

Department of Health Services
Public Health

A.R.S. § 36-103

JLBC Analyst: John Malloy/Matt Busby

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	240.5	240.5	248.1 ^{1/}
Personal Services	3,844,000	4,097,400	4,296,900
Employee Related Expenditures	1,191,300	1,349,400	1,555,600
Professional and Outside Services	64,500	53,900	53,900
Travel - In State	60,600	65,500	65,500
Travel - Out of State	13,100	0	0
Other Operating Expenditures	356,600	435,300	453,300
Equipment	68,600	0	0
OPERATING SUBTOTAL	5,598,700	6,001,500	6,425,200
SPECIAL LINE ITEMS			
Disease Control			
County Tuberculosis Provider Care and Control	700,700	1,010,500	1,010,500
Diabetes Prevention and Control	75,500	100,000	1,100,000 ^{2/}
Vaccines	3,780,500	3,784,300	8,184,300 ^{3/4/5/}
Arizona Statewide Immunization Information System	457,100	478,500	503,200
STD Control Subventions	23,700	26,300	26,300
AIDS Reporting and Surveillance	1,057,800	1,125,000	1,125,000 ^{6/}
Laboratory Services	3,749,600	4,260,900 ^{7/}	5,173,800 ^{8/}
Kidney Program	50,500	50,500	50,500
Renal and Nonrenal Disease Management	450,000	518,000 ^{9/}	768,000 ^{6/10/11/}
Hepatitis C Surveillance	322,500	376,000	397,800
Local Health			
Direct Grants	460,300	460,300	460,300 ^{12/}
Reimbursement to Counties	67,900	67,900	67,900 ^{13/}
County Public Health	200,000	200,000	200,000 ^{14/}
Primary Care			
Loan Repayment	91,500	250,000	250,000
Community Health Centers	9,931,000	10,433,800	13,464,900 ^{15/16/}
Telemedicine	204,100	260,000	260,000
Disease Research			
Biotechnology	0	5,500,000	5,500,000 ^{17/}
Alzheimer's Disease Research	1,000,000	2,000,000	5,000,000
Alzheimer's Research - Biotechnology	0	3,000,000	0
Autism Pilot	0	0	2,300,000 ^{18/}
Ch. 367 Autism Research	0	0	7,100,000 ^{19/}
Ch. 362 Osteoporosis Outreach	0	0	300,000 ^{20/}
Teratogen Program	0	0	60,000 ^{21/}
Emergency Medical Services			
EMS Operations	3,164,500	3,024,900	3,163,900
Trauma Advisory Board	125,700	373,600	392,300
Ch. 360 Trauma Services	0	0	2,000,000 ^{22/}
University of Arizona Poison Control Center Funding	956,200	1,275,000 ^{23/}	1,275,000
Poison Control Center Funding	693,800	925,000 ^{24/}	925,000
Scorpion Antivenom	78,900	150,000	150,000
Other			
Umbilical Cord Pamphlets	0	0	30,000
Vital Records Maintenance	0	0	500,000
PROGRAM TOTAL	33,240,500	45,652,000	68,163,900^{25/}
FUND SOURCES			
General Fund	26,335,500	28,948,400	48,386,100
<u>Other Appropriated Funds</u>			
Arizona Medical Board Fund	62,600	100,000	0

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
Emergency Medical Services Operating Fund	3,369,100	4,357,700	4,531,700
Environmental Laboratory Licensure Revolving Fund	823,300	895,900	946,100
Poison Control Fund	1,650,000	1,850,000	0
TTHCF Health Research Account	1,000,000	6,500,000	6,500,000
TTHCF Medically Needy Account	0	3,000,000	7,300,000
Vital Records Electronic Systems Fund	0	0	500,000
SUBTOTAL - Other Appropriated Funds	6,905,000	16,703,600	19,777,800
SUBTOTAL - Appropriated Funds	33,240,500	45,652,000	68,163,900
Other Non-Appropriated Funds	28,154,900	32,985,200	30,528,100
Federal Funds	50,786,000	60,990,000	60,990,000
TOTAL - ALL SOURCES	112,181,400	139,627,200	159,682,000

COST CENTER DESCRIPTION — The Public Health program provides funding for both state and local emergency medical services programs and poison control centers. In addition, the program provides funding for some county health programs, epidemiology and disease control, and treatment of a number of specific illnesses, as well as maintaining vital records services for birth and death certificates. The program also includes the State Health Laboratory, which provides laboratory testing for other state agencies, water testing, contagious disease testing and other public health related testing.

