STATE OF ARIZONA

ANNUAL BUDGET

FY 1990

ANALYSIS AND RECOMMENDATIONS

JLBC

PREPARED BY THE STAFF

OF THE

JOINT LEGISLATIVE BUDGET COMMITTEE

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February 6, 1989

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

The Honorable Pat Wright
Vice-Chairman
Joint Legislative Budget Committee
State of Arizona

Dear Representative Wettaw and Senator Wright:

On behalf of the Staff of the Joint Legislative Budget Committee, it is my pleasure to transmit to you and the entire 39th legislature of the State of Arizona, our budget analysis and recommendations for Fiscal Year 1990, which begins on July 1 of this year.

Once again, our budget recommendation has been developed under the constraint of a revenue forecast which falls far short of a "Baseline Budget", or current services requirement. Accordingly, you will find that a number of budget reduction measures are included in the Analysis and Recommendations book. That book has been expanded to include a new section this year. It is called "Other Issues for Legislative Consideration" and is presented at the program level. Its purpose is to provide further options for increasing or reducing programs that may be considered during the preparation of the Fiscal Year 1990 Appropriations.

Our recommendations are contained in four volumes:

(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) Fiscal Year 1990 Capital Outlay Budget Recommendations By The Staff of the Joint Committee On Capital Review.

(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 39th Arizona Legislature in developing the Appropriations Acts and related Appropriations Report for FY 1990.

Sincerely,

Theodore A. Ferris
Staff Director and
Legislative Budget Analyst

DESCRIPTION OF METHODOLOGY EMPLOYED IN DEVELOPING JLBC STAFF RECOMMENDED BUDGET FOR FY 1990

BASELINE BUDGET

As a major step in developing the JLBC budget recommendation for FY 1990, a "Baseline Budget" was prepared for each agency, department or budget category. The baseline budget 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. A Baseline Budget serves two purposes:

1) It allows for an important early comparison of estimated FY 1990 revenues to estimated FY 1990 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 1990;

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 Baseline begins with the current year's budget (FY 1989) 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 Baseline Budget includes a standard set of vacancy factors, which represent a percentage of an agency's unexpended Personal Services. Agencies typically do not spend 100% of Personal Services for a number of reasons. For example, employee turnover will normally result in positions being vacant for some period of time. In addition, the departure of long-term employees will often result in savings as they are replaced by less-experienced, lower-paid personnel.

The standard vacancy factors vary with the number of agency personnel. Larger organizations tend to have more turnover, which results in greater vacancy savings. The Executive has used these same factors in developing their recommendation:

Agency FTE Positions	Vacancy Factor
0-25	0.0%
26-50	1.0
51-100	1.5
101-250	2.0
251 and over	3.0

These factors are guidelines and may be adjusted if historical or other factors indicate a higher or lower rate.

The Baseline calculation of health insurance costs within Employee Related Expenditures has been revised from the prior year's method. An agency's health insurance cost was previously derived by using one single statewide rate, differentiated only for the agency's estimate of single or family coverage. To increase the estimates' accuracy, we have developed agency-specific rates, which reflect the actual mix of health plans selected by the employees and the actual mix of single and family coverages.

Each agency's average health insurance premium was also adjusted upward by 15%. This growth factor reflects the rapid increase in health insurance prices nationwide. It may be necessary to revise this estimate once the Department of Administration (DOA) receives insurance companies' bids for FY 1990 health coverage.

The JLBC Staff in projecting the baseline budgets requirements for FY 1990 used an estimated standard inflation factor of 4.0%. Motor pool rates were based upon the Department of Administration's FY 1990 schedule. For the second year in a row, we are not recommending monies to pay rent for agencies funded from the General Fund and occupying space in the Capitol Mall.

The JLBC Staff developed the above adjustments in consultation with the Executive Budget Office. For the most part, these adjustments were made uniformly throughout the various State agencies in both the JLBC Staff and Executive recommendations.

POLICY ISSUES

--JLBC STAFF RECOMMENDED POLICY ISSUES

A second major step in the development of the JLBC Staff budget recommendation is an analysis of policy issues. Such issues represent either an increase or decrease in the level of spending as compared to the Baseline Budget. As such, a policy issue either enhances or reduces the comparable set of services or level of real financial support that was provided in the previous fiscal period.

The JLBC Staff's recommended policy issues would significantly reduce the Baseline spending level. This amount primarily consists of actual reductions in agency operating budgets, but the recommendation includes additional funds for critical issues such as Behavioral Health.

In developing these options, the JLBC Staff reviewed each of the recommendations of the Arizona Cost Efficiency Commission (ACEC), otherwise known as the "Mini-Grace Commission" and incorporated them where appropriate.

--OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

A third step in the development of the budget recommendation is an analysis of other potential policy issues, not currently recommended by JLBC Staff. Most of the options represent alternatives for further reducing the level of spending. These options were designed to produce "hard" programmatic reductions, which would be of a permanent nature. These "reduction options" total $121,877,900.

ANALYSIS OF THE EXECUTIVE RECOMMENDATION

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 other things, shall include recommendations of the budget analyst for revisions in expenditures."

We have highlighted the differences between the JLBC Staff and the Executive recommendation in each section of our analysis, namely, the Baseline Budget, Recommended Policy Issues and Other Issues for Legislative Consideration. The latter includes Executive recommendations not included in either the Baseline or the JLBC Staff Recommended Policy issues.

CALCULATION OF THE STATE APPROPRIATIONS LIMIT FY 1989 AND FY 1990

Article IX, Section 17 of the Constitution of the State of Arizona, establishes a limit on state appropriations. Under this limit, the appropriation of certain state revenues may not exceed 7.18% of Arizona Personal Income. In general, these revenues consist of (1) taxes, (2) University collections and (3) licenses, fees and permits. These revenues may be either general or earmarked for special purposes. The appropriation of certain other State revenues is not restricted by the appropriations limitation. These revenues include (1) interest and dividends, (2) amounts received from the issuance of bonds, (3) receipts from sales and rentals and consideration for services, (4) contributions, grants and gifts, (5) amounts received by the State in the capacity of trustee, custodian or agent, etc. These revenues too, may be general or earmarked for special purposes.

During most of the past decade, this appropriations limit was not a factor, as strong personal income growth outpaced the growth of appropriations subject to the limit. However, this may no longer be the case. Instead, as personal income growth has slowed, the growth of appropriations subject to the limit has exceeded the growth of personal income in FY 1988, FY 1989 and in our recommendations for FY 1990. As shown in the table below, the JLBC Staff now estimates that current year appropriations will fall some $124 million (3.3%) short of the limit, while the JLBC Staff recommendation for FY 1990 is a similar $123 million (3.0%) below the limit:

FY 1989/FY 1990 STATE APPROPRIATIONS LIMIT JLBC STAFF ESTIMATE ($ MILLIONS)

	FY 1989	FY 1990
o AZ. PERSONAL INCOME	$53,000	$57,240
o LIMIT FACTOR	x .0718	x .0718
o EQUALS: APPROPRIATIONS LIMIT	$ 3,805	$ 4,110
o ESTIMATED APPROPRIATIONS FROM REVENUE SUBJECT TO THE LIMIT	$ 3,681	$ 3,987
o EQUALS: ADDITIONAL AMOUNTS AVAILABLE FOR APPROPRIATION	$ 124	$ 123

Given, (1) that the Executive recommendation exceeds the JLBC Staff by $106 million in General Fund dollars alone, (2) that there is a lack of a formalized process for determining where we stand vis-a-vis the limit, and (3) given that there are many "grey areas" subject to interpretation, we strongly recommend that executive and legislative staff work cooperatively to reach a consensus on our status with regard to the appropriations limit.

JLBC STAFF RECOMMENDS THE ESTABLISHMENT OF A BUDGET STABILIZATION FUND

Like 47 other states, Arizona has a balanced-budget requirement (Art. IX, Sec. 3-4). Any unforeseen deficit in the general fund becomes the first obligation in the ensuing fiscal period. Attempts are made to eliminate prospective deficits prior to the conclusion of a fiscal year. Surpluses are returned to the people of the state either through tax cuts or new or expanded programs. However, the combination of a rapidly-growing, but highly-volatile state economy, and miniscule projected carry-forward balances has resulted in an unintended game of "budget roulette" in recent years.

Even more so than the national economy, Arizona's economy experiences expansions and recessions of varying magnitudes. During the recessionary phase of the business cycle, there is an increased need for state-provided services, particularly in the area of social services and protection and safety. However, the slow economic activity associated with a recession leaves the state with insufficient revenues to fund such programs. This places even greater strains on the economy itself by forcing decision-makers to choose between spending cuts or tax increases--two unpalatable alternatives during a recession.

In response to fluctuations in revenues and corresponding funding problems, a sizeable majority of states (34) have enacted a variety of counter-cyclical fiscal strategies. Although there are several types of Budget Stabilization Funds in effect today, all share a common theme: To set aside revenues during times of strong economic growth, and to spend these revenues during periods of weak growth or decline. Their common purpose is to provide a built-in revenue stabilizer in order to reduce the state's vulnerability to economic fluctuations.

Several benefits to Arizona would arise from the establishment of such a county-cyclical fiscal policy. Among these benefits, a Budget Stabilization Fund would:

1. Combat the "tax-spend syndrome", whereby recession-induced tax increases lead to revenue surpluses during periods of economic expansion, which lead to new program initiatives or tax cuts during an expansion, only to be followed by more severe revenues shortfalls in the next recession, and so on and so forth;

2. Cushion peaks and valleys in revenues and expenditures;

3. Achieve efficiencies in capital outlays in construction programs which typically are the first items to be cut in a recession (Resource prices, labor included, are typically cheaper in recessionary times.); and,

4. Lessen unemployment and the loss of income associated with economic recessions (i.e. it is anti-recessionary) and would smooth revenue and expenditure fluctuations over the business cycle.

The best time to start a BSF is when the economy is soft and no pay-in is required. Thereafter, as the economy rebounds, monies can be set aside to prepare for the next economic slowdown.

HB 2005 would establish a formula-driven, economically-determined BSF for Arizona. Although the formula may require "fine-tuning", it represents an approach which would accomplish all the objectives outlined above.

SENATE APPROPRIATIONS COMMITTEE
PAT WRIGHT - Chairman
Subcommittee Assignments - 39th Legislature 1989-90

CRIMINAL JUSTICE/TRANS.	HEALTH/WELFARE/AGRIC.	GENERAL GOVERNMENT/LEG.	EDUCATION/NAT.
PATTERSON, Chairman Members: Steiner, Hardt, Wright	GILLESPIE, Chairman Members: Mawhinney, Gabaldon, Alston, Wright	BREWER, Chairman Members: Hays, Walker, Higuera, Wright	CORBET, Chairman Members: Todd, Gutierrez, Wright
Attorney General	Ag. & Hort., Comm. of	ADMINISTRATION, DEPT. OF	Arts, Comm. on the
Boxing Commission	Agricultural Empl. Rel. Bd.	Affirmative Action, Off. of	COMMUNITY COLLEGES
Corporation Commission	AHCCCS	Auditor General	DEAF & BLIND, SCHOOL FOR
CORRECTIONS, DEPT. OF	Bldg. & Fire Sfty.	Banking Department	EDUCATION, DEPT. OF (K-12)
COURTS	Coliseum & Expo. Ctr.	Commerce, Dept. of	Game & Fish Department
Appellate/Trial Court	Contractors, Registrar of	Emer. Svcs. & Mil. Affairs	Geological Survey
Jud. Qual. Commission	Dairy Commission	Governor, Office of the	Historical Society, AZ
Court of Appeals	ECONOMIC SECURITY, DEPT. OF	Insurance, Dept. of	Historical Society, Prescott
Superior Courts	Environment, Comm. on AZ.	Joint Legislative Bud. Cmte.	Indian Affairs, Comm. of
Supreme Court	ENVIRONMENTAL QUAL., DEPT. OF	Legislative Council	Land Department
Criminal Justice Comm.	HEALTH SERVICES, DEPT. OF	Library, Archives & Pub. Rec.	Medical Student Loans Bd.
Law Enforce. Merit Syst.	Hearing Impaired, Council	Lottery Commission	Mine Inspector
Liquor Licenses & Control	Industrial Commission	Personnel Board	Mines & Mineral Res., Dept.
Pardons & Paroles, Bd. of	Livestock Board	Racing, Dept. of	Oil & Gas Conserv. Comm.
PUBLIC SAFETY, DEPT. OF	Occup. Sfty & Hlth Rev. Bd.	Real Estate Department	Parks Board
Radiation Reg. Agency	Pioneers' Home	Retirement System	Private Postsecond. Ed.
Residential Util. Cnsmr. Ofc.	Rangers' Pension	REVENUE, DEPT. OF	UNIVERSITIES
	Veterans' Services Commission	Secretary of State	ASU
	WATER RESOURCES, DEPT. OF	Senate/House	ASU-West
	Weights & Measures, Dept. of	Tax Appeals Board	NAU
		Tourism, Office of	Regents, Bd. of
		TRANSPORTATION, DEPT. OF	U of A
		Treasurer	U of A/Medical College
		Uniform State Laws, Comm. on	

Revised
1/31/89

HOUSE APPROPRIATIONS COMMITTEE
JOHN WETTAW - Chairman
Subcommittee Assignments - 39th Legislature 1989-90

BURNS, Chairman Members: Williams, Rosenbaum, Wilcox, Wettaw	ESKESEN, Chairman Members: Hermon, Evans, Wettaw	GERARD, Chairman Members: Wessel, Pacheco, Wettaw	MILLER, Chairman Members: Barnes, McLendon, Cajero, Wettaw
Accountancy, Bd. of	Ag. & Hort., Comm. of	ADMINISTRATION, DEPT. OF	Arts, Comm. on the
AHCCCS	Agricultural Empl. Rel. Bd.	Affirmative Action, Off. of	Commerce, Dept. of
ATTORNEY GENERAL	Bldg. & Fire Sfty.	Auditor General	COMMUNITY COLLEGES
Boxing Commission	Coliseum & Expo. Ctr.	Banking Department	DEAF & BLIND, SCHOOL FOR
Chiropractic Exam. Bd.	Contractors, Reg. of	Barber Exam. Bd.	EDUCATION, DEPT. OF (K-12)
CORRECTIONS, DEPT. OF	Dairy Commission	Corporation Commission	Game & Fish Department
COURTS	Dental Exam. Bd.	Cosmetology, Bd. of	Geological Survey
Appellate/Trial Court	ECONOMIC SECURITY, DEPT. OF	*Funeral Dir. & Embalm. Bd.	Historical Society, AZ
Court of Appeals	Emer. Svcs. & Mil. Affairs	Governor, Office of the	Historical Society, Prescott
Jud. Qual. Commission	Environment, Comm. on AZ.	*Homeopathic Med. Exam. Bd.	Indian Affairs, Comm. of
Superior Courts	ENVIRONMENTAL QUAL., DEPT. OF	Insurance, Dept. of	Land Department
Supreme Court	HEALTH SERVICES, DEPT. OF	Joint Legislative Bud. Cmte.	Medical Student Loans Bd.
Criminal Justice Comm.	Hearing Impaired, Council	Legislative Council	Mine Inspector
Egg Inspection Bd.	Industrial Commission	Library, Archives & Pub. Rec.	Mines & Mineral Res., Dept.
Law Enforce. Merit Syst.	Livestock Board	Lottery Commission	Oil & Gas Conserv. Comm.
Liquor Licenses & Control	Occup. Sfty & Hlth Rev. Bd.	Medical Exam., Bd. of	Parks Board
Nursing Board	Pioneers' Home	*Naturopathic Physicians	Private Postsecond. Ed.
Pardons & Paroles, Bd. of	PUBLIC SAFETY, DEPT. OF	*Nursing Care Inst. Admin.	Tourism, Office of
Pharmacy Board	Rangers' Pension	*Opticians, Bd. of Dispensing	TRANSPORTATION, DEPT. OF
Radiation Reg. Agency	Veterans' Services Commission	*Optometry, Board of	UNIVERSITIES
Structural Pest Control Bd.	WATER RESOURCES, DEPT. OF	Osteopathic Exam. Bd.	ASU
Technical Registration, Bd.of	Weights & Measures, Dept. of	Personnel Board	ASU-West
		*Physical Therapy Exam. Bd.	NAU
		*Podiatry Examiners Bd.	Regents, Bd. of
		*Psychologist Exam. Bd.	U of A
		Racing, Dept. of	U of A/Medical College
		Real Estate Department	
		Residential Util. Consmr. Ofc.	
		Retirement System	
		REVENUE, DEPT. OF	
		Secretary of State	
		Senate/House	
		Tax Appeals Board	
		Treasurer	
		Uniform State Laws, Comm. on	
		*Veterinary Med. Exam. Bd.	

*Central Board Services -
Department of Administration

12/16/88

JOINT LEGISLATIVE BUDGET COMMITTEE

The Joint Legislative Budget Committee was first established on April 25, 1966, pursuant to Laws 1966, Ch. 96. Thereafter, Laws 1979, Ch. 187 expanded and altered the Committee membership. The Committee members are:

Representative John Wettaw, Chairman - 1989	Senator Pat Wright Chairman - 1990
Representative Carmen Cajero	Senator Jan Brewer
Representative Ruth Eskesen	Senator Jaime Gutierrez
Representative Henry Evans	Senator A. V. "Bill" Hardt
Representative Mark Killian	Senator John Hays
Representative Jim Meredith	Senator John Mawhinney
Representative Jim Miller	Senator Tom Patterson
Representative Polly Rosenbaum	Senator Doug Todd

The primary powers and duties of the Joint Legislative Budget Committee relate to ascertaining facts and making recommendations to the legislature regarding all facets of the State budget, State revenues and expenditures, future fiscal needs, and the organization and functions of State government.

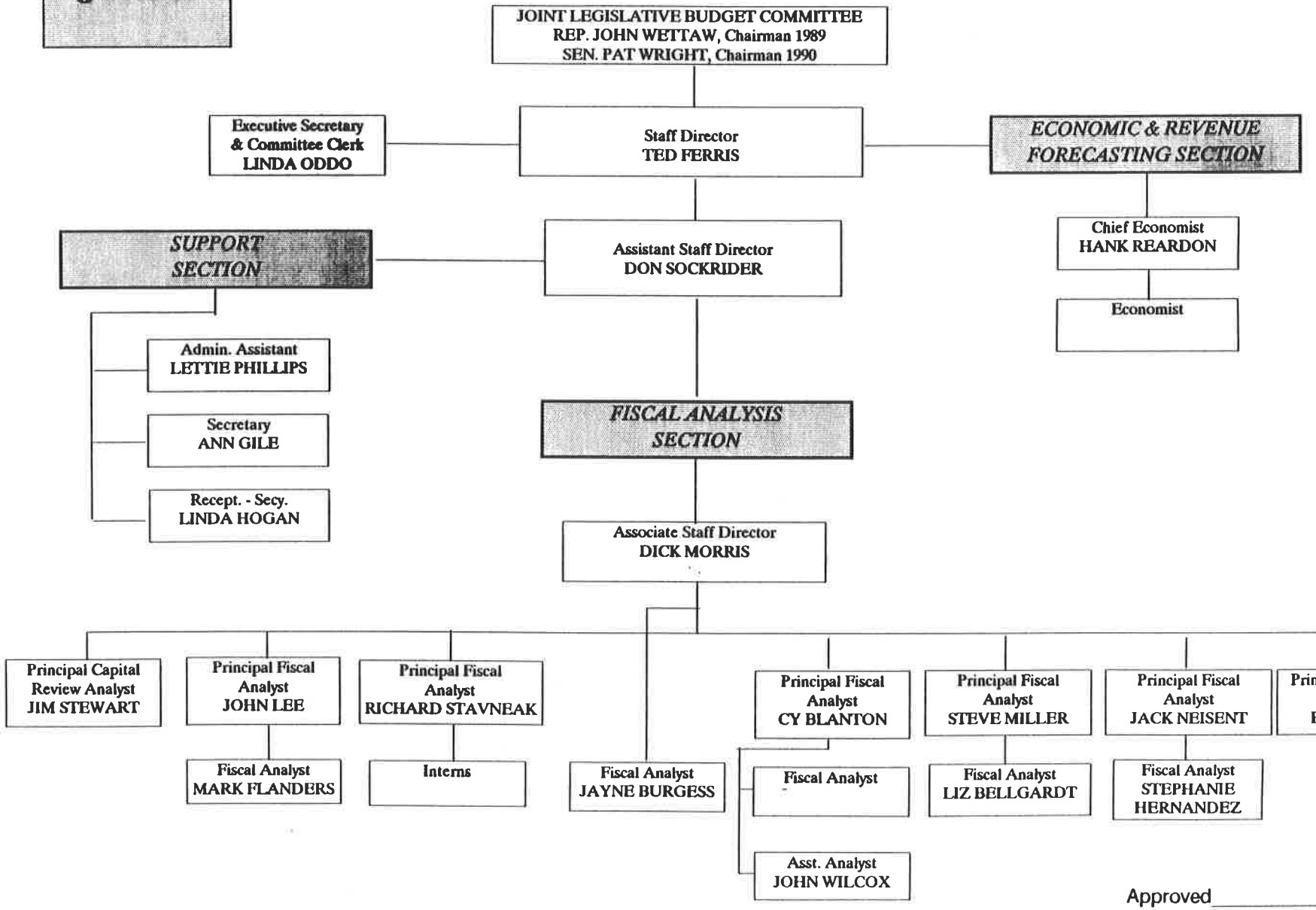
The Joint Legislative Budget Committee appoints a Staff Director and Chief Executive Officer who is responsible for providing staff support and sound technical analysis to the Committee. The objectives and major products of the staff of the Joint Legislative Budget Committee are:

- ***Analysis and Recommendations for the Annual State Budget***, which are presented in January of each year;
- Technical, analytical, and preparatory support in the development of ***appropriations bills*** considered by the legislature;
- An annual ***Appropriations Report***, which is published shortly after the budget is completed and provides detail on the budget along with a further explanation of legislative intent;
- Support to the ***Joint Committee on Capital Review*** with respect to all capital outlay issues including land acquisition, new construction, and building renewal projects.
- Preparation of ***fiscal notes*** or those bills considered by the legislature having a fiscal impact on the state or any of its political subdivisions;
- ***Management and Fiscal Research Reports*** related to state programs and state agency operations;
- Periodic ***economic and state revenue forecasts;***
- Periodic ***analysis of economic activity, state budget conditions***, and the relationship of one to the other.

Joint Legislative Budget Committee
1716 West Adams
Phoenix, Arizona 85007
Ph: (602) 542-5491

Theodore A. Ferris,
Staff Director

JLBC



Approved_____
Date: 1/10/89

DIRECTORY OF JLBC ANALYSTS AND AGENCY/DEPARTMENT HEADS

AGENCY/DEPT./BUDGET AREA	JLBC ANALYST	DIRECTOR	TELEPHONE NUMBER
Accountancy, Board of	Jayne Burgess	Ruth R. Lee	255-3648
Administration, Department of	Steve Miller	Catherine Eden	542-1500
Affirmative Action, Gov's Office of	Liz Bobotek Bellgardt	Brenda Smith	542-3711
Agricultural Employment Rel. Bd.	Stephanie Hernandez	Maxine McCarthy	542-5989
Agri. & Horticulture, Comm. of	Stephanie Hernandez	Dr. Ivan J. Shields	542-4373
AHCCCS	Cy Blanton	Dr. Leonard Kirschner	234-3655
Arizona State University	John Lee	Dr. J. Russell Nelson	965-9606
Arts, Commission on the	Jack Neisent	Shelley Cohn	255-5882
Attorney General - Department of Law	Steve Miller	Hon. Robert K. Corbin, Atty. General	542-4266
Auditor General	Liz Bobotek Bellgardt	Douglas R. Norton	542-4385
Banking Department	Mark Flanders	Mary Short	255-4421
Barber Examiners, Board of	John Wilcox	Mario Herrera	542-4498
Boxing Commission	Stephanie Hernandez	John Montano	542-1417
Building & Fire Safety, Dept. of	Mark Flanders	Don Reville	255-4072
Chiropractic Examiners, Board of	Jayne Burgess	Sylva Aldredge	255-1444
Coliseum and Exposition Center	Liz Bobotek Bellgardt	Gary D. Montgomery	252-6771
Commerce, Department of	Liz Bobotek Bellgardt	David Jankofsky	542-5371
Community Colleges, Bd. of Dir. for	Stephanie Hernandez	Wayne McGrath	255-4037
Contractors, Registrar of	Mark Flanders	John White	542-1525
Corporation Commission	Liz Bobotek Bellgardt	Renz Jennings	542-4143
Corrections, Department of	Dick Morris	Samuel A. Lewis	542-5497
Cosmetology, Board of	John Wilcox	Sue Sansom	542-5301
Court of Appeals, Div. I	Steve Miller	Bill McDonald	542-5305
Court of Appeals, Div. II	Steve Miller	Bill McDonald	542-5305
Criminal Justice Commission, Arizona	Jayne Burgess	Peter Haynes	255-1928
Dairy Commissioner	Stephanie Hernandez	Roy Collier	255-4189
Deaf and Blind, School for the	Jack Neisent	Barry L. Griffing, Ed.D.	628-5261
Dental Examiners, Board of	John Wilcox	Mathew Wheeler	255-3696
Economic Security, Department of	Richard Stavneak	Edd F. Brown	542-5678
Education, Department of	Jack Neisent	Hon. C. Diane Bishop, Superintendent	542-4361

DIRECTORY OF JLBC ANALYSTS
AND AGENCY/DEPARTMENT HEADS

AGENCY/DEPT./BUDGET AREA	JLBC ANALYST	DIRECTOR	TELEPHONE NUMBER
Egg Inspection Board	Stephanie Hernandez	Carl R. Biehler	542-5741
Emer. Services and Military Affairs	Mark Flanders	MG Donald Owens	267-2710
Environment, Commission on Arizona	Jayne Burgess	Alicia Bristow	542-2102
Environmental Quality, Dept. of	Cy Blanton	Randolph Wood	257-2300
Funeral Directors & Embalmers, Bd. of	John Wilcox	Jean Ellzey	542-3095
Game and Fish Department	Mark Flanders	Duane Schroufe, Acting	942-3000
Geological Survey, Arizona	John Lee	Larry D. Fellows, Ph.D.	621-7906
Governor - Office of	Liz Bobotek Bellgardt	Hon. Rose Mofford, Governor	542-4331
Health Services, Department of	Cy Blanton	Ted Williams	542-1024
Hearing Impaired, Council for the	Jayne Burgess	Stuart Brackney	542-3323
Historical Society, Arizona	Stephanie Hernandez	Dr. Michael F. Weber	628-5774
Historical Society, Prescott	Stephanie Hernandez	Dr. Kenneth Kimsey	445-3122
Homeopathic Medical Examiners Board	John Wilcox	John C. Reef, M.D.	542-3095
House of Representatives	Liz Bobotek Bellgardt	Hon. Jane Dee Hull, Speaker	542-5761
Indian Affairs, Commission on	Jayne Burgess	Tony Machukay	542-3123
Industrial Commission	Jayne Burgess	Larry Etchechury	542-4411
Insurance, Department of	Mark Flanders	Susan Gallinger	255-5400
Joint Legislative Budget Committee	Liz Bobotek Bellgardt	Ted Ferris	542-5491
Land Department	Mark Flanders	M. J. Hassell	542-4621
Law Enforcement Merit System Council	Steve Miller	Mike Denney	223-2095
Legislative Council	Liz Bobotek Bellgardt	Don Jansen	542-4236
Library, Archives and Public Records	Liz Bobotek Bellgardt	Sharon Womack	542-4035
Liquor Licenses & Control, Department of	Jayne Burgess	Hugh Ennis	542-5141
Livestock Board	Stephanie Hernandez	Earl Kelly	542-4196
Lottery Commission	Liz Bobotek Bellgardt	Bill Henry	921-4400
Medical Examiners, Board of	John Wilcox	Doug N. Cerf	255-3751
Medical Student Loans, Board of	John Lee	Andrew M. Goldner, Ph:D., Vice-Chairman	626-7145
Mine Inspector	Jayne Burgess	Hon. Douglas K. Martin	542-5971
Mineral Resources, Department of	Jayne Burgess	Leroy Kissinger	255-3791
Naturopathic Board of Examiners	John Wilcox	Rob Cagen, N.D.	542-3095

DIRECTORY OF JLBC ANALYSTS AND AGENCY/DEPARTMENT HEADS

AGENCY/DEPT./BUDGET AREA	JLBC ANALYST	DIRECTOR	TELEPHONE NUMBER
Northern Arizona University	John Lee	Dr. Eugene M. Hughes	523-3232
Nursing, Board of	John Wilcox	Fran Roberts	255-5092
Nursing Care Institution Admin., Bd. of	John Wilcox	Judy Zingg	542-3095
Occup. Safety & Health Act Review Bd.	Jayne Burgess	Jack Duncan	864-0893
Oil and Gas Conservation Commission	Jayne Burgess	Daniel Brennan	255-5161
Opticians Board, Dispensing	John Wilcox	Cathy Feagan	542-3095
Optometry, Board of	John Wilcox	Florence Moore	542-3095
Osteopathic Examiners, Board of	John Wilcox	Mary Tucker	255-1747
Pardons and Paroles, Board of	Jayne Burgess	Patricia Veliz Gilbert	542-5656
Parks Board	Mark Flanders	Kenneth Travous	542-4174
Personnel Board	John Wilcox	Patricia Conditt	255-3888
Pharmacy, Board of	John Wilcox	Llyn Lloyd	255-5125
Physical Therapy Examiners, Bd. of	John Wilcox	Patricia Plack	542-3095
Pioneers' Home	Cy Blanton	Doris Marlow, R.N.	445-2181
Podiatry Examiners, Board of	John Wilcox	Michael Kates, D.P.N.	542-3095
Priv. Postsecondary Education, Board of	John Lee	Dona Markley	542-5709
Psychologist Examiners, Board of	John Wilcox	Peggy C. LaVoy	542-3095
Public Safety, Department of	Steve Miller	Ralph Milstead	223-2359
Racing, Department of	Stephanie Hernandez	William Linton	542-5151
Radiation Regulatory Agency	Mark Flanders	Charles F. Tedford	255-4845
Rangers' Pension	Jayne Burgess	See Governor's Office	542-4331
Real Estate Department	Mark Flanders	Joe Sotello	255-4670
Regents, Board of	John Lee	Margaret C. Broad	255-4082
Residential Util. Consumer Ofc.	Stephanie Hernandez	Douglas Brooks	255-1431
Retirement System	Stephanie Hernandez	Edward Gallison	255-5131
Revenue, Department of	Liz Bobotek Bellgardt	Paul Waddell	542-3572
Secretary of State - Dept. of State	Liz Bobotek Bellgardt	Hon. Jim Shumway, Secretary of State	542-4285
Senate	Liz Bobotek Bellgardt	Hon. Robert Usdane, President	542-4233
Structural Pest Control Commission	Mark Flanders	Jack Root	255-3664
Superior Courts	Steve Miller	Bill McDonald	542-4359

DIRECTORY OF JLBC ANALYSTS
AND AGENCY/DEPARTMENT HEADS

AGENCY/DEPT./BUDGET AREA	JLBC ANALYST	DIRECTOR	TELEPHONE NUMBER
Supreme Court	Steve Miller	Bill McDonald	542-4359
Tax Appeals, Board of	Liz Bobotek Bellgardt	Robert Lopez	542-5462
Technical Registration, Bd. of	Jayne Burgess	Ronald Dalrymple	255-4053
Tourism, Office of	Liz Bobotek Bellgardt	Vic Heller	542-3618
Transportation, Department of	Cy Blanton	Charles Miller	255-7226
Treasurer, State	Liz Bobotek Bellgardt	Hon. Ray Rottas, Treasurer	542-5815
Uniform State Laws, Comm. of	Liz Bobotek Bellgardt	Edward F. Lowry, Jr.	949-8998
University of Arizona	John Lee	Dr. Henry Koffler	621-5511
Veterans' Services Commission	Cy Blanton	Norman O. Gallion	255-4713
Veterinary Medical Examining Board	John Wilcox	Vicki Conditt	542-3095
Water Resources, Department of	Mark Flanders	Bill Plummer	542-1553
Weights & Measures, Department of	Steve Miller	Ray Helmick	255-5211

OTHER ASSIGNMENTS:

Capital Budgeting	Jim Stewart
Data Processing	John Wilcox
Federal Funds	Richard Stavneak

FY 1990
STATE OF ARIZONA
GENERAL FUND RECOMMENDATIONS
JLBC STAFF VS. EXECUTIVE

	Executive	JLBC Staff	Difference JLBC-Exec
• General Fund, Operating Budget, by Agency	$3,211,593,600	$3,145,565,500	$ (66,028,100)
• Unallocated Retirement Savings	(28,974,800)	(19,908,300)	9,066,500
• Unallocated Portion of Governor's Pay Package	12,087,200	-0-	(12,087,200)
• Reserve for Budgetary Needs	40,000,000	-0-	(40,000,000)
• Long-Term Care, Counties - (Chapter 302, Laws 1988)	5,500,000	5,500,000	-0-
• Environmental Threats (Chapter 172, Laws 1988)	2,069,000	-0-	(2,069,000)
Operating Budget Sub-Total	$3,242,275,000	$3,131,157,200	$(111,117,800)
• Capital Outlay	14,089,600	18,616,000	4,526,400
Total General Fund Recommendations	$3,256,364,600	$3,149,773,200	$ 106,591,400

JLBC Staff

2/5/89

STATE OF ARIZONA
COMPARISON OF JLBC STAFF TO EXECUTIVE BUDGET RECOMMENDATIONS
ALL APPROPRIATED FUNDS
FISCAL YEAR 1990

	EXECUTIVE RECOMMENDATIONS			JLBC STAFF RECOMMENDATIONS		
	GENERAL FUND	OTHER FUNDS	TOTAL	GENERAL FUND	OTHER FUNDS	TOTAL
GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	29,164,600	358,500	29,523,100	26,590,700	340,900	26,931,600
OFFICE/AFFIRMATIVE ACTION	228,500	0	228,500	224,300	0	224,300
ATTORNEY GENERAL	19,854,300	0	19,854,300	18,744,100	0	18,744,100
COLISEUM/EXPOSITION CTR	0	10,337,400	10,337,400	0	10,304,300	10,304,300
DEPARTMENT OF COMMERCE	4,851,500	58,100	4,909,600	3,428,700	56,100	3,484,800
SUPREME COURT	6,405,000	0	6,405,000	5,305,000	0	5,305,000
COURT OF APPEALS	7,096,500	0	7,096,500	6,943,800	0	6,943,800
SUPERIOR COURT	48,892,800	0	48,892,800	46,176,200	0	46,176,200
COMMISSION ON JUD QUAL.	75,000	0	75,000	60,000	0	60,000
COMMISSION ON APPEALS	4,000	0	4,000	4,000	0	4,000
OFFICE OF THE GOVERNOR	3,303,000	0	3,303,000	3,303,000	0	3,303,000
LAW ENF MERIT SYS CNCL	43,500	0	43,500	42,400	0	42,400
LEGISLATURE	28,765,500	0	28,765,500	27,860,900	0	27,860,900
AZ. LOTTERY	0	45,215,600	45,215,600	0	45,041,700	45,041,700
PERSONNEL BOARD	196,300	0	196,300	197,400	0	197,400
STATE RETIREMENT SYSTEM	0	2,874,700	2,874,700	0	2,700,400	2,700,400
DEPARTMENT OF REVENUE	41,093,500	0	41,093,500	38,916,500	0	38,916,500
DEPT OF ST.-SECY OF STATE	1,838,900	0	1,838,900	1,856,100	0	1,856,100
ST. BOARD OF TAX APPEALS	460,800	0	460,800	448,000	0	448,000
OFFICE OF TOURISM	3,780,800	2,000,000	5,780,800	3,496,200	2,000,000	5,496,200
STATE TREASURER	3,912,700	0	3,912,700	3,772,700	0	3,772,700
AZ COMM ON UNFRM ST LAWS	19,000	0	19,000	19,000	0	19,000
Subtotal	199,986,200	60,844,300	260,830,500	187,389,000	60,443,400	247,832,400

STATE OF ARIZONA
COMPARISON OF JLBC STAFF TO EXECUTIVE BUDGET RECOMMENDATIONS
ALL APPROPRIATED FUNDS
FISCAL YEAR 1990

	-------EXECUTIVE RECOMMENDATIONS-----			-----JLBC STAFF RECOMMENDATIONS------		
	GENERAL FUND	OTHER FUNDS	TOTAL	GENERAL FUND	OTHER FUNDS	TOTAL
HEALTH & WELFARE						
AHCCCS	284,918,900	158,659,300	443,578,200	293,618,600	158,659,300	452,277,900
DEPT OF ECONOMIC SECURITY	272,787,900	51,733,400	324,521,300	264,027,300	57,504,300	321,531,600
DEPT OF ENVIRON QUALITY	10,949,800	5,000,000	15,949,800	10,364,100	0	10,364,100
DEPT OF HEALTH SERVICES	150,455,100	2,393,900	152,849,000	134,391,000	2,388,300	136,779,300
AZ CNCL FOR HEARING IMPRD	209,500	0	209,500	127,200	0	127,200
AZ COMM ON INDIAN AFFAIRS	145,800	0	145,800	156,800	0	156,800
PIONEERS' HOME	2,819,000	0	2,819,000	2,938,000	0	2,938,000
ARIZONA RANGERS' PENSIONS	16,800	0	16,800	16,800	0	16,800
VETERANS' SERVICES COMM	768,400	397,600	1,166,000	713,400	370,600	1,084,000
Subtotal	723,071,200	218,184,200	941,255,400	706,353,200	218,922,500	925,275,700
INSPECTION & REGULATION						
AG EMPL RELATIONS BD	198,600	0	198,600	190,100	0	190,100
COMM OF AG & HORT	6,306,400	1,410,200	7,716,600	5,913,500	1,354,600	7,268,100
BANKING DEPARTMENT	3,672,800	0	3,672,800	4,197,400	0	4,197,400
BUILDING AND FIRE SAFETY	3,071,900	0	3,071,900	2,800,400	0	2,800,400
REGISTRAR OF CONTRACTORS	4,576,700	0	4,576,700	4,086,900	0	4,086,900
CORPORATION COMMISSION	5,333,000	5,805,100	11,138,100	4,997,800	5,493,600	10,491,400
DAIRY COMMISSIONER	538,700	0	538,700	518,200	0	518,200
INDUSTRIAL COMMISSION	0	12,164,600	12,164,600	0	11,842,400	11,842,400
DEPT. OF INSURANCE	2,868,500	0	2,868,500	2,737,900	0	2,737,900
DEPT OF LIQUOR LICENSES	2,580,700	0	2,580,700	2,173,900	0	2,173,900
ARIZONA LIVESTOCK BOARD	4,113,800	0	4,113,800	3,896,900	0	3,896,900
STATE MINE INSPECTOR	802,400	0	802,400	721,300	0	721,300
OCCUP SFTY & HLTH REV BD	0	0	0	0	0	0
DEPARTMENT OF RACING	2,453,200	329,600	2,782,800	2,361,200	320,800	2,682,000

STATE OF ARIZONA
COMPARISON OF JLBC STAFF TO EXECUTIVE BUDGET RECOMMENDATIONS
ALL APPROPRIATED FUNDS
FISCAL YEAR 1990

	EXECUTIVE RECOMMENDATIONS			JLBC STAFF RECOMMENDATIONS		
	GENERAL FUND	OTHER FUNDS	TOTAL	GENERAL FUND	OTHER FUNDS	TOTAL
INSPECTION & REGULATION (Continued)						
RADIATION REGULATORY AGCY	1,404,000	92,300	1,496,300	1,321,100	90,400	1,411,500
REAL ESTATE DEPARTMENT	2,941,300	0	2,941,300	2,805,000	0	2,805,000
RES UTILITY CONSUMER OFC	0	932,100	932,100	0	928,400	928,400
DEPT OF WEIGHT/MEASURES	2,273,900	0	2,273,900	1,819,100	0	1,819,100
BOARD OF ACCOUNTANCY	0	666,100	666,100	0	652,600	652,600
BARBER EXAMINERS BD	0	137,800	137,800	0	133,500	133,500
BOXING COMMISSION	61,500	6,100	67,600	57,100	6,100	63,200
CHIROPRACTIC EXAMINERS BD	0	208,400	208,400	0	187,200	187,200
BOARD OF COSMETOLOGY	0	554,100	554,100	0	538,400	538,400
DENTAL EXAMINERS BD	0	408,800	408,800	0	396,400	396,400
EGG INSPECTION BOARD	0	210,600	210,600	0	191,400	191,400
FUNERAL DIR./EMBALMERS BD	0	149,100	149,100	0	145,400	145,400
HOMEOPATHIC MED EXAM BD	0	9,500	9,500	0	8,400	8,400
BOARD OF MEDICAL EXAM	0	1,816,600	1,816,600	0	1,937,100	1,937,100
NATUROPATHIC PHYS EXAM BD	0	29,900	29,900	0	27,900	27,900
BOARD OF NURSING	0	959,600	959,600	0	929,000	929,000
NURS CARE INST ADMIN BD	0	62,400	62,400	0	61,600	61,600
DISPENSING OPTICIANS BD	0	53,300	53,300	0	52,400	52,400
BOARD OF OPTOMETRY	0	102,400	102,400	0	99,800	99,800
OSTEOPATHIC EXAM BD	0	218,600	218,600	0	212,600	212,600
BOARD OF PHARMACY	0	621,400	621,400	0	604,200	604,200
PHYSICAL THERAPY EXAM BD	0	65,500	65,500	0	64,300	64,300
PODIATRY EXAMINERS BOARD	0	42,300	42,300	0	42,300	42,300
BD OF PRIV POSTSECOND ED	0	149,800	149,800	0	124,100	124,100
PSYCHOLOGIST EXAMINERS BD	0	131,100	131,100	0	124,700	124,700
STRUCT. PEST CONTROL COMM	0	1,010,700	1,010,700	0	970,300	970,300
BD OF TECH REGISTRATION	0	728,600	728,600	0	713,500	713,500
VETERINARY MED EXAM BD	0	151,600	151,600	0	145,400	145,400

STATE OF ARIZONA
COMPARISON OF JLBC STAFF TO EXECUTIVE BUDGET RECOMMENDATIONS
ALL APPROPRIATED FUNDS
FISCAL YEAR 1990

	-------EXECUTIVE RECOMMENDATIONS-----			-----JLBC STAFF RECOMMENDATIONS------		
	GENERAL FUND	OTHER FUNDS	TOTAL	GENERAL FUND	OTHER FUNDS	TOTAL
INSPECTION & REGULATION (Continued)						
Subtotal	43,197,400	29,228,200	72,425,600	40,597,800	28,398,800	68,996,600
EDUCATION						
AZ COMMISSION ON THE ARTS	1,687,100	0	1,687,100	1,540,300	0	1,540,300
BD OF DIR FOR COMM COLL	76,714,900	0	76,714,900	76,119,600	0	76,119,600
SCH FOR THE DEAF & BLIND	11,900,600	3,958,600	15,859,200	11,664,800	3,958,600	15,623,400
DEPARTMENT OF EDUCATION	1,237,770,100	0	1,237,770,100	1,249,420,700	0	1,249,420,700
AZ HISTORICAL SOCIETY	2,093,700	0	2,093,700	2,022,700	0	2,022,700
PRESCOTT HIST SOCIETY	550,800	0	550,800	495,600	0	495,600
MED STUDENT LOANS BOARD	0	0	0	10,000	0	10,000
BOARD OF REGENTS	5,585,000	0	5,585,000	5,493,300	0	5,493,300
A.S.U. - MAIN CAMPUS	186,982,600	49,021,900	236,004,500	173,388,500	52,911,900	226,300,400
A.S.U. - WEST	11,936,900	1,020,000	12,956,900	14,263,700	1,020,000	15,283,700
NORTHERN AZ UNIVERSITY	65,997,800	14,921,700	80,919,500	62,359,100	16,145,800	78,504,900
U. OF A. - MAIN CAMPUS	196,703,200	51,759,500	248,462,700	188,793,300	55,489,400	244,282,700
U. OF A. - COLL OF MED	42,868,100	1,844,500	44,712,600	42,196,900	1,911,900	44,108,800
Subtotal	1,840,790,800	122,526,200	1,963,317,000	1,827,768,500	131,437,600	1,959,206,100
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	283,070,900	0	283,070,900	266,395,400	0	266,395,400
AZ CRIMINAL JUSTICE COMM	0	3,718,300	3,718,300	0	3,694,800	3,694,800
DEPT OF EMER & MIL AFFRS	4,407,300	0	4,407,300	4,062,300	0	4,062,300
BD OF PARDONS AND PAROLES	1,662,900	0	1,662,900	1,504,500	0	1,504,500
DEPT OF PUBLIC SAFETY	86,306,700	5,500,000	91,806,700	84,700,200	1,822,000	86,522,200

STATE OF ARIZONA
COMPARISON OF JLBC STAFF TO EXECUTIVE BUDGET RECOMMENDATIONS
ALL APPROPRIATED FUNDS
FISCAL YEAR 1990

	EXECUTIVE RECOMMENDATIONS			JLBC STAFF RECOMMENDATIONS		
	GENERAL FUND	OTHER FUNDS	TOTAL	GENERAL FUND	OTHER FUNDS	TOTAL
PROTECTION & SAFETY (Continued)						
Subtotal	375,447,800	9,218,300	384,666,100	356,662,400	5,516,800	362,179,200
TRANSPORTATION						
DEPT OF TRANSPORTATION	88,000	179,872,000	179,960,000	86,300	176,723,600	176,809,900
Subtotal	88,000	179,872,000	179,960,000	86,300	176,723,600	176,809,900
NATURAL RESOURCES						
COMM ON AZ ENVIRONMENT	120,300	0	120,300	112,100	0	112,100
GAME AND FISH DEPARTMENT	200,000	16,293,600	16,493,600	0	15,611,300	15,611,300
ARIZONA GEOLOGICAL SURVEY	600,000	0	600,000	539,400	0	539,400
STATE LAND DEPARTMENT	9,153,100	0	9,153,100	7,902,900	0	7,902,900
DEPT OF MINERAL RESOURCES	384,000	0	384,000	365,800	0	365,800
OIL AND GAS CONSERVATION	224,100	0	224,100	188,900	0	188,900
STATE PARKS BOARD	6,227,600	4,082,500	10,310,100	5,851,100	1,908,900	7,760,000
DEPT OF WATER RESOURCES	12,103,100	0	12,103,100	11,748,100	0	11,748,100
Subtotal	29,012,200	20,376,100	49,388,300	26,708,300	17,520,200	44,228,500
Total	3,211,593,600	640,249,300	3,851,842,900	3,145,565,500	638,962,900	3,784,528,400

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
FULL TIME EQUIVALENT POSITIONS

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1990 EXEC REC	FY 1990 JLBC STAFF	DIFFERENCE JLBC - EBO
GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	509.75	516.25	548.75	526.25	527.25	1.00
OFFICE/AFFIRMATIVE ACTION	5.00	5.00	8.00	5.00	5.00	0.00
ATTORNEY GENERAL	310.00	314.00	392.00	328.00	322.00	-6.00
COLISEUM/EXPOSITION CNTR	238.00	254.00	254.00	254.00	254.00	0.00
DEPARTMENT OF COMMERCE	42.00	43.00	55.00	55.00	45.00	-10.00
SUPREME COURT	99.30	101.30	114.30	101.30	101.30	0.00
COURT OF APPEALS	112.50	112.50	133.50	112.50	112.50	0.00
SUPERIOR COURT	103.00	104.00	104.00	104.00	104.00	0.00
LAW ENF MERIT SYS CNCL	1.00	1.00	1.00	1.00	1.00	0.00
LEGISLATURE	113.00	113.00	118.00	118.00	113.00	-5.00
AZ. LOTTERY	148.00	148.00	148.00	148.00	148.00	0.00
PERSONNEL BOARD	3.00	3.00	3.00	2.00	3.00	1.00
STATE RETIREMENT SYSTEM	57.00	62.00	83.50	76.00	78.50	2.50
DEPARTMENT OF REVENUE	922.00	956.00	990.00	991.00	1,001.00	10.00
DEPT OF ST-SECY OF STATE	30.00	30.00	31.00	31.00	31.00	0.00
ST. BOARD OF TAX APPEALS	7.50	7.50	8.50	7.50	7.50	0.00
OFFICE OF TOURISM	15.00	15.00	19.00	18.00	15.00	-3.00
STATE TREASURER	28.00	30.00	32.00	32.00	30.00	-2.00
Subtotal	2,744.05	2,815.55	3,043.55	2,910.55	2,899.05	-11.50
HEALTH & WELFARE						
AHCCCS	376.00	717.25	792.25	400.19	717.25	317.06
DEPT OF ECONOMIC SECURITY	2,660.80	2,781.90	3,181.40	2,855.70	2,938.90	83.20
DEPT OF ENVIRON QUALITY	255.00	254.00	305.50	265.00	259.00	-6.00
DEPT OF HEALTH SERVICES	1,454.50	1,459.50	1,653.25	1,588.25	1,504.50	-83.75

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
FULL TIME EQUIVALENT POSITIONS

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1990 EXEC REC	FY 1990 JLBC STAFF	DIFFERENCE JLBC - EBO
HEALTH & WELFARE (Continued)						
AZ CNCL FOR HEARING IMPRD	3.00	3.00	5.00	5.00	3.00	-2.00
AZ COMM ON INDIAN AFFAIRS	4.00	3.50	4.00	3.00	4.00	1.00
PIONEERS' HOME	110.00	110.00	110.00	110.00	110.00	0.00
VETERANS' SERVICES COMM	32.00	33.00	37.00	34.00	33.00	-1.00
Subtotal	4,895.30	5,362.15	6,088.40	5,261.14	5,569.65	308.51
INSPECTION & REGULATION						
AG EMPL RELATIONS BD	4.00	4.00	4.00	4.00	4.00	0.00
COMM OF AG & HORT	194.00	198.00	261.00	199.00	204.00	5.00
BANKING DEPARTMENT	79.00	79.00	112.00	81.00	95.00	14.00
BUILDING AND FIRE SAFETY	68.00	70.00	81.00	73.00	70.00	-3.00
REGISTRAR OF CONTRACTORS	99.00	107.60	150.60	115.60	108.60	-7.00
CORPORATION COMMISSION	219.00	217.00	254.00	230.00	223.00	-7.00
DAIRY COMMISSIONER	8.00	7.50	8.00	8.00	8.00	0.00
INDUSTRIAL COMMISSION	218.00	245.00	247.00	247.00	247.00	0.00
DEPT. OF INSURANCE	61.00	69.00	78.00	78.00	78.00	0.00
DEPT OF LIQUOR LICENSES	60.50	59.00	99.00	66.00	60.00	-6.00
ARIZONA LIVESTOCK BOARD	108.20	108.20	108.20	108.20	108.20	0.00
STATE MINE INSPECTOR	16.00	16.00	16.00	16.00	15.00	-1.00
DEPARTMENT OF RACING	68.70	54.90	62.30	59.70	59.70	0.00
RADIATION REGULATORY AGCY	29.00	28.00	37.00	29.00	28.00	-1.00
REAL ESTATE DEPARTMENT	73.00	73.00	78.00	77.00	75.00	-2.00
RES UTILITY CONSUMER OFC	10.00	12.25	12.25	12.30	12.00	-.30
DEPT OF WEIGHT/MEASURES	36.00	46.00	60.00	59.00	49.00	-10.00
BOARD OF ACCOUNTANCY	8.00	9.00	10.00	9.00	9.00	0.00
BARBER EXAMINERS BD	3.00	3.00	3.00	0.00	3.00	3.00

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
FULL TIME EQUIVALENT POSITIONS

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1990 EXEC REC	FY 1990 JLBC STAFF	DIFFERENCE JLBC - EBO
INSPECTION & REGULATION (Continued)						
BOXING COMMISSION	1.00	1.00	1.50	1.50	1.50	0.00
CHIROPRACTIC EXAMINERS BD	3.00	4.00	4.00	4.00	4.00	0.00
BOARD OF COSMETOLOGY	14.50	14.50	14.50	14.50	14.50	0.00
BOARD OF DENTAL EXAMINERS	7.00	7.00	8.00	8.00	8.00	0.00
EGG INSPECTION BOARD	5.00	5.00	6.00	6.00	5.00	-1.00
FUNERAL DIR.& EMBALM BD	1.50	1.50	1.50	1.50	1.50	0.00
BOARD OF MEDICAL EXAM	30.00	31.00	41.00	33.00	33.00	0.00
BOARD OF NURSING	19.20	19.20	21.20	19.20	19.20	0.00
NURS CARE INST ADMIN BD	.50	.70	.70	.70	.70	0.00
DISPENSING OPTICIANS BD	.80	.80	.80	.80	.80	0.00
BOARD OF OPTOMETRY	1.50	1.50	1.50	1.50	1.50	0.00
OSTEOPATHIC EXAMINERS BD	4.50	4.50	4.50	4.50	4.50	0.00
BOARD OF PHARMACY	11.00	11.00	11.00	11.00	11.00	0.00
PHYSICAL THERAPY EXAM BD	1.00	1.00	1.00	1.00	1.00	0.00
BD OF PRIV POSTSECOND ED	3.00	3.00	4.20	4.00	3.20	-.80
PSYCHOLOGIST EXAMINERS BD	1.00	1.00	1.00	1.00	1.00	0.00
STRUCT. PEST CONTROL COMM	12.00	12.00	21.00	21.00	21.00	0.00
BD OF TECH REGISTRATION	14.00	15.00	15.00	15.00	15.00	0.00
VETERINARY MED EXAM BD	1.50	2.00	2.00	2.00	2.00	0.00
Subtotal	1,494.40	1,542.15	1,841.75	1,622.00	1,604.90	-17.10
EDUCATION						
AZ COMMISSION ON THE ARTS	11.50	11.50	19.50	13.50	11.50	-2.00
BD OF DIR FOR COMM COLL	8.00	9.00	9.00	9.00	9.00	0.00
SCH FOR THE DEAF & BLIND	427.40	431.90	506.90	452.90	446.40	-6.50
DEPARTMENT OF EDUCATION	179.80	180.80	190.80	182.80	181.80	-1.00

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
FULL TIME EQUIVALENT POSITIONS

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1990 EXEC REC	FY 1990 JLBC STAFF	DIFFERENCE JLBC - EBO
EDUCATION (Continued)						
AZ HISTORICAL SOCIETY	46.30	46.30	56.80	48.30	48.30	0.00
PRESCOTT HIST SOCIETY	14.50	14.50	16.00	16.00	14.50	-1.50
BOARD OF REGENTS	34.75	39.75	49.08	39.80	39.75	-.05
A.S.U. - MAIN CAMPUS	4,471.40	4,645.40	5,088.90	4,777.80	4,783.60	5.80
A.S.U. - WEST	217.90	255.90	354.70	255.90	322.65	66.75
NORTHERN AZ UNIVERSITY	1,530.00	1,606.50	1,842.50	1,751.00	1,729.00	-22.00
U. OF A. - MAIN CAMPUS	4,640.40	5,023.50	5,400.60	5,137.20	5,219.90	82.70
U. OF A. - COLL OF MED	568.70	591.70	651.40	591.70	592.50	.80
Subtotal	12,150.65	12,856.75	14,186.18	13,275.90	13,398.90	123.00
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	5,634.70	6,094.20	6,878.20	6,141.20	5,980.70	-160.50
AZ CRIMINAL JUSTICE COMM	4.00	5.00	5.00	5.00	5.00	0.00
DEPT OF EMER & MIL AFFRS	62.00	62.00	67.00	65.00	60.00	-5.00
BD OF PARDONS AND PAROLES	40.00	40.00	52.00	44.00	41.00	-3.00
DEPT OF PUBLIC SAFETY	1,620.00	1,620.00	1,684.00	1,658.00	1,620.00	-38.00
Subtotal	7,360.70	7,821.20	8,686.20	7,913.20	7,706.70	-206.50
TRANSPORTATION						
DEPT OF TRANSPORTATION	2,262.00	2,378.00	2,491.00	2,491.00	2,491.00	0.00
Subtotal	2,262.00	2,378.00	2,491.00	2,491.00	2,491.00	0.00

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
FULL TIME EQUIVALENT POSITIONS

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1990 EXEC REC	FY 1990 JLBC STAFF	DIFFERENCE JLBC - EBO
NATURAL RESOURCE						
COMM ON AZ ENVIRONMENT	3.00	3.00	6.00	3.00	3.00	0.00
GAME AND FISH DEPARTMENT	268.00	278.00	300.00	291.00	276.00	-15.00
ARIZONA GEOLOGICAL SURVEY	10.90	13.25	16.25	14.25	13.25	-1.00
STATE LAND DEPARTMENT	155.00	153.00*	168.67	167.00	159.00	-8.00
DEPT OF MINERAL RESOURCES	11.50	11.50	12.50	8.50	8.50	0.00
OIL AND GAS CONSERVATION	4.00	4.00	4.00	4.00	4.00	0.00
STATE PARKS BOARD	153.85	154.85	199.00	163.85	156.85	-7.00
DEPT OF WATER RESOURCES	223.20	223.20	258.20	238.20	237.20	-1.00
Subtotal	829.45	840.80	964.62	889.80	857.80	-32.00
Total General Fund	31,736.55	33,616.60	37,301.70	34,363.59	34,528.00	164.41

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	509.75	516.25	548.75	526.25	527.25	
BY PROGRAM/ORGANIZATION						
OFFICE OF DIRECTOR	458,100	528,600	563,700	557,200	541,600	
EXECUTIVE BUDGET OFFICE	689,800	827,300	891,400	1,462,200	849,200	
DATA MANAGEMENT	3,631,500	3,759,000	4,570,500	4,529,500	3,946,900	
FINANCE	4,829,500	4,316,300	6,906,000	5,463,000	5,348,900	
PERSONNEL	3,564,900	4,160,000	4,970,100	4,727,300	4,147,900	
FACILITIES MANAGEMENT	10,368,400	11,830,300	13,557,200	12,783,900	12,097,100	
A G E N C Y T O T A L	23,542,200	25,421,500	31,458,900	29,523,100	26,931,600	
OPERATING BUDGET						
PERSONAL SERVICES	11,276,300	11,919,000	12,993,300	12,692,600	12,381,100	
EMPLOYEE RELATED EXP	2,377,400	2,982,200	4,004,100	3,219,200	2,950,500	
PROFESSIONAL/OUTSIDE SVC	2,368,300	2,390,300	3,409,300	3,342,500	2,789,600	
TRAVEL - IN STATE	141,000	124,400	158,800	151,600	149,200	
TRAVEL - OUT OF STATE	12,400	13,000	31,200	22,000	9,800	
OTHER OPERATING EXP	1,661,600	1,916,100	2,379,700	2,165,200	2,161,400	
EQUIPMENT	135,400	214,600	792,500	692,400	205,000	
ALL OTHER OPERATING	4,318,700	4,658,400	6,771,500	6,373,700	5,315,000	
OPERATING SUBTOTAL	17,972,400	19,559,600	23,768,900	22,285,500	20,646,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
HEARING OFFICERS	85,400	172,200	172,200	172,200	172,200	
EBO WATER QUALITY	19,300	0	0	0	0	
GOV. REG. REV. COUNCIL	12,400	14,400	14,400	14,400	14,400	
SLIAG	0	98,300	134,000	136,000	134,000	
RENTAL OF FACILITIES	967,000	88,800	1,662,700	651,500	651,500	
STATEWIDE SINGLE AUDIT	170,900	685,100	685,100	685,100	685,100	
CAPITAL CENTRE	612,000	0	0	0	0	
MERIT AWARDS	0	0	30,000	30,000	0	
SPECIAL RECRUITMENT	23,800	38,500	38,500	38,500	38,500	
CAPITAL PLANNING & REVIE	88,700	0	0	0	0	
RELOCATION	91,100	192,500	192,500	192,500	192,500	
UTILITIES	3,499,200	4,227,700	4,396,800	4,396,800	4,396,800	
EBO ENHANCED FUNDING	0	0	0	562,100	0	
DOC BUILDING PROGRAM	0	344,400	363,800	358,500	0	
SPECIAL ITEM SUBTOTAL	5,569,800	5,861,900	7,690,000	7,237,600	6,285,000	
A G E N C Y T O T A L	23,542,200	25,421,500	31,458,900	29,523,100	26,931,600	
BY FUND SOURCE						
GENERAL FUND	23,542,200	25,077,100	31,095,100	29,164,600	26,590,700	
OTHER FUNDS	0	344,400	363,800	358,500	340,900	
OTHER NON APPROPRIATED	83,033,800	113,401,100	99,664,800	0	99,664,800	
AGENCY TOTAL-ALL SOURCES	106,576,000	138,822,600	131,123,700	29,523,100	126,596,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: OFFICE OF DIRECTOR

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	9.00	7.00	7.00	7.00	7.00	
OPERATING BUDGET						
PERSONAL SERVICES	293,700	281,200	294,200	302,300	294,200	
EMPLOYEE RELATED EXP	46,600	56,200	76,100	61,500	55,700	
TRAVEL - IN STATE	100	700	700	700	700	
TRAVEL - OUT OF STATE	300	500	2,100	2,100	500	
OTHER OPERATING EXP	12,700	17,800	18,400	18,400	18,300	
ALL OTHER OPERATING	13,100	19,000	21,200	21,200	19,500	
OPERATING SUBTOTAL	353,400	356,400	391,500	385,000	369,400	
SPECIAL LINE ITEMS						
HEARING OFFICERS	85,400	172,200	172,200	172,200	172,200	
EBO WATER QUALITY	19,300	0	0	0	0	
SPECIAL ITEM SUBTOTAL	104,700	172,200	172,200	172,200	172,200	
P R O G R A M T O T A L	458,100	528,600	563,700	557,200	541,600	
BY FUND SOURCE						
GENERAL FUND	458,100	528,600	563,700	557,200	541,600	
OTHER NON APPROPRIATED	38,437,500	56,952,600	58,461,300	0	58,461,300	
PROGRAM TOTAL-ALL SOURCES	38,895,600	57,481,200	59,025,000	557,200	59,002,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: OFFICE OF DIRECTOR

The JLBC Staff recommends a total appropriation of $541,600 -- a net increase of $13,000, or 2.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(3,000)
o ERE Rate Adjustments		15,500
o General Inflation		500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: EXECUTIVE BUDGET OFFICE

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	16.00	16.00	16.00	16.00	16.00	
OPERATING BUDGET						
PERSONAL SERVICES	535,100	589,200	589,200	605,400	589,200	
EMPLOYEE RELATED EXP	90,500	117,700	142,000	134,500	122,600	
PROFESSIONAL/OUTSIDE SVC	600	46,300	60,000	60,000	60,000	
TRAVEL - IN STATE	3,700	3,500	3,800	3,800	3,900	
TRAVEL - OUT OF STATE	1,500	600	6,200	6,200	600	
OTHER OPERATING EXP	46,000	55,600	75,100	75,100	57,800	
EQUIPMENT	0	0	700	700	700	
ALL OTHER OPERATING	51,800	106,000	145,800	145,800	123,000	
OPERATING SUBTOTAL	677,400	812,900	877,000	885,700	834,800	
SPECIAL LINE ITEMS						
GOV. REG. REV. COUNCIL	12,400	14,400	14,400	14,400	14,400	
EBO ENHANCED FUNDING	0	0	0	562,100	0	
SPECIAL ITEM SUBTOTAL	12,400	14,400	14,400	576,500	14,400	
P R O G R A M T O T A L	689,800	827,300	891,400	1,462,200	849,200	
BY FUND SOURCE						
GENERAL FUND	689,800	827,300	891,400	1,462,200	849,200	
PROGRAM TOTAL-ALL SOURCES	689,800	827,300	891,400	1,462,200	849,200	

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: EXECUTIVE BUDGET OFFICE

The JLBC Staff recommends a total appropriation of $849,200 -- a net increase of $21,900, or 2.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Professional and Outside - Data Processing	$ (6,300)
o	ERE Rate Adjustments	4,900
o	Adjustment to Travel Rate	400
o	General Inflation	2,200
o	Replacement Equipment	700

JLBC Staff Recommended Policy Issues

- o Econometric Modeling - The JLBC staff recommends the transfer of $20,000 from the Finance Division to the Executive Budget Office Division to support the continued use of an Econometric model at Arizona State University. The model is used to aid in the forecasting of state revenues. Analysis indicates that this function appropriately belongs with the Executive Budget Office and the transfer will align the funds with the functional responsibility. The issue was also recommended by the Executive. 20,000

Other Issues for Legislative Consideration

- o EBO Enhanced Funding - The Executive recommends $562,100 to enhance the budget preparation and execution capabilities of the Executive Budget Office. JLBC Staff does not recommend this issue at this time in that detailed justification was not provided by the Executive at the time of this writing. Once detailed justification is provided, an addended recommendation may be forthcoming.

- o National Association Travel - The Executive recommends $5,600 for travel related to membership in the National Association of State Budget Officers. The Executive Budget Office will assume payment of membership dues which were previously paid by the Governor's Office. The Executive amount would allow one seminar or training trip for each EBO functional team.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	39.00	39.00	39.00	39.00	39.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,227,800	1,312,200	1,355,900	1,389,300	1,343,300	
EMPLOYEE RELATED EXP	216,300	263,400	325,400	294,000	264,500	
PROFESSIONAL/OUTSIDE SVC	2,042,800	2,056,200	2,688,400	2,688,400	2,138,400	
TRAVEL - IN STATE	200	0	0	0	0	
TRAVEL - OUT OF STATE	2,100	2,800	2,900	2,900	2,900	
OTHER OPERATING EXP	141,900	124,400	171,500	128,500	171,400	
EQUIPMENT	400	0	26,400	26,400	26,400	
ALL OTHER OPERATING	2,187,400	2,183,400	2,889,200	2,846,200	2,339,100	
P R O G R A M T O T A L	3,631,500	3,759,000	4,570,500	4,529,500	3,946,900	
BY FUND SOURCE						
GENERAL FUND	3,631,500	3,759,000	4,570,500	4,529,500	3,946,900	
OTHER NON APPROPRIATED	22,010,600	24,526,300	22,346,200	0	22,346,200	
PROGRAM TOTAL-ALL SOURCES	25,642,100	28,285,300	26,916,700	4,529,500	26,293,100	

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: DATA MANAGEMENT

The JLBC Staff recommends a total appropriation of $3,946,900 -- a net increase of $187,900, or 4.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(5,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%		37,200
o Replacement Equipment		26,400
o General Inflation		86,200
o OOE - DP Repair and Maintenance Contract		43,100

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- New Statewide Accounting System - The Executive recommends $550,000 for development of a statewide accounting system. The Executive recommendation will allow the Department to modernize the design of the State accounting system which will expedite the removal of the old system (Honeywell architecture) by transferring the software to a newer more modern machine (IBM architecture). JLBC Staff analysis indicates that this project can be deferred. However, deferral of this project will cause agencies to seek ways to get information independently leading to redundancy of departmental systems. This has already occurred to some extent.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FINANCE

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	93.00	92.00	99.00	92.00	92.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,957,500	2,156,400	2,381,400	2,252,400	2,197,100	
EMPLOYEE RELATED EXP	389,500	499,500	763,000	540,800	490,800	
PROFESSIONAL/OUTSIDE SVC	219,600	231,300	535,400	535,500	532,400	
TRAVEL - IN STATE	11,000	8,600	11,900	10,400	10,300	
TRAVEL - OUT OF STATE	1,200	3,400	3,600	3,600	0	
OTHER OPERATING EXP	492,900	517,900	693,200	640,200	640,200	
EQUIPMENT	7,900	27,000	35,700	7,500	7,500	
ALL OTHER OPERATING	732,600	788,200	1,279,800	1,197,200	1,190,400	
OPERATING SUBTOTAL	3,079,600	3,444,100	4,424,200	3,990,400	3,878,300	
SPECIAL LINE ITEMS						
SLIAG	0	98,300	134,000	136,000	134,000	
RENTAL OF FACILITIES	967,000	88,800	1,662,700	651,500	651,500	
STATEWIDE SINGLE AUDIT	170,900	685,100	685,100	685,100	685,100	
CAPITAL CENTRE	612,000	0	0	0	0	
SPECIAL ITEM SUBTOTAL	1,749,900	872,200	2,481,800	1,472,600	1,470,600	
P R O G R A M T O T A L	4,829,500	4,316,300	6,906,000	5,463,000	5,348,900	
BY FUND SOURCE						
GENERAL FUND	4,829,500	4,316,300	6,906,000	5,463,000	5,348,900	
PROGRAM TOTAL-ALL SOURCES	4,829,500	4,316,300	6,906,000	5,463,000	5,348,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: FINANCE

The JLBC Staff recommends a total appropriation of $5,348,900 -- a net increase of $1,032,600, or 23.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o All Other	$ (1,700)
o ERE Rate Adjustments	(17,800)
o Replacement Equipment	(19,500)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	49,800
o Risk Management Insurance	110,200
o General Inflation	14,900
o Professional and Outside - Operations & Maintenance of Automated Purchasing Network	318,300
o Rent to State Compensation Fund	75,400
o Lease/Purchase Payments - 16th Ave. Parking Garage	487,300

JLBC Staff Recommended Policy Issues

- o State Legalization Impact Assistance Grants - The JLBC staff recommends an increase of $35,700 for administrative costs associated with implementation of the immigration reform and control act. The act created State Legalization Assistance Grants (SLIAG) to provide reimbursement to states. Arizona Revised Statute 35-142.01 requires such reimbursements be credited to the General Fund. This money will be reimbursed to the General Fund from the federal government for fiscal year 1990. The Executive has recommended this policy issue. 35,700

- o Econometric Modeling - The JLBC Staff recommends the transfer of $20,000 from the Finance Division to the Executive Budget Office Division to support the continued use of an econometric model at Arizona State University. Legislative Staff analysis indicates that this function appropriately belongs with the Executive Budget Office and the transfer will align the funds with functional responsibility. (20,000)

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: PERSONNEL

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	109.00	110.00	125.00	120.00	110.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,666,400	3,020,700	3,376,700	3,325,300	3,032,100	
EMPLOYEE RELATED EXP	498,700	667,800	894,800	755,500	644,100	
PROFESSIONAL/OUTSIDE SVC	14,800	37,000	38,500	38,500	38,500	
TRAVEL - IN STATE	6,700	16,600	21,800	21,100	18,600	
TRAVEL - OUT OF STATE	3,000	4,200	4,300	4,200	4,300	
OTHER OPERATING EXP	333,100	345,700	460,200	414,500	359,500	
EQUIPMENT	18,400	29,500	105,300	99,700	12,300	
ALL OTHER OPERATING	376,000	433,000	630,100	578,000	433,200	
OPERATING SUBTOTAL	3,541,100	4,121,500	4,901,600	4,658,800	4,109,400	
SPECIAL LINE ITEMS						
MERIT AWARDS	0	0	30,000	30,000	0	
SPECIAL RECRUITMENT	23,800	38,500	38,500	38,500	38,500	
SPECIAL ITEM SUBTOTAL	23,800	38,500	68,500	68,500	38,500	
P R O G R A M T O T A L	3,564,900	4,160,000	4,970,100	4,727,300	4,147,900	
BY FUND SOURCE						
GENERAL FUND	3,564,900	4,160,000	4,970,100	4,727,300	4,147,900	
PROGRAM TOTAL-ALL SOURCES	3,564,900	4,160,000	4,970,100	4,727,300	4,147,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: PERSONNEL

The JLBC Staff recommends a total appropriation of $4,147,900 -- a net decrease of $(12,100), or (0.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	ERE Rate Adjustments	$ (26,200)
o	Replacement Equipment	(17,200)
o	Personal Services/ERE Adjustments, including a vacancy factor of 2.0%	13,900
o	General Inflation	15,400
o	All Other	2,000

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Personnel Division Staffing - The Executive recommends $194,000 to fund seven new positions. The positions will allow the State to promptly fill vacant positions with the best qualified applicants. JLBC Staff analysis indicates that the Personnel Division has had a decrease in staff over the past few years, while during the same period the number of State employees has increased substantially. JLBC Staff analysis indicates that the cost of this policy issue is $194,000. Once decisions are made concerning the total number of new employees, the JLBC Staff may reconsider this issue and offer an addended recommendation.

- Personnel Division Telephone Communication System - The Executive recommends $35,000 to provide for a new phone system. The current telecommunications system cannot meet the current demands. Excluding Personnel Management offices, the number of calls has increased 73% from FY 1987 to FY 1988, and is expected to continue increasing. The funds would allow the Personnel Division to pay for the rental and maintenance of a new system which will increase the number of phone lines so that callers can call direct, thus avoiding the switchboard.

- Personnel Division Automation - The Executive recommends $75,100 for the purchase of equipment and the development of software for an integrated, automated personnel management system. The new system would provide access to the automated employment system, the PPMIS/HRMS system, the insurance system, the class specifications, pay plan, job announcements, personnel rules and other personnel management information. This

project could be deferred if it is recognized that the delay may cause increases in workload for staff resulting in a decline in service levels.

- Employee Assistance Program - The Executive recommends $97,600 to fund three new positions. The positions would develop and implement a program to provide confidential assistance to State employees in areas such as substance abuse and other counseling. Currently about 16,450 permanent State employees have access to various employee assistance programs. If the positions are not funded approximately 7,550 would not have access to employees assistance programs. The Executive recommendation states that this program is required by Statute. H.B. 2202, Chapter 307, Sec. 57, laws of 1987 requires the Department of Administration to develop a plan to establish an employee assistance program. This does not constitute a legislative requirement for funding. JLBC Staff analysis indicates that the cost of this policy issue is $96,600.

- Governor's Merit Award System - The Executive recommends $30,000 for a merit award program which will provide cash awards to State employees and to the public for adopted productivity and efficiency improvements. This program was authorized by A.R.S. 38-613, and funded in FY 1987. This program was not funded in FY 1988 or FY 1989. The Statute requires the Department of Administration to request an annual appropriation necessary for the program. Also, the statute says that the DOA may adopt rules and regulations to provide merit awards.

- Tucson Personnel Office - A reduction of $73,000 can be achieved by closing the Tucson Personnel Office. This action would effect approximately 19,000 walk-in applicants and 3,000 telephone inquiries from Southern Arizona. Also, approximately 500 applicants would be affected by eliminating test administration in Tucson.

- Other Operating Expenditures - A reduction of $4,700 can be achieved by scaling down recruitment advertising and providing minimum information.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FACILITIES MANAGEMENT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	243.75	252.25	262.75	252.25	263.25	
OPERATING BUDGET						
PERSONAL SERVICES	4,595,800	4,559,300	4,995,900	4,817,900	4,925,200	
EMPLOYEE RELATED EXP	1,135,800	1,377,600	1,802,800	1,432,900	1,372,800	
PROFESSIONAL/OUTSIDE SVC	90,500	19,500	87,000	20,100	20,300	
TRAVEL - IN STATE	119,300	95,000	120,600	115,600	115,700	
TRAVEL - OUT OF STATE	4,300	1,500	12,100	3,000	1,500	
OTHER OPERATING EXP	635,000	854,700	961,300	888,500	914,200	
EQUIPMENT	108,700	158,100	624,400	558,100	158,100	
ALL OTHER OPERATING	957,800	1,128,800	1,805,400	1,585,300	1,209,800	
OPERATING SUBTOTAL	6,689,400	7,065,700	8,604,100	7,836,100	7,507,800	
SPECIAL LINE ITEMS						
CAPITAL PLANNING & REVIE	88,700	0	0	0	0	
RELOCATION	91,100	192,500	192,500	192,500	192,500	
UTILITIES	3,499,200	4,227,700	4,396,800	4,396,800	4,396,800	
DOC BUILDING PROGRAM	0	344,400	363,800	358,500	0	
SPECIAL ITEM SUBTOTAL	3,679,000	4,764,600	4,953,100	4,947,800	4,589,300	
P R O G R A M T O T A L	10,368,400	11,830,300	13,557,200	12,783,900	12,097,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FACILITIES MANAGEMENT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	10,368,400	11,485,900	13,193,400	12,425,400	11,756,200	
OTHER FUNDS	0	344,400	363,800	358,500	340,900	
OTHER NON APPROPRIATED	22,585,700	31,922,200	18,857,300	0	18,857,300	
PROGRAM TOTAL-ALL SOURCES	32,954,100	43,752,500	32,414,500	12,783,900	30,954,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF ADMINISTRATION
COST CENTER: FACILITIES MANAGEMENT

The JLBC Staff recommends a total appropriation of $12,097,100 -- a net increase of $611,200, or 5.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	ERE Rate Adjustments	$ (105,300)
o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	150,800
o	General Inflation	204,600
o	Travel adjustment	20,200

JLBC Staff Recommended Policy Issues

o	Corrections Fund Expenditures - The JLBC Staff recommends $340,900 and eleven positions to continue support of the current prison construction program. The current funding level for this program is $344,400 with nine positions. The additional positions are needed due to increased workload of procuring construction materials and processing payment claims for inmate construction projects. The Executive recommendation provides $358,500 and eleven positions for this issue.	340,900

Other Issues for Legislative Consideration

- Energy Management Program - The Executive recommends $400,000 for phase I of a new energy management and conservation program which will require new energy efficient equipment. Equipment to support this program is proposed to be purchased using a lease/purchase financing procedure. The equipment will be financed over a three year term with a total cost of $1.2 million. The 1988 Arizona Cost Efficiency Commission report recommended that the department re-evaluate the State's Energy Management Program and that a 10% reduction in kilowatt consumption would result in $266,000 annually in cost reduction and/or future cost avoidance. JLBC Staff has recommended this project be considered for funding as an Oil Overcharge Fund project.

- Housekeeping Services - A reduction of $650,000 can be achieved by eliminating 35 positions associated with general office cleaning and trash collection. This action would also impact special clean up of vandalized areas.

- Capitol Complex Beautification and Seasonal Planting - A reduction of $42,500 can be achieved by eliminating two positions. The impact of this action would be no planting of winter grasses and conversion of annual flower beds to desert landscaping.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OFFICE/AFFIRMATIVE ACTION
COST CENTER: OFFICE/AFFIRMATIVE ACTION

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	5.00	5.00	8.00	5.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	132,300	149,100	221,400	153,200	149,100	
EMPLOYEE RELATED EXP	18,800	34,700	76,600	35,100	32,100	
TRAVEL - IN STATE	2,800	3,000	34,000	10,700	13,300	
OTHER OPERATING EXP	37,200	11,700	51,700	28,700	29,000	
EQUIPMENT	0	0	11,600	800	800	
ALL OTHER OPERATING	40,000	14,700	97,300	40,200	43,100	
P R O G R A M T O T A L	191,100	198,500	395,300	228,500	224,300	
BY FUND SOURCE						
GENERAL FUND	191,100	198,500	395,300	228,500	224,300	
PROGRAM TOTAL-ALL SOURCES	191,100	198,500	395,300	228,500	224,300	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OFFICE/AFFIRMATIVE ACTION
COST CENTER: OFFICE/AFFIRMATIVE ACTION

The JLBC Staff recommends a total appropriation of $224,300 -- a net increase of $25,800, or 13.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (2,600)
o Board Member Reimbursement	10,300
o Other Operating Expenditures	17,300
o Replacement Equipment	800

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Intern Program - A savings of $(3,600) could be achieved by eliminating funding for the intern program. As the Office of Affirmative Action is comprised of only 5.0 FTE positions, the agency relies heavily on interns for professional assistance on a project-oriented basis.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	310.00	314.00	392.00	328.00	322.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	3,631,900	3,506,700	4,008,800	3,348,700	2,945,500	
ORGANIZED CRIME	2,598,000	2,375,800	3,319,800	2,727,700	2,596,700	
CIVIL	3,255,100	4,161,300	5,354,900	4,337,900	4,142,000	
CIVIL RIGHTS	462,200	565,450	828,650	646,200	608,300	
FINANCIAL FRAUD	1,434,300	2,097,300	2,360,200	2,238,000	2,137,000	
SOLICITOR GENERAL	220,600	269,800	272,300	278,900	268,100	
ANTITRUST	281,900	312,500	314,000	322,600	310,300	
CRIMINAL	1,606,600	1,791,100	2,431,900	2,260,500	2,175,800	
SPECIAL INVESTIGATIONS	1,923,100	2,107,300	2,814,200	2,429,000	2,322,100	
TAX	884,800	1,286,100	1,494,600	1,264,800	1,238,300	
A G E N C Y T O T A L	16,298,500	18,473,350	23,199,350	19,854,300	18,744,100	
OPERATING BUDGET						
PERSONAL SERVICES	10,647,800	11,977,900	14,378,300	12,802,800	12,229,400	
EMPLOYEE RELATED EXP	1,733,300	2,349,200	3,009,000	2,684,400	2,393,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
PROFESSIONAL/OUTSIDE SVC	82,200	66,800	76,500	67,400	67,400	
TRAVEL - IN STATE	128,200	127,300	157,400	139,400	155,000	
TRAVEL - OUT OF STATE	24,400	38,300	39,500	39,100	37,500	
OTHER OPERATING EXP	2,200,300	1,418,600	2,315,600	1,638,100	1,531,500	
EQUIPMENT	87,700	309,900	840,400	276,400	193,600	
ALL OTHER OPERATING	2,522,800	1,960,900	3,429,400	2,160,400	1,985,000	
OPERATING SUBTOTAL	14,903,900	16,288,000	20,816,700	17,647,600	16,607,800	
SPECIAL LINE ITEMS						
LIBRARY ACQUISITIONS	41,700	75,800	83,700	83,700	78,800	
OUTSIDE LITIGATION	127,100	60,000	130,900	62,400	62,400	
ELDERLY ABUSE PROJECT	0	42,200	0	0	0	
SPECIAL LITIGATION	0	510,400	125,000	125,000	125,000	
ENVIRONMENTAL QUALITY	312,100	343,400	344,200	352,700	340,600	
ENVIRONMENTAL QUALITY	236,600	276,600	278,900	285,000	274,800	
WATER LITIGATION EXPENSE	361,200	817,700	839,700	846,700	816,400	
ELDERLY ABUSE PROJECT	0	0	122,200	97,800	88,200	
AHCCCS LAWSUIT	315,900	0	0	0	0	
FAIR HOUSING	0	59,250	194,050	101,800	98,500	
AHCCCS FRAUD UNIT	0	0	264,000	251,600	251,600	
SPECIAL ITEM SUBTOTAL	1,394,600	2,185,350	2,382,650	2,206,700	2,136,300	
A G E N C Y T O T A L	16,298,500	18,473,350	23,199,350	19,854,300	18,744,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	16,298,500	18,473,350	23,199,350	19,854,300	18,744,100	
FEDERAL FUNDS	1,246,700	1,728,200	1,975,000	0	1,975,000	
OTHER NON APPROPRIATED	3,933,700	5,466,100	5,200,400	0	5,200,400	
AGENCY TOTAL-ALL SOURCES	21,478,900	25,667,650	30,374,750	19,854,300	25,919,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ADMINISTRATION
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	43.00	43.00	48.00	47.00	41.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,309,500	1,550,400	1,585,500	1,594,600	1,412,200	
EMPLOYEE RELATED EXP	213,100	291,800	350,700	352,800	293,600	
PROFESSIONAL/OUTSIDE SVC	9,500	6,200	11,000	6,400	6,400	
TRAVEL - IN STATE	3,300	2,800	3,600	3,400	3,000	
TRAVEL - OUT OF STATE	6,900	5,200	7,400	7,000	5,400	
OTHER OPERATING EXP	1,602,800	854,300	1,340,700	938,800	873,300	
EQUIPMENT	2,100	107,600	370,300	174,600	85,400	
ALL OTHER OPERATING	1,624,600	976,100	1,733,000	1,130,200	973,500	
OPERATING SUBTOTAL	3,147,200	2,818,300	3,669,200	3,077,600	2,679,300	
SPECIAL LINE ITEMS						
LIBRARY ACQUISITIONS	41,700	75,800	83,700	83,700	78,800	
OUTSIDE LITIGATION	127,100	60,000	130,900	62,400	62,400	
ELDERLY ABUSE PROJECT	0	42,200	0	0	0	
SPECIAL LITIGATION	0	510,400	125,000	125,000	125,000	
AHCCCS LAWSUIT	315,900	0	0	0	0	
SPECIAL ITEM SUBTOTAL	484,700	688,400	339,600	271,100	266,200	
P R O G R A M T O T A L	3,631,900	3,506,700	4,008,800	3,348,700	2,945,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ADMINISTRATION
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	3,631,900	3,506,700	4,008,800	3,348,700	2,945,500	
FEDERAL FUNDS	942,000	1,389,700	1,640,300	0	1,640,300	
OTHER NON APPROPRIATED	2,807,300	2,945,600	3,083,000	0	3,083,000	
PROGRAM TOTAL-ALL SOURCES	7,381,200	7,842,000	8,732,100	3,348,700	7,668,800	

The JLBC Staff recommends a total appropriation of $2,945,500 -- a net decrease of $(561,200), or (16.0%), from the original FY 1989 appropriation.

Baseline Budget Changes

o Lakeview Litigation Completion	$ (385,400)
o Budget Shift	(63,500)
Transfers attorney pay raise amounts to budgets of Department of Transportation and Department of Economic Security.	
o Personal Services/ERE Adjustments, including a vacancy factor of .5%	(8,600)
o Intradepartmental Transfer	(26,100)
Allocates computer lease-purchase costs to various divisions with no net dollar impact. The Executive retained this funding in the Administration Division.	
o Replacement Equipment	(22,200)
The Executive included a net additional $74,800 in computer equipment.	
o Risk Management Insurance	42,200
o ERE Rate Adjustments	30,500
o Elderly Abuse Project	46,000
Replaces lost federal funds with full-year state funding. The Executive included an additional $9,600.	
o General Inflation	12,600
o All Other	(3,700)

JLBC Staff Recommended Policy Issues

- Intradepartmental Transfers - The JLBC staff recommends transferring two Administrative positions ($94,800) and the Elderly Abuse Project ($88,200) to the Complaint and Information Center in the Special Investigations Division. This recommendation aligns the budget with functional responsibilities. The Executive has also recommended the transfers. $(183,000)

Other Issues for Legislative Consideration

- Legal Services - The Executive recommends $91,400 and two FTE positions to handle increasing litigation and requests involving Proposition 200, agency rule-making, and the open meetings law. Without this funding, the office will take more time to respond to requests from client agencies, legislators, and the public.

- Management Services - The Executive recommends $53,300 for a position in the Personnel Section and a position in the Accounting Section. This funding will allow the support sections to catch up with the growth in other parts of the office. Without these resources, the Division will continue to accumulate large amounts of compensatory time and will fall behind in administrative requirements.

- Equipment Services - The Executive recommends $29,500 and a Telecommunications Maintenance Technician to maintain computer and telephone equipment. This funding will relieve the current technician of overtime work and increase the routine maintenance capability of the office.

- Library/Research Services - The Executive recommends $28,200 for one Librarian position to supplement the current legal assistant in conducting special research projects for the attorneys. Without this position, more expensive attorney hours will be spent in doing legal research.

- Special Litigation - A savings of $125,000 can be achieved by eliminating funding for this special line item. These funds were appropriated for voting rights cases in Navajo County. The funding is no longer necessary in that the cases have been completed.

- Outside Litigation - A reduction of $20,000 can be achieved in this special line item. The impact of this reduction could cause problems for the State on certain 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 $42,400, the Attorney General will have to seek a supplemental appropriation to protect Arizona's interests.

- Library Acquisitions - A savings of $18,800 can be achieved by reducing this special line item. The impact of this reduction would result in less maintenance of the Law library.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ORGANIZED CRIME
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	47.00	39.00	52.00	38.00	38.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,881,900	1,618,100	2,041,200	1,661,600	1,593,600	
EMPLOYEE RELATED EXP	290,400	301,700	413,900	337,000	301,000	
PROFESSIONAL/OUTSIDE SVC	12,300	16,600	16,600	16,600	16,600	
TRAVEL - IN STATE	3,000	4,400	4,400	4,400	4,400	
TRAVEL - OUT OF STATE	2,500	8,400	7,400	7,400	7,400	
OTHER OPERATING EXP	95,800	71,200	152,400	93,000	78,100	
EQUIPMENT	0	12,000	75,700	3,400	3,400	
ALL OTHER OPERATING	113,600	112,600	256,500	124,800	109,900	
OPERATING SUBTOTAL	2,285,900	2,032,400	2,711,600	2,123,400	2,004,500	
SPECIAL LINE ITEMS						
ENVIRONMENTAL QUALITY	312,100	343,400	344,200	352,700	340,600	
AHCCCS FRAUD UNIT	0	0	264,000	251,600	251,600	
SPECIAL ITEM SUBTOTAL	312,100	343,400	608,200	604,300	592,200	
P R O G R A M T O T A L	2,598,000	2,375,800	3,319,800	2,727,700	2,596,700	
BY FUND SOURCE						
GENERAL FUND	2,598,000	2,375,800	3,319,800	2,727,700	2,596,700	
OTHER NON APPROPRIATED	274,900	1,367,000	949,000	0	949,000	
PROGRAM TOTAL-ALL SOURCES	2,872,900	3,742,800	4,268,800	2,727,700	3,545,700	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ORGANIZED CRIME

The JLBC Staff recommends a total appropriation of $2,596,700 -- a net increase of $220,900, or 9.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (8,600)
o AHCCCS Fraud Unit	251,600
$225,000 is a transfer from the AHCCCS budget and $26,600 is an increase corresponding with the growth in the AHCCCS program.	
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	17,200
The Executive did not apply a vacancy factor.	
o Intradepartmental Transfer of Computer Lease/Purchase Costs	3,300
o Repair/Maintenance Adjustment	3,700
The Executive included an additional $22,200 for equipment lease/purchase and maintenance costs.	
o General Inflation	3,100

JLBC Staff Recommended Policy Issues

o Intradepartmental Transfer - The JLBC staff recommends the transfer of one position and $49,400 to the Financial Fraud Division to align the budget with functional responsibilities and improve managerial control. This transfer was recommended by the Executive.	(49,400)

Other Issues for Legislative Consideration

- Reduction in Force - A savings of $372,000 can be achieved by eliminating five Attorneys, two Legal Secretaries and a Legal Assistant. This reduction 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.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	61.00	61.00	84.00	61.00	61.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,164,300	2,417,200	3,234,700	2,519,100	2,423,400	
EMPLOYEE RELATED EXP	339,800	461,000	644,700	502,300	449,600	
PROFESSIONAL/OUTSIDE SVC	22,700	9,000	13,400	9,400	9,400	
TRAVEL - IN STATE	3,000	4,100	4,100	4,100	4,100	
TRAVEL - OUT OF STATE	2,500	4,000	4,000	4,000	4,000	
OTHER OPERATING EXP	124,200	126,800	220,900	151,200	144,200	
EQUIPMENT	800	44,900	114,500	16,100	16,100	
ALL OTHER OPERATING	153,200	188,800	356,900	184,800	177,800	
OPERATING SUBTOTAL	2,657,300	3,067,000	4,236,300	3,206,200	3,050,800	
SPECIAL LINE ITEMS						
ENVIRONMENTAL QUALITY	236,600	276,600	278,900	285,000	274,800	
WATER LITIGATION EXPENSE	361,200	817,700	839,700	846,700	816,400	
SPECIAL ITEM SUBTOTAL	597,800	1,094,300	1,118,600	1,131,700	1,091,200	
P R O G R A M T O T A L	3,255,100	4,161,300	5,354,900	4,337,900	4,142,000	
BY FUND SOURCE						
GENERAL FUND	3,255,100	4,161,300	5,354,900	4,337,900	4,142,000	
PROGRAM TOTAL-ALL SOURCES	3,255,100	4,161,300	5,354,900	4,337,900	4,142,000	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL

The JLBC Staff recommends a total appropriation of $4,142,000 -- a net decrease of $(19,300), or (0.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (14,600)
Including Water Litigation and Environmental Quality.	
o Replacement Equipment	(33,800)
Including the Water Litigation Program.	
o Intradepartmental Transfer of Computer Lease/Purchase Costs	5,200
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	7,400
The Executive did not apply a vacancy factor.	
o General Inflation	9,400
o Repair/Maintenance Adjustment	7,100
The Executive included an additional $12,200 for equipment maintenance and lease/purchase costs.	

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL RIGHTS

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	12.00	12.00	15.00	12.00	12.00	
OPERATING BUDGET						
PERSONAL SERVICES	357,300	398,400	468,400	409,400	398,400	
EMPLOYEE RELATED EXP	58,800	78,400	93,500	83,600	75,900	
PROFESSIONAL/OUTSIDE SVC	400	1,000	1,000	1,000	1,000	
TRAVEL - IN STATE	2,700	6,900	6,900	6,900	6,900	
TRAVEL - OUT OF STATE	0	1,000	1,000	1,000	1,000	
OTHER OPERATING EXP	42,600	20,500	53,300	39,200	23,300	
EQUIPMENT	400	0	10,500	3,300	3,300	
ALL OTHER OPERATING	46,100	29,400	72,700	51,400	35,500	
OPERATING SUBTOTAL	462,200	506,200	634,600	544,400	509,800	
SPECIAL LINE ITEMS						
FAIR HOUSING	0	59,250	194,050	101,800	98,500	
SPECIAL ITEM SUBTOTAL	0	59,250	194,050	101,800	98,500	
P R O G R A M T O T A L	462,200	565,450	828,650	646,200	608,300	
BY FUND SOURCE						
GENERAL FUND	462,200	565,450	828,650	646,200	608,300	
FEDERAL FUNDS	304,700	338,500	334,700	0	334,700	
PROGRAM TOTAL-ALL SOURCES	766,900	903,950	1,163,350	646,200	943,000	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL RIGHTS

The JLBC Staff recommends a total appropriation of $608,300 -- a net increase of $42,850, or 7.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	ERE Rate Adjustments	$ (2,500)
o	Annualization of Fair Housing Program	39,250
o	Replacement Equipment	3,300
o	All Other	2,800

The Executive included an additional $16,900 in Other Operating.

JLBC Staff Recommended Policy Issues

- JLBC Staff Recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: FINANCIAL FRAUD

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	34.00	42.00	47.00	43.00	43.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,146,300	1,619,700	1,778,800	1,729,100	1,658,900	
EMPLOYEE RELATED EXP	192,200	325,200	368,400	358,100	320,400	
PROFESSIONAL/OUTSIDE SVC	7,500	11,200	11,200	11,200	11,200	
TRAVEL - IN STATE	1,500	1,600	1,600	1,600	1,600	
TRAVEL - OUT OF STATE	1,200	2,400	2,400	2,400	2,400	
OTHER OPERATING EXP	81,900	121,700	150,200	129,600	136,500	
EQUIPMENT	3,700	15,500	47,600	6,000	6,000	
ALL OTHER OPERATING	95,800	152,400	213,000	150,800	157,700	
P R O G R A M T O T A L	1,434,300	2,097,300	2,360,200	2,238,000	2,137,000	
BY FUND SOURCE						
GENERAL FUND	1,434,300	2,097,300	2,360,200	2,238,000	2,137,000	
OTHER NON APPROPRIATED	296,400	400,000	304,000	0	304,000	
PROGRAM TOTAL-ALL SOURCES	1,730,700	2,497,300	2,664,200	2,238,000	2,441,000	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: FINANCIAL FRAUD

The JLBC Staff recommends a total appropriation of $2,137,000 -- a net increase of $39,700, or 1.9% to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (12,300)
o Replacement Equipment	(9,500)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5% The Executive did not apply a vacancy factor	200
o Intradepartmental Transfer of Computer Lease/Purchase Costs	3,600
o Repair/Maintenance Adjustment	3,300
o General Inflation	4,900

JLBC Staff Recommended Policy Issues

o Intradepartmental Transfers - The JLBC staff recommends the transfer of one position and $49,500 from the Organized Crime Division to align the budget with functional responsibilities and improve managerial control. This transfer was recommended by the Executive.	49,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL — JLBC ANALYST: MILLER — HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: SOLICITOR GENERAL — SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	181,100	215,500	215,500	221,400	215,500	
EMPLOYEE RELATED EXP	27,200	37,800	40,100	41,200	37,100	
PROFESSIONAL/OUTSIDE SVC	0	700	700	700	700	
TRAVEL - IN STATE	400	300	400	300	300	
TRAVEL - OUT OF STATE	1,800	3,000	3,000	3,000	3,000	
OTHER OPERATING EXP	10,100	10,100	12,000	11,700	10,900	
EQUIPMENT	0	2,400	600	600	600	
ALL OTHER OPERATING	12,300	16,500	16,700	16,300	15,500	
P R O G R A M T O T A L	220,600	269,800	272,300	278,900	268,100	
BY FUND SOURCE						
GENERAL FUND	220,600	269,800	272,300	278,900	268,100	
OTHER NON APPROPRIATED	16,500	21,000	31,100	0	31,100	
PROGRAM TOTAL-ALL SOURCES	237,100	290,800	303,400	278,900	299,200	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: SOLICITOR GENERAL

The JLBC Staff recommends a total appropriation of $268,100 -- a net decrease of $(1,700), or (0.6)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (1,800)
o ERE Rate Adjustments	(700)
o All Other	800

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ANTITRUST

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	5.00	5.00	5.00	5.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	244,800	264,600	264,600	271,900	264,600	
EMPLOYEE RELATED EXP	37,100	47,900	49,400	50,700	45,700	
ALL OTHER OPERATING	0	0	0	0	0	
P R O G R A M T O T A L	281,900	312,500	314,000	322,600	310,300	
BY FUND SOURCE						
GENERAL FUND	281,900	312,500	314,000	322,600	310,300	
OTHER NON APPROPRIATED	321,900	347,000	363,300	0	363,300	
PROGRAM TOTAL-ALL SOURCES	603,800	659,500	677,300	322,600	673,600	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ANTITRUST

The JLBC Staff recommends a total appropriation of $310,300 -- a net decrease of $(2,200), or (0.7)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (2,200)

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CRIMINAL

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	32.00	32.00	44.00	40.00	40.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,308,800	1,398,300	1,841,900	1,737,900	1,685,300	
EMPLOYEE RELATED EXP	208,700	275,100	379,000	357,600	323,400	
PROFESSIONAL/OUTSIDE SVC	3,400	8,400	8,400	8,400	8,400	
TRAVEL - IN STATE	2,900	8,900	8,900	8,900	8,900	
TRAVEL - OUT OF STATE	7,000	9,200	9,200	9,200	9,200	
OTHER OPERATING EXP	74,900	65,500	124,500	99,400	97,300	
EQUIPMENT	900	25,700	60,000	39,100	43,300	
ALL OTHER OPERATING	89,100	117,700	211,000	165,000	167,100	
P R O G R A M T O T A L	1,606,600	1,791,100	2,431,900	2,260,500	2,175,800	
BY FUND SOURCE						
GENERAL FUND	1,606,600	1,791,100	2,431,900	2,260,500	2,175,800	
PROGRAM TOTAL-ALL SOURCES	1,606,600	1,791,100	2,431,900	2,260,500	2,175,800	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CRIMINAL

The JLBC Staff recommends a total appropriation of $2,175,800 -- a net increase of $384,700, or 21.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (6,800)
o Replacement Equipment	(15,100)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5% The Executive did not apply a vacancy factor.	(5,900)
o Additional Court of Appeals Panel The Executive recommends $391,300 as a policy issue.	404,700
o Intradepartmental Transfer of Computer Lease/Purchase Costs	2,700
o Repair/Maintenance Adjustment The Executive included an additional $7,300.	2,500
o General Inflation	2,600

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Additional Court of Appeals Panel - Last session the Legislature amended A.R.S. 20-120B to create a new panel of judges effective July 1, 1989. This change was made to eliminate the backlog of court cases and to process incoming cases more quickly. A savings of $129,800 can be achieved by delaying the implementation of the panel for four months. The Executive recommended $391,300 and eight positions for this issue.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: SPECIAL INVESTIGATIONS

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	52.00	52.00	64.00	54.00	54.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,334,700	1,531,600	1,822,700	1,677,600	1,610,100	
EMPLOYEE RELATED EXP	254,500	346,400	425,900	392,300	354,100	
PROFESSIONAL/OUTSIDE SVC	21,100	700	1,200	700	700	
TRAVEL - IN STATE	109,100	97,600	125,100	109,100	125,100	
TRAVEL - OUT OF STATE	1,900	2,400	2,400	2,400	2,400	
OTHER OPERATING EXP	127,800	97,700	179,600	120,400	110,600	
EQUIPMENT	74,000	30,900	135,100	28,700	30,900	
ALL OTHER OPERATING	333,900	229,300	443,400	261,300	269,700	
OPERATING SUBTOTAL	1,923,100	2,107,300	2,692,000	2,331,200	2,233,900	
SPECIAL LINE ITEMS						
ELDERLY ABUSE PROJECT	0	0	122,200	97,800	88,200	
SPECIAL ITEM SUBTOTAL	0	0	122,200	97,800	88,200	
P R O G R A M T O T A L	1,923,100	2,107,300	2,814,200	2,429,000	2,322,100	
BY FUND SOURCE						
GENERAL FUND	1,923,100	2,107,300	2,814,200	2,429,000	2,322,100	
PROGRAM TOTAL-ALL SOURCES	1,923,100	2,107,300	2,814,200	2,429,000	2,322,100	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: SPECIAL INVESTIGATIONS

The JLBC Staff recommends a total appropriation of $2,332,100 -- a net increase of $214,800, or 10.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(9,600)
o Travel Rate Adjustment		27,500
The Executive recommended an increase of $11,500 for travel costs.		
o Intradepartmental Transfer of Computer Lease/Purchase Costs		4,500
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%		-0-
The Executive did not apply a vacancy factor.		
o General Inflation		3,800
o All Other		4,600
The Executive included an additional $14,300 in Other Operating.		

