

**FY 2004
PUBLIC FINANCES OMNIBUS RECONCILIATION BILL (ORB)
CHAPTER 263 (HB 2533)***

* The Governor line item vetoed provisions in this bill. This Appropriations Report has incorporated references to the vetoes without making an assessment of their legality. As of this writing, there is pending litigation concerning the legality of certain vetoes.

	<u>Section</u>
Department of Administration	
<i>PIPP Continuing Appropriations</i>	
• As session law, revert in FY 2004 unspent appropriations of approximately \$80,000 from Laws 1997, 1 st Special Session, Chapter 1, which appropriated monies for the Performance-Based Incentive Pilot Program (PIPP).	68
<i>Personnel Division Rate</i>	
• As permanent law, establish personnel division rate at 1.04%.	41
<i>Telecommunications Services Request for Proposals</i>	
• As session law, require GITA to develop RFP for privatization of telecommunication services. ADOA will select and implement new contracts. JCCR will review RFP and selection, and receive monthly reports. Makes \$500,000 available to GITA from the Technology and Telecommunications Fund for the RFP.	101
Commission on the Arts	
<i>Endowment Fund</i>	
• As session law, suspend deposit into Endowment Fund in FY 2004. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	96
<i>Heritage Fund</i>	
• As session law, allow use of Parks Heritage Fund for operating expenditures and community service projects. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	95
Attorney General	
<i>Collection Enforcement Revolving Fund</i>	
• As session law, allow use of Collection Enforcement Revolving Fund for operating expenses in FY 2004.	90
<i>Cost Allocation</i>	
• As permanent law, establish a charge to all non-appropriated and other appropriated funds for non-contracted Attorney General legal services. Excludes legislative agencies, agencies already exempt from having to use Attorney General services, ADOT, and the ADOA Risk Management Fund. Deposit monies to General Fund. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	39
Building and Fire Safety	
<i>Recreational Vehicles</i>	
• As permanent law, repeal requirements to approve recreational vehicle construction plans and inspections.	49-57
Department of Commerce	
<i>Job Training Fund</i>	
• As permanent law, permit the use of Department of Commerce Job Training Fund for DES' JOBS program, which provides job training for welfare clients. Monies in the fund may be appropriated for this purpose.	44
Corporation Commission	
<i>Utility Regulation Revolving Fund</i>	
• As permanent law, allow the use of the Utility Regulation Revolving Fund for Corporation	35,36

Commissioners expenses.

Department of Corrections

Exemption from State Procurement Code

- As session law, exempt the Department of Corrections from the state procurement code for the purposes of entering into private prison contracts in FY 2004. 78

Arizona Criminal Justice Commission

Eliminate Funding Double-Count

- As permanent law, allow General Fund monies appropriated to the State Aid to County Attorneys Fund and State Aid to Indigent Defense Fund to be expended from those funds without a second appropriation. 5,6

Arizona State Schools for the Deaf and the Blind/Commission for the Deaf and the Hard of Hearing

Telecommunications Excise Tax

- As permanent law, expand use of the Telecommunications Excise Tax from the Telecommunications Devices for the Deaf Fund to also include operating costs for the Arizona State Schools for the Deaf and the Blind and Poison Control within the Department of Health Services. Retroactive to June 30, 2003. 12,62,102

Department of Environmental Quality

General Fund Transfer to WQARF

- As session law, set the FY 2004 corporate income tax transfer to WQARF at \$10,000,000. 77

Vehicle Emissions Inspection In-Lieu Fees

- As session law, deposit first \$11.7 million of in-lieu fees in General Fund (instead of Air Quality Fund) in FY 2004 and FY 2005, and allocate first \$1.7 million above \$11.7 million to diesel vehicle conversion grants. THE GOVERNOR LINE ITEM VETOED THE PORTION OF THIS PROVISION PERTAINING TO DIESEL VEHICLE CONVERSION GRANTS. 98

Government Information Technology Agency

ITAC Membership

- As permanent law, add JLBC Director/designee as a non-voting member to ITAC. 59