- 1/ Includes 81.6 GF and 53 OF FTE Positions funded from Special Line Items in FY 2007.
- 2/ Laws 2006, Chapter 350 appropriation of \$1,000,000.
- 3/ The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2007 on the amount of federal monies received for FY 2007 for the 317 vaccines program. (General Appropriation Act footnote)
- 4/ The Department of Health Services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal Vaccines for Children program and eligibility for the state Children's Health Insurance Program. This requirement applies to vaccines purchased with state monies appropriated for the Vaccines Special Line Item for both the Federal 317 program and the state-only immunization program. (General Appropriation Act footnote)
- 5/ Laws 2006, Chapter 350 appropriation of \$4,400,000.
- 6/ Monies appropriated for AIDS Reporting and Surveillance and Renal and Nonrenal Disease Management shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.
- 7/ Laws 2006, Chapter 316 appropriation of \$175,000.
- 8/ Laws 2006, Chapter 350 appropriation of \$520,000.
- 9/ Includes \$50,000 appropriation by Laws 2006, Chapter 366 for Kidney Programs. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations through June 30, 2007.
- 10/ The Department of Health Services may use up to 4% of the amounts appropriated for Renal and Nonrenal Disease Management, Community Health Centers and Telemedicine for the administrative costs to implement each program. (General Appropriation Act footnote)
- 11/ Includes \$300,000 appropriation by Laws 2006, Chapter 366 for Kidney Programs. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations through June 30, 2008.
- 12/ The appropriation for Direct Grants is to provide for local health work and a portion of the cost of employing 1 public health nurse and 1 sanitarian in counties with populations of less than 500,000 persons. The monies are to be divided equally among eligible counties on a nonmatching basis. All monies that are received by a county under this appropriation and that are not used for the prescribed purposes revert to the state General Fund. (General Appropriation Act footnote)
- 13/ The \$67,900 appropriated for Reimbursement to Counties is to provide matching monies to counties with populations of less than 500,000 persons for local health work on an equal matching basis and shall be distributed based on the proportion of funding each county received in FY 2003. (General Appropriation Act footnote)
- 14/ The \$200,000 appropriated for County Public Health shall be distributed as follows to the following counties to reimburse local health departments pursuant to A.R.S. § 36-189: Coconino, \$36,220; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740. (General Appropriation Act footnote)
- 15/ Of the \$10,464,900 appropriated for Community Health Centers in the General Appropriations Act, at least \$564,000 shall be distributed to Yavapai County for county primary care programs. (General Appropriation Act footnote, as adjusted for statewide allocations)
- 16/ Laws 2006, Chapter 331 appropriation of \$3,000,000.
- 17/ Includes \$5,000,000 appropriated by Laws 2002, Chapter 320 for Biotechnology. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. Also includes \$500,000 appropriated by Laws 2002, Chapter 186 for Biotechnology.
- 18/ Laws 2006, Chapter 331 appropriation of \$2,300,000.
- 19/ Includes \$7,100,000 appropriation by Laws 2006, Chapter 367 for Autism Research. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations through June 30, 2008.
- 20/ Includes \$300,000 appropriation by Laws 2006, Chapter 362 for Osteoporosis Outreach. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations through June 30, 2008.
- 21/ Laws 2006, Chapter 350 appropriation of \$60,000.
- 22/ Includes \$2,000,000 appropriation by Laws 2006, Chapter 360 for Trauma Services. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations through June 30, 2008.
- 23/ Laws 2006, Chapter 316 appropriation of \$175,000.
- 24/ Laws 2006, Chapter 316 appropriation of \$175,000.
- 25/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
<ul style="list-style-type: none"> Immunization rate among 2-year-old children Comments: The immunization rate among 2-year-old children measures the increase among all children, not just the children funded through the Vaccines SLI. 	75	79	82	80
<ul style="list-style-type: none"> % of high school youth who smoked in the last month 	20.7	18.9	20	18
<ul style="list-style-type: none"> Customer waiting time in Vital Records lobby (in minutes) 	25	20	22	20