JLBC Staff Recommended Policy Issues

o Intradepartmental Transfers - The JLBC staff recommends transferring two Administrative positions ($95,800) and the Elderly Abuse Project ($88,200) from the Administrative Division. This recommendation aligns the budget with functional responsibilities. The Executive has also recommended the transfers.	184,000

Other Issues for Legislative Consideration

- Elderly Abuse Project - A savings of $88,200 can be achieved by eliminating this program. This program consists of staff and volunteer's 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.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: TAX
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	20.00	24.00	29.00	24.00	24.00	
OPERATING BUDGET						
PERSONAL SERVICES	719,100	964,100	1,125,000	980,200	967,400	
EMPLOYEE RELATED EXP	111,500	183,900	243,400	208,800	192,600	
PROFESSIONAL/OUTSIDE SVC	5,300	13,000	13,000	13,000	13,000	
TRAVEL - IN STATE	2,300	700	2,400	700	700	
TRAVEL - OUT OF STATE	600	2,700	2,700	2,700	2,700	
OTHER OPERATING EXP	40,200	50,800	82,000	54,800	57,300	
EQUIPMENT	5,800	70,900	26,100	4,600	4,600	
ALL OTHER OPERATING	54,200	138,100	126,200	75,800	78,300	
P R O G R A M T O T A L	884,800	1,286,100	1,494,600	1,264,800	1,238,300	
BY FUND SOURCE						
GENERAL FUND	884,800	1,286,100	1,494,600	1,264,800	1,238,300	
OTHER NON APPROPRIATED	216,700	385,500	470,000	0	470,000	
PROGRAM TOTAL-ALL SOURCES	1,101,500	1,671,600	1,964,600	1,264,800	1,708,300	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: TAX DIVISION

The JLBC Staff recommends a total appropriation of $1,238,300 -- a net decrease of $(47,800), or (3.7)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (66,300)
o ERE Rate Adjustment	8,100
o Intradepartmental Transfer of Computer Lease/Purchase Costs	4,500
o Personal Services/ERE Adjustments, including a vacancy factor of .5%	3,900
o General Inflation	2,000

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COLISEUM/EXPOSITION CNTR
COST CENTER: COLISEUM/EXPOSITION CNTR

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	238.00	254.00	254.00	254.00	254.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,762,000	3,855,300	4,055,000	4,055,000	4,056,900	
EMPLOYEE RELATED EXP	624,700	777,100	931,600	931,600	896,600	
PROFESSIONAL/OUTSIDE SVC	1,429,800	1,250,800	1,460,000	1,460,000	1,460,000	
TRAVEL - IN STATE	8,500	8,900	9,100	9,100	9,100	
TRAVEL - OUT OF STATE	18,300	13,100	19,300	19,300	19,300	
OTHER OPERATING EXP	2,834,700	2,635,000	3,188,200	3,188,200	3,188,200	
EQUIPMENT	58,000	0	0	0	0	
ALL OTHER OPERATING	4,349,300	3,907,800	4,676,600	4,676,600	4,676,600	
OPERATING SUBTOTAL	8,736,000	8,540,200	9,663,200	9,663,200	9,630,100	
SPECIAL LINE ITEMS						
BOND INTEREST PAYMENT	108,600	120,800	100,000	100,000	100,000	
BOND RETIREMENT	161,200	340,000	360,000	360,000	360,000	
CAPITAL OUTLAY	137,500	214,200	214,200	214,200	214,200	
SPECIAL ITEM SUBTOTAL	407,300	675,000	674,200	674,200	674,200	
P R O G R A M T O T A L	9,143,300	9,215,200	10,337,400	10,337,400	10,304,300	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COLISEUM/EXPOSITION CNTR
COST CENTER: COLISEUM/EXPOSITION CNTR

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
OTHER FUNDS	9,143,300	9,215,200	10,337,400	10,337,400	10,304,300	
PROGRAM TOTAL-ALL SOURCES	9,143,300	9,215,200	10,337,400	10,337,400	10,304,300	

The JLBC Staff recommends a total appropriation of $10,304,300 -- a net increase of $1,089,100, or 11.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Bond Interest Payment	$ (20,800)
o Bond Retirement	20,000
o ERE Rate Adjustments	74,900
o Personal Services/ERE Adjustments	246,200
o Risk Management Insurance	466,900
o Professional Entertainer Fees	200,000
o Other Operating Expenditures	86,300
o All Other	15,600

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF COMMERCE
COST CENTER: DEPARTMENT OF COMMERCE

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	42.00	43.00	55.00	55.00	45.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,229,100	1,295,100	1,630,900	1,631,500	1,393,300	
EMPLOYEE RELATED EXP	217,300	281,500	469,800	404,300	325,900	
PROFESSIONAL/OUTSIDE SVC	15,100	14,700	71,300	65,300	65,300	
TRAVEL - IN STATE	49,400	66,400	97,500	92,700	73,500	
TRAVEL - OUT OF STATE	60,900	51,400	127,700	124,000	56,100	
OTHER OPERATING EXP	418,600	289,200	647,700	494,400	319,800	
EQUIPMENT	0	25,000	83,300	80,400	30,700	
ALL OTHER OPERATING	544,000	446,700	1,027,500	856,800	545,400	
OPERATING SUBTOTAL	1,990,400	2,023,300	3,128,200	2,892,600	2,264,600	
SPECIAL LINE ITEMS						
ADOT MAPPING	10,000	0	0	0	0	
ECON. DEVEL. MATCH. FUND	100,000	100,000	104,000	104,000	104,000	
SUPERCOND. SUPER COLLIDR	1,166,000	0	0	0	0	
ADVERTISING & PROMOTION	197,700	184,900	835,200	831,700	192,300	
PACIFIC RIM DEMO. OFFICE	99,800	142,900	164,400	143,900	140,900	
RURAL COMMTY DEVELOPMENT	592,700	639,500	783,700	713,900	659,500	
MOTION PICTURE BOARD	24,800	25,000	25,000	25,000	25,000	
SOLAR PROJECTS	82,200	98,500	133,000	98,500	98,500	
CACTUS LEAGUE BASEBALL	0	0	0	100,000	0	
SPECIAL ITEM SUBTOTAL	2,273,200	1,190,800	2,045,300	2,017,000	1,220,200	
P R O G R A M T O T A L	4,263,600	3,214,100	5,173,500	4,909,600	3,484,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF COMMERCE
COST CENTER: DEPARTMENT OF COMMERCE
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,215,700	3,160,100	5,115,400	4,851,500	3,428,700	
OTHER FUNDS	47,900	54,000	58,100	58,100	56,100	
FEDERAL FUNDS	6,059,600	8,253,500	7,181,100	0	7,181,100	
OTHER NON APPROPRIATED	5,260,700	6,395,600	6,507,200	0	6,507,200	
PROGRAM TOTAL-ALL SOURCES	15,583,900	17,863,200	18,861,800	4,909,600	17,173,100	

The JLBC Staff recommends a total appropriation of $3,484,800 -- a net increase of $270,700, or 8.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Adjustments in Funding for the Pacific Rim Demonstration Office to reflect the decreasing value of the U.S. Dollar relative to the value of the New Taiwan Dollar, and one-time costs for equipment and a study of the office.	$ (4,200)
o Replacement Equipment	(400)
o Personal Services/ERE Adjustments, including a vacancy factor of 2.0% A vacancy factor of 1.0% was used by the Executive	73,100
o ERE Rate Adjustments	21,400
o Establishment of a State Office of Housing Development within the Department of Commerce in accordance with Laws of 1988, Chapters 265 and 351. The Executive recommends $111,000 for this issue.	109,300
o Adjustments in Funding for the Rural Community Development Program to reflect base adjustments, changes in the ERE rate, increases in travel rates and replacement equipment.	16,900
o Inflation	31,300
o All Other	23,300

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Replacement Equipment - A savings of $(24,600) could be achieved by eliminating funding for replacement equipment. The equipment being replaced, primarily office machines and video equipment, is 10 to 20 years old and requires continual repair.

- Intern Program - A savings of $(64,200) could be achieved by eliminating funding for 8 of the 11 interns. The Department relies heavily on the interns as they allow the professional staff to devote their time to more technical and complex responsibilities. The Department could, perhaps, continue to utilize interns on a non-paid basis by either seeking corporate sponsorship or hiring interns for college credit rather than pay.

- Solar Energy Projects - A savings of $(17,200) could be achieved by reducing funding for Solar Projects by 17.5%. This reduction could be achieved by scaling back either the Local Government Assistant Program or the Solar Industry Economic Development Program, both of which provide technical assistance and require the development of brochures.

- Arizona Business Assistance Center - The Executive recommends $17,700 to provide a toll-free number to allow firms to obtain business assistance. This service would facilitate the development, retention, expansion and relocation of businesses in Arizona.

- Media Advertising - The Executive recommends 1.0 FTE position and $570,000 to promote Arizona as a business location by 1) placing greater emphasis on West Coast media advertising, 2) increasing the frequency of advertising and 3) increasing the utilization of site selection trade magazines.

- Collateral Materials - The Executive recommends 1.0 FTE position and $152,000 to develop a coordinated package of collateral materials for business and trade development. The package would include an initial brochure as well as secondary publications targeting specific industries, geographic regions and issues of concern.

- Site Visitations - The Executive recommends $41,600 for visitation to firms interested in relocating in Arizona. The additional site visits would allow Arizona to remain competitive with other states contending for the prospective business relocation.

- Motion Picture Development - The Executive recommends $169,700 for increased media advertising, promotion, printing and in-state travel to encourage growth in the motion picture industry in Arizona.

- Cactus League Baseball - The Executive recommends $100,000 and 1.0 FTE position to establish a sports promotion office. This office would be responsible for the recruitment and retention of Cactus League franchises and other sports programs.

- Staff Support - The Executive recommends $165,700 and 7.0 FTE positions:

  Community Development - The Executive recommends 1.0 FTE position to perform clerical functions. Currently, one Administrative Secretary provides clerical support for twelve professional positions.

  Federal Clearinghouse - The Executive recommends 1.0 FTE position to assist the professional staff member, responsible for review of all federally funded projects in the State, by assuming responsibility for all clerical functions.

  Management Information Systems - The Executive recommends 1.0 position and related costs to maintain the agency's computer system, including ongoing maintenance, trouble shooting and system modifications.

  Fiscal and Support Services - The Executive recommends 4.0 FTE positions to provide support services for administrative functions, including both fiscal and clerical support.

- Economic Development Policy Analysis and Planning - The Executive recommends $38,500 and 1.0 FTE position to perform research and provide technical assistance in the development of published documents designed to attract and retain businesses in Arizona.

- International Trade - The Executive recommends $65,100 for the promotion of international trade, through both increased participation in foreign trade shows and expansion of the Pacific Rim Office's exposure to additional markets.

- Rural Economic Development Initiative (REDI) - The Executive recommends $24,700 and 0.5 FTE position to provide professional support to the Rural Economic Development Initiative program, which was established through Laws of 1987, to assist rural communities which lack resources available to initiate economic development programs within the community.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	99.30	101.30	114.30	0.00	101.30	
BY PROGRAM/ORGANIZATION						
SUPREME COURT	4,015,800	4,332,100	6,340,200	5,402,600	4,466,900	
FOSTER CARE REVIEW BOARD	762,800	804,300	931,700	1,002,400	838,100	
A G E N C Y T O T A L	4,778,600	5,136,400	7,271,900	6,405,000	5,305,000	
OPERATING BUDGET						
PERSONAL SERVICES	3,011,400	3,251,800	3,844,500	0	3,304,500	
EMPLOYEE RELATED EXP	463,700	625,900	966,000	0	601,400	
PROFESSIONAL/OUTSIDE SVC	28,400	34,500	149,500	0	34,500	
TRAVEL - IN STATE	85,000	129,600	186,800	0	131,700	
OTHER OPERATING EXP	910,400	799,400	1,295,400	0	889,400	
EQUIPMENT	71,600	21,000	291,300	0	69,300	
ALL OTHER OPERATING	1,095,400	984,500	1,923,000	0	1,124,900	
OPERATING SUBTOTAL	4,570,500	4,862,200	6,733,500	0	5,030,800	
SPECIAL LINE ITEMS						
JUDICIAL ASSISTANCE	40,800	40,800	160,000	0	40,800	
JUDICIAL EDUCATION	167,300	233,400	378,400	0	233,400	
EXEC FOSTER CARE REC	0	0	0	1,002,400	0	
EXEC SUPREME CRT REC.	0	0	0	5,402,600	0	
SPECIAL ITEM SUBTOTAL	208,100	274,200	538,400	6,405,000	274,200	
A G E N C Y T O T A L	4,778,600	5,136,400	7,271,900	6,405,000	5,305,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,778,600	5,136,400	7,271,900	6,405,000	5,305,000	
OTHER NON APPROPRIATED	2,245,100	1,938,500	2,376,400	0	2,376,400	
AGENCY TOTAL-ALL SOURCES	7,023,700	7,074,900	9,648,300	6,405,000	7,681,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: SUPREME COURT
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	78.30	80.30	93.30	0.00	80.30	
OPERATING BUDGET						
PERSONAL SERVICES	2,573,400	2,781,400	3,358,400	0	2,832,600	
EMPLOYEE RELATED EXP	371,300	507,600	800,600	0	477,000	
PROFESSIONAL/OUTSIDE SVC	13,700	30,000	115,000	0	30,000	
TRAVEL - IN STATE	39,300	77,800	127,200	0	78,400	
OTHER OPERATING EXP	754,300	643,800	1,112,300	0	708,400	
EQUIPMENT	55,700	17,300	288,300	0	66,300	
ALL OTHER OPERATING	863,000	768,900	1,642,800	0	883,100	
OPERATING SUBTOTAL	3,807,700	4,057,900	5,801,800	0	4,192,700	
SPECIAL LINE ITEMS						
JUDICIAL ASSISTANCE	40,800	40,800	160,000	0	40,800	
JUDICIAL EDUCATION	167,300	233,400	378,400	0	233,400	
EXEC SUPREME CRT REC.	0	0	0	5,402,600	0	
SPECIAL ITEM SUBTOTAL	208,100	274,200	538,400	5,402,600	274,200	
P R O G R A M T O T A L	4,015,800	4,332,100	6,340,200	5,402,600	4,466,900	
BY FUND SOURCE						
GENERAL FUND	4,015,800	4,332,100	6,340,200	5,402,600	4,466,900	
OTHER NON APPROPRIATED	2,245,100	1,938,500	2,376,400	0	2,376,400	
PROGRAM TOTAL-ALL SOURCES	6,260,900	6,270,600	8,716,600	5,402,600	6,843,300	

DEPARTMENT: SUPREME COURT
COST CENTER: SUPREME COURT

The JLBC Staff recommends a total appropriation of $4,466,900 -- a net increase of $134,800, or 3.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (39,200)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	32,300
o Replacement Equipment	49,000
o Risk Management Insurance	20,100
o General Inflation	19,700
o Rent - Private Office Space	24,800
o Annualization - Judges Salaries	27,500
o All Other	600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- The Supreme Court has requested 29 policy issues for this program at a cost of $1,280,200 with 13 positions.

- All Other Operating - A decrease of $(83,700) can be achieved by reducing allocations for replacement equipment, professional services, travel, and library maintenance. The reduction will specifically impact the ability of the agency to utilize computer operating systems consultants and will limit enhancements to the print shop. The reduction will limit the agency's overall ability to fulfill its responsibilities.

  The Executive does not analyze the budget for the Judicial System, however, a 25% increase over the FY 1989 appropriation was included under the Executive column for budget projection purposes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: FOSTER CARE REVIEW BOARD
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	21.00	21.00	21.00	0.00	21.00	
OPERATING BUDGET						
PERSONAL SERVICES	438,000	470,400	486,100	0	471,900	
EMPLOYEE RELATED EXP	92,400	118,300	165,400	0	124,400	
PROFESSIONAL/OUTSIDE SVC	14,700	4,500	34,500	0	4,500	
TRAVEL - IN STATE	45,700	51,800	59,600	0	53,300	
OTHER OPERATING EXP	156,100	155,600	183,100	0	181,000	
EQUIPMENT	15,900	3,700	3,000	0	3,000	
ALL OTHER OPERATING	232,400	215,600	280,200	0	241,800	
OPERATING SUBTOTAL	762,800	804,300	931,700	0	838,100	
SPECIAL LINE ITEMS						
EXEC FOSTER CARE REC	0	0	0	1,002,400	0	
SPECIAL ITEM SUBTOTAL	0	0	0	1,002,400	0	
P R O G R A M T O T A L	762,800	804,300	931,700	1,002,400	838,100	
BY FUND SOURCE						
GENERAL FUND	762,800	804,300	931,700	1,002,400	838,100	
PROGRAM TOTAL-ALL SOURCES	762,800	804,300	931,700	1,002,400	838,100	

DEPARTMENT: SUPREME COURT
COST CENTER: FOSTER CARE REVIEW BOARD

The JLBC Staff recommends a total appropriation of $838,100 -- a net increase of $33,800, or 4.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (700)
o Personal Services/ERE Adjustments, including a vacancy factor of 0.0%	1,900
o ERE Rate Adjustments	5,700
o General Inflation	3,600
o Rent - Private Office Space	21,800
o All Other	1,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- The Supreme Court requested three policy issues for this program at a cost of $36,300.
- All Other Operating - A decrease of $(12,000) can be achieved by reducing allocations for replacement equipment and operating expenses of the Foster Care Review Board.

  The Executive does not Analyze the budget for the Judicial System, however, a 25% increase over the FY 1989 Appropriation is included under the Executive column for budget projection purposes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	112.50	112.50	133.50	0.00	112.50	
BY PROGRAM/ORGANIZATION						
COURT OF APPEALS (DIV.I)	3,860,500	3,902,200	6,234,200	4,869,400	5,104,300	
COURT OF APPEALS (DIV.II)	1,767,200	1,785,100	2,145,400	2,227,100	1,839,500	
A G E N C Y T O T A L	5,627,700	5,687,300	8,379,600	7,096,500	6,943,800	
OPERATING BUDGET						
PERSONAL SERVICES	4,237,000	4,489,500	5,581,100	0	5,409,600	
EMPLOYEE RELATED EXP	512,700	676,500	1,128,400	0	676,100	
PROFESSIONAL/OUTSIDE SVC	9,200	3,000	5,000	0	3,100	
TRAVEL - IN STATE	47,000	58,000	72,100	0	69,500	
TRAVEL - OUT OF STATE	8,700	11,500	36,100	0	28,300	
OTHER OPERATING EXP	790,900	430,300	1,044,400	0	610,700	
EQUIPMENT	22,200	18,500	477,500	0	146,500	
ALL OTHER OPERATING	878,000	521,300	1,635,100	0	858,100	
OPERATING SUBTOTAL	5,627,700	5,687,300	8,344,600	0	6,943,800	
SPECIAL LINE ITEMS						
N.A.A.C.C. CONF	0	0	5,000	0	0	
TUCSON OFFICE	0	0	30,000	0	0	
EXEC APPEALS II REC.	0	0	0	2,227,100	0	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
EXEC APPEALS I REC.	0	0	0	4,869,400	0	
SPECIAL ITEM SUBTOTAL	0	0	35,000	7,096,500	0	
A G E N C Y T O T A L	5,627,700	5,687,300	8,379,600	7,096,500	6,943,800	
BY FUND SOURCE						
GENERAL FUND	5,627,700	5,687,300	8,379,600	7,096,500	6,943,800	
AGENCY TOTAL-ALL SOURCES	5,627,700	5,687,300	8,379,600	7,096,500	6,943,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: COURT OF APPEALS (DIV.I)
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	80.50	80.50	100.50	0.00	80.50	
OPERATING BUDGET						
PERSONAL SERVICES	2,979,300	3,164,000	4,159,300	0	4,029,800	
EMPLOYEE RELATED EXP	365,900	459,600	837,800	0	464,700	
PROFESSIONAL/OUTSIDE SVC	0	1,000	1,000	0	1,000	
TRAVEL - IN STATE	26,100	34,100	42,100	0	42,100	
TRAVEL - OUT OF STATE	4,500	4,500	21,000	0	21,000	
OTHER OPERATING EXP	478,300	233,000	718,200	0	405,200	
EQUIPMENT	6,400	6,000	454,800	0	140,500	
ALL OTHER OPERATING	515,300	278,600	1,237,100	0	609,800	
OPERATING SUBTOTAL	3,860,500	3,902,200	6,234,200	0	5,104,300	
SPECIAL LINE ITEMS						
EXEC APPEALS I REC.	0	0	0	4,869,400	0	
SPECIAL ITEM SUBTOTAL	0	0	0	4,869,400	0	
P R O G R A M T O T A L	3,860,500	3,902,200	6,234,200	4,869,400	5,104,300	
BY FUND SOURCE						
GENERAL FUND	3,860,500	3,902,200	6,234,200	4,869,400	5,104,300	
PROGRAM TOTAL-ALL SOURCES	3,860,500	3,902,200	6,234,200	4,869,400	5,104,300	

DEPARTMENT: COURT OF APPEALS
COST CENTER: COURT OF APPEALS (DIV. I)

The JLBC Staff recommends a total appropriation of $5,104,300 -- a net increase of $1,202,100, or 30.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	$ (46,800)
o ERE Rate Adjustments	(94,800)
o All other	(300)
o Replacement Equipment	25,200
o General Inflation	10,100
o Annualization - Judges Salaries	67,500
o Statutory - A.R.S. 12-120(b) as Amended by Chapter 38, Laws of 1988 creates a 5th panel to manage an increase in case load. Implementation of the panel had a delayed date of July 1, 1989.	1,241,200

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- The Appeals Court requested five policy issues for this program at a cost of $428,400.

- Fifth Panel Implementation Delay - A reduction of $297,300 can be achieved by delaying the implementation of the fifth panel by four months.

  The Executive does not analyze the budget for the Judicial System, however, a 25% increase over the FY 1989 appropriation is included under the Executive column for budget projection purposes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: COURT OF APPEALS (DIV.II)
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	32.00	32.00	33.00	0.00	32.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,257,700	1,325,500	1,421,800	0	1,379,800	
EMPLOYEE RELATED EXP	146,800	216,900	290,600	0	211,400	
PROFESSIONAL/OUTSIDE SVC	9,200	2,000	4,000	0	2,100	
TRAVEL - IN STATE	20,900	23,900	30,000	0	27,400	
TRAVEL - OUT OF STATE	4,200	7,000	15,100	0	7,300	
OTHER OPERATING EXP	312,600	197,300	326,200	0	205,500	
EQUIPMENT	15,800	12,500	22,700	0	6,000	
ALL OTHER OPERATING	362,700	242,700	398,000	0	248,300	
OPERATING SUBTOTAL	1,767,200	1,785,100	2,110,400	0	1,839,500	
SPECIAL LINE ITEMS						
N.A.A.C.C. CONF	0	0	5,000	0	0	
TUCSON OFFICE	0	0	30,000	0	0	
EXEC APPEALS II REC.	0	0	0	2,227,100	0	
SPECIAL ITEM SUBTOTAL	0	0	35,000	2,227,100	0	
P R O G R A M T O T A L	1,767,200	1,785,100	2,145,400	2,227,100	1,839,500	

DEPARTMENT: COURT OF APPEALS | JLBC ANALYST: MILLER | HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: COURT OF APPEALS (DIV.II) | SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,767,200	1,785,100	2,145,400	2,227,100	1,839,500	
PROGRAM TOTAL-ALL SOURCES	1,767,200	1,785,100	2,145,400	2,227,100	1,839,500	

The JLBC Staff recommends a total appropriation of $1,839,500 -- a net increase of $54,400, or 3.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (6,500)
o ERE Rate Adjustments	(13,800)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	29,700
o Risk Management Insurance	500
o General Inflation	8,900
o Annualization - Judges Salaries	32,900
o All Other	2,700

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- The Appeals Court has requested seven policy issues for this program at a cost of $91,800 with one position.
- All Other Operating - A decrease of $(13,800) can be achieved by eliminating or reducing allocations for replacement equipment, professional services, travel, and operating supplies.

  The governor does not analyze the budget for the Judicial System, however, a 25% increase over the FY 1989 appropriation is included under the Executive column for budget projection purposes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPERIOR COURT
COST CENTER: SUPERIOR COURT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	103.00	104.00	104.00	0.00	104.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,576,600	3,900,000	4,560,000	0	4,160,000	
EMPLOYEE RELATED EXP	182,800	358,100	599,200	0	174,300	
OTHER OPERATING EXP	66,200	57,100	812,000	0	812,000	
ALL OTHER OPERATING	66,200	57,100	812,000	0	812,000	
OPERATING SUBTOTAL	3,825,600	4,315,200	5,971,200	0	5,146,300	
SPECIAL LINE ITEMS						
MED MALPRACTICE PANELS	3,000	15,000	15,000	0	15,000	
FAMILY COUNSELING	289,600	312,800	321,800	0	321,800	
PROBATION - STATE AID	1,317,900	1,727,300	2,302,900	0	1,727,300	
PROBATION - ENHANCEMENT	4,140,500	7,519,300	9,793,000	0	9,793,000	
I.P.S. - ADULT	4,675,200	6,703,600	7,872,500	0	7,785,300	
I.P.S. - JUVENILE	3,106,500	5,092,700	5,380,500	0	5,092,700	
JUVENILE PROB SVS FUND	12,044,600	13,353,300	18,653,500	0	16,173,400	
COURT APPOINTED SP ADVOC	64,400	75,000	560,800	0	75,000	
DRUG WAR	0	0	4,430,300	0	0	
COMMUNITY PUNISHMENT	0	0	2,960,000	0	0	
CHILD SUPPORT ENFORCEMEN	0	0	65,400	0	46,400	
EBO SUPERIOR REC.	0	0	0	48,892,800	0	
SPECIAL ITEM SUBTOTAL	25,641,700	34,799,000	52,355,700	48,892,800	41,029,900	
P R O G R A M T O T A L	29,467,300	39,114,200	58,326,900	48,892,800	46,176,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SUPERIOR COURT
COST CENTER: SUPERIOR COURT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	29,467,300	39,114,200	58,326,900	48,892,800	46,176,200	
OTHER NON APPROPRIATED	0	1,267,600	250,000	0	250,000	
PROGRAM TOTAL-ALL SOURCES	29,467,300	40,381,800	58,576,900	48,892,800	46,426,200	

DEPARTMENT: SUPERIOR COURT
COST CENTER: SUPERIOR COURT

The JLBC Staff recommends a total appropriation of $46,176,200 -- a net increase of $7,062,000, or 18.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (194,700)
o Adult Intensive Probation - Vacancy Savings Adjustment	(87,200)
o Risk Management Insurance	754,900
o Annualization - Judges Salaries	270,900
o Family Counseling - Case Load Changes	9,000
o Probation Enhancement - Pursuant to A.R.S. 12-251 and 12-265(C), the increase will maintain the statutory standard (1:60 ratio) by adding 63 probation positions.	2,273,700
o Adult Intensive Probation - Pursuant to A.R.S. 12-293.B and 13-603.E. , the increase allows for maintenance of the program and to provide and increase in case load capacity from 1,445 to 1,760.	1,168,900
o Juvenile Probation Services - Pursuant to the requirements of A.R.S. 8-230.01-.02 and 8-243, the increase provides for additional placements in residential treatment and increases in referrals due to increased law enforcement activities and population increase of juveniles under the age of 17.	
- Population changes	1,552,500
- Fund Shift (GF to replace JPSF)	1,267,600

JLBC Staff Recommended Policy Issues

o <u>Child Support Enforcement</u> - The request is for $65,400 to fund a secretarial position, operating costs, and the State ten percent match required for federal funds anticipated through the Department of Economic Security. The State and federal funds will provide $149,500 for three positions to coordinate automation implementation at the local level (court clerks), serve as liaison between the local courts and DES, and refine and maintain child support program hardware and software at each court site. JLBC Staff analysis indicates that the cost of this policy issue is $46,400 and recommends that the issue be funded at this level.	46,400

Other Issues for Legislative Consideration

- Additional Superior Court Judgeships - Population projections reflect that 20 to 24 judgeships could be created in Pima and Maricopa Counties for FY 90 based upon the constitutional and statutory standards of one judgeship per 30,000 population (Arizona Constitution, Art. VI, Sec. 10 and A.R.S. 12-121). Based upon responses from the presiding judges from the above counties, the FY 90 budget request includes $452,600 for full year funding of ten additional judgeships. Four of the judgeships requested for Maricopa County have been authorized by the Board of Supervisors to be established by June 30, 1989.

- Court Appointed Special Advocate - The request is for an increase of $485,800 which includes $425,000 for program implementation in every county and $135,600 for administration of the program. Primary funding for the CASA program is provided by the federal Department of Health and Human Services (P.L. 93-247 Child Abuse Prevention and Treatment Act). This funding is provided as long as certain requirements are met. One requirement is that the program be established statewide. However, this requirement can be waived as long as it can be demonstrated that "good faith efforts" with "substantial progress" are being made toward a statewide program. Presently the program is established in four counties. If funding is not provided to expand this program, then the current State support of $75,000 may not be necessary for FY 1990.

- Community Punishment - The request is for $2,960,000 to implement a community punishment program in 10 counties. This program was established by Chapter 324, Laws of 1988 and was intended to enhance the adult probation services system. This program has not been funded.

- Drug War - The request is for $4,430,300 which includes $2,493,300 to continue funding pro tempore judges and permanent Superior Court Divisions and $1,937,000 for adult felon drug testing. JLBC Staff review of these programs indicate that they were created in response to the "Drug War" act established by Chapter 307, Laws of 1987.

  In FY 1989, $2,092,100 was received from the Criminal Justice Commission's Drug Enforcement Account and additional judgeships were established. Since the court divisions are established and ACJC funding is uncertain, the court has requested FY 1990 General Funds to continue the program. If the program is not funded the existing pro tempore judges could probably be terminated, however, there may be a constitutional problem with abolishing a "permanent division." The program currently has six "permanent divisions." The FY 1990 cost to continue the six divisions is $791,400.

  Federal funds may be available in FY 1990 to support the drug testing programs.

- Three other Policy issues totaling $2,044,900 was also requested by the courts. The Executive does not analyze the budget for the Judicial System, however, a 25% increase over the FY 1989 appropriation is included under the Executive column for budget projection purposes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMMISSION ON JUD QUAL. JLBC ANALYST: MILLER HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: COMM ON JUDICIAL QUAL SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	57,800	60,000	126,800	75,000	60,000	
P R O G R A M T O T A L	57,800	60,000	126,800	75,000	60,000	
BY FUND SOURCE						
GENERAL FUND	57,800	60,000	126,800	75,000	60,000	
PROGRAM TOTAL-ALL SOURCES	57,800	60,000	126,800	75,000	60,000	

The JLBC Staff recommends a total appropriation of $60,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMMISSION ON APPEALS
COST CENTER: COMM ON APP & TRL CRT APT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	1,000	4,000	4,000	4,000	4,000	
P R O G R A M T O T A L	1,000	4,000	4,000	4,000	4,000	
BY FUND SOURCE						
GENERAL FUND	1,000	4,000	4,000	4,000	4,000	
PROGRAM TOTAL-ALL SOURCES	1,000	4,000	4,000	4,000	4,000	

The JLBC Staff recommends a total appropriation of $4,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OFFICE OF THE GOVERNOR
COST CENTER: OFFICE OF THE GOVERNOR

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	2,654,400	2,872,100	3,303,000	3,303,000	3,303,000	
P R O G R A M T O T A L	2,654,400	2,872,100	3,303,000	3,303,000	3,303,000	
BY FUND SOURCE						
GENERAL FUND	2,654,400	2,872,100	3,303,000	3,303,000	3,303,000	
PROGRAM TOTAL-ALL SOURCES	2,654,400	2,872,100	3,303,000	3,303,000	3,303,000	

The JLBC Staff recommends a total appropriation of $3,303,000 -- a net increase of $430,900, or 15.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

- The recommended level reflects the Executive's request of an increase of $430,900.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LAW ENF MERIT SYS CNCL
COST CENTER: LAW ENF. MERIT SYS CNCL

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	25,800	27,200	23,100	23,700	23,100	
EMPLOYEE RELATED EXP	5,400	6,800	6,000	6,000	5,500	
PROFESSIONAL/OUTSIDE SVC	2,800	5,800	5,800	5,800	5,800	
TRAVEL - IN STATE	2,500	4,000	4,000	4,000	4,000	
OTHER OPERATING EXP	4,300	4,400	4,000	4,000	4,000	
EQUIPMENT	900	0	0	0	0	
ALL OTHER OPERATING	10,500	14,200	13,800	13,800	13,800	
P R O G R A M T O T A L	41,700	48,200	42,900	43,500	42,400	
BY FUND SOURCE						
GENERAL FUND	41,700	48,200	42,900	43,500	42,400	
PROGRAM TOTAL-ALL SOURCES	41,700	48,200	42,900	43,500	42,400	

The JLBC Staff recommends a total appropriation of $42,400 -- a net decrease of $(5,800), or (0.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustment due to replacement salary	$ (5,100)
o All Other	(700)

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: SENATE

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	4,634,300	5,441,000	6,100,000	6,100,000	6,100,000	
P R O G R A M T O T A L	4,634,300	5,441,000	6,100,000	6,100,000	6,100,000	
BY FUND SOURCE						
GENERAL FUND	4,634,300	5,441,000	6,100,000	6,100,000	6,100,000	
PROGRAM TOTAL-ALL SOURCES	4,634,300	5,441,000	6,100,000	6,100,000	6,100,000	

The JLBC Staff recommends a total appropriation of $6,100,000 -- a net increase of $659,000, or 12.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

- The recommended level contains an increase of $659,000 as requested by the Senate. The Executive recommendation reflects the Legislative request, as the Executive does not submit a recommendation for the Legislature.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: HOUSE OF REPRESENTATIVES

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	6,101,600	5,839,700	6,164,800	6,164,800	6,164,800	
P R O G R A M T O T A L	6,101,600	5,839,700	6,164,800	6,164,800	6,164,800	
BY FUND SOURCE						
GENERAL FUND	6,101,600	5,839,700	6,164,800	6,164,800	6,164,800	
PROGRAM TOTAL-ALL SOURCES	6,101,600	5,839,700	6,164,800	6,164,800	6,164,800	

The JLBC Staff recommends a total appropriation of $6,164,800 -- a net increase of $325,100, or 5.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

- The recommended level contains an increase of $325,100 as requested by the House of Representatives. The Executive recommendation reflects the Legislative request, as the Executive does not submit a recommendation for the Legislature.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: LEGISLATIVE COUNCIL

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	1,480,100	3,198,600	2,357,000	2,357,000	2,357,000	
P R O G R A M T O T A L	1,480,100	3,198,600	2,357,000	2,357,000	2,357,000	
BY FUND SOURCE						
GENERAL FUND	1,480,100	3,198,600	2,357,000	2,357,000	2,357,000	
PROGRAM TOTAL-ALL SOURCES	1,480,100	3,198,600	2,357,000	2,357,000	2,357,000	

The JLBC Staff recommends a total appropriation of $2,357,000 -- a net decrease of $(841,600) or (26.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

- The recommended level contains a decrease of $(841,600) as a result of adjustments for one-time computer equipment purchases in FY 1989.

The Executive recommendation reflects the Legislative request, as the Executive does not submit a recommendation for the Legislature.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: JT LEGIS BUDGET COMMITTEE

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	1,308,900	1,447,300	1,537,700	1,462,200	1,537,700	
PROGRAM TOTAL	1,308,900	1,447,300	1,537,700	1,462,200	1,537,700	
BY FUND SOURCE						
GENERAL FUND	1,308,900	1,447,300	1,537,700	1,462,200	1,537,700	
PROGRAM TOTAL-ALL SOURCES	1,308,900	1,447,300	1,537,700	1,462,200	1,537,700	

The JLBC Staff recommends a total appropriation of $1,537,700 -- a net increase of $90,400, or 6.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Professional and Outside Services	$ (6,000)
o Travel Expenditures	(2,500)
o Replacement Equipment	(4,700)
o ERE Rate Adjustments	15,400
o General Inflation and Other	12,700

The Executive recommendation reflects the original Legislative request, as the Executive does not submit a recommendation for the Legislature.

JLBC Staff Recommended Policy Issues

o Fiscal Note Analysis - Two FTE positions, a Principal Analyst and a Secretary/ Clerk, are required to support the responsibility of analyzing and submitting fiscal notes to the Legislature on all major bills. Included in the $75,500 request is funding for equipment and supplies in support of the new positions.	75,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: AUDITOR GENERAL

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	5,824,800	6,542,000	7,347,600	7,347,600	6,859,300	
P R O G R A M T O T A L	5,824,800	6,542,000	7,347,600	7,347,600	6,859,300	
BY FUND SOURCE						
GENERAL FUND	5,824,800	6,542,000	7,347,600	7,347,600	6,859,300	
OTHER NON APPROPRIATED	292,900	327,000	927,700	0	927,700	
PROGRAM TOTAL-ALL SOURCES	6,117,700	6,869,000	8,275,300	7,347,600	7,787,000	

The JLBC Staff recommends a total appropriation of $6,859,300 -- a net increase of $317,300, or 4.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

- The recommended level contains an increase of $317,300 to provide for the continuation of programs. The Executive recommendation reflects the Legislative request, as the Executive does not submit a recommendation for the Legislature.

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: LIB, ARCH & PUB RCDS

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	113.00	113.00	118.00	118.00	113.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,058,700	2,248,100	2,383,600	2,383,600	2,262,000	
EMPLOYEE RELATED EXP	417,500	577,500	633,300	633,300	540,600	
PROFESSIONAL/OUTSIDE SVC	59,600	102,100	106,200	106,200	106,200	
TRAVEL - IN STATE	7,300	13,300	19,700	19,700	13,800	
TRAVEL - OUT OF STATE	14,400	10,200	13,000	13,000	10,700	
OTHER OPERATING EXP	722,900	681,500	952,900	952,900	769,400	
EQUIPMENT	32,700	39,300	126,200	126,200	90,400	
ALL OTHER OPERATING	836,900	846,400	1,218,000	1,218,000	990,500	
OPERATING SUBTOTAL	3,313,100	3,672,000	4,234,900	4,234,900	3,793,100	
SPECIAL LINE ITEMS						
CARNEGIE LIBRARY	500	0	0	0	0	
ACQUISITIONS	275,000	320,000	370,000	370,000	350,000	
GRANTS-IN-AID	540,000	595,000	650,000	650,000	620,000	
MUSEUM FURNISHINGS	7,900	34,000	34,000	34,000	34,000	
RADIO READING	45,000	45,000	45,000	45,000	45,000	
SPECIAL ITEM SUBTOTAL	868,400	994,000	1,099,000	1,099,000	1,049,000	
P R O G R A M T O T A L	4,181,500	4,666,000	5,333,900	5,333,900	4,842,100	

DEPARTMENT: LEGISLATURE JLBC ANALYST: BELLGARDT HOUSE SUBCOMMITTEE CHAIR: GERARD
COST CENTER: LIB, ARCH & PUB RCDS SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,181,500	4,666,000	5,333,900	5,333,900	4,842,100	
FEDERAL FUNDS	1,558,500	1,819,700	0	0	0	
OTHER NON APPROPRIATED	59,500	80,000	47,500	50,000	47,500	
PROGRAM TOTAL-ALL SOURCES	5,799,500	6,565,700	5,381,400	5,383,900	4,889,600	

The JLBC Staff recommends a total appropriation of $4,842,100 -- a net increase of $176,100, or 3.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (2,000)
o ERE rate adjustments	(40,300)
o Personal Services/ERE Adjustments, including a vacancy factor of 2.0%	17,300
o Replacement Equipment	6,100
o Commercial Rent	75,200
o Additional Shelving	45,000
o General Inflation	57,800
o Library Acquisitions	17,000

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.
  The Executive recommendation reflects the Legislative request, as the Executive does not submit a recommendation for the Legislature.

Other Issues for Legislative Consideration

- Grants-In-Aid - A savings of $(195,000) could be achieved by eliminating 33% of monies available to county libraries. Currently 14 counties and 5 metros receive assistance, and must provide a "match" equal to the amount of State funding received. A 33% reduction would necessitate an increase in the County Library District levy in order for the counties to maintain their current level of service, and could result in the deterioration of library collections and services.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ. LOTTERY
COST CENTER: AZ. LOTTERY

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	148.00	148.00	148.00	148.00	148.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,073,100	3,559,700	3,595,900	3,371,200	3,272,300	
EMPLOYEE RELATED EXP	625,900	717,500	1,179,800	880,200	811,400	
PROFESSIONAL/OUTSIDE SVC	155,000	470,300	492,600	492,600	492,600	
TRAVEL - IN STATE	191,700	200,600	214,000	214,000	207,800	
TRAVEL - OUT OF STATE	14,100	16,200	29,400	29,400	29,400	
OTHER OPERATING EXP	2,322,700	2,908,900	3,428,200	3,428,200	3,428,200	
EQUIPMENT	60,000	0	0	0	0	
ALL OTHER OPERATING	2,743,500	3,596,000	4,164,200	4,164,200	4,158,000	
OPERATING SUBTOTAL	6,442,500	7,873,200	8,939,900	8,415,600	8,241,700	
SPECIAL LINE ITEMS						
ADVERTISING	4,091,800	5,040,000	7,125,000	7,125,000	7,125,000	
RETAILER COMMISSIONS	10,369,100	15,120,000	18,525,000	18,525,000	18,525,000	
ON-LINE VENDOR FEES	5,818,000	10,000,000	11,150,000	11,150,000	11,150,000	
SPECIAL ITEM SUBTOTAL	20,278,900	30,160,000	36,800,000	36,800,000	36,800,000	
P R O G R A M T O T A L	26,721,400	38,033,200	45,739,900	45,215,600	45,041,700	
BY FUND SOURCE						
OTHER FUNDS	26,721,400	38,033,200	45,739,900	45,215,600	45,041,700	
PROGRAM TOTAL-ALL SOURCES	26,721,400	38,033,200	45,739,900	45,215,600	45,041,700	

DEPARTMENT: ARIZONA LOTTERY
COST CENTER: ARIZONA LOTTERY

The JLBC Staff recommends a total appropriation of $45,041,700 -- a net increase of $7,008,500, or 18.4%, to the FY 1989 estimated level of expenditures.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 9.0%	$ (358,500)
o ERE Rate Adjustments	165,000
o Advertising	2,085,000
o Retailer Commissions	3,405,000
o On-Line Vendor Fees	1,150,000
o Tickets	312,000
o Repair and Maintenance of Computer Equipment	84,000
o Computer Training	13,200
o Risk Management Insurance	17,600
o General Inflation	120,900
o All Other	14,300

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends the following footnotes to the Appropriation Act:

  Advertising - "If net sales exceed the estimated $285,000,000, amounts above $7,125,000 may be expended for advertising in accordance with A.R.S. 5-505, which states that not more than 4% of the annual gross revenues shall be expended for advertising."

  Retailer Commissions - "If net sales exceed the estimated $285,000,000, amounts above $18,525,000 may be expended for sales commissions at the rate of 6% of net sales plus incentives, in accordance with A.A.C. R4-37-206.B and 301.N."

  On-Line Vendor Fees - "If net sales exceed the estimated $285,000,000, amounts above $11,150,000 may be expended for on-line vendor fees, in accordance with the matrix of percentages set forth in contract."

Other Issues for Legislative Consideration

- Note - Expenditures prior to FY 1990 were not subject to appropriation, and are shown for informational purposes only.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PERSONNEL BOARD
COST CENTER: PERSONNEL BOARD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	2.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	73,200	77,700	77,700	55,100	77,700	
EMPLOYEE RELATED EXP	13,700	17,200	26,300	16,200	22,400	
PROFESSIONAL/OUTSIDE SVC	58,300	77,800	77,400	77,800	73,700	
TRAVEL - IN STATE	100	2,200	1,700	1,700	1,600	
OTHER OPERATING EXP	34,900	43,000	45,600	45,600	22,000	
EQUIPMENT	1,000	0	0	0	0	
ALL OTHER OPERATING	94,300	123,000	124,700	125,100	97,300	
P R O G R A M T O T A L	181,200	217,900	228,700	196,400	197,400	
BY FUND SOURCE						
GENERAL FUND	181,200	217,900	228,700	196,300	197,400	
PROGRAM TOTAL-ALL SOURCES	181,200	217,900	228,700	196,300	197,400	

DEPARTMENT: PERSONNEL BOARD
COST CENTER: PERSONNEL BOARD

The JLBC Staff recommends a total appropriation of $197,400 -- a net decrease of $(20,500), or (9.4)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Legal Cost Reduction The Executive recommended no net change in legal cost funding.	$ (4,100)
o Travel Adjustment	(600)
o ERE Rate Adjustments	5,200
o General Inflation	300

JLBC Staff Recommended Policy Issues

o Office Relocation - JLBC Staff recommends relocating the office from private sector space to State owned space.	(21,300)

Other Issues for Legislative Consideration

- Staff Reduction - The Executive recommends the elimination of one Administrative Assistant position and $32,200, due to the declining workload of the Board. The workload is dependent upon the number of appeals filed by State employees and is, therefore, unpredictable. While the reduced staff could process the appeals during slow periods, the Board would have to increase its hiring of temporary help during busier months. Thus, net savings would be somewhat less than $32,200.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE RETIREMENT SYSTEM
COST CENTER: STATE RETIREMENT SYSTEM

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	57.00	62.00	83.50	76.00	78.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,168,500	1,385,500	1,744,000	1,634,400	1,570,200	
EMPLOYEE RELATED EXP	233,000	307,400	416,200	388,400	352,700	
PROFESSIONAL/OUTSIDE SVC	182,000	319,300	284,300	283,800	214,300	
TRAVEL - IN STATE	19,300	26,200	33,100	27,100	24,200	
TRAVEL - OUT OF STATE	8,900	9,700	10,500	9,800	10,000	
OTHER OPERATING EXP	307,600	370,300	494,500	422,700	404,700	
EQUIPMENT	68,900	155,800	163,100	108,500	124,300	
ALL OTHER OPERATING	586,700	881,300	985,500	851,900	777,500	
OPERATING SUBTOTAL	1,988,200	2,574,200	3,145,700	2,874,700	2,700,400	
SPECIAL LINE ITEMS						
LTD ADMIN. FEES	0	300,000	0	0	0	
SPECIAL ITEM SUBTOTAL	0	300,000	0	0	0	
P R O G R A M T O T A L	1,988,200	2,874,200	3,145,700	2,874,700	2,700,400	
BY FUND SOURCE						
OTHER FUNDS	1,988,200	2,874,200	3,145,700	2,874,700	2,700,400	
PROGRAM TOTAL-ALL SOURCES	1,988,200	2,874,200	3,145,700	2,874,700	2,700,400	

DEPARTMENT: STATE RETIREMENT SYSTEM
COST CENTER: STATE RETIREMENT SYSTEM

The JLBC Staff recommends a total appropriation of $2,700,400 -- a net decrease of $(173,800), or (6.0)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (41,600)
o Professional & Outside Services: base adjustment for one-time expenses	(115,000)
o Elimination of special line item for LTD Management Expenses	(300,000)
o Travel Rate Adjustments, including base adjustment	(2,700)
o Replacement Equipment	(82,400)
o Risk Management Insurance	(7,400)
o ERE rate adjustments	3,700
o General Inflation	25,200

JLBC Staff Recommended Policy Issues

- o Retirement Division - JLBC Staff recommends 5.5 FTE positions and $124,100 to administer the pre-retirement program, perform final retirement account audits, and aid in the processing of applications for retirement and death benefits. The Executive recommends 6.0 FTE positions and $136,100. — 124,100

- o Data Processing - JLBC Staff recommends 2.0 FTE positions and $67,400 to update programming and documentation in the data-processing department. Most of the agency's mainframe programs were written over 15 years ago and do not provide on-line processing capabilities. In addition, staff support is needed to document both new and existing programs. The Executive recommends 1.0 FTE position and $37,900 for a computer programmer. — 67,400

- o Reception, Mail, and File Control - JLBC Staff recommends 6.0 FTE positions and $40,100 to handle reception and switchboard duties, act as file room librarian, and keep files current. The recommended amount includes a reduction for temporary clerical help which will no longer be needed. The Executive recommends 4.0 FTE positions and $62,200 for this policy issue. — 40,100

- Investment and Accounting - JLBC Staff recommends 1.0 FTE position and $34,200 to add assistance in performing accounting and research functions on investments. The Executive recommends $34,400 for this policy issue. — 34,200

- Communications/Printing - JLBC Staff recommends 1.0 FTE position and $39,300 for a Public Information Officer to prepare printed and audiovisual information on the various benefits programs. The recommended amount also includes printing costs so the Retirement System can expand its newsletter and print updated versions of their rules and regulations. Due to lack of personnel to prepare informational materials, the newsletter is frequently delivered four months late, and booklets and pamphlets which describe benefits programs are years out of date. Expanded use of printed pamphlets and newsletters would be cost-effective because it would reduce the demand for personal counseling, thus reducing the need for additional retirement officers. The Executive recommends 1.0 FTE position and $40,800 to fund this policy issue. — 39,300

- Portable Computers - JLBC Staff and the Executive recommend $6,900 for two portable computers to be used by field staff when they travel around the state. The computers will allow Retirement Officers to provide benefit estimates when they are away from the home office. — 6,900

- Tucson Field Office - JLBC Staff recommends 1.0 FTE and $34,400 for rent and additional staffing in the new Tucson field office. This program was given start-up funding and one FTE during the last legislative session. The existing Retirement Officer travels through Southern Arizona for several weeks each month. A second staff member is needed to keep the Tucson office open on a daily basis and provide better service to members who reside in Southern Arizona. Initial funding included no provisions for commercial rent because the Retirement System expected its Investment Committee to purchase a building in Tucson. The Committee has decided against purchasing an office building in Tucson, at least in the near future, because the overbuilt office market in the Tucson area does not make such a purchase look like a wise investment. The Executive recommends 1.0 FTE and $40,800. — 34,400

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	922.00	956.00	990.00	991.00	1,001.00	
BY PROGRAM/ORGANIZATION						
DIRECTOR'S OFFICE	328,700	367,700	366,800	375,300	362,100	
ADMINISTRATIVE SERVICES	7,002,500	8,013,900	9,158,800	9,259,300	8,887,700	
PROPERTY VALUATION	2,566,400	2,966,000	4,408,100	4,472,400	4,366,000	
SPECIAL SUPPORT	858,300	1,249,100	1,333,500	1,353,500	1,244,200	
ENFORCEMENT	9,609,400	11,397,500	12,127,000	12,479,400	11,364,400	
TAX PAYER SUP & ED SER.	1,706,900	2,513,400	2,708,400	2,812,800	2,541,700	
DATA MANAGEMENT	8,288,700	9,357,600	10,233,800	10,340,800	10,150,400	
A G E N C Y T O T A L	30,360,900	35,865,200	40,336,400	41,093,500	38,916,500	
OPERATING BUDGET						
PERSONAL SERVICES	16,766,100	19,845,600	21,295,600	21,896,200	20,613,300	
EMPLOYEE RELATED EXP	3,437,000	4,721,200	5,381,400	5,625,800	4,942,500	
PROFESSIONAL/OUTSIDE SVC	1,590,700	2,014,200	2,268,400	2,205,200	2,342,600	
TRAVEL - IN STATE	239,100	397,500	588,700	588,700	567,700	
TRAVEL - OUT OF STATE	380,000	546,200	583,500	583,500	546,200	
OTHER OPERATING EXP	6,838,100	7,956,400	9,406,200	9,374,900	9,169,100	
EQUIPMENT	717,500	59,100	562,600	569,200	485,100	
ALL OTHER OPERATING	9,765,400	10,973,400	13,409,400	13,321,500	13,110,700	
OPERATING SUBTOTAL	29,968,500	35,540,200	40,086,400	40,843,500	38,666,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE JLBC ANALYST: BELLGARDT HOUSE SUBCOMMITTEE CHAIR: GERARD
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
PROP. TAX OVERSIGHT COMM	0	75,000	0	0	0	
CONSTRUCTION COST SYSTEM	76,800	0	0	0	0	
AUTOMATED COLLECTION SYS	250,000	250,000	250,000	250,000	250,000	
RAILROAD LITIGATION	65,600	0	0	0	0	
SPECIAL ITEM SUBTOTAL	392,400	325,000	250,000	250,000	250,000	
A G E N C Y T O T A L	30,360,900	35,865,200	40,336,400	41,093,500	38,916,500	
BY FUND SOURCE						
GENERAL FUND	30,360,900	35,865,200	40,336,400	41,093,500	38,916,500	
OTHER NON APPROPRIATED	480,100	202,600	117,900	0	117,900	
AGENCY TOTAL-ALL SOURCES	30,841,000	36,067,800	40,454,300	41,093,500	39,034,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DIRECTOR'S OFFICE
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	6.00	6.00	6.00	6.00	6.00	
OPERATING BUDGET						
PERSONAL SERVICES	246,700	284,300	284,300	292,000	284,300	
EMPLOYEE RELATED EXP	45,100	60,300	58,600	59,400	54,000	
PROFESSIONAL/OUTSIDE SVC	4,600	0	0	0	0	
TRAVEL - IN STATE	1,900	2,100	2,200	2,200	2,200	
TRAVEL - OUT OF STATE	6,000	4,600	4,600	4,600	4,600	
OTHER OPERATING EXP	20,100	16,400	17,100	17,100	17,000	
EQUIPMENT	4,300	0	0	0	0	
ALL OTHER OPERATING	36,900	23,100	23,900	23,900	23,800	
P R O G R A M T O T A L	328,700	367,700	366,800	375,300	362,100	
BY FUND SOURCE						
GENERAL FUND	328,700	367,700	366,800	375,300	362,100	
PROGRAM TOTAL-ALL SOURCES	328,700	367,700	366,800	375,300	362,100	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DIRECTOR'S OFFICE

The JLBC Staff recommends a total appropriation of $362,100 -- a net decrease of $(5,600), or (1.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(6,300)
o All Other		700

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ADMINISTRATIVE SERVICES
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	97.00	97.00	100.00	101.00	98.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,512,200	1,644,000	1,684,800	1,791,900	1,647,600	
EMPLOYEE RELATED EXP	323,900	420,100	465,200	488,800	428,600	
PROFESSIONAL/OUTSIDE SVC	308,900	292,800	387,400	374,500	317,400	
TRAVEL - IN STATE	13,300	10,500	11,500	11,500	11,500	
TRAVEL - OUT OF STATE	3,100	0	0	0	0	
OTHER OPERATING EXP	4,791,400	5,571,500	6,589,500	6,565,200	6,475,900	
EQUIPMENT	49,700	0	20,400	27,400	6,700	
ALL OTHER OPERATING	5,166,400	5,874,800	7,008,800	6,978,600	6,811,500	
OPERATING SUBTOTAL	7,002,500	7,938,900	9,158,800	9,259,300	8,887,700	
SPECIAL LINE ITEMS						
PROP. TAX OVERSIGHT COMM	0	75,000	0	0	0	
SPECIAL ITEM SUBTOTAL	0	75,000	0	0	0	
P R O G R A M T O T A L	7,002,500	8,013,900	9,158,800	9,259,300	8,887,700	
BY FUND SOURCE						
GENERAL FUND	7,002,500	8,013,900	9,158,800	9,259,300	8,887,700	
PROGRAM TOTAL-ALL SOURCES	7,002,500	8,013,900	9,158,800	9,259,300	8,887,700	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ADMINISTRATIVE SERVICES

The JLBC Staff recommends a total appropriation of $8,887,700 -- a net increase of $873,800, or 10.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Property Tax Oversight Commission	$ (75,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	(21,400)
o ERE Rate Adjustments	7,500
o Risk Management Insurance	142,100
o General Inflation	151,500
o Lease Purchase Payment -- Revenue Building	434,800
o All Other	13,900

JLBC Staff Recommended Policy Issues

o Automated Collections - The JLBC staff recommends $220,400 and one position to improve the effectiveness of automated collections through a new telecommunications system (JLBC staff has recommended $674,800 for this issue in the Data Management program). Staff expects the new "Auto-Dial" system to reduce time lost by phone collectors in contacting delinquents and arranging payment plans. The recommended position would be used for troubleshooting and operation of the computer-assisted phone monitoring equipment. The agency estimates that in FY 1990, the Auto-Dial enhancement would increase General Fund revenues by approximately $1,782,500, after a six month implementation period; revenues in FY 1991 are estimated at $3,565,000. This issue has been recommended by the Arizona Cost Efficiency Commission, the Auditor General and the Executive.	220,400

Other Issues for Legislative Consideration

o Sales Tax Enforcement - The Executive recommends $41,700 and one position. The Executive has recommended a total of 24 positions to increase the percentage of audit coverage of sales tax licensees from 1.5% to 2.1%. By organizing new audit teams, and complementary support staff, the agency estimates that in the first year, FY 1990, increased revenues of $756,000 would be collected, of which about $170,100 would be distributed to cities and counties and $585,900 would be deposited in the State General Fund; in FY 1991, the first full year of operation, $1,818,700 in additional revenues would be collected, of which about $473,000 would be distributed

to cities and counties and $1,345,700 would be deposited in the State General Fund. JLBC Staff analysis indicates that the cost of this policy issue is $41,500.

- Corporate Tax Estimating - The Executive recommends $198,100 and two positions to provide more professional expertise in projecting State revenues and enhance the State's management of available fiscal resources. The Executive recommends one position to create a model for estimating corporate tax revenues. The other position is recommended to assume the administration of the Econometrics unit. JLBC Staff review indicates that there is a similar function within the Department of Administration's Executive Budget Office with $20,000 supporting an Econometrics model at Arizona State University. JLBC Staff analysis indicates that the cost of this policy issue is $118,300 with one position.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: PROPERTY VALUATION

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	72.00	72.00	72.00	72.00	116.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,778,800	1,999,200	2,815,100	2,869,700	2,815,100	
EMPLOYEE RELATED EXP	339,700	460,500	660,100	669,800	617,900	
PROFESSIONAL/OUTSIDE SVC	74,400	303,100	306,000	306,000	306,000	
TRAVEL - IN STATE	78,100	115,700	270,300	270,300	270,400	
TRAVEL - OUT OF STATE	10,700	16,500	16,500	16,500	16,500	
OTHER OPERATING EXP	100,000	71,000	214,900	214,900	214,900	
EQUIPMENT	119,100	0	125,200	125,200	125,200	
ALL OTHER OPERATING	382,300	506,300	932,900	932,900	933,000	
OPERATING SUBTOTAL	2,500,800	2,966,000	4,408,100	4,472,400	4,366,000	
SPECIAL LINE ITEMS						
RAILROAD LITIGATION	65,600	0	0	0	0	
SPECIAL ITEM SUBTOTAL	65,600	0	0	0	0	
P R O G R A M T O T A L	2,566,400	2,966,000	4,408,100	4,472,400	4,366,000	
BY FUND SOURCE						
GENERAL FUND	2,566,400	2,966,000	4,408,100	4,472,400	4,366,000	
PROGRAM TOTAL-ALL SOURCES	2,566,400	2,966,000	4,408,100	4,472,400	4,366,000	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: PROPERTY VALUATION

The JLBC Staff recommends a total appropriation of $4,366,000 -- a net increase of $1,400,000, or 47.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (15,100)
o	ERE Rate Adjustments	(21,700)
o	Travel Rate Adjustment	12,900
o	General Inflation	5,700

JLBC Staff Recommended Policy Issues

o Property Recanvass - The JLBC Staff recommends $1,418,200 and 44 limited appointment positions to update commercial, industrial and multi-family property values. The agency believes that a significant amount of property value has escaped the tax rolls. The agency believes approximately $20,000,000 of General Fund revenue and "offset" to basic school aid could be realized over a three year period. The issue provides for costs associated with recanvassing Maricopa County property. Recanvassing of other counties would be performed by existing Department of Revenue Staff and respective County Staff. The following indicates the estimated revenue for this project: 1,418,200

	(IN MILLIONS)			
	FY 1990	**FY 91**	**FY 92**	**TOTAL**
G.F. REVENUE	.30	1.00	.70	2.00
STATE AID "OFFSET"	2.70	9.00	6.30	18.00
TOTAL	3.00	10.00	7.00	20.00

The agency proposes that a fee be assessed for Property Valuation Appeals. The purpose of the fee would be to fund the costs of the Property Recanvass program. The Executive recommends $1,429,700 from the General Fund for this issue.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: SPECIAL SUPPORT

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	37.00	37.00	39.00	39.00	37.00	
OPERATING BUDGET						
PERSONAL SERVICES	694,700	961,000	1,014,700	1,031,100	961,000	
EMPLOYEE RELATED EXP	132,900	225,400	240,500	244,700	220,500	
PROFESSIONAL/OUTSIDE SVC	100	0	0	0	0	
TRAVEL - IN STATE	2,300	15,400	17,700	17,700	15,400	
TRAVEL - OUT OF STATE	1,300	3,000	6,000	6,000	3,000	
OTHER OPERATING EXP	19,800	44,300	53,600	53,000	44,300	
EQUIPMENT	7,200	0	1,000	1,000	0	
ALL OTHER OPERATING	30,700	62,700	78,300	77,700	62,700	
P R O G R A M T O T A L	858,300	1,249,100	1,333,500	1,353,500	1,244,200	
BY FUND SOURCE						
GENERAL FUND	858,300	1,249,100	1,333,500	1,353,500	1,244,200	
OTHER NON APPROPRIATED	18,200	38,200	38,200	0	38,200	
PROGRAM TOTAL-ALL SOURCES	876,500	1,287,300	1,371,700	1,353,500	1,282,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: SPECIAL SUPPORT

The JLBC Staff recommends a total appropriation of $1,244,200 -- a net decrease of $(4,900), or (0.4)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(4,900)

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Sales Tax Enforcement - The Executive recommends $79,400 and two positions. The Executive has recommended a total of 24 positions to increase the percentage of audit coverage of sales tax licensees from 1.5% to 2.1%. By organizing new audit teams, and complementary support staff, the agency estimates that in the first year, FY 1990, increased revenues of $756,000 would be collected, of which about $170,100 would be distributed to cities and counties and $585,900 would be deposited in the State General Fund. In FY 1991, the first full year of operation, $1,818,700 in additional revenues would be collected, of which about $473,000 would be distributed to cities and counties and $1,345,700 would be deposited in the State General Fund. The JLBC Staff analysis indicates that the cost of this policy issue is $78,600.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ENFORCEMENT

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	382.00	391.00	409.00	409.00	391.00	
OPERATING BUDGET						
PERSONAL SERVICES	6,990,800	8,080,000	8,465,800	8,737,300	8,074,600	
EMPLOYEE RELATED EXP	1,447,300	1,950,400	2,137,600	2,218,500	1,937,900	
PROFESSIONAL/OUTSIDE SVC	58,600	16,600	17,300	17,300	17,300	
TRAVEL - IN STATE	134,500	232,900	262,900	262,900	244,200	
TRAVEL - OUT OF STATE	354,700	522,100	556,400	556,400	522,100	
OTHER OPERATING EXP	190,200	307,600	393,300	393,300	318,300	
EQUIPMENT	183,300	37,900	43,700	43,700	0	
ALL OTHER OPERATING	921,300	1,117,100	1,273,600	1,273,600	1,101,900	
OPERATING SUBTOTAL	9,359,400	11,147,500	11,877,000	12,229,400	11,114,400	
SPECIAL LINE ITEMS						
AUTOMATED COLLECTION SYS	250,000	250,000	250,000	250,000	250,000	
SPECIAL ITEM SUBTOTAL	250,000	250,000	250,000	250,000	250,000	
P R O G R A M T O T A L	9,609,400	11,397,500	12,127,000	12,479,400	11,364,400	
BY FUND SOURCE						
GENERAL FUND	9,609,400	11,397,500	12,127,000	12,479,400	11,364,400	
PROGRAM TOTAL-ALL SOURCES	9,609,400	11,397,500	12,127,000	12,479,400	11,364,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ENFORCEMENT

The JLBC Staff recommends a total appropriation of $11,364,400 -- a net decrease of $(33,100), or (0.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (6,700)
o	ERE Rate Adjustments	(11,200)
o	Replacement Equipment	(37,900)
o	General Inflation	11,400
o	Travel Rate Adjustment	11,300

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Sales Tax Enforcement - The Executive recommends $724,100 and 18 positions. The Executive has recommended a total of 24 positions to increase the percentage of audit coverage of sales tax licensees from 1.5% to 2.1%. By organizing new audit teams, and complementary support staff, the agency estimates that in the first year, FY 1990, increased revenues of $756,000 would be collected, of which about $170,100 would be distributed to cities and counties and $585,900 would be deposited in the State General Fund; in FY 1991, the first full year of operation, $1,818,700 in additional revenues would be collected, of which about $473,000 would be distributed to cities and counties and $1,345,700 would be deposited in the State General Fund. JLBC Staff analysis indicates that the cost of this policy issue is $717,900.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: TAX PAYER SUP & ED SER.

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	93.00	106.00	109.00	109.00	106.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,256,800	1,833,200	1,896,200	1,913,900	1,813,100	
EMPLOYEE RELATED EXP	274,300	437,300	506,500	600,100	474,900	
PROFESSIONAL/OUTSIDE SVC	129,300	160,900	167,400	167,300	167,400	
TRAVEL - IN STATE	700	12,400	14,000	14,000	13,900	
TRAVEL - OUT OF STATE	200	0	0	0	0	
OTHER OPERATING EXP	44,700	69,600	105,200	98,800	72,400	
EQUIPMENT	900	0	19,100	18,700	0	
ALL OTHER OPERATING	175,800	242,900	305,700	298,800	253,700	
P R O G R A M T O T A L	1,706,900	2,513,400	2,708,400	2,812,800	2,541,700	
BY FUND SOURCE						
GENERAL FUND	1,706,900	2,513,400	2,708,400	2,812,800	2,541,700	
OTHER NON APPROPRIATED	404,900	84,700	0	0	0	
PROGRAM TOTAL-ALL SOURCES	2,111,800	2,598,100	2,708,400	2,812,800	2,541,700	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: TAX PAYER SUP. & ED. SER.

The JLBC Staff recommends a total appropriation of $2,541,700 -- a net increase of $28,300, or 1.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (25,400)
o	ERE Rate Adjustments	42,900
o	General Inflation	9,300
o	All Other	1,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Sales Tax Enforcement - The Executive recommends $111,100 and three positions. The Executive has recommended a total of 24 positions to increase the percentage of audit coverage of sales tax licensees from 1.5% to 2.1%. By organizing new audit teams, and complementary support staff, the agency estimates that in the first year, FY 1990, increased revenues of $756,000 would be collected, of which about $170,100 would be distributed to cities and counties and $585,900 would be deposited in the State General Fund; in FY 1991, the first full year of operation, $1,818,700 in additional revenues would be collected, of which about $473,000 would be distributed to cities and counties and $1,345,700 would be deposited in the State General Fund. JLBC Staff analysis indicates that the cost of this policy issue is $110,500.

- o Taxpayer Service and Education - A savings of $242,700 can be achieved by eliminating 13 positions. The impact of not funding is: (1) Work on the tax practitioner seminars for 1989 would require assistance from the audit staff to prepare for and attend the seminars or for answering questions by practitioners resulting in a reduction in audit hours and increased errors on tax returns, and (2) a backlog in correspondence cases would develop.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	235.00	247.00	255.00	255.00	247.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,286,100	5,043,900	5,134,700	5,260,300	5,017,600	
EMPLOYEE RELATED EXP	873,800	1,167,200	1,312,900	1,344,500	1,208,700	
PROFESSIONAL/OUTSIDE SVC	1,014,800	1,240,800	1,390,300	1,340,100	1,534,500	
TRAVEL - IN STATE	8,300	8,500	10,100	10,100	10,100	
TRAVEL - OUT OF STATE	4,000	0	0	0	0	
OTHER OPERATING EXP	1,671,900	1,876,000	2,032,600	2,032,600	2,026,300	
EQUIPMENT	353,000	21,200	353,200	353,200	353,200	
ALL OTHER OPERATING	3,052,000	3,146,500	3,786,200	3,736,000	3,924,100	
OPERATING SUBTOTAL	8,211,900	9,357,600	10,233,800	10,340,800	10,150,400	
SPECIAL LINE ITEMS						
CONSTRUCTION COST SYSTEM	76,800	0	0	0	0	
SPECIAL ITEM SUBTOTAL	76,800	0	0	0	0	
P R O G R A M T O T A L	8,288,700	9,357,600	10,233,800	10,340,800	10,150,400	
BY FUND SOURCE						
GENERAL FUND	8,288,700	9,357,600	10,233,800	10,340,800	10,150,400	
OTHER NON APPROPRIATED	57,000	79,700	79,700	0	79,700	
PROGRAM TOTAL-ALL SOURCES	8,345,700	9,437,300	10,313,500	10,340,800	10,230,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DATA MANAGEMENT

The JLBC Staff recommends a total appropriation of $10,150,400 -- a net increase of $792,800, or 8.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 5.3%	$ (32,600)
o	Replacement Equipment	(21,200)
o	ERE Rate Adjustments	47,800
o	General Inflation	72,200
o	Data Processing Workload Increase -- Data Entry Services, Programming, Tape Storage	50,200
o	All Other	1,600

JLBC Staff Recommended Policy Issues

o	Automated Collections - The JLBC staff recommends $674,800 to improve the effectiveness of automated collections through a new telecommunications system (JLBC staff has also recommended $220,400 for this issue in the Administrative Services program). Staff expects the new "Auto-Dial" system to reduce time lost by phone collectors in contacting delinquents and arranging payment plans. The agency estimates that in FY 1990, the Auto-Dial enhancement would increase General Fund revenues by approximately $1,782,500, after a six month implementation period; revenues in FY 1991 are estimated at $3,565,000. This issue has been recommended by the Arizona Cost Efficiency Commission and the Auditor General. This issue was recommended by the Executive.	674,800

Other Issues for Legislative Consideration

- Document Processing - The Executive recommends the transfer of $136,400 from Professional and Outside Service to Personal Services and Employee Related Expenditures to convert eight temporary positions to permanent positions to improve productivity by reducing turnover. JLBC Staff review indicates that the cost per hour worked would be lower if temporary services were used because the State would not provide insurance and other benefits. However, the agency contends that the lack of certain benefits for temporary services contribute a high turnover rate making the program less productive.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ST-SECY OF STATE
COST CENTER: DEPT OF ST-SECY OF STATE

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	30.00	30.00	31.00	31.00	31.00	
OPERATING BUDGET						
PERSONAL SERVICES	552,500	590,300	604,200	615,800	600,900	
EMPLOYEE RELATED EXP	115,900	156,400	199,400	155,500	146,100	
PROFESSIONAL/OUTSIDE SVC	158,000	101,400	101,400	83,200	82,500	
TRAVEL - IN STATE	6,400	13,100	13,100	13,100	13,100	
TRAVEL - OUT OF STATE	0	3,700	11,400	10,200	11,400	
OTHER OPERATING EXP	476,800	462,100	575,200	453,700	466,800	
EQUIPMENT	1,000	9,900	3,500	3,400	3,500	
ALL OTHER OPERATING	642,200	590,200	704,600	563,600	577,300	
OPERATING SUBTOTAL	1,310,600	1,336,900	1,508,200	1,334,900	1,324,300	
SPECIAL LINE ITEMS						
PROPOSITION 200	329,400	150,400	156,100	146,700	156,100	
ELECTION EXPENSE	70,700	1,248,600	117,300	105,400	117,300	
RULES & REGULATIONS	121,500	242,200	258,400	251,900	258,400	
SPECIAL ITEM SUBTOTAL	521,600	1,641,200	531,800	504,000	531,800	
P R O G R A M T O T A L	1,832,200	2,978,100	2,040,000	1,838,900	1,856,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ST-SECY OF STATE
COST CENTER: DEPT OF ST-SECY OF STATE

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,832,200	2,978,100	2,040,000	1,838,900	1,856,100	
OTHER NON APPROPRIATED	0	5,500	0	0	0	
PROGRAM TOTAL-ALL SOURCES	1,832,200	2,983,600	2,040,000	1,838,900	1,856,100	

The JLBC Staff recommends a total appropriation of $1,856,100 -- a net decrease of $(1,122,000), or (37.7)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (24,400)
o ERE Rate Adjustments	(12,800)
o Replacement Equipment	(6,400)
o Election Expense	(1,131,300)
o Rules and Regulations	16,200
o General Inflation	10,600
o All Other	1,200

JLBC Staff Recommended Policy Issues

o Computer Programming, Conversion and Maintenance - The JLBC Staff recommends $24,900 and 1.0 FTE position for the conversion of a number of computer programs to the newly acquired IBM minicomputer, as well as consulting costs related to planning for the conversion of the Uniform Commercial Code system. Funding for this issue will result in additional cost savings in future years. The Executive recommends $29,300 for the funding of this issue.	24,900

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ST. BOARD OF TAX APPEALS
COST CENTER: ST. BOARD OF TAX APPEALS

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	7.50	7.50	8.50	7.50	7.50	
OPERATING BUDGET						
PERSONAL SERVICES	210,200	259,800	289,000	266,200	262,100	
EMPLOYEE RELATED EXP	32,900	47,900	54,700	49,600	45,800	
PROFESSIONAL/OUTSIDE SVC	14,200	18,700	42,800	40,200	30,500	
TRAVEL - IN STATE	22,100	20,300	28,900	25,800	25,800	
TRAVEL - OUT OF STATE	4,900	4,600	5,700	4,600	4,800	
OTHER OPERATING EXP	75,800	60,500	111,300	63,000	63,600	
EQUIPMENT	8,900	16,600	28,000	11,400	15,400	
ALL OTHER OPERATING	125,900	120,700	216,700	145,000	140,100	
P R O G R A M T O T A L	369,000	428,400	560,400	460,800	448,000	
BY FUND SOURCE						
GENERAL FUND	369,000	428,400	560,400	460,800	448,000	
PROGRAM TOTAL-ALL SOURCES	369,000	428,400	560,400	460,800	448,000	

DEPARTMENT: ST. BOARD OF TAX APPEALS
COST CENTER: ST. BOARD OF TAX APPEALS

The JLBC Staff recommends a total appropriation of $448,000 -- a net increase of $19,600, or 4.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (2,500)
o Replacement Equipment	(6,300)
o Personal Services/ERE Adjustments	700
o Risk Management Insurance	800
o Board Member Travel Reimbursement	2,700
The Executive recommends $2,700	
o Travel Rate Adjustment	2,400
o Hearing Officer Services	9,100
The Executive recommends $20,000	
o Data Processing Services	2,000
o General Inflation	2,900

JLBC Staff Recommended Policy Issues

o Computer Network - The JLBC Staff recommends $5,800 to implement a computer network to expedite the resolution of pending appeals, for which the processing time has increased from 4 - 5.5 months to 6 - 8.5 months as a result of increased caseloads. The Executive recommends $5,800 for the funding of this issue.	5,800
o Reclassification of FTE Positions - JLBC Staff recommends $2,000 to fund the reclassification of 3.0 FTE positions, for which the Department of Administration's Personnel Division has given tentative approval pending the authorization of additional funding.	2,000

Other Issues for Legislative Consideration

- Tax Library - A savings of $(4,000) could be achieved by the elimination of funding for the replacement of outdated tax law publications. Current publications are required for the research of statutes, ordinances,

case law and regulations in order to properly prepare for and evaluate appeals which are presented to the Board for decision.

- Copy Machine - A savings of $(6,300) could be achieved by the elimination of funding for the replacement of a copy machine. The present copier, last year, reproduced approximately 63,000 copies. During that time 16 service calls were made, averaging one week in repairs for each call.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OFFICE OF TOURISM
COST CENTER: OFFICE OF TOURISM
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	15.00	15.00	19.00	18.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	422,800	437,400	508,100	499,800	437,400	
EMPLOYEE RELATED EXP	74,000	97,000	152,900	126,400	113,900	
PROFESSIONAL/OUTSIDE SVC	35,100	47,400	50,000	49,300	49,300	
TRAVEL - IN STATE	30,700	22,400	45,100	37,700	30,700	
TRAVEL - OUT OF STATE	51,100	38,400	66,600	39,900	40,000	
OTHER OPERATING EXP	397,600	493,000	609,900	571,300	514,300	
EQUIPMENT	8,500	5,000	13,300	7,200	0	
ALL OTHER OPERATING	523,000	606,200	784,900	705,400	634,300	
OPERATING SUBTOTAL	1,019,800	1,140,600	1,445,900	1,331,600	1,185,600	
SPECIAL LINE ITEMS						
MEDIA ADVERTISING	2,076,800	4,310,600	6,448,000	4,449,200	4,310,600	
SPECIAL ITEM SUBTOTAL	2,076,800	4,310,600	6,448,000	4,449,200	4,310,600	
P R O G R A M T O T A L	3,096,600	5,451,200	7,893,900	5,780,800	5,496,200	
BY FUND SOURCE						
GENERAL FUND	3,096,600	3,451,200	5,893,900	3,780,800	3,496,200	
OTHER FUNDS	0	2,000,000	2,000,000	2,000,000	2,000,000	
OTHER NON APPROPRIATED	12,400	20,000	21,000	0	21,000	
PROGRAM TOTAL-ALL SOURCES	3,109,000	5,471,200	7,914,900	5,780,800	5,517,200	

DEPARTMENT: OFFICE OF TOURISM
COST CENTER: OFFICE OF TOURISM

The JLBC Staff recommends a total appropriation of $5,496,200 -- a net increase of $45,000, or 0.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(5,000)
o ERE Rate Adjustments		16,900
o Commercial Rent		4,400
o Travel Rate Adjustment		8,300
o General Inflation		20,400

JLBC Staff Recommended Policy Issues

- The JLBC Staff recommends the following footnote to the Appropriation Act:
  Media Advertising - Of this amount, $2,000,000 shall be annually appropriated from the Tourism Fund under the provisions of Laws 1988, Chapter 271.

Other Issues for Legislative Consideration

- Welcome Center - The Executive recommends $133,600 and 3.0 FTE positions to staff the newly constructed Welcome Center which will be located at Interstate 40 near Lupton, Arizona, and estimated to be ready for opening in August, 1989. Without funding for operating costs, the new facility will remain vacant once it is completed. JLBC Staff estimates the cost of this issue to be $134,100.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE TREASURER
COST CENTER: STATE TREASURER

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	28.00	30.00	32.00	32.00	30.00	
OPERATING BUDGET						
PERSONAL SERVICES	673,000	820,200	875,600	895,500	795,600	
EMPLOYEE RELATED EXP	124,700	166,500	259,300	211,000	177,100	
PROFESSIONAL/OUTSIDE SVC	94,300	124,200	145,000	140,000	140,000	
TRAVEL - IN STATE	500	2,200	1,700	1,700	1,700	
TRAVEL - OUT OF STATE	7,900	5,900	9,500	9,500	9,000	
OTHER OPERATING EXP	133,600	59,300	72,800	72,600	66,900	
EQUIPMENT	17,400	25,100	52,400	52,400	52,400	
ALL OTHER OPERATING	253,700	216,700	281,400	276,200	270,000	
OPERATING SUBTOTAL	1,051,400	1,203,400	1,416,300	1,382,700	1,242,700	
SPECIAL LINE ITEMS						
JUSTICE OF PEACE SALARY	1,168,700	1,575,000	1,800,000	1,800,000	1,800,000	
STATE GRAND JURY FUND	537,500	700,000	730,000	730,000	730,000	
SPECIAL ITEM SUBTOTAL	1,706,200	2,275,000	2,530,000	2,530,000	2,530,000	
P R O G R A M T O T A L	2,757,600	3,478,400	3,946,300	3,912,700	3,772,700	
BY FUND SOURCE						
GENERAL FUND	2,757,600	3,478,400	3,946,300	3,912,700	3,772,700	
PROGRAM TOTAL-ALL SOURCES	2,757,600	3,478,400	3,946,300	3,912,700	3,772,700	

DEPARTMENT: STATE TREASURER
COST CENTER: STATE TREASURER

The JLBC Staff recommends a total appropriation of $3,772,700 -- a net increase of $294,300, or 8.5% to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (30,100)
A vacancy factor of 1.0% was used by the Executive	
o ERE Rate Adjustments	16,100
o Computer Equipment	27,300
The Executive recommends $27,300	
o Financial and Data Processing Services	15,800
o Justice of the Peace Salaries	225,000
o Grand Jury Fund	30,000
o Travel Rate Adjustment	2,600
The Executive recommends $3,100	
o All Other	7,600

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Computer Equipment - A savings of $(30,400) could be achieved by reducing funding for computer hardware. The storage space available on the current equipment is near capacity, and requires proper back-up capabilities for the maintenance of fund accounts, monitoring of collections and disbursements, and management of investments.

- Financial Reporting and Data Processing - The Executive recommends $75,500 and 2.0 FTE positions to provide financial and data processing assistance. Funding for this issue would provide for additional research and reporting of the increased investments and revenue disbursements, as well as additional data processing capabilities.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ COMM ON UNFRM ST LAWS
COST CENTER: AZ COMM ON UNFRM ST LAWS

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	900	1,600	1,600	1,600	1,600	
EMPLOYEE RELATED EXP	100	200	100	100	100	
TRAVEL - IN STATE	0	400	500	500	500	
TRAVEL - OUT OF STATE	2,800	4,300	7,300	7,300	7,300	
OTHER OPERATING EXP	8,500	9,500	9,500	9,500	9,500	
ALL OTHER OPERATING	11,300	14,200	17,300	17,300	17,300	
P R O G R A M T O T A L	12,300	16,000	19,000	19,000	19,000	
BY FUND SOURCE						
GENERAL FUND	12,300	16,000	19,000	19,000	19,000	
PROGRAM TOTAL-ALL SOURCES	12,300	16,000	19,000	19,000	19,000	

The JLBC Staff recommends a total appropriation of $19,000 -- a net increase of $3,000, or 18.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (100)
o Travel Rate Adjustments	100
o Annual National Conference of Uniform State Laws Commissioners	3,000

JLBC Staff Recommended Policy Issues

- o JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA RANGERS' PENSIONS
COST CENTER: ARIZONA RANGERS' PENSIONS
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
Lump Sum Appropriation	15,600	16,200	16,800	16,800	16,800	
P R O G R A M T O T A L	15,600	16,200	16,800	16,800	16,800	
BY FUND SOURCE						
GENERAL FUND	15,600	16,200	16,800	16,800	16,800	
PROGRAM TOTAL-ALL SOURCES	15,600	16,200	16,800	16,800	16,800	

The JLBC Staff recommends a total appropriation of $16,800 -- a net increase of $600, or 4.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

- o General Inflation $ 600

The JLBC staff and the Executive recommend an increase of $600 to continue the pension for the two eligible recipients at an amount adjusted for inflation. This is a program which pays a pension to former Arizona Rangers and their eligible survivors. Currently there are two widows receiving benefits. Chapter 342, Laws of 1987, First Regular Session, prescribes that the Rangers' Pension shall be adjusted annually for inflation by the Department of Administration. An inflation rate of 4% was used to arrive at the recommended increase.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ CNCL FOR HEARING IMPRD
COST CENTER: AZ CNCL FOR HEARING IMPRD

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	3.00	5.00	5.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	80,800	83,600	124,700	128,100	83,600	
EMPLOYEE RELATED EXP	17,400	20,600	39,500	30,600	18,800	
PROFESSIONAL/OUTSIDE SVC	900	2,500	7,200	7,200	2,500	
TRAVEL - IN STATE	1,800	3,300	4,900	4,900	4,300	
TRAVEL - OUT OF STATE	0	0	3,300	3,300	0	
OTHER OPERATING EXP	12,100	17,000	23,900	23,900	17,300	
EQUIPMENT	9,600	400	11,500	11,500	700	
ALL OTHER OPERATING	24,400	23,200	50,800	50,800	24,800	
P R O G R A M T O T A L	122,600	127,400	215,000	209,500	127,200	
BY FUND SOURCE						
GENERAL FUND	122,600	127,400	215,000	209,500	127,200	
OTHER NON APPROPRIATED	525,200	1,164,100	1,187,000	0	1,187,000	
PROGRAM TOTAL-ALL SOURCES	647,800	1,291,500	1,402,000	209,500	1,314,200	

DEPARTMENT: ARIZONA COUNCIL FOR THE HEARING IMPAIRED
COST CENTER: ARIZONA COUNCIL FOR THE HEARING IMPAIRED

The JLBC Staff recommends a total appropriation of $127,200 -- a net decrease of $(200), or (0.2)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(1,800)
o Risk Management Insurance		(300)
o Travel Adjustment		1,000
o General Inflation		600
o Replacement Equipment		300

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- In-State Travel - Reducing the in-state travel appropriation by $1,100 would result in fewer speaking engagements by Council members and/or the Executive Director. Dissemination of information to the hearing impaired would therefore be reduced, diminishing the agency's ability to fulfill its statutory mandate to: "Inform the deaf and hard of hearing of the availability of the programs and activities of the council and other services available for the deaf and hard of hearing . . ." [A.R.S. Section 36-1943(2)].

- Other Operating Expenses - A reduction of $1,500 for other operating expenses would primarily reduce printing and postage expenditures. This also would diminish the dissemination of information to the hearing impaired as is statutorily mandated (see above).

- Professional and Outside Services - The budget could be reduced $2,500 by eliminating funding for interpreters. These interpreters are primarily used for Council meetings, which are open to the public. Four of the 13 Council members are deaf or hearing impaired.

- Administrative Assistants - The Executive recommends $64,700 to fund two Administrative Assistant positions to research issues and to implement programs. The Council currently has three FTE positions.

- Seminars - The Executive recommends $10,800 to provide seminars to the hearing impaired regarding benefits, legal rights, etc. Without funding, the agency will continue to answer inquiries by telephone and to disseminate information through its weekly television program and news bulletin.

- Out-of-State Travel - The Executive recommends $3,300 to allow the Executive Director to participate in national and regional conferences dealing with services for the hearing impaired. The Council currently has no funding for out-of-state travel.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: STAVNEAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2,660.80	2,781.90	3,181.40	2,855.70	2,938.90	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	14,387,300	15,093,300	19,629,000	17,980,900	15,559,400	
DEVELOP. DISABILITIES	71,277,100	48,173,500	49,280,300	45,867,700	38,170,800	
LONG TERM CARE	59,400	66,776,400	93,513,300	83,156,400	90,909,000	
FAMILY SUPPORT	67,010,000	68,437,600	78,443,300	79,218,600	79,082,600	
SOCIAL SERVICES	72,793,200	82,112,700	97,500,200	91,743,800	92,247,700	
CHILD PROT.SVCS TRAINING	213,000	410,500	445,300	439,800	420,500	
EMPLOYMENT & REHAB	4,341,600	5,156,500	6,357,400	6,114,100	5,141,600	
A G E N C Y T O T A L	230,081,600	286,160,500	345,168,800	324,521,300	321,531,600	
OPERATING BUDGET						
PERSONAL SERVICES	56,065,800	65,684,000	73,610,100	73,424,200	64,376,800	
EMPLOYEE RELATED EXP	12,601,800	16,037,100	24,173,600	19,060,300	15,854,900	
PROFESSIONAL/OUTSIDE SVC	2,001,200	2,334,700	2,991,300	2,787,500	3,538,100	
TRAVEL - IN STATE	796,800	1,299,800	1,696,000	1,501,200	1,721,500	
TRAVEL - OUT OF STATE	48,200	55,200	104,500	60,800	57,100	
OTHER OPERATING EXP	11,808,600	14,201,500	17,469,600	16,310,500	14,900,900	
FOOD	753,200	829,900	765,600	608,400	827,400	
EQUIPMENT	1,272,700	2,756,400	3,110,300	2,608,500	1,757,100	
ALL OTHER OPERATING	16,680,700	21,477,500	26,137,300	23,876,900	22,802,100	
OPERATING SUBTOTAL	85,348,300	103,198,600	123,921,000	116,361,400	103,033,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
PUB. ASSIST. COLL. FUND	62,700	91,600	199,300	190,000	185,700	
ASH COMMUNITY PLACEMENT	0	150,000	187,900	186,100	150,000	
ASSISTANCE TO FAMILIES	269,500	375,000	627,800	413,200	375,000	
DD FOSTER CARE	6,155,700	4,761,900	4,022,800	3,984,100	3,818,500	
HOUSEKEEPING PAYMENTS	0	404,100	488,900	424,300	444,400	
OUT-OF-DISTRICT PLACEMNT	557,000	800,800	936,900	927,900	895,300	
DD PURCHASE OF CARE	30,716,100	21,971,600	20,725,400	19,141,900	19,540,100	
STIPENDS AND ALLOWANCES	7,400	10,400	10,800	10,800	10,400	
VOC. REHAB. CONTRACTS	111,900	117,400	122,100	120,900	117,400	
AFDC	35,547,800	35,084,400	43,582,700	44,595,400	45,360,000	
AHCCCS ELIGIBILITY	1,342,500	0	0	0	0	
CHILD SUPPORT ENFORCEMNT	109,000	0	0	0	0	
EMERGENCY ASSISTANCE	1,032,200	1,076,800	1,183,100	1,164,600	1,076,800	
GENERAL ASSISTANCE	8,877,300	8,986,200	9,694,400	10,786,900	10,952,600	
SLIAG	0	807,100	738,700	738,700	738,700	
SUPPLEMENTAL PAYMENTS	1,099,700	609,800	0	0	0	
TUBERCULOSIS CONTROL	23,200	32,000	36,000	36,000	24,400	
FOOD DISTRIBUTION INFO.	22,000	22,900	23,800	23,600	22,900	
HOMELESS SHELTER	240,900	260,500	270,900	268,300	260,500	
INFORMATION AND REFERRAL	84,100	86,500	90,000	89,100	86,500	
RURAL FOOD BANK PROJECT	54,300	61,700	150,000	73,600	61,700	
SR UTILITY DISCOUNT PROG	0	28,000	0	0	0	
VETERANS' HOUSING	0	1,000,000	0	0	0	
ADOPTION SERVICES	7,136,800	7,296,400	10,859,100	9,575,300	11,004,500	
ADULT SERVICES	6,422,500	6,486,300	8,891,700	7,940,400	7,271,100	
CHILDREN SERVICES	23,250,200	28,090,700	31,266,500	29,899,400	28,394,700	
CHILD SEVERANCE PROJECT	93,200	179,900	187,100	185,300	179,900	
CMDP	6,402,200	6,168,400	7,504,200	7,321,700	9,338,000	
DAY CARE	12,748,300	13,846,200	14,680,200	14,261,600	14,893,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY JLBC ANALYST: STAVNEAK HOUSE SUBCOMMITTEE CHAIR: ESKESEN
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
COMP SVCS FOR IND LIVING	496,500	525,600	546,800	541,400	525,600	
EMPLOYMENT SUPPORT	52,000	0	0	0	0	
VOCATIONAL REHAB. SVCS.	1,392,200	1,676,800	2,114,000	2,093,600	1,676,800	
JOB SEARCH ALLOWANCE	84,300	139,100	139,100	139,100	139,100	
MANPOWER SERVICES	236,600	141,400	147,100	145,700	141,400	
NAVAJO EMPLOYMENT SRVCS.	0	257,000	257,000	257,000	257,000	
WORK INCENTIVE DEMO PROJ	105,200	117,900	122,600	121,400	117,900	
ACUTE CARE	0	6,815,000	12,280,200	10,047,700	11,120,600	
FEE FOR SERVICE	0	3,670,500	5,526,200	5,469,500	5,433,200	
LTC FOSTER CARE	0	4,103,800	5,744,600	5,688,600	6,251,000	
LTC PURCHASE OF CARE	0	25,041,200	37,676,300	30,989,600	36,851,800	
RESERVE	0	1,513,400	0	0	0	
STIPENDS AND ALLOWANCES	0	153,600	213,600	213,600	205,400	
LABOR MARKET INFORMATION	0	0	0	93,600	0	
ASSISTS AUTOMATION	0	0	0	0	150,000	
SUPERVISORY CARE HOMES	0	0	0	0	425,800	
SPECIAL ITEM SUBTOTAL	144,733,300	182,961,900	221,247,800	208,159,900	218,497,800	
A G E N C Y T O T A L	230,081,600	286,160,500	345,168,800	324,521,300	321,531,600	
BY FUND SOURCE						
GENERAL FUND	229,805,900	244,191,500	285,725,600	272,787,900	264,027,300	
OTHER FUNDS	275,700	41,969,000	59,443,200	51,733,400	57,504,300	
FEDERAL FUNDS	266,487,400	300,796,500	306,972,500	0	306,972,500	
OTHER NON APPROPRIATED	154,905,000	147,919,000	152,438,100	0	152,438,100	
AGENCY TOTAL-ALL SOURCES	651,474,000	734,876,000	804,579,400	324,521,300	780,942,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SUMMARY

The JLBC Staff recommends a) total expenditure authority of $321,531,600 -- a net increase of $35,371,100, or 12.4%, to the original FY 1989 total expenditure authority and b) a total General Fund appropriation of $264,027,300 -- a net increase of $19,835,800, or 8.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Program Eliminations Eliminates funding for a) the one-time $1 million Veterans' Housing Program and b) Supplemental Nursing Home Payments, which will be replaced by the new federal long term care program.	$ (1,184,000)
o Replacement Equipment	(628,500)
o Personal Services/ERE Adjustments, including a vacancy factor of 3% The 2.5% vacancy factor in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors.	(154,400)
o ERE Rate Adjustments	(46,600)
o Family Support Entitlement Caseload Growth Funds 12.7% caseload growth in Aid to Families with Dependent Children (AFDC) and 10.8% growth in General Assistance.	13,163,400
o Social Services Entitlement Caseload Growth Funds caseload growth in Adoption Services, Adult Services, Children Services, the Comprehensive Medical and Dental Program (CMDP) and Day Care. Growth factors range from 2.4% for Foster Care to 10% for Adoption Services. Estimate also includes 4% medical inflation for Adoption and CMDP.	9,013,400
o Long Term Care Annualization Annualizes the cost of the long term care program, which was originally scheduled to start on October 1, 1988. The Federal Title XIX share of this cost is $11,538,500, while the State General Fund would save $4,089,600.	7,448,900
o Developmental Disabilities Entitlement Caseload Growth Funds 6% caseload growth in the Long Term Care program and other entitlement programs.	5,000,800
o Other Developmental Disabilities Annualization and Caseload Growth Funds annualization and caseload growth in children services programs as well as replacement residential and day programs for clients no	1,816,400

longer eligible to receive foster care or a public education.

- o Risk Management 563,300
- o General Inflation 558,300
- o All Other 126,200

JLBC Staff Recommended Policy Issues

- o Total Policy Issues Recommended (306,100)

  The recommendation includes a reduction of $1,048,100 in the General Fund appropriation and an increase of $742,000 in other appropriated funds. The General Fund recommendation includes three main issues:
  - -- Reduce erroneous AFDC payments, $(929,000);
  - -- Shift funding source for Employment and Rehabilitative Services from the general fund to the Special Administration Fund, $(500,000); and
  - -- Add 12 AFDC eligibility staff, $409,200.

Other Issues for Legislative Consideration

- o Reduction options totalling $9,301,300 in expenditure authority and $6,670,100 in General Fund appropriations have been developed for this agency.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: ADMINISTRATION
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	329.10	319.70	364.10	343.60	319.70	
OPERATING BUDGET						
PERSONAL SERVICES	8,014,800	8,604,600	10,090,300	9,853,500	8,616,300	
EMPLOYEE RELATED EXP	1,658,200	1,962,700	2,911,600	2,323,400	1,912,000	
PROFESSIONAL/OUTSIDE SVC	1,075,200	670,500	698,700	698,700	685,200	
TRAVEL - IN STATE	120,700	161,800	228,800	208,600	179,100	
TRAVEL - OUT OF STATE	20,100	16,800	20,900	20,900	17,500	
OTHER OPERATING EXP	2,351,500	2,429,800	3,257,200	2,710,300	2,559,700	
EQUIPMENT	1,084,100	1,155,500	2,222,200	1,975,500	1,253,900	
ALL OTHER OPERATING	4,651,600	4,434,400	6,427,800	5,614,000	4,695,400	
OPERATING SUBTOTAL	14,324,600	15,001,700	19,429,700	17,790,900	15,223,700	
SPECIAL LINE ITEMS						
PUB. ASSIST. COLL. FUND	62,700	91,600	199,300	190,000	185,700	
ASSISTS AUTOMATION	0	0	0	0	150,000	
SPECIAL ITEM SUBTOTAL	62,700	91,600	199,300	190,000	335,700	
P R O G R A M T O T A L	14,387,300	15,093,300	19,629,000	17,980,900	15,559,400	
BY FUND SOURCE						
GENERAL FUND	14,324,600	15,001,700	19,429,700	17,790,900	15,223,700	
OTHER FUNDS	62,700	91,600	199,300	190,000	335,700	
FEDERAL FUNDS	26,036,600	27,051,700	30,567,000	0	30,567,000	
OTHER NON APPROPRIATED	2,156,900	2,446,400	2,674,800	0	2,674,800	
PROGRAM TOTAL-ALL SOURCES	42,580,800	44,591,400	52,870,800	17,980,900	48,801,200	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $15,559,400 -- a net increase of $466,100, or 3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (53,300)
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	14,300
o The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors. This amount also includes $55,800 originally appropriated to the Attorney General as an adjustment for attorney salaries.	
o As part of the baseline, the Executive recommends restoring $570,900 in SB 1119 FY 1988 ex-appropriation savings made permanent in the FY 1989 budget. According to EBO's March 1988 report, SB 1119 had the effect of delaying personnel and payroll actions, vendor claims, legal services, special fraud investigations and internal audit requirements.	
o Equipment	98,400
Includes adjustment for unexpected increase in lease-purchase cost of computer acquisition. As part of the baseline, the Executive recommends an additional $523,200 for replacement computer equipment.	
o General Inflation	98,300
o All Other	66,400

JLBC Staff Recommended Policy Issues

o <u>Public Assistance Collection Fund</u> - The JLBC Staff recommends $92,000 and 2.3 FTE positions to enhance current debt collection. This line item receives no General Funds and is financed through clients' repayment of erroneous public assistance benefits. The proposal would permit the hiring of an attorney, who would help increase collections by using civil litigation to obtain judgments and enforce post-judgement collection remedies. The Executive and the Arizona Cost Efficiency Commission (ACEC) also support expansion of debt collection staff.	92,000

- ASSISTS - The JLBC Staff recommends $150,000 to expand the Arizona Social Services Information Statistical Tracking System (ASSISTS). This management information system would provide timely financial and demographic data on the rapidly expanding Adoption, Foster Care and Day Care programs. The lack of such data has hindered efforts to analyze the reasons for the growth. The JLBC Staff recommends using the Special Administration Fund, rather than the General Fund, to finance this policy issue. The department has previously used the Special Administration Fund to pay for high-priority projects. Further information on this fund appears in the Employment and Rehabilitative Services program. 150,000

Other Issues for Legislative Consideration

- Replacement Equipment - Reducing replacement equipment by 50% would save $282,900. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- Comprehensive Accounts Receivable/Collection System (CARCS) - The Executive recommends $232,700 and 4 FTE positions to integrate programmatic accounts receivable functions across the department. DES suggests that this new system will increase debt collection by 30%, or $700,000, but such claims are difficult to verify. The Executive recommendation does not cover the complete cost of the project and would require another $128,400 in FY 1991.

