

FY 2012 BUDGET RECONCILIATION BILLS (BRB)

	<u>Page</u>
Consolidation BRB - Chapter 27 (SB 1615)	353
Budget Procedures BRB - Chapter 26 (SB 1614)	353
Criminal Justice BRB - Chapter 33 (SB 1621)	354
Environment BRB - Chapter 36 (SB 1624)	355
General Government BRB - Chapter 34 (SB 1622)	356
Health BRB - Chapter 31 (SB 1619)	356
Higher Education BRB - Chapter 30 (SB 1618)	358
K-12 Education BRB - Chapter 29 (SB 1617)	358
Regulation BRB - Chapter 35 (SB 1623)	359
Revenues BRB - Chapter 28 (SB 1616)	359
Welfare BRB - Chapter 32 (SB 1620)	360
General Appropriation Act Provisions - Chapter 24 (SB 1612)	360

FY 2012 BUDGET RECONCILIATION BILLS (BRB)

CONSOLIDATION - CHAPTER 27 (SB 1615)

	<u>Section</u>
1. As permanent law, transfer the functions of the Government Information Technology Agency to the Arizona Department of Administration (ADOA).	2,3,4,15, 23,27,38, 39,41-55, 57
2. As permanent law, transfer the non-museum functions of the Department of Mines and Minerals into the Arizona Geological Survey and delete an annual report. Eliminate the Department of Mines and Mineral Resources Board of Governors.	7-13,24, 33,40,42, 58
3. As session law, transfer \$32,200 from the Mines and Minerals Fund to the Arizona Historical Society Revolving Fund to help operate the Arizona Centennial Museum. Transfer remaining monies to Geological Survey Fund.	60
4. As permanent law, transfer the functions of ADOA Capitol Police to the Department of Public Safety.	1,5,6,14, 25,26,28, 31,32, 34-37,56
5. As permanent law, clarify that the State Library buildings are under the control of the Executive Branch. Requires Secretary of State Rosenbaum Building and Records Retention Center to pay state building rent starting in FY 2013.	29,30,35
6. As permanent law, transfer the functions of the Biomedical Research Commission to the Department of Health Services (DHS). Transfer the powers and duties of the Commission to DHS.	16-22,59
7. Makes bill effective retroactive to from and after June 30, 2011.	61

BUDGET PROCEDURES - CHAPTER 26 (SB 1614)

Statewide

8. As session law, require the Governor's Office of Economic Recovery to report quarterly on the use of discretionary funds from the American Recovery and Reinvestment Act (ARRA). Requires the report to outline allocations made to several commerce, education and public safety programs.	9
9. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	10
10. As permanent law, continue to allow agencies to implement a furlough and direct ADOA to prescribe implementation procedures. As session law, exempt ADOA from rulemaking requirements for the purpose of prescribing furlough procedures.	6,14
11. As session law, eliminate 1 of 6 previously enacted furlough days in FY 2011, and eliminate all 6 furlough days that were scheduled to occur in FY 2012.	7
12. As session law, notwithstanding A.R.S. § 35-121 to permit annual budgets for all departments.	12
13. As session law, continue to require that any non-lapsing monies appropriated from the General Fund that remain unexpended or unencumbered at the close of FY 2012 to be counted as part of the closing General Fund balance.	13
14. As session law, change the FY 2012 Capital Outlay Stabilization Fund (COSF) rental rate charged by ADOA from \$21.02/square foot to \$15.08/square foot for office space and from \$7.62/square foot to \$5.47/square foot for storage space.	11
15. As permanent law, change the employee/employer contribution split for the Arizona State Retirement System from 50/50 to 53/47. As session law, transfer to the General Fund the savings from the reduction in the employer share of retirement costs for all state, university, school district and charter school employees.	2-5,8
16. As permanent law, require that state employees hired after the effective date must work regularly for at least 90 days to be eligible for state employee benefits, and must work regularly for at least 6 months to become a member of the Arizona State Retirement System.	1

CRIMINAL JUSTICE - CHAPTER 33 (SB 1621)

