

## Department of Health Services

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	1,632.1	1,632.1	1,632.1
Personal Services	51,422,500	52,311,100	52,311,100
Employee Related Expenditures	21,900,800	21,330,100	21,330,100
Professional and Outside Services	10,990,800	12,874,000	12,874,000
Travel - In State	408,600	485,000	485,000
Travel - Out of State	53,100	67,400	67,400
Other Operating Expenditures	37,595,200	42,601,200	42,601,200
Equipment	970,500	617,700	617,700
<b>OPERATING SUBTOTAL</b>	<b>123,341,500</b>	<b>130,286,500</b>	<b>130,286,500</b>
<b>SPECIAL LINE ITEMS</b>			
<b>Behavioral Health</b>			
Medicaid Behavioral Health - Traditional	771,649,800	986,694,800	1,081,624,300
Medicaid Behavioral Health - Proposition 204	483,899,500	116,079,200	137,526,200
Proposition 204 Administration	5,635,700	6,446,700	6,446,700
Medicare Clawback Payments	8,581,500	12,541,500	13,838,800
Medicaid Special Exemption Payments	24,827,400	22,055,500	24,383,000
Non-Medicaid Prescription Medication	34,472,300	40,154,900	40,154,900
Supported Housing	5,019,700	5,324,800	5,324,800
Crisis Services	16,858,200	16,391,100	16,391,100
Community Placement Treatment	0	1,130,700	1,130,700
<b>Public and Family Health</b>			
Adult Cystic Fibrosis	52,600	105,200	105,200
AHCCCS - Children's Rehabilitative Services	70,254,100	0	0
AIDS Reporting and Surveillance	895,500	1,000,000	1,000,000
Alzheimer's Disease Research	0	1,125,000	1,125,000
Biomedical Research	0	500,000	0
Breast and Cervical Cancer and Bone Density Screening	1,013,800	1,346,700	1,346,700
County Tuberculosis Provider Care and Control	503,700	590,700	590,700
Folic Acid	182,100	400,000	400,000
High Risk Perinatal Services	1,910,400	2,543,400	2,543,400
Newborn Screening Program	4,950,500	6,248,200	6,248,200
Poison Control Centers Funding	666,300	990,000	990,000
Renal and Nonrenal Disease Management	110,000	198,000	198,000
<b>AGENCY TOTAL</b>	<b>1,554,824,600</b>	<b>1,352,152,900<sup>1/</sup></b>	<b>1,471,654,200</b>
<b>FUND SOURCES</b>			
General Fund	428,305,800	494,294,800	545,439,600
<u>Other Appropriated Funds</u>			
Arizona State Hospital Fund	8,088,300	13,807,300	13,807,300
ASH Land Earnings Fund	169,100	1,150,000	1,150,000
Capital Outlay Stabilization Fund	1,587,100	1,245,500	1,245,500
Child Fatality Review Fund	95,000	92,700	92,700
Emergency Medical Services Operating Fund	3,894,700	5,024,300	5,024,300
Environmental Laboratory Licensure Revolving Fund	650,000	907,200	907,200
Federal Child Care and Development Fund Block Grant	820,700	827,800	827,800
Health Services Licensing Fund	7,623,600	8,260,300	8,260,300
Hearing and Speech Professionals Fund	309,700	308,100	308,100
Indirect Cost Fund	7,655,200	7,509,000	7,509,000
Newborn Screening Program Fund	4,950,500	6,680,100	6,680,100
Nursing Care Institution Resident Protection Fund	0	438,000	438,000

<sup>1/</sup> In addition to these amounts, a total of \$1,448,400 GF, \$775,000 OF, and \$103,100 FMA is appropriated in FY 2012 for costs associated with an additional pay period.

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 BASELINE
Substance Abuse Services Fund	2,250,000	2,250,000	2,250,000
TTHCF Health Research Account	0	1,500,000	1,000,000
TTHCF Medically Needy Account	34,575,600	35,167,000	35,167,000
Vital Records Electronic Systems Fund	166,800	3,586,000	3,586,000
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>72,836,300</b>	<b>88,753,300</b>	<b>88,253,300</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>501,142,100</b>	<b>583,048,100</b>	<b>633,692,900</b>
<b>Expenditure Authority Funds</b>			
Federal Medicaid Services	1,053,682,500	769,104,800	837,961,300
<b>SUBTOTAL - Expenditure Authority Funds</b>	<b>1,053,682,500</b>	<b>769,104,800</b>	<b>837,961,300</b>
<b>SUBTOTAL - Appropriated/Expenditure Authority Funds</b>	<b>1,554,824,600</b>	<b>1,352,152,900</b>	<b>1,471,654,200</b>
Other Non-Appropriated Funds	112,749,500	115,854,200	115,854,200
Federal Funds	297,293,200	295,088,300	295,088,300
<b>TOTAL - ALL SOURCES</b>	<b>1,964,867,300</b>	<b>1,763,095,400</b>	<b>1,882,596,700</b>

**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.

### Summary

DHS' FY 2013 General Fund Baseline spending would increase by \$51,144,800, or 10.3%. The Baseline includes:

- An increase of \$65,444,200 for Medicaid caseload growth, including \$41,117,200 to annualize an FY 2012 shortfall.
- An increase of \$1,297,300 for an adjustment to the state's share of Clawback payments.
- A decrease of \$(26,197,900) for the annualization of savings associated with the Executive Medicaid plan.
- An increase of \$10,601,200 for an adjustment to the Federal Medical Assistance Percentage (FMAP).

