

FY 2003 OMNIBUS RECONCILIATION BILL PROVISIONS

Arizona Department of Administration

Telecommunications Services Request for Proposals

- As session law, require ADOA to develop an RFP to solicit bids on the privatization of telecommunications services to all state agencies. The RFP is subject to JLBC review.

Community Colleges

State Aid Specified in General Appropriation Act

- As session law, suspend the funding formulas in A.R.S. § 15-1464, 15-1466, and 15-1468 and instead fund FY 2003 Capital Outlay State Aid, Operating State Aid, and Equalization Aid at levels set in the General Appropriation Act and any amendments to the General Appropriation Act.

Office of the Governor

Federal Grant Administrative Costs

- As session law, place a 10% limit on the amount of any federal grant that the Office of Governor may use for administrative costs.

Department of Health Services

AHCCCS Medically Needy Account

- As session law, require DHS to revert unexpended Medically Needy monies allocated in FY 2002 and prior years to the AHCCCS Medically Needy account.

ASH Forensic Renovation

- As session law, prohibit the use of unexpended or unencumbered monies in the ASH Capital Construction Fund for renovation of forensic facilities.

Restoration to Competency Cost Sharing

- As permanent law, increase the requirement for cities and counties to pay for cost of restoration to competency treatment from 86% to 100%.

Pretrial Detention Cost Sharing

- As permanent law, require counties to assume the costs of pretrial detention for the sexually violent population at the Arizona Community Treatment and Prevention Center.

Judiciary

Probation Cost Sharing

- As session law, require counties to reimburse for \$9.7 million in Adult and Juvenile Probation costs (via reduced FY 2003 revenue sharing).

State Parks

Off Highway Vehicle Recreation Fund

- As session law, allow the agency to spend up to \$877,300 (**includes additional FY 2003 Lump Sum reduction**) from this fund for general agency operating costs.

Department of Public Safety

Firearm Clearance Center

- As permanent law, re-establish A.R.S. § 13-3114 requiring DPS to conduct firearms background checks.

Highway User Revenue Fund Reimbursement

- As session law, reimburse the General Fund from the Highway User Revenue Fund for DPS Highway Patrol expenditures of \$12,000,000 in FY 2001.

Department of Revenue

Ladewig v. State

- As session law, amend Laws 2002, Chapter 321, Section 18 to reduce the FY 2003 allocation for the Ladewig v. State of Arizona case from \$75,000,000 to \$30,000,000.

School Facilities Board

Deficiencies Correction Dates

- As permanent law, delay from June 30, 2003 to December 31, 2004 the date by which all existing statewide school deficiencies shall be corrected.
- As permanent law, delay repeal of the Deficiencies Correction Fund from June 30, 2004 to June 30, 2005.

Deficiencies Correction Advance Appropriation

- As session law, appropriate \$100 million from the General Fund to the Deficiencies Correction Fund in FY 2005 (would reappropriate a FY 2003 \$100 million transfer from the Deficiencies Correction Fund to the General Fund).

Other

Unclaimed Property/Lawsuit Settlement Fund

- As session law, deposit proceeds from unclaimed property in excess of FY 2002 proceeds into the newly established Lawsuit Settlement Fund.

Filled FTE Positions Report

- As session law, require agencies to report on the number of appropriated Full-Time Equivalent Positions that are filled as of December 31, 2002.

FY 2004 OMNIBUS RECONCILIATION BILL PROVISIONS

Department of Administration

Annual and Sick Leave Adjustments

- As permanent law, provide 40-hour increases to the annual leave accrual schedule and eliminate the sick leave schedule for state employees.

PIPP Continuing Appropriations

- As session law, revert in FY 2004 unspent appropriations of approximately \$80,000 from Laws 1997, 1st Special Session, Chapter 1, which appropriated monies for the Performance-Based Incentive Pilot Program (PIPP).

Capitol Police transfer to DPS

- As permanent law, transfer responsibility for the Capitol Police from the Arizona Department of Administration to the Department of Public Safety.

Department of Agriculture

Agricultural Consultation and Training Fee for Service

- As permanent law, allow the department to collect fees for service for the Agricultural Consultation and Training program.

Dairy Inspections Fee for Service

- As permanent law, allow the department to collect fees for dairy inspections.

AHCCCS

CHIP

- As permanent law, amend statutes establishing the funding and eligibility for parents of children in the Children's Health Insurance Program.

