

Chairman: The Honorable Marc Spitzer

JLBC Analyst: John Malloy

| | FY 2002 Actual | FY 2003 Estimate | FY 2004 Approved |
|---|-------------------|---------------------|--------------------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 308.5 | 300.8 | 300.8 |
| Personal Services | 12,478,800 | 13,480,000 | 13,671,500 |
| Employee Related Expenditures | 2,535,300 | 3,022,200 | 3,383,100 |
| Professional and Outside Services | 929,500 | 873,400 | 873,400 |
| Travel - In State | 280,400 | 282,700 | 284,700 |
| Travel - Out of State | 76,000 | 78,800 | 81,800 |
| Other Operating Expenditures | 4,211,200 | 3,179,800 | 2,970,100 |
| Equipment | 912,200 | 500,600 | 639,700 |
| OPERATING SUBTOTAL | 21,423,400 | 21,417,500 | 21,904,300 |
| SPECIAL LINE ITEMS | | | |
| Utility Audits, Studies, Investigations & Rate Hearings | 0 | 380,000 | 380,000 ^{1/} |
| AGENCY TOTAL | 21,423,400 | 21,797,500 | 22,284,300^{2/} |

FUND SOURCES

| | | | |
|---|-------------------|-------------------|-------------------|
| General Fund | 5,269,400 | 5,007,300 | 4,795,300 |
| <u>Other Appropriated Funds</u> | | | |
| Arizona Arts Trust Fund | 36,600 | 43,500 | 38,800 |
| Investment Management Regulatory and Enforcement Fund | 733,000 | 761,200 | 770,800 |
| Pipeline Safety Revolving Fund | 73,000 | 0 | 0 |
| Public Access Fund | 1,734,000 | 1,789,700 | 1,824,500 |
| Securities Regulatory and Enforcement Fund | 3,847,100 | 3,381,100 | 3,424,000 |
| Utility Regulation Revolving Fund | 9,730,300 | 10,814,700 | 11,430,900 |
| SUBTOTAL - Other Appropriated Funds | 16,154,000 | 16,790,200 | 17,489,000 |
| AGENCY TOTAL | 21,423,400 | 21,797,500 | 22,284,300 |

AGENCY DESCRIPTION — *The Arizona Corporation Commission (ACC) was established by Article 15 of the Arizona Constitution and consists of 5 statewide elected Commissioners, each serving 4-year terms. The commission has 3 primary responsibilities. The Corporations Division provides public access to corporate annual reports, articles of incorporation, and corporate status change documents. The Securities Division regulates securities dealers and investment advisers. The Utilities Division monitors approximately 500 public service corporations operating in Arizona and establishes public utility rates. Other functions of the commission include inspecting gas pipelines and railroad track.*

^{1/} This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)

^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

| PERFORMANCE MEASURES | FY 2002 Appropriation | FY 2002 Actual | FY 2003 Appropriation | FY 2004 Appropriation |
|--|--------------------------|-------------------|--------------------------|--------------------------|
| • Number of corporations and limited liability companies (LLC's) in Arizona | 325,848 | 300,767 | 369,268 | -- |
| • Average turnaround time in weeks for processing of regular corporate filings | 6.5 | 7 | 6.5 | 6.5 |
| • Average turnaround time in days for processing of expedited corporate filings | 2 | 2 | 2 | 2 |
| • Average time in days to complete a utility rate case | 195 | 239 | 200 | 200 |
| • Number of complaints received by the Securities Division | 420 | 510 | 450 | -- |
| • Number of months required to review complaints received by Securities Division | -- | 1.5 | -- | 1.5 |
| • Number of railroad grade crossing accidents | 35 | 29 | 35 | -- |
| • % of agency staff turnover | 13 | NA | 13 | 13 |
| • Administration as a % of total cost | 8.1 | NA | 8.2 | 11 |
| • Customer satisfaction rating for Corporations program (Scale 1-8) | 6.0 | NA | 6.0 | 6.0 |

Comments: The agency did not submit information for any measure labeled as "NA."

Technical Adjustments — The FY 2004 approved amounts include technical adjustments for Employee Related Expenditures, Risk Management charges, Other Fund health and dental insurance changes, Other Fund retirement changes, and Other Fund AFIS charges. (Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)

professional expertise and advice to the Utilities Program staff.

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Administrative Cost Reallocation Plan — The approved amount includes a General Fund decrease of \$(237,800) and (5) FTE Positions below FY 2003 and a Utility Regulation Revolving Fund increase of \$237,800 and 5 FTE Positions above FY 2003 as part of an administrative cost reallocation plan.

Additional Commissioners — The approved amount includes a General Fund increase of \$237,800 above FY 2003 to annualize funding for 2 new commissioners and 4 new support staff as provided by Proposition 103, which was approved by voters in the November 2000 election.

Proposition 103 amended the Arizona Constitution to expand the Corporation Commission from 3 members to 5 members. Proposition 103 did not, however, add additional staff for the new members, nor did it add funding for this purpose.

Special Line Items

Utility Audits, Studies, Investigations & Rate Hearings — The approved amount (all from the Utility Regulation Revolving Fund) includes no change in funding from FY 2003. Monies in this Special Line Item allow the commission to hire outside consultants who provide