

Department of Health Services
Public Health

A.R.S. § 36-103

JLBC Analyst: Amy Upston

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	240.5	248.1	248.1 ^{1/}
Personal Services	3,986,400	4,302,900	4,431,900
Employee Related Expenditures	1,310,000	1,569,000	1,579,000
Professional and Outside Services	124,800	52,800	55,800
Travel - In State	57,600	65,500	65,500
Travel - Out of State	5,500	0	0
Other Operating Expenditures	371,100	435,000	528,300
Equipment	4,900	0	0
OPERATING SUBTOTAL	5,860,300	6,425,200	6,660,500
SPECIAL LINE ITEMS			
Disease Control			
County Tuberculosis Provider Care and Control	816,400	1,010,500	1,410,500
Diabetes Prevention and Control	80,000	1,100,000	400,000
Vaccines	3,782,900	8,184,300	10,410,400 ^{2/3/4/}
Arizona Statewide Immunization Information System	472,500	503,200	517,500
STD Control Subventions	25,000	26,300	26,300
AIDS Reporting and Surveillance	1,061,800	1,125,000	1,125,000 ^{5/}
Laboratory Services	3,915,200	5,173,800	5,334,300
Kidney Program	50,500	50,500	50,500
Renal and Nonrenal Disease Management	429,500	768,000	468,000 ^{6/}
Hepatitis C Surveillance	303,800	397,800	409,300
Valley Fever Surveillance	0	0	300,000
Local Health			
Direct Grants	460,300	460,300	460,300 ^{7/}
Reimbursement to Counties	67,900	67,900	67,900 ^{8/}
County Public Health	200,000	200,000	200,000 ^{9/}
Primary Care			
Loan Repayment	98,800	250,000	250,000
Community Health Centers	10,243,000	13,464,900	14,981,300 ^{10/11/}
Telemedicine	221,500	260,000	260,000
Disease Research			
Alzheimer's Disease Research	2,000,000	5,000,000	4,000,000
Alzheimer's Research - Biotechnology	3,000,000	0	0
Autism Pilot	0	2,300,000	0
Autism Research	0	7,100,000	0
Osteoporosis Outreach	0	300,000	0
Teratogen Program	0	60,000	60,000
Emergency Medical Services			
EMS Operations	2,875,800	3,163,900	3,263,900
Trauma Advisory Board	341,200	392,300	405,400
Trauma Services	0	2,000,000	0 ^{12/}
University of Arizona Poison Control Center Funding	1,275,000	1,275,000	1,275,000
Poison Control Center Funding	693,800	925,000	925,000
Scorpion Antivenom	111,900	150,000	150,000
Other			
Umbilical Cord Pamphlet	0	30,000	0
Vital Records Maintenance	0	500,000	502,200
PROGRAM TOTAL	38,387,100	62,663,900	53,913,300^{13/}

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
FUND SOURCES			
General Fund	27,925,100	48,386,100	42,278,100
<u>Other Appropriated Funds</u>			
Arizona Medical Board Fund	66,200	0	0
Emergency Medical Services Operating Fund	3,934,900	4,531,700	4,656,600
Environmental Laboratory Licensure Revolving Fund	842,100	946,100	976,400
Poison Control Fund	1,618,800	0	0
TTHCF Health Research Account	1,000,000	1,000,000	1,000,000
TTHCF Medically Needy Account	3,000,000	7,300,000	4,500,000
Vital Records Electronic Systems Fund	0	500,000	502,200
SUBTOTAL - Other Appropriated Funds	10,462,000	14,277,800	11,635,200
SUBTOTAL - Appropriated Funds	38,387,100	62,663,900	53,913,300
Other Non-Appropriated Funds	23,853,300	25,944,600	28,294,600 ^{14/}
Federal Funds	51,966,900	57,924,400	57,563,500
TOTAL - ALL SOURCES	114,207,300	146,532,900	139,771,400

