

**STATE OF ARIZONA**

**ANNUAL BUDGET**

**FY 1989**

**ALTERNATIVE RECOMMENDATIONS**

**JLBC**

**PREPARED BY THE STAFF**

**OF THE**

**JOINT LEGISLATIVE BUDGET COMMITTEE**

ALPHABETICAL INDEX OF STATE AGENCIES  
WITH DEPARTMENT NUMBER REFERENCE

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STATE OF ARIZONA  
**Joint Legislative Budget Committee**

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REPRESENTATIVE JOHN WETTAW  
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January 26, 1988

The Honorable Jack Taylor  
Chairman  
Joint Legislative Budget Committee  
State of Arizona

The Honorable John Wettaw  
Vice-Chairman  
Joint Legislative Budget Committee  
State of Arizona

Dear Senator Taylor and Representative Wettaw:

On behalf of the Staff of the Joint Legislative Budget Committee, it is my pleasure to transmit to you and the entire 38th legislature of the State of Arizona, our budget analysis and recommendations for Fiscal Year 1989, which begins on July 1 of this year.

Due to the unusual economic and budgetary circumstances surrounding the development of this budget over the past five months, our recommendations are contained in four books:

- (1) A Summary of Recommendations and Economic and Revenue Forecast;
- (2) An Analysis and Recommendations book, which contains detailed recommendations, by agency, and by program;
- (3) An Alternative Recommendations book, which contains specific, programmatic reductions totalling 8.5% of each agency's General Fund appropriation, as recommended in the Analysis and Recommendations book;
- (4) An appendix report entitled, Non-Appropriated Funds and Specific Funds Which Include Appropriated Dollars.

The Staff of the Joint Legislative Budget Committee looks forward to working with you, the Senate and House Appropriations Committees, and the entire 38th Arizona Legislature in developing the Appropriations Acts and related Appropriations Report for FY 1989.

Sincerely,

Theodore A. Ferris  
Staff Director and  
Legislative Budget Analyst

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## INTRODUCTION

### FY 1988 UPDATE

The Arizona State General Fund Budget will have to be reduced in mid-year, once again, to avert a projected \$109.5 million imbalance between estimated revenues and projected expenditures. This follows by a year, the First Special Session of 1987, during which a \$153 million deficit-reduction package was fashioned, to eliminate a JLBC-projected \$137 million deficit for FY 1987. While these imbalances were partially the result of overly-optimistic revenue forecasts, the much larger culprit in the current period, FY 1988, has been three unanticipated budgetary surprises:

- (1) On November 12, 1987, the Arizona Health Care Cost Containment System revealed an estimated \$46 million supplemental appropriation requirement;
- (2) Corporate Income Tax collections are lagging some \$56 million, or 59% behind prior year collections for the first six months of this fiscal year; the primary reason for this shortfall is an unprecedented increase in refunds of some \$35 million, or 121% as compared to the prior year; apparently, many major Arizona corporations over-paid their state income tax in FY 1986 and FY 1987 and are just now making adjustments in estimated taxes and/or filing amended returns; consequently, we have lowered the legislative staff estimate of corporate income tax by some \$50 million;
- (3) A lawsuit filed by the Pittsburgh-Midway Coal Co. over prior Use Tax payments may require a \$10 million refund this year; the State is currently appealing a lower court ruling.

These three adjustments alone account for \$106 million of the \$123 million downward revision in the projected year-end balance, as shown on Exhibit I.

As of this writing, the legislature is reviewing a number of options to balance this year's budget. The Governor has proposed a deficit reduction package totalling \$136 million to correct a deficit the Governor projects at \$121 million.

### **FY 1989 JLBC ANALYSIS AND RECOMMENDATIONS**

#### **AND**

### **FY 1989 ALTERNATIVE RECOMMENDATIONS BOOK**

As outlined in the "Methodology" section of each of the budget documents, the development of the legislative staff recommendations for FY 1989 was most unusual and, possibly, unprecedented.

Due to continued sluggish growth of state general fund revenues and extremely high growth in expenditure requirements for K-12 education and the Arizona Health Care Cost Containment System (AHCCCS), there is a huge imbalance between estimated revenues and the JLBC Staff recommended appropriations for FY 1989. This projected \$248 million deficit is shown in the third column on Exhibit II.

Consequently, in order to present a balanced budget recommendation, the legislative staff has prepared a second, Alternative Recommendations book. This book lists specific, programmatic reductions totalling 8.5% of each agency's recommended general fund appropriation, as contained in the main JLBC Staff Analysis and Recommendations - FY 1989 Budget. The impact of these alternatives on the year-end balance is shown in the fourth column of Exhibit II.

A summary of the relationship between the two books is shown below:

	(\$ millions)		
	FY 1989		
	<u>JLBC Staff Recommend.</u>	<u>Alternative Recommend.</u>	<u>Diff.</u>
● Operating Appropriations	\$2,922.8	\$2,672.7	\$(250.1)
● Capital Outlay Appropriations	13.3	13.3	-0-
● State Employee Compensation	25.0	5.4	(19.6)
● Other Consideratons*	<u>(6.0)</u>	<u>14.0</u>	<u>20.0</u>
Sub-Total	\$2,955.1	\$2,705.4	\$(249.7)
● Estimated Revenues	<u>\$2,706.8</u>	<u>\$2,706.8</u>	<u>\$-0-</u>
Projected Balance (6-30-89)	<u>\$(248.3)</u>	<u>\$1.4</u>	<u>\$249.7</u>

\*Represents the sum of additional state employee retirement contributions (to take from 4.75% to 5.09%), estimated supplementals, administrative adjustments, emergencies and transfers, and revertsments.

These two budgets should set the stage for debating the alternatives, and the extremely difficult decisions which lay before the legislature in developing the annual state budget for FY 1989.

Exhibit I  
**FY 1988**  
**CHANGES IN PROJECTED**  
**GENERAL FUND REVENUES AND EXPENDITURES**  
**(\$ MILLIONS)**

PROJECTED YEAR-END BALANCE	\$13.6
<b><u>LESS:</u></b>	
● CORPORATE INCOME TAX REVISION	(50.0)
● A.H.C.C.C.S. SUPPLEMENTAL	(46.0)
● PITTSBURGH-MIDWAY COAL CO. LAWSUIT	<u>(10.0)</u>
SUB-TOTAL	\$(92.4)
<b><u>LESS:</u></b>	
● OTHER REVISIONS [\$ (9.6)m Revenue - \$7.5 Expenditures]	<u>(17.1)</u>
REVISED YEAR-END BALANCE	\$(109.5)

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NOTE: JLBC Education model projects a \$26 million shortfall in FY 1988 between actual K-12 appropriations and formula requirements. If a supplemental were provided, the revised year-end balance would fall from a projected deficit of \$(109.5) million to \$(135.5) MILLION.

Exhibit II  
STATE OF ARIZONA  
GENERAL FUND  
REVENUES AND EXPENDITURES  
(Millions of Dollars)

	FY 1987 ACTUAL	FY 1988 ESTIMATE	FY 1989 JLBC REC	FY 1989 JLBC ALT
<b>REVENUES:</b>				
-BEGINNING BALANCE . . . . .	(\$15.7)	\$19.2	\$0.0	\$0.0
-SALES AND USE TAX . . . . .	1,199.6	1,250.6	1,330.0	1,330.0
-INCOME TAXES . . . . .	835.5	868.8	942.0	942.0
-OTHER TAXES . . . . .	282.4	295.0	304.0	304.0
-NON-TAX REVENUE . . . . .	<u>104.8</u>	<u>120.4</u>	<u>130.8</u>	<u>130.8</u>
SUB-TOTAL - REVENUES . . . . .	\$2,406.5	\$2,554.0	\$2,706.8	\$2,706.8
<b>EXPENDITURES:</b>				
-ACTUAL APPROPRIATIONS . . . . .	\$2,396.8	\$2,628.0	\$2,968.1	\$2,698.4
-ESTIMATED SUPPLEMENTALS . . . . .	16.6	55.0	5.0	10.0
-REVERTMENTS . . . . .	(38.2)	(30.0)	(30.0)	(15.0)
-ADM. ADJUSTMENTS, EMERGENCIES & TRANSFERS . . . . .	<u>12.1</u>	<u>10.5</u>	<u>12.0</u>	<u>12.0</u>
SUB-TOTAL - EXPENDITURES . . . . .	\$2,387.3	\$2,663.5	\$2,955.1	\$2,705.4
ENDING BALANCE . . . . .	\$19.2	(\$109.5)	(\$248.3)	\$1.4

NOTE: JLBC Education model projects a \$26 million shortfall in FY 1988 between actual K-12 appropriations and formula requirements. If a supplemental were provided, the revised year-end balance would fall from a projected deficit of \$(109.5) million to \$(135.5) million.

DESCRIPTION OF METHODOLOGY  
EMPLOYED IN DEVELOPING JLBC STAFF RECOMMENDED  
BUDGET FOR FY 1989

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CURRENT SERVICES BUDGET

As a major step in developing the JLBC budget recommendation for FY 1989, a "Current Services Budget" (CSB) was prepared for each agency, department or budget category. A CSB represents a spending plan which would allow each agency, department, or budget area to provide or maintain a comparable set of services or level of real financial support as was provided in the previous fiscal period, subject to certain adjustments. Hence, a CSB allows the "current level of services" to be maintained in a subsequent fiscal period. A CSB serves two purposes:

- 1) It allows for an important early comparison of estimated FY 1989 revenues to estimated FY 1989 current services spending and, thereby, facilitates better planning and the establishment of realistic guidelines for JLBC staff and the legislature in developing a balanced budget for FY 1989;
- 2) It provides a "benchmark" against which to set targets for the establishment of priorities for both incremental and decremental changes to the budget.

A CSB begins with the current year's budget (FY 1988) and makes adjustments for:

- One-time appropriations (downward)
- Annualization of partial year funding (upward)
- General cost inflation (usually upward)
- Specific cost considerations (usually upward)
- Demographic changes such as population served, enrollments, etc. (up or down)
- Statutory programmatic requirements, including scheduled start-ups, decreases, increases, or elimination of programs (up or down)
- Vacancy Savings, based upon recent trend (downward)

The following economic factors were utilized by JLBC staff in projecting CSB requirements for FY 1989:

<u>Category</u>	<u>FY 1989 Increase</u>
◦ Food	4.5%
◦ Electricity	3.5%
◦ Natural Gas	1.5%
◦ Public Transportation	5.0%
◦ Mileage	7.1%
◦ Medical Services/Drugs	5.2%
◦ Postage	13.6%
◦ Providers	3.5%
◦ All Other	3.5%

Additionally, motor pool charges are projected to remain constant; motor fuel costs should remain constant, if not decline; and rent charged to agencies occupying state-owned space in the Capitol Mall is to increase from \$12.50 to \$13.50 per square foot.

The above adjustments were made uniformly throughout the various state agencies.

Once a CSB was calculated for each agency's operating budget, and other spending requirements were added in, it was determined that estimated general fund revenues were at a level some \$248 million, or 8.5% less than a "current services level."

In light of the reduction required to balance the Fiscal Year 1989 budget, and after consecutive budget deficits and mid-year appropriation reductions during the past two years, legislative staff believes that a "structural deficit" exists. A "structural deficit" is a condition wherein expenditures (no new programs) are increasing at a rate faster than the baseline revenues generated by the state's current tax structure.

#### ALTERNATIVE RECOMMENDATIONS BOOK

To present a balanced budget recommendation for the Fiscal Year 1989 budget, the Legislative Staff has developed a separate Alternative Recommendations book. These alternatives reduce the General Fund budget by 8.5% or \$250 million. This is an across-the-board reduction of all General Fund agencies, and not a single agency funded from the General Fund is exempt. The alternatives were designed to produce "hard", programmatic reductions, which would be of a permanent nature. In many cases, full-time equivalent positions, previously authorized by the Legislature, are being recommended for elimination. Although the Alternative Recommendations do not include increases in state taxes, those same alternatives do explore various means of raising local property tax support for K-12 basic education programs.

If the aforementioned "structural deficit" is to be eliminated, and additional state tax revenues are not raised, then Legislative Staff recommends a permanent downward correction of the General Fund expenditure growth path, to bring it in line with the trend growth of Arizona state tax collections. Otherwise, the legislature will be confronted with imbalances in most years, with the deficits being particularly large and difficult during economic recessions.

#### ANALYSIS OF THE GOVERNOR'S BUDGET RECOMMENDATIONS

Arizona Revised Statutes Section 41-1273(D) requires the Legislative Budget Analyst (JLBC) to . . . "prepare for distribution an analysis of the Governor's budget as soon after the budget is presented to the legislature as is possible. The analysis, among the other things, shall include recommendations of the budget analyst for revisions in expenditures." However, the Executive budget recommendations are presented at the summary level only in the JLBC Analysis and Recommendations book. Even though there has been extensive coordination with the Executive Budget Office since early last fall, the Executive Budget was received too late to be included in this document at the agency level. The budget recommended by the Executive is summarized at the agency level and reflects unspecified reductions of \$122 million. The combination of these two facts, unfortunately, precludes any meaningful analysis by the Legislative Staff.

FY 1989  
GENERAL FUND  
ALTERNATIVE BUDGET RECOMMENDATION

AGENCY	FY 1989				PERCENT OF FY 1988
	FY 1988 ESTIMATE	JLBC RECOMMENDATION	JLBC REDUCTION	JLBC ALT RECOMMENDATION	
<u>GENERAL GOVERNMENT</u>					
DEPT. OF ADMINISTRATION	25,953,400	26,104,400	2,218,900	23,885,500	92.03
PERSONNEL BOARD	214,700	215,500	18,300	197,200	91.85
ATTORNEY GENERAL	16,970,700	17,767,300	1,511,400	16,255,900	95.79
ARIZONA JUDICIARY	42,694,600	50,759,700	4,314,600	46,445,100	108.78
OFFICE OF THE GOVERNOR	2,772,900	2,771,900	0	2,771,900	99.96
OFFICE/AFFIRMATIVE ACTION	205,200	208,800	27,000	181,800	88.60
DEPARTMENT OF COMMERCE	3,152,600	3,348,500	284,600	3,063,900	97.19
OFFICE OF TOURISM	3,375,900	3,528,900	300,000	3,228,900	95.65
LAW ENF MERIT SYS CNCL	43,400	49,400	4,200	45,200	104.15
LEGISLATURE	22,993,100	25,010,500	1,190,300	23,820,200	103.60
DEPARTMENT OF REVENUE	33,672,300	33,430,800	5,024,600	28,406,200	84.36
DEPT OF ST. -SECY OF STATE	1,915,400	3,047,400	259,000	2,788,400	145.58
ST. BOARD OF TAX APPEALS	412,400	458,100	38,900	419,200	101.65
STATE TREASURER	3,217,200	3,220,400	273,700	2,946,700	91.59
AZ COMM ON UNFRM ST LAWS	14,800	19,800	1,700	18,100	122.30
<u>GENERAL GOVERNMENT</u>	<u>157,608,600</u>	<u>169,941,400</u>	<u>15,467,200</u>	<u>154,474,200</u>	<u>98.01</u>

FY 1989  
GENERAL FUND  
ALTERNATIVE BUDGET RECOMMENDATION

AGENCY	FY 1989				PERCENT OF FY 1988
	FY 1988 ESTIMATE	JLBC RECOMMENDATION	JLBC REDUCTION	JLBC ALT RECOMMENDATION	
<u>HEALTH &amp; WELFARE</u>					
GOV-AZ RANGERS' PENSIONS	15,600	16,200	1,400	14,800	94.87
AZ CNCL FOR HEARING IMPRD	123,800	124,600	10,600	114,000	92.08
DEPT OF ECONOMIC SECURITY	233,053,200	247,216,700	21,013,400	226,203,300	97.06
DEPT OF HEALTH SERVICES	98,475,100	103,627,300	8,808,300	94,819,000	96.29
DEPT OF ENVIRON QUALITY	15,766,500	16,035,000	1,363,000	14,672,000	93.06
AHCCCS	140,010,300	235,763,200	20,039,900	215,723,300	154.08
AZ COMM ON INDIAN AFFAIRS	165,400	162,900	13,800	149,100	90.15
PIONEERS' HOME	2,676,100	2,649,300	225,200	2,424,100	90.58
VETERANS' SERVICES COMM	722,300	695,400	59,100	636,300	88.09
<u>HEALTH &amp; WELFARE</u>	<u>491,008,300</u>	<u>606,290,600</u>	<u>51,534,700</u>	<u>554,755,900</u>	<u>112.98</u>
<u>INSPECTION &amp; REGULATION</u>					
DEPT OF WEIGHT/MEASURES	1,554,200	1,600,700	250,000	1,350,700	86.91
AG EMPL RELATIONS BD	197,900	199,300	16,900	182,400	92.17
COMM OF AG & HORT	6,032,800	6,074,000	516,500	5,557,500	92.12
BOXING COMMISSION	36,800	39,500	3,400	36,100	98.10
RADIATION REGULATORY AGCY	1,212,100	1,314,500	111,700	1,202,800	99.23
BANKING DEPARTMENT	2,943,500	3,074,300	261,300	2,813,000	95.57
REGISTRAR OF CONTRACTORS	3,434,400	4,148,600	352,600	3,796,000	110.53
CORPORATION COMMISSION	4,934,500	5,174,100	439,800	4,734,300	95.94
DAIRY COMMISSIONER	475,100	470,400	40,000	430,400	90.59
OCCUP SFTY & HLTH REV BD	7,100	3,300	300	3,000	42.25

FY 1989  
GENERAL FUND  
ALTERNATIVE BUDGET RECOMMENDATION

AGENCY	FY 1989				PERCENT OF FY 1988
	FY 1988 ESTIMATE	JLBC RECOMMENDATION	JLBC REDUCTION	JLBC ALT RECOMMENDATION	
DEPARTMENT OF INSURANCE	2,256,100	2,070,800	177,000	1,893,800	83.94
DEPT OF LIQUOR LICENSES	2,084,400	2,154,100	183,200	1,970,900	94.55
LIVESTOCK BOARD	3,804,300	3,880,000	329,800	3,550,200	93.32
STATE MINE INSPECTOR	785,200	765,100	65,000	700,100	89.16
BUILDING AND FIRE SAFETY	2,555,900	2,586,600	219,900	2,366,700	92.60
DEPARTMENT OF RACING	2,614,700	2,582,900	219,500	2,363,400	90.39
REAL ESTATE DEPARTMENT	2,612,500	2,629,200	223,500	2,405,700	92.08
<u>INSPECTION &amp; REGULATION</u>	<u>37,541,500</u>	<u>38,767,400</u>	<u>3,410,400</u>	<u>35,357,000</u>	<u>94.18</u>
 <u>EDUCATION</u>					
BOARD OF REGENTS	4,986,100	5,196,800	441,700	4,755,100	95.37
U. OF A. - MAIN CAMPUS	173,729,800	179,519,200	15,259,100	164,260,100	94.55
U. OF A. - COLL OF MED	40,102,600	40,249,000	3,421,200	36,827,800	91.83
A.S.U. - MAIN CAMPUS	153,362,800	160,984,900	13,683,700	147,301,200	96.05
A.S.U. - WEST	7,463,700	10,730,700	912,100	9,818,600	131.55
NORTHERN AZ UNIVERSITY	55,203,500	58,859,300	5,003,000	53,856,300	97.56
MED STUDENT LOANS BOARD	75,000	10,000	800	9,200	12.27
BD OF DIR FOR COMM COLL	68,520,100	74,770,500	6,431,500	68,339,000	99.74
DEPARTMENT OF EDUCATION	1,059,827,200	1,215,000,900	103,689,400	1,111,311,500	104.86
SCH FOR THE DEAF & BLIND	9,725,500	10,431,900	886,900	9,545,000	98.14
AZ COMMISSION ON THE ARTS	1,327,600	1,357,200	115,400	1,241,800	93.54
AZ HISTORICAL SOCIETY	1,790,100	1,846,900	157,000	1,689,900	94.40
PRESCOTT HIST SOCIETY	451,100	452,900	38,500	414,400	91.86
<u>EDUCATION</u>	<u>1,576,565,100</u>	<u>1,759,410,200</u>	<u>150,040,300</u>	<u>1,609,369,900</u>	<u>102.08</u>

FY 1989  
GENERAL FUND  
ALTERNATIVE BUDGET RECOMMENDATION

AGENCY	FY 1989				PERCENT OF FY 1988
	FY 1988 ESTIMATE	JLBC RECOMMENDATION	JLBC REDUCTION	JLBC ALT RECOMMENDATION	
<u>PROTECTION &amp; SAFETY</u>					
DEPARTMENT OF CORRECTIONS	212,953,000	236,794,700	20,127,900	216,666,800	101.74
DEPT OF EMER & MIL AFFRS	3,834,000	3,975,200	337,900	3,637,300	94.87
BD OF PARDONS AND PAROLES	1,572,600	1,558,700	148,400	1,410,300	89.68
DEPT OF PUBLIC SAFETY	78,454,100	80,138,800	6,826,400	73,312,400	93.45
AZ CRIMINAL JUSTICE COMM	0	0	0	0	
<u>PROTECTION &amp; SAFETY</u>	<u>296,813,700</u>	<u>322,467,400</u>	<u>27,440,600</u>	<u>295,026,800</u>	<u>99.40</u>
<u>DEPT OF TRANSPORTATION</u>	<u>85,300</u>	<u>82,200</u>	<u>7,000</u>	<u>75,200</u>	<u>88.16</u>
<u>NATURAL RESOURCES</u>					
ARIZONA GEOLOGICAL SURVEY	0	532,200	45,200	487,000	
COMM ON AZ ENVIRONMENT	125,800	127,800	10,900	116,900	92.93
STATE LAND DEPARTMENT	7,830,000	7,386,100	627,800	6,758,300	86.31
DEPT OF MINERAL RESOURCES	456,200	461,800	39,300	422,500	92.61
OIL AND GAS CONSERV COMM	187,900	193,900	16,500	177,400	94.41
STATE PARKS BOARD	5,411,500	5,622,400	477,900	5,144,500	95.07
DEPT OF WATER RESOURCES	11,505,900	11,472,700	975,200	10,497,500	91.24
<u>NATURAL RESOURCES</u>	<u>25,517,300</u>	<u>25,796,900</u>	<u>2,192,800</u>	<u>23,604,100</u>	<u>92.50</u>
<u>STATE TOTAL</u>	<u>2,585,139,800</u>	<u>2,922,756,100</u>	<u>250,093,000</u>	<u>2,672,663,100</u>	<u>103.39</u>

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-2).....\$ 26,104,400

Recommended Alternatives:

- ° Director's Office (3.0 FTE) \$ (306,800)
- ° Executive Budget Division (1.0 FTE) (24,700)
- ° Data Management (3.0 FTE) (444,200)
- ° Personnel (9.0 FTE) (366,500)
- ° Finance (7.0 FTE) (249,100)
- ° Facilities Management (22.0 FTE) (827,600)

Total Alternatives (45.0 FTE) \$ (2,218,900)

Alternative Legislative Staff Recommendation.....\$ 23,885,500

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: DIRECTOR'S OFFICE

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-6).....\$ 819,600

Recommended Alternatives:

1. Eliminate Personnel Analyst (1.0 FTE) \$ (36,300)

The Director will not have feedback on final step grievance resolution.

2. Eliminate DOA Controller (1.0 FTE) (41,400)

The reduction would cause the transfer of this function to the operations section which will increase their workload.

3. Eliminate Executive Staff Assistant (1.0 FTE) (34,500)

At present, this position is engaged in Legislative liaison work and also as a press liaison. The reduction will cause the Director not to have immediate access to feedback on legislative matters.

4. Merge Various DOA Hearing Office Functions (194,600)

There are four separate "below the line item" expenditure categories. The entire hearing process within DOA can be more efficiently addressed by combining all four of the appeals functions into one generic function. This would not adversely affect the Department other than each individual program would not retain as high a profile.

Total Alternatives (3.0 FTE) \$ (306,800)

Alternative Legislative Staff Recommendation.....\$ 512,800

Department: DEPT OF ADMINISTRATION  
Cost Center: EXECUTIVE BUDGET DIVISION  
Analyst: STEVE MILLER

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page GG-10 ).....\$ 767,600

Recommended Alternatives:

- 1. Elimination of an Administrative Assistant (1.0 FTE) \$ (24,700)

This position presently provides staff support to the Governor's Regulatory Review Council. The Council is a statutory body which requires a certain amount of staff work. Duties will have to be carried by other staff increasing compensatory time.

Total Alternatives \$ (24,700)

Alternative Legislative Staff Recommendation.....\$ 742,900

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: DATA MANAGEMENT

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-14).....\$ 3,688,400

Recommended Alternatives:

1. Deletion of Data Center Programming Funds \$ (138,400)

The reduction will impact the following projects:

- The job interest form system would not be rewritten as scheduled.
- Phase I of the Employee Performance Appraisal System would be completed but Phase II and III would be cancelled.
- The rewrite of the applicant tracking system would be delayed four months.

2. Reduce Funds for Computer Operating Cost (205,600)

The Department did not provide specific information as to the impact of this reduction.

3. Reorganization Data Management Division (3.0 FTE) (100,200)

The reduction will cause more reliance on using available support from the Data Center to help in such areas as office automation, data base design and operations support. The reduction will have a potential negative impact in DOA systems' ability to support their end users.

Total Alternatives (3.0 FTE) \$ (444,200)

Alternative Legislative Staff Recommendation.....\$ 3,244,200

Department: DEPT OF ADMINISTRATION  
 Cost Center: FINANCE  
 Analyst: STEVE MILLER

House Subcommittee Chairman: BEV HERMON  
 Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page GG-18).....\$ 6,421,800

Recommended Alternatives:

1. Eliminate Outside Rental of Facilities Payment \$ (34,600)

The Department will generate the savings by moving staff into DOA controlled space. The Department indicates no significant impact, as space in DOA controlled buildings is available.

2. Eliminate the Use of Outside Services in the Mailroom (4,100)

The Department's interagency mail service makes deliveries of mail and provides courier services in the capital mall area. The reduction will result in delays in processing the mail when absences occur due to illness, vacation, or vacancies.

3. Eliminate Out-of-State Travel (4,400)

The State Purchasing Administrator and the State Controller attend national conferences to represent the State and to gather information on programs being implemented in other states. The reduction will not permit the Department to easily learn of new programs in other states.

4. Eliminate the Econometric Modeling of Revenues (21,800)

The division, for the last four years, has contracted with Arizona State University for the development and maintenance of an econometric model. The purpose of this model is to assist the Executive branch in projecting revenues for the State's General Fund. To continue to fund this in the Finance Division would necessitate additional personnel vacancies which the division feels would not allow data to be updated which would reduce the accuracy of future forecasts.

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: FINANCE

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

5. Reduction in Force (7.0 FTE)

(184,200)

The division has specified the following impacts of this reduction:

- General Accounting Office: 1) no internal or revolving fund audits; 2) limited agency assistance; 3) no review of travel claims; 4) no payroll or claims training; and 5) delays in claims processing.
- Operations Office: 1) reduced assistance to revolving fund accounting staff; 2) a 25 percent reduction in purchasing staff which will result in a two day delay in requisition processing; 3) one day delay in claims processing; 4) delays in implementing audit recommendations; and 5) delays in producing month-end reports and in reconciling.
- State Purchasing Office: 1) delays in processing contracts and bids; 2) further delegation of procurement activities to agencies; 3) slower response to vendor and management inquiries; and 4) reduction in procurement services to political subdivisions.

Total Alternatives (7.0 FTE)

\$ (249,100)

Alternative Legislative Staff Recommendation.....\$ 6,172,700

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: PERSONNEL

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-22).....\$ 3,969,600

## Recommended Alternatives:

1. Reduced All Other Operating Expenditures \$ (51,400)

The Department indicates the following impacts from the reduction:

- The division will limit the amount of printing and reproduction.
- The use of proctors for testing will be cut back resulting in possible delays in test results.
- Training sessions will be limited to the capitol complex area for employees.

2. Eliminate Special Recruitment Program (38,500)

The Department will have no program for recruitment of hard-to-fill positions. The Department will not be able to advertise in local and national journals. The reduction will confine the recruitment effort to Arizona.

3. Reduction in Force (7.0 FTE) (212,000)

The Department will not be able to maintain service levels to State agencies, State employees, and job applicants. The Department maintains that it will take longer to fill positions, do evaluations, prepare job announcements, and verify insurance coverage. The Department did not list the specific FTE.

Department: DEPT OF ADMINISTRATION

House Subcommittee Chairman: BEV HERMON

Cost Center: PERSONNEL

Senate Subcommittee Chairman: DOUG TODD

Analyst: STEVE MILLER

Recommended Alternatives: (Continued)

4. Reduction in Force (2.0 FTE) (64,600)

These positions are part of the training group. The impact of the reduction will result in the training group conducting fewer training classes.

Total Alternatives (9.0 FTE) \$ (366,500)

Alternative Legislative Staff Recommendation.....\$ 3,603,100

Department: DEPT OF ADMINISTRATION  
Cost Center: FACILITIES MANAGEMENT  
Analyst: STEVE MILLER

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page GG-26).....\$ 10,437,400

Recommended Alternatives:

1. Reduction of Force (22.0 FTE) \$ (478,200)

The reduction would impact tenant services and relocation projects. Tenant agencies would have to pay for routine repairs and maintenance and building security. Additionally, special service projects would be eliminated.