Premium Sharing Program

- As permanent law, repeal statutes establishing the Premium Sharing Program.

Health Care Group

- As permanent law, eliminate requirement for the state to pay reinsurance costs for the Health Care Group Program.

Critical Access Hospitals

- As permanent law, eliminate Critical Access Hospitals program.

Young Adult Transitional Insurance (YATI)

- As permanent law, eliminate AHCCCS eligibility for ex-foster care children aged 18-21.

Ticket To Work

- As permanent law, eliminate the Ticket to Work program.

Adult Emergency Dental Care

- As permanent law, repeal statutes establishing coverage for emergency dental care for AHCCCS members over 21.

Redetermination Period

- As permanent law, change redetermination period from 1 year to 6 months.

Medicaid in Public Schools – 15% withholding

- As permanent law, direct that 15% of Federal Medicaid in Public Schools monies received by AHCCCS be deposited into the General Fund.

Breast and Cervical Cancer Treatment

- As permanent law, eliminate Breast and Cervical Cancer treatment program.

Hospital Reimbursement Pilot Program

- As permanent law, make the Hospital Reimbursement Pilot Program permanent.

ALTCS County Contributions

- As session law, freeze the state subsidy for ALTCS growth at the FY 2003 level, sets the county contribution level for FY 2004 at \$208,797,500.

Medically Needy Account

- As permanent law, repeal 2 versions of statutes providing for Medically Needy Account distributions, set to go into effect July 1, 2003, and January 1, 2004.

Medically Needy Account FY 2004 Allocations

- As permanent law, provide that medically needy account allocations are specified in the General Appropriations Act.

Expansion of Cost-Sharing

- As permanent law, establish increased co-payments, enrollment fees, and premiums for AHCCCS members in the Long-Term Care System, the Acute Care program, and the Proposition 204 expansion population.

County Acute Care Contributions

- As session law, set the County Acute Care contribution at \$66,689,500, same level as FY 2003.

Disproportionate Share Uncompensated Care (DUC) Pool

- As session law, continue the use of \$6.5 million county withholding amount from the DUC pool as AHCCCS state match.

Disproportionate Share Hospitals

- As session law, authorize the withholding of county Transaction Privilege Tax revenue in FY 2004 to reimburse the state for indigent health care services.

Attorney General

Cost Allocation

- As permanent law, establish a charge to all non-appropriated and other appropriated funds for non-contracted Attorney General legal services.

Agency Exemptions

- As permanent law, permit 90/10 agencies to contract for their own legal services.

Department of Commerce

Job Training Fund

- 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.

Community Colleges

State Aid Specified in General Appropriation Act

- 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.

Eliminate Dual Enrollment Funding

- As permanent law, eliminate Operating State Aid and Capital Outlay State Aid for dual enrollment students.

Eliminate “Hold Harmless” Provision

- As permanent law, eliminate the “hold harmless” provision in the Operating State Aid formula to increase or decrease funding relative to changes in enrollment.

JCCR Review of Projects Funded with Bond Proceeds

- As permanent law, clarify current statute to require community college districts to seek JCCR review for projects funded from all types of bond issuances, not only issuances requiring voter approval.

State Aid

- As permanent law, eliminate the budget request process since, as a result of the reduction of responsibilities of the State Board, no agency has the authority to compile the necessary data.

Eliminate Transaction Privilege Tax Distribution to Tribal Community Colleges

- As permanent law, eliminate the distribution of sales tax to qualifying tribal community colleges for capital needs pursuant to A.R.S. § 42-5031.01.

Department of Corrections

Felony Sentences of 1 Year or Less

- As permanent law, require that all felony offenders sentenced to a term of incarceration of one year or less shall serve their sentence at a county jail.

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.

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.

Arizona State Schools for the Deaf and the Blind

Telecommunications Excise Tax

- As permanent law, allocate a percentage of the Telecommunications Service Excise Tax to ASDB to fund agency operating expenses.

Cooperative Programs Administration

- As permanent law, transfer responsibility for administrative costs of the Cooperative Programs from ASDB to participating school districts.

Commission for the Deaf and the Hard of Hearing

Technical Correction

- As permanent law, correct technical references in A.R.S. § 36-1947 relating to the deposit of a portion of the telecommunications excise tax into the Telecommunications Fund for the Deaf.

TDD Fund

- As permanent law, expand use of the Telecommunications Excise Tax from the Telecommunications Devices for the Deaf Fund to also include the Arizona State Schools for the Deaf and the Blind and Poison Control within the Department of Health Services.