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 2008.
- 2/ The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2008 on the amount of federal monies received for FY 2008 for the 317 Vaccines Program. (General Appropriation Act footnote)
- 3/ 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 Line Item for both the Federal 317 program and the state-only immunization program. (General Appropriation Act footnote)
- 4/ The Department of Health Services shall submit a report to the Governor, the Speaker of the House of Representatives, the President of the Senate and the Joint Legislative Budget Committee on or before March 1, 2008 on the current national or state system for reporting and collecting information regarding adverse effects of vaccines. The report shall include the number of reported incidences in this state of adverse reactions to vaccines in the prior calendar year, the entities that a health care professional contacts when the professional suspects a person has had an adverse reaction to a vaccine, the information that is provided when an adverse reaction is reported and whether or not reporting adverse reactions to vaccines by a health care professional is voluntary or mandatory. The report shall also include how other states collect and disseminate information related to the adverse effects of vaccines on individuals. The report shall include information regarding all vaccines administered in this state, including vaccines purchased with both state and federal monies as well as through private insurance. (General Appropriation Act footnote)
- 5/ 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. (General Appropriation Act footnote)
- 6/ 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)
- 7/ 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)
- 8/ 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)
- 9/ 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)
- 10/ Of the \$14,981,300 appropriated for Community Health Centers, at least \$564,000 shall be distributed to Yavapai County for county primary care programs. (General Appropriation Act footnote, as adjusted for statewide allocations)
- 11/ The first \$4,500,000 in tobacco tax revenue deposited to the Tobacco Tax and Healthcare Fund – Medically Needy Account shall be distributed to the Department of Health Services for the Community Health Centers line item. (General Appropriation Act footnote)
- 12/ The Department of Health Services shall distribute a pamphlet on umbilical cord blood pursuant to A.R.S. § 36-112. The department shall distribute the pamphlet free of charge to physicians and health care institutions on request and shall make the pamphlet available on its Website. (General Appropriation Act footnote)
- 13/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.
- 14/ Of the non-appropriated monies, \$10,167,500, \$10,668,800, and \$14,513,800 has been shifted to the Arizona Biomedical Research Commission in FY 2006, FY 2007, and FY 2008, respectively.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	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 rate among all children, not just the children funded through the Vaccines Special Line Item. 	79	82	82	84
<ul style="list-style-type: none"> % of high school youth who smoked in the last month 	18.9	20	20	18
<ul style="list-style-type: none"> Customer waiting time in Vital Records lobby (in minutes) 	20	22	14	14

Operating Budget

The budget provides \$6,660,500 and 113.5 FTE Positions for the operating budget in FY 2008. These amounts consist of:

	<u>FY 2008</u>
General Fund	\$5,823,200
Emergency Medical Services (EMS)	
Operating Fund	837,300

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$235,300 for statewide adjustments. These amounts consist of:

General Fund	223,500
EMS Operating Fund	11,800

(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 \$1,410,500 from the General Fund for County Tuberculosis Provider Care and Control in FY 2008. This amount funds the following adjustment:

Increased Monitoring

The budget provides an increase of \$400,000 from the General Fund for increased number of tuberculosis cases in FY 2008. According to the department, the number of tuberculosis cases has increased 11% since 1998. The additional \$400,000 will provide counties with an additional \$1,455 per active tuberculosis case.

In general, 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 \$400,000 from the General Fund for Diabetes Prevention and Control in FY 2008. This amount funds the following adjustment:

One-Time Funding for Diabetes Education

The budget provides a decrease of \$(700,000) from the General Fund in FY 2008 for Diabetes Prevention and Control. Laws 2006, Chapter 350 and the Executive originally designated \$1,000,000 for diabetes education as one-time during the FY 2007 budget process. The FY 2008 budget retains \$300,000 of the \$1,000,000 funding for continued diabetes education.

In general, 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.

Vaccines

The budget provides \$10,410,400 from the General Fund for Vaccines in FY 2008. This amount funds the following adjustment:

Expansion of Immunization Program

The budget provides an increase of \$2,226,100 from the General Fund in FY 2008 to provide additional vaccines for uninsured and underinsured children and adults. Of this amount, approximately \$1,600,000 will be used to provide the human papillomavirus (HPV) vaccine to women between ages 18-26, and \$264,000 will be used to provide the HPV vaccine for adolescent girls ages 11-18. The remaining \$357,600 will fund the increased cost of vaccines, as well as additional vaccines. *(Please see the AHCCCS-Acute Care cost center for more information on HPV for the state's Medicaid population.)*

In addition to the HPV appropriation, the Health and Welfare Budget Reconciliation Bill (BRB) states that the HPV vaccine is not required for school admission. The HPV vaccine protects women against 4 strains of genital human papillomavirus, which lead to 70% of cervical cancer cases and 90% of genital wart cases.

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. The Department of Health Services (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. Funding in this line item is in addition to the approximately \$136,000,000 worth of vaccines received from the federal government.

Arizona Statewide Immunization Information System (ASIIS)

The budget provides \$517,500 and 6 FTE Positions from the General Fund for ASIIS in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$14,300 from the General Fund in FY 2008 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 2008. This amount is unchanged from FY 2007. 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 2008. This amount is unchanged from FY 2007.