(See the Behavioral Health Section for additional information.)

### Operating Budget

The Baseline includes \$130,286,500 and 1,568.9 FTE Positions in FY 2013 for the operating budget. These amounts consist of:

	<b>FY 2013</b>
General Fund	\$76,422,300
Arizona State Hospital Fund	12,676,600
ASH Land Earnings Fund	1,150,000
Capital Outlay Stabilization Fund	1,245,500
Child Fatality Review Fund	92,700
Emergency Medical Services (EMS)	4,574,300
Operating Fund	

Environmental Laboratory Licensure Revolving Fund	907,200
Federal Child Care and Development Fund (CCDF) Block Grant	827,800
Health Services Licensing Fund	8,260,300
Hearing and Speech Professionals Fund	308,100
Indirect Cost Fund	7,509,000
Newborn Screening Program Fund	431,900
Nursing Care Institution Resident Protection Revolving Fund	438,000
Vital Records Electronic Systems Fund	3,586,000
Federal Medicaid Authority (FMA)	11,856,800

These amounts are unchanged from FY 2012.

### Behavioral Health

These line items fund 3 types of services; 1) Serious Mental Illness (SMI), 2) Children's Behavioral Health (CBH) and 3) General Mental Health and Substance Abuse (GMH/SA). (See Table 1 for more information.)

### Formula Growth

The FY 2012 budget presumed that all individuals receiving Proposition 204 SMI services would be reclassified as eligible for Traditional services. This assumption is continued in the Baseline. Besides the federal match rate change described below, the formula adjustments include:

- 3% enrollment growth for all Traditional SMIs, Proposition 204 SMI individuals with children, CBH, GMH/SA.

	<b>FY 2012</b> <b><u>Appropriated</u></b>	<b>FY 2012</b> <b><u>Revised</u></b>	<b>FY 2013</b>	<b>FY 2013 Above</b> <b>FY 2012</b> <b><u>Appropriated</u></b>
Medicare Clawback Payments	\$ 12,541,500	\$ 12,630,700	\$ 13,838,800	\$ 1,297,300
Medicaid Special Exemption Payments	7,292,100	8,198,000	8,269,500	977,400
<b><u>State Match for Medicaid</u></b> <sup>1/</sup>				
CBH	117,332,200	123,288,500	143,752,900	26,420,700
SMI	182,412,600	214,272,700	175,326,800	(7,085,800)
GMH/SA	26,480,100	26,926,700	47,753,100	21,271,900
<b><u>State Match for Proposition 204</u></b>				
CBH	2,588,100	2,815,500	1,647,300	(940,800)
GMH/SA	<u>35,790,600</u>	<u>42,594,300</u>	<u>44,994,700</u>	<u>9,204,100</u>
<b>Total</b>	<b>\$384,437,200</b>	<b>\$430,726,400</b>	<b>\$435,583,100</b>	<b>\$ 51,144,800</b>

<sup>1/</sup> Base amounts include \$34,767,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund.

- (24.4)% enrollment decline for Proposition 204 Childless Adults in the Proposition 204 population due to the enrollment freeze.
- Annualization of a (5)% provider rate reduction that began October 1, 2011.

The formula adjustments would result in a net General Fund increase of \$51,144,800. This consists of \$65,444,200 for caseload growth, \$1,297,300 for an increase to the state's share of Clawback costs, \$(26,197,900) for additional savings associated with the Federal Waiver, and \$10,601,200 for an increase to the state's share of FMAP costs.

The FMAP is the rate at which the federal government matches state contributions to the Medicaid programs. These rates are set on a state-by-state basis and are revised each year. Typically the federal government provides an approximate 2:1 match for most Medicaid services. During FY 2013, the FMAP for Medicaid will decline to 66.09% (0.85% decline). The reduced FMAP will result in additional General Fund costs of \$10,601,200.

The Baseline includes no funding for a capitation rate adjustment. If capitation rates were increased at 2% in FY 2013, this would cost an additional \$8,434,900 from the General Fund.

***Changes to the Federal Waiver***

The FY 2012 budget included a reduction of \$(43,530,800) in DHS savings as a component of a \$(524,000,000) reduction across the 3 Medicaid agencies. Annualization of the DHS component will result in a further adjustment of \$(26,197,900) in FY 2013.

