

Department of Health Services
Summary

JLBC: John Malloy/Jenna Seplow/Amy Upston
 OSPB: Ryan Harper

DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
PROGRAM BUDGET			
Administration	33,035,200	37,134,500	36,752,800
Public Health	38,387,100	68,163,900	47,749,800
Family Health	71,734,800	83,583,000	91,477,500
Behavioral Health	905,144,500	963,409,400	1,038,565,100
Arizona State Hospital	61,698,400	72,951,400	72,959,700
PROGRAM TOTAL	1,110,000,000	1,225,242,200	1,287,504,900

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	1,735.5	1,771.9	1,771.9
Personal Services	40,018,600	48,850,800	48,850,800
Employee Related Expenditures	12,927,500	16,842,800	17,127,700
Professional and Outside Services	8,742,000	9,556,300	9,556,300
Travel - In State	221,000	280,300	280,300
Travel - Out of State	28,000	21,600	21,600
Other Operating Expenditures	16,640,800	17,404,000	16,899,900
Equipment	899,000	337,500	337,500
OPERATING SUBTOTAL	79,476,900	93,293,300	93,074,100
Special Line Items (SLI)	1,030,523,100	1,131,948,900	1,194,430,800
AGENCY TOTAL	1,110,000,000	1,225,242,200	1,287,504,900

FUND SOURCES

General Fund	476,671,400	549,247,600	565,656,200
<u>Other Appropriated Funds</u>			
Arizona Medical Board Fund	66,200	0	0
Arizona State Hospital Fund	7,626,500	7,964,600	7,972,900
ASH Land Earnings Fund	300,900	350,000	350,000
Capital Outlay Stabilization Fund	1,406,200	1,576,100	1,578,100
Child Fatality Review Fund	99,600	100,000	100,000
Emergency Medical Services Operating Fund	4,500,500	5,231,200	5,248,300
Environmental Laboratory Licensure Revolving Fund	842,100	946,100	949,000
Federal Child Care and Development Fund Block Grant	727,200	802,200	805,100
Hearing and Speech Professionals Fund	152,100	329,800	331,100
Indirect Cost Fund	6,879,900	7,705,300	7,763,300
Newborn Screening Program Fund	3,267,300	6,076,500	6,086,800
Nursing Care Institution Resident Protection Fund	0	166,500	38,000
Poison Control Fund	1,618,800	0	0
Substance Abuse Services Fund	2,500,000	2,500,000	2,500,000
TTHCF Health Research Account	1,000,000	6,500,000	1,500,000
TTHCF Medically Needy Account	33,753,600	37,924,800	33,624,800
Vital Records Electronic Systems Fund	0	500,000	500,300
SUBTOTAL - Other Appropriated Funds	64,740,900	78,673,100	69,347,700
SUBTOTAL - Appropriated Funds	541,412,300	627,920,700	635,003,900
Federal Title XIX Funds	568,587,700	597,321,500	652,501,000
SUBTOTAL - Expenditure Authority Funds	568,587,700	597,321,500	652,501,000
SUBTOTAL - Appropriated/Expenditure Authority Funds	1,110,000,000	1,225,242,200	1,287,504,900
Other Non-Appropriated Funds	113,856,200	130,123,800	132,473,800
Federal Funds	241,450,500	227,682,300	227,055,400
TOTAL - ALL SOURCES	1,465,306,700	1,583,048,300	1,647,034,100

CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	16,408,600	3.0%
Other Appropriated Funds	(9,325,400)	(11.9%)
Expenditure Authority Funds	55,179,500	9.2%
Total Appropriated/Expenditure Authority Funds	62,262,700	5.1%
Non Appropriated Funds	1,723,100	0.5%
Total - All Sources	63,985,800	4.0%

AGENCY DESCRIPTION — The Department of Health Services (DHS) is responsible for the provision of most public health programs not administered by AHCCCS, most behavioral health programs, the Arizona State Hospital (ASH), emergency medical services, state laboratory support, vital records maintenance, disease control, and epidemiological monitoring.