Attorney General - Department of Law

17. As session law, raise the non-lapsing cap for the Collections Enforcement Fund from \$100,000 to \$500,000. 31

State Capital Postconviction Public Defender Office

18. As permanent law, exempt the agency from the Attorney General Pro Rata charge. 12

State Department of Corrections

19. As session law, continue to require the department to report actual FY 2011, estimated FY 2012, and requested FY 2013 expenditures as delineated in the prior year when the department submits its FY 2013 budget request pursuant to A.R.S. § 35-113. 22
20. As permanent law, establish new Building Renewal Fund in the Department of Corrections (ADC). Permit up to 8% of the funds to be used for preventative maintenance. Permit the ADC Director to charge an inmate visitor's fee to all visitors 18 years or older and to set a fee for deposits into inmates' personal accounts and to direct those revenues into the new fund. Specify yearly transfers from 4 department funds into the new fund. 11,13,14, 15,16,18
21. As permanent law, require that persons convicted of a crime after July 1, 2012 and receiving a sentence of less than 1 year at the department to serve that sentence in county jails. If convicted prior to July 2012, that category of inmates would serve the remainder of their term at ADC and counties would reimburse the state for those costs. As session law, require county sheriffs to notify the department by February 1, 2012 if they plan to house prisoners. As session law, require department to present plan on FY 2013 budget savings from reduced bed usage and marginal costs to JLBC by March 1, 2012. 1,5,7, 8,9,10, 17,25,29, 32
22. As session law, allow 3 ADC special funds to be used for general operations. 30

Board of Executive Clemency

23. As session law, continue to limit members of the Board of Executive Clemency, excluding the Chairman, from working more than 30 hours per week and restrict them from being eligible for paid leave or any other benefits provided to state employees. 26

Judiciary

24. As session law, continue to suspend the reporting requirements for the Annual Juvenile Intensive Probation Report, the Community Punishment Program Report, the Emancipation of Minors Report, the Annual Drug Treatment and Education Fund Report, the Annual Lengthy Trial Fund Report, the Annual Child Support Committee Report, and the Annual Domestic Relations Committee Report. 24
25. As permanent law, repeal A.R.S. § 12-270, which requires the Legislature to annually appropriate 40% of any cost savings related to a reduction in probation revocations, to be deposited in the Adult Probation Services Fund of each county if there is a reduction in the percentage of supervised probationers who are convicted of new felony offenses. In prior years, this provision had been suspended annually in session law. 3,4
26. As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the counties to report on reductions in county funding as a result of the elimination of the non-supplanting provisions. 25
27. As session law, suspend the requirement of 50% reimbursement to counties for grand jury expenses and for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings and reimburse only the amount provided in the General Appropriation Act. 27
28. As permanent law, allow Supreme Court justices to receive travel and per diem reimbursement if they permanently live outside of Maricopa County. 2

Department of Public Safety

29. As session law, continue to suspend the schedule established by A.R.S. § 28-6537 and A.R.S. § 28-6993 governing the level of Highway User Revenue Fund and State Highway Fund revenues available to fund DPS's Highway Patrol costs. 23
30. As session law, continue to reduce the Laws 2007, Chapter 261 advance appropriation of \$3,520,000 from the DNA Identification System Fund to \$980,000 in FY 2012. These monies were originally appropriated to fund the operating costs of expanded testing provisions and the design and construction of an expanded crime lab in Phoenix. 21
31. Shift language governing the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) local enforcement grants from a General Appropriation Act footnote to permanent law. Monies deposited in 20

the GIITEM Fund can be used for employer sanctions, smuggling, gang, and immigration enforcement. Allocates the first \$1,600,000 to the Maricopa County Sheriff's Office and the next \$500,000 to the Pinal County Sheriff's Office. Monies given to Sheriffs' Offices do not require further approval by the county board of supervisors. Remaining monies may be used for agreements with cities, counties and other entities at a 3:1 match rate. Excludes Maricopa and Pinal Counties from the matching requirements. Excludes Pima County officials from receiving funding. (This Pima exclusion was repealed in Laws 2011, Chapter 308). Requires contracting law enforcement agencies to verify legal status of suspected illegal aliens and gang members. Requires expenditure reporting to JLBC for any expenditures not previously identified.