Operating Budget

The budget provides \$6,425,200 from the General Fund for the operating budget in FY 2007. This amount consists of:

	FY 2007
General Fund	\$5,599,700
Emergency (EMS) Operating Fund	825,500

These amounts include an increase of \$423,700 for statewide adjustments. This amount consists of:

General Fund	407,400
Emergency (EMS) Operating Fund	16,300

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

Special Line Items

Disease Control

County Tuberculosis Provider Care and Control

The budget provides \$1,010,500 from the General Fund for County Tuberculosis Provider Care and Control in FY 2007. This amount is unchanged from FY 2006. This line item provides General Fund reimbursement to hospitals and physicians for the care of hospitalized tuberculosis patients and for assistance to all county health departments for local tuberculosis control programs. The program also provides directly-observed therapy to tuberculosis patients deemed at-risk not to complete treatment, and therefore, possibly to develop drug-resistant tuberculosis.

Diabetes Prevention and Control

The budget provides \$1,100,000 from the General Fund for Diabetes Prevention and Control in FY 2007, including the following adjustment:

Diabetes Education

The State Government Budget Reconciliation Bill (BRB) (Laws 2006, Chapter 350) provides an increase of

\$1,000,000 from the General Fund in FY 2007 for one-time funding for Diabetes Education.

This line item provides diabetes awareness information, including information about diabetes prevention, detection, and treatment, through various sources such as newspaper, radio, and television ads. The monies will also be used for education to promote diabetes awareness and prevention, for a diabetes state resource directory, and to track state statistics related to diabetes, including the diabetes population, medical costs, illnesses, and deaths.

Vaccines

The budget provides \$8,184,300 from the General Fund for Vaccines in FY 2007, including the following adjustment:

Additional Vaccines

The State Government BRB provides an increase of \$4,400,000 from the General Fund in FY 2007 to provide additional vaccines for underinsured children and adults. Of this amount, \$3,900,000 will be used to purchase additional vaccines for children and \$500,000 to purchase pneumococcal vaccines for underinsured adults.

This line item provides General Fund monies for the purchase of vaccines from the federal government for the state immunization program, which serves underinsured children who do not have private insurance coverage for vaccines and who are not eligible for the federal Vaccines for Children program or the AHCCCS program. DHS purchases the vaccines and distributes them to local health agencies that are recruited to administer the shots. Providers must enter into an agreement with the Arizona Immunization Program to provide vaccines to eligible children. DHS estimates that funding for this program enables them to purchase 153,600 vaccine doses. Funding in this line item is in addition to approximately \$28,000,000 in federal monies.

Arizona Statewide Immunization Information System (ASIIS)

The budget provides \$503,200 and 6 FTE Positions from the General Fund for ASIIS in FY 2007. The amount includes an increase of \$24,700 from the General Fund for statewide adjustments.

This line item provides funding for ASIIS, which is a statewide immunization database that records all vaccinations provided in Arizona.

Sexually Transmitted Disease (STD) Control Subventions

The budget provides \$26,300 from the General Fund for STD Control Subventions in FY 2007. This amount is unchanged from FY 2006. This line item provides assistance to local venereal disease control programs.

AIDS Reporting and Surveillance

The budget provides \$1,125,000 from the General Fund for AIDS Reporting and Surveillance in FY 2007. This amount is unchanged from FY 2006.

The line item provides \$125,000 for a database system administered by Maricopa and Pima Counties to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions. The program also receives \$1,000,000 to provide medications under the Arizona AIDS Drug Assistance Program, which also receives Federal Funds for the medications. The program served an average of 866 clients per month FY 2005. This is an increase of 105 clients, or 13.8% over FY 2004.