Department of Economic Security

Division of Developmental Disabilities (DDD) Structure

- As permanent law, delete requirement that the Division of Developmental Disabilities (DDD) have 6 districts to permit the agency to consolidate districts.

DDD/Long Term Care (LTC) Cost-Sharing

- As permanent law, permit DDD to bill trusts for the cost of care of services (current law only permits billing trusts’ earned interest).
- As permanent law, increase the share of Supplemental Security Income (SSI) that DDD may retain for cost of care from 70% to 80%.
- As permanent law, require DDD clients to convert trusts to Medicaid Qualifying Trusts in order to receive DDD services.
- As permanent law, permit charging monthly premiums for non-room-and-board LTC services.

LTC Eligibility

- As permanent law, incorporate parental income in determining financial eligibility for Long Term Care (LTC) for DD clients less than 18 years of age.

General Assistance

- As permanent law, eliminate the General Assistance program.

Institutional Support Payments

- As permanent law, eliminate the Institutional Support Payments program.

Tuberculosis Control

- As permanent law, eliminate the Tuberculosis Control payments program.

Family Builders Services

- As permanent law, eliminate the services component of the Family Builders program.

Summer Youth Employment and Training

- As permanent law, eliminate the Summer Youth Employment and Training program.

Maximum Child Care Income Eligibility

- As permanent law, reduce the upper income limit for low income child care from 165% of the Federal Poverty Level (FPL) to 135% FPL.

Job Training Fund

- 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.

Transitional Child Care

- As permanent law, reduce the amount of time former welfare clients can receive Transitional Child Care from 24 to 12 months.

Arizona Department of Education

K-12 Rollover

- 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.

Administrative Costs

- As session law, instruct the Department of Education to reduce each school district's Basic State Aid entitlement for FY 2004 by the extent to which its administrative costs for FY 2001 were not at least 10% below the statewide average for that year for districts of similar type and size.

Teacher Experience Index

- As permanent law, amend the formula in A.R.S. § 15-941 for computing the Teacher Experience Index in order to reduce the cost of the index by 50%.

Career Ladder Program

- As permanent law, amend A.R.S. § 15-918.04 and related statutes in order to 1) reduce from 5.5% to 4.5% the percentage by which Career Ladder districts may increase their Revenue Control Limit in FY 2004, and 2) phase out the program over 8 years.

Rapid Decline

- As permanent law, repeal A.R.S. § 15-942, which authorizes funding for Rapid Decline.

Homeowner's Rebate for Desegregation Expenditures

- As permanent law, amend A.R.S. §§ 15-910(G) and 15-972 in order to disqualify desegregation taxes from Homeowner's Rebate funding.

Homeowner's Rebate for Excess Utilities

- As permanent law, amend A.R.S. §§ 15-910(A) and 15-972 in order to disqualify "excess utilities" taxes from Homeowner's Rebate funding.

State Block Grant for Early Childhood Education

- As permanent law, repeal A.R.S. § 15-1251, which authorizes the State Block Grant for Early Childhood Education program.

Adult Education

- As permanent law, repeal A.R.S. § 15-234, which pertains to state appropriations for the Adult Education program.

Family Literacy

- As permanent law, repeal A.R.S. § 15-191.01, which authorizes the Family Literacy program.

Parental Choice for Reading Success

- As session law, amend Laws 2002, Chapter 295 in order to repeal an inadvertent double appropriation for the Parental Choice for Reading Success program for FY 2003.

Vocational Education Extended Year

- As permanent law, amend A.R.S. § 15-782.02 in order to delete references to state funding for the Vocational Education Extended Year program.

AIMS Intervention/Dropout Prevention

- As permanent law, repeal A.R.S. § 15-809, which authorizes the AIMS Intervention/Dropout Prevention program.

Special Education Cost Study

- As permanent law, repeal A.R.S. § 15-236(A), which requires the department to complete a special education cost study every 2 years.

Proposition 301 Deflator

- As permanent law, increase by 2% the funding level per transportation route mile in A.R.S. § 15-945 and the charter school Additional Assistance funding level per pupil in A.R.S. § 15-185(B4).

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.

Aquifer Permit Protection Program Fees

- As permanent law, repeal the provision that Aquifer Protection Permit fee can only cover billable program costs.
- As session law, provide the ADEQ with emergency rulemaking authority in FY 2004 to revise Aquifer Permit Protection Fees to cover total program costs.