After the FY 2012 budget was enacted, the Executive reduced its projected DHS savings by \$5,082,800, resulting in a new savings estimate of \$(38,448,000). This adjustment primarily reflects the delayed implementation of a freeze on the enrollment of Childless Adults in AHCCCS and non-approval by the federal government to

freeze Temporary Assistance for Needy Families (TANF) Parents over 75% of the Federal Poverty Level (FPL), partially offset by additional savings from a (5)% provider rate reduction implemented on October 1, 2011.

In total, the Baseline reflects a net decrease of \$(69,728,700) to continue the Childless Adult freeze and annualize the 5% provider rate reduction, an increase of \$(26,197,900) in savings from the FY 2012 budgeted level. (See *Changes to the Federal Waiver in the AHCCCS narrative for additional information.*)

***FY 2012 Supplemental***

The Baseline includes \$46,200,000 in FY 2012 for DHS formula changes, as delineated by *Table 2*.

	<b><u>Adjustment</u></b>
Caseload and Capitation Adjustment	\$41,117,200
Lower Level of Medicaid Waiver Savings	5,082,800
<b>Total</b>	<b>\$46,200,000</b>

DHS' actual capitation rates were higher than budgeted, resulting in \$41,117,200 of additional Medicaid costs. As noted above, the Childless Adult freeze will produce savings in FY 2012 than originally budgeted; that and other waiver changes will result in an additional cost of \$5,082,800.

These additional costs would be covered through 2 adjustments. First, DHS' FY 2012 General Fund appropriation would be increased by a \$12,300,000 supplemental. An amount of \$(12,300,000) would be ex-appropriated from the Department of Economic Security (DES) resulting in no net statewide General Fund increase. Second, the remaining \$33,900,000 would be appropriated from the balance of the Prescription Drug Rebate Fund.

(See the summary of Medicaid Waiver Impacts in the AHCCCS narrative for additional information.)

**Medicaid Behavioral Health - Traditional**

The Baseline includes \$1,081,624,300 in FY 2013 for Medicaid Behavioral Health - Traditional. This amount consists of:

General Fund	332,065,800
Tobacco Tax and Health Care Fund	34,767,000
Medically Needy Account	
Federal Medicaid Authority	714,791,500

FY 2013 adjustments would be as follows:

<b>Formula Growth</b>	<b>GF</b>	<b>40,606,800</b>
	<b>FMA</b>	<b>54,322,700</b>

This line item provides behavioral health treatment to Medicaid eligible children and adults. In FY 2013, there would be an average of 1,510,538 eligible individuals per month. DHS receives a monthly capitation payment from AHCCCS for every individual eligible for Medicaid behavioral health services, although only an estimated average 6.45%, or 97,460, of the eligible population will utilize services.

**Medicaid Behavioral Health - Proposition 204**

The Baseline includes \$137,526,200 in FY 2013 for Medicaid Behavioral Health - Proposition 204. This amount consists of:

General Fund	46,642,000
Federal Medicaid Authority	90,884,200

FY 2013 adjustments would be as follows:

<b>Formula Growth</b>	<b>GF</b>	<b>8,263,300</b>
	<b>FMA</b>	<b>13,183,700</b>

This line item provides behavioral health treatment to Medicaid eligible children and adults. In FY 2013, there would be an average of 284,220 eligible individuals per month. Of this amount, 116,592 are Childless Adults. This estimate includes the impact of the enrollment freeze. DHS receives a monthly capitation payment from AHCCCS for every individual eligible for Medicaid behavioral health services, although only an estimated 6.45%, or 18,332, of the eligible population will utilize services.

**Proposition 204 Administration**

The Baseline includes \$6,446,700 in FY 2013 for Proposition 204 Administration. This amount consists of:

General Fund	2,131,400
Federal Medicaid Authority	4,315,300

These amounts are unchanged from FY 2012.

This line item provides funding for the administrative component of the Proposition 204 population.

**Medicare Clawback Payments**

The Baseline includes \$13,838,800 from the General Fund in FY 2013 for Medicare Clawback Payments. FY 2013 adjustments would be as follows:

<b>Formula Growth</b>	<b>GF</b>	<b>1,297,300</b>
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The Baseline includes an increase of \$1,297,300 from the General Fund in FY 2013 for formula growth associated with Medicare Clawback Payments.

As part of the Medicare Modernization Act (MMA) effective January 1, 2006, DHS is not required to pay for prescription drug costs for members who are also eligible for Medicare. Instead, DHS is required to make "Clawback" payments to Medicare based on 78.7% of the estimated prescription drug cost of this population in 2013. The state's share of 78.7% declines annually by 1.7% and the Clawback cost per member is annually increased based on national health trend information.

**Medicaid Special Exemption Payments**

The Baseline includes \$24,383,000 in FY 2013 for Medicaid Special Exemption Payments. This amount consists of:

General Fund	8,269,500
Federal Medicaid Authority	16,113,500

FY 2013 adjustments would be as follows:

<b>Formula Growth</b>	<b>GF</b>	<b>977,400</b>
	<b>FMA</b>	<b>1,350,100</b>

This line item provides funding necessary for insurance premium tax payments by DHS. The department is required to pay a 2% tax on the capitation payments it pays to Regional Behavioral Health Authorities.