Laboratory Services

The budget provides \$5,173,800 and 72.1 FTE Positions for Laboratory Services in FY 2007. These amounts consist of:

General Fund	4,227,700
Environmental Laboratory Licensing Revolving Fund	946,100

These amounts include an increase of \$267,900 for statewide adjustments. This amount consists of:

General Fund	217,700
Environmental Laboratory Licensing Revolving Fund	50,200

Laboratory Issues

The budget also provides an increase of \$820,000 and 4.6 FTE Positions from the General Fund in FY 2007 for Laboratory Services. Of the amount, \$700,000 and 3.6 FTE Positions will go to the Phoenix laboratory for operating and maintenance costs and \$120,000 to the Flagstaff laboratory for relocation expenses and new equipment. Of the new resources, \$520,000 was appropriated in the State Government BRB.

This line item provides laboratory testing for other state agencies, water testing, contagious disease testing, and other public health related testing. The laboratory also monitors and evaluates the quality of private laboratory testing statewide. The funding included in this line item is in addition to monies in the Newborn Screening Program Special Line Item (SLI) in the Family Health Cost Center,

approximately \$800,000 in the Administration Cost Center, and \$3,600,000 in non-appropriated fund sources.

Laws 2006, Chapter 316 provided \$175,000 from the General Fund in supplemental FY 2006 funding for utility costs relate to the state laboratory. This amount was annualized in the FY 2007 issue described above.

Kidney Program

The budget provides \$50,500 from the General Fund for the Kidney Program in FY 2007. This amount is unchanged from FY 2006. This line item reimburses provider hospitals and licensed dialysis centers for the transportation and medication costs of patients ineligible for other public assistance programs.

Renal and Nonrenal Disease Management

The budget provides \$768,000 from the General Fund for Renal and Nonrenal Disease Management in FY 2007, including the following adjustment:

Ch. 366 Kidney Programs

Laws 2006, Chapter 366 provides an increase of \$50,000 from the General Fund in FY 2006 and \$300,000 from the General Fund in FY 2007 for kidney programs. Of these amounts, \$150,000 will go to the department's nonrenal program and \$200,000 to the renal program. These appropriations are non-lapsing through June 30, 2008.

This line item provides funding for medication and other transplant-related services for renal and nonrenal transplant patients who are ineligible for other public assistance programs.

Hepatitis C Surveillance

The budget provides \$397,800 and 6 FTE Positions from the General Fund for Hepatitis C Surveillance in FY 2007. The amount includes an increase of \$21,800 from the General Fund in FY 2007 for statewide adjustments.

This line item provides funding for surveillance and control efforts of Hepatitis C, which is the most common blood borne infection in the United States. Activities include maintaining a registry of Hepatitis C cases and improving health care provider reporting of cases.

Local Health

Direct Grants

The budget provides \$460,300 from the General Fund for Direct Grants in FY 2007. This amount is unchanged from FY 2006. This line item provides grants to counties with populations of less than 500,000 persons for local health work and for a portion of the cost of employing 1 public health nurse and 1 sanitarian in each county.

Reimbursement to Counties

The budget provides \$67,900 from the General Fund for Reimbursement to Counties in FY 2007. This amount is

unchanged from FY 2006. This line item provides matching funding to counties with populations of less than 500,000 for local health work.

County Public Health

The budget provides \$200,000 from the General Fund for County Public Health in FY 2007. This amount is unchanged from FY 2006. This line item includes funding to reimburse local health departments pursuant to A.R.S. § 36-189.

The budget provides continuing a footnote in the General Appropriation Act that distributes the amounts as follows:

Coconino County	\$ 36,220
Gila County	5,440
Mohave County	30,780
Yavapai County	25,820
Yuma County	101,740

Primary Care

Loan Repayment

The budget provides \$250,000 for Loan Repayment in FY 2007. This amount consists of:

General Fund	100,000
EMS Operating Fund	150,000

Arizona Medical Board Fund

The budget provides an increase of \$100,000 from the General Fund and a decrease of \$(100,000) from the Arizona Medical Board Fund (AMBF) in FY 2007 to shift funding for this special line item from the AMBF back to the General Fund. In FY 2004, \$100,000 was shifted onto the AMBF because of budget shortfalls. This shift eliminates funding for Loan Repayment from the AMBF.

