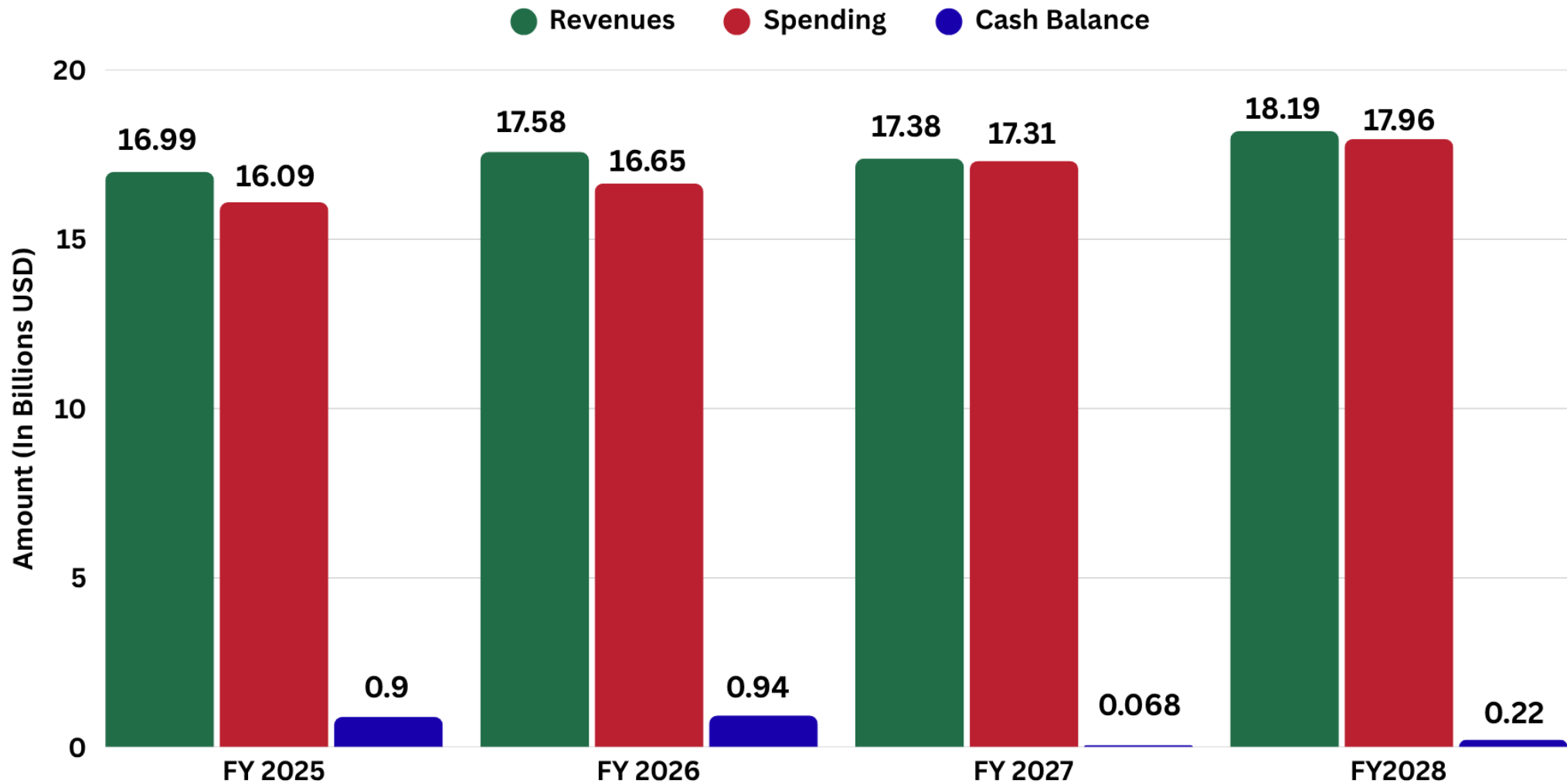


A Balanced Budget is required annually and must be passed by the beginning of a new Fiscal Year (July 1<sup>st</sup>). The process of passing a budget is as follows:

1. State Agencies submit budget requests to the Governor's Office.
2. Governor's Office (with Strategic Planning & Budgeting) prepares the budget proposal and submits the proposal to the Legislature.
3. The Legislature reviews, debates, and passes budget bills.
4. Governor signs or vetoes budget bills (can use line-item veto).
5. Legislature may override vetoes with a two-thirds vote.
6. Key bills passed before the new Fiscal Year: General Appropriation Act and Budget Reconciliation Bills.