Arizona Pollution Discharge Elimination System Fees

- As permanent law, repeal the provision that prohibits ADEQ from charging a fee for Arizona Pollution Discharge Elimination System (AZPDES) permits.
- As session law, provide ADEQ with emergency rulemaking authority in FY 2004 to establish AZPDES Fees to cover total program costs.

Vehicle Emissions Inspection In-Lieu Fee Repeal

- As permanent law, repeal in FY 2006 the fee charged in-lieu of an emissions inspection test fee for vehicles 5-years old and newer.

Governor's Office of Equal Opportunity

Eliminate Agency

- As permanent law, eliminate references in statute regarding the Governor's Office of Equal Opportunity. The agency was created by executive order.

State Board of Equalization

Transfer Responsibilities to Counties

- As permanent law, transfer responsibility for valuation and classification hearings back to Maricopa and Pima counties.

Arizona Game and Fish Department

Sale of Aircraft

- As session law, require Arizona Game and Fish Department to sell the Cessna 404 aircraft at no less than fair market value and deposit the proceeds from the sale into the Game and Fish Fund.

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.

Department of Health Services

Medically Needy Account

- As permanent law, repeal current statute governing Medically Needy Account and amend Statute to Allow monies to be used for services in AHCCCS and DHS as specified by the General Appropriations Act.

Restoration to Competency Cost Sharing

- As permanent law, increase the requirement for cities and counties to pay for cost of restoration to competency treatment from 86% to 100%.

Pretrial Detention Cost Sharing

- As permanent law, require counties to assume the costs of pretrial detention for the sexually violent population at the Arizona Community Treatment and Prevention Center.

Vital Records Electronic Systems Fund Changes

- As permanent law, expand the purposes of the Vital Records Electronic Systems Fund.

Telecommunications Services Excise Tax

- As permanent law, allocate a percentage of the Telecommunications Service Excise Tax to DHS to fund Poison Control.

Suicide Prevention Program

- As permanent law, repeal Laws 2001, Chapter 319, which created the Suicide Prevention Program.

Provision of Behavioral Health Services

- As permanent law, change various references relating to the provision of behavioral health services from “shall” to “may”.

Arizona Historical Society

Allow Charges for Services

- As permanent law, allow the Arizona Historical Society to collect admission fees.

Prescott Historical Society of Arizona

Allow Charges for Services

- As permanent law, allow the Prescott Historical Society to collect admission fees.

Commission of Indian Affairs

Arizona Indian Town Hall Fund

- As permanent law, allow the Arizona Indian Town Hall Fund to accept donations and pay for operational expenses.

Judiciary

Superior Court Judgeships

- As permanent law, suspend the statute specifying that counties add new Superior Court Judgeships for every 30,000 additional residents.

County Probation Reimbursement

- As permanent law, require counties to reimburse the state for the county share of Adult and Juvenile Probation Costs.

Probation Officer Caseload Ratios

- As session law, increase adult and juvenile probation officer caseload ratios.

Judicial Collection Enhancement Fund

- As permanent law, expand the uses of the Judicial Collection Enhancement Fund to include any program administered by the Supreme Court.

Defensive Driving School

- As permanent law, shift the Defensive Driving School program and Defensive Driving School Fund to the Arizona Department of Transportation.

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.

Justice of the Peace Courts

- As permanent law, clarify status of the Justice of the Peace courts.

State Land Department

Natural Resource Conservation Districts Funding

- As permanent law, repeal the restrictions on the uses of monies in the Environmental Special Plate Fund.

Environmental Education Center Grants

- As permanent law, repeal the requirement that Environmental Special Plate Fund monies be used to provide \$5,000 to each Natural Resource Conservation District with an established Environmental Education Center.

Arizona State Lottery Commission

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.

State Parks

State Lake Improvement Fund (SLIF)

- As permanent law, amend SLIF statutes to restrict grants to projects only on waters where motorized boating is allowed.

Land Conservation Fund

- As permanent law, amend Land Conservation Fund statutes to direct that unused interest monies may be appropriated for agency operating costs.

State Parks Enhancement Fund (SPEF)

- As permanent law, amend SPEF statutes to allow legislative appropriation of the entire fund, less an amount sufficient to fund the lease-purchase payment for the Tonto Natural Bridge State Park. Currently, half of the fund for capital purposes is non-appropriated.

