

FY 2006 BUDGET RECONCILIATION BILLS PROVISIONS

AHCCCS

County Acute Care Contributions

- As session law, set the County Acute Care contribution at \$66,689,500, same level as FY 2005.

Disproportionate Share Uncompensated Care (DUC) Pool

- As session law, continue the use of DUC pool contributions in AHCCCS.

Disproportionate Share Hospitals (DSH) Withholding

- As session law, establish FY 2006 withholding amounts from counties, and adjust county expenditure limit calculations.

Attorney General

Collection Enforcement Revolving Fund

- As session law, continue to allow use of Collection Enforcement Revolving Fund for operating expenses in FY 2006.

Department of Corrections

Continue Corrections Fund Revenues

- As permanent law, extend distribution of revenues from luxury taxes on alcohol and tobacco products to Corrections Fund to June 30, 2010. Distribution scheduled to expire on June 30, 2005.

Department of Economic Security

Institutional Support Payments

- As permanent law, eliminate Institutional Support Payments program.

Maximum Child Care Income Eligibility

- As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require report to JLBC within 15 days of change in levels.

Arizona Department of Education

2% Inflation Adjustment

- As permanent law, increase by 2% the formula funding "base level" in A.R.S. § 15-901(B2), the charter school "additional assistance" amounts per pupil in A.R.S. § 15-185(B4) and the transportation funding amounts per route mile in A.R.S. § 15-945(A5). (The "base level" would increase by about 2.5% because of higher "additional school day" funding for FY 2005 from Proposition 301.)

Rapid Decline Formula

- As session law, continue to fund the Rapid Decline formula at 50% for FY 2006.

Joint Technological Education District Cap

- As session law, cap statewide JTED Basic State Aid funding at the FY 2005 level for FY 2006.

Desegregation Cap

- As session law, continue through FY 2006 a "soft cap" that allows desegregation expenditures to increase for enrollment growth and inflation.

Chartering Suspension

- As session law, continue to prohibit the State Board of Education (SBE) from sponsoring any additional charter schools during FY 2006 and require the State Board for Charter Schools to continue to provide oversight for existing SBE-sponsored charter schools during FY 2006.

K-12 Rollover

- As session law, defer until July 1, 2006 \$191 million of the Basic State Aid and Additional State Aid (Homeowner's Rebate) payment that school districts otherwise would receive on June 15, 2006, and appropriate \$191 million for July 2006.

Shorter School Year

- As session law, continue to allow a shorter than 36-week school year using longer days.

Department of Environmental Quality

General Fund Transfer to WQARF

- As session law, continue to set the FY 2006 corporate income tax transfer to WQARF at \$10,000,000.

Underground Storage Tank Fund

- As session law, continue to set administrative cap at \$6,031,000 in FY 2006.

Government Information Technology Agency

Credit Card Transactions

- As permanent law, require state agencies to report once annually on the number of electronic transactions and the total dollar amount of any processing fee charged, deducted, or paid, in addition to existing reporting items related to credit card transactions.

Department of Health Services

Restoration to Competency Cost Sharing

- As session law, continue to require counties and cities to pay 86% of cost of restoration to competency treatment in FY 2006.

Suicide Prevention Program

- As session law, continue to suspend the Suicide Prevention Program in FY 2006.

Arizona Historical Society

Fees

- As permanent law, allow agency to charge fees for services.

Departments of Insurance

Fee Range Suspension

- As session law, continue to suspend 95%-110% fee requirement in FY 2006 and FY 2007.

Judiciary

Maricopa County Probation

- As session law, continue to suspend adult probation officer caseload ratios for Maricopa County in FY 2006.
- As session law, continue to require Maricopa County to fund Adult Probation in FY 2006 without state assistance. Require Maricopa County to report on performance measures. Increase Maricopa County expenditure limit to reflect additional probation costs.

Pima County Probation

- As session law, continue provision from prior 3 years requiring Pima County to reimburse \$1,381,900 for the county share of Adult and Juvenile Probation costs in FY 2006.

Arizona State Lottery Commission

Powerball Profit Transfer to the General Fund

- As session law, continue to require the Arizona Lottery to return 31.6% of Powerball sales to the General Fund in FY 2006 and FY 2007.

State Parks

Off Highway Vehicle Recreation Fund

- As session law, allow the agency to spend up to \$692,100 for general agency operating costs from the Park allocation of the Off Highway Vehicle Recreation Fund in FY 2006 and FY 2007.

State Parks Enhancement Fund (SPEF)

- As session law, continue 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, for operating purposes in FY 2006 and FY 2007. Currently, half of the fund for capital purposes is non-appropriated.

Department of Public Safety

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 operations in FY 2006.

HURF/State Highway Fund

- As session law, continue to 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 2006.

Departments of Real Estate

Fee Range Suspension

- As session law, continue to suspend 95%-110% fee requirement in FY 2006 and FY 2007.

Arizona State Retirement System

Information Technology Appropriation Lapsing Extension

- As session law, amend FY 2003 and FY 2005 General Appropriation Acts to extend the lapsing date of the Information Technology Plan appropriations from June 30, 2005 to June 30, 2006.

Department of Revenue

Ladewig v. State Settlement

- As session law, allocate \$58.3 million from General Fund for the Ladewig v. State of Arizona settlement and allow \$1.8 million to be used for administrative costs in FY 2006 subsequent to JLBC review.

School Facilities Board

Building Renewal Formula

- As permanent law starting in FY 2007, 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.

Building Renewal Fund Transfer

- Transfer \$60.1 million from the Building Renewal Fund to the General Fund in FY 2006. Under current law, \$130.1 million will be automatically transferred from the General Fund to the Building Renewal Fund. This subsequent transfer back will result in a net \$70 million in the Building Renewal Fund for distribution to districts.

Lease-to-Own Authority Suspension

- As session law, suspend board authority to enter into lease-to-own agreements totaling \$200 million for new school construction in FY 2006.

State Treasurer

Justice of the Peace Salaries

- As session law, fund state share of Justice of the Peace (JP) salaries at 38.5% in FY 2006.

Universities/Board of Regents

Indirect Capital Financing Agreement Review

- As permanent law, require JCCR review of indirect capital financing agreements.

Debt Ratio Calculation

- As permanent law, require the 8% debt ratio cap calculation to include indirect capital financing agreements.

Department of Water Resources

Water Protection Fund

- As session law, continue to suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund in FY 2006.

Augmentation and Conservation Assistance Fund/Dam Repair Fund

- As session law, allow the use of up to \$1,551,600 from the Augmentation and Conservation Assistance Fund and the Dam Repair Fund for operating expenditures in FY 2006.

Other

Federal Funds

- As session law, require unrestricted federal funds received between May 1, 2005 and June 30, 2006 to be deposited in the General Fund for the payment of essential government services. Retroactive to April 30, 2005.