

FIRST SPECIAL SESSION



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SB 1001 – Chapter 1 – budget reductions and transfers; FY 2008-2009

Makes various budget revisions, transfers, and supplemental appropriations in order to balance the FY 2008-09 state budget. For complete FY 2008-2009 budget details, refer to <http://www.azleg.gov/jlbc.htm>.

SB 1002 – Chapter 2 – capital outlays; reductions; transfers; FY 2008-2009

Makes various capital outlay reductions and transfers to balance the FY 2008-09 state budget.

- Reduces the state GF appropriation in FY 2008-09 to DPS for the microwave communications system by \$250,000.
- Delays the \$10 million FY 2008-09 state GF appropriation for the Southern Arizona Veterans' Home until FY 2009-10.
- Reverts the following appropriations to the state GF:
 - \$1,207,000 appropriated for the renovation of the health laboratory.
 - \$600,000 appropriated for the Arizona Welcome Center.
 - \$393,200 appropriated to the Prescott Historical Society.
 - \$3.2 million appropriated for prison cell locks and cell door replacements.
- Reverts the following ADOT FY 2008-09 non-highway capital funds to the SHF:
 - \$600,000 for border security and infrastructure planning.
 - \$2,350,000 for a far southeast valley maintenance yard.
 - \$1,825,000 for de-icer buildings.
 - \$1,389,000 for oil and asphalt storage tanks.
 - \$2,075,000 for vehicle wash systems.
- Reverts the following ADOT FY 2007-08 non-highway capital funds to the SHF:
 - \$5,190,000 for a far southeast valley multiuse facility.
 - \$1,850,000 for de-icer buildings.
 - \$1,365,000 for oil and asphalt storage tanks.
 - \$2,021,300 for vehicle wash systems.
 - \$3,215,000 for a Safford vehicle maintenance shop.
- Reverts the following ADOT FY 2007-08 non-highway capital funds to the Arizona Highway User Revenue Fund:
 - \$1,511,900 for a far southeast valley multiuse facility.
 - \$3,956,300 for a Surprise MVD service center.
 - \$1,229,400 for a Payson MVD service center.
- Reverts \$635,000 appropriated for Grand Canyon Airport water tank renovations to the State Aviation Fund and then transfers that amount to the state GF.
- Reverts \$915,900 appropriated for a Payson MVD service center to the SHF.
- Reverts \$2,000,000 appropriated for a state safety inspection station at San Luis II port of entry to the Safety Enforcement and Transportation Infrastructure Fund and then transfers that amount to the SHF.
- Reverts \$2,974,200 appropriated for the major maintenance and repair of ADOT state buildings to the SHF.
- Deposits \$34,468,000 in VLT revenues that are to be distributed to the SHF into the GF.

SB 1003 – Chapter 3 – revenues; budget reconciliation; FY 2008-2009

Makes the following changes to state revenues to reconcile the FY 2008-09 state budget:

- Modifies the existing system of staggered motor vehicle registration and registration renewals to provide owners of eligible vehicles with the option of registering their individual vehicle for a five year registration period.
- Establishes a tax amnesty program and authorizes the Director of DOR (Director) to grant amnesty to taxpayers for qualifying taxable periods.
- Prescribes program conditions and outlines qualifying and disqualifying criteria.
- Details requirements for the amnesty application and specifies the duties of the Director.
- Requires DOR to submit a monthly report to the Governor, the Speaker of the House of Representatives, and the President of the Senate.
- Specifies the content of the amnesty program reports to be submitted.
- Authorizes state agency directors to implement reductions in covered employee work hours to comply with mandated fiscal year 2008-09 state GF appropriation reductions.
- Specifies that procedures for implementing reductions will be prescribed by the ADOA.
- Requires the ASP Board to reimburse contractors for any costs incurred from agreements in which monies from the State Land Improvement Fund were used prior to February 1, 2009.
- Transfers \$3,000,000 from the ASP Board Heritage Fund to the Fire Suppression Revolving Fund.
- Supplants fiscal year 2008-09 state GF monies made available to the State Forester for fire suppression.
- Requires the State Forester to reimburse the state GF any amounts transferred from the state General to the Fire Suppression Revolving Fund in fiscal year 2008-09.
- Appropriates unobligated Land Conservation Fund administration account monies in excess of \$500,000 to the ASP Board for the operation of state parks.
- Transfers monies from state lottery distribution deposits and payments from the County Assistance Fund and Local Transportation Assistance Fund to the state GF in the following amounts:
 - \$382,000 deposit to County Assistance Fund.
 - \$1,150,000 deposit to Local Transportation Assistance Fund.
 - \$475,000 payment to Local Transportation Assistance Fund.
- Repeals the tax amnesty program from and after December 31, 2009.

SB 1004 – Chapter 4 – budget reconciliation; health; welfare; FY 2008-2009

Makes changes and additions to the FY 2008-09 state budget related to AHCCCS, DHS, and DES.

AHCCCS

- Requires the Director of the AHCCCS to charge premiums up to the maximum amount allowed under federal law to all populations of eligible persons who may be charged, subject to federal waiver authority and to the extent that any changes would permit Arizona to receive an enhanced federal matching rate.