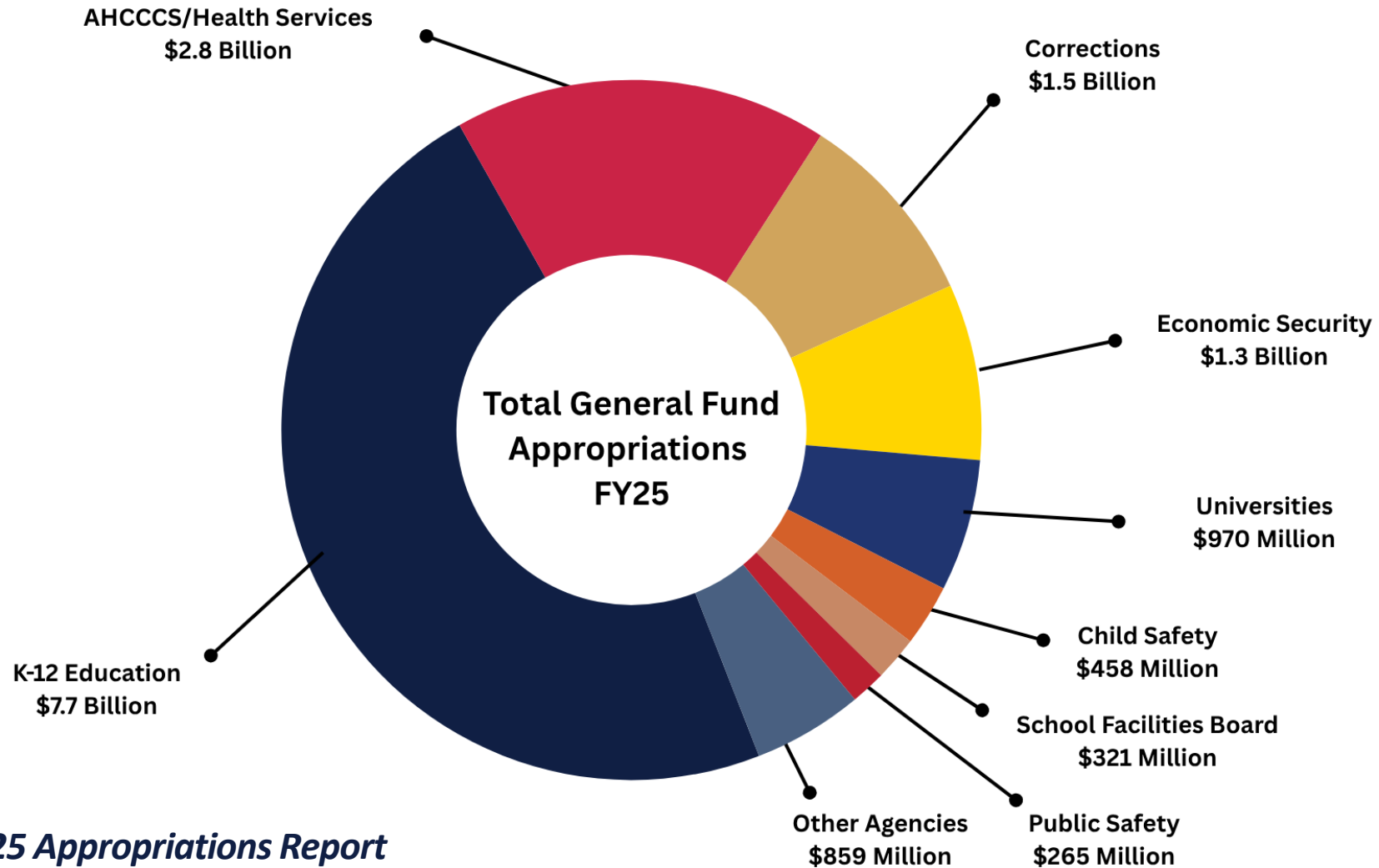
# State Budget Trend and Forecast



Fiscal Year \*\*DATA FROM JLBC'S FY 2026 STATE GENERAL FUND BASELINE SUMMARY



# General Fund Appropriations in Fiscal Year 2025



**\*\*Source: JLBC, FY2025 Appropriations Report**

ARIZONA TREASURER KIMBERLY YEE  
**HAS *INCREASED***  
ASSETS UNDER MANAGEMENT  
FROM \$15.4 *BILLION* IN JANUARY 2019  
**TO \$31.8 BILLION**  
***AN INCREASE OF 107%***



UNDER ARIZONA TREASURER  
**KIMBERLY YEE**

**NEARLY \$6 BILLION**

IN *RECORD* EARNINGS DISTRIBUTED  