CHANGES FROM FY 2007

		<u>FY 2008</u>
Standard Changes	OF	\$ 103,100
	EA	3,200
One-Time AZNet Appropriation	GF	(235,400)
Behavioral Health Caseload and Capitation Rate Growth	GF	29,781,100
	EA	50,330,600
FY 2008 Clawback Payment	GF	544,000
CRS Title XIX Caseload and Capitation Rate Growth	GF	2,751,500
	EA	4,845,700
CRS State Only Adjustment	GF	287,000
Diabetes Prevention and Control	GF	(1,000,000)
Alzheimer's Disease Research	GF	(3,000,000)
Autism Pilot	OF	(2,300,000)
Biotechnology Grants	OF	(5,000,000)
Autism Research	GF	(7,100,000)
Trauma Services	OF	(2,000,000)
Seriously Mentally Ill Housing	GF	(2,500,000)
Substance Abuse	GF	(3,000,000)
Nursing Care Grants	OF	(128,500)
Umbilical Cord Pamphlet	GF	(30,000)
One-Time Equipment	GF	(89,600)

FORMAT — Operating Lump Sum with Special Line Items by Program

FOOTNOTES

Standard Footnotes

In addition to the appropriation for the Department of Health Services, earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated to the State Hospital in compliance with the Enabling Act and the Constitution of Arizona.

The department shall report to the Joint Legislative Budget Committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than 32%. Before implementation of any changes in capitation rates for the AHCCCS-Children's Rehabilitative Services Special Line Item and any Title XIX Behavioral Health line items, the Department of Health Services shall report its expenditure plan to the Joint Legislative Budget Committee for its review. ~~Unless required for compliance with federal law, before~~ Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the department shall submit the policy changes to the Joint Legislative Budget Committee for review. ~~The department shall also report quarterly to the Joint Legislative Budget Committee itemizing all policy changes with fiscal impacts of less than \$500,000 in state costs. If statutory language is enacted to prohibit these policy changes, the portion of the footnote regarding Joint Legislative Budget Committee review of policy changes shall not apply. (The final provision would be eliminated because statutory language was enacted.)~~

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A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the President of the Senate, the Speaker of the House of Representatives, the Chairpersons of the Senate and House of Representatives Appropriations Committees and the Director of the Joint Legislative Budget Committee by the 30th of the following month. The report shall include an estimate of (1) potential shortfalls in programs, (2) potential Federal and Other Funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, and (3) total expenditure authority of the month and year-to-date for Seriously Mentally Ill State Match for Title XIX, Seriously Mentally Ill Non-Title XIX, Children's Behavioral Health Services, Children's Behavioral Health State Match for Title XIX, Mental Health Non-Title XIX, Substance Abuse Non-Title XIX, Seriously Emotionally Handicapped Children and Children's Rehabilitative Services.

Notwithstanding A.R.S § 35-173C, any transfer to or from the amounts appropriated for Seriously Mentally Ill State Match for Title XIX, Seriously Mentally Ill Nontitle XIX, Arnold v. Sarn, Vital Records Maintenance, Folic Acid, Children's Behavioral Health Services, Children's Behavioral Health State Match for Title XIX, Mental Health Nontitle XIX, Substance Abuse Nontitle XIX, Mental Health and Substance Abuse State Match for Title XIX, Seriously Emotionally Handicapped Children, Children's Rehabilitative Services, AHCCCS - Children's