- 32. As permanent law, allow the Public Safety Equipment Fund to be used for vehicles. 19

State Treasurer

- 33. As permanent law, fund the state share of Justice of the Peace salaries at 19.25% in FY 2012. In prior years, this provision had been suspended annually in session law. 6

ENVIRONMENT - CHAPTER 36 (SB 1624)

Arizona Department of Agriculture

- 34. As session law, permit the Director, upon recommendation from the Agricultural Advisory Council, to continue to allow special fee authority in FY 2012. The bill includes an intent clause that limits additional revenues up to \$218,000 to the General Fund, \$113,000 to the Pesticide Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Fund. 6

Department of Environmental Quality

- 35. As session law, continue to suspend the Underground Storage Tank Revolving Fund Assurance Account administrative cap for FY 2012 to allow the department to utilize up to \$6,531,000 for program operating costs. 5
- 36. As session law, continue to decrease the General Fund appropriation to the Water Quality Assurance Revolving Fund from \$15,000,000 to \$7,000,000. 12
- 37. As session law, suspend the requirement that monies in the Water Quality Fee Fund be held in trust. 11
- 38. As permanent law, correct a cross reference relating to federal regulations on emergency hazardous substances. 1

State Land Department

- 39. As session law, allow \$9,888,400 be appropriated to the State Land Department from Risk Management if, by court order, the department is required to cease any expenditures from the Trust Land Management Fund. 10

AZ Navigable Stream Adjudication Commission

- 40. As session law, allow up to \$80,000 from the Risk Management Revolving Fund to be spent for the commission's unpaid legal obligations. 10

Arizona State Parks Board

- 41. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. 4
- 42. As session law, continue to allow State Parks Enhancement Fund monies to be used for the operation of state parks as appropriated by the Legislature or for capital needs as approved by the Joint Committee on Capital Review in FY 2012. 9
- 43. As session law, allow the use of Law Enforcement Boating Safety Fund monies for Parks Board operations and \$750,000 for law enforcement grants in Mohave, La Paz and Yuma Counties in FY 2012. 8

Department of Water Resources

- 44. As permanent law, eliminate the statutory \$5,000,000 transfer from the General Fund to the Water Protection Fund. In prior years, this provision had been suspended annually in session law. 3
- 45. As permanent law, continue to allow the department special user fee authority and to establish a new fee on cities. The bill adds an intent clause that limits additional revenues to \$7,000,000. 2,7

GENERAL GOVERNMENT - CHAPTER 34 (SB 1622)

Arizona Department of Administration

46. As permanent law, allow ADOA to use 8% of its annual building renewal appropriation for routine preventative maintenance. 3,4
47. As permanent law, shift the Office of Employment and Population Statistics from the Department of Commerce to the Department of Administration and create the office in statute. 2

Department of Emergency and Military Affairs

48. As permanent law, eliminate the \$4,825,000 General Fund appropriation to the Military Installation Fund. In prior years, this reduction was set at \$2,800,000 and was suspended annually in session law. 1
49. As session law, continue the \$(1,100,000) reduction to the Governor's Emergency Fund deposit in FY 2012. 7

Department of Housing

50. As permanent law, extends the termination date for the Department of Housing by 1 year to July 1, 2012. 5,6,9

Legislature - Legislative Council

51. As session law, allow half of unspent Rosenbaum building appropriation monies to be used for the maintenance, repair, and operation of legislative buildings and allow other half to be deposited into the Capital Outlay Stabilization Fund. 8

HEALTH - CHAPTER 31 (SB 1619)

Arizona Department of Administration

52. As session law, continue to prohibit implementation of a differentiated health insurance premium in FY 2012 based on the integrated or non-integrated status of the provider. 22
53. As permanent law, eliminate the requirement that state agencies transfer all their state employee health insurance appropriation to the ADOA self-insurance pool at the beginning of the fiscal year. Agencies will instead pay their actual costs throughout the year. 16