Governor's Office of Excellence in Government

Eliminate Agency

- As permanent law, eliminate references in statute regarding the Governor's Office of Excellence in Government. The agency was created by executive order. 33,34, 45,58

Department of Health Services

Abstinence Programs

- As permanent law, allow the use of Lottery monies for abstinence programs. Retroactive to June 30, 2003. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 1-4, 29, 30, 102

Telecommunications Services Excise Tax/Poison Control

- As permanent law, expand use of the Telecommunications Excise Tax from the Telecommunications Devices for the Deaf Fund to also include operating costs for the Poison Control Center and the Arizona State Schools for the Deaf and the Blind. Retroactive to June 30, 2003. 62,102

Department of Housing

Housing Trust Fund/Unclaimed Property Fund

- As permanent law, redirect first \$2.5 million of Housing Trust Fund allocation from the Unclaimed Property Fund to the General Fund. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 60,64

Department of Insurance

Fee Range Suspension

- As session law, suspend 95%-110% fee requirement in FY 2004. 72

Judiciary

State Aid to the Courts Fund

- As permanent law, allow General Fund monies appropriated to the State Aid to the Courts Fund to be expended from the fund without a second appropriation. 7

Judicial Collections Plan

- As permanent law, deposit 75% (up to \$45 million) from judicial collections into the General Fund. Used as trigger for state employee health insurance and retirement costs. 8,108

Probation Officer Caseload Ratios

- As session law, suspend adult probation officer caseload ratios for Maricopa County. 71

County Probation Reimbursement

- As session law, require Pima County to reimburse \$1,381,900 for the county share of Adult and Juvenile Probation Costs in FY 2004 and FY 2005. As separate provision, Maricopa County will assume responsibility for all Maricopa Adult Probation costs. 82

State Land Department

Carbon Dioxide Mining

- Authorize use of \$80,000 from the Federal Reclamation Trust Fund for the department to hire consultants to develop agreements related to gas extraction on state trust lands. Also directs department to develop cost sharing agreements for future costs. 105

Natural Resource Conservation Districts Funding

- As permanent law, repeal the restrictions on the uses of monies in the Environmental Special Plate Fund and make fund subject to legislative appropriation. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 18

Arizona State Lottery Commission

Rerirect Prior Clean Air Fund Deposits into General Fund

- As permanent law, deposit any lottery monies that would have been deposited in the Clean Air Fund into the General Fund. Existing statute eliminates the Clean Air Fund. Retroactive to June 30, 2003. 3,102

Powerball Profit Transfer to the General Fund

- As session law, require the Arizona Lottery to return 31.6% of Powerball sales to the General Fund in FY 2004. 70

Department of Mines and Mineral Resources

Admission Fees

- As permanent law, authorize admission fee for persons over 18 years of age. 13,14

Rent Exemption

- As session law, provide \$205,100 rent exemption in FY 2004 and FY 2005. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 73

Arizona Parents Commission on Drug Education and Prevention

Drug Treatment and Education

- As permanent law, deposit first \$600,000 into Arizona Parents Commission on Drug Education and Prevention Fund and remainder of collections in the General Fund. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 9

State Parks

Land Conservation Fund

- As permanent law, amend Land Conservation Fund statutes to direct that unused interest monies may be appropriated for agency operating costs. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 40

Heritage Fund

- As session law, suspend the statutory distributions from the Parks Heritage Fund in FY 2004. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 94

Off Highway Vehicle Recreation Fund

- As session law, allow the agency to spend up to \$692,100 for general agency operating costs from the Game and Fish Department allocation of the fund. 74