Rehabilitative Services, Adult Cystic Fibrosis, Adult Sickle Cell Anemia, High Risk Perinatal Services, County Prenatal Services Grant, Community Placement Treatment, Dual Eligible Copay Subsidy, Sexually Violent Persons, County Tuberculosis Provider Care and Control, Kidney Program, County Nutrition Services, Community Health Centers, Vaccines, Renal and Nonrenal Disease Management, AIDS Reporting and Surveillance, Telemedicine, University of Arizona Poison Center Funding, ~~and~~ the Poison Control Center Funding, VITAL RECORDS MANAGEMENT AND WOMEN'S SERVICES shall require review by the Joint Legislative Budget Committee. The department may transfer monies between the amounts appropriated for Proposition 204 Children's Behavioral Health Services, Proposition 204 Seriously Mentally Ill Services, and Proposition 204 General Mental Health and Substance Abuse without review by the Joint Legislative Budget Committee but may not transfer monies to and from these line items to any other line item except as provided above without review by the Joint Legislative Budget Committee. The amounts appropriated for these items shall be used exclusively for contracts for the provision of services to clients unless a transfer of monies is reviewed by the Joint Legislative Budget Committee or unless otherwise permitted to be expended for administrative costs as specified in this act. Monies shall not be used from these appropriated amounts for any other expenses of the Department of Health Services, unless a transfer of monies is reviewed by the Joint Legislative Budget Committee.

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Addiction Reduction and Recovery Fund (HSA2523/A.R.S. § 36-2007)		Non-Appropriated
Source of Revenue: FY 2007 appropriation of \$2,500,000 from the General Fund and any federal monies and private grants, gifts, and contributions to assist in carrying out the purposes of this fund. Department of Health Services plans to expend \$2,500,000 in FY 2007, but this amount is not displayed below to avoid double counting.		
Purpose of Fund: For substance abuse and addiction prevention programs including methamphetamine abuse and addiction prevention programs.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Agreements/IGA (HSA2144/2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Intergovernmental agreements between DHS and other state and local entities. Includes subaccounts for Liquor Services Fees authorized under A.R.S. § 4-203.02 (FY 2006 revenue \$48,400), Arizona State Hospital Rental Income (FY 2006 revenue \$438,500) and lottery funds (FY 2006 revenue \$7,000,000).		
Purpose of Fund: To fund services which DHS has agreed to perform at the request of, or in conjunction with, public agencies.		
Funds Expended	33,310,100	44,794,600
Year-End Fund Balance	41,112,300	24,668,900