2. Reduction in Utilities (349,400)

The Department did not provide specific information as to the impact of a reduction for this item. The reduction target could be realized through a more rigorous energy management program.

Total Alternatives (22.0 FTE) \$ (827,600)

Alternative Legislative Staff Recommendation.....\$ 9,609,800

Department: PERSONNEL BOARD  
Cost Center: PERSONNEL BOARD  
Analyst: DANA NAIMARK

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Legislative Staff Recommendation (Page GG-32 ).....\$ 215,500

Recommended Alternatives:

1. Travel Reduction \$ (1,000)

Currently, all Personnel Board members reside in the Phoenix metropolitan area so travel needs are minimal. In the future, if more than one Board member resides in another area of the State, this reduction will curtail participation in Board meetings and will impede the resolution of personnel appeals.

2. Professional Development (1,000)

This reduction to Other Operating Expenses will eliminate training seminars and professional conferences for Board members and staff, and will prevent the purchase of updated books on current personnel law practice.

3. Legal Services (16,300)

Legal services include court reporting, transcription services, hearing officers and attorneys. A reduction in these services will prevent the Board from hearing and resolving personnel appeals within the statutory time limits. This cutback will leave the State vulnerable to lawsuits, since employees may not be able to receive a fair and timely hearing as prescribed by statute, and the Board may be forced to act without sufficient legal guidance.

Total Alternatives \$ (18,300)

Alternative Legislative Staff Recommendation.....\$ 197,200

Department: ATTORNEY GENERAL  
Cost Center: AGENCY SUMMARY  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-34 ).....\$ 17,767,300

Recommended Alternatives:

- Attorney Positions (17.0 FTE) \$ (797,100)
- Other Staffing Reductions (6.0 FTE) (193,400)
- Legal Secretary Positions (6.0 FTE) (152,200)
- Tucson Office (106,100)
- Computer Equipment (88,100)
- Elderly Abuse Program (64,200)
- Investigations and Other Equipment (45,000)
- Victim/Witness Assistance (1.0 FTE) (35,300)
- Outside Litigation (20,000)
- Travel Reduction (10,000)

Total Alternatives (30.0 FTE) \$ (1,511,400)

Alternative Legislative Staff Recommendation.....\$ 16,255,900

Department: ATTORNEY GENERAL  
Cost Center: ADMINISTRATION  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-38 ).....\$ 3,953,200

Recommended Alternatives:

1. Outside Litigation \$ (20,000)

A reduction in this special line item can hurt the State's position in legal cases. When the office of the Attorney General has some conflict of interest regarding a specific case, outside counsel must be hired to represent the interests of the State. It is difficult to predict from year to year how much money will be needed for this purpose. If the needs become greater than \$40,000, the Attorney General will have to seek a supplemental appropriation in order to protect Arizona's interests.

2. Elderly Abuse Project (64,200)

The Attorney General currently receives matching federal funds for State dollars spent on this program. The future of the federal grant is uncertain. The program consists of three paid positions and 25 volunteers who provide public education, training, and technical assistance to prevent crimes against the elderly, to assist victims and to improve prosecutorial efforts against elderly abuse. The elimination of this funding will diminish crime prevention and will make victims' assistance less accessible and less cohesive.

3. Tucson Office (106,100)

Closing the Tucson office will reduce the accessibility of the Attorney General and reduce the effectiveness of crime-fighting efforts throughout the State. Positions that are not eliminated will be transferred to Phoenix.

Department: ATTORNEY GENERAL  
Cost Center: ADMINISTRATION  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

4. Victim/Witness Program (1.0 FTE) (35,300)

This program involves the training of volunteers throughout the State to assist victims and witnesses in understanding and facing the criminal justice system. The program is partially funded with a grant from the Arizona Criminal Justice Commission.

5. Staffing Reduction (2.0 FTE) (90,400)

The elimination of two Staff Assistant positions will make the office less efficient with less ability to collect accurate data for good management decisions.

6. Computer Equipment (15,400)

This reduction in replacement equipment will result in diminished productivity, delays and higher repair costs.

7. Back-up Power Supply Equipment (30,000)

Variations in electrical power cause failures of the computer systems. Without this back-up equipment, the Attorney General offices in the Capital Center Building and in Tucson will remain subject to unpredictable periods of computer failure, which result in a loss of productivity. These failures can cause the loss of work in progress and delays in meeting legal deadlines.

Total Alternatives (3.0 FTE) \$ (361,400)

Alternative Legislative Staff Recommendation.....\$ 3,591,800

Department: ATTORNEY GENERAL  
Cost Center: ORGANIZED CRIME  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-42 ).....\$ 2,225,800

Recommended Alternatives:

1. Staffing Reduction (7.0 FTE) \$ (264,600)

The elimination of five Attorneys and two Legal Secretaries will weaken the State's fight against organized crime. Although the Anti-Racketeering Revolving Fund may be able to help compensate for some of these lost resources, criminal prosecution against organized crime will be diminished.

2. Replacement Equipment (6,000)

The elimination of funding for computer equipment will result in diminished productivity, work delays, and higher repair costs.

Total Alternatives (7.0 FTE) \$ (270,600)

Alternative Legislative Staff Recommendation.....\$ 1,955,200

Department: ATTORNEY GENERAL  
Cost Center: CIVIL  
Analyst: DANA NATMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-46 ).....\$ 3,884,300

Recommended Alternatives:

1. Environmental Quality \$ (22,000)

The elimination of one Legal Secretary position in the Environmental Quality special line appropriation will bring the ratio of attorneys to legal secretaries to two to one.

2. Staffing Reduction (4.0 FTE) (138,000)

The elimination of two Attorneys, one Legal Secretary and one Administrative Assistant will reduce the capacity of the Civil Division to meet the daily legal needs of State agencies. Delays will increase and the quality of legal services provided will be diminished.

3. Water Litigation Program (43,800)

The elimination of one Attorney from this special line program will delay the litigation of Arizona's claims to water rights.

4. Replacement Equipment (23,500)

The elimination of funding for a copy machine and computer equipment will result in diminished productivity, delays and higher repair costs.

Total Alternatives (4.0 FTE) \$ (227,300)

Alternative Legislative Staff Recommendation.....\$ 3,657,000

Department: ATTORNEY GENERAL  
Cost Center: CIVIL RIGHTS  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-50 ).....\$ 475,100

Recommended Alternatives:

1. Staffing Reduction (4.0 FTE) \$ (121,400)

The elimination of two Equal Opportunity Specialists, one Attorney, and one Legal Secretary will cause further delays in the resolution of equal opportunity complaints and will diminish the protection of civil rights. Currently, there is a four to six week wait to file an equal employment opportunity charge.

Total Alternatives (4.0 FTE) \$ (121,400)

Alternative Legislative Staff Recommendation.....\$ 353,700

Department: ATTORNEY GENERAL  
Cost Center: FINANCIAL FRAUD  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-54 ).....\$ 1,946,600

Recommended Alternatives:

1. Replacement Equipment \$ (8,300)

The elimination of funding for computer equipment will result in diminished productivity, work delays, and higher repair costs.

2. Staffing Reduction (5.0 FTE) (176,700)

The elimination of three Attorneys, one Legal Secretary and one Administrative Assistant will diminish the output of the Financial Fraud Division. The six finance-related State agencies will receive less representation with more delays. There will be less prosecution of consumer fraud cases resulting in less public protection and a much longer response time to consumer complaints. There will also be less enforcement of the State's anti-racketeering laws.

Total Alternatives (5.0 FTE) \$ (185,000)

Alternative Legislative Staff Recommendation.....\$ 1,761,600

Department: ATTORNEY GENERAL  
Cost Center: SOLICITOR GENERAL  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-58 ).....\$ 257,800

Recommended Alternatives:

1. Staffing Reduction (2.0 FTE) \$ (87,400)

The elimination of two Attorneys leaves only the Chief Counsel and one Legal Secretary to coordinate all civil appellate work and offer legal representation in cases where the other Divisions of the office have some conflict of interest.

Total Alternatives (2.0 FTE) \$ (87,400)

Alternative Legislative Staff Recommendation.....\$ 170,400



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: ATTORNEY GENERAL

House Subcommittee Chairman: HEINZ HINK

Cost Center: ANTI-TRUST

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page GG-62 ).....\$ 297,500

Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (43,000)

The elimination of one Attorney position will weaken Arizona's enforcement of State and federal anti-trust statutes. Delays will occur and the public will receive less protection against unfair prices and practices.

Total Alternatives (1.0 FTE) \$ (43,000)

Alternative Legislative Staff Recommendation.....\$ 254,500

Department: ATTORNEY GENERAL  
Cost Center: CRIMINAL  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-64 ).....\$ 1,665,200

Recommended Alternatives:

1. Staffing Reduction (4.0 FTE) \$ (155,400)

The elimination of three Attorneys and one Legal Secretary will shift a large burden to the County Attorneys. The Criminal Division will no longer be able to offer much assistance to counties or to take over county criminal cases on request. Criminal prosecution in the State will suffer as court deadlines are missed and less preparation is devoted to each case.

2. Replacement Equipment (23,300)

The elimination of funding for a copy machine and computer equipment will result in diminished productivity, delays, and higher repair costs.

Total Alternatives (4.0 FTE) \$ (178,700)

Alternative Legislative Staff Recommendation.....\$ 1,486,500

Department: ATTORNEY GENERAL  
Cost Center: SPECIAL INVESTIGATIONS  
Analyst: DANA NAIMARK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-66 ).....\$ 2,021,400

Recommended Alternatives:

1. Equipment

\$ (20,700)

This option eliminates enhancements to the Division's mobile radio system. Without these enhancements, Special Agents do not have sufficient radio communications throughout the State. Repair costs will rise, Agents will face higher safety risks, and investigations may be hampered due to lapses in communication. This option also eliminates computer equipment resulting in diminished office productivity.

2. Travel Reduction

(10,000)

This reduction will curtail investigations and special operations. Legal cases could be delayed or altered if Agents cannot do the necessary background work.

Total Alternatives (0.0 FTE)

\$ (30,700)

Alternative Legislative Staff Recommendation.....\$ 1,990,700

Department: ATTORNEY GENERAL

House Subcommittee Chairman: HEINZ HINK

Cost Center: TAX

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page GG-68 ).....\$ 1,040,400

Recommended Alternatives:

1. Replacement Equipment \$ (5,900)

The elimination of this computer equipment will result in diminished productivity, work delays, and higher repair costs.

Total Alternatives (0.0 FTE) \$ (5,900)

Alternative Legislative Staff Recommendation.....\$ 1,034,500

Department: ARIZONA JUDICIARY  
Cost Center: AGENCY SUMMARY  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page GG-76 ).....\$ 50,759,700

Recommended Alternatives:

- ° Supreme Court \$ (58,500)
- ° Foster Care Review Board (8,500)
- ° Court of Appeals (Div. I) (.25 FTE) (39,600)
- ° Court of Appeals (Div. II) (21,900)
- ° Superior Court (4,178,600)
- ° Commission on Appellate and Trial Court Appts. (1,500)
- ° Commission on Judicial Qualifications (6,000)

Total Alternatives (.25 FTE) \$ (4,314,600)

Alternative Legislative Staff Recommendation.....\$ 46,445,100

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUPREME COURT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-80 ).....\$ 4,366,600

Recommended Alternatives:

1. All Other Operating \$ (29,300)

The courts will eliminate or reduce the following:

- Night security for the downtown office.
- Funds for professional dues.
- Funds for library maintenance.

2. Reduced Judicial Education (23,400)

The court is required by statute to establish programs of continuing education. The above amount represents a 10 percent reduction in this allocation. The court will provide less training for Judicial support personnel.

3. Reduced Judicial Assistance (5,800)

Statute enables the court to provide for payment of Judges Pro Tempore when serving the Superior Court, and retired Judges differential pay. The reduction will bring the number of hours available to utilize a Judge Pro Tempore from 1,217 to 1,044, or a reduction of 17 percent.

Total Alternatives \$ (58,500)

Alternative Legislative Staff Recommendation.....\$ 4,308,100

Department: ARIZONA JUDICIARY  
Cost Center: FOSTER CARE REVIEW BOARD  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page GG-84 ).....\$ 783,000

Recommended Alternatives:

1. Reduced All Other Operating Expenditures \$ (8,500)

The courts will reduce expenditures for the following:

- Night security for the downtown office.
- Travel reimbursement for review board volunteers.

Total Alternatives \$ (8,500)

Alternative Legislative Staff Recommendation.....\$ 774,500

Department: ARIZONA JUDICIARY  
Cost Center: COURT OF APPEALS (DIV. I)  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page GG-88 ).....\$ 3,975,400

Recommended Alternatives:

1. Judge Pro Tempore (.25 FTE) \$ (20,600)

Will increase the workload of the Chief Judge in the area of Caseload Management and Appeals Disposition.

2. All Other Operating Expenditures (19,000)

The court will reduce the following:

- Funds for library maintenance.
- Funds for operating supplies and postage.

Total Alternatives (.50 FTE) \$ (39,600)

Alternative Legislative Staff Recommendation.....\$ 3,935,800

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: COURT OF APPEALS (DIV. II)

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-90 ).....\$ 1,811,800

Recommended Alternatives:

1. All Other Operating Expenditures \$ (21,900)

The court will eliminate or reduce the following:

- Funds for purchase of Equipment.
- Professional Services to upgrade the automated docket.
- Funds for employee travel for the continuing education of court employees.
- Funds for operating supplies and library maintenance.

Total Alternatives \$ (21,900)

Alternative Legislative Staff Recommendation.....\$ 1,789,900

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUPERIOR COURT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-92 ).....\$ 39,758,900

## Recommended Alternatives:

1. Court Appointed Special Advocate (CASA) \$ (75,000)

The purpose of this program is to recruit, screen, and train volunteers appointed as advocates for children who have become wards of the court. The above reduction would eliminate State funding for the program. Also, unless an alternative funding source is found, the federal funding for the CASA program will also cease.

2. Medical Malpractice Panels (5,000)

The reduction would represent a 33 percent reduction in the funds available for reimbursement to the requesting county for panel members.

3. Family Counseling (29,000)

This program provides a \$5,000 base allocation to each county with the remainder of the available funds being distributed on a population percentage basis. The reduction represents 10 percent of the family counseling allocation.

4. Probation State Aid (168,100)

Pursuant to Arizona revised statutes 12-251 and 12-265 (c), the Superior court is responsible for maintaining, expanding, or improving juvenile probation services. The reduction represents 10 percent of the allocation. The county probation departments will be less able to bolster their basic operations to meet the increasing number of juveniles being referred to juvenile courts for more serious offenses.

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUPERIOR COURT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

## Recommended Alternatives: (Continued)

## 5. Probation Enhancement (531,200)

Pursuant to Arizona revised statutes 12-251.A and B, the Superior court maintains a 1:60 standard of probation officers to probationers. The reduction will cause probation officers to assume caseloads greater than the statutory standard.

## 6. Juvenile Intensive Probation (443,500)

Pursuant to Arizona revised statutes 8-273.B and 8-241, the Superior court administers juvenile intensive probation programs. By statute a juvenile probation team can supervise no more than 25 juveniles at one time. The reduction would reduce caseload capacity from 680 to 615 and reduce the number of intensive probation teams by three. With reduced caseload capacity, there would be a requirement to legally place a ceiling on the caseload capacity to ensure that no more than 25 juveniles were being supervised by an intensive probation team at one time.

## 7. Adult Intensive Probation (489,200)

Pursuant to Arizona revised statutes 12-293.B and 13-603.E, the Superior court administers adult intensive probation programs. By statute an adult probation team can supervise no more than 25 adults at one time. The reduction would reduce caseload capacity from 1,140 to 1,050 and reduce the number of teams by three. With reduced caseload capacity, there would be a requirement to legally place a ceiling on the caseload capacity to ensure that no more than 25 adults were being supervised at one time.

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUPERIOR COURT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

## Recommended Alternatives: (Continued)

## 8. Juvenile Probation Services Fund (1,264,400)

Pursuant to Arizona revised statutes 8-230.01 - .02 and 8-243, the Superior court provides juvenile probation services. The fund provides for statutory requirements whereby a probation officer must provide a consequence to a juvenile who acknowledges responsibility for a delinquent act or alcohol offense, and services to children referred for incorrigible and delinquent offenses and placed in foster care, day care treatment programs, residential treatment centers, etc. The reduction will reduce the number of placements of children in foster care or treatment center by approximately 55. The Department of Corrections is the only placement alternative available to the juvenile courts when treatment funds are not available.

## 9. Juvenile Probation Services Fund - Salary Adjustment (441,900)

The reduction represents a 3.5% increase which is primarily used for provider salary adjustments. The reduction will cause any increases in provider service rates to be absorbed within the appropriation and reduce the amount of funds available for treatment.

## 10. Adult Intensive Program (200,000)

The reduction would further reduce caseload capacity available by an additional 50 slots -- from 1,050 to 1,000, and the number of teams by two (see item #7).

## 11. Juvenile Intensive Program (62,500)

The reduction would further reduce caseload capacity available by an additional 15 slots -- from 615 to 600, and reduce the number of teams by one (see item #6).

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUPERIOR COURT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Recommended Alternatives:

12. Probation Enhancement (468,800)

(See Item #5.)

Total Alternatives (3.0 FTE) \$ (4,178,600)

Alternative Legislative Staff Recommendation.....\$ 35,580,300

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: COMMISSION ON JUDICIAL QUALIFICATIONS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-96 ).....\$ 60,000

Recommended Alternatives:

1. General Reduction \$ (6,000)

The Commission is responsible for investigating and prosecuting complaints against judges in the State. The case-load of the Commission is uncertain and not possible to predict, therefore, no impact is provided.

Total Alternatives \$ (6,000)

Alternative Legislative Staff Recommendation.....\$ 54,000

Department: ARIZONA JUDICIARY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: COMMISSION ON APP & TRL CRT APT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-98 ).....\$ 4,000

Recommended Alternatives:

1. General Reduction \$ (1,500)

These funds are used for travel and per diem expenses of Commission members to attend meetings to discuss nominations and interview applicants. Since it is not possible to determine the number of vacancies which will require action by the Commission in any given year, the impact of the reduction cannot be determined.

Total Alternatives \$ (1,500)

Alternative Legislative Staff Recommendation.....\$ 2,500

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Department: GOVERNOR'S OFFICE OF AFFIRM. ACTION    House Subcommittee Chairman: HEINZ HINK  
 Cost Center: GOVERNOR'S OFFICE OF AFFIRM. ACTION    Senate Subcommittee Chairman: PAT WRIGHT  
 Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page GG-102).....\$ 208,800

Recommended Alternatives:

1. Equal Employment Opportunity Specialist (1.0 FTE) \$ (27,000)

The elimination of this position will leave the Office with only one EEO specialist to oversee compliance with State and federal equal employment laws. Executive Order 87-9 (issued by Governor Mechem on October 22, 1987) assigned the Office of Affirmative Action an expanded role in equal employment enforcement and minority economic development. This Executive Order also directed the Office of Affirmative Action to consolidate and supervise all equal employment and affirmative action activities within the State. The Office has identified 22 EEO and affirmative action positions in several large State agencies. If consolidated into one office, these positions would help pick up the workload of the eliminated position. The expanded responsibilities of the Office of Affirmative Action, however, will be extremely difficult to accomplish with a reduction in staff.

Total Alternatives (1.0 FTE) \$ (27,000)

Alternative Legislative Staff Recommendation.....\$ 181,800

Department: DEPARTMENT OF COMMERCE  
Cost Center: DEPARTMENT OF COMMERCE  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-104).....\$ 3,348,500

Recommended Alternatives:

- 1. Personal Services Base Reduction \$ (27,200)

An additional \$22,700 in Personal Services and \$4,500 in Employee Related Expenses could be eliminated from the base largely due to more recent staff turnover.

- 2. ADOT Mapping Service (10,000)

A savings of \$10,000 could be generated by eliminating funds appropriated for mapping services provided by the Department of Transportation. Currently, funding for this service is shared between the Department of Commerce, the State Land Department, the Department of Revenue, and the Department of Transportation; however, its services extend beyond these four agencies. In FY 1987 ADOT completed 7 total map revisions, 5 new maps, and 52 map reprints. In addition, several special projects were completed, including a map for the super collider proposal and revisions to the Arizona tourism and wall maps. If funding for this program is not either assumed by ADOT or shared among additional agencies, this reduction could potentially result in the discontinuing of this service and would preclude the mapping of many of the rural communities as yet not revised or mapped in entirety.

- 3. Elimination of Funding for Professional and Outside Services (15,200)

This reduction would eliminate funding for special projects and studies which require services and expertise, and sometimes objectivity, which cannot be found within the Department of Commerce. Professional and Outside Services have been utilized for a study on Arizona's Councils of Government, which demanded third party objectivity, as well as for the develop-

Department: DEPARTMENT OF COMMERCE

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEPARTMENT OF COMMERCE

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

**Recommended Alternatives: (Continued)**

ment of an economic impact model in conjunction with the University of Arizona. In addition, these monies have provided financial analyses of small community businesses, as well as computer programming for the Department of Commerce. This reduction would eliminate funding for these services.

**4. Discontinuance of the Intern Program****(77,900)**

This reduction would eliminate ten of the eleven half-time intern positions currently utilized by the Department, and generate a savings of \$65,000 in Personal Services and \$12,900 in Employee Related Expenses. The internship program not only provides students with a learning opportunity, work experience and money necessary to complete their education, but the Department of Commerce also benefits greatly from their assistance. The interns are well-educated additions to staff, which allow Department of Commerce professionals to devote their time to more technical and complex responsibilities. Loss of the internship program would reduce the Department's ability to respond to information needs, recruit new businesses, promote business expansion, and retain existing businesses.

**5. Elimination of Cooperative Advertising Funding for Urban Organizations****(30,000)**

This reduction would eliminate \$30,000 of the \$75,000 available for cooperative advertising, which became available through the enactment into law of S.B. 1275 (Chapter 331) in 1987. This savings would be achieved by eliminating the funding available to urban organizations, leaving only the \$45,000 designated for rural organizations. This program was developed last year to support local economic development organizations' advertising and promotion efforts through matching funds. The program is designed to assist with the

Department: DEPARTMENT OF COMMERCE

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEPARTMENT OF COMMERCE

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

## Recommended Alternatives: (Continued)

recruitment of new businesses and industry, and in the creation of permanent jobs. This reduction would extend these opportunities to only the rural organizations, and preclude the participation of urban organizations.

## 6. Solar Energy Projects Reduction (24,600)

This reduction would eliminate 25 percent of funding available for solar projects. This reduction could potentially result in a reduction in solar publications to the current service level, and preclude the development of a solar technology trade show.

## 7. Economic Development Matching Funds Reduction (25,000)

This reduction would eliminate 25 percent of funding available to be awarded to communities for economic development projects. These projects generally relate to the development of an economic development or land use plan for a rural community, and must show anticipated economic impact. Together with a match from the recipient, 12 projects were funded with economic development funds in FY 1987. This reduction would result in a reduction of approximately 3 projects which could be funded.

## 8. Advertising and Promotion Reduction (53,100)

This reduction would eliminate 25 percent of funding available for the promotion of the State of Arizona. Funding for advertising and promotion focuses on the purchasing of Arizona businesses' goods and services, as well as the advantages of locating a facility in the State. A 25 percent reduction of these funds would greatly affect the Department's ability to maintain a cohesive statewide promotional campaign.

Department: DEPARTMENT OF COMMERCE

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEPARTMENT OF COMMERCE

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Recommended Alternatives: (Continued)

Specifically, the publishing of promotional materials such as the Economic Profiles and Guide to Establishing a Business in Arizona would be limited and distributed selectively; and, the advertising campaign "One More Thing You Should Know About Arizona" designed to be introduced in four phases, may be reduced to only two phases, thereby decreasing its effectiveness.

9. Replacement Equipment

(21,600)

A reduction of \$21,600 in equipment could be achieved by foregoing the replacement of lettering and binding machines, as well as a duplicator and printers. Use of current office equipment could be continued; production time would continue to be slow, however, with servicing this equipment could remain functional.

Total Alternatives

\$ (284,600)

Alternative Legislative Staff Recommendation.....\$ 3,063,900

Department: OFFICE OF TOURISM

House Subcommittee Chairman: HEINZ HINK

Cost Center: OFFICE OF TOURISM

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page GG-108).....\$ 3,528,900

Recommended Alternatives:

1. Media Advertising Reduction \$ (300,000)

Current service level funding for media advertising earmarks \$500,000 to aid rural communities through cooperative advertising efforts, and \$50,000 for tourism research efforts which maintain the effectiveness of the total advertising campaign. Of the remaining funding, approximately \$400,000 is designated for production (i.e. brochures, etc.), and at current service level funding, approximately \$1.4 million is targeted for the delivery of direct consumer exposures through television and magazine campaigns. A reduction of \$300,000 would result in a reduction in funding for rural community cooperative advertising efforts, as well as a reduction in the spring advertising campaign. The decreased spring advertising efforts would result in a reduction of approximately 70 million gross impressions, or the number of people reached through advertising. Specifically, this would eliminate a two week television campaign in Chicago, a five week television campaign in Los Angeles, and advertising in issues of Sunset, Bon Appetit (Western Edition) and Westways magazines.

Total Alternatives \$ (300,000)

Alternative Legislative Staff Recommendation.....\$ 3,228,900

Department: LAW ENFORCEMENT MERIT SYSTEM COUNCIL House Subcommittee Chairman: BEV HERMON  
Cost Center: LAW ENFORCEMENT MERIT SYSTEM COUNCIL Senate Subcommittee Chairman: DOUG TODD  
Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page GG-112).....\$ 49,400

Recommended Alternatives:

1. Elimination of Overtime Funding \$ (600)

Since the LEMSC budget contains funding for only one FTE position, the elimination of all overtime funding may delay the resolution of appeals and other Council business.

2. Travel Reduction (1,000)

This reduction will either curtail participation in Council meetings or force the continuation of a travel subsidy from the Department of Public Safety.

3. Operating Savings (1,000)

A reduction of \$1,000 in Other Operating Expenses will limit the rental of facilities for administering hiring examinations, and will eliminate training seminars for staff and Council members.

4. Consultant Services (1,600)

This reduction will hamper the maintenance and modernization of the Council's automated personnel systems. It will also prevent the use of personnel consultants for hiring procedures and the use of expert witnesses for Council hearings.

Total Alternatives \$ (4,200)

Alternative Legislative Staff Recommendation.....\$ 45,200

Department: LEGISLATIVE COUNCIL  
Cost Center: LEGISLATIVE COUNCIL  
Analyst: STEVE MILLER

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-118).....\$ 1,440,000

Recommended Alternatives:

1. General Reduction \$ (122,400)

There was no specific impact identified by the agency.

Total Alternatives \$ (122,400)

Alternative Legislative Staff Recommendation.....\$ 1,317,600



Department: AUDITOR GENERAL  
Cost Center: AUDITOR GENERAL  
Analyst: STEVE MILLER

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-122).....\$ 6,454,200

**Recommended Alternatives:**

- 1. Reduced Procedural Review of School Districts and State Agencies (10.0 FTE) \$ (394,400)

The Auditor General currently conducts procedural reviews of school districts and state agencies. This function is required by statute with the Auditor General determining the frequency of the reviews. The reduction would delay procedural reviews a year or more.

- 2. Performance Audits (3.0 FTE) (105,200)

The Auditor General will not conduct two performance audits agreed to by the Joint Legislative Oversight Committee.

- 3. Eliminate Purchase of New Computer Equipment and Software (49,000)

Three years ago the office began a project to automate the Auditor's work. The project demonstrated that audit performance is significantly improved with microcomputers. The absence of this equipment and software will have a limiting effect on the staff.

Total Alternatives (13.0 FTE) \$ (548,600)

Alternative Legislative Staff Recommendation.....\$ 5,905,600

Department: LEGIS.-LIBR, ARCH, PUB RCDS

House Subcommittee Chairman: BEV HERMON

Cost Center: LEGIS.-LIBR, ARCH, PUB RCDS

Senate Subcommittee Chairman: DOUG TODD

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page GG-124).....\$ 4,657,600

## Recommended Alternatives:

## 1. Personal Services Base Reduction \$ (69,200)

An additional \$55,500 in Personal Services and \$13,700 in Employee Related Expenses could be eliminated from the base due to more recent staff turnover of librarian personnel in each of the divisions utilizing librarian personnel.

## 2. All Other Operating Expenditures Base Reduction (161,700)

## -Professional &amp; Outside Services -- \$35,000

This reduction would eliminate 45 percent of the total current service level funding for the maintenance of existing museum exhibits and construction of new exhibits.

## -Out of State Travel -- \$ 5,000

This reduction would eliminate 47 percent of the total current service level funding for out of state conferences and seminars.

## -Other Operating Expenditures -- \$82,400

This reduction would: eliminate the additional \$25,000 recommended for Aid to Municipalities in accordance with the initial program design, as well as an additional \$7,500; reduce funding for the binding of periodicals by \$8,000; reduce funding for the renewal of repair and maintenance contracts by \$4,000; reduce funding for records retention boxes distributed to agencies by \$10,000; reduce funding for registration fees and conferences by \$4,000; and reduce remaining overall operating expenses by \$23,900, or 5 percent.

