

BIENNIAL SUPPLEMENTALS

Laws 2007, Chapter 255 provided both FY 2008 and FY 2009 funding for a number of Other Appropriated Fund and small General Fund agencies. The JLBC includes supplemental funding in FY 2008 and/or FY 2009 for the following agencies:

Corporation Commission
Analyst: Juan Beltran

The JLBC includes a revised total of \$4,724,100 in FY 2009 from the Public Access Fund. The revised department appropriated fund total would be \$28,513,100. FY 2009 supplemental adjustments would be as follows:

	<u>FY 2008</u>	<u>FY 2009</u>
Annual Reports Staffing	OF 0	53,100

The adjustments include a FY 2009 supplemental increase of \$53,100 and 1 FTE Position from the Public Access Fund to address slow processing times for the Annual Reports Division. A.R.S. § 10-122 and A.R.S. § 29-851 require the Annual Reports Division to process expedited reports within 3-5 business days and regular reports within 30 business days before the division can implement same day/next day service. In FY 2007, the Annual Reports Division processed expedited annual reports within 3 business days and regular annual reports within 50 business days. The supplemental increase would allow for 1 additional Customer Service Representative to meet the processing goal of 30 business days for regular annual reports.

Automation Update	OF 0	338,300
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The adjustments include a FY 2009 supplemental increase of \$338,300 and 8 FTE Positions from the Public Access Fund for updating the Corporation Commission's main database and providing additional FTE Positions that correspond to funding previously appropriated. Monies would be used to replace the State of Arizona Public Access System (STARPAS), which has been used since FY 1995 for recording and storing all corporate filings information and has provided the public internet access to corporate records since FY 2001. In FY 2009, the Corporation Commission is appropriated \$521,700 for this project; however, estimated costs during the year are \$860,000 due to additional IT consulting needs. This supplemental adjustment would provide the commission with the funding necessary to cover these expenses in FY 2009.

The commission's total cost for replacement, including software, contractor support, and equipment costs, is \$2,000,000 spread over 3 to 4 years, with ongoing maintenance costs of approximately \$110,000.

Operating on database designs and software from 1993, STARPAS lacks the ability to integrate with common office hardware and software and has difficulty integrating with the internet. The implementation of a customized STARPAS system would allow the commission to offer e-filing options for all documents filed with the commission (37 document types, compared to 3 now), which can reduce document processing times by as much as 50%, allowing the commission to address an increased filings workload and reduce the need for additional staff in the Corporations Division. Replacement of the system would take 3 to 4 years to complete, with an anticipated 10-year lifespan.

Corporation Commission			
Change	OF	0	391,400*
Revised Total	GF	5,857,400	5,542,500
	OF	23,453,300	22,970,600

* Excludes annualization of FY 2008 standard adjustments in FY 2009.

Department of Emergency and Military Affairs
Analyst: Eric Billings

The JLBC includes a statutory change for an extension of expenditure authority.

This adjustment extends the lapsing date for \$500,000 appropriated from the General Fund to construct a Multi-Purpose building for Project Challenge. Currently, the funds are set to lapse on June 30, 2008. The Department of Emergency and Military Affairs (DEMA) reports that groundbreaking for the facility began in November 2007 and expects construction to be complete by August 2008. As a result, the lapsing date for these funds will be extended to September 30, 2008 to allow for the completion of construction.

During the period of FY 2006 through FY 2008, the Legislature has appropriated a total of \$1,100,000 for the construction of the Project Challenge building in Queens Creek. In total, the building will be approximately 18,000 square feet and cost \$4,000,000. Private fundraising will cover costs above the appropriation.

Project Challenge is an educational program that accepts approximately 200 at-risk youth each year. Students entering the program live in residence for 5 months to complete a curriculum in academics, career planning, and physical training, which is followed by a 12-month mentoring period. After completion of the program, most graduates will receive their GED.

Department of Environmental Quality

Analyst: Dan Hunting

Deletion of Prior Year Footnotes

The JLBC includes the removal of 3 General Appropriation Act footnotes relating to the expenditure of fees in excess of appropriated amounts for the Air Permits Administration Fund, Indirect Cost Recovery Fund, and Water Quality Fee Fund.

These footnotes adjust the appropriations upward when revenues exceed the original appropriation. The Air Permits Administration Fund is automatically adjusted to match the actual final receipts to the fund. Indirect Cost Recovery Fund and Water Quality Fee Fund appropriations may be adjusted upon review by the Joint Legislative Budget Committee.

As a result of this proposal, DEQ will be able to expend above the appropriation after receiving a supplemental.

Board of Homeopathic Medical Examiners

Analyst: Steve Grunig

The JLBC includes a revised total of \$113,900 in FY 2009 from the Board of Homeopathic Medical Examiners Fund. FY 2009 supplemental adjustments would be as follows:

Auditor General

Performance Audit	OF	0	22,400
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The adjustments include a FY 2009 supplemental increase of \$22,400 from the Board of Homeopathic Medical Examiners Fund for compliance with Auditor General performance audit recommendations. The Auditor General completed a performance audit in FY 2007 and recommended the board:

- Take steps to validate written and oral exams;
- Classify the oral exam as a confidential record so it can be conducted in executive session; and
- Continue development of the continuing education requirements for its licensees.

To implement the recommendations the board will do the following:

- Change the Director's workload from 30 to 35 hours per week, requiring an increase of \$7,100 in Personal Services and \$1,300 in Employee Related Expenditures; and
- Hold additional administrative hearings, requiring \$700 in Travel (In-State) for board members.