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Arizona State Hospital Capital Construction (ADA2466/Laws 2001, Chapter 1, as amended)		Non-Appropriated
Source of Revenue: \$77,500,000 over 4 fiscal years, beginning in FY 2000 through FY 2003 from the Budget Stabilization Fund (BSF). While Laws 2000, Chapter 1 originally specified that these BSF transfers would come from BSF interest earnings, Laws 2000, 7th Special Session, Chapter 1 eliminated the requirement that interest earnings be the source of the BSF transfer. In FY 2006, the remaining unspent balance of \$5,636,200 was transferred back to DOA.		
Purpose of Fund: For demolition, construction and renovation of the Arizona State Hospital.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Arizona State Hospital Fund (HSA3120/A.R.S. § 36-545.08)		Appropriated
Source of Revenue: State monies and matching federal monies for disproportionate share payments at the Arizona State Hospital, Title XIX reimbursement for services provided at the Arizona State Hospital, and monies collected for services to clients at the state hospital.		
Purpose of Fund: To provide treatment of patients at the Arizona State Hospital or to place Arizona State Hospital patients in the community.		
Funds Expended	7,626,500	7,964,600
Year-End Fund Balance	5,911,300	1,048,000
Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (HSA2513/A.R.S. § 36-119)		Non-Appropriated
Source of Revenue: Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited into the Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund.		
Purpose of Fund: For breast and cervical cancer screening and diagnostic and outreach services.		
Funds Expended	0	0
Year-End Fund Balance	14,500	29,000
Capital Outlay Stabilization Fund (HSA1600/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Appropriations from the Arizona Department of Administration Capital Outlay Stabilization Fund and transfers from the Arizona Department of Administration (<i>see Arizona Department of Administration for more detail on Capital Outlay Stabilization Fund</i>).		
Purpose of Fund: Lease-purchase payments for the new state health laboratory (transfers from Arizona Department of Administration are spent for building renewal).		
Funds Expended	1,406,200	1,576,100
Year-End Fund Balance	0	0
Child Fatality Review Fund (HSA3036/A.R.S. § 36-3504)		Appropriated
Source of Revenue: A \$1 surcharge on fees collected on all certified copies of death certificates, up to \$100,000. Any revenue collected in excess of \$100,000 is transferred from the fund to the Child Abuse Prevention Fund in the Department of Economic Security.		
Purpose of Fund: To organize county child fatality review teams and to study data collected by these teams to determine ways to reduce the state's child mortality rate.		
Funds Expended	99,600	100,000
Year-End Fund Balance	151,600	183,700
Children's Behavioral Health Tobacco Settlement Fund (HSA Account 63021/A.R.S. § 36-503.02)		Non-Appropriated
Source of Revenue: Monies appropriated from the Tobacco Litigation Settlement Account. Statute did not create a separate fund for Children's Behavioral Health purposes, so monies remain with the State Treasurer. The account received a one-time appropriation of \$20,000,000 from tobacco settlement funds in FY 2001. The final amount was spent in FY 2004.		
Purpose of Fund: To provide behavioral health services to children who receive behavioral health services through DHS, the Department of Economic Security, the Department of Juvenile Corrections, of the Administrative Office of the Courts. Monies may also be used to support telemedicine programs designed to facilitate the provision of behavioral health services to persons living in medically underserved areas.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Disease Control Research Fund (DIA2090/A.R.S. § 36-274)		Non-Appropriated
Source of Revenue: Monies appropriated by the Legislature and any gifts, contributions, or monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
Purpose of Fund: To be used for projects or services that may advance research in the causes, epidemiology, and prevention of disease, including discovery and development.		
Funds Expended	4,793,500	4,355,400
Year-End Fund Balance	0	0
Donations - DHS (HSA3010/2025/A.R.S. § 36-132)		Non-Appropriated
Source of Revenue: Individual donations for various health related purposes.		
Purpose of Fund: For specific purposes as designated by the donors. Monies donated pursuant to A.R.S. § 36-213 and A.R.S. § 36-204 for the Arizona State Hospital are accounted for separately.		
Funds Expended	661,400	663,000
Year-End Fund Balance	1,176,700	943,000
Donations - Statewide (HSA2025/A.R.S. § 36-132)		Non-Appropriated
Source of Revenue: Individual donations from employee recognition events.		
Purpose of Fund: Employee recognition purposes.		
Funds Expended	20,300	14,600
Year-End Fund Balance	20,900	32,800
Emergency Medical Services Operating Fund (HSA2171/A.R.S. § 36-2218)		Appropriated
Source of Revenue: The fund receives 48.9% of the Medical Services Enhancement Fund revenues, which are collected from a 13% surcharge on fines charged for criminal offenses and civil motor vehicle statute violations.		
Purpose of Fund: To fund local and state emergency medical services systems.		
Funds Expended	4,500,500	5,231,200
Year-End Fund Balance	4,888,700	4,900,600
Environmental Laboratory Licensure Revolving Fund (HSA3017/A.R.S. § 36-495.15)		Appropriated
Source of Revenue: Fees collected for environmental lab licensure, fees derived from department-sponsored workshops, and monies from gifts, grants, and donations.		
Purpose of Fund: For costs associated with licensing environmental laboratories by the Department of Health Services.		
Funds Expended	842,100	946,100
Year-End Fund Balance	340,800	105,200
Federal Child Care and Development Fund Block Grant (HSA2008/U.S. P.L 104-193)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: A portion of the Federal Child Care and Development Block Grant provides the Assurance and Licensure division with monies for the licensure of child care facilities.		
Funds Expended	727,200	802,200
Year-End Fund Balance	43,600	43,600
Federal Grants (HSA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Grants and reimbursements from the federal government. Federal reimbursement for the Title XIX program is not included in this fund and can be found listed in the Title XIX Services and County Contributions Fund.		
Purpose of Fund: To provide health services in accordance with the terms of each specific grant.		
Funds Expended	241,450,500	227,682,300
Year-End Fund Balance	2,946,100	3,167,700