Off Highway Vehicle Recreation Fund

- As session law, allow the agency to spend up to \$877,300 from this fund for general agency operating costs.

Department of Public Safety

HURF/State Highway Fund

- 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.

Redirect CJEF revenues

- 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.

Local Law Enforcement Reimbursement for DPS Crime Laboratory Services

- As permanent law, authorize DPS to charge a fee for crime laboratory services provided to local law enforcement agencies.

Sex Offender Monitoring

- 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.

Consolidate Liquor Enforcement with Department of Liquor Licenses and Control

- As permanent law, remove DPS' statutory provisions regarding liquor enforcement and transfers funding and equipment from DPS to the Department of Liquor Licenses and Control.

Eliminate Board of Fingerprinting Fund Double-Count

- As permanent law, allow General Fund monies appropriated to the Board of Fingerprinting Fund to be expended from the fund without a second appropriation.

Sale of DPS Aircraft

- As session law, require DPS to sell the King Air E-90 and the Cessna 210 aircraft at no less than fair market value and deposit the proceeds from the sale into the General Fund.

Capitol Police transfer From ADOA

- As permanent law, transfer responsibility for the Capitol Police from the Arizona Department of Administration to the Department of Public Safety.

Department of Revenue

DOR Estate and Unclaimed Property Fund

- As permanent law, deposit \$5,000,000 from the DOR Estate and Unclaimed Property Fund to the General Fund, before making the specified percentage distributions to the Housing Trust Fund and Racing Fund.

Ladewig v. State

- As session law, allocate \$75,000,000 for the Ladewig v. State of Arizona settlement in FY 2004.

Secretary of State

Presidential Preference Primary

- As permanent law, repeal A.R.S. § 16-241 through A.R.S. § 16-250 to eliminate the Presidential Preference Primary.

School Facilities Board

Lease-to-Own

- As session law, allow the board to enter into lease-to-own agreements for a maximum of \$250 million in FY 2004.

Building Renewal Formula

- As permanent law, make the following changes to the building renewal formula to better reflect actual building system maintenance costs: 1) Limit the age of a building to 30 years; 2) Equalize funding for portable buildings; 3) Use the replacement cost per square foot; 4) Use the square foot per student designated by the minimum adequacy guidelines.

JCCR Treasurer Transfer Instructions Report

- 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 necessary amounts to fulfill its statutory obligations for the following fiscal year and an estimate of the necessary amounts for the fiscal year following the next.

New School Facilities Fund Reduction

- 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.

Deficiencies Correction Fund Reduction

- As session law, disregard SFB instructions to transfer \$280 million from the General Fund to the Deficiencies Correction Fund and instead make no transfer.

Deficiencies Correction Revenue Bonding

- As session law, require SFB to issue up to \$247,135,000 in Revenue Bonds to pay for the remaining costs of correcting existing school deficiencies.

Office of Tourism

Tourism and Sports Authority Transfer

- As session law, transfer \$4,410,000 in FY 2004 from the Tourism Revenue Clearing Account to the General Fund.

State Treasurer

Justice of the Peace Salaries

- As permanent law, eliminate the state share of Justice of the Peace (JP) salaries.

Commission on Uniform State Laws

Eliminate Agency

- As permanent law, eliminate the Commission on Uniform State Laws.

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.

Department of Water Resources

As session law, suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund in FY 2004.

Other

Flight Property Tax

- As session law, defer depositing 100% of the flight property tax to the General Fund from FY 2004 to FY 2006.

Sale of State Property

- As permanent law, require that state property may not be sold for less than fair market value.

FY 2004 ZERO-BASED BUDGETS

The following agencies/programs may require statutory changes as a result of zero-based budgeting for FY 2004.

AHCCCS

- Children's Health Insurance Program

Arizona Commission on the Arts

Department of Commerce

State Board of Directors of Community Colleges

Department of Economic Security

- Hunger, Homeless, Domestic Violence Grants
- Intensive Family Services Program
- Independent Living Rehabilitation Services

Board of Executive Clemency

Arizona Exposition and State Fair Board

Department of Health Services

- Tobacco Tax Medically Needy Programs
- Substance Abuse Programs
- Disease Control Research Commission

Judiciary/Parents Commission/Department of Corrections

- Drug Treatment and Education Fund Programs

Residential Utility Consumer Office

Office of Tourism

Arizona Department of Transportation

- Construction of MVD Service Centers