**Non-Medicaid Prescription Medication**

The Baseline includes \$40,154,900 from the General Fund in FY 2013 for Non-Medicaid Prescription Medication. This amount is unchanged from FY 2012.

This line item provides funding for a benefit package for Non-Medicaid SMI clients to partially cover the costs of prescription medications and associated services, such as laboratory costs and prescribing clinician costs.

### ***Supported Housing***

The Baseline includes \$5,324,800 from the General Fund in FY 2013 for Supported Housing. This amount is unchanged from FY 2012.

This line item funds housing services that will enable individuals to live in the community. These funds may serve Medicaid and 100% state funded recipients. Medicaid, however, does not provide a match for housing assistance.

### ***Crisis Services***

The Baseline includes \$16,391,100 in FY 2013 for Crisis Services. This amount consists of:

General Fund	14,141,100
Tobacco Tax and Health Care Fund	2,250,000
Medically Needy Account	

These amounts are unchanged from FY 2012.

This line item provides funding for persons in need of emergency behavioral health assistance. These services may include 24-hour crisis telephone lines, crisis mobile teams, and facility-based crisis services. These funds serve 100% state funded recipients.

### ***Community Placement Treatment***

The Baseline includes \$1,130,700 from the ASH Fund in FY 2013 for Community Placement Treatment. This amount is unchanged from FY 2012.

This line item provides funding for housing, transportation, clinical support, and meaningful day activities for State Hospital patients treated in the community.

The Baseline includes approximately \$66,000,000 for inpatient hospitalization services at the State Hospital for the seriously mentally ill. As of October 2011, the ASH census was 234 patients.

## ***Public and Family Health***

### ***Adult Cystic Fibrosis***

The Baseline includes \$105,200 from the General Fund in FY 2013 for Adult Cystic Fibrosis. This amount is unchanged from FY 2012.

This line item provides contracted care and treatment services through Phoenix Children's Hospital for 20 individuals with cystic fibrosis.

### ***AIDS Reporting and Surveillance***

The Baseline includes \$1,000,000 from the General Fund in FY 2013 for AIDS Reporting and Surveillance. This amount is unchanged from FY 2012.

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 \$875,000 to provide medications under the Arizona AIDS Drug Assistance Program, which also receives Federal Funds for the medications. The program served an average of 1,100 clients per month in FY 2011.

### ***Alzheimer's Disease Research***

The Baseline includes \$1,125,000 in FY 2013 for Alzheimer's Disease Research. This amount consists of:

General Fund	125,000
TTHCF Health Research Account	1,000,000

These amounts are unchanged from FY 2012.

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.

### ***Biomedical Research***

The Baseline includes no funding from the Health Research Account of the Tobacco Tax and Health Care Fund in FY 2013 for the Arizona Biomedical Research Commission (ABRC). FY 2013 adjustments would be as follows:

#### **Eliminate ABRC Health OF (500,000) Research Fund Appropriation**

The Baseline includes a decrease of \$(500,000) from the Health Research Account of the Tobacco Tax and Health Care Fund in FY 2013. Laws 2002, Chapter 186 appropriated \$500,000 from the Health Research Fund annually from FY 2003 to FY 2012 for biotechnology.

The FY 2012 Consolidation BRB (Laws 2011, Chapter 27) transferred the functions of the Arizona Biomedical Research Commission to DHS on July 1, 2011. The authority to disburse appropriated and non-appropriated funds has been transferred to the DHS Director, but ABRC will have an advisory role within the agency. The non-appropriated level of funding is \$9,217,700.

### ***Breast and Cervical Cancer and Bone Density Screening***

The Baseline includes \$1,346,700 and 1 FTE Position from the General Fund in FY 2013 for the Breast and

Cervical Cancer and Bone Density Screening. These amounts are unchanged from FY 2012.

The Well Woman Healthcheck program contracts for cancer screening women over age 40 that do not have health insurance and have incomes less than 250% of the Federal Poverty Level. Women who are diagnosed with breast and cervical cancer through this program are eligible to receive treatment through AHCCCS.

**County Tuberculosis Provider Care and Control**

The Baseline includes \$590,700 from the General Fund in FY 2013 for County Tuberculosis Provider Care and Control. This amount is unchanged from FY 2012.

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.

**Folic Acid**

The Baseline includes \$400,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund in FY 2013 for Folic Acid. This amount is unchanged from FY 2012.

This line item provides for the distribution of folic acid to women of child bearing age to help prevent birth defects. In FY 2011, 7,875 low-income women of childbearing age received multivitamins and 12,000 women received folic acid education and multivitamins.