The AMBF is the operating fund of the Arizona Medical Board, which licenses physicians. The AMBF is funded from examination and licensing fees that the Arizona Medical Board collects from Arizona physicians.

These monies are used to pay physician and mid-level practitioner student loans in exchange for service in a Health Professional Shortage Areas in order to encourage providers to practice in rural areas. Participants must be U.S. citizens and have a license to practice medicine in Arizona. Currently there are 8 physicians, 3 dentists, and 5 mid-level practitioners participating in the program. Mid-level practitioners include Physician Assistants, Nurse Practitioners, and Certified Nurse Midwives.

Community Health Centers

The budget provides \$13,464,900 and 8.5 FTE Positions for Community Health Centers in FY 2007. This amount consists of:

General Fund	10,464,900
TTHCF Medically Needy Account	3,000,000

These amounts include an increase of \$31,100 from the General Fund in FY 2007 for statewide adjustments plus the following:

Additional Funding

The Health and Welfare BRB (Laws 2006, Chapter 331) provides an increase of \$3,000,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2007 for Community Health Centers. This funding is estimated to provide approximately 23,000 additional medical visits at community health centers throughout the state.

This line item provides grants to community health centers to expand primary care services to Arizona’s uninsured population. The department may authorize grants to both federally qualified health centers (which meet certain guidelines required to receive federal monies such as serving a medically underserved area or population) and non-federally qualified health centers.

Telemedicine

The budget provides \$260,000 from the General Fund for Telemedicine in FY 2007. This amount is unchanged from FY 2006. This line item provides funding for contracted telemedicine programs to facilitate the provision of health care in medically underserved areas of the state. Telemedicine is the use of computers, video imaging, broad-band channels, and telecommunications for diagnosis and treatment of persons in rural communities and secure state institutions.

Disease Research

Biotechnology

The budget provides \$5,500,000 from the Health Research Fund for Biotechnology in FY 2007. This amount is unchanged from FY 2006.

Laws 2002, Chapter 186 appropriated \$500,000 from the Health Research Fund annually from FY 2003 to FY 2012 for Biotechnology. Additionally, Laws 2002, Chapter 320 appropriated \$5,000,000 from the Health Research Fund annually from FY 2003 to FY 2007 for this purpose. Because these monies are authorized in prior appropriations, they are not included in the General Appropriation Act.

This line item provides funding to the Disease Control Research Commission (DCRC) for allocation to a nonprofit medical research foundation that specializes in biotechnology and that collaborates with universities, hospitals, and other public and private biotechnology businesses and research centers. These monies are being distributed to the Translational Genomics Research Institute (TGen).

Alzheimer's Disease Research

The budget provides \$5,000,000 for Alzheimer's Disease Research in FY 2007. This amount consists of:

General Fund	4,000,000
Health Research Fund	1,000,000

Additional Funding

The budget provides an increase of \$3,000,000 from the General Fund in FY 2007 for one-time funding for Alzheimer's Disease Research.

This line item provides funding for grants to universities, hospitals, and research centers in Arizona for dollar-for-dollar matching grants for research on the causes of Alzheimer's Disease.

Alzheimer's Research – Biotechnology

The budget provides no funding in FY 2007 and eliminates the use of the Alzheimer's Research – Biotechnology line item.

TTHCF Medically Needy Account

The budget provides a decrease of \$(3,000,000) from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2007 in order to eliminate the Alzheimer's Research – Biotechnology line item. The line item received a one-time appropriation in FY 2006 for research projects conducted by the Translational Genomics Research Institute (TGen), which is a non-profit biomedical research institute.