- Productivity Resource Management System - The Executive recommends $177,700 and 3.5 FTE positions to staff two teams of DES analysts that will study operating procedures and suggest productivity improvements. Recommended by ACEC, this new activity would be comparable to the Venture Team in the Arizona Department of Transportation. DES has already established one team with federal funds. While the ADOT Venture Team has reportedly produced significant savings, the Legislature has the alternative of delaying state funding until DES' existing team demonstrates its own cost-effectiveness.

- Early Fraud Prevention - The Executive recommends $140,000 and 2.6 FTE positions to expand DES' early fraud detection program. Under this program, eligibility workers refer potentially fraudulent AFDC and Food Stamp applications to special investigators for further review. The Legislature has provided the matching funds for 22 positions (5.5 state, 16.5 federal) in the last three years. Although the ACEC has also endorsed the Early Fraud program, the Legislature may want to determine the cost-effectiveness of these 22 positions before approving any additional ones.

- Internal Audits - The Executive recommends $81,900 and 2.3 FTE positions to expand the internal audit function. DES, however, has not substantiated that the current operation has resulted in any significant cost avoidance and is worthy of further expansion.

- Legal Support and Business Functions - The Executive recommends $195,000 and 4 FTE positions to increase legal staff and $111,600 and 3 FTE positions to increase business functions such as accounting, personnel and facilities management. These positions are similar to the ones that the Executive proposes to fund by restoring the SB 1119 savings in the baseline. At least in terms of the business functions, the new DES Venture Team may be able to propose some efficiencies to reduce current staff workload.

- Proportional Staff - The Executive recommends $116,900 and 3.5 FTE positions to increase administrative staff commensurate with the requested increase in new programmatic positions. This recommendation assumes no economies of scale with a larger organization. If the Legislature concurs with this proposal, the exact funding level could vary depending on the number of newly-approved program positions.

- Loss Control Officer - The Executive recommends $56,600 and 1 FTE position to coordinate risk management activities within the department. The Department of Administration several years ago estimated that such a position could help reduce the DES risk management charge by $345,000. The savings estimate, however, is questionable. If such savings were likely, DES could have reallocated funds internally to fund the position.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: DEVELOP. DISABILITIES
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1,152.20	562.10	657.00	564.10	418.60	
OPERATING BUDGET						
PERSONAL SERVICES	22,402,900	13,199,800	13,895,400	13,984,600	8,249,400	
EMPLOYEE RELATED EXP	5,589,900	3,508,000	4,796,700	3,812,300	2,134,100	
PROFESSIONAL/OUTSIDE SVC	564,800	260,000	460,800	270,400	548,800	
TRAVEL - IN STATE	173,500	142,300	260,400	161,700	198,600	
TRAVEL - OUT OF STATE	6,300	3,700	34,900	3,800	3,800	
OTHER OPERATING EXP	3,902,800	2,087,900	2,335,100	2,142,100	1,374,600	
FOOD	753,200	251,600	146,000	146,000	180,800	
EQUIPMENT	66,100	129,000	228,400	137,600	129,600	
ALL OTHER OPERATING	5,466,700	2,874,500	3,465,600	2,861,600	2,436,200	
OPERATING SUBTOTAL	33,459,500	19,582,300	22,157,700	20,658,500	12,819,700	
SPECIAL LINE ITEMS						
ASH COMMUNITY PLACEMENT	0	150,000	187,900	186,100	150,000	
ASSISTANCE TO FAMILIES	269,500	375,000	627,800	413,200	375,000	
DD FOSTER CARE	6,155,700	4,761,900	4,022,800	3,984,100	3,818,500	
HOUSEKEEPING PAYMENTS	0	404,100	488,900	424,300	444,400	
OUT-OF-DISTRICT PLACEMNT	557,000	800,800	936,900	927,900	895,300	
DD PURCHASE OF CARE	30,716,100	21,971,600	20,725,400	19,141,900	19,540,100	
STIPENDS AND ALLOWANCES	7,400	10,400	10,800	10,800	10,400	
VOC. REHAB. CONTRACTS	111,900	117,400	122,100	120,900	117,400	
SPECIAL ITEM SUBTOTAL	37,817,600	28,591,200	27,122,600	25,209,200	25,351,100	
P R O G R A M T O T A L	71,277,100	48,173,500	49,280,300	45,867,700	38,170,800	

clients who will reach the age of 22 during FY 1989 and will no longer receive a public school education, $69,100; and infant and preschool services for 226 children, $401,600. These programs are not statutory entitlements, but have been traditionally funded by the Legislature. As a result of different estimates for adult day programs, the Executive recommends $859,000 for annualization.

- Includes $598,300 to fund these same three programs in FY 1990 -- "aging out" residential services for 14 clients, $126,400; "aging out" day programs for 24 clients, $70,600; and infant and preschool services for 219 children, $401,300. These estimates would fund an average of six months of care. As a policy issue, the Executive recommends $421,100 for these services. The main difference is that the JLBC Staff baseline would fund the entire children services waiting list of 219 while the Executive recommendation would assist 48 children.

- Foster Care 72,800
  Funds FY 1990 caseload growth of 4 children, or 2.4%. As a policy issue, the Executive recommends the same amount.

- Housekeeping Payments 40,300
  Funds FY 1990 caseload growth of 48 clients, or 10%. Between FY 1986 and FY 1988, the program grew from 49 to 402 recipients. As a policy issue, the Executive recommends $20,200, based upon 5% caseload growth.

- Out-of-District Placement 94,500
  Funds the residential services of 3 additional children whose educational needs cannot be met by their local school districts. As a policy issue, the Executive recommends $101,100.

- Arizona State Hospital Community Placement -0-
  As part of the baseline, the Executive recommends $30,700 to annualize the first year cost of community services for clients released from the Arizona State Hospital. The JLBC Staff estimates that the original $150,000 included over $30,000 in one-time costs. As a result, the existing appropriation should be sufficient to cover any annualization expense.

- All Other 12,500

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Mesa Land Fund - This option would require DES to shift $750,000 from the Mesa Land Fund to cover current program costs, thereby allowing a corresponding reduction in State General Funds. This fund consists of the proceeds from the sale of certain parcels in Mesa. As required by ARS, the principal as well as the interest may be used to establish and operate community-based facilities. DES generally withdraws only the annual interest earnings -- currently $350,000 -- from the fund. The department, however, has already identified $750,000 as being available to offset its potential FY 1989 supplemental requirement. In addition, DES spent over $1 million of the principal when the FY 1988 appropriation was not sufficient to fund all expenses.

  By reducing the fund's principal, this option would cut the department's interest earnings. To hold the department harmless, the Legislature could readjust the overall DD appropriation by the amount of the lost interest. Assuming a long term interest rate of 8%, $750,000 in principal would earn $60,000 in interest each year. By increasing DD appropriations by $60,000, the Legislature could leave total DD resources unchanged but still incur a net savings of $690,000.

- No New "Aging Out" Funds - By eliminating funding for the new "aging out" population, this option would save $598,300. These funds would have provided a) residential services for 14 clients who will reach the age of 18 during FY 1990 and will no longer be foster care eligible; b) adult day services for 24 clients who will reach the age of 22 during FY 1990 and will no longer receive a public education; and c) infant and preschool services for 219 children.

- Vocational Rehabilitation Fund Shift - This option would save $55,300 by using the federal vocational rehabilitation program to fund those clients "aging-out" of public school. The JLBC Staff baseline currently includes $69,100 to annualize the cost of adult day treatment programs for this "aging out" population. While the JLBC Staff baseline funds this activity as a 100% State cost, this option would have the federal vocational rehabilitation program assume 80% of the cost.

  While the federal program will finance an individual's training for several years, the person is eventually expected to obtain non-supported employment. Some "aging out" clients may not be employable in the short-run and may be without a day program after federal funding ends.

- Replacement Equipment - Reducing replacement equipment by 50% would save $64,800. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- Assistance to Families - The Executive recommends $23,200 to provide payments to 9 additional households. The program is designed to maintain developmentally disabled persons in their own homes or semi-independent environments. The Legislature may consider the Assistance to Families request along with the Housekeeping Payment program listed above, which also provides cash payments to home and community based individuals.

- Children Services Staffing - The Executive recommends $82,400 and 2 FTE positions to provide additional case managers for children services. As an alternative, the Legislature may suggest funding this request from DES' federal grant for education of the handicapped.

- Transportation - The Executive recommends $20,200 to fund the transportation expenses of 55 developmentally disabled.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: LONG TERM CARE
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	706.70	860.90	699.60	993.70	
OPERATING BUDGET						
PERSONAL SERVICES	0	16,156,600	19,402,600	19,687,100	19,581,300	
EMPLOYEE RELATED EXP	0	4,293,000	6,779,300	5,419,800	5,181,200	
PROFESSIONAL/OUTSIDE SVC	0	1,169,000	1,634,500	1,621,100	2,113,300	
TRAVEL - IN STATE	0	168,800	196,700	191,200	447,200	
TRAVEL - OUT OF STATE	0	4,400	15,800	4,400	4,500	
OTHER OPERATING EXP	9,100	2,507,200	3,282,600	3,264,600	2,986,500	
FOOD	0	578,300	619,600	462,400	646,600	
EQUIPMENT	50,300	601,600	141,300	96,800	86,400	
ALL OTHER OPERATING	59,400	5,029,300	5,890,500	5,640,500	6,284,500	
OPERATING SUBTOTAL	59,400	25,478,900	32,072,400	30,747,400	31,047,000	
SPECIAL LINE ITEMS						
ACUTE CARE	0	6,815,000	12,280,200	10,047,700	11,120,600	
FEE FOR SERVICE	0	3,670,500	5,526,200	5,469,500	5,433,200	
LTC FOSTER CARE	0	4,103,800	5,744,600	5,688,600	6,251,000	
LTC PURCHASE OF CARE	0	25,041,200	37,676,300	30,989,600	36,851,800	
RESERVE	0	1,513,400	0	0	0	
STIPENDS AND ALLOWANCES	0	153,600	213,600	213,600	205,400	
SPECIAL ITEM SUBTOTAL	0	41,297,500	61,440,900	52,409,000	59,862,000	
P R O G R A M T O T A L	59,400	66,776,400	93,513,300	83,156,400	90,909,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: LONG TERM CARE

JLBC ANALYST: STAVNEAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	59,400	25,309,500	34,714,700	32,052,800	34,660,900	
OTHER FUNDS	0	41,466,900	58,798,600	51,103,600	56,248,100	
PROGRAM TOTAL-ALL SOURCES	59,400	66,776,400	93,513,300	83,156,400	90,909,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: LONG TERM CARE

The JLBC Staff recommends a) total expenditure authority of $90,909,000 -- a net increase of $24,132,600, or 36.1%, to the original FY 1989 total expenditure authority and b) a total General Fund appropriation of $34,660,900 -- a net increase of $9,351,400, or 36.9%, to the original FY 1989 appropriation. As required by statute, the Long Term Care System Fund consists of Title XIX funds, State General Funds and other monies and is subject to legislative appropriation. As a result, the JLBC Staff recommendation is stated in terms of both total expenditure authority and General Fund appropriation.

Baseline Budget Changes

o Developmental Disabilities/Long Term Care Realignment	$ 18,838,400
o The FY 1989 budget divided developmental disability resources into two programs, long term and non-long term care. Since the federal long term care program was not originally scheduled to start until October 1988, the FY 1989 appropriation funded clients only for the last nine months of the fiscal year. With a full year implementation of Title XIX in FY 1990, resources need to be realigned between the two budget programs.	
o The State General Fund share of the annualization is $7,299,900. With a savings of $11,389,500 in the Developmental Disabilities program, the overall net impact of the full year implementation of long term care is a State General Fund savings of $4,089,600.	
o The baseline estimate assumes that DES will complete long term care implementation by July 1, 1989. DES, however, has recently suggested that all the adult day programs at the Arizona Training Program at Coolidge will not qualify for federal reimbursement until January 1990. If DES' current schedule is maintained, the State's share of the cost of care will exceed the JLBC Staff baseline by $1.6 million.	
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	(70,400)
The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors.	
o ERE Rate Adjustments	(272,100)
o Risk Management Insurance	52,200
o General Inflation	180,500
o Purchase of Care	4,277,100
o Includes $3,683,200 to fund a projected 6% caseload growth in Title	

XIX eligible clients. This amount would fund a group home placement for 104 clients, an adult day program for 110 clients and family support services for 63 clients. As a policy issue, the Executive recommends $129,400. The Executive recommendation was based upon the department's original caseload growth estimates, which DES has subsequently revised.

  - o Includes $336,000 to annualize the cost of two programs funded for six months in the FY 1989 budget -- residential services for 20 DD clients who will reach the age of 18 during FY 1989 and will no longer qualify for foster care, $265,300; and adult day services for 23 clients who will reach the age of 22 during FY 1989 and will no longer receive a public school education, $70,700.
  - o Includes $257,900 to fund these two programs for clients who will "age out" in FY 1990 -- residential services for 14 clients, $185,700; and day programs for 24 clients, $72,200. As a policy issue, the Executive recommends $265,800.

- o Foster Care 103,700
  Funds FY 1990 caseload growth of 4 children, or 2.4%. As a policy issue, the Executive recommends $52,400 for an additional 2 children.
- o Acute Care 687,400
  Funds FY 1990 caseload growth of 178 clients, or 6%. As a policy issue, the Executive recommends $551,800.
- o Fee for Service 318,900
  Funds FY 1990 caseload growth of 11 clients, or 6%. By agreement with the federal government, the cost of care for medically fragile children will be paid through traditional fee for service. As a policy issue, the Executive recommends $364,300.
- o All Other 17,200

JLBC Staff Recommended Policy Issues

- o JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Group Home Shift - This option would save $2,265,100 in total expenditure authority by moving clients from the Arizona Training Programs to group home settings. According to DES, 73 institutional clients could be moved to group homes, which are less expensive to operate. A significant number of these individuals' parents or guardians, however, may object to a group home placement. The Arizona Cost Efficiency Commission advocated a more extensive reduction in institutional beds by closing the entire Coolidge facility.

- o No New "Aging Out" Funds - By eliminating funding for the new "aging out" population, this option would save $257,900 in total expenditure authority. These funds would have provided a) residential services for 14 clients who will reach the age of 18 during FY 1990 and will no longer be foster care eligible and b) adult day services for 24 clients who will reach the age of 22 during FY 1990 and will no longer receive a public education.

- o Acute Care Administration - The Legislature may want to consider having AHCCCS resume administrative responsibility for DD acute health care. Prior to the implementation of long term care, AHCCCS' health plan contracts covered acute services for DD clients. The State's long term care legislation, however, requires "bundling" of service -- the same entity that provides long term care to a client must also furnish acute care. Since DES operates the DD long term care program, the department is establishing a new administrative unit--comparable to AHCCCS, albeit smaller -- to contract with health plans. By shifting administrative oversight back to AHCCCS and eliminating this new unit, DES would save $1,699,900.

  The purpose of "bundling" is to prevent acute and long term care providers from moving clients back and forth between their systems of care. Under our capitated payment system, providers have an incentive to shift high cost clients to another setting. "Bundling" may also improve overall health care since one provider instead of two has responsibility for the client's well-being.

  If responsibility for administering DD acute care is shifted to AHCCCS, DES may want to retain some positions for the purpose of coordinating services. As a result, the savings estimate would fall. AHCCCS may also request additional administrative positions because of the added caseload. We did not, however, reduce AHCCCS administrative costs when oversight was moved to DES from AHCCCS.

  The JLBC Staff baseline assumes that the federal government will pay 61.25% of acute administrative costs--the same percentage currently paid for regular administration. According to DES, however, the federal government may not be willing to reimburse costs that replicate AHCCCS responsibilities. If DES retains responsibility for administering acute care and receives no federal reimbursement, the State General Fund share of the baseline would need to be adjusted upward by $1,041,200.

- o Replacement Equipment - Reducing replacement equipment by 50% would save $43,200. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- o Acute Care Staffing - The Executive recommends $54,700 for a Medical Programs Review Specialist to respond to federal reporting requirements. During FY 1989, the Long Term Care program has the authority to hire 22 positions, including 1 Medical Programs Review Specialist, to administer the acute care program. The Legislature may consider deferring the authorization of additional personnel until we can analyze the effectiveness of the 22 new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: DEVELOP. DISABILITIES
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	71,277,100	48,173,500	49,280,300	45,867,700	38,170,800	
FEDERAL FUNDS	2,820,100	3,467,400	3,494,700	0	3,494,700	
OTHER NON APPROPRIATED	3,666,800	3,001,700	414,200	0	414,200	
PROGRAM TOTAL-ALL SOURCES	77,764,000	54,642,600	53,189,200	45,867,700	42,079,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: DEVELOPMENTAL DISABILITIES

The JLBC Staff recommends a total appropriation of $38,170,800 -- a net decrease of $(10,002,700), or (20.8)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Developmental Disabilities/Long Term Care Realignment	$ (11,389,500)
o The FY 1989 budget divided developmental disability resources into two programs, long term and non-long term care. Since the federal long term care program was not originally scheduled to start until October 1988, this program -- non-long term care -- funded all clients during the first quarter of the fiscal year. With a full year implementation of Title XIX in FY 1990, resources need to be realigned between the two budget programs. The Executive estimates realignment savings of $5,766,900, based upon earlier information.	
o The baseline estimate assumes that DES will complete long term care implementation by July 1, 1989. DES, however, has recently suggested that all the adult day programs at the Arizona Training Program at Coolidge will not qualify for federal reimbursement until January 1990. If DES' current schedule is maintained, the State's share of the cost of care will exceed the JLBC Staff baseline by $1.6 million.	
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	(42,500)
The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors. As part of the baseline, the Executive recommends restoring $541,100 in SB 1119 FY 1988 ex-appropriation savings made permanent in the FY 1989 budget. According to EBO's March 1988 report, SB 1119 reductions were achieved with the savings from overfunded positions.	
o ERE Rate Adjustments	(25,000)
o Risk Management Insurance	(54,700)
o General Inflation	66,400
o Purchase of Care	1,222,500
o Includes $624,200 to annualize the cost of three programs funded for six months in the FY 1989 budget -- residential services for 17 DD clients who will reach the age of 18 during FY 1989 and will no longer qualify for foster care, $153,500; adult day services for 23	

- Licensing/Monitoring - The Executive recommends $44,300 for one additional surveyor to meet projected workload increases. DES is required by law to inspect community residential settings. Assuming a 17% increase in licensed homes, the Executive proposal results in a worker-to-facilities ratio of 1:69.

- Transportation - The Executive recommends $4,200 to fund the transportation expenses of 11 developmentally disabled.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: FAMILY SUPPORT
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	638.10	660.50	686.00	673.00	671.50	
OPERATING BUDGET						
PERSONAL SERVICES	12,156,200	13,117,900	13,779,900	13,847,900	13,287,000	
EMPLOYEE RELATED EXP	2,663,400	2,972,400	4,698,900	3,603,300	3,272,500	
PROFESSIONAL/OUTSIDE SVC	257,900	48,200	50,000	50,000	50,100	
TRAVEL - IN STATE	347,100	266,100	305,900	285,700	284,700	
TRAVEL - OUT OF STATE	4,700	4,100	5,200	5,200	4,300	
OTHER OPERATING EXP	3,113,900	3,227,000	3,581,200	3,454,300	3,413,600	
EQUIPMENT	33,800	746,000	252,600	196,000	186,300	
ALL OTHER OPERATING	3,757,400	4,291,400	4,194,900	3,991,200	3,939,000	
OPERATING SUBTOTAL	18,577,000	20,381,700	22,673,700	21,442,400	20,498,500	
SPECIAL LINE ITEMS						
AFDC	35,547,800	35,084,400	43,582,700	44,595,400	45,360,000	
AHCCCS ELIGIBILITY	1,342,500	0	0	0	0	
CHILD SUPPORT ENFORCEMNT	109,000	0	0	0	0	
EMERGENCY ASSISTANCE	1,032,200	1,076,800	1,183,100	1,164,600	1,076,800	
GENERAL ASSISTANCE	8,877,300	8,986,200	9,694,400	10,786,900	10,952,600	
SLIAG	0	807,100	738,700	738,700	738,700	
SUPPLEMENTAL PAYMENTS	1,099,700	609,800	0	0	0	
TUBERCULOSIS CONTROL	23,200	32,000	36,000	36,000	24,400	
FOOD DISTRIBUTION INFO.	22,000	22,900	23,800	23,600	22,900	
HOMELESS SHELTER	240,900	260,500	270,900	268,300	260,500	
INFORMATION AND REFERRAL	84,100	86,500	90,000	89,100	86,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY JLBC ANALYST: STAVNEAK HOUSE SUBCOMMITTEE CHAIR: ESKESEN
COST CENTER: FAMILY SUPPORT SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
RURAL FOOD BANK PROJECT	54,300	61,700	150,000	73,600	61,700	
SR UTILITY DISCOUNT PROG	0	28,000	0	0	0	
VETERANS' HOUSING	0	1,000,000	0	0	0	
SPECIAL ITEM SUBTOTAL	48,433,000	48,055,900	55,769,600	57,776,200	58,584,100	
P R O G R A M T O T A L	67,010,000	68,437,600	78,443,300	79,218,600	79,082,600	
BY FUND SOURCE						
GENERAL FUND	67,010,000	68,437,600	78,443,300	79,218,600	79,082,600	
FEDERAL FUNDS	106,451,200	116,463,000	121,910,900	0	121,910,900	
OTHER NON APPROPRIATED	8,996,600	13,638,400	14,985,500	0	14,985,500	
PROGRAM TOTAL-ALL SOURCES	182,457,800	198,539,000	215,339,700	79,218,600	215,979,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: FAMILY SUPPORT

The JLBC Staff recommends a total appropriation of $79,082,600 -- a net increase of $10,645,000, or 15.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0% The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors. As part of the baseline, the Executive recommends restoring $193,300 in SB 1119 FY 1988 ex-appropriation savings made permanent in the FY 1989 budget. According to EBO's March 1988 report, SB 1119 reductions were achieved with the savings from overfunded positions.	$ (26,300)
o	Veterans' Housing Assistance Program Eliminates funding for this one-time program, in line with the Executive's proposal.	(1,000,000)
o	Replacement Equipment Includes a $68,400 downward adjustment in the SLIAG line item.	(703,500)
o	Supplemental Payments -- Nursing and Supervisory Care Homes With the implementation of federal long term care, Chapter 302, Laws of 1988, eliminates private and public nursing home payments and retains only supervisory care home assistance. Because of different caseload assumptions, the Executive estimates the savings at $170,100.	(184,000)
o	Aid to Families with Dependent Children (AFDC) Includes $5,500,000 to fund the FY 1989 deficit and $5,704,600 to fund FY 1990 caseload growth. These estimates assume that the current 12.7% caseload growth continues through the end of FY 1990, which would add 12,117 persons to the program this year and 13,618 persons next year. The baseline assumes that DES would operate the program at the current 9% error rate and would generate no surplus child support collections to offset AFDC costs. As a policy issue, the Executive recommends $9,510,500, based upon 10% caseload growth in both FY 1989 and FY 1990.	11,204,600

- o General Assistance (GA) — 1,966,400
  Includes $917,200 to fund the FY 1989 deficit and $1,049,200 to fund FY 1990 caseload growth. These estimates assume that the current 10.8% caseload growth continues through the end of FY 1990, which will add 506 persons to the program this year and 562 persons next year. As a policy issue, the Executive recommends $1,759,700, based upon 10.0% caseload growth in both FY 1989 and FY 1990.
- o ERE Rate Adjustments — 258,500
- o General Inflation — 127,300
- o All Other — 700

JLBC Staff Recommended Policy Issues

- o AFDC Error Rate - The JLBC Staff recommends reducing erroneous AFDC payments by $929,000. With 9% of benefits overpaid, the State has one of the nation's highest error rates. Implementation of a new computerized eligibility system and the addition of 93 eligibility workers in FY 1989 should help reduce the error rate to 7% -- the level needed to generate $929,000 in savings. If DES is unable to reduce the error rate, however, the recommended appropriation could be insufficient to cover full program costs. — (929,000)

  The FY 1989 budget had assumed an even greater error reduction target, which DES will probably not achieve. Given an additional year of experience with both the new computer system and the eligibility workers, DES will more likely achieve significant error rate savings in FY 1990 than in FY 1989.

  The Arizona Cost Efficiency Commission also proposed a reduction in error rates.

- o Supervisory Care Homes - The JLBC Staff recommends the transfer-out of $450,900 and 1 FTE position to the Division of Social Services for the Supervisory Care Home program. This transfer would combine the Supervisory Care Home payments with similar cash assistance programs in the Division of Social Services. The Executive recommends a transfer of $464,000, based upon different caseload assumptions. — ($450,900)

- o Senior Utility Discounts - The JLBC Staff recommends eliminating $28,000 in funding for the Senior Utility Discount program since the original reason for funding no longer exists. The Legislature originally approved the — (28,000)

special line item funds for contracts with community-based agencies to accept applications and verify eligibility. DES has subsequently redesigned the program and will instead rely on applicants to self-verify their income.

The Executive has recommended transferring this amount from a special line item to other operating expenses and equipment. The funds would be used for producing promotional materials and applications. The JLBC Staff baseline includes $1,800 for such costs.

- AFDC Eligibility Workers - The JLBC Staff recommends $409,200 and 12 FTE positions for additional AFDC eligibility workers. Since the federal government will match AFDC state administrative expenses on a dollar-for-dollar basis, this proposal would result in a total increase of 24 positions. With projected participation increases of 12.7%, the recommendation would help DES maintain their current caseload staffing ratios. Significant increases in the caseload per worker would hamper efforts to reduce the AFDC error rate. 409,200

The Executive recommends $491,700 and 13 FTE positions for the same purpose.

Other Issues for Legislative Consideration

- Replacement Equipment - Reducing replacement equipment by 50% would save $55,000. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- Emergency Assistance - The Executive recommends an increase of $55,400, or 5%, to serve an average of 36 additional households each month. The Legislature may want to re-examine the role of Emergency Assistance in light of the upcoming implementation of the AFDC-Unemployed Parent program, which will require DES to provide welfare assistance to two-parent families.

- Rural Food Bank - The Executive recommends an increase of $10,000 to expand the current rural food bank program. The existing appropriation helps finance the personnel and operating costs of the Southeastern Arizona Food Bank in Wilcox. The Executive recommendation may not prove sufficient incentive to establish a similar food bank elsewhere in Arizona and may further subsidize the current food bank.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES

JLBC ANALYST: STAVNEAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	474.30	461.00	524.00	493.00	462.00	
OPERATING BUDGET						
PERSONAL SERVICES	12,054,700	12,914,700	14,361,900	14,073,300	12,916,900	
EMPLOYEE RELATED EXP	2,391,100	2,907,800	4,363,200	3,415,900	2,955,400	
PROFESSIONAL/OUTSIDE SVC	48,900	38,000	39,500	39,500	39,500	
TRAVEL - IN STATE	81,800	458,800	588,700	545,700	505,700	
TRAVEL - OUT OF STATE	13,200	16,700	16,700	16,700	17,300	
OTHER OPERATING EXP	2,123,600	3,613,800	4,554,200	4,331,100	4,218,400	
EQUIPMENT	26,700	95,000	187,200	137,900	87,400	
ALL OTHER OPERATING	2,294,200	4,222,300	5,386,300	5,070,900	4,868,300	
OPERATING SUBTOTAL	16,740,000	20,044,800	24,111,400	22,560,100	20,740,600	
SPECIAL LINE ITEMS						
ADOPTION SERVICES	7,136,800	7,296,400	10,859,100	9,575,300	11,004,500	
ADULT SERVICES	6,422,500	6,486,300	8,891,700	7,940,400	7,271,100	
CHILDREN SERVICES	23,250,200	28,090,700	31,266,500	29,899,400	28,394,700	
CHILD SEVERANCE PROJECT	93,200	179,900	187,100	185,300	179,900	
CMDP	6,402,200	6,168,400	7,504,200	7,321,700	9,338,000	
DAY CARE	12,748,300	13,846,200	14,680,200	14,261,600	14,893,100	
SUPERVISORY CARE HOMES	0	0	0	0	425,800	
SPECIAL ITEM SUBTOTAL	56,053,200	62,067,900	73,388,800	69,183,700	71,507,100	
P R O G R A M T O T A L	72,793,200	82,112,700	97,500,200	91,743,800	92,247,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	72,793,200	82,112,700	97,500,200	91,743,800	92,247,700	
FEDERAL FUNDS	42,519,400	41,488,100	42,731,900	0	42,731,900	
OTHER NON APPROPRIATED	14,683,400	14,902,000	17,011,800	0	17,011,800	
PROGRAM TOTAL-ALL SOURCES	129,996,000	138,502,800	157,243,900	91,743,800	151,991,400	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES

The JLBC Staff recommends a total appropriation of $92,247,700 -- a net increase of $10,135,000, or 12.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 3.0% The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors. As part of the baseline, the Executive recommends restoring $212,100 in SB 1119 FY 1988 ex-appropriation savings made permanent in the FY 1989 budget. According to EBO's March 1988 report, SB 1119 reductions were achieved with the savings from overfunded positions.	$ (19,200)
o Adoption Services	3,708,100
o Includes $2,500,000 to fund the FY 1989 deficit and $979,600 to fund FY 1990 caseload growth. These estimates assume an 11.8% caseload growth in FY 1989 and 10% in FY 1990, which would add 158 persons to the program this year and 149 persons next year. The baseline assumes a 4% adjustment in the average medical cost per child, which increased 22% in FY 1988 and is predicted to increase by 15% in FY 1989.	
o As a policy issue, the Executive recommends $2,000,000 -- based upon an earlier projection of the FY 1989 deficit -- but no funding of FY 1990 caseload growth. The Executive recommendation would require DES to retain children in foster care or lower the average cost per case. Without either change, the Executive recommendation could result in a substantial deficit.	
o Adult Services	784,800
o Includes $498,500 to fund the FY 1989 deficit and $261,000 to fund FY 1990 caseload growth in the Supplemental Payment program. These estimates assume a 14% caseload growth in FY 1989 and 10% in FY 1990, which would add 387 persons to the Supplemental Housekeeping payments program this year and 320 persons next year.	
o The baseline assumes no caseload growth in the Supplemental Home Health Aid and Visiting Nurse programs, which are not statutory entitlements. Both programs, however, have experienced more than 10%	

growth in the last two years.

- o As a policy issue, the Executive recommends $667,800, based upon a $498,500 FY 1989 deficit and FY 1990 caseload growth of 5% in all Supplemental Payment programs. Unless the program's growth slows from prior years, the Executive recommendation may result in a deficit exceeding $100,000.

o Children Services Includes $304,000 to fund FY 1990 foster care caseload growth of 55 children, or 2.4%. This growth factor is comparable to the projected percentage increase in the general population. Foster care caseload grew by 6% in FY 1987 and declined by 14% in FY 1988. As a policy issue, the Executive recommends 2.5% caseload growth. Neither the JLBC Staff nor the Executive recommendation assume that the program would require a FY 1989 supplemental.	304,000
o Comprehensive Medical and Dental Program o Includes $2,600,000 to fund the FY 1989 deficit and $210,400 to fund FY 1990 caseload growth. These estimates assume 2.4% caseload growth in FY 1990, which would add 114 children to the program. The baseline includes a 4% medical inflation factor. The average cost per child increased 39% in FY 1988 and is predicted to grow by 16% in FY 1989. o As a policy issue, the Executive recommends $1,153,300 -- based upon a $1,181,900 FY 1989 deficit, no FY 1990 caseload growth, 4% medical inflation and $370,000 in increased federal reimbursement. Under the Executive recommendation, DES would need to reduce expenditures by $1,446,700, or 14%, from the projected FY 1989 spending level. Without significant changes in current operating procedures, the Executive recommendation could result in a $2 million FY 1990 deficit.	3,169,600
o Day Care Includes $700,000 to fund the FY 1989 deficit and $346,900 to fund FY 1990 caseload growth. The FY 1990 estimate assumes 2.4% caseload growth, which would add 396 children to the program. The Executive recommendation would fund neither the FY 1989 deficit nor any FY 1990 caseload growth. Under the Executive recommendation, DES would probably need to request a FY 1990 supplemental or reduce the program's eligibility limits.	1,046,900
o ERE Rate Adjustments	47,100
o Risk Management Insurance	537,600
o General Inflation	66,600

- All Other — 38,900

JLBC Staff Recommended Policy Issues

- Supervisory Care Homes - The JLBC Staff recommends the transfer-in of $450,600 and 1 FTE position from the Division of Family Support. This transfer would combine the Supervisory Care Home payments with similar cash assistance programs. The Executive recommends a transfer of $464,000. The recommendations differ because of varying caseload growth estimates -- 2.4% in the JLBC Staff recommendation versus 5% in the Executive. — 450,600

Other Issues for Legislative Consideration

- Reduce Day Care Eligibility - This option would save $2,600,000 by reducing the day care eligibility level from 65% of state median income to 55%. As a result, a four-person household with an income between $17,700 and $20,900 would no longer qualify for a monthly subsidy. This proposal would reduce the current 14,000 child caseload by 1,800. Arizona ranks 9th nationally in state per capita day care expenditures.

  The Arizona Cost Efficiency Commission favored a similar proposal.

- Contracted Housekeeping Services - This option would save $567,000 by converting the Supplemental Housekeeping program from cash payments to a contracted service. DES is required by law to pay any qualified Supplemental Security Income (SSI) recipient $70 a month for housekeeping. Almost 90% of the caseload is given a $70 cash payment, which they then use to arrange their own housekeeping. The remaining 10% receive a contracted service, which costs an average of $55 per person per month. By negotiating a group rate, DES is able to provide the service at a lower cost.

  This option will limit the recipients' flexibility in arranging their own housekeeping and may cause some to leave the program. In addition, the proposal may require a statutory change since the current language appears to mandate a cash payment. The contracted caseload currently has agreed to waive cash assistance.

- Replacement Equipment - Reducing replacement equipment by 50% would save $39,000. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- Children Services - The Executive recommends $684,800 and 21 FTE positions to increase the investigation rate of Child Protective Service referrals to between 85% and 90%. With the use of federal funds, the Department has already raised the investigation rate from 78% in FY 1988 to 85% in September 1988. The Executive also recommends $965,000, a 3.4% increase, to expand contracted services, including the new foster care placements discussed above. The recommendation is in response to the 5.4% increase in Child Protective Service reports

between FY 1987 and FY 1988.

- Adult Protective Services - The Executive recommends $306,300 and 10 FTE positions to increase the investigation rate of Adult Protective Service (APS) referrals. This recommendation represents a 12% increase in Adult Protective Service staffing. APS reports have grown between 5 and 6% in the last two years.

- Adult Services - The Executive recommends $243,000 to expand home care and case management services to the elderly by 5%.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: CHILD PROT.SVCS TRAINING

JLBC ANALYST: STAVNEAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.50	4.50	7.00	7.00	6.00	
OPERATING BUDGET						
PERSONAL SERVICES	82,500	137,900	187,500	189,000	181,700	
EMPLOYEE RELATED EXP	17,600	31,400	52,500	45,500	41,300	
PROFESSIONAL/OUTSIDE SVC	19,400	109,200	59,800	59,800	59,800	
TRAVEL - IN STATE	49,200	73,100	74,900	74,900	74,900	
TRAVEL - OUT OF STATE	0	5,800	5,900	5,900	5,900	
OTHER OPERATING EXP	36,300	53,100	60,900	60,900	55,600	
EQUIPMENT	8,000	0	3,800	3,800	1,300	
ALL OTHER OPERATING	112,900	241,200	205,300	205,300	197,500	
P R O G R A M T O T A L	213,000	410,500	445,300	439,800	420,500	
BY FUND SOURCE						
OTHER FUNDS	213,000	410,500	445,300	439,800	420,500	
PROGRAM TOTAL-ALL SOURCES	213,000	410,500	445,300	439,800	420,500	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: CHILD PROTECTIVE SERVICES TRAINING FUND

The JLBC Staff recommends a total appropriation of $420,500 -- a net increase of $10,000, or 2.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (100)
o Replacement Equipment	1,300
o General Inflation	6,800
o All Other	2,000

JLBC Staff Recommended Policy Issues

o Staffing Increase - The JLBC Staff recommends a 1.5 FTE position increase, but no additional dollars. Personal Services and Employee Related Expenditures would be funded by transferring excess dollars from Professional and Outside Services. The positions are a collector and a half time secretary.

During the past two years, fund revenues -- consisting of parental assessments for children in DES care -- have fallen between $175,000 and $225,000 short of the appropriation. The additional collector would help DES increase these parental assessments.

The Executive recommends a net $13,100 and 2.5 FTE position increase. The recommendation includes $66,900 to fund one collector, one secretary and a half-time position to expand training for the Division of Developmental Disabilities. The recommendation would also reduce Professional and Outside Service spending by $53,800.

The JLBC Staff recommends against any net additional funding for program change until revenue is substantially enhanced.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: EMPLOYMENT & REHAB
JLBC ANALYST: STAVNEAK
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	62.60	67.40	82.40	75.40	67.40	
OPERATING BUDGET						
PERSONAL SERVICES	1,354,700	1,552,500	1,892,500	1,788,800	1,544,200	
EMPLOYEE RELATED EXP	281,600	361,800	571,400	440,100	358,400	
PROFESSIONAL/OUTSIDE SVC	35,000	39,800	48,000	48,000	41,400	
TRAVEL - IN STATE	24,500	28,900	40,600	33,400	31,300	
TRAVEL - OUT OF STATE	3,900	3,700	5,100	3,900	3,800	
OTHER OPERATING EXP	271,400	282,700	398,400	347,200	292,500	
EQUIPMENT	3,700	29,300	74,800	60,900	12,200	
ALL OTHER OPERATING	338,500	384,400	566,900	493,400	381,200	
OPERATING SUBTOTAL	1,974,800	2,298,700	3,030,800	2,722,300	2,283,800	
SPECIAL LINE ITEMS						
COMP SVCS FOR IND LIVING	496,500	525,600	546,800	541,400	525,600	
EMPLOYMENT SUPPORT	52,000	0	0	0	0	
VOCATIONAL REHAB. SVCS.	1,392,200	1,676,800	2,114,000	2,093,600	1,676,800	
JOB SEARCH ALLOWANCE	84,300	139,100	139,100	139,100	139,100	
MANPOWER SERVICES	236,600	141,400	147,100	145,700	141,400	
NAVAJO EMPLOYMENT SRVCS.	0	257,000	257,000	257,000	257,000	
WORK INCENTIVE DEMO PROJ	105,200	117,900	122,600	121,400	117,900	
LABOR MARKET INFORMATION	0	0	0	93,600	0	
SPECIAL ITEM SUBTOTAL	2,366,800	2,857,800	3,326,600	3,391,800	2,857,800	
P R O G R A M T O T A L	4,341,600	5,156,500	6,357,400	6,114,100	5,141,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: EMPLOYMENT & REHAB

JLBC ANALYST: STAVNEAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,341,600	5,156,500	6,357,400	6,114,100	4,641,600	
OTHER FUNDS	0	0	0	0	500,000	
FEDERAL FUNDS	88,660,100	112,326,300	108,268,000	0	108,268,000	
OTHER NON APPROPRIATED	125,401,300	113,930,500	117,351,800	0	117,351,800	
PROGRAM TOTAL-ALL SOURCES	218,403,000	231,413,300	231,977,200	6,114,100	230,761,400	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: EMPLOYMENT AND REHABILITATIVE SERVICES

The JLBC Staff recommends a total appropriation of $5,141,600 -- a net decrease of $(14,900), or (0.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 3.0% The 2.5% vacancy rate in the FY 1989 budget has been adjusted upward in line with the standard vacancy factors. As part of the baseline, the Executive recommends restoring $60,300 in SB 1119 FY 1988 ex-appropriation savings made permanent in the FY 1989 budget. According to EBO's March 1988 report, $17,400 of the SB 1119 savings delayed technical assistance and compliance reviews of new and existing program sponsors.	$	(10,300)
o ERE Rate Adjustments		(1,400)
o Replacement Equipment		(17,100)
o General Inflation		12,400
o All Other		1,500

JLBC Staff Recommended Policy Issues

o The JLBC Staff recommends shifting $500,000 of the cost of the Employment and Rehabilitative Services program from the General Fund to the Special Administration Fund. To reduce the FY 1989 deficit, the Executive is proposing to use $1 million from this fund, which consists of penalties collected for late payment of unemployment compensation charges. The JLBC Staff recommendation would seek to use this alternative again in the FY 1990 budget.	-0-

This fund shift represents a reduction in total DES resources. DES has previously used these funds to help administer federal Department of Labor programs or to solve other financial problems within the department. By committing these dollars as part of the General Appropriation Bill, this recommendation limits DES' ability to meet future contingencies.

This recommendation may require a technical law change to clarify that the Special Administration funds do not have to be used directly for unemployment

insurance (UI) programs. As mentioned previously, however, the department has already used these funds for non-UI programs in the past. There is also a legal question as to whether these funds are subject to appropriation.

Other Issues for Legislative Consideration

- Replacement Equipment - Reducing replacement equipment by 50% would save $6,100. The Legislature funded replacement equipment at roughly 50% of the baseline in FY 1987 and FY 1988, before restoring full funding in FY 1989.

- Vocational Rehabilitation - The Executive recommends $296,200 and 8 FTE positions to expand the VR staff and $355,900 to increase the level of contracted services. The federal government matches the state funds at an 80/20 rate. Under this proposal, 2,273 disabled persons would receive services and 785 would obtain jobs. DES has estimated that the State would recoup over 25% of the cost of this policy issue in the first year through the rehabilitated workers' payment of state income taxes.

  The Executive's contracted services proposal will not increase federal funding, but instead represents a shift of the local funding sources. Local non-profit entities now provide the match as part of a program to establish new programs in the community. While the non-profits can fund new facilities, for example, they can not finance the client's actual rehabilitation. DES believes that these "establishment" grants have created sufficient physical plant capacity. As a result, the Executive recommends shifting the local funding from the non-profits to the State government to expand services to individuals.

  As an alternative to increased funding, the Legislature may want to consider other possible sources of State match. For example, the Department of Corrections and the Division of Behavioral Health in the Department of Health Services currently fund rehabilitative programs with 100% state dollars. These two departments could use their existing State appropriations as the match and possibly expand their programs four-fold -- given the 80/20 federal matching ratio.

- State-wide Labor Market Information System - The Executive recommends $93,600 to continue funding the development of labor market information. The Executive proposal would not expand the program, but would only shift its cost from the Governor's discretionary federal funds budget to the State General Fund.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1,454.50	1,459.50	1,653.25	1,588.25	1,504.50	
BY PROGRAM/ORGANIZATION						
EMS/HEALTH CARE FACIL	5,007,900	6,054,900	7,148,100	6,591,800	6,702,500	
DISEASE PREVENTION SVCS	4,989,800	5,884,900	7,946,900	6,796,700	6,381,400	
FAMILY HEALTH	13,285,600	14,624,500	18,543,000	17,535,600	16,662,500	
BEHAVIORAL HEALTH	60,869,900	83,798,400	111,920,800	109,547,700	95,261,200	
OFFICE OF THE DIRECTOR	9,016,600	9,120,000	12,388,000	9,816,700	9,460,600	
DIVISION OF LAB SERVICES	1,944,900	2,243,100	3,625,500	2,560,500	2,311,100	
A G E N C Y T O T A L	95,114,700	121,725,800	161,572,300	152,849,000	136,779,300	
OPERATING BUDGET						
PERSONAL SERVICES	30,296,700	32,197,800	36,425,900	35,734,300	33,125,000	
EMPLOYEE RELATED EXP	7,102,900	8,588,200	9,525,400	9,504,100	8,345,300	
PROFESSIONAL/OUTSIDE SVC	2,722,500	3,516,500	5,472,700	4,862,600	4,508,200	
TRAVEL - IN STATE	289,500	431,500	656,600	497,900	485,300	
TRAVEL - OUT OF STATE	23,900	37,800	43,900	39,800	37,800	
OTHER OPERATING EXP	7,510,200	6,761,300	9,466,800	9,298,700	6,788,400	
FOOD	895,500	765,700	830,900	830,900	795,000	
EQUIPMENT	576,600	429,100	2,256,200	847,000	559,300	
ALL OTHER OPERATING	12,018,200	11,941,900	18,727,100	16,376,900	13,174,000	
OPERATING SUBTOTAL	49,417,800	52,727,900	64,678,400	61,615,300	54,644,300	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
AMBULANCE EMER. CONTRACT	384,600	470,000	400,000	400,000	400,000	
ARIZONA POISON CONTROL	435,000	435,000	450,000	450,000	450,000	
STATE EMS SPEC. PROJECTS	786,300	667,900	200,000	200,000	200,000	
RURAL AMB RESPONSE DVLP	93,700	280,000	150,000	150,000	150,000	
EMSCOM DEVELOPMENT	204,000	244,000	100,000	100,000	100,000	
LOCAL EMS COOR. SYSTEM	398,100	398,100	0	0	0	
EMERG PARMEDIC TRNG	9,700	10,000	0	0	0	
EMER. MED. SVCS. OPER.	0	0	996,900	1,543,900	1,538,300	
CERT-DAY CARE GROUP HOME	0	93,000	0	0	0	
TB PROVIDER/HOSP CARE	805,100	966,100	966,100	966,100	966,100	
SEX TRANSMITTED CONTROL	69,700	76,800	181,800	76,800	76,800	
AIDS REPORT/SURVEILLANCE	105,200	125,000	475,000	125,000	125,000	
KIDNEY PROGRAM	77,900	100,000	100,000	100,000	100,000	
PESTICIDE POISONING	51,600	68,500	0	0	0	
HEALTH EFFECTS STUDIES	0	157,500	157,500	157,500	157,500	
CHRONIC DISEASE SURVEILL	0	192,500	192,500	192,500	192,500	
ADULT CYSTIC FIBROSIS	163,000	212,900	221,700	221,400	221,400	
ADULT SICKLE CELL ANEMIA	17,800	66,700	69,400	69,400	69,400	
INFORMATION/REFERRAL SVC	50,000	50,000	52,000	52,000	52,000	
HEARING LOSS	6,200	0	0	0	0	
CHILD REHAB. SERVICES	5,331,000	6,659,200	8,084,600	6,908,800	7,091,500	
NEWBORN INTENSIVE CARE	3,482,800	4,259,600	4,637,700	4,419,300	4,461,900	
PERINATAL CARE SERVICES	1,515,900	252,400	1,304,700	1,297,500	1,297,900	
NUTRITION SUBVENTIONS	299,900	321,000	330,100	333,800	330,100	
CMI PILOT PROGRAM	1,654,100	6,000,000	6,100,000	6,000,000	6,100,000	
NON-CMI SERVICES	503,000	521,000	546,800	0	0	
CMI NON-PILOT PROGRAM	3,001,200	3,126,200	3,281,000	0	0	
ARIZONA STATE HOSPITAL	0	2,762,500	2,762,500	0	0	
REGIONAL RESID/PSYCH BED	0	1,916,300	3,696,500	3,672,600	3,677,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
CHILDREN'S BEH. HLTH SVC	0	5,000,000	14,240,400	15,171,000	11,195,500	
CMI SERVICES	0	3,260,200	3,423,200	0	0	
MENTAL HEALTH SERVICES	0	961,800	1,009,900	0	0	
SUBSTANCE ABUSE	0	699,200	734,200	0	0	
RESIDENTIAL SVCS FOR EHC	915,000	957,200	1,005,100	0	0	
TRANSITIONAL LIVING UNIT	314,000	372,400	391,600	387,300	374,100	
BEHAVIORAL HEALTH SUB.	23,744,100	24,698,700	37,367,800	45,960,800	39,597,700	
DIRECT GRANTS	578,000	578,000	578,000	578,000	578,000	
REIMB TO COUNTIES	700,000	700,000	700,000	700,000	700,000	
VACCINES	0	1,338,200	1,986,900	0	1,931,900	
TEEN PREGNANCY OUTREACH	0	0	0	1,000,000	0	
SPECIAL ITEM SUBTOTAL	45,696,900	68,997,900	96,893,900	91,233,700	82,135,000	
A G E N C Y T O T A L	95,114,700	121,725,800	161,572,300	152,849,000	136,779,300	
BY FUND SOURCE						
GENERAL FUND	92,803,300	119,220,800	159,725,400	150,455,100	134,391,000	
OTHER FUNDS	2,311,400	2,505,000	1,846,900	2,393,900	2,388,300	
FEDERAL FUNDS	36,079,200	42,167,000	42,847,700	42,847,700	42,847,700	
OTHER NON APPROPRIATED	4,544,100	4,652,200	3,990,400	0	3,990,400	
AGENCY TOTAL-ALL SOURCES	135,738,000	168,545,000	208,410,400	195,696,700	183,617,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: EMS/HEALTH CARE FACIL

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	92.50	84.50	127.00	91.50	98.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,833,000	2,038,800	2,915,600	2,130,900	2,209,200	
EMPLOYEE RELATED EXP	377,700	500,300	604,200	526,800	515,400	
PROFESSIONAL/OUTSIDE SVC	43,000	156,600	156,600	156,600	156,600	
TRAVEL - IN STATE	78,600	76,500	186,700	117,000	126,300	
TRAVEL - OUT OF STATE	5,100	2,100	2,100	2,100	2,100	
OTHER OPERATING EXP	275,700	682,600	873,900	779,100	815,000	
EQUIPMENT	83,400	0	112,100	35,400	39,600	
ALL OTHER OPERATING	485,800	917,800	1,331,400	1,090,200	1,139,600	
OPERATING SUBTOTAL	2,696,500	3,456,900	4,851,200	3,747,900	3,864,200	
SPECIAL LINE ITEMS						
AMBULANCE EMER. CONTRACT	384,600	470,000	400,000	400,000	400,000	
ARIZONA POISON CONTROL	435,000	435,000	450,000	450,000	450,000	
STATE EMS SPEC. PROJECTS	786,300	667,900	200,000	200,000	200,000	
RURAL AMB RESPONSE DVLP	93,700	280,000	150,000	150,000	150,000	
EMSCOM DEVELOPMENT	204,000	244,000	100,000	100,000	100,000	
LOCAL EMS COOR. SYSTEM	398,100	398,100	0	0	0	
EMERG PARMEDIC TRNG	9,700	10,000	0	0	0	
EMER. MED. SVCS. OPER.	0	0	996,900	1,543,900	1,538,300	
CERT-DAY CARE GROUP HOME	0	93,000	0	0	0	
SPECIAL ITEM SUBTOTAL	2,311,400	2,598,000	2,296,900	2,843,900	2,838,300	
P R O G R A M T O T A L	5,007,900	6,054,900	7,148,100	6,591,800	6,702,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: EMS/HEALTH CARE FACIL

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	2,696,500	3,549,900	5,301,200	4,197,900	4,314,200	
OTHER FUNDS	2,311,400	2,505,000	1,846,900	2,393,900	2,388,300	
FEDERAL FUNDS	1,085,200	2,329,700	2,373,400	2,373,400	2,373,400	
OTHER NON APPROPRIATED	2,469,000	2,517,400	1,859,300	0	1,859,300	
PROGRAM TOTAL-ALL SOURCES	8,562,100	10,902,000	11,380,800	8,965,200	10,935,200	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: EMS/HEALTH CARE FACILITIES

The JLBC Staff recommends a total appropriation of $6,702,500 -- a net increase of $647,600, or 10.7 % to the original FY 1989 appropriation. The General Fund portion of the recommendation is $4,314,200-- a net increase of $764,300, or 21.5 % to the original FY 1989 General Fund appropriation.

Baseline Budget Changes

o Transfer Funding for 16 FTE to the Emergency Medical Service (EMS) Operating Fund (See discussion under Other Issues - EMS Operating Fund)	$ (541,400)
o Base adjustment EMS Operating Fund	(116,700)
o ERE rate adjustments	(24,700)
o Personal Services/ERE Adjustments, including a vacancy factor of 4 %	(5,900)
o Transfer Poison Control Funding to the General Fund (See discussion under Other Issues - EMS Operating Fund)	450,000
o General Inflation The Agency request is $12,800 less than the standard 4 %	8,500
o Small Group Home Certification - Statutory Requirement (net) (See discussion under Other Issues - Small Group Home Certification)	287,000

JLBC Staff Recommended Policy Issues

o <u>Child Day Care Center Licensing</u> - The JLBC Staff recommends $234,400 and seven FTE positions to provide additional hours for surveying day care centers, more vigorous complaint investigations and to increase enforcement activities. The July, 1988 performance audit by the Auditor General cites the Department's enforcement actions are ineffective and fail to bring day care centers into compliance. The recommendation will provide for additional complaint investigations and staff to take escalated enforcement actions. The Executive concurs with this recommendation and recommends $236,300.	234,400
o <u>Health Care Facilities Support</u> - The JLBC Staff recommends $356,400 and ten FTE positions for additional inspection, complaint investigation and enforcement of long term care, medical facilities and HMO's. The performance audit of 1988 by the Auditor General cites that repeated noncompliance to regulations is widespread, and that greater reliance on enforcement by the Department is needed to reduce negligence. The recommendation should compensate for the program growth and allow the Department	356,400

to maintain an adequate licensure program. The Executive concurs with this recommendation at a cost of $359,600.

Other Issues for Legislative Consideration

- Small Group Home Certification - The Executive recommends net funds of $82,300 and six FTE positions to process, certify and monitor this new category of care that allows a caregiver to care for 5-10 children in a private residence. Chapter 322, Laws of 1988 (HB 2431) established Day Care Group Homes and directs the Department to certify the homes and conduct biannual inspections. It also requires the finger printing of all group home personnel. A one time appropriation of $93,000 was provided as start up funds for the program and is no longer needed. The continuing requirement for the program is recommended at $175,300 to support the six FTE positions. JLBC Staff analysis concludes that this is a statutory requirement and is addressed in the Baseline Budget Changes with a total cost of $380,000 and 13 FTE,a net increase of $287,000.

- Emergency Medical Services Operating Fund - The Executive recommends a net decrease of $97,000 and a reduction of 16.0 FTE positions, which includes shifting $450,000 associated with the Arizona Poison Control System from the Emergency Medical Services (EMS) Operating Fund back into the General Fund, where it was prior to FY 1987. Funding is required in A.R.S. Subsection 36-1161 and requires that the center be located at, and affiliated with, the University of Arizona. To offset the added increase to the General Fund, the recommendation also transfers $547,000 and 16.0 FTE positions who support the Emergency Medical Services portion of the EMS/Health Care Division budget from the General Fund to the EMS Operating Fund. JLBC Staff analysis indicates that the fund shift to the EMS Operating Fund is $541,400, a net decrease of $91,400 to the General Fund. The JLBC Staff addresses this issue in the Baseline Budget Changes.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: DISEASE PREVENTION SVCS
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	72.00	69.00	83.00	67.00	67.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,601,900	1,648,500	1,991,400	1,694,000	1,647,100	
EMPLOYEE RELATED EXP	345,500	409,500	463,800	421,100	386,200	
PROFESSIONAL/OUTSIDE SVC	52,000	133,000	557,100	483,800	133,700	
TRAVEL - IN STATE	48,600	98,700	128,600	102,700	102,700	
TRAVEL - OUT OF STATE	6,800	8,400	10,000	8,400	8,400	
OTHER OPERATING EXP	1,781,500	547,300	662,400	2,467,800	552,500	
EQUIPMENT	44,000	14,900	73,800	1,000	1,000	
ALL OTHER OPERATING	1,932,900	802,300	1,431,900	3,063,700	798,300	
OPERATING SUBTOTAL	3,880,300	2,860,300	3,887,100	5,178,800	2,831,600	
SPECIAL LINE ITEMS						
TB PROVIDER/HOSP CARE	805,100	966,100	966,100	966,100	966,100	
SEX TRANSMITTED CONTROL	69,700	76,800	181,800	76,800	76,800	
AIDS REPORT/SURVEILLANCE	105,200	125,000	475,000	125,000	125,000	
KIDNEY PROGRAM	77,900	100,000	100,000	100,000	100,000	
PESTICIDE POISONING	51,600	68,500	0	0	0	
HEALTH EFFECTS STUDIES	0	157,500	157,500	157,500	157,500	
CHRONIC DISEASE SURVEILL	0	192,500	192,500	192,500	192,500	
VACCINES	0	1,338,200	1,986,900	0	1,931,900	
SPECIAL ITEM SUBTOTAL	1,109,500	3,024,600	4,059,800	1,617,900	3,549,800	
P R O G R A M T O T A L	4,989,800	5,884,900	7,946,900	6,796,700	6,381,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: DISEASE PREVENTION SVCS

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,989,800	5,884,900	7,946,900	6,796,700	6,381,400	
FEDERAL FUNDS	2,638,200	3,569,200	3,619,600	3,619,600	3,619,600	
OTHER NON APPROPRIATED	6,000	13,500	12,000	0	12,000	
PROGRAM TOTAL-ALL SOURCES	7,634,000	9,467,600	11,578,500	10,416,300	10,013,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: DISEASE PREVENTION SERVICES

The JLBC Staff recommends a total appropriation of $6,381,400 -- a net increase of $496,500, or 8.4 % to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE rate adjustments	$ (22,900)
o Replacement Equipment	(7,100)
o Personal Services/ERE Adjustments, including a vacancy factor of 4 %	26,100
o Commercial Rent	15,000
o General Inflation	15,000
The Agency request is $7,600 less than the standard 4 %	
o Transfer of Vaccine Program to Special Line Item Status	-0-
Vaccines currently represent 71 % of Other Operating Expenditures appropriation and because of the inordinate inflationary increases this expenditure should be monitored as a special line item for visibility.	
o Vaccine Cost	593,700
Based upon information from suppliers the average cost of vaccines currently purchased will increase approximately 45 % next year.	
o Transfer of Pesticide Poisoning to the Operating Budget (See Policy Issue)	-0-

JLBC Staff Recommended Policy Issues

o <u>Intradivision Transfer</u> - The recommendation provides a net increase of two FTE positions, without any cost to the State. The funding of the Pesticide Poisoning program was established, and has remained in a lump sum, below-the-line. The recommendation moves the funds for use in the program from below-the-line into the Disease Prevention Division's operating budget above-the-line. The JLBC Staff included this shift in the Baseline Budget Changes.	-0-
o <u>Intradepartmental Transfer</u> - The JLBC Staff recommends the transfer of $123,200 and four FTE positions to the Office of the Director. These shifts will realign resources with functional responsibilities and will have virtually no net dollar impact. The Executive also recommends this transfer.	(123,300)

Other Issues for Legislative Consideration

- o Kidney Program - Elimination of this program will save $100,000. This recommendation would eliminate the Kidney Dialysis program funding from State sources. Local funding would continue. The elimination of this program is part of recommendation No. IV-18 of the Arizona Cost Efficiency Commission (ACEC)report.

- o Toxic Substance Investigations - Elimination of this program will save $81,000 and 2 FTE positions. 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.

- o Sanitation Program - Elimination of this program will save $262,300 and 8 FTE positions. 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 inspection activities, as well as perform the necessary liaison with the Attorney General's Office in carrying out enforcement and litigation provisions.

- o Case Control Assessment - The Executive recommendation provides $350,000 to expand the case control study to identify risk factors that may be associated with cancer cases. Currently the incident studies are funded from the Water Quality Assurance Revolving Fund (WQARF) because of the existence of contaminated groundwater in the geographic areas of concern. Should any excessive cancer occurrences be geographically located in areas free of contaminated groundwater the use of the WQARF for a case control study could not be justified. No such specific geographic area has been identified.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	71.00	74.00	76.00	75.00	75.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,590,700	1,733,500	1,790,700	1,801,200	1,754,600	
EMPLOYEE RELATED EXP	339,200	424,700	439,000	445,600	409,600	
PROFESSIONAL/OUTSIDE SVC	57,700	86,600	574,800	313,900	383,900	
TRAVEL - IN STATE	68,000	92,500	95,500	92,500	92,500	
TRAVEL - OUT OF STATE	1,800	3,000	3,000	3,000	3,000	
OTHER OPERATING EXP	333,300	422,400	828,100	538,800	480,000	
EQUIPMENT	28,300	40,000	111,700	38,400	14,700	
ALL OTHER OPERATING	489,100	644,500	1,613,100	986,600	974,100	
OPERATING SUBTOTAL	2,419,000	2,802,700	3,842,800	3,233,400	3,138,300	
SPECIAL LINE ITEMS						
ADULT CYSTIC FIBROSIS	163,000	212,900	221,700	221,400	221,400	
ADULT SICKLE CELL ANEMIA	17,800	66,700	69,400	69,400	69,400	
INFORMATION/REFERRAL SVC	50,000	50,000	52,000	52,000	52,000	
HEARING LOSS	6,200	0	0	0	0	
CHILD REHAB. SERVICES	5,331,000	6,659,200	8,084,600	6,908,800	7,091,500	
NEWBORN INTENSIVE CARE	3,482,800	4,259,600	4,637,700	4,419,300	4,461,900	
PERINATAL CARE SERVICES	1,515,900	252,400	1,304,700	1,297,500	1,297,900	
NUTRITION SUBVENTIONS	299,900	321,000	330,100	333,800	330,100	
TEEN PREGNANCY OUTREACH	0	0	0	1,000,000	0	
SPECIAL ITEM SUBTOTAL	10,866,600	11,821,800	14,700,200	14,302,200	13,524,200	
P R O G R A M T O T A L	13,285,600	14,624,500	18,543,000	17,535,600	16,662,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	13,285,600	14,624,500	18,543,000	17,535,600	16,662,500	
FEDERAL FUNDS	22,439,300	24,185,200	24,770,500	24,770,500	24,770,500	
OTHER NON APPROPRIATED	97,800	442,500	442,500	0	442,500	
PROGRAM TOTAL-ALL SOURCES	35,822,700	39,252,200	43,756,000	42,306,100	41,875,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH

The JLBC Staff recommends a total appropriation of $16,662,500-- a net increase of $2,038,000, or 13.9 % to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (25,300)
o ERE rate adjustments	(20,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 4 %	2,600
o Physician Parity (Second of three increments approved last Legislative session)	200,000
o General Inflation	474,000
The Agency request is $15,100 less than standard 4 %	

JLBC Staff Recommended Policy Issues

o Management Information System - The JLBC Staff recommends $297,000 for the conversion of the Children Rehabilitative Services and Nutrition Service databases from the DOA Honeywell L66 mainframe. DOA indicates all systems on the Honeywell L66 must be converted by July 1, 1990. Funds will allow the creation of a common data base and the development and/or conversion of the Children's Rehabilitative Services and Newborn Intensive Care systems. The DOA data center is attempting to shut down the Honeywell L66 mainframe and shift to the IBM mainframe as quickly as possible. The Executive recommends $220,500 for the Department to match federal funds to finance a required one-time conversion of existing information systems from the DOA Honeywell L66 mainframe.	297,000
o Dental Sealant Program - The JLBC Staff recommends $74,700 and one Dental Hygienist for the continuation of the pilot dental sealant program. The Division of Family Health Services has been conducting the pilot program for 10,000 children utilizing $75,000 in private donated funds that will not be available in FY 1990. This is a preventative medicine program which is a more cost effective treatment modality than disease treatment. The Executive recommends $75,000 for this issue.	74,700

- Teen Prenatal Express Program - The JLBC Staff recommends $1,035,000 for the establishment of a program designed to assist low income adolescents in receiving prenatal care. Pregnant adolescents will enter the system at the service provider level and based on a declaratory eligibility process, those with low income will initiate prenatal care immediately. Those who are ultimately determined, through a non-medical case management system, to be AHCCCS eligible, will then have their prenatal care paid by AHCCCS. The funds will provide nursing case management services to 820 adolescents and prenatal care and hospital delivery to 250 pregnant adolescents. This is an early intervention, cost effective preventive medical program designed to minimize low birth weight babies and their attendant medical problems. The Executive also recommends this issue. 1,035,000

Other Issues for Legislative Consideration

- Adult Cystic Fibrosis - Elimination of this program will save $212,900. 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. The elimination of this program is part of recommendation No. IV-18 of the Arizona Cost Efficiency Commission (ACEC)report.

- Adult Sickle Cell Anemia Program - Elimination of this program will save $65,700. 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. The elimination of this program is part of recommendation No. IV-18 of the ACEC report.

- Hearing Aid Dispenser - Elimination of this program will save $3,400. Not funding the Hearing Aid Dispenser Program would leave Arizona without a means of licensing dispensers or effectively protecting the public from disreputable practices by hearing aid dealers. New hearing aid dispensing licenses could not be issued, and the 322 dispensers currently holding Arizona licenses could not be monitored. It is impossible to estimate how many people in Arizona purchase hearing aids annually, but the majority of those hearing-impaired consumers are the elderly and school-aged children. Eliminating the Hearing Aid Dispensing Program would greatly reduce protection for these consumers from shoddy merchandise and inept service. Hearing aids are an expensive purchase, not generally covered by health insurance, and potentially profitable for dispensers. Not funding the Hearing Aid Dispensing Program, which has an annual budget of approximately $3,400 would also mean a loss of revenue for the State. Dispensing licenses must be renewed each year at a cost of $50.00, and applicants must pay a $50.00 fee to take the licensing exam. From the 322 current dispensers in Arizona, the State

receives $16,100 annually, and from this, applicants who take the licensing exam (an average of 100 individuals per year) the State receives $5,000.

- Space Requirements - The Executive recommends $85,800 to support moving approximately 22 State authorized personnel from present quarters at 1740 W. Adams to another location. This will allow the Department to reallocate space in proportion to program needs. Without relocating existing staff, the Division will remain in cramped quarters with the attendant inefficiencies and low morale among employees. Productivity will be improved with better working conditions. The JLBC Staff analysis addressed this issue in the Office of the Director.

- Teen Pregnancy Outreach - The Executive recommends $1,000,000 as seed money to community-based programs for the prevention of teen pregnancy. This program, to be designed in accordance with each community's own strategy, will target those of "high risk" and encourage its organizations and entities to develop innovative programs with broad-based support.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	986.00	997.00	1,080.25	1,100.75	1,021.00	
OPERATING BUDGET						
PERSONAL SERVICES	19,958,600	21,249,700	22,981,400	23,938,000	21,749,900	
EMPLOYEE RELATED EXP	4,907,000	5,969,600	6,436,700	6,589,600	5,693,600	
PROFESSIONAL/OUTSIDE SVC	2,198,400	2,605,100	2,839,100	3,059,500	3,023,200	
TRAVEL - IN STATE	64,000	105,400	136,600	122,800	105,400	
TRAVEL - OUT OF STATE	1,800	15,100	17,100	17,100	15,100	
OTHER OPERATING EXP	2,549,000	2,549,100	3,360,200	3,263,000	2,653,200	
FOOD	895,500	765,700	830,900	830,900	795,000	
EQUIPMENT	164,200	263,200	759,800	535,100	281,100	
ALL OTHER OPERATING	5,872,900	6,303,600	7,943,700	7,828,400	6,873,000	
OPERATING SUBTOTAL	30,738,500	33,522,900	37,361,800	38,356,000	34,316,500	
SPECIAL LINE ITEMS						
CMI PILOT PROGRAM	1,654,100	6,000,000	6,100,000	6,000,000	6,100,000	
NON-CMI SERVICES	503,000	521,000	546,800	0	0	
CMI NON-PILOT PROGRAM	3,001,200	3,126,200	3,281,000	0	0	
ARIZONA STATE HOSPITAL	0	2,762,500	2,762,500	0	0	
REGIONAL RESID/PSYCH BED	0	1,916,300	3,696,500	3,672,600	3,677,400	
CHILDREN'S BEH. HLTH SVC	0	5,000,000	14,240,400	15,171,000	11,195,500	
CMI SERVICES	0	3,260,200	3,423,200	0	0	
MENTAL HEALTH SERVICES	0	961,800	1,009,900	0	0	
SUBSTANCE ABUSE	0	699,200	734,200	0	0	
RESIDENTIAL SVCS FOR EHC	915,000	957,200	1,005,100	0	0	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
TRANSITIONAL LIVING UNIT	314,000	372,400	391,600	387,300	374,100	
BEHAVIORAL HEALTH SUB.	23,744,100	24,698,700	37,367,800	45,960,800	39,597,700	
SPECIAL ITEM SUBTOTAL	30,131,400	50,275,500	74,559,000	71,191,700	60,944,700	
P R O G R A M T O T A L	60,869,900	83,798,400	111,920,800	109,547,700	95,261,200	
BY FUND SOURCE						
GENERAL FUND	60,869,900	83,798,400	111,920,800	109,547,700	95,261,200	
FEDERAL FUNDS	9,841,300	11,955,100	11,955,100	11,955,100	11,955,100	
OTHER NON APPROPRIATED	1,966,300	1,667,900	1,665,700	0	1,665,700	
PROGRAM TOTAL-ALL SOURCES	72,677,500	97,421,400	125,541,600	121,502,800	108,882,000	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH

The JLBC Staff recommends a total appropriation of $95,261,200 -- a net increase of $11,462,800, or 13.7 % to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (399,500)
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0 %	29,900
o Replacement Equipment	17,900
o General Inflation	1,957,600
The Agency requested $211,600 less than the standard 4 % rate.	
o State Hospital Appropriation Combination	-0-
$2,762,500 was appropriated to the Arizona State Hospital in H.B. 2338 This action will transfer these monies into the operating budget.	

JLBC Staff Recommended Policy Issues

o Special Line Item Consolidation - The JLBC Staff recommends combining appropriations for Behavioral Health, CMI-Non-Pilot, Mental Health, and Substance Abuse services in the special line item for Behavioral Health Subventions. This change would give the Department more flexibility in balancing the continuum of care according to changing behavioral health needs, eliminate accounting problems of tracking funds from different sources, and make the appropriation clearer and more coherent. The change would also reduce specific Legislative control over where behavioral health monies were spent, and diminish the emphasis on targeting specific populations. This recommendation carries no net dollar impact. The Executive also recommends this issue. -0-

o Children's Behavioral Health - The JLBC Staff recommends $5 million to expand the Children's behavioral health delivery system established with a $5 million appropriation in FY 1989. This funding will support Southern Arizona Mental Health Center programs as well as increased case management, residential care, outpatient and prevention services through the administrative entities. Chapter 315, Laws of 1988 stated the Legislative intent that a comprehensive service system for children be planned, developed and implemented over a five-year period. Without additional funds, the Department will be unable to implement the second phase of the system. 5,000,000

The JLBC Staff also recommends that the special line item appropriation for Emotionally Handicapped Children be combined in the more general line for Children's Behavioral Health Services. The Executive also recommends combining the special line item, but recommends $10 million of new monies and 21.5 FTE positions for the Children's Behavioral Health System.

- o Regional Residential Facilities - The JLBC Staff recommends $1,684,400 to increase the number of beds available in regional psychiatric health facilities and re-entry facilities. Since the availability of these services will reduce the patient census at the Arizona State Hospital, the JLBC Staff recommends a corresponding reduction of an equal dollar amount and corresponding FTE positions from the hospital operating budget. Based on current spending and vacancy patterns, this reduction will have no negative impact on hospital programs. Implementation will shift State resources and treatment focus from a large central institution to smaller community services. The Executive also recommends this issue. -0-

- o Behavioral Health Subventions - The JLBC Staff recommends a total of $5,000,000 for the second increment of increased funding for behavioral health programs in furtherance of the goals of the Department's continuum of care plan presented to the Legislature in the last session. The Executive recommends $13,361,300, including $2,773,700 for Psychotropic Medications and 58.5 FTE positions. 5,000,000

- o Intradepartment Transfers - The JLBC Staff recommends the transfer of one FTE position and $47,200 from the Director's Office to Behavioral Health, and five FTE positions and $188,400 from Behavioral Health to the Director's Office. These shifts will realign resources with functional responsibilities and will have virtually no net dollar impact on the agency budget. The Executive also recommends these transfers. (143,100)

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: OFFICE OF THE DIRECTOR

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	177.00	179.00	209.00	194.00	187.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,087,100	4,168,400	4,945,000	4,687,200	4,410,700	
EMPLOYEE RELATED EXP	859,200	934,700	1,152,100	1,145,200	1,016,300	
PROFESSIONAL/OUTSIDE SVC	364,600	526,400	1,299,300	816,700	802,000	
TRAVEL - IN STATE	19,800	40,900	79,000	40,900	40,900	
TRAVEL - OUT OF STATE	2,800	3,000	4,400	3,000	3,000	
OTHER OPERATING EXP	2,232,500	2,157,600	3,103,400	1,805,700	1,869,600	
EQUIPMENT	172,600	11,000	526,800	40,000	40,100	
ALL OTHER OPERATING	2,792,300	2,738,900	5,012,900	2,706,300	2,755,600	
OPERATING SUBTOTAL	7,738,600	7,842,000	11,110,000	8,538,700	8,182,600	
SPECIAL LINE ITEMS						
DIRECT GRANTS	578,000	578,000	578,000	578,000	578,000	
REIMB TO COUNTIES	700,000	700,000	700,000	700,000	700,000	
SPECIAL ITEM SUBTOTAL	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	
P R O G R A M T O T A L	9,016,600	9,120,000	12,388,000	9,816,700	9,460,600	
BY FUND SOURCE						
GENERAL FUND	9,016,600	9,120,000	12,388,000	9,816,700	9,460,600	
FEDERAL FUNDS	75,200	127,800	129,100	129,100	129,100	
OTHER NON APPROPRIATED	5,000	10,900	10,900	0	10,900	
PROGRAM TOTAL-ALL SOURCES	9,096,800	9,258,700	12,528,000	9,945,800	9,600,600	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: OFFICE OF THE DIRECTOR

The JLBC Staff recommends a total appropriation of $9,460,600 -- a net increase of $340,600, or 3.7 % to the original FY 1989 appropriation.

Baseline Budget Changes

o	Risk Management Insurance	$ (511,900)
o	Replacement Equipment	(11,000)
o	Personal Services/ERE Adjustments, including a vacancy factor of 4 %	126,900
o	ERE rate adjustments	25,700
o	Commercial Rent	32,100
o	General Inflation	47,800

JLBC Staff Recommended Policy Issues

o Intradepartmental Transfer - The JLBC Staff recommends the transfer in of five FTE positions from the Division of Behavioral Health and four FTE positions from the Division of Disease Prevention and the transfer-out of one FTE position to the Division of Behavioral Health. These shifts will realign resources with functional responsibilities and will have virtually no net dollar impact on the agency budget. The Executive also recommends these transfers. 264,000

o Automation Systems Development & Conversion - The JLBC Staff recommends $250,000 for conversion of systems from the Honeywell L66 mainframe which must be converted by July 1, 1990. The Executive recommends $461,900 and five FTE positions to the Office of Automation in the Director's office. The Department is currently converting some systems this fiscal year that are resident on the DOA Honeywell L66 mainframe. Funds in the amount of $250,000 will allow the conversion of the Financial Online System (FONS) and some others in FY 1990. The recommendation also provides $211,900 to support five FTE positions to overcome the shortage of staff necessary to develop, enhance and maintain the system effort at the Department. DOA indicates all systems on the Honeywell L66 mainframe must be converted by July 1, 1990 at which time the system will no longer support agencies. Failure to convert these systems will mean the loss of automated management reports and will necessitate reliance on a manual system which will be more costly and less accurate and timely. 250,000

- Space Requirements - The JLBC Staff recommends $117,000 to support moving personnel from present quarters at 1740 W. Adams to another location. This will allow the Department to reallocate space in proportion to program needs. The Executive recommends $31,200 to relocate 8 authorized FTE from this program and $85,800 in the Family Health program to support the move of 22 FTE. The JLBC Staff and the Executive agree on the need for additional space, however, the JLBC Staff recommendation gives greater discretion to the Director on which functions to relocate. The JLBC Staff further recommends that the Sub-Commitees pursue the possibility of DOA providing the additional required space in order to avoid the continuing rental expenses associated with commercial rents. 117,000

Other Issues for Legislative Consideration

- Per Capita Grants - Reduction of per capita grants will save $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.

- Support Staff - The Executive recommends $49,600 and two FTE positions, one Contracts Administrative Specialist and one Clerk Typist. The positions are essential in FY 1990 to meet the projected workload in the areas of procurement and material and capital equipment control. Without funding of the Contracts Administrative Specialist the procurement office will continue to go to offerers' conferences, and bid openings on an as available basis only. Without the Clerk Typist position, inventory control will not enable issue points to effectively support users.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: DIVISION OF LAB SERVICES

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	56.00	56.00	78.00	60.00	56.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,225,400	1,358,900	1,801,800	1,483,000	1,353,500	
EMPLOYEE RELATED EXP	274,300	349,400	429,600	375,800	324,200	
PROFESSIONAL/OUTSIDE SVC	6,800	8,800	45,800	32,100	8,800	
TRAVEL - IN STATE	10,500	17,500	30,200	22,000	17,500	
TRAVEL - OUT OF STATE	5,600	6,200	7,300	6,200	6,200	
OTHER OPERATING EXP	338,200	402,300	638,800	444,300	418,100	
EQUIPMENT	84,100	100,000	672,000	197,100	182,800	
ALL OTHER OPERATING	445,200	534,800	1,394,100	701,700	633,400	
P R O G R A M T O T A L	1,944,900	2,243,100	3,625,500	2,560,500	2,311,100	
BY FUND SOURCE						
GENERAL FUND	1,944,900	2,243,100	3,625,500	2,560,500	2,311,100	
PROGRAM TOTAL-ALL SOURCES	1,944,900	2,243,100	3,625,500	2,560,500	2,311,100	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: DIVISION OF LAB SERVICES

The JLBC Staff recommends a total appropriation of $2,311,100 -- a net increase of $68,000, or 3.0 % to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 4 %	$	(6,700)
o ERE rate adjustments		(23,900)
o Replacement Equipment		82,800
o General Inflation		15,800

The Agency request is $900 less than the standard 4 %

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget

Other Issues for Legislative Consideration

- Laboratory Licensing Program - The Executive recommends $219,600 and four FTE positions to the State Health Lab. The four positions and $147,700 will support the expansion of the Clinical and Environmental Laboratory inspection and regulation programs. There is an estimated 30% increase in the number of clinical labs that will need to be regulated in FY 1990. There is also a projected 45% increase in the number of environmental labs to be regulated at the same time. The recommendation will alleviate the problems associated with evaluating the current and planned growth of lab services. The recommendation also provides $71,900 for some expansion and upgrading of the lab central computer system to allow direct instrument computer interface, expanded on-line quality assurance monitoring and increased utilization by the technical and management staff. Without funding there will be an inadequate monitoring program for laboratory results and no mechanism to assure that proper methodology and quality assurance measures are in place and being adhered to. JLBC Staff analysis indicates the cost of this policy issue to be $217,400. The Department collects approximately $3,000 annually for License Fees. These collections are returned to the General Fund.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ENVIRON QUALITY
COST CENTER: ENVIRONMENTAL QUALITY
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	255.00	254.00	305.50	265.00	259.00	
OPERATING BUDGET						
PERSONAL SERVICES	6,141,200	6,478,900	7,944,500	6,794,700	6,586,900	
EMPLOYEE RELATED EXP	1,201,900	1,464,300	2,356,300	1,661,300	1,512,000	
PROFESSIONAL/OUTSIDE SVC	258,900	495,300	1,212,900	0	515,200	
TRAVEL - IN STATE	188,800	145,000	207,200	0	152,300	
TRAVEL - OUT OF STATE	17,100	18,000	60,600	0	18,700	
OTHER OPERATING EXP	1,259,300	1,387,300	1,714,800	2,493,800	1,456,600	
EQUIPMENT	191,200	100,000	556,000	0	122,400	
ALL OTHER OPERATING	1,915,300	2,145,600	3,751,500	2,493,800	2,265,200	
OPERATING SUBTOTAL	9,258,400	10,088,800	14,052,300	10,949,800	10,364,100	
SPECIAL LINE ITEMS						
WATER QUAL ASSUR FUND	2,358,500	6,000,000	6,000,000	5,000,000	0	
MINE TAILINGS	0	300,000	0	0	0	
CLEAN BURN USE FUEL TX	0	701,300	0	0	0	
SPECIAL ITEM SUBTOTAL	2,358,500	7,001,300	6,000,000	5,000,000	0	
P R O G R A M T O T A L	11,616,900	17,090,100	20,052,300	15,949,800	10,364,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF ENVIRON QUALITY
COST CENTER: ENVIRONMENTAL QUALITY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	11,616,900	16,388,800	20,052,300	10,949,800	10,364,100	
OTHER FUNDS	0	701,300	0	5,000,000	0	
FEDERAL FUNDS	3,909,000	5,870,500	6,038,800	0	6,038,800	
OTHER NON APPROPRIATED	10,057,000	18,011,200	12,674,300	0	12,674,300	
PROGRAM TOTAL-ALL SOURCES	25,582,900	40,971,800	38,765,400	15,949,800	29,077,200	

DEPARTMENT: DEPARTMENT OF ENVIRONMENTAL QUALITY
COST CENTER: DEPARTMENT OF ENVIRONMENTAL QUALITY

The JLBC Staff recommends a total appropriation of $10,364,100, a net decrease of $(6,726,000), or (39.4) % to the original FY 1989 appropriation.

Baseline Budget Changes

o Eliminate FY 1990 funding of the Water Quality Assurance Revolving Fund (WQARF) (See Policy Issue)	$ (6,000,000)
o Elimination of Clean Burning Use Fuel Tax (Non General Fund One Time Funding)	(701,300)
o Mine Tailings (One Time Funding)	(300,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 4%	(39,000)
o ERE rate adjustments	22,900
o Commercial Rent	9,500
o Risk Management Insurance	18,800
o General Inflation	48,900

JLBC Staff Recommended Policy Issues

o Base Air Program - The JLBC Staff recommends $142,400 and 3.0 FTE positions in the Office of Air Quality for increased compliance and enforcement actions. Additional permit staff are also required to handle increases in regulated sources due to discontinuances of County air programs in several counties. Without these additional resources, the Department will be unable to properly manage the additional regulated sources. The Executive recommends $143,800 for this policy issue.	142,400
o Underground Storage Tanks - The JLBC Staff recommends $71,800 and 2.0 FTE positions to comply with the requirements of the State law. In 1986, legislation was enacted to regulate underground storage tanks (UST's) in Arizona, which mandates notification of UST locations, leaks, corrective actions, closures, etc. Federal funds have been provided as "seed" money to assist states in the development of these programs, and states are expected to develop their own long-term funding mechanisms. The recommendation will assist in providing technical oversight of remedial actions at leaking UST sites, issuing warning letters and bringing existing tanks into compliance. The Executive recommends $72,500 for this policy issue.	71,800

Other Issues for Legislative Consideration

- Water Quality Fund - The Executive recommends that a source of funds for the Water Quality Assurance Revolving Fund (WQARF) other than General Funds be found. The Executive recommendation does not include an appropriation for the WQARF from the General Fund. The recommendation also requests the elimination of legislation in Chapter 368, Laws of 1986 (HB 2518), which requires the repayment of funds transferred to the WQARF from the Tax Protest Resolution Fund. The legislation reads, "The sum of $1,000,000 shall be transferred from the Water Quality Assurance Revolving Fund to the Tax Protest Resolution Fund at the beginning of each of the five Fiscal Years commencing July 1, 1988 through July 1, 1992." There has been one transfer on July 1, 1988. The recommendation further provides that if no funds become available from other sources, that the $5,000,000 appropriation be deferred for FY 1990. JLBC Staff analysis indicates there is no requirement to fund the WQARF in FY 1990 and this has been addressed in the Baseline Budget Changes. It must be pointed out that this is a one time savings to the General Fund unless an alternative funding source is legislated.

- Staffing - A reduction of 7.0 FTE positions will save $206,300. The reduction of 7.0 FTE positions represents over a 2% cut in personnel across-the-board in all department programs; hence, no one function will be overly-burdened by reduced staff. However, coupled with other annual staff reductions over the last several years, these personnel cuts will further exacerbate program delays and the lack of adequate focus on newly mandated programs and timelines.The specific positions identified will reduce air monitoring, hazardous waste inspections, groundwater permits and water and waste water construction and compliance inspections staff by approximately 20% each, with concomitant delays in these functions. Point source water monitoring staff will be reduced by 11%, slowing analyses and assessment of the State's waters. Other staff cuts will result in some delays in accounting functions and reduced clerical support in the Director's office.

- Equipment - A reduction in Equipment will save $40,000. Equipment reductions will impact on replacement of scientific/technical equipment, particularly in the Water Assessment, Hydrology and Air Monitoring and Emergency Response sections of the Department. Equipment used by staff for monitoring and assessment is in constant use, generally highly sensitive, and requires frequent repairs and replacement.

- Professional and Outside Services - A reduction in Professional and Outside Services will save $160,000. Cuts in Professional and Outside Services will reduce laboratory analyses by approximately 20%, slowing assessment and monitoring of water supplies; and reduce the Department's resources for providing a comprehensive environmental education program for the public, including facilitating industry understanding of complex statutory/regulatory permitting and approval processes. Additionally, there will be continued postponement of several special studies - specifically related to enteric viruses in wells and pesticides - which will hamper or preclude decisions by the Department related to their significance.

- Data Management Plan - The Executive recommends a portion of the Department's request in the Data Management Section. A sum of $210,200 will fund 4.0 FTE positions, operating costs and some new computer

hardware and software packages. The reduced amount allows the Department to proceed with the goals and objectives of their long-range automation plans. JLBC Staff analysis indicates the cost of this policy issue to be $208,900.

- Solid Waste Management - The Executive recommends $89,700 and 2.0 FTE positions to assist in the preparation and updating of a statewide Solid Waste Management Plan, adopt rules and review and approve facility plans. The recommendation provides 1.0 FTE responsible for working with the technical solid waste staff and local governments and amend the solid waste rules and revise the State plan and 1.0 FTE to assist in inspections and air toxic monitoring, review plans and assist in the revision of the Solid Waste Management Plan. JLBC Staff analysis indicates the cost of this policy issue to be $88,900.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	376.00	717.25	792.25	400.19	717.25	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	32,489,900	29,561,300	31,429,800	25,714,600	24,058,600	
ACUTE CARE	230,846,500	240,134,300	375,492,600	322,425,600	332,781,300	
LONG TERM CARE	0	60,822,300	95,438,000	95,438,000	95,438,000	
A G E N C Y T O T A L	263,336,400	330,517,900	502,360,400	443,578,200	452,277,900	
OPERATING BUDGET						
PERSONAL SERVICES	8,064,100	15,572,700	17,348,600	8,695,000	14,794,100	
EMPLOYEE RELATED EXP	1,519,400	3,200,700	5,673,000	2,120,000	3,402,600	
PROFESSIONAL/OUTSIDE SVC	14,196,200	19,042,300	15,277,200	5,150,900	10,152,000	
TRAVEL - IN STATE	73,600	391,900	482,600	185,000	334,200	
TRAVEL - OUT OF STATE	19,300	46,300	68,000	24,000	40,100	
OTHER OPERATING EXP	3,620,600	5,190,100	7,284,200	3,222,400	5,314,500	
EQUIPMENT	4,996,700	3,340,500	1,061,000	100,000	100,300	
ALL OTHER OPERATING	22,906,400	28,011,100	24,173,000	8,682,300	15,941,100	
OPERATING SUBTOTAL	32,489,900	46,784,500	47,194,600	19,497,300	34,137,800	
SPECIAL LINE ITEMS						
LONG TERM CARE	0	188,904,600	296,080,000	296,080,000	296,080,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
ACUTE CARE CAPITATION	241,742,900	281,808,500	380,202,000	151,533,500	345,145,600	
LONG TERM CARE CAPITATIO	0	8,088,200	7,046,600	3,996,500	6,211,500	
FEE FOR SERVICE	72,622,500	78,989,700	117,597,200	72,883,800	109,440,200	
REINSURANCE	15,405,200	18,064,200	23,669,600	17,820,500	21,959,600	
CHILD REHAB. SERVICES	4,937,900	4,837,900	9,021,500	4,299,700	7,945,300	
MEDICARE PREMIUMS	4,981,200	6,184,700	6,649,800	5,396,500	6,649,800	
MEDICARE CATASTROPHIC	0	0	8,624,100	3,273,800	8,624,100	
DES ELIGIBILITY	0	9,315,000	11,456,500	5,566,700	11,456,500	
DES - DDSA	0	0	0	309,800	619,700	
DHS - LICENS	0	0	0	340,800	681,600	
SPECIAL ITEM SUBTOTAL	339,689,700	596,192,800	860,347,300	561,501,600	814,813,900	
A G E N C Y T O T A L	372,179,600	642,977,300	907,541,900	580,998,900	848,951,700	
BY FUND SOURCE						
GENERAL FUND	187,204,800	206,611,800	342,886,000	284,918,900	293,618,600	
OTHER FUNDS	76,131,600	123,906,100	159,474,400	158,659,300	158,659,300	
FEDERAL FUNDS	123,667,300	312,459,400	405,181,500	401,676,100	396,673,800	
AGENCY TOTAL-ALL SOURCES	387,003,700	642,977,300	907,541,900	845,254,300	848,951,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ADMINISTRATION

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	376.00	717.25	792.25	400.19	717.25	
OPERATING BUDGET						
PERSONAL SERVICES	8,064,100	15,572,700	17,348,600	8,695,000	14,794,100	
EMPLOYEE RELATED EXP	1,519,400	3,200,700	5,673,000	2,120,000	3,402,600	
PROFESSIONAL/OUTSIDE SVC	14,196,200	19,042,300	15,277,200	5,150,900	10,152,000	
TRAVEL - IN STATE	73,600	391,900	482,600	185,000	334,200	
TRAVEL - OUT OF STATE	19,300	46,300	68,000	24,000	40,100	
OTHER OPERATING EXP	3,620,600	5,190,100	7,284,200	3,222,400	5,314,500	
EQUIPMENT	4,996,700	3,340,500	1,061,000	100,000	100,300	
ALL OTHER OPERATING	22,906,400	28,011,100	24,173,000	8,682,300	15,941,100	
OPERATING SUBTOTAL	32,489,900	46,784,500	47,194,600	19,497,300	34,137,800	
SPECIAL LINE ITEMS						
DES ELIGIBILITY	0	9,315,000	11,456,500	5,566,700	11,456,500	
DES - DDSA	0	0	0	309,800	619,700	
DHS - LICENS	0	0	0	340,800	681,600	
SPECIAL ITEM SUBTOTAL	0	9,315,000	11,456,500	6,217,300	12,757,800	
P R O G R A M T O T A L	32,489,900	56,099,500	58,651,100	25,714,600	46,895,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ADMINISTRATION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	16,704,800	27,085,100	31,429,800	25,714,600	24,058,600	
OTHER FUNDS	15,785,100	2,476,200	0	0	0	
FEDERAL FUNDS	14,824,100	26,538,200	27,221,300	23,862,200	22,837,000	
PROGRAM TOTAL-ALL SOURCES	47,314,000	56,099,500	58,651,100	49,576,800	46,895,600	

The JLBC Staff recommends a total expenditure authority of $46,895,600 -- a net decrease of $(9,203,900), or (16.4)% to the original FY 1989 appropriation. The General Fund portion of the recommendation is $24,058,600-- a net decrease of $(3,026,500), or (11.2) % to the original FY 1989 General Fund appropriation.

- Funding Distribution of Net Decrease:
  - General Fund (3,026,500)
  - Other Funds (6,177,400)

The Executive recommendation addresses only the General Fund portion of the total expenditure authority for AHCCCS while the JLBC Staff continues to follow legislative intent regarding the AHCCCS budget presentation and displays the total expenditure authority for the program and then deducts the federal, county and other receipts to determine the General Fund appropriation for that AHCCCS program. The Executive display does not provide Legislators with an overview of the total line item appropriation.

Baseline Budget Changes

o Professional and Outside Services Base Reduction	$(8,790,200)
o One Time Equipment	(3,240,200)
o Personal Services/ERE Adjustments, including a vacancy factor of 5.0 %	(957,700)
o Transfer Professional & Outside Services funding for Attorneys to Office of Attorney General	(225,000)
o Eliminate One Time Eligibility Study Funding	(75,000)
o Travel In-State Base Reduction	(57,700)
o Travel Out of State Base Reduction	(6,200)
o ERE Rate Adjustments	381,000
o Risk Management Insurance	75,500
o DES Eligibility	2,141,500
o Commercial Rent	34,100
o General Inflation	214,700
o Funding Shift - General Fund to Federal Funds	-0-
o DES DDSA	619,700
o DHS Licensure	681,600

Other Issues for Legislative Consideration

- o Staffing Reduction - The reduction of administrative staff by 3.0 specified FTE positions and 17.0 unspecified FTE positions of the unfilled staff positions and associated costs will save an estimated $631,400 of which $368,800 is General Fund. During the FY 1989 budget deliberations the AHCCCS Administration indicated that without the full staffing requested, the Long Term care program could not be started on January 1, 1989. As of January 19, 1989 the Agency reported 62.0 vacant FTE positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ACUTE CARE

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
ACUTE CARE CAPITATION	241,742,900	281,808,500	380,202,000	151,533,500	345,145,600	
LONG TERM CARE CAPITATIO	0	8,088,200	7,046,600	3,996,500	6,211,500	
FEE FOR SERVICE	72,622,500	78,989,700	117,597,200	72,883,800	109,440,200	
REINSURANCE	15,405,200	18,064,200	23,669,600	17,820,500	21,959,600	
CHILD REHAB. SERVICES	4,937,900	4,837,900	9,021,500	4,299,700	7,945,300	
MEDICARE PREMIUMS	4,981,200	6,184,700	6,649,800	5,396,500	6,649,800	
MEDICARE CATASTROPHIC	0	0	8,624,100	3,273,800	8,624,100	
SPECIAL ITEM SUBTOTAL	339,689,700	397,973,200	552,810,800	259,204,300	505,976,100	
P R O G R A M T O T A L	339,689,700	397,973,200	552,810,800	259,204,300	505,976,100	
BY FUND SOURCE						
GENERAL FUND	170,500,000	179,526,700	311,456,200	259,204,300	269,560,000	
OTHER FUNDS	60,346,500	60,607,600	64,036,400	63,221,300	63,221,300	
FEDERAL FUNDS	108,843,200	157,838,900	177,318,200	177,171,900	173,194,800	
PROGRAM TOTAL-ALL SOURCES	339,689,700	397,973,200	552,810,800	499,597,500	505,976,100	

DEPARTMENT: AHCCCS
COST CENTER: ACUTE CARE

The JLBC Staff recommends a total appropriation of $506,648,800 -- a net increase of $108,675,600, or 27.3 %, to the original FY 1989 appropriation.

Funding Distribution	
General Fund	90,610,400
Other Funds	18,065,200

The Executive recommendation addresses only the General Fund portion of the total expenditure authority for AHCCCS while the JLBC Staff continues to follow legislative intent and displays the total expenditure authority for the program and then deducts the federal, county and other receipts to determine the General Fund appropriation for AHCCCS programs. The Executive display fails to provide Legislators with an overview of the total line item appropriation.

Baseline Budget Changes

o Capitation 6.7 % Medical Inflation	$ 19,944,900
o Fee For Service (FFS) 6.7 % Medical Inflation	5,434,500
o Children's Rehabilitative Services (CRS) 6.7 % Medical Inflation	332,800
o Physician Parity for CRS This is the second of three increments authorized in the last Legislative session to bring CRS contract physicians in line with Industrial Commission contract physicians.	180,300
o Reinsurance Increase	234,100
o Medicare Premium Increase The Social Security Administration increased the Medicare premium cost effective January 1, 1989. This increase is necessary to keep all current enrollees covered.	2,353,600
o Medicare Catastrophic Coverage The new law concerning Medicare catastrophic coverage affects the State AHCCCS Medicare participants effective July 1, 1989. This funding is necessary in order to comply with the Federal law.	8,624,100
o Demographics Actuarial data indicates that the member months in Acute Capitation, Fee for Service and Reinsurance will increase an average of 15.2% and Long Term Care Capitation will decrease by (26.0)% from the original FY 1989 appropriated level.	71,571,300

- Statutory 22,669,200

  A.R.S. §§ 36-2903.01.J and K specify an increase in the charges that a hospital can bill AHCCCS for services. The new law becomes effective on October, 1989.