**High Risk Perinatal Services**

The Baseline includes \$2,543,400 in FY 2013 for High Risk Perinatal Services. This amount consists of:

General Fund	2,093,400
Emergency Medical Services Operating Fund	450,000

These amounts are unchanged from FY 2012.

This line item provides contracted transport services for high risk expectant mothers and contracted physician follow-up services for uninsured newborns in intensive care centers. It also provides funding for 4 visits per year to families who have babies born at risk of having developmental problems (i.e. speech problems, poor motor skills, delay in walking, etc.). The purpose of the visits is to have children developmentally ready to enter school by age 5.

**Newborn Screening Program**

The Baseline includes \$6,248,200 and 62.2 FTE Positions from the Newborn Screening Program Fund in FY 2013

for the Newborn Screening Program. These amounts are unchanged from FY 2012.

This line item funds the centralized testing of all newborns in the state for a standard set of 29 disorders. In FY 2013, the program will provide screening for approximately 79,950 newborns. The program also provides for follow-up counseling for the parents of affected newborns. The State Health Laboratory currently holds the contract for testing.

**Poison Control Centers Funding**

The Baseline includes \$990,000 from the General Fund in FY 2013 for Poison Control Centers. This amount is unchanged from FY 2012.

A.R.S. § 36-1161 requires 2 poison control centers to be maintained in Arizona. DHS has allocated \$647,300 to the University of Arizona Poison Information Center and \$342,700 to the Banner Poison Control Center.

**Renal and Nonrenal Disease Management**

The Baseline includes \$198,000 from the General Fund in FY 2013 for Renal and Nonrenal Disease Management. This amount is unchanged from FY 2012.

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.

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**FORMAT** — Operating Lump Sum with Special Line Items by Agency

**FOOTNOTES**

Standard Footnotes  
Behavioral Health

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 2%. Before implementation of any changes in capitation rates for any behavioral health line items, the Department of Health Services shall report its expenditure plan for review by the Joint Legislative Budget Committee. 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 for review by the Joint Legislative Budget Committee.

The Department of Health Services shall report to the Joint Legislative Budget Committee 30 days after the end of each calendar quarter on the progress the department is making toward settling the *Arnold v. Sarn* lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

For FY 2012, the Department of Health Services may use monies in the IGA and ISA Fund as the state Medicaid match for behavioral health services. Before using the monies, the department shall report to the Director of the Joint Legislative Budget Committee the proposed amount of the IGA and ISA Fund monies to be used for the match, the source of those monies, including reconciliation payments and penalties, and the total amount of reconciliation payments and penalties in the fund. On or before January 7, 2013, the department also shall report to the Director of the Joint Legislative Budget Committee the total amount of reconciliation payments and penalties deposited in the fund through December 31, 2012 in FY 2013.

It is the intent of the Legislature that the percent attributable to administration/profit for the Regional Behavioral Health Authority in Maricopa County is 9% of the overall capitation rate.

The amounts included in the Proposition 204 Administration and Medicaid Behavioral Health - Proposition 204 Special Line Items include all available sources of funding consistent with A.R.S. § 36-2901.01B.

Public Health and Family Health

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 of Health Services may use up to 4% of the amounts appropriated for Renal and Nonrenal Disease Management for the administrative costs to implement the program.

Departmentwide

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded electronically 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 potential shortfalls in programs, 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 total expenditure authority of the month and year-to-date for federally-matched services.

*Deletion of Prior Year Footnotes*

The Baseline would delete the footnote requiring that the Arizona Biomedical Research Commission transfer Health Research Fund monies for Alzheimer's Disease Research, since the fund is now administered by DHS.

The Baseline would delete the footnote requiring federal and JLBC approval for one-time monies appropriated from the Nursing Care Resident Protection Revolving Fund.

**STATUTORY CHANGES**

The Baseline would:

- As session law, continue requiring all cities and counties to pay 100% of their Restoration to Competency costs.
- As session law, continue requiring all counties to pay 50% of their Sexually Violent Persons costs.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

*FY 2012 Adjustments*

*(Please see the Behavioral Health section for a discussion of FY 2012 adjustments.)*