<i>State Parks Enhancement Fund (SPEF)</i>	
<ul style="list-style-type: none"> As session law, allow legislative appropriation of the entire fund, less an amount sufficient to fund the lease-purchase payment for the Tonto Natural Bridge State Park, for operating purposes in FY 2004. Currently, half of the fund for capital purposes is non-appropriated. 	107
Department of Public Safety	
<i>Redirect CJEF Revenues</i>	
<ul style="list-style-type: none"> As session law, continue to redirect 9% of CJEF revenues, formerly deposited into the General Fund, to DPS to fund the department's crime lab system in FY 2004. 	79
<i>Firearms Clearance</i>	
<ul style="list-style-type: none"> As permanent law, transfer firearms background checks to federal government. 	10,81
<i>HURF/State Highway Fund</i>	
<ul style="list-style-type: none"> As session law, suspend the schedule established by A.R.S. § 28-6537 and A.R.S. § 28-6993 governing the level of HURF and State Highway Fund revenues available to fund DPS' Highway Patrol costs and remove the spending cap in FY 2004. 	80
<i>Consolidate Liquor Enforcement with Department of Liquor Licenses and Control</i>	
<ul style="list-style-type: none"> As permanent law, remove DPS' statutory provisions regarding liquor enforcement and transfer funding and equipment from DPS to the Department of Liquor Licenses and Control. 	46-48, 97
<i>Sex Offender Monitoring</i>	
<ul style="list-style-type: none"> As permanent law, authorize DPS to charge a fee for registering and monitoring sex offenders and create the Sex Offender Monitoring Fund for deposit of fees. 	11
Department of Real Estate	
<i>Fee Range Suspension</i>	
<ul style="list-style-type: none"> As session law, suspend 95%-110% fee requirement in FY 2004. 	75
Department of Revenue	
<i>Ladewig v. State</i>	
<ul style="list-style-type: none"> As session law, allocate \$75 million for the Ladewig v. State of Arizona settlement in FY 2004 and allow \$7.3 million to be used for administrative costs. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 	69
<ul style="list-style-type: none"> As session law, allow any remaining FY 2003 administrative funding to also be used in FY 2004 for administrative costs. 	67
Department of Transportation	
<i>Civil Penalties</i>	
<ul style="list-style-type: none"> As permanent law, redirect ADOT civil penalties previously deposited in Clean Air Fund (A.R.S. 28-737, 28-876, 28-2416) to the General Fund. Existing statute eliminates Clean Air Fund. Retroactive to June 30, 2003. 	16,17,19, 102
State Treasurer	
<i>Justice of the Peace Salaries</i>	
<ul style="list-style-type: none"> As session law, fund state share of Justice of the Peace (JP) salaries at 38.5% in FY 2004 and FY 2005. 	99
Department of Water Resources	
<i>Water Protection Fund</i>	
<ul style="list-style-type: none"> As session law, suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund in FY 2004. 	76
Other	
<i>Civil Penalties</i>	
<ul style="list-style-type: none"> As permanent law, redirect civil penalty collections to General Fund: <ul style="list-style-type: none"> State Aviation Fund (ADOT) Pipeline Safety Revolving Fund (CorpComm) 	31 37,38
<i>County Contribution Fund</i>	
<ul style="list-style-type: none"> As session law, establish County Contribution Fund, which will receive \$7.4 million in payments in FY 2004 and FY 2005 from counties (excluding Maricopa county). Counties will make 12 equal payments, due on the 15th of each month. Late payments will be recouped 	87,88, 102

through sales tax withholding. Fund is subject to legislative appropriation. Retroactive to June 30, 2003 and repealed June 30, 2005.

County Transportation Contribution Fund

- As session law, establish County Transportation Contribution Fund which will receive \$8.2 million in FY 2004 (excluding Maricopa county). The fund will receive \$13 million in FY 2005 (including Maricopa county). Payments from counties are for state highway and law enforcement services. Counties may use Highway User Revenue Fund (HURF) monies to make the payments. The counties will make 12 equal payments, due on the 15th of each month. Late payments will be recouped through HURF allocation withholdings. Fund is subject to legislative appropriation. Retroactive to June 30, 2003 and repealed June 30, 2005. 92,93, 102

Environmental Tax Credit Certification Transfer

- As permanent law, allows the transfer of certification as a qualified environmental technology entity to successor taxpayers or operators if statutory criteria for facility operations are met. 43

Federal Funds

- As session law, require unrestricted federal funds received from the Jobs and Growth Tax Relief Reconciliation Act since June 1, 2003 to be deposited in the General Fund for the payment of essential government services. Retroactive to May 31, 2003. 100,102