JLBC Staff Recommended Policy Issues

- The JLBC Staff recommends that the implementation date of A.R.S. §§ 36-2903.01.J and K relating to Adjusted Billed Charges (ABC) be revised to become effective in October, 1990. Deferral will result in a cost avoidance to the State General Fund of $22,669,200 for FY 1990. The Executive budget request states, " The Governor recommends the Legislature to reconsider this issue because of the potential estimated cost over three years of $306 million in State General Fund dollars." (22,669,200)

Other Issues for Legislative Consideration

- The Omnibus AHCCCS Bill - S.B. 1486 (Chapter 302, Laws of 1988) expanded the coverage of children to include ages 6 through 13. Because of the fiscal problems facing the State in formulating a budget for FY 1989, a proposal was offered to incrementally expand coverage by a single year group each year. This incremental approach would have ensured continued coverage of the existing recipients through age 7. Ultimately, the law expanding the program to include all children through age 13 was passed. An alternative to the present fiscal dilemma would be to change the existing law to cover only children through age 8 for FY 1990. This alternative would save approximately $10 million, however it would remove the children ages 9 through 13 currently receiving coverage from the program. In subsequent years additional age groups could be added for coverage.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AHCCCS
COST CENTER: LONG TERM CARE

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
LONG TERM CARE	0	188,904,600	296,080,000	296,080,000	296,080,000	
SPECIAL ITEM SUBTOTAL	0	188,904,600	296,080,000	296,080,000	296,080,000	
P R O G R A M T O T A L	0	188,904,600	296,080,000	296,080,000	296,080,000	
BY FUND SOURCE						
OTHER FUNDS	0	60,822,300	95,438,000	95,438,000	95,438,000	
FEDERAL FUNDS	0	128,082,300	200,642,000	200,642,000	200,642,000	
PROGRAM TOTAL-ALL SOURCES	0	188,904,600	296,080,000	296,080,000	296,080,000	

The JLBC Staff recommends a total appropriation of $296,080,000 -- a net increase of $107,175,400, or 56.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

- o Annualization, Demographics and Statutory Changes $ 107,175,400

This program is totally funded by Federal and County funding. Data provided for information only.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ COMM ON INDIAN AFFAIRS
COST CENTER: AZ COMM ON INDIAN AFFAIRS

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	3.50	4.00	3.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	76,400	105,300	105,300	87,000	105,300	
EMPLOYEE RELATED EXP	14,200	23,600	27,700	22,800	26,400	
TRAVEL - IN STATE	6,000	7,700	10,600	8,100	10,600	
OTHER OPERATING EXP	19,300	11,200	33,800	27,400	14,500	
EQUIPMENT	500	0	8,000	500	0	
ALL OTHER OPERATING	25,800	18,900	52,400	36,000	25,100	
P R O G R A M T O T A L	116,400	147,800	185,400	145,800	156,800	
BY FUND SOURCE						
GENERAL FUND	116,400	147,800	185,400	145,800	156,800	
PROGRAM TOTAL-ALL SOURCES	116,400	147,800	185,400	145,800	156,800	

DEPARTMENT: AZ COMMISSION ON INDIAN AFFAIRS
COST CENTER: AZ COMMISSION ON INDIAN AFFAIRS

The JLBC Staff recommends a total appropriation of $156,800 -- a net increase of $9,000, or 6.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Risk Management Insurance	$ (300)
o	ERE Rate Adjustments	2,800
o	Printing and Postage Costs Additional costs due to increased services.	3,200
o	Travel Rate Adjustment	300
o	General Inflation	500

JLBC Staff Recommended Policy Issues

- o Field Coordinator Position - JLBC Staff recommends that the position of Field Coordinator be reinstated to one FTE position from the current 0.5 FTE. The Executive recommends that the position be eliminated. However, the Auditor General's March, 1988 Performance Audit recommends that the agency's communication with the tribes be increased, which is the primary responsibility of the Field Coordinator. The FY 1989 budget includes full funding for this position. Reinstatement of this position as one FTE would require no additional funding. -0-

- o Indian Town Hall - The Executive recommends $4,000 to conduct an Indian Town Hall meeting. JLBC Staff concurs with this recommendation as it is in compliance with the Auditor General's Performance Audit recommendation that the Council increase its communication with the tribes. JLBC Staff analysis, however, indicates that the cost of this issue is $2,500. 2,500

Other Issues for Legislative Consideration

- o Printing Revolving Fund - The Legislature may wish to establish a Printing Revolving Fund to collect minimal fees for printing and postage costs of directories, reports, etc. Currently these materials are provided by request free of charge. However, approximately one-third of the distribution is to the general public and interested persons outside of Arizona. Fees collected from these parties could offset the agency's

expenditures and decrease the General Fund appropriation by approximately 33%. Dissemination of materials to tribal and governmental entities would continue free-of-charge. The account may be established with $2,000 from the FY 1990 appropriation. While future appropriations will still be necessary, JLBC Staff estimates that it can be reduced by a minimum of $4,000 annually. However, a statutory change by the Legislature is required in order for the Commission to operate such a fund.

- Automation - The Executive recommends $10,000 for the purchase of a computer, computer software, and employee training for automation. This includes $1,600 for one-time start-up costs.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PIONEERS' HOME
COST CENTER: PIONEERS' HOME

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	110.00	110.00	110.00	110.00	110.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,921,400	2,030,000	2,002,500	2,085,800	2,030,000	
EMPLOYEE RELATED EXP	483,900	564,300	750,600	733,200	685,300	
FOOD	196,100	214,100	222,700	0	222,700	
ALL OTHER OPERATING	196,100	214,100	222,700	0	222,700	
P R O G R A M T O T A L	2,601,400	2,808,400	2,975,800	2,819,000	2,938,000	
BY FUND SOURCE						
GENERAL FUND	2,601,400	2,808,400	2,975,800	2,819,000	2,938,000	
OTHER NON APPROPRIATED	597,900	730,300	871,600	0	871,600	
PROGRAM TOTAL-ALL SOURCES	3,199,300	3,538,700	3,847,400	2,819,000	3,809,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PIONEERS' HOME
COST CENTER: PIONEERS' HOME

The JLBC Staff recommends a total appropriation of $2,938,000 -- a net increase of $129,600, or 4.6% to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE rate adjustments	$ 121,000
o Food inflation	8,600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Funding Shift - The Executive recommendation includes a decrease of $214,100 which removes the cost of food from the General Fund budget. The recommendation is that this cost be covered by either the Miner's Hospital Land Fund and/or the State Charitable Earnings Fund. However, Miner's Hospital fund money can be used only for constructing and operating a hospital for disabled miners. Although the home is currently charging a proportionate share of operational costs to the Miners' Hospital Fund there is no legal way that these funds can be used to purchase food for the entire population. The Auditor General in December 1986 stated that the home was utilizing the Miner's Fund inappropriately and continued violation would increase State's potential liability. JLBC Staff analysis reveals that the Pioneers' Home State Charitable Earnings Fund currently pays all operational expenses of the Home except food and the proportionate share paid by the Miners' Hospital Fund. The fund balance is at a dangerously low level and, based on the projected rate of income coupled with the existing expenditure pattern of funds, indicates that in FY 1992 there will be a shortage of funds to sustain operations. Adding the total cost of food to expenditures of these funds exacerbates the problem and could cause the General Fund to subsidize the Home's operation as early as FY 1991. It should be noted that approximately $560,000 is returned annually to the General Fund from monthly payments by residents.

- o Food Inventory - Reduction of the food inventory will result in a savings of $4,300. This reduction will not adversely affect the food services operation. This is a one time savings only.

- o Staffing Reduction - The elimination of one Nurse Assistant position will result in a savings of $16,400. This position is not established, however, the funds are utilized to hire seasonal and temporary help during shortages of personnel.

- Staffing Reduction - The elimination of one Security Aide position will result in a savings of $22,900. Without this position, the female nursing staff will become responsible for exterior security fifty percent of the time.

- Staffing Reduction - The elimination of one half time Building Maintenance Worker position will result in a savings of $13,100. Without this position no weekend or holiday on site maintenance capability will be available and will necessitate utilizing other maintenance workers for overtime if repairs are necessary. Since the position also serves in a security capacity this will require the female nursing staff to provide the external security of the home on weekends and holidays.

- Staffing Reduction - The elimination of two Nurse II positions will result in a savings of $60,800. These two nurse positions are not currently filled, however, the funds are utilized to provide temporary nursing care of patients when regularly scheduled nurses are sick or on annual or holiday leave.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERANS' SERVICES COMM
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	32.00	33.00	37.00	34.00	33.00	
BY PROGRAM/ORGANIZATION						
VETERANS' AFFAIRS	667,300	721,800	853,600	768,400	713,400	
VETERANS' CONSERVATORSHIP	279,100	367,000	459,000	397,600	370,600	
A G E N C Y T O T A L	946,400	1,088,800	1,312,600	1,166,000	1,084,000	
OPERATING BUDGET						
PERSONAL SERVICES	606,300	692,600	738,500	695,300	672,300	
EMPLOYEE RELATED EXP	133,800	174,800	272,000	200,600	184,000	
TRAVEL - IN STATE	20,100	26,000	32,500	0	25,200	
TRAVEL - OUT OF STATE	2,400	1,900	3,600	0	1,900	
OTHER OPERATING EXP	140,600	140,800	189,600	230,100	148,800	
EQUIPMENT	1,900	10,700	36,400	0	11,800	
ALL OTHER OPERATING	165,000	179,400	262,100	230,100	187,700	
OPERATING SUBTOTAL	905,100	1,046,800	1,272,600	1,126,000	1,044,000	
SPECIAL LINE ITEMS						
VETERANS ORGN CONTRACTS	40,000	40,000	40,000	40,000	40,000	
NATIVE AMER VET WAR MEM	1,300	2,000	0	0	0	
SPECIAL ITEM SUBTOTAL	41,300	42,000	40,000	40,000	40,000	
A G E N C Y T O T A L	946,400	1,088,800	1,312,600	1,166,000	1,084,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERANS' SERVICES COMM
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	667,300	721,800	853,600	768,400	713,400	
OTHER FUNDS	279,100	367,000	459,000	397,600	370,600	
FEDERAL FUNDS	94,900	125,800	123,100	0	123,100	
OTHER NON APPROPRIATED	186,900	204,700	204,600	0	204,600	
AGENCY TOTAL-ALL SOURCES	1,228,200	1,419,300	1,640,300	1,166,000	1,411,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERANS' SERVICES COMM
COST CENTER: VETERANS' AFFAIRS
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	20.00	20.00	22.00	20.00	20.00	
OPERATING BUDGET						
PERSONAL SERVICES	422,000	452,400	481,600	451,500	440,100	
EMPLOYEE RELATED EXP	89,100	110,400	161,200	119,900	110,300	
TRAVEL - IN STATE	19,000	23,000	27,000	0	22,200	
TRAVEL - OUT OF STATE	2,400	1,900	3,600	0	1,900	
OTHER OPERATING EXP	92,100	92,100	121,300	157,000	93,100	
EQUIPMENT	1,400	0	18,900	0	5,800	
ALL OTHER OPERATING	114,900	117,000	170,800	157,000	123,000	
OPERATING SUBTOTAL	626,000	679,800	813,600	728,400	673,400	
SPECIAL LINE ITEMS						
VETERANS ORGN CONTRACTS	40,000	40,000	40,000	40,000	40,000	
NATIVE AMER VET WAR MEM	1,300	2,000	0	0	0	
SPECIAL ITEM SUBTOTAL	41,300	42,000	40,000	40,000	40,000	
P R O G R A M T O T A L	667,300	721,800	853,600	768,400	713,400	
BY FUND SOURCE						
GENERAL FUND	667,300	721,800	853,600	768,400	713,400	
FEDERAL FUNDS	94,900	125,800	123,100	0	123,100	
OTHER NON APPROPRIATED	186,900	204,700	204,600	0	204,600	
PROGRAM TOTAL-ALL SOURCES	949,100	1,052,300	1,181,300	768,400	1,041,100	

DEPARTMENT: VETERANS' SERVICE COMMISSION
COST CENTER: VETERANS' AFFAIRS

The JLBC Staff recommends a total appropriation of $713,400 -- a net decrease of $(8,400), or (1.2) % to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments	$ (15,400)
o	Risk Management Insurance	(2,500)
o	Funding for Native American Veteran's War Memorial Fund	(2,000)
o	ERE rate adjustments	3,000
o	Commercial Rent	2,200
o	General Inflation	2,800

JLBC Staff Recommended Policy Issues

- o <u>State Vehicle Use</u> - By utilizing the state motor pool vehicles in Tucson in lieu of personal vehicles a savings of $1,200 per year will be realized. No impact on services will result from this change. (1,200)

- o <u>Postage</u> - Utilizing post cards in lieu of a letter to contact active duty separatees will save $200 in mailing costs per year. No impact on services will result from this change. (200)

- o <u>In-State Travel</u> - Rescheduling trips to certain areas from monthly to on-call will save $300 per year. No appreciable impact on services will result from this change. (300)

- o <u>In-State Travel</u> - Combining trips to communities as one continuous trip will avert the cost of overnight accommodations and will save $600 per year. No appreciable impact on services will result from this change. (600)

- o <u>New Telephone System</u> - The JLBC Staff recommends $5,800 to improve the telephone system to be more responsive to wards' needs. Without the funding for improved telecommunications, the staff will be required to respond to all incoming requests and referring inquiries rather than have them automatically answered thereby freeing the professional staff for more productive endeavors. The Executive recommends funding this issue. 5,800

Other Issues for Legislative Consideration

- Veterans' Organization Contracts - A 10% reduction of contract funding will save $4,000. The four contracted veterans' organizations will provide assistance to fewer veterans.

- Out-of-State Travel - Elimination of a trip by the Director to Washington, D.C. will save $500. Without this funding the Director will not be able to meet with the Arizona Congressional delegation to discuss legislative initiatives and represent the views and concerns of Arizona veterans' community.

- In-State Travel - Reducing In-State Travel by 50% will save $10,400. Without these travel funds the veterans' services officers will be office bound at least half of the time resulting in low productivity and lack of service to veterans statewide.

- Position Abolishment - Eliminating a Clerk Typist position will save $15,300. Without this position the administration of the agency, which is dependent upon manual records keeping, will become the responsibility of the professional staff causing a reduction in service to veterans and a loss of benefits to veterans and a loss of revenue to the State.

- Improved Services - The Executive recommends $23,000 to improve services to veterans. This recommendation includes $11,300 for training, $5,800 for improved telecommunications, $4,400 for computer equipment and $1,500 for printing and postage. No data is presented pertaining to training upon which an analysis can be made. Without the funding for improved telecommunications, the staff will be required to respond to all incoming requests and referring inquiries rather than have them automatically answered thereby freeing the staff for more productive endeavors. Without the computer equipment the accounting staff will continue to manually prepare budgets and do ledger type accounting and not be able to take full advantage of the Arizona Financial Information System (AFIS). Without funding for additional printing and postage the agency will not be able to respond to requests for materials from veterans.

- Veterans' Cemetery - The Arizona Veterans' Cemetery will be transferred to the National Cemetery System effective April 1, 1989. The Cemetery operations have been funded from the Non- Appropriated Veterans' Cemetery Fund in the recent past. The transfer agreement provides for the legislature to appropriate sufficient funds for the maintenance of the cemetery for three years after the transfer, such appropriations not to exceed a total of $390,000. Sufficient funds are available in the Cemetery Fund to defray the cost of the state's contribution the first year. Current projections indicate that an appropriation of approximately $90,000 will be required in FY 1991.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERANS' SERVICES COMM
COST CENTER: VETERANS' CONSERVATORSHIP

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	12.00	13.00	15.00	14.00	13.00	
OPERATING BUDGET						
PERSONAL SERVICES	184,300	240,200	256,900	243,800	232,200	
EMPLOYEE RELATED EXP	44,700	64,400	110,800	80,700	73,700	
TRAVEL - IN STATE	1,100	3,000	5,500	0	3,000	
OTHER OPERATING EXP	48,500	48,700	68,300	73,100	55,700	
EQUIPMENT	500	10,700	17,500	0	6,000	
ALL OTHER OPERATING	50,100	62,400	91,300	73,100	64,700	
P R O G R A M T O T A L	279,100	367,000	459,000	397,600	370,600	
BY FUND SOURCE						
OTHER FUNDS	279,100	367,000	459,000	397,600	370,600	
PROGRAM TOTAL-ALL SOURCES	279,100	367,000	459,000	397,600	370,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERANS' SERVICES COMMISSION
COST CENTER: VETERANS' CONSERVATORSHIP

The JLBC Staff recommends a total appropriation of $370,600 -- a net increase of $3,600, or 1% to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (10,500)
o Replacement Equipment	(9,300)
o ERE rate adjustments	11,800
o Risk Management Insurance	4,000
o Commercial Rent	2,300
o General Inflation	700

JLBC Staff Recommended Policy Issues

o New Telephone System - The JLBC Staff recommends $4,600 to improve the telephone system to be more responsive to wards' needs. Without the funding for improved telecommunications, the staff will be required to respond to all incoming requests and referring inquiries rather than have them automatically answered thereby freeing the professional staff for more productive endeavors. The Executive recommends funding this issue.	4,600

Other Issues for Legislative Consideration

- Additional Staffing - The Executive recommends one additional staff member and $23,600 to give better service to clients. The Veteran's Conservatorship is funded from the Veteran's Conservator/Guardianship Fund and based on JLBC Staff analysis of the projected FY 1990 beginning balance, anticipated revenues and expenditures the fund cannot continue to support this level of funding in FY 1991.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AG EMPL RELATIONS BD
COST CENTER: AG EMPL RELATIONS BD

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	75,100	116,000	116,000	119,200	114,800	
EMPLOYEE RELATED EXP	13,500	25,300	31,200	28,400	25,800	
PROFESSIONAL/OUTSIDE SVC	40,300	28,800	29,500	29,500	29,500	
TRAVEL - IN STATE	4,100	8,900	9,200	9,200	9,200	
OTHER OPERATING EXP	18,800	12,100	23,700	12,300	10,800	
EQUIPMENT	1,000	0	0	0	0	
ALL OTHER OPERATING	64,200	49,800	62,400	51,000	49,500	
P R O G R A M T O T A L	152,800	191,100	209,600	198,600	190,100	
BY FUND SOURCE						
GENERAL FUND	152,800	191,100	209,600	198,600	190,100	
PROGRAM TOTAL-ALL SOURCES	152,800	191,100	209,600	198,600	190,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AG. EMPL. RELATIONS BD.
COST CENTER: AG. EMPL. RELATIONS BD.

The JLBC Staff recommends a total appropriation of $190,100 -- a net decrease of $(1,000), or (0.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(1,500)
o Risk Management Insurance		(200)
o Hearing Officers		500
o Interpreter		200
o ERE Rate Adjustments		800
o Travel Rate Adjustments		300
o General Inflation		400

JLBC Staff Recommended Policy Issues

- o Operating Reduction - The agency can achieve savings by limiting 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. (1,500)

Other Issues for Legislative Consideration

- o Eliminate Agency or Consolidate into Department of Agriculture - The Arizona Cost Efficiency Commission (ACEC) recommended eliminating the Agricultural Employment Relations Board and transferring its responsibilities to the Attorney General's Office. ACEC's estimated savings assumed that the Attorney General's office would be able to take the added responsibilities with no increase in staff. As an alternative, ACEC recommended consolidating the Board within a Department of Agriculture. ACEC estimated that consolidation would result in a cost savings of $78,000. JLBC staff estimates that little savings could be achieved through consolidation.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	194.00	198.00	261.00	199.00	204.00	
BY PROGRAM/ORGANIZATION						
OFFICE OF THE DIRECTOR	609,300	722,700	1,002,400	748,500	600,700	
FIELD OPERATIONS	5,087,200	5,210,300	8,366,800	5,557,900	5,312,800	
STATE CHEMIST	388,100	535,200	623,900	591,600	566,500	
FRUIT/VEG STANDARDIZATION	675,000	761,400	828,100	818,600	788,100	
A G E N C Y T O T A L	6,759,600	7,229,600	10,821,200	7,716,600	7,268,100	
OPERATING BUDGET						
PERSONAL SERVICES	4,125,300	4,454,000	5,525,400	4,525,800	4,443,400	
EMPLOYEE RELATED EXP	906,600	1,134,100	2,099,000	1,113,600	1,009,500	
PROFESSIONAL/OUTSIDE SVC	149,400	156,400	332,000	156,400	183,000	
TRAVEL - IN STATE	294,300	300,600	501,500	383,100	386,500	
TRAVEL - OUT OF STATE	24,900	24,800	57,400	28,900	26,800	
OTHER OPERATING EXP	757,100	622,200	1,201,600	659,200	667,400	
EQUIPMENT	146,000	139,000	965,100	446,900	491,500	
ALL OTHER OPERATING	1,371,700	1,243,000	3,057,600	1,674,500	1,755,200	
OPERATING SUBTOTAL	6,403,600	6,831,100	10,682,000	7,313,900	7,208,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
ENVIRONMENTAL QUALITY	0	221,000	0	218,100	0	
ENV'TAL QUALITY - FIELD	269,800	78,700	0	79,800	0	
MARKET NEWS	39,400	38,800	79,200	44,800	0	
COOPERATIVE AGREEMENT	46,800	60,000	60,000	60,000	60,000	
SPECIAL ITEM SUBTOTAL	356,000	398,500	139,200	402,700	60,000	
A G E N C Y T O T A L	6,759,600	7,229,600	10,821,200	7,716,600	7,268,100	
BY FUND SOURCE						
GENERAL FUND	5,696,500	5,933,000	9,369,200	6,306,400	5,913,500	
OTHER FUNDS	1,063,100	1,296,600	1,452,000	1,410,200	1,354,600	
FEDERAL FUNDS	164,100	2,064,000	2,064,000	0	2,064,000	
OTHER NON APPROPRIATED	2,461,100	5,117,700	5,375,800	0	5,375,800	
AGENCY TOTAL-ALL SOURCES	9,384,800	14,411,300	18,261,000	7,716,600	14,707,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: OFFICE OF THE DIRECTOR

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	9.00	9.00	16.00	10.00	13.00	
OPERATING BUDGET						
PERSONAL SERVICES	236,400	234,800	348,400	245,800	308,600	
EMPLOYEE RELATED EXP	49,000	50,600	105,600	59,100	69,900	
PROFESSIONAL/OUTSIDE SVC	48,700	48,500	176,300	48,500	71,500	
TRAVEL - IN STATE	1,000	4,100	10,600	4,400	9,700	
TRAVEL - OUT OF STATE	5,500	3,800	9,100	3,800	4,700	
OTHER OPERATING EXP	224,400	121,100	266,800	124,000	136,300	
EQUIPMENT	4,900	0	6,400	0	0	
ALL OTHER OPERATING	284,500	177,500	469,200	180,700	222,200	
OPERATING SUBTOTAL	569,900	462,900	923,200	485,600	600,700	
SPECIAL LINE ITEMS						
ENVIRONMENTAL QUALITY	0	221,000	0	218,100	0	
MARKET NEWS	39,400	38,800	79,200	44,800	0	
SPECIAL ITEM SUBTOTAL	39,400	259,800	79,200	262,900	0	
P R O G R A M T O T A L	609,300	722,700	1,002,400	748,500	600,700	
BY FUND SOURCE						
GENERAL FUND	609,300	722,700	1,002,400	748,500	600,700	
FEDERAL FUNDS	0	1,920,000	1,920,000	0	1,920,000	
OTHER NON APPROPRIATED	2,355,300	5,010,100	5,254,700	0	5,254,700	
PROGRAM TOTAL-ALL SOURCES	2,964,600	7,652,800	8,177,100	748,500	7,775,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM. OF AG. & HORT.
COST CENTER: OFFICE OF THE DIRECTOR

The JLBC Staff recommends a total appropriation of $600,700 -- a net decrease of $(122,000), or (20.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o **Personal Services/ERE Adjustments (includes Environmental Quality and Market News)**	$ (17,100)
o Risk Management Insurance	(1,600)
o Environmental Quality: base adjustment for Integrated Pest Management Contracts	(66,500)
o ERE Rate Adjustments	2,600
o Travel Rate Adjustments (includes Environmental Quality)	600
o General Inflation (includes Environmental Quality)	3100

JLBC Staff Recommended Policy Issues

- Move Environmental Quality from Below-the Line to Above-the-Line - This move adds 4.0 FTE positions to Office of the Director, but entails no additional costs. The Executive recommendation did not include this change. -0-

- Market News Service - The Market News Service provides up-to-date market statistics on fruit and vegetable crops. Elimination of funding for this special line item will remove 2.2 FTE positions and leave their responsibilities to the private sector. Prior to FY 1987, the service was provided by the Western Growers Association. (43,100)

Other Items for Legislative Consideration

- Department of Agriculture - The Arizona Cost Efficiency Commission Report (ACEC) estimated that a total savings of $1,087,920 could be achieved by combining the activities of the Commission of Agriculture and Horticulture, Office of the Dairy Commissioner, the Egg Inspection Board, the Livestock Board and the Structural Pest Control Board within a unified Department of Agriculture such as the one proposed in H.B. 2090. Arizona is one of only three states nationwide which does not have a unified agency handling all of these responsibilities. Maintaining a single agricultural entity would be less confusing for the general public and can result in greater cost-efficiencies. Some industry members have objected to the consolidation plan because they were dissatisfied with their level of representation on the proposed Agriculture Board. These concerns could probably be addressed in the legislation which creates the consolidated Department of Agriculture. JLBC Staff believes that the savings estimated by ACEC may be overstated, but that efficiencies could be achieved.

- Telephone Operator - The Executive recommends 1.0 FTE position and $17,900 to provide full-time telephone coverage in the main office and aid the Phoenix dispatcher with the radio. Currently, clerical staff rotate telephone duties in two-hour shifts throughout the day.

- Integrated Pest Management Contracts - Fiscal Year 1990 is the third year of a three-year cycle of pest management contracts. The cost of the contracts declined each year during the cycle. Although $23,000, the amount included in the JLBC baseline budget, is sufficient to pay for the third year of existing contracts, the Department requests an additional $100,100 to allow them to initiate a new round of contracts. The Executive recommendation includes $69,300 which can be used for new contracts.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: FIELD OPERATIONS

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	155.50	158.00	214.00	158.00	160.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,283,800	3,519,700	4,494,500	3,561,200	3,435,300	
EMPLOYEE RELATED EXP	723,000	912,900	1,740,300	854,800	752,300	
PROFESSIONAL/OUTSIDE SVC	77,900	44,700	68,900	44,700	48,300	
TRAVEL - IN STATE	189,400	152,300	322,400	210,200	217,800	
TRAVEL - OUT OF STATE	7,900	9,000	31,100	9,000	9,000	
OTHER OPERATING EXP	435,300	360,200	771,300	371,700	379,000	
EQUIPMENT	100,100	132,800	938,300	426,500	471,100	
ALL OTHER OPERATING	810,600	699,000	2,132,000	1,062,100	1,125,200	
OPERATING SUBTOTAL	4,817,400	5,131,600	8,366,800	5,478,100	5,312,800	
SPECIAL LINE ITEMS						
ENV'TAL QUALITY - FIELD	269,800	78,700	0	79,800	0	
SPECIAL ITEM SUBTOTAL	269,800	78,700	0	79,800	0	
P R O G R A M T O T A L	5,087,200	5,210,300	8,366,800	5,557,900	5,312,800	
BY FUND SOURCE						
GENERAL FUND	5,087,200	5,210,300	8,366,800	5,557,900	5,312,800	
FEDERAL FUNDS	164,100	144,000	144,000	0	144,000	
OTHER NON APPROPRIATED	105,800	107,600	121,100	0	121,100	
PROGRAM TOTAL-ALL SOURCES	5,357,100	5,461,900	8,631,900	5,557,900	5,577,900	

DEPARTMENT: COMM OF AGRIC & HORT
COST CENTER: FIELD OPERATIONS

The JLBC Staff recommends a total appropriation of $5,312,800 -- a net increase of $102,500, or 2.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 4.0% A vacancy factor of 2.0% was used by the Executive	$ (152,000)
o	ERE Rate Adjustments (includes Environmental Quality)	(144,000)
o	Replacement Equipment	(60,400)
o	Commercial Rent	(11,500)
o	Travel Rate Adjustments (includes Environmental Quality)	18,400
o	General Inflation (includes Environmental Quality)	13,300

JLBC Staff Recommended Policy Issues

o	Move Environmental Quality From Below-the-Line to Above-the-Line - This move would add 2.0 FTE positions to Field Operations, but involves no additional costs. The Executive recommendation did not include this change.	-0-
o	Laboratory Casework and Equipment - JLBC Staff and the Executive recommend $398,700 for work stations, ventilation hoods, and walk-in freezers for the new Agriculture Laboratory. The Ag Lab is scheduled to relocate from its present location on University of Arizona property in Mesa to the Capitol Mall complex during FY 90. If renovations of the East Annex building are completed on time, the Ag Lab will need this equipment in place before it relocates. Because it is uncertain that the building renovations will be completed during FY 90 but the agency needs a 4-6 month lead time to place purchase orders and receive delivery of the equipment, JLBC Staff recommends appropriating the money as a non-reverting special line item.	398,700
o	In-State Travel - JLBC Staff and the Executive recommend $40,000 to reinstate travel funds which were cut from the budget during the last legislative session. The agency estimates that it will have an $85,000 shortfall in travel funding during the current budget year.	40,000

Other Issues for Legislative Consideration

- Seasonal Agricultural Workers - Elimination of funding for 3.5 FTE seasonal positions will result in a cost savings of $69,800. The workload for remaining staff will be greatly increased 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 the state economy.

- Eliminate Border Stations - Closing all border stations would eliminate 69.6 FTE positions and save approximately $2,000,000 annually. It will also increase the risk of introducing agricultural pests into Arizona, leading to property damage, crop loss, and creating the necessity for expensive and hazardous eradication programs. It is impossible to verify how effective the agency has been at excluding agricultural pests. It is unknown what pests would have entered the state if the border stations did not exist. The concept of border stations is feasible because Arizona's natural desert and mountain barriers make it unlikely that agricultural pests will enter the state unless they are carried in by motor vehicles. Closing all border stations would greatly increase Arizona's chances of infestation by agricultural pests. In addition to crop and livestock losses, theses pests pose a public health risk. Potential expenses for lost crops, health care, and eradication may exceed the annual savings. As an alternative to closing the border stations, personnel could be cross-trained to perform the functions of the Department of Transportation, the Department of Public Safety, and the Arizona Office of Tourism. Consolidation would allow greater cost-sharing and would eliminate duplication of facilities and personnel.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: STATE CHEMIST

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	10.00	11.00	11.00	11.00	11.00	
OPERATING BUDGET						
PERSONAL SERVICES	244,900	297,500	295,300	305,700	297,500	
EMPLOYEE RELATED EXP	53,000	74,000	97,400	78,300	73,300	
PROFESSIONAL/OUTSIDE SVC	16,000	49,500	73,100	49,500	49,500	
TRAVEL - IN STATE	15,600	23,100	33,200	33,200	24,800	
TRAVEL - OUT OF STATE	11,500	12,000	16,100	16,100	12,000	
OTHER OPERATING EXP	34,300	73,700	95,900	95,900	96,500	
EQUIPMENT	12,800	5,400	12,900	12,900	12,900	
ALL OTHER OPERATING	90,200	163,700	231,200	207,600	195,700	
P R O G R A M T O T A L	388,100	535,200	623,900	591,600	566,500	
BY FUND SOURCE						
OTHER FUNDS	388,100	535,200	623,900	591,600	566,500	
PROGRAM TOTAL-ALL SOURCES	388,100	535,200	623,900	591,600	566,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AGRIC & HORT
COST CENTER: STATE CHEMIST

The JLBC Staff recommends a total appropriation of $566,500 -- a net increase of $31,300, or 5.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o **Risk Management Insurance**	$	(1,600)
o ERE Rate Adjustments		(700)
o Travel Rate Adjustments		1,700
o Replacement Equipment		7,500
o General Inflation		2,600
o Rent required by State Chemist relocation to Capitol Mall		21,800

If the State Chemist does not move during Fiscal Year 1990 because renovations of the East Annex Building have not been completed, these monies should revert to the Fertilizer Materials Fund, the Pesticide Fund, and the Commercial Feed fund.

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Travel Funding - The Executive recommends $13,800 for both In-State and Out-of-State Travel. JLBC Staff analysis indicates that over the last four years, the State Chemist has expended an average of 47% of the funds appropriated for In-State Travel. If the past expenditure pattern is maintained, baseline funding levels should be sufficient to fund both regulatory activities and out-of-state conferences.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AG & HORT
COST CENTER: FRUIT/VEG STANDARDIZATION
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	19.50	20.00	20.00	20.00	20.00	
OPERATING BUDGET						
PERSONAL SERVICES	360,200	402,000	387,200	413,100	402,000	
EMPLOYEE RELATED EXP	81,600	96,600	155,700	121,400	114,000	
PROFESSIONAL/OUTSIDE SVC	6,800	13,700	13,700	13,700	13,700	
TRAVEL - IN STATE	88,300	121,100	135,300	135,300	134,200	
TRAVEL - OUT OF STATE	0	0	1,100	0	1,100	
OTHER OPERATING EXP	63,100	67,200	67,600	67,600	55,600	
EQUIPMENT	28,200	800	7,500	7,500	7,500	
ALL OTHER OPERATING	186,400	202,800	225,200	224,100	212,100	
OPERATING SUBTOTAL	628,200	701,400	768,100	758,600	728,100	
SPECIAL LINE ITEMS						
COOPERATIVE AGREEMENT	46,800	60,000	60,000	60,000	60,000	
SPECIAL ITEM SUBTOTAL	46,800	60,000	60,000	60,000	60,000	
P R O G R A M T O T A L	675,000	761,400	828,100	818,600	788,100	
BY FUND SOURCE						
OTHER FUNDS	675,000	761,400	828,100	818,600	788,100	
PROGRAM TOTAL-ALL SOURCES	675,000	761,400	828,100	818,600	788,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM OF AGRIC & HORT
COST CENTER: FRUIT & VEGETABLE STNDZN

The JLBC Staff recommends a total appropriation of $788,100 -- a net increase of $26,700, or 3.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Commercial Rent	$ (11,300)
o	Risk Management Insurance	(1,600)
o	ERE Rate Adjustments	17,400
o	Travel Rate Adjustments	14,200
o	Replacement Equipment	6,700
o	General Inflation	1,300

JLBC Staff Recommended Policy Issues

- JLBC staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BANKING DEPARTMENT
COST CENTER: BANKING DEPARTMENT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	79.00	79.00	112.00	81.00	95.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,770,600	2,000,500	2,953,700	2,150,400	2,451,000	
EMPLOYEE RELATED EXP	332,000	407,200	915,600	543,400	591,300	
PROFESSIONAL/OUTSIDE SVC	5,700	9,200	214,600	0	142,600	
TRAVEL - IN STATE	86,500	89,600	167,300	0	118,900	
TRAVEL - OUT OF STATE	21,200	18,900	72,600	0	32,700	
OTHER OPERATING EXP	208,700	245,200	376,100	477,500	295,300	
EQUIPMENT	1,000	0	73,200	0	34,200	
ALL OTHER OPERATING	323,100	362,900	903,800	477,500	623,700	
OPERATING SUBTOTAL	2,425,700	2,770,600	4,773,100	3,171,300	3,666,000	
SPECIAL LINE ITEMS						
RECEIVERSHIP	247,400	307,900	636,500	501,500	531,400	
SPECIAL ITEM SUBTOTAL	247,400	307,900	636,500	501,500	531,400	
P R O G R A M T O T A L	2,673,100	3,078,500	5,409,600	3,672,800	4,197,400	
BY FUND SOURCE						
GENERAL FUND	2,673,100	3,078,500	5,409,600	3,672,800	4,197,400	
OTHER NON APPROPRIATED	437,700	538,000	392,000	0	392,000	
PROGRAM TOTAL-ALL SOURCES	3,110,800	3,616,500	5,801,600	3,672,800	4,589,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BANKING DEPARTMENT
COST CENTER: BANKING DEPARTMENT

The JLBC Staff recommends a total appropriation of $4,197,400, a net increase of $1,118,900, or 36.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 2.5% A vacancy factor of 2.0% was used by the Executive	$ 80,800
o	ERE Rate Adjustments	71,200
o	Receivership Expenses	57,000
o	General Inflation	7,600
o	All Other	4,200

JLBC Staff Recommended Policy Issues

o	Statutory Examination Requirements - JLBC Staff recommends $573,000 and 15 FTE positions to enable the Department to meet its statutory requirements to examine the books of financial institutions. Currently the Department is not authorized enough staff to meet its statutory obligations. The new positions would be 12 financial institution examiners (4 Assistant, 4 Associate, and 4 Senior), one Examination Unit Supervisor, one Accounting Clerk, and one Clerk Typist. The Arizona Cost Efficiency Commission recommended adding 22 examiners to the Banking Department. With the new examiners, the Department's General Fund revenues for FY 90 are projected at $4,330,800. This amount would more than pay for the entire JLBC Staff recommendation.	573,000
o	Receiverships - JLBC Staff recommends $166,500 to fund the increasing workload of the Department's Receivership Division. As the Department carries out its statutory duty to examine the accounts of financial institutions, more troubled institutions are being uncovered, and thus more institutions are being put into court-ordered receiverships. The recommendation provides for $156,500 in additional contracted legal services, and $10,000 for the financial accounting needs of the division. The Executive recommends $120,500 for the additional contracted legal services.	166,500

- Automation of Licensing and Examination Files - JLBC Staff recommends $158,600 and one Computer Operator FTE position to enable the Department to automate its licensing, examination, and consumer affairs files. The Department has worked with the DOA Data Center to develop an efficient data processing plan. If this issue is not funded, the Department will continue to use paper files for its more than 2,000 licensees and 1,300 annual consumer complaints. The Executive recommends $125,900 for this policy issue. 158,600

Other Issues for Legislative Consideration

- Increased Vacancy Factor - As an alternative to reduce the operating costs of the Department, a higher vacancy factor could be imposed. Approximately $132,000 could be reduced from the appropriation by imposing a vacancy rate of 7%. The effect would be that the Department would keep vacant examiner positions open for most of the fiscal year. With fewer examiners available to the Department, there would be less enforcement of the Department's statutes.

- Fiscal Services Specialist - The Executive recommends $29,400 from the General Fund to hire a new Fiscal Services Specialist FTE for the Receivership Division. The Department currently pays for special accounting services from its Revolving Fund. JLBC Staff recommends a continuation of the current practice.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BUILDING AND FIRE SAFETY
COST CENTER: BUILDING AND FIRE SAFETY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	68.00	70.00	81.00	73.00	70.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,595,200	1,682,400	2,025,000	1,841,100	1,739,600	
EMPLOYEE RELATED EXP	321,200	398,000	673,500	487,600	436,500	
PROFESSIONAL/OUTSIDE SVC	7,300	4,000	4,200	4,200	4,200	
TRAVEL - IN STATE	155,500	170,100	272,800	227,800	212,800	
TRAVEL - OUT OF STATE	8,700	9,400	9,400	9,400	9,400	
OTHER OPERATING EXP	322,500	334,700	493,400	385,700	365,900	
EQUIPMENT	35,700	23,000	175,700	52,000	2,000	
ALL OTHER OPERATING	529,700	541,200	955,500	679,100	594,300	
OPERATING SUBTOTAL	2,446,100	2,621,600	3,654,000	3,007,800	2,770,400	
SPECIAL LINE ITEMS						
FIRE TRAINING SCHOOL	18,000	24,000	30,000	30,000	30,000	
RELOCATION	0	0	0	34,100	0	
SPECIAL ITEM SUBTOTAL	18,000	24,000	30,000	64,100	30,000	
P R O G R A M T O T A L	2,464,100	2,645,600	3,684,000	3,071,900	2,800,400	
BY FUND SOURCE						
GENERAL FUND	2,464,100	2,645,600	3,684,000	3,071,900	2,800,400	
PROGRAM TOTAL-ALL SOURCES	2,464,100	2,645,600	3,684,000	3,071,900	2,800,400	

DEPARTMENT: BUILDING AND FIRE SAFETY
COST CENTER: BUILDING AND FIRE SAFETY

The JLBC Staff recommends a total appropriation of $2,800,400 -- a net increase of $154,800, or 5.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o **Replacement Equipment** The Executive recommends a decrease of $(10,000)	$ (21,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	71,600
o ERE Rate Adjustments	24,100
o Travel Rate Adjustments	41,300
o Relocation Expenses and Tucson Rent Increase	21,100
o Fire Training School	6,000
o General Inflation and All Other	11,700

JLBC Staff Recommended Policy Issues

- o Cross-Training of Field Inspectors - The Arizona Cost Efficiency Commission recommended that all field inspectors of the agency be trained in both fire safety and manufactured housing skills. JLBC Staff concurs with this recommendation, and is able to report that the agency is implementing it. Currently, the Inspectors in the Yuma, Prescott, and St. John's areas are cross-trained, and further efforts are continuing. JLBC Staff sees this as a cost-avoidance measure, to defer future staffing increases necessary for the agency. -0-

Other Issues for Legislative Consideration

- o Staff Needs of the State Fire Marshal - The Executive has recommended $161,900 and three FTE positions to enable the agency to keep up with the increasing workload of the State Fire Marshal. Two of the positions would perform fire safety inspections of schools, government buildings, underground tank installations, and other sites. The other new employee would review new building plans for compliance with the State Fire Code. The Auditor General recommended increasing the staff of the Fire Marshal in a 1988 performance audit. JLBC Staff analysis indicates that the cost of this policy issue would be $148,900.

- Vacancy Savings - As an alternative to reduce the appropriation of the agency, a vacancy rate of 5.5% could be imposed. The savings would be $90,000. The result would be fewer employees available to the agency, as vacant positions would be held open for most of the fiscal year to achieve the savings. The agency would be able to provide fewer fire safety and manufactured housing inspections.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: REGISTRAR OF CONTRACTORS
COST CENTER: REGISTRAR OF CONTRACTORS

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	99.00	107.60	150.60	115.60	108.60	
OPERATING BUDGET						
PERSONAL SERVICES	1,913,000	2,284,600	3,241,000	2,524,300	2,334,500	
EMPLOYEE RELATED EXP	403,200	588,600	1,069,900	681,800	598,500	
PROFESSIONAL/OUTSIDE SVC	70,500	100,900	118,600	188,700	70,700	
TRAVEL - IN STATE	121,400	215,100	431,200	291,500	279,900	
TRAVEL - OUT OF STATE	1,600	1,800	1,800	1,800	1,800	
OTHER OPERATING EXP	458,300	677,500	754,700	702,000	661,400	
EQUIPMENT	233,600	234,500	464,900	186,600	140,100	
ALL OTHER OPERATING	885,400	1,229,800	1,771,200	1,370,600	1,153,900	
P R O G R A M T O T A L	3,201,600	4,103,000	6,082,100	4,576,700	4,086,900	
BY FUND SOURCE						
GENERAL FUND	3,201,600	4,103,000	6,082,100	4,576,700	4,086,900	
PROGRAM TOTAL-ALL SOURCES	3,201,600	4,103,000	6,082,100	4,576,700	4,086,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: REGISTRAR OF CONTRACTORS
COST CENTER: REGISTRAR OF CONTRACTORS

The JLBC Staff recommends a total appropriation of $4,086,900 -- a net decrease of $(16,100), or (0.4)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (159,200)
o Software Purchase	(24,100)
o Rent Adjustments	(36,600)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	30,700
o Travel Rate Adjustment	64,800
o General Inflation and All Other	11,400

JLBC Staff Recommended Policy Issues

- o Reduce Engineering Consultant Contingency Funds - JLBC Staff recommends the reduction of $40,000 for special engineering consulting contracts. The recommendation would leave $10,000 for these contracts, which should be sufficient based on the past two years' experience. The agency uses this money to hire consultants for construction investigations in which the required level of expertise exceeds that possessed by the staff. (40,000)

- o Automation and Computer Productivity - JLBC Staff recommends $136,900 and one computer programmer/analyst FTE position to provide for the automation of paper reporting and accounting systems, and to meet computer and file fire protection needs. Over the past two years, the Legislature has invested $224,800 on computer equipment, software, and personnel for the Registrar of Contractors. Funding of this policy issue is necessary to enable the agency to fully implement the new system. The Executive recommends $221,000 for this issue. The amount over the JLBC recommendation is for more computer programming and software. 136,900

  The Registrar of Contractors estimates that their FY 90 General Fund revenue collections from licenses and fees will be $6,502,500. Thus, General Fund revenues will more than offset the entire JLBC recommendation.

- o Biennial Licensing Cycle - The Arizona Cost Efficiency Commission recommended that the Registrar of Contractors institute a biennial licensing cycle, instead of the current annual cycle. JLBC Staff concurs with this recommendation. Using a biennial cycle would ease the workload in the licensing section of the agency, and avoid future staff increases in this area.

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Other Issues for Legislative Consideration

- o Licensing Improvements - The Executive recommends $86,200 and three FTE positions to enable the agency to keep up with the greater licensing workload brought on by the re-regulation of commercial contracting. Currently the agency does not adequately investigate the experience levels claimed by applicants for contracting licenses. The introduction of a biennial licensing cycle would alleviate some of the licensing workload problems. JLBC Staff analysis indicates the cost of this policy issue would be $81,100.

- o Field Offices - The Executive recommends $159,900 and four FTE positions to establish full-time field offices in Payson and Sierra Vista. Currently these areas are served by inspectors and investigators traveling from the Phoenix and Tucson offices. The increases in employee productivity to be gained if the "Automation and Computer Productivity" policy issue is funded may allow for more inspector time in the outlying areas without the establishment of new offices. JLBC Staff analysis indicates the cost of this policy issue would be $151,100.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	219.00	217.00	254.00	230.00	223.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION/HEARING	2,028,700	1,826,100	2,035,000	1,922,200	1,839,300	
CORPORATIONS	949,300	1,035,400	1,234,700	1,094,400	1,042,000	
SECURITIES	1,332,900	1,512,700	2,052,200	1,718,800	1,581,900	
RAILROAD SAFETY	384,000	530,100	772,400	597,600	534,600	
UTILITIES	3,536,300	4,412,000	5,369,900	4,846,700	4,585,500	
LEGAL	817,900	904,000	1,199,200	958,400	908,100	
A G E N C Y T O T A L	9,049,100	10,220,300	12,663,400	11,138,100	10,491,400	
OPERATING BUDGET						
PERSONAL SERVICES	5,622,600	5,999,400	6,965,300	6,559,100	6,180,500	
EMPLOYEE RELATED EXP	1,052,200	1,376,700	2,271,300	1,535,600	1,367,700	
PROFESSIONAL/OUTSIDE SVC	462,500	465,900	498,500	491,100	491,100	
TRAVEL - IN STATE	147,200	266,000	358,000	312,600	293,300	
TRAVEL - OUT OF STATE	87,600	95,200	124,800	106,100	95,200	
OTHER OPERATING EXP	1,307,500	1,249,200	1,337,600	1,295,000	1,299,600	
EQUIPMENT	171,500	42,900	282,900	83,600	39,000	
ALL OTHER OPERATING	2,176,300	2,119,200	2,601,800	2,288,400	2,218,200	
OPERATING SUBTOTAL	8,851,100	9,495,300	11,838,400	10,383,100	9,766,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
EXPERT TESTIMONY	0	25,000	25,000	25,000	25,000	
RAILROAD WARNING SYSTEMS	52,400	200,000	200,000	200,000	200,000	
AUDITS AND RATE HEARINGS	145,600	500,000	500,000	500,000	500,000	
P.V. LITIGATION FUND	0	0	100,000	30,000	0	
SPECIAL ITEM SUBTOTAL	198,000	725,000	825,000	755,000	725,000	
A G E N C Y T O T A L	9,049,100	10,220,300	12,663,400	11,138,100	10,491,400	
BY FUND SOURCE						
GENERAL FUND	4,694,900	4,904,300	6,094,300	5,333,000	4,997,800	
OTHER FUNDS	4,354,200	5,316,000	6,569,100	5,805,100	5,493,600	
FEDERAL FUNDS	125,300	160,900	188,600	0	188,600	
AGENCY TOTAL-ALL SOURCES	9,174,400	10,381,200	12,852,000	11,138,100	10,680,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: ADMINISTRATION/HEARING

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	40.00	38.00	41.00	39.00	38.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,047,700	1,074,500	1,131,400	1,121,100	1,062,600	
EMPLOYEE RELATED EXP	188,600	235,500	350,200	256,000	229,900	
PROFESSIONAL/OUTSIDE SVC	320,800	197,300	205,200	205,200	205,200	
TRAVEL - IN STATE	7,500	6,800	8,000	8,000	8,000	
TRAVEL - OUT OF STATE	15,900	10,000	10,000	10,000	10,000	
OTHER OPERATING EXP	415,300	302,000	317,400	315,800	314,200	
EQUIPMENT	32,900	0	12,800	6,100	9,400	
ALL OTHER OPERATING	792,400	516,100	553,400	545,100	546,800	
P R O G R A M T O T A L	2,028,700	1,826,100	2,035,000	1,922,200	1,839,300	
BY FUND SOURCE						
GENERAL FUND	2,028,700	1,826,100	2,035,000	1,922,200	1,839,300	
PROGRAM TOTAL-ALL SOURCES	2,028,700	1,826,100	2,035,000	1,922,200	1,839,300	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $1,839,300 -- a net increase of $13,200, or 0.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$	(14,500)
o ERE Rate Adjustments		(3,000)
o Replacement Equipment		9,400
o Risk Management Insurance		3,100
o Travel Rate Adjustments		1,200
o General Inflation		17,000

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Timeliness of Hearings - The Executive recommends $41,800 and 1.0 FTE position to provide for more timely scheduling and completion of hearings.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: CORPORATIONS
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	37.00	37.00	41.00	38.00	37.00	
OPERATING BUDGET						
PERSONAL SERVICES	610,700	644,100	702,300	669,500	637,300	
EMPLOYEE RELATED EXP	136,500	174,000	287,500	189,700	171,800	
PROFESSIONAL/OUTSIDE SVC	28,400	8,400	23,700	23,700	23,700	
TRAVEL - IN STATE	400	100	100	100	100	
TRAVEL - OUT OF STATE	1,600	0	0	0	0	
OTHER OPERATING EXP	146,000	200,900	212,300	209,900	209,100	
EQUIPMENT	25,700	7,900	8,800	1,500	0	
ALL OTHER OPERATING	202,100	217,300	244,900	235,200	232,900	
P R O G R A M T O T A L	949,300	1,035,400	1,234,700	1,094,400	1,042,000	
BY FUND SOURCE						
GENERAL FUND	949,300	1,035,400	1,234,700	1,094,400	1,042,000	
PROGRAM TOTAL-ALL SOURCES	949,300	1,035,400	1,234,700	1,094,400	1,042,000	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: CORPORATIONS

The JLBC Staff recommends a total appropriation of $1,042,000 -- a net increase of $6,600, or 0.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$	(8,600)
o ERE Rate Adjustments		(400)
o Replacement Equipment		(7,900)
o Seasonal Clerical Support		15,000
The Executive Recommends $15,000		
o General Inflation		8,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Clerical Support - The Executive recommends $21,400 and 1.0 FTE position to serve as the Division receptionist, as well as provide support in the Annual Reports Section, Public Records Section and Corporate Name Reservation Desk.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: SECURITIES
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	39.00	39.00	48.00	42.00	41.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,042,900	1,128,500	1,356,800	1,275,600	1,177,700	
EMPLOYEE RELATED EXP	187,500	245,800	433,600	282,800	244,700	
PROFESSIONAL/OUTSIDE SVC	20,900	26,000	34,400	27,000	27,000	
TRAVEL - IN STATE	4,500	5,400	9,000	7,000	7,100	
TRAVEL - OUT OF STATE	300	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	76,500	80,000	90,100	84,400	84,800	
EQUIPMENT	300	0	101,300	15,000	13,600	
ALL OTHER OPERATING	102,500	113,400	236,800	135,400	134,500	
OPERATING SUBTOTAL	1,332,900	1,487,700	2,027,200	1,693,800	1,556,900	
SPECIAL LINE ITEMS						
EXPERT TESTIMONY	0	25,000	25,000	25,000	25,000	
SPECIAL ITEM SUBTOTAL	0	25,000	25,000	25,000	25,000	
P R O G R A M T O T A L	1,332,900	1,512,700	2,052,200	1,718,800	1,581,900	
BY FUND SOURCE						
GENERAL FUND	1,332,900	1,512,700	2,052,200	1,718,800	1,581,900	
PROGRAM TOTAL-ALL SOURCES	1,332,900	1,512,700	2,052,200	1,718,800	1,581,900	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: SECURITIES

The JLBC Staff recommends a total appropriation of $1,581,900 -- a net increase of $69,200, or 4.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (11,400)
o Personal Services/ERE Adjustments, including a vacancy factor of 4.0% A vacancy factor of 1.0% was used by the Executive	(2,200)
o Travel Rate Adjustments	1,100
o General Inflation	4,200

JLBC Staff Recommended Policy Issues

o Enforcement of the Arizona Securities Act - The JLBC Staff recommends $77,500 and 2.0 FTE positions to keep pace with the growth of activity in both the Registration and Enforcement sections: In the Registration section, securities registrations have increased 108% and salesman registrations have increased 994% with no additional FTE positions authorized, and in the Enforcement section, subpoenas issued have increased 224%, examinations under oath have increased 383% and hearings have increased 800% with no additional FTE positions authorized. The Executive recommends $102,700 and 3.0 FTE positions for the funding of this issue.	77,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: RAILROAD SAFETY

JLBC ANALYST: BELLGARDT

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	9.00	8.00	12.00	9.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	223,400	212,900	301,900	241,100	213,000	
EMPLOYEE RELATED EXP	48,600	53,900	111,600	66,000	55,300	
TRAVEL - IN STATE	37,500	34,100	68,500	47,500	40,500	
TRAVEL - OUT OF STATE	2,700	3,800	13,600	6,300	3,800	
OTHER OPERATING EXP	13,900	21,200	25,000	22,600	22,000	
EQUIPMENT	5,500	4,200	51,800	14,100	0	
ALL OTHER OPERATING	59,600	63,300	158,900	90,500	66,300	
OPERATING SUBTOTAL	331,600	330,100	572,400	397,600	334,600	
SPECIAL LINE ITEMS						
RAILROAD WARNING SYSTEMS	52,400	200,000	200,000	200,000	200,000	
SPECIAL ITEM SUBTOTAL	52,400	200,000	200,000	200,000	200,000	
P R O G R A M T O T A L	384,000	530,100	772,400	597,600	534,600	
BY FUND SOURCE						
GENERAL FUND	384,000	530,100	772,400	597,600	534,600	
PROGRAM TOTAL-ALL SOURCES	384,000	530,100	772,400	597,600	534,600	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: RAILROAD SAFETY

The JLBC Staff recommends a total appropriation of $534,600 -- a net increase of $4,500, or 0.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (4,200)
o ERE Rate Adjustments	1,400
o Travel Rate Adjustments	6,200
o All Other	1,100

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Railroad Safety Inspections - The Executive recommends $52,700 and 1.0 FTE position to increase investigative activity in an effort to curtail train derailments and other railroad-related accidents.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: UTILITIES
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	80.00	81.00	95.00	88.00	85.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,177,000	2,396,900	2,822,400	2,692,600	2,545,700	
EMPLOYEE RELATED EXP	410,500	560,500	914,200	630,600	560,800	
PROFESSIONAL/OUTSIDE SVC	50,700	94,300	94,300	94,300	94,300	
TRAVEL - IN STATE	95,400	207,000	257,100	235,700	223,300	
TRAVEL - OUT OF STATE	40,700	58,400	75,200	66,800	58,400	
OTHER OPERATING EXP	536,800	564,100	606,200	579,800	587,000	
EQUIPMENT	79,600	30,800	100,500	46,900	16,000	
ALL OTHER OPERATING	803,200	954,600	1,133,300	1,023,500	979,000	
OPERATING SUBTOTAL	3,390,700	3,912,000	4,869,900	4,346,700	4,085,500	
SPECIAL LINE ITEMS						
AUDITS AND RATE HEARINGS	145,600	500,000	500,000	500,000	500,000	
SPECIAL ITEM SUBTOTAL	145,600	500,000	500,000	500,000	500,000	
P R O G R A M T O T A L	3,536,300	4,412,000	5,369,900	4,846,700	4,585,500	
BY FUND SOURCE						
OTHER FUNDS	3,536,300	4,412,000	5,369,900	4,846,700	4,585,500	
FEDERAL FUNDS	125,300	160,900	188,600	0	188,600	
PROGRAM TOTAL-ALL SOURCES	3,661,600	4,572,900	5,558,500	4,846,700	4,774,100	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: UTILITIES

The JLBC Staff recommends a total appropriation of $4,585,500 -- a net increase of $173,500, or 3.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Equipment	$ (30,800)
o ERE Rate Adjustments	(14,900)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	34,100
o Risk Management Insurance	9,900
o General Inflation	18,100

JLBC Staff Recommended Policy Issues

- o Accounting Management - The JLBC Staff recommends $46,500 and 1.0 FTE position to supervise auditing and accounting analysis functions associated with electric, gas and telecommunication filings. The Executive recommends $48,200 and 1.0 FTE position for the funding of this issue. — 46,500

- o Telecommunications - The JLBC Staff recommends $110,600 and 3.0 FTE positions to provide telecommunications expertise required as a result of the growth in the telecommunications industry. The Executive recommends $122,100 and 3.0 FTE positions for the funding of this issue. — 110,600

Other Issues for Legislative Consideration

- o Cost of Service and Rate Design - The Executive recommends $137,900 and 3.0 FTE positions to provide expertise in utility financing, particularly with respect to the cost of service and rate design of utility company mergers and acquisitions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: LEGAL
JLBC ANALYST: BELLGARDT
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	14.00	14.00	17.00	14.00	14.00	
OPERATING BUDGET						
PERSONAL SERVICES	520,900	542,500	650,500	559,200	544,200	
EMPLOYEE RELATED EXP	80,500	107,000	174,200	110,500	105,200	
PROFESSIONAL/OUTSIDE SVC	41,700	139,900	140,900	140,900	140,900	
TRAVEL - IN STATE	1,900	12,600	15,300	14,300	14,300	
TRAVEL - OUT OF STATE	26,400	21,000	24,000	21,000	21,000	
OTHER OPERATING EXP	119,000	81,000	86,600	82,500	82,500	
EQUIPMENT	27,500	0	7,700	0	0	
ALL OTHER OPERATING	216,500	254,500	274,500	258,700	258,700	
OPERATING SUBTOTAL	817,900	904,000	1,099,200	928,400	908,100	
SPECIAL LINE ITEMS						
P.V. LITIGATION FUND	0	0	100,000	30,000	0	
SPECIAL ITEM SUBTOTAL	0	0	100,000	30,000	0	
P R O G R A M T O T A L	817,900	904,000	1,199,200	958,400	908,100	
BY FUND SOURCE						
OTHER FUNDS	817,900	904,000	1,199,200	958,400	908,100	
PROGRAM TOTAL-ALL SOURCES	817,900	904,000	1,199,200	958,400	908,100	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: LEGAL

The JLBC Staff recommends a total appropriation of $908,100 -- a net increase of $4,100, or 0.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (1,800)
o Personal Services Adjustments	1,700
o Travel Rate Adjustments	1,700
o General Inflation	2,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Palo Verde Litigation - The Executive recommends $30,000 as a special line item for costs associated with the anticipated legal challenge of the Palo Verde Audit.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DAIRY COMMISSIONER
COST CENTER: DAIRY COMMISSIONER
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: ESEKSEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	8.00	7.50	8.00	8.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	221,000	215,600	227,700	233,600	227,700	
EMPLOYEE RELATED EXP	47,300	52,600	78,100	59,800	55,000	
PROFESSIONAL/OUTSIDE SVC	122,000	128,700	128,700	128,700	128,700	
TRAVEL - IN STATE	25,300	24,300	30,200	30,200	30,300	
TRAVEL - OUT OF STATE	4,100	4,000	5,900	4,400	4,400	
OTHER OPERATING EXP	37,500	41,700	42,000	42,000	41,000	
EQUIPMENT	0	0	40,000	40,000	31,100	
ALL OTHER OPERATING	188,900	198,700	246,800	245,300	235,500	
P R O G R A M T O T A L	457,200	466,900	552,600	538,700	518,200	
BY FUND SOURCE						
GENERAL FUND	457,200	466,900	552,600	538,700	518,200	
FEDERAL FUNDS	4,800	2,400	2,400	0	2,400	
PROGRAM TOTAL-ALL SOURCES	462,000	469,300	555,000	538,700	520,600	

DEPARTMENT: DAIRY COMMISSIONER
COST CENTER: DAIRY COMMISSIONER

The JLBC Staff recommends a total appropriation of $518,200 -- a net increase of $51,300, or 11.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (500)
o Commercial Rent	(300)
o All Other Adjustments	(800)
o Replacement Equipment	31,100
o Travel Rate Adjustments	4,600
o General Inflation	900

JLBC Staff Recommended Policy Issues

o Half-Time Dairy Inspector - JLBC Staff recommends 0.5 FTE position and $16,300 to reinstate the second half of a full-time Dairy Inspector position which was deleted during the budget process for FY 89. Since the position was reduced to half-time, the agency has been forced to eliminate milk inspections at schools and retail establishments. In addition, a new dairy has opened in Kingman and a producer/bottler in Colorado City has expanded its operations, both of which require additional inspection activity. The Executive recommends $16,500 to fund this policy issue.	16,300

Other Items for Legislative Consideration

- Department of Agriculture - The Arizona Cost Efficiency Commission Report (ACEC) estimated that a savings of $71,625 could be achieved by consolidating the Office of the Dairy Commissioner within a unified Department of Agriculture such as the one proposed in H.B. 2090. ACEC's study proposed that the new agency would combine the activities of the Commission of Agriculture and Horticulture, Office of the Dairy Commissioner, the Egg Inspection Board, the Livestock Board, and the Structural Pest Control Board. Arizona is one of only three states nationwide which does not have a unified agency handling all of these responsibilities. Maintaining a single agricultural entity would be less confusing for the general public and can result in greater cost-efficiencies. Some industry members have objected to the consolidation plan because they were dissatisfied with their level of representation on the proposed Agriculture Board. These concerns could probably be addressed in the legislation which creates the consolidated Department of Agriculture. JLBC Staff believes that the savings estimated by ACEC may be overstated, but that efficiencies could be achieved.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	218.00	245.00	247.00	247.00	247.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	1,410,400	1,939,400	3,023,800	2,930,800	2,865,000	
CLAIMS	2,423,400	2,923,700	3,048,500	2,935,000	2,876,100	
ADMINISTRATIVE LAW JUDGE	2,677,500	3,174,900	3,396,000	3,331,500	3,207,600	
LABOR	272,000	342,900	388,800	347,800	342,800	
SPECIAL FUND	352,300	427,300	450,500	435,600	424,100	
OCCUPATIONAL SFTY/HEALTH	1,421,400	1,531,300	1,601,700	1,569,900	1,527,400	
LEGAL COUNSEL	345,100	549,000	620,200	614,000	599,400	
A G E N C Y T O T A L	8,902,100	10,888,500	12,529,500	12,164,600	11,842,400	
OPERATING BUDGET						
PERSONAL SERVICES	4,839,800	5,696,500	5,786,200	5,869,800	5,719,800	
EMPLOYEE RELATED EXP	979,200	1,357,400	1,944,100	1,557,500	1,423,300	
PROFESSIONAL/OUTSIDE SVC	1,177,700	1,655,100	1,939,400	1,939,400	1,683,900	
TRAVEL - IN STATE	85,000	136,800	154,000	153,000	151,600	
TRAVEL - OUT OF STATE	3,300	5,800	17,600	14,300	8,800	
OTHER OPERATING EXP	1,596,800	1,827,600	2,578,300	2,549,900	1,956,000	
FOOD	1,900	0	0	0	0	
EQUIPMENT	218,400	209,300	109,900	80,700	899,000	
ALL OTHER OPERATING	3,083,100	3,834,600	4,799,200	4,737,300	4,699,300	
A G E N C Y T O T A L	8,902,100	10,888,500	12,529,500	12,164,600	11,842,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATION

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	32.00	36.00	38.00	38.00	37.00	
OPERATING BUDGET						
PERSONAL SERVICES	729,400	857,600	927,500	931,700	901,600	
EMPLOYEE RELATED EXP	145,100	194,500	322,800	245,900	220,100	
PROFESSIONAL/OUTSIDE SVC	36,600	101,100	339,100	339,100	105,100	
TRAVEL - IN STATE	13,500	15,100	17,500	16,300	16,600	
TRAVEL - OUT OF STATE	0	1,500	5,500	5,500	1,500	
OTHER OPERATING EXP	484,400	725,700	1,367,300	1,348,200	758,900	
EQUIPMENT	1,400	43,900	44,100	44,100	861,200	
ALL OTHER OPERATING	535,900	887,300	1,773,500	1,753,200	1,743,300	
P R O G R A M T O T A L	1,410,400	1,939,400	3,023,800	2,930,800	2,865,000	
BY FUND SOURCE						
OTHER FUNDS	1,410,400	1,939,400	3,023,800	2,930,800	2,865,000	
FEDERAL FUNDS	65,600	44,400	48,200	0	48,200	
OTHER NON APPROPRIATED	10,800	11,500	13,200	0	13,200	
PROGRAM TOTAL-ALL SOURCES	1,486,800	1,995,300	3,085,200	2,930,800	2,926,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
OTHER FUNDS	8,902,100	10,888,500	12,529,500	12,164,600	11,842,400	
FEDERAL FUNDS	690,000	822,000	842,400	0	842,400	
OTHER NON APPROPRIATED	85,600	88,000	92,400	0	92,400	
AGENCY TOTAL-ALL SOURCES	9,677,700	11,798,500	13,464,300	12,164,600	12,777,200	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $2,865,000 - a net increase of $925,600, or 47.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (27,100)
o ERE Rate Adjustments	14,800
o Rent	27,900
o General Inflation	9,500
o Travel Rate Adjustment	1,300

JLBC Staff Recommended Policy Issues

o Equipment - JLBC Staff and the Executive recommend $899,200 for the lease/purchase of an optical disk system to store and retrieve claims documents. This includes one FTE position at $54,800 to help maintain the new system as well as existing systems. Claims documents are accessed and utilized by all divisions.	899,200

Other Issues for Legislative Consideration

- Personnel Specialist - The Executive recommends one FTE Personnel Specialist at $31,000 to support various agency personnel functions. Legislative Staff analysis indicates that this position can be funded at this amount.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: CLAIMS

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	76.00	85.00	85.00	85.00	85.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,125,800	1,389,600	1,368,600	1,385,700	1,361,800	
EMPLOYEE RELATED EXP	256,400	384,900	544,700	416,000	389,400	
PROFESSIONAL/OUTSIDE SVC	465,500	630,300	630,500	630,500	630,500	
TRAVEL - IN STATE	2,000	4,900	5,300	5,300	5,200	
TRAVEL - OUT OF STATE	1,400	1,700	7,400	5,500	4,700	
OTHER OPERATING EXP	404,300	452,600	486,900	486,900	480,700	
EQUIPMENT	168,000	59,700	5,100	5,100	3,800	
ALL OTHER OPERATING	1,041,200	1,149,200	1,135,200	1,133,300	1,124,900	
P R O G R A M T O T A L	2,423,400	2,923,700	3,048,500	2,935,000	2,876,100	
BY FUND SOURCE						
OTHER FUNDS	2,423,400	2,923,700	3,048,500	2,935,000	2,876,100	
OTHER NON APPROPRIATED	74,800	76,500	79,200	0	79,200	
PROGRAM TOTAL-ALL SOURCES	2,498,200	3,000,200	3,127,700	2,935,000	2,955,300	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: CLAIMS

The JLBC Staff recommends a total appropriation of $2,876,100 -- a net decrease of $(47,600), or (1.6)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(55,900)
o Personal Services/ERE Adjustments, including a vacancy factor of 2.0% A vacancy factor of 1.5% was used by the Executive.		(35,700)
o ERE Rate Adjustment		12,400
o General Inflation		10,600
o All Other		300

JLBC Staff Recommended Policy Issues

o Operating Expenses - JLBC Staff recommends $20,700 for additional space, out-of-state travel, and other operating expenses. The Executive recommends $28,800 for these issues.	20,700

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATIVE LAW JUDGE

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	43.00	49.00	49.00	49.00	50.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,455,500	1,644,700	1,695,100	1,713,300	1,665,400	
EMPLOYEE RELATED EXP	249,900	346,000	482,800	408,400	349,900	
PROFESSIONAL/OUTSIDE SVC	640,700	810,300	864,200	864,200	842,700	
TRAVEL - IN STATE	10,000	11,500	12,500	12,500	12,200	
OTHER OPERATING EXP	304,900	312,100	316,800	315,000	316,800	
EQUIPMENT	16,500	50,300	24,600	18,100	20,600	
ALL OTHER OPERATING	972,100	1,184,200	1,218,100	1,209,800	1,192,300	
P R O G R A M T O T A L	2,677,500	3,174,900	3,396,000	3,331,500	3,207,600	
BY FUND SOURCE						
OTHER FUNDS	2,677,500	3,174,900	3,396,000	3,331,500	3,207,600	
PROGRAM TOTAL-ALL SOURCES	2,677,500	3,174,900	3,396,000	3,331,500	3,207,600	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATIVE LAW JUDGE

The JLBC Staff recommends a total appropriation of $3,207,600 -- a net increase of $32,700, or 1.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (39,000)
o ERE Rate Adjustments	(2,000)
o Professional & Outside Services Adjustments Increased costs for court reporters, expert witnesses, etc.	32,400
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive.	7,700
o All Other	3,600

JLBC Staff Recommended Policy Issues

o Clerical Staff - JLBC Staff recommends $30,000 funding for one FTE position, a Clerk Typist II, as well as additional equipment, to keep pace with the increased workload. The Executive recommends $23,800 for this issue for temporary clerical help and office equipment.	30,000

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LABOR
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	9.00	11.00	11.00	11.00	11.00	
OPERATING BUDGET						
PERSONAL SERVICES	179,900	219,400	218,800	226,200	219,400	
EMPLOYEE RELATED EXP	38,500	54,700	74,800	57,800	61,700	
PROFESSIONAL/OUTSIDE SVC	400	1,600	1,600	1,600	1,600	
TRAVEL - IN STATE	4,400	7,900	9,000	9,200	8,000	
TRAVEL - OUT OF STATE	400	1,400	3,500	2,100	1,400	
OTHER OPERATING EXP	48,400	50,100	58,400	50,900	50,700	
EQUIPMENT	0	7,800	22,700	0	0	
ALL OTHER OPERATING	53,600	68,800	95,200	63,800	61,700	
P R O G R A M T O T A L	272,000	342,900	388,800	347,800	342,800	
BY FUND SOURCE						
OTHER FUNDS	272,000	342,900	388,800	347,800	342,800	
PROGRAM TOTAL-ALL SOURCES	272,000	342,900	388,800	347,800	342,800	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LABOR

The JLBC Staff recommends a total appropriation of $342,800 -- a net decrease of $(100), or (0.03)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (7,800)
o ERE Rate Adjustments	7,000
o General Inflation	600
o All Other	100

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: SPECIAL FUND

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	13.00	14.00	14.00	14.00	14.00	
OPERATING BUDGET						
PERSONAL SERVICES	243,700	281,400	276,600	284,700	277,100	
EMPLOYEE RELATED EXP	49,700	70,500	98,800	75,800	71,900	
PROFESSIONAL/OUTSIDE SVC	11,400	19,100	16,700	16,700	16,700	
TRAVEL - IN STATE	4,100	3,900	4,700	4,700	4,700	
OTHER OPERATING EXP	43,200	43,800	52,100	52,100	52,100	
EQUIPMENT	200	8,600	1,600	1,600	1,600	
ALL OTHER OPERATING	58,900	75,400	75,100	75,100	75,100	
P R O G R A M T O T A L	352,300	427,300	450,500	435,600	424,100	
BY FUND SOURCE						
OTHER FUNDS	352,300	427,300	450,500	435,600	424,100	
PROGRAM TOTAL-ALL SOURCES	352,300	427,300	450,500	435,600	424,100	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: SPECIAL FUND

The JLBC Staff recommends a total appropriation of $424,100 -- a net decrease of $(3,200), or (0.8)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(7,000)
o Personal Services/ERE Adjustments		(2,900)
o General Inflation		800
o Rent and Other Rate Adjustments		700

JLBC Staff Recommended Policy Issues

o Space - JLBC Staff and the Executive recommend $5,200 for additional space to accommodate growing staff and files.	5,200

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: OCCUPATIONAL SFTY/HEALTH
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	36.00	36.00	36.00	36.00	36.00	
OPERATING BUDGET						
PERSONAL SERVICES	869,200	932,400	930,200	946,500	923,100	
EMPLOYEE RELATED EXP	198,200	226,300	300,500	252,400	233,300	
PROFESSIONAL/OUTSIDE SVC	1,000	61,400	52,200	52,200	52,200	
TRAVEL - IN STATE	43,700	86,500	96,100	96,100	96,100	
TRAVEL - OUT OF STATE	600	700	700	700	700	
OTHER OPERATING EXP	276,400	203,000	220,000	220,000	220,000	
EQUIPMENT	32,300	21,000	2,000	2,000	2,000	
ALL OTHER OPERATING	354,000	372,600	371,000	371,000	371,000	
P R O G R A M T O T A L	1,421,400	1,531,300	1,601,700	1,569,900	1,527,400	
BY FUND SOURCE						
OTHER FUNDS	1,421,400	1,531,300	1,601,700	1,569,900	1,527,400	
FEDERAL FUNDS	624,400	777,600	794,200	0	794,200	
PROGRAM TOTAL-ALL SOURCES	2,045,800	2,308,900	2,395,900	1,569,900	2,321,600	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: OCCUPATIONAL SAFETY & HEALTH

The JLBC Staff recommends a total appropriation of $1,527,400 -- a net decrease of $(3,900), or (0.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Replacement Equipment	$ (19,000)
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	(11,700)
	A vacancy factor of 1.0% was used by the Executive.	
o	Travel Rate Adjustments	9,500
o	ERE Rate Adjustments	9,400
o	Rent and Other Rate Adjustments	7,400
o	General Inflation	500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LEGAL COUNSEL

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	9.00	14.00	14.00	14.00	14.00	
OPERATING BUDGET						
PERSONAL SERVICES	236,300	371,400	369,400	381,700	371,400	
EMPLOYEE RELATED EXP	41,400	80,500	119,700	101,200	97,000	
PROFESSIONAL/OUTSIDE SVC	22,100	31,300	35,100	35,100	35,100	
TRAVEL - IN STATE	7,300	7,000	8,900	8,900	8,800	
TRAVEL - OUT OF STATE	900	500	500	500	500	
OTHER OPERATING EXP	35,200	40,300	76,800	76,800	76,800	
FOOD	1,900	0	0	0	0	
EQUIPMENT	0	18,000	9,800	9,800	9,800	
ALL OTHER OPERATING	67,400	97,100	131,100	131,100	131,000	
P R O G R A M T O T A L	345,100	549,000	620,200	614,000	599,400	
BY FUND SOURCE						
OTHER FUNDS	345,100	549,000	620,200	614,000	599,400	
PROGRAM TOTAL-ALL SOURCES	345,100	549,000	620,200	614,000	599,400	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LEGAL COUNSEL

The JLBC Staff recommends a total appropriation of $599,400 -- a net increase of $50,400, or 9.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(18,000)
o ERE Rate Adjustments		16,500
o General Inflation		2,300

JLBC Staff Recommended Policy Issues

o Space - JLBC Staff and the Executive recommend $49,600 for space costs related to the expansion of the Division, which includes travel and other operating expenses.	49,600

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT. OF INSURANCE
COST CENTER: DEPARTMENT OF INSURANCE
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	61.00	69.00	78.00	78.00	78.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,380,600	1,550,300	1,780,800	1,804,400	1,730,500	
EMPLOYEE RELATED EXP	259,900	345,300	504,900	441,900	399,000	
PROFESSIONAL/OUTSIDE SVC	23,700	19,300	25,800	25,800	23,200	
TRAVEL - IN STATE	6,400	10,200	11,200	11,200	11,100	
TRAVEL - OUT OF STATE	10,500	8,000	33,700	21,000	16,800	
OTHER OPERATING EXP	402,400	439,700	534,900	534,700	530,400	
EQUIPMENT	23,400	24,800	29,500	29,500	26,900	
ALL OTHER OPERATING	466,400	502,000	635,100	622,200	608,400	
OPERATING SUBTOTAL	2,106,900	2,397,600	2,920,800	2,868,500	2,737,900	
SPECIAL LINE ITEMS						
OFFICE RELOCATION	0	69,400	0	0	0	
SPECIAL ITEM SUBTOTAL	0	69,400	0	0	0	
P R O G R A M T O T A L	2,106,900	2,467,000	2,920,800	2,868,500	2,737,900	
BY FUND SOURCE						
GENERAL FUND	2,106,900	2,467,000	2,920,800	2,868,500	2,737,900	
OTHER NON APPROPRIATED	9,375,300	17,126,800	14,033,600	0	14,033,600	
PROGRAM TOTAL-ALL SOURCES	11,482,200	19,593,800	16,954,400	2,868,500	16,771,500	

DEPARTMENT: DEPARTMENT OF INSURANCE
COST CENTER: DEPARTMENT OF INSURANCE

The JLBC Staff recommends a total appropriation of $2,737,900 -- a net increase of $270,900, or 11.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	One-Time Moving Costs	$ (69,400)
o	Replacement Equipment	(9,200)
o	Risk Management Insurance	(8,700)
o	Computer System Costs	48,600
o	Commercial Lease Costs	18,900
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	30,900
o	ERE rate adjustments	12,200
o	General Inflation	6,300
o	All Other	4,300

JLBC Staff Recommended Policy Issues

o Investigators - JLBC Staff recommends $83,000 and three Investigator positions to process consumer complaints. Because the number of written complaints received by the Department increased by 16.2% from FY 1985 to FY 1988, it now takes investigators two to three weeks to initiate an investigation after receipt of a complaint. Without additional staff, the backlog of pending cases will continue to grow and the time it takes to resolve insurance problems will continue to increase. A.R.S. 20-167 requires the Department of Insurance to make annual adjustments to licensing fees so that the fee revenue deposited into the General Fund will be equal to the Department's appropriation. Thus, any increased appropriation for any policy issue will be offset by increased revenue. 83,000

The Executive recommends 9.0 FTE positions and $235,700 for four of the policy issues recommended by the JLBC Staff; Investigators, Insurance Analysts, Life and Disability Insurance Review and Business Office.

o Insurance Analysts - JLBC Staff recommends $61,000 and two Insurance Analyst positions for the Property and Casualty Section. Statutory changes and significant increases in rate and form filings have increased analysts' workload beyond current 61,000

staff capacity. The section is currently averaging a 102 day backlog. Without additional resources, the Department will fall further behind in reviewing filings, and inappropriate insurance rates and forms may be in effect during the delay.

- o Life and Disability Insurance Review - JLBC Staff recommends $46,400 and two clerical positions to process insurance filings. With current staff, the Department is unable to evaluate annual reports to ensure that companies are charging reasonable rates and paying appropriate claims. In addition, federal Medicare amendments will require over 100 companies to file new forms over the next several years. The two new positions will enable the Department to process the increasing workload, implement state statutes, and eliminate temporary clerical help. 46,400

- o Out-of-State Travel - JLBC Staff recommends an increase of $8,800 for a total Out-of-State Travel recommendation of $16,800. The majority of the travel requested and recommended involves the National Association of Insurance Commissioners (NAIC). This association coordinates insurance regulation among the 50 states including exploring insurance-related policy issues, promulgating model rules and statutes, and sharing information on insurance companies that are at risk of becoming insolvent. The NAIC holds two national meetings each year, two regional meetings, and various committee meetings. Without attendance at these working sessions, the Arizona Department of Insurance would lose valuable information as well as the chance to contribute to changes in insurance regulation across the nation. Other Out-of-State trips in the staff recommendation include meetings and training seminars of the Society of Financial Examiners, a fraud investigation training seminar, and a meeting of health maintenance organization regulators. The Executive recommends an increase of $13,000 for Out-of-State Travel. 8,800

- o Business Office - JLBC Staff recommends $37,800, an Accounting Clerk III position, and a Stores Clerk I. As the number of insurance companies, the number of submitted filings, and the number of regulatory duties have increased, the amount of incoming and outgoing mail has grown accordingly. The current Stores Clerk cannot handle the increased mail in addition to his other duties as courier and supply clerk. The accounting responsibilities of the Department have also increased with the eight new positions added this year and with the growth in the number of transactions. The Department handles the accounting for $100 million in insurance premium taxes, $3 million in fees and fines collected, and $2 million in special, non-appropriated funds. The addition of these two positions will improve the support functions of the Department and enhance the overall productivity of the office. 37,800

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF LIQUOR LICENSES
COST CENTER: DEPT OF LIQUOR LICENSES

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	60.50	59.00	99.00	66.00	60.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,179,500	1,266,500	2,042,900	1,426,800	1,213,600	
EMPLOYEE RELATED EXP	249,200	302,800	571,600	386,200	312,200	
PROFESSIONAL/OUTSIDE SVC	82,800	53,400	130,400	83,100	86,400	
TRAVEL - IN STATE	92,300	105,800	321,600	168,100	124,900	
TRAVEL - OUT OF STATE	1,700	7,000	15,100	7,000	4,200	
OTHER OPERATING EXP	397,000	374,000	516,300	387,100	400,900	
EQUIPMENT	20,000	43,200	732,100	122,400	31,700	
ALL OTHER OPERATING	593,800	583,400	1,715,500	767,700	648,100	
P R O G R A M T O T A L	2,022,500	2,152,700	4,330,000	2,580,700	2,173,900	
BY FUND SOURCE						
GENERAL FUND	2,022,500	2,152,700	4,330,000	2,580,700	2,173,900	
PROGRAM TOTAL-ALL SOURCES	2,022,500	2,152,700	4,330,000	2,580,700	2,173,900	

DEPARTMENT: DEPT. OF LIQUOR LICENSES
COST CENTER: DEPT. OF LIQUOR LICENSES

The JLBC Staff recommends a total appropriation of $2,173,900 -- a net increase of $21,200, or 1.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Telephone Expense Adjustment	$ (18,500)
o	Replacement Equipment The Executive recommends an additional $27,400.	(11,500)
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0% The Executive recommends a 2.0% vacancy factor.	100
o	ERE Rate Adjustments	23,000
o	Professional and Outside Services Adjustment Legal costs for hearings required by statute. The Executive addresses these costs in its policy issues.	31,000
o	Travel Rate Adjustment This includes motor pool charges for vehicle replacing agency-owned car. The Executive recommends an additional $23,900.	29,200
o	General Inflation	5,400
o	All Other	3,200

JLBC Staff Recommended Policy Issues

o	Staff Reduction - By eliminating two FTE positions of Investigative Supervisor I, a savings can be achieved of $53,000 in Personal Services and $13,600 in Employee Related Expenditures.	(66,600)
o	In-State Travel - By rescinding the agency's right to utilize its vehicles for travel between domicile and duty stations, a savings may be achieved of $11,000.	(11,000)
o	Out-of-State Travel - Eliminating the trip for 2 staff to the Western Regional Liquor Administrators Conference in New Orleans, as well as implementing cost efficiencies, will result in a savings of $3,100.	(3,100)
o	Microfilm System - JLBC staff recommends $40,000 to purchase microfilming equipment and to contract for filming current license files. The recent Auditor General's Performance Audit identified numerous problems involving missing files	40,000

and documents and security risks to the original paper files. The audit recommends establishing a microfilm system to preserve the integrity of the license files. Without this funding, staff and the public will continue to use the irreplaceable files, risking loss of information crucial to future licensing actions. The Executive recommends $65,000 for funding this issue.

Other Issues for Legislative Consideration

- o In-State Travel - An additional savings of approximately $10,000 can be achieved by reducing the agency's in-state mileage.

- o Legal Resources - The Executive recommends $105,000 and three FTE positions to process the Department's legal caseload. JLBC Staff addressed this issue by adding $31,000 to the baseline budget to cover these costs.

- o Title IV Training Manuals - The Executive recommends $10,000 for the printing of training manuals. Statutes require that the Department provide Title IV enforcement training to local law enforcement agencies. The agency intends to provide these manuals of liquor license applicants prior to licensure.

- o Investigative Resources - The Executive recommends $132,000 and four FTE positions (two Investigative Auditors, one Clerk Typist, and one Investigative Supervisor) to enhance the Department's investigative capability. The Auditors are recommended in order to improve compliance with liquor license laws by identifying active restaurant licensees who should actually hold bar licenses. With the Department's reorganization and the current organization in Flagstaff and Tucson, additional resources are not crucial to effective investigatory operations.

- o Investigator Equipment - The Department requests $24,000 to purchase investigative/support equipment for current staff, including 23 guns. Currently investigators are required to provide and carry their own weapons which must be approved for use by Department management. Funding of this request would better equip investigators for overt and covert operations and lead to a greater focus on investigations while placing less emphasis on routine license inspections, administrative cases, and training of local law enforcement.

- o Automation Improvement - The Department requests $50,000 for computer programming services and software to fully implement an automation system. The Auditor General's 1988 Performance Audit report notes deficiencies in the availability and accuracy of information and statistics. While additional computer funding may facilitate the storage and retrieval of information and improve staff efficiency, it would also require a strong management commitment to establish and control consistent data reporting procedures.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	108.20	108.20	108.20	108.20	108.20	
BY PROGRAM/ORGANIZATION						
ADMINISTRATIVE SERVICES	619,600	596,200	925,500	615,400	600,500	
ANIMAL DISEASE CONTROL	127,700	168,800	189,500	184,300	154,900	
LIVESTOCK INSPECTION	1,962,800	2,095,500	2,514,200	2,390,200	2,252,000	
MEAT & POULTRY INSPECTION	787,800	893,400	955,200	923,900	889,500	
A G E N C Y T O T A L	3,497,900	3,753,900	4,584,400	4,113,800	3,896,900	
OPERATING BUDGET						
PERSONAL SERVICES	2,299,200	2,445,500	2,531,100	2,584,000	2,424,300	
EMPLOYEE RELATED EXP	513,900	642,800	862,500	718,500	627,200	
PROFESSIONAL/OUTSIDE SVC	55,400	49,000	44,100	44,100	44,100	
TRAVEL - IN STATE	268,800	266,600	364,500	364,500	364,100	
TRAVEL - OUT OF STATE	3,500	6,000	5,600	5,600	5,600	
OTHER OPERATING EXP	237,800	247,700	278,900	191,500	193,900	
EQUIPMENT	44,300	21,300	162,700	130,600	162,700	
ALL OTHER OPERATING	609,800	590,600	855,800	736,300	770,400	
OPERATING SUBTOTAL	3,422,900	3,678,900	4,249,400	4,038,800	3,821,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
PREDATOR CONTROL	75,000	75,000	335,000	75,000	75,000	
SPECIAL ITEM SUBTOTAL	75,000	75,000	335,000	75,000	75,000	
A G E N C Y T O T A L	3,497,900	3,753,900	4,584,400	4,113,800	3,896,900	
BY FUND SOURCE						
GENERAL FUND	3,497,900	3,753,900	4,584,400	4,113,800	3,896,900	
OTHER NON APPROPRIATED	79,300	37,000	33,000	0	33,000	
AGENCY TOTAL-ALL SOURCES	3,577,200	3,790,900	4,617,400	4,113,800	3,929,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: ADMINISTRATIVE SERVICES
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	17.50	17.50	17.50	17.50	17.50	
OPERATING BUDGET						
PERSONAL SERVICES	339,100	348,600	348,200	357,800	348,600	
EMPLOYEE RELATED EXP	66,200	84,700	100,100	90,500	86,000	
PROFESSIONAL/OUTSIDE SVC	53,100	36,000	37,100	37,100	37,100	
TRAVEL - IN STATE	3,500	5,600	6,100	6,100	5,700	
TRAVEL - OUT OF STATE	1,000	1,800	1,500	1,500	1,500	
OTHER OPERATING EXP	81,300	44,500	93,900	43,800	43,000	
EQUIPMENT	400	0	3,600	3,600	3,600	
ALL OTHER OPERATING	139,300	87,900	142,200	92,100	90,900	
OPERATING SUBTOTAL	544,600	521,200	590,500	540,400	525,500	
SPECIAL LINE ITEMS						
PREDATOR CONTROL	75,000	75,000	335,000	75,000	75,000	
SPECIAL ITEM SUBTOTAL	75,000	75,000	335,000	75,000	75,000	
P R O G R A M T O T A L	619,600	596,200	925,500	615,400	600,500	
BY FUND SOURCE						
GENERAL FUND	619,600	596,200	925,500	615,400	600,500	
OTHER NON APPROPRIATED	79,300	37,000	33,000	0	33,000	
PROGRAM TOTAL-ALL SOURCES	698,900	633,200	958,500	615,400	633,500	

DEPARTMENT: LIVESTOCK BOARD
COST CENTER: ADMINISTRATIVE SERVICES

The JLBC Staff recommends a total appropriation of $600,500 -- a net increase of $4,300, or 0.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	**Risk Management Insurance**	$ (2,800)
o	Base Adjustment, Out-of-State Travel	(300)
o	ERE Rate Adjustments	1,300
o	Replacement Equipment	3,600
o	Travel Rate Adjustments	100
o	General Inflation	2,400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Items for Legislative Consideration

- o Department of Agriculture - The Arizona Cost Efficiency Commission Report (ACEC) estimated that a savings of $570,645 could be achieved by consolidating the Livestock Board within a unified Department of Agriculture such as the one proposed in H.B. 2090. ACEC's study proposed that the new agency would combine the activities of the Commission of Agriculture and Horticulture, Office of the Dairy Commissioner, the Egg Inspection Board, the Livestock Board, and the Structural Pest Control Board. Arizona is one of only three states nationwide which does not have a unified agency handling all of these responsibilities. Maintaining a single agricultural entity would be less confusing for the general public and can result in greater cost-efficiencies. Some industry members have objected to the consolidation plan because they were dissatisfied with their level of representation on the proposed Agriculture Board. These concerns could probably be addressed in the legislation which creates the consolidated Department of Agriculture. JLBC Staff believes that the savings estimated by ACEC may be overstated, but that efficiencies could be achieved.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: ANIMAL DISEASE CONTROL

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	79,600	113,200	115,700	118,800	97,000	
EMPLOYEE RELATED EXP	17,000	27,200	33,500	33,900	26,300	
TRAVEL - IN STATE	10,000	13,500	17,000	17,000	17,000	
TRAVEL - OUT OF STATE	600	1,200	1,200	1,200	1,200	
OTHER OPERATING EXP	20,400	13,700	22,100	13,400	13,400	
EQUIPMENT	100	0	0	0	0	
ALL OTHER OPERATING	31,100	28,400	40,300	31,600	31,600	
P R O G R A M T O T A L	127,700	168,800	189,500	184,300	154,900	
BY FUND SOURCE						
GENERAL FUND	127,700	168,800	189,500	184,300	154,900	
PROGRAM TOTAL-ALL SOURCES	127,700	168,800	189,500	184,300	154,900	

DEPARTMENT: LIVESTOCK BOARD
COST CENTER: ANIMAL DISEASE CONTROL

The JLBC Staff recommends a total appropriation of $154,900 -- a net decrease of $(13,900), or (8.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Risk Management Insurance	$ (700)
o	ERE Rate Adjustments	3,500
o	Travel Rate Adjustments	3,500
o	General Inflation	400

JLBC Staff Recommended Policy Issues

o	Veterinarian III - The Livestock Board maintains a vacant position in Animal Disease Control, which is used when an outbreak of livestock disease occurs. Elimination of one-half of the funding for this position should not impair agency services unless a severe outbreak of disease occurs.	(20,600)

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: LIVESTOCK INSPECTION

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	61.00	61.00	61.00	61.00	61.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,310,400	1,362,200	1,447,500	1,470,700	1,363,400	
EMPLOYEE RELATED EXP	312,200	370,800	534,700	435,800	370,300	
PROFESSIONAL/OUTSIDE SVC	600	0	0	0	0	
TRAVEL - IN STATE	189,900	186,500	269,000	269,000	269,000	
TRAVEL - OUT OF STATE	1,400	1,800	1,700	1,700	1,700	
OTHER OPERATING EXP	104,500	152,900	122,000	105,800	108,300	
EQUIPMENT	43,800	21,300	139,300	107,200	139,300	
ALL OTHER OPERATING	340,200	362,500	532,000	483,700	518,300	
P R O G R A M T O T A L	1,962,800	2,095,500	2,514,200	2,390,200	2,252,000	
BY FUND SOURCE						
GENERAL FUND	1,962,800	2,095,500	2,514,200	2,390,200	2,252,000	
PROGRAM TOTAL-ALL SOURCES	1,962,800	2,095,500	2,514,200	2,390,200	2,252,000	

DEPARTMENT: LIVESTOCK BOARD
COST CENTER: LIVESTOCK INSPECTION

The JLBC Staff recommends a total appropriation of $2,252,000 -- a net increase of $156,500, or 7.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Premium	$	(20,300)
o ERE Rate Change		(900)
o Base adjustment in Out-of-State Travel		(100)
o Personal Services/ERE Adjustments, including a vacancy factor of 6.0% The Executive used a vacancy factor of 1.5%.		1,600
o Travel Rate Adjustments		81,800
o Thirteen replacement vehicles (includes reduction for vehicle maintenance, fuel, and supplies)		91,000
o General Inflation		3,400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: ARIZONA LIVESTOCK BOARD
COST CENTER: MEAT & POULTRY INSPECTION
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	25.70	25.70	25.70	25.70	25.70	
OPERATING BUDGET						
PERSONAL SERVICES	570,100	621,500	619,700	636,700	615,300	
EMPLOYEE RELATED EXP	118,500	160,100	194,200	158,300	144,600	
PROFESSIONAL/OUTSIDE SVC	1,700	13,000	7,000	7,000	7,000	
TRAVEL - IN STATE	65,400	61,000	72,400	72,400	72,400	
TRAVEL - OUT OF STATE	500	1,200	1,200	1,200	1,200	
OTHER OPERATING EXP	31,600	36,600	40,900	28,500	29,200	
EQUIPMENT	0	0	19,800	19,800	19,800	
ALL OTHER OPERATING	99,200	111,800	141,300	128,900	129,600	
P R O G R A M T O T A L	787,800	893,400	955,200	923,900	889,500	
BY FUND SOURCE						
GENERAL FUND	787,800	893,400	955,200	923,900	889,500	
PROGRAM TOTAL-ALL SOURCES	787,800	893,400	955,200	923,900	889,500	

DEPARTMENT: LIVESTOCK BOARD
COST CENTER: MEAT & POULTRY INSPECTION

The JLBC Staff recommends a total appropriation of $889,500 -- a net decrease of $(3,900), or (0.4)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0% The Executive did not use a vacancy factor.	$ (7,700)
o	ERE Rate Change	(14,000)
o	Off-year for biennial USDA compliance audit	(6,000)
o	Risk Management Insurance	(4,600)
o	Travel Rate Adjustments	10,800
o	General Inflation	1,200
o	Two replacement vehicles (includes reduction for vehicle maintenance, fuel, and supplies)	16,400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Items for Legislative Consideration

- o Elimination of the State Meat and Poultry Inspection Program - An alternative to cutting the program's budget and jeopardizing its federal funding is to eliminate the program and transfer the responsibility of inspecting Arizona's meat and poultry processing plants to the federal government. As of June 1988, 22 states had USDA meat inspection programs. USDA currently inspects Arizona meat processing plants which are engaged in interstate commerce. The State would save approximately $445,000 (half of the cost of the program) in the first year and an equivalent amount every year thereafter. However, federal standards for building construction are more stringent than those required by the State. Thus, some meat processors may be forced to make costly building renovations or go out of business. In addition, some states that have eliminated their programs report that federal inspectors appear to be less responsive to individual needs than were the state inspectors.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE MINE INSPECTOR
COST CENTER: STATE MINE INSPECTOR
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	16.00	16.00	16.00	16.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	428,500	448,100	448,100	462,000	412,200	
EMPLOYEE RELATED EXP	85,400	104,100	143,900	118,500	100,500	
TRAVEL - IN STATE	63,100	61,700	71,300	71,300	71,300	
TRAVEL - OUT OF STATE	2,200	1,800	1,400	1,400	1,400	
OTHER OPERATING EXP	105,000	94,600	116,900	110,400	97,100	
EQUIPMENT	27,500	2,200	0	0	0	
ALL OTHER OPERATING	197,800	160,300	189,600	183,100	169,800	
OPERATING SUBTOTAL	711,700	712,500	781,600	763,600	682,500	
SPECIAL LINE ITEMS						
MINE SAFETY PROGRAM	38,800	38,800	38,800	38,800	38,800	
SPECIAL ITEM SUBTOTAL	38,800	38,800	38,800	38,800	38,800	
P R O G R A M T O T A L	750,500	751,300	820,400	802,400	721,300	
BY FUND SOURCE						
GENERAL FUND	750,500	751,300	820,400	802,400	721,300	
FEDERAL FUNDS	94,700	82,500	140,000	140,000	140,000	
PROGRAM TOTAL-ALL SOURCES	845,200	833,800	960,400	942,400	861,300	

DEPARTMENT: STATE MINE INSPECTOR
COST CENTER: STATE MINE INSPECTOR

The JLBC Staff recommends a total appropriation of $721,300 -- a net decrease of $(30,000), or (4.0)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (4,700)
o Replacement Equipment	(2,200)
o Out-of-State Travel	(400)
o Personal Services/ERE Adjustments	1,200
o ERE Rate Adjustment	4,000
o Travel Rate Adjustment	9,600
o General Inflation	700

JLBC Staff Recommended Policy Issues

- o Staff Reduction - JLBC Staff recommends the elimination of the position of Program and Project Specialist which would result in a savings of $35,900 in Personal Services and $8,800 in Employee Related Expenditures. This position will be vacant as of January 30, 1989 and the Assistant Mine Inspector is assuming its primary duties and responsibilities, foregoing further need for this position. (44,700)

- o Operating Expenses - JLBC Staff recommends $6,500 for other operating expenses, such as field supplies, repairs/maintenance, etc. 6,500

Other Issues for Legislative Consideration

- o Discontinuation - The Arizona Cost Efficiency Commission Report (ACEC) recommended discontinuing the State Mine Inspection Program in favor of the existing federal program. The Office of the Mine Inspector was established by Article XIX of the Arizona Constitution. Thus, abolishing the program would require a Constitutional amendment.

- o Inspection Fees - The ACEC recommended that an alternative to discontinuing the State Mine Inspection Program would be to collect fees for mining operation and health/safety inspections. This report estimated that by charging a fee of $120 per inspection the State could generate approximately $300,000 in revenues. Legislative

Staff analysis indicates that this estimate reflects $96,000 for inspections of mining operations and $204,000 for health and safety inspections.

- Operating Expenses - The Executive recommends $21,200 to allow the agency to be funded at the FY 1988 expenditure level for operating costs. This includes $400 for additional out-of-state travel and $20,800 for other operating expenses, such as printing, repairs/maintenance, supplies, etc.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OCCUP SFTY & HLTH REV BD
COST CENTER: OCCUP SFTY & HLTH REV BD

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	200	1,500	0	0	0	
EMPLOYEE RELATED EXP	0	100	0	0	0	
PROFESSIONAL/OUTSIDE SVC	400	1,300	0	0	0	
TRAVEL - IN STATE	0	300	0	0	0	
OTHER OPERATING EXP	0	100	0	0	0	
ALL OTHER OPERATING	400	1,700	0	0	0	
P R O G R A M T O T A L	600	3,300	0	0	0	
BY FUND SOURCE						
GENERAL FUND	600	3,300	0	0	0	
PROGRAM TOTAL-ALL SOURCES	600	3,300	0	0	0	

DEPARTMENT: OCCUP. SFTY & HEALTH REV. BD.
COST CENTER: OCCUP. SFTY & HEALTH REV. BD.