AHCCCS

Rates and Services

54. As permanent law, eliminates the requirement to make outlier payments for inpatient hospital services. 11
55. As session law, prohibit increases in institutional and non-institutional provider rates in the contract year beginning October 1, 2011. Allow Arizona Health Care Cost Containment System (AHCCCS) to reduce institutional and non-institutional rates up to 5% in contract year beginning October 1, 2011. 31,32
56. As session law, set AHCCCS ambulance reimbursement rates at 72.2% of the DHS approved rates from April 1, 2011 to September 30, 2011. Allow AHCCCS to reduce these rates an additional (5)% from October 1, 2011 to September 30, 2012. Prohibit AHCCCS from recognizing DHS rate increases from July 2, 2011 to September 30, 2011. 29
57. As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. 30
58. As permanent law, eliminate non-emergency transportation as a covered service, except for stretcher vans and ambulances, subject to the approval of the federal government. 13

Counties

59. As session law, set FY 2012 county Arizona Long Term Care System (ALTCS) contributions at \$251,732,900. 19
60. As session law, revise FY 2011 County ALTCS contributions to \$192,878,000. 18
61. As session law, require counties to contribute proportionally if the cost of the ALTCS program is greater than \$1,242,309,200 in FY 2011 or greater than the amount specified in the General Appropriation Act in FY 2012. 18,19
62. As session law, set the County Acute Care contribution at \$48,605,300. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. 26
63. As session law, require AHCCCS to transfer any excess monies back to the counties by December 31, 2012 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. 24

64.	As session law, require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations.	27
65.	As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations.	28
<i>Hospitals</i>		
66.	As session law, continue to permit local governments, tribal governments, and universities to contribute state match monies for disproportionate share hospital payments in FY 2011 and FY 2012.	23
67.	As session law, establish FY 2012 disproportionate share distributions to the Maricopa County Hospital District, the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center.	23
<i>Available Funding</i>		
68.	Notwithstanding any other law, AHCCCS is authorized to adopt rules necessary to implement a program within the available appropriation including changes to services, eligibility, and rates.	34
69.	If the federal government does not approve the state's Section 1115 waiver, it is the intent of the legislature that AHCCCS will implement a program within its available appropriation. Further directs AHCCCS to implement prescribed copays, premiums, and non-emergency transportation provisions included in this act.	38
70.	As session law, state that it is legislative intent that transplant coverage eliminated on October 1, 2010 be funded.	38
<i>Erroneous Payments</i>		
71.	As session law, continue to state that it is the intent of the Legislature that AHCCCS comply with the Federal False Claims Act, achieve the maximum savings as possible under the federal act, and continue to consider best available technologies to consider fraud.	36
72.	As session law, require AHCCCS to release a Request for Information (RFI) by August 1, 2011 to reduce erroneous and fraudulent payments. The proposal may address improving the verification of provider and applicant identification. Based on the responses, AHCCCS shall issue an RFP by October 1, 2011. Before release, the RFP shall be reviewed by the JLBC. AHCCCS shall award the contract by January 1, 2012.	25
73.	As session law, permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Any credits received may be used to pay for the AHCCCS program in the year they are received.	33
<i>Cost Sharing</i>		
74.	As permanent law, subject to the approval of the federal government, implement the following cost sharing measures for AHCCCS recipients beginning on July 1, 2011: <ul style="list-style-type: none"> • A monthly premium of \$15 (not to exceed \$60 per household) • \$5 co-pay for a physician visit • \$10 co-pay for an urgent care visit • \$30 co-pay for an emergency department visit 	11
<i>Other</i>		
75.	As permanent law, establish the Prescription Drug Rebate Fund as a partially-appropriated fund. The fund will be used for program administration and the state share of prescription drug rebates. Retroactive to March 1, 2011.	14,40
76.	As permanent law, transfer the Children's Rehabilitative Services program from DHS to AHCCCS on July 1, 2011.	1-6,8-9, 12,15,17, 39,40
77.	As permanent law, clarify that AHCCCS redeterminations shall occur at least annually.	10
Department of Health Services		
78.	As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2012. Allows counties to use any source of county revenue to make the transfers.	21
79.	As session law, require counties to pay 50% (rather than 25%) of the cost of treatment and confinement for sexually violent persons. Allows counties to use any source of county revenue to make the transfers and exempts county contributions from county expenditure limitations.	20
80.	As permanent law, make the following revisions to the Vital Records program: <ul style="list-style-type: none"> • Remove existing fee caps and allow the DHS Director to set fees, including a fee that counties must pay for access to the agency's vital records electronic system. Include an intent clause that limits total revenues to \$4,539,000; • Requires that for the first \$4,000,000 of revenue, 85% will be deposited into the Vital Records Electronic Systems Fund and 15% will be deposited into the General Fund; • Requires that for any revenue above \$4,000,000, 40% will be deposited into the Vital Records Electronic 	7,35,37