Autism Pilot

The Health and Welfare BRB provides \$2,300,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2007 for implementation of an Autism Pilot program. Of the amount, \$1,800,000 shall be used for autism services that utilize discrete trial and natural environment intensive behavioral treatment and \$500,000 will be used for autism services for toddlers and utilize intensive early intervention efforts. The department is required to conduct an evaluation of the autism services and submit a report of the findings and recommendations to the Governor and Legislature by March 1, 2007.

In addition to the DHS amount, the Health and Welfare BRB provides \$200,000 to DES for autism training and oversight for habilitation workers to utilize intensive behavioral treatment for children with or at-risk of developing autism. *(Please see the Department of Economic Security – Developmental Disabilities section for additional program details.)*

Ch. 367 Autism Research

Laws 2006, Chapter 367 provides a one-time appropriation of \$7,100,000 from the General Fund in FY 2007 for autism research to distribute to an Arizona nonprofit medical research foundation that specializes in biotechnology and collaborates with universities, hospitals, research centers and

other biotechnology businesses in the state. This appropriation is non-lapsing through June 30, 2008.

Ch. 362 Osteoporosis Outreach

Laws 2006, Chapter 362 appropriates \$300,000 and 3 FTE Positions from the General Fund in FY 2007 for osteoporosis research and prevention. This appropriation is non-lapsing through June 30, 2008.

Teratogen Program

The State Government BRB provides \$60,000 from the General Fund in FY 2007 for teratogen-related services provided by the University of Arizona. A teratogen is a physical, infectious, or chemical agent that causes a change in the normal development of a human embryo or fetus. This funding is in addition to \$60,000 appropriated in the Teratogen Replacement Funding SLI in the University of Arizona – Health Sciences Center section. *(Please see the University of Arizona – Health Sciences Center section for additional program details.)*

Emergency Medical Services

EMS Operations

The budget provides \$3,163,900 and 35 FTE Positions from the EMS Operating Fund for EMS Operations in FY 2007. The amount includes \$139,000 from the EMS Operating Fund for statewide adjustments.

This line item provides funding for the operating costs of programs that relate to emergency medical services. The functions of these programs include, but are not limited to, the regulation of ambulance services and providers, assistance to rural EMS providers through equipment grants and technical assistance, and the coordination and planning for the provision of local EMS programs. The line item is funded from the EMS Operating Fund, which receives 48.8% of the Medical Services Enhancement Fund, which in turn receives monies from a 13% surcharge on fines charged for criminal offenses and traffic violations.

Trauma Advisory Board

The budget provides \$392,300 and 4 FTE Positions from the EMS Operating Fund for the Trauma Advisory Board in FY 2007. The amount includes an increase of \$18,700 from the EMS Operating Fund for statewide adjustments.

This line item provides funding for operating expenses of the Trauma Advisory Board (see EMS Operations for more detail on the EMS Operating Fund). The Trauma Advisory Board (A.R.S. § 36-2222) recommends standards for a statewide trauma system, for maintaining the confidentiality of information throughout the quality assurance process, and for uniform data collection for a statewide trauma registry. The board also is required to develop a statewide EMS and trauma system, and to make recommendations on the designation of trauma centers, the development and implementation of a regional EMS and trauma system plan, and an EMS and trauma system quality improvement process.

Ch. 360 Trauma Services

Laws 2006, Chapter 360 appropriates \$2,000,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2007 for distribution to the University Medical Center (UMC). UMC is the only level 1 trauma center in southern Arizona. This appropriation is non-lapsing through June 30, 2008.

University of Arizona Poison Control Center Funding

The budget provides \$1,275,000 from the General Fund for the University of Arizona Poison Control Center in FY 2007, including the following adjustments:

Eliminate Telecommunications Services

Excise Tax Funding

The budget provides an increase of \$1,275,000 from the General Fund and a decrease of \$(1,275,000) from the Poison Control Fund in FY 2007 to eliminate funding for this Special Line Item from the Telecommunications Services Excise Tax. This change will fund the University of Arizona Poison Control Center Funding entirely with General Fund monies.