The JLBC Staff recommends no appropriation -- a decrease of $(3,300) to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(1,600)
o All Other		(1,700)

JLBC Staff Recommended Policy Issues

- o Use of Non-Reverting Balances - JLBC Staff and the Executive recommend that non-reverting balances from prior years be used to cover the FY 1990 budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	68.70	54.90	62.30	59.70	59.70	
BY PROGRAM/ORGANIZATION						
COMMERCIAL RACING	1,802,800	2,133,100	2,649,700	2,429,700	2,336,600	
COUNTY FAIR RACING	263,500	302,000	341,000	329,600	320,800	
ARIZONA RACING INDUSTRY	13,700	15,300	36,900	23,500	24,600	
A G E N C Y T O T A L	2,080,000	2,450,400	3,027,600	2,782,800	2,682,000	
OPERATING BUDGET						
PERSONAL SERVICES	1,158,000	1,369,500	1,540,700	1,486,700	1,425,200	
EMPLOYEE RELATED EXP	211,700	284,400	519,900	361,700	354,500	
PROFESSIONAL/OUTSIDE SVC	424,100	441,200	541,700	529,200	500,900	
TRAVEL - IN STATE	110,000	132,200	158,200	146,300	149,100	
TRAVEL - OUT OF STATE	5,800	7,900	10,000	10,000	8,200	
OTHER OPERATING EXP	149,100	213,800	251,300	243,400	242,600	
EQUIPMENT	21,300	1,400	5,800	5,500	1,500	
ALL OTHER OPERATING	710,300	796,500	967,000	934,400	902,300	
A G E N C Y T O T A L	2,080,000	2,450,400	3,027,600	2,782,800	2,682,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,816,500	2,148,400	2,686,600	2,453,200	2,361,200	
OTHER FUNDS	263,500	302,000	341,000	329,600	320,800	
OTHER NON APPROPRIATED	2,622,300	2,244,200	2,064,700	0	2,064,700	
AGENCY TOTAL-ALL SOURCES	4,702,300	4,694,600	5,092,300	2,782,800	4,746,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COMMERCIAL RACING

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	61.80	48.00	54.60	52.80	52.80	
OPERATING BUDGET						
PERSONAL SERVICES	1,017,200	1,211,700	1,371,800	1,324,600	1,267,400	
EMPLOYEE RELATED EXP	191,500	248,700	467,800	317,700	311,900	
PROFESSIONAL/OUTSIDE SVC	396,900	420,200	517,400	504,900	479,100	
TRAVEL - IN STATE	42,000	49,400	55,700	53,700	53,700	
TRAVEL - OUT OF STATE	3,500	4,400	5,300	5,300	4,600	
OTHER OPERATING EXP	134,100	197,300	226,600	218,400	218,400	
EQUIPMENT	17,600	1,400	5,100	5,100	1,500	
ALL OTHER OPERATING	594,100	672,700	810,100	787,400	757,300	
P R O G R A M T O T A L	1,802,800	2,133,100	2,649,700	2,429,700	2,336,600	
BY FUND SOURCE						
GENERAL FUND	1,802,800	2,133,100	2,649,700	2,429,700	2,336,600	
OTHER NON APPROPRIATED	1,515,300	1,245,600	1,074,000	0	1,074,000	
PROGRAM TOTAL-ALL SOURCES	3,318,100	3,378,700	3,723,700	2,429,700	3,410,600	

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COMMERCIAL RACING

The JLBC Staff recommends a total appropriation of $2,336,600 -- a net increase of $203,500, or 9.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 5.0% A vacancy factor of 2.0% was used by the Executive.	$ (57,700)
o	Commercial Rent	(8,200)
o	NASRIS Fees	(1,400)
o	Automation of License Receipts	(900)
o	Laboratory Fees--Drug Testing	29,100
o	Risk Management Insurance	27,100
o	ERE Rate Adjustments	50,900
o	Travel Rate Adjustments	3,100
o	General Inflation	4,500
o	Replacement Equipment	100

JLBC Staff Recommended Policy Issues

- o Additional Race Days at Rillito Downs - JLBC Staff recommends 4.8 FTE positions and $156,900 to regulate 105 additional race days at Rillito Downs in Tucson. After completing renovations, the track reopened last spring and will run 45 commercial race days this year. If funding is granted, Rillito Downs will hold a 150-day meet during FY 90. JLBC Staff analysis indicates that the State's share of parimutuel revenue for the 105 additional days, approximately $384,300, would exceed the cost of regulating the meet. JLBC Staff further recommends that a proportionate amount of the appropriation revert to the General Fund if fewer than 105 additional race days are conducted. The Executive recommends $166,300 for this policy issue. — 156,900

Other Items for Legislative Consideration

- o Purchase of Computers - The Governor recommends $2,100 to purchase three computers. The Department currently rents two computers at a cost of $1,440 per year. The third computer is intended to replace a microfiche unit which cannot provide up-to-date information and is time-consuming to use. The computers allow the Department

to check an applicant against a national database for possible violations and felonies before issuing an Arizona racing license. Because the rented computers will no longer be needed, JLBC Staff analysis indicates that sufficient funds are available in the current budget to finance this purchase.

- Lateral Files - The Governor recommends $1,500 to purchase three lateral files. The files would contain information pertaining to each licensee, and were requested to accommodate anticipated growth.

- Increased Vacancy Savings - An increase in the vacancy factor from 5% to 7.5% would result in an additional savings of $38,200. The program has averaged 25.3% in unused Personal Services funds over the last four years. Cutbacks in personnel were enacted in the FY 89 budget to reduce the program's unused Personal Services funds. As a result of a 7.5% vacancy factor, the Chief Veterinarian will probably continue to serve as both Deputy Director and Chief Veterinarian, a number of track officials will do double-duty in two positions, and vacant positions will go unfilled. This may cause a shortage of personnel when the licensing cycle begins.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COUNTY FAIR RACING

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	6.90	6.90	6.90	6.90	6.90	
OPERATING BUDGET						
PERSONAL SERVICES	140,800	157,800	157,800	162,100	157,800	
EMPLOYEE RELATED EXP	20,200	35,700	49,900	44,000	42,600	
PROFESSIONAL/OUTSIDE SVC	25,400	18,100	21,300	21,300	18,800	
TRAVEL - IN STATE	67,000	80,600	94,900	85,100	85,100	
OTHER OPERATING EXP	6,400	9,800	16,400	16,700	16,500	
EQUIPMENT	3,700	0	700	400	0	
ALL OTHER OPERATING	102,500	108,500	133,300	123,500	120,400	
P R O G R A M T O T A L	263,500	302,000	341,000	329,600	320,800	
BY FUND SOURCE						
OTHER FUNDS	263,500	302,000	341,000	329,600	320,800	
OTHER NON APPROPRIATED	1,107,000	998,600	990,700	0	990,700	
PROGRAM TOTAL-ALL SOURCES	1,370,500	1,300,600	1,331,700	329,600	1,311,500	

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COUNTY FAIR RACING

The JLBC Staff recommends a total appropriation of $320,800 -- a net increase of $18,800, or 6.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	6,900
o Travel Rate Adjustments		2,000
o Risk Management		5,300
o General Inflation		3,400

JLBC Staff Recommended Policy Issues

o Trailer Maintenance and Repair - JLBC Staff and the Executive recommend $1,200 to perform maintenance and purchase replacement parts for the trailer which serves as a mobile office and storage facility on the County Fair circuit. For safety reasons, use of the trailer must be discontinued if maintenance and repair work cannot be performed.	1,200

Other Items for Legislative Consideration

- Purchase of a Computer - The Governor recommends $700 to purchase a computer, which will allow licensing officials access to the most current information in NASRC's records. Currently, the Department is using a microfiche unit at a cost of approximately $600 per year. Because the microfiche unit will no longer be needed if the computer is purchased, JLBC Staff analysis indicates that sufficient funds exist in the current budget to finance this purchase.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: ARIZONA RACING INDUSTRY
JLBC ANALYST: HERNANDEZ
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	.80	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	0	11,100	0	0	
EMPLOYEE RELATED EXP	0	0	2,200	0	0	
PROFESSIONAL/OUTSIDE SVC	1,800	2,900	3,000	3,000	3,000	
TRAVEL - IN STATE	1,000	2,200	7,600	7,500	10,300	
TRAVEL - OUT OF STATE	2,300	3,500	4,700	4,700	3,600	
OTHER OPERATING EXP	8,600	6,700	8,300	8,300	7,700	
ALL OTHER OPERATING	13,700	15,300	23,600	23,500	24,600	
P R O G R A M T O T A L	13,700	15,300	36,900	23,500	24,600	
BY FUND SOURCE						
GENERAL FUND	13,700	15,300	36,900	23,500	24,600	
PROGRAM TOTAL-ALL SOURCES	13,700	15,300	36,900	23,500	24,600	

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: ARIZONA RACING INDUSTRY

The JLBC Staff recommends a total appropriation of $24,600 -- a net increase of $9,300, or 60.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Travel Rate Adjustments	$	900
o General Inflation		500
o Dues to Association of Racing Commissioners International		700

JLBC Staff Recommended Policy Issues

o Association of Racing Commissioners International and University of Arizona Symposium - JLBC Staff and the Executive recommend $7,200 to allow the Racing Commissioners to attend the 1990 ARCI conference (to be held in Arizona) and the annual University of Arizona Symposium on Racing.		7,200

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	29.00	28.00	37.00	29.00	28.00	
BY PROGRAM/ORGANIZATION						
RAD EVALUATION/COMPLIANCE	1,176,200	1,316,400	1,889,000	1,404,000	1,321,100	
MED RADIOLOGIC TECH BD	76,600	99,000	93,000	92,300	90,400	
A G E N C Y T O T A L	1,252,800	1,415,400	1,982,000	1,496,300	1,411,500	
OPERATING BUDGET						
PERSONAL SERVICES	817,400	852,800	1,067,600	908,200	850,200	
EMPLOYEE RELATED EXP	159,800	194,700	333,000	255,800	224,800	
PROFESSIONAL/OUTSIDE SVC	6,700	24,900	30,700	24,900	25,700	
TRAVEL - IN STATE	29,000	35,100	51,100	41,700	37,500	
TRAVEL - OUT OF STATE	3,900	7,800	20,900	7,800	8,200	
OTHER OPERATING EXP	189,200	202,000	272,900	207,200	206,600	
EQUIPMENT	46,800	98,100	205,800	50,700	58,500	
ALL OTHER OPERATING	275,600	367,900	581,400	332,300	336,500	
A G E N C Y T O T A L	1,252,800	1,415,400	1,982,000	1,496,300	1,411,500	
BY FUND SOURCE						
GENERAL FUND	1,176,200	1,316,400	1,889,000	1,404,000	1,321,100	
OTHER FUNDS	76,600	99,000	93,000	92,300	90,400	
FEDERAL FUNDS	100	40,600	37,200	0	37,200	
AGENCY TOTAL-ALL SOURCES	1,252,900	1,456,000	2,019,200	1,496,300	1,448,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: RAD EVALUATION/COMPLIANCE

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	27.00	26.00	35.00	27.00	26.00	
OPERATING BUDGET						
PERSONAL SERVICES	764,700	798,200	1,016,500	855,600	799,100	
EMPLOYEE RELATED EXP	148,200	180,700	314,300	238,700	208,900	
PROFESSIONAL/OUTSIDE SVC	5,700	21,200	27,000	21,200	22,000	
TRAVEL - IN STATE	27,000	32,500	48,300	38,900	34,700	
TRAVEL - OUT OF STATE	3,500	6,000	18,500	6,000	6,300	
OTHER OPERATING EXP	180,800	187,800	258,600	192,900	191,600	
EQUIPMENT	46,300	90,000	205,800	50,700	58,500	
ALL OTHER OPERATING	263,300	337,500	558,200	309,700	313,100	
P R O G R A M T O T A L	1,176,200	1,316,400	1,889,000	1,404,000	1,321,100	
BY FUND SOURCE						
GENERAL FUND	1,176,200	1,316,400	1,889,000	1,404,000	1,321,100	
FEDERAL FUNDS	100	40,600	37,200	0	37,200	
PROGRAM TOTAL-ALL SOURCES	1,176,300	1,357,000	1,926,200	1,404,000	1,358,300	

DEPARTMENT: RADIATION REGULATORY AGENCY
COST CENTER: RADIATION EVALUATION/COMPLIANCE

The JLBC Staff recommends a total appropriation of $1,321,100 -- a net increase of $4,700, or 0.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (31,500)
The Executive recommends a reduction of $39,300.	
o ERE Rate Adjustments	27,900
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	1,200
o General Inflation and All Other	7,100

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Reduce Hearing Contingency Funds - As an alternative to reduce the agency's appropriation, the funding available for administrative hearings could be reduced by $10,000. This would leave $6,000 for hearings, which would have been sufficient for each of the past two fiscal years. Hearings are held for those accused of violating agency rules and regulations, if the accused so desires.

- Reduce Replacement Equipment Funding - Another alternative to reduce the agency's appropriation would be to fund $10,000 less in replacement equipment. The result would be that items necessary for laboratory operations, including rate meters, dosimeters, and air sampler units, would not be purchased.

- Vacancy Savings - Another alternative for an appropriation reduction would be to impose a higher vacancy rate of 4% on the agency. This would save $27,000. The result would be that one or more vacant positions would be kept open for most of the fiscal year, causing less enforcement of agency statutes.

- Nonionizing Radiation Program - The Executive recommends that the agency establish a new formal registration and safety inspection program for laser and microwave devices, and charge for a new category of license fees to support the program. The Executive recommendation calls for $47,100 and one new FTE position. At the present time the agency receives about five requests per month for inspections of microwave and laser devices, and these are handled by current staff.

OCCUPATIONAL AND LICENSING AGENCIES
Summary of Receipts, Recommendations and Balance Forward
Fiscal Year 1990

Agency/Board	Balance Forward FY 1990	Receipts	JLBC Staff Recommendation	Balance Forward FY 1991
Accountancy	574,800	1,316,100	652,600	1,238,300
Barber	163,900	146,300	133,500	176,700
Boxing	3,200	5,400	6,100	2,500
Chiropractic	113,100	142,500	187,200	68,400
Cosmetology	653,800	529,400	538,400	644,800
Dental	293,700	424,800	396,400	322,100
Dispensing Opticians	4,700	51,200	52,400	3,500
Egg Inspection	74,100	232,800	191,400	115,500
Funeral Directors and Embalmers	70,500	110,500	145,400	35,600
Homeopath	26,800	16,200	8,400	34,600
Medical Examiner	1,084,600	1,945,700	1,937,100	1,093,200
Naturopath	2,600	29,900	27,900	4,600
Nursing	699,800	400,200	929,000	171,000
Nursing Care Institution Admin.	21,200	86,400	61,600	46,000
Optometry	19,000	136,600	99,800	55,800
Osteopaths	285,200	50,400	212,600	123,000
Pharmacy	102,500	664,600	604,300	162,800
Physical Therapy	64,900	25,000	64,300	25,600
Podiatry	24,300	54,800	42,300	36,800
Private Postsecondary Education	74,000	147,600	124,100	97,500
Psychologist	205,500	45,200	124,700	126,000
Structural Pest Control	218,300	1,220,000	970,300	468,000
Technical Registration	310,600	811,100	713,500	408,200
Veterinary Medical Examiners	156,100	56,700	145,400	67,400
TOTALS	5,247,200	8,649,400	8,368,700	5,527,900

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF ACCOUNTANCY
COST CENTER: BOARD OF ACCOUNTANCY
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	8.00	9.00	10.00	9.00	9.00	
OPERATING BUDGET						
PERSONAL SERVICES	142,100	180,700	195,100	186,200	180,700	
EMPLOYEE RELATED EXP	26,900	51,000	85,700	52,900	48,900	
PROFESSIONAL/OUTSIDE SVC	140,300	208,800	238,400	238,400	238,400	
TRAVEL - IN STATE	6,300	11,800	17,000	15,800	14,100	
TRAVEL - OUT OF STATE	1,900	2,900	6,900	7,900	6,400	
OTHER OPERATING EXP	92,300	154,300	164,900	164,900	164,100	
EQUIPMENT	29,800	2,800	1,900	0	0	
ALL OTHER OPERATING	270,600	380,600	429,100	427,000	423,000	
P R O G R A M T O T A L	439,600	612,300	709,900	666,100	652,600	
BY FUND SOURCE						
OTHER FUNDS	439,600	612,300	709,900	666,100	652,600	
PROGRAM TOTAL-ALL SOURCES	439,600	612,300	709,900	666,100	652,600	

DEPARTMENT: BOARD OF ACCOUNTANCY
COST CENTER: BOARD OF ACCOUNTANCY

The JLBC Staff recommends a total appropriation of $652,600 -- a net increase of $40,300, or 6.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (2,800)
o ERE Rate Adjustments	(2,100)
o Professional and Outside Services Adjustment	29,600
Cost of proctoring service for administration of examinations	4,200
o General Inflation	3,300
o Commercial Rent and Risk Management Insurance	2,300
o Postage Adjustment	
Increased services	2,300
o Travel Rate Adjustments	

JLBC Staff Recommended Policy Issues

o Out-of-State Travel - JLBC Staff recommends $3,500 for out-of-state travel for staff to attend conferences sponsored by the Clearinghouse on Licensure, Enforcement, and Regulations (CLEAR). The Executive recommends $4,000 for this policy issue.	3,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BARBER EXAMINERS BD
COST CENTER: BOARD OF BARBER EXAMINERS
JLBC ANALYST: WILCOX
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	0.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	76,500	80,100	80,600	83,400	80,600	
EMPLOYEE RELATED EXP	14,100	20,700	30,200	25,000	23,200	
PROFESSIONAL/OUTSIDE SVC	100	300	300	300	300	
TRAVEL - IN STATE	6,600	10,800	12,100	8,100	7,300	
TRAVEL - OUT OF STATE	700	1,600	1,700	1,700	1,700	
OTHER OPERATING EXP	13,500	20,400	21,400	19,300	20,400	
ALL OTHER OPERATING	20,900	33,100	35,500	29,400	29,700	
P R O G R A M T O T A L	111,500	133,900	146,300	137,800	133,500	
BY FUND SOURCE						
OTHER FUNDS	111,500	133,900	146,300	137,800	133,500	
PROGRAM TOTAL-ALL SOURCES	111,500	133,900	146,300	137,800	133,500	

DEPARTMENT: BOARD OF BARBER EXAMINERS
COST CENTER: BOARD OF BARBER EXAMINERS

The JLBC Staff recommends a total appropriation of $133,500 -- a net decrease of $(400), or (0.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o In-State Travel Adjustment	$ (3,500)
o Personal Services/ERE Adjustments	600
o ERE Rate Adjustments	2,400
o All Other	100

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) (Recommendation No. V-11) recommends the Board of Barber Examiners be eliminated.

- Combining of Barbers and Cosmetology Board - ACEC recommends (Recommendation V-12) that if the Board of Barbers Examiners is not eliminated, that it be merged with the Cosmetology Board into a single board. Citing that the activities of the two boards are essentially the same, ACEC concluded consolidating the two would result in $73,540 in savings.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOXING COMMISSION
COST CENTER: BOXING COMMISSION

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.00	1.00	1.50	1.50	1.50	
OPERATING BUDGET						
PERSONAL SERVICES	20,700	25,100	37,600	38,600	37,600	
EMPLOYEE RELATED EXP	6,300	7,600	17,500	12,100	11,100	
PROFESSIONAL/OUTSIDE SVC	0	2,100	2,100	2,200	2,100	
TRAVEL - IN STATE	2,300	2,000	2,000	2,000	2,000	
TRAVEL - OUT OF STATE	1,900	2,000	3,000	2,200	3,000	
OTHER OPERATING EXP	7,700	7,400	7,400	10,500	7,400	
EQUIPMENT	900	0	0	0	0	
ALL OTHER OPERATING	12,800	13,500	14,500	16,900	14,500	
P R O G R A M T O T A L	39,800	46,200	69,600	67,600	63,200	
BY FUND SOURCE						
GENERAL FUND	35,100	37,400	59,800	61,500	57,100	
OTHER FUNDS	4,700	8,800	9,800	6,100	6,100	
PROGRAM TOTAL-ALL SOURCES	39,800	46,200	69,600	67,600	63,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WEIGHT/MEASURES
COST CENTER: DEPT OF WEIGHTS/MEASURES
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	36.00	46.00	60.00	59.00	49.00	
OPERATING BUDGET						
PERSONAL SERVICES	725,900	999,100	1,238,500	1,245,600	1,038,900	
EMPLOYEE RELATED EXP	143,000	250,800	437,900	368,300	292,600	
PROFESSIONAL/OUTSIDE SVC	28,700	42,100	298,100	48,100	43,700	
TRAVEL - IN STATE	119,100	174,900	235,000	235,000	193,600	
TRAVEL - OUT OF STATE	3,300	3,600	3,600	3,600	3,600	
OTHER OPERATING EXP	227,300	155,800	239,900	239,700	218,000	
EQUIPMENT	133,000	109,100	134,900	133,600	28,700	
ALL OTHER OPERATING	511,400	485,500	911,500	660,000	487,600	
P R O G R A M T O T A L	1,380,300	1,735,400	2,587,900	2,273,900	1,819,100	
BY FUND SOURCE						
GENERAL FUND	1,380,300	1,735,400	2,587,900	2,273,900	1,819,100	
PROGRAM TOTAL-ALL SOURCES	1,380,300	1,735,400	2,587,900	2,273,900	1,819,100	

DEPARTMENT: RESID. UTIL. CONS. OFFICE
COST CENTER: RESID. UTIL. CONS. OFFICE

The JLBC Staff recommends a total appropriation of $928,400 -- a net increase of $37,600, or 4.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Base Adjustment--One-Time Equipment Purchase	$ (30,000)
o Base Adjustment--One-Time Moving Expenses	(3,700)
o Commercial Rent	(100)
o All Other Adjustments	(200)
o Personal Services/ERE Adjustments	5,300
o ERE Rate Adjustments	5,500
o Risk Management	900
o General Inflation	1,900
o Financial and Legal Consultants for Rate Hearings	58,000

This increase is due to new rules promulgated by the Corporation Commission with requires utilities to file plans concerning how they intend to meet future demand for electricity. Hearings will be held to discuss the validity of the utilities plans and to suggest alternatives.

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

- Licensing, Auditing, and Investigations - The Executive recommends $25,900 and one FTE position to provide adequate support staff for these sections. Currently one typist supports nine investigators and four auditors. In addition, the recommendation provides for reclassifying the director of the licensing section. The agency has presented no analysis from the DOA Personnel Division to indicate the reclassification is justified. JLBC Staff analysis indicates this policy issue would cost $21,700.

- Public Information - The Executive recommends $20,400 and one FTE position to enable the agency to better serve walk-in customers. The front counter currently serves approximately 48,000 customers a year with only two clerks. The new FTE would assist these clerks and also do all of the receipting of cash and checks received at the brokers and sales desks. If the position is not funded, the receipting will continue to be done by a variety of employees, giving too many people access to the agency cash register.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: RES UTILITY CONSUMER OFC
COST CENTER: RES UTILITY CONSUMER OFC

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	10.00	12.25	12.25	12.30	12.00	
OPERATING BUDGET						
PERSONAL SERVICES	325,000	391,300	403,000	411,700	395,700	
EMPLOYEE RELATED EXP	53,800	75,500	109,100	91,400	81,900	
PROFESSIONAL/OUTSIDE SVC	161,300	297,500	355,500	327,500	355,500	
TRAVEL - IN STATE	8,200	8,200	9,700	9,700	8,000	
TRAVEL - OUT OF STATE	3,100	7,800	8,100	8,100	8,100	
OTHER OPERATING EXP	82,400	80,500	83,700	83,700	79,200	
EQUIPMENT	25,800	30,000	0	0	0	
ALL OTHER OPERATING	280,800	424,000	457,000	429,000	450,800	
P R O G R A M T O T A L	659,600	890,800	969,100	932,100	928,400	
BY FUND SOURCE						
OTHER FUNDS	659,600	890,800	969,100	932,100	928,400	
PROGRAM TOTAL-ALL SOURCES	659,600	890,800	969,100	932,100	928,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: REAL ESTATE DEPARTMENT
COST CENTER: REAL ESTATE DEPARTMENT

The JLBC Staff recommends a total appropriation of $2,805,000 -- a net increase of $137,000, or 5.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(10,400)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.5%		(3,000)
o ERE Rate Adjustments		45,000
o Commercial Rent Increase		16,100
o Risk Management Insurance		10,500
o General Inflation		9,300
o Travel Rate		1,900

JLBC Staff Recommended Policy Issues

o Education Monitoring - JLBC Staff recommends $67,600 and two FTE positions to improve the agency's monitoring of schools offering prelicensing and continuing education courses. Currently the agency has a large backlog in reviewing and approving courses, instructors, and textbooks. In addition, the new employees would enable the agency to do a better job of keeping licensees informed of statutory and rule changes through regular educational bulletins. The Executive recommends $70,600 for this policy issue.	67,600

The Real Estate Department has recently raised the cost of salesperson and broker licenses. The increase will generate approximately $300,000 in new General Fund revenues. Total revenues for FY 90 are projected to be $2,900,000, which would more than pay for the JLBC recommendation.

Other Items for Legislative Consideration

- Vacancy Savings - As an alternative to reduce the agency's appropriation, a vacancy rate of 4.5% could be imposed. This would generate savings of $57,500. The result would be that two or more vacant positions would have to be held open by the agency for most of the fiscal year. This would cause an overall slowdown in responding to consumer complaints, investigating alleged illegal activity, and monitoring real estate educational courses and instructors.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: REAL ESTATE DEPARTMENT
COST CENTER: REAL ESTATE DEPARTMENT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	73.00	73.00	78.00	77.00	75.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,482,900	1,640,200	1,762,700	1,761,800	1,680,300	
EMPLOYEE RELATED EXP	303,700	375,700	712,100	476,400	431,000	
PROFESSIONAL/OUTSIDE SVC	69,600	95,000	95,000	95,000	95,000	
TRAVEL - IN STATE	38,400	46,200	54,000	51,800	52,000	
TRAVEL - OUT OF STATE	8,100	7,600	7,600	7,600	7,600	
OTHER OPERATING EXP	413,300	490,800	557,500	537,400	530,700	
EQUIPMENT	89,400	12,500	14,500	11,300	8,400	
ALL OTHER OPERATING	618,800	652,100	728,600	703,100	693,700	
P R O G R A M T O T A L	2,405,400	2,668,000	3,203,400	2,941,300	2,805,000	
BY FUND SOURCE						
GENERAL FUND	2,405,400	2,668,000	3,203,400	2,941,300	2,805,000	
PROGRAM TOTAL-ALL SOURCES	2,405,400	2,668,000	3,203,400	2,941,300	2,805,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: MED RADIOLOGIC TECH BD

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2.00	2.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	52,700	54,600	51,100	52,600	51,100	
EMPLOYEE RELATED EXP	11,600	14,000	18,700	17,100	15,900	
PROFESSIONAL/OUTSIDE SVC	1,000	3,700	3,700	3,700	3,700	
TRAVEL - IN STATE	2,000	2,600	2,800	2,800	2,800	
TRAVEL - OUT OF STATE	400	1,800	2,400	1,800	1,900	
OTHER OPERATING EXP	8,400	14,200	14,300	14,300	15,000	
EQUIPMENT	500	8,100	0	0	0	
ALL OTHER OPERATING	12,300	30,400	23,200	22,600	23,400	
P R O G R A M T O T A L	76,600	99,000	93,000	92,300	90,400	
BY FUND SOURCE						
OTHER FUNDS	76,600	99,000	93,000	92,300	90,400	
PROGRAM TOTAL-ALL SOURCES	76,600	99,000	93,000	92,300	90,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: RADIATION REGULATORY AGENCY
COST CENTER: MED. RADIOLOGIC TECH. BD.

The JLBC Staff recommends a total appropriation of $90,400 -- a net decrease of $8,600, or 8.7%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	(8,100)
o Personal Services/ERE Adjustments		(4,600)
o ERE Rate Adjustments		3,000
o Risk Management Insurance		600
o General Inflation and All Other		500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

DEPARTMENT: DEPARTMENT OF WEIGHTS AND MEASURES
COST CENTER: DEPARTMENT OF WEIGHTS AND MEASURES

The JLBC Staff recommends a total appropriation of $1,819,100 -- a net increase of $83,700, or 4.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Replacement Equipment	$ (85,400)
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	(7,400)
o	ERE Rate Adjustments	30,600
o	General Inflation	4,000
o	Travel rate adjustment	9,500
o	Risk Management Insurance	1,200
o	Rent - Private Office Space	11,400
o	Petroleum Testing Laboratory - Operating Supplies and Reference fuels.	46,400

JLBC Staff Recommended Policy Issues

- o Licensing of Time Measurement Devices - The JLBC staff recommends $70,900 and three positions to implement a required program (Chapter 178, Laws of 1988) to test, license and inspect all time measuring devices -- mechanical, electrical, and electronic. This activity would be self supporting in that it is estimated that there are 32,000 devices to be licensed, producing $1,007,000 to the General Fund for FY 1990. The net amount to the General Fund that would be collected, if this program were funded, is estimated at $936,100. This issue was recommended by the Executive. — 70,900

- o Petroleum Laboratory Refrigerator - The JLBC staff recommends $2,500 for the purchase of a commercial grade explosion proof refrigerator to pre-cool petroleum samples. The Clean Air Act requires the State to have a laboratory for the testing of petroleum fuels -- testing procedures require pre-cooling. This issue was recommended by the Executive. — 2,500

Other Issues for Legislative Consideration

- o Package Control - The Executive recommends $76,400 and two positions to inspect commodities purchased by public institutions. JLBC Staff analysis indicates that the cost of this policy issue is $75,100.

- Enhanced Enforcement of Large Scales - The Executive recommends $131,500 and four additional positions to increase enforcement of scales used for cattle, truck, railroad and batch plants. JLBC Staff analysis indicates that the cost of this policy issue is $128,800. Also, this activity would be self supporting in that it is estimated that $450,000 would be collected for the General Fund. The net amount to the General Fund that would be collected, if this program were enhanced, is estimated at $321,300.

- Additional Field Staff - The Executive recommends $152,600 and two additional positions to provide additional inspection capability in the Tucson and Flagstaff offices and to open a new office in Yuma. JLBC Staff analysis indicates that the cost of this policy issue is $150,100.

- Data Processing Equipment - The Executive recommends $17,900 to convert existing computer systems from one hardware configuration to another. The Department of Administration will provide for the software conversion while the Department pays for the necessary hardware. JLBC Staff analysis indicates that this program can be deferred and the Department can continue with the existing system.

- Liquified Petroleum Gas Meter Testing and Certification - A savings of $69,800 can be achieved by eliminating two positions in the LPG meter testing program. The impact of not funding this issue will eliminate this Department activity. Currently the Department tests and certifies approximately 800 LPG meters statewide as required by A.R.S. 41-2065 and 41-2066. The Department estimates that 20% are currently out of compliance with proper standards. Without regulation the number out of compliance will increase.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: HIGHWAYS DIVISION

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1,003.00	1,037.00	1,083.00	1,083.00	1,083.00	
OPERATING BUDGET						
PERSONAL SERVICES	27,725,500	30,796,000	31,549,100	31,469,700	30,658,700	
EMPLOYEE RELATED EXP	5,269,300	6,786,700	8,486,700	7,511,800	6,892,100	
PROFESSIONAL/OUTSIDE SVC	36,300	7,500	10,700	10,700	10,700	
TRAVEL - IN STATE	756,700	1,093,500	1,119,300	1,119,200	1,119,300	
TRAVEL - OUT OF STATE	27,500	35,000	39,900	39,300	39,900	
OTHER OPERATING EXP	3,073,900	5,553,500	6,180,700	6,180,700	6,180,700	
EQUIPMENT	439,600	900,400	1,269,700	1,269,700	1,269,700	
ALL OTHER OPERATING	4,334,000	7,589,900	8,620,300	8,619,600	8,620,300	
OPERATING SUBTOTAL	37,328,800	45,172,600	48,656,100	47,601,100	46,171,100	
SPECIAL LINE ITEMS						
HIGHWAY MAINTENANCE	51,224,100	55,789,000	59,689,500	59,065,200	58,891,200	
RADIO COMMUNICATIONS	387,800	415,200	417,100	417,100	417,100	
EQUIPMENT REVOLVING FUND	1,999,200	0	0	0	0	
SPECIAL ITEM SUBTOTAL	53,611,100	56,204,200	60,106,600	59,482,300	59,308,300	
P R O G R A M T O T A L	90,939,900	101,376,800	108,762,700	107,083,400	105,479,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: HIGHWAYS DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
OTHER FUNDS	90,939,900	101,376,800	108,762,700	107,083,400	105,479,400	
FEDERAL FUNDS	224,587,000	229,046,400	228,204,800	0	228,204,800	
OTHER NON APPROPRIATED	47,810,100	50,170,000	54,619,000	0	54,619,000	
PROGRAM TOTAL-ALL SOURCES	363,337,000	380,593,200	391,586,500	107,083,400	388,303,200	

DEPARTMENT: BOXING COMMISSION
COST CENTER: BOXING COMMISSION

The JLBC Staff recommends a total appropriation of $63,200 -- a net increase of $17,000, or 36.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o **ERE Rate Adjustments**	$ (200)

JLBC Staff Recommended Policy Issues

o Full-Time Executive Director - JLBC Staff recommends 0.5 FTE positions and $17,200 from General Fund monies to increase the Executive Director's position from half-time to full-time. The Executive Director's duties require him to spend 40 or more hours per week to regulate the boxing industry. In addition, the number of boxing events requiring the agency's oversight has increased by 127.3% between FY84 and FY89. If legislation is passed to raise the boxing event receipts tax, JLBC Staff recommends funding the program change from the Boxing Fund. The Executive recommends $17,500 from the General Fund for this policy issue.	17,200
o Funding Source - JLBC Staff estimates that Boxing Fund revenue will be insufficient to maintain its current level of support unless legislation to raise the boxing event receipts tax is passed. Therefore, JLBC Staff recommends decreasing Boxing Fund support of the agency by $2,700 and increasing General Fund support by the same amount. The Executive recommends increasing General Fund support of the Boxing Commission by $6,600 and decreasing Boxing Fund support by $2,700.	-0-

Other Items for Legislative Consideration

- Eliminate Out-of-State Travel - A savings of $2,000 can be achieved by eliminating all funding for Out-of-State Travel.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: CHIROPRACTIC EXAMINERS BD
COST CENTER: CHIROPRACTIC EXAMINERS BD

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	65,900	86,400	84,200	86,500	84,700	
EMPLOYEE RELATED EXP	11,800	23,500	16,800	24,600	23,000	
PROFESSIONAL/OUTSIDE SVC	14,500	14,000	27,000	21,000	18,000	
TRAVEL - IN STATE	2,500	7,500	11,100	8,800	4,300	
TRAVEL - OUT OF STATE	4,000	2,600	9,500	5,200	2,700	
OTHER OPERATING EXP	38,500	53,200	58,600	57,100	54,500	
EQUIPMENT	0	1,800	3,400	5,200	0	
ALL OTHER OPERATING	59,500	79,100	109,600	97,300	79,500	
P R O G R A M T O T A L	137,200	189,000	210,600	208,400	187,200	
BY FUND SOURCE						
OTHER FUNDS	137,200	189,000	210,600	208,400	187,200	
PROGRAM TOTAL-ALL SOURCES	137,200	189,000	210,600	208,400	187,200	

DEPARTMENT: CHIROPRACTIC EXAMINERS BOARD
COST CENTER: CHIROPRACTIC EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $187,200 -- a net decrease of $(1,800), or (1.0)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Travel Rate Adjustment	$	(3,200)
o Personal Services/ERE Adjustments		(2,200)
o Replacement Equipment		(1,800)
o Professional and Outside Services Adjustment Increased costs for hearings		4,000
o Risk Management Insurance and General Inflation		1,400

JLBC Staff Recommended Policy Issues

- The JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Automation - The Executive recommends $4,400 for a personal computer to automate the Board's accounting and budget tasks.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF COSMETOLOGY
COST CENTER: BOARD OF COSMETOLOGY
JLBC ANALYST: WILCOX
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	14.50	14.50	14.50	14.50	14.50	
OPERATING BUDGET						
PERSONAL SERVICES	253,300	283,700	283,700	291,400	283,700	
EMPLOYEE RELATED EXP	55,000	80,900	80,900	80,500	73,500	
PROFESSIONAL/OUTSIDE SVC	27,400	51,900	51,900	51,900	51,900	
TRAVEL - IN STATE	14,700	22,200	23,100	23,100	23,100	
TRAVEL - OUT OF STATE	3,200	1,300	1,300	1,300	1,300	
OTHER OPERATING EXP	79,900	97,400	103,900	103,900	102,900	
EQUIPMENT	11,500	1,600	2,000	2,000	2,000	
ALL OTHER OPERATING	136,700	174,400	182,200	182,200	181,200	
P R O G R A M T O T A L	445,000	539,000	546,800	554,100	538,400	
BY FUND SOURCE						
OTHER FUNDS	445,000	539,000	546,800	554,100	538,400	
PROGRAM TOTAL-ALL SOURCES	445,000	539,000	546,800	554,100	538,400	

DEPARTMENT: BOARD OF COSMETOLOGY
COST CENTER: BOARD OF COSMETOLOGY

The JLBC Staff recommends a total appropriation of $538,400 -- a net decrease of $(600), or (0.1)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (7,400)
o Risk Management Adjustment	(200)
o Travel Rate Adjustment	900
o Replacement Equipment	400
o General Inflation	1,800
o Rent Charges	3,900

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) (Recommendation No. V-31) and the Arizona Auditor General (Report 83-5) recommend the Board of Cosmetology be eliminated.

- Combining of Cosmetology and Barbers Board - ACEC recommends (Recommendation V-32) that if the Board of Cosmetology is not eliminated, that it be merged with the Barbers Board into a single board. Citing that the activities of the two boards are essentially the same, ACEC concluded consolidating the two would result in $73,540 in savings.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF DENTAL EXAMINERS
COST CENTER: BOARD OF DENTAL EXAMINERS

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	7.00	7.00	8.00	8.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	185,100	191,100	204,100	203,800	197,300	
EMPLOYEE RELATED EXP	29,900	42,200	53,100	51,800	48,100	
PROFESSIONAL/OUTSIDE SVC	28,500	29,900	30,000	30,000	30,000	
TRAVEL - IN STATE	4,100	8,000	8,000	8,000	7,300	
TRAVEL - OUT OF STATE	5,900	6,600	8,600	8,300	6,800	
OTHER OPERATING EXP	101,900	108,300	106,900	106,900	106,900	
EQUIPMENT	6,600	0	0	0	0	
ALL OTHER OPERATING	147,000	152,800	153,500	153,200	151,000	
OPERATING SUBTOTAL	362,000	386,100	410,700	408,800	396,400	
SPECIAL LINE ITEMS						
OFFICE AUTOMATION	0	20,800	0	0	0	
SPECIAL ITEM SUBTOTAL	0	20,800	0	0	0	
P R O G R A M T O T A L	362,000	406,900	410,700	408,800	396,400	
BY FUND SOURCE						
OTHER FUNDS	362,000	406,900	410,700	408,800	396,400	
PROGRAM TOTAL-ALL SOURCES	362,000	406,900	410,700	408,800	396,400	

DEPARTMENT: BOARD OF DENTAL EXAMINERS
COST CENTER: BOARD OF DENTAL EXAMINERS

The JLBC Staff recommends a total appropriation of $396,400 -- a net decrease of $(10,500), or (2.6)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o One Time Automation Costs	$ (20,800)
o Travel and Operating Adjustments	(7,400)
o ERE Rate Adjustment	3,900
o General Inflation	3,300
o All Other	2,300

JLBC Staff Recommended Policy Issues

o Clerical Assistance - Currently the Board is funding temporary clerical help on a nearly full-time basis by curtailing the work hours of the part-time Dentist/Hearing Officers. Without additional funding, the Board will continue to operate with the inefficiency of constantly training temporary help and with diminished productivity of the Hearing Officers. The Executive recommends $13,300 for this issue.	8,200

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DISPENSING OPTICIANS BD
COST CENTER: DISPENSING OPTICIANS BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	.80	.80	.80	.80	.80	
OPERATING BUDGET						
PERSONAL SERVICES	24,100	24,900	24,900	25,500	24,900	
EMPLOYEE RELATED EXP	2,800	3,400	3,100	3,200	2,900	
PROFESSIONAL/OUTSIDE SVC	13,900	16,700	16,700	14,600	14,600	
TRAVEL - IN STATE	1,200	3,400	4,100	4,100	4,100	
OTHER OPERATING EXP	4,700	5,900	5,900	5,900	5,900	
ALL OTHER OPERATING	19,800	26,000	26,700	24,600	24,600	
P R O G R A M T O T A L	46,700	54,300	54,700	53,300	52,400	
BY FUND SOURCE						
OTHER FUNDS	46,700	54,300	54,700	53,300	52,400	
PROGRAM TOTAL-ALL SOURCES	46,700	54,300	54,700	53,300	52,400	

DEPARTMENT: DISPENSING OPTICIANS BD
COST CENTER: DISPENSING OPTICIANS BD

The JLBC Staff recommends a total appropriation of $52,400 -- a net decrease of $(1,900), or (3.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Professional and Outside Services	$	(2,100)
o ERE Rate Adjustments		(500)
o Travel Rate Adjustment		700

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) (Recommendation No. V-63) recommends the Dispensing Opticians Board be eliminated.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: EGG INSPECTION BOARD
COST CENTER: EGG INSPECTION BOARD

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	5.00	5.00	6.00	6.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	101,600	127,900	138,200	144,300	122,300	
EMPLOYEE RELATED EXP	20,000	32,900	54,300	35,800	28,700	
PROFESSIONAL/OUTSIDE SVC	0	0	0	0	17,500	
TRAVEL - IN STATE	8,200	13,300	13,800	13,800	13,800	
OTHER OPERATING EXP	14,300	15,900	17,100	16,700	9,100	
EQUIPMENT	400	0	0	0	0	
ALL OTHER OPERATING	22,900	29,200	30,900	30,500	40,400	
P R O G R A M T O T A L	144,500	190,000	223,400	210,600	191,400	
BY FUND SOURCE						
OTHER FUNDS	144,500	190,000	223,400	210,600	191,400	
FEDERAL FUNDS	22,100	47,700	47,700	0	47,700	
PROGRAM TOTAL-ALL SOURCES	166,600	237,700	271,100	210,600	239,100	

DEPARTMENT: EGG INSPECTION BOARD
COST CENTER: EGG INSPECTION BOARD

The JLBC Staff recommends a total appropriation of $191,400 -- a net increase of $1,400, or 0.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(6,900)
o ERE Rate Adjustments		(2,900)
o Printing Costs - New Law and Regulation Booklets		400
o Rent		400
o Travel Rate Adjustments		500
o General Inflation		300

JLBC Staff Recommended Policy Issues

o Clerical Support - The State Egg Inspector performs administrative functions such as license issuance and renewals, directing and assigning state and federal inspections, preparation of annual and other reports, and accounting and budgetary functions for both the State and USDA. In addition, he attends industry meetings and conducts educational programs about egg quality. It has become difficult for him to perform these functions without clerical support. JLBC Staff recommends $9,600 to place the Egg Inspection Board within the State Boards Office where clerical support is available. Office space adjacent to the State Boards Office is available and the movable walls within the Occupational and Licensing Building are easily moved. The Executive recommends 1.0 FTE and $16,200 for a full-time Clerk/Typist II.	9,600

Other Items for Legislative Consideration

o Department of Agriculture - The Arizona Cost Efficiency Commission Report (ACEC) estimated that a savings of $26,685 could be achieved by consolidating the Egg Inspection Board within a unified Department of Agriculture such as the one proposed in H.B. 2090. ACEC's study proposed that the new agency would combine the activities of the Commission of Agriculture and Horticulture, Office of the Dairy Commissioner, the Egg Inspection Board, the Livestock Board, and the Structural Pest Control Board. Arizona is one of only three states nationwide which does not have a unified agency handling all of these responsibilities. Maintaining a single agricultural entity would be less confusing for the general public and can result in greater cost-efficiencies. Some

industry members have objected to the consolidation plan because they were dissatisfied with their level of representation on the proposed Agriculture Board. These concerns could probably be addressed in the legislation which creates the consolidated Department of Agriculture. JLBC Staff believes that the savings estimated by ACEC may be overstated, but that efficiencies could be achieved.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: FUNERAL DIR.& EMBALM BD
COST CENTER: FUNERAL DIR & EMBALM BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.50	1.50	1.50	1.50	1.50	
OPERATING BUDGET						
PERSONAL SERVICES	44,700	55,000	58,500	59,900	58,500	
EMPLOYEE RELATED EXP	7,200	11,600	16,700	13,200	12,200	
PROFESSIONAL/OUTSIDE SVC	27,000	40,100	41,000	40,000	40,000	
TRAVEL - IN STATE	6,600	11,800	12,200	12,200	11,200	
TRAVEL - OUT OF STATE	1,300	0	0	0	0	
OTHER OPERATING EXP	17,000	22,600	23,800	23,700	23,400	
EQUIPMENT	0	300	100	100	100	
ALL OTHER OPERATING	51,900	74,800	77,100	76,000	74,700	
P R O G R A M T O T A L	103,800	141,400	152,300	149,100	145,400	
BY FUND SOURCE						
OTHER FUNDS	103,800	141,400	152,300	149,100	145,400	
PROGRAM TOTAL-ALL SOURCES	103,800	141,400	152,300	149,100	145,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: FUNERAL DIR. & EMBALMERS BD
COST CENTER: FUNERAL DIR. & EMBALMERS BD

The JLBC Staff recommends a total appropriation of $145,400 -- a net increase of $4,000, or 2.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Travel In-State Investigators adjustment. The Executive does not recommend the adjustment	$ (600)
o	ERE Rate Adjustment	(100)
o	State Board Office Changes	(100)
o	Personal Services/ERE Adjustments Funding a Board approved salary increase.	4,200
o	All Other	600

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: HOMEOPATHIC MED EXAM BD
COST CENTER: HOMEOPATHIC MED EXAM BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	900	900	900	900	
PROFESSIONAL/OUTSIDE SVC	3,400	7,000	7,200	7,200	6,100	
TRAVEL - IN STATE	0	200	200	200	200	
OTHER OPERATING EXP	1,400	900	1,200	1,200	1,200	
ALL OTHER OPERATING	4,800	8,100	8,600	8,600	7,500	
P R O G R A M T O T A L	4,800	9,000	9,500	9,500	8,400	
BY FUND SOURCE						
OTHER FUNDS	4,800	9,000	9,500	9,500	8,400	
PROGRAM TOTAL-ALL SOURCES	4,800	9,000	9,500	9,500	8,400	

DEPARTMENT: HOMEOPATHIC MEDICAL EXAMINERS BOARD
COST CENTER: HOMEOPATHIC MEDICAL EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $8,400 -- a net decrease of $(600), or (6.6)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Secretarial Services	$	(1,000)
o State Boards Office Charges		100
o Risk Management Insurance		300

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) recommends the Board of Homeopathy be eliminated. Citing the requirement that a Homeopathic Physician must be licensed by the Board of Medical Examiners or the Osteopathic Board, the commission concluded there is no need for a separate regulatory board. Currently there are only 30 licensed Homeopathic Physicians. Due to this small number of licensees, and the boards operating expenses, it currently costs $276 to license each Homeopathic Physician. By contrast, the cost of licensing medical doctors is $137 per licensee. The commission recommends transferring licensing responsibilities to BOMEX.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF MEDICAL EXAM
COST CENTER: BOARD OF MEDICAL EXAMINER

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	30.00	31.00	41.00	33.00	33.00	
OPERATING BUDGET						
PERSONAL SERVICES	776,100	822,600	1,092,500	871,600	897,800	
EMPLOYEE RELATED EXP	142,200	197,900	391,900	211,000	205,200	
PROFESSIONAL/OUTSIDE SVC	145,900	303,900	363,700	366,400	316,100	
TRAVEL - IN STATE	32,800	33,300	41,200	38,600	37,300	
TRAVEL - OUT OF STATE	9,100	8,900	10,200	9,400	9,200	
OTHER OPERATING EXP	249,500	279,200	340,500	294,500	337,300	
EQUIPMENT	22,600	8,000	66,600	25,100	9,200	
ALL OTHER OPERATING	459,900	633,300	822,200	734,000	709,100	
OPERATING SUBTOTAL	1,378,200	1,653,800	2,306,600	1,816,600	1,812,100	
SPECIAL LINE ITEMS						
A.G. INTERAGENCY CONTRAC	131,000	134,400	0	0	0	
OFFICE AUTOMATION	0	0	0	0	125,000	
SPECIAL ITEM SUBTOTAL	131,000	134,400	0	0	125,000	
P R O G R A M T O T A L	1,509,200	1,788,200	2,306,600	1,816,600	1,937,100	
BY FUND SOURCE						
OTHER FUNDS	1,509,200	1,788,200	2,306,600	1,816,600	1,937,100	
PROGRAM TOTAL-ALL SOURCES	1,509,200	1,788,200	2,306,600	1,816,600	1,937,100	

DEPARTMENT: BOARD OF MEDICAL EXAMINERS
COST CENTER: BOARD OF MEDICAL EXAMINERS

The JLBC Staff recommends a total appropriation of $1,937,100 -- a net increase of $148,900, or 8.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o A.G. Contract The Board and the Attorney General's office were unable to agree on a contract for legal services. Therefore the Board will use the A.G.'s services on a normal State agency basis as before.	$ (134,400)
o ERE Rate Adjustments	(9,900)
o Personal Services/ERE Rate Adjustments	3,100
o Risk Management Insurance	2,000
o Building Rent	5,300
o SPLEX Examinations Due to statutory changes enacted last year, BOMEX is required to use the more expensive SPLEX examination.	45,000
o All Other	20,200

JLBC Staff Recommended Policy Issues

o <u>Medical Investigator</u> - JLBC Staff recommends the restoration of one Medical Investigator position. During last years session, the board requested and was given authority to contract out its physician monitoring program. The board requested this authority to free up the investigator for board hearing cases. The position was cut when it was thought that without the monitoring program the position would not be needed.	27,600
o <u>Review Physician</u> - The JLBC Staff recommends the addition of one Physician FTE to review medical cases before the Board. Currently the Board's 3 Physicians are reviewing over 1000 cases per year. The additional position would lower the case load from over 350 to approximately 250 cases per year.	65,000
o <u>Office Automation</u> - JLBC Staff recommends funds to purchase, program, and implement an office automation plan. Currently Bomex licenses and tracks approximately 10,000 physicians using almost exclusively a manual system of index cards and paper files.	125,000

This has led to a 3 to sometimes 5 month backlog in the processing of licenses and inquiries. The Board currently has minimal automation assets and is unable to use its personnel efficiently. This issue would provide funds ($90,000 in one time costs) to purchase equipment for clerical and support staff and develop a licensee data base.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NATUROPATHIC PHYS EXAM BD
COST CENTER: NATUROPATHIC PHYS EXAM BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,700	2,400	2,400	2,400	2,400	
PROFESSIONAL/OUTSIDE SVC	19,000	22,200	23,100	22,400	21,400	
TRAVEL - IN STATE	1,600	1,800	1,900	1,900	1,900	
TRAVEL - OUT OF STATE	0	600	600	600	0	
OTHER OPERATING EXP	2,000	2,600	2,600	2,600	2,200	
ALL OTHER OPERATING	22,600	27,200	28,200	27,500	25,500	
P R O G R A M T O T A L	24,300	29,600	30,600	29,900	27,900	
BY FUND SOURCE						
OTHER FUNDS	24,300	29,600	30,600	29,900	27,900	
PROGRAM TOTAL-ALL SOURCES	24,300	29,600	30,600	29,900	27,900	

DEPARTMENT: NATUROPATHIC PHYS EXAM BD
COST CENTER: NATUROPATHIC PHYS EXAM BD

The JLBC Staff recommends a total appropriation of $27,900 -- a net decrease of $(1,700), or (5.7)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o State Board Office Charges	$ 200
o Travel - In State	100

JLBC Staff Recommended Policy Issues

o Revenue Limitation - The Board is facing a declining balance in their fund. The Board projects new revenues for Fiscal Year 1990 at $29,900. This revenue projection is based upon a new fee of $300. It is not clear what effect the new fees will have upon the number of licenses and therefore revenues. With minimal or no carry forward funds to rely on, shortages in new revenues will leave the board in a deficit situation. The cuts will eliminate Out-of-State Travel and decrease Professional Services and Other Operating Expenses.	(2,000)

Other Issues for Legislative Consideration

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) recommends the Board of Naturopathy be eliminated (Recommendation No. V-58). Citing only 5 other states which regulate Naturopathy, the commission recommends transferring licensing responsibility to the Board of Medical Examiners and requiring Naturopaths to practice under the supervision of a licensed medical doctor.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF NURSING
COST CENTER: BOARD OF NURSING
JLBC ANALYST: WILCOX
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	19.20	19.20	21.20	19.20	19.20	
OPERATING BUDGET						
PERSONAL SERVICES	423,300	498,000	539,800	510,200	498,000	
EMPLOYEE RELATED EXP	80,800	115,000	127,200	123,000	113,500	
PROFESSIONAL/OUTSIDE SVC	92,600	69,100	86,600	85,900	75,400	
TRAVEL - IN STATE	18,900	16,700	19,500	17,300	18,200	
TRAVEL - OUT OF STATE	4,500	7,400	13,400	7,400	9,200	
OTHER OPERATING EXP	172,100	186,400	228,100	215,800	214,700	
EQUIPMENT	14,100	1,300	23,800	0	0	
ALL OTHER OPERATING	302,200	280,900	371,400	326,400	317,500	
OPERATING SUBTOTAL	806,300	893,900	1,038,400	959,600	929,000	
SPECIAL LINE ITEMS						
BOARD RELOCATION	10,700	0	0	0	0	
SPECIAL ITEM SUBTOTAL	10,700	0	0	0	0	
P R O G R A M T O T A L	817,000	893,900	1,038,400	959,600	929,000	
BY FUND SOURCE						
OTHER FUNDS	817,000	893,900	1,038,400	959,600	929,000	
PROGRAM TOTAL-ALL SOURCES	817,000	893,900	1,038,400	959,600	929,000	

DEPARTMENT: BOARD OF NURSING
COST CENTER: BOARD OF NURSING

The JLBC Staff recommends a total appropriation of $929,000 -- a net increase of $35,100, or 3.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE rate adjustments	$	(1,500)
o Replacement Equipment		(1,300)
o Office Lease Costs		1,100
o Risk Management Insurance		600
o Travel Rate Adjustment		1,200
o General Inflation		5,200

JLBC Staff Recommended Policy Issues

- o Legal Expenses for Hearings - The Board has cut back on conducting its own hearings and has assigned more cases to hearing officers. The length and complexity of legal cases has been increasing, further contributing to the rise in cost. Without sufficient legal funds, the Board will be unable to properly process complaints against nurses or take appropriate disciplinary action. The Executive recommends $14,000 for this issue. — 5,500

- o Investigative Training - The JLBC Staff recommends funds to enhance the formal training of the Boards investigative staff as was recommended in the Board's recent performance audit. The additional Out-of-State Travel would allow the Board to send two additional investigators to a training seminar sponsored by the Commission on Licensure Enforcement and Regulation. — 1,500

- o Printing and Postage - The JLBC Staff recommends increased funds for the Board to improve its routine communication with the nursing community as recommended by the Auditor General's recent performance audit report. — 22,800

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NURS CARE INST ADMIN BD
COST CENTER: NURS CARE INST ADMIN BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	.50	.70	.70	.70	.70	
OPERATING BUDGET						
PERSONAL SERVICES	15,500	20,400	20,400	20,900	20,400	
EMPLOYEE RELATED EXP	3,000	4,300	5,000	5,000	4,700	
PROFESSIONAL/OUTSIDE SVC	18,000	26,300	29,100	28,700	28,700	
TRAVEL - IN STATE	1,000	2,700	2,800	2,800	2,800	
OTHER OPERATING EXP	4,100	4,800	4,800	4,800	4,800	
EQUIPMENT	0	1,400	200	200	200	
ALL OTHER OPERATING	23,100	35,200	36,900	36,500	36,500	
P R O G R A M T O T A L	41,600	59,900	62,300	62,400	61,600	
BY FUND SOURCE						
OTHER FUNDS	41,600	59,900	62,300	62,400	61,600	
PROGRAM TOTAL-ALL SOURCES	41,600	59,900	62,300	62,400	61,600	

DEPARTMENT: NURSING CARE INSTITUTION ADMIN BOARD
COST CENTER: NURSING CARE INSTITUTION ADMIN BOARD

The JLBC Staff recommends a total appropriation of $61,600 -- a net increase of $1,700, or 2.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (1,200)
o Examinations	2,200
o ERE Rate Adjustments	400
o All Other	300

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Examination Sites - By using State owned building space to hold examinations, the Board can save $600. The Board is currently renting private sector space to hold its exams. The successful implementation of this issue would require cooperation and support by the Department of Administration locating and scheduling building space.

- Elimination of Board - The Arizona Cost Efficiency Commission (ACEC) (Recommendation No. V-62) recommends the Board of Nursing Care Administrators be eliminated and its functional responsibilities be transferred to the Department of Health Services. The Commission concluded that since the Department of Health Services currently regulates all other aspects nursing homes, it would be more efficient and effective to merge both activities under DHS.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF OPTOMETRY
COST CENTER: BOARD OF OPTOMETRY

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.50	1.50	1.50	1.50	1.50	
OPERATING BUDGET						
PERSONAL SERVICES	41,200	45,300	45,000	46,700	45,300	
EMPLOYEE RELATED EXP	8,700	12,000	14,400	14,000	12,800	
PROFESSIONAL/OUTSIDE SVC	15,600	27,200	29,100	28,200	28,200	
TRAVEL - IN STATE	3,800	5,700	5,700	5,700	5,700	
TRAVEL - OUT OF STATE	0	1,000	1,000	1,000	1,000	
OTHER OPERATING EXP	2,900	6,800	6,800	6,800	6,800	
ALL OTHER OPERATING	22,300	40,700	42,600	41,700	41,700	
P R O G R A M T O T A L	72,200	98,000	102,000	102,400	99,800	
BY FUND SOURCE						
OTHER FUNDS	72,200	98,000	102,000	102,400	99,800	
PROGRAM TOTAL-ALL SOURCES	72,200	98,000	102,000	102,400	99,800	

DEPARTMENT: BOARD OF OPTOMETRY
COST CENTER: BOARD OF OPTOMETRY

The JLBC Staff recommends a total appropriation of $99,800 -- a net increase of $1,800, or 1.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o State Boards Office Charges	$	1,000
o ERE Rate Charges		800

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Examination Sites - By using State owned building space to hold examinations, the Board can save $600. The Board is currently renting private sector space to hold its exams. The successful implementation of this issue would require cooperation and support by the Department of Administration locating and scheduling building space.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OSTEOPATHIC EXAMINERS BD
COST CENTER: OSTEOPATHIC EXAMINERS BD
JLBC ANALYST: WILCOX
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.50	4.50	4.50	4.50	4.50	
OPERATING BUDGET						
PERSONAL SERVICES	118,000	129,400	129,400	133,000	129,400	
EMPLOYEE RELATED EXP	23,300	28,800	37,400	35,500	32,800	
PROFESSIONAL/OUTSIDE SVC	300	5,700	5,700	5,700	5,700	
TRAVEL - IN STATE	4,900	6,800	7,300	5,900	5,900	
TRAVEL - OUT OF STATE	1,800	2,400	3,700	3,700	3,700	
OTHER OPERATING EXP	31,900	34,400	36,100	34,800	35,100	
ALL OTHER OPERATING	38,900	49,300	52,800	50,100	50,400	
P R O G R A M T O T A L	180,200	207,500	219,600	218,600	212,600	
BY FUND SOURCE						
OTHER FUNDS	180,200	207,500	219,700	218,600	212,600	
PROGRAM TOTAL-ALL SOURCES	180,200	207,500	219,700	218,600	212,600	

DEPARTMENT: OSTEOPATHIC EXAM BD.
COST CENTER: OSTEOPATHIC EXAMINERS BD.

The JLBC Staff recommends a total appropriation of $212,600 -- a net increase of $5,100, or 2.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o In-State Travel Adjustment	$ (900)
o Out-of-State Travel Adjustment	1,300
o ERE Rate Adjustments	4,000
o General Inflation	700

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF PHARMACY
COST CENTER: BOARD OF PHARMACY

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	11.00	11.00	11.00	11.00	11.00	
OPERATING BUDGET						
PERSONAL SERVICES	340,600	348,700	348,700	356,400	348,700	
EMPLOYEE RELATED EXP	60,600	75,900	104,800	85,800	79,400	
PROFESSIONAL/OUTSIDE SVC	13,400	26,900	31,000	28,000	27,000	
TRAVEL - IN STATE	31,000	29,300	34,600	34,400	33,200	
TRAVEL - OUT OF STATE	3,200	3,000	6,600	6,400	5,500	
OTHER OPERATING EXP	83,000	84,500	96,900	86,000	86,000	
EQUIPMENT	1,600	0	0	0	0	
ALL OTHER OPERATING	132,200	143,700	169,100	154,800	151,700	
OPERATING SUBTOTAL	533,400	568,300	622,600	597,000	579,800	
SPECIAL LINE ITEMS						
COMPUTER	0	23,100	16,200	24,400	24,400	
SPECIAL ITEM SUBTOTAL	0	23,100	16,200	24,400	24,400	
P R O G R A M T O T A L	533,400	591,400	638,800	621,400	604,200	
BY FUND SOURCE						
OTHER FUNDS	533,400	591,400	638,800	621,400	604,200	
PROGRAM TOTAL-ALL SOURCES	533,400	591,400	638,800	621,400	604,200	

DEPARTMENT: PHARMACY BD
COST CENTER: PHARMACY BD

The JLBC Staff recommends a total appropriation of $604,200 -- a net increase of $12,800, or 2.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o First-Phase Automation Costs	$	(23,100)
o Travel Rate Adjustment		3,900
o ERE Rate Adjustment		3,500
o General Inflation		1,700

JLBC Staff Recommended Policy Issues

o Automation - Funding for the Board's second phase of automation. This funding includes two additional personal computers, one laser printer, and programming and software to establish a local area network. Without these resources, the Board will be unable to complete automation of its data bases or to share information among different staff members using separate computers. FY 1991 funding of $10,400 will complete the automation project.	24,400
o Investigative Training - To allow five investigators to attend the National Health Law Officers seminar. The Executive recommends a $3,400 increase.	2,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PHYSICAL THERAPY EXAM BD
COST CENTER: PHYSICAL THERAPY EXAM BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	24,600	25,700	26,300	27,000	26,300	
EMPLOYEE RELATED EXP	3,100	6,400	9,700	6,200	5,700	
PROFESSIONAL/OUTSIDE SVC	15,900	22,400	20,700	20,300	20,300	
TRAVEL - IN STATE	2,100	2,600	3,200	3,200	3,200	
TRAVEL - OUT OF STATE	1,000	1,100	1,700	1,700	1,700	
OTHER OPERATING EXP	4,700	7,700	7,200	7,100	7,100	
ALL OTHER OPERATING	23,700	33,800	32,800	32,300	32,300	
P R O G R A M T O T A L	51,400	65,900	68,800	65,500	64,300	
BY FUND SOURCE						
OTHER FUNDS	51,400	65,900	68,800	65,500	64,300	
PROGRAM TOTAL-ALL SOURCES	51,400	65,900	68,800	65,500	64,300	

DEPARTMENT: PHYSICAL THERAPY EXAM BD
COST CENTER: PHYSICAL THERAPY EXAM BD

The JLBC Staff recommends a total appropriation of $64,300 -- a net decrease of $(1,600), or (2.4)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Examination Savings	$ (2,400)
o	ERE Rate Adjustments	(800)
o	Risk Management Charges	(600)
o	Personal Services/ERE Adjustments	700
o	State Boards Office Charges	300
o	All Other	1,200

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PODIATRY EXAMINERS BOARD
COST CENTER: PODIATRY EXAMINERS BOARD
JLBC ANALYST: WILCOX
HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,200	6,000	6,000	6,000	6,000	
EMPLOYEE RELATED EXP	100	0	0	0	0	
PROFESSIONAL/OUTSIDE SVC	23,700	26,800	28,700	27,600	27,600	
TRAVEL - IN STATE	4,800	3,100	3,200	3,200	3,200	
OTHER OPERATING EXP	3,900	5,500	5,500	5,500	5,500	
ALL OTHER OPERATING	32,400	35,400	37,400	36,300	36,300	
P R O G R A M T O T A L	37,700	41,400	43,400	42,300	42,300	
BY FUND SOURCE						
OTHER FUNDS	37,700	41,400	43,400	42,300	42,300	
PROGRAM TOTAL-ALL SOURCES	37,700	41,400	43,400	42,300	42,300	

DEPARTMENT: PODIATRY EXAMINERS BOARD
COST CENTER: PODIATRY EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $42,300 -- a net increase of $900, or 2.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o State Board Office Charges	$	800
o Travel - In State Reimbursement		100

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Examination Sites - By using State owned building space to hold examinations, the Board can save $300. The Board is currently renting private sector space to hold its exams. The successful implementation of this issue would require cooperation and support by the Department of Administration locating and scheduling building space.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BD OF PRIV POSTSECOND ED
COST CENTER: BD OF PRIV POSTSECOND ED

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	3.00	4.20	4.00	3.20	
OPERATING BUDGET						
PERSONAL SERVICES	67,300	76,600	97,400	99,100	79,400	
EMPLOYEE RELATED EXP	12,400	15,400	22,300	19,900	15,000	
PROFESSIONAL/OUTSIDE SVC	1,300	4,100	4,100	4,100	4,100	
TRAVEL - IN STATE	2,400	3,400	3,600	3,600	3,600	
TRAVEL - OUT OF STATE	600	900	900	900	900	
OTHER OPERATING EXP	18,700	19,600	20,400	19,700	19,100	
EQUIPMENT	5,400	1,700	2,600	2,500	2,000	
ALL OTHER OPERATING	28,400	29,700	31,600	30,800	29,700	
P R O G R A M T O T A L	108,100	121,700	151,300	149,800	124,100	
BY FUND SOURCE						
OTHER FUNDS	108,100	121,700	151,300	149,800	124,100	
PROGRAM TOTAL-ALL SOURCES	108,100	121,700	151,300	149,800	124,100	

DEPARTMENT: BD. OF PRIVATE POSTSECONDARY EDUCATION
COST CENTER: BD. OF PRIVATE POSTSECONDARY EDUCATION

The JLBC Staff recommends a total appropriation of $124,100 -- a net increase of $2,400, or 2.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(1,000)
o Risk Management Insurance		(900)
o General Inflation		900

JLBC Staff Recommended Policy Issues

o Part-Time Clerical Pool - The JLBC Staff concurs with the Executive in recommending $3,400 to provide for office support. If the part-time clerical help is not funded, the present Board's staff will continue to provide the current level of service without adequate office support.	3,400

Other Issues for Legislative Consideration

- Administrative Assistant - The Executive recommends $22,000 to fund a new Administrative Assistant position. The new position is requested to assist the Executive Director in carrying out administrative duties and to improve the Board's ability to regulate schools under its jurisdiction. To alleviate this problem, the Legislature approved a half-time Administrative Assistant II position for the fiscal year 1988. The JLBC Staff does not recommend this policy issue.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PSYCHOLOGIST EXAMINERS BD
COST CENTER: PSYCHOLOGIST EXAMINERS BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	26,900	30,100	30,100	30,800	30,100	
EMPLOYEE RELATED EXP	5,600	6,800	9,900	9,300	8,700	
PROFESSIONAL/OUTSIDE SVC	40,200	69,800	72,200	71,200	66,200	
TRAVEL - IN STATE	1,500	3,900	4,600	4,600	4,500	
TRAVEL - OUT OF STATE	1,500	900	1,000	1,000	1,000	
OTHER OPERATING EXP	10,000	12,700	14,000	14,000	14,000	
EQUIPMENT	0	200	200	200	200	
ALL OTHER OPERATING	53,200	87,500	92,000	91,000	85,900	
P R O G R A M T O T A L	85,700	124,400	132,000	131,100	124,700	
BY FUND SOURCE						
OTHER FUNDS	85,700	124,400	132,000	131,100	124,700	
PROGRAM TOTAL-ALL SOURCES	85,700	124,400	132,000	131,100	124,700	

DEPARTMENT: PSYCHOLOGIST EXAMINERS BD
COST CENTER: PSYCHOLOGIST EXAMINERS BD

The JLBC Staff recommends a total appropriation of $124,700 -- a net increase of $300 or 0.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	1,900
o State Boards Office Charges		1,400
o Risk Management Insurance		1,000
o All Other		1,000

JLBC Staff Recommended Policy Issues

o Legal Adjustments - The Board has a $33,000 budget for legal expenses. These expenses include court reporters, hearing officers, investigations and consultants costs. Currently the Board is spending 70 to 80% of its appropriated budget. The Board cannot sustain the appropriated level of spending with the current fee structure. This $5,000 decrease should not affect service and will help the board stay within their revenue.	(5,000)

Other Issues for Legislative Consideration

- Examination Sites - By using State owned building space to hold examinations, the Board can save $700. The Board is currently renting private sector space to hold its exams. The successful implementation of this issue would require cooperation and support by the Department of Administration locating and scheduling building space.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STRUCT. PEST CONTROL COMM
COST CENTER: STRUCT. PEST CONTROL COMM

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	12.00	12.00	21.00	21.00	21.00	
OPERATING BUDGET						
PERSONAL SERVICES	90,900	235,300	389,400	398,800	392,500	
EMPLOYEE RELATED EXP	16,300	65,000	174,800	109,000	104,100	
PROFESSIONAL/OUTSIDE SVC	8,300	14,400	205,000	159,900	160,600	
TRAVEL - IN STATE	3,200	31,300	121,600	74,600	53,200	
TRAVEL - OUT OF STATE	200	3,100	9,400	9,400	9,400	
OTHER OPERATING EXP	43,300	66,200	119,100	116,400	114,200	
EQUIPMENT	4,700	0	181,000	142,600	136,300	
ALL OTHER OPERATING	59,700	115,000	636,100	502,900	473,700	
P R O G R A M T O T A L	166,900	415,300	1,200,300	1,010,700	970,300	
BY FUND SOURCE						
OTHER FUNDS	166,900	415,300	1,200,300	1,010,700	970,300	
FEDERAL FUNDS	58,400	52,400	52,400	0	52,400	
PROGRAM TOTAL-ALL SOURCES	225,300	467,700	1,252,700	1,010,700	1,022,700	

DEPARTMENT: STRUCTURAL PEST CONTROL COMMISSION
COST CENTER: STRUCTURAL PEST CONTROL COMMISSION

The JLBC Staff recommends a total appropriation of $970,300 -- a net increase of $555,000, or 133.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(3,900)
o Replacement Equipment		9,500
o Risk Management Insurance		2,100
o General Inflation and All Other		2,400

JLBC Staff Recommended Policy Issues

o Inspection Requirements - JLBC Staff recommends $544,900 and 9 FTE positions to allow the agency to comply with the mandates of Chapter 348, Laws of 1988. This statute established the Inspection Support Fund and requires that the Commission hire enough inspectors to maintain a ratio of one inspector for every 200 industry members, with one inspection supervisor for every eight inspectors. In addition, the Commission is required to establish a computer system to maintain records on all termite pretreatment, preventative, and corrective projects done by licensed pest control contractors. The JLBC recommendation would allow the agency to hire and equip five Inspectors, one Inspection Supervisor, two computer support employees, and one Clerk Typist. In addition, the recommendation provides for 350 hours of contracted programming for the new computer system, and $120,000 for the State Chemist to analyze lab samples of pesticides gathered by the inspectors.	544,900

The Executive recommendation also provides for nine new FTE positions for the Commission.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BD OF TECH REGISTRATION
COST CENTER: BD OF TECH REGISTRATION

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	14.00	15.00	15.00	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	269,700	296,100	296,100	304,100	296,100	
EMPLOYEE RELATED EXP	52,900	77,500	77,500	74,700	68,700	
PROFESSIONAL/OUTSIDE SVC	115,500	170,500	178,900	178,900	176,800	
TRAVEL - IN STATE	9,600	10,600	12,700	12,400	12,400	
TRAVEL - OUT OF STATE	5,200	6,000	10,900	6,200	6,200	
OTHER OPERATING EXP	119,400	129,100	223,400	152,300	153,300	
EQUIPMENT	3,000	6,600	1,900	0	0	
ALL OTHER OPERATING	252,700	322,800	427,800	349,800	348,700	
OPERATING SUBTOTAL	575,300	696,400	801,400	728,600	713,500	
SPECIAL LINE ITEMS						
TEST VALIDATION	20,100	0	0	0	0	
SPECIAL ITEM SUBTOTAL	20,100	0	0	0	0	
P R O G R A M T O T A L	595,400	696,400	801,400	728,600	713,500	
BY FUND SOURCE						
OTHER FUNDS	595,400	696,400	801,400	728,600	713,500	
PROGRAM TOTAL-ALL SOURCES	595,400	696,400	801,400	728,600	713,500	

DEPARTMENT: BOARD OF TECHNICAL REGISTRATION
COST CENTER: BOARD OF TECHNICAL REGISTRATION

The JLBC Staff recommends a total appropriation of $713,500 -- a net increase of $17,100, or 2.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(8,800)
o Replacement Equipment		(6,600)
o Professional and Outside Services Adjustment Administration of examinations		6,300
o Increased Travel Rates		1,800
o Risk Management Insurance		1,500
o General Inflation		3,500

JLBC Staff Recommended Policy Issues

o Newsletter - JLBC Staff recommends $11,700 for issuing two additional newsletters per year to advise registrants of quarterly Board meeting activities.	11,700
o Relocation of Examination Site - JLBC Staff recommends $3,400 for the relocation of the examination site.	3,400
o Filing Cabinets - JLBC Staff recommends $3,500 for the purchase of 25 additional filing cabinets.	3,500
o Software - JLBC Staff recommends $800 for the purchase of additional word processing and data base management software.	800

Other Issues for Legislative Consideration

- Elimination of Geologist, Assayer, and Landscape Architect Licensing - The Arizona Cost Efficiency Commission Report (ACEC) recommended that the licensing requirements for geologists and assayers be eliminated. In addition, the 1985 Auditor General's Performance Audit recommended the elimination of licensing of landscape architects as well as geologists and assayers. According to these reports, the functions of geologists and landscape architects do not pose any risk to the public's health, safety, or welfare. Also, no other state in the country licenses assayers.

- Increase in Examination and Licensing Fees - The ACEC also recommended that the Board increase its examination and licensing fees as its revenues are not sufficient to cover operating costs. JLBC Staff recommends, however, that in the event the licensing of geologists, assayers, or landscape architects is eliminated (see above) the impact on the Board's revenues and expenditures be investigated before making a final decision regarding fees.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: VETERINARY MED EXAM BD
COST CENTER: VETERINARY MED EXAM BD

JLBC ANALYST: WILCOX

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: WRIGHT

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.50	2.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	45,600	63,300	69,400	71,700	69,400	
EMPLOYEE RELATED EXP	8,800	14,700	18,000	18,300	16,800	
PROFESSIONAL/OUTSIDE SVC	33,700	33,700	35,700	38,200	35,800	
TRAVEL - IN STATE	8,300	10,400	11,100	11,100	11,100	
TRAVEL - OUT OF STATE	0	900	900	900	900	
OTHER OPERATING EXP	7,000	11,400	11,400	11,400	11,400	
EQUIPMENT	500	0	0	0	0	
ALL OTHER OPERATING	49,500	56,400	59,100	61,600	59,200	
P R O G R A M T O T A L	103,900	134,400	146,500	151,600	145,400	
BY FUND SOURCE						
OTHER FUNDS	103,900	134,400	146,500	151,600	145,400	
PROGRAM TOTAL-ALL SOURCES	103,900	134,400	146,500	151,600	145,400	

DEPARTMENT: VETERINARY MED EXAM BD
COST CENTER: VETERINARY MED EXAM BD

The JLBC Staff recommends a total appropriation of $145,400 -- a net increase of $11,000, or 8.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments,	$	7,600
o ERE Rate Adjustments		600
o Professional and Outside Services		2,100
The Executive recommends $3,900 to allow for the use of private space for examinations. The JLBC Staff recommends $1,500 for space rental.		
o Travel-In-State		700

JLBC Staff Recommended Policy Issues

- JLBC Staff recommends no change to the Baseline Budget.

Other Items for Legislative Consideration

- Examination Sites - By using State owned building space to hold examinations, the Board can save $2,500. The Board is currently renting private sector space to hold its exams. The successful implementation of this issue would require cooperation and support by the Department of Administration locating and scheduling building space.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF REGENTS
COST CENTER: REGENTS STAFF AND WICHE
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	34.75	39.75	49.08	39.80	39.75	
OPERATING BUDGET						
PERSONAL SERVICES	1,277,800	1,515,100	1,789,600	1,556,600	1,515,100	
EMPLOYEE RELATED EXP	221,400	318,700	438,900	317,900	297,100	
PROFESSIONAL/OUTSIDE SVC	7,500	0	14,000	0	0	
TRAVEL - IN STATE	16,800	20,800	24,600	0	21,600	
OTHER OPERATING EXP	182,700	199,500	318,600	295,700	244,700	
EQUIPMENT	0	0	18,900	0	0	
ALL OTHER OPERATING	207,000	220,300	376,100	295,700	266,300	
OPERATING SUBTOTAL	1,706,200	2,054,100	2,604,600	2,170,200	2,078,500	
SPECIAL LINE ITEMS						
WICHE INTERSTATE OFFICE	59,000	62,000	65,100	65,100	65,100	
WICHE STUDENT SUBSIDY	1,806,100	1,837,300	1,944,100	1,944,100	1,944,100	
COURSE EQUIVALENCY GUIDE	12,100	12,100	12,600	12,600	12,600	
ST STUDENT INCENT. GRANT	1,143,000	1,293,000	1,293,000	1,293,000	1,293,000	
STATEWIDE PLANNING	119,900	0	0	0	0	
TEACH. LOAN FORGIVE. PRO	0	100,000	100,000	100,000	100,000	
POSTSECONDARY DATA PROJ.	19,100	0	0	0	0	
SPECIAL ITEM SUBTOTAL	3,159,200	3,304,400	3,414,800	3,414,800	3,414,800	
P R O G R A M T O T A L	4,865,400	5,358,500	6,019,400	5,585,000	5,493,300	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BOARD OF REGENTS
COST CENTER: REGENTS STAFF AND WICHE

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	4,865,400	5,358,500	6,019,400	5,585,000	5,493,300	
FEDERAL FUNDS	1,143,000	1,247,900	1,233,000	0	1,233,000	
OTHER NON APPROPRIATED	1,356,200	1,513,200	1,498,300	0	1,498,300	
PROGRAM TOTAL-ALL SOURCES	7,364,600	8,119,600	8,750,700	5,585,000	8,224,600	

The JLBC Staff recommends a total appropriation of $5,493,300 -- a net increase of $134,800, or 2.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (21,600)
o Risk Management Insurance	(3,500)
o General Inflation	114,000
o Commercial Lease	45,400
o All Other	500

The Executive recommendation includes an additional $18,400 for the Risk Management Insurance allocation.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- State Student Incentive Grant - The federal match requirement may be reduced by $55,000 for the fiscal year 1990. There will be no adverse impact upon the minimum match requirement.

- Teacher Loan Program - $10,000 can be saved by absorbing the administrative cost of the program.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4,640.40	5,023.50	5,400.60	5,137.20	5,219.90	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	95,143,100	103,727,800	118,100,200	110,428,500	108,501,800	
ORGANIZED RESEARCH	15,949,000	18,076,200	24,389,800	19,529,700	19,809,500	
PUBLIC SERVICE	1,286,100	1,408,400	1,475,000	1,450,600	1,387,100	
ACADEMIC SUPPORT	21,737,900	23,875,300	30,832,000	25,771,500	26,036,200	
STUDENT SERVICES & ADMIN	10,705,700	12,764,300	13,801,400	13,171,000	12,983,700	
INSTITUTIONAL SUPPORT	38,669,100	39,308,300	41,207,200	41,061,800	39,128,300	
AGRICULTURE	32,400,700	35,793,100	40,187,500	37,049,600	36,436,100	
A G E N C Y T O T A L	215,891,600	234,953,400	269,993,100	248,462,700	244,282,700	
OPERATING BUDGET						
PERSONAL SERVICES	145,517,900	155,904,600	168,405,400	164,480,600	161,274,300	
EMPLOYEE RELATED EXP	22,953,000	31,763,400	43,392,700	33,134,500	32,206,500	
PROFESSIONAL/OUTSIDE SVC	1,777,900	1,363,600	1,725,400	1,502,400	1,430,100	
TRAVEL - IN STATE	716,000	1,285,900	1,430,400	1,353,500	1,386,000	
TRAVEL - OUT OF STATE	718,400	723,800	849,800	790,700	826,700	
OTHER OPERATING EXP	29,078,700	28,287,300	32,755,200	30,437,500	30,458,300	
LIBRARY ACQUISTIONS	4,472,200	4,266,100	4,684,200	4,684,200	4,436,700	
EQUIPMENT	10,657,500	10,389,400	15,700,700	11,071,200	10,696,600	
ALL OTHER OPERATING	47,420,700	46,316,100	57,145,700	49,839,500	49,234,400	
OPERATING SUBTOTAL	215,891,600	233,984,100	268,943,800	247,454,600	242,715,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
MINORITY RECRUIT & RETEN	0	969,300	1,049,300	1,008,100	1,008,000	
STUDENT FINANCIAL AID	0	0	0	0	559,500	
SPECIAL ITEM SUBTOTAL	0	969,300	1,049,300	1,008,100	1,567,500	
A G E N C Y T O T A L	215,891,600	234,953,400	269,993,100	248,462,700	244,282,700	
BY FUND SOURCE						
GENERAL FUND	171,353,800	188,452,200	217,221,800	196,703,200	188,793,300	
OTHER FUNDS	44,537,800	46,501,200	52,771,300	51,759,500	55,489,400	
FEDERAL FUNDS	91,905,200	95,847,100	99,526,500	0	99,526,500	
OTHER NON APPROPRIATED	145,358,300	151,606,800	157,457,800	0	157,457,800	
AGENCY TOTAL-ALL SOURCES	453,155,100	482,407,300	526,977,400	248,462,700	501,267,000	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: SUMMARY

The JLBC Staff recommends a total appropriation of $244,282,700 -- a net increase of $9,329,300, or 4.0%, to the original FY 1989 appropriation. The recommended amount of $244,282,700 includes $188,793,300 from the General Fund which reflects a net increase of $341,100, or 0.2%, to the original FY 1989 General Fund appropriation, and $55,489,400 from the collections fund category which reflects a net increase of $8,988,200 or 19.3%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (101,100)
A vacancy factor of 1.0% was used by the Executive	
o ERE Rate Adjustments	(629,500)
o Risk Management Insurance	(603,500)
o Replacement Equipment	(480,200)
o Collections Adjustment for Building Renewal Funding Transfer	(650,000)
The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $650,000 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	
o Collections Adjustment for Debt Service	(1,382,600)
o Collections Adjustment for Student Enrollment Growth	(967,400)
o General Inflation	1,314,900
o Minority Recruitment and Retention	38,700
o Student Enrollment Growth Funding	2,942,600
o Maintenance of New Buildings	797,400
o All Other	61,800

The Executive recommends $559,500 for Student Financial Aid from the Collections fund setaside. The Executive recommendation inappropriately provides an additional $688,200 for Risk Management Insurance which includes $603,500 for the reduced allocation and $84,700 for a 4.0% inflationary adjustment over the current year base. The JLBC Staff recommendation includes $797,400 and 7.5 new FTE positions in the baseline budget for the necessary maintenance requirement of new facilities, for which the Executive recommends $797,600 and 7.5 new FTE positions as a policy issue.

JLBC Staff Recommended Policy Issues

o Collections Adjustments - The JLBC Staff recommends an additional $2,718,100 in collections fund from the requested increase of $6,270,100 over the current fiscal year. The $2,718,100 amount includes $808,100 from the local activities setaside, $1,350,500 for building renewal funding transfer to the Capital Outlay Appropriation, $559,500 for student financial aid. Since the baseline budget recommendation includes a collections fund increase of $3,000,000, and an additional $5,988,200 is identified as a policy issue change.	(5,988,200)
o Student Financial Aid	559,500
o New Technology Optimization, Phase I	704,900
o Instructional Microcomputer Laboratories, Phase I	982,700
o Center for Management of Information	660,100
o Director Delivery of Services to Students	998,900
o Neuroscience	628,600
o Integrated Microelectronics	971,200
o Biotechnology, Phase III	482,300

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $3,834,800 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such a fee charge will generate an estimated amount of $363,100 which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $30,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: INSTRUCTION
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2,092.40	2,177.90	2,315.80	2,250.90	2,263.40	
OPERATING BUDGET						
PERSONAL SERVICES	75,312,900	78,371,500	83,679,800	83,114,500	81,091,600	
EMPLOYEE RELATED EXP	10,934,400	15,209,200	21,564,300	16,743,300	16,194,000	
PROFESSIONAL/OUTSIDE SVC	569,400	503,500	641,400	607,900	529,600	
TRAVEL - IN STATE	113,000	261,600	307,900	288,300	296,900	
TRAVEL - OUT OF STATE	290,700	356,300	415,200	408,500	417,400	
OTHER OPERATING EXP	4,847,000	4,881,500	6,314,900	5,262,400	5,473,000	
EQUIPMENT	3,075,700	4,144,200	5,176,700	4,003,600	3,939,800	
ALL OTHER OPERATING	8,895,800	10,147,100	12,856,100	10,570,700	10,656,700	
OPERATING SUBTOTAL	95,143,100	103,727,800	118,100,200	110,428,500	107,942,300	
SPECIAL LINE ITEMS						
STUDENT FINANCIAL AID	0	0	0	0	559,500	
SPECIAL ITEM SUBTOTAL	0	0	0	0	559,500	
PROGRAM TOTAL	95,143,100	103,727,800	118,100,200	110,428,500	108,501,800	
BY FUND SOURCE						
GENERAL FUND	56,224,100	62,710,000	71,380,200	64,152,400	59,063,700	
OTHER FUNDS	38,919,000	41,017,800	46,720,000	46,276,100	49,438,100	
FEDERAL FUNDS	91,905,200	95,847,100	99,526,500	0	99,526,500	
OTHER NON APPROPRIATED	145,358,300	151,606,800	157,457,800	0	157,457,800	
PROGRAM TOTAL-ALL SOURCES	332,406,600	351,181,700	375,084,500	110,428,500	365,486,100	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: INSTRUCTION

The JLBC Staff recommends a total appropriation of $108,501,800 -- a net increase of $4,774,000, or 4.6%, to the original FY 1989 appropriation. The recommended amount of $108,501,800 includes $59,063,700 from the General Fund which reflects a net decrease of $(3,646,300), or (5.8)%, from the original FY 1989 General Fund appropriation, and $49,438,100 from the collections fund category which reflects a net increase of $8,420,300 or 20.5%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (61,300)
A vacancy factor of 1.0% was used by the Executive	
o Replacement Equipment	(508,500)
o Collections Adjustment for Building Renewal Funding Transfer	(650,000)
The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $650,000 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	
o Collections Adjustment for Debt Service	(1,382,600)
o Collections Adjustment for Student Enrollment Growth	(967,400)
o ERE Rate Adjustments	441,500
o General Inflation	231,900
o Student Enrollment Growth Funding	2,629,400
o All Other	13,600

The Executive recommends $559,500 for Student Financial Aid from the collections fund setaside.

JLBC Staff Recommended Policy Issues

o <u>Collections Adjustments</u> - The JLBC Staff recommends an additional $2,718,100 in collections fund from the requested increase of $5,702,200 over the current fiscal year. The $2,718,100 amount includes $808,100 from the local activities setaside, $1,350,500 for building renewal funding transfer to the Capital Outlay Appropriation, $559,500 for student financial aid. Since the baseline budget recommendation includes a collections fund increase of $3,000,000, an additional $5,420,300 is identified as a policy issue change.	(5,420,300)

- Student Financial Aid - The JLBC Staff recommends $559,500 for Student Financial Aid to minimize financial hardship for some students due to the registration fee increase of $84 and the tuition/fee increase of $618 a year beginning in the fall semester of 1989. The Arizona Board of Regents directed the three universities to set aside approximately $1,500,000 from the increased tuition and fee collections for this purpose. The JLBC Staff recommendation identifies this program as a policy issue and increases the collections fund of the operating budget by the same amount. 559,500

- Center for Management of Information - The JLBC Staff recommends funding of $382,400 and six new FTE positions for this policy issue. This program will provide the development of an interdisciplinary approach to the management of information for the College of Business and Public Administration. Center for Management of Information will establish the opportunity to distinguish the University among colleges of business through an innovative and multi-disciplinary approach to the preparation of business leaders. The Executive recommends funding of $285,000 and six new FTE positions for the policy issue. 382,400

- Neuroscience - The JLBC Staff recommends funding of $314,300 and 5.5 new FTE positions for this policy issue. This program will establish a University-wide interdisciplinary program in neuroscience that will provide instruction and coordinate scholarly activity and communication in the modern field of neuroscience, ranging from molecules and genes involved in neural development to complex sensory, motor, and cognitive systems. 314,300

- Integrated Microelectronics - The JLBC Staff recommends funding of $771,200 and eight new FTE positions to provide innovative research and education programs in modern materials for electronics and opto-electronics and to help the University to achieve national prominence in optical data storage and optical information processing. 771,200

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $1,947,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: ORGANIZED RESEARCH

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	289.80	327.80	421.00	341.80	355.80	
OPERATING BUDGET						
PERSONAL SERVICES	10,711,900	12,106,300	15,305,700	13,027,000	13,161,800	
EMPLOYEE RELATED EXP	1,736,300	2,350,500	3,938,700	2,624,300	2,628,400	
PROFESSIONAL/OUTSIDE SVC	192,500	170,700	211,000	177,500	183,500	
TRAVEL - IN STATE	34,500	130,700	149,300	135,900	140,300	
TRAVEL - OUT OF STATE	83,000	84,200	104,900	87,600	92,000	
OTHER OPERATING EXP	1,732,500	2,147,400	2,664,200	2,259,300	2,499,900	
EQUIPMENT	1,458,300	1,086,400	2,016,000	1,218,100	1,103,600	
ALL OTHER OPERATING	3,500,800	3,619,400	5,145,400	3,878,400	4,019,300	
P R O G R A M T O T A L	15,949,000	18,076,200	24,389,800	19,529,700	19,809,500	
BY FUND SOURCE						
GENERAL FUND	15,949,000	18,076,200	24,389,800	19,529,700	19,809,500	
PROGRAM TOTAL-ALL SOURCES	15,949,000	18,076,200	24,389,800	19,529,700	19,809,500	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: ORGANIZED RESEARCH

The JLBC Staff recommends a total appropriation of $19,809,500 -- a net increase of $1,733,300, or 9.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1% A vacancy factor of 1% was used by the Executive	$ (4,300)
o	Replacement Equipment	(134,900)
o	ERE Rate Adjustments	67,100
o	General Inflation	97,300
o	All Other	6,600

JLBC Staff Recommended Policy Issues

o	New Technology Optimization, Phase I - The JLBC Staff recommends funding of $704,900 and 14 new FTE positions to provide key support personnel needed to manage the use of high technology, high volume equipment and large scale research projects. The Executive recommends $705,900 and 14 new FTE positions for this policy issue.	704,900
o	Neuroscience - The JLBC Staff recommends funding of $314,300 and 5.5 new FTE positions for this policy issue. This program will establish a University-wide interdisciplinary program in neuroscience that will provide instruction and coordinate scholarly activity and communication in the modern field of neuroscience, ranging from molecules and genes involved in neural development to complex sensory, motor, and cognitive systems. The same amount is also recommended under the Instruction program.	314,300
o	Integrated Microelectronics - The JLBC Staff recommends funding of $200,000 to provide innovative research and educational programs in modern materials for electronics and opto-electronics and to help the University to achieve national prominence in optical data storage and optical information processing. This is part of the policy issue recommended under the Instruction program.	200,000

- Biotechnology, Phase III - The JLBC Staff recommends funding of $482,300 and 8.5 FTE positions to provide the University with a state-of-the-art set of facilities for modern research in biotechnology and to facilitate the Arizona students with the best training opportunities by utilizing modern instruments. 482,300

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $293,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: PUBLIC SERVICE

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	37.00	40.20	40.20	40.20	40.20	
OPERATING BUDGET						
PERSONAL SERVICES	917,100	995,900	1,006,200	1,033,900	996,100	
EMPLOYEE RELATED EXP	162,200	228,000	259,300	208,300	198,900	
PROFESSIONAL/OUTSIDE SVC	6,000	2,400	2,500	2,500	2,500	
TRAVEL - IN STATE	5,600	11,200	12,200	11,600	11,900	
TRAVEL - OUT OF STATE	200	3,500	3,900	3,600	3,600	
OTHER OPERATING EXP	116,300	126,200	131,500	131,300	131,200	
EQUIPMENT	78,700	41,200	59,400	59,400	42,900	
ALL OTHER OPERATING	206,800	184,500	209,500	208,400	192,100	
P R O G R A M T O T A L	1,286,100	1,408,400	1,475,000	1,450,600	1,387,100	
BY FUND SOURCE						
GENERAL FUND	1,286,100	1,408,400	1,475,000	1,450,600	1,387,100	
PROGRAM TOTAL-ALL SOURCES	1,286,100	1,408,400	1,475,000	1,450,600	1,387,100	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: PUBLIC SERVICE

The JLBC Staff recommends a total appropriation of $1,387,100 -- a decrease of $(21,300), or (1.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (29,200)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	300
o Replacement Equipment	1,700
o General Inflation	5,300
o All Other	600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $24,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: ACADEMIC SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	447.00	486.10	570.60	517.10	539.10	
OPERATING BUDGET						
PERSONAL SERVICES	10,359,200	11,186,800	13,258,300	12,141,000	12,263,100	
EMPLOYEE RELATED EXP	1,729,100	2,463,000	3,416,700	2,445,800	2,449,000	
PROFESSIONAL/OUTSIDE SVC	104,800	96,200	250,000	100,000	100,000	
TRAVEL - IN STATE	52,000	59,100	68,900	61,500	65,700	
TRAVEL - OUT OF STATE	48,000	40,300	71,300	41,900	61,800	
OTHER OPERATING EXP	2,608,200	2,718,600	3,931,500	2,995,100	3,205,400	
LIBRARY ACQUISTIONS	4,472,200	4,266,100	4,684,200	4,684,200	4,436,700	
EQUIPMENT	2,364,400	3,045,200	5,151,100	3,302,000	3,454,500	
ALL OTHER OPERATING	9,649,600	10,225,500	14,157,000	11,184,700	11,324,100	
P R O G R A M T O T A L	21,737,900	23,875,300	30,832,000	25,771,500	26,036,200	
BY FUND SOURCE						
GENERAL FUND	21,737,900	23,875,300	30,832,000	25,771,500	26,036,200	
PROGRAM TOTAL-ALL SOURCES	21,737,900	23,875,300	30,832,000	25,771,500	26,036,200	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: ACADEMIC SUPPORT

The JLBC Staff recommends a total appropriation of $24,142,300 -- a net increase of $2,160,900, or 9.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (6,300)
o ERE Rate Adjustments	(229,000)
o Replacement Equipment	109,300
o Student Enrollment Growth Funding	104,400
o General Inflation	285,100
o All Other	3,500

JLBC Staff Recommended Policy Issues

o Instructional Microcomputer Laboratories, Phase I - The JLBC Staff recommends an additional funding of $982,700 and 23 new FTE positions to provide students' access to public computing facilities. An instructional microcomputer environment is important for students as it facilitates the necessary tools for instructional programs and it improves students' computer literacy. The Executive recommends $983,500 and 23 new positions for this policy issue.	982,700
o Center for Management of Information - The JLBC Staff recommends funding of $277,700 and six new FTE positions for this policy issue. This program will provide the development of an interdisciplinary approach to the management of information for the College of Business and Public Administration. Center for Management of Information will establish the opportunity to distinguish the University among colleges of business through an innovative and multi-disciplinary approach to the preparation of business leaders. A portion of this policy issue is also recommended under the Instruction program.	277,700
o Direct Delivery of Services to Students - The JLBC Staff recommends $633,500 and 20 new FTE positions in additional funding to provide adequate resources to meet the efficient and timely delivery of basic services to undergraduate as well as graduate students particularly in the area of student retention	633,500

and academic success. Portions of this policy issue are also recommended in other programs.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $273,000 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: STUDENT SERVICES & ADMIN

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	325.80	377.20	394.60	357.40	390.60	
OPERATING BUDGET						
PERSONAL SERVICES	8,146,200	8,732,700	9,165,900	9,155,600	8,963,900	
EMPLOYEE RELATED EXP	1,391,900	1,952,600	2,362,100	1,844,400	1,790,100	
PROFESSIONAL/OUTSIDE SVC	60,200	9,100	9,500	9,500	9,500	
TRAVEL - IN STATE	17,400	24,600	26,200	25,600	25,900	
TRAVEL - OUT OF STATE	31,900	29,500	29,600	30,700	30,600	
OTHER OPERATING EXP	1,000,900	943,000	1,055,300	993,600	1,048,200	
EQUIPMENT	57,200	103,500	103,500	103,500	107,500	
ALL OTHER OPERATING	1,167,600	1,109,700	1,224,100	1,162,900	1,221,700	
OPERATING SUBTOTAL	10,705,700	11,795,000	12,752,100	12,162,900	11,975,700	
SPECIAL LINE ITEMS						
MINORITY RECRUIT & RETEN	0	969,300	1,049,300	1,008,100	1,008,000	
SPECIAL ITEM SUBTOTAL	0	969,300	1,049,300	1,008,100	1,008,000	
P R O G R A M T O T A L	10,705,700	12,764,300	13,801,400	13,171,000	12,983,700	
BY FUND SOURCE						
GENERAL FUND	10,705,700	12,764,300	13,801,400	13,171,000	12,983,700	
PROGRAM TOTAL-ALL SOURCES	10,705,700	12,764,300	13,801,400	13,171,000	12,983,700	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: STUDENT SERVICES & ADMINISTRATION

The JLBC Staff recommends a total appropriation of $12,983, 700 -- a net increase of $219,400, or 1.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (4,300)
o ERE Rate Adjustments	(208,700)
o Replacement Equipment	4,000
o General Inflation	39,600
o Minority Recruitment and Retention	38,700
o Student Enrollment Growth Funding	104,400
o All Other	900

JLBC Staff Recommended Policy Issues

o Direct Delivery of Services to Students - The JLBC Staff recommends $244,800 and 9.4 new FTE positions in additional funding to provide adequate resources to meet the efficient and timely delivery of basic services to undergraduate as well as graduate students particularly in the area of student retention and academic success. Portions of this policy issue are also recommended in other programs.	244,800

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $213,600 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such a fee charge will generate an estimated amount of $363,100 which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $30,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: INSTITUTIONAL SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	720.70	812.20	829.80	827.70	821.20	
OPERATING BUDGET						
PERSONAL SERVICES	17,456,600	19,488,100	20,047,400	20,346,700	19,649,000	
EMPLOYEE RELATED EXP	3,215,900	4,491,700	5,166,300	4,098,800	3,923,900	
PROFESSIONAL/OUTSIDE SVC	706,600	429,400	446,600	446,600	446,600	
TRAVEL - IN STATE	90,100	127,700	137,700	132,800	135,100	
TRAVEL - OUT OF STATE	73,800	44,700	47,800	46,500	49,400	
OTHER OPERATING EXP	15,165,500	14,337,000	14,906,600	15,536,800	14,539,400	
EQUIPMENT	1,960,600	389,700	454,800	453,600	384,900	
ALL OTHER OPERATING	17,996,600	15,328,500	15,993,500	16,616,300	15,555,400	
P R O G R A M T O T A L	38,669,100	39,308,300	41,207,200	41,061,800	39,128,300	
BY FUND SOURCE						
GENERAL FUND	38,669,100	39,308,300	41,207,200	41,061,800	39,128,300	
PROGRAM TOTAL-ALL SOURCES	38,669,100	39,308,300	41,207,200	41,061,800	39,128,300	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: AGRICULTURE

The JLBC Staff recommends a total appropriation of $36,436,100 -- a net increase of $643,000, or 1.8%, to the original FY 1989 appropriation. The recommended amount of $36,436,100 includes $30,384,800 from the General Fund which reflects a net increase of $75,100, or 0.3%, to the original FY 1989 General Fund appropriation, and $6,051,300 from the collections fund category which reflects a net increase of $567,900 or 10.4%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (12,200)
o ERE Rate Adjustments	(71,300)
o Replacement Equipment	63,000
o General Inflation	146,400
o Maintenance of New Buildings	486,300
o All Other	30,800

The JLBC Staff recommendation includes $486,300 and 7.5 new FTE positions in the baseline budget for maintenance support for new facilities on Agricultural Centers in Tucson and Maricopa County. The Executive recommendation provides $486,500 and 7.5 new FTE positions for the new Agricultural facilities in the Institutional Support program as a policy issue.