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Federal Temporary Assistance for Needy Families Block Grant (HSA2007/A.R.S. § 35-142)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: To provide perinatal services for women under 30 who are eligible for TANF or Arizona Works, and to provide abstinence-only education programs intended to prevent out-of-wedlock pregnancy. Fund is now inactive.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Hearing and Speech Professionals Fund (HSA6243/A.R.S. § 36-1903)		Appropriated
Source of Revenue: Monies collected by DHS from the examination and licensing of hearing and speech professionals.		
Purpose of Fund: For the licensing and regulation of hearing and speech professionals.		
Funds Expended	152,100	329,800
Year-End Fund Balance	339,500	312,500
Indirect Cost Fund (HSA9001/A.R.S. § 36-108)		Appropriated
Source of Revenue: Charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs.		
Purpose of Fund: To pay a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements.		
Funds Expended	6,879,900	7,705,300
Year-End Fund Balance	7,722,400	7,536,800
Indirect Cost Recovery Fund (HSA9000/A.R.S. § 36-108)		Non-Appropriated
Source of Revenue: Prior to FY 2000, charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs were placed in this non-appropriated fund. In FY 2000, this Indirect Cost Fund became appropriated. Monies were left in this fund to address outstanding obligations.		
Purpose of Fund: Prior to FY 2000, this fund paid a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements. After FY 2000, funds are utilized for outstanding obligations. Fund is now inactive.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Internal Services Fund (HSA4202/A.R.S. § 36-108)		Non-Appropriated
Source of Revenue: Charges from other DHS funds.		
Purpose of Fund: Revolving Fund used by DHS warehouse for the purchase of goods.		
Funds Expended	0	0
Year-End Fund Balance	169,100	175,300
Medical Services Enhancement Fund (TRA2186/A.R.S. § 36-2219.01)		Non-Appropriated
Source of Revenue: A 13% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses, civil motor vehicle statute violations, and game and fish violations.		
Purpose of Fund: Monies are distributed on a percentage basis to various non-appropriated and appropriated funds.		
Funds Transferred		
Department of Economic Security		
Spinal and Head Injuries Trust	2,565,200	2,354,000
Department of Health Services		
EMS Operating	5,701,700	5,243,100
Substance Abuse Services	2,751,800	2,463,100
General Fund	<u>641,300</u>	<u>642,000</u>
Total Funds Transferred	11,660,000	10,702,200

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Newborn Screening Program Fund (HSA2184/A.R.S. § 36-694.01)		Appropriated
Source of Revenue: Monies received as part of the hospital charges for each child born in Arizona pursuant to Laws 2005, Chapter 172. Fee limits for newborn screening are \$30 for the first blood and hearing screening and \$40 for the second blood and hearing screening.		
Purpose of Fund: To provide monies for the centralized testing of all newborns in the state for a standard set of 29 metabolic and congenital (environmental/inherited) disorders. Every 4 years the department solicits bids for the contracting of these tests. The State Health Lab holds the current contract. In addition, the fund provides monies for follow-up counseling for the parents of affected infants.		
Appropriated Funds Expended	3,267,300	6,076,500
Year-End Fund Balance	1,401,100	1,053,100
Nursing Care Institution Resident Protection Fund (HSA2329/A.R.S. § 36-446.08)		Appropriated
Source of Revenue: Civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications.		
Purpose of Fund: For the protection of the health and property of residents of nursing care facilities that are found deficient.		
Funds Expended	0	166,500
Year-End Fund Balance	540,600	497,400
Oral Health Fund (HSA2329/A.R.S. § 36-138)		Non-Appropriated
Source of Revenue: Monies received from Arizona Health Care Cost Containment System (AHCCCS) contracts for dental services.		
Purpose of Fund: To provide dental services to Medicaid-eligible children identified by the DHS Oral Health program.		
Funds Expended	190,200	190,200
Year-End Fund Balance	572,600	644,200
Poison Control Fund (HSA2112/Laws 1999, Chapter 176)		Appropriated
Source of Revenue: Revenues from the Telecommunications Services Excise Tax, a 1.1% surcharge on local telephone bills, were previously directed to this fund. Due to declining fund revenues, Laws 2006 Chapter 316 eliminated funding from the tax to this fund and replaced it with General Fund monies.		
Purpose of Fund: To fund the Poison Control Center, located in Maricopa County, and the University of Arizona Poison Control Center, which provide poison control education, services, and treatment information.		
Funds Expended	1,618,800	0
Year-End Fund Balance	235,800	235,800
Prescription Drug Advisory Council (HSA3040/Laws 2002, Chapter 67)		Non-Appropriated
Source of Revenue: Gifts, grants and donations.		
Purpose of Fund: To fund costs associated with providing administrative support and assistance to the council. DHS may only provide support and assistance to the council if a minimum of \$100,000 is deposited in this fund.		
Funds Expended	0	0
Year-End Fund Balance	10,000	10,000
Risk Assessment Fund (HSA2427/A.R.S. § 36-1693)		Non-Appropriated
Source of Revenue: Monies received from the Department of Environmental Quality for risk services performed by DHS. The fund may also receive legislative appropriations, gifts, grants, or donations. Prior to FY 2004, fees were collected from persons, private entities, or state agencies other than the Department of Environmental Quality for risk assessments performed by DHS. In FY 2001, FY 2002, and FY 2003, the fund received transfers of \$216,000 each year from the Water Quality Assurance Revolving Fund. Beginning in FY 2004, the department began to perform these functions through an ISA.		
Purpose of Fund: To conduct health effects studies and risk assessments of public health risks from environmental exposure, to evaluate and calculate cleanup standards, to communicate health risks to the public, and for administrative costs of those activities.		
Funds Expended	41,900	41,900
Year-End Fund Balance	51,200	11,900