- System Fund and 60% will be deposited into the General Fund;
- Exempts DHS from rulemaking requirements to make these changes.

HIGHER EDUCATION - CHAPTER 30 (SB 1618)

Arizona Community Colleges

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| 81. As session law, continue to suspend capital outlay funding for FY 2012. | 5 |
| 82. As session law, continue to notwithstanding the 20% cap to the community college districts' ability to use capital outlay monies for operating. | 6 |
| 83. As permanent law, allow a community college district board to delegate the authority to execute leases exceeding \$100,000 per year. | 1 |
| 84. As permanent law, eliminates the annual requirement to submit a workforce development plan to the Department of Commerce. | 2 |
| 85. As permanent law, eliminate the annual reporting requirements submitted to the Center for Vocational Education. | 4 |
| 86. As session law, notwithstanding the operating state aid formula in FY 2012, and specify that the appropriations for operating state aid shall be as provided in the General Appropriation Act. | 7 |

Board of Medical Student Loans

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| 87. As session law, continue to suspend the requirement that at least 50% of loan monies be apportioned for students attending private medical schools retroactive to June 30, 2011. | 8 |
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Universities

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| 88. As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). | 9 |
| 89. As permanent law, require the universities to annually report graduation rates and retention rates by campus. | 3 |
| 90. As session law, require the Arizona Board of Regents and the 3 public universities to collaborate and recommend a funding structure that includes performance and outcome based funding, a student centered financial aid model and a method that addresses the issue of per student funding disparities. | 10 |

K-12 EDUCATION - CHAPTER 29 (SB 1617)

Department of Education

Formula Requirements

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| 91. As permanent law, increase by 0.9% the transportation funding levels prescribed in A.R.S. § 15-945A5 and the charter school "Additional Assistance amounts prescribed in A.R.S. § 15-185B4. | 1,2,17 |
| 92. As permanent law, maintain at \$3,267.72 for FY 2012 the per pupil "base level" amount prescribed in A.R.S. § 15-901B2 (unchanged from FY 2011). | 10,11 |

Funding Formula Changes

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| 93. As session law, reduce school districts' Soft Capital funding by \$188,120,700, which is \$23,000,000 above the FY 2011 reduction of \$165,120,700. As session law, reduce Soft Capital funding to school districts that do not receive state aid for FY 2012 by the amount that would be reduced if they did qualify for state aid for FY 2012. | 23 |
| 94. As session law, continue to reduce charter school Additional Assistance funding below the level that otherwise would be funded pursuant to A.R.S. § 15-185B4. (The FY 2012 reduction is \$7,656,000 more than the FY 2011 reduction of \$10,000,000.) | 21 |
| 95. As session law, reduce school district's Capital Outlay Revenue Limit (CORL) funding by \$(63,864,800). As session law, reduce CORL funding to school districts that do not receive state aid for FY 2012 by the amount that would be reduced if they did qualify for state aid for FY 2012. | 28 |
| 96. As session law, cap total combined Soft Capital and CORL reductions for school districts with a student count of fewer than 1,100 pupils at \$5,000,000. | 29 |
| 97. As permanent law, phase out Career Ladder funding over 5 years starting in FY 2012 (phasing out state funding first) and continue to limit the program only to teachers who participated in the prior year. | 14,31,32 |
| 98. As session law, continue to fund state aid for Joint Technological Education Districts (JTEDs) in FY 2012 at 91% of the formula requirement. | 22 |
| 99. As permanent law, prohibit JTEDs from including 9 th graders in their Average Daily Membership (ADM) counts. | 7,8 |