JLBC Staff Recommended Policy Issues

o Collection Adjustments - The increased student enrollment and tuition/fee increases will generate an additional $567,900 in collections fund, thereby reducing the General Fund requirements by the same amount.	(567,900)

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $609,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	568.70	591.70	651.40	591.70	592.50	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	21,489,600	23,761,800	28,480,700	24,657,800	23,905,400	
ACADEMIC SUPPORT	11,974,100	12,573,800	13,070,500	12,723,500	12,696,800	
INSTITUTIONAL SUPPORT	7,789,400	7,214,200	7,834,100	7,331,300	7,506,600	
A G E N C Y T O T A L	41,253,100	43,549,800	49,385,300	44,712,600	44,108,800	
OPERATING BUDGET						
PERSONAL SERVICES	21,829,000	23,360,300	25,665,300	24,014,700	23,373,400	
EMPLOYEE RELATED EXP	3,041,800	4,446,300	5,995,300	4,438,800	4,310,000	
PROFESSIONAL/OUTSIDE SVC	296,000	83,100	114,400	86,400	86,500	
TRAVEL - IN STATE	49,800	108,000	145,300	112,300	112,200	
TRAVEL - OUT OF STATE	28,300	22,900	38,600	23,800	23,500	
OTHER OPERATING EXP	6,210,300	5,168,500	6,036,400	5,375,200	5,636,400	
LIBRARY ACQUISTIONS	533,900	544,100	597,400	597,400	565,900	
EQUIPMENT	414,100	698,300	1,296,300	858,600	728,700	
ALL OTHER OPERATING	7,532,400	6,624,900	8,228,400	7,053,700	7,153,200	
OPERATING SUBTOTAL	32,403,200	34,431,500	39,889,000	35,507,200	34,836,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
CLINICAL TEACHING SUPPOR	8,849,900	9,118,300	9,496,300	9,205,400	9,272,200	
SPECIAL ITEM SUBTOTAL	8,849,900	9,118,300	9,496,300	9,205,400	9,272,200	
A G E N C Y T O T A L	41,253,100	43,549,800	49,385,300	44,712,600	44,108,800	
BY FUND SOURCE						
GENERAL FUND	39,698,600	41,575,500	47,473,400	42,868,100	42,196,900	
OTHER FUNDS	1,554,500	1,974,300	1,911,900	1,844,500	1,911,900	
FEDERAL FUNDS	25,950,000	27,056,600	28,092,700	0	28,092,700	
OTHER NON APPROPRIATED	41,606,800	43,338,900	44,960,800	0	44,960,800	
AGENCY TOTAL-ALL SOURCES	108,809,900	113,945,300	122,438,800	44,712,600	117,162,300	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: INSTRUCTION

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	392.30	405.90	464.80	405.90	405.90	
OPERATING BUDGET						
PERSONAL SERVICES	17,594,700	18,750,300	20,995,500	19,280,700	18,750,300	
EMPLOYEE RELATED EXP	2,307,700	3,379,500	4,904,500	3,563,800	3,457,600	
PROFESSIONAL/OUTSIDE SVC	34,000	56,000	86,200	58,200	58,300	
TRAVEL - IN STATE	40,300	85,700	120,900	89,100	89,100	
TRAVEL - OUT OF STATE	15,600	14,200	29,800	14,800	14,700	
OTHER OPERATING EXP	1,302,800	1,039,400	1,338,100	1,081,000	1,081,000	
EQUIPMENT	194,500	436,700	1,005,700	570,200	454,400	
ALL OTHER OPERATING	1,587,200	1,632,000	2,580,700	1,813,300	1,697,500	
P R O G R A M T O T A L	21,489,600	23,761,800	28,480,700	24,657,800	23,905,400	
BY FUND SOURCE						
GENERAL FUND	19,935,100	21,787,500	26,568,800	22,813,300	21,993,500	
OTHER FUNDS	1,554,500	1,974,300	1,911,900	1,844,500	1,911,900	
FEDERAL FUNDS	25,950,000	27,056,600	28,092,700	0	28,092,700	
OTHER NON APPROPRIATED	41,606,800	43,338,900	44,960,800	0	44,960,800	
PROGRAM TOTAL-ALL SOURCES	89,046,400	94,157,300	101,534,200	24,657,800	96,958,900	

DEPARTMENT: U OF A - MAIN CAMPUS
COST CENTER: INSTITUTIONAL SUPPORT

The JLBC Staff recommends a total appropriation of $39,007,700 -- a net decrease of $(180,000), or (0.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (13,000)
o ERE Rate Adjustments	(599,900)
o Risk Management Insurance	(603,500)
o Replacement Equipment	(14,800)
o General Inflation	509,300
o Student Enrollment Growth Funding	104,400
o Maintenance of New Buildings	311,100
o All Other	5,800

The Executive recommendation inappropriately provides an additional $688,200 for Risk Management Insurance which includes $603,500 for the reduced allocation and $84,700 for a 4.0% inflationary adjustment over the current year base. The Executive recommends $797,600 and 7.5 new FTE positions in additional funding to provide maintenance support of new facilities as a policy issue all under the Institutional Support program. The JLBC Staff recommendation provides $311,100 for operating expenditures for new facilities on the Main Campus under the Institutional Support program and $486,300 and 7.5 new FTE positions for maintenance support for new facilities on Agricultural Centers in Tucson and Maricopa County under the Agriculture program as a necessary baseline budget requirement.

JLBC Staff Recommended Policy Issues

o Direct Delivery of Services to Students - The JLBC Staff recommends $120,600 and five new FTE positions in additional funding to provide adequate resources to meet the efficient and timely delivery of basic services to undergraduate as well as graduate students particularly in the area of student retention and academic success. Portions of this policy issue are also recommended in other programs.	120,600

Other Issues for Legislative Consideration

o Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $474,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: AGRICULTURE
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	727.70	802.10	828.60	802.10	809.60	
OPERATING BUDGET						
PERSONAL SERVICES	22,614,000	25,023,300	25,942,100	25,661,900	25,148,800	
EMPLOYEE RELATED EXP	3,783,200	5,068,400	6,685,300	5,169,600	5,022,200	
PROFESSIONAL/OUTSIDE SVC	138,400	152,300	164,400	158,400	158,400	
TRAVEL - IN STATE	403,400	671,000	728,200	697,800	710,200	
TRAVEL - OUT OF STATE	190,800	165,300	177,100	171,900	171,900	
OTHER OPERATING EXP	3,608,300	3,133,600	3,751,200	3,259,000	3,561,200	
EQUIPMENT	1,662,600	1,579,200	2,739,200	1,931,000	1,663,400	
ALL OTHER OPERATING	6,003,500	5,701,400	7,560,100	6,218,100	6,265,100	
P R O G R A M T O T A L	32,400,700	35,793,100	40,187,500	37,049,600	36,436,100	
BY FUND SOURCE						
GENERAL FUND	26,781,900	30,309,700	34,136,200	31,566,200	30,384,800	
OTHER FUNDS	5,618,800	5,483,400	6,051,300	5,483,400	6,051,300	
PROGRAM TOTAL-ALL SOURCES	32,400,700	35,793,100	40,187,500	37,049,600	36,436,100	

DEPARTMENT: U. OF A. - COLLEGE OF MEDICINE
COST CENTER: INSTRUCTION

The JLBC Staff recommends a total appropriation of $23,905,400 -- a net increase of $143,600, or 0.6%, to the original FY 1989 appropriation. The recommended amount of $23,905,400 includes $21,993,500 from the General Fund, which reflects a net increase of $206,000, or 0.9%, to the original FY 1989 General Fund appropriation, and $1,911,900 from the collections fund category, which reflects a net decrease of $(62,400), or (3.2)%.

Baseline Budget Changes

o ERE Rate Adjustments	$ 78,100
o General Inflation	45,300
o Replacement Equipment	17,700
o Travel Rate Adjustment	2,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Vacancy Savings - As an alternative to reduce the General Fund appropriation, a vacancy rate of 3.0% could be imposed. This would yield savings of $448,600. The JLBC recommendation includes a normal vacancy rate of 1.0%. If the higher rate is imposed, the College will have to delay hiring to fill vacant or new positions for most of the fiscal year.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: ACADEMIC SUPPORT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	71.60	73.00	73.00	73.00	73.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,812,600	1,914,700	1,933,400	1,966,200	1,914,100	
EMPLOYEE RELATED EXP	316,400	427,600	451,600	363,400	352,900	
PROFESSIONAL/OUTSIDE SVC	26,600	9,100	9,500	9,500	9,500	
TRAVEL - IN STATE	4,000	11,700	12,800	12,200	12,100	
TRAVEL - OUT OF STATE	3,600	0	0	0	0	
OTHER OPERATING EXP	369,500	355,000	369,200	369,100	369,200	
LIBRARY ACQUISTIONS	533,900	544,100	597,400	597,400	565,900	
EQUIPMENT	57,600	193,300	200,300	200,300	200,900	
ALL OTHER OPERATING	995,200	1,113,200	1,189,200	1,188,500	1,157,600	
OPERATING SUBTOTAL	3,124,200	3,455,500	3,574,200	3,518,100	3,424,600	
SPECIAL LINE ITEMS						
CLINICAL TEACHING SUPPOR	8,849,900	9,118,300	9,496,300	9,205,400	9,272,200	
SPECIAL ITEM SUBTOTAL	8,849,900	9,118,300	9,496,300	9,205,400	9,272,200	
P R O G R A M T O T A L	11,974,100	12,573,800	13,070,500	12,723,500	12,696,800	
BY FUND SOURCE						
GENERAL FUND	11,974,100	12,573,800	13,070,500	12,723,500	12,696,800	
PROGRAM TOTAL-ALL SOURCES	11,974,100	12,573,800	13,070,500	12,723,500	12,696,800	

DEPARTMENT: U. OF A. - COLLEGE OF MEDICINE
COST CENTER: ACADEMIC SUPPORT

The JLBC Staff recommends a total appropriation of $12,696,800 -- a net increase of $123,000, or 1.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (800)
A vacancy factor of 1.0% was used by the Executive	
o ERE Rate Adjustments	(61,200)
o General Inflation	177,000
o Replacement Equipment	7,600
o Travel Rate Adjustment	400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Vacancy Savings - As an alternative to reduce the General Fund appropriation, a vacancy rate of 3.0% could be imposed. This would yield savings of $214,200, of which $168,400 would come from the Clinical Teaching Support program. The JLBC recommendation includes a normal vacancy rate of 1.0%. If the higher rate is imposed, the College will have to delay hiring to fill vacant or new positions for most of the fiscal year.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: INSTITUTIONAL SUPPORT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	104.80	112.80	113.60	112.80	113.60	
OPERATING BUDGET						
PERSONAL SERVICES	2,421,700	2,695,300	2,736,400	2,767,800	2,709,000	
EMPLOYEE RELATED EXP	417,700	639,200	639,200	511,600	499,500	
PROFESSIONAL/OUTSIDE SVC	235,400	18,000	18,700	18,700	18,700	
TRAVEL - IN STATE	5,500	10,600	11,600	11,000	11,000	
TRAVEL - OUT OF STATE	9,100	8,700	8,800	9,000	8,800	
OTHER OPERATING EXP	4,538,000	3,774,100	4,329,100	3,925,100	4,186,200	
EQUIPMENT	162,000	68,300	90,300	88,100	73,400	
ALL OTHER OPERATING	4,950,000	3,879,700	4,458,500	4,051,900	4,298,100	
P R O G R A M T O T A L	7,789,400	7,214,200	7,834,100	7,331,300	7,506,600	
BY FUND SOURCE						
GENERAL FUND	7,789,400	7,214,200	7,834,100	7,331,300	7,506,600	
PROGRAM TOTAL-ALL SOURCES	7,789,400	7,214,200	7,834,100	7,331,300	7,506,600	

DEPARTMENT: U. OF A. - COLLEGE OF MEDICINE
COST CENTER: INSTITUTIONAL SUPPORT

The JLBC Staff recommends a total appropriation of $7,506,600 -- a net increase of $292,400, or 4.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (1,400)
o ERE Rate Adjustments	(142,100)
o Staff (0.8 FTE) to Maintain New Buildings	48,600
o Risk Management Insurance	275,600
o General Inflation	108,400
o Replacement Equipment	2,900
o Travel Rate Adjustment	400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Vacancy Savings - As an alternative to reduce the General Fund appropriation, a vacancy rate of 3.0% could be imposed. This would yield savings of $65,000. The JLBC recommendation includes a normal vacancy rate of 1.0%. If the higher rate is imposed, the College will have to delay hiring to fill vacant or new positions for most of the fiscal year.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4,471.40	4,645.40	5,088.90	4,777.80	4,783.60	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	106,772,700	121,568,800	137,237,100	130,655,800	126,944,600	
ORGANIZED RESEARCH	7,199,000	7,493,900	12,762,000	8,951,300	8,613,300	
PUBLIC SERVICE	1,798,200	1,841,100	2,390,800	1,916,700	2,009,200	
ACADEMIC SUPPORT	31,644,000	31,792,100	35,293,300	34,240,000	31,736,900	
STUDENT SERVICES & ADMIN	10,814,100	11,660,600	13,880,600	13,337,600	13,012,100	
INSTITUTIONAL SUPPORT	38,367,300	42,641,700	50,915,500	46,903,100	43,984,300	
A G E N C Y T O T A L	196,595,300	216,998,200	252,479,300	236,004,500	226,300,400	
OPERATING BUDGET						
PERSONAL SERVICES	128,654,500	140,477,700	153,182,500	147,562,200	143,921,900	
EMPLOYEE RELATED EXP	21,040,300	28,328,700	37,882,400	31,202,000	29,360,100	
PROFESSIONAL/OUTSIDE SVC	3,042,400	1,299,400	1,681,600	1,452,400	1,436,400	
TRAVEL - IN STATE	213,800	286,900	419,300	337,500	346,100	
TRAVEL - OUT OF STATE	1,029,800	709,900	951,300	794,500	802,000	
OTHER OPERATING EXP	27,637,600	30,878,400	36,684,800	34,624,000	33,225,200	
LIBRARY ACQUISITIONS	4,390,900	4,148,900	4,555,500	4,555,500	4,314,900	
EQUIPMENT	10,586,000	10,868,300	17,121,900	14,286,300	11,045,300	
ALL OTHER OPERATING	46,900,500	48,191,800	61,414,400	56,050,200	51,169,900	
OPERATING SUBTOTAL	196,595,300	216,998,200	252,479,300	234,814,400	224,451,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
MINORITY RECRUIT & RETEN	0	0	0	1,190,100	1,190,000	
STUDENT FINANCIAL AID	0	0	0	0	658,500	
SPECIAL ITEM SUBTOTAL	0	0	0	1,190,100	1,848,500	
A G E N C Y T O T A L	196,595,300	216,998,200	252,479,300	236,004,500	226,300,400	
BY FUND SOURCE						
GENERAL FUND	151,521,600	169,113,100	203,143,700	186,982,600	173,388,500	
OTHER FUNDS	45,073,700	47,885,100	49,335,600	49,021,900	52,911,900	
FEDERAL FUNDS	24,370,100	26,236,900	27,286,600	0	27,286,600	
OTHER NON APPROPRIATED	79,577,200	83,947,200	89,508,500	0	89,508,500	
AGENCY TOTAL-ALL SOURCES	300,542,600	327,182,300	369,274,400	236,004,500	343,095,500	

DEPARTMENT: A.S.U.
COST CENTER: SUMMARY

The JLBC Staff recommends a total appropriation of $226,300,400 -- a net increase of $9,302,200, or 4.3%, to the original FY 1989 appropriation. The recommended amount of $226,300,400 includes $173,388,500 from the General Fund which reflects a net increase of $4,275,400, or 2.5%, to the original FY 1989 General Fund appropriation, and $52,911,900 from the collections fund category which reflects a net increase of $5,026,800 or 10.5%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (106,700)
o Collections Adjustment for Building Renewal Funding Transfer The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $1,713,700 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	(1,713,700)
o Risk Management Insurance	(613,200)
o Replacement Equipment	(3,500)
o ERE Rate Adjustments	328,700
o Annualization of FY 1989 Programs Which Were not Fully Funded	484,800
o General Inflation	1,413,700
o Minority Recruitment and Retention (as a reallocation from the operating to a below-the-line item)	45,700
o Student Enrollment Growth Funding	908,400
o New Facilities Support	724,000
o All Other	14,500

The Executive recommendation includes $2,806,900 and 75.2 new FTE positions for Equity Funding in the Baseline Budget, and $658,500 for Student Financial Aid from the collections fund setaside.

The Executive recommendation inappropriately provides an additional $683,400 for Risk Management Insurance which includes $613,200 for the reduced allocation and $70,200 for a 4.0% inflationary adjustment over the current year base.

JLBC Staff Recommended Policy Issues

o Collections Adjustments	(3,313,100)
o Equity Funding	2,792,700
o Student Financial Aid	658,500
o Unfunded Portions of FY 1989 Program Changes	522,900
o Materials I: New Materials Synthesis	558,300
o Disabled Students' Access Learning Lab & Testing Center	150,000
o Engineering Excellence II - 5th Year	901,500
o Biotechnology I	521,900

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $3,429,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such fee charge will generate an estimated amount of $311,500, which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $30,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: INSTRUCTION
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2,506.60	2,615.00	2,793.90	2,688.00	2,698.50	
OPERATING BUDGET						
PERSONAL SERVICES	83,890,400	90,963,300	97,040,900	95,214,200	92,953,200	
EMPLOYEE RELATED EXP	12,680,900	18,343,600	23,998,300	20,133,100	18,962,500	
PROFESSIONAL/OUTSIDE SVC	1,400,800	870,200	1,099,700	983,500	967,500	
TRAVEL - IN STATE	99,900	217,600	313,600	258,200	265,500	
TRAVEL - OUT OF STATE	692,100	569,000	737,100	631,200	638,900	
OTHER OPERATING EXP	5,184,100	6,878,600	8,569,800	7,504,200	7,584,800	
EQUIPMENT	2,824,500	3,726,500	5,477,700	4,921,000	3,903,400	
ALL OTHER OPERATING	10,201,400	12,261,900	16,197,900	14,298,100	13,360,100	
OPERATING SUBTOTAL	106,772,700	121,568,800	137,237,100	129,645,400	125,275,800	
SPECIAL LINE ITEMS						
MINORITY RECRUIT & RETEN	0	0	0	1,010,400	1,010,300	
STUDENT FINANCIAL AID	0	0	0	0	658,500	
SPECIAL ITEM SUBTOTAL	0	0	0	1,010,400	1,668,800	
P R O G R A M T O T A L	106,772,700	121,568,800	137,237,100	130,655,800	126,944,600	
BY FUND SOURCE						
GENERAL FUND	61,699,000	73,683,700	87,901,500	81,633,900	74,032,700	
OTHER FUNDS	45,073,700	47,885,100	49,335,600	49,021,900	52,911,900	
FEDERAL FUNDS	24,370,100	26,236,900	27,286,600	0	27,286,600	
OTHER NON APPROPRIATED	79,577,200	83,947,200	89,508,500	0	89,508,500	
PROGRAM TOTAL-ALL SOURCES	210,720,000	231,752,900	254,032,200	130,655,800	243,739,700	

DEPARTMENT: A.S.U.
COST CENTER: INSTRUCTION

The JLBC Staff recommends a total appropriation of $126,944,600 -- a net increase of $5,375,800, or 4.4%, to the original FY 1989 appropriation. The recommended amount of $126,944,600 includes $76,032,700 from the General Fund which reflects a net increase of $349,000, or 0.5%, to the original FY 1989 General Fund appropriation, and $52,911,900 from the collections fund category which reflects a net increase of $5,026,800 or 10.5%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (54,100)
o Collections Adjustment for Building Renewal Funding Transfer The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $1,713,700 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	(1,713,700)
o ERE Rate Adjustments	212,900
o Annualization of FY 1989 Programs Which Were not Fully Funded	117,300
o Replacement Equipment	106,400
o General Inflation	334,600
o Minority Recruitment and Retention (as a reallocation from the operating to a below-the-line item)	38,800
o Student Enrollment Growth Funding	803,700
o All Other	11,100

The Executive recommendation includes $1,732,400 and 44 new FTE positions for Equity Funding in the Baseline Budget, and $658,500 for Student Financial Aid from the collections fund setaside.

JLBC Staff Recommended Policy Issues

o <u>Collections Adjustments</u> - The JLBC Staff recommends an additional $3,576,300 in collections fund from the requested increase of $1,450,500. The $3,576,300 amount includes $233,100 from the local activities setaside, $1,535,900 for building renewal funding transfer to the Capital Outlay Appropriation, $658,500 for student	(3,313,100)

financial aid and $1,148,800 for additional tuition and fee collections. Since the baseline budget recommendation includes a collections fund increase of $1,713,700, an additional $3,313,100 is identified as a policy issue change.

- Equity Funding - The JLBC Staff analysis indicates that the equity funding issue is aligned more with policy issues than the baseline budget, and recommends $1,723,200 and 44 new FTE positions for equity funding. — 1,723,200

  It is important to note that the Arizona Board of Regents instituted a cost study commission in fiscal year 1987 to evaluate the university system budget in cooperation with the Legislature. Several members of the Legislature served as members of the Commission. The Commission found that there existed funding disparities among the three universities. In February of 1988, the Board adopted the Commission's findings and identified the funding adjustments of $5,316,600 for Arizona State University and $368,900 for Northern Arizona University. The Board requests that one half of the equity funding be funded in FY 1990 and the second half be funded in FY 1991. Failure to address the equity funding issue will result in continuous funding disparities among the three universities.

- Student Financial Aid - The JLBC Staff recommends $658,500 for student financial aid to minimize financial hardship for some students due to the registration fee increase of $84 and the tuition/fee increase of $618 a year beginning in the fall semester of 1989. The Arizona Board of Regents directed the three universities to set aside approximately $1,500,000 from the increased tuition and fee collections for this purpose. The JLBC Staff recommendation identifies this program as a policy issue and increases the collections fund of the operating budget by the same amount. — 658,500

- Engineering Excellence II - 5th Year - The JLBC Staff recommends funding of $901,500 and 8.5 new FTE positions. The Engineering Excellence program is vital to the high tech industries in the Valley and plays a critical role in attracting new firms to the Valley and State. The synergism of engineering education and high tech industry will continue to have a profound impact upon the State's ability to take its place as one of the high tech centers in the nation. Failure to fund this final segment of Engineering Excellence II will negatively impact the State, the University, and the College. The Executive recommends $903,700 and 8.5 new FTE positions for this policy issue. — 901,500

- Biotechnology I - The JLBC Staff recommends funding of $521,900 and 11 new FTE positions to enhance the research and instructional capabilities of the Botany, — 521,900

Microbiology and Zoology departments. This program will provide advanced biotechnology research and improved classroom instruction with the goal of extending knowledge and understanding in an area of world wide importance. The new techniques of modern biology will be used to develop solutions to problems of disease, food production, natural resource depletion, pest control, and the detoxification of hazardous wastes.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $2,215,600 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: ORGANIZED RESEARCH
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	164.50	150.30	233.80	156.30	156.30	
OPERATING BUDGET						
PERSONAL SERVICES	4,616,900	4,919,800	6,937,500	5,275,000	5,140,600	
EMPLOYEE RELATED EXP	775,000	992,100	1,715,800	1,115,300	1,048,700	
PROFESSIONAL/OUTSIDE SVC	171,100	72,500	122,900	92,900	92,900	
TRAVEL - IN STATE	8,300	21,700	39,500	26,800	27,200	
TRAVEL - OUT OF STATE	86,200	55,100	94,500	67,100	67,100	
OTHER OPERATING EXP	656,500	828,100	1,667,500	1,537,200	1,537,600	
EQUIPMENT	885,000	604,600	2,184,300	837,000	699,200	
ALL OTHER OPERATING	1,807,100	1,582,000	4,108,700	2,561,000	2,424,000	
P R O G R A M T O T A L	7,199,000	7,493,900	12,762,000	8,951,300	8,613,300	
BY FUND SOURCE						
GENERAL FUND	7,199,000	7,493,900	12,762,000	8,951,300	8,613,300	
PROGRAM TOTAL-ALL SOURCES	7,199,000	7,493,900	12,762,000	8,951,300	8,613,300	

DEPARTMENT: A.S.U.
COST CENTER: ORGANIZED RESEARCH

The JLBC Staff recommends a total appropriation of $8,613,300 -- a net increase of $1,119,400, or 14.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (59,200)
o	ERE Rate Adjustments	11,500
o	Replacement Equipment	46,400
o	General Inflation	38,400
o	All Other	1,100

JLBC Staff Recommended Policy Issues

o	Unfunded Portions of FY 1989 Program Changes 1 Through 5 - The JLBC Staff concurs with the Executive in recommending $522,900 for this policy issue. The recommendations provide funding for the unfunded portions of the current year program changes relating to the Engineering Excellence Program and the Fine Arts Program to facilitate operations support.	522,900
o	Materials I: New Materials Synthesis - The JLBC Staff and Executive recommend funding of $558,300 and $560,300, respectively, with six new FTE positions to provide interdisciplinary research in new materials such as transistors, solid state electronic devices, light-weight and high strength composites for all types of transportation vehicles and critical high temperature ceramic superconductors. Failure to fund this program will lead to the underdevelopment and delay of materials processing research in materials science and engineering.	558,300

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $118,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: PUBLIC SERVICE

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	47.40	47.40	49.40	47.40	47.40	
OPERATING BUDGET						
PERSONAL SERVICES	1,173,500	1,213,000	1,303,000	1,234,000	1,200,900	
EMPLOYEE RELATED EXP	274,800	244,600	322,300	260,900	245,000	
PROFESSIONAL/OUTSIDE SVC	31,200	7,600	75,900	7,900	7,900	
TRAVEL - IN STATE	0	1,700	3,100	1,800	1,800	
TRAVEL - OUT OF STATE	0	10,100	15,100	10,500	10,400	
OTHER OPERATING EXP	160,600	276,800	553,100	287,700	287,900	
EQUIPMENT	158,100	87,300	118,300	113,900	255,300	
ALL OTHER OPERATING	349,900	383,500	765,500	421,800	563,300	
P R O G R A M T O T A L	1,798,200	1,841,100	2,390,800	1,916,700	2,009,200	
BY FUND SOURCE						
GENERAL FUND	1,798,200	1,841,100	2,390,800	1,916,700	2,009,200	
PROGRAM TOTAL-ALL SOURCES	1,798,200	1,841,100	2,390,800	1,916,700	2,009,200	

DEPARTMENT: A.S.U.
COST CENTER: PUBLIC SERVICE

The JLBC Staff recommends a total appropriation of $2,009,200 -- a net increase of $168,100, or 9.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (14,600)
o	ERE Rate Adjustments	2,900
o	Replacement Equipment	168,000
o	General Inflation	11,800

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $29,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: ACADEMIC SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	599.80	600.90	623.90	601.00	600.90	
OPERATING BUDGET						
PERSONAL SERVICES	13,957,200	14,975,700	15,421,400	15,234,000	14,825,900	
EMPLOYEE RELATED EXP	3,167,800	3,020,000	3,813,700	3,221,200	3,024,400	
PROFESSIONAL/OUTSIDE SVC	718,200	121,300	128,700	126,200	126,200	
TRAVEL - IN STATE	11,300	12,300	17,000	12,800	13,000	
TRAVEL - OUT OF STATE	148,200	23,500	30,100	24,400	24,400	
OTHER OPERATING EXP	4,307,200	4,969,400	5,395,800	5,167,900	5,168,200	
LIBRARY ACQUISITIONS	4,390,900	4,148,900	4,555,500	4,555,500	4,314,900	
EQUIPMENT	4,943,200	4,521,000	5,931,100	5,898,000	4,239,900	
ALL OTHER OPERATING	14,519,000	13,796,400	16,058,200	15,784,800	13,886,600	
P R O G R A M T O T A L	31,644,000	31,792,100	35,293,300	34,240,000	31,736,900	
BY FUND SOURCE						
GENERAL FUND	31,644,000	31,792,100	35,293,300	34,240,000	31,736,900	
PROGRAM TOTAL-ALL SOURCES	31,644,000	31,792,100	35,293,300	34,240,000	31,736,900	

DEPARTMENT: A.S.U.
COST CENTER: ACADEMIC SUPPORT

The JLBC Staff recommends a total appropriation of $31,736,900 -- a net decrease of $(55,200), or (0.2%), from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$	(180,400)
o Replacement Equipment		(281,100)
o ERE Rate Adjustments		35,000
o General Inflation		370,700
o All Other		600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $360,800 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: STUDENT SERVICES & ADMIN

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	360.50	373.00	415.50	404.20	404.20	
OPERATING BUDGET						
PERSONAL SERVICES	8,088,000	8,779,000	9,772,200	9,603,000	9,366,700	
EMPLOYEE RELATED EXP	1,353,600	1,770,400	2,416,700	2,030,700	1,910,900	
PROFESSIONAL/OUTSIDE SVC	130,300	84,500	92,900	92,900	92,900	
TRAVEL - IN STATE	32,400	13,300	18,400	16,800	17,100	
TRAVEL - OUT OF STATE	40,500	18,400	27,400	26,100	26,100	
OTHER OPERATING EXP	941,200	852,500	1,349,500	1,202,500	1,205,000	
EQUIPMENT	228,100	142,500	203,500	185,900	213,700	
ALL OTHER OPERATING	1,372,500	1,111,200	1,691,700	1,524,200	1,554,800	
OPERATING SUBTOTAL	10,814,100	11,660,600	13,880,600	13,157,900	12,832,400	
SPECIAL LINE ITEMS						
MINORITY RECRUIT & RETEN	0	0	0	179,700	179,700	
SPECIAL ITEM SUBTOTAL	0	0	0	179,700	179,700	
P R O G R A M T O T A L	10,814,100	11,660,600	13,880,600	13,337,600	13,012,100	
BY FUND SOURCE						
GENERAL FUND	10,814,100	11,660,600	13,880,600	13,337,600	13,012,100	
PROGRAM TOTAL-ALL SOURCES	10,814,100	11,660,600	13,880,600	13,337,600	13,012,100	

DEPARTMENT: A.S.U.
COST CENTER: STUDENT SERVICES & ADMIN.

The JLBC Staff recommends a total appropriation of $13,012,100 -- a net increase of $1,351,500, or 11.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (5,600)
o	ERE Rate Adjustments	20,500
o	Replacement Equipment	71,200
o	General Inflation	38,300
o	Minority Recruitment and Retention (as a reallocation from the operating to a below-the-line item)	6,900
o	All Other	700

The Executive recommends $1,074,500 for Equity Funding in the Baseline Budget.

JLBC Staff Recommended Policy Issues

o Equity Funding - The JLBC Staff analysis indicates that the equity funding issue is aligned more with the policy issues than the baseline budget, and recommends $1,069,500 and 31.2 new FTE positions for equity funding. 1,069,500

It is important to note that the Arizona Board of Regents instituted a cost study commission in fiscal year 1987 to evaluate the university system budget in cooperation with the Legislature. Several members of the Legislature served as members of the Commission. The Commission found that there existed funding disparities among the three universities. In February of 1988, the Board adopted the Commission's findings and identified the funding adjustments of $5,316,600 for Arizona State University and $368,900 for Northern Arizona University. The Board requests that one half of the equity funding be funded in FY 1990 and the second half be funded in FY 1991. Failure to address the equity funding issue will result in continuous funding disparities among the three universities.

o Disabled Students' Access Learning Lab & Testing Center - The JLBC Staff recommends funding of $150,000 for developing and teaching adapted learning skills to 150,000

underprepared disabled students. This policy issue provides essential operating funds for special test accommodations for disabled students.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $211,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such fee charge will generate an estimated amount of $311,500, which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $30,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: INSTITUTIONAL SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	792.60	858.80	972.40	880.90	876.30	
OPERATING BUDGET						
PERSONAL SERVICES	16,928,500	19,626,900	22,707,500	21,002,000	20,434,600	
EMPLOYEE RELATED EXP	2,788,200	3,958,000	5,615,600	4,440,800	4,168,600	
PROFESSIONAL/OUTSIDE SVC	590,800	143,300	161,500	149,000	149,000	
TRAVEL - IN STATE	61,900	20,300	27,700	21,100	21,500	
TRAVEL - OUT OF STATE	62,800	33,800	47,100	35,200	35,100	
OTHER OPERATING EXP	16,388,000	17,073,000	19,149,100	18,924,500	17,441,700	
EQUIPMENT	1,547,100	1,786,400	3,207,000	2,330,500	1,733,800	
ALL OTHER OPERATING	18,650,600	19,056,800	22,592,400	21,460,300	19,381,100	
P R O G R A M T O T A L	38,367,300	42,641,700	50,915,500	46,903,100	43,984,300	
BY FUND SOURCE						
GENERAL FUND	38,367,300	42,641,700	50,915,500	46,903,100	43,984,300	
PROGRAM TOTAL-ALL SOURCES	38,367,300	42,641,700	50,915,500	46,903,100	43,984,300	

DEPARTMENT: A.S.U.
COST CENTER: INSTITUTIONAL SUPPORT

The JLBC Staff recommends a total appropriation of $43,984,300 -- a net increase of $1,342,600, or 3.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (613,200)
o Replacement Equipment	(114,400)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	207,200
o Annualization of FY 1989 Programs Which Were not Fully Funded	367,500
o ERE Rate Adjustments	45,900
o General Inflation	619,900
o Student Enrollment Growth Funding	104,700
o New Facilities Support	724,000
o All Other	1,000

The Executive recommendation inappropriately provides an additional $683,400 for Risk Management Insurance which includes $613,200 for the reduced allocation and $70,200 for a 4.0% inflationary adjustment over the current year base. The Executive recommends $652,300 and 14 new FTE positions in additional funding to provide new facilities support as a policy issue. The JLBC Staff recommendation provides $724,000 and 13.5 new FTE positions in the baseline budget as a necessary maintenance requirement for new Student Recreation Complex which is scheduled to open in July, 1989.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $497,000 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: A.S.U. - WEST
COST CENTER: ASU WEST

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	217.90	255.90	354.70	255.90	322.65	
OPERATING BUDGET						
PERSONAL SERVICES	4,604,800	6,775,500	9,662,600	7,011,600	8,453,300	
EMPLOYEE RELATED EXP	765,400	1,446,100	2,890,100	1,778,800	2,023,700	
PROFESSIONAL/OUTSIDE SVC	269,900	290,100	427,700	0	301,700	
TRAVEL - IN STATE	44,400	54,800	98,100	0	80,300	
TRAVEL - OUT OF STATE	44,600	107,300	212,400	0	164,800	
OTHER OPERATING EXP	1,325,900	1,154,900	1,931,200	3,906,500	1,650,300	
LIBRARY ACQUISTIONS	407,600	1,397,800	1,534,800	0	1,453,700	
EQUIPMENT	749,600	587,600	1,333,900	0	895,900	
ALL OTHER OPERATING	2,842,000	3,592,500	5,538,100	3,906,500	4,546,700	
OPERATING SUBTOTAL	8,212,200	11,814,100	18,090,800	12,696,900	15,023,700	
SPECIAL LINE ITEMS						
SUNDOME	250,000	250,000	260,000	260,000	260,000	
SPECIAL ITEM SUBTOTAL	250,000	250,000	260,000	260,000	260,000	
P R O G R A M T O T A L	8,462,200	12,064,100	18,350,800	12,956,900	15,283,700	
BY FUND SOURCE						
GENERAL FUND	7,463,700	11,055,600	17,330,800	11,936,900	14,263,700	
OTHER FUNDS	998,500	1,008,500	1,020,000	1,020,000	1,020,000	
PROGRAM TOTAL-ALL SOURCES	8,462,200	12,064,100	18,350,800	12,956,900	15,283,700	

DEPARTMENT: A.S.U. - WEST
COST CENTER: A.S.U. - WEST

The JLBC Staff recommends a total appropriation of $15,283,700 -- a net increase of $3,219,600, or 26.7%, to the original FY 1989 appropriation. The recommended amount of $15,283,700 includes $14,263,700 from the General Fund which reflects a net increase of $3,208,100, or 29.0%, to the original FY 1989 General Fund appropriation, and $1,020,000 from the collections fund category which reflects a net increase of $11,500 or 1.1%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (32,400)
A vacancy factor of 1.0% was used by the Executive	
o Replacement Equipment	(344,100)
o Collections Adjustment	(11,500)
o ERE Rate Adjustments	175,900
o Annualization	76,100
o General Inflation	124,900
o New Campus Requirements	3,210,400
ASU-West Campus will have an additional 266 FTE students during Fiscal Year 1990, and the accelerated completion of the first phase of the core campus buildings requires funding for 66.75 new positions and operating expenditures.	
o All Other	8,800

JLBC Staff Recommended Policy Issues

- ASU-West requests funding of $5,111,000 and 98.75 new positions for new campus development. The Legislative Staff analysis indicates that such development is more aligned with the baseline budget requirements at an estimated cost of $3,210,400 as shown above.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Factor - An additional 2% vacancy factor will generate $211,600 savings. This will require ASU-West Campus to postpone the filling of vacant positions and delay hiring of any new positions. This option will result in an inefficient operation of programs and long delays of service delivery.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1,530.00	1,606.50	1,842.50	1,751.00	1,729.00	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	32,311,200	37,168,000	45,827,900	41,011,700	39,342,200	
ORGANIZED RESEARCH	2,056,000	2,277,900	2,696,800	2,607,400	2,209,900	
PUBLIC SERVICE	717,200	808,000	1,107,800	835,300	829,900	
ACADEMIC SUPPORT	8,665,800	9,904,500	12,660,400	11,113,000	11,806,800	
STUDENT SERVICES & ADMIN	5,656,600	6,174,500	6,868,400	6,425,600	6,163,300	
INSTITUTIONAL SUPPORT	16,637,700	17,767,100	19,724,400	18,926,500	18,152,800	
A G E N C Y T O T A L	66,044,500	74,100,000	88,885,700	80,919,500	78,504,900	
OPERATING BUDGET						
PERSONAL SERVICES	41,495,000	46,197,800	52,739,600	50,402,900	49,265,200	
EMPLOYEE RELATED EXP	7,477,500	10,556,000	15,216,600	10,633,900	10,429,000	
PROFESSIONAL/OUTSIDE SVC	516,500	490,000	572,000	540,500	509,500	
TRAVEL - IN STATE	394,000	463,000	547,000	506,500	503,200	
TRAVEL - OUT OF STATE	253,100	239,000	278,000	261,700	273,000	
OTHER OPERATING EXP	11,238,700	11,648,000	13,274,600	12,882,400	12,715,700	
LIBRARY ACQUISTIONS	1,463,000	1,538,000	1,690,000	1,688,800	1,599,500	
EQUIPMENT	3,206,700	2,581,800	4,165,900	3,600,900	2,561,800	
ALL OTHER OPERATING	17,072,000	16,959,800	20,527,500	19,480,800	18,162,700	
OPERATING SUBTOTAL	66,044,500	73,713,600	88,483,700	80,517,600	77,856,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
MINORITY RCRTMT & RETENT	0	386,400	402,000	401,900	402,000	
STUDENT FINANCIAL AID	0	0	0	0	246,000	
SPECIAL ITEM SUBTOTAL	0	386,400	402,000	401,900	648,000	
A G E N C Y T O T A L	66,044,500	74,100,000	88,885,700	80,919,500	78,504,900	
BY FUND SOURCE						
GENERAL FUND	54,515,500	61,500,000	73,964,000	65,997,800	62,359,100	
OTHER FUNDS	11,529,000	12,600,000	14,921,700	14,921,700	16,145,800	
FEDERAL FUNDS	10,486,200	10,838,300	10,940,000	0	10,940,000	
OTHER NON APPROPRIATED	27,743,500	50,228,300	53,790,000	0	53,790,000	
AGENCY TOTAL-ALL SOURCES	104,274,200	135,166,600	153,615,700	80,919,500	143,234,900	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: SUMMARY

The JLBC Staff recommends a total appropriation of $78,504,900 -- a net increase of $4,404,900, or 5.9%, to the original FY 1989 appropriation. The recommended amount of $78,504,900 includes $62,359,100 from the General Fund which reflects a net increase of $859,100, or 1.4%, to the original FY 1989 General Fund appropriation, and $16,145,800 from the collections fund category which reflects a net increase of $3,545,800 or 28.1%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (61,400)
o ERE Rate Adjustments	(776,100)
o Replacement Equipment	(64,500)
o Risk Management Insurance	(225,000)
o Collections Adjustment for Building Renewal Funding Transfer The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $424,000 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	(424,000)
o Collections Adjustment for Student Enrollment Growth	(1,400,000)
o General Inflation	518,500
o Minority Recruitment and Retention	15,600
o Student Enrollment Growth Funding	2,535,700
o Operation of New Facilities	540,000
o All Other	13,800

The Executive recommendation includes $186,500 and 11 new FTE positions for Equity Funding in the Baseline Budget, and $246,000 for Student Financial Aid from the collections fund setaside.

The Executive recommendation inappropriately provides an additional $249,000 for Risk Management Insurance which includes $225,000 for the reduced allocation and $24,000 for a 4.0% inflationary adjustment over the current year base.

JLBC Staff Recommended Policy Issues

o Collections Adjustments	(1,721,800)
o Equity Funding	186,500
o Student Financial Aid	246,000
o Computer Services for the 1990's	1,240,000
o The Undergraduate Experience: Access and Achievement	235,800

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $1,182,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such fee charge will generate an estimated amount of $133,200, which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $14,500.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: INSTRUCTION

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	790.00	819.00	936.00	912.25	887.50	
OPERATING BUDGET						
PERSONAL SERVICES	24,509,800	27,437,600	31,418,600	30,210,800	29,398,700	
EMPLOYEE RELATED EXP	4,224,200	6,367,800	9,205,600	6,373,800	6,223,600	
PROFESSIONAL/OUTSIDE SVC	257,900	250,700	320,200	288,700	260,700	
TRAVEL - IN STATE	258,900	324,900	391,900	357,900	357,000	
TRAVEL - OUT OF STATE	173,900	162,100	195,100	178,600	193,200	
OTHER OPERATING EXP	1,384,500	1,331,400	1,936,900	1,791,900	1,489,200	
LIBRARY ACQUISTIONS	0	75,000	82,000	82,400	78,000	
EQUIPMENT	1,502,000	1,218,500	2,277,600	1,727,600	1,095,800	
ALL OTHER OPERATING	3,577,200	3,362,600	5,203,700	4,427,100	3,473,900	
OPERATING SUBTOTAL	32,311,200	37,168,000	45,827,900	41,011,700	39,096,200	
SPECIAL LINE ITEMS						
STUDENT FINANCIAL AID	0	0	0	0	246,000	
SPECIAL ITEM SUBTOTAL	0	0	0	0	246,000	
P R O G R A M T O T A L	32,311,200	37,168,000	45,827,900	41,011,700	39,342,200	
BY FUND SOURCE						
GENERAL FUND	20,782,200	24,568,000	30,906,200	26,090,000	23,196,400	
OTHER FUNDS	11,529,000	12,600,000	14,921,700	14,921,700	16,145,800	
FEDERAL FUNDS	10,486,200	10,838,300	10,940,000	0	10,940,000	
OTHER NON APPROPRIATED	27,743,500	50,228,300	53,790,000	0	53,790,000	
PROGRAM TOTAL-ALL SOURCES	70,540,900	98,234,600	110,557,900	41,011,700	104,072,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: INSTRUCTION

The JLBC Staff recommends a total appropriation of $39,342,200 -- a net increase of $2,174,200, or 5.9%, to the original FY 1989 appropriation. The recommended amount of $39,342,200 includes $23,196,400 from the General Fund which reflects a net decrease of $1,371,600, or 5.6%, from the original FY 1989 General Fund appropriation, and $16,145,800 from the collections fund category which reflects a net increase of $3,545,800 or 28.1%.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (30,800)
o ERE Rate Adjustments	(559,300)
o Replacement Equipment	(167,200)
o Collections Adjustment for Building Renewal Funding Transfer The current building renewal formula requires approximately 30% match from the University funds. The JLBC Staff recommends that 100% of the formula requirement be funded from the State General Fund under the Capital Outlay Appropriation without a match requirement. Therefore, the current match amount of $424,000 which is derived from Student Tuition and Fees will necessarily decrease the General Fund Operating Budget requirement by the same amount.	(424,000)
o Collections Adjustment for Student Enrollment Growth	(1,400,000)
o Student Enrollment Growth Funding	2,246,000
o General Inflation	77,300
o All Other	7,700

The Executive recommendation includes $118,700 and seven new FTE positions for Equity Funding in the Baseline Budget, and $246,000 for Student Financial Aid from the collection fund setaside.

JLBC Staff Recommended Policy Issues

o <u>Collections Adjustments</u> - The JLBC Staff recommends an additional $1,224,100 in collections fund from the requested increase of $2,321,700 over the current fiscal year. The $1,224,100 amount includes $578,100 from the local activities setaside, $400,000 for building renewal funding transfer to the Capital Outlay Appropriation, $246,000 for student financial aid. Since the baseline budget recommendation includes a collections fund increase of $1,824,000, an additional $1,721,800 is	(1,721,800)

identified as a policy issue change.

- Equity Funding - The JLBC Staff analysis indicates that the equity funding issue is aligned more with policy issues than the baseline budget, and recommends $118,700 and seven new FTE positions for equity funding. 118,700

  It is important to note that the Arizona Board of Regents instituted a cost study commission in fiscal year 1987 to evaluate the university system budget in cooperation with the Legislature. Several members of the Legislature served as members of the Commission. The Commission found that there existed funding disparities among the three universities. In February of 1988, the Board adopted the Commission's findings and identified the funding adjustments of $5,316,600 for Arizona State University and $368,900 for Northern Arizona University. The Board requests that one half of the equity funding be funded in FY 1990 and the second half be funded in FY 1991. Failure to address the equity funding issue will result in continuous funding disparities among the three universities.

- Student Financial Aid - The JLBC Staff recommends $246,000 for student financial aid to minimize financial hardship for some students due to the registration fee increase of $84 and the tuition/fee increase of $618 a year beginning in the fall semester of 1989. The Arizona Board of Regents directed the three universities to set aside approximately $1,500,000 from the increased tuition and fee collections for this purpose. The JLBC Staff recommendation identifies this program as a policy issue and increases the collections fund of the operating budget by the same amount. 246,000

- The Undergraduate Experience: Access and Achievement - The JLBC Staff recommends funding of $235,800 and six new FTE positions to promote the University's effort to integrate students identified as "at risk" into University academic programs which are designed to improve student retention and success. The Executive recommends $1,309,700 and 30 new FTE positions for this policy issue. 235,800

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1.0% vacancy factor, and an additional 2.0% may generate $713,000 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: ORGANIZED RESEARCH
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	50.00	50.00	55.75	55.75	50.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,283,100	1,403,700	1,537,300	1,561,800	1,403,100	
EMPLOYEE RELATED EXP	189,700	323,300	444,100	329,500	297,000	
PROFESSIONAL/OUTSIDE SVC	26,100	38,000	42,500	42,500	39,500	
TRAVEL - IN STATE	31,700	53,000	60,300	60,100	56,100	
TRAVEL - OUT OF STATE	22,300	21,800	24,800	25,700	22,600	
OTHER OPERATING EXP	282,400	238,600	288,100	288,100	248,100	
EQUIPMENT	220,700	199,500	299,700	299,700	143,500	
ALL OTHER OPERATING	583,200	550,900	715,400	716,100	509,800	
P R O G R A M T O T A L	2,056,000	2,277,900	2,696,800	2,607,400	2,209,900	
BY FUND SOURCE						
GENERAL FUND	2,056,000	2,277,900	2,696,800	2,607,400	2,209,900	
PROGRAM TOTAL-ALL SOURCES	2,056,000	2,277,900	2,696,800	2,607,400	2,209,900	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: ORGANIZED RESEARCH

The JLBC Staff recommends a total appropriation of $2,209,900 -- a net decrease of $(68,000), or (3.0%), from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (700)
o ERE Rate Adjustments	(26,200)
o Replacement Equipment	(56,000)
o General Inflation	12,600
o All Other	2,300

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $34,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Arizona Hospitality Resource and Research Center - The Executive recommends funding of $226,300 and 5.8 new FTE positions to provide a statewide research for hospitality programs.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: PUBLIC SERVICE

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	21.75	21.75	28.50	21.75	21.75	
OPERATING BUDGET						
PERSONAL SERVICES	489,300	546,000	722,800	560,300	545,300	
EMPLOYEE RELATED EXP	79,200	112,800	184,300	118,300	115,400	
PROFESSIONAL/OUTSIDE SVC	16,900	25,000	26,000	26,000	26,000	
TRAVEL - IN STATE	4,000	6,000	12,300	6,200	6,400	
TRAVEL - OUT OF STATE	1,200	2,000	5,000	2,100	2,000	
OTHER OPERATING EXP	104,600	111,200	135,600	115,600	115,600	
EQUIPMENT	22,000	5,000	21,800	6,800	19,200	
ALL OTHER OPERATING	148,700	149,200	200,700	156,700	169,200	
P R O G R A M T O T A L	717,200	808,000	1,107,800	835,300	829,900	
BY FUND SOURCE						
GENERAL FUND	717,200	808,000	1,107,800	835,300	829,900	
PROGRAM TOTAL-ALL SOURCES	717,200	808,000	1,107,800	835,300	829,900	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: PUBLIC SERVICE

The JLBC Staff recommends a total appropriation of $829,900 -- a net increase of $21,900, or 2.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (900)
o ERE Rate Adjustments	2,800
o Replacement Equipment	14,200
o General Inflation	5,500
o All Other	300

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $13,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: ACADEMIC SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	143.25	189.75	232.25	212.25	220.75	
OPERATING BUDGET						
PERSONAL SERVICES	3,465,600	4,446,700	5,674,100	5,114,400	5,304,100	
EMPLOYEE RELATED EXP	603,300	994,700	1,589,700	1,079,000	1,122,800	
PROFESSIONAL/OUTSIDE SVC	84,300	93,300	97,000	97,000	97,000	
TRAVEL - IN STATE	11,200	12,300	12,800	12,800	13,100	
TRAVEL - OUT OF STATE	32,900	15,100	15,100	15,700	15,700	
OTHER OPERATING EXP	2,512,800	2,377,400	2,984,900	2,508,900	2,957,200	
LIBRARY ACQUISTIONS	1,463,000	1,463,000	1,608,000	1,606,400	1,521,500	
EQUIPMENT	492,700	502,000	678,800	678,800	775,400	
ALL OTHER OPERATING	4,596,900	4,463,100	5,396,600	4,919,600	5,379,900	
P R O G R A M T O T A L	8,665,800	9,904,500	12,660,400	11,113,000	11,806,800	
BY FUND SOURCE						
GENERAL FUND	8,665,800	9,904,500	12,660,400	11,113,000	11,806,800	
PROGRAM TOTAL-ALL SOURCES	8,665,800	9,904,500	12,660,400	11,113,000	11,806,800	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: ACADEMIC SUPPORT

The JLBC Staff recommends a total appropriation of $11,806,800 -- a net increase of $1,902,300, or 19.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (6,200)
o ERE Rate Adjustments	(53,300)
o Replacement Equipment	273,400
o Student Enrollment Growth Funding	289,700
o General Inflation	158,100
o All Other	600

JLBC Staff Recommended Policy Issues

o Computer Services for the 1990's - The JLBC Staff recommends funding of $1,240,000 and 20 new FTE positions to meet the University-wide demand for the current and projected computing requirements. This policy issue represents the unfunded portion of the current year program for which the Legislature approved funding of $542,200 and 18 new FTE positions. Additional personnel and operating resources are required to establish separate academic micro and mini-computer facilities, expand much-needed academic computer training to student and faculty users, and replace outdated financial and human resource systems of the University.	1,240,000

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $114,200 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: STUDENT SERVICES & ADMIN
JLBC ANALYST: LEE
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	172.50	173.50	189.50	177.50	177.50	
OPERATING BUDGET						
PERSONAL SERVICES	3,912,800	4,105,700	4,378,800	4,271,200	4,158,400	
EMPLOYEE RELATED EXP	727,000	902,400	1,236,800	901,100	880,200	
PROFESSIONAL/OUTSIDE SVC	25,400	30,000	31,200	31,200	31,200	
TRAVEL - IN STATE	42,400	39,800	41,500	41,400	42,000	
TRAVEL - OUT OF STATE	8,400	19,000	19,000	19,800	19,700	
OTHER OPERATING EXP	817,100	562,200	584,700	584,600	564,400	
EQUIPMENT	123,500	129,000	174,400	174,400	65,400	
ALL OTHER OPERATING	1,016,800	780,000	850,800	851,400	722,700	
OPERATING SUBTOTAL	5,656,600	5,788,100	6,466,400	6,023,700	5,761,300	
SPECIAL LINE ITEMS						
MINORITY RCRTMT & RETENT	0	386,400	402,000	401,900	402,000	
SPECIAL ITEM SUBTOTAL	0	386,400	402,000	401,900	402,000	
P R O G R A M T O T A L	5,656,600	6,174,500	6,868,400	6,425,600	6,163,300	
BY FUND SOURCE						
GENERAL FUND	5,656,600	6,174,500	6,868,400	6,425,600	6,163,300	
PROGRAM TOTAL-ALL SOURCES	5,656,600	6,174,500	6,868,400	6,425,600	6,163,300	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: STUDENT SERVICES AND ADMINISTRATION

The JLBC Staff recommends a total appropriation of $6,163,300 -- a net decrease of $(11,200), or (0.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (4,000)
o ERE Rate Adjustments	(33,300)
o Replacement Equipment	(63,600)
o General Inflation	4,700
o Minority Recruitment and Retention	15,600
o All Other	1,600

The Executive recommendation includes $67,800 and four new positions for Equity Funding in the Baseline Budget.

JLBC Staff Recommended Policy Issues

o Equity Funding - The JLBC Staff analysis indicates that the equity funding issue is aligned more with policy issues than the baseline budget, and recommends $67,800 and four new FTE positions for equity funding.	67,800

It is important to note that the Arizona Board of Regents instituted a cost study commission in fiscal year 1987 to evaluate the university system budget in cooperation with the Legislature. Several members of the Legislature served as members of the Commission. The Commission found that there existed funding disparities among the three universities. In February of 1988, the Board adopted the Commission's findings and identified the funding adjustments of $5,316,600 for Arizona State University and $368,900 for Northern Arizona University. The Board requests that one half of the equity funding be funded in FY 1990 and the second half be funded in FY 1991. Failure to address the equity funding issue will result in continuous funding disparities among the three universities.

Other Issues for Legislative Consideration

o Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2%

may generate $100,400 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

- Medical Visit Fee - Arizona Cost Efficiency Commission (ACEC) Report recommends a $5 per visit fee charge for all medical visits at the Student Health Center. Such fee charge will generate an estimated amount of $133,200, which can reduce the General Fund operating requirement by the same amount.

- Fee for Career Counseling - ACEC Report recommends a fee charge for the career counseling services offered to non-students and alumni to recover the full costs of service estimated at $14,500.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: INSTITUTIONAL SUPPORT

JLBC ANALYST: LEE

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	352.50	352.50	400.50	371.50	371.50	
OPERATING BUDGET						
PERSONAL SERVICES	7,834,400	8,258,100	9,008,000	8,684,400	8,455,600	
EMPLOYEE RELATED EXP	1,654,100	1,855,000	2,556,100	1,832,200	1,790,000	
PROFESSIONAL/OUTSIDE SVC	105,900	53,000	55,100	55,100	55,100	
TRAVEL - IN STATE	45,800	27,000	28,200	28,100	28,600	
TRAVEL - OUT OF STATE	14,400	19,000	19,000	19,800	19,800	
OTHER OPERATING EXP	6,137,300	7,027,200	7,344,400	7,593,300	7,341,200	
EQUIPMENT	845,800	527,800	713,600	713,600	462,500	
ALL OTHER OPERATING	7,149,200	7,654,000	8,160,300	8,409,900	7,907,200	
P R O G R A M T O T A L	16,637,700	17,767,100	19,724,400	18,926,500	18,152,800	
BY FUND SOURCE						
GENERAL FUND	16,637,700	17,767,100	19,724,400	18,926,500	18,152,800	
PROGRAM TOTAL-ALL SOURCES	16,637,700	17,767,100	19,724,400	18,926,500	18,152,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: INSTITUTIONAL SUPPORT

The JLBC Staff recommends a total appropriation of $18,152,800 -- a net increase of $385,700, or 2.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0% A vacancy factor of 1.0% was used by the Executive	$ (18,800)
o ERE Rate Adjustments	(106,800)
o Replacement Equipment	(65,300)
o Risk Management Insurance	(225,000)
o General Inflation	260,300
o Operation of New Facilities	540,000
o All Other	1,300

The Executive recommendation inappropriately provides an additional $249,000 for Risk Management Insurance which includes $225,000 for the reduced allocation and $24,000 for a 4% inflationary adjustment over the current year base. The Executive recommends $542,900 and 19 new FTE positions in additional funding to provide new facilities support as a policy issue. The JLBC Staff recommendation provides $540,000 and 19 new FTE positions in the baseline budget as a necessary maintenance requirement for ten new facilities that are already open or scheduled to open during FY 1990.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Additional Two Percent Vacancy Savings - The baseline budget includes a 1% vacancy factor, and an additional 2% may generate $207,000 savings. However, the University will have to postpone the filling of vacant positions and delay hiring of any new positions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: MED STUDENT LOANS BOARD
COST CENTER: MED STUDENT LOANS BOARD

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
MEDICAL STUDENT LOANS	75,000	10,000	60,000	0	10,000	
SPECIAL ITEM SUBTOTAL	75,000	10,000	60,000	0	10,000	
P R O G R A M T O T A L	75,000	10,000	60,000	0	10,000	
BY FUND SOURCE						
GENERAL FUND	75,000	10,000	60,000	0	10,000	
OTHER NON APPROPRIATED	126,000	102,000	120,000	0	120,000	
PROGRAM TOTAL-ALL SOURCES	201,000	112,000	180,000	0	130,000	

DEPARTMENT: MEDICAL STUDENT LOANS BOARD
COST CENTER: MEDICAL STUDENT LOANS BOARD

The JLBC Staff recommends a total appropriation of $10,000 -- a net increase of $-0-, or 0.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

JLBC Staff recommends no change to the FY 1989 appropriation.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Elimination of General Fund Appropriation - The Executive recommends the elimination of the Board's appropriation for FY 90. Loan repayments should be sufficient to fund the 17 student scholarships the Executive recommends. The JLBC Staff recommendation to continue the Board's $10,000 appropriation allows for a safety margin in case loan repayments should fall below projections.

  The Medical Student Loan Fund balances are shown below:

	Fiscal Year 1988 Actual	Fiscal Year 1989 Estimate	Fiscal Year 1990 Estimate
Beginning Balance	$ 42,200	$115,500	$111,600
General Fund Appropriation	75,000	10,000	10,000
Loan Collections	124,300	88,100	18,600
Medical Student Loans	(126,000)	(102,000)	(120,000)
Ending Balance	$115,500	$111,600	$ 20,200

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BD OF DIR FOR COMM COLL
COST CENTER: BD OF DIR FOR COMM COLL

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	8.00	9.00	9.00	9.00	9.00	
OPERATING BUDGET						
PERSONAL SERVICES	321,600	360,000	355,800	365,200	354,700	
EMPLOYEE RELATED EXP	53,400	74,300	101,700	94,300	77,000	
PROFESSIONAL/OUTSIDE SVC	4,500	1,400	31,400	30,200	1,400	
TRAVEL - IN STATE	29,100	29,600	33,300	30,500	30,100	
TRAVEL - OUT OF STATE	800	3,000	3,000	3,000	3,000	
OTHER OPERATING EXP	52,700	59,000	62,200	60,200	59,000	
EQUIPMENT	1,500	1,200	8,800	1,200	1,200	
ALL OTHER OPERATING	88,600	94,200	138,700	125,100	94,700	
OPERATING SUBTOTAL	463,600	528,500	596,200	584,600	526,400	
SPECIAL LINE ITEMS						
COUNTY VOCATIONAL	40,000	40,000	40,000	40,000	40,000	
EQUALIZATION AID	3,883,300	4,298,200	4,650,000	4,650,000	4,651,300	
ST AID - OPERATING	56,220,100	62,581,500	91,476,300	63,428,100	62,888,200	
ST AID - CAPITAL OUTLAY	7,485,100	7,756,200	7,964,600	8,012,200	8,013,700	
SPECIAL ITEM SUBTOTAL	67,628,500	74,675,900	104,130,900	76,130,300	75,593,200	
P R O G R A M T O T A L	68,092,100	75,204,400	104,727,100	76,714,900	76,119,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BD OF DIR FOR COMM COLL
COST CENTER: BD OF DIR FOR COMM COLL

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	68,092,100	75,204,400	104,727,100	76,714,900	76,119,600	
FEDERAL FUNDS	1,677,300	1,705,700	1,714,100	0	1,714,100	
OTHER NON APPROPRIATED	89,300	75,900	78,100	0	78,100	
PROGRAM TOTAL-ALL SOURCES	69,858,700	76,986,000	106,519,300	76,714,900	77,911,800	

DEPARTMENT: BD OF DIRECTORS FOR COMMUNITY COLLEGES
COST CENTER: BD OF DIRECTORS FOR COMMUNITY COLLEGES

The JLBC Staff recommends a total appropriation of $76,119,600 -- a net increase of $915,200, or 1.2%, to the original FY 1989 appropriation.

Baseline Budget Changes

o State Board Office Budget: Base Adjustments and Inflationary Factors	$ (3,700)
o Operating Aid to Districts: 6,800 Additional FTSE	5,577,400
o Operating Aid to Districts: 3.3% Increase in GNP Deflator	1,168,100
o Equalization Aid: Statutory Increase for Counties with Low Property Values	353,100
o Capital Outlay Aid: Statutory Increase for Inflation	257,500

JLBC Staff Recommended Policy Issues

- o <u>New Method of Determining Operating Aid to Districts</u> - JLBC Staff and the Executive recommend a decrease of $5,941,700 in Operating Aid to Districts based upon a proposed adjustment in the funding formula. Community college districts operate under constitutionally-imposed expenditure and property tax levy limits. If a community college district is operating at its expenditure limit, additional state funding serves to drive down the local property tax rate. The recommendation would reduce state aid in counties which are not levying the maximum permissible property tax if the district's current tax rate is less than $1 per $100 valuation. This new method of calculating state aid would reduce the formula amount for Maricopa County Community College District by $5,824,000 and reduce the amount for the Pima County Community College District by $117,700. Enacting this recommendation would require a change in the legislation affecting community college funding. If the community college districts succeed in raising their expenditure limits, these savings would not be available. (5,941,700)

- o <u>Reclassification of Administrative Assistant</u> - DOA's Personnel Division recommends reclassification of the State Board's Administrative Assistant II position (Grade 15) to Business Manager (Grade 18). The JLBC Staff recommendation includes $1,600 to reclassify the position. The Executive recommends $2,500 for this purpose. 1,600

- Recapture of Retirement Contribution Rate Savings - The reduction in the employer's share of the retirement contribution rate from 5.09% to 4.69% of payroll gives the community college districts a savings of $497,100. Operating State Aid can be reduced by the amount of these savings. (497,100)

Other Issues for Legislative Consideration

- Graduate Assistants - The Executive recommends $30,000 for two graduate assistants to design a data-gathering system from the community college network. This is due to a 1987 Auditor General performance audit which criticized the State Board of Directors for Community Colleges for failing to monitor the cost-effectiveness of educational programs and the success of community college students who transfer to universities. JLBC Staff analysis indicates that the gathering of this data can be performed by existing staff.

- Additional Retirement Contribution Rate Savings - If legislation is passed to adopt the Projected Unit Cost method of valuing the State Retirement System's liabilities, the contribution rate could be further lowered to 4.12%. In that event, an additional savings of $708,300 could be realized.

- Variation in New Method of Determining Operating State Aid - The original recommendation protected counties which have a property tax rate of more than $1 per $100 valuation. If this protection were removed, Pinal County would qualify for a reduction in Operating State Aid of $1,364,500.

- Support Level for Operating State Aid - According to statutes enacted in 1984, the State planned to support the community college districts at a level equivalent to 33% of their operating budgets. State aid currently is funded at the 25% level. Reducing state aid to 24% of operating budgets would result in a savings of $2,782,300. Funding the formula at the statutory rate of 33% would require an additional $22,179,300.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION JLBC ANALYST: NEISENT HOUSE SUBCOMMITTEE CHAIR: MILLER
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	179.80	180.80	190.80	182.80	181.80	
BY PROGRAM/ORGANIZATION						
STATE BOARD OF EDUCATION	113,200	141,400	181,000	168,400	152,900	
GENERAL SERVICES ADMIN	7,443,100	8,349,700	9,366,800	8,525,000	8,105,600	
ASSISTANCE TO SCHOOLS	1,013,164,800	1,147,978,600	1,361,907,800	1,227,821,300	1,239,948,500	
VOCATIONAL EDUCATION	1,083,000	1,209,000	1,354,000	1,255,400	1,213,700	
A G E N C Y T O T A L	1,021,804,100	1,157,678,700	1,372,809,600	1,237,770,100	1,249,420,700	
OPERATING BUDGET						
PERSONAL SERVICES	4,703,200	5,215,300	5,486,500	5,419,100	5,172,800	
EMPLOYEE RELATED EXP	896,200	1,165,700	1,330,000	1,315,400	1,183,200	
PROFESSIONAL/OUTSIDE SVC	429,200	489,900	584,400	513,100	500,000	
TRAVEL - IN STATE	113,200	86,800	134,100	121,400	119,200	
TRAVEL - OUT OF STATE	18,500	21,400	25,200	24,200	23,200	
OTHER OPERATING EXP	1,163,000	961,500	1,720,800	983,900	968,300	
EQUIPMENT	105,500	188,900	249,600	194,300	132,700	
ALL OTHER OPERATING	1,829,400	1,748,500	2,714,100	1,836,900	1,743,400	
OPERATING SUBTOTAL	7,428,800	8,129,500	9,530,600	8,571,400	8,099,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
ACHIEVEMENT TESTING	872,000	970,000	907,300	907,300	907,300	
ED. COMM. OF THE STATES	36,100	37,700	39,400	39,400	39,400	
SLIAG ADMIN.	0	207,000	207,000	207,000	207,000	
SPECIAL EDUCATION AUDIT	164,000	217,500	217,500	223,700	219,100	
TEACHERS RETIREMENT	138,400	138,400	0	0	0	
BASIC STATE AID	852,639,300	883,535,400	1,040,861,000	942,358,400	963,470,100	
ADDITIONAL STATE AID	141,081,200	170,176,100	195,000,000	161,777,000	157,000,000	
ASSIST. TO SCHOOL DIST.	266,500	331,900	340,000	340,000	340,000	
CERT. OF ED. CONVENIENCE	6,567,300	6,200,000	7,500,000	7,500,000	7,529,300	
PERM. SPEC. ED. VOUCHER	1,129,400	1,700,000	1,575,000	1,575,000	1,400,000	
PERM. SPEC. ED INST. VOU	3,658,200	4,200,000	4,500,000	4,500,000	4,500,000	
PROPERTY TAX REPAYMENT	180,000	0	0	0	0	
PRIOR YEAR STATE AID	0	56,276,000	80,250,000	80,250,000	80,250,000	
ACADEMIC DECATHLON	50,000	81,700	81,700	81,700	81,700	
ADULT EDUC. ASSISTANCE	1,050,000	1,050,000	2,611,700	2,611,700	1,050,000	
AZ PRINCIPALS' INSTITUTE	39,700	40,000	40,000	40,000	40,000	
AZ TCH. RES. PROG.	443,700	446,300	446,300	446,300	446,300	
ASSET	234,000	234,000	415,000	234,000	234,000	
CHEMICAL ABUSE	375,300	422,100	702,000	422,100	422,100	
CHEMICAL ABUSE-CHAP 307	193,700	0	0	0	0	
K-3 SUPPORT CHAP 308	0	3,000,000	3,000,000	3,000,000	3,000,000	
DROP-OUT PREV. CHAP 308	0	1,500,000	1,500,000	1,500,000	1,500,000	
ACAD CONT FUND CHAP 308	0	50,000	50,000	50,000	50,000	
JAG	321,500	0	0	0	0	
PRESCHOOL HANDICAPPED	1,100,000	1,100,000	0	0	0	
SLIAG ADULT EDUCATION	0	12,500,000	12,500,000	12,500,000	12,500,000	
SLIAG K-12	0	1,300,000	1,300,000	1,300,000	1,300,000	
SPEC. ED. TUITION	0	100	100	100	0	
VOCATIONAL ED. ASSIST	2,835,000	2,835,000	5,735,000	2,835,000	2,835,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION JLBC ANALYST: NEISENT HOUSE SUBCOMMITTEE CHAIR: MILLER
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
VOCATIONAL ED. PROG SUPP	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
EXTENDED SCHOOL YEAR	0	0	2,500,000	1,000,000	1,000,000	
LITERACY INITIATIVE:GOV	0	0	0	2,500,000	0	
SPECIAL ITEM SUBTOTAL	1,014,375,300	1,149,549,200	1,363,279,000	1,229,198,700	1,241,321,300	
A G E N C Y T O T A L	1,021,804,100	1,157,678,700	1,372,809,600	1,237,770,100	1,249,420,700	
BY FUND SOURCE						
GENERAL FUND	1,021,804,100	1,157,678,700	1,372,809,600	1,237,770,100	1,249,420,700	
FEDERAL FUNDS	181,033,800	152,664,800	156,777,100	0	156,777,100	
OTHER NON APPROPRIATED	43,901,500	43,917,800	45,750,400	0	45,750,400	
AGENCY TOTAL-ALL SOURCES	1,246,739,400	1,354,261,300	1,575,337,100	1,237,770,100	1,451,948,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: STATE BOARD OF EDUCATION
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2.50	2.50	2.50	2.50	2.50	
OPERATING BUDGET						
PERSONAL SERVICES	41,700	49,600	49,600	51,000	49,600	
EMPLOYEE RELATED EXP	8,600	14,300	14,000	14,500	13,400	
PROFESSIONAL/OUTSIDE SVC	32,100	22,900	58,000	46,100	33,000	
TRAVEL - IN STATE	4,400	7,800	8,300	8,300	8,300	
TRAVEL - OUT OF STATE	400	4,900	5,100	5,100	5,100	
OTHER OPERATING EXP	26,000	38,000	42,100	39,500	39,600	
EQUIPMENT	0	3,900	3,900	3,900	3,900	
ALL OTHER OPERATING	62,900	77,500	117,400	102,900	89,900	
P R O G R A M T O T A L	113,200	141,400	181,000	168,400	152,900	
BY FUND SOURCE						
GENERAL FUND	113,200	141,400	181,000	168,400	152,900	
PROGRAM TOTAL-ALL SOURCES	113,200	141,400	181,000	168,400	152,900	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: STATE BOARD OF EDUCATION

The JLBC Staff recommends a total appropriation of $152,900 -- a net increase of $11,500, or 8.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (900)
o State Board Committee Expenses	7,100
o Other Professional Services	3,000
o Travel Rate Adjustments	700
o General Inflation	1,600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o State Board Committees - The Executive recommends an additional $13,100 for the expenses associated with the operation and support of several State Board Committees required either by statute or State Board rule. Currently, four committees - The Committee to Study the Improvement of Special Education, the Principals' Academy Advisory Committee, the Special Education Advisory Committee, and the Sensory Impairment Advisory Committee are required by statute. An additional four committees - The Essential Skills Committee, The Professional Practices Advisory Committee, The Professional Standards Certification Advisory Committee and the Textbook Evaluation Committee are required by State Board rule. JLBC Staff analysis indicates that an additional $11,900 will be sufficient to fund the eight committees.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: GENERAL SERVICES ADMIN
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	151.00	152.00	160.00	154.00	153.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,855,200	4,278,600	4,487,900	4,456,800	4,236,300	
EMPLOYEE RELATED EXP	738,800	958,400	1,097,300	1,090,900	977,700	
PROFESSIONAL/OUTSIDE SVC	333,400	402,100	457,900	402,100	402,100	
TRAVEL - IN STATE	96,000	69,100	109,300	101,200	97,400	
TRAVEL - OUT OF STATE	18,100	16,500	19,100	19,100	18,100	
OTHER OPERATING EXP	1,085,700	869,400	1,616,400	887,100	872,400	
EQUIPMENT	105,400	185,000	207,700	190,400	128,800	
ALL OTHER OPERATING	1,638,600	1,542,100	2,410,400	1,599,900	1,518,800	
OPERATING SUBTOTAL	6,232,600	6,779,100	7,995,600	7,147,600	6,732,800	
SPECIAL LINE ITEMS						
ACHIEVEMENT TESTING	872,000	970,000	907,300	907,300	907,300	
ED. COMM. OF THE STATES	36,100	37,700	39,400	39,400	39,400	
SLIAG ADMIN.	0	207,000	207,000	207,000	207,000	
SPECIAL EDUCATION AUDIT	164,000	217,500	217,500	223,700	219,100	
TEACHERS RETIREMENT	138,400	138,400	0	0	0	
SPECIAL ITEM SUBTOTAL	1,210,500	1,570,600	1,371,200	1,377,400	1,372,800	
P R O G R A M T O T A L	7,443,100	8,349,700	9,366,800	8,525,000	8,105,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: GENERAL SERVICES ADMIN

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	7,443,100	8,349,700	9,366,800	8,525,000	8,105,600	
FEDERAL FUNDS	3,804,800	5,209,600	4,948,300	0	4,948,300	
OTHER NON APPROPRIATED	687,600	617,800	750,400	0	750,400	
PROGRAM TOTAL-ALL SOURCES	11,935,500	14,177,100	15,065,500	8,525,000	13,804,300	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: GENERAL SERVICES ADMINISTRATION

The JLBC Staff recommends a total appropriation of $8,105,600 -- a net decrease of $(244,100), or (2.9)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 2%	$ (84,800)
o Replacement Equipment	(185,000)
o Risk Management Insurance	(30,400)
o Specific Cost Adjustment for Achievement Testing	(62,700)
o Base Adjustment to reflect elimination of the Teachers' Retirement special line item	(138,400)
o ERE Rate Adjustments	29,100
o General Inflation	33,600
o Travel Base Adjustments	27,700
o All Other Adjustments	3,300

JLBC Staff Recommended Policy Issues

o Management Information System - JLBC Staff recommends $163,500 to complete the automation of the Department's business and financial services section. The Executive recommends $212,800 to complete this function and to automate the special education division. The Legislature approved $188,600 in FY 1989 to begin the automation of the Department's accounting, purchasing, teacher certification and school finance sections and to provide upgrades to the Department's mini-computer. The automation of the school finance section is complete and the upgrades on the mini-computer have allowed for additional automation of the teacher certification section. The Arizona Cost Efficiency Commission (ACEC) concurred with the need to automate the Department's business and financial functions.	163,500

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
BASIC STATE AID	852,639,300	883,535,400	1,040,861,000	942,358,400	963,470,100	
ADDITIONAL STATE AID	141,081,200	170,176,100	195,000,000	161,777,000	157,000,000	
ASSIST. TO SCHOOL DIST.	266,500	331,900	340,000	340,000	340,000	
CERT. OF ED. CONVENIENCE	6,567,300	6,200,000	7,500,000	7,500,000	7,529,300	
PERM. SPEC. ED. VOUCHER	1,129,400	1,700,000	1,575,000	1,575,000	1,400,000	
PERM. SPEC. ED INST. VOU	3,658,200	4,200,000	4,500,000	4,500,000	4,500,000	
PROPERTY TAX REPAYMENT	180,000	0	0	0	0	
PRIOR YEAR STATE AID	0	56,276,000	80,250,000	80,250,000	80,250,000	
ACADEMIC DECATHLON	50,000	81,700	81,700	81,700	81,700	
ADULT EDUC. ASSISTANCE	1,050,000	1,050,000	2,611,700	2,611,700	1,050,000	
AZ PRINCIPALS' INSTITUTE	39,700	40,000	40,000	40,000	40,000	
AZ TCH. RES. PROG.	443,700	446,300	446,300	446,300	446,300	
ASSET	234,000	234,000	415,000	234,000	234,000	
CHEMICAL ABUSE	375,300	422,100	702,000	422,100	422,100	
CHEMICAL ABUSE-CHAP 307	193,700	0	0	0	0	
K-3 SUPPORT CHAP 308	0	3,000,000	3,000,000	3,000,000	3,000,000	
DROP-OUT PREV. CHAP 308	0	1,500,000	1,500,000	1,500,000	1,500,000	
ACAD CONT FUND CHAP 308	0	50,000	50,000	50,000	50,000	
JAG	321,500	0	0	0	0	
PRESCHOOL HANDICAPPED	1,100,000	1,100,000	0	0	0	
SLIAG ADULT EDUCATION	0	12,500,000	12,500,000	12,500,000	12,500,000	
SLIAG K-12	0	1,300,000	1,300,000	1,300,000	1,300,000	
SPEC. ED. TUITION	0	100	100	100	0	
VOCATIONAL ED. ASSIST	2,835,000	2,835,000	5,735,000	2,835,000	2,835,000	
VOCATIONAL ED. PROG SUPP	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
EXTENDED SCHOOL YEAR	0	0	2,500,000	1,000,000	1,000,000	
LITERACY INITIATIVE:GOV	0	0	0	2,500,000	0	
SPECIAL ITEM SUBTOTAL	1,013,164,800	1,147,978,600	1,361,907,800	1,227,821,300	1,239,948,500	
P R O G R A M T O T A L	1,013,164,800	1,147,978,600	1,361,907,800	1,227,821,300	1,239,948,500	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,013,164,800	1,147,978,600	1,361,907,800	1,227,821,300	1,239,948,500	
FEDERAL FUNDS	175,538,900	145,292,100	149,566,800	0	149,566,800	
OTHER NON APPROPRIATED	43,213,900	43,300,000	45,000,000	0	45,000,000	
PROGRAM TOTAL-ALL SOURCES	1,231,917,600	1,336,570,700	1,556,474,600	1,227,821,300	1,434,515,300	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS

The JLBC Staff recommends a total appropriation of $1,239,948,500 -- a net increase of $91,969,900, or 8.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

Basic State Aid	
o Equalization Adjustment to reflect projected growth of 4.0% in school district assessed valuation.	$ (26,973,600)
o Equalization Adjustment to reflect growth in County Equalization and Endowment revenue.	(7,439,000)
o Base Adjustment to the FY 1989 appropriation to reflect the FY 1989 funding requirement. This includes the following:	76,822,900
- $80,000,000 for FY 1989 Basic State Aid deferred to FY 1990.	
- $3,000,000 for Chapter 221, (H.B. 2345), which allows the Department of Education to adjust State Aid for previous years' errors.	
- $11,305,900 to reflect updated assessed valuation figures. These figures replaced the "preliminary" values used in deriving the appropriation and include Salt River Project values and the maintenance of assessment ratios for property classes 1, 2 and 6 at 1987 levels.	
- ($12,483,000) reduction in Sudden Growth.	
- ($5,000,000) increase in federal impact aid.	
o Statutory Inflation Adjustment to reflect a 3.3% increase in the GNP Price Deflator.	54,352,500
o Demographic Adjustment to reflect FY 1989 40th day Average Daily Membership (ADM).	56,244,500
o Equalization Adjustment to reflect increased transportation mileage.	3,927,400
o Equalization Adjustment to reflect Basic State Aid formula funding of preschool handicapped children per Chapter 281 (H.B. 2226), Laws of 1988.	3,000,000
Total Basic State Aid Increase	159,934,700
Additional State Aid	
o Specific Cost Adjustment	(13,176,100)
- The FY 1989 appropriation of $170,176,100 exceeded the requirement of $143,859,300 by $26,316,800. The FY 1989 appropriation was based on a projected increase of 10% in Class 5 property and a projected	

increase of 9% in average school district tax rates. The actual 1988 increase in Class 5 property value was 8.6%, and average school district tax rates increased by approximately .7%. The $500 limit on the Additional State Aid reduction lowered the FY 1989 Additional State Aid requirement by $4,645,100. The FY 1990 Baseline Budget amount of $157,000,000 is based on a projected increase of 7% in Class 5 property and a projected increase of 2% in average school district tax rates.

Prior Year State Aid

- o Specific Cost Adjustment — 23,974,000
  - Chapter 9, Laws of 1988 deferred $56,100,000 in FY 1988 Basic State Aid payments from June 15, 1988 to July 1, 1988. Chapter 9 also appropriated $176,000 to the State Board of Education for distribution to school districts that incurred interest expenses associated with the registering of warrants related to the payment deferral. Chapters 296 and 260, Laws of 1988, deferred $80,000,000 in FY 1989 Basic State Aid payments from June 15, 1989 to July 1, 1989. Chapter 260 also appropriated $250,000 for interest expenses associated with the registering of warrants. The Baseline Budget change of $23,974,000 represents the increase in the FY 1989 deferral above the FY 1988 deferral.

Other Formula Programs

- o Demographic Adjustments in the Certificates of Educational Convenience, Permanent Special Education Vouchers, Permanent Special Education Institutional Vouchers and Assistance to School Districts programs. — 190,900
- o Statutory Inflation Adjustment to reflect a 3.3% increase in the GNP Price Deflator. — 134,000
- o Specific Cost Adjustments to reflect cost changes in the Certificates of Educational Convenience, Permanent Special Education Vouchers and Assistance to School Districts programs. — 1,012,500

Non-Formula Programs

- o Base Adjustment to reflect the elimination of the Preschool Handicapped special line item. Funding for this program for FY 1990 will be included within Basic State Aid. — (1,100,000)
- o Base Adjustment to reflect the elimination of the Special Education Tuition special line item. — (100)

JLBC Staff Recommended Policy Issues

- o State Aid Payment - JLBC Staff recommends that $80,000,000 in FY 1990 Basic State Aid be deferred from the June 15, 1990 State Aid apportionment payment to — (80,000,000)

July 1, 1990. The deferral of $80,000,000 in Basic State Aid will reduce the FY 1990 required appropriation from $1,043,470,100 to $963,470,100. The Executive recommends the deferral of $100,000,000 in FY 1990 Basic State Aid. JLBC Staff strongly recommends limiting the FY 1990 "rollover" to no more than $80,000,000 for two reasons: (1) This is a deferred obligation, which has a compounding effect, that ultimately will have to be repaid and, therefore, will negatively impact future budgets; and (2) The State of Arizona will be closing its books in accordance with Generally Accepted Accounting Principles (GAAP) this year and this "rollover" may show up as an "exception" in our year-end financial statement.

- Extended School Year - JLBC Staff recommends $1,000,000 to provide an extended school year during the summer months for certain special education students. The Executive also recommends $1,000,000 for the extended school year program. An extended school year is an educational program that goes beyond the normal 175 day school year for the purpose of maintaining skills rather than acquiring new skills. Public Law 94-142 requires that an extended school year be available for special education students as part of their "free appropriate education." Arizona could risk losing all or part of the estimated $17,000,000 in federal funding received for special education programs if not in compliance with Public Law 94-142. The recommendation will provide extended school year services to approximately 400 children at an estimated cost of $2,500 per child. 1,000,000

Other Issues for Legislative Consideration

- Statutory Inflation Adjustment - A savings in Basic State Aid could be achieved by lowering the inflation adjustment prescribed in Arizona Revised Statutes section 15-901. Section 15-901 provides that "If the Legislature fails to prescribe the growth rate for the budget year by March 1, the growth rate which shall be utilized to adjust the Base Level for the budget year shall be the percentage growth in the GNP Price Deflator from the second preceding calendar year to the calendar year immediately preceding the budget year." The GNP Price Deflator adjustment affects the Base Level, transportation and capital outlay amounts in the State Aid formula. The Baseline Budget change for the 3.3% increase in the GNP Price Deflator for FY 1990 is $54,352,500. Each one-tenth percentage point reduction would save $1,647,000. This option would require legislation.

- State Retirement - A savings of approximately $6,000,000 can be achieved in Basic State Aid due to the reduction of employer contributions to the State Retirement Plan from 5.09% to 4.69%. An additional savings of approximately $8,600,000 could be realized if the retirement contribution rate is further reduced to 4.12% by changing from the "Entry Age Normal" method of valuation to the "Projected Unit Cost" basis of valuation. Legislation would be required to achieve the savings.

- Teacher Compensation Adjustment - A savings of approximately $20,175,000 could be achieved by raising the Qualifying Tax Rate (QTR) to allow school districts to pay for the teacher compensation adjustment to the Base Level as specified in Arizona Revised Statutes section 15-952. The statute provides that a school district may increase its Base Level by 1.25% to provide for increased teacher salaries if it meets certain standards and receives the approval of the State Board of Education. The FY 1989 Basic State Aid appropriation included $19,189,600 for this purpose and the FY 1990 cost is projected to be $20,222,900. 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 the purpose of calculating the State's share of equalization assistance. Raising the QTR 9 cents for elementary and high school districts, to $2.45, and 18 cents for unified districts, to $4.90, would provide an approximate savings of $20,175,000. The actual savings in Basic State Aid would be approximately $24,250,000, but due to greater State expenditures for Additional State Aid resulting from higher school district taxes ($4,075,000), the net savings to the State is estimated at $20,175,000. This option would require legislation.

- Teacher Experience Index - A savings of approximately $20,000,000 could be achieved by calculating Basic State Aid with school districts' actual teacher experience index numbers. Arizona Revised Statutes section 15-941 provides for the computation of a teacher experience index (TEI) for each school district. The computation involves comparing the district's average number of FTE years of experience of certified teachers to the state average. The state average is equivalent to 1.0. School districts with TEI's above the state average may use the higher number in the computation of their Base Support Levels. Districts with TEI's below the state average use 1.0. Thus, a school district with an actual TEI of .95 would use 1.0 in the computation of its Base Support Level. To limit the loss of budget capacity for school districts with TEI's less than 1.0, the Legislature could allow the districts to tax, outside the Revenue Control Limit (RCL), for the lost revenue. Allowing districts to tax would, however, tend to further disequalize tax rates among school districts due to the variation in school district assessed valuation. It could also adversely affect Arizona's wealth neutrality test with respect to the state deduction taken in Basic State Aid for federal impact aid received by school districts. To take the deduction at least 85% of Arizona's school district revenue must be classified as wealth neutral. This option would require legislation.

- Additional State Aid - A savings in the range of $31,800,000 - $36,800,000 could be achieved by modifying two components of Additional State Aid to School Districts as specified in Arizona Revised Statutes section 15-972:

  - Reducing the State "buy-down" rate limiting homeowners property taxes from the current requirement of 56% to 50% would save approximately $16,800,000. 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 1% of the property's full cash value. Any buy-down percentage adopted by the Legislature will have to consider this Constitutional provision, since the State also pays as Additional State aid any amounts exceeding the 1% limit. This option would require legislation.

  - An additional savings in the range of $15,000,000 - $20,000,000 could be achieved by reducing the state cap per residential parcel of property from the current limit of $500 to $250. Chapter 271

(S.B. 1261), Laws of 1988, enacted the $500 limit. For FY 1989, the $500 limit reduced Additional State Aid by $4,645,100. This option would require legislation.

- Adult Education - The Executive recommends $1,561,700 in additional funding for the Adult Education Program. The funding would support instruction in Adult Basic Education, English as a Second Language and GED Instruction. The additional funding, when combined with current funding, would support 1,088 classroom units serving approximately 41,344 adults at an estimated cost of $63 per individual.

- Governor's Literacy Initiative - The Executive recommends $2,500,000 for a new grant program in literacy to be administered by the Superintendent of Public Instruction. At the Superintendent's discretion, the funding would be used for instructional programs in literacy for pre-adults.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: VOCATIONAL EDUCATION
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	26.30	26.30	28.30	26.30	26.30	
OPERATING BUDGET						
PERSONAL SERVICES	806,300	887,100	949,000	911,300	886,900	
EMPLOYEE RELATED EXP	148,800	193,000	218,700	210,000	192,100	
PROFESSIONAL/OUTSIDE SVC	63,700	64,900	68,500	64,900	64,900	
TRAVEL - IN STATE	12,800	9,900	16,500	11,900	13,500	
TRAVEL - OUT OF STATE	0	0	1,000	0	0	
OTHER OPERATING EXP	51,300	54,100	62,300	57,300	56,300	
EQUIPMENT	100	0	38,000	0	0	
ALL OTHER OPERATING	127,900	128,900	186,300	134,100	134,700	
P R O G R A M T O T A L	1,083,000	1,209,000	1,354,000	1,255,400	1,213,700	
BY FUND SOURCE						
GENERAL FUND	1,083,000	1,209,000	1,354,000	1,255,400	1,213,700	
FEDERAL FUNDS	1,690,100	2,163,100	2,262,000	0	2,262,000	
PROGRAM TOTAL-ALL SOURCES	2,773,100	3,372,100	3,616,000	1,255,400	3,475,700	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: VOCATIONAL EDUCATION

The JLBC Staff recommends a total appropriation of $1,213,700 -- a net increase of $4,700, or 0.39% to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (200)
o ERE Rate Adjustments	(900)
o Travel Base Adjustment	3,000
o General Inflation	2,800

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	427.40	431.90	506.90	452.90	446.40	
BY PROGRAM/ORGANIZATION						
PHOENIX DAY SCHOOL	2,973,300	3,389,700	4,547,400	3,960,300	3,933,900	
AZ DIAG TREATMENT ED CTR	1,164,900	1,404,300	1,430,000	1,397,200	1,418,200	
TUCSON CAMPUS	8,818,600	9,755,900	13,061,000	10,501,700	10,271,300	
A G E N C Y T O T A L	12,956,800	14,549,900	19,038,400	15,859,200	15,623,400	
OPERATING BUDGET						
PERSONAL SERVICES	9,046,600	10,122,500	11,513,000	10,644,900	10,774,700	
EMPLOYEE RELATED EXP	1,759,800	2,211,100	3,753,900	2,741,000	2,623,600	
PROFESSIONAL/OUTSIDE SVC	394,000	247,200	433,900	284,700	280,300	
TRAVEL - IN STATE	45,900	27,200	42,800	28,700	28,600	
TRAVEL - OUT OF STATE	4,400	0	0	0	0	
OTHER OPERATING EXP	1,347,900	1,352,400	1,631,800	1,447,400	1,420,700	
FOOD	69,500	166,300	171,400	171,400	170,000	
EQUIPMENT	288,700	423,200	1,491,600	541,100	325,500	
ALL OTHER OPERATING	2,150,400	2,216,300	3,771,500	2,473,300	2,225,100	
A G E N C Y T O T A L	12,956,800	14,549,900	19,038,400	15,859,200	15,623,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	9,441,100	11,003,600	15,206,600	11,900,600	11,664,800	
OTHER FUNDS	3,515,700	3,546,300	3,831,800	3,958,600	3,958,600	
FEDERAL FUNDS	554,100	462,700	437,700	0	437,700	
OTHER NON APPROPRIATED	443,300	367,700	373,900	0	373,900	
AGENCY TOTAL-ALL SOURCES	13,954,200	15,380,300	19,850,000	15,859,200	16,435,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: PHOENIX DAY SCHOOL

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	97.40	97.40	118.40	108.40	107.40	
OPERATING BUDGET						
PERSONAL SERVICES	2,083,100	2,385,200	2,766,200	2,654,400	2,680,600	
EMPLOYEE RELATED EXP	404,400	484,200	935,000	690,100	659,700	
PROFESSIONAL/OUTSIDE SVC	29,800	33,000	71,500	42,600	39,400	
TRAVEL - IN STATE	3,500	3,600	4,300	4,300	4,300	
TRAVEL - OUT OF STATE	700	0	0	0	0	
OTHER OPERATING EXP	361,500	360,700	458,200	383,500	381,900	
FOOD	29,500	32,400	37,500	37,500	36,100	
EQUIPMENT	60,800	90,600	274,700	147,900	131,900	
ALL OTHER OPERATING	485,800	520,300	846,200	615,800	593,600	
P R O G R A M T O T A L	2,973,300	3,389,700	4,547,400	3,960,300	3,933,900	
BY FUND SOURCE						
GENERAL FUND	1,608,300	1,927,500	2,956,700	2,317,100	2,290,700	
OTHER FUNDS	1,365,000	1,462,200	1,590,700	1,643,200	1,643,200	
FEDERAL FUNDS	95,700	96,300	86,400	0	86,400	
OTHER NON APPROPRIATED	12,800	17,300	17,300	0	17,300	
PROGRAM TOTAL-ALL SOURCES	3,081,800	3,503,300	4,651,100	3,960,300	4,037,600	

DEPARTMENT: SCHOOL FOR THE DEAF AND BLIND
COST CENTER: PHOENIX DAY SCHOOL

The JLBC Staff recommends a total appropriation of $3,933,900 -- a net increase of $544,200, or 16.1%, to the original FY 1989 appropriation. This includes a General Fund appropriation of $2,290,700 and $1,643,200 in Permanent Special Education Institutional Voucher funding.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$	(20,200)
o ERE Rate Adjustments		102,800
o Demographic Adjustment to Reflect Excess Voucher Funding		34,500
o DOA Equity Recommendation per Chapter 237, Laws of 1988		125,500
o Replacement Equipment		10,000
o General Inflation		15,300
o Tuition and Medical Services		2,400
o Travel Rate Adjustments		200

JLBC Staff Recommended Policy Issues

- o MHSSI Classes - JLBC Staff recommends $273,700 to establish two classes for Multiply Handicapped Severely Sensory Impaired (MHSSI) students at Phoenix Day School (PDSD). The recommended amount includes the transfer of $184,500 from the Tucson Campus program Equipment base. The net increase of the recommendation above the Baseline Budget for the agency, therefore, is $89,200. The Executive recommends $352,100 for the two classes. Currently, there are no special day classes at PDSD for MHSSI students. To be properly served, MHSSI students in the Phoenix metropolitan area must be enrolled as residential students at the Tucson Campus. This situation greatly increases the educational costs for these students. At the present time there are three diagnostic and seven educational classes at ADTEC. — 273,700

Other Issues for Legislative Consideration

- o DOA Equity Study - An agencywide savings of $536,100 could be achieved should the Legislature not fund the DOA Equity Study salary recommendations for ASDB. Chapter 237 (S.B. 1374), Laws of 1988, requires the Department of Administration (DOA), in consultation with the Department of Education (ADE) and ASDB's Board of Directors, to conduct salary equity studies for teachers, credentialed specialists and other personnel unique to ASDB.

The law provides that a full study shall be completed once every five years by analyzing salary structures for similar personnel in school districts. Interim salary increases are to be tied to the average increases awarded in three school districts selected by DOA and ADE, in consultation with ASDB's Board. The law also requires DOA to conduct reclassification studies for all other personnel. JLBC Staff is to use the results of the studies in making personal services recommendations for ASDB.

- Accountability Pay Plan - The agency requests $97,100 to provide continued funding for the Accountability Pay Plan (APP). The Legislature approved funding for the program for FY 1989. The APP is a modified career ladder merit plan designed to provide incentives to teachers and credentialed specialists for outstanding performance and improved skills and capabilities. Progress on the APP salary schedule is based on satisfactory evaluation of progress on professional growth programs designed to improve or expand skills. For teachers, progression from one level to another on the APP requires a superior performance evaluation.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AZ DIAG TREATMENT ED CTR

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	56.60	56.60	56.60	56.60	56.60	
OPERATING BUDGET						
PERSONAL SERVICES	947,400	1,081,800	1,081,800	1,100,400	1,130,000	
EMPLOYEE RELATED EXP	186,700	257,700	313,200	262,200	253,600	
PROFESSIONAL/OUTSIDE SVC	16,700	17,300	19,100	19,100	19,100	
TRAVEL - IN STATE	1,000	1,000	1,400	1,000	1,000	
TRAVEL - OUT OF STATE	200	0	0	0	0	
OTHER OPERATING EXP	12,900	46,500	14,500	14,500	14,500	
ALL OTHER OPERATING	30,800	64,800	35,000	34,600	34,600	
P R O G R A M T O T A L	1,164,900	1,404,300	1,430,000	1,397,200	1,418,200	
BY FUND SOURCE						
GENERAL FUND	1,059,900	1,176,600	1,122,900	1,079,900	1,100,900	
OTHER FUNDS	105,000	227,700	307,100	317,300	317,300	
FEDERAL FUNDS	85,500	65,500	62,900	0	62,900	
OTHER NON APPROPRIATED	800	3,000	3,000	0	3,000	
PROGRAM TOTAL-ALL SOURCES	1,251,200	1,472,800	1,495,900	1,397,200	1,484,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCHOOL FOR THE DEAF AND BLIND
COST CENTER: AZ DIAG. TREATMENT ED. CENTER

The JLBC Staff recommends a total appropriation of $1,418,200 -- a net increase of $13,900, or 1.0%, to the original FY 1989 appropriation. This includes a General Fund appropriation of $1,100,900 and $317,300 in Permanent Special Education Institutional Voucher funding.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$	(14,000)
o ERE Rate Adjustments		(14,900)
o DOA Equity Recommendation Per Chapter 237, Laws of 1988		73,000
o Medical Services		1,500
o General Inflation		500
o All Other		300

JLBC Staff Recommended Policy Issues

o Operating Budget Transfer - JLBC Staff recommends the transfer of $32,500 from Other Operating to the Tucson Campus program, with $13,500 for Professional and Outside Services and $19,000 for Other Operating Expenditures. The Executive also recommends the transfer. During FY 1988, two ADTEC diagnostic classes were converted into two educational classes to accommodate increased enrollment. Since educational support services for the classes are provided through the Tucson Campus program, the agency is requesting this redistribution to realign funding with program functions.	(32,500)

Other Issues for Legislative Consideration

- DOA Equity Study - An agencywide savings of $536,100 could be achieved should the Legislature not fund the DOA Equity Study salary recommendations for ASDB. Chapter 237 (S.B. 1374), Laws of 1988, requires the Department of Administration (DOA), in consultation with the Department of Education (ADE) and ASDB's Board of Directors, to conduct salary equity studies for teachers, credentialed specialists and other personnel unique to ASDB. The law provides that a full study shall be completed once every five years by analyzing salary structures for similar personnel in school districts. Interim salary increase are to be tied to the average increases awarded in three school districts selected by DOA and ADE, in consultation with ASDB's Board. The law also requires DOA to conduct reclassification studies for all other personnel. JLBC Staff is to use the results of the studies in making personal services recommendations for ASDB.

- o ADTEC Classes - A savings of $185,900 could be achieved by eliminating one ADTEC diagnostic class and reorganizing the remaining ADTEC classes to realign staff and resources to ameliorate the cutback. Currently, there are three diagnostic and seven educational classes at ADTEC. JLBC Staff has recommended the establishment of two new educational classes at Phoenix Day School (PDSD). This will allow Phoenix area students currently enrolled as residential students in Tucson to return to Phoenix for classes. Establishing two educational classes at PDSD and eliminating one diagnostic class at ADTEC would still create a net gain of one MHSSI class for the agency.