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
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Serious Mental Illness Services Fund (HSA2464/A.R.S. § 36-503.02) Non-Appropriated

Source of Revenue: Monies appropriated from the Tobacco Litigation Settlement Account, other legislative appropriations and interest earned on these monies. The fund received a one-time appropriation of \$50,000,000 from tobacco settlement funds in FY 2001. The final \$1,100,000 was spent in FY 2005.

Purpose of Fund: To fund community Housing, Vocational Rehabilitation, and other recovery support services to persons with serious mental illnesses. Fund is now inactive.

Funds Expended	0	0
Year-End Fund Balance	0	0

Smoke Free Arizona Fund (Not Yet Assigned/A.R.S. § 36-601.01) Non-Appropriated

Source of Revenue: A 2 cent per pack tax on cigarettes. Any revenues not used by the department to enforce the smoking ban are deposited to the Tobacco Products Tax Fund to be used for education programs to reduce or eliminate tobacco use.

Purpose of Fund: To enforce the provisions of Proposition 201 (Smoke Free Arizona Act) enacted in the 2006 General Election. The Smoke Free Arizona Act banned smoking in public places except retail tobacco stores, veteran and fraternal clubs, hotel rooms designated as smoking rooms and outdoor patios.

Funds Expended	0	2,350,000
Year-End Fund Balance	0	0

State Hospital Land Earnings Fund (HSA3128/A.R.S. § 36-211) Appropriated

Source of Revenue: Monies received from interest on the Arizona State Hospital's Permanent Land Fund, as established through Arizona's Enabling Act, Section 25, and the monies derived from the lease of these lands and miscellaneous revenue.

Purpose of Fund: For the benefit and support of the Arizona State Hospital.

Funds Expended	300,900	350,000
Year-End Fund Balance	583,000	650,500

Substance Abuse Services Fund (HSA2227/A.R.S. § 36-2005) Appropriated

Source of Revenue: The fund receives 23.6% of monies collected from Medical Services Enhancement Fund, which is a 13% penalty levied on criminal offenses, motor vehicle civil violations, and game and fish violations. Monies are deposited into 2 subaccounts.

Purpose of Fund: To provide alcohol and other drug screening, education or treatment for persons court-ordered to attend and who do not have the financial ability to pay for the services, to contract for preventive or rehabilitative and substance abuse services, and to provide priority for treatment services to pregnant substance abusers.