Department: LEGIS.-LIBR, ARCH, PUB RCDS  
Cost Center: LEGIS.-LIBR, ARCH, PUB RCDS  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Recommended Alternatives: (Continued)

-Equipment -- \$39,300

This reduction would eliminate the replacement of microfiche readers, duplicators, typewriters, and an on-line research data base system. Some of these pieces of equipment have already been given to surplus property, some were purchased from surplus property several years ago, and some have been in use for 10 to 20 years and require replacement.

3. Museum Furnishings Base Reduction (10,000)

This reduction would reduce the total current service level funding for the cleaning, repairing, restoring, and purchasing of museum furnishings by 29 percent.

4. Grants-In-Aid Base Reduction (105,000)

This reduction would eliminate 18 percent of the total current service level funding for grants which are awarded to aid rural and urban community libraries statewide.

5. Acquisitions Base Reduction (50,000)

This reduction would eliminate 16 percent of the total current service level funding for library acquisitions, for which funding is currently at a minimum.

Total Alternatives \$ (395,900)

Alternative Legislative Staff Recommendation.....\$ 4,261,700

Department: DEPT OF REVENUE  
Cost Center: AGENCY SUMMARY  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page GG-132).....\$ 33,430,800

Recommended Alternatives:

° Director's Office	\$ -0-
° Administrative Services - Reporting Requirements	(94,400)
° Administrative Services - Fee for Service	(540,600)
° Revenue Enforcement - Fee for Service (181.0 FTE)	(3,704,300)
° Tax Compliance - Fee for Service	(575,500)
° Data Management - Fee for Service (3.0 FTE)	(109,800)
° Tax Policy	-0-
° Property Valuation	-0-
	<hr/>
Total Alternatives (184.0 FTE)	\$ (5,024,600)

Alternative Legislative Staff Recommendation.....\$ 28,406,200

Department: DEPT OF REVENUE

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ADMINISTRATIVE SERVICES

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-138).....\$ 7,887,500

Recommended Alternatives:

1. Fee for Service

\$ (540,600)

Currently taxpayers who fail to pay delinquency billings and are turned over to an outside collection agency by the Department are assessed a fee by the collection agency. If the Department were to expand this philosophy to include a percentage fee for the costs of the internal departmental collections program, then the fees could be used to reduce expenditure levels through a revolving fund format or they could be deposited directly to the General Fund with the Department receiving credit for the off-set. Legislative approval would be necessary to implement a percentage fee arrangement for the Department.

2. Reporting Requirements

(94,400)

Legislative reporting requirements and Department procedures for mailing notices for business have dictated continuation budget levels for sales tax processing, computer services and printing and postage. Changes can be made in the following areas to reduce expenditures:

- Currently the Department is mailing sales tax reporting forms to monthly filers on a monthly basis and sales tax instructions to all sales tax payers semi-annually to update changes in the law and rates. If mailings were reduced to a quarterly basis, instructions mailed as needed, cities made liable for postage and printing of notifications for rate changes within a quarter and instructions printed on newsprint paper stock, it is estimated that expenditures could be reduced by \$69,100.

Department: DEPT OF REVENUE  
Cost Center: ADMINISTRATIVE SERVICES  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives: (Continued)

- Elimination of the mailing of renter taxpayer tax credit forms would reduce expenditures by \$25,300.

Total Alternatives

\$ (635,000)

Alternative Legislative Staff Recommendation.....\$ 7,252,500

Department: DEPT OF REVENUE

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: REVENUE ENFORCEMENT AND ADJUSTMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-146).....\$ 5,812,700

Recommended Alternatives:

1. Fee for Service (181.0 FTE) \$ (3,704,300)

Currently taxpayers who fail to pay delinquency billings and are turned over to an outside collection agency by the Department are assessed a fee by the collection agency. If the Department were to expand this philosophy to include a percentage fee for the costs of the internal departmental collections program, then the fees could be used to reduce expenditure levels through a revolving fund format or they could be deposited directly to the General Fund with the Department receiving credit for the off-set. Legislative approval would be necessary to implement a percentage fee arrangement for the Department.

Total Alternatives \$ (3,704,300)

Alternative Legislative Staff Recommendation.....\$ 2,108,400

Department: DEPT OF REVENUE

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: TAX COMPLIANCE

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page GG-150).....\$ 6,179,100

Recommended Alternatives:

1. Fee for Service \$ (575,500)

The Department staff is currently performing duties for non-departmental entities without proper level of reimbursement. Allow the Department to charge companies for Out-of-State Travel for audits or provide for the company to ship their records or bring their records to Department offices. To charge would require Legislative approval. The fees could be used to reduce expenditure levels through a revolving fund format or they could be deposited directly to the General Fund with the Department receiving credit for the off-set.

Total Alternatives \$ (575,500)

Alternative Legislative Staff Recommendation.....\$ 5,603,600



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: DEPT OF REVENUE
Cost Center: DATA MANAGEMENT
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page GG-154).....\$ 8,795,800

Recommended Alternatives:

1. Fee for Service (3.0 FTE) \$ (109,800)

Currently taxpayers who fail to pay delinquency billings and are turned over to an outside collection agency by the Department are assessed a fee by the collection agency. If the Department were to expand this philosophy to include a percentage fee for the costs of the internal departmental collections program, then the fees could be used to reduce expenditure levels through a revolving fund format or they could be deposited directly to the General Fund with the Department receiving credit for the off-set. Legislative approval would be necessary to implement a percentage fee arrangement for the Department.

Total Alternatives \$ (109,800)

Alternative Legislative Staff Recommendation.....\$ 8,686,000

Department: SECRETARY OF STATE  
Cost Center: SECRETARY OF STATE  
Analyst: STEVE MILLER

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-158).....\$ 3,047,400

Recommended Alternatives:

1. General Reduction \$ (259,000)

The Department did not submit decremental issues for consideration but did provide information as to the impact of a major reduction to their budget. The reduction would impact the election department in terms of reimbursing the counties for mailing sample election ballots and the counting of votes. The reduction would impact upon the ability of the Department to carry out the reporting requirements of Proposition 200 due to lack of necessary software and their ability to print and distribute publicity pamphlets required by statute. Also, the reduction would impact the Department's capability to publish rules and regulations.

Total Alternatives \$ (259,000)

Alternative Legislative Staff Recommendation.....\$ 2,788,400

Department: STATE BOARD OF TAX APPEALS  
Cost Center: STATE BOARD OF TAX APPEALS  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page GG-162).....\$ 458,100

Recommended Alternatives:

- 1. Professional and Outside Services \$ (6,400)

The Board of Tax Appeals, Division I, will eliminate funding for court reporting and clerical assistance, and curtail expenditures for hearing officers and Department of Administration computer programming charges. State statutes mandate certain dates for the Board's decisions. An outside hearing officer was responsible for 25 percent of the caseload in FY 1987. Reducing the hearing officer's hours will severely delay tax appeals cases and creates the potential for violation of State law.

- 2. Personnel Reduction (0.5 FTE) (18,000)

This alternative would reduce Division I's Property Appraiser II to a half-time position. It represents an 11.1 percent cutback in Division I's personnel. The impact of this proposal compounds the effects produced by cutting back the Hearing Officer's hours.

- 3. Out-of-State Travel (1,500)

This alternative would reduce Out-of-State Travel expenditures by more than 32 percent. Tax appeal administration is a complex, technical and constantly changing field. Access to developments and issues in other states would benefit the Board.

- 4. In-State Travel (2,400)

If adopted, this recommendation would reduce Division I's In-State Travel budget by \$1,000 and Division II's by \$1,400. Tax Appeals Board members are reimbursed for travel expenses, in accordance with state statutes. Board members may be forced to forfeit their reimbursements.

Department: STATE BOARD OF TAX APPEALS

House Subcommittee Chairman: HEINZ HINK

Cost Center: STATE BOARD OF TAX APPEALS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: STEPHANIE HERNANDEZ

Recommended Alternatives: (Continued)

5. All Other Operating Expenses (8,800)

This alternative would reduce Division I's Other Operating Expenses budget by \$7,400 and Division II's by \$1,400. Division I will eliminate its practice of leasing computer services and experience sharp cutbacks in expenses for postage, telephones and operating supplies. Division II will send notices of file motions and tax briefs by regular mail instead of certified mail. Any delays which occur will violate Board regulations concerning receipt dates. Division II will also make sharp cutbacks in expenses for printing services and office supplies.

6. Board Member Compensation (1,800)

Adoption of this recommendation would reduce Division II's Personal Services budget by \$1,800. Division II will reduce its Board Member workdays from six per month to five, and hearing meeting days from three to two. Division II's case backlog will increase from 60 days to process appeals to approximately 90 days. The State will not benefit because the backlog will delay collection of tax assessments.

Total Alternatives (0.5 FTE) \$ (38,900)

Alternative Legislative Staff Recommendation.....\$ 419,200

Department: STATE TREASURER

House Subcommittee Chairman: HEINZ HINK

Cost Center: STATE TREASURER

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: STEPHANIE HERNANDEZ

Legislative Staff Recommendation (Page GG-166).....\$ 3,220,400

## Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (10,800)

The State Treasurer's Office has consistently experienced actual expenditures for Personal Services which are greatly below the amounts appropriated for this agency. This reduction provides for continuation of FY 1987 actual expenditure levels, after adjusting for annual salary increases.

2. Reduction to Inflation-Adjusted FY 1987 Actual Expenditure Levels (4,600)

In-State Travel and Out-of-State Travel are both limited to amounts equivalent to actual FY 1987 expenditures, adjusted for inflation.

3. Additional 7.1% Reduction (2.0 FTE) (75,500)

An additional 7.1 percent reduction in each line item was required to meet the targeted budget level. This will reduce the agency's budget below the level of actual expenditures experienced in FY 1986. The State will experience delays in processing revenues received by the Treasurer's Office and in distributing funds to school districts and local governments. The agency will not be able to monitor its investments as closely as it has in the past, possibly reducing the State's investment income.

Department: STATE TREASURER

House Subcommittee Chairman: HEINZ HINK

Cost Center: STATE TREASURER

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: STEPHANIE HERNANDEZ

Recommended Alternatives: (Continued)

4. State Grand Jury Fund (48,900)

A.R.S. 21-428 requires the State to reimburse counties for expenses connected with impaneling a state grand jury. The reduced amount provides only \$3,400 more than FY 1987 actual expenditures. To fund less than the necessary amount will require a change in the legislation.

5. Justice of the Peace Salaries (133,900)

A.R.S. 22-117 obligates the State to pay 40 percent of the compensation and Employee Related Expenditures for Justices of the Peace. Compensation levels are determined by a judicial productivity formula outlined in A.R.S. 22-125. The reduced amount represents a level 9.0 percent above FY 1987 actual expenditures. To fund less than the necessary amount will require a change in the legislation.

Total Alternatives (3.0 FTE) \$ (273,700)

Alternative Legislative Staff Recommendation.....\$ 2,946,700

Department: AZ COMMISSION UNIFORM STATE LAWS

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: AZ COMMISSION UNIFORM STATE LAWS

Senate Subcommittee Chairman: JAN BREWER

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page GG-170).....\$ 19,800

Recommended Alternatives:

1. Testimony on Proposed Legislation \$ (700)

Recommended increases of \$400 in Personal Services, \$100 in Employee Related Expenses, and \$200 in In State Travel are to provide testimony by the commissioners on four proposed uniform state laws in FY 1989, increasing from funding for testimony on one bill proposed for FY 1988. The elimination of this recommendation will result in a lack of funding to provide testimony by commissioners on all of the proposed legislation for uniform state laws in FY 1989.

2. National Conference (500)

A reduction of \$500 of the \$4,300 recommended for the attendance of four commissioners at the required nine-day annual conference in Washington, D.C. will mandate the implementation of greater cost efficiencies.

3. Membership Dues (500)

This reduction will result in the payment of only \$7,700 of the \$8,200 required dues for membership in the National Conference of Uniform State Laws.

Total Alternatives \$ (1,700)

Alternative Legislative Staff Recommendation.....\$ 18,100

Department: RANGERS' PENSION  
Cost Center: RANGERS' PENSION  
Analyst: MARK FLANDERS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page HW-2).....\$ 16,200

Recommended Alternatives:

1. Decrease the Pension

\$ (1,400)

Decrease the monthly payment to each pensioner from \$675 to \$617. This action would require statutory change to A.R.S. 41-951, under which the FY89 pension is set at \$675 per month.

Total Alternatives

\$ (1,400)

Alternative Legislative Staff Recommendation.....\$ 14,800

Department: AZ COUNCIL FOR THE HEARING IMPAIRED    House Subcommittee Chairman: BEV HERMON  
 Cost Center: AZ COUNCIL FOR THE HEARING IMPAIRED    Senate Subcommittee Chairman: DOUG TODD  
 Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page HW-4).....\$ 124,600

Recommended Alternatives:

1. Reduce Operating Services \$ (5,100)

This reduction would eliminate the consumer seminars the Council holds to educate the hearing impaired, curtail In-State Travel to respond to requests of the public and eliminate publication of the Council's statewide news bulletin.

2. Staffing Reduction (0.25 FTE) (5,500)

This reduction would eliminate 0.25 FTE from the 3.0 positions authorized to the Council. The agency would fall behind in answering inquiries from the public, and conduct less research into solving the problems of the hearing impaired in Arizona. Since the agency has no current vacancies, an employee would have to be laid off part-time to achieve this reduction.

Total Alternatives (0.25 FTE) \$ (10,600)

Alternative Legislative Staff Recommendation.....\$ 114,000

Department: DEPARTMENT OF ECONOMIC SECURITY  
 Cost Center: AGENCY SUMMARY  
 Analyst: RICHARD STAVNEAK

House Subcommittee Chairman: HEINZ HINK  
 Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page HW-8).....\$247,216,700

Recommended Alternatives:

° Administration (17.4 FTE)	\$ (480,000)
° Developmental Disabilities	(9,235,700)
° Family Support (8.6 FTE)	(1,903,400)
° Social Services (9.6 FTE)	(9,236,700)
° Employment and Rehabilitation (2.5 FTE)	(157,600)
<b>Total Alternatives (38.1 FTE)</b>	<u>\$ (21,013,400)</u>

Alternative Legislative Staff Recommendation.....\$226,203,300

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

**Summary:**

This alternative \$21 million budget reduction contains both spending cuts as well as revenue enhancements. The cuts focus on the more generously funded programs, but would nonetheless require service reductions. Savings are also achieved through increased utilization of federal and other funds.

This recommendation attempts to protect basic legislative priorities -- but with \$21 million in reductions, almost no program is untouched.

The recommended alternatives fall into five broad categories:

-- Improve Collections (\$3,000,000)

The Department would reduce its State General Fund requirement through improved collection of outside funds. The Department plans to increase 1) federal funding of foster children's medical costs and 2) AFDC child support collections.

Prior department efforts to increase such collections have fallen short of expectations. Failure to obtain the expected revenue would either disrupt program operations or require supplemental funding.

-- Eliminate Special Line Item Inflation Adjustments (\$3,315,200)

This alternative would eliminate the 3.5 percent inflation adjustment for special line items in the original Legislative Staff recommendation. As a result:

- Without compensation for increased operating expenses, contracted providers would have to reduce either their range of services or their caseload. These contractors -- both profit and non-profit organizations -- provide an array of services, including developmentally disabled residential care, family crisis counseling, and information and referral.

- Foster Care and Adoption subsidy rates would not be adjusted, thereby hampering efforts to attract new families to the program.

-- Reduce Program Services (\$5,632,800)

Although improved collections and the elimination of inflation adjustments would produce significant savings, a \$21 million reduction also requires service cutbacks. The major proposals would:

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Summary: (Continued)

- Reduce the State's Social Service Block Grant contribution to local human services programs (\$3.1 million). As a result, 4,000 fewer individuals would receive assistance.
- Slow the expected growth in Adoption Assistance through the use of fee schedules and case management (\$1.2 million). If these management efficiencies fail to produce the expected savings, the State would finance 211 fewer adoptions.
- Reduce Day Care eligibility from 65 percent of state median income to 60 percent (\$556,200). This alternative would disqualify 800-900 children from the program.

## -- Utilize Long Term Care Savings (\$8,084,400)

With implementation of the State's new Title XIX long term care program, the federal government will begin to share the cost of providing services to the developmentally disabled and elderly. The Department had originally proposed utilizing the savings from this refinancing to reduce the existing 2100-person waiting list for services.

The Legislative Staff alternative would reduce the waiting list by 900 persons, but would also apply the savings toward the budget deficit. This approach leaves no reserve for the expected automation and acute care costs associated with long term care.

## -- Reduce Staffing (\$981,000)

This proposal would apply a 10 percent vacancy factor to 207 direct-line staff. The original Legislative Staff recommendation proposed adding these positions to the existing list of direct-line personnel not subject to a vacancy factor. These added exemptions would have included child protective service specialists, adult protective service caseworkers, AFDC/Food Stamp clerical support and vocational rehabilitation staff.

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

Legislative Staff Recommendation (Page HW-16).....\$ 15,477,000

Recommended Alternatives:

1. Reduce Staffing (17.4 FTE) \$ (480,000)

This alternative would fulfill the Department's FY 1988 commitment to lower overhead costs. Based upon the Executive branch's recommendation, the Legislature reduced the Department's administrative expenses by 10 percent in the FY 1988 budget. The Department, however, partially offset this loss by devoting a higher proportion of Social Service Block Grant (SSBG) funds to overhead. Of the \$1.1 million increase in SSBG funds between FY 1987 and FY 1988, the Department set aside \$480,000 for administration.

This recommendation would reduce the State General Fund contribution to administration by \$480,000 to offset the added SSBG funds. After discussions with the Department, the Appropriation Committees may consider reallocating this reduction among several budget programs.

The Department has suggested that this one-half of one percent reduction in operating expenses may require the closing of local offices.

Total Alternatives (17.4 FTE) \$ (480,000)

Alternative Legislative Staff Recommendation.....\$ 14,997,000



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: DEPARTMENT OF ECONOMIC SECURITY
Cost Center: DEVELOPMENTAL DISABILITIES
Analyst: RICHARD STAVNEAK

House Subcommittee Chairman: HEINZ HINK
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page HW-40).....\$ 75,553,000

Recommended Alternatives:

- 1. Eliminate Special Line Item Inflation Adjustments \$ (1,393,500)

This alternative would eliminate the 3.5 percent inflation adjustment for special line items in the original Legislative Staff recommendation. As a result:

- Without compensation for increased operating expenses, contracted providers of residential care and day programs would have to reduce either their range of services or their caseload.
- Foster Care rates would not be increased, thereby hampering efforts to attract new families to the program. The Department believes past inflation adjustments have already been inadequate -- provider adjustments have fallen 7 percent short of the actual cost of care since 1985.

- 2. Utilize Long Term Care Savings (4,746,300)

This alternative would utilize the savings from the expected refinancing of the State's developmental disabilities (DD) programs. With implementation of the new Title XIX long term care program, the federal government will begin to share the cost of providing services to the developmentally disabled.

This new federal financing is expected to reduce the State's DD expenditures by \$4.7 million. The State's total long term care funding would increase, however, as new AHCCCS costs will offset DES reductions.

Under the Legislative Staff alternative, the reduction in the waiting list for services would be less than half of the original Department proposal. The Legislative Staff recommend

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEVELOPMENTAL DISABILITIES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Recommended Alternatives: (Continued)

that 900 of the 2100-person waiting list receive residential or family support programs. All 900 persons would be eligible for federal funding.

The Department originally proposed to utilize the \$4.7 million savings to fund services for the remaining 1200 persons on the waiting list. Since these individuals are either financially or functionally ineligible for Title XIX reimbursement, the state would pay 100 percent of their cost of care.

The Legislative Staff alternative leaves no reserve for possible future long term care costs. These potential expenses include:

- DD Acute care. The State's new Title XIX program requires the Department to provide acute as well as long term care for its DD clients. The Department has not yet determined whether existing AHCCCS acute care funds would be sufficient to cover this cost.
- Acute care administration. The Department has also yet to determine the administrative costs of operating its own acute care system.
- Automation. The Department has not yet developed an automation plan to implement Title XIX accounting and reporting requirements.

## 3. Eliminate Proposed Payment of Overnight Group Home Staff

(1,923,300)

This alternative would eliminate the Department's proposed payment of overnight group home staff. These provider personnel are currently compensated for "awake" hours in group homes, but not for the time spent sleeping overnight.

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEVELOPMENTAL DISABILITIES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Recommended Alternatives: (Continued)

The Department's request was based on a recent federal Department of Labor (DOL) ruling that such "sleep-over" staff must be paid for all hours spent on the premises of a group home. Given numerous complaints about the additional salary costs, DOL has agreed to study the issue further and has temporarily suspended enforcement of the ruling.

By eliminating these "sleep-over" payments, this alternative is consistent with the current DOL moratorium. Providers, however, could face a significant shortfall if DOL ultimately decides to enforce the ruling.

## 4. Fund "Aging-out" Costs through the Federal Long Term Care Program (622,000)

Rather than finance "aging-out" costs with 100 percent State funds, this alternative would fund this expense through the new long term care program. As a result, the federal government would fund 62 percent of the cost. The "aging-out" initiative funds the replacement residential and day programs for the developmentally disabled no longer eligible to receive foster care and a public education.

## 5. Reduce Children Therapy and Transportation Services (236,500)

This alternative would eliminate the added funding of children therapy and transportation services, as proposed in the original Legislative Staff recommendation. This initiative would have funded one-fourth of the current 300 client waiting list. The revised funding level would still eliminate the waiting list for basic infant and preschool services.

## 6. Reduce Assistance to Families (247,000)

This proposal would eliminate Assistance to Families payments received by households eligible for long term care. The orig-

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: DEVELOPMENTAL DISABILITIES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

Recommended Alternatives: (Continued)

inal Legislative Staff recommendation proposed to transfer \$494,500 from the Adult Services/Housekeeping program to Assistance to Families. One-half of the housekeeping case-load, however, may qualify for the federal long term care program. With this revision, the Assistance to Families funding level would be \$532,100.

- 7. Permit More Flexible Out-of-District Placements (67,100)

This alternative would increase the residential options for children whose educational needs cannot be met by their school district. By law, the Department is required to fund the residential costs of such children. The current statutory interpretation is that the Department must place the child in an integrated residential and school program -- often at a cost of \$4,000 per month.

The Department believes that home-based settings may be appropriate for these children and is seeking the statutory authority to make such placements. These alternative settings would cost less than the current 24-hour institutional care, thereby saving the state approximately \$67,100.

Total Alternatives \$ (9,235,700)

Alternative Legislative Staff Recommendation.....\$ 66,317,300

Department: DEPARTMENT OF ECONOMIC SECURITY  
 Cost Center: FAMILY SUPPORT  
 Analyst: RICHARD STAVNEAK

House Subcommittee Chairman: HEINZ HINK  
 Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page HW-48)\*.....\$ 67,012,700

Recommended Alternatives:

1. Reduce AFDC/Food Stamp Clerical Staffing (8.6 FTE) \$ (141,900)

This alternative would apply a 10 percent vacancy factor to 86 AFDC/Food Stamp clerical staff. The original Legislative Staff recommendation proposed adding these positions to the existing list of direct-line personnel not subject to a vacancy factor. This list already includes AFDC/Food Stamp eligibility workers.

Reduced clerical support would hamper the Department's effort to reduce errors and speed application processing. The Department has a 10 percent AFDC error rate, near the highest in the nation. Because of delays in processing, the Department has agreed in court to grant presumptive eligibility to applications not processed within certain time limits.

2. Increase Child Support Enforcement Collections (1,000,000)

This alternative would generate additional State revenue by increasing the level of Child Support Enforcement collections on behalf of AFDC recipients. The state has had one of the nation's lowest rates of AFDC child support collection. With the implementation of an automated case tracking system and improved management techniques, the Department expects to substantially increase its collections.

Implementing this proposal would require a statutory change. AFDC Child Support collections are not currently deposited into any state appropriated fund, but are retained by the Department to pay administrative costs. The Legislative Staff recommends establishing an appropriated fund for these collec-

\* See Aging, Family and Children Services budget program, page HW-56, for further background.

Department: DEPARTMENT OF ECONOMIC SECURITY  
Cost Center: FAMILY SUPPORT  
Analyst: RICHARD STAVNEAK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

tions. The balance in the fund -- expected to be \$1 million in FY 1989 -- would offset AFDC expenditures.

This proposal would have the added benefit of allowing the Legislature to monitor the level of the Department's operating expenses and possibly increasing the size of the fund balance.

3. Eliminate Nursing Home Payments (697,800)

With implementation of the new federal long term care program on October 1, 1988, this option would eliminate the monthly payments to private and public nursing home residents. With the federal government paying 62 percent of long term care costs, the need for a state subsidy is diminished. Terminating these payments requires a statutory change.

This proposal is expected to renew county efforts to eliminate their current \$2.5 million annual payment to the State for the developmentally disabled. As with the elderly, the federal long term care program would finance 62 percent of the DD cost of services.

4. Eliminate Special Line Item Inflation Adjustments (63,700)

This alternative would eliminate the 3.5 percent inflation adjustment for special line items in the original Legislative Staff recommendation. Without compensation for their increased operating expenses, Homeless Shelter, Food Bank, and Information and Referral providers would have to reduce their range of services or their caseload.

Total Alternatives (8.6 FTE) \$ (1,903,400)

Alternative Legislative Staff Recommendation.....\$ 65,109,300

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: SOCIAL SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

Legislative Staff Recommendation (Page HW-52)\*.....\$ 84,518,400

## Recommended Alternatives:

1. Reduce the Allocation of Social Service Block Grant (SSBG) Funds to Local Governments \$ (3,100,000)

This DES-proposed alternative would reduce the Department's SSBG contribution to local governments by \$3.1 million. These funds would then be redirected to state activities, thereby permitting a \$3.1 million reduction in State General Fund appropriations.

As a result of its proposal, the Department estimates that 4,000 individuals would no longer receive assistance in the form of counseling, home care, congregate and home delivered meals, adult day care, information and referral, and transportation.

Even after this reduction, however, the Department would still allocate \$13 million of the \$35 million SSBG to local services.

2. Reduce Adoption Services Growth (1,200,000)

This alternative would reduce the expected 42 percent growth in the Adoption program. DES has recommended achieving these savings through the use of case management and fee schedules. Case management would help ensure the most efficient utilization of services while fee schedules would check the recent 68 percent rise in medical costs.

\* See Aging, Family and Children Services budget program, page HW-56, for further background.

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: SOCIAL SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Recommended Alternatives: (Continued)

The proposal has certain disadvantages. Fee schedules would probably reduce the number of contractors willing to provide medical services to adoption subsidy families. If the Department proposals do not achieve their expected savings, this reduced funding level would result in 211 fewer subsidized adoptions.

## 3. Increase Federal Funding for CMDP (2,000,000)

Under this DES proposal, enhanced federal funding of Comprehensive Medical and Dental Program (CMDP) costs would reduce the State General Fund contribution by \$2,000,000. CMDP funds the medical expenses of foster care children. The Department expects to increase the number of these children receiving federal Title XIX Medicaid reimbursement from 1,100 to 2,700. This proposal assumes the Department would have sufficient staff to review all existing cases for possible federal reimbursement.

Given past experience, the Department's ability to achieve these savings is questionable. In the FY 1987 budget, the executive branch reduced its CMDP request based upon the same assumption of increased federal funding. When the funding was not forthcoming, the Department requested a \$2.9 million FY 1987 supplemental.

If the Department fails to obtain the added federal contribution, this funding level would require a 25 percent reduction in services.

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: SOCIAL SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Recommended Alternatives: (Continued)

## 4. Eliminate Special Line Item Inflation Adjustments (1,772,400)

This alternative would eliminate the 3.5 percent inflation adjustment for special line items in the original Legislative Staff recommendation. As a result:

- Adult and Children Services contracted providers would have to reduce their range of services or their caseload,
- Foster Care and Adoption Services rates would not be increased, thereby hampering efforts to attract new families to the program and
- Day Care subsidies would remain the same. If providers increase their rates during the year, parents would be required to absorb the full cost of the increase.

## 5. Reduce Eligibility for Day Care Subsidy to 60 Percent of State Median Income (556,200)

This alternative would reduce the day care eligibility level from 65 percent of state median income to 60 percent. As a result, a household of four with an income between \$18,000 and \$20,000 would no longer be eligible for a monthly subsidy. This proposal would reduce the current 14,000 child caseload by 800 to 900. Arizona currently ranks 9th nationally in state per capita day care expenditures.

## 6. Reduce Child Protective Services Staffing (7.6 FTE) (254,000)

This alternative would apply a 10 percent vacancy factor to 76 Child Protective Services (CPS) administrative staff. The

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: SOCIAL SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

## Recommended Alternatives: (Continued)

original Legislative Staff recommendation proposed adding these positions to the list of direct-line personnel not subject to a vacancy factor. This list already includes CPS caseworkers. The administrative staff authorizes and processes the documents for out-of-home placement as well as medical, legal and psychological services.

## 7. Reduce Adult Protective Services Staffing (2 FTE) (33,100)

This alternative would apply a 10 percent vacancy factor to 20 Adult Protective Services staff. The original Legislative Staff recommendation proposed adding these positions to the list of direct-line personnel not subject to a vacancy factor. This staff conducts intake and investigations and monitors ongoing cases. Without these exemptions, the Department would have less ability to keep pace with the 30 percent increase in inquiries over the past two years.