Flight Property Tax

- As session law, defer depositing 100% of the flight property tax to the State Aviation Fund from FY 2004 to FY 2005. 65,66

State Employee Self-Insurance

- As session law, prohibit state from self-insuring for health insurance in FY 2004. 89

Maricopa County Issues

- Require Maricopa County to fund Adult Probation in FY 2004 and FY 2005 without state assistance. Require Maricopa County to report on performance measures. Increase Maricopa County expenditure limit to reflect additional probation costs. As a separate provision, Pima County will reimburse the state for Adult and Juvenile probation costs. 83,84
- Bill Maricopa County \$5,402,800 for state operations in FY 2004 and FY 2005. Monies deposited in General Fund. 110
- Transfer Black Canyon Building to Maricopa County for \$1.8 million. 103,104
- Transfer Department of Corrections Arizona Center for Women property to Maricopa County for \$3 million. 109

Over Expenditure Reporting and Resolution Plans

- As permanent law, amend A.R.S. 35-131 language to have report on spending in excess of appropriation include plan to stay within budget. 32

Phoenix International Raceway

- Extend PIR's retention of collections (from 2006 to 2018) to permit further access improvements. Contingent upon receiving another national race. If facilities are sold within 10 years, the state is reimbursed with county sales tax withholdings. Require JLBC review of any new agreements. 15,20-28, 61,106

Tax Amnesty

- As session law, offer tax amnesty program from September 1, 2003 through October 31, 2003 and require monthly reports. 85,86

Triggers for Efficiency Savings and Health and Retirement Rate Increases

- Trigger dollar for dollar reduction of \$80 million in efficiency savings based on FY 2003 revenue above forecast. Require Governor's Office of Strategic Planning and Budgeting to report by January 15, 2004 and April 15, 2004 on status and level of efficiency savings. 91
- Trigger dollar for dollar increase for health and retirement rate increases based on judicial collection plan receipts above FY 2003. Require Treasurer to report by January 15, 2004 and April 15, 2004 on the amount of receipts. 8,108

Window Display Advertising

- As permanent law, allow window display advertising of public service announcements on state vehicles. Allows vehicles to be exempted at the discretion of the agency director. 42

Withholding

- As permanent law, change income tax withholding rates to offset federal reductions. 63,102
- Require minimum \$5 per month withholding per person. 63,102

**FY 2004
EDUCATION OMNIBUS RECONCILIATION BILL (ORB)
CHAPTER 264 (HB 2534)***

* The Governor line item vetoed provisions in this bill. This Appropriations Report has incorporated references to the vetoes without making an assessment of their legality. As of this writing, there is pending litigation concerning the legality of certain vetoes.

	<u>Section #</u>
Auditor General	
<i>School District Audit Responses</i>	
• As permanent law, require a school district to respond in writing to Auditor General audits regarding areas of agreement or disagreement and report to the Auditor General every 6 months for 24 months regarding the status of its implementation of audit recommendations. Require a school district to participate in any audit hearing scheduled by the Joint Legislative Audit Committee or its designee.	4, 12
• As permanent law, require the Auditor General to conduct a follow-up review of a district's progress in implementing the recommendations of an audit every 6 months for 24 months. Allow the Auditor General to continue follow-up reviews after 24 months for audit recommendations not yet implemented. Require the Auditor General to provide results of follow-up reviews to the Joint Legislative Audit Committee.	4, 12, 13
• As permanent law, allow the Auditor General to attend executive sessions of school districts for issues pertaining to school wide audits.	14
Community Colleges	
<i>Eliminate State Board of Directors for Community Colleges</i>	
• As permanent law, eliminate the board.	6, 15
• As session law, require Legislative Council to draft conforming legislation for the next regular session. Establish a legislative study committee to direct preparation of the legislation.	38, 44, 45
<i>Community College Rural County Reimbursement</i>	
• As permanent law, amend A.R.S. § 15-1469 to transfer responsibility for determining the community college rural county reimbursement from the State Board of Directors for Community Colleges to the JLBC.	7
<i>JCCR Review of Projects Funded with Bond Proceeds</i>	
• As permanent law, require community college districts to seek JCCR review for projects funded from all types of bond issuances, not just issuances requiring voter approval.	8
<i>State Aid Specified in General Appropriation Act</i>	
• As session law, suspend the funding formulas in A.R.S. § 15-1464, 15-1466, and 15-1468 and instead fund FY 2004 Capital Outlay State Aid, Operating State Aid, and Equalization Aid at levels set in the General Appropriation Act.	21
Arizona Department of Education	
<i>Federal Annuities</i>	
• As permanent law, allow school employees to use severance pay, sick leave payouts or vacation payouts to purchase federal tax sheltered "403" annuity plans, retroactive to May 1, 2003.	1, 45
<i>Proposition 301 Deflator</i>	
• As permanent law, increase by 2% the base support level, transportation and charter school Additional Assistance.	2, 3, 5
<i>Rapid Decline</i>	
• As session law, reduce Rapid Decline formula by 50% for FY 2004. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	40
<i>Excess Utilities Cap</i>	
• As session law, amend current cap language in order make the cap relative to actual FY 2002 expenditures for excess utilities rather than relative to budgeted expenditures for Excess Utilities for FY 2002 as of January 1, 2002.	16, 45