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Addiction Reduction and Recovery Fund</b> (HSA2523/A.R.S. § 36-2007)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> For substance abuse and addiction prevention programs including methamphetamine abuse and addiction prevention programs.		
<b>Funds Expended</b>	100	0
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Arizona State Hospital Fund (HSA3120/A.R.S. § 36-545.08)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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. The FY 2012 Health Budget Reconciliation Bill (BRB) (Laws 2011, Chapter 31) continues an FY 2011 session law that requires that all counties pay 100% of the cost of care for Restoration to Competency Patients.		
<b>Purpose of Fund:</b> To provide treatment of patients at the Arizona State Hospital or to place Arizona State Hospital patients in the community.		
<b>Funds Expended</b>	8,088,300	13,807,300
<b>Year-End Fund Balance*</b>	3,670,200	(652,200)
<b>Arizona State Hospital Land Earnings Fund (HSA3128/A.R.S. § 36-211)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> For the benefit and support of the Arizona State Hospital.		
<b>Funds Expended</b>	169,100	1,150,000
<b>Year-End Fund Balance</b>	1,244,600	478,500
<b>Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (HSA2513/A.R.S. § 36-119)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> For breast and cervical cancer screening and diagnostic and outreach services.		
<b>Funds Expended</b>	189,800	189,800
<b>Year-End Fund Balance</b>	399,900	408,100
<b>Capital Outlay Stabilization Fund (HSA1600/A.R.S. § 41-792.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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> ).		
<b>Purpose of Fund:</b> Lease-purchase payments for the new state health laboratory (transfers from Arizona Department of Administration are spent for building renewal).		
<b>Funds Expended</b>	1,587,100	1,245,500
<b>Year-End Fund Balance</b>	0	0
<b>Child Fatality Review Fund (HSA3036/A.R.S. § 36-3504)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	95,000	92,700
<b>Year-End Fund Balance</b>	413,500	612,600
<b>Childhood Cancer and Rare Childhood Disease Research Fund (No Fund Number/A.R.S. § 28-2442, A.R.S. § 36-121)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A deposit of \$17 of each \$25 original and annual renewal of Childhood Cancer Research special plate fee and interest earnings. The remaining \$8 is deposited to the State Highway Fund for special plate administration.		
<b>Purpose of Fund:</b> To issue Multiple Sclerosis special plates, if a person or entity pays \$32,000 by December 31, 2012. The first \$32,000 received shall be reimbursed to the person or entity that paid the implementation fee to ADOT. The person or entity that provides the \$32,000 shall design the Childhood Cancer Research special plates, subject to approval by ADOT. ADOT is to annually deposit these monies, excluding administrative fees, into the DHS-administered Childhood Cancer and Rare Childhood Disease Research Fund. DHS shall allocate monies from the fund to nonprofit health care providers and research institutions throughout the state for Phase I clinical trials relating to pediatric cancer or other rare pediatric diseases. DHS has not yet established this fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Disease Control Research Fund (HSA2090/A.R.S. § 36-274)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies appropriated by the Legislature and any gifts, contributions or other monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
<b>Purpose of Fund:</b> To be used for projects or services that may advance research in the causes, epidemiology and prevention of disease, including discovery and development. This fund was previously part of the Arizona Biomedical Research Commission (ABRC) budget. The FY 2012 Consolidation BRB (Laws 2011, Chapter 27) transferred the fund from within ABRC to DHS.		
<b>Funds Expended</b>	2,051,900	1,990,200
<b>Year-End Fund Balance</b>	194,700	2,623,200
<b>Donations - DHS (HSA3010/2025/A.R.S. § 36-132)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Individual donations for various health related purposes.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	440,000	440,000
<b>Year-End Fund Balance</b>	742,600	512,600
<b>Donations - Statewide (HSA2025/A.R.S. § 36-132)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Individual donations from employee recognition events.		
<b>Purpose of Fund:</b> Employee recognition purposes.		
<b>Funds Expended</b>	2,500	0
<b>Year-End Fund Balance</b>	3,200	5,900
<b>Emergency Medical Services Operating Fund (HSA2171/A.R.S. § 36-2218)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To fund local and state emergency medical services systems.		
<b>Funds Expended</b>	3,894,700	5,024,300
<b>Year-End Fund Balance</b>	2,481,900	1,542,300
<b>Environmental Laboratory Licensure Revolving Fund (HSA3017/A.R.S. § 36-495.15)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees collected for environmental lab licensure, fees derived from department-sponsored workshops, and monies from gifts, grants, and donations.		
<b>Purpose of Fund:</b> For costs associated with licensing environmental laboratories by the Department of Health Services.		
<b>Funds Expended</b>	650,000	907,200
<b>Year-End Fund Balance</b>	594,700	430,900
<b>Federal Child Care and Development Fund Block Grant (HSA2008/U.S. P.L. 104-193)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Federal formula grant.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	820,700	827,800
<b>Year-End Fund Balance</b>	271,400	369,200
<b>Federal Grants (HSA2000/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To provide health services in accordance with the terms of each specific grant.		
<b>Funds Expended</b>	292,444,800	291,306,500
<b>Year-End Fund Balance*</b>	(922,000)	216,900