## 8. Reduce Adult Services (321,000)

This proposal consists of two different alternatives:

- 1) Reduce Visiting Nurse and Home Health Aide services by \$95,000. Approximately 25 percent of these programs' caseloads are expected to qualify for the federal long term care program scheduled to begin October 1988. Rather than reallocate this surplus to any waiting list, this proposal would reduce the Adult Services appropriation.
- 2) Limit Supplemental Payments -- for Housekeeping, Home Health Aide and Visiting Nurse services -- to a 3 percent caseload growth, thereby saving \$226,000. The original Legislative Staff recommendation was based upon the

Department: DEPARTMENT OF ECONOMIC SECURITY  
Cost Center: SOCIAL SERVICES  
Analyst: RICHARD STAVNEAK

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

Department's requested 15 percent growth. The Supplemental Payments caseload has grown rapidly in the past several years as more elderly and disabled have become aware of the program. In FY 1987, demand increased by 29 percent. By limiting caseload expansion to 3 percent, the waiting list for services would obviously increase.

Total Alternatives (9.6 FTE)

\$ (9,236,700)

Alternative Legislative Staff Recommendation.....\$ 75,281,700

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: EMPLOYMENT AND REHABILITATIVE SERV.

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

Legislative Staff Recommendation (Page HW-64)\*.....\$ 4,655,600

## Recommended Alternatives:

1. Eliminate Special Line Item Inflation Adjustments \$ (85,600)

This alternative would eliminate the 3.5 percent inflation adjustment for special line items in the original Legislative Staff recommendation. Without compensation for their increased operating expenses, contracted providers of vocational rehabilitation and employment assistance would have to reduce either their range of services or their caseload.

Since the federal government matches several line items, such as Vocational Rehabilitation Services, at a 80/20 percent rate, this alternative would result in the loss of \$200,000 in federal funds.

2. Reduce Vocational Rehabilitation Staffing (2.5 FTE) (72,000)

This alternative would apply a 10 percent vacancy factor to 125 vocational rehabilitation staff (25 State funded and 100 federal funded). The original Legislative Staff recommendation proposed adding these positions to the existing list of direct-line personnel not subject to a vacancy factor. The Vocational Rehabilitation staff takes applications for assistance, determines eligibility and writes and monitors service plans for possible job placements.

\* See Rehabilitation Services budget program, page HW-72, for further background.

Department: DEPARTMENT OF ECONOMIC SECURITY

House Subcommittee Chairman: HEINZ HINK

Cost Center: EMPLOYMENT AND REHABILITATIVE SERV.

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: RICHARD STAVNEAK

Recommended Alternatives: (Continued)

With the same 80/20 match as described in the previous alternative, the State would forego \$280,000 in federal funds by not exempting these positions from the vacancy factor.

Total Alternatives (2.5 FTE)

\$ (157,600)

Alternative Legislative Staff Recommendation.....\$ 4,498,000

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-76).....\$ 103,627,300

Recommended Alternatives:

- ° Emergency Medical Services/Health Care Facilities (8.0 FTE) \$ (353,000)
- ° Disease Prevention Services (18.0 FTE) (747,400)
- ° Family Health (7.0 FTE) (1,895,500)
- ° Behavioral Health (1.0 FTE) (5,207,500)
- ° Office of the Director (5.0 FTE) (452,200)
- ° Division of Laboratory Services (4.0 FTE) (152,700)

Total Alternatives (43 FTE) \$ (8,808,300)

Alternative Legislative Staff Recommendation.....\$ 94,819,000

Department: DEPARTMENT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: EMER. MED. SERV./HEALTH CARE FACIL.

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-86).....\$ 3,573,700

Recommended Alternatives:

1. Health Consultants (8.0 FTE) \$ (353,000)

The services and technical assistance to licensed nursing care institutions and consumer education programs in cooperation with the Department of Economic Security will be eliminated, and providers may have to expand their use of contract consultation. The publication of Licensed Long Term Care Facilities and A Guide: Selecting Long Term Health Care Services for the Elderly and Disabled will have to be prepared by another office within the Department.

Total Alternatives (8.0 FTE) \$ (353,000)

Alternative Legislative Staff Recommendation.....\$ 3,220,700

Department: DEPARTMENT OF HEALTH SERVICES  
Cost Center: DISEASE PREVENTION  
Analyst: CY BLANTON

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page HW-90).....\$ 5,808,900

Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (32,100)

This recommendation would eliminate one Executive Staff Assistant.

2. Kidney Program (103,500)

This recommendation would eliminate the Kidney Dialysis program funding from State sources. Local funding would continue. Continuation of State funding for this program is also contingent on passage of a revision of A.R.S. 36-2102.

3. Training Coordination (1.0 FTE) (70,300)

Loss of this position will reduce the capability of the Department to respond to major health education issues in Arizona. Particularly affected will be the following projects directed toward the leading causes of death in Arizona (i.e., smoking and drowning/injuries):

- elimination of Life Style Counseling training project for local health departments
- elimination of training and coordination for Health Risk Appraisals
- elimination of state-level follow-up on three year drowning prevention program
- decreased emphasis or capability in new smoking and injury prevention programs
- decreased ability to provide technical consultation within the Department and local health departments.

Department: DEPARTMENT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: DISEASE PREVENTION

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

## Recommended Alternatives: (Continued)

## 4. Toxic Substance Investigation (2.0 FTE)

(73,100)

Efforts to identify population to which excessive exposure to lead or other toxic substances that are not waterborne will end. The public will have no source of information concerning the health effects of toxic substances and the U.S. Consumer Products Safety Commission will have to find another source of assistance in these matters.

## 5. Sanitation Program (8.0 FTE)

(263,800)

Approximately 100 bedding establishments and 85 children's camps will go unlicensed and uninspected. Nine hundred plus foster homes and child-caring agencies will not be certified for health and safety issues. County and state jails and prisons will not be inspected for sanitation issues. One hundred plus complaints will not be investigated. The Sanitarian's Council would not function, therefore, sanitarians would not be able to continue their current registration on an annual basis. The FDA contract would not be able to be administered since there would not be any state sanitarians to supervise the contract inspectional activities, as well as, perform the necessary liaison with the Attorney General's Office in carrying out enforcements and litigation provisions.

Department: DEPARTMENT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: DISEASE PREVENTION

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Recommended Alternatives: (Continued)

6. Birth Defects Registry (6.0 FTE) (204,600)

The rate of preventable birth defects will remain unnecessarily high. Exposure of pregnant women to teratogenic agents will continue to result in birth defects. Temporal and spatial clusters of birth defects will not be recognized. Effective intervention projects cannot be designed and evaluated. The statutory mandate to establish and operate a birth defects registry must be rescinded.

Total Alternatives (18.0 FTE) \$ (747,400)

Alternative Legislative Staff Recommendation.....\$ 5,061,500

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FAMILY HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-94).....\$ 14,838,300

## Recommended Alternatives:

## 1. Adult Cystic Fibrosis

\$ (220,400)

The elimination of this program would immediately be felt by the 43 patients currently enrolled. Most of these patients have no other resources and are often unable to obtain health insurance. They would not be able to obtain such services since home health is provided by vendors who must be paid and cannot write off losses in the same manner as hospitals. The result would be a deterioration in their health status and more frequent illness and hospitalization.

## 2. Adult Sickle Cell Anemia Program

(69,000)

Elimination of this program would mean that these unique services would not be available since they cannot be supported by traditional fee-for-service. Health insurance from employment frequently will not cover pre-existing conditions. Therefore, subsequent crises would cause frequent absences from work and loss of employment.

## 3. Hearing Loss Identification (2.0 FTE)

(144,000)

If this program is not funded, a predicted 410 newborns, annually, will not be identified as hearing-impaired. In Arizona, the annual cost for a student to attend a residential program for the hearing-impaired is \$12,958. The cost for a student to attend public school with resource assistance is \$5,654. The cost for a student to attend regular public school is \$3,000. Without early recognition and referral, the optimal benefits of rehabilitation services during preschool years cannot be realized, and the cost to the State of providing specialized services in the schools will continue to grow.

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FAMILY HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Recommended Alternatives: (Continued)

4. Midwife Licensing (1.0 FTE) (33,800)

The management of this mandated service will be shifted to other program managers within the division.

5. Staff Reduction (1.0 FTE) (38,000)

This recommendation would eliminate one Clerk Typist position. Administrative support for the provider service activities would have to be assumed by program staff which would allow less time for programmatic issues.

6. Cholesterol Testing, Automation and Training (20,700)

Approximately 20,000 people will have their serum cholesterol level tested in FY 1988. Of these about 45% will be found at risk and counseled/referred. Not providing this service will reduce the effectiveness of the health promotion programs since a major component would not be included. A substantial number of people with an important health risk will go undetected. This could result in significant crisis health costs from untreated cardiovascular disease.

The reduction in automation services will eliminate the State's share in maintaining the Arizona nutrition surveillance system. This has both State and national implications and affects our ability to monitor morbidity and evaluate nutrition services. The decrease in training will jeopardize the level of competency of personnel providing nutrition services and quality of nutrition care.

7. Maternal Health Consultation (1.0 FTE) (39,800)

Elimination of a consultant position will eliminate or postpone planned improvements in this system. These include more

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FAMILY HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Recommended Alternatives: (Continued)

timely community needs assessments, implementation of mandated new primary care services in child health, and coordination of local, State, and federal resources for new program development (i.e. filling gaps left in care by AHCCCS to pregnant women).

8. Dental Treatment (2.0 FTE) (89,900)

Loss of funding to this dental program will result in approximately 1,000 high-risk children not receiving comprehensive dental services. The resulting dental problem could affect school absenteeism, academic performance and contribute to significant future dental expenditures. Not placing dental sealants on the teeth of over 500 children will result in additional increases in the dental caries rate. The loss of dental health education instruction including efforts to reduce the incidence of smokeless tobacco use among these youth will be significant.

9. Nutrition Subventions (32,000)

Funding reduction would result in the following decrease in direct services:

	<u>FY 1988</u>	<u>15%</u>	<u>FY 1989</u>
Assessments	9,635	1,445	8,190
Interventions	3,945	590	3,355
	<u>13,580</u>	<u>2,035</u>	<u>11,545</u>

The decrease in funding will also cause the loss of the equivalent of two paraprofessional positions at the local level; in fact several part-time staff might lose their jobs. This might also have a detrimental effect on other programs, (e.g., Family Planning Immunizations) as nutrition staff often provide services in those areas.

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FAMILY HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

## Recommended Alternatives: (Continued)

## 10. Children Rehabilitative Services

(674,400)

A reduction of this amount in funds for provider services would mean approximately 362 handicapped children would not receive needed inpatient care although clinic services would still be provided. Those children with life threatening illnesses would likely be hospitalized anyway, but their families would be hit with devastating hospital bills. They would not be eligible for the spend-down provisions of AHCCCS unless they lost most of their assets in the process. The rest of the handicapped children would find needed services postponed indefinitely since hospitals require substantial deposits before allowing admission for elective surgeries. The 362 children represents 25% of CRS non-AHCCCS admissions and surgeries.

## 11. Sickle Cell Anemia

(60,000)

10,000 persons will not be screened for sickle cell anemia and related hemoglobinopathies. 500 individuals and their families will not receive trait counseling. Both these measures will result in severe hardships to people with the disease who could benefit from early identification. In addition, not screening and counseling trait carriers would result in an increase of the disease thus increased costs for treatment and care of individuals who will suffer from the spread of sickle cell anemia and related hemoglobinopathies.

## 12. Newborn Intensive Care

(473,500)

Reduction of this budget would necessitate changing the medical criteria for eligibility by eliminating certain categories of infants from coverage, such as those with birthweights less

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FAMILY HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Recommended Alternatives: (Continued)

than 1000 grams (less than 2 pounds). This means that at least 200 Arizona child-bearing families and their sick babies now protected by the program would not be covered.

Total Alternatives (7.0 FTE)

\$ (1,895,500)

Alternative Legislative Staff Recommendation.....\$ 12,942,800

Department: DEPT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: BEHAVIORAL HEALTH

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-98).....\$ 67,000,500

## Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (48,500)

This recommendation would eliminate one Executive Staff Assistant. The abolishment of this position will increase the workload on the Assistant Directors, their Program Managers, and the Business Office for the division. However, in striving to minimize the impact of severe fiscal deficits on service delivery, this administrative restraint is considered appropriate.

2. Transitional Living (367,600)

Eliminates the Transitional Living Unit (TLU) which provides the chronically mentally ill client with treatment that bridges the more restrictive inpatient setting at ASH and more independent outpatient care in the community. The twelve bed unit (located on the ASH campus, but outside the perimeter fencing) also provides unique day treatment opportunities for ASH inpatients who require a gradual re-orientation to being less confined and less intensively supervised. TLU is the only treatment unit to provide all activities (including meals) in a "group" setting. All patients must be capable of taking self-medications and able to participate in self-care without constant staff supervision. Would increase demand on existing community resources by 34 referrals annually.

3. Behavioral Health Subventions (4,791,400)

The functions of Administrative Entities will be reduced in the areas of program quality assurance, fiscal accountability, and data collection. The elimination of approximately 80,000 services in consultation and education will seriously restrict



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: DEPT OF HEALTH SERVICES  
Cost Center: BEHAVIORAL HEALTH  
Analyst: CY BLANTON

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives: (Continued)

availability of drug and alcohol information to the general population and local community groups. The elimination of non-chronic mental health services will result in a reduction of 28,000 outpatient services to 2600 clients for an overall 13 percent reduction of service to outpatient clients. The elimination of these services has the potential of increasing crisis intervention requirements.

Total Alternatives (1.0 FTE)

\$ (5,207,500)

Alternative Legislative Staff Recommendation.....\$ 61,799,000

Department: DEPARTMENT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: OFFICE OF THE DIRECTOR

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-102).....\$ 10,228,500

Recommended Alternatives:

1. Reorganization (3.0 FTE) \$ (226,500)

The Division of Administration is being combined with the Office of the Director. The decision to restructure and streamline the Department's upper management level will not severely impact on operations of the Department. This action, combined with the already completed reduction of 30 positions and \$1,093,221 from these two divisions to begin FY88, represents significant savings in the Department's upper management level over two fiscal years.

2 Local Health (2.0 FTE) (75,700)

Deletion of two of the existing three Public Health Consultants will severely reduce the Departments ability to perform its coordination, interface, and technical assistance efforts with the counties. The greatest impact will be in the smaller counties.

3. Per Capita Grants (150,000)

The decrease in these funds will impact particularly hard on the small rural counties. This money is used to pay all or part of the salary of a nurse or other health worker to provide for the public health needs of residents. A county such as Greenlee, that has trouble meeting its monthly payroll now, will really have difficulty if the per capita funds are decreased to any great degree.

Total Alternatives (5.0 FTE) \$ (452,200)

Alternative Legislative Staff Recommendation.....\$ 9,776,300

Department: DEPARTMENT OF HEALTH SERVICES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: LABORATORY SERVICES

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-106).....\$ 2,177,400

Recommended Alternatives:

1. Tucson/Flagstaff Laboratories (4.0 FTE) \$ (152,700)

If the regional laboratories are abolished all chylamydia, gonorrhoea and syphilis testing provided by these agencies would be eliminated as well as bacteriological water testing provided to County Health Departments, the Department of Environmental Quality and other State agencies. All rabies examinations provided to southern county agencies as well as the State of Sonora would also be abolished. The degree to which the central lab in Phoenix could assume all or part of the identified work load will depend upon many factors, the principal one being the change in the central lab workload as the result of the State-wide financial problems. Every effort will be made to handle critical needs regardless of their origin.

Total Alternatives (4.0 FTE) \$ (152,700)

Alternative Legislative Staff Recommendation.....\$ 2,024,700

Department: ENVIRONMENTAL QUALITY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ENVIRONMENTAL QUALITY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-108).....\$ 16,035,000

## Recommended Alternatives:

1. Staffing Reduction (4.0 FTE) \$ (250,000)

This recommendation would eliminate two Program and Project Specialists II's, one Training Officer I and one Accounting Clerk II. Reduction of the Program and Project Specialists will place additional workload on other planning staff and slow program development and rulemaking. Training will be reduced and fewer personnel will be trained. The loss of an Accounting Clerk will result in greater workload for existing staff and a slowdown in processing accounting claims and requests.

2. Staffing Reduction (10.0 FTE) (301,300)

This recommendation would eliminate three Environmental Health Specialist II's, one Environmental Health Specialist I and one Environmental Engineering Specialist, one Hydrologist II, one Hydrologist I, one Administrative Assistant I, and two Clerk Typists II's. There will be delays in inspecting, permitting and certifying facilities; handling enforcement actions; monitoring surface and groundwater; pesticide control and monitoring and review of engineering plans and specifications. Staff responsibilities will need to be prioritized based on the severity of situations and pro-active, preventive functions will not be aggressively pursued.

3. Staffing Reduction (2.0 FTE) (139,000)

This recommendation would eliminate one Environmental Health Specialist II and one Environmental Health Specialist I.

Department: ENVIRONMENTAL QUALITY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ENVIRONMENTAL QUALITY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

## Recommended Alternatives: (Continued)

Reduction of staff will place further workload on other office employees already burdened with increased responsibilities. Permits for hazardous waste will be delayed and monitoring visits will be less frequent. Costs to the State will increase with continued emphasis on clean-up rather than preventative functions.

## 4. Staffing Reduction (3.0 FTE)

(98,500)

This recommendation would eliminate two Environmental Instrument Technician II's and one Public Health Sanitarian II. Requirements of the vehicle emissions program will be inadequately implemented. Waiting time for vehicle inspections and issuance of waivers will increase. Timeliness of monitoring of fleet testing equipment will be reduced, thus impacting quality of programs.

Loss of state match for asbestos in schools program would result in loss of federal grant funds to administer this program and subsequent abolishment of this function within the Department.

## 5. Pesticides Control (13.0 FTE)

(439,100)

This recommendation eliminates the pesticides control unit. There would be no monitoring of pesticide usage and no preventative measures to preclude groundwater contamination. Cleanups would be more costly and health hazards would be greater. This recommendation would have legal and environmental impacts.

Requires legislation.

Department: ENVIRONMENTAL QUALITY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ENVIRONMENTAL QUALITY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: CY BLANTON

## Recommended Alternatives: (Continued)

6. Emergency Response (4.0 FTE)

(135,100)

This recommendation will reduce the overall State emergency response capability and require other agencies to assume the responsibilities for cleanup, monitoring and corrective actions associated with toxic chemical/waste accidents.

Total Alternatives (36.0 FTE)

\$ (1,363,000)Alternative Legislative Staff Recommendation.....\$ 14,672,000

Department: AHCCCS

House Subcommittee Chairman: HEINZ HINK

Cost Center: AHCCCS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-112).....\$235,763,200

Recommended Alternatives:

1. Child Care Program \$(10,237,700)

This proposal would cancel the expansion of the Child Care program to include children ages 6 through 13 years.

Requires legislation.

2. Medical Assistance Only (MAO) Program (7,183,600)

By requiring MN/MI applicants to be screened for MAO participation and entering into an agreement with the federal government, the State would receive federal funds for qualified MN/MI applicants. This would in turn reduce the State cost of providing service to this segment of the MN/MI population.

Requires legislation.

3. One Day Retroactive Reimbursement (2,618,600)

This recommendation would require the counties to incur cost of services of MN/MI's until the day eligibility is determined. Counties contributions are less on a percentage basis as compared to earlier years because county contribution is fixed while total program costs are not.

Requires legislation.

Total Alternatives \$(20,039,900)

Alternative Legislative Staff Recommendation.....\$215,723,300

Department: AZ COMMISSION ON INDIAN AFFAIRS

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AZ COMMISSION ON INDIAN AFFAIRS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page HW-120).....\$ 162,900

Recommended Alternatives:

1. Staffing Reduction (0.5 FTE) \$ (13,800)

Currently the Executive Director position of the agency is vacant. If a new Executive Director is appointed by the Governor, a current employee would have to be laid off part-time to achieve this reduction. The cut in staff would delay the Commission's response to public inquiries, and reduce research into solving problems faced by Arizona's Indian population.

Total Alternatives (0.5 FTE) \$ (13,800)

Alternative Legislative Staff Recommendation.....\$ 149,100

Department: PIONEERS' HOME

House Subcommittee Chairman: HEINZ HINK

Cost Center: PIONEERS' HOME

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-122).....\$ 2,649,300

## Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (19,500)

This recommendation would eliminate one Groundsman II. Groundskeeping at the home and cemetery will not be up to existing high standards and result in a less pleasant atmosphere for residents, staff and visitors.

2. Staffing Reduction (2.0 FTE) (46,400)

This recommendation would eliminate two Security Aides. Night time local security of the Pioneers' Home would become an added responsibility of the night nursing staff and could lead to increased vandalism and rowdiness on the Home's grounds.

3. Staffing Reduction (1.55 FTE) (28,800)

This recommendation would eliminate one Typist III and a part time Recreational Leader I. Recreational activities would be greatly reduced for the 160 residents of the Home and services to the residents such as delivery of mail, postal services and personal assistance would be curtailed which would be detrimental to the morale of the residents and increase frustration levels because of slower service.

4. Staffing Reduction (1.5 FTE) (28,100)

This recommendation would eliminate one Housekeeping Attendant and one half Linen Clerk I. The effectiveness and efficiency of the housekeeping staff would be reduced resulting in less time available for room and common area cleanliness.

Department: PIONEERS' HOME  
Cost Center: PIONEERS' HOME  
Analyst: CY BLANTON

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

5. Staffing Reduction (2.0 FTE) (32,300)

This recommendation would eliminate two Food Services Workers II's. The service in the dining room will be slowed as result of fewer food servers. With eating a highlight of the day this will result in lower morale and higher frustration of the residents.

6. Food Inventory (16,700)

This recommendation would reduce the food inventory to \$34,000 or approximately two months supply. This is an acceptable inventory.

7. Staffing Reduction (3.0 FTE) (53,400)

This recommendation would eliminate three Nursing Assistants. This would reduce the direct care for residents of the home and have an adverse impact on health and personal care of the residents.

Total Alternatives (11.05 FTE) \$ (225,200)

Alternative Legislative Staff Recommendation.....\$ 2,424,100

Department: VETERANS' SERVICES COMMISSION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: JAN BREWER

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-126).....\$ 695,400

Recommended Alternatives:

° Veterans' Affairs \$ (59,100)

Total Alternatives (2.0 FTE) \$ (59,100)

Alternative Legislative Staff Recommendation.....\$ 636,300

Department: VETERANS' SERVICES COMMISSION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: VETERANS' AFFAIRS

Senate Subcommittee Chairman: JAN BREWER

Analyst: CY BLANTON

Legislative Staff Recommendation (Page HW-128).....\$ 695,400

Recommended Alternatives:

1. Veterans Organization Contracts \$ (4,000)

Reduction of contract funding will result in the four contracted veterans' organizations providing assistance to fewer veterans.

2. Staffing Reduction (2.0 FTE) (37,400)

This recommendation would eliminate one Clerk Typist III and one Clerk Typist I. There will be a diminished clerical capability to support veterans' affairs activities requiring Veterans Service Officers to perform clerical duties in addition to their regular duties.

3. In-State Travel (15,700)

This recommendation would reduce in-state travel by approximately 50% and thus reduce the frequency of visits to the 60 communities currently served on a monthly basis to a bi-monthly basis.

4. Out-of-State Travel (2,000)

This recommendation would preclude all Out-of-State Travel to include attendance at the national convention.

Total Alternatives (2.0 FTE) \$ (59,100)

Alternative Legislative Staff Recommendation.....\$ 636,300

Department: DEPT OF WEIGHTS AND MEASURES  
Cost Center: WEIGHTS AND MEASURES  
Analyst: STEVE MILLER

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page IR-2 ).....\$ 1,600,700

Recommended Alternatives:

1. Private Sector Testing and Inspection \$ (250,000)

The Department will be unable to provide contracts to the private sector for Weights and Measures Enforcement. The State personnel assigned to the Department will be required to perform the tasks. Since this program is mandated by statute, Legislative approval would be necessary for this reduction.

Total Alternative \$ (250,000)

Alternative Legislative Staff Recommendation.....\$ 1,350,700

Department: AGRICULTURAL EMPLOYMENT RELATIONS BD House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AGRICULTURAL EMPLOYMENT RELATIONS BD Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-6).....\$ 199,300

## Recommended Alternatives:

1. Operating Reduction \$ (1,500)

This reduction will limit the rental of meeting rooms, the purchase of updated legal and labor publications, the provision of training for staff and Board members and the purchase of office supplies and printing services.

2. Overtime Funding and Board Member Compensation (1,300)

On-site investigations of unfair labor practice charges and administration of union elections sometimes require overtime work. The elimination of overtime funding will leave the State vulnerable to lawsuits if statutory procedures cannot be followed completely. A reduction in funding for Board member compensation could also curtail the conduct of Board business.

3. Legal Services (13,100)

Legal services include hearing officers, court reporters, interpreters and witnesses. A reduction in these services could prevent the Board from fulfilling its statutory responsibilities, resulting in the extension of labor disputes and economic loss to the State.

Department: AGRICULTURAL EMPLOYMENT RELATIONS BD House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AGRICULTURAL EMPLOYMENT RELATIONS BD Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

Recommended Alternatives: (Continued)

4. Travel Reduction (1,000)

This reduction will limit staff activity involving agricultural labor disputes outside the Phoenix metropolitan area. Since agricultural activity in the Yuma area is currently increasing, a travel cutback could severely inhibit the resolution of labor disputes as well as union elections. The reduction could also curtail Board member participation.

Total Alternatives \$ (16,900)

Alternative Legislative Staff Recommendation.....\$ 182,400

Department: COMMISSION OF AGRIC. & HORTIC.

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUMMARY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-8).....\$ 6,074,000

Recommended Alternatives:

- ° Office of the Director \$ (107,700)
- ° Field Operations (15.0 FTE) (408,800)

Total Alternatives (15.0 FTE) \$ (516,500)

Alternative Legislative Staff Recommendation.....\$ 5,557,500

Department: COMMISSION OF AGRIC. & HORTIC.

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: OFFICE OF THE DIRECTOR

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-12).....\$ 946,900

Recommended Alternatives:

1. Market News Service \$ (43,800)

Elimination of funding for this special line item will remove 2.2 positions and leave their responsibilities to the private sector. This service provides up-to-date market statistics on fruit and vegetable crops. Prior to FY 1987 the service was provided by the Western Growers Association.

2. Integrated Pest Management Program (63,900)

The Environmental Quality Act (Ch. 368, Laws of 1986) specified that the Commission should sponsor the research, development, and dissemination of alternative pest control methods to reduce the use of chemical pesticides. The Act allowed the Commission to contract with State universities and community colleges for the design and implementation of this program. This reduction will cut the contract funding in half and, thus, delay the research and establishment of alternative pest control practices.

Total Alternatives \$ (107,700)

Alternative Legislative Staff Recommendation.....\$ 839,200

Department: COMMISSION OF AGRIC. &amp; HORTIC.

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FIELD OPERATIONS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-16).....\$ 5,127,100

## Recommended Alternatives:

1. Seasonal Agricultural Inspectors and Aids (6.0 FTE) \$ (101,200)

The elimination of these positions will result in a much increased workload for remaining staff during peak agricultural months. Inspection and enforcement activities will be curtailed, possibly resulting in the need for expensive pest eradication programs, the exposure of the public to excessive health hazards, and a loss to the agricultural sector of our State economy.

2. Inspection Supervisor (1.0 FTE) (38,500)

The elimination of this position will leave four Inspection Supervisors and will result in weaker management control over field personnel and activities.

3. Border Inspection Stations (8.0 FTE) (169,800)

Closing the Douglas and Cameron border inspection stations will increase the risk of introducing harmful agricultural pests into Arizona. This could lead to property damage, crop loss, and expensive and hazardous eradication programs. As an alternative, the Commission could increase the operation of mobile inspection units which would help deter violations of Commission regulations, and would supplement inspection coverage of Arizona borders. Such units could operate in Douglas and Cameron for approximately two days a month at an annual cost of \$13,000.

Department: COMMISSION OF AGRIC. &amp; HORTIC.

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: FIELD OPERATIONS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: DANA NAIMARK

## Recommended Alternatives: (Continued)

## 4. Outside Laboratory Services

(15,000)

This reduction eliminates half the Commission's funding for outside laboratory testing of seeds, pesticides, crops, etc. Loss of these funds will force the Agricultural Laboratory to improvise on some tests, delay many others, and possibly eliminate other types of tests. This will result in delayed test conclusions and lower quality control, and could leave existing agricultural and health hazards undetected.

## 5. Equipment

(58,300)

This reduction will eliminate two vehicles and, thus, curtail inspection activity. It will also eliminate a dairy product analyzer for the Agricultural Laboratory. This will prevent the Laboratory from conducting certain types of milk tests for the Dairy Commission. Alternatively, the Laboratory could lease/purchase the analyzer at \$16,500 a year for three years, resulting in a total interest payment of \$11,600.

## 6. Travel Reduction

(26,000)

In FY 1987 the Commission significantly reduced general fund travel expenditures to meet the budget reduction. Several non-appropriated special funds covered a larger-than-usual portion of travel expenses, thus mitigating the negative impact. There are, however, legal restrictions on the use of these special funds as well as fiscal restrictions dependent on the amount of incoming revenue. A travel reduction of \$26,000 will hamper field inspections of pests and pesticides, and will also severely limit the Commission's participation in national conferences on environmental and agricultural issues.