<i>Chartering Suspension</i>	
• As session law, prohibit the State Board of Education (SBE) from sponsoring any additional charter schools during FY 2004 and require the State Board for Charter Schools to provide oversight for existing SBE-sponsored charter schools during FY 2004.	20
<i>K-12 Rollover</i>	
• As session law, defer until July 1, 2004 \$191 million of the Basic State Aid and Additional State Aid (Homeowner’s Rebate) payment that school districts otherwise would receive on June 15, 2004, and appropriate \$191 million for July 2004.	36, 37
<i>Parental Choice for Reading Success</i>	
• As session law, amend Laws 2002, Chapter 295 in order to transfer an inadvertent double appropriation for the Parental Choice for Reading Success program for FY 2003 back to the General Fund.	39
<i>Shorter School Year</i>	
• As session law, allow a shorter than 36-week school year using longer days.	41
<i>Family Literacy Program</i>	
• As session law, change the “sunset” date of the program from 2004 to 2014.	46
<i>Flagstaff Budget Correction</i>	
• As session law, give Flagstaff Unified more time to correct budget errors through reduced state aid.	43
School Facilities Board	
<i>JCCR Treasurer Transfer Instructions Report</i>	
• As permanent law, require the board to report annually, instead of biennially with an off-year update, to the Joint Committee on Capital Review the amounts necessary to fulfill its statutory obligations for the following fiscal year and an estimate of the amounts necessary for the fiscal year following the next fiscal year.	9
<i>Building Renewal Formula</i>	
• As permanent law, change the building renewal formula to better reflect actual building system maintenance costs: 1) Limit the age of a building to 30 years; 2) Eliminate separate funding formula for portable buildings; 3) Use square foot per student requirements from minimum adequacy guidelines rather than from new construction guidelines and 4) Use “replacement cost” per square foot rather than new construction cost per square foot in the formula. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	10, 45
• As session law, notwithstanding the amended formula so that no money will be distributed for FY 2004.	42
<i>New School Facilities Fund Reduction</i>	
• As session law, disregard SFB instructions to transfer \$250 million from the General Fund to the New School Facilities Fund and instead make no transfer.	17, 45
<i>Deficiencies Correction Fund Reduction</i>	
• As session law, disregard SFB instructions to transfer \$280 million from the General Fund to the Deficiencies Correction Fund and instead make no transfer.	18, 45
<i>Lease-to-Own</i>	
• As session law, allow the board to enter into lease-to-own agreements for a maximum of \$250 million in FY 2004.	19
<i>Deficiencies Correction Revenue Bonding</i>	
• As session law, require SFB to issue up to \$247.1 million in Revenue Bonds to pay for the remaining costs of correcting existing school deficiencies.	11, 22-34
• As session law, require SFB to receive bids for projects to be paid for with revenue bonds before issuing the bonds and submit to JCCR for approval a list of project bids and estimated principal and interest payments.	35
• As session law, require SFB to report to JCCR the cost of projects in Tucson Unified School District, Mesa Unified School District, and Glendale Union School District after receiving bids for projects in those districts.	35

