

Superintendent: Gary Olson

JLBC Analyst: Kimberly Cordes-Sween

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	115.8	115.8	115.8
Personal Services	3,183,000	3,406,800	3,597,100
Employee Related Expenditures	1,024,000	1,193,600	1,489,000
Professional and Outside Services	71,900	129,300	129,300
Travel - In State	22,200	25,000	25,000
Other Operating Expenditures	474,700	564,800	476,900
Food	186,600	202,200	202,200
Equipment	12,000	12,000	12,000
OPERATING SUBTOTAL	4,974,400	5,533,700	5,931,500
SPECIAL LINE ITEMS			
Prescription Drugs	279,900	436,400	436,400
AGENCY TOTAL	5,254,300	5,970,100	6,367,900^{1/2/}

FUND SOURCES

General Fund	2,057,600	0	1,280,900
<u>Other Appropriated Funds</u>			
Miners' Hospital Fund	1,206,400	1,616,200	1,664,700 ^{3/}
State Charitable Fund	1,990,300	4,353,900	3,422,300
SUBTOTAL - Other Appropriated Funds	3,196,700	5,970,100	5,087,000
SUBTOTAL - Appropriated Funds	5,254,300	5,970,100	6,367,900
Other Non-Appropriated Funds	49,400	15,000	15,000
TOTAL - ALL SOURCES	5,303,700	5,985,100	6,382,900

AGENCY DESCRIPTION — The Arizona Pioneers' Home provides a home and long-term nursing care and medical care for Arizona pioneers, long-time residents and disabled miners. The Home, on average, cares for 120 residents.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
• % of residents rating services as "good" or "excellent"	98	98	98	98

This agency's budget was originally appropriated in Laws 2005, Chapter 286. For details on this agency's original FY 2007 budget, please see the *FY 2006 Appropriations Report*. Laws 2006, Chapter 344 made adjustments to the agency's FY 2007 budget as discussed below.

	FY 2007
General Fund	\$1,280,900
Miners' Hospital Fund	1,664,700
State Charitable Fund	2,985,900

These amounts include an increase of \$575,600 for statewide adjustments. This amount consists of:

General Fund	480,800
Miners' Hospital Fund	94,800

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

Operating Budget

The budget provides \$5,931,500 for the operating budget in FY 2007. These amounts consist of:

1/ Earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated for the Pioneers' Home and the Hospital for Disabled Miners in compliance with the Enabling Act and the Constitution of Arizona. (General Appropriation Act footnote)
 2/ General Appropriation Act funds are appropriated by Detailed Line Item by Agency.
 3/ The Pioneers' Home shall not exceed its expenditure authority for monies appropriated from the Miners' Hospital for the Disabled Miners' Land Fund. (General Appropriation Act footnote)

Fund Shift

Laws 2006, Chapter 344 provides an increase of \$800,100 from the General Fund and a corresponding decrease of \$(800,100) from the State Charitable Fund in FY 2007 due to decreased revenue in the State Charitable Fund.

The Pioneers' Home receives 50% of State Charitable Fund proceeds, with the Department of Corrections and the Department of Juvenile Corrections each receiving 25%. The State Charitable Fund receives the majority of its income from interest payments from land sales, Treasurer's interest income based on the principal balance and rental income. The interest on debt financed land sales is deposited in the expendable portion of the State Charitable Fund.

Due to the sale of 2 parcels of land in 2004, through debt financing, the State Charitable Fund expendable interest increased. The FY 2006 budget assumed continued interest revenue payments of approximately \$6 million. As a result of the estimated interest revenue, \$3.6 million of the Pioneers' Home budget was shifted from the General Fund to the State Charitable Fund in the approved FY 2006 budget.

The land owners of these 2 parcels have paid off or are anticipated to pay off their financing early. The principal borrowed is deposited into the non-expendable corpus and the interest earnings are eliminated. As the result of early payoffs of the land sales, the expendable portion of the State Charitable Fund will now receive \$6.5 million less in FY 2007. As a result, this fund shift will offset the loss of interest revenue without impacting FY 2007 total funding.