The supplemental increase includes one-time FY 2009 funding of \$13,300, including \$800 for computer replacement, and \$12,500 for rulemaking and exam validation costs.

Board of Homeopathic Medical Examiners

Change	OF	0	22,400*
Revised Total	OF	97,500	113,900

* Excludes annualization of FY 2008 standard adjustments in FY 2009.

Commission for Postsecondary Education

Analyst: Amy Strauss/Leah Kritzer

The JLBC includes a revised total of \$3,630,200 in FY 2008 and \$3,841,100 in FY 2009 from the Postsecondary Education Fund. The revised agency appropriated total would be \$11,057,500 in FY 2008 and \$11,261,900 in FY 2009. FY 2008 and FY 2009 supplemental adjustments would be as follows:

Additional LEAP Grants	OF	675,000	900,000
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The adjustments include a FY 2008 supplemental increase of \$675,000 and a FY 2009 supplemental increase of \$900,000 from the Postsecondary Education Fund in order to increase expenditure authority for the LEAP Special Line Item. The adjustments would be needed in order for the program to be able to allocate recent increases in federal matching monies for the program for FY 2008 and further anticipated increases for FY 2009.

Leveraging Educational Assistance Partnership (LEAP) is a federal, state, and university partnership that provides financial assistance to students demonstrating substantial financial need. Recently, the Commission for Postsecondary Education was awarded an additional \$675,000 in ongoing federal monies for LEAP for FY 2008. The commission also is applying to receive an additional \$225,000 increase in federal LEAP monies for FY 2009. In order to allocate these increases, the commission would need additional expenditure authority of \$675,000 in FY 2008 and \$900,000 in FY 2009 above the \$2,143,700 level currently appropriated for both years. This would result in total appropriation authority of \$2,818,700 in FY 2008 and \$3,043,700 in FY 2009 for the program from the Postsecondary Education Fund.

This Special Line Item also has a General Fund appropriation of \$1,220,800 per year in both FY 2008 and FY 2009. Those amounts are unchanged.

Commission for Postsecondary Education

Change	OF	675,000	900,000*
Revised Total	OF	3,630,200	3,841,100
	GF	7,427,300	7,420,800

* Excludes annualization of FY 2008 standard adjustments in FY 2009.

State Board of Psychologist Examiners

Analyst: Steve Grunig

The JLBC includes a revised total of \$395,400 in FY 2009 from the Board of Psychologist Examiners Fund. FY 2009 supplemental adjustments would be as follows:

Increased Operating Costs OF 0 13,500

The adjustments include a FY 2009 supplemental increase of \$13,500 from the Board of Psychologist Examiners Fund for board member reimbursement and other operating expenditures. The \$13,500 adjustment includes an additional:

- \$8,400 to increase board member per diem and travel reimbursement. Per diem costs will increase from \$29 per day to \$54 per day (\$8,000), and mileage reimbursement will increase by \$.05 per mile (\$400).
- \$4,400 for increase rent costs. Office rent will increase from \$17,200 to \$21,600 or \$4.40 per square foot.
- \$700 for travel costs related to 2 additional board member trips to professional conferences.

State Board of Psychologist Examiners

Change	OF	0	13,500*
Revised Total	OF	389,800	395,400

* Excludes annualization of FY 2008 standard adjustments in FY 2009.

Arizona State Retirement System

Analyst: Jon McAvoy/Marge Zylla

The JLBC includes a revised total of \$20,335,500 in FY 2008 and \$20,380,400 in FY 2009 from the State Retirement System Administration Account. The revised department appropriated funds total would be \$23,135,500 in FY 2008 and \$23,180,400 in FY 2009. FY 2008 and FY 2009 supplemental adjustments would be as follows:

		<u>FY 2008</u>	<u>FY 2009</u>
ERE Adjustment	OF	267,700	267,700

The adjustments include a FY 2008 supplemental increase of \$267,700 and a FY 2009 supplemental increase of \$267,700 from the State Retirement System Administration Account. The increase will fund additional Employee Related Expenditures (ERE) due to higher than budgeted health insurance costs for Arizona State Retirement System employees. The supplemental increase is based on current staffing levels.

Arizona State Retirement System

Change	OF	267,700	267,700*
Revised Total	OF	23,135,500	23,180,400

* Excludes annualization of FY 2008 standard adjustments in FY 2009.

Department of Weights and Measures

Analyst: Dan Hunting

The JLBC includes a revised total of \$319,900 in FY 2009 from the Motor Vehicle Liability Insurance Enforcement Fund. The revised department appropriated funds total would be \$3,477,700. FY 2009 supplemental adjustments would be as follows:

Taxi Enforcement OF 0 199,200

The adjustments include a FY 2009 supplemental increase of \$199,200 from the Motor Vehicle Liability Insurance Enforcement Fund for increased enforcement of taxi licensing and inspection. These will provide funding for 2.5 FTE Positions that are currently vacant, including related equipment and vehicles. There are currently 2.5 taxi inspectors in the department. The additional positions will allow the department to increase the inspection interval for licensed taxis from once every 4 years to once every 3 years, and allow for more enforcement of unlicensed and uninsured taxis.

New Footnote

Before any taxi license is issued, the Department of Weights and Measures shall confirm that the applicant is in compliance with A.R.S. § 23-212.

Department of Weights and Measures

Change	OF	0	199,200*
Revised Total	GF	1,710,800	1,640,200
	OF	1,679,900	1,837,500

* Excludes annualization of FY 2008 standard adjustments in FY 2009.