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Federal Grants - American Recovery and Reinvestment Act (ARRA)</b> (HSA2999/A.R.S. § 35-142)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).		
<b>Purpose of Fund:</b> One-time Federal Funds to be used by the department for Public Health and Family Health programs.		
<b>Funds Expended</b>	4,848,400	3,781,800
<b>Year-End Fund Balance</b>	(99,600)	232,700
<b>Federal Medicaid Services (HSA2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives federal match dollars for treating behavioral health problems in Medicaid-eligible persons.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	1,053,682,500	769,104,800
<b>Year-End Fund Balance</b>	0	0
<b>Health Services Licensing Fund (HSA1995/A.R.S. § 36-405, A.R.S. § 36-414)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Nonrefundable fees for health care institution licensing services.		
<b>Purpose of Fund:</b> For health care institutions' licensing applications, initial license, renewal license and architectural drawing reviews. DHS establishes nonrefundable fees for assurance and licensure. 90% of assurance and licensure fees have been deposited into this fund with the remaining 10% deposited into the General Fund.		
<b>Funds Expended</b>	7,623,600	8,260,300
<b>Year-End Fund Balance*</b>	1,369,600	(37,500)
<b>Hearing and Speech Professionals Fund (HSA6243/A.R.S. § 36-1903)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies collected by DHS from the examination and licensing of hearing and speech professionals.		
<b>Purpose of Fund:</b> For the licensing and regulation of hearing and speech professionals.		
<b>Funds Expended</b>	309,700	308,100
<b>Year-End Fund Balance</b>	361,800	477,100
<b>IGA/County Contributions (HSA2144/2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> This fund receives revenues from intergovernmental agreements between DHS and other state and local entities, contributions from Maricopa and Pima Counties for treating persons with behavioral health problems, subaccounts for Liquor Services Fees authorized under A.R.S. § 4-203-02, and deposits from the State Lottery Fund pursuant to A.R.S. § 5-522. In FY 2011, DHS received \$48,200,000 from Maricopa and Pima County for behavioral health services, \$9,700,000 from the Arizona Health Care Cost Containment System (AHCCCS) for KidsCare, \$5,650,000 from the Department of Economic Security for nutrition services, and \$2,000,000 from the Department of Housing for Seriously Mentally Ill housing. The department also received \$6,640,000 from the State Lottery Fund for teenage pregnancy prevention, Health Start, and the Women, Infants, and Children (WIC) program.		
<b>Purpose of Fund:</b> To fund services which DHS has agreed to perform at the request of, or in conjunction with, public agencies.		
<b>Funds Expended</b>	82,851,000	82,592,000
<b>Year-End Fund Balance</b>	35,916,900	18,205,800
<b>Indirect Cost Fund (HSA9001/A.R.S. § 36-108)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs.		
<b>Purpose of Fund:</b> To pay a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements.		
<b>Funds Expended</b>	7,655,200	7,509,000
<b>Year-End Fund Balance</b>	1,863,100	1,750,300
<b>Internal Services Fund (HSA4202/A.R.S. § 36-108)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Charges from other DHS funds.		
<b>Purpose of Fund:</b> Revolving Fund used by DHS warehouse for the purchase of goods.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	70,100	70,100

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Medical Marijuana Fund (HSA9999/A.R.S. § 36-2817)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives application and renewal fees from medical marijuana dispensaries, civil penalties and private donations.		
<b>Purpose of Fund:</b> To regulate dispensation, prescription, and use of medical marijuana, including an electronic registry of dispensary agents, patients and designated caregivers.		
<b>Funds Expended</b>	655,800	1,500,000
<b>Year-End Fund Balance</b>	298,200	798,200
<b>Multiple Sclerosis Awareness Fund (No Fund Number/ A.R.S. § 28-2440, A.R.S. § 36-120)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A deposit of \$17 of each \$25 original and annual renewal of Multiple Sclerosis Awareness special plate fee and interest earnings. The remaining \$8 is deposited to the State Highway Fund for special plate administration.		
<b>Purpose of Fund:</b> To issue Multiple Sclerosis special plates, if ADOT receives \$32,000 by December 31, 2011. ADOT is to annually deposit these monies, excluding administrative fees, into the DHS-administered Multiple Sclerosis Awareness Fund for statewide multiple sclerosis awareness and outreach services. DHS has not yet established this fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Newborn Screening Program Fund (HSA2184/A.R.S. § 36-694.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies received as part of the hospital charges for each child born in Arizona. Fee limits for newborn screening are \$30 for the first blood and hearing screening and \$40 for the second blood and hearing screening.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	4,950,500	6,680,100
<b>Year-End Fund Balance*</b>	719,300	(1,115,700)
<b>Nursing Care Institution Resident Protection Fund (HSA2329/A.R.S. § 36-446.08)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications.		
<b>Purpose of Fund:</b> For the protection of the health and property of residents of nursing care facilities that are found deficient.		
<b>Funds Expended</b>	0	438,000
<b>Year-End Fund Balance</b>	1,185,400	1,466,400
<b>Oral Health Fund (HSA3038/A.R.S. § 36-138)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from AHCCCS contracts for dental services.		
<b>Purpose of Fund:</b> To provide dental services to Medicaid-eligible children identified by the DHS Oral Health program.		
<b>Funds Expended</b>	226,100	226,100
<b>Year-End Fund Balance</b>	638,400	596,300
<b>Risk Assessment Fund (HSA2427/A.R.S. § 36-1693)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies from the Department of Environmental Quality for risk services performed by DHS. The fund may also receive legislative appropriations, gifts, grants, or donations.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	15,800	15,800
<b>Year-End Fund Balance</b>	73,400	137,000