Total Alternatives (15.0 FTE)

\$ (408,800)Alternative Legislative Staff Recommendation.....\$ 4,718,300

Department: RADIATION REGULATORY AGENCY

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: EVALUATION AND COMPLIANCE

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page IR-30).....\$ 1,314,500

Recommended Alternatives:

1. Reduce Operating Services \$ (19,700)

Staff would make fewer in-state trips to monitor licensee compliance with statutes, leading to a possible increase in illegal or unlicensed activity. Staff would attend fewer training courses and would be less informed on current radiation issues. Laboratory staff would continue to use a home made low level radiation counting cave, instead of efficient and accurate equipment.

2. Staffing Reduction (3.0 FTE) (92,000)

Two Radiation Regulatory Officer II's would be eliminated, resulting in less enforcement of statutes protecting the public from over-exposure to radiation from X-rays and other radioactive materials, and a possible increase in unlicensed activity by users of these materials. Environmental surveillance around the Palo Verde Nuclear Generating Station could also be less effective. Eliminating an administrative support position would also be required, and could cause less monitoring of license applications and renewals, with a possible decrease in General Fund revenues.

Total Alternatives (3.0 FTE) \$ (111,700)

Alternative Legislative Staff Recommendation.....\$ 1,202,800

Department: **BANKING DEPARTMENT**House Subcommittee Chairman: **LESLIE JOHNSON**Cost Center: **BANKING DEPARTMENT**Senate Subcommittee Chairman: **DOUG TODD**Analyst: **MARK FLANDERS**

Legislative Staff Recommendation (Page IR-36).....\$ 3,074,300

## Recommended Alternatives:

1. Transfer Attorney to Revolving Fund \$ (34,300)

Through an interagency agreement, the Banking Department pays the Attorney General for the use of an attorney on Banking Department business. Under this recommendation, the payment would be drawn from the agency's revolving fund instead of the General Fund. This could reduce the services the Department provides for the Receivership Division with revolving fund monies.

2. Staffing Reduction (4.0 FTE) (129,500)

Four Financial Institutions Examiner positions would be eliminated, resulting in less enforcement of financial regulatory statutes. This could lead to an increase in unlicensed activity, with an increase in the financial risk to consumers of financial services.

3. Reduce Travel (38,500)

A reduction in In-State Travel of \$26,900 would mean less active monitoring of licensees, with more investigations done by phone and mail. Reducing Out-of-State Travel by \$11,600 would mean less training of examiners and other staff in current financial regulatory issues.

Department: BANKING DEPARTMENT

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: BANKING DEPARTMENT

Senate Subcommittee Chairman: DOUG TODD

Analyst: MARK FLANDERS

Recommended Alternatives: (Continued)

4. Reduce Funding for Receiverships (59,000)

The workload of the Receivership Division is dependent upon the number of court ordered receiverships that are assigned to the Banking Department. If additional receiverships are ordered, this reduction would result in personnel being pulled from all other sections of the agency to handle the receivership workload. In that case, the services offered by the other sections, including investigating consumer complaints and examining the books of financial institutions, would be reduced in effectiveness.

Total Alternatives (4.0 FTE) \$ (261,300)

Alternative Legislative Staff Recommendation.....\$ 2,813,000

Department: REGISTRAR OF CONTRACTORS

House Subcommittee Chairman: BEV HERMON

Cost Center: REGISTRAR OF CONTRACTORS

Senate Subcommittee Chairman: DOUG TODD

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page IR-40).....\$ 4,148,600

## Recommended Alternatives:

1. Eliminate Automation Improvements \$ (40,400)

This reduction would eliminate an accounting software package for the central office and modems to connect the field offices to the licensing files in the main agency computer. Currently all agency accounting is done manually.

2. Staffing Reduction (1.0 FTE) (45,300)

This reduction would eliminate the EDP Systems and Programming Manager. The re-regulation of commercial contracting has increased computer usage by approximately 50 percent. Without this position, the agency's programming and management needs would not be met.

3. Staffing Reduction (7.0 FTE) (266,900)

This reduction would eliminate three Construction Investigators, three Construction Inspectors, and one Clerk-Typist. The result would be less enforcement of construction regulations, less investigation of consumer complaints, and a possible increase in unlicensed activity in the construction industry.

Total Alternatives (8.0 FTE) \$ (352,600)

Alternative Legislative Staff Recommendation.....\$ 3,796,000

Department: CORPORATION COMMISSION  
Cost Center: SUMMARY  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page IR-42).....\$ 5,174,100

Recommended Alternatives:

° Data Processing Staff Reduction (2.0 FTE)	\$ (87,800)
° Other Operating Expenditures Base Reduction	(49,000)
° Railroad Warning Signals Base Reduction	(100,000)
° Closure of the Tucson Office (7.0 FTE)	(203,000)
	<hr/>
Total Alternatives (9.0 FTE)	\$ (439,800)

Alternative Legislative Staff Recommendation.....\$ 4,734,300

Department: CORPORATION COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADMINISTRATION/HEARING

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page IR-46).....\$ 2,159,000

## Recommended Alternatives:

1. Data Processing Staff Reduction (2.0 FTE) \$ (87,800)

This reduction of \$72,500 in Personal Services and \$15,300 in Employee Related Expenditures would eliminate two data processing positions authorized in FY 1987, a data processing executive consultant and a programmer analyst. The data processing executive consultant was established by the Department of Administration Personnel Division as a limited status position to expire on December 31, 1987, and the programmer analyst position has never been filled as it has been kept vacant in order to meet vacancy factors applied to the Administration Division's Personal Services base.

2. Other Operating Expenditures Base Reduction (32,000)

A reduction of \$32,000 in Other Operating Expenditures would mandate the implementation of greater cost efficiencies. This savings would be achieved by eliminating the renewal of repair and maintenance contracts; reducing expenditures for data processing supplies, general operating supplies, and reproduction costs; and eliminating funding for subscriptions and registration fees.

3. Closure of the Tucson Office (1.0 FTE) (59,200)

A savings of \$46,500 in Personal Services, \$9,800 in Employee Related Expenditures, and \$2,900 in Other Operating Expenditures would be generated by closing the Tucson office and eliminating its hearing officer position. The Administration/Hearings Division in Tucson conducted 32 hearings and issued 51 orders and opinions in FY 1987.

Department: CORPORATION COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADMINISTRATION/HEARING

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Recommended Alternatives: (Continued)

Elimination of the Tucson office would result in the shifting of these functions to Phoenix, which would create unmanageable workloads for hearing officers in Phoenix who are already faced with increasing caseloads.

Total Alternatives (3.0 FTE)

\$ (179,000)

Alternative Legislative Staff Recommendation.....\$ 1,980,000

Department: CORPORATION COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: CORPORATIONS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page IR-48).....\$ 1,008,800

Recommended Alternatives:

1. Other Operating Expenditures Base Reduction \$ (17,000)

A reduction of \$17,000 in Other Operating Expenditures would mandate the implementation of greater cost efficiencies. This savings would be achieved by eliminating the renewal of repair and maintenance contracts; reducing expenditures for data processing supplies, general operating supplies, and reproduction costs; and eliminating funding for subscriptions and registration fees.

2. Closure of the Tucson Office (5.0 FTE) (114,300)

A savings of \$79,000 in Personal Services, \$20,800 in Employee Related Expenditures, and \$14,500 in Other Operating Expenditures would be generated by closing the Tucson office and eliminating the five FTE positions in the Corporations Division located in Tucson. During FY 1987 the Corporations Division in Tucson processed more than 14,375 filings, related documents and other transactions, and collected more than \$470,000 in fees which were deposited into the General Fund. Elimination of the Tucson office would result in the shifting of these functions to Phoenix, which would create unmanageable workloads for Phoenix staff who are already faced with increasing workloads.

Total Alternatives (5.0 FTE) \$ (131,300)

Alternative Legislative Staff Recommendation.....\$ 877,500

Department: CORPORATION COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: RAILROAD SAFETY

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page IR-54).....\$ 547,000

## Recommended Alternatives:

## 1. Railroad Warning Signals Base Reduction \$ (100,000)

This reduction would eliminate 50 percent of the total funding for repairing, upgrading, and building of warning signals at railroad crossings. Current encumbrances total approximately \$686,300; the fund balance is \$586,600, less \$100,000 which has been set aside by the Commission to cooperate with the Governor's FY 1988 budget reduction plan. Although encumbrances exceed "cash on hand", expenditures for each of the last three years have been less than \$100,000: \$19,700 in FY 1987, \$47,700 in FY 1986, and \$79,400 in FY 1985. While it is unlikely that this reduction would prevent the Railroad Safety Division from meeting its annual obligations, it should be noted that this funding represents only a 10 percent match for federally funded projects. Thus, a reduction of \$100,000 could potentially mean a loss of \$900,000 in federal funds for railroad crossing upgrades.

## 2. Closure of the Tucson Office (1.0 FTE) (29,500)

A savings of \$21,300 in Personal Services, \$5,300 in Employee Related Expenditures, and \$2,900 in Other Operating Expenditures would be generated by closing the Tucson office and eliminating one of the two FTE positions in the Railroad Safety Division located in Tucson. The FTE position which would be eliminated serves as secretary to the staff in the Tucson office, including performing the functions of administrative secretary to the hearing officer located in Tucson.

Department: CORPORATION COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: RAILROAD SAFETY

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Recommended Alternatives: (Continued)

Elimination of the Tucson office would result in the shifting of these functions to Phoenix, which would create unmanageable workloads for Phoenix staff who are already faced with increasing workloads.

Total Alternatives (1.0 FTE)

\$ (129,500)

Alternative Legislative Staff Recommendation.....\$ 417,500

Department: DAIRY COMMISSIONER

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: DAIRY COMMISSIONER

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page IR-66).....\$ 470,400

Recommended Alternatives:

1. Reduction in Inspection Personnel (0.5 FTE) \$ (17,000)

A reduction of \$11,600 in Personal Services, \$2,600 in Employee Related Expenses and \$2,800 in In-State Travel would decrease to half-time one of the six FTE positions currently performing inspections in dairies, milk plants, wholesale distributors, retail operations and schools. This reduction would result in a decrease in the number of inspections performed, increase response time to consumer complaints, and delay the processing of milk product sampling in laboratories.

2. Reduction in Milk Product Sampling (23,000)

A reduction of \$23,000 in Professional and Outside Services would result in an 18 percent reduction in funding available for laboratory costs. Laboratory testing of milk product samples is the only way to detect micro and chemical contamination of dairy products, and to prevent major milk-borne disease outbreaks such as was experienced with aflatoxin in 1978. Specifically, this reduction would result in the decrease of sampling for aflatoxin and pesticides, while maintaining a current service level of testing for bacteria.

Total Alternatives (0.5 FTE) \$ (40,000)

Alternative Legislative Staff Recommendation.....\$ 430,400

Department: OCCUP. SFTY. & HLTH. ACT REV. BD.

House Subcommittee Chairman: HEINZ HINK

Cost Center: OCCUP. SFTY. & HLTH. ACT REV. BD.

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page IR-92).....\$ 3,300

Recommended Alternatives:

1. Reduction in Funding for Legal Counsel \$ (300)

A reduction of \$300 in Professional and Outside Services would reduce funding available for legal, secretarial, and administrative services required by the Board to conduct hearings. Should the eight cases projected for FY 1989 occur, insufficient funding could result in the postponing of a case into FY 1990.

Total Alternatives \$ (300)

Alternative Legislative Staff Recommendation.....\$ 3,000

Department: DEPT OF INSURANCE

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: DEPT OF INSURANCE

Senate Subcommittee Chairman: JAN BREWER

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-94).....\$ 2,070,800

Recommended Alternatives:

1. Tucson Office (3.0 FTE) \$ (87,900)

Closing the Tucson office will reduce public access to the Department in the southern part of the state, and will increase the processing time for all Department business. It will also leave a vacancy in the Tucson State Office Building which will require the relocation of another state agency or result in a loss of revenue to the Capital Outlay Stabilization Account.

2. Professional and Outside Services (5,000)

This reduction will leave minimal funds for temporary help. It could affect the purchase of court reporting and expert witness services, thus forcing the Department to conduct inadequate hearings and leaving the State vulnerable to legal challenges.

3. Staff Reduction (3.0 FTE) (71,100)

This option will eliminate a Clerk Typist, an Administrative Assistant, and an Executive Assistant, and will exacerbate the current backlog in clerical and managerial work. Consumer and industry complaints will increase, employee morale will suffer and could cause an increase in the turnover rate, which is already quite high. Oversight of the industry will be reduced leading to increased financial risks to the consuming public.

The overall impact of all of these reductions will be worse than the specific programmatic effects discussed above. If the total appropriation of the Department of Insurance is

Department: DEPT OF INSURANCE  
Cost Center: DEPT OF INSURANCE  
Analyst: DANA NAIMARK

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Recommended Alternatives: (Continued)

below \$1,972,400, the Director will have to reduce departmental fees pursuant to A.R.S. 20-167, Section G. Because the fees are based on revenues from calendar year 1987, the prescribed reduction will result in more revenue lost than expenditures saved. Thus, enactment of all of the above alternatives will result in a net loss to the General Fund. Further, as the Department loses investigative resources, remaining personnel will be able to complete fewer investigations and impose fewer fines, resulting in a further loss of income to the General Fund. Finally, the reductions will force the Department to spend less time on auditing insurance companies' tax reports and will, thus, lead to an additional loss of revenue to the State.

4. Out-of-State Travel

(8,000)

This reduction will completely eliminate Department participation in meetings of the National Association of Insurance Commissioners. Without this participation, Arizona will have no input on model insurance legislation for all of the states, and will miss up-to-date information on the financial status of national insurance companies and current problems and solutions in the industry.

5. In-State Travel Reduction

(5,000)

This reduction will leave the Department with only nominal travel funding and will hamper investigations and other Department operations outside the Phoenix area.

Total Alternatives (6.0 FTE)

\$ (177,000)

Alternative Legislative Staff Recommendation.....\$ 1,893,800

Department: DEPARTMENT OF LIQUOR LICENSES

House Subcommittee Chairman: BEV HERMON

Cost Center: DEPARTMENT OF LIQUOR LICENSES

Senate Subcommittee Chairman: DOUG TODD

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page IR-98).....\$ 2,154,100

## Recommended Alternatives:

## 1. Telephone System \$ (21,400)

The Department is planning to lease/purchase a new telephone system which will reduce the number of phone lines and, thus, cut operating expenses. This action will have no negative impact on current Department operations, but additional phone lines may have to be purchased in the future to synchronize with the state-wide telephone system planned by the Department of Administration.

## 2. Office Space (47,300)

The Department can give up 3,500 square feet of office space without seriously hampering current operations. To reduce the rent expense, the Department will have to escape from the lease with the Industrial Commission. This will result in either a loss of revenue to the Industrial Commission or the occupancy of that space by another State agency.

## 3. Tucson Office (1.0 FTE) (46,600)

Closing the Tucson office will eliminate one clerical position. The investigators based in Tucson spend most of their time in the field, and could borrow facilities in a local law enforcement agency for their limited office needs. Processing time will not increase significantly, since most matters must be handled through the Phoenix office. The Department will become less accessible, however, to residents in the southern part of the State, and errors may increase as more transactions are handled through the mail without receiving face-to-face attention. Alternatively, the Department could retain the clerical position and move into a smaller office, saving \$9,000 in rent.

Department: DEPARTMENT OF LIQUOR LICENSES  
Cost Center: DEPARTMENT OF LIQUOR LICENSES  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Recommended Alternatives: (Continued)

4. Support Staff (3.0 FTE) (57,900)

Eliminating an Administrative Support Supervisor, a Legal Secretary, and an Information Processing Specialist will increase the response time to the public and the processing time for Department transactions. The reduction will result in a backlog of hearings on license violations, a delay in the completion of compliance agreements and weaker management control over license processing.

5. Travel Reduction (10,000)

This reduction will eliminate all Out-of-State Travel as well as a small portion of In-State Travel. Hearing Officers will not be able to attend training seminars, and the Department will not be able to participate in national conferences on liquor law enforcement. Funding for 33,000 miles of In-State Travel will be lost which will hamper investigations and other state-wide business.

Total Alternatives (4.0 FTE) \$ (183,200)

Alternative Legislative Staff Recommendation.....\$ 1,970,900

Department: LIVESTOCK BOARD  
Cost Center: AGENCY SUMMARY  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-100).....\$ 3,880,000

Recommended Alternatives:

° Staffing Reduction (7.25 FTE) \$ (154,300)

This alternative represents a 5 percent reduction in personnel for each of the agency's cost centers.

° Travel Reduction (69,800)

This reduction imposes cutbacks in travel mileage beyond the level associated with the staffing reductions listed above.

° Predator Control (39,400)

This alternative represents a 52.5 percent decrease in spending, endangering federal funding for this program.

° Equipment Purchases (66,300)

If adopted, the Livestock Board will be unable to make its planned purchases of vehicles and office equipment.

Total Alternatives (7.25 FTE) \$ (329,800)

Alternative Legislative Staff Recommendation.....\$ 3,550,200

Department: LIVESTOCK BOARD

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ADMINISTRATIVE SERVICES

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEPHANIE HERNANDEZ

Legislative Staff Recommendation (Page IR-104).....\$ 630,300

## Recommended Alternatives:

## 1. Staffing Reduction (1.5 FTE)

\$ (21,200)

This recommendation would eliminate 1.5 FTE Clerk/Typist positions, impairing the agency's ability to guard against theft of livestock and to ensure that only clean and wholesome meat products enter channels destined for human consumption.

## 2. Equipment Purchases

(2,400)

This alternative would cause the Livestock Board to forego the purchase of additional office equipment.

## 3. Predator Control

(39,400)

The State shares funding for predator control with the USDA. Reduction in State funding can jeopardize the federal government's share of the program.

## 4. Travel Reduction

(500)

The Livestock Board will hold less frequent meetings with agency employees and livestock industry leaders.

Total Alternatives (1.5 FTE)

\$ (63,500)Alternative Legislative Staff Recommendation.....\$ 566,800



Department: LIVESTOCK BOARD  
Cost Center: ANIMAL DISEASE CONTROL  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-108).....\$ 171,300

Recommended Alternatives:

1. Staffing Reduction (0.25 FTE) \$ (7,200)

This recommendation would reduce a Veterinarian I position by 0.25 FTE, impairing the agency's ability to prevent the movement of diseased livestock.

2. Travel Reduction (1,100)

This recommendation will result in less frequent testing of quarantined herds and delays in releasing herds from quarantine. Ranchers will be unable to capitalize on favorable market conditions.

Total Alternatives (0.25 FTE) \$ (8,300)

Alternative Legislative Staff Recommendation.....\$ 163,000

Department: LIVESTOCK BOARD  
Cost Center: LIVESTOCK INSPECTION  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-110).....\$ 2,209,400

Recommended Alternatives:

1. Staffing Reduction (4.0 FTE) \$ (88,200)

This alternative would eliminate 4.0 FTE Livestock Officer II positions, increasing the risk of livestock theft.

2. Travel Reduction (62,300)

If this recommendation is adopted, employees will be unable to make inspections as scheduled. Industry members will be tempted to move livestock without inspection - which is illegal - and the risk of livestock theft is compounded beyond the impact of the staffing reduction listed above.

3. Equipment Purchases (63,900)

Adoption of this alternative will cause the Livestock Board to forego the purchase of six additional vehicles.

Total Alternatives (4.0 FTE) \$ (214,400)

Alternative Legislative Staff Recommendation.....\$ 1,995,000

Department: LIVESTOCK BOARD  
Cost Center: MEAT & POULTRY INSPECTION  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-114).....\$ 869,000

Recommended Alternatives:

1. Staffing Reduction (1.5 FTE) \$ (37,700)

The Meat and Poultry Inspection program operates under a 50 percent cost-sharing agreement with the USDA. Program effort and results must be at least "equal to" federal standards. If adopted, this alternative would eliminate 1.5 FTE Inspector II positions. It would impair the agency's efforts to ensure that only clean and wholesome meat products enter channels destined for human consumption and could jeopardize the State's "equal to" status.

2. Travel Reduction (5,900)

Reduction in the number of miles driven will reduce the agency's ability to monitor slaughtering and processing activities, with both of the adverse consequences listed above.

Total Alternatives (1.5 FTE) \$ (43,600)

Alternative Legislative Staff Recommendation.....\$ 825,400



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: STATE MINE INSPECTOR
Cost Center: STATE MINE INSPECTOR
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: BETTY ROCKWELL
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-116).....\$ 765,100

Recommended Alternatives:

1. Personal Services Base Reduction \$ (14,100)

An additional \$11,600 in Personal Services and \$2,500 in Employee Related Expenditures could be eliminated from the base due to more recent staff turnover.

2. Other Operating Expenditures Base Reduction (5,200)

This reduction would mandate further cost efficiencies; specifically, this would be achieved by reducing funding available for subscriptions and technical books, training programs and conferences, office and field supplies, and for the repair and maintenance of agency-owned vehicles.

3. Vehicle Replacement Upgrade (14,400)

A savings of \$14,400 in Equipment could be achieved by replacing the three 4 x 2 trucks with like vehicles, rather than upgrading the three trucks to 4 x 4 vehicles. While 4 x 4 vehicles would provide better accessibility to mines in remote locations, staff has been able to perform inspections with a combination of 4 x 2 and 4 x 4 vehicles.

4. Deputy Mine Inspector Staff Reduction (1.0 FTE) (31,300)

The elimination of a deputy mine inspector position would result in a savings of \$25,700 in Personal Services and \$5,600 in Employee Related Expenditures. In FY 1989 an estimated 800 mining operation inspections will be performed. A reduction of one deputy mine inspector would leave a staff of eight



Department: STATE MINE INSPECTOR  
Cost Center: STATE MINE INSPECTOR  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives: (Continued)

inspectors to assume this workload, which would translate to approximately 8.3 inspections per inspector per month.

Total Alternatives (1.0 FTE)

\$ (65,000)

Alternative Legislative Staff Recommendation.....\$ 700,100



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: BUILDING AND FIRE SAFETY
Cost Center: BUILDING AND FIRE SAFETY
Analyst: MARK FLANDERS

House Subcommittee Chairman: HEINZ HINK
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page IR-120).....\$ 2,586,600

Recommended Alternatives:

1. Management Staff Reduction (2.0 FTE) \$ (113,200)

This reduction would eliminate the Assistant Director for the Office of Administration and the Assistant Director for the Office of Manufactured Housing positions. These positions are currently vacant. The positions are established in statute and it would require changes to A.R.S. 41-2153 and 41-2173 to eliminate them. If the positions are eliminated, the Director would be required to take a far more active role in the day to day operations of the agency.

2. Field Staff Reduction (3.0 FTE) (106,700)

This reduction would eliminate two Manufactured Housing Inspectors and one Manufactured Housing Investigator, resulting in a decreased level of enforcement of construction and installation regulations. In addition, investigations of consumer complaints could be conducted less thoroughly, and the amount of illegal activity in the manufactured housing industry could increase.

Total Alternatives (5.0 FTE) \$ (219,900)

Alternative Legislative Staff Recommendation.....\$ 2,366,700

Department: DEPARTMENT OF RACING

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: SUMMARY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEPHANIE HERNANDEZ

Legislative Staff Recommendation (Page IR-126).....\$ 2,877,300

Recommended Alternatives:

- ° Commercial Racing (3.8 FTE) \$ (219,500)
- ° Arizona Racing Industry -0-

Total Alternatives (3.8 FTE) \$ (219,500)

Alternative Legislative Staff Recommendation.....\$ 2,657,800

Department: DEPARTMENT OF RACING  
Cost Center: COMMERCIAL RACING  
Analyst: STEPHANIE HERNANDEZ

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page IR-130).....\$ 2,567,300

Recommended Alternatives:

1. Personnel Reduction (3.3 FTE) \$ (59,500)

This alternative would abolish 3.3 FTE positions: a Clerk/Typist I, an Undercover Security Investigator, an Exam Technician and a part-time Auditor/Verifier. These positions are currently vacant. Not filling the positions will hamper the agency's ability to function effectively, compounded because of the anticipated opening of two new race tracks.

2. Hearing Officer and Court Reporting (0.5 FTE) (31,900)

If adopted, the agency will substitute tape recordings for court reporters in hearings which pertain to routine infractions. The Administrative Secretary will produce a transcript if the need arises. The agency will also delegate the Hearing Officer's legal research duties to the Administrative Assistant III, in order to employ the Hearing Officer on a half-time basis.

3. Drug Testing Program (128,100)

The Department will reduce animal sample testing from 14 samples per day at the horse tracks and 15 samples per performance at the greyhound tracks to 10 and 11.5 samples, respectively. This is contrary to the Auditor General's report, which recommended doubling the level of testing.

Total Alternatives (3.8 FTE) \$ (219,500)

Alternative Legislative Staff Recommendation.....\$ 2,347,800

Department: REAL ESTATE DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: REAL ESTATE DEPARTMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page IR-136).....\$ 2,629,200

## Recommended Alternatives:

1. Eliminate Publications \$ (54,300)

This reduction would end publication of the agency's quarterly Real Estate Bulletin and annual update of the Real Estate Statutes and Regulations. The result would be less information given to the licensees, which could lead to more mistakes and/or wrongdoings on their part.

2. Reduction of Operating Services (42,200)

This reduction would curtail the agency's ongoing automation of files and records, delay the scheduling of hearings before the Department, reduce in-state travel to thoroughly conduct audits, investigations, and educational reviews, reduce staff participation in national real estate regulatory organizations, and prevent replacement of a cash register and postage scale.

3. Staffing Reduction (5.0 FTE) (127,000)

This reduction would eliminate the positions of two Investigators, a Real Estate Auditor, the agency Business Manager, and a Clerk Typist. The results would be a lower level of enforcement of real estate regulatory statutes, less prompt response to consumer complaints, and a backlog in monitoring educational courses and instructors. Taken as a whole, these reductions could lead to more unlicensed and illegal

Department: REAL ESTATE DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: REAL ESTATE DEPARTMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

## Recommended Alternatives:

activity in the industry, and a greater risk of real estate fraud for consumers. The Department is required by statute to adjust its revenues to approximately equal its appropriation, so a reduced appropriation would lead to reduced General Fund revenues.

Total Alternatives (5.0 FTE)

\$ (223,500)Alternative Legislative Staff Recommendation.....\$ 2,405,700

Department: BOXING COMMISSION

House Subcommittee Chairman: HEINZ HINK

Cost Center: BOXING COMMISSION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: STEPHANIE HERNANDEZ

Legislative Staff Recommendation (Page IR-144).....\$ 39,500

**Recommended Alternatives:**

1. Change in Funding Source \$ (3,400)

Legislative Staff recommends no reduction in operating funds for this very small agency. Instead, the Boxing Commission can transfer the responsibility for \$3,400 of its operating budget from the General Fund to the Boxing Fund. This will have no impact on the agency unless Boxing Fund receipts fall short of projected amounts.

Total Alternatives \$ (3,400)

Alternative Legislative Staff Recommendation.....\$ 36,100

Department: AZ BOARD OF REGENTS  
Cost Center: REGENTS STAFF AND WICHE  
Analyst: JOHN LEE

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page ED-2).....\$ 5,196,800

Recommended Alternatives:

1. State Student Incentive Grant \$ (53,000)

The Gramm-Rudman reduction at the federal level may reduce the matching requirement to \$1,240,000 from the recommended level of \$1,293,000.

2. Course Equivalency Guide (12,100)

This recommendation would curtail publications and distribution of a course equivalency guide booklet.

3. Postsecondary Projects (19,100)

This recommendation would curtail publication and distribution of all postsecondary data collection projects.

4. WICHE Student Subsidies (357,500)

This recommendation would reduce the number of student subsidies from 134 to 108 students (almost 20 percent), which represent 99 continuing students and only nine new students.

Total Alternatives \$ (441,700)

Alternative Legislative Staff Recommendation.....\$ 4,755,100

Department: U. OF A.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Legislative Staff Recommendation (Page ED-6).....\$179,519,200

## Recommended Alternatives:

## 1. Elimination of New Programs (54.9 FTE) \$ (3,041,400)

This recommendation would eliminate new programs and have a detrimental impact upon the quality of higher education and academic enhancement.

- (a) Maintenance of New Building - Provides a reduction of 13.4 positions and \$464,700. Its impact would be no or marginal preventative maintenance including custodial, grounds, security and utilities services to three new buildings (Center for Creative Photography, Electrical and Computer Engineering, and South Hall). It will also result in accelerated depreciation of the buildings, and safety and health hazards.
- (b) Undergraduate Major in Computer Science (Phase I) - Provides a reduction of six positions and \$823,600. Its impact would be not to allow the University to implement a new undergraduate degree program in Computer Science.
- (c) Undergraduate Major in Optical Engineering - Provides a reduction of 10.5 positions and \$407,700. Optical Engineering suffers from a critical national shortage in the discipline. If this program is not funded, the University of Arizona is likely to position behind a number of other institutions which are starting optics programs in response to the national demand. Its indirect impact would be to make Arizona less attractive to high-technology companies which may be considering relocation or expansion of their operations.

Department: U. OF A.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

## Recommended Alternatives: (Continued)

(d) Optical Data Storage Center - Provides a reduction of eight positions and \$574,800. If this program is not funded, the University of Arizona may lose its opportunity to become a national focus for research and instruction in this new field. Indirect impact would be to lose industrial sponsors as well as new faculty.

(e) Materials for Electronics - Provides a reduction of six positions and \$770,600. Without this new program, the University of Arizona will lose its opportunity to establish a national academic center for research and education on optical data storage and optical information processing.