SINCE JANUARY 2019





LOCAL GOVERNMENT INVESTMENT POOL ASSETS HAVE

**INCREASED BY 127% TO**

**\$7.4 BILLION**

SINCE TREASURER YEE TOOK OFFICE IN JANUARY 2019



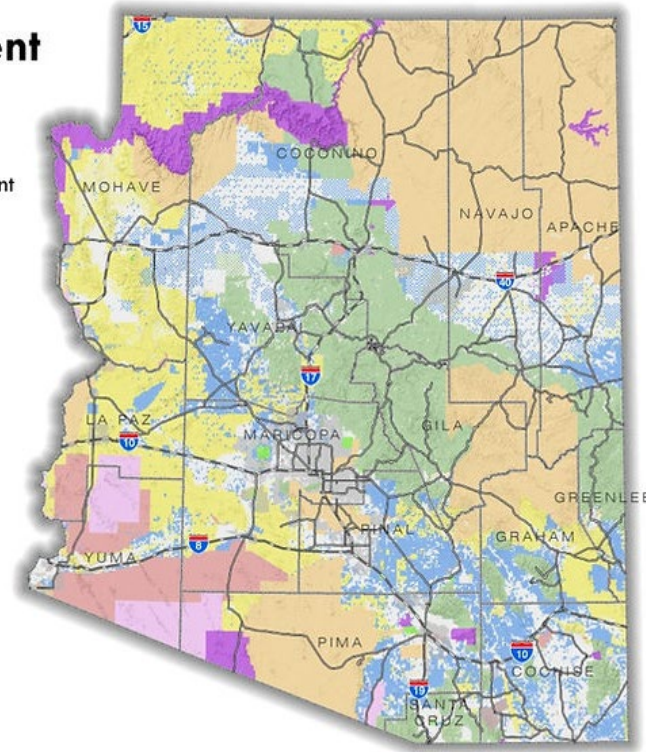


# Permanent Land Endowment Trust Fund



- We deposit and invest the proceeds of land sales in the PLETF.
- Proceeds from the fund go to 13 beneficiaries, the largest being K-12 education.
- The PLETF had a record-high market value of **\$9.61 billion** in August 2025.