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 860 clients per month in FY 2006.

Laboratory Services

The budget provides \$5,334,300 and 72.1 FTE Positions for Laboratory Services in FY 2008. This amount consists of:

General Fund	4,357,900
Environmental Laboratory Licensing Revolving Fund	976,400

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$160,500 from the General Fund in FY 2008 for statewide adjustments. This amount consists of:

General Fund	130,200
Environmental Laboratory Licensing Revolving Fund	30,300

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 SLI in the Family Health cost center, approximately \$500,000 in the Administration cost center, and \$2,200,000 in non-appropriated fund sources.

Kidney Program

The budget provides \$50,500 from the General Fund for the Kidney Program in FY 2008. This amount is unchanged from FY 2007. 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 \$468,000 from the General Fund for Renal and Nonrenal Disease Management in FY 2008. This amount funds the following adjustment:

Reduce Funding

The budget provides a decrease of \$(300,000) from the General Fund in FY 2008 for renal and non-renal disease management. Laws 2006, Chapter 366 appropriated an additional \$300,000 for renal and nonrenal programs in FY 2007. The monies are non-lapsing through June 30, 2009.

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 \$409,300 and 6 FTE Positions from the General Fund for Hepatitis C Surveillance in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$11,500 from the General Fund for statewide adjustments in FY 2008.

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.

Valley Fever Surveillance

The budget provides \$300,000 and 3 FTE Positions from the General Fund in FY 2008 for a new Valley Fever Surveillance Special Line Item. Of that amount, \$15,300 is designated for one-time equipment for the 3 new FTE Positions.

Valley fever is a soil borne fungus prevalent in the Southwest. Monies in this line item will provide surveillance of valley fever, educational materials for local physicians, and laboratory supplies needed for valley fever testing.

Local Health

Direct Grants

The budget provides \$460,300 from the General Fund for Direct Grants in FY 2008. This amount is unchanged from FY 2007. 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 2008. This amount is unchanged from FY 2007. 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 2008. This amount is unchanged from FY 2007. This line item includes funding to reimburse local health departments pursuant to A.R.S. § 36-189.

A footnote in the General Appropriation Act distributes the amounts as follows:

Table 1	
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 2008. This amount consists of:

General Fund	100,000
EMS Operating Fund	150,000

These amounts are unchanged from FY 2007.

Monies in this line item 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.

Community Health Centers

The budget provides \$14,981,300 and 8.5 FTE Positions for Community Health Centers in FY 2008. This amount consists of:

General Fund	10,481,300
TTHCF Medically Needy Account	4,500,000

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$16,400 from the General Fund in FY 2008 for statewide adjustments.

Expansion of Services

The budget provides an increase of \$1,500,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2008. The additional funding will provide compensation for approximately 11,000 additional visits.

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. In FY 2008, this line item is anticipated to provide compensation for approximately 109,000 visits.

Telemedicine

The budget provides \$260,000 from the General Fund for Telemedicine in FY 2008. This amount is unchanged from FY 2007. 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

Alzheimer’s Disease Research

The budget provides \$4,000,000 for Alzheimer’s Disease Research in FY 2008. This amount consists of:

General Fund	3,000,000
TTHCF Health Research Account	1,000,000

This amount funds the following adjustment:

One-Time Funding for Alzheimer's Research

The budget provides a decrease of \$(1,000,000) from the General Fund in FY 2008 for Alzheimer's Disease Research. In FY 2007, the General Appropriation Act appropriated an additional \$3,000,000 as one-time funding for Alzheimer's Disease research. The FY 2008 budget retains \$2,000,000 of the FY 2007 one-time funding amount.

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.

Autism Pilot

The budget shifts funding for autism services in FY 2008 to the Department of Economic Security (DES). This funds the following adjustment:

Funding Shift to Department of Economic Security

The budget provides a decrease of \$(2,300,000) from the Medically Needy Account of the Tobacco Tax and Health Care Fund for autism services through the Department of Health Services in FY 2008. Funding for autism services will now be provided by DES. (*For more information see the DES's Developmental Disabilities cost center.*)

This line item provides funding for autism services that utilize discrete trial and natural environment intensive behavioral treatment and for autism services for toddlers and preschoolers that utilize intensive early intervention efforts.