FY 2004
HEALTH AND WELFARE OMNIBUS RECONCILIATION BILL (ORB)
CHAPTER 265 (HB 2535)*

*** The Governor line item vetoed provisions in this bill. This Appropriations Report has incorporated references to the vetoes without making an assessment of their legality. As of this writing, there is pending litigation concerning the legality of certain vetoes.**

	<u>Section</u>
AHCCCS	
<i>CHIP – Parents</i>	
• As permanent law, eliminate eligibility for parents of children in the Children’s Health Insurance Program (A.R.S. § 36-2981.01) after FY 2004.	35, 36, 58
<i>CHIP</i>	
• As permanent law, allows GF monies to be deposited into CHIP Fund to pay for KidsCare services.	39
<i>Premium Sharing Program</i>	
• As permanent law, repeal statutes establishing the Premium Sharing Program (A.R.S. § 36-2923).	32
<i>Emergency Services Program</i>	
• As permanent law, eliminate SES program (A.R.S. § 36-2901.06). THE GOVERNOR LINE ITEM VETOED THIS PROVISION (SECTION 14 ONLY) BUT LATER DESCRIBED THIS ACTION AS A CLERICAL ERROR).	14, 17
<i>Adult Emergency Dental Care</i>	
• As permanent law, repeal statutes establishing coverage for emergency dental care for AHCCCS members over 21. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	21, 22, 26, 27
<i>Redetermination Period</i>	
• As permanent law, change redetermination period from 1 year to 6 months.	13
• As session law, exempt AHCCCS from rulemaking requirements for two years to implement changes.	54
<i>Hospital Reimbursement Pilot Program</i>	
• As permanent law, make the Hospital Reimbursement Pilot Program permanent.	19
• As session law, exempt AHCCCS from rulemaking requirements for two years to implement changes.	54
<i>Medically Needy Account</i>	
• As permanent law, repeal 3 versions of statutes providing for Medically Needy Account distributions and provide that medically needy account allocations are specified in the General Appropriations Act starting in FY 2004. THE GOVERNOR LINE ITEM VETOED THE PROVISIONS (SECTIONS 25 AND 31) PROVIDING THAT ALLOCATIONS ARE SPECIFIED IN THE GENERAL APPROPRIATION ACT STARTING IN FY 2004.	25, 30, 31, 39, 56
<i>Expansion of Cost-Sharing</i>	
• As permanent law, establish increased co-payments, enrollment fees, and premiums for AHCCCS members in the Long-Term Care System, the Acute Care program, the KidsCare program and the Proposition 204 expansion population.	1, 2, 15, 16, 18, 20, 28, 29, 37, 38, 40
• As session law, exempt AHCCCS from rulemaking requirements for two years to implement changes.	54
<i>County Acute Care Contributions</i>	
• As session law, set the County Acute Care contribution at \$66,689,500, same level as FY 2003.	44
<i>Disproportionate Share Uncompensated Care (DUC) Pool</i>	
• As session law, clarify that use of DUC pool contributions is determined by AHCCCS.	43, 45, 56
<i>Disproportionate Share Hospitals (DSH) withholding</i>	
• As session law, withholds \$78,041,900 from counties in FY 2004.	46-48
<i>County Proposition 204 Administration Contribution</i>	
• As permanent law, convert Budget Neutrality Compliance Fund, which receives the county contribution, to appropriated status. THIS GOVERNOR LINE ITEM VETOED THIS PROVISION.	33
<i>Extend Claim Reimbursement Window</i>	
• As session law, increases from 6 to 12 months the length of time a non-profit hospital, on private land next to a reservation, in a county with population of less than 500,000 has to submit claims for all Title XIX services to AHCCCS qualified patients who have received a covered prescription drug from the hospital.	55