## Arizona Surface Management



UNDER THE LEADERSHIP  
OF ARIZONA TREASURER  
***KIMBERLY YEE***

**\$447.9 MILLION**

WAS DISTRIBUTED TO  
K-12 EDUCATION IN  
FY 2025

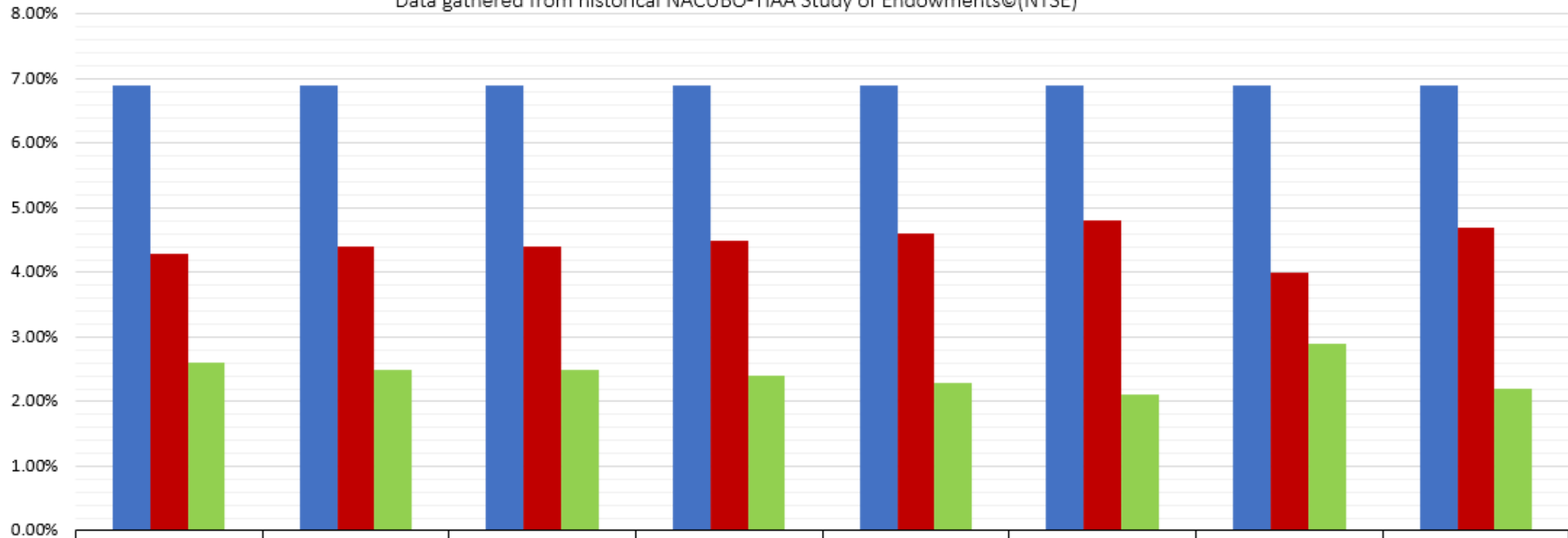




# PLETF vs. US College/University Endowments

## ANNUAL SPENDING RATE

Data gathered from historical NACUBO-TIAA Study of Endowments©(NTSE)



	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
ASTO PLETF	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
US COLLEGE/UNIV	4.30%	4.40%	4.40%	4.50%	4.60%	4.80%	4.00%	4.70%
DIFFERENCE	2.60%	2.50%	2.50%	2.40%	2.30%	2.10%	2.90%	2.20%