- o Accountability Pay Plan - The agency requests $36,300 to provide continued funding for the Accountability Pay Plan (APP). The Legislature approved funding for the program for FY 1989. The APP is a modified career ladder merit plan designed to provide incentives to teachers and credentialed specialists for outstanding performance and improved skills and capabilities. Progress on the APP salary schedule is based on satisfactory evaluation of progress on professional growth programs designed to improve or expand skills. For teachers, progression from one level to another on the APP requires a superior performance evaluation.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: TUCSON CAMPUS

JLBC ANALYST: NEISENT

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	273.40	277.90	331.90	287.90	282.40	
OPERATING BUDGET						
PERSONAL SERVICES	6,016,100	6,655,500	7,665,000	6,890,100	6,964,100	
EMPLOYEE RELATED EXP	1,168,700	1,469,200	2,505,700	1,788,700	1,710,300	
PROFESSIONAL/OUTSIDE SVC	347,500	196,900	343,300	223,000	221,800	
TRAVEL - IN STATE	41,400	22,600	37,100	23,400	23,300	
TRAVEL - OUT OF STATE	3,500	0	0	0	0	
OTHER OPERATING EXP	973,500	945,200	1,159,100	1,049,400	1,024,300	
FOOD	40,000	133,900	133,900	133,900	133,900	
EQUIPMENT	227,900	332,600	1,216,900	393,200	193,600	
ALL OTHER OPERATING	1,633,800	1,631,200	2,890,300	1,822,900	1,596,900	
P R O G R A M T O T A L	8,818,600	9,755,900	13,061,000	10,501,700	10,271,300	
BY FUND SOURCE						
GENERAL FUND	6,772,900	7,899,500	11,127,000	8,503,600	8,273,200	
OTHER FUNDS	2,045,700	1,856,400	1,934,000	1,998,100	1,998,100	
FEDERAL FUNDS	372,900	300,900	288,400	0	288,400	
OTHER NON APPROPRIATED	429,700	347,400	353,600	0	353,600	
PROGRAM TOTAL-ALL SOURCES	9,621,200	10,404,200	13,703,000	10,501,700	10,913,300	

DEPARTMENT: SCHOOL FOR THE DEAF AND BLIND
COST CENTER: TUCSON CAMPUS

The JLBC Staff recommends a total appropriation of $10,271,300 -- a net increase of $515,400, or 5.3%, to the original FY 1989 appropriation. This includes a General Fund appropriation of $8,273,200 and $1,998,100 in Permanent Special Education Institutional Voucher funding.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (72,200)
o	Risk Management Insurance	(17,200)
o	Student Transportation	(3,000)
o	ERE Rate Adjustments	165,400
o	Demographic Adjustment to Reflect Excess Voucher Funding	118,900
o	DOA Equity Recommendations per Chapter 237, Laws of 1988	337,600
o	Telephone/Postage Base Adjustment	34,200
o	Replacement Equipment	45,500
o	Medical and Other Professional Services	12,500
o	Utilities	12,500
o	General Inflation	32,800
o	Travel Rate Adjustments	400

JLBC Staff Recommended Policy Issues

- o Operating Budget Transfer - JLBC Staff recommends the transfer of $32,500 from Other Operating in the ADTEC program to the Tucson Campus program, with $13,500 for Professional and Outside Services and $19,000 for Other Operating Expenditures. The Executive also recommends the transfer. During FY 1988, two ADTEC diagnostic classes were converted into two educational classes to accommodate increased enrollment. Since educational support services for the classes are provided through the Tucson Campus program, the agency is requesting this redistribution to realign funding with program functions. 32,500

- o MHSSI Classes - JLBC Staff recommends $273,700 to establish two classes for Multiply Handicapped Severely Sensory Impaired (MHSSI) students at Phoenix Day School (PDSD). The recommended amount includes the transfer of $184,500 from the Tucson Campus Equipment base. The net increase of the recommendation above the Baseline Budget for the agency, therefore, is $89,200. The Executive recommends (184,500)

$352,100 for the two classes. Currently, there are no special day classes at PDSD for MHSSI students. To be properly served, MHSSI students in the Phoenix metropolitan area must be enrolled as residential students at the Tucson Campus. This situation greatly increases the educational costs for these students. At the present time there are three diagnostic and seven educational classes at ADTEC.

Other Issues for Legislative Consideration

- Outreach Program - A savings of $274,800 could be achieved by eliminating approximately 50% of the Parent Outreach Program. Currently, there are 335 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. The program is aimed at providing families with counseling and support after the children have been diagnosed.

- DOA Equity Study - An agencywide savings of $536,100 could be achieved should the Legislature not fund the DOA Equity Study salary recommendations for ASDB. Chapter 237 (S.B. 1374), Laws of 1988, requires the Department of Administration (DOA), in consultation with the Department of Education (ADE) and ASDB's Board of Directors, to conduct salary equity studies for teachers, credentialed specialists and other personnel unique to ASDB. The law provides that a full study shall be completed once every five years by analyzing salary structures for similar personnel in school districts. Interim salary increases are to be tied to the average increases awarded in three school districts selected by DOA and ADE, in consultation with ASDB's Board. The law also requires DOA to conduct reclassification studies for all other personnel. JLBC Staff is to use the results of the studies in making personal services recommendations for ASDB.

- Preschool Transportation - The Executive recommends $210,900 and ten positions to expand transportation services to children attending preschool sites in the Phoenix and Tucson areas. Currently ASDB provides transportation services to preschool children attending classes at the Phoenix Day School (PDSD) campus. ASDB feels that providing services to a limited number of children places the agency in a vulnerable position since courts have ruled that once an educational service has been initiated, all children are entitled to the same service. Approximately 39 children in the Phoenix area and 100 in the Tucson area would need transportation services.

- Cooperative Service Program - The agency requests $268,900 to complete the establishment of the three year pilot program of three regional cooperatives which will provide educational services for hearing and visually handicapped children throughout the state. The three year pilot program was authorized by Chapter 363 (S.B. 1251), Laws of 1987. The cooperatives provide a mechanism whereby school districts, parents and ASDB work together to assure that the state's sensory impaired children receive the most appropriate educational

services. In May 1988 the State Board of Education designated three geographic areas for the pilot cooperatives: Region I - Yuma area; Region II - Yavapai, Coconino area; Region III - Southeast Arizona, including Pima County. The Legislature appropriated $79,000 in FY 1988 to initiate the planning of the pilot project. For FY 1989, the Legislature approved $94,000 to begin services in Region II. The agency request would initiate services in Regions I and III. JLBC Staff analysis indicates that $246,600 would be sufficient to begin services in the two regions, with $111,400 for Region I and $135,200 for Region III.

- Accountability Pay Plan - The agency requests $180,500 to provide continued funding for the Accountability Pay Plan (APP). The Legislature approved funding for the program for FY 1989. The APP is a modified career ladder merit plan designed to provide incentives to teachers and credentialed specialists for outstanding performance and improved skills and capabilities. Progress on the APP salary schedule is based on satisfactory evaluation of progress on professional growth programs designed to improve or expand skills. For teachers, progression from one level to another on the APP requires a superior performance evaluation.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ COMMISSION ON THE ARTS
COST CENTER: AZ COMMISSION ON THE ARTS
JLBC ANALYST: NEISENT
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	11.50	11.50	19.50	13.50	11.50	
OPERATING BUDGET						
PERSONAL SERVICES	292,900	303,400	449,700	353,700	303,400	
EMPLOYEE RELATED EXP	54,500	70,100	115,900	83,300	67,200	
PROFESSIONAL/OUTSIDE SVC	0	0	40,000	0	0	
TRAVEL - IN STATE	12,400	12,400	21,600	15,000	13,500	
TRAVEL - OUT OF STATE	700	800	800	800	800	
OTHER OPERATING EXP	72,400	86,000	141,900	90,400	91,500	
EQUIPMENT	2,900	17,900	34,000	30,500	500	
ALL OTHER OPERATING	88,400	117,100	238,300	136,700	106,300	
OPERATING SUBTOTAL	435,800	490,600	803,900	573,700	476,900	
SPECIAL LINE ITEMS						
COMMUNITY SERV PROJECTS	883,400	1,063,400	2,496,100	1,113,400	1,063,400	
SPECIAL ITEM SUBTOTAL	883,400	1,063,400	2,496,100	1,113,400	1,063,400	
P R O G R A M T O T A L	1,319,200	1,554,000	3,300,000	1,687,100	1,540,300	
BY FUND SOURCE						
GENERAL FUND	1,319,200	1,554,000	3,300,000	1,687,100	1,540,300	
FEDERAL FUNDS	511,800	539,200	490,400	0	490,400	
OTHER NON APPROPRIATED	64,900	65,000	65,000	0	65,000	
PROGRAM TOTAL-ALL SOURCES	1,895,900	2,158,200	3,855,400	1,687,100	2,095,700	

DEPARTMENT: AZ COMMISSION ON THE ARTS
COST CENTER: AZ COMMISSION ON THE ARTS

The JLBC Staff recommends a total appropriation of $1,540,300 -- a net decrease of $(13,700), or (0.9)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	ERE Rate Adjustments	$ (2,900)
o	Replacement Equipment	(17,400)
o	Risk Management Insurance	400
o	Commercial Rent	4,200
o	Travel Rate Adjustments	1,100
o	General Inflation	500
o	All Other	400

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Community Service Projects - A savings of $63,400 could be achieved by reducing the Community Service Projects appropriation from $1,063,400 to $1,000,000. 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 Legislature may also wish to consider further reductions in Community Service Project monies based on Arizona Revised Statutes section 28-2603. This section of statute authorizes cities and towns to use up to 10% of their state lottery funds allocated for local transportation assistance for cultural, educational, historical, recreational or scientific facilities or programs if the monies are matched equally by nonpublic monies. Currently, $2,300,000 may be allocated for such purposes. The Arizona Cost Efficiency Commission (ACEC) recommended that programs carried out by the Arts Commission be viewed as discretionary and eligible for reductions should the State's financial situation warrant such action.

- Computer System - The Executive recommends $30,000 for the first year cost of automating several agency functions, including budgeting, accounting, Community Service Project grant applications, mailing lists and arts data management. A recently completed Department of Administration (DOA) Data Center feasibility study recommended two possible alternatives: a PC based LAN System located in-house at the Arts Commission or a

Shared Minicomputer IBM System 36 with a server located at the Data Center. The PC LAN System would be the least expensive of the two systems, with a five year cost of $125,900. The Data Center configuration for the PC LAN System would require $30,000 in funding in each of the first four years and $5,900 in the fifth year.

- Matching Funds - The Executive recommends $50,000 to provide the 50% match required for a grant from the National Endowment for the Arts. The additional funding would be used for statewide cultural development projects.

- New Positions - The Executive recommends $56,800 to fund two positions. One is a new position that would provide agencywide coordination of computer system implementation and management and that would also assist with the agency's fiscal services. The other position is currently federally funded. The agency is requesting state funding of this position due to the uncertainty of federal funding. This position is responsible for the administration of the agency's Artists in Education Program, which places artists of all disciplines in schools, community centers and libraries throughout the state.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ HISTORICAL SOCIETY
COST CENTER: AZ HISTORICAL SOCIETY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	46.30	46.30	56.80	48.30	48.30	
OPERATING BUDGET						
PERSONAL SERVICES	1,032,200	1,037,800	1,208,700	1,095,700	1,055,200	
EMPLOYEE RELATED EXP	203,600	238,700	391,600	286,100	260,200	
PROFESSIONAL/OUTSIDE SVC	44,900	33,800	89,100	89,100	87,500	
TRAVEL - IN STATE	7,500	8,600	10,400	9,900	9,900	
TRAVEL - OUT OF STATE	400	0	700	700	0	
OTHER OPERATING EXP	386,400	500,300	537,500	524,900	522,600	
EQUIPMENT	37,300	33,600	67,200	50,800	50,800	
ALL OTHER OPERATING	476,500	576,300	704,900	675,400	670,800	
OPERATING SUBTOTAL	1,712,300	1,852,800	2,305,200	2,057,200	1,986,200	
SPECIAL LINE ITEMS						
LIBRARY - ACQUISITIONS	800	1,500	1,500	1,500	1,500	
ARTIFACTS - ACQUISITIONS	0	0	20,000	0	0	
JOURNAL OF AZ HISTORY	5,000	5,000	5,000	5,000	5,000	
HISTORICAL SOCIETY GRANT	30,000	30,000	36,000	30,000	30,000	
SPECIAL ITEM SUBTOTAL	35,800	36,500	62,500	36,500	36,500	
P R O G R A M T O T A L	1,748,100	1,889,300	2,367,700	2,093,700	2,022,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ HISTORICAL SOCIETY
COST CENTER: AZ HISTORICAL SOCIETY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,748,100	1,889,300	2,367,700	2,093,700	2,022,700	
OTHER NON APPROPRIATED	366,900	291,000	290,000	0	290,000	
PROGRAM TOTAL-ALL SOURCES	2,115,000	2,180,300	2,657,700	2,093,700	2,312,700	

DEPARTMENT: ARIZONA HISTORICAL SOCIETY
COST CENTER: ARIZONA HISTORICAL SOCIETY

The JLBC Staff recommends a total appropriation of $2,022,700 -- a net increase of $133,400, or 7.1%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 2.0% No vacancy factor was used by the Executive		(25,900)
o Risk Management	$	(1,000)
o Replacement Equipment		(1,200)
o Data Processing		1,000
o ERE Rate Adjustments		17,200
o General Inflation		18,300
o Travel Rate Adjustments		700
o Commercial Rent		100

JLBC Staff Recommended Policy Issues

o Papago Park Museum - JLBC Staff recommends 2.0 FTE positions and $124,200 to prepare for the opening of the new Papago Park Museum. The Museum Curators are needed to design exhibits for the new museum and to inventory and prepare historical collections for the move. The recommended amount includes funding for equipment needed in the new museum, travel expenses, professional services for audio/visual production and exhibit construction, and moving expenses. JLBC Staff further recommends that the costs of this policy issue be defrayed by gift shop sales; the first $124,200 of profits should revert to the General Fund. The Executive recommends $126,400 for this policy issue.	124,200

Other Items for Legislative Consideration

- Suggested Museum Donation - The Arizona Historical Society puts out donation boxes, but does not require donations from visitors. A suggested 50¢ donation per admission in existing museums (excluding schoolchildren on tours) could raise approximately $50,000 without placing an unbearable burden on visitors.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: PRESCOTT HIST SOCIETY
COST CENTER: PRESCOTT HIST SOCIETY

JLBC ANALYST: HERNANDEZ

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	14.50	14.50	16.00	16.00	14.50	
OPERATING BUDGET						
PERSONAL SERVICES	298,500	314,800	340,500	350,300	312,900	
EMPLOYEE RELATED EXP	68,500	81,200	129,500	121,400	103,900	
PROFESSIONAL/OUTSIDE SVC	4,800	3,200	5,000	5,000	5,000	
TRAVEL - IN STATE	300	300	300	300	300	
OTHER OPERATING EXP	50,300	69,500	70,300	70,300	70,000	
EQUIPMENT	19,900	800	3,500	3,500	3,500	
ALL OTHER OPERATING	75,300	73,800	79,100	79,100	78,800	
P R O G R A M T O T A L	442,300	469,800	549,100	550,800	495,600	
BY FUND SOURCE						
GENERAL FUND	442,300	469,800	549,100	550,800	495,600	
OTHER NON APPROPRIATED	66,000	94,000	54,500	0	54,500	
PROGRAM TOTAL-ALL SOURCES	508,300	563,800	603,600	550,800	550,100	

DEPARTMENT: PRESCOTT HISTORICAL SOCIETY
COST CENTER: PRESCOTT HISTORICAL SOCIETY

The JLBC Staff recommends a total appropriation of $495,600 -- a net increase of $25,800, or 5.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(2,500)
o Risk Management Insurance		(1,700)
o Replacement Equipment		(800)
o ERE Rate Adjustment		23,300
o Security Alarm System and Maintenance Contracts--Transportation Building		1,800
o General Inflation		2,200

JLBC Staff Recommended Policy Issues

o Tractor/Snowblower - JLBC Staff and the Executive recommend $3,500 to purchase a tractor/snowblower. Currently, maintenance staff must shovel snow by hand during the winter to keep the sidewalks safe. Because of this, maintenance staff is taken away from the skilled tasks of renovation and repair of the historical buildings on the property. Although both the Pioneers Home and ADOT own snowplows which the Prescott Historical Society could borrow, the equipment is more suitable for roads than sidewalks. A tractor/snowblower will allow the Society's maintenance staff to be more productive during the winter, and can also be used during summer months to move soil in the gardens.	3,500

Other Issues for Legislative Consideration

- Suggested Museum Donation - The Prescott Historical Society puts out donation boxes, but does not require donations from visitors. JLBC Staff estimates that a suggested 50¢ donation per admission (excluding schoolchildren on tours) could raise approximately $20,000 without placing an unbearable burden on visitors.

- Consolidate into Arizona Historical Society - The Arizona Cost Efficiency Commission recommended combining the Prescott Historical Society with the Arizona Historical Society for an estimated cost savings of $119,200. JLBC Staff estimates that little, if any, savings would result from such a move.

- Building Maintenance Technician - The Executive recommends 1.0 FTE position and $23,600 to aid in the upkeep of the Historical Society's 10 aging buildings. The Historical Society has deferred numerous maintenance and repair projects due to lack of staff. If funded, JLBC Staff estimates a cost of $22,600.

- Commercial Artist - The Executive recommends 0.5 FTE position and $15,200 to increase the current commercial artist position from half-time to full-time. The commercial artist is responsible for planning and implementation of museum exhibits, plus design and art work for newsletters and brochures. Renovation of the Transportation Building plus the creation of a mining exhibit on the Museum's recently purchased lot will add to the existing workload. JLBC Staff estimates the cost of this issue to be $14,700.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	5,634.70	6,094.20	6,878.20	6,141.20	5,980.70	
BY PROGRAM/ORGANIZATION						
ADULT INSTITUTIONS	140,059,800	158,325,400	217,977,000	194,219,900	187,290,700	
HUMAN RESOURCES/DEVELOPMT	21,779,800	28,097,900	44,128,500	31,695,700	27,800,200	
JUVENILE SERVICES	24,168,100	29,266,900	36,661,700	32,038,500	30,146,200	
ADMINISTRATION	10,377,300	13,159,000	16,846,000	12,880,500	11,801,100	
CORRECTIONAL INDUSTRIES	2,083,800	2,209,800	2,915,500	2,448,500	0	
ADULT COMMUNITY SERVICES	7,640,900	9,375,600	13,504,600	9,787,800	9,357,200	
A G E N C Y T O T A L	206,109,700	240,434,600	332,033,300	283,070,900	266,395,400	
OPERATING BUDGET						
PERSONAL SERVICES	110,908,600	126,400,500	152,341,900	135,846,500	124,735,400	
EMPLOYEE RELATED EXP	28,386,200	36,381,200	58,207,800	39,184,400	36,128,700	
PROFESSIONAL/OUTSIDE SVC	13,506,900	14,820,100	39,865,000	26,781,000	39,100,100	
TRAVEL - IN STATE	335,600	445,600	550,500	475,800	492,600	
TRAVEL - OUT OF STATE	67,700	90,600	93,800	90,600	92,800	
OTHER OPERATING EXP	29,540,100	36,913,500	42,163,000	38,585,500	37,414,000	
EQUIPMENT	2,844,100	3,216,000	13,057,500	5,854,800	4,799,200	
ALL OTHER OPERATING	46,294,400	55,485,800	95,729,800	71,787,700	81,898,700	
OPERATING SUBTOTAL	185,589,200	218,267,500	306,279,500	246,818,600	242,762,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: AGENCY SUMMARY SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
FOOD	11,893,600	13,609,400	16,911,800	16,636,000	15,476,300	
WORK INCENTIVE PAY PLAN	2,722,700	3,465,100	3,943,100	3,758,800	3,483,600	
DISCHARGE EXPENSE	228,700	216,800	216,800	216,800	216,800	
ASP-YUMA	273,000	72,300	0	0	0	
PURCHASE OF CARE	5,324,500	4,722,800	4,560,000	4,560,000	4,372,000	
EX-OFFENDER STIPENDS	78,000	80,700	122,100	80,700	83,900	
EMERGENCY BED OPERATIONS	0	0	0	11,000,000	0	
SPECIAL ITEM SUBTOTAL	20,520,500	22,167,100	25,753,800	36,252,300	23,632,600	
A G E N C Y T O T A L	206,109,700	240,434,600	332,033,300	283,070,900	266,395,400	
BY FUND SOURCE						
GENERAL FUND	206,109,700	240,434,600	332,033,300	283,070,900	266,395,400	
FEDERAL FUNDS	1,534,000	1,902,400	1,928,000	0	1,928,000	
OTHER NON APPROPRIATED	8,236,100	8,756,500	9,846,500	0	12,056,300	
AGENCY TOTAL-ALL SOURCES	215,879,800	251,093,500	343,807,800	283,070,900	280,379,700	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: SUMMARY

The JLBC Staff recommends a total appropriation of $266,395,400 -- a net increase of $25,960,800, or 10.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor	$ (613,900)
o Statutory (82.0 FTE Positions)	(2,209,800)
o Risk Management Insurance	(1,322,300)
o Annualization	2,385,000
o Population Growth	23,460,100
o ERE Rate Adjustments	116,500
o General Inflation	2,464,200
o All Other	171,300

JLBC Staff Recommended Policy Issues

o Total Reductions - (46.5 FTE Positions)	(1,289,400)
o Vehicle Replacement	1,138,300
o Food Service Equipment Replacement	741,100
o Offender Services - 15.0 FTE Positions	400,000
o Relocation of Desert Valley Learning Center	300,000
o Relocation of the Southern Arizona Correctional Release Center	211,200
o Intra-Agency Transfers	8,500

Other Issues for Legislative Consideration

- Reduction options totalling $9,474,900 have been developed for this Department.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADULT INSTITUTIONS
JLBC ANALYST: MORRIS
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4,088.70	4,365.70	4,878.70	4,391.70	4,359.70	
OPERATING BUDGET						
PERSONAL SERVICES	77,577,100	86,769,900	100,075,100	92,008,900	87,248,900	
EMPLOYEE RELATED EXP	20,839,000	26,277,900	40,595,400	27,524,300	26,309,900	
PROFESSIONAL/OUTSIDE SVC	5,627,400	3,613,500	20,932,200	14,524,800	27,633,700	
TRAVEL - IN STATE	121,300	142,900	182,400	154,400	172,800	
TRAVEL - OUT OF STATE	45,500	50,000	51,600	50,000	51,600	
OTHER OPERATING EXP	20,051,300	23,578,800	27,134,400	25,450,300	24,607,700	
EQUIPMENT	1,839,400	2,158,800	9,660,000	4,599,300	3,814,700	
ALL OTHER OPERATING	27,684,900	29,544,000	57,960,600	44,778,800	56,280,500	
OPERATING SUBTOTAL	126,101,000	142,591,800	198,631,100	164,312,000	169,839,300	
SPECIAL LINE ITEMS						
FOOD	10,939,700	12,293,600	15,522,300	15,246,500	14,087,300	
WORK INCENTIVE PAY PLAN	2,517,400	3,150,900	3,606,800	3,444,600	3,147,300	
DISCHARGE EXPENSE	228,700	216,800	216,800	216,800	216,800	
ASP-YUMA	273,000	72,300	0	0	0	
EMERGENCY BED OPERATIONS	0	0	0	11,000,000	0	
SPECIAL ITEM SUBTOTAL	13,958,800	15,733,600	19,345,900	29,907,900	17,451,400	
P R O G R A M T O T A L	140,059,800	158,325,400	217,977,000	194,219,900	187,290,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: ADULT INSTITUTIONS SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	140,059,800	158,325,400	217,977,000	194,219,900	187,290,700	
FEDERAL FUNDS	946,700	961,300	1,016,400	0	1,016,400	
OTHER NON APPROPRIATED	20,400	16,300	17,700	0	17,700	
PROGRAM TOTAL-ALL SOURCES	141,026,900	159,303,000	219,011,100	194,219,900	188,324,800	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADULT INSTITUTIONS

The JLBC Staff recommends a total appropriation of $187,290,700 -- a net increase of $28,965,300, or 18.3%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 5.0%	$ (402,600)
A vacancy factor of 3.0% was used by the Executive	
o ERE Rate Adjustments	(83,800)
o Annualization	1,528,900
These represent amounts necessary for operation of the 250 bed Arizona State Prison - Yuma; the 400 bed medium security unit at the Arizona State Prison Complex - Winslow; and the 192 bed addition to the Special Management Unit at the Arizona State Prison Complex - Florence.	
o Population Growth	23,460,100
The JLBC Staff recommendations are based on an Average Daily Population (ADP) of 13,634 adult inmates for FY 1990. The ADP has been adjusted for Shock Incarceration, Home Arrest and Intensive Probation Supervision. This is 1,636 more than the operational capacity of the existing adult institutions. At this time, neither the Executive nor the Department of Corrections has offered a plan to manage those inmates that exceed the operational capacity. Therefore, the JLBC Staff based its recommendations on $40 per inmate day, or $14,600 annually.	
o General Inflation	1,643,100
o All Other	959,300
This is a net increase which allows $1,291,600 for Food. The adjustment is to annualize the apparent FY 1989 food deficit, expected to be addressed in the supplemental appropriation request. Offsetting the increase is a base reduction of $260,000 for Clothing and Uniforms-Staff. Other than uniform allowances provided for Correctional Service personnel, funding for clothing and uniforms furnished to other personnel has not been previously approved by the Legislature. Included also is a reduction of $72,300 for nonrecurring caretaker expenses at ASP-Yuma.	
o Replacement Equipment (a net increase)	53,900

JLBC Staff Recommended Policy Issues

- Staff for Mobile Perimeter Security Posts Could be Reduced - Based upon a recommendation in the Arizona Cost Efficiency Commission's (ACEC) report, the JLBC Staff recommends that staffing of mobile perimeter security posts be reduced 28.0 FTE positions. In making this recommendation the JLBC Staff used the methodology in the ACEC's report. Implementation of this recommendation should pose no security risk. The mobile security posts augment other security measures, such as armed guard towers, double fencing with razor wire and electronic sensing systems. The recommended reduction is based upon an average cost of $23,753 per position which includes associated operating costs of $2,000. (624,800)

- Vehicle Replacement - The Department of Corrections has identified 220 vehicles, at nine locations throughout the state, for replacement. Within the amount recommended, approximately one-third of the request, the Department can replace those vehicles of the highest priority. There have been two reports published which clearly indicate the need for vehicle replacement. These reports also contend that the size of the Department's fleet could be reduced if it were updated. Updating the fleet, according to a 1985 Auditor General's report could reduce vehicle operating costs, particularly in the area of repair and maintenance. This would provide money to purchase additional vehicles which are justifiable. The Executive recommends $1,669,400 for vehicle replacements. 837,200

- Kitchen Equipment Replacement - The JLBC Staff and the Executive recommend funding for replacement of food service equipment. Equipment to be replaced is obsolete, beyond repair, and does not meet standards established by state and federal health regulations. 741,100

- Offender Services - The JLBC Staff recommends the addition of 15.0 FTE positions and supporting costs to automate the computation of offender release dates and to maintain offender records. This will provide for timely response to offender classification appeals and allow for periodic review of offender records. Records are reviewed to insure accuracy and compliance with departmental policies. The Executive recommends the addition of 19.0 FTE positions and $521,100 for this purpose. The JLBC Staff believes that the increased use of automation will have a positive impact, and thereby will reduce the additional staffing requirements. 400,000

- Intra-Agency Transfers - The JLBC Staff and the Executive recommend a net transfer of 7.0 FTE positions. Positions to be transferred are six Correction Program Officers II's, and two Locksmiths. A Correction Facility Health Manager is to be transferred to the Human Resources and Development program. In addition to costs associated with personnel transfers, $276,100 is being transferred to fund treatment programs for Sex Offenders - $255,300 and Substance Abusers - $20,800. The amount recommended by the Executive is $475,600. The difference between the two recommendations is found in Personal Services - $6,400, Employee Related Expenditures - $15,200, and Treatment - $1,100. 452,900

Other Issues for Legislative Consideration

- Early Release of Selected Inmates - Early release of inmates is achieved, in some states, by accelerating parole eligibility dates when the prison population exceeds the defined physical capacity of prisons. This technique has been used effectively in other states to reduce overcrowded conditions. Arizona currently has an early release statute (A.R.S. § 31-233I) which applies to specified first time offenders, convicted of class 4, 5, or 6 felonies. The Department of Corrections is now operating under this statute. It is not providing sufficient relief to keep the prison population below defined operational capacity. If legislation were enacted to expand early release opportunities for an average of 250-275 inmates each year there would be a cost avoidance of approximately $4.1 million. Such savings would be achieved by avoiding the need to operate and maintain additional prisons. (That amount would be significantly larger if the projected savings included construction costs for new facilities. Construction costs now average $30,000 to $35,000 per prison bed.) This is a short range, cost effective approach to reduce prison population but it is only a temporary measure. The pool of inmates eligible for early parole decreases each time the early release mechanism is used. Studies have determined that prisoners who were paroled early, are no more likely to be returned to prison than those who served full sentences. Although this option can result in significant cost savings, it may conflict with the intent of other legislation recently enacted.

- Population Growth - The Executive recommendations provide an increase of $23,551,400 to fund the cost of the estimated growth in the adult inmate population. That includes inmate related expenses of $2,485,900 for an estimated increase in the Average Daily Population (ADP) of 1,075 inmates. In addition, $10,065,500 is recommended to reimburse counties for housing an ADP of 700 inmates in county jails. Further recommended is $11,000,000 for operation of emergency beds to be proposed. The Executive recommendations are based on ADP of 13,789 adult inmates. The JLBC Staff used an estimated ADP of 13,634 inmates. The JLBC Staff reduced the ADP projection by 85 inmates to account for the impact of increased funding for the Intensive Probation Supervision program. This includes funding approved in FY 1989, and the additional amount recommended for FY 1990. The remaining difference has not been identified. The amount recommended by the JLBC Staff is $40 per day for the increased ADP. On a comparable basis the Executive recommendations are $37.80 per day. That amount includes an increase of $942,200 which the Executive has recommended for the Human Resources and Development program. There is a net difference of $1,033,500 between the Executive and JLBC Staff recommendations. Of that amount $91,300 is shown in this program, and the balance is the Human Resources and Development program.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: HUMAN RESOURCES/DEVELOPMT

JLBC ANALYST: MORRIS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	456.50	504.00	641.00	497.00	484.00	
OPERATING BUDGET						
PERSONAL SERVICES	11,000,300	13,269,900	21,557,900	15,175,400	12,842,400	
EMPLOYEE RELATED EXP	2,366,800	3,285,100	6,654,400	3,744,700	3,123,000	
PROFESSIONAL/OUTSIDE SVC	6,422,000	8,748,600	11,635,700	9,643,600	8,852,900	
TRAVEL - IN STATE	57,800	82,600	93,700	85,200	83,100	
TRAVEL - OUT OF STATE	4,400	9,100	9,300	9,100	9,300	
OTHER OPERATING EXP	1,878,300	2,472,200	3,195,100	2,737,400	2,538,000	
EQUIPMENT	50,200	230,400	982,400	300,300	351,500	
ALL OTHER OPERATING	8,412,700	11,542,900	15,916,200	12,775,600	11,834,800	
P R O G R A M T O T A L	21,779,800	28,097,900	44,128,500	31,695,700	27,800,200	
BY FUND SOURCE						
GENERAL FUND	21,779,800	28,097,900	44,128,500	31,695,700	27,800,200	
FEDERAL FUNDS	12,500	38,000	0	0	0	
OTHER NON APPROPRIATED	142,100	132,000	125,000	0	125,000	
PROGRAM TOTAL-ALL SOURCES	21,934,400	28,267,900	44,253,500	31,695,700	27,925,200	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: HUMAN RESOURCES AND DEVELOPMENT

The JLBC Staff recommends a total appropriation of $27,800,200 -- a net decrease of $(297,700), or (1.1)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 5.0% A vacancy factor of 3.0% was used by the Executive	$	(17,400)
o ERE Rate Adjustments		(59,500)
o Annualization		216,200
o General Inflation		436,000
o Replacement Equipment		89,000

JLBC Staff Recommended Policy Issues

o Reduction of the Planning Bureau - The JLBC Staff recommends the Planning Bureau be reduced 50.0%. This will result in a reduction of 9.0 FTE positions. The Planning Bureau assists management mediate change through the articulation of department policies and provision of accurate and timely information. The Bureau conducts management research projects that directly contribute to the Department's mission. It creates written and video publications that inform, educate, and honor employees. It, also, provides forms design and control services and performs other special projects that enhance the Department's professionalism and efficiency. The JLBC Staff recommendation will cause a marked decrease in the Bureau's output and only those projects with the highest priority can be undertaken. Other work, such as management research and allied projects, will have to be shifted to other areas within the Department.	(321,800)
o Eliminate One Division - A recommendation in the Arizona Cost Efficiency Commission's (ACEC) report was that the Bureau of Health Services report directly to the Director of the Department of Corrections. It was also recommended that some functions be decentralized. If these changes occur, then one of the six major divisions of the Department can be abolished. One Assistant Director and three support positions can be eliminated. The reduction recommended by the JLBC Staff is based upon Personal Services, Employee Related Expenditures and includes support costs.	(177,400)

- Intra-Agency Transfers - The JLBC Staff and Executive recommends a net transfer of 7.0 FTE positions and funding for offender treatment to other programs. Five Correctional Program Officer II's are to be transferred to the Adult Institutions program and three will be transferred to Juvenile Services. One Correctional Facility Health Manager, now funded in the Adult Institutions program, will be transferred to this program. The amount recommended by the JLBC Staff includes Professional and Outside Services funding of $307,600. These moneys are for substance abuse and sex offenders treatment. The Executive recommends a reduction of $515,600 for this transfer. (494,900)

- Vehicle Replacement - The Department of Corrections identified nine vehicles for replacement. Within the amount recommended, about one-third of the request, the Department can replace those vehicles of the highest priority. There have been two reports published that clearly indicate the need for vehicle replacements. These reports contend that the size of the Department's vehicle fleet could be reduced if it were updated. Updating the fleet, according to a 1985 Auditor General's report, could reduce vehicle operating costs, particularly in the area of repair and maintenance. This would provide for the purchase of additional vehicles which are justifiable. The Executive recommends $69,900 for vehicle replacements. 32,100

Other Issues for Legislative Consideration

- Population Growth - The Executive recommends an increase of $942,200 to fund the anticipated growth in the Average Daily Population (ADP). The JLBC Staff recommendation also addresses the population growth issue but no specific amount is recommended for this program. The ADP projected for FY 1990 exceeds the operational capacity of the existing adult institutions. Consequently, the JLBC Staff recommendations provide a flat dollar amount for the projected growth in ADP. That amount is included in the recommendations for the Adult Institutions program. As the final appropriations are developed, the amounts necessary for the increase in population can be moved from the Adult Institutions program.

- Personal Services and Employee Related Expenditures - The Department of Corrections, historically, has experienced difficulty attracting and retaining professional health staff for institutions. To resolve this problem the Department of Corrections, during the past year, received authorization to use special salary rates when hiring specified health services personnel. The increased entry level salaries were neither requested nor funded in the FY 1989 appropriation. Since the solution to this problem has not previously been presented to the Legislature, nor included in the prior year's appropriation, it is not recommended by the JLBC Staff. This represents a difference of $1,210,800 in Personal Services and $296,000 for Employee Related Expenditures, for a total difference of $1,506,800. Had the JLBC Staff made a recommendation, a vacancy factor of 5.0% would

have been applied to Personal Services, thus reducing that difference to $1,431,500. Recently, there have been indications that additional salary adjustments have been awarded. Consequently, the amounts shown may be understated. The Executive recommendations are based upon the Department's request and include funding for the higher entry level salaries. Should this issue go unresolved the FY 1990 appropriation will be under funded, and the Department will not have sufficient money for the authorized staffing level.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: JUVENILE SERVICES
JLBC ANALYST: MORRIS
HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	625.00	734.00	817.00	755.00	737.00	
OPERATING BUDGET						
PERSONAL SERVICES	11,805,500	14,818,300	17,565,800	16,300,600	15,190,900	
EMPLOYEE RELATED EXP	2,903,600	3,968,600	6,760,700	4,754,200	4,358,400	
PROFESSIONAL/OUTSIDE SVC	273,500	800,100	1,584,900	898,400	899,300	
TRAVEL - IN STATE	64,900	89,900	103,800	94,100	103,800	
TRAVEL - OUT OF STATE	8,900	12,500	13,500	12,500	12,500	
OTHER OPERATING EXP	2,294,800	2,916,800	3,674,800	3,452,900	3,347,100	
EQUIPMENT	614,400	607,000	943,400	571,100	445,400	
ALL OTHER OPERATING	3,256,500	4,426,300	6,320,400	5,029,000	4,808,100	
OPERATING SUBTOTAL	17,965,600	23,213,200	30,646,900	26,083,800	24,357,400	
SPECIAL LINE ITEMS						
FOOD	736,900	1,080,900	1,144,700	1,144,700	1,144,700	
WORK INCENTIVE PAY PLAN	141,100	250,000	272,100	250,000	272,100	
PURCHASE OF CARE	5,324,500	4,722,800	4,560,000	4,560,000	4,372,000	
EX-OFFENDER STIPENDS	0	0	38,000	0	0	
SPECIAL ITEM SUBTOTAL	6,202,500	6,053,700	6,014,800	5,954,700	5,788,800	
P R O G R A M T O T A L	24,168,100	29,266,900	36,661,700	32,038,500	30,146,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: JUVENILE SERVICES SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	24,168,100	29,266,900	36,661,700	32,038,500	30,146,200	
FEDERAL FUNDS	573,100	880,100	911,600	0	911,600	
OTHER NON APPROPRIATED	96,800	177,100	138,400	0	138,400	
PROGRAM TOTAL-ALL SOURCES	24,838,000	30,324,100	37,711,700	32,038,500	31,196,200	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: JUVENILE SERVICES

The JLBC Staff recommends a total appropriation of $30,146,200 -- a net increase of $879,300, or 3.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 5.0% A vacancy factor of 3.0% was used by the Executive	$ (25,400)
o Funding for contracted secure beds for female juvenile girls These girls are now housed at the Black Canyon Juvenile Institution	(350,800)
o One Time Nonrecurring Costs	(414,100)
o ERE Rate Adjustments	279,800
o Annualization	611,200
o General Inflation	210,200

JLBC Staff Recommended Policy Issues

o Desert Valley Learning Center Relocation - The JLBC Staff and the Executive recommend funding to lease a building for the Desert Valley Learning Center. The Desert Valley Learning Center provides community based educational and day support programs for adjudicated youth on conditional release status. The Center's program includes academic and vocational education, employment opportunities and work projects. The current facility is located on the Moreland corridor and is scheduled for demolition in FY 1990. Additional funding is required because the Department now pays only a nominal fee to lease the existing facility.	300,000
o Vehicle Replacement - The Department of Corrections identified 37 vehicles for replacement. Within the amount recommended, approximately one-third of the request, the Department can replace those vehicles of the highest priority. There have been two reports published that clearly indicate the need for vehicle replacements. These reports contend that the size of the Department's vehicle fleet could be reduced if it were updated. Updating the fleet, according to a 1985 Auditor General's report, could reduce vehicle operating costs, particularly in the area of repair and maintenance. This would provide money for purchase of additional vehicles which are justifiable. The Executive recommends $248,600 for vehicle replacements.	136,100

- Intra-Agency Transfers - The JLBC Staff recommends that three FTE positions and funding for substance abuse treatment be transferred to this program. There is $144,200 recommended for this transfer by the Executive. The difference between the two recommendations can be found in Personal Services - $3,700, Employee Related Expenditures - $8,000 and Professional and Outside Services - $200. 132,300

Other Issues for Legislative Consideration

- Close the New Dawn Juvenile Institution - The New Dawn Juvenile Institution was used to house juvenile girls until the new Black Canyon Institution was opened in November of 1988. The Department of Corrections had planned to use New Dawn for male juveniles. It was later determined that the New Dawn facility lacked adequate security and recreation space for juvenile boys. The Department has now requested authority to use this facility for adult women convicted of Driving While Intoxicated (DWI) offenses. The State does not have a separate penal institution for adult women DWI offenders. The budget for this program, can be reduced by $1,257,600 if the New Dawn facility remains vacant. Staffing would be reduced by 41.5 positions. Due to the location of the New Dawn facility it may be susceptible to vandalism. If used as an adult women's DWI Center, 30 to 35 beds within the adult system can be made available for adult males.

- Security and Protection - The Executive recommends the addition of 18.0 FTE positions and $483,200 to improve security coverage at the Adobe Mountain and the Alamo Juvenile Institutions. The new positions are 14.0 Correctional Service Officer I's and 4.0 Correctional Service Officer II's. Additional funding recommended by the Executive is not necessary. The positions requested can be filled by transferring staff from New Dawn. There are sufficient Correctional Service Officer II positions currently allocated to the Juvenile Services program. Therefore, all 18 positions can be funded at the Correctional Service Officer I level. If these positions are transferred then the savings anticipated from the closure of New Dawn will be reduced. Money will have to be transferred to the Adult Institutions program if New Dawn is to be used as an adult women's DWI Center.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: ADMINISTRATION SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	204.00	209.00	247.00	217.00	201.50	
OPERATING BUDGET						
PERSONAL SERVICES	4,669,900	4,961,200	6,099,800	5,510,500	4,820,100	
EMPLOYEE RELATED EXP	934,200	1,176,300	1,918,900	1,357,900	1,146,700	
PROFESSIONAL/OUTSIDE SVC	461,300	512,000	1,310,100	532,500	532,400	
TRAVEL - IN STATE	35,000	59,700	95,700	69,700	59,700	
TRAVEL - OUT OF STATE	8,900	19,000	19,400	19,000	19,400	
OTHER OPERATING EXP	4,149,800	6,384,300	6,299,100	5,109,800	5,086,100	
EQUIPMENT	118,200	46,500	1,103,000	281,100	136,700	
ALL OTHER OPERATING	4,773,200	7,021,500	8,827,300	6,012,100	5,834,300	
P R O G R A M T O T A L	10,377,300	13,159,000	16,846,000	12,880,500	11,801,100	
BY FUND SOURCE						
GENERAL FUND	10,377,300	13,159,000	16,846,000	12,880,500	11,801,100	
OTHER NON APPROPRIATED	2,860,800	2,781,700	2,781,900	0	2,781,900	
PROGRAM TOTAL-ALL SOURCES	13,238,100	15,940,700	19,627,900	12,880,500	14,583,000	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $11,801,100 -- a net decrease of $(1,357,900), or (10.3)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (1,322,300)
o Personal Services/ERE Adjustments, including a vacancy factor of 3.0% A vacancy factor of 2.0% was used by the Executive	(800)
o Annualization	28,700
o ERE Rate Adjustments	4,600
o General Inflation	48,800

JLBC Staff Recommended Policy Issues

o <u>Reduce Staffing of the Inspections and Investigations Division</u> - The JLBC Staff recommendation is based on a finding in the Arizona Cost Efficiency Commission's (ACEC) report. This finding concluded that the staff of the Inspections and Investigations Division could be reduced by 5.5 FTE positions. These positions are 1.0 Bureau Administrator, 1.5 Correctional Service Officers and 3.0 Investigators. It was determined that some criminal investigative work could be done under authority of institutional wardens and that the Central Office security guards are not necessary.	(165,400)
o <u>Intra-Agency Transfers</u> - The JLBC Staff and the Executive recommend the transfer of two Locksmiths from the Administration program to Adult Institutions. This will more accurately reflect programmatic cost distributions. The Executive recommends that $44,700 be transferred. The difference between the recommendations relates to Personal Services ($1,000) and Employee Related Expenditures ($2,900).	(40,800)
o <u>Vehicle Replacement</u> - The Department has identified 26 vehicles for replacement. Within the amount recommended, about one-third of the request, the Department can replace those vehicles of the highest priority. There have been two reports published that clearly indicate the need for vehicle replacement. These reports also contend that the size of the Department's vehicle fleet	89,300

could be reduced if it were updated. Updating the fleet, according to a 1985 Auditor General's report, could reduce vehicle operating costs, particularly in the area of repair and maintenance. This would provide money for the purchase of additional vehicles which are justifiable. The Executive recommends $170,600 for vehicle replacement.

Other Issues for Legislative Consideration

- Venture Team - The Executive recommends $382,100 and 10.0 FTE positions for a Venture Team. This was also recommended by the Arizona Cost Efficiency Commission (ACEC). The Venture Team concept was adopted by the Arizona Department of Transportation in 1982. It involves the use of business executives who assist management develop cost control measures and improve employee productivity. The JLBC Staff supports the concept, but contends that it be funded through resultant savings.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: CORRECTIONAL INDUSTRIES SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	82.00	82.00	92.00	82.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,699,800	1,791,500	2,090,200	1,940,400	0	
EMPLOYEE RELATED EXP	384,000	418,300	612,800	508,100	0	
EQUIPMENT	0	0	212,500	0	0	
ALL OTHER OPERATING	0	0	212,500	0	0	
P R O G R A M T O T A L	2,083,800	2,209,800	2,915,500	2,448,500	0	
BY FUND SOURCE						
GENERAL FUND	2,083,800	2,209,800	2,915,500	2,448,500	0	
FEDERAL FUNDS	0	23,000	0	0	0	
OTHER NON APPROPRIATED	5,116,000	5,649,400	6,783,500	0	8,993,300	
PROGRAM TOTAL-ALL SOURCES	7,199,800	7,882,200	9,699,000	2,448,500	8,993,300	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: CORRECTIONAL INDUSTRIES

The JLBC Staff recommends no General Fund appropriation -- this is a decrease of $(2,209,800) from the original FY 1989 appropriation.

Baseline Budget Changes

- Statutory $ (2,209,800)

  A.R.S. § 41-1621(D) provides: "...After July 1, 1989, the Arizona Correctional Industries (ACI) shall defray its costs, on an accrual basis, out of receipts from the sale of articles and products." In prior years, money has been appropriated from the General Fund. These appropriations were for employees who manage, administer and supervise the ACI program. The Arizona Industries Revolving Fund, established by law, is used to account for sales and other expenses of ACI operations. Without a General Fund appropriation, required management and supervision expenses will have to paid from the Correctional Industries Revolving Fund.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Pay Management and Supervisory Salaries From the General Fund - A.R.S. § 31-251 requires that all able bodied prisoners committed to the Department of Corrections must work 40 hours per week. The ACI program was established for the employment of prisoners in the manufacture or production of products use by agencies of state or local governments. In FY 1988, ACI provided employment for 780 FTE inmates. Of that number 506 were employed in ACI manufacturing, agribusiness and support operations. Another 274 were employed in contract labor. The earnings of these inmates directly reduced operating costs of the Department of Corrections. ACI continues to incur financial losses because of an unstable and untrained work force; restricted sales efforts to avoid competition with the private sector; the lack of a dedicated market; the cost of maintaining and replacing aged equipment and buildings; and the need to expand industries to provide additional jobs for a growing prison population. To achieve self-sufficiency, as mandated by statute, it will be necessary for ACI to eliminate unprofitable industries. This will reduce employment opportunities for inmates. As an option, legislation could be considered which would delay the required date for self-sufficiency. Such legislation

should require ACI to develop and implement an action plan which would achieve self-sufficiency and significantly increase the number of jobs for inmates. This should provide for continuing Legislative oversight, and require elimination of unprofitable industries. To insure the goal of self-sufficiency is achieved there should be legislative requirements which would automatically reduce annual appropriations. Such reductions could be similar to the targets established by the federal "Gramm-Rudman" act. The Corrections Industries concept is sound and over time it can become cost effective.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS JLBC ANALYST: MORRIS HOUSE SUBCOMMITTEE CHAIR: BURNS
COST CENTER: ADULT COMMUNITY SERVICES SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	178.50	199.50	202.50	198.50	198.50	
OPERATING BUDGET						
PERSONAL SERVICES	4,156,000	4,789,700	4,953,100	4,910,700	4,633,100	
EMPLOYEE RELATED EXP	958,600	1,255,000	1,665,600	1,295,200	1,190,700	
PROFESSIONAL/OUTSIDE SVC	722,700	1,145,900	4,402,100	1,181,700	1,181,800	
TRAVEL - IN STATE	56,600	70,500	74,900	72,400	73,200	
OTHER OPERATING EXP	1,165,900	1,561,400	1,859,600	1,835,100	1,835,100	
EQUIPMENT	221,900	173,300	156,200	103,000	50,900	
ALL OTHER OPERATING	2,167,100	2,951,100	6,492,800	3,192,200	3,141,000	
OPERATING SUBTOTAL	7,281,700	8,995,800	13,111,500	9,398,100	8,964,800	
SPECIAL LINE ITEMS						
FOOD	217,000	234,900	244,800	244,800	244,300	
WORK INCENTIVE PAY PLAN	64,200	64,200	64,200	64,200	64,200	
EX-OFFENDER STIPENDS	78,000	80,700	84,100	80,700	83,900	
SPECIAL ITEM SUBTOTAL	359,200	379,800	393,100	389,700	392,400	
P R O G R A M T O T A L	7,640,900	9,375,600	13,504,600	9,787,800	9,357,200	
BY FUND SOURCE						
GENERAL FUND	7,640,900	9,375,600	13,504,600	9,787,800	9,357,200	
FEDERAL FUNDS	1,700	0	0	0	0	
PROGRAM TOTAL-ALL SOURCES	7,642,600	9,375,600	13,504,600	9,787,800	9,357,200	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADULT COMMUNITY SERVICES

The JLBC Staff recommends a total appropriation of $9,357,200 -- a net decrease of $(18,400), or (0.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 5.0% A vacancy factor of 2.0% was used by the Executive	$ (167,700)
o	ERE Rate Adjustments	(24,600)
o	Nonrecurring Equipment Expenditures	(166,000)
o	General Inflation	126,100

JLBC Staff Recommended Policy Issues

o	Intra-Agency Transfers - The JLBC Staff recommends that 1.0 FTE position, a Correctional Program Officer, be transferred to the Adult Institutions program. The recommended transfer also includes funding for the Family Services activity - ($10,000) and $(2,400) for Travel. This transfer will more accurately reflect programmatic cost distributions. The transfer is also recommended by the Executive but the recommended reduction is $(44,300). The difference between the two recommendations relates to Personal Services - ($1,200) and Employee Related Expenditures - ($2,100).	(41,000)
o	Relocation of the Southern Arizona Correctional Release Center - The Southern Arizona Correctional Release Center (SACRC) is now located in space leased from Pima County. That lease expires June 30, 1989 and Pima County has notified the Department of Corrections that it will not be renewed. SACRC is a 116 bed facility that allows the Department of Corrections to move inmates from institutions into the community through a controlled transition. These beds are included in the Department's operational capacity for adults. This issue is also recommended by the Executive. If approved, these funds will be used for moving and purchase of furniture and equipment.	211,200
o	Vehicle Replacement - The Department of Corrections identified 13 vehicles for replacement. Within the amount recommended, approximately one-third of the request, the Department can replace those vehicles of the highest priority.	43,600

There have been two reports published that clearly indicate the need for vehicle replacements. These reports contend that the size of the Department's vehicle fleet could be reduced if it were updated. Updating the fleet, according to a 1985 Auditor General's report, could reduce vehicle operating costs, particularly in the area of repair and maintenance. This would provide money for the purchase of additional vehicles which are justifiable. The Executive recommends $95,700 for vehicle replacement.

Other Issues for Legislative Consideration

- Transfer Supervision of Interstate Compact Probationers to the Counties - The Arizona Cost Efficiency Commission's (ACEC) report recommended that supervision of interstate probationers be transferred to the counties. The counties now provide supervision of all in-state probation cases. The JLBC Staff estimates that approximately 700 probation cases could be transferred if this recommendation were adopted. That could reduce the Department of Corrections FY 1990 budget by 15.0 FTE positions and $534,400. This, however, would place an additional workload on the counties without providing the required financial resources.

- Close the Two Adult Male Correctional Release Centers - The Department of Corrections operates the Northern Arizona Correctional Release Center (NACRC) in Phoenix and the Southern Arizona Correctional Release Center (SACRC) in Tucson. These centers provide housing, supervision, counseling, job development, and other correctional programs. The Department uses these 242 beds for the movement of inmates out of institutions, through a controlled transition, into the community. If these two facilities are closed the budget for the Department of Corrections can be reduced by 84.5 FTE positions and $3,395,100. Closing these facilities will reduce the operational capacity for adult offenders by 242 beds. Such action will further exacerbate the existing overcrowded conditions. In some cases it can delay the release of inmates, and recidivism rates may rise.

- Eliminate Contract Funding for Temporary Residential Placements - These funds are for adult offenders who are released to the community and need support services. This funding is also used to provide private residential treatment programs for emotionally disturbed adult offenders. Adoption of this option can reduce the budget $231,900. It could result in some offenders remaining in secure institutions until their final release date. This will add pressure to the existing overcrowded conditions.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	62.00	62.00	67.00	65.00	60.00	
BY PROGRAM/ORGANIZATION						
EMERGENCY SERVICES	599,400	793,200	986,700	850,600	603,100	
MILITARY AFFAIRS	3,093,900	3,267,300	3,899,800	3,556,700	3,459,200	
A G E N C Y T O T A L	3,693,300	4,060,500	4,886,500	4,407,300	4,062,300	
OPERATING BUDGET						
PERSONAL SERVICES	1,426,600	1,480,000	1,644,300	1,611,200	1,428,600	
EMPLOYEE RELATED EXP	284,900	365,500	567,200	429,900	360,900	
PROFESSIONAL/OUTSIDE SVC	0	0	29,000	25,000	0	
TRAVEL - IN STATE	29,100	30,300	49,200	34,400	32,500	
TRAVEL - OUT OF STATE	9,800	9,700	20,100	9,700	10,000	
OTHER OPERATING EXP	1,027,300	1,093,300	1,304,300	1,206,700	1,123,300	
EQUIPMENT	15,500	12,600	63,200	17,800	13,800	
ALL OTHER OPERATING	1,081,700	1,145,900	1,465,800	1,293,600	1,179,600	
OPERATING SUBTOTAL	2,793,200	2,991,400	3,677,300	3,334,700	2,969,100	
SPECIAL LINE ITEMS						
CIVIL AIR PATROL	82,600	80,100	83,300	83,300	83,300	
HAZARDOUS MATERIALS PROG	35,000	22,500	23,400	23,400	23,400	
ST EMER RESPONSE COMM	0	120,000	0	0	0	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SERVICE CONTRACTS	686,400	686,400	839,400	805,200	839,400	
EDUCATION REIMBURSEMENT	31,000	47,000	47,000	47,000	47,000	
GUARDSMEN-ST. ACTIVE DUT	9,600	5,100	10,100	5,300	10,100	
UNIFORM ALLOWANCE	38,500	48,000	48,000	48,000	40,000	
UNIT ALLOWANCE	17,000	10,000	58,000	10,400	10,000	
REIMBURSABLE-ST ACTIVE D	0	50,000	100,000	50,000	40,000	
SPECIAL ITEM SUBTOTAL	900,100	1,069,100	1,209,200	1,072,600	1,093,200	
A G E N C Y T O T A L	3,693,300	4,060,500	4,886,500	4,407,300	4,062,300	
BY FUND SOURCE						
GENERAL FUND	3,693,300	4,060,500	4,886,500	4,407,300	4,062,300	
FEDERAL FUNDS	12,302,600	15,058,200	13,162,300	15,058,200	13,162,300	
AGENCY TOTAL-ALL SOURCES	15,995,900	19,118,700	18,048,800	19,465,500	17,224,600	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: EMERGENCY SERVICES
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	13.00	13.00	18.00	16.00	11.00	
OPERATING BUDGET						
PERSONAL SERVICES	334,700	375,200	525,000	470,100	324,400	
EMPLOYEE RELATED EXP	64,200	90,700	157,500	114,700	74,700	
PROFESSIONAL/OUTSIDE SVC	0	0	29,000	25,000	0	
TRAVEL - IN STATE	4,700	9,700	20,700	11,400	10,100	
TRAVEL - OUT OF STATE	7,900	6,700	15,600	6,700	6,900	
OTHER OPERATING EXP	65,100	88,300	128,200	112,000	80,300	
EQUIPMENT	5,200	0	4,000	4,000	0	
ALL OTHER OPERATING	82,900	104,700	197,500	159,100	97,300	
OPERATING SUBTOTAL	481,800	570,600	880,000	743,900	496,400	
SPECIAL LINE ITEMS						
CIVIL AIR PATROL	82,600	80,100	83,300	83,300	83,300	
HAZARDOUS MATERIALS PROG	35,000	22,500	23,400	23,400	23,400	
ST EMER RESPONSE COMM	0	120,000	0	0	0	
SPECIAL ITEM SUBTOTAL	117,600	222,600	106,700	106,700	106,700	
P R O G R A M T O T A L	599,400	793,200	986,700	850,600	603,100	

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: EMERGENCY SERVICES
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	599,400	793,200	986,700	850,600	603,100	
FEDERAL FUNDS	1,974,100	4,566,400	1,622,000	4,566,400	1,622,000	
PROGRAM TOTAL-ALL SOURCES	2,573,500	5,359,600	2,608,700	5,417,000	2,225,100	

The JLBC Staff recommends a total appropriation of $603,100 -- a net decrease of $(190,100), or (24.0)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (1,000)
o ERE Rate Adjustments	(4,300)
o Risk Management Insurance	(21,400)
o One-Time Emergency Response Commission Funding	(120,000)
o Rent Adjustment	11,900
o General Inflation	6,200

JLBC Staff Recommended Policy Issues

- o Administrative Staff Reduction - The Arizona Cost Efficiency Commission recommended that the accounting and contracting functions of the Division of Emergency Services be consolidated within one Resource Management Division of the entire Department of Emergency and Military Affairs. Currently there are separate administrative services sections for the Division of Emergency Services and the Division of Military Affairs. Even though the accounts that each section monitors are different, the activities that they both perform are similar. JLBC Staff concurs with this recommendation. By consolidating the sections, $61,500 and 2 FTE positions could be saved. (61,500)

Other Issues for Legislative Consideration

- State Search and Rescue Coordinator - The Executive recommends $61,100 and one FTE position to transfer the Search and Rescue Coordinator from the federal payroll to the General Fund payroll. This position acts as the liaison between the counties and the state to coordinate requests for search and rescue assistance. The position also is responsible for processing the paperwork necessary for the counties to receive reimbursement from the Governor's Emergency Fund. The Federal Emergency Management Agency, (FEMA), has informed the Division of Emergency Services that it can no longer support the position because searches and rescues are a state responsibility.

- Hazardous Materials Training and Certification - The Executive recommends $96,800 and two new FTE positions to expand the Hazardous Materials program. A.R.S. § 26-306(B) provides that the Division of Emergency Services "shall coordinate the development, implementation and maintenance of standardized curricula for hazardous materials training and education, and shall certify Hazardous Materials Management Specialists who meet training standards that are established by the division director through the promulgation of rules and regulations." For the last two years, the division has obtained federal grant monies to support this program.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: MILITARY AFFAIRS

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	49.00	49.00	49.00	49.00	49.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,091,900	1,104,800	1,119,300	1,141,100	1,104,200	
EMPLOYEE RELATED EXP	220,700	274,800	409,700	315,200	286,200	
TRAVEL - IN STATE	24,400	20,600	28,500	23,000	22,400	
TRAVEL - OUT OF STATE	1,900	3,000	4,500	3,000	3,100	
OTHER OPERATING EXP	962,200	1,005,000	1,176,100	1,094,700	1,043,000	
EQUIPMENT	10,300	12,600	59,200	13,800	13,800	
ALL OTHER OPERATING	998,800	1,041,200	1,268,300	1,134,500	1,082,300	
OPERATING SUBTOTAL	2,311,400	2,420,800	2,797,300	2,590,800	2,472,700	
SPECIAL LINE ITEMS						
SERVICE CONTRACTS	686,400	686,400	839,400	805,200	839,400	
EDUCATION REIMBURSEMENT	31,000	47,000	47,000	47,000	47,000	
GUARDSMEN-ST. ACTIVE DUT	9,600	5,100	10,100	5,300	10,100	
UNIFORM ALLOWANCE	38,500	48,000	48,000	48,000	40,000	
UNIT ALLOWANCE	17,000	10,000	58,000	10,400	10,000	
REIMBURSABLE-ST ACTIVE D	0	50,000	100,000	50,000	40,000	
SPECIAL ITEM SUBTOTAL	782,500	846,500	1,102,500	965,900	986,500	
P R O G R A M T O T A L	3,093,900	3,267,300	3,899,800	3,556,700	3,459,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS JLBC ANALYST: FLANDERS HOUSE SUBCOMMITTEE CHAIR: ESKESEN
COST CENTER: MILITARY AFFAIRS SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	3,093,900	3,267,300	3,899,800	3,556,700	3,459,200	
FEDERAL FUNDS	10,328,500	10,491,800	11,540,300	10,491,800	11,540,300	
PROGRAM TOTAL-ALL SOURCES	13,422,400	13,759,100	15,440,100	14,048,500	14,999,500	

The JLBC Staff recommends a total appropriation of $3,459,200 -- a net increase of $191,900, or 5.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (14,700)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	(800)
o ERE Rate Adjustments	11,600
o Increase in Janitorial Contracts	15,000
o Travel Rate Adjustment	1,400
o Replacement Equipment	1,200
o General Inflation	38,200
o Service Contracts for New Facilities	153,000
o Guardsmen to State Active Duty Program	5,000

JLBC Staff Recommended Policy Issues

o Reduction to Reimbursable State Active Duty Account - JLBC Staff recommends reducing this line item by $10,000. This would leave $40,000 in the account, which should be sufficient based on this year's spending pattern.	(10,000)
o Reduction in the Officer's Uniform Allowance - JLBC Staff recommends a reduction of $8,000 to this line item, leaving $40,000 as an appropriation. For FY 88, the actual spending in this category was $38,500.	(8,000)

Other Issues for Legislative Consideration

- Elimination of the Officer's Uniform Allowance - As an alternative to reduce the agency's appropriation, the Officer's Uniform Allowance program could be eliminated. The savings would be $40,000. Currently, officers are eligible for a $60 per year uniform allowance from the State. In addition, a federal allowance of $200 upon commissioning and $60 every four years is available. This program is established in A.R.S. 26-157, so eliminating it would require statutory change.

- Elimination of the Education Reimbursement Program - As an alternative to reduce the agency's appropriation, the Education Reimbursement program could be eliminated. The savings would be $47,000. Currently members of the National Guard are eligible for a tuition and fees reimbursement for courses taken at a university, community college, or certificated vocational technical school. The program is established in A.R.S. 26-179 through 26-181, so eliminating it would require statutory change.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: BD OF PARDONS AND PAROLES
COST CENTER: BD OF PARDONS AND PAROLES

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	40.00	40.00	52.00	44.00	41.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,051,800	1,088,900	1,333,400	1,179,300	1,065,100	
EMPLOYEE RELATED EXP	198,900	245,200	319,100	285,200	241,300	
TRAVEL - IN STATE	32,600	40,600	80,000	48,600	58,100	
TRAVEL - OUT OF STATE	1,200	0	6,800	0	0	
OTHER OPERATING EXP	202,900	108,400	337,500	144,600	140,000	
EQUIPMENT	8,600	0	60,900	5,200	0	
ALL OTHER OPERATING	245,300	149,000	485,200	198,400	198,100	
P R O G R A M T O T A L	1,496,000	1,483,100	2,137,700	1,662,900	1,504,500	
BY FUND SOURCE						
GENERAL FUND	1,496,000	1,483,100	2,137,700	1,662,900	1,504,500	
PROGRAM TOTAL-ALL SOURCES	1,496,000	1,483,100	2,137,700	1,662,900	1,504,500	

DEPARTMENT: BOARD OF PARDONS AND PAROLES
COST CENTER: BOARD OF PARDONS AND PAROLES

The JLBC Staff recommends a total appropriation of $1,504,500 -- a net increase of $21,400, or 1.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ 28,600
o Travel Rate Adjustments	16,900
o ERE Rate Adjustments	3,000
o General Inflation	3,600

JLBC Staff Recommended Policy Issues

o Staff Reduction - The elimination of the positions of Administrative Support Supervisor I and Administrative Assistant III, both currently vacant, would result in a savings of $55,100. The duties of these two positions can be reassigned to existing staff with minimal impact on the Board's operation.	(55,100)
o Position Reclassification - Reclassifying the Planner III position (Grade 21) to Research and Statistical Analyst IV (Grade 19) would result in a savings of $25,700. This reclassification would allow the Board to continue to meet its statistical requirements with no impact.	(25,700)
o Additional FTEs - JLBC Staff recommends $50,100 for three Clerk Typist III positions to relieve the filing and typing backlog that currently exists. The Executive recommends $92,300 for two Clerks and two Administrative Assistants.	50,100

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1,620.00	1,620.00	1,684.00	1,658.00	1,620.00	
BY PROGRAM/ORGANIZATION						
CRIMINAL INVESTIGATION	11,452,300	12,030,000	13,226,800	12,646,900	12,219,400	
HIGHWAY PATROL	28,622,400	31,301,700	36,903,900	35,432,500	32,834,600	
ADMINISTRATION	15,542,800	16,924,700	21,244,500	18,996,500	18,740,200	
CRIMINAL JUSTICE SUPPORT	8,673,100	9,020,000	10,676,600	9,250,000	8,666,900	
TELECOMMUNICATIONS	12,553,100	13,886,600	18,493,200	15,480,800	14,061,100	
A G E N C Y T O T A L	76,843,700	83,163,000	100,545,000	91,806,700	86,522,200	
OPERATING BUDGET						
PERSONAL SERVICES	50,775,900	53,570,300	56,983,000	56,032,300	53,568,000	
EMPLOYEE RELATED EXP	8,717,400	10,693,100	14,943,300	11,827,400	11,074,900	
PROFESSIONAL/OUTSIDE SVC	290,400	254,000	419,800	314,600	254,000	
TRAVEL - IN STATE	457,500	551,500	600,200	561,500	551,500	
TRAVEL - OUT OF STATE	189,300	172,800	190,800	174,800	172,800	
OTHER OPERATING EXP	12,441,700	13,443,300	15,784,500	14,789,800	14,652,300	
EQUIPMENT	3,557,900	3,969,000	8,303,400	7,597,300	5,739,700	
ALL OTHER OPERATING	16,936,800	18,390,600	25,298,700	23,438,000	21,370,300	
OPERATING SUBTOTAL	76,430,100	82,654,000	97,225,000	91,297,700	86,013,200	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
BLOOD & ALCOHOL PROGRAM	56,700	56,700	56,700	56,700	56,700	
ACJIS	356,900	452,300	452,300	452,300	452,300	
AFIS	0	0	2,811,000	0	0	
SPECIAL ITEM SUBTOTAL	413,600	509,000	3,320,000	509,000	509,000	
A G E N C Y T O T A L	76,843,700	83,163,000	100,545,000	91,806,700	86,522,200	
BY FUND SOURCE						
GENERAL FUND	75,190,700	81,341,000	98,704,100	86,306,700	84,700,200	
OTHER FUNDS	1,653,000	1,822,000	1,840,900	5,500,000	1,822,000	
FEDERAL FUNDS	2,437,900	3,073,500	2,325,600	0	2,325,600	
AGENCY TOTAL-ALL SOURCES	79,281,600	86,236,500	102,870,600	91,806,700	88,847,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL INVESTIGATION

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	255.00	255.00	264.00	255.00	255.00	
OPERATING BUDGET						
PERSONAL SERVICES	8,975,900	9,435,800	9,715,800	9,788,100	9,446,300	
EMPLOYEE RELATED EXP	1,383,000	1,726,900	2,367,300	1,879,900	1,794,000	
PROFESSIONAL/OUTSIDE SVC	2,000	2,500	11,500	2,500	2,500	
TRAVEL - IN STATE	114,200	125,000	131,000	125,000	125,000	
TRAVEL - OUT OF STATE	39,000	38,900	42,900	38,900	38,900	
OTHER OPERATING EXP	356,400	322,300	413,100	335,000	335,200	
EQUIPMENT	581,800	378,600	545,200	477,500	477,500	
ALL OTHER OPERATING	1,093,400	867,300	1,143,700	978,900	979,100	
P R O G R A M T O T A L	11,452,300	12,030,000	13,226,800	12,646,900	12,219,400	
BY FUND SOURCE						
GENERAL FUND	11,452,300	12,030,000	13,226,800	12,646,900	12,219,400	
FEDERAL FUNDS	1,106,100	1,680,400	1,364,200	0	1,364,200	
PROGRAM TOTAL-ALL SOURCES	12,558,400	13,710,400	14,591,000	12,646,900	13,583,600	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL INVESTIGATION

The JLBC Staff recommends a total appropriation of $12,219,400 -- a net increase of $189,400, or 1.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$	98,900
o ERE Rate Adjustment		62,100
o Personal Services/ERE Adjustments, including a vacancy factor of 0.5%		15,500
The Executive did not apply a vacancy factor and added an additional $41,800 to the base.		
o General Inflation		12,900

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: HIGHWAY PATROL
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	713.00	718.00	752.00	752.00	718.00	
OPERATING BUDGET						
PERSONAL SERVICES	22,583,700	23,797,200	25,000,400	25,153,100	23,815,700	
EMPLOYEE RELATED EXP	4,013,100	4,855,700	6,532,100	5,237,600	4,945,700	
PROFESSIONAL/OUTSIDE SVC	10,800	8,300	85,100	18,900	8,300	
TRAVEL - IN STATE	182,200	230,500	262,500	238,500	230,500	
TRAVEL - OUT OF STATE	45,000	24,700	24,700	24,700	24,700	
OTHER OPERATING EXP	254,000	266,100	472,300	402,200	270,000	
EQUIPMENT	1,533,600	2,119,200	4,526,800	4,357,500	3,539,700	
ALL OTHER OPERATING	2,025,600	2,648,800	5,371,400	5,041,800	4,073,200	
P R O G R A M T O T A L	28,622,400	31,301,700	36,903,900	35,432,500	32,834,600	
BY FUND SOURCE						
GENERAL FUND	27,454,200	29,989,400	35,579,500	30,449,000	31,522,300	
OTHER FUNDS	1,168,200	1,312,300	1,324,400	4,983,500	1,312,300	
FEDERAL FUNDS	1,127,800	1,215,500	920,200	0	920,200	
PROGRAM TOTAL-ALL SOURCES	29,750,200	32,517,200	37,824,100	35,432,500	33,754,800	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: HIGHWAY PATROL

The JLBC Staff recommends a total appropriation of $32,834,600 -- a net increase of $1,532,900, or 4.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ 695,400
The Executive recommends an additional $221,100 for 23 more replacement vehicles	
o ERE Rate Adjustment	69,900
o Personal Services/ERE Adjustments	38,600
o General Inflation	10,400
o All Other	(6,500)

JLBC Staff Recommended Policy Issues

o Hand-Held Radios - The JLBC Staff recommends $725,100 for the purchase of 352 hand-held radios. This equipment provides officers with the ability to maintain direct communication while handling arrest or accident situations away from their vehicle. The Department currently has 198 hand-held radios and the addition of 352 more would complete this equipment program. This issue was recommended by the Executive.	725,100

Other Issues for Legislative Consideration

- Highway Patrol Officers - The Executive recommends $1,572,600 for 34 additional patrol officer positions. This funding will assist the Department in responding to the continued growth in highway traffic and the planned expansion of the highway system in the Phoenix area. Without additional resources, patrol response time will increase and less emphasis will be given to specialized enforcement programs.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: ADMINISTRATION
JLBC ANALYST: MILLER
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	211.00	209.00	213.00	209.00	209.00	
OPERATING BUDGET						
PERSONAL SERVICES	6,391,100	6,817,100	8,040,300	6,968,400	6,755,700	
EMPLOYEE RELATED EXP	1,101,200	1,416,100	2,323,600	1,634,000	1,526,500	
PROFESSIONAL/OUTSIDE SVC	109,200	121,000	121,000	121,000	121,000	
TRAVEL - IN STATE	76,300	79,100	80,100	79,100	79,100	
TRAVEL - OUT OF STATE	43,300	48,200	48,200	48,200	48,200	
OTHER OPERATING EXP	7,626,500	8,269,500	10,055,800	9,639,600	9,647,400	
EQUIPMENT	138,500	117,000	518,800	449,500	505,600	
ALL OTHER OPERATING	7,993,800	8,634,800	10,823,900	10,337,400	10,401,300	
OPERATING SUBTOTAL	15,486,100	16,868,000	21,187,800	18,939,800	18,683,500	
SPECIAL LINE ITEMS						
BLOOD & ALCOHOL PROGRAM	56,700	56,700	56,700	56,700	56,700	
SPECIAL ITEM SUBTOTAL	56,700	56,700	56,700	56,700	56,700	
P R O G R A M T O T A L	15,542,800	16,924,700	21,244,500	18,996,500	18,740,200	
BY FUND SOURCE						
GENERAL FUND	15,217,200	16,581,900	20,897,300	18,649,300	18,397,400	
OTHER FUNDS	325,600	342,800	347,200	347,200	342,800	
FEDERAL FUNDS	169,200	52,600	41,200	0	41,200	
PROGRAM TOTAL-ALL SOURCES	15,712,000	16,977,300	21,285,700	18,996,500	18,781,400	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $16,924,700 -- a net increase of $1,815,500, or 10.7%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 0.5%	$ (75,000)
o Risk Management Insurance	1,075,400
o Replacement Equipment Including completion of programs upgrading Department weapons and bullet-proof vests. The Executive did not include $56,100 for replacement service vehicles.	388,600
o ERE Rate Adjustment	124,000
o General Inflation	202,500

JLBC Staff Recommended Policy Issues

o Fleet Maintenance - The JLBC staff recommends $100,000 for the Fleet Management Section of the Department to restore previous budget reductions and provide additional fuel for Highway Patrol officers. This funding will increase the Department's travel capability by approximately 819,700 miles. This issue has been recommended by the Executive.	100,000

Other Issues for Legislative Consideration

- Sworn Personnel Salary Adjustments - The Department's FY 1990 budget request includes $1.3 million to increase sworn officer salaries. The Law Enforcement Merit System Council is required by statute to make DPS salary recommendations to the Legislature. The Council's recommendations for sworn personnel include: a 5% general adjustment; 10% market adjustment increases for officers, sergeants, lieutenants, and captains; 8% market adjustment increases for pilots and paramedics; a 5% allocation for performance pay; and a 0.5% allocation for future position reclassifications. The total cost of these recommendation for sworn officer salaries would be $7.4 million. The Council's market adjustment recommendations are based on the goal of raising DPS officer net salaries up to the level of the highest law enforcement net salaries in the State. It is, therefore, important to note that subsequent to the submission of the recommendations, DPS reduced the sworn employees retirement contribution. This action had the effect of increasing officer net pay by more than 5%.

- Civilian Salary Adjustments - The Law Enforcement Merit System Council's recommendations for Civilian personnel include a 5% general adjustment, a 5% allocation for performance pay, a 0.5% allocation for future position reclassifications and revision of the salary plan. Employees have fallen behind market rates in recent years due to the lack of performance pay and the resulting inability to advance through the salary ranges. The plan revision would reduce the spread of salary ranges by increasing minimum rates to bring them closer to market value. The total cost of the Council's civilian recommendation would be $3.4 million.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL JUSTICE SUPPORT

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	157.00	154.00	171.00	158.00	154.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,462,300	5,670,000	6,300,200	5,978,400	5,664,100	
EMPLOYEE RELATED EXP	900,700	1,034,000	1,543,900	1,203,900	1,101,800	
PROFESSIONAL/OUTSIDE SVC	35,100	66,800	96,800	66,800	66,800	
TRAVEL - IN STATE	30,600	38,000	47,700	40,000	38,000	
TRAVEL - OUT OF STATE	49,000	49,100	63,100	51,100	49,100	
OTHER OPERATING EXP	1,853,400	1,851,600	1,990,300	1,562,100	1,561,700	
EQUIPMENT	342,000	310,500	634,600	347,700	185,400	
ALL OTHER OPERATING	2,310,100	2,316,000	2,832,500	2,067,700	1,901,000	
P R O G R A M T O T A L	8,673,100	9,020,000	10,676,600	9,250,000	8,666,900	
BY FUND SOURCE						
GENERAL FUND	8,513,900	8,853,100	10,507,300	9,080,700	8,500,000	
OTHER FUNDS	159,200	166,900	169,300	169,300	166,900	
FEDERAL FUNDS	34,800	90,500	0	0	0	
PROGRAM TOTAL-ALL SOURCES	8,707,900	9,110,500	10,676,600	9,250,000	8,666,900	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL JUSTICE SUPPORT

The JLBC Staff recommends a total appropriation of $8,666,900 -- a net decrease of $(353,100), or (3.9)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Lease/Purchase Adjustment	$ (350,000)
o Replacement Equipment	(125,100)
The Executive excluded $42,900 for three service vehicles.	
o Personal Services/ERE Adjustments, including a vacancy factor of 0.5%	(4,600)
The Executive did not apply a vacancy factor.	
o ERE Rate Adjustments	66,500
o General Inflation	60,100

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Drug Recognition Expert Program - The Executive recommends two positions and $232,300 for the DPS crime laboratory. The Drug Recognition Expert Program has trained officers to identify drivers under the influence of drugs, other than alcohol. Crime lab resources are needed to do toxicology analysis on fluid samples from suspects so that the cases can be prosecuted. The Department plans to expand this program to areas outside Maricopa County in future years, and will request additional resources to do so. JLBC Staff analysis indicates that the cost of this policy issue is $231,200.

- o DNA Printing - The Executive recommends two positions and $137,500 for the Crime lab to establish the capability to perform DNA printing. This new technique allows for the absolute identification of a perpetrator of a crime through analysis of DNA left on evidence at crime scenes. Without these resources, law enforcement agencies will rely on out-of-state laboratories for DNA printing, or will continue to use other forensic techniques which cannot provide absolute identification. JLBC Staff analysis indicates that the cost of this issue is $136,400.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: TELECOMMUNICATIONS

JLBC ANALYST: MILLER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	284.00	284.00	284.00	284.00	284.00	
OPERATING BUDGET						
PERSONAL SERVICES	7,362,900	7,850,200	7,926,300	8,144,300	7,886,200	
EMPLOYEE RELATED EXP	1,319,400	1,660,400	2,176,400	1,872,000	1,706,900	
PROFESSIONAL/OUTSIDE SVC	133,300	55,400	105,400	105,400	55,400	
TRAVEL - IN STATE	54,200	78,900	78,900	78,900	78,900	
TRAVEL - OUT OF STATE	13,000	11,900	11,900	11,900	11,900	
OTHER OPERATING EXP	2,351,400	2,733,800	2,853,000	2,850,900	2,838,000	
EQUIPMENT	962,000	1,043,700	2,078,000	1,965,100	1,031,500	
ALL OTHER OPERATING	3,513,900	3,923,700	5,127,200	5,012,200	4,015,700	
OPERATING SUBTOTAL	12,196,200	13,434,300	15,229,900	15,028,500	13,608,800	
SPECIAL LINE ITEMS						
ACJIS	356,900	452,300	452,300	452,300	452,300	
AFIS	0	0	2,811,000	0	0	
SPECIAL ITEM SUBTOTAL	356,900	452,300	3,263,300	452,300	452,300	
P R O G R A M T O T A L	12,553,100	13,886,600	18,493,200	15,480,800	14,061,100	
BY FUND SOURCE						
GENERAL FUND	12,553,100	13,886,600	18,493,200	15,480,800	14,061,100	
FEDERAL FUNDS	0	34,500	0	0	0	
PROGRAM TOTAL-ALL SOURCES	12,553,100	13,921,100	18,493,200	15,480,800	14,061,100	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: TELECOMMUNICATIONS

The JLBC Staff recommends a total appropriation of $14,061,100 -- a net increase of $174,500, or 1.3% to the original FY 1989 appropriation.

Baseline Budget Changes

o Replacement Equipment	$ (17,200)
o ERE Rate Adjustment	39,900
o Personal Services/ERE Adjustments, including a vacancy factor of 0.5% The Executive did not apply a vacancy factor.	42,600
o General Inflation	109,200

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Mobile Digital Terminals - The Executive recommends $996,500 for the installation of 160 computer terminals in DPS patrol cars. These mobile computers will allow officers to access criminal history and wanted stolen car information directly, without gaining radio communications with a dispatcher. Direct access will reduce the processing time of officer stops. It will also increase the volume of cars that are checked, resulting in a greater recovery of stolen property and more apprehensions of suspected criminals.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ CRIMINAL JUSTICE COMM
COST CENTER: AZ CRIMINAL JUSTICE COMM

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	5.00	5.00	5.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	128,100	161,700	161,700	166,200	161,700	
EMPLOYEE RELATED EXP	19,400	33,000	41,700	36,600	33,300	
PROFESSIONAL/OUTSIDE SVC	2,000	52,000	22,500	12,200	2,000	
TRAVEL - IN STATE	2,300	4,000	4,000	4,000	4,000	
TRAVEL - OUT OF STATE	3,000	3,300	3,300	3,300	3,300	
OTHER OPERATING EXP	20,900	34,800	42,600	42,600	42,400	
EQUIPMENT	3,600	4,400	5,900	5,900	0	
ALL OTHER OPERATING	31,800	98,500	78,300	68,000	51,700	
OPERATING SUBTOTAL	179,300	293,200	281,700	270,800	246,700	
SPECIAL LINE ITEMS						
DRUG ENFORCEMENT ACCOUNT	1,562,400	7,937,600	3,805,600	3,350,000	3,350,000	
CANNABIS/CONTROLLED SUBS	0	40,200	39,400	38,800	39,400	
FED ADMINISTRATIVE MATCH	78,600	29,200	58,700	58,700	58,700	
SPECIAL ITEM SUBTOTAL	1,641,000	8,007,000	3,903,700	3,447,500	3,448,100	
P R O G R A M T O T A L	1,820,300	8,300,200	4,185,400	3,718,300	3,694,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: AZ CRIMINAL JUSTICE COMM
COST CENTER: AZ CRIMINAL JUSTICE COMM

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: BURNS
SENATE SUBCOMMITTEE CHAIR: PATTERSON

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	0	0	3,805,600	0	0	
OTHER FUNDS	1,820,300	8,300,200	379,800	3,718,300	3,694,800	
FEDERAL FUNDS	889,800	2,748,500	1,999,700	2,500,000	1,999,700	
OTHER NON APPROPRIATED	1,018,400	1,577,100	1,864,100	1,000,000	1,864,100	
PROGRAM TOTAL-ALL SOURCES	3,728,500	12,625,800	8,049,200	7,218,300	7,558,600	

DEPARTMENT: ARIZONA CRIMINAL JUSTICE COMMISSION
COST CENTER: ARIZONA CRIMINAL JUSTICE COMMISSION

The JLBC Staff recommends a total appropriation of $3,694,800 -- a net decrease of $(4,605,400), or (55.5)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Other Funding Sources This amount represents funding from the Corrections Fund and other sources that are no longer available and that have been disbursed for grants to state and local criminal justice agencies in conjunction with Arizona's Drug Enforcement Program.	$ (7,938,400)
o Professional and Outside Services Adjustment One-time appropriation for study of drug use in high schools.	(50,000)
o Replacement Equipment	(4,400)
o Required administrative matching for Federal Funds	29,500
o Commercial Rent and Risk Management Insurance Adjustments	6,900
o General Inflation	700
o ERE Rate Adjustments	300

JLBC Staff Recommended Policy Issues

o Drug Enforcement Program - JLBC Staff and the Executive recommend $3,350,000 for the continuation of this program, funded by increasing the penalty assessment levied on fines, penalties, and forfeitures from 37 percent to 45 percent (A.R.S. Section 41-2403). The disbursement of these funds by the Commission is for state and local efforts to investigate, apprehend, prosecute, and adjudicate drug offenders. Continuation of these activities may be dependent upon this funding. (See page GG-63 for the Superior Court's policy issue relating to this funding.) The increased funding would require that A.R.S. Section 41-2403 be rewritten.	3,350,000

Other Issues for Legislative Consideration

- Part-Time Interns - The Executive also recommends $10,200 to contract with two college students on a part-time basis to research broad areas of the Commission and to gather data.

- Equipment - The Executive recommends $5,900 for equipment, which includes a computer, printer, software, binder and collator.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2,262.00	2,378.00	2,491.00	2,491.00	2,491.00	
BY PROGRAM/ORGANIZATION						
DIRECTOR'S STAFF	395,500	439,900	448,300	448,400	434,700	
TRANS PLANNING DIVISION	3,312,700	3,704,200	3,797,700	3,738,800	3,570,800	
ADMIN SERVICES DIVISION	23,243,600	29,685,200	32,292,600	32,114,800	31,732,200	
SPECIAL SUPPORT GROUP	3,245,300	3,530,900	3,758,500	3,709,000	3,581,300	
MOTOR VEHICLE DIVISION	23,905,000	26,809,600	31,864,600	31,315,300	30,483,100	
HIGHWAYS DIVISION	90,939,900	101,376,800	108,762,700	107,083,400	105,479,400	
AERONAUTICS DIVISION	592,900	1,184,600	1,261,900	1,282,400	1,262,200	
PUBLIC TRANSIT DIVISION	52,300	257,700	267,400	267,900	266,200	
A G E N C Y T O T A L	145,687,200	166,988,900	182,453,700	179,960,000	176,809,900	
OPERATING BUDGET						
PERSONAL SERVICES	55,949,900	61,577,200	63,493,800	63,471,000	61,853,700	
EMPLOYEE RELATED EXP	11,044,000	14,029,900	17,807,900	16,145,200	14,753,400	
PROFESSIONAL/OUTSIDE SVC	1,081,400	749,600	1,375,300	1,375,300	1,375,300	
TRAVEL - IN STATE	1,076,200	1,562,000	1,630,300	1,629,100	1,630,300	
TRAVEL - OUT OF STATE	105,500	133,500	143,000	140,500	143,000	
OTHER OPERATING EXP	15,475,900	20,430,300	22,875,800	22,875,800	22,868,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
EQUIPMENT	1,584,000	1,818,800	1,879,400	1,871,400	1,871,900	
ALL OTHER OPERATING	19,323,000	24,694,200	27,903,800	27,892,100	27,888,500	
OPERATING SUBTOTAL	86,316,900	100,301,300	109,205,500	107,508,300	104,495,600	
SPECIAL LINE ITEMS						
OTHER TRANSIT PLANNING	4,500	27,000	28,100	28,100	28,100	
RISK MANAGEMENT PREMIUM	4,873,100	9,147,400	9,108,100	9,108,100	9,108,500	
EDUCATION AND TRAINING	14,500	15,200	15,800	15,800	15,800	
HIGHWAY MAINTENANCE	51,224,100	55,789,000	59,689,500	59,065,200	58,891,200	
RADIO COMMUNICATIONS	387,800	415,200	417,100	417,100	417,100	
EQUIPMENT REVOLVING FUND	1,999,200	0	0	0	0	
LICENSE PLATES AND TABS	738,800	943,000	1,347,400	1,176,300	1,288,800	
MEDICAL ADVISORY BOARD	79,000	83,000	86,300	86,300	86,300	
DRIVERS LICENSE/TITLE	0	0	2,277,400	2,276,300	2,200,000	
REIMBURSEMENT-HIWY FUND	49,300	67,800	70,500	70,500	70,500	
OMNIBUS AIR QUALITY ACT	0	200,000	208,000	208,000	208,000	
SPECIAL ITEM SUBTOTAL	59,370,300	66,687,600	73,248,200	72,451,700	72,314,300	
A G E N C Y T O T A L	145,687,200	166,988,900	182,453,700	179,960,000	176,809,900	
BY FUND SOURCE						
GENERAL FUND	56,800	84,700	87,500	88,000	86,300	
OTHER FUNDS	145,630,400	166,904,200	182,366,200	179,872,000	176,723,600	
FEDERAL FUNDS	226,807,600	231,687,900	230,685,800	0	230,685,800	
OTHER NON APPROPRIATED	80,633,900	90,034,100	94,004,300	0	94,004,300	
AGENCY TOTAL-ALL SOURCES	453,128,700	488,710,900	507,143,800	179,960,000	501,500,000	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: DIRECTOR'S STAFF
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	6.00	6.00	6.00	6.00	6.00	
OPERATING BUDGET						
PERSONAL SERVICES	311,900	333,600	329,900	338,100	329,900	
EMPLOYEE RELATED EXP	38,200	52,300	63,100	55,400	49,500	
TRAVEL - IN STATE	11,000	19,600	19,700	19,600	19,700	
TRAVEL - OUT OF STATE	9,600	10,400	10,700	10,400	10,700	
OTHER OPERATING EXP	24,800	24,000	24,900	24,900	24,900	
ALL OTHER OPERATING	45,400	54,000	55,300	54,900	55,300	
P R O G R A M T O T A L	395,500	439,900	448,300	448,400	434,700	
BY FUND SOURCE						
OTHER FUNDS	395,500	439,900	448,300	448,400	434,700	
PROGRAM TOTAL-ALL SOURCES	395,500	439,900	448,300	448,400	434,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: DIRECTOR'S STAFF

The JLBC Staff recommends a total appropriation of $434,700 -- a net decrease of $(5,200), or (1.2)% to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(4,300)
o ERE Rate Adjustments		(2,200)
o General Inflation		1,300

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: TRANS PLANNING DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	92.00	92.00	89.00	89.00	89.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,501,700	2,639,100	2,514,400	2,546,700	2,437,700	
EMPLOYEE RELATED EXP	463,300	563,600	685,400	602,600	543,200	
TRAVEL - IN STATE	58,400	92,200	92,200	92,200	92,200	
TRAVEL - OUT OF STATE	10,200	16,200	16,600	16,200	16,600	
OTHER OPERATING EXP	269,600	335,000	372,700	372,700	372,700	
EQUIPMENT	5,000	31,100	88,300	80,300	80,300	
ALL OTHER OPERATING	343,200	474,500	569,800	561,400	561,800	
OPERATING SUBTOTAL	3,308,200	3,677,200	3,769,600	3,710,700	3,542,700	
SPECIAL LINE ITEMS						
OTHER TRANSIT PLANNING	4,500	27,000	28,100	28,100	28,100	
SPECIAL ITEM SUBTOTAL	4,500	27,000	28,100	28,100	28,100	
P R O G R A M T O T A L	3,312,700	3,704,200	3,797,700	3,738,800	3,570,800	
BY FUND SOURCE						
GENERAL FUND	4,500	27,000	28,100	28,100	28,100	
OTHER FUNDS	3,308,200	3,677,200	3,769,600	3,710,700	3,542,700	
FEDERAL FUNDS	758,800	789,000	588,000	0	588,000	
PROGRAM TOTAL-ALL SOURCES	4,071,500	4,493,200	4,385,700	3,738,800	4,158,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: TRANS PLANNING DIVISION

The JLBC Staff recommends a total appropriation of $3,570,800 -- a net decrease of $(133,400), or (3.6)% to the original FY 1989 appropriation. The General Fund portion of the recommendation is $28,100 -- a net increase of $1,100, or 4.1% to the original FY 1989 General Fund appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (156,500)
o	Replacement Equipment	(28,000)
o	ERE Rate Adjustments	24,400
o	General Inflation (Includes $1,100 General Fund)	13,400
o	Commercial Rent	1,400

JLBC Staff Recommended Policy Issues

- o Arizona Transportation Research Center, Transfer Out - The JLBC Staff recommends the transfer of a Planner II position and related expenses from the Transportation Research Division to the Arizona Transportation Research Center in the Highways Division. This shift will realign resources with functional responsibilities and will have virtually no net dollar impact. The Executive also recommends this issue. (36,900)

- o Travel and Facilities Branch Study, Program Reductions - The JLBC Staff recommends the deletion of 2.0 FTE positions and $52,800 as a result of the Productivity Research Management System (PRMS) study on the Travel and Facilities Branch and the recommendations for efficiencies and cost savings. The Executive also recommends this issue. (52,800)

- o Transportation Planning Division Graphics and Design - The JLBC Staff recommends $51,600 for improved graphics capability to assist in presenting information in a concise manner for timely decision making. This policy issue includes upgrading outdated work spaces and adding a computerized graphics work station. The Executive recommends $59,600 for this issue. 51,600

- o Geographical Information System - The JLBC Staff recommends $50,000 to provide equipment and software for the Department to enter into the Geographical Information System (GIS) established by the Legislature in 1982 called the Arizona Land Resources 50,000

Information System (ALRIS). Entry into this system will allow the Department to utilize the mapping and database services provided by ALRIS and prevent costly duplication of effort. The Executive also recommends this issue.

Other Issues for Legislative Consideration

- Other Transit Planning Reduction - The reduction of the Other Transit Planning special line item will save $3,500.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: ADMIN SERVICES DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	283.00	302.00	323.00	323.00	323.00	
OPERATING BUDGET						
PERSONAL SERVICES	7,088,000	7,784,300	8,285,400	8,300,500	8,086,000	
EMPLOYEE RELATED EXP	1,332,700	1,705,100	2,266,200	2,073,500	1,907,500	
PROFESSIONAL/OUTSIDE SVC	449,100	171,800	468,400	468,400	468,400	
TRAVEL - IN STATE	5,300	13,700	14,700	14,700	14,700	
TRAVEL - OUT OF STATE	13,100	12,700	12,900	12,700	12,900	
OTHER OPERATING EXP	8,946,700	10,381,600	11,767,100	11,767,100	11,764,400	
EQUIPMENT	535,600	468,600	369,800	369,800	369,800	
ALL OTHER OPERATING	9,949,800	11,048,400	12,632,900	12,632,700	12,630,200	
OPERATING SUBTOTAL	18,370,500	20,537,800	23,184,500	23,006,700	22,623,700	
SPECIAL LINE ITEMS						
RISK MANAGEMENT PREMIUM	4,873,100	9,147,400	9,108,100	9,108,100	9,108,500	
SPECIAL ITEM SUBTOTAL	4,873,100	9,147,400	9,108,100	9,108,100	9,108,500	
P R O G R A M T O T A L	23,243,600	29,685,200	32,292,600	32,114,800	31,732,200	
BY FUND SOURCE						
OTHER FUNDS	23,243,600	29,685,200	32,292,600	32,114,800	31,732,200	
PROGRAM TOTAL-ALL SOURCES	23,243,600	29,685,200	32,292,600	32,114,800	31,732,200	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: ADMINISTRATIVE SERVICES

The JLBC Staff recommends a total appropriation of $31,732,200 -- a net increase of $2,047,000, or 6.9% to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (268,400)
o	Replacement Equipment	(202,000)
o	Risk Management Insurance	(38,900)
o	ERE Rate Adjustments	131,200
o	Annual Audit	30,000
o	Commercial Rent	500
o	General Inflation	391,200

JLBC Staff Recommended Policy Issues

- Computer Disaster Recovery Plan - The JLBC Staff recommends $150,000 to provide a backup of the ADOT computer system in case of disaster causing disruption of computer support. Since MVD, other divisions of the Department, DPS and other law enforcement and judicial officials, Department of Revenue and DOA rely upon these data it is imperative that a disaster recovery system be initiated. The annual cost of operating and maintaining the system after this design,development and implementation of the plan will be approximately $300,000 per year. The Executive also recommends this issue. 150,000

- GAAP Accounting Compliance - The JLBC Staff recommends 1.0 FTE position and $37,400 to provide an Accountant for increased financial reporting required by the state commitment to achieve Generally Accepted Accounting Practices (GAAP) by 1989. The Executive also recommends this issue. 37,400

- Office Building Utilities and Service Report - The JLBC Staff recommends 1.0 FTE position and $153,700 to provide additional maintenance capability for the addition of 77,000 square feet of office space and the increased utility costs for this space. The Executive also recommends this issue. 153,700

- o ADOT Information Processing Systems - The JLBC Staff recommends 1.0 FTE position and $958,700 to provide adequate computer support for the Department. This requirement was identified during a six month, $150,000 study to develop a long range information system plan which reviewed current volume and estimated future transactions. This study determined the estimated growth in transactions associated with an expanding economy and growing construction activity are forcing a 12-15% annual growth in computer requirements. The Executive also recommends this issue. 958,700

- o Highway Maintenance Contracts Administration - The JLBC Staff recommends 2.0 FTE positions and $46,500 to provide additional contracting staff to handle the anticipated increased volume of contracts being bid and awarded by the Highways Division for highway maintenance activities. The Executive also recommends this issue. 46,500

- o Department of Transportation Employee Services - The JLBC Staff recommends 1.0 FTE position and $19,400 to provide an additional Accounting Clerk to handle the increased volume of pay and travel advances for the staff increases over the past year and anticipated FY 1990 increases. The Executive also recommends this issue. 19,400

- o Technical Staff Support - The JLBC Staff recommends 8.0 FTE positions and $279,500 to provide adequate staffing to service the ADOT data information systems. This requirement was identified during a six month, $150,000 study to develop a long range information system plan. The Executive also recommends this issue. 279,500

- o Cash Flow Analysis and Forecasting - The JLBC Staff recommends 1.0 FTE position and $35,900 to provide an additional Economist to support the increased workload brought about primarily by the Urban freeways program. The addition will enable the Funds Management office to plan and develop financial plans, maximize interest on savings, maximize timing on bond issues, schedule highway projects and optimize use of federal and State funds. This addition will also ensure adequate staffing to meet legal and financial requirements of sound management of bond programs and to analyze and improve the cash flow procedures and policies to increase investment earnings. The Executive also recommends this issue. 35,900

- o Accident Documentation - The JLBC Staff recommends $79,600 to provide computer hardware and software for the Risk Management control office which was established in the last legislative session. The Executive also recommends this issue. 79,600

- o Facilities Planning and Design Automation - The JLBC Staff recommends 1.0 FTE position and $61,000 to provide an additional Building Plans Technician and associated CADD equipment and software which will reduce the outside architectural 61,000

fees in the LB&I budget and provide for Master Planning of major facilities, better inventory control and production and administration of contract documents. The Executive also recommends this issue.

- o Revenue Planning, Analysis, and Forecasting - The JLBC Staff recommends 1.0 FTE position and $22,000 to provide a Research and Statistical Analyst to do database development and maintenance and presentation capability to the fiscal planning staff consisting of 4 economists. The addition of this FTE would enable the economists to concentrate on primary duty of revenue forecasting, planning and analysis for ADOT and cities and towns. The Executive also recommends this issue. 22,000

- o Contractor Accounting and Payment - The JLBC Staff recommends 1.0 FTE position and $31,000 to provide additional staff in Accounts Receivable to accommodate a 20% increase in contracts payments received from the federal government, thereby maximizing interest received on funds and ensuring a positive cash flow. The Executive also recommends this issue. 31,000

- o ADOT Telephone Support Costs - The JLBC Staff recommends $25,300 to provide funding for telephone equipment and operational costs for newly authorized FTE positions. This recommendation will be adjusted if FTE numbers appropriated are different from request. The Executive recommends $28,000 for this issue. 25,300

- o ADOT Automated Accounting System, Transfer In - The JLBC Staff recommends the Agency's request to transfer-in one FTE position and related expenses. The recommendation transfers a position from the Highways Division to the Administrative Services Division to assist in meeting staffing requirements. This shift will realign resources with functional responsibilities and will have virtually no net dollar impact. The Executive also recommends this issue. 31,100

- o Equipment Management System Function Transfer - The JLBC Staff recommends 2.0 FTE positions and $72,300 be transferred from the Equipment Revolving Fund to the Information Services Group within ASD. This transfer is an efficiency move and formalizes a management decision for this reorganization. The Executive also recommends this issue. 72,300

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: SPECIAL SUPPORT GROUP
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	75.00	80.00	81.00	81.00	81.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,350,500	2,490,500	2,532,700	2,563,000	2,490,900	
EMPLOYEE RELATED EXP	409,400	518,400	664,300	584,900	533,800	
PROFESSIONAL/OUTSIDE SVC	219,600	241,400	251,000	251,000	251,000	
TRAVEL - IN STATE	21,500	30,800	32,400	32,300	32,400	
TRAVEL - OUT OF STATE	17,300	19,200	20,500	20,200	20,500	
OTHER OPERATING EXP	174,100	200,800	209,900	209,900	205,000	
EQUIPMENT	38,400	14,600	31,900	31,900	31,900	
ALL OTHER OPERATING	470,900	506,800	545,700	545,300	540,800	
OPERATING SUBTOTAL	3,230,800	3,515,700	3,742,700	3,693,200	3,565,500	
SPECIAL LINE ITEMS						
EDUCATION AND TRAINING	14,500	15,200	15,800	15,800	15,800	
SPECIAL ITEM SUBTOTAL	14,500	15,200	15,800	15,800	15,800	
P R O G R A M T O T A L	3,245,300	3,530,900	3,758,500	3,709,000	3,581,300	
BY FUND SOURCE						
OTHER FUNDS	3,245,300	3,530,900	3,758,500	3,709,000	3,581,300	
OTHER NON APPROPRIATED	27,153,600	33,780,600	32,519,700	0	32,519,700	
PROGRAM TOTAL-ALL SOURCES	30,398,900	37,311,500	36,278,200	3,709,000	36,101,000	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: SPECIAL SUPPORT GROUP

The JLBC Staff recommends a total appropriation of $3,581,300 -- a net increase of $50,400, or 1.4% to the original FY 1989 appropriation.