## 2. Sierra Vista Center (11.0 FTE)

(348,900)

This recommendation would curtail the academic outreach program for Sierra Vista Center. Its impact would be to lose educational opportunities for non-traditional students who can not readily attend the main campus.

## 3. Loss of Purchasing Power

(1,055,500)

Except for the Risk Management insurance charges and utility costs, this recommendation would allow no price adjustments which means curtailment of the current service needs by 3.5 percent.

## 4. Equipment Replacment

(2,595,000)

This recommendation would discard the formula funding method for equipment replacement. Twenty-eight percent of replacement needs will be eliminated. It will have an immediate impact upon the performance of the academic mission throughout the University.

Department: U. OF A.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Recommended Alternatives: (Continued)

5. Elimination of Enrollment Funding (84.0 FTE) (3,057,900)

This recommendation would result in a loss of 56 faculty and 28 secretary and support staff positions. The University's options are: (1) Curtail 1,240 FTE students, (2) Reduce the number of classes, and/or (3) Increase the class size. However, an enrollment reduction of 1,240 FTE students may result in a collections loss of \$1,624,400. Thus, an additional expenditure reduction of \$1,624,400 may become necessary, which is equivalent to 3.6 percent of All Other Operating Expenditures from the FY 1989 recommended level.

6. Base Reduction in Force (146.0 FTE) (5,160,400)

This recommendation would eliminate 146 FTE positions or three percent of total existing manpower, which include 64 faculty and 82 non-faculty positions throughout the University. Its potential impact would be a reduction of the student enrollment by 915 FTE students (three percent of 30,490 FTE students).

However, an enrollment reduction of 915 FTE students may result in a collections loss of \$1,198,600. Thus, an additional expenditure reduction of \$1,198,600 may become necessary, which is equivalent to 2.7 percent of All Other Operating Expenditures from the current base.

Total Alternatives (295.9 FTE) \$(15,259,100)

Alternative Legislative Staff Recommendation.....\$164,260,100

Department: U. OF A.-COLLEGE OF MEDICINE

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Legislative Staff Recommendation (Page ED-24).....\$ 40,249,000

## Recommended Alternatives:

1. Medical Molecular Genetics (6.0 FTE) \$ (210,800)

This recommendation would eliminate a new program of basic research and education in the increasingly important area of the genetic basis of human disease.

2. Loss of Purchasing Power (248,000)

This recommendation would allow no price adjustments which means curtailment of the current service needs by 3.5 percent.

3. Equipment Replacement (281,700)

This recommendation would discard the formula funding method for equipment replacement. Forty percent of replacement needs will be eliminated. It will have an immediate impact upon the performance of the academic mission of the College.

4. Clinical Teaching Support (591,200)

This recommendation would reduce the clinical teaching support on the wards of the hospital by seven percent.

Department: U. OF A.-COLLEGE OF MEDICINE

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Recommended Alternatives: (Continued)

5. Base Reduction in Force (47.0 FTE) (2,089,500)

This recommendation would eliminate 47 FTE positions or eight percent of total existing manpower, which include 18 faculty and 29 non-faculty positions throughout the College. Its potential impact would be to reduce the student enrollment by 26 students (8 percent of 325 students).

Total Alternatives (53.0 FTE) \$ (3,421,200)

Alternative Legislative Staff Recommendation.....\$ 36,827,800

Department: A.S.U.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Legislative Staff Recommendation (Page ED-36).....\$160,984,900

**Recommended Alternatives:****1. Elimination of New Programs (86.0 FTE) \$ (3,578,500)**

This recommendation would eliminate new programs and have a detrimental impact upon the quality of higher education and academic enhancement.

- (a) Undergraduate Education and Admissions Policy Support - Provides a reduction of four FTE positions and \$119,100. Its impact would be to delay effective implementation of the new admissions standards and to deter any progress in the retention of underprepared students.
- (b) New Facilities Support for FY 1989 - Provides a reduction of 35.5 FTE positions and \$848,200. If this program is not funded, there would be no or marginal preventative maintenance including custodial, grounds, security and utilities services to four new buildings (Fine Arts Complex and Paul V. Galvin Playhouse, South End Expansion of Sun Devil Stadium, Hayden Library Expansion and Architecture Expansion). It will also result in accelerated depreciation of the buildings, and safety and health hazards.
- (c) Engineering Excellence II for Fourth Year - Provides a reduction of 16 FTE positions and \$1,397,000. Failure to fund this program would negatively impact upon the academic and research challenge of the College of Engineering and could result in a loss of highly regarded faculty and sponsored support.
- (d) College of Fine Arts Technical Support - Provides a reduction of 20 FTE positions and \$417,900. Failure to fund this program would result in insufficient staffing and ineffective utilization of new facilities.

Department: A.S.U.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

## Recommended Alternatives: (Continued)

(e) New Facilities Support Unfunded for FY 1988 - Provides a reduction of 10.5 FTE positions and \$484,000. Failure to fund this program would result in a marginal operation for custodial, maintenance and utilities services.

(f) Engineering Excellence II for Third Year Unfunded - Provides a reduction of \$312,300. Failure to fund this program would delay equipment maintenance and repairs, and purchases of essential supplies and materials for the labs and faculty.

## 2. Loss of Purchasing Power

(1,029,400)

Except for the Risk Management insurance charges and utility inflation, this recommendation would allow no price adjustments which means curtailment of the current service needs by 3.5 percent.

## 3. Equipment Replacement

(2,556,000)

This recommendation would discard the formula funding method for equipment replacement. Twenty-four percent of replacement needs will be eliminated. It will have an immediate impact upon the performance of the academic mission throughout the University.

## 4. Elimination of Enrollment Funding (39.0 FTE)

(1,425,400)

This recommendation would result in a loss of 26 faculty and 13 secretary and support staff positions. The University's options are: (1) Curtail 574 FTE students, (2) Reduce the number of classes, and/or (3) Increase the class size.

However, an enrollment reduction of 574 FTE students may result in a collections loss of \$764,000. Thus, an additional expenditure reduction of \$764,000 may become necessary, which is equivalent to 1.6 percent of All Other Operating Expenditures from the FY 1989 recommended level.

Department: A.S.U.-MAIN CAMPUS

House Subcommittee Chairman: BEV HERMON

Cost Center: AGENCY WIDE

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Recommended Alternatives: (Continued)

5. Base Reduction in Force (147.0 FTE) (5,094,400)

This recommendation would eliminate 147 FTE positions or 3.3 percent of total existing manpower, which include 60 faculty and 87 non-faculty positions throughout the University. Its potential impact would be a reduction of the student enrollment by 1,141 FTE students (3.3 percent of 34,780 FTE students).

However, an enrollment reduction of 1,141 FTE students may result in a collections loss of \$1,518,700. Thus, an additional expenditure reduction of \$1,518,700 may become necessary, which is equivalent to 3.5 percent of All Other Operating Expenditures from the current base.

Total Alternatives (272.0 FTE) \$(13,683,700)

Alternative Legislative Staff Recommendation.....\$147,301,200

Department: ASU-WEST  
Cost Center: ASU-WEST  
Analyst: JOHN LEE

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page ED-52).....\$ 10,730,700

Recommended Alternatives:

1. New Facilities Support for FY 1989 (5.0 FTE) \$ (399,200)

This recommendation will result in unsatisfactory maintenance of Classroom Building I and inadequate utilization of the facility.

2. Basic Academic Support (8.0 FTE) (512,900)

This recommendation will adversely impact growing academic programs and quality of service to students.

Total Alternatives (13.0 FTE) \$ (912,100)

Alternative Legislative Staff Recommendation.....\$ 9,818,600

Department: NORTHERN ARIZONA UNIVERSITY  
 Cost Center: AGENCY WIDE  
 Analyst: JOHN LEE

House Subcommittee Chairman: BEV HERMON  
 Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page ED-56).....\$ 58,859,300

Recommended Alternatives:

1. Computer Services for the 1990's (26.0 FTE) \$ (1,242,200)

This recommendation would leave the University far behind the current needs for academic and administrative computerization including the overhaul of outdated financial and human resource systems.

2. NAU-Yuma Center (16.0 FTE) (690,000)

This recommendation would result in abandoning the University's proposal for a cooperative and comprehensive higher education program for Yuma County and surrounding rural areas which will rely on the maximum utilization of existing educational and community resources for an upper division and graduate education.

3. Loss of Purchasing Power (413,700)

Except for the Risk Management insurance charges and utility inflation, this recommendation would allow no price adjustments which means curtailment of the current service needs by 3.5 percent.

4. Equipment Replacement (494,600)

This recommendation would discard the formula funding method for equipment replacement. Twenty-one percent of replacement needs will be eliminated. It will have an immediate impact upon the performance of the academic mission throughout the University.

Department: NORTHERN ARIZONA UNIVERSITY  
Cost Center: AGENCY WIDE  
Analyst: JOHN LEE

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Recommended Alternatives: (Continued)

5. Elimination of Enrollment Funding (15.0 FTE) (523,300)

This recommendation would result in a loss of ten faculty and five secretary and support staff positions. The University's options are: (1) Curtail 220 FTE students, (2) Reduce the number of classes, and/or (3) Increase the class size. An enrollment reduction of 220 FTE students may result in a collections loss of \$217,100. Thus, an additional expenditure reduction of \$217,100 may become necessary, which is equivalent to 1.2 percent of All Other Operating Expenditures from the FY 1989 recommended level.

6. Base Reduction in Force (49.0 FTE) (1,639,200)

This recommendation would eliminate 49 FTE positions or 3.2 percent of total existing manpower, which include 21 faculty and 28 non-faculty positions throughout the University. Its potential impact would be a reduction of the student enrollment by 389 FTE students (3.2 percent of 12,156 FTE students). An enrollment reduction of 389 FTE students may result in a collections loss of \$383,900. Thus, an additional expenditure reduction of \$383,900 may become necessary, which is equivalent to 2.4 percent of All Other Operating Expenditures from the current base.

Total Alternatives (106.0 FTE) \$ (5,003,000)

Alternative Legislative Staff Recommendation.....\$ 53,856,300

Department: MEDICAL STUDENT LOANS BOARD  
Cost Center: MEDICAL STUDENT LOANS BOARD  
Analyst: JOHN LEE

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: DOUG TODD

Legislative Staff Recommendation (Page ED-72 ).....\$ 10,000

**Recommended Alternatives:**

1. Medical Student Loans

\$ (800)

Less money will be available for medical student loans.  
Impact is marginal.

Total Alternatives

\$ (800)

Alternative Legislative Staff Recommendation.....\$ 9,200

Department: BD. OF DIRECTORS FOR COMM. COLL.

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: BD. OF DIRECTORS FOR COMM. COLL.

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

Legislative Staff Recommendation (Page ED-74).....\$ 74,770,500

Recommended Alternatives:

1. G.N.P. Price Deflator Adjustment \$ (2,033,500)

This recommendation would remove the statutory inflationary adjustment (3 percent for FY 1989) prescribed in Arizona Revised Statutes Sections 15-1464 and 15-1466 for Capital Outlay and Operating State Aid. Capital Outlay State Aid would be reduced by \$220,300 and Operating State Aid by \$1,813,200. Removing the inflationary adjustment would leave Capital Outlay funding at the FY 1988 appropriated level of \$7,535,900 and Operating State Aid at \$60,360,300.

2. Operating State Aid (4,398,000)

This recommendation would further reduce Operating State Aid to a funding level of \$55,962,300. This level would be \$831,000 below the FY 1988 appropriated level of \$56,793,300 and would place Operating State Aid funding at approximately 23.2 percent of total Community College operational funding. The current service level recommendation places Operating State Aid at 25 percent of operational funding.

Total Alternatives \$ (6,431,500)

Alternative Legislative Staff Recommendation.....\$ 68,339,000

Department: DEPARTMENT OF EDUCATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: SUMMARY

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

Legislative Staff Recommendation (Page ED-78).....\$1,215,000,900

## Recommended Alternatives:

° State Board of Education	\$ . . . -0-
° General Services Administration (2.0 FTE)	(1,876,000)
° Assistance to Schools	(101,813,400)
° Vocational Education	-0-

Total Alternatives (2.0 FTE)	<u>\$(103,689,400)</u>
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Alternative Legislative Staff.....\$1,111,311,500

Department: DEPARTMENT OF EDUCATION  
Cost Center: GENERAL SERVICES ADMINISTRATION  
Analyst: JACK NEISENT

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Legislative Staff Recommendation (Page ED-84).....\$ 9,672,900

Recommended Alternatives:

1. Achievement Testing (2.0 FTE) \$ (1,838,300)

This recommendation would reduce the requirement for achievement testing by approximately three-fourths and would eliminate two FTE positions associated with the achievement testing program. The recommendation would limit testing to four grades (possibly grades 3, 6, 8 and 11) on a sample basis of approximately 32,000 students statewide. The sample, which would represent approximately 20 percent of all students, would be drawn from a selection of large, medium and small school districts. This recommendation would require statutory amendment. Currently, Arizona Revised Statutes Section 15-741 requires statewide nationally standardized norm-referenced achievement testing for grades one through twelve in reading, grammar and mathematics.

2. Education Commission of the States (37,700)

This recommendation would eliminate funding for Arizona's participation in the Education Commission of the States (ECS). The ECS provides research data and technical assistance to participating states on a wide spectrum of educational issues.

Total Alternatives (2.0 FTE) \$ (1,876,000)

Alternative Legislative Staff Recommendation.....\$ 7,796,900



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: DEPARTMENT OF EDUCATION  
Cost Center: ASSISTANCE TO SCHOOLS  
Analyst: JACK NEISENT

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Legislative Staff Recommendation (Page ED-88).....\$1,204,028,600

Recommended Alternatives:

1. Basic State Aid

A. Qualifying Tax Rate

\$(55,629,800)

This recommendation would raise the Qualifying Tax Rate (QTR) 24 cents for elementary and high school districts, to \$2.60, and 48 cents for unified districts, to \$5.20. The QTR, as specified in Arizona Revised Statutes Section 15-971, is a tax rate (\$2.36 for elementary and high school districts and \$4.72 for unified districts) used only for purposes of calculating the State's share of equalization assistance. Raising the QTR would lower the State's portion of total equalization assistance and would raise the school district's portion. Raising the QTR by 24 cents for elementary and high school districts and 48 cents for unified districts would provide an approximate savings to the State of \$55,629,800. The actual savings in Basic State Aid would be approximately \$66,862,700, but due to greater State expenditures for Additional State Aid resulting from higher school district taxes (\$11,232,900), the net savings to the State is estimated at \$55,629,800. This recommendation would require statutory amendment.

B. Salt River Project Assessed Values

(12,781,000)

This recommendation would include a percentage (approximately 84.4 percent) of Salt River Project assessed valuation in the total assessed valuation used in calculating Basic State Aid. Currently, Salt River Project (SRP) values are not included since SRP is not subject to property taxes, but instead pays a voluntary contribution in lieu of property taxes (Arizona Revised Statutes Section 48-242). SRP currently pays approximately 84.4 percent of the amount that would be collected

Department: DEPARTMENT OF EDUCATION  
 Cost Center: ASSISTANCE TO SCHOOLS  
 Analyst: JACK NEISENT

House Subcommittee Chairman: LESLIE JOHNSON  
 Senate Subcommittee Chairman: JAN BREWER

Recommended Alternatives: (Continued)

if property taxes were paid. The actual savings in Basic State Aid would be approximately \$15,381,000. But, due to greater expenditures for Additional State Aid (\$2,600,000), resulting from school districts taxing for the \$15.3 million, the net savings to the State is estimated at \$12,781,000. This recommendation would require statutory amendment.

C. Property Assessment Ratios

(14,638,800)

This recommendation would maintain the assessment ratios for property classes 1, 2 and 6 at the 1987 levels. By statute (Arizona Revised Statutes Section 42-227) the ratios for these classes are to be reduced for tax year 1988 as follows:

	<u>1987</u>	<u>1988</u>
Class 1	30%	28%
Class 2	30%	28%
Class 6	15%	14%

Holding the assessment ratios at current levels would result in higher total assessed valuation and would thus result in lower expenditures for Basic State Aid. Legislative Staff estimates that the equalization requirement would be lowered by approximately \$12,474,000 if the assessment ratios were maintained at the current levels. The greater assessed valuation would also generate additional County Equalization revenues, estimated at \$2,164,800. In total, the savings in Basic State Aid would be approximately \$14,638,800. Additional revenue would also be generated through the State Property Tax. Legislative Staff estimates this at \$1,645,200. This recommendation would require statutory amendment.

Department: DEPARTMENT OF EDUCATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: ASSISTANCE TO SCHOOLS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

## Recommended Alternatives: (Continued)

## D. Additional Measures

In addition to the measures already suggested to reduce the FY 1989 equalization requirement for Basic State Aid, the Legislature may wish to consider and/or substitute the following measures:

- ° Increase the County Equalization tax rate. Currently the rate is 50¢ per \$100 of assessed value and is assessed against all values just as the State Property Tax Rate is assessed (Arizona Revised Statutes Section 15-994). County equalization monies are a deduction from the total equalization requirement and thus lower the General Fund requirement. Increasing the County Equalization rate by 10¢ would generate approximately \$18,000,000. This recommendation would require statutory amendment.
- ° Remove the statutory inflationary adjustment prescribed in Arizona Revised Statutes Section 15-901. This adjustment (3 percent for FY 1989) affects the Base Level in the State Aid formula and also the Permanent Special Education Vouchers and Permanent Special Education Institutional Vouchers. This would mean that the FY 1989 Base Level would remain the same as the Base Level for FY 1988 - \$2,141.75. The Base Level controls the budget limits for school districts. If the FY 1989 Base Level remains the same as FY 1988, the only growth allowed in school district budgets for FY 1989 would be due to student growth. Removing the three percent G.N.P. Price Deflator adjustment for FY 1989 would reduce the equalization requirement by \$57,798,500. This recommendation would require Legislative action.

Department: DEPARTMENT OF EDUCATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: ASSISTANCE TO SCHOOLS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

## Recommended Alternatives: (Continued)

- Eliminate Sudden Growth. Arizona Revised Statutes Section 15-948 provides that school districts, after the first 40 days in session of the current year, may determine if they are eligible to increase their budget capacity due to growth in student population. Sudden growth may be calculated on student growth above 5 percent (at the full base level) or above 3 percent (at one-third the base level). The FY 1988 Basic State Aid appropriation included \$25,000,000 for Sudden Growth and the FY 1989 recommendation includes \$30,000,000. This recommendation would require statutory amendment.
- Eliminate the teacher compensation adjustment to the Base Level as specified in Arizona Revised Statutes Section 15-952. Chapter 399, Laws of 1986, provided that a school district may increase its Base Level by 1.25 percent to provide for increased teacher salaries if it meets certain standards and receives the approval of the State Board of Education. The FY 1988 Basic State Aid Appropriation included \$18,037,600 for this purpose and the FY 1989 cost is projected to be \$19,423,000. This recommendation would require statutory amendment.

## 2. Additional State Aid Reduction Percentage

(18,203,900)

This recommendation would reduce the State "buy-down" rate limiting homeowners property taxes, as specified in Arizona Revised Statutes Section 15-972, from the current requirement of 56 percent to 50 percent. Article IX, Section 18, Arizona Constitution limits the maximum amount of property taxes that may be collected from residential property in any tax year to one percent of the property's full cash value. Any buy-down percentage adopted by the Legislature will have to take into consideration this Constitutional provision, since the State also pays as Additional State Aid any amounts exceeding the one percent limit. This recommendation would require statutory amendment.

Department: DEPARTMENT OF EDUCATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: ASSISTANCE TO SCHOOLS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

## Recommended Alternatives: (Continued)

## 3. Jobs For Arizona Graduates

(352,800)

This recommendation would eliminate funding for the Jobs For Arizona Graduates (JAG) program. The goal of the program is to identify potentially unemployable youth in the senior year of high school, provide them with job skills and place them in entry-level jobs. The program is serving 10 high schools in FY 88. In February 1984, the Joint Legislative Budget Committee issued a program evaluation report on JAG recommending that the program be eliminated based on its placement results and lack of cost-effectiveness.

## 4. Academic Decathlon

(50,100)

This recommendation would eliminate state funding for the Academic Decathlon. The appropriation is used for paying the administrative and material costs associated with the program. State funding accounts for approximately 7 percent of total funds expended for the program. Eliminating state funding would mean school districts or private concerns would need to assume additional costs for the program.

## 5. Principals' Institute

(40,000)

This recommendation would eliminate state funding for the Principals' Institute. The appropriation assists in paying costs associated with administering the Institute and for instructional and program costs. State funding accounts for approximately 33 percent of total funding for the program. Eliminating state funding would mean school districts would need to assume the full costs of operating the program.

Department: DEPARTMENT OF EDUCATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: ASSISTANCE TO SCHOOLS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

Recommended Alternatives: (Continued)

6. ASSET (117,000)

This recommendation would reduce state funding for ASSET (Arizona School Services Through Educational Technology) by one-half. The state appropriation provides funding to assist school districts in enhancing educational instruction through television coursework. The appropriation provides funding for the transmission costs and for the shipping and distribution of printed materials. Currently, state funding provides approximately 50 percent of the total cost of operating the program. Reducing state funding by one-half would mean school districts would have to assume added costs to maintain the current service level.

Total Alternatives \$(101,813,400)

Alternative Legislative Staff Recommendation.....\$1,102,215,200



Department: SCHOOL FOR THE DEAF AND BLIND  
Cost Center: PHOENIX DAY SCHOOL  
Analyst: JACK NEISENT

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Legislative Staff Recommendation (Page ED-98).....\$ 3,152,100

Recommended Alternatives:

1. Accountability Pay Plan \$ (99,200)

This recommendation would eliminate funding for ASDB's career ladder program. The JLBC FY 1989 Current Service Level Budget includes funding to reinstate the plan, which was not funded in FY 1988. Funding had been provided in the two fiscal years prior to FY 1988. Under the career ladder concept teachers receive increases in salary based on additional education and added responsibilities.

Total Alternatives \$ (99,200)

Alternative Legislative Staff Recommendation.....\$ 3,052,900

Department: SCHOOL FOR THE DEAF AND BLIND

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: AZ DIAGNOSTIC TREATMENT &amp; ED. CENTER

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NELSENT

Legislative Staff Recommendation (Page ED-102).....\$ 1,308,400

## Recommended Alternatives:

## 1. Accountability Pay Plan

\$ (32,300)

This recommendation would eliminate funding for ASDB's career ladder program. The JLBC FY 1989 Current Service Level Budget includes funding to reinstate the plan, which was not funded in FY 1988. Funding had been provided in the two fiscal years prior to FY 1988. Under the career ladder concept teachers receive increases in salary based on additional education and added responsibilities.

## 2. ADTEC Diagnostic Classes (14.5 FTE)

(328,900)

This recommendation would eliminate two ADTEC diagnostic classes and require the reorganization of the remaining three classes to realign staff and resources to ameliorate the cutback. There are currently five diagnostic classes at ADTEC. The ADTEC diagnostic component provides comprehensive assessments, which take six to eight weeks, of sensory impaired, multihandicapped children. Such assessments are the basis for the implementation of individualized developmental educational programs designed specifically for each student. This recommendation will delay the assessments of many sensory impaired students and will mean school districts will not have the kinds of assessments needed to provide appropriate educational opportunities for these students.

Total Alternatives (14.5 FTE)

\$ (361,200)Alternative Legislative Staff Recommendation.....\$ 947,200

Department: SCHOOL FOR THE DEAF AND BLIND

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: TUCSON CAMPUS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

Legislative Staff Recommendation (Page ED-106).....\$ 9,442,100

## Recommended Alternatives:

## 1. Accountability Pay Plan

\$ (200,800)

This recommendation would eliminate funding for ASDB's career ladder program. The JLBC FY 1989 Current Service Level Budget includes funding to reinstate the plan, which was not funded in 1988. Funding had been provided in the two fiscal years prior to FY 1988. Under the career ladder concept teachers receive increases in salary based on additional education and added responsibilities.

## 2. Outreach Program (4.0 FTE)

(204,100)

This recommendation would eliminate approximately 50 percent of the Parent Outreach Program. Currently there are 220 children receiving outreach services statewide. The program provides early identification of sensory impaired children ages 0 to 5 and provides families of these children with information and counseling to assist with sensory training for language and speech development. In addition to ASDB personnel, professionals in speech, hearing and vision are hired on a consultant basis to provide education to families on a weekly or bimonthly basis.

Department: SCHOOL FOR THE DEAF AND BLIND

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: TUCSON CAMPUS

Senate Subcommittee Chairman: JAN BREWER

Analyst: JACK NEISENT

## Recommended Alternatives: (Continued)

3. Independent Living Program (0.5 FTE) (15,500)

This recommendation would eliminate the Independent Living Program for residential seniors. The program is an on-campus supervised program aimed at encouraging students to live independently and to acquire the abilities to manage their finances, shop for groceries and needed items, manage their time and maintain their personal health and well being. The program is intended to impart to the students the daily living skills necessary for them to succeed when they leave ASDB and enter the real world.

4. Summer Lunch Program (6,100)

This recommendation would eliminate the summer lunch program operated for twelve month staff and would require employees to eat off campus.

Total Alternatives (4.5 FTE) \$ (426,500)

Alternative Legislative Staff Recommendation.....\$ 9,015,600

Department: ARIZONA COMMISSION ON THE ARTS

House Subcommittee Chairman: BEV HERMAN

Cost Center: ARIZONA COMMISSION ON THE ARTS

Senate Subcommittee Chairman: DOUG TODD

Analyst: JACK NEISENT

Legislative Staff Recommendation (Page ED-110).....\$ 1,357,200

Recommended Alternatives:

1. Community Service Projects \$ (115,400)

This recommendation would reduce the Community Service Projects appropriation from \$883,400 to \$768,000. The Community Service Project monies are grant monies made available to arts organizations and Arizona communities on a matching basis for such programs as Art in Arizona Towns, Artists in Education, Ticket Discount, Art in Public Places and Cultural Heritage. The Arts Commission was able to fund less than half the FY 1988 requests received. This 13 percent reduction will hinder the Commission's ability to assist small and rural communities, to provide access to the arts for handicapped and elderly citizens and to assist emerging arts organizations in the development of quality programs.

Total Alternatives \$ (115,400)

Alternative Legislative Staff Recommendation.....\$ 1,241,800

Department: ARIZONA HISTORICAL SOCIETY  
 Cost Center: ARIZONA HISTORICAL SOCIETY  
 Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: LESLIE JOHNSON  
 Senate Subcommittee Chairman: JAN BREWER

Legislative Staff Recommendation (Page ED-114).....\$ 1,846,900

**Recommended Alternatives:**

1. Eliminate Funding for Acquisitions \$ (1,500)

The \$1,500 appropriated for acquisitions is used primarily for the purchasing of new library materials. A discontinuance of this funding will eliminate the addition of current publications to the library collection. While older works will continue to be received as donations, the overall usability of the library will erode if resource documents are not kept current.

2. Eliminate Temporary Personnel (1.3 FTE) (21,200)

A savings of \$17,400 in Personal Services and \$3,800 in Employee Related Expenses could be generated with the elimination of 1.0 FTE position in the Southern Arizona division, and 0.3 FTE in the Central Arizona division. These temporary personnel are utilized to aid in exhibit construction and special projects, as well as provide accounting and clerical support by assisting with year-end closings and inventory control. Elimination of these positions will result in agency professionals being able to devote less time to more technical and complex responsibilities, and a delay in the opening of exhibits and completing of year-end accounting functions.

3. All Other Operating Expenditures Reduction (67,800)

A reduction of \$5,300 in Professional and Outside Services, \$4,000 in In-State travel, and \$58,500 in Other Operating Expenditures would mandate the implementation of greater cost efficiencies, and with approval from the Board, could result in the closure of the Tucson museum on Mondays. Closing the

Department: ARIZONA HISTORICAL SOCIETY

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: ARIZONA HISTORICAL SOCIETY

Senate Subcommittee Chairman: JAN BREWER

Analyst: LIZ BOBOTEK BELLGARDT

## Recommended Alternatives: (Continued)

museum on Mondays would effect Professional and Outside Services savings by eliminating security guard services on Mondays, as well effect other Operating Expenditure savings by reducing utility costs for exhibit areas. Additional cost efficiency measures, such as reducing the purchasing of supplies, expenditures for printing and mailing, and decreasing funding for outreach programming, would need to be implemented to achieve the balance of the targeted savings for Other Operating Expenditures. In addition, In-State Travel funding reductions would require a partial return of motor pool dispatch, as well as decrease staff's ability to attend meetings and participate in speaking engagements.

## 4. Publications Secretary Staff Reduction (0.5 FTE) (10,000)

A savings of \$8,200 in Personal Services and \$1,800 in Employee Related Expenses could be generated by reducing to half-time the secretary to the publications editor and associate editor. This position is primarily responsible for typing the quarterly issues of the Journal of Arizona History, as well as Historical Society books published. This reduction would result in a delay in publishing, and ultimately reduce the contribution of these works to libraries, universities and general public.

## 5. Reduction in Librarian Personnel (1.0 FTE) (25,000)

A savings of \$20,600 in Personal Services and \$4,400 in Employee Related Expenses could be generated by eliminating 1.0 of the 4.5 librarian positions in the Southern Arizona division. This reduction would decrease services available to international scholars and authors of western history, as well as students and "history buffs." Much of the services provided are responses to requests for information received through the mail from outside the state, and nation, as well.