Funds Expended	2,500,000	2,500,000
Year-End Fund Balance	940,900	904,000

Title XIX Services and County Contributions (HSA2500/A.R.S. § 35-142) Non-Appropriated

Source of Revenue: The fund receives federal match dollars for treating behavioral health problems in Title XIX-eligible persons, federal match dollars for Title XIX-eligible persons in the Children's Rehabilitative Services (CRS) program, and Maricopa and Pima Counties' contributions for treating persons with behavioral health problems.

Purpose of Fund: For accounting purposes, these monies are considered part of the Agreements/IGA Fund. However, for informational purposes, the revenues and expenditures related to behavioral health and the CRS program have been separated from the Agreements Fund.

Funds Expended	607,445,400	637,726,200
Year-End Fund Balance	0	0

Tobacco Tax and Health Care Fund - Health Crisis Fund (HSA2312/A.R.S. § 36-797) Non-Appropriated

Source of Revenue: The account receives transfers from the Medically Needy Account, which is managed by AHCCCS. The transfers shall be sufficient to maintain an annual fund balance of \$1,000,000.

Purpose of Fund: Monies may only be used for expenses incurred for a health crisis, which is declared by the Governor, by Executive Order. The fund balance shall not exceed \$1,000,000 but may fall below that amount during a fiscal year as a result of approved expenditures. Expenditures shall not exceed \$1,000,000 annually.

Funds Expended	396,100	1,000,000
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SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Tobacco Tax and Health Care Fund - Health Education Account (HSA1308/A.R.S. § 36-772)		Non-Appropriated
Source of Revenue: The account receives 23¢ of each dollar deposited in the Tobacco Tax and Health Care Fund and 2¢ of each dollar in the Tobacco Products Tax Fund.		
Purpose of Fund: Monies are used for community-based education and evaluation, and other programs to discourage tobacco use among the general public, specifically targeting minors and culturally diverse populations. The monies from the Tobacco Products Tax Fund are used for the prevention and detection of the 4 leading causes of death.		
Funds Expended	22,479,800	22,496,000
Tobacco Tax and Health Care Fund - Health Research Fund (DSA2096/A.R.S. § 36-275, A.R.S. § 36-773)		Non-Appropriated
Source of Revenue: The fund receives 5¢ of each dollar deposited in the Tobacco Products Tax Fund. In addition, all monies in the Health Research Account (which receives 5¢ of each dollar deposited in the Tobacco Tax and Health Care Fund) are deposited into the fund.		
Purpose of Fund: Monies are used for research into the prevention and treatment of tobacco-related disease and addiction.		
Non-Appropriated Funds Expended	12,874,100	13,813,400
Appropriated Funds Expended	1,000,000	6,500,000
Tobacco Tax and Health Care - Medically Needy Account (HSA1306/A.R.S. § 36-774)		Non-Appropriated
Source of Revenue: The account receives funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund, which is managed by AHCCCS. All monies remaining unexpended at the end of the fiscal year revert to the AHCCCS Medically Needy Account. (See Tobacco Tax Table in the AHCCCS section.)		
Purpose of Fund: Monies are used for a variety of health programs that are intended to increase primary care and mental health services for uninsured and low-income populations.		
Appropriated Funds Expended	33,753,600	37,924,800
Non-Appropriated Funds Expended	0	0
Vital Records Electronic Systems Fund (HSA3039/A.R.S. § 36-341.01)		Non-Appropriated
Source of Revenue: Fees collected for searches, copies of records, applications to file delayed records, requests for supplementary birth certificates, following adoption, legitimation, paternity determination, surgical alterations, and chromosomal counts, or amendments to existing records. Laws 2006, Chapter 331 reduced fees so that no more than \$500,000 is generated to the fund in FY 2007.		
Purpose of Fund: To develop and operate a vital records automated system.		
Appropriated Funds Expended	0	500,000
Non-Appropriated Funds Expended	231,100	0
Year-End Fund Balance	2,233,100	2,291,300