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Serious Mental Illness Services Fund (HSA2464/A.R.S. § 36-503.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To fund Community Housing, Vocational Rehabilitation, and other recovery support services to persons with serious mental illnesses.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	2,800	2,800
<b>Seriously Mentally Ill Housing Trust Fund (HSA2555/A.R.S. § 41-3955.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receives \$2,000,000 from the proceeds of the sales of unclaimed property and interest income. The FY 2012 Revenues BRB (Laws 2011, Chapter 28) requires that the first \$2,000,000 in unclaimed property revenues are distributed to the Seriously Mentally Ill Housing Trust Fund. The second \$2,500,000 in unclaimed property revenues are distributed to the Housing Trust Fund, which is administered by the Department of Housing.		
<b>Purpose of Fund:</b> For housing projects for the seriously mentally ill. The appropriated portion pays for administration expenses, and may not exceed 10% of the Seriously Mentally Ill Housing Trust monies. The non-appropriated portion of the fund is used for the operation, construction or renovation of a facility that houses seriously mentally ill individuals.		
<b>Appropriated Funds Expended</b>	0	0
<b>Non-Appropriated Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Service Fees Increase Fund (HSA1050/Laws 2010, 7th Special Session, Chapter 12)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> General Fund fee increase from fees raised pursuant to Laws 2010, 7th Special Session, Chapter 12.		
<b>Purpose of Fund:</b> Operating activities.		
<b>Funds Expended</b>	52,300	0
<b>Year-End Fund Balance</b>	1,100	1,100
<b>Smoke Free Arizona Fund (HSA2541/A.R.S. § 36-601.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A 2¢ per pack tax on cigarettes. Any revenues not used by the department to enforce the smoking ban are deposited to the Tobacco Tax Products Fund to be used for education programs to reduce or eliminate tobacco use.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	2,672,800	2,672,800
<b>Year-End Fund Balance</b>	712,000	1,039,200
<b>Substance Abuse Services Fund (HSA2227/A.R.S. § 36-2005)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	2,250,000	2,250,000
<b>Year-End Fund Balance</b>	1,979,500	1,729,500
<b>Temporary Transaction Privilege and Use Tax - 1% Fund</b> (HSA1032/Article IX, Section 12.1 of State Constitution)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Temporary 3-year 1-cent sales and use tax authorized by voters during the May 2010 special election. The tax expires after May 31, 2013.		
<b>Purpose of Fund:</b> To provide funding for primary and secondary education, health and human services and public safety. Expenditures are not displayed to avoid double counting General Fund. (For FY 2011, the General Accounting Office reported as of August 2011 that the Department of Education received \$576,697,200 and that the Department of Corrections, Arizona Health Care Cost Containment System (AHCCCS), Department of Economic Security, and Department of Health Services each received \$72,087,200.)		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
<b>Tobacco Tax and Health Care Fund - Health Education Account</b> (HSA1308/A.R.S. § 36-772)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	16,121,600	19,000,000
<b>Year-End Fund Balance</b>	8,406,100	6,206,100
<b>Tobacco Tax and Health Care Fund - Health Research Account</b> (HSA2096/A.R.S. § 36-275, A.R.S. § 36-773)		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> The fund receives monies from the Health Research Account of the Tobacco Tax and Health Care Fund that is transferred from the Arizona Biomedical Research Commission.		
<b>Purpose of Fund:</b> Monies are used for research into the prevention and treatment of tobacco-related disease and addiction.		
<b>Appropriated Funds Expended</b>	0	1,500,000
<b>Non-Appropriated Funds Expended</b>	7,469,800	7,227,500
<b>Tobacco Tax and Health Care Fund - Medically Needy Account</b> (HSA1306/A.R.S. § 36-774)		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> 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. <i>(See Tobacco Tax Table in the AHCCCS section.)</i>		
<b>Purpose of Fund:</b> 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.		
<b>Appropriated Funds Expended</b>	34,575,600	35,167,000
<b>Non-Appropriated Funds Expended</b>	0	0
<b>Vital Records Electronic Systems Fund (HSA3039/A.R.S. § 36-341.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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. As permanent law, the FY 2012 Health BRB removed statutory fee caps and allows DHS to set vital records fees for individuals and counties that access the vital records electronic system. Total revenues are limited to \$4,530,000. Of the first \$4,000,000, 85% will be required into the Vital Records Electronic Systems Fund and 15% will be deposited into the General Fund. For any revenue above \$4,000,000, 40% will be deposited into the Vital Records Electronic Systems Fund and 60% will be deposited into the General Fund.		
<b>Purpose of Fund:</b> To develop and operate a new vital records automated system.		
<b>Funds Expended</b>	166,800	3,586,000
<b>Year-End Fund Balance</b>	242,800	103,400

\*As reported by the agency. Actual ending balance will not be negative.