Department: ARIZONA HISTORICAL SOCIETY  
Cost Center: ARIZONA HISTORICAL SOCIETY  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

Recommended Alternatives: (Continued)

A decrease in library personnel would increase considerably the time frame for response to these requests for information and photographs, and perhaps limit the number of requests which can be addressed.

6. Reduction in Funding for Replacement Equipment (31,500)

A reduction of \$31,500 in Equipment could be achieved by foregoing the replacement of computer equipment and auditorium chairs. Replacement of non-functional and outdated computer equipment is recommended by the Department of Administration Data Management Division, and the museum auditorium chairs, purchased in 1963, are used at a minimum of twice per week and require replacement. This reduction would preclude the replacement of the computer equipment and chairs, and leave only \$2,100 for the replacement of essential office, maintenance, and field equipment.

Total Alternatives (2.8 FTE) \$ (157,000)

Alternative Legislative Staff Recommendation.....\$ 1,689,900

Department: PRESCOTT HISTORICAL SOCIETY

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: PRESCOTT HISTORICAL SOCIETY

Senate Subcommittee Chairman: JAN BREWER

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page ED-118).....\$ 452,900

## Recommended Alternatives:

1. Eliminate Funding for In-State Travel \$ (300)

A savings of \$300 could be achieved by eliminating funding for In-State Travel; which would curtail some staff attendance at state meetings outside of Prescott.

2. Eliminate Funding for Equipment (800)

A savings of \$800 could be generated by eliminating the purchase of a bandsaw. Funding for the purchase of a bandsaw was authorized in FY 1987, and then ex-appropriated as a budget reduction measure. This purchase could again be eliminated, and the agency could continue to borrow a bandsaw when needed for exhibits, preservation, or maintenance.

3. Elimination of Overtime Pay (1,900)

A savings of \$1,500 in Personal Services and \$400 in Employee Related Expenses could be achieved by eliminating overtime pay for employees. This reduction would create difficulties in meeting deadlines for exhibit openings.

4. Other Operating Expenditures Reduction (5,100)

This reduction would mandate further cost efficiencies. These savings would be achieved by foregoing routine maintenance of grounds and repair of buildings.

Department: PRESCOTT HISTORICAL SOCIETY  
Cost Center: PRESCOTT HISTORICAL SOCIETY  
Analyst: LIZ BOBOTEK BELLGARDT

House Subcommittee Chairman: LESLIE JOHNSON  
Senate Subcommittee Chairman: JAN BREWER

**Recommended Alternatives:**

5. Maintenance Staff Reduction (1.5 FTE) (30,400)

A savings of \$24,400 in Personal Services and \$6,000 in Employee Related Expenditures could be generated by reducing to half-time one of the two custodial worker positions, and by eliminating the agency's groundskeeper position. The curatorial staff perform specialized functions which could not be assumed by other staff members. This reduction, however, would allow for the professional staff to assist the remaining maintenance personnel with some of the critical repairs involving safety hazards, and with some of the more routine tasks such as lawn care, etc. Not all of the duties of the maintenance staff will be able to be absorbed, however, and the appearance of the museum will ultimately decline.

Total Alternatives (1.5 FTE) \$ (38,500)

Alternative Legislative Staff Recommendation.....\$ 414,400

Department: DEPARTMENT OF CORRECTIONS  
Cost Center: AGENCY SUMMARY  
Analyst: DICK MORRIS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-2).....\$236,794,700

Recommended Alternatives:

° Adult Institutions (143.0 FTE)	\$ (5,045,000)
° Human Resources and Development (61.5 FTE)	(3,295,800)
° Juvenile Services (39.0 FTE)	(4,940,000)
° Administration (56.0 FTE)	(1,599,400)
° Arizona Correctional Industries	-0-
° Adult Community Services (113.5 FTE)	(5,247,700)
	<hr/>
Total Alternatives (413.0 FTE)	<u>\$ (20,127,900)</u>

Alternative Legislative Staff Recommendation.....\$216,666,800

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADULT INSTITUTIONS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Legislative Staff Recommendation (Page PS-6).....\$156,471,100

Recommended Alternatives:

- 1. Allow the Arizona State Prison-Yuma to Remain Closed (99.0 FTE) \$ (2,671,000)

This alternative would leave 250 minimum security beds vacant during the 1989 fiscal year. As originally recommended by the Legislative Staff, staffing of the Yuma Prison was to begin in July of 1988 and occupancy was scheduled for the following September. Implementation of this alternative will contribute significantly to the projected prison bed shortage and impede the Department's ability to manage the adult prison population.

- 2. Provide Security and Maintenance of the Arizona State Prison-Yuma 300,000

Funding will be required for physical security and minor maintenance of the physical plant in Yuma until the facility is activated and occupied.

- 3. Allow the Remaining Minimum Security Beds at the Arizona State Prison Complex-Winslow to Remain Vacant (41.0 FTE) (1,340,000)

The Arizona State Prison Complex-Winslow was designed to house 650 prisoners. There is a 400 bed medium security facility, a 100 bed minimum security unit and a 150 bed minimum security conservation camp. Funding was provided in fiscal year 1988 to support 50 minimum custody prisoners. In addition, funds were also appropriated so that transfer of medium security prisoners could begin in June of 1988. The original Legislative Staff recommendation for the 1989 fiscal year provides the funds necessary to annualize operation of the 400 medium security unit. In addition, the fiscal year 1989 recommendations included an amount so that staff for the remaining 200 minimum security beds could be hired in July of 1988 and prisoner transfers would begin in September. Adoption of this alternative will exacerbate the prison bed shortage and further impede the Department's ability to manage the increasing adult inmate population.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADULT INSTITUTIONS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Recommended Alternatives: (Continued)

4. Eliminate Funding for Meals Provided to Employees (1,272,300)

The Department of Corrections furnishes one meal per shift to employees whose duties require that they do not leave the institutions during meal periods. Other staff are allowed the convenience of purchasing meals. The cost of these meals are included in the appropriation for Food. Reimbursements for meals purchased are deposited to the State General Fund. Of the amount shown for reduction, \$1,156,000 represents the cost of meals furnished to employees and \$116,300 is the estimated cost of purchased meals. Eliminating this item could impact employee productivity and morale. It may also impede employee recruitment as most institutions operated by the Department of Corrections are located in areas where commercial food service is not readily available.

5. General Reduction (3.0 FTE) (61,700)

This is an unspecified general reduction of the Adult Institutions program. It will be the prerogative of the Department to select the positions to be eliminated. There should be no major impact upon the operation of this program or the Department if this alternative is adopted.

Total Alternatives (143.0 FTE) \$ (5,045,000)

Alternative Legislative Staff.....\$151,426,100

Department: DEPARTMENT OF CORRECTIONS  
 Cost Center: HUMAN RESOURCES AND DEVELOPMENT  
 Analyst: DICK MORRIS

House Subcommittee Chairman: HEINZ HINK  
 Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-10).....\$ 25,407,600

Recommended Alternatives:

1. Allow the Arizona State Prison-Yuma to Remain Closed (6.0 FTE) \$ (244,100)

If the Arizona State Prison-Yuma remains closed during the 1989 fiscal year neither the positions nor the amount shown as a reduction will be required.

2. Eliminate Contract Funding for Sex Offender Treatment Programs (245,800)

Under terms of this contract program 100 adult inmates are provided treatment. Without such funding the treatment programs will be terminated and the Department will not have the ability to treat the abnormal behavior exhibited by this type of offender.

3. Close the Southern Arizona Community Correctional Center (63,000)

The reduction shown represents the cost of providing health care for the inmates assigned to the Southern Arizona Community Correctional Center. If the center is closed these funds will not be required. Health care services for the Northern Community Correctional Center are provided by the Arizona State Prison Complex-Phoenix and funds are not specifically allocated for the Northern Center.

4. Allow the Remaining Minimum Security Beds at the Arizona State Prison Complex-Winslow to Remain Vacant (4.5 FTE) (133,100)

If the remaining 200 minimum security beds at the Arizona State Prison Complex-Winslow are not activated during the 1989 fiscal year the amount shown as a reduction will not be required. This amount represents the annual cost of the 4.5 positions who would provide health care for the inmates assigned to the minimum security area.

Department: DEPARTMENT OF CORRECTIONS  
Cost Center: HUMAN RESOURCES AND DEVELOPMENT  
Analyst: DICK MORRIS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

5. Reduce the Planning Bureau (9.0 FTE) (298,800)

This alternative would reduce the Planning Bureau by 50 percent. The Planning Bureau is a resource unit which performs long range planning studies and statistical analysis for management of the Department of Corrections. Currently, there are 18.0 positions allocated to this Bureau. If this alternative is adopted there would be a marked decrease in the Bureau's output capability and only those projects with the highest priority could be undertaken. This could result in long range economic losses as the Department's management would be forced to make decisions affecting the future without benefit of adequate information.

6. Eliminate the Training Bureau (39.0 FTE) (1,882,200)

The Training Bureau is responsible for the recruiting and initial screening of prospective Correctional Service Officers. It conducts both entry level and advanced in-service training for security officers. In addition, the Bureau develops and provides supervisory and management training for departmental staff. Without adequate recruiting and proper training it can be expected that there will be an adverse impact upon the professionalism of the security staff. It should also be anticipated that employee turnover will increase. Implementation of this alternative could impact the life and safety of both the security staff and the inmates.

7. Eliminate Physical and Psychological Examinations of Prospective Employees (172,400)

Without this funding the Department of Corrections will be unable to administer pre-service physical and psychological examinations to prospective candidates to determine their fitness to become Correctional Service Officers. Consequently, there could be an economic loss to the State if candidates who do not meet established physical and psychological standards were employed.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: HUMAN RESOURCES AND DEVELOPMENT

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Recommended Alternatives: (Continued)

- 8. Eliminate the Assistant Director for Human Resources and Development (3.0 FTE) (256,400)

If the Training Bureau were to be eliminated and the Planning Bureau were reduced, then there is not sufficient justification to continue the administration of this division. The Health Services Bureau has an administrative structure, in place, and could report to the Director. The Personnel Bureau and the Planning Bureau could be moved to another division within the Department. Thus this alternative should not have a noticeable impact upon the Department's overall operations.

Total Alternatives (61.5 FTE) \$ (3,295,800)

Alternative Legislative Staff Recommendation.....\$ 22,111,800

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: JUVENILE SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Legislative Staff Recommendation (Page PS-14).....\$ 30,155,000

## Recommended Alternatives:

1. Eliminate Funding for Additional Juvenile Parole Staff (10.0 FTE) \$ (303,200)

If the Juvenile Parole caseload continues to increase at the rate it has over the past five years, and without these additional parole officers, the caseload per officer could reach 89.6 cases by the end of the 1989 fiscal year. This will impede ongoing case supervision, coordination of pre-release programming, monitoring of case activity and continuation of effective liaison with supporting agencies.

2. Eliminate Inflationary Increase for Purchase of Care (186,700)

The original Legislative Staff recommendations include a 3.5 percent inflationary increase for providers of community based treatment programs, funded under the "Purchase of Care" line item. This recommendation is to provide increases for service providers commensurate with anticipated compensation increases for State employees. In the past, there has been a relationship between compensation increases for State employees and service providers, as provider expenses are weighted heavily by personnel costs. In as much as the alternative proposal by the Legislative Staff provides no compensation increase for State employees, the increase for service providers is being recommended as an alternative for reduction. Without the increase there could be a reduction in the number of juveniles served as well as a decrease in the types of services available for wards of the Department of Corrections.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: JUVENILE SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

## Recommended Alternatives: (Continued)

3. Eliminate the Education Bureau (4.0 FTE) (144,700)

Without the Education Bureau the Department of Corrections will not have staff, in the Central Office, to monitor the quality of education provided for the juvenile population committed to secure institutions.

4. Reduce Funding for Purchase of Care (3.0 FTE) (3,118,700)

This alternative will reduce the utilization of community based treatment programs and services for 115 juvenile wards. The 130 residential placements originally recommended would be reduced to 67. No conservation program placements would be funded. The 50 day support placements would be continued at the same level as originally planned for the 1988 fiscal year. There would also be \$200,000 available for psychological testing and other support services. This would reduce the "Purchase of Care" line item to \$2,316,000. There would also be a residual reduction of the Juvenile Community Service staff reflecting the decreased workload. This residual reduction would eliminate 3.0 FTE positions and a total of \$101,600.

5. Close the Desert Valley Learning Center (14.0 FTE) (447,300)

The Desert Valley Learning Center provides a full structured day of activities for juveniles, ages 11 to 18, who are on parole status. The Center offers an academic curriculum, vocational education, employment placement, direct and referral psychological services and two balanced meals per day. The learning center can accommodate up to 90 male juveniles and 25 females. Without this Center a large number of these wards may have to be returned to secure juvenile facilities which are currently overcrowded and more costly to operate. The Department of Corrections reports for the fiscal year ended June 30, 1987, that the annual per capita operating cost for juvenile institutions was \$23,676, while the same cost for the Desert Valley Learning Center was \$5,837.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: JUVENILE SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

## Recommended Alternatives: (Continued)

## 6. Close the Ironwood Treatment Center (8.0 FTE) (271,600)

Ironwood is a residential treatment center for emotionally disturbed boys. The Center is designed to serve 12 residents and provides services based upon individual needs. A full range of educational, recreational and social services are included in the Center's program. Boys referred to this program, for the most part, have been rejected by private contract facilities. If the Ironwood Center is not funded, the alternative to releasing these juveniles from a secure institution is to return them to their homes, where there is a high probability that supervision and direction may be lacking. Therefore, the potential for this type of juvenile to be returned to a secure institution is greatly increased.

## 7. Eliminate Funding for the Contract for 30 Secure Juvenile Beds (341,200)

The original recommendations of the Legislative Staff provide funding for the contract for 30 secure beds for female juveniles until the Black Canyon Juvenile Institution is operational. This is approximately a four month period. If this contract is not funded, the number of beds available for juvenile females will be decreased and the average length of confinement will decrease.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: JUVENILE SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Recommended Alternatives: (Continued)

8. Eliminate Funding for Meals Provided to Employees (126,600)

The Department of Corrections furnishes one meal per shift to employees whose duties require that they not leave the institutions during meal periods. Other staff are allowed the convenience of purchasing meals. The cost of these meals are included in the appropriation for Food. Reimbursement for meals purchased is deposited to the State General Fund. Of the amount recommended for reduction, \$101,600 represents the cost of meals furnished to employees and \$24,900 is the estimated cost of meals to be purchased. Eliminating this item could impact employee productivity and morale. It may also impede employee recruitment, as most institutions operated by the Department of Corrections are located in areas where commercial food service is not readily available.

Total Alternatives (39.0 FTE) \$ (4,940,000)

Alternative Legislative Staff Recommendation.....\$ 25,215,000

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Legislative Staff Recommendation (Page PS-18).....\$ 14,159,400

## Recommended Alternatives:

1. Allow the Arizona State Prison-Yuma to Remain Closed (3.0 FTE) \$ (71,100)

If the Arizona State Prison-Yuma remains closed during the 1989 fiscal year neither the positions nor the amount shown as a reduction will be required.

2. General Reduction (14.0 FTE) (310,000)

This is an unspecified general reduction of the Administration program. It will be the prerogative of the Department to select the 14.0 FTE positions to be eliminated. Implementation of this alternative will have some negative impact upon the effectiveness of the Administration program, which provides administrative support, financial services and facilities management for the Department as a whole.

3. Reduce Rent (74,600)

This represents a reduction in the amount of State office space presently occupied by the Department in Phoenix and Tucson. The amount is based upon an estimate of the amount of office space that will not be required as a result of the proposed alternative reductions. The cost of all State office space occupied by the Department of Corrections is allocated to the Administration program. Therefore, the rental cost for any positions eliminated which are located in State office facilities would reduce the rental costs reflected in this program.

Department: DEPARTMENT OF CORRECTIONS  
Cost Center: ADMINISTRATION  
Analyst: DICK MORRIS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

4. Reduce the Inspections and Investigations Division (39.0 FTE) (1,143,700)

This alternative would reduce the Inspections and Investigations Division by 50 percent. This Division investigates alleged criminal acts by staff or inmates, staff misconduct and any suspected unlawful behavior. It inspects facilities for policy compliances, performs internal audits, handles inmate grievances and disciplinary appeals, and provides functional supervision of the grievance and discipline systems. Implementation of this alternative will severely limit the Division's ability to conduct inspections and investigations. This could create a backlog of pending investigations and reduce the availability of information required by senior managers.

Total Alternatives (56.0 FTE) \$ (1,599,400)

Alternative Legislative Staff Recommendation.....\$ 12,560,000

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADULT COMMUNITY SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Legislative Staff Recommendation (Page PS-26).....\$ 8,412,700

## Recommended Alternatives:

1. Eliminate Increases for Adult Parole (12.0 FTE) \$ (337,700)

The original Legislative Staff recommendations provides an increase for additional parole officers. The increase was based upon the anticipated growth in the number of parole cases. Without this increase each parole officer will have an average caseload of 63 cases as compared with 58 for the fiscal year ended June 30, 1987.

2. Eliminate Contract Funding for Women's Correctional Release Activities (238,100)

These contract funds are used to purchase temporary residential programs for adult female offenders who are released and who need support services as well as private residential treatment programs. This could result in some offenders remaining in a secure institution until their final release date, thereby adding pressure to the existing overcrowded conditions.

3. Close the Two Adult Male Community Correctional Centers (79.0 FTE) (3,244,400)

The Department of Corrections operates the Northern Community Correctional Center in Phoenix and the Southern Community Correctional Center in Tucson. These centers provide housing, supervision, counseling, job development, and other correctional programs. The community correctional centers provide 224 beds for male minimum security prisoners. There are 104 beds at the Northern Center in Phoenix, which operates with a proposed budget of \$1,531,500 and 39.0 FTE positions. The Southern center, in Tucson, has a capacity of 120 beds and operates with a projected budget of \$1,712,900 and employs 40.0 FTE positions. Without these two centers the prison overcrowding situation will be exacerbated, fewer offenders may be released, and recidivism rates could increase.

Department: DEPARTMENT OF CORRECTIONS

House Subcommittee Chairman: HEINZ HINK

Cost Center: ADULT COMMUNITY SERVICES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

## Recommended Alternatives: (Continued)

4. Eliminate the Adult Offender Transition Services Unit (19.5 FTE) (1,163,000)

The Adult Offender Transition Services Unit provides support to prisoners being released from institutions. The resources provided by this unit include: consultation and specialized training for employment development; residential placement; substance abuse counseling and monitoring; mental health programs; family assistance and; financial aid. The unit supports both the institutional staff as well as line staff who supervise releasee's in the community. Without this unit the institutional program staff may be required to increase their community programming efforts. Parole supervision could decrease because parole officers may have to spend more time developing community resources to meet the needs of parolees.

5. Eliminate the Program Administrative Staff (3.0 FTE) (256,500)

Based upon the reduction alternatives proposed above, there is no apparent justification for the bureau administrative staff. The Adult Parole Administrator could report directly to the Assistant Director for Juvenile Services.

Department: DEPARTMENT OF CORRECTIONS  
Cost Center: ADULT COMMUNITY SERVICES  
Analyst: DICK MORRIS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

6. Eliminate Funding for Meals Provided to Employees (8,000)

The Department of Corrections furnishes one meal per shift to employees whose duties require that they not leave the institution during meal periods. Other staff are allowed the convenience of purchasing meals. The cost of these meals are included in the appropriation for Food. Reimbursement for meals purchased is deposited to the State General Fund. Of the amount shown as a reduction, \$5,700 represents the cost of meals furnished to employees and \$2,300 is the estimated cost of meals to be purchased. Eliminating this item could impact employee productivity and morale. It may also impede employee recruitment as most institutions operated by the Department of Corrections are located in areas where commercial food service is not readily available.

Total Alternatives (113.5 FTE) \$ (5,247,700)

Alternative Legislative Staff Recommendation.....\$ 3,165,000

Department: EMERGENCY AND MILITARY AFFAIRS  
Cost Center: AGENCY SUMMARY  
Analyst: MARK FLANDERS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-30).....\$ 3,975,200

Recommended Alternatives:

° Military Affairs (6.0 FTE)	\$ (280,100)
° Emergency Services	(57,800)
	<hr/>
Total Alternatives (6.0 FTE)	\$ (337,900)

Alternative Legislative Staff Recommendation.....\$ 3,637,300

Department: EMERGENCY AND MILITARY AFFAIRS  
Cost Center: EMERGENCY SERVICES  
Analyst: MARK FLANDERS

House Subcommittee Chairman: HEINZ HINK  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-34).....\$ 680,500

**Recommended Alternatives:**

1. Reduce Civil Air Patrol Assistance \$ (13,000)

This reduction in Civil Air Patrol financial assistance would provide less money for aviation fuel and maintenance expenses, resulting in a reduced number of training flights.

2. Reduce Emergency Response Commission Funding (20,000)

This Commission coordinates the statewide hazardous materials program. Reduced funding would slow the implementation of the program by providing for less training, travel, and operational support.

3. Reduce Operating Services (24,800)

Travel would be reduced, causing the Division to rely more on letters and telephone calls to coordinate disaster relief programs. Some operating costs would be shifted to federal funding, resulting in less control by state officials over how the money can be spent.

Total Alternatives \$ (57,800)

Alternative Legislative Staff Recommendation.....\$ 622,700

Department: EMERGENCY AND MILITARY AFFAIRS

House Subcommittee Chairman: HEINZ HINK

Cost Center: MILITARY AFFAIRS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page PS-38).....\$ 3,294,700

## Recommended Alternatives:

1. Reduce Special Line Item Programs \$ (108,300)

This reduction would cut the officer's uniform allowance by 80 percent, unit allowances by 70 percent, education reimbursements by 40 percent, and guardsmen on State active duty by 50 percent. The reduction could have an adverse effect on National Guard morale. Reducing uniform allowances and education reimbursements could require statutory change to A.R.S. 26-157 and 26-181.

2. Reduce Service Contracts (27,500)

This reduction would be matched by an \$82,500 cut in federal funds. The effect of the reduction would be a decrease in janitorial and repair personnel at facilities including the Western Army Aviation Training Site (WAATS) in Marana and the 162ND Tactical Fighter Group in Tucson.

3. Staffing Reduction (6.0 FTE) (123,000)

This reduction would eliminate two Administrative Assistant, one Clerk-Typist, and three Custodial Worker positions. The effect would be that other staff would have to assume these duties in addition to their own, causing backlogs in the workload.



Joint Legislative Budget Committee - Fiscal Year 1989 Alternative Recommendations

Department: EMERGENCY AND MILITARY AFFAIRS
Cost Center: MILITARY AFFAIRS
Analyst: MARK FLANDERS

House Subcommittee Chairman: HEINZ HINK
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

4. Eliminate Equipment

(21,300)

The Division would continue to lease a computer at \$7,200 per year and to use a copy machine that produces poor copies. In addition, vacuum cleaners and buffers for the armories would not be purchased, so these buildings would not be maintained at peak levels.

Total Alternatives (6.0 FTE)

\$ (280,100)

Alternative Legislative Staff Recommendation.....\$ 3,014,600

Department: BOARD OF PARDONS AND PAROLES

House Subcommittee Chairman: HEINZ HINK

Cost Center: BOARD OF PARDONS AND PAROLES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Legislative Staff Recommendation (Page PS-42).....\$ 1,558,700

## Recommended Alternatives:

1. Eliminate the Planner III Position (1.0 FTE) \$ (53,300)

The Planner III is responsible for the Board's "Risk Assessment" system. This is a statistical system used to predict the probable degree of risk that a prisoner exhibits toward the community. The system is a decision making tool but not required by statute. Although some impact will be felt by discontinuation of the system, it is only one of the factors considered when making a decision to parole an inmate.

2. Eliminate the Assistant Executive Director's Position (1.0 FTE) (40,600)

This alternative eliminates the Assistant Executive Director's position. The duties now assigned to that position would be reassigned to existing staff. The reassignment of duties should provide for more direct communication with support staff and could offer a higher degree of stability and efficiency within the agency. These advantages may be offset to some degree by an increased workload for some members of the staff.

Department: BOARD OF PARDONS AND PAROLES

House Subcommittee Chairman: HEINZ HINK

Cost Center: BOARD OF PARDONS AND PAROLES

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DICK MORRIS

Recommended Alternatives: (Continued)

3. Eliminate the Position of Executive Director (1.0 FTE) (54,500)

Under terms of this alternative the Executive Director's position would be eliminated and the duties now assigned to that position would be assumed by the Chairman of the Board of Pardons and Paroles. In as much as the Board consists of seven full-time members, the Chairman should have sufficient time to function as the chief operating officer. To offset the increased workload for the Chairman, an Administrative Assistant could be assigned to the Chairman through a reorganization of existing staff. Implementation of this alternative could enhance the Board's operational efficiency and improve the current organizational structure. There should be no negative impact upon the parole hearing process as a direct result of this alternative.

Total Alternatives (3.0 FTE) \$ (148,400)

Alternative Legislative Staff Recommendation.....\$ 1,410,300

Department: DEPT OF PUBLIC SAFETY  
Cost Center: AGENCY SUMMARY  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-44).....\$ 80,138,800

Recommended Alternatives:

- ° Highway Patrol Staff (57.0 FTE) \$ (1,973,000)
- ° Investigations Staff (26.0 FTE) (1,400,400)
- ° Vehicle Fleet Reduction (1,173,000)
- ° Medical Air Rescue (8.0 FTE) (870,300)
- ° Administration Staff (21.5 FTE) (764,500)
- ° Aviation Reduction (3.0 FTE) (280,900)
- ° Travel Reduction (195,000)
- ° Upgraded Weapons (91,100)
- ° Arizona Criminal Justice Information System (50,000)
- ° Upgraded Bullet-Proof Vests (28,200)

Total Alternatives (115.5 FTE) \$ (6,826,400)

Alternative Legislative Staff Recommendation.....\$ 73,312,400

Department: DEPT OF PUBLIC SAFETY  
 Cost Center: CRIMINAL INVESTIGATION  
 Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
 Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-48).....\$ 11,844,000

Recommended Alternatives:

1. Automobile Theft Unit (7.0 FTE) \$ (382,600)

This unit supplements local law enforcement agency efforts to investigate organized auto theft activities. The elimination of the DPS unit will shift the entire workload to the local agencies, and will result in a less coordinated statewide attack on this type of crime.

2. Property Crime Unit (8.0 FTE) (436,500)

This unit works with the Tucson Police Department and the Pima County Sheriff's Office to investigate burglaries and other property crimes. Without this unit, the incidence of property crimes will increase. Since these crimes are often drug-related, this reduction weakens the State's fight against drugs.

3. Prison Gang Unit (5.0 FTE) (274,800)

This unit works to investigate and deter prison gang criminal networks. Without this DPS unit, the control of prison gangs will shift entirely to local law enforcement and the Department of Corrections. Violent crimes, both inside and outside correctional institutions, will potentially increase.

4. Supervisory Personnel (2.0 FTE) (140,500)

The elimination of the three programs described above will lead to a reorganization of the Criminal Investigation Bureau and a corresponding reduction in supervisory positions. The reduction in resources will require a general narrowing of the Bureau's responsibilities.

Department: DEPT OF PUBLIC SAFETY  
Cost Center: CRIMINAL INVESTIGATION  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: PAT WRIGHT

## Recommended Alternatives: (Continued)

## 5. Investigations and Liquor Enforcement Division (4.0 FTE) (166,000)

This Division works with the Department of Liquor Licenses and Control and local law enforcement agencies to enforce the liquor laws of Arizona. The loss of four officers from the Division will reduce the Department's capacity to assist local agencies, conduct intelligence and investigation operations and coordinate statewide liquor law enforcement. Liquor law violations and other criminal activity may increase.

## 6. Investigator Equipment (106,500)

This reduction will eliminate funding for 178 upgraded weapons and 70 upgraded bullet-proof vests. The new automatic weapons allow for more ammunition than the revolvers currently used by DPS. They also are safer, more accurate, and easier to load. The upgraded bullet-proof vests wrap around the body and, thus, provide more protection than the current DPS vests. Without this funding, officers face higher safety risks in their daily investigatory activities.

## 7. Travel Reduction (50,000)

This reduction will hamper some criminal investigations and curtail Bureau participation in training seminars and conferences on law enforcement issues.

Department: DEPT OF PUBLIC SAFETY  
Cost Center: CRIMINAL INVESTIGATION  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

8. Vehicle Fleet Reduction

(241,000)

Currently DPS owns an equipped law enforcement vehicle for every sworn officer. Reducing the fleet of the Criminal Investigation Bureau will reduce the inventory to less than one per officer. Cutting 20 vehicles from the Criminal Investigation fleet will save \$241,000 in vehicle replacement costs, fuel, and automobile repair. The cutback will result in a force that is less equipped to handle statewide emergencies, and has less flexibility in conducting daily operations.

Total Alternatives (26.0 FTE)

\$ (1,797,900)

Alternative Legislative Staff Recommendation.....\$ 10,046,100

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: HIGHWAY PATROL

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page PS-52).....\$ 28,914,200

## Recommended Alternatives:

1. Officer Trainee Program (14.0 FTE) \$ (301,300)

This program offers recent high school graduates an opportunity to directly explore careers in the law enforcement field. The program also provides DPS with relatively inexpensive and flexible labor, as well as an experienced labor pool from which to recruit sworn officers. The loss of the chance for potential officer candidates to learn about DPS operations and requirements, and the chance for DPS to observe the candidates' work performance will lower the success of officer recruitment and hiring procedures. The loss of 14 positions will result in backlogs of administrative work and will necessitate the shift of some Highway Patrol resources away from direct enforcement activities in order to reduce the administrative backlogs.