100. As permanent law, repeal the “Utilities Cost” funding formula. In prior years, this provision had been suspended annually in session law.	12,13,15, 16,18,19
101. As permanent law, repeal the teacher performance pay system in A.R.S. § 15-977G3. <i>Education Learning and Accountability Fund</i>	20
102. As permanent law, establish an Education Learning and Accountability Fund to receive monies for information technology improvements authorized by A.R.S. § 15-249 and make those monies subject to JLBC review requirements prescribed by that law.	6
103. As session law, require community colleges and universities to transfer \$6 per pupil on a one-time basis to ADE by December 1, 2011 for deposit into the fund.	30
104. As permanent law, replace current language regarding information technology improvements. <i>Other</i>	4,5
105. As session law, continue to suspend new funding for the early graduation program, but continue to fund existing students with available fund balances.	24
106. As session law, continue to suspend the annual AIMS Intervention and Dropout Prevention performance audit for FY 2012.	25
107. As permanent law, repeal the biennial Special Education Cost Study.	3,9

School Facilities Board

108. As session law, continue to prohibit the School Facilities Board (SFB) from authorizing or awarding funding for the design or construction of any new school facility or for school site acquisition. Continue to require school districts to submit capital plans during FY 2012 and permit SFB to review and award new school facilities, subject to future appropriations.	26
109. As session law, continue to suspend the Building Renewal Fund formula for FY 2012.	27

REGULATION - CHAPTER 35 (SB I623)

Office of Administrative Hearings

110. As session law, continue to suspend the requirement that the office hear appealed actions and contested cases within 60 days of the filing.	9
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Registrar of Contractors

111. As session law, continue to allow 14% of prior fiscal year revenues from the Residential Contractors’ Recovery Fund to be used for employee and contracted services, equipment, and for operational costs, rather than 10% of the fund balance.	8
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Department of Insurance

112. As session law, continue to notwithstanding the requirement for the Department of Insurance to recover at least 95% but not more than 110% of the department’s appropriated budget.	7
113. As session law, amend Laws 2009, 1 st Regular Session, Chapter 1 to make the appropriation of \$4,659,666 to the Arizona Property and Casualty Insurance Guaranty Fund and \$5,204,466 to the Life and Disability Guaranty Fund in each of FY 2012 - 2014 contingent upon the \$13,991,900 and \$15,620,200 transfers from those funds to the General Fund authorized by Laws 2009, 1 st Special Session, Chapter 1 occurring.	6

Department of Racing

114. As permanent law, establish a Racing Regulation Fund, which shall consist of increased or new fees and assessments of the Department of Racing and the Boxing Commission. The assessments may be paid from pari-mutuel deposits. The bill adds an intent clause that fees be sufficient to support the mission of the Department of Racing up to \$1,042,000 in FY 2012 and \$2,062,000 beginning in FY 2013.	1-5,10
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REVENUES - CHAPTER 28 (SB I616)

Arizona Department of Housing

115. As permanent law, revise deposit of \$10,500,000 in unclaimed property revenues to the Housing Trust Fund to \$4,500,000. Of that amount, \$2,000,000 is deposited to DHS Seriously Mentally Ill housing projects. The remaining \$6,000,000 would instead be deposited to the General Fund.	4,6
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Radiation Regulatory Agency

116. As permanent law, create the appropriated Radiation Regulatory Fee Authority Fund, and deposit the \$500,000 of increased fees previously authorized by the Legislature. 3