Autism Research

The budget provides no funding in FY 2008 for Autism Research. This funds the following adjustment:

Eliminate One-Time Funding

The budget provides a decrease of \$(7,100,000) from the General Fund in FY 2008 to reflect one-time funding for autism research. Laws 2006, Chapter 367 provided a one-time appropriation of \$7,100,000 for autism research. These monies were distributed to the Translational Genomics Research Center (TGen).

Osteoporosis Outreach

The budget provides no funding for Osteoporosis Outreach in FY 2008. This amount funds the following adjustment:

Eliminate Funding

The budget provides a decrease of \$(300,000) and (3) FTE Positions for osteoporosis research and prevention in FY 2008. In FY 2007, the General Appropriation Act provided \$300,000 for osteoporosis outreach. The monies are non-lapsing through June 30, 2009.

This line item provides funding for the collection of statewide data on the prevalence and burden of

osteoporosis, the development of a statewide network to conduct screening, and osteoporosis education outreach.

Teratogen Program

The budget provides \$60,000 from the General Fund for the Teratogen Program in FY 2008. This amount is unchanged from FY 2007. 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 for teratogen-related services provided by the University of Arizona.

Emergency Medical Services

EMS Operations (EMS)

The budget provides \$3,263,900 and 35 FTE Positions from the EMS Operating Fund for EMS Operations in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$100,000 from the General Fund for statewide adjustments in FY 2008.

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 \$405,400 and 4 FTE Positions from the EMS Operating Fund for the Trauma Advisory Board in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$13,100 from the General Fund for statewide adjustments in FY 2008.

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) includes 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.

Trauma Services

The budget provides no funding for Trauma Services in FY 2008. This funds the following adjustment:

Eliminate One-Time Funding

The budget provides a decrease of \$(2,000,000) from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2008 to reflect one-time funding for trauma services. In FY 2007, the General Appropriation Act appropriated \$2,000,000 for trauma related services. The monies are non-lapsing through June 30, 2009 and are being provided to the University Medical Center in Tucson.

Trauma centers in Arizona are expected to receive approximately \$30,000,000 from tribal gaming revenue in FY 2008. (*Please see the Department of Gaming for more information.*)

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 2008. This amount is unchanged from FY 2007.

This line item provides 24-hour poison education services and treatment information at the University of Arizona Poison Information Center. 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.

Poison Control Center Funding

The budget provides \$925,000 from the General Fund for the Poison Control Center in FY 2008. This amount is unchanged from FY 2007. 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.

Scorpion Antivenom

The budget provides \$150,000 from the General Fund for Scorpion Antivenom in FY 2008. This amount is unchanged from FY 2007. This line item provides funding for the distribution of new scorpion antivenom to hospitals.

Other

Umbilical Cord Pamphlet

The budget provides no funding for umbilical cord pamphlets in FY 2008. This funds the following adjustment:

Eliminate One-Time Funding

The budget provides a decrease of \$(30,000) from the General Fund in FY 2008 for umbilical cord pamphlets. While no funding is provided, a footnote in the General Appropriation Act requires the department to provide a

pamphlet free of charge to physicians and health care institutions on umbilical cord blood.

Vital Records Maintenance

The budget provides \$502,200 from the Vital Records Electronic Systems Fund for Vital Records Maintenance in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$2,200 from the Vital Records Electronic Systems Fund in FY 2008 for statewide adjustments. Additionally, the Health and Welfare Budget Reconciliation Bill (BRB) provided that any amount remaining of the FY 2006 balance in the Vital Records Electronic Systems Fund established by A.R.S. § 36-341.01, is appropriated to the department in FY 2008.

This line item provides funding for the general cost of operating the vital records electronic system. A surcharge is added to vital records in order to maintain operation of this system.

Other Issues

Biomedical Research Commission

The budget shifts funding for the Biotechnology Special Line Item to the Arizona Biomedical Research Commission (ABRC). Although this money has been allocated to ABRC in prior years, it has been displayed in the Department of Health Services' budget. Additional non-appropriated monies from the Disease Control Research Fund and the Health Research Fund of the Tobacco Tax, are now displayed in ABRC's budget. (*For more information see the Arizona Biomedical Research Commission's budget.*)

Smoke-Free Arizona

In November 2006, Arizona voters passed Proposition 201, The Smoke-Free Arizona Act. The voter-approved initiative prohibits smoking in public places and places of employment as of May 1, 2007. The act levied a 2 cents tax per pack on cigarettes (plus taxes on other tobacco products) and allocated these non-appropriated monies to DHS for implementation and enforcement. The tax was expected to generate \$2,350,000 in FY 2007 and \$4,700,000 in FY 2008.