<i>DDD/Long Term Care (LTC) Cost-Sharing</i>	
• As session law, exempt AHCCCS from rulemaking requirements for two years to implement changes.	54
<i>ALTCS County Costs and Federal Savings</i>	
• As session law, set FY 2004 county contribution rates in the General Appropriation Act in order to pass-through to counties a proportional savings level related to temporary federal matching assistance percentage reductions.	61
Department of Economic Security	
<i>DDD/Long Term Care (LTC) Cost-Sharing</i>	
• As permanent law, permit DDD to bill trusts for the cost of care of services (current law only permits billing trusts' earned interest).	7
• As permanent law, require DDD clients to convert trusts to meeting Medicaid criteria in order to receive DDD services.	6
• As session law, exempt DES from rulemaking requirements for two years to implement changes.	53
<i>LTC Eligibility</i>	
• As permanent law, require 2% annual deductible for households above 400% FPL (\$74,000 for family of 4) with children in LTC program. Phases up to 4% at 500% FPL (\$92,000) and above. Capped at cost of care. Use adjusted gross income for eligibility/deductible.	34
<i>General Assistance</i>	
• As permanent law, permit DES to establish waiting list for program or impose other cost-saving measures. Require report to JLBC within 15 days of imposition of such measures.	42
<i>Institutional Support Payments</i>	
• As session law, suspend requirement to pay Institutional Support Payments in FY 2004	60
<i>Maximum Child Care Income Eligibility</i>	
• As session law, permit DES to reduce income eligibility levels for all child care programs. Require report to JLBC within 15 days of change in levels.	63
<i>Character Education</i>	
• As session law, reappropriate remaining NAU character education monies to DES for distribution to statewide groups serving youth.	52
<i>Medical Record Confidentiality</i>	
• As permanent law, permit sharing of foster care and developmental disabilities client medical data pursuant to federal Health Insurance Portability and Accountability Act (HIPAA) requirements, effective from/after April 13, 2003.	3, 8, 56
<i>Utility Assistance Fund</i>	
• As session law, permit use of Utility Assistance Fund to provide low income households with short term crisis services.	50
Department of Health Services	
<i>Medically Needy Account</i>	
• As permanent law, repeal 3 versions of statutes providing for Medically Needy Account distributions and provide that medically needy account allocations are specified in the General Appropriations Act starting in FY 2004. THE GOVERNOR LINE ITEM VETOED THE PROVISIONS (SECTIONS 25 AND 31) PROVIDING THAT ALLOCATIONS ARE SPECIFIED IN THE GENERAL APPROPRIATION ACT STARTING IN FY 2004.	25, 30, 31, 39, 56
<i>Restoration to Competency Cost Sharing</i>	
• As session law, maintain the requirement for cities and counties to pay for cost of restoration to competency treatment at 86% for FY 2004 and FY 2005; Maricopa at 100%. Effective from/after June 30, 2003.	49, 56
• As permanent law, deposit restoration to competency county reimbursements into ASH Fund for expenditure through legislative appropriation. Also require any fund balances from these deposits revert to the General Fund at the end of the fiscal year.	5
<i>Vital Records Electronic Systems Fund Changes</i>	
• As permanent law, expand the purposes of the Vital Records Electronic Systems Fund. THE GOVERNOR LINE ITEM VETOED THIS PROVISION.	4
<i>Suicide Prevention Program</i>	
• As session law, suspend the Suicide Prevention Program in FY 2004.	59

Tobacco Tax Medically Needy Programs

- As session law, suspend deposits into and expenditures from the Health Crisis Fund in FY 2004. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 62
- As permanent law, make Rural Primary Care Loan Repayment program subject to availability of monies. 10
- As permanent law, make evaluations subject to the availability of monies. 23, 24, 57

Substance Abuse

- As permanent law, deposit Medical Service Enhancement Fund monies for substance abuse into the General Fund. THE GOVERNOR LINE ITEM VETOED THIS PROVISION. 9, 11, 12, 41

Department of Veterans' Services

Veterans' Cemetery Fund

- As session law, authorizes the withdrawal of \$179,000 in FY 2004 from the State Veterans' Cemetery Fund for the operating expenses of the Southern Arizona Veterans' Cemetery. 51