Department of Revenue

117. As permanent law, remove the exemption from lapsing from the Administrative Services Fund. 5

Department of Transportation

118. As permanent law, continue to require that the amount of Vehicle License Tax collected from the 5-year registration option, which is over and above what would have been collected had the vehicles been registered for 2 years, be deposited into the General Fund. 2
119. As session law, hold 10 smallest counties harmless for the shift of Motor Vehicle Division (MVD) funding from State Highway Fund to Highway User Revenue Fund (HURF) in FY 2012. 10

Revenues

120. As session law, continue the FY 2011 fee raising authority in FY 2012 for the Radiation Regulatory Agency and the Office of Pest Management. The bill adds an intent clause that limits additional revenues to \$500,000 for the Radiation Regulatory Agency, and \$525,000 for the Office of Pest Management. 7
121. As session law, require Maricopa County to transfer \$26,384,500, Pima County to transfer \$6,775,700, Pinal County to transfer \$2,597,400, Mohave to transfer \$1,383,700, and Yavapai County to transfer \$1,458,700 into the General Fund, for a total transfer of \$38,600,000. Exempt these contributions from county expenditure limitations. Allows counties to use any source of county revenue to make the transfers. 8
122. As permanent law, change the state's payment of debt service on the Phoenix Civic Center to match the actual debt service schedule. 1
123. As session law, notwithstanding the requirements for any deposit to or withdrawals from the Budget Stabilization Fund. 9
124. Authorizes a tax recovery program in September 2011. 11

WELFARE - CHAPTER 32 (SB 1620)**Department of Economic Security**

125. As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable cause to believe that the recipient uses illegal drugs. 3
126. As permanent law, reduce the maximum period of eligibility for TANF Cash Benefits from 3 years to 2 years. 1
127. As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to JLBC within 15 days of any change in levels. 2

GENERAL APPROPRIATION ACT PROVISIONS - CHAPTER 24 (SB 1612)**Department of Administration**

128. As session law, includes an intent statement that the department offer an enhanced Health Savings Account (HSA) option to state employees and report on the employer contribution savings associated with the HSA option. 139
129. Authorize ADOA to pay the federal government for any obligations related to the transfer of Health Insurance Trust Fund monies to the General Fund. 131

AHCCCS

130. As session law, continue to defer \$344,201,700 in capitation payments for FY 2012 until FY 2013. Appropriate \$344,344,800 in FY 2013 for these deferred payments, including interest. Allow AHCCCS to pay the health plans no later than July 31, 2012. 130

Department of Economic Security

131. As session law, reduce the FY 2011 payment deferral to providers from \$42,000,000 to \$35,000,000 as part of the reduction in overall child care spending. 1
132. As session law, continue the FY 2011 \$35,000,000 payment deferral to providers from FY 2012 to FY 2013. Appropriate \$35,000,000 in FY 2013 for these deferred payments. 132

Department of Education

- 133. As session law, continue to defer \$952,627,700 in Basic State Aid payments for FY 2012 until FY 2013. 133
Appropriate \$952,627,700 in FY 2013 for these deferred Basic State Aid payments. Allow the State Board of Education to make the rollover payment no later than August 29, 2012.
- 134. As session law, continue to require school districts to include in the FY 2012 revenue estimates that they use 133
for computing their FY 2012 tax rates the rollover monies that they will receive for FY 2012 in July or August 2012.
- 135. As session law, require ADE to reduce Basic State Aid funding to school districts and charter schools on a 124
pro rata basis for FY 2011 in order to offset any FY 2011 state aid shortfall and reduce school district budget limits accordingly. As session law, permit school districts and charter schools to use federal Education Jobs Fund monies in order to offset this reduction.
- 136. As session law, reduce CORL funding to school districts by an additional \$35,000,000 and allow school 125
districts to use federal Education Jobs Fund monies in order to offset this reduction.

Department of Health Services

- 137. As session law, appropriate \$400,000 from the Nursing Care Institution Resident Protection Fund in 45
FY 2012 for improving operations of licensed participating nursing care institution facilities, subject to JLBC approval.

Universities

- 138. As session law, continue the FY 2011 \$200,000,000 universitywide payment deferral to the universities 134
from FY 2012 to FY 2013. Appropriate \$200,000,000 in FY 2013 for these deferred payments.