2. Motor Carrier Safety Program (23.0 FTE) (870,200)

This program provides inspections of commercial vehicles and enforcement of compliance with safety regulations. Without this program, the number of highway accidents involving commercial vehicles will increase, causing injuries, property damage, and deaths. The State will no longer be in compliance with federal motor carrier regulations, and will lose over half a million dollars in federal matching funds for motor carrier safety programs.

3. Travel Reduction (59,000)

This reduction will hamper some enforcement activities and will curtail Highway Patrol participation in training seminars and conferences on law enforcement issues.

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: HIGHWAY PATROL

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Recommended Alternatives: (Continued)

4. Patrol Officer Reduction (5.0 FTE) (276,500)

This option eliminates the five new patrol officer positions recommended by Legislative Staff as part of the current services budget. The reduction will make it difficult for DPS to provide adequate highway enforcement on the newly constructed highways in Maricopa County, and to meet the needs caused by the growth in highway traffic.

5. Vehicle Fleet Reduction (542,000)

Currently DPS owns an equipped law enforcement vehicle for every sworn officer. By eliminating vehicles for sworn officers who hold administrative positions, the Highway Patrol Bureau can reduce its fleet by 40 vehicles. This will save \$542,000 in vehicle replacement costs, fuel, and automobile repair. The cutback will result in a force that is less equipped to handle statewide emergencies and has less flexibility in conducting daily operations.

6. Highway Patrol Officers (15.0 FTE) (525,000)

This will eliminate 15 officer positions and reduce the level of enforcement and assistance on State highways. The accident rate could increase leading to more property damage, injuries, and deaths. Less enforcement of speed laws will result in more severe accidents; less enforcement of laws against driving under the influence will result in increased risks to innocent motorists.

Total Alternatives (57.0 FTE) \$ (2,574,000)

Alternative Legislative Staff Recommendation.....\$ 26,340,200

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page PS-56).....\$ 16,804,900

Recommended Alternatives:

- 1. Law Enforcement Instructor (1.0 FTE) \$ (44,400)

This position prepares and presents lessons in first aid, report writing, and physical training for the Arizona Law Enforcement Training Academy Basic Training classes and the DPS Advanced Basic Training Programs. With the loss of this instructor, these training duties will be picked up by remaining staff - or another instructor could possibly be hired with monies from the Peace Officers' Training Fund.

- 2. Department Library (1.0 FTE) (42,300)

The library currently collects training and research materials for use by all law enforcement agencies in the State. Closing the library will cancel services to outside agencies and leave only minimal services for DPS. The reduction will hamper the gathering of up-to-date law enforcement information and the operation of some training programs and special projects.

- 3. Loss Control/Safety Program (1.0 FTE) (39,400)

This position administers the Department's loss control program in conjunction with the Risk Management Division of the Department of Administration. Without this position, DPS will have an ad hoc loss control program with a possible increase in accidents and injuries, an increased vulnerability to lawsuits, and an increase in risk management insurance premiums. The Department could also inadvertently violate State and federal safety regulations.

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

## Recommended Alternatives: (Continued)

## 4. Hiring Unit (3.5 FTE) (138,900)

This unit recruits and selects employees to fill sworn positions within the Department. The reduction will shift the workload to the remaining hiring personnel and will result in delays in the hiring process. The Department will suffer as positions remain vacant longer and personnel analysts have less time to devote to the selection for each position.

## 5. Internal Department Security (11.0 FTE) (346,500)

The 11 security guards and 4 contract receptionists assist the public and monitor DPS facilities for fire and intruders. Without this security force the Department will have to severely restrict public access to all facilities. The reduction increases the risk of fire, theft and damage. It also increases the risk of violating the security of criminal records and evidence, which could hamper the prosecution of criminal cases.

## 6. Storekeeper (1.0 FTE) (24,700)

This position stocks and dispenses office and vehicle supplies for Tucson headquarters, and collects and distributes mail. The elimination will require the allocation of these duties to various other personnel. The office will become less efficient with less time spent on other operations.

## 7. Building Maintenance Technician (1.0 FTE) (32,500)

This reduction will lower the quality of facilities maintenance and increase response time for building repairs.

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

**Recommended Alternatives: (Continued)****8. Management Services (2.0 FTE) (95,800)**

The elimination of two Administrative Services Officers will reduce the Department's capacity to collect and analyze operational information. There will, thus, be less information available to use in making management decisions and the Department will become less efficient and less effective.

**9. Upgraded Weapons (12,800)**

This option removes funding for 29 upgraded automatic weapons for sworn officers. These weapons carry more ammunition and are safer and more accurate than the revolvers currently used by the Department. The reduction increases safety risks to officers in dangerous situations.

**10. Travel Reduction (43,000)**

This reduction will hamper coordination between Department offices throughout the State and will curtail participation in training seminars and conferences on law enforcement issues.

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Recommended Alternatives: (Continued)

11. Vehicle Fleet Reduction

(227,500)

Currently DPS owns an equipped law enforcement vehicle for every sworn officer. Removing vehicles for the officers in the Administration Bureau who do not have regular patrol duty will reduce the fleet by 70 vehicles. Proceeds from the sale of these vehicles go into the Highway Patrol Fund. The appropriation from that fund could be increased with a corresponding decrease in the General Fund appropriation. Additional General Fund savings will come from fuel and automobile repair. The cutback will result in a force that is less equipped to handle statewide emergencies and has less flexibility in conducting daily operations.

Total Alternatives (21.5 FTE)

\$ (1,047,800)

Alternative Legislative Staff Recommendation.....\$ 15,757,100

Department: DEPT OF PUBLIC SAFETY  
Cost Center: CRIMINAL JUSTICE SUPPORT  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: PAT WRIGHT

Legislative Staff Recommendation (Page PS-60).....\$ 8,976,600

Recommended Alternatives:

1. Airplane Transportation (3.0 FTE) \$ (280,900)

This reduction will eliminate most air travel for State business, but air transportation for the Governor will continue. State agencies will use ground transportation or commercial airlines instead of the DPS planes. One-time savings, in addition to the amount shown above, can be obtained through the sale of one or more aircraft.

2. Central Air Rescue (8.0 FTE) (870,300)

This option will discontinue the Central Medical Air Rescue operation. The amount shown above includes a one-time savings of \$350,000 through the cancellation of the purchase of a fifth helicopter. Medical rescues in the central area will be handled by private air ambulance services, and the new Maricopa County Sheriff's Office helicopter will handle some of the law enforcement missions. The three other DPS air rescue operations will also handle some of the calls that would have gone to the central rescue unit.

3. Travel Reduction (24,000)

This reduction will hamper the coordination between the three crime labs and will curtail participation in training seminars regarding criminal investigations equipment and other law enforcement issues.

Department: DEPT OF PUBLIC SAFETY  
Cost Center: CRIMINAL JUSTICE SUPPORT  
Analyst: DANA NAIMARK

House Subcommittee Chairman: BEV HERMON  
Senate Subcommittee Chairman: PAT WRIGHT

Recommended Alternatives: (Continued)

4. Vehicle Fleet Reduction

(162,500)

Currently DPS owns an equipped law enforcement vehicle for every sworn officer. Removing vehicles for the officers in the Criminal Justice Support Bureau who do not have regular patrol duty will reduce the fleet by 50 vehicles. Proceeds from the sale of these vehicles go into the Highway Patrol Fund. The appropriation from that fund could be increased with a corresponding decrease in the General Fund appropriation. Additional General Fund savings will come from fuel and automobile repair. The cutback will result in a force that is less equipped to handle statewide emergencies and has less flexibility in conducting daily operations.

Total Alternatives (11.0 FTE)

\$ (1,337,700)

Alternative Legislative Staff Recommendation.....\$ 7,638,900

Department: DEPT OF PUBLIC SAFETY

House Subcommittee Chairman: BEV HERMON

Cost Center: TELECOMMUNICATIONS

Senate Subcommittee Chairman: PAT WRIGHT

Analyst: DANA NAIMARK

Legislative Staff Recommendation (Page PS-62).....\$ 13,599,100

Recommended Alternatives:

1. Arizona Criminal Justice Information System \$ (50,000)

This reduction will not affect the current computer network connecting law enforcement agencies throughout the State. No new users can be added, however, and no system enhancements can be installed.

2. Travel Reduction (19,000)

This reduction will hamper coordination between the communications facilities throughout the State and will curtail participation in training seminars and conferences.

Total Alternatives (0.0 FTE) \$ (69,000)

Alternative Legislative Staff Recommendation.....\$ 13,530,100

Department: DEPARTMENT OF TRANSPORTATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: SUMMARY

Senate Subcommittee Chairman: JAN BREWER

Analyst: CY BLANTON

Legislative Staff Recommendation (Page TR-2 ).....\$ 82,200

Recommended Alternatives:

° Transportation Planning Division \$ (7,000)

° Public Transit Division -0-

Total Alternatives \$ (7,000)

Alternative Legislative Staff Recommendation.....\$ 75,200

Department: DEPARTMENT OF TRANSPORTATION

House Subcommittee Chairman: LESLIE JOHNSON

Cost Center: TRANSPORTATION PLANNING DIVISION

Senate Subcommittee Chairman: JAN BREWER

Analyst: CY BLANTON

Legislative Staff Recommendation (Page TR-8 ).....\$ 27,100

Recommended Alternatives:

1. Other Transit Planning \$ (7,000)

The proposed reduction would have an adverse effect on the ability of ADOT to administer and match fund these important programs. For every \$1 of General Fund reduction ADOT would lose \$4 of federal funding which goes into these important air quality mitigation and rural transit programs. The current program funds the Navajo Nation's Transit System, the Phoenix and Tucson Extra Regional Air Quality Transit Programs, and the Apache Junction Dial-A-Ride Program. The Apache Junction Program is a new program which is just getting under way. The original funding source for the Apache Junction Program was the Legislature's Omnibus Air Quality Program passed last year.

Total Alternatives \$ (7,000)

Alternative Legislative Staff Recommendation.....\$ 20,100

Department: AZ GEOLOGICAL SURVEY

House Subcommittee Chairman: BEV HERMON

Cost Center: AZ GEOLOGICAL SURVEY

Senate Subcommittee Chairman: DOUG TODD

Analyst: JOHN LEE

Legislative Staff Recommendation (Page NR-2).....\$ 532,200

Recommended Alternatives:

1. Lease and Utilities \$ (6,300)

Lease and utilities expenses can be saved by \$2,400 and \$3,900 respectively.

2. Accounting Clerk (1.0 FTE) (13,400)

The State Geologist will have to do more clerical work and lose his effectiveness.

3. Graduate Assistants (1.0 FTE) (16,100)

Professional staff will be required to do menial job duties, and slower service to the public who order publications by mail.

4. Clerk Typist II (0.6 FTE) (9,400)

Fewer geologic maps and reports will be completed because report typing will be delayed.

Total Alternatives (2.6 FTE) \$ (45,200)

Alternative Legislative Staff Recommendation.....\$ 487,000

Department: COMM. ON THE ARIZONA ENVIRONMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: COMM. ON THE ARIZONA ENVIRONMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page NR-32).....\$ 127,800

## Recommended Alternatives:

## 1. Other Operating Expenditures Base Reduction \$ (8,500)

## Communication -- \$ 5,000

This reduction would decrease funding available for the mailing of Commission publications, meeting notices, and minutes. Current service level funding for communication is \$14,200; actual expenditures in FY 1987 were \$6,600.

## Publications -- \$ 2,000

This reduction would eliminate funding for environmental reports, and retain funding to publish only the annual report. Current service level funding is \$3,200; actual expenditures in FY 1987 were \$3,100. Noted, also is SB 1006 (Chapter 202), Laws of 1986, which allows for monies in the Commission's revolving fund to be expended on publications. Fund balances to date, however, have allowed only for expenditures to be made with respect to the Commission's quarterly workshops.

## Operating Supplies -- \$ 500

This 23 percent reduction in funding for office supplies would mandate the implementation of greater cost efficiencies. Current service level funding is \$2,200; actual expenditures in FY 1987 were \$2,100.

Department: COMM. ON THE ARIZONA ENVIRONMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: COMM. ON THE ARIZONA ENVIRONMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: LIZ BOBOTEK BELLGARDT

Recommended Alternatives: (Continued)

Education and Training -- \$ 1,000

This reduction would eliminate 59 percent of funding available for staff to receive training, attend conferences, and receive publications. Current service level funding is \$1,700; actual expenditures for FY 1987 were \$1,100.

2. In-State Travel Base Reduction

(2,400)

This reduction would reduce 51 percent of funding available for travel throughout the State to hold meetings and discuss environmental issues which form the basis for recommendations made to the Governor and Legislature. Current service level funding is \$4,700; actual expenditures for FY 1987 were \$1,100.

Total Alternatives

\$ (10,900)

Alternative Legislative Staff Recommendation.....\$ 116,900

Department: STATE LAND DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page NR-36).....\$ 7,386,100

Recommended Alternatives:

- ° Staffing Reduction (7.0 FTE) \$ (208,800)
- ° Reduce Special Line Item Programs (96,100)
- ° Reduce Operating Services (68,000)
- ° Reduce Funding for Consulting Contracts (213,500)
- ° Elimination of Equipment (41,400)

Total Alternatives (7.0 FTE) \$ (627,800)

Alternative Legislative Staff Recommendation.....\$ 6,758,300

Department: STATE LAND DEPARTMENT  
Cost Center: ADMINISTRATIVE SERVICES  
Analyst: MARK FLANDERS

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page NR-40).....\$ 1,570,900

Recommended Alternatives:

1. Staffing Reduction (1.0 FTE) \$ (36,900)

This reduction would eliminate the agency's Legislative Liaison position. The Commissioner, Assistant Commissioner, and program directors would then be required to take a more active role in Land Department interactions with the Legislature and other State agencies. This could result in less efficient use of managerial time.

Total Alternatives (1.0 FTE) \$ (36,900)

Alternative Legislative Staff Recommendation.....\$ 1,534,000

Department: STATE LAND DEPARTMENT  
Cost Center: BOARD OF APPEALS  
Analyst: MARK FLANDERS

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page NR-44).....\$ 44,000

Recommended Alternatives:

1. Reduce Funding for Consulting Contracts \$ (3,000)

This reduction would reduce by 50 percent the Board's capacity to conduct independent outside evaluations of appraisals associated with the various types of leases the Department offers and administers. As a result, the Board could have to make decisions without having all pertinent information.

Total Alternatives \$ (3,000)

Alternative Legislative Staff Recommendation.....\$ 41,000

Department: STATE LAND DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: CONTRACTS AND RECORDS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page NR-46).....\$ 956,800

## Recommended Alternatives:

1. Reduce Funding for Consulting Contracts \$ (9,300)

Funding for contracts for engineering reports and title searches for Department-initiated land sales and exchanges would be reduced by 55 percent, resulting in less information on the land being available to the Department. Funding for hiring court reporters would be reduced by 45 percent, requiring the Department to use tape recorders and staff time for transcripts of administrative hearings.

2. Staffing Reduction (2.0 FTE) (46,600)

This reduction would eliminate one Right of Way Agent and one Examiner Technician position. Remaining staff would assume the workload of these positions, resulting in delays in processing road and utility easements and grazing, commercial and special-use leases and permits. The delays could result in a reduction of income to the State Land Trust.

3. Eliminate Equipment (6,900)

The Department would be unable to replace four desks, eight book cabinets and other office equipment. Employee efficiency could be reduced as utilization of old equipment would continue.

Total Alternatives (2.0 FTE) \$ (62,800)

Alternative Legislative Staff Recommendation.....\$ 894,000

Department: STATE LAND DEPARTMENT  
Cost Center: FORESTRY MANAGEMENT  
Analyst: MARK FLANDERS

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page NR-48).....\$ 701,500

Recommended Alternatives:

1. Staffing Reduction (3.0 FTE) \$ (89,900)

This reduction would eliminate one Natural Resources Manager and one Natural Resources Technician position. These positions are primarily assigned to fire dispatch, vehicle maintenance, trespass control and natural product sales. Eliminating these positions could result in a lower standard of wildfire suppression coordination, and reduced income from fewer forestry product sales.

In addition, one Equipment Mechanic position would be eliminated. This position is responsible for the maintenance of Department vehicles, and the rehabilitation of older vehicles for the rural firefighting units that assist the Department's fire control efforts. The reduction would result in a lower wildfire-fighting capacity in the rural areas.

2. Eliminate Equipment (21,500)

This reduction would prevent the Department from replacing a pickup truck and a radio repeater that are used in preventing and suppressing wildfires. The firefighting capacity of the Department could be diminished if other non-appropriated funds are not available for equipment.

Total Alternatives (3.0 FTE) \$ (111,400)

Alternative Legislative Staff Recommendation.....\$ 590,100

Department: STATE LAND DEPARTMENT  
Cost Center: NATURAL RESOURCES MANAGEMENT  
Analyst: MARK FLANDERS

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page NR-52).....\$ 1,711,400

Recommended Alternatives:

1. Reduce Special Line Item Programs \$ (55,600)

This reduction would cut Natural Resource Conservation District funding by 10 percent and cut Conservation Education funding by 50 percent. The result could be a lower level of knowledge in the State concerning the importance of conservation practices. In addition, separate funding for the clean-up of illegal dumps on State land would be eliminated.

2. Reduce Operating Services (40,000)

This reduction would cut In-State Travel by 35 percent. The result would be less on-the-ground assistance to lessees, less knowledge of activities on Trust lands, and a possible decrease in revenue due to fewer compliance checks and trespass investigations.

3. Eliminate Equipment (8,100)

This reduction would prevent the Department from replacing two map cabinets and four typewriters. The result could be a decrease in employee efficiency as equipment beyond its useful life would still be in service.

Total Alternatives \$ (103,700)

Alternative Legislative Staff Recommendation.....\$ 1,607,700

Department: STATE LAND DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: RESOURCE ANALYSIS

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page NR-56).....\$ 1,003,000

Recommended Alternatives:

1. Reduce Special Line Item Programs \$ (40,500)

This reduction would eliminate the Department's contribution for ADOT mapping services. This would probably result in fewer aerial maps being produced by ADOT, and less Land Department input concerning which maps are produced.

2. Eliminate Equipment (4,900)

This reduction would prevent the Department from replacing a graphics terminal for the Arizona Land Resource Information System (ALRIS). As a result, ALRIS would operate at a less than optimum level.

Total Alternatives \$ (45,400)

Alternative Legislative Staff Recommendation.....\$ 957,600

Department: STATE LAND DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: URBAN AND COMMERCIAL DEVELOPMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Legislative Staff Recommendation (Page NR-60).....\$ 1,398,500

## Recommended Alternatives:

## 1. Reduce Operating Services

\$ (28,000)

This reduction would cut advertising for urban land sales and commercial leases by 60 percent, cut new printing by 80 percent, and cut In-State Travel by 10 percent. The Department would depend on required legal advertising, word of mouth, and free trade journal publicity to advertise sales and leases. The result could be less competitive auctions, with lower potential revenues for the State Land Trust.

## 2. Reduce Funding for Consulting Contracts

(201,200)

This reduction would cut contracts for planning sales and leases in the state's smaller communities by 80 percent, cut monies available for appraisal contracts by 40 percent, and cut contracts for commercial leasing consultants by 50 percent. All of these contracts are necessary to continue an aggressive strategy of planning and marketing urban land sales and leases. Reducing funding for the contracts could have a detrimental effect on revenues generated by the Department in the long run.

Department: STATE LAND DEPARTMENT

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: URBAN AND COMMERCIAL DEVELOPMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: MARK FLANDERS

Recommended Alternatives: (Continued)

3. Staffing Reduction (1.0 FTE) (35,400)

This reduction would eliminate one Planner position, with the result that 2,000 to 3,000 acres less of State land would be planned for sale or lease annually. The Department estimates that the long-term consequences of this reduction could be \$60 to \$100 million less in revenue generated for the State Land Trust.

Total Alternatives (1.0 FTE) \$ (264,600)

Alternative Legislative Staff Recommendation.....\$ 1,133,900

Department: DEPT OF MINES AND MINERAL RESOURCES House Subcommittee Chairman: BETTY ROCKWELL  
Cost Center: DEPT OF MINES AND MINERAL RESOURCES Senate Subcommittee Chairman: JAMES SOSSAMAN  
Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page NR-62 ).....\$ 461,800

Recommended Alternatives:

1. Mining Engineer Staff Reduction (1.0 FTE) \$ (39,300)

The elimination of one of the two Mining Engineer positions in the Tucson office would generate a savings of \$32,100 in Personal Services, \$6,700 in Employee Related Expenditures and \$500 in In-State Travel. In FY 1989 the Tucson office is estimated to respond to approximately 6 visitor contacts and 17 telephone contacts daily, conduct approximately 3 mine visits and 4 field interviews monthly, as well as prepare approximately 3 publications annually. The elimination of one Mining Engineer would leave one Mining Engineer and one Secretary in the Tucson office to assume these functions.

Total Alternatives (1.0 FTE) \$ (39,300)

Alternative Legislative Staff Recommendation.....\$ 422,500

Department: OIL AND GAS CONSERVATION COMMISSION House Subcommittee Chairman: BETTY ROCKWELL  
 Cost Center: OIL AND GAS CONSERVATION COMMISSION Senate Subcommittee Chairman: JAMES SOSSAMAN  
 Analyst: LIZ BOBOTEK BELLGARDT

Legislative Staff Recommendation (Page NR-66).....\$ 193,900

Recommended Alternatives:

1. Personal Services Base Reduction \$ (2,900)

\$2,400 in Personal Services and \$500 in Employee Related Expenditures could be reduced from the base by eliminating funds designated to pay unused leave for the retiring Oil and Gas Program Administrator.

2. Downgrade of the Oil and Gas Program Administrator Position (13,000)

Inspection of drilling, production and storage operations is currently performed by the Executive Director, and the Oil and Gas Program Administrator. The present Oil and Gas Program Administrator is funded at the top step of Grade 20, and will retire in August of 1988. This position, with verbal approval from State Personnel, could be downgraded to Oil and Gas Specialist and would be filled at the entry level of Grade 19 to achieve a savings of \$10,900 in Personal Services and \$2,100 in Employee Related Expenses. This would result in the position being filled with a less experienced person, who may, therefore, require additional training.

3. Other Operating Expenditures Base Reduction (600)

This reduction would mandate the implementation of greater cost efficiencies. Specifically, this reduction would most likely result in the elimination of repair and maintenance contracts for office equipment.

Total Alternatives \$ (16,500)

Alternative Legislative Staff Recommendation.....\$ 177,400

Department: STATE PARKS BOARD  
Cost Center: ADMIN. & SUPPORT SERVICES  
Analyst: MARK FLANDERS

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Legislative Staff Recommendation (Page NR-70 ).....\$ 5,622,400

Recommended Alternatives:

1. Eliminate Temporary Employees and Overtime \$ (318,100)

This reduction would cause a lower level of services to park visitors, and would decrease necessary maintenance of the parks. Professional park staff would be required to assume the temporaries' duties and chores, thus underutilizing their skills. Park interpretive and educational programs could be curtailed.

2. Seasonal Staff Reduction (6.35 FTE) (117,700)

This reduction would further erode park services and maintenance. With reduced maintenance and fewer staff safety patrols, the risk of injury to visitors could increase. In the long run, the deteriorating condition of the parks could lead to less visitors and less General Fund revenues from visitation fees.

3. Reduce Operating Equipment (42,100)

This reduction would eliminate all office, air cooling, communications and audio/visual replacement equipment. This would result in a less adequate working environment for employees and a less enjoyable recreational experience for park visitors.

Total Alternatives (6.35 FTE) \$ (477,900)

Alternative Legislative Staff Recommendation.....\$ 5,144,500

Department: DEPT OF WATER RESOURCES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: AGENCY SUMMARY

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page NR-78).....\$ 11,472,700

Recommended Alternatives:

° Administration (3.0 FTE)	\$ (217,400)
° Water Management (5.0 FTE)	(549,100)
° Engineering (2.0 FTE)	(208,700)
	<hr/>
Total Alternatives (10.0 FTE)	\$ <u>(975,200)</u>

Alternative Legislative Staff Recommendation.....\$ 10,497,500

Department: DEPT OF WATER RESOURCES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ADMINISTRATION

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page NR-82).....\$ 3,713,700

## Recommended Alternatives:

1. Reduce All Other Operating Expenditures \$ (27,200)

The Department indicates the following impacts from the reduction:

- Inadequate support of personnel.
- Copying and training will be reduced.
- Fewer documents will be available to the public.
- Expected delays in schedules for certain tasks.

2. Further Reduction in Other Operating Expenditures (48,800)

The reduction will impact the Department's ability to provide data processing support for the entire agency. It will also affect the Department's ability to provide statutorily required forms for public use and educational materials.

3. Reduce Legal Counsel (50,000)

The Department may be unable to pay for hearing officers on contested cases and for outside legal counsel on cases where Department attorneys have conflicts.

Department: DEPT OF WATER RESOURCES  
Cost Center: ADMINISTRATION  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives; (Continued)

4. Reduction in Force (3.0 FTE) (91,400)

The Department will have reduced administrative and secretarial capability. The reduction will increase the workload and stress level for remaining employees and will eliminate the Department's Federal Grant capability.

Total Alternatives (3.0 FTE) \$ (217,400)

Alternative Legislative Staff Recommendation.....\$ 3,496,300

Department: DEPT OF WATER RESOURCES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: ENGINEERING

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page NR-84).....\$ 3,028,300

## Recommended Alternatives:

1. Reduce All Other Operating Expenditures \$ (14,800)

The Department indicates the following from the reduction:

- Inadequate support of personnel.
- Copying and training will be reduced.
- Fewer documents will be available to the public.
- Expected delays in schedules for certain tasks.

2. Eliminate the USGS West Salt River Valley Study and Reduce the Power Records Program (34,000)

The West Salt River Valley study is scheduled for completion in FY 1989. The study is 50 percent funded by the State and 50 percent federally funded. If the State withdraws funding, the Federal Government will withdraw matching amounts. Results from the completed study will be used in the management of the Phoenix AMA and in the tracking and predicting future movements of contaminated groundwater.

3. Reduce Early Flood Warning (29,000)

This reduction will not allow for the initial installment of gauges and a computer in the Oak Creek/Sedona area.

4. Environmental Quality (25,000)

Water quality analysis will be eliminated at several sites. This will leave gaps in historic data that are not recoverable.

Department: DEPT OF WATER RESOURCES  
Cost Center: ENGINEERING  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives: (Continued)

- 5. Eliminate the USGS Predictive Accuracy Model Project and Reduce Flood Control Plans Development. (47,800)

The USGS Project is 50 percent funded by the State and 50 percent federally funded. If the State were to withdraw funding, the Federal Government would withdraw the matching amount. Without the development of this model, the State would not know the reliability of our predictions of groundwater declines and hazardous waste movement.

The reduction in flood control plans development will reduce in size the area mapped for high flood hazard areas in the State.

- 6. Reduction in Force (2.0 FTE) (58,100)

The Department will eliminate the groundwater modeling in support of the EPA superfund project and will delay installation of certain flood warning systems.

Total Alternatives (2.0 FTE) \$ (208,700)

Alternative Legislative Staff Recommendation.....\$ 2,819,600

Department: DEPT OF WATER RESOURCES

House Subcommittee Chairman: BETTY ROCKWELL

Cost Center: WATER MANAGEMENT

Senate Subcommittee Chairman: JAMES SOSSAMAN

Analyst: STEVE MILLER

Legislative Staff Recommendation (Page NR-88).....\$ 4,730,700

## Recommended Alternatives:

1. Reduce All Other Operating \$ (24,800)

The Department indicates the following will result from the reduction:

- Inadequate support of personnel.
- Copying and training will be reduced.
- Fewer documents will be available to the public.
- Expected delays in schedules for certain tasks.

2. Reduced Water Conservation and Hydrographic Survey Reports (297,800)

Will reduce the Department's capability to support Urban Agriculture and Industrial Water Conservation requirements of the second management plan.

A pilot HSR for the San Carlos Indian Reservation is scheduled for completion in FY 1989. The court and parties to the adjudication of these water rights will review the report and determine its adequacy to support the court in deciding on this issue. The reduction will delay the report and limit the thoroughness of the report.

3. Reduced Computer Programming (49,900)

Will increase workload on internal computer programming staff resulting in delays in completing the preliminary hydrographic survey reports for the San Pedro, Salt River and Snowflake watersheds.

Department: DEPT OF WATER RESOURCES  
Cost Center: WATER MANAGEMENT  
Analyst: STEVE MILLER

House Subcommittee Chairman: BETTY ROCKWELL  
Senate Subcommittee Chairman: JAMES SOSSAMAN

Recommended Alternatives: (Continued)

4. Reduction in Force (5.0 FTE) (176,600)

The reduction will reduce or eliminate activity in the following functional areas:

- Adjudication: Data Entry, File Management, File Retrieval, Investigations and the Intern Program.
- Surface Water violations and investigations.
- Phoenix and Tucson AMA Offices.
- Groundwater withdrawal permit processing.

Total Alternatives (5.0 FTE) \$ (549,100)

Alternative Legislative Staff Recommendation.....\$ 4,181,600