The Telecommunications Services Excise Tax is a 1.1% surcharge on gross proceeds from land line telephone bills. The Poison Control Fund receives 23% of these revenues. Since FY 2003, revenue from this tax has been decreasing. This is due to the increase in cellular telephone users and users of Voice over Internet Protocol (VoIP), who do not pay the excise tax. The receipts for FY 2005 were 17.4% lower than receipts during FY 2004. FY 2006 gross receipts through October, from the total amount of the Telecommunications Services Excise Tax collections, are 20.1% lower than receipts in FY 2005 for the same period. Revenues from the tax are estimated to decline 17.5% in FY 2006 and 15% in FY 2007. Given these projected decreases, revenues from the tax would not be sufficient to sustain the FY 2006 appropriated funding amounts in FY 2007.

This line item provides 24-hour poison education services and treatment information at the University of Arizona Poison Information Center and is funded from the Poison Control Fund. The center received an average of 200 calls per day in FY 2006 from all counties except Maricopa. The University of Arizona Poison Control Center is primarily staffed by pharmacists.

Laws 2006, Chapter 316 provides an increase of \$175,000 from the General Fund and a corresponding decrease of \$(175,000) from the Poison Control Fund in FY 2006 for supplemental funding for the University of Arizona Poison Control Center. Revenues to the Poison Control Fund were not sufficient to fund the appropriation to the University of Arizona Poison Control Center. These amounts are annualized in the FY 2007 adjustments described above.

Poison Control Center Funding

The budget provides \$925,000 from the General Fund for the Poison Control Center in FY 2007. This amount would fund the following adjustments:

Eliminate Telecommunications

Services Excise Tax Funding

The budget provides an increase of \$925,000 from the General Fund and a decrease of \$(925,000) from the Poison Control Fund in FY 2007 to eliminate funding for this Special Line Item from the Telecommunications Services Excise Tax (*See University of Arizona Poison Control Center Funding above for more information on the change in funding source*).

This line item provides funding for provision of poison control services in Maricopa County. The center is located at Good Samaritan Hospital in Phoenix. The center received an average of 305 calls per day in FY 2006 and is primarily staffed by nurses.

Laws 2006, Chapter 316 provides an increase of \$175,000 from the General Fund and a corresponding decrease of \$(175,000) from the Poison Control Fund in FY 2006 for supplemental funding for the University of Arizona Poison Control Center. Revenues to the Poison Control Fund were not sufficient to fund the appropriation to the Poison Control Center. These amounts are annualized in the FY 2007 adjustments described above.

Scorpion Antivenom

The budget provides \$150,000 from the General Fund for Scorpion Antivenom in FY 2007. This amount is unchanged from FY 2006. This line item provides funding for the distribution of new scorpion antivenom to hospitals.

Other

Umbilical Cord Pamphlet

The budget provides \$30,000 from the General Fund in FY 2007 for DHS to publish and distribute a pamphlet covering umbilical cord blood (UCB) issues including the process of umbilical cord donation, the risks associated with donation, and current and potential uses of UCB.

Vital Records Maintenance

The budget provides \$500,000 from the Vital Records Electronic Systems Fund for Vital Records Maintenance in FY 2007.

This new Special Line Item will fund the operating and maintenance costs associated with the Vital Records internet based birth and death certificate system. As explained below, this does not represent an increase in resources but a shift from non-appropriated to appropriated status.

Laws 2006, Chapter 331 changes the Vital Records Electronic Systems Fund from a non-appropriated to an appropriated fund, reduces the portion of the fee that is

deposited to the Vital Records Electronic Systems Fund so that it generates \$500,000 annually to the Fund, and allows local registrars to set their own fees.

Laws 2002, Chapter 160 established the Vital Records Electronic Systems Fund and added a \$4 surcharge to be deposited into the fund to provide for the up-front costs associated with digitizing birth and death certificates. The statute originally directed all revenues from the fee to the General Fund beginning July 1, 2006 but this requirement has since been repealed.

Monies will continue to be deposited into the Vital Records Electronic System Fund but the current surcharge will be reduced in order to generate approximately \$500,000 annually for the program's operating costs.