# State Agency Investments

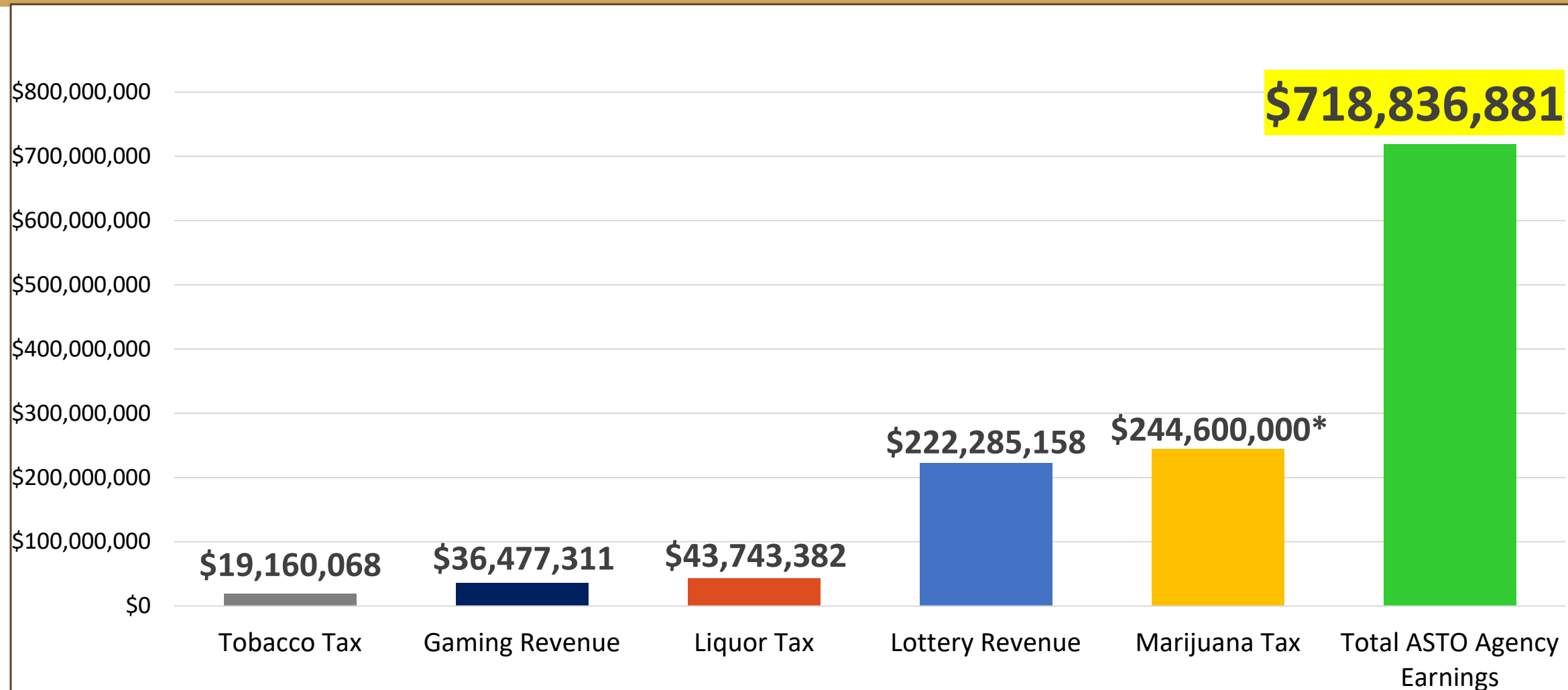


- The State Treasurer's Office serves as the state's bank and records the receipt and disbursement of all state money.
- Total earnings in FY25 were \$634.5 Million.





# Total FY24 Revenue by Category



\*-Rounding from source



# Financial Literacy in Arizona





# Financial Literacy Task Force



## The Financial Literacy Task has led initiatives to:

- Require Arizona high schools to teach financial education before graduation.
- Establish the Treasurer's Financial Literacy Fund and require the Treasurer to promote financial literacy to Arizona residents.
- Allow families in the TANF program to use financial education to help meet their work requirements.
- Identify sub-groups to provide financial education resources to.





# AZ529 Education Savings Plan



## Savings can be used for:

- Colleges & Universities
- Community College
- Vocational and Workforce Training
- Apprenticeships
- Private K-12 Education

## Anyone can contribute and receive the tax benefits:

- Parents
- Grandparents
- Aunts & Uncles
- You can even open an account for yourself!





# AZ529 Education Savings Plan



- Save with as little as \$15 a month.
- Great tax benefits.
- The State of Arizona also offers a state tax deduction for investing in the AZ529 Plan:
  - up to **\$2,000** per beneficiary for individual tax filers; and
  - up to **\$4,000** per beneficiary for married tax filers who file a joint return.



**AZ529 account  
funds may be  
transferred to a  
Roth IRA!**



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## **WHAT TO KNOW:**

- Funds must be in a 529 account for at least 5 years before they are rolled over into a retirement Roth IRA.
- The 529 account must be open for at least 15 years prior to a rollover into a Roth IRA.
- The rollover can only be made to the beneficiary's Roth IRA - not the account owner.
- Rollovers are subject to the annual Roth IRA Contribution limit.
- \$35,000 lifetime cap on transfers for the beneficiary.

# 59,991

NEW ACCOUNTS IN 59 MONTHS



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