- Requires the AHCCCS to establish a benchmark benefit package consistent with federal law, and mandates the enrollment of the following AHCCCS members in the benchmark plan, subject to federal waiver authority and to the extent that any changes would permit Arizona to receive an enhanced federal matching rate:
 - Proposition 204 (2000) expansion population.
 - Transitional Medical Assistance population.
- Exempts the AHCCCS from rule making requirements for one year after the effective date for the purpose of establishing a benchmark benefit plan and premiums.
- Allows all persons eligible for the AHCCCS to have the option of enrolling in the benchmark benefit plan.
- Transfers county funds deposited in the AHCCCS Budget Neutrality Compliance Fund to the state GF.
- Stipulates that DSH funds shall be deposited by the AHCCCS in the GF, and eliminates the Maricopa County Special Health Care District DSH distribution methodology.
- Reverts \$8,922,200 of DSH funds to the GF.

DHS

- Repeals the Health Crisis Fund, and reverts any remaining balance to the GF.
- Requires the counties to reimburse the DHS for defendants' inpatient competency restoration treatment at the following levels, and allows them to use any source of revenue to meet this requirement:
 - In counties with populations of fewer than 800,000 persons, the counties shall pay 50% of the costs in FY 2008-09.
 - In counties with populations of more than 800,000 persons, the counties shall pay 86% of the costs in FY 2008-09.

DES

- Eliminates the General Assistance program.
- Allows DES to reduce maximum income eligibility levels for child care assistance in order to manage within available monies in FY 2008-09, and requires DES to report to JLBC within fifteen days after implementing any change.

SB 1005 – Chapter 5 – criminal justice; budget reconciliation; FY 2008-2009

Makes changes to the FY 2008-09 state budget related to criminal justice.

- Increases the monthly adult probation services fee from \$50 to \$65 and specifies that all of these monies must be deposited into each county's Adult Probation Services Fund, rather than any amount over \$40.
- Requires the Administrative Office of the Courts (AOC) to charge each county's Adult Probation Services Fund an amount that is established by the AOC annually. This amount must reflect each county's annual share of the superior court's risk management premium that is allocated to the judiciary.

SB 1006 – Chapter 6 – education; budget reconciliation; FY 2008-2009

Makes the following changes to the FY 2008-09 state budget related to K-12 and higher education:

K-12 Education

- Reduces BSL funding on a proportional basis for school districts, TAPBI programs, and JTEDs that receive state aid by \$98,198,000 for FY 2008-09.
- Reduces the Soft Capital allocation to school districts that receive basic state aid by \$21,000,000 for FY 2008-09. All school districts are permitted to use remaining Soft Capital monies for any operating or capital expenditures in FY 2008-09.
- Reduces BSL funding and Soft Capital allocation for school districts that do not qualify for state aid for FY 2008-09 by the amount that would otherwise be reduced if the district did receive state aid. To the extent possible, BSL funding reductions must be taken against administrative costs rather than classroom instruction.
- Requires ADE to adjust the budget limits for school districts for FY 2008-09 to reflect the BSL funding and Soft Capital allocation reductions. The school district budget limit adjustments do not apply to voter-approved overrides.
- Provides an exemption from BSL funding and Soft Capital allocation reductions for school districts with less than 600 students in grades K-8 and school districts with less than 600 students in grades 9-12.
- Exempts SBE from notifying each school district of expenditure reductions required by the Constitutional aggregate expenditure limitation (AEL) and exempts school districts from adopting a revised budget to reflect reductions required by the AEL for FY 2008-09.
- Reduces Additional Assistance to charter schools on a proportional basis by \$4,000,000 for FY 2008-09.

Community Colleges

- Specifies operating state aid and equalization state aid for community colleges for FY 2008-09 as the amount provided in the general appropriation act or other acts enacted by the 49th Legislature and allows community colleges to use operating funding for capital outlay purposes and capital outlay funding for operating purposes for FY 2008-09.

Universities

- Modifies full-time student enrollment from the count on the 21st day of the fall semester to the average of the count on the 45th day of both the fall and spring semesters and specifies that changes in student count and the reductions to FY 2008-09 appropriations for ABOR and the universities are intended to result in a total overall reduction of \$141,500,000.
- Lowers the maximum amount of lease-to-own and bond transactions ABOR can authorize through the University Fund from \$1,000,000,000 to \$800,000,000 and makes the following changes to the distribution of bond proceeds from the University Fund:
 - Caps the amount of lease-to-own and bond transactions allowed for FY 2008-09 at \$167,671,200.
 - Caps the amount of lease-to-own and bond transactions allowed for FY 2009-10 at \$400,000,000.
 - Requires ABOR to distribute \$376,000,000 of the total \$800,000,000 in bond proceeds to the University of Arizona Phoenix Biomedical Campus.
- Prohibits ABOR from approving the remaining \$632,328,800 of the \$800,000,000 in bonding authority that was not submitted to JCCR by October 2, 2008.
- Deposits at least \$57,000,000 from the State Lottery Fund to the state GF for FY 2009-10 after certain distributions have been made.