Baseline Budget Changes

o	**Personal Services/ERE Adjustments, including a vacancy factor of 2.0%**	$ (26,500)
o	Commercial Rent	(1,000)
o	ERE Rate Adjustments	15,300
o	Replacement Equipment	16,000
o	General Inflation	15,000

JLBC Staff Recommended Policy Issues

o	Employee Assistance Program - The JLBC Staff recommends 1.0 FTE position and $31,600 to provide an additional Employee Assistance Representative to provide employee assistance services to the outlying areas of the State and to assist in handling the increased client load. Presently there is only one Representative to service the entire ADOT work force. Timely counseling reduces lost time, increases employee morale and production and the quality of work is improved with a happy work force. The Executive also recommends this issue.	31,600

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: MOTOR VEHICLE DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	786.00	831.00	879.00	879.00	879.00	
OPERATING BUDGET						
PERSONAL SERVICES	15,614,300	16,822,700	17,621,700	17,576,800	17,186,200	
EMPLOYEE RELATED EXP	3,463,400	4,251,100	5,474,300	5,142,600	4,664,300	
PROFESSIONAL/OUTSIDE SVC	324,000	259,100	572,600	572,600	572,600	
TRAVEL - IN STATE	210,200	280,800	319,800	319,700	319,800	
TRAVEL - OUT OF STATE	21,200	23,000	25,100	24,700	25,100	
OTHER OPERATING EXP	2,919,800	3,751,300	4,027,400	4,027,400	4,027,400	
EQUIPMENT	534,300	395,600	112,600	112,600	112,600	
ALL OTHER OPERATING	4,009,500	4,709,800	5,057,500	5,057,000	5,057,500	
OPERATING SUBTOTAL	23,087,200	25,783,600	28,153,500	27,776,400	26,908,000	
SPECIAL LINE ITEMS						
LICENSE PLATES AND TABS	738,800	943,000	1,347,400	1,176,300	1,288,800	
MEDICAL ADVISORY BOARD	79,000	83,000	86,300	86,300	86,300	
DRIVERS LICENSE/TITLE	0	0	2,277,400	2,276,300	2,200,000	
SPECIAL ITEM SUBTOTAL	817,800	1,026,000	3,711,100	3,538,900	3,575,100	
P R O G R A M T O T A L	23,905,000	26,809,600	31,864,600	31,315,300	30,483,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: MOTOR VEHICLE DIVISION

JLBC ANALYST: BLANTON

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
OTHER FUNDS	23,905,000	26,809,600	31,864,600	31,315,300	30,483,100	
FEDERAL FUNDS	18,000	103,500	158,500	0	158,500	
OTHER NON APPROPRIATED	5,670,200	6,083,500	6,865,600	0	6,865,600	
PROGRAM TOTAL-ALL SOURCES	29,593,200	32,996,600	38,888,700	31,315,300	37,507,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: MOTOR VEHICLE DIVISION

The JLBC Staff recommends a total appropriation of $30,483,100 -- a net increase of $3,673,500, or 13.7% to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (651,300)
o	Replacement Equipment	(372,600)
o	ERE Rate Adjustments	314,500
o	Commercial Rent	5,500
o	License Plates	198,600
o	General Inflation	158,700

JLBC Staff Recommended Policy Issues

o	Classified Driver's License Implementation - The JLBC Staff recommends 18 FTE positions and $677,500 to meet federal and State motor carrier safety requirements. This program will provide contract testing in metropolitan areas and MVD testing of some 11,000 drivers scattered throughout smaller areas of Arizona. This is a partially funded program for FY 1990. The annualized cost of this program will be $1.1 million. Failure to provide testing could jeopardize future Federal Highway funds. The Executive also recommends this issue.	677,500
o	License Plate Fund - The JLBC Staff recommends $147,200 to provide additional funds for the purchase of vehicle license plates, tabs and forms for the anticipated volume increase due to population growth. The Executive recommends $38,500 for this issue.	147,200
o	Driver's License Title and Registration Project - The JLBC Staff recommends 2 FTE positions and $2,273,600 in conjunction with this policy issue. This issue provides the first increment of a four-year program to integrate the antiquated Drivers License and Title and Registration System. The Executive also recommends this issue.	2,273,600
o	EDP Technical Staffing For Users - The JLBC Staff recommends 2 FTE positions and $70,300 to provide user support personnel to assist PC users in optimizing	70,300

capabilities of the PC and assuring efficient usage of personnel and resources. The Executive also recommends this issue.

- Centralized Telephone Inquiry System - The JLBC Staff recommends $102,000 to provide automated phone answering services to Tucson area residents to automatically respond to citizen requests for office hours, forms, etc., without having to staff for these activities. The Executive also recommends this issue. 102,000

- Air Quality Program - The JLBC Staff recommends 3 FTE positions and $70,700 to provide resources to implement provisions of the Air Quality Bill pertaining to an adequate unblended gasoline supply to insure competitiveness and to assure that ADOT is repaid from the AQF for the set-aside gasoline supply used. The JLBC Staff recommends funding from AQF. The Executive also recommends this issue, however, with funding from the State Highway Fund. 70,700

- Driver's License Record Support - The JLBC Staff recommends 2 FTE positions and $42,400 to provide additional staff to handle the increased volume of data entry for driver license data elements and insure that information is current since it is used by ADOT, DPS, Courts etc., in determining driver license status. The Executive also recommends this issue. 42,400

- Enforcement Program Staffing - The JLBC Staff recommends 3 FTE positions and $89,900 to provide adequate personnel to enforce current statutory guidelines for auto dealers and motor carriers in the Parker, Holbrook and Yuma areas and increase the revenues from these sources. The increase in these three areas will more than pay the cost of this action. It is estimated that in the Parker area alone, increased revenues will be approximately $179,000. The Executive also recommends this issue. 89,900

- Port-of-Entry Operation - The JLBC Staff recommends 6 FTE positions and $160,100 to provide adequate staffing at Blackrock/St. George and Ehrenberg ports of entry to operate outbound port operations full-time. This increased staffing could increase State revenues by approximately $1 million per year. The Executive also recommends this issue. 160,100

- Office of Special Investigations Staff Support - The JLBC Staff recommends 3 FTE positions and $75,300 to provide additional permanent full-time investigators and clerical support for the Office of Special Investigations which has seen a 100% increase in cases since 1984 without additional investigators. The Executive also recommends this issue. 75,300

- Motor Carrier Auditing - The JLBC Staff recommends 3 FTE positions and $119,500 to provide additional Revenue Field Officers to handle increased audit load. This activity produces revenue and analysis shows these additional positions can generate an estimated $600,000 the first year. The Executive also recommends this issue. 119,500

- Customer Records Service Section Support - The JLBC Staff recommends 1 FTE position and $21,400 to provide one additional Operations Clerk to handle cashier duties and other clerical duties commensurate with an expanding workload. This need was confirmed by a Productivity Research Management System (PRMS) audit. The Executive also recommends this issue. 21,400

- Mandatory Insurance - The JLBC Staff recommends 4 FTE positions and $82,200 to provide additional staff to carry out the random sampling of insurance coverage as required by the Mandatory Insurance Law. This will enable MVD to sample 4,000 cases per month which will provide a statistically significant sample to determine compliance with the law. This requirement has been validated by PRMS. The Executive also recommends this issue. 82,200

- Branch Analyst and Clerical Support Staff - The JLBC Staff recommends 4 FTE positions and $88,000 to provide additional Driver Improvement Analysts and clerical staff to handle the increased volume of financial responsibility, Admin Per-Se and other statutory driver safety program interviews and investigations. The Executive also recommends this issue. 88,000

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: HIGHWAYS DIVISION

The JLBC Staff recommends a total appropriation of $105,479,400 -- a net increase of $4,102,600, or 4.1% to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 3.0%	$ (1,597,200)
o	Replacement Equipment	(513,300)
o	ERE Rate Adjustments	136,200
o	Commercial Rent	7,600
o	Highway Maintenance	1,258,900
o	Radio Communications	1,900
o	General Inflation	215,500

JLBC Staff Recommended Policy Issues

o	Interstate-10 (I-10) Deck Systems Monitoring - The JLBC Staff recommends 9.0 FTE positions and $141,400 to provide staffing for administrative and operational requirements for real time management of the Metro Freeway System from a remote location. This staffing element is needed during FY 1990 as additional freeway construction is completed and is funded for six months only. The annualized cost is $274,200. The Executive also recommends this issue.	141,400
o	Design Consultant Coordination and Control - The JLBC Staff recommends 6.0 FTE positions and $283,300 to provide additional staff to the urban highway program system to control and coordinate management and design consultants, to interface with local agencies and other groups and to ensure adherence to the urban highways schedule and cost estimates. The Executive also recommends this issue.	283,300
o	Highway Lighting and Utility Expense Support - The JLBC Staff recommends $310,300 to provide additional funding for increased utility costs for completed construction and partial year funding for the 3rd Ave-3rd St deck utility costs. The Executive also recommends this issue.	310,300
o	Highway Lighting System Maintenance - The JLBC Staff recommends 5 FTE positions and $137,300 to provide additional staffing in the electrical maintenance	137,300

section to meet demands for maintenance of highway control devices. Maintenance needs have increased as the equipment ages and the additional staff needs have been determined through the work management program. This issue is supported by a Productivity Research Management System (PRMS) study. The Executive also recommends this issue.

- o Highway Plans Consultant Coordination - The JLBC Staff recommends 4 FTE positions and $171,200 to provide staffing to review design concepts,scopes of work, and construction plan preparation of contract design consultants of statewide projects. This activity has previously been contracted out, however, with the continuing large volume of construction activity and the need for better control it is more cost effective to do the job internally and eliminate an administrative layer. The Executive also recommends this issue. 171,200

- o Materials Testing and Inspection - The JLBC Staff recommends 3 FTE positions and $900,000 to provide additional Materials Testing services to handle the increased inspection and testing duties resulting from increased highway construction. Supported by a PRMS study. The Executive also recommends this issue. 90,900

- o Materials Quality Assurance - The JLBC Staff recommends 4 FTE positions and $132,400 to provide additional quality assurance staff to meet the requirements of the Federal Highway Administration (FHWA) to monitor performance of consultants and laboratories performing materials testing for State highway construction projects. Failure to carry out the quality control function will jeopardize federal highway funds. The Executive also recommends this issue. 132,400

- o Right-of-Way Acquisition Program - The JLBC Staff recommends 4 FTE positions and $114,000 to provide additional staffing for the Right of Way Section to expedite acquisition of rights of way for the urban freeway system. Although most of the increased workload will be accomplished by consultants, certain processing and reviews must be accomplished by the staff to ensure compliance with laws and regulations and terms of the contract. This issue is supported by a PRMS study. The Executive also recommends this issue. 114,000

- o Traffic Engineering Investigations - The JLBC Staff recommends 1 FTE position and $25,500 to provide additional remedial traffic engineering investigative capability to handle the increasing number of safety improvement projects being generated by engineering districts to improve safety of motoring public. Federal funding is available for making necessary improvements and timely identification will ensure maximum financial benefits to the state. The Executive also recommends this issue. 25,500

- Computer-Aided Design and Drafting (CADD) System - The JLBC Staff recommends 2 FTE positions and $241,100 to provide funding for the third phase of a four phase program to fully automate the planning and design phases of highway construction. The Executive also recommends this issue. — 241,100

- Traffic Accident Processing and Information Automation - The JLBC Staff recommends $400,000 to provide equipment to automate the state mandated traffic accident reporting system which requires tabulation of all accidents involving property damage of $500 or more. Timely monitoring of accidents sites will permit early detection and correction of the problem areas and result in improved traffic safety. The Executive also recommends this issue. — 400,000

- Construction Materials Testing - The JLBC Staff recommends 1 FTE position and $40,500 to develop and implement an integrated quality assurance system to improve the consistency of reporting, timeliness of construction materials reporting and quality assurance of State highway projects. This recommendation is the result of a study done to determine the most efficient manner in which to meet the quality assurance needs of the Department. The Executive also recommends this issue. — 40,500

- Office Automation Requirements - The JLBC Staff recommends 2 FTE positions and $253,700 to provide user support personnel to assist PC users in optimizing capabilities of the PC and assuring efficient usage of personnel and resources. The Executive also recommends this issue. — 253,700

- Building Maintenance - The JLBC Staff recommends 2 FTE positions and $50,300 to provide additional maintenance capability, to keep pace with the growing inventory of facilities and to maintain and provide capability to perform preventive maintenance of facilities. The Executive also recommends this issue. — 50,300

- Geotechnical Investigations and Analysis - The JLBC Staff recommends 3 FTE positions and $104,200 to provide additional capability in the geotechnical area, to perform analysis and investigations pertaining to new construction and to ensure usability and safety of existing roads and roadbeds. Supported by a PRMS study. The Executive also recommends this issue. — 104,200

- Strategic Highway Research Program - The JLBC Staff recommends 1 FTE position and $49,900 to provide a staff member to coordinate the Strategic Highway Research Program (SHRP) for Arizona. This is a national research program designed to collect data and transfer technology on highway design, construction and maintenance. This effort is a part of the Surface Transportation Assistance Act of 1987. The Executive also recommends this issue. — 49,900

- Contracts and Specifications Administration - The JLBC Staff recommends 1 FTE position and $42,600 to provide staffing to coordinate the Bid Advertisement Management System (BAMS) Highway Construction bid collusion package recently installed into the mainframe computer and to issue analyses on data collected and to coordinate with the office of the Attorney General. The Executive also recommends this issue. 42,600

- Highways Division Equipment Acquisition - The JLBC Staff recommends $155,000 to provide additional equipment to improve efficiency and increase productivity. 155,000

- Research Support Position, Transfer-In - The JLBC Staff recommends the transfer-in of a position to the Highways program. This shift will realign resources with functional responsibilities and will have virtually no net dollar impact. The Executive also recommends this issue. 37,000

- ADOT Automated Accounting System, Transfer Out - The JLBC Staff recommends the transfer-out of one FTE position and related expenses. The transfer of a Traffic Studies Analyst from the Highways Division to the Administrative Services Division will assist in meeting staffing requirements necessary to insure that the accounting system provides the benefits that it was designed to deliver. There is no net increase to the State for this transfer. This shift will realign resources with functional responsibilities and will have virtually no net dollar impact. The Executive also recommends this issue. (30,900)

The Following Policy Issues Relate to Highway Maintenance.

- Interstate Rest Area Restoration and Repairs - The JLBC Staff recommends $180,600 to provide funding for the first of five phases of contracting out the restoration of the 13 Interstate Rest Areas. This request is based on a needs assessment done by Carter Associates Inc. The Executive also recommends this issue. 180,600

- Contract Maintenance Costs (Non-Routine) - The JLBC Staff recommends $200,000 to provide additional funding for contract maintenance work. Both the Productivity Research Management System and the Auditor General have recommended increased reliance on contracting out non-routine work. The Executive also recommends this issue. 200,000

- Highway System Maintenance (New Features) - New roadway features such as additional lane miles, shoulder miles, landscaping, signs, etc., have been taken into the 251,000

highway system and must be maintained. These features represent completed construction under the new accelerated construction program. The JLBC recommends $251,000, three Highway Maintenance Worker positions and supporting equipment and materials. The amount is directly attributable to the Phoenix Expressway System expansion. As the State Highway system expands, additional FTE positions, equipment, and materials will be necessary in subsequent budget years. The Executive also recommends this issue.

- Roadway Maintenance Feature Inventory Update Expenses - With the implementation of the Department's "new features" inventory files, an accurate inventory of roadway features has been recorded. As a result of this update, increased maintenance work has also been scheduled. From the FY 1982 budget, highway maintenance budgets were reduced at the request of management because of revenue shortfalls. The FY 1990 request is phase three of a four-year recovery program to bring maintenance back to its appropriate level. The JLBC Staff recommends $1,176,000, 14 Highway Maintenance Workers and supporting equipment and materials. The Executive also recommends this issue. 1,176,000

- Maintenance Planning and Administration Support - The JLBC Staff recommends 1 FTE position and $35,700 to provide an expanded capability in the Maintenance Planning Services to supervise the increasing workload in the contract maintenance area. The Auditor General recommended expanding contract maintenance and the department is doing so, however, additional supervisory personnel are required as a result. The Executive also recommends this issue. 35,700

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AERONAUTICS DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	15.00	28.00	28.00	28.00	28.00	
OPERATING BUDGET						
PERSONAL SERVICES	316,000	667,500	618,200	632,600	621,900	
EMPLOYEE RELATED EXP	60,200	143,600	155,600	162,800	152,300	
PROFESSIONAL/OUTSIDE SVC	52,400	69,800	72,600	72,600	72,600	
TRAVEL - IN STATE	13,000	30,400	31,200	30,400	31,200	
TRAVEL - OUT OF STATE	5,400	15,500	15,800	15,500	15,800	
OTHER OPERATING EXP	65,500	182,000	290,900	290,900	290,800	
EQUIPMENT	31,100	8,000	7,100	7,100	7,100	
ALL OTHER OPERATING	167,400	305,700	417,600	416,500	417,500	
OPERATING SUBTOTAL	543,600	1,116,800	1,191,400	1,211,900	1,191,700	
SPECIAL LINE ITEMS						
REIMBURSEMENT-HIWY FUND	49,300	67,800	70,500	70,500	70,500	
SPECIAL ITEM SUBTOTAL	49,300	67,800	70,500	70,500	70,500	
P R O G R A M T O T A L	592,900	1,184,600	1,261,900	1,282,400	1,262,200	
BY FUND SOURCE						
OTHER FUNDS	592,900	1,184,600	1,261,900	1,282,400	1,262,200	
FEDERAL FUNDS	982,500	1,279,000	1,264,500	0	1,264,500	
PROGRAM TOTAL-ALL SOURCES	1,575,400	2,463,600	2,526,400	1,282,400	2,526,700	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: AERONAUTICS DIVISION

The JLBC Staff recommends a total appropriation of $1,262,200 -- a net increase of $77,600, or 6.6% to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments	$ (56,800)
o	Replacement Equipment	(8,000)
o	ERE Rate Adjustments	19,900
o	Risk Management Insurance	3,400
o	General Inflation	12,700

JLBC Staff Recommended Policy Issues

o	Grand Canyon Airport Operations - On August 1, 1988, the Department of Transportation, Aeronautics Division, took operational control of the State-owned Grand Canyon National Park Airport. The Agency has found that the airport needs considerable maintenance to put it back into complete operational form. Additionally, a need exists for equipment to support and maintain the safe daily operation of the airport as well as to comply with FAA regulations. For the past 3.5 years, operation of the airport was leased to a private corporation and the condition of the airport facilities and equipment are in a deteriorating state. FAA regulations require strict standards of operation for the airport. This airport is the third busiest air carrier airport in the State. The JLBC Staff recommends $106,400 from the Aviation Fund to begin a program of improving the airport and to return it to its original operating condition. The Executive also recommends this issue.	106,400

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: PUBLIC TRANSIT DIVISION
JLBC ANALYST: BLANTON
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: BREWER

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	2.00	2.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	42,000	43,500	42,400	43,600	42,400	
EMPLOYEE RELATED EXP	7,500	9,100	12,300	11,600	10,700	
TRAVEL - IN STATE	100	1,000	1,000	1,000	1,000	
TRAVEL - OUT OF STATE	1,200	1,500	1,500	1,500	1,500	
OTHER OPERATING EXP	1,500	2,100	2,200	2,200	2,100	
EQUIPMENT	0	500	0	0	500	
ALL OTHER OPERATING	2,800	5,100	4,700	4,700	5,100	
OPERATING SUBTOTAL	52,300	57,700	59,400	59,900	58,200	
SPECIAL LINE ITEMS						
OMNIBUS AIR QUALITY ACT	0	200,000	208,000	208,000	208,000	
SPECIAL ITEM SUBTOTAL	0	200,000	208,000	208,000	208,000	
P R O G R A M T O T A L	52,300	257,700	267,400	267,900	266,200	
BY FUND SOURCE						
GENERAL FUND	52,300	57,700	59,400	59,900	58,200	
OTHER FUNDS	0	200,000	208,000	208,000	208,000	
FEDERAL FUNDS	461,300	470,000	470,000	0	470,000	
PROGRAM TOTAL-ALL SOURCES	513,600	727,700	737,400	267,900	736,200	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: PUBLIC TRANSIT DIVISION

The JLBC Staff recommends a total appropriation of $266,200 -- a net increase of $8,500, or 3.3% to the original FY 1989 appropriation. The General Fund portion of the recommendation is $58,200-- a net increase of $500, or 0.09% to the original FY 1989 General Fund appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments (General Fund)	$	(1,400)
o ERE Rate Adjustments (General Fund)		1,900
o General Inflation (Air Quality Fund)		8,000

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

DEPARTMENT: ARIZONA GEOLOGICAL SURVEY
COST CENTER: ARIZONA GEOLOGICAL SURVEY

The JLBC Staff recommends a total appropriation of $539,400 -- a net increase of $7,700, or 1.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$	(2,000)
o Replacement Equipment		(900)
o Personal Services/ERE Adjustments		5,200
o General Inflation		1,900
o Commercial Lease		3,500

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Delete a Geological Survey Research Analyst II - By deleting this position, $21,600 can be saved. However, without this position some important data needed to assess mineral resource potential will not be available to assist the agency in reviewing wildness legislation. Data and maps will not be available to assist city and county planners and various state agencies.

- o Geologic Data Base - The Executive recommends $43,600 to fund a new Geologist position. With this new position the agency may be able to carry out the statutory mandate to provide applied geologic investigations and comprehensive data required by population growth.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	268.00	278.00	300.00	291.00	276.00	
BY PROGRAM/ORGANIZATION						
ADMIN. & FIELD SERVICES	12,309,300	14,033,500	14,961,300	14,486,200	14,023,400	
WATERCRAFT	904,800	1,296,200	1,367,400	1,317,200	1,308,100	
GAME,N-GM,FISH,ENDRD SPEC	273,200	279,800	288,900	286,800	276,400	
WATERFOWL CONSERVATION FD	0	3,400	3,400	3,400	3,400	
GEN FUND OFF ROAD	0	0	1,174,800	400,000	0	
A G E N C Y T O T A L	13,487,300	15,612,900	17,795,800	16,493,600	15,611,300	
OPERATING BUDGET						
PERSONAL SERVICES	6,125,900	6,836,000	7,300,400	7,072,500	6,555,300	
EMPLOYEE RELATED EXP	1,601,900	2,025,700	2,663,600	2,164,100	2,023,900	
PROFESSIONAL/OUTSIDE SVC	187,400	224,600	292,200	257,200	249,600	
TRAVEL - IN STATE	234,900	275,200	325,100	288,700	279,200	
TRAVEL - OUT OF STATE	13,000	19,300	21,900	19,300	19,300	
OTHER OPERATING EXP	2,956,800	3,253,300	3,615,000	3,533,200	3,410,200	
EQUIPMENT	725,900	1,070,300	1,395,700	1,112,200	1,027,400	
ALL OTHER OPERATING	4,118,000	4,842,700	5,649,900	5,210,600	4,985,700	
OPERATING SUBTOTAL	11,845,800	13,704,400	15,613,900	14,447,200	13,564,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
COMMISSION RESERVE	100	35,000	35,000	35,000	35,000	
COOPERATIVE RESEARCH PRO	30,000	30,000	30,000	30,000	30,000	
PITTMAN-ROBERTSON	834,500	851,200	833,300	833,300	833,300	
DINGELL-JOHNSON	700,000	617,800	681,200	681,200	681,200	
COST TRSFR (WAT TO G&F)	76,900	359,500	359,500	359,500	359,500	
COST TRSFR (N-GM TO G&F)	0	15,000	15,000	15,000	15,000	
COST TRSFR (G.F. TO G&F)	0	0	135,500	0	0	
INTEREST/ENDANGERED SPEC	0	0	92,400	92,400	92,400	
SPECIAL ITEM SUBTOTAL	1,641,500	1,908,500	2,181,900	2,046,400	2,046,400	
A G E N C Y T O T A L	13,487,300	15,612,900	17,795,800	16,493,600	15,611,300	
BY FUND SOURCE						
GENERAL FUND	0	0	1,174,800	200,000	0	
OTHER FUNDS	13,487,300	15,612,900	16,621,000	16,293,600	15,611,300	
FEDERAL FUNDS	8,300,000	10,642,300	9,873,900	0	9,873,900	
OTHER NON APPROPRIATED	998,200	1,048,000	1,058,500	0	1,058,500	
AGENCY TOTAL-ALL SOURCES	22,785,500	27,303,200	28,728,200	16,493,600	26,543,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: ADMIN. & FIELD SERVICES

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	235.50	248.50	252.50	252.50	246.50	
OPERATING BUDGET						
PERSONAL SERVICES	5,583,000	6,304,500	6,387,500	6,357,300	6,026,900	
EMPLOYEE RELATED EXP	1,462,300	1,875,700	2,317,900	1,953,600	1,873,600	
PROFESSIONAL/OUTSIDE SVC	171,600	168,900	221,500	201,500	198,900	
TRAVEL - IN STATE	217,600	254,300	267,800	267,800	258,300	
TRAVEL - OUT OF STATE	10,900	13,900	15,900	13,900	13,900	
OTHER OPERATING EXP	2,606,000	2,857,000	3,057,000	3,045,400	2,979,900	
EQUIPMENT	693,300	1,025,200	1,021,800	974,800	1,000,000	
ALL OTHER OPERATING	3,699,400	4,319,300	4,584,000	4,503,400	4,451,000	
OPERATING SUBTOTAL	10,744,700	12,499,500	13,289,400	12,814,300	12,351,500	
SPECIAL LINE ITEMS						
COMMISSION RESERVE	100	35,000	35,000	35,000	35,000	
COOPERATIVE RESEARCH PRO	30,000	30,000	30,000	30,000	30,000	
PITTMAN-ROBERTSON	834,500	851,200	833,300	833,300	833,300	
DINGELL-JOHNSON	700,000	617,800	681,200	681,200	681,200	
INTEREST/ENDANGERED SPEC	0	0	92,400	92,400	92,400	
SPECIAL ITEM SUBTOTAL	1,564,600	1,534,000	1,671,900	1,671,900	1,671,900	
P R O G R A M T O T A L	12,309,300	14,033,500	14,961,300	14,486,200	14,023,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: ADMIN. & FIELD SERVICES
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
OTHER FUNDS	12,309,300	14,033,500	14,961,300	14,486,200	14,023,400	
FEDERAL FUNDS	8,300,000	10,642,300	9,873,900	0	9,873,900	
OTHER NON APPROPRIATED	998,200	1,048,000	1,058,500	0	1,058,500	
PROGRAM TOTAL-ALL SOURCES	21,607,500	25,723,800	25,893,700	14,486,200	24,955,800	

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: ADMINISTRATIVE & FIELD SERVICES

The JLBC Staff recommends a total appropriation of $14,023,400 -- a net decrease of $(10,100), or (0.1)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 2.0%	$ (229,200)
o Replacement Equipment	(85,200)
o Risk Management Insurance	(55,900)
o ERE Rate Adjustments	79,100
o General Inflation	103,700
o Pittman-Robertson and Dingell-Johnson Federal Matching Funds	45,500
o One-Time Transfer to Game, Non-Game, and Endangered Species Check-Off Fund	92,400

JLBC Staff Recommended Policy Issues

- Change in Federal Cost Transfer Plans - During the 1988 Legislative Session, the Game and Fish Director proposed and was granted funding for a new program involving a cost transfer from federal funds. This year, the Department has not and does not plan to institute such a cost transfer, so JLBC Staff recommends elimination of funding for the program. The recommendation also calls for the elimination of six FTE positions that were to be paid for by the cost transfer. No employees have been hired to fill these positions. (245,400)

- Upgrading Wildlife Views Magazine - JLBC Staff recommends $31,400 to allow the Department to increase the color content and upgrade the photography in Wildlife Views magazine. The recommendation would also allow the Department to increase the number of copies printed to 18,500 per month. Currently the Department prints approximately 10,000 copies per month. The Executive recommends $57,000 for this policy issue. 31,400

- Trained Wildlife Manager Recruits - JLBC Staff recommends $171,400 and eight half-time FTE positions to enable the Department to maintain a core group of Wildlife Manager recruits. Currently, when a Wildlife Manager position in the field becomes vacant, it can take up to one year to hire and train a replacement. The JLBC Staff recommendation would provide for a group of eight recruits to be 171,400

trained for six months, then go on unpaid status until vacancies occur for them to fill. The training involves peace officer certification at the Arizona Law Enforcement Training Academy (ALETA). The Executive recommends $124,900 for this policy issue.

- Urban Fishing Program - JLBC Staff recommends an increase of $44,900 to add lakes in Chandler and Phoenix to the program. The cities share in the cost of the program. The funding will pay for printing licenses and purchasing fish for stocking. The Executive recommends $44,000 for this policy issue. 44,900

- Loss Control Safety Consultant - JLBC Staff recommends $30,000 for a loss control safety consultant. The Risk Management Division of DOA has recommended that the Department undertake a program to instruct employees in job safety. The recommendation provides for a consultant to conduct a thorough review of agency operations and facilities. With this information, the consultant will determine what kind of employee instruction is most appropriate. The Executive recommends $15,000 for this policy issue. 30,000

- Postage Requirements - JLBC Staff recommends $7,200 to provide adequate funding for Department mailings. The increase is necessary because of greater activity in the education and big game drawing programs. 7,200

Other Issues for Legislative Consideration

- Physical Fitness - The Executive recommends $12,500 for a consultant to design a physical fitness program to improve the health of employees. JLBC Staff believes the Department should develop the program in-house.

- Computer Equipment - The Executive recommends $23,100 for equipment in the finance and personnel areas. JLBC Staff recommends that whatever equipment is necessary be paid for from current resources.

- Department School - The Executive recommends $6,800 to extend the existing training program to more employees. JLBC Staff has not recommended this issue because the new Department administration may develop different ideas to improve employee interaction and morale.

- Continuing Education - The Executive recommends $5,100 for tuition for mid-career biologists. Again, JLBC Staff has not recommended this issue because Staff would like to see the new Department administration develop a comprehensive employee training and continuing education plan.

- Other Operating Expenses - The Executive recommends $9,800 more than JLBC Staff for postage and other operating expenses. JLBC Staff believes the Department has sufficient funding without this increase.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: WATERCRAFT
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	27.50	25.50	25.50	25.50	25.50	
OPERATING BUDGET						
PERSONAL SERVICES	417,100	419,000	425,800	424,400	421,900	
EMPLOYEE RELATED EXP	109,700	120,500	171,500	126,500	121,400	
PROFESSIONAL/OUTSIDE SVC	1,700	29,600	29,600	29,600	24,600	
TRAVEL - IN STATE	11,600	13,800	13,800	13,800	13,800	
TRAVEL - OUT OF STATE	1,700	2,600	2,600	2,600	2,600	
OTHER OPERATING EXP	261,200	306,100	337,200	333,400	336,900	
EQUIPMENT	24,900	45,100	27,400	27,400	27,400	
ALL OTHER OPERATING	301,100	397,200	410,600	406,800	405,300	
OPERATING SUBTOTAL	827,900	936,700	1,007,900	957,700	948,600	
SPECIAL LINE ITEMS						
COST TRSFR (WAT TO G&F)	76,900	359,500	359,500	359,500	359,500	
SPECIAL ITEM SUBTOTAL	76,900	359,500	359,500	359,500	359,500	
P R O G R A M T O T A L	904,800	1,296,200	1,367,400	1,317,200	1,308,100	
BY FUND SOURCE						
OTHER FUNDS	904,800	1,296,200	1,367,400	1,317,200	1,308,100	
PROGRAM TOTAL-ALL SOURCES	904,800	1,296,200	1,367,400	1,317,200	1,308,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: WATERCRAFT LICENSING

The JLBC Staff recommends a total appropriation of $1,308,100 -- a net increase of $11,900, or 0.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Replacement Equipment	$ (17,700)
o	Eliminate One-Time Brochure Design Consulting Contract	(5,000)
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	3,700
o	ERE Rate Adjustments	100
o	General Inflation	12,000

JLBC Staff Recommended Policy Issues

o	Boat Registration Program - JLBC Staff recommends $18,800 to pay for increasing postage expenses and maintenance contracts for computer equipment. Until this year, the computer costs had been paid for with a U.S. Coast Guard grant. These funds are no longer available. The Executive recommends $14,000 for this policy issue.	18,800

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GAME,N-GM,FISH,ENDRD SPEC

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	5.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	125,800	112,500	112,500	115,600	106,500	
EMPLOYEE RELATED EXP	29,900	29,500	35,400	30,200	28,900	
PROFESSIONAL/OUTSIDE SVC	14,100	26,100	26,100	26,100	26,100	
TRAVEL - IN STATE	5,700	6,700	6,700	6,700	6,700	
TRAVEL - OUT OF STATE	400	2,800	2,800	2,800	2,800	
OTHER OPERATING EXP	89,600	87,200	90,400	90,400	90,400	
EQUIPMENT	7,700	0	0	0	0	
ALL OTHER OPERATING	117,500	122,800	126,000	126,000	126,000	
OPERATING SUBTOTAL	273,200	264,800	273,900	271,800	261,400	
SPECIAL LINE ITEMS						
COST TRSFR (N-GM TO G&F)	0	15,000	15,000	15,000	15,000	
SPECIAL ITEM SUBTOTAL	0	15,000	15,000	15,000	15,000	
P R O G R A M T O T A L	273,200	279,800	288,900	286,800	276,400	
BY FUND SOURCE						
OTHER FUNDS	273,200	279,800	288,900	286,800	276,400	
PROGRAM TOTAL-ALL SOURCES	273,200	279,800	288,900	286,800	276,400	

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GAME, NON-GAME, FISH, AND ENDANGERED SPECIES

The JLBC Staff recommends a total appropriation of $276,400 -- a net decrease of $(3,400), or (1.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	(7,600)
o ERE Rate Adjustments		1,000
o General Inflation		3,200

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: WATERFOWL CONSERVATION FD

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
TRAVEL - IN STATE	0	400	400	400	400	
OTHER OPERATING EXP	0	3,000	3,000	3,000	3,000	
ALL OTHER OPERATING	0	3,400	3,400	3,400	3,400	
P R O G R A M T O T A L	0	3,400	3,400	3,400	3,400	
BY FUND SOURCE						
OTHER FUNDS	0	3,400	3,400	3,400	3,400	
PROGRAM TOTAL-ALL SOURCES	0	3,400	3,400	3,400	3,400	

The JLBC Staff recommends a total appropriation of $3,400 -- a net increase of $-0-, or 0.0%, to the original FY 1989 appropriation.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GEN FUND OFF ROAD

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	0.00	0.00	18.00	9.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	0	374,600	175,200	0	
EMPLOYEE RELATED EXP	0	0	138,800	53,800	0	
PROFESSIONAL/OUTSIDE SVC	0	0	15,000	0	0	
TRAVEL - IN STATE	0	0	36,400	0	0	
TRAVEL - OUT OF STATE	0	0	600	0	0	
OTHER OPERATING EXP	0	0	127,400	61,000	0	
EQUIPMENT	0	0	346,500	110,000	0	
ALL OTHER OPERATING	0	0	525,900	171,000	0	
OPERATING SUBTOTAL	0	0	1,039,300	400,000	0	
SPECIAL LINE ITEMS						
COST TRSFR (G.F. TO G&F)	0	0	135,500	0	0	
SPECIAL ITEM SUBTOTAL	0	0	135,500	0	0	
P R O G R A M T O T A L	0	0	1,174,800	400,000	0	
BY FUND SOURCE						
GENERAL FUND	0	0	1,174,800	200,000	0	
OTHER FUNDS	0	0	0	200,000	0	
PROGRAM TOTAL-ALL SOURCES	0	0	1,174,800	400,000	0	

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GENERAL FUND OFF ROAD

The JLBC Staff recommends no appropriation. This program also received no appropriation in FY 1989.

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- Off-Highway Vehicle Program - The Executive recommends $200,000 from the General Fund and $200,000 from the Game and Fish Fund for a new information, education and enforcement program relating to the use of off-highway vehicles.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: COMM ON AZ ENVIRONMENT
COST CENTER: COMM ON AZ ENVIRONMENT

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	3.00	3.00	6.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	61,800	65,800	133,500	71,900	70,000	
EMPLOYEE RELATED EXP	12,100	18,400	41,800	17,300	15 800	
PROFESSIONAL/OUTSIDE SVC	400	0	0	0	0	
TRAVEL - IN STATE	3,700	4,700	6,600	4,800	4,700	
TRAVEL - OUT OF STATE	1,800	500	1,200	500	500	
OTHER OPERATING EXP	36,400	25,400	40,000	25,800	21,100	
EQUIPMENT	2,000	0	12,400	0	0	
ALL OTHER OPERATING	44,300	30,600	60,200	31,100	26,300	
P R O G R A M T O T A L	118,200	114,800	235,500	120,300	112,100	
BY FUND SOURCE						
GENERAL FUND	118,200	114,800	235,500	120,300	112,100	
OTHER NON APPROPRIATED	26,900	44,500	36,900	31,900	36,900	
PROGRAM TOTAL-ALL SOURCES	145,100	159,300	272,400	152,200	149,000	

DEPARTMENT: COMMISSION ON ARIZONA ENVIRONMENT
COST CENTER: COMMISSION ON ARIZONA ENVIRONMENT

The JLBC Staff recommends a total appropriation of $112,100 -- a net decrease of $(2,700), or (2.4)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (3,600)
o Risk Management Insurance	(500)
o Personal Services/ERE Adjustments	5,200
o General Inflation	900

JLBC Staff Recommended Policy Issues

o All Other Operating Expenses - JLBC Staff recommends a reduction of $4,700 for other operating expenditures. Prior year expenditures have not met appropriated levels and there is not adequate justification for the continuance of such appropriations.	(4,700)

Other Issues for Legislative Consideration

- Self-Support - The Arizona Cost Efficiency Commission Report (ACEC) recommended that the agency be placed on a self-supporting enterprise fund basis. It suggested that the Commission "seek grants and contributions from foundations, corporations, universities and individuals" and that the State "allow it three years to attain financial independence by gradually reducing General Fund support." If, at the end of three years, the Commission is not self-supporting, ACEC recommended reducing its operations in order to balance its budget.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	155.00	153.00	168.67	167.00	159.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATIVE SERVICES	1,619,300	1,554,800	2,188,500	2,175,900	1,691,800	
BOARD OF APPEALS	40,000	42,500	49,900	46,700	46,100	
CONTRACTS AND RECORDS	813,200	981,600	1,694,000	1,604,900	1,490,400	
FORESTRY MANAGEMENT	648,800	648,300	717,600	659,700	631,900	
NATURAL RESOURCES MGMT	2,181,300	1,805,900	2,082,300	2,037,700	1,767,100	
RESOURCE ANALYSIS	904,000	977,300	1,406,900	1,353,400	1,221,800	
URBAN AND COMMERCIAL DEV	1,431,200	1,492,700	1,366,900	1,274,800	1,053,800	
A G E N C Y T O T A L	7,637,800	7,503,100	9,506,100	9,153,100	7,902,900	
OPERATING BUDGET						
PERSONAL SERVICES	4,037,700	4,188,800	4,508,700	4,568,400	4,166,000	
EMPLOYEE RELATED EXP	785,500	939,100	1,408,500	1,153,500	1,016,500	
PROFESSIONAL/OUTSIDE SVC	437,500	478,600	554,600	421,600	467,800	
TRAVEL - IN STATE	154,000	161,900	225,200	210,800	202,800	
TRAVEL - OUT OF STATE	5,800	2,400	2,400	2,400	2,400	
OTHER OPERATING EXP	1,191,600	1,129,100	1,419,300	1,682,300	1,287,800	
EQUIPMENT	118,600	102,700	392,600	119,300	336,900	
ALL OTHER OPERATING	1,907,500	1,874,700	2,594,100	2,436,400	2,297,700	
OPERATING SUBTOTAL	6,730,700	7,002,600	8,511,300	8,158,300	7,480,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
SPECIAL LINE ITEMS						
CAP USER FEES - SLD	78,000	78,100	78,100	78,100	78,100	
LITIGATION EXPENSES	65,700	45,000	20,000	20,000	20,000	
WATER RIGHTS FEES	38,400	64,500	64,500	64,500	64,500	
LEGAL ADVERTISING	0	0	336,500	336,500	0	
CNTY IN LIEU TAX PAYMENT	0	0	80,400	80,400	0	
NAT RESOURCE CONS DIST	149,800	134,800	301,400	301,400	160,000	
WATER LITIGATION EXP	439,800	54,500	54,300	54,300	51,500	
CONSERVATION EDUCATION	30,000	30,000	41,000	41,000	30,000	
ILLEGAL DUMP SUPERVISION	25,500	18,600	18,600	18,600	18,600	
GEOLOGICAL SUBSIDENCE	39,400	0	0	0	0	
ADOT MAPPING SERVICES	40,500	0	0	0	0	
COYOTE CREEK WATERSHED	0	75,000	0	0	0	
SPECIAL ITEM SUBTOTAL	907,100	500,500	994,800	994,800	422,700	
A G E N C Y T O T A L	7,637,800	7,503,100	9,506,100	9,153,100	7,902,900	
BY FUND SOURCE						
GENERAL FUND	7,637,800	7,503,100	9,506,100	9,153,100	7,902,900	
FEDERAL FUNDS	500,900	598,700	434,200	517,700	434,200	
OTHER NON APPROPRIATED	182,800	261,700	127,100	198,300	127,100	
AGENCY TOTAL-ALL SOURCES	8,321,500	8,363,500	10,067,400	9,869,100	8,464,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: ADMINISTRATIVE SERVICES

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	21.00	19.00	20.00	20.00	20.00	
OPERATING BUDGET						
PERSONAL SERVICES	558,200	509,400	535,900	551,100	520,200	
EMPLOYEE RELATED EXP	101,000	107,000	169,200	141,300	126,100	
PROFESSIONAL/OUTSIDE SVC	200	0	0	0	0	
TRAVEL - IN STATE	16,300	21,200	23,700	23,700	23,700	
TRAVEL - OUT OF STATE	2,400	2,400	2,400	2,400	2,400	
OTHER OPERATING EXP	744,800	716,100	867,800	870,300	846,800	
EQUIPMENT	14,300	11,100	10,000	7,600	10,000	
ALL OTHER OPERATING	778,000	750,800	903,900	904,000	882,900	
OPERATING SUBTOTAL	1,437,200	1,367,200	1,609,000	1,596,400	1,529,200	
SPECIAL LINE ITEMS						
CAP USER FEES - SLD	78,000	78,100	78,100	78,100	78,100	
LITIGATION EXPENSES	65,700	45,000	20,000	20,000	20,000	
WATER RIGHTS FEES	38,400	64,500	64,500	64,500	64,500	
LEGAL ADVERTISING	0	0	336,500	336,500	0	
CNTY IN LIEU TAX PAYMENT	0	0	80,400	80,400	0	
SPECIAL ITEM SUBTOTAL	182,100	187,600	579,500	579,500	162,600	
P R O G R A M T O T A L	1,619,300	1,554,800	2,188,500	2,175,900	1,691,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: ADMINISTRATIVE SERVICES
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	1,619,300	1,554,800	2,188,500	2,175,900	1,691,800	
FEDERAL FUNDS	16,900	0	0	0	0	
PROGRAM TOTAL-ALL SOURCES	1,636,200	1,554,800	2,188,500	2,175,900	1,691,800	

The JLBC Staff recommends a total appropriation of $1,691,800 -- a net increase of $137,000, or 8.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Completion of Litigation over the Streambed Act	$ (25,000)
o Personal Services/ERE Adjustments	(2,000)
o Replacement Equipment	(1,100)
o ERE Rate Adjustments	16,500
o Risk Management Insurance Increase	55,800
o Increased Commercial Rent	38,900
o Telecommunications Costs Resulting from Relocation	23,500
o General Inflation	6,600
o All Other	2,000

JLBC Staff Recommended Policy Issues

- Vacancy Savings - JLBC Staff recommends a decrease of $20,000, through the imposition of a 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently, seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size. (20,000)

- Position Transfer - JLBC Staff recommends the transfer-in of $35,800 and one accounting FTE position from the Forestry Division. The transfer would consolidate all agency accounting functions under the Administrative Services Division. The Executive also recommends the transfer. 35,800

- Administrative Expenses of New Employees - JLBC Staff recommends $6,000 to account for the telephone, postage, and rent expenses of the three new employees recommended for the Resource Analysis Division. 6,000

Other Issues for Legislative Consideration

- Legal Advertising Expenses - The Executive recommends $336,500 for the statutory advertising expenses of the Department. The Department is required to advertise land transactions for ten weeks in two newspapers prior to holding public auctions. If the auction leads to a buyer or leaser of the land, that person must reimburse the Department for the advertising expenses. JLBC Staff recommends that the Legislature create a revolving fund for these expenses.

- Payments to Counties In Lieu of Taxes - Chapter 334 of the 1988 Legislative Session established a method by which the State Land Commissioner shall make payments in lieu of taxes to counties for certain lands acquired from the federal government after December 31, 1985. The payment shall be 75 cents per acre of the affected land, subject to annual legislative appropriation. The Department has requested $80,400 for this purpose in FY 90. The Executive has also recommended $80,400.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: BOARD OF APPEALS

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	25,500	27,700	27,600	28,300	26,800	
EMPLOYEE RELATED EXP	5,400	6,400	9,800	7,500	6,800	
PROFESSIONAL/OUTSIDE SVC	200	3,000	3,000	3,000	3,000	
TRAVEL - IN STATE	6,300	4,400	8,500	6,900	8,500	
OTHER OPERATING EXP	1,400	1,000	1,000	1,000	1,000	
EQUIPMENT	1,200	0	0	0	0	
ALL OTHER OPERATING	9,100	8,400	12,500	10,900	12,500	
P R O G R A M T O T A L	40,000	42,500	49,900	46,700	46,100	
BY FUND SOURCE						
GENERAL FUND	40,000	42,500	49,900	46,700	46,100	
PROGRAM TOTAL-ALL SOURCES	40,000	42,500	49,900	46,700	46,100	

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: BOARD OF APPEALS

The JLBC Staff recommends a total appropriation of $46,100 -- a net increase of $3,600, or 8.5%, to the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services Adjustment	$ (100)
o	ERE Rate Adjustments	600
o	In-State Travel Requirements for New Board Members to Attend Meetings	4,100

JLBC Staff Recommended Policy Issues

o	Vacancy Savings - JLBC Staff recommends a decrease of $1,000, through the imposition of a 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently, seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size.	(1,000)

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: CONTRACTS AND RECORDS

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	28.00	30.00	41.00	41.00	39.00	
OPERATING BUDGET						
PERSONAL SERVICES	618,100	756,500	1,047,100	1,062,600	970,400	
EMPLOYEE RELATED EXP	121,100	175,500	333,500	253,100	240,800	
PROFESSIONAL/OUTSIDE SVC	3,000	7,900	193,800	193,800	186,800	
TRAVEL - IN STATE	14,400	9,000	28,300	27,800	17,300	
OTHER OPERATING EXP	25,600	22,700	48,300	41,800	36,700	
EQUIPMENT	31,000	10,000	43,000	25,800	38,400	
ALL OTHER OPERATING	74,000	49,600	313,400	289,200	279,200	
P R O G R A M T O T A L	813,200	981,600	1,694,000	1,604,900	1,490,400	
BY FUND SOURCE						
GENERAL FUND	813,200	981,600	1,694,000	1,604,900	1,490,400	
PROGRAM TOTAL-ALL SOURCES	813,200	981,600	1,694,000	1,604,900	1,490,400	

The JLBC Staff recommends a total appropriation of $1,490,400 -- a net increase of $508,800, or 51.8%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (30,300)
o ERE Rate Adjustments	12,200
o Staff (2.0 FTE) to Implement Streambed Act	56,000
o Replacement Equipment	25,200
o General Inflation and All Other	2,400

JLBC Staff Recommended Policy Issues

- Vacancy Savings - JLBC Staff recommends a decrease of $24,700, through the imposition of an overall 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently, seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size. (24,700)

- Appraisal Function Transfer - JLBC Staff recommends the transfer-in of $468,000 and 7.0 FTE positions from the Urban and Commercial Development Division. The Department has requested the transfer as part of an effort to strengthen its in-house appraisal process. The Executive also recommends the transfer. 468,000

Other Issues for Legislative Consideration

- Streambed Act Staff - As an alternative to reduce the agency's appropriation, the staff addition to implement the Streambed Act could be eliminated. The savings would be $56,000 and 2.0 FTE. The Streambed Act was passed two years ago to remedy a problem affecting the titles to an estimated 40,000 parcels of land. The legislation was challenged in court and found to be constitutional. In FY 90, the Department expects to receive applications for 2,000 quitclaim deeds. The staff is necessary to process these applications.

- Replacement Equipment - As another alternative to reduce the agency's appropriation, funding for replacement equipment could be frozen at the FY 89 level. The savings would be $25,200 from the JLBC Staff recommendation. The result would be that the Department could not replace broken, worn, or inefficient word processors, typewriters, stenographic chairs, and computer printers.

- Strengthen Appraisal Function - The Executive recommends $45,300 and 1.0 FTE position to assist in reducing the Department's appraisal backlog. Currently, the backlog stands at approximately 125 appraisals. The appraisals are necessary to process the applications of parties who want to buy or lease land.

- Processing Land Sales - The Executive recommends $37,800 and 1.0 FTE position to handle an expected increase in the number of public auctions to be held by the Department. The new employee would travel throughout the state, conducting auctions to sell or lease land and products of the land.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: FORESTRY MANAGEMENT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	18.00	16.00	16.67	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	518,800	493,200	495,800	479,000	452,200	
EMPLOYEE RELATED EXP	112,500	114,300	146,900	120,000	107,000	
TRAVEL - IN STATE	0	4,700	5,500	5,500	5,500	
OTHER OPERATING EXP	17,500	6,400	8,500	6,300	6,300	
EQUIPMENT	0	29,700	60,900	48,900	60,900	
ALL OTHER OPERATING	17,500	40,800	74,900	60,700	72,700	
P R O G R A M T O T A L	648,800	648,300	717,600	659,700	631,900	
BY FUND SOURCE						
GENERAL FUND	648,800	648,300	717,600	659,700	631,900	
FEDERAL FUNDS	470,400	594,700	432,200	513,700	432,200	
OTHER NON APPROPRIATED	177,500	198,300	120,100	198,300	120,100	
PROGRAM TOTAL-ALL SOURCES	1,296,700	1,441,300	1,269,900	1,371,700	1,184,200	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: FORESTRY MANAGEMENT

The JLBC Staff recommends a total appropriation of $631,900 -- a net decrease of $(16,400), or (2.5)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$	1,900
o ERE Rate Changes		2,300
o Replacement Equipment		31,200
o General Inflation and All Other		1,100

JLBC Staff Recommended Policy Issues

o Vacancy Savings - JLBC Staff recommends a decrease of $17,300, through the imposition of a 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently, seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size.	(17,300)
o Position Transfer - JLBC Staff recommends the transfer-out of an accounting FTE position to the Administrative Services Division. The transfer would allow all agency accounting to be consolidated under one division. The Executive also recommends the transfer.	(35,600)

Other Issues for Legislative Consideration

- Replacement Equipment - As an alternative to reduce the agency's appropriation, funding for replacement equipment could be frozen at the FY 89 level. The savings would be $31,200 from the JLBC Staff recommendation. The result would be that the Department would not replace two pickup trucks used in firefighting that have more than 120,000 miles on them.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: NATURAL RESOURCES MGMT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	43.00	40.00	41.00	41.00	40.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,090,900	1,070,700	1,083,500	1,105,900	1,035,200	
EMPLOYEE RELATED EXP	213,900	246,500	344,900	290,100	256,300	
PROFESSIONAL/OUTSIDE SVC	500	4,500	4,500	4,500	4,500	
TRAVEL - IN STATE	97,300	98,700	132,000	127,800	123,600	
TRAVEL - OUT OF STATE	700	0	0	0	0	
OTHER OPERATING EXP	79,600	63,100	66,000	66,000	65,600	
EQUIPMENT	13,900	9,500	36,100	28,100	21,800	
ALL OTHER OPERATING	192,000	175,800	238,600	226,400	215,500	
OPERATING SUBTOTAL	1,496,800	1,493,000	1,667,000	1,622,400	1,507,000	
SPECIAL LINE ITEMS						
NAT RESOURCE CONS DIST	149,800	134,800	301,400	301,400	160,000	
WATER LITIGATION EXP	439,800	54,500	54,300	54,300	51,500	
CONSERVATION EDUCATION	30,000	30,000	41,000	41,000	30,000	
ILLEGAL DUMP SUPERVISION	25,500	18,600	18,600	18,600	18,600	
GEOLOGICAL SUBSIDENCE	39,400	0	0	0	0	
COYOTE CREEK WATERSHED	0	75,000	0	0	0	
SPECIAL ITEM SUBTOTAL	684,500	312,900	415,300	415,300	260,100	
P R O G R A M T O T A L	2,181,300	1,805,900	2,082,300	2,037,700	1,767,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: NATURAL RESOURCES MGMT
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	2,181,300	1,805,900	2,082,300	2,037,700	1,767,100	
FEDERAL FUNDS	13,600	4,000	2,000	4,000	2,000	
OTHER NON APPROPRIATED	0	56,400	0	0	0	
PROGRAM TOTAL-ALL SOURCES	2,194,900	1,866,300	2,084,300	2,041,700	1,769,100	

The JLBC Staff recommends a total appropriation of $1,767,100 -- a net decrease of $(38,800), or (2.1)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o One-Time Coyote Creed Watershed Project	$ (75,000)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	(18,000)
o Water Litigation Expenses	(3,000)
o ERE Rate Adjustments	18,600
o Travel Rate Adjustment	24,900
o Replacement Equipment	12,300
o General Inflation	2,500
o Natural Resource Conservation Districts	25,200

JLBC Staff Recommended Policy Issues

o Vacancy Savings - JLBC Staff recommends a decrease of $26,300, through the imposition of an overall 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently, seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size.	(26,300)

- Water Rights Positions - JLBC Staff recommends that the three limited-term Water Rights Specialist positions assigned to the Department be changed to permanent status. The positions were authorized for a three year term in 1986 to prepare water rights claims for State Trust lands subject to water rights adjudication proceedings. Since then, the Department has become responsible for additional water resources management programs as a result of new legislation, court orders, and regulatory agency requirements. The additional workload justifies the change in position status. The Executive also recommends this policy issue, with no additional funding.

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Other Issues for Legislative Consideration

- Reduce Special Line Item Programs - As an alternative to reduce the agency's appropriation, Natural Resource Conservation District funding could be reduced by $5,000, or approximately 3%. In addition, the funds provided for Illegal Dump Clean-up could be eliminated, saving $18,600. The Department plans to use the funds for clean-up operations in eight counties in FY 90.

- Protection and Compliance Position - The Executive recommends $49,100 and 1.0 FTE position to address the trespass problem on State land. The employee would work to prevent theft and destruction of natural resources and to reduce the backlog of approximately 300 unresolved trespass cases. The Department currently has one trespass and compliance position.

- Natural Resource Conservation Districts - The Executive recommends $166,600 in additional funding for the State's 32 Natural Resource Conservation Districts. The total for each district would be approximately $9,400. Funding for FY 89 is $4,200 per district. The FY 90 JLBC recommendation would provide $5,000 per district.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: RESOURCE ANALYSIS

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	16.00	19.00	26.00	26.00	23.00	
OPERATING BUDGET						
PERSONAL SERVICES	385,200	483,800	634,200	639,600	553,900	
EMPLOYEE RELATED EXP	78,700	112,500	205,400	169,300	139,000	
PROFESSIONAL/OUTSIDE SVC	151,000	84,000	58,000	0	58,000	
TRAVEL - IN STATE	600	1,900	2,000	0	2,000	
TRAVEL - OUT OF STATE	1,600	0	0	0	0	
OTHER OPERATING EXP	208,200	252,700	274,500	544,500	270,200	
EQUIPMENT	38,200	42,400	232,800	0	198,700	
ALL OTHER OPERATING	399,600	381,000	567,300	544,500	528,900	
OPERATING SUBTOTAL	863,500	977,300	1,406,900	1,353,400	1,221,800	
SPECIAL LINE ITEMS						
ADOT MAPPING SERVICES	40,500	0	0	0	0	
SPECIAL ITEM SUBTOTAL	40,500	0	0	0	0	
P R O G R A M T O T A L	904,000	977,300	1,406,900	1,353,400	1,221,800	
BY FUND SOURCE						
GENERAL FUND	904,000	977,300	1,406,900	1,353,400	1,221,800	
OTHER NON APPROPRIATED	5,300	7,000	7,000	0	7,000	
PROGRAM TOTAL-ALL SOURCES	909,300	984,300	1,413,900	1,353,400	1,228,800	

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: RESOURCE ANALYSIS

The JLBC Staff recommends a total appropriation of $1,221,800 -- a net increase of $244,500, or 25.0%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Reduced Computer Consulting Contracts	$ (26,000)
o Personal Services/ERE Adjustments	1,500
o ERE Rate Adjustments	8,900
o Staff (1.0 FTE) to Implement Streambed Act	38,400
o Replacement Equipment	131,000
o General Inflation	10,200

JLBC Staff Recommended Policy Issues

o Vacancy Savings - JLBC Staff recommends a decrease of $18,900 from the imposition of a 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size. (18,900)

o Support for Business and Administrative Systems - JLBC Staff recommends $99,400 and 3.0 FTE positions to support the Department's new business and administrative computer system. Over the past three years, the Legislature has invested the following amounts in the development of the system. 99,400

FY 87	$ 90,000
FY 88	199,000
FY 89	126,400
TOTAL TO DATE	415,400

For FY 1990, the three recommended support positions are essential to implement and fully utilize the system. The positions are a Programmer Analyst, a Title Examiner, and an Information Processing Specialist. Once the new system is implemented, the Department estimates that the faster processing of applications and lease renegotiations will bring in $7,000,000 in additional revenue over the next five years. The Executive recommends $99,500 for this policy issue.

Other Issues for Legislative Consideration

- Streambed Act Staff - As an alternative to reduce the agency's appropriation, the staff addition to implement the Streambed Act could be eliminated. The savings would be $38,400 and 1.0 FTE. The Streambed Act was passed two years ago to remedy a problem affecting the titles to an estimated 40,000 parcels of land. The legislation was challenged in court and found to be constitutional. In FY 1990, the Department expects to receive applications for 2,000 quitclaim deeds. The staff member is necessary to process these applications.

- Arizona Land Resource Information System (ALRIS) Support - The Executive recommends $94,700 and 2.0 FTE positions for ALRIS support. The Department currently does not have any full-time positions responsible for entering spatial data into the geographic information system or for managing these databases once they are developed. Thus the Department is not able to effectively manage and maintain its land information databases. Included in the recommendation are additional equipment monies for ALRIS. The system will outgrow its on-line storage capacity when the additional thematic layers currently being developed are completed.

- Staff to Implement the Streambed Act - The Executive recommends $14,900 and 1.0 FTE position more than the JLBC Staff for this function.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: URBAN AND COMMERCIAL DEV

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	28.00	28.00	23.00	23.00	21.00	
OPERATING BUDGET						
PERSONAL SERVICES	841,000	847,500	684,600	701,900	607,300	
EMPLOYEE RELATED EXP	152,900	176,900	198,800	172,200	140,500	
PROFESSIONAL/OUTSIDE SVC	282,600	379,200	295,300	220,300	215,500	
TRAVEL - IN STATE	19,100	22,000	25,200	19,100	22,200	
TRAVEL - OUT OF STATE	1,100	0	0	0	0	
OTHER OPERATING EXP	114,500	67,100	153,200	152,400	61,200	
EQUIPMENT	20,000	0	9,800	8,900	7,100	
ALL OTHER OPERATING	437,300	468,300	483,500	400,700	306,000	
P R O G R A M T O T A L	1,431,200	1,492,700	1,366,900	1,274,800	1,053,800	
BY FUND SOURCE						
GENERAL FUND	1,431,200	1,492,700	1,366,900	1,274,800	1,053,800	
PROGRAM TOTAL-ALL SOURCES	1,431,200	1,492,700	1,366,900	1,274,800	1,053,800	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: URBAN AND COMMERCIAL DEVELOPMENT

The JLBC Staff recommends a total appropriation of $1,053,800 -- a net decrease of $(438,900), or (29.4)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	$ (10,500)
o	ERE Rate Adjustments	19,300
o	Travel Rate Adjustment	7,000
o	Replacement Equipment	7,100
o	General Inflation	17,900

JLBC Staff Recommended Policy Issues

- o Vacancy Savings - JLBC Staff recommends a decrease of $15,300 from the imposition of an overall 3% vacancy factor. In conjunction with the new vacancy factor, JLBC Staff recommends that the State Land Department be appropriated as one cost center. Currently seven cost centers are delineated in the appropriations bill. JLBC Staff believes this is too many cost centers for an agency of this size. (15,300)

- o Transfer of Appraisal Function - JLBC Staff recommends the transfer-out of $464,400 and 7.0 FTE positions to the Contracts and Records Division. The Department has requested the transfer as part of an effort to strengthen its in-house appraisal process. The Executive also recommends the transfer. (464,400)

Other Issues for Legislative Consideration

- o Urban Lands Development Planning - As an alternative to reduce the agency's appropriation, funds available for consulting contracts to plan urban land development could be cut by 90%. The savings would be $148,200. The Department intends to use its JLBC Staff recommendation for consulting contracts of $167,300 for planning projects throughout the State. Typically, these planning contracts involve three interrelated phases. Phase 1 examines the site and performs an area analysis (for physical constraints and opportunities) of a project parcel. Phase 2 studies economic trends and targets the project area for a particular use or mix of uses. Phase 3 integrates the results of Phases 1 and 2 and tailors a land-use plan, which the Department will use to sell the land at public auction. The proceeds of the sale benefit the 14 Trust beneficiaries.

- Commercial Leasing Staff - The Executive recommends $74,900 and 2.0 FTE positions to increase the Urban and Commercial Division's leasing staff. The Department believes that the additional resources will generate increased revenue for the Trust and will relieve the leasing application backlog. The Arizona Cost Efficiency Commission also recommended adding staff in this area.

- Lease Consulting - The Executive recommends an additional $20,000 for outside lease consulting. As a matter of procedure, the Department contracts with outside professionals when confronted with potential land transactions that are extremely complicated. Third party opinions enable the Department to document justification for these complicated transactions. The Auditor General has criticized the Department in the past when, in light of changing market conditions, it has not used more outside consultants.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF MINERAL RESOURCES
COST CENTER: DEPT OF MINERAL RESOURCES
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	11.50	11.50	12.50	8.50	8.50	
OPERATING BUDGET						
PERSONAL SERVICES	328,000	345,100	352,400	264,300	271,400	
EMPLOYEE RELATED EXP	61,800	77,900	107,800	66,300	64,300	
TRAVEL - IN STATE	7,200	7,800	8,500	5,800	9,200	
TRAVEL - OUT OF STATE	300	1,500	1,600	1,600	1,500	
OTHER OPERATING EXP	36,400	32,900	42,300	41,500	16,500	
EQUIPMENT	1,600	2,900	20,600	4,500	2,900	
ALL OTHER OPERATING	45,500	45,100	73,000	53,400	30,100	
P R O G R A M T O T A L	435,300	468,100	533,200	384,000	365,800	
BY FUND SOURCE						
GENERAL FUND	435,300	468,100	533,200	384,000	365,800	
OTHER NON APPROPRIATED	42,200	38,200	41,500	0	41,500	
PROGRAM TOTAL-ALL SOURCES	477,500	506,300	574,700	384,000	407,300	

DEPARTMENT: DEPARTMENT OF MINES & MINERAL RESOURCES
COST CENTER: DEPARTMENT OF MINES & MINERAL RESOURCES

The JLBC Staff recommends a total appropriation of $365,800 -- a net decrease of $(102,300), or (21.9)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Risk Management Insurance	$ (800)
o ERE Rate Adjustment	3,900
o Travel Rate Adjustment	3,300
o General Inflation	1,200

JLBC Staff Recommended Policy Issues

- o Closing Tucson Office - JLBC Staff and the Executive recommend that the Tucson office be closed. This would eliminate three positions, one Mining Engineer, one Mineral Field Geologist and one Secretary, as well as saving other operating costs. The Executive estimates the savings to be $103,700 annually, which includes an allotment of $10,000 for relocation of materials (equipment, rock and mineral samples, etc.) to the Phoenix office. JLBC Staff estimates the annual savings to be $112,900, and believes that the materials can be relocated for less than $3,000. (109,900)

Other Issues for Legislative Consideration

- o Staff Reduction - The elimination of the position of Mineral Field Geologist would result in a savings of $27,500 for Personal Services and Employee Related Expenditures.

- o Consolidation - The Arizona Cost Efficiency Commission Report (ACEC) recommends consolidating the Department of Mines & Mineral Resources with the Oil & Gas Conservation Commission and the Energy Development & Utilization Division of the Department of Commerce. ACEC estimates the savings to be $75,000 to $100,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OIL AND GAS CONSERVATION
COST CENTER: OIL AND GAS CONSERVATION

JLBC ANALYST: BURGESS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	123,900	123,300	129,000	132,500	113,900	
EMPLOYEE RELATED EXP	22,900	25,700	40,500	37,900	31,100	
PROFESSIONAL/OUTSIDE SVC	100	400	400	400	0	
TRAVEL - IN STATE	5,500	7,100	8,900	8,900	5,900	
TRAVEL - OUT OF STATE	1,100	2,500	1,800	1,800	1,500	
OTHER OPERATING EXP	23,000	29,100	30,900	30,900	27,300	
EQUIPMENT	2,400	1,500	1,700	1,700	1,200	
ALL OTHER OPERATING	32,100	40,600	43,700	43,700	35,900	
OPERATING SUBTOTAL	178,900	189,600	213,200	214,100	180,900	
SPECIAL LINE ITEMS						
DUES FOR IOCC	0	0	3,000	3,000	3,000	
IOCC MEETING	0	0	2,000	2,000	2,000	
RELOCATION OF OFFICE	0	0	5,000	5,000	3,000	
SPECIAL ITEM SUBTOTAL	0	0	10,000	10,000	8,000	
P R O G R A M T O T A L	178,900	189,600	223,200	224,100	188,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: OIL AND GAS CONSERVATION
COST CENTER: OIL AND GAS CONSERVATION
JLBC ANALYST: BURGESS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	178,900	189,600	223,200	224,100	188,900	
PROGRAM TOTAL-ALL SOURCES	178,900	189,600	223,200	224,100	188,900	

The JLBC Staff recommends a total appropriation of $188,900 -- a net decrease of $(700), or (0.4)%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Personal Services/ERE Adjustments	$ (12,000)
o Risk Management Insurance and DOA Leasing Adjustment	(800)
o Replacement Equipment	(300)
o ERE Rate Adjustments	8,000
o Interstate Oil Compact Commission Membership Dues and Travel	3,900
This is a statutory responsibility of the Governor's Office and has been delegated to the Oil & Gas Conservation Commission. JLBC Staff recommends that these be special line items, with the unexpended balances reverting to the General Fund.	
o General Inflation	1,200
o Travel Rate Adjustments	700

JLBC Staff Recommended Policy Issues

o <u>In-State Travel & Other Operating Expenses</u> - JLBC Staff recommends reducing funding for In-State Travel by $2,000 and funding for Other Operating Expenditures by $2,000.	(4,000)
o <u>Professional & Outside Services</u> - JLBC Staff recommends the elimination of funding for Professional and Outside Services.	(400)
o <u>Relocation</u> - JLBC Staff and the Executive recommend funding for the Commission's office relocation. The Executive recommends $5,000, while JLBC Staff analysis estimates relocation costs would be less than $3,000. JLBC Staff also recommends that this be a special line item, with the unexpended balance reverting to the General Fund.	3,000

Other Issues for Legislative Consideration

- Consolidation of Agencies - The Arizona Cost Efficiency Commission Report (ACEC) recommends that the Oil & Gas Conservation Commission be consolidated with the Department of Mines & Mineral Resources and the Energy Development & Utilization Division of the Department of Commerce. ACEC estimates that two to three positions could potentially be eliminated for a savings of $75,000 to $100,000.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	153.85	154.85	199.00	163.85	156.85	
BY PROGRAM/ORGANIZATION						
ADMINISTRATIVE & SPRT SVC	5,243,500	5,703,100	8,115,000	6,227,600	5,851,100	
AORCC-PROJECT ADMIN	2,771,800	3,269,500	4,088,700	4,082,500	1,908,900	
A G E N C Y T O T A L	8,015,300	8,972,600	12,203,700	10,310,100	7,760,000	
OPERATING BUDGET						
PERSONAL SERVICES	3,179,000	3,298,200	4,182,800	3,585,700	3,364,800	
EMPLOYEE RELATED EXP	777,800	945,000	1,604,700	1,047,600	992,600	
PROFESSIONAL/OUTSIDE SVC	192,600	58,100	143,100	63,100	63,100	
TRAVEL - IN STATE	53,200	46,200	97,500	66,200	54,300	
TRAVEL - OUT OF STATE	10,400	1,500	16,200	10,900	10,900	
OTHER OPERATING EXP	1,278,800	1,304,300	1,653,400	1,497,200	1,470,200	
EQUIPMENT	172,100	231,400	717,100	299,300	224,800	
ALL OTHER OPERATING	1,707,100	1,641,500	2,627,300	1,936,700	1,823,300	
OPERATING SUBTOTAL	5,663,900	5,884,700	8,414,800	6,570,000	6,180,700	
SPECIAL LINE ITEMS						
BOAT ENFORCE SAFETY FUND	356,900	394,000	413,700	413,700	413,700	
ST LAKE IMPROVEMENT FUND	1,994,500	2,508,000	3,203,100	3,203,100	1,042,300	
KARTCHNER CAVERNS	0	55,100	0	0	0	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
GATLIN STATE PARK	0	15,000	0	0	0	
STATE TRUST LAND LEASES	0	115,800	172,100	123,300	123,300	
SPECIAL ITEM SUBTOTAL	2,351,400	3,087,900	3,788,900	3,740,100	1,579,300	
A G E N C Y T O T A L	8,015,300	8,972,600	12,203,700	10,310,100	7,760,000	
BY FUND SOURCE						
GENERAL FUND	5,243,500	5,703,100	8,115,000	6,227,600	5,851,100	
OTHER FUNDS	2,771,800	3,269,500	4,088,700	4,082,500	1,908,900	
FEDERAL FUNDS	1,185,900	1,095,800	935,800	0	935,800	
OTHER NON APPROPRIATED	167,100	135,100	142,300	0	142,300	
AGENCY TOTAL-ALL SOURCES	9,368,300	10,203,500	13,281,800	10,310,100	8,838,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: ADMINISTRATIVE & SPRT SVC

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	147.35	148.35	190.50	155.35	148.35	
OPERATING BUDGET						
PERSONAL SERVICES	2,990,400	3,103,600	3,947,800	3,344,100	3,130,900	
EMPLOYEE RELATED EXP	740,100	899,400	1,527,500	983,200	933,400	
PROFESSIONAL/OUTSIDE SVC	89,300	5,000	85,000	5,000	5,000	
TRAVEL - IN STATE	41,600	34,700	80,600	49,300	37,300	
TRAVEL - OUT OF STATE	4,600	1,500	9,900	4,600	4,600	
OTHER OPERATING EXP	1,205,700	1,241,600	1,581,900	1,425,700	1,398,800	
EQUIPMENT	171,800	231,400	710,200	292,400	217,800	
ALL OTHER OPERATING	1,513,000	1,514,200	2,467,600	1,777,000	1,663,500	
OPERATING SUBTOTAL	5,243,500	5,517,200	7,942,900	6,104,300	5,727,800	
SPECIAL LINE ITEMS						
KARTCHNER CAVERNS	0	55,100	0	0	0	
GATLIN STATE PARK	0	15,000	0	0	0	
STATE TRUST LAND LEASES	0	115,800	172,100	123,300	123,300	
SPECIAL ITEM SUBTOTAL	0	185,900	172,100	123,300	123,300	
P R O G R A M T O T A L	5,243,500	5,703,100	8,115,000	6,227,600	5,851,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: ADMINISTRATIVE & SPRT SVC
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	5,243,500	5,703,100	8,115,000	6,227,600	5,851,100	
FEDERAL FUNDS	1,185,900	1,095,800	935,800	0	935,800	
OTHER NON APPROPRIATED	167,100	135,100	142,300	0	142,300	
PROGRAM TOTAL-ALL SOURCES	6,596,500	6,934,000	9,193,100	6,227,600	6,929,200	

DEPARTMENT: STATE PARKS BOARD - GENERAL FUND
COST CENTER: ADMIN. & SUPPORT SERVICES

The JLBC Staff recommends a total appropriation of $5,851,100 -- a net increase of $148,000, or 2.6%, to the original FY 1989 appropriation.

Baseline Budget Changes

o Completion of one-time Gatlin Study	$ (15,000)
o Replacement Equipment	(13,600)
o All Other	(3,100)
o Personal Services/ERE Adjustments, including a vacancy factor of 2.0%	6,200
o ERE Rate Adjustments	26,400
o State Trust Land Leases	7,500
o Operating Adjustment to Recognize New Park Openings	100,000
o General Inflation	39,600

JLBC Staff Recommended Policy Issues

JLBC Staff recommends no change to the Baseline Budget.

Other Issues for Legislative Consideration

- o Vacancy Savings - As an alternative to reduce the agency's appropriation, a vacancy rate of 6% could be imposed. The savings would be $158,000. The greatest impact would be to severely reduce the number of Seasonal Park Attendants that are hired during the busy season at each park. In addition, employees would earn compensatory time-off instead of being paid for their overtime hours. The Arizona Cost Efficiency Commission recommended that the Parks Board conduct a resource management study to determine the optimum distribution of its resources between the parks. As the Parks Board implements this study, the impact of the vacancy savings increase may be lessened.

- o Replacement Equipment - Another alternative to reduce the appropriation would be to cut replacement equipment funding by one-third, or approximately $76,000. The effect would be to defer the purchase of equipment needed in the parks, including pickup trucks, portable radios, and evaporative coolers.

- o Compliance With Environmental and Health Regulations - The Executive recommends $55,100 and one Environmental Engineer FTE position. The engineer would see that existing and future park developments comply with increasingly complex federal and state environmental regulations. In addition, the new employee would work to streamline capital project design and management.

- Support Staff for the Phoenix Office - The Executive recommends $47,900 and two clerical FTE positions. The positions would manage the Parks Acquisition and Development Fund, the Publications Revolving Fund, and growing purchasing and payroll needs. Currently, higher-paid professional staff are forced to assume these clerical duties.

- Homolovi Ruins State Park Opening - The Executive recommends $57,500 and two FTE positions for Homolovi Ruins State Park. The new employees would augment the current park staff of 4.5 FTE. The initial phase of capital development at the park is scheduled to be completed in 1990, so at that time the park could be opened for unrestricted public visitation.

- Kartchner Caverns Development - The Executive recommends $100,400 and two FTE positions. The park is still in the development phase, so the employees would provide security and work on initial planning projects.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AORCC-PROJECT ADMIN

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: MILLER
SENATE SUBCOMMITTEE CHAIR: CORBET

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	6.50	6.50	8.50	8.50	8.50	
OPERATING BUDGET						
PERSONAL SERVICES	188,600	194,600	235,000	241,600	233,900	
EMPLOYEE RELATED EXP	37,700	45,600	77,200	64,400	59,200	
PROFESSIONAL/OUTSIDE SVC	103,300	53,100	58,100	58,100	58,100	
TRAVEL - IN STATE	11,600	11,500	16,900	16,900	17,000	
TRAVEL - OUT OF STATE	5,800	0	6,300	6,300	6,300	
OTHER OPERATING EXP	73,100	62,700	71,500	71,500	71,400	
EQUIPMENT	300	0	6,900	6,900	7,000	
ALL OTHER OPERATING	194,100	127,300	159,700	159,700	159,800	
OPERATING SUBTOTAL	420,400	367,500	471,900	465,700	452,900	
SPECIAL LINE ITEMS						
BOAT ENFORCE SAFETY FUND	356,900	394,000	413,700	413,700	413,700	
ST LAKE IMPROVEMENT FUND	1,994,500	2,508,000	3,203,100	3,203,100	1,042,300	
SPECIAL ITEM SUBTOTAL	2,351,400	2,902,000	3,616,800	3,616,800	1,456,000	
P R O G R A M T O T A L	2,771,800	3,269,500	4,088,700	4,082,500	1,908,900	
BY FUND SOURCE						
OTHER FUNDS	2,771,800	3,269,500	4,088,700	4,082,500	1,908,900	
PROGRAM TOTAL-ALL SOURCES	2,771,800	3,269,500	4,088,700	4,082,500	1,908,900	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AORCC-PROJECT ADMIN.

The JLBC Staff recommends a total appropriation of $1,908,900 -- a net decrease of $(1,360,600), or (41.6)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o Completion of River Study and Guidebook	$ (50,000)
o Personal Services/ERE Adjustments	(2,400)
o ERE Rate Adjustments	3,700
o General Inflation	1,500
o All Other	9,500

The following projects as recommended by the Arizona Outdoor Recreation Coordinating Commission (AORCC):

State Lake Improvement Fund

Applicant	Project Title	Recommendation
La Paz County Parks	Lagoon Improvements	138,250
Maricopa County (Sheriff)	Patrol Boat & Multi-Agency Boat Storage	84,302
Lake Havasu City Police	Boat & Communications Equipment	52,370
Maricopa County Parks	Lake Pleasant Floating Restrooms	96,577
Maricopa County (Sheriff)	New Flight Pad Lighting at 4 Lakes	103,191
Mohave County (Sheriff)	Two Watercraft, Communications, SCUBA Equip.	140,000
Maricopa County (Sheriff)	Radio Repeater Station (Bronco Butte)	162,700
Mohave County Parks	Davis Camp Phase II Improvements	264,920
	Total	$1,042,300

In addition, AORCC has recommended that $2,160,800 be appropriated from the State Lake Improvement Fund for State agency capital projects ($1,947,800 for the State Parks Board and $213,000 for the Game and Fish Department). JLBC Staff concurs with this recommendation, and has included the funds in our Capital Outlay recommendation. The overall JLBC State Lake Improvement Fund recommendation for AORCC projects is $3,203,100.

Boating Law Enforcement Safety Fund

Applicant	Scope	Recommendation
Coconino County Sheriff	Salaries (2 officers); O & M	$ 73,185
La Paz County Sheriff	Salaries (4 officers)	135,965
Mohave County Sheriff	Salaries (4 officers-2 full; 2 part);Training; O&M	71,671
Navajo County Sheriff	SCUBA & Boat Equipment	26,462
Yuma County Sheriff	Salaries (3 officers); Training	86,717
County Adjustments		19,700
	Total Recommended	$ 413,700

JLBC Staff Recommended Policy Issues

- Grants Coordinator - JLBC Staff recommends $33,800 and one FTE position to coordinate increasing grant activity for State Lake Improvement and Boating Safety projects. A recent recalculation of the gasoline tax distribution has brought about a 75% increase in the annual amount available for State Lake Improvement grants. In addition, the Arizona Outdoor Recreation Coordinating Commission (AORCC) has directed that staff place more emphasis on Boating Law Enforcement Safety Fund grants to counties. 33,800

- Handicapped Access Study - JLBC Staff recommends $25,000 for a study and inventory of State recreational facilities that are accessible to the handicapped. Such information is currently not available to the public. The study would cost $50,000 in total, with $25,000 provided by federal matching funds. The study would determine what types of handicapped accommodations exist, are needed, and are feasible in the future. 25,000

- Rivers and Wetlands Conservation - JLBC Staff recommends $64,300 and one FTE position to begin implementing the rivers and wetlands policy recommendations of the Statewide Comprehensive Outdoor Recreation Plan. The position would educate and promote coordination between the many groups that affect our wetlands (i.e. federal, state, local, and tribal governments, manufacturers, agricultural interests, sporting clubs). In addition, the position would assist in planning for the future water recreation needs of the population of Arizona. 64,300

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	223.20	223.20	258.20	238.20	237.20	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	3,450,600	3,545,600	4,163,600	3,798,400	3,721,300	
ENGINEERING	2,883,100	3,114,100	3,506,500	3,293,700	3,128,100	
WATER MANAGEMENT	4,558,800	4,956,600	5,444,000	5,011,000	4,898,700	
A G E N C Y T O T A L	10,892,500	11,616,300	13,114,100	12,103,100	11,748,100	
OPERATING BUDGET						
PERSONAL SERVICES	5,735,300	6,140,700	7,096,300	6,767,900	6,613,200	
EMPLOYEE RELATED EXP	1,098,200	1,426,300	2,075,500	1,604,500	1,459,000	
PROFESSIONAL/OUTSIDE SVC	544,900	786,700	852,900	829,000	825,800	
TRAVEL - IN STATE	193,800	206,800	304,100	270,300	256,400	
TRAVEL - OUT OF STATE	43,900	25,400	33,600	28,700	29,100	
OTHER OPERATING EXP	2,166,200	2,017,700	2,267,100	2,157,300	2,169,800	
EQUIPMENT	47,400	2,700	39,800	600	0	
ALL OTHER OPERATING	2,996,200	3,039,300	3,497,500	3,285,900	3,281,100	
OPERATING SUBTOTAL	9,829,700	10,606,300	12,669,300	11,658,300	11,353,300	
SPECIAL LINE ITEMS						
USGS COOPERATIVE	299,800	219,600	278,400	278,400	228,400	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FLOODWARNING	100,000	100,000	104,000	104,000	104,000	
FLOOD CONTROL PLANS DEV.	59,900	60,000	62,400	62,400	62,400	
ENVIRONMENTAL QUALITY	413,200	454,600	0	0	0	
GROUNDWATER RECHARGE	157,600	175,800	0	0	0	
MOVING EXPENSE	32,300	0	0	0	0	
SPECIAL ITEM SUBTOTAL	1,062,800	1,010,000	444,800	444,800	394,800	
A G E N C Y T O T A L	10,892,500	11,616,300	13,114,100	12,103,100	11,748,100	
BY FUND SOURCE						
GENERAL FUND	10,892,500	11,616,300	13,114,100	12,103,100	11,748,100	
FEDERAL FUNDS	96,700	101,900	0	0	0	
OTHER NON APPROPRIATED	753,900	125,000	120,000	0	120,000	
AGENCY TOTAL-ALL SOURCES	11,743,100	11,843,200	13,234,100	12,103,100	11,868,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ADMINISTRATION
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	47.00	47.00	55.00	49.00	49.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,291,200	1,392,700	1,613,600	1,507,700	1,460,600	
EMPLOYEE RELATED EXP	231,900	309,600	465,700	336,600	306,300	
PROFESSIONAL/OUTSIDE SVC	26,500	106,800	130,700	106,800	107,100	
TRAVEL - IN STATE	13,500	10,900	14,100	13,600	13,600	
TRAVEL - OUT OF STATE	14,000	7,400	7,700	7,400	7,700	
OTHER OPERATING EXP	1,818,700	1,718,200	1,926,300	1,826,300	1,826,000	
EQUIPMENT	22,500	0	5,500	0	0	
ALL OTHER OPERATING	1,895,200	1,843,300	2,084,300	1,954,100	1,954,400	
OPERATING SUBTOTAL	3,418,300	3,545,600	4,163,600	3,798,400	3,721,300	
SPECIAL LINE ITEMS						
MOVING EXPENSE	32,300	0	0	0	0	
SPECIAL ITEM SUBTOTAL	32,300	0	0	0	0	
P R O G R A M T O T A L	3,450,600	3,545,600	4,163,600	3,798,400	3,721,300	
BY FUND SOURCE						
GENERAL FUND	3,450,600	3,545,600	4,163,600	3,798,400	3,721,300	
PROGRAM TOTAL-ALL SOURCES	3,450,600	3,545,600	4,163,600	3,798,400	3,721,300	

DEPARTMENT: DEPARTMENT OF WATER RESOURCES
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $3,721,300 -- a net increase of $175,700, or 4.9%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (17,600)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	18,200
o General Inflation	36,200
o All Other	3,400

JLBC Staff Recommended Policy Issues

o Intradepartmental Transfers - The JLBC staff recommends the transfer of $81,600 and one position from Engineering. Also, the JLBC Staff recommends the transfer of $53,900 and one position from the Groundwater Recharge appropriation in the Water Management program. These transfers were recommended by the Executive.	135,500

Other Issues for Legislative Consideration

- Management Information System - A reduction of $20,000 can be achieved by eliminating certain repair and maintenance contracts for computer equipment.

- Legal Professional and Outside Services - A reduction of $25,000 can be achieved by eliminating contracts for private sector attorneys. This action may result in the Department being unable to prosecute or defend certain lawsuits.

- Reduction in Force - A reduction of $117,000 can be achieved by eliminating three positions in the area of Administrative Support. This action would result in increased workload for existing support staff.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ENGINEERING
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	58.50	58.50	72.00	69.00	68.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,517,400	1,652,400	2,070,200	2,031,100	1,968,900	
EMPLOYEE RELATED EXP	291,500	390,800	633,100	483,100	436,100	
PROFESSIONAL/OUTSIDE SVC	24,000	32,000	70,300	70,300	68,300	
TRAVEL - IN STATE	84,900	97,800	142,500	136,600	126,600	
TRAVEL - OUT OF STATE	16,100	8,500	12,100	11,800	11,600	
OTHER OPERATING EXP	75,000	98,400	117,900	115,400	121,800	
EQUIPMENT	1,300	0	15,600	600	0	
ALL OTHER OPERATING	201,300	236,700	358,400	334,700	328,300	
OPERATING SUBTOTAL	2,010,200	2,279,900	3,061,700	2,848,900	2,733,300	
SPECIAL LINE ITEMS						
USGS COOPERATIVE	299,800	219,600	278,400	278,400	228,400	
FLOODWARNING	100,000	100,000	104,000	104,000	104,000	
FLOOD CONTROL PLANS DEV.	59,900	60,000	62,400	62,400	62,400	
ENVIRONMENTAL QUALITY	413,200	454,600	0	0	0	
SPECIAL ITEM SUBTOTAL	872,900	834,200	444,800	444,800	394,800	
P R O G R A M T O T A L	2,883,100	3,114,100	3,506,500	3,293,700	3,128,100	

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ENGINEERING
JLBC ANALYST: FLANDERS
HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
BY FUND SOURCE						
GENERAL FUND	2,883,100	3,114,100	3,506,500	3,293,700	3,128,100	
FEDERAL FUNDS	88,600	101,900	0	0	0	
PROGRAM TOTAL-ALL SOURCES	2,971,700	3,216,000	3,506,500	3,293,700	3,128,100	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF WATER RESOURCES
COST CENTER: ENGINEERING

The JLBC Staff recommends a total appropriation of $3,128,100 -- a net increase of $14,000, or 0.4%, to the original FY 1989 appropriation.

Baseline Budget Changes

o ERE Rate Adjustments	$ (24,800)
o Personal Services/ERE Adjustments, including a vacancy factor of 1.0%	33,500
o Travel Rate Adjustment	17,100
o General Inflation	5,100
o Annualization -- Classification Maintenance Review Items	13,600
o All Other	20,600

JLBC Staff Recommended Policy Issues

- o Intra-departmental Transfers - The JLBC Staff recommends the transfer-out of $54,300 and one position to the Administration program and 0.5 position to the Water Management program. Recommended, also, is the transfer-in of $44,000 and one position from the Groundwater Recharge appropriation in the Water Management program and the transfer-out of $27,600 from the Environmental Quality appropriation to the Administration program. In addition, the JLBC staff recommends a decrease of $13,200 for excess funding in the base. JLBC Staff recommends that $429,700 and 10 FTE positions, appropriated last year as a special line item, be moved above the line to the operating budget. (51,100)

Other Issues for Legislative Consideration

- o Water Management Compliance - The Executive recommends an additional $50,000 in funding for the United States Geological Survey (USGS) cooperative agreement to monitor water management compliance. The funding would allow the department to replace four stream gages used in the Gila River adjudication process. The four gages had previously been eliminated due to funding cutbacks.

- o Safety of Dams - The Executive recommendation provides $45,500 for one additional position and related costs to increase the frequency of dam inspections. Arizona Revised Statutes 45-1217, 1218, and 1219, amended in 1987, resulted in added responsibilities in the Dam Safety section. JLBC Staff analysis indicates that the cost of this policy issue is $45,100.

- o Floodplain Management - A reduction of $59,300 can be achieved by eliminating a technical position. This could delay completion of flood control projects, such as flood plain mapping and installation of flood warning projects.

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: WATER MANAGEMENT

JLBC ANALYST: FLANDERS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GILLESPIE

DESCRIPTION	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUESTED	FY 1990 EXEC REC	JLBC STAFF RECOMMENDED	LEGISLATIVE WORK AREA
FULL TIME EQUIVALENT POS.	117.70	117.70	131.20	120.20	120.20	
OPERATING BUDGET						
PERSONAL SERVICES	2,926,700	3,095,600	3,412,500	3,229,100	3,183,700	
EMPLOYEE RELATED EXP	574,800	725,900	976,700	784,800	716,600	
PROFESSIONAL/OUTSIDE SVC	494,400	647,900	651,900	651,900	650,400	
TRAVEL - IN STATE	95,400	98,100	147,500	120,100	116,200	
TRAVEL - OUT OF STATE	13,800	9,500	13,800	9,500	9,800	
OTHER OPERATING EXP	272,500	201,100	222,900	215,600	222,000	
EQUIPMENT	23,600	2,700	18,700	0	0	
ALL OTHER OPERATING	899,700	959,300	1,054,800	997,100	998,400	
OPERATING SUBTOTAL	4,401,200	4,780,800	5,444,000	5,011,000	4,898,700	
SPECIAL LINE ITEMS						
GROUNDWATER RECHARGE	157,600	175,800	0	0	0	
SPECIAL ITEM SUBTOTAL	157,600	175,800	0	0	0	
P R O G R A M T O T A L	4,558,800	4,956,600	5,444,000	5,011,000	4,898,700	
BY FUND SOURCE						
GENERAL FUND	4,558,800	4,956,600	5,444,000	5,011,000	4,898,700	
FEDERAL FUNDS	8,100	0	0	0	0	
OTHER NON APPROPRIATED	753,900	125,000	120,000	0	120,000	
PROGRAM TOTAL-ALL SOURCES	5,320,800	5,081,600	5,564,000	5,011,000	5,018,700	

Joint Legislative Budget Committee - Fiscal Year 1990 Budget Recommendations

DEPARTMENT: DEPARTMENT OF WATER RESOURCES
COST CENTER: WATER MANAGEMENT

The JLBC Staff recommends a total appropriation of $4,898,700 -- a net decrease of $(57,900), or (1.2)%, from the original FY 1989 appropriation.

Baseline Budget Changes

o	ERE Rate Adjustments	$ (29,100)
o	Personal Services/ERE Adjustments, including a vacancy factor of 1.5%	11,000
o	Travel Rate Adjustment	17,100
o	General Inflation	9,100
o	Annualization -- Classification Maintenance Review Items	29,000
o	All Other	3,400

JLBC Staff Recommended Policy Issues

- o Intradepartmental Transfers - The JLBC Staff recommends that two FTE positions and $76,600 appropriated for the special line item, "Groundwater Recharge," be moved above the line to the operating budget. It is also recommended that the remaining Groundwater Recharge funds be transferred to other programs. The Administration program would receive one FTE position and $54,300 and the Engineering program would receive one FTE position and $44,100. A 0.5 FTE position would be transferred from the Engineering program to Water Management. (98,400)

Other Issues for Legislative Consideration

- o Adjudications - A reduction of $72,600 can be achieved by eliminating a position and operating costs associated with investigation of water claims in the Verde and Little Colorado River areas. This action will extend the investigations for the projects.

- o Statewide Planning - A reduction of $57,800 can be achieved by eliminating a position associated with the statewide planning activity. This action will adversely impact the development and maintenance of a data base of users and contracts for Colorado River Water.

SUMMARY:

The JLBC Staff Recommendation is composed of two elements: (I) A "formula-driven" appropriation for Building Renewal, for which $11,421,200 is recommended; and (II) Construction Project appropriations for new construction, renovations, or expansions, for which $16,692,200 is recommended. The JLBC Staff Recommendation is consistent with the process and priorities for capital outlay which were established in Chapter 85, Laws of 1986. This act: (1) established a Joint Committee on Capital Review; (2) requires a Building Renewal Formula to fund major maintenance and repair; and (3) requires the annual preparation of detailed, 5-year Capital Improvement Plans.

I. MAJOR MAINTENANCE AND REPAIR OF BUILDINGS - FORMULA FUNDING

The JLBC Staff recommends $11,421,200 for major maintenance and repair of state owned buildings. The recommendation is based upon 50 percent support of a formula which takes into account the replacement value, age, and life-cycle of a building as prescribed by Chapter 85, Laws of 1986. The building value and age information used to generate the recommendation was taken from building inventory costs provided by the Department of Administration and the Board of Regents Staff. This formula, when adhered to, will guarantee that adequate monies are made available to properly maintain state facilities. The recommendation by building system is shown below:

	FY 1990 Executive Recommendation	FY 1990 JLBC Staff Recommendation
Building System:		
1. Administration, Department of	$ 4,606,300	$ 4,606,000
2. Board of Regents	5,172,000	6,815,200
(Regents matching funds)	3,286,400	-0-
TOTAL	$ 13,064,700	$ 11,421,200
Fund Source:		
1. Highway User Revenue Fund	$ 881,700	$ 882,000
2. Coliseum & Exposition Center Fund	388,500	389,000
3. Game and Fish Fund	87,000	87,000
4. Industrial Commission Special Fund	26,400	26,000
5. State Aeronautics Fund	19,200	19,000
6. Retirement System Administration Fund	11,900	12,000
7. State Compensation Fund	4,400	4,000
8. State Lottery Fund	3,000	3,000
9. State General Fund	8,356,200	9,999,200
10. Regents Matching Contribution	3,286,400	-0-
TOTAL	$ 13,064,700	$ 11,421,000

MAJOR MAINTENANCE AND REPAIR OF BUILDINGS - USE OF FUNDS

The amount recommended is intended for major maintenance and repair activities that involve the repair and reworking of a building, including the upgrading of systems which will result in maintaining a building's expected useful life. The funds may not be used for the following project types: 1) new construction, 2) area beautification, 3) infrastructure, 4) routine maintenance, 5) new paving, 6) resurfacing of an area that was not capitalized as part of the original cost of a building, and 7) demolition and removal of a building. In addition, funds may not be used for a maintenance project involving a building not on the inventory list.

II. STATE FACILITIES

(A) PLANNING FOR CONSTRUCTION OF STATE FACILITIES

The JLBC Staff recommends the sum of $1,775,000 be appropriated for FY 1990 from the General Fund to the Department of Administration for the following purposes:

1. Architectural, Engineering and Professional Services Fees.
   (a) 100,000 - West Annex Rehabilitation
   (b) 175,000 - Elevator Improvement Professional Services

(B) SPECIFIC CONSTRUCTION AND RENOVATION PROJECTS (HIGHLIGHTS)

1. Arizona Historical Society
   (a) 190,000 - Fire Protection, Tucson Museum...(page 9)

2. Arizona School for the Deaf and Blind
   (a) 326,400 - Remodel Classroom Building A, Phoenix Campus...(page 12)

3. Corrections, Department of
   (a) 1,243,000 - Fire and Life Safety projects at Florence...(page 16)
   (b) 872,000 - Renovation of Auditorium at Florence..(page 16)
   (c) 777,000 - Perimeter Electronic Detection System at Perryville...(page 16)
   (d) 767,000 - Cell Door Emergency Locks at Adobe Mountain...(page 16)
   (e) 143,000 - Surface Water Improvements at Fort Grant...(page 17)
   (f) 170,000 - Natural Gas Distribution System at Fort Grant...(page 18)
   (g) 1,300,000 - Kitchen/Dining Building at Adobe Mountain...(page 18)

4. Economic Security, Department of
   (a) 203,800 - Multi-Service Center Expansion at Winslow...(page 47)

5. Emergency and Military Affairs
   (a) 256,000 - Land Acquisition for Payson Armory...(page 49)
   (b) 270,100 - Roadway Repair at Marana Western Site...(page 49)

6. Health Services, Department of
   (a) 149,000 - Expansion/Remodel at Southern Arizona Medical Health Center...(page 52)

7. Public Safety, Department of
   (a) 282,000 - Expansion at Phoenix University Station Facility...(page 55)
   (b) 150,000 - Renovation of Computer Operations Center, Phoenix...(page 55)

8. State Parks Board
   (a) 100,000 - Stabilization at Homolovi Ruins...(page 59)
   (b) 152,000 - Site Improvements at Yuma Quartermaster Depot...(page 58)
   (c) 117,000 - Design Fees for Slide Rock Visitor Center...(page 58)
   (d) 376,000 - Development of a Water System at Homolovi Campgrounds...(page 58)

9. Game and Fish Department
   (a) 100,000 - Statewide Facilities Maintenance and Repair...(page 62)
   (b) 450,000 - Hatchery Renovations and Improvements...(page 62)
   (c) 100,000 - Migratory Waterfowl Habitat...(page 62)

10. Transportation, Department of
   (a) 2,210,300 - Renovation of Smith Pipe and Steel...(page 63)
   (b) 1,077,600 - Design Fees for Tucson Regional Service Center...(page 63)
   (c) 118,000 - Building Relocations at Prescott Maintenance Yard...(page 63)
   (d) 305,500 - Construction of New Equipment Shop at Prescott...(page 63)
   (e) 450,000 - Modular Wall Systems at Phoenix Headquarters...(page 63)
   (f) 901,200 - Design and Construction of New Yuma Service Center...(page 63)
   (g) 125,000 - Water System for the Page Facility...(page 63)
   (h) 300,000 - Fuel Tank Upgrade Statewide...(page 63)

The table below compares the Capital Improvement Plans submitted by each agency to the recommendations of the Governor and the JLBC Staff:

SUMMARY OF REQUESTS AND RECOMMENDATIONS

GENERAL FUND	FY 1990 CAPITAL IMPR. PLAN	FY 1990 EXECUTIVE REC.	JLBC STAFF PRELIMINARY REC.	FY 1990 LEGISLATIVE WORK SPACE
o Administration, Department of	$ 11,500,000	$ 1,650,000	$ 275,000	
o Agriculture & Horticulture Commission	146,900	19,500	12,000	
o Arizona Historical Society	590,000	190,000	240,000	
o Arizona Pioneers' Home	15,400	-0-	15,400	
o Arizona School for the Deaf & Blind	1,909,400	-0-	326,400	
o Building & Fire Safety, Department of	55,000	55,000	-0-	
o Corrections, Department of	35,218,000	1,242,000	5,272,000	
o Community Colleges, AZ State Board of	21,899,910	-0-	-0-	
o Economic Security, Department of	19,174,300	-0-	288,800	
o Environmental Quality, Department of	50,000	-0-	-0-	
o Emergency Services and Military Affairs	2,696,100	1,152,500	537,500	
o Formula - Building Renewal - Agencies	6,368,400	3,184,200	3,184,000	
o Formula - Building Renewal - Regents	13,630,400	5,172,000	6,815,200	
o Health Services, Department of	13,510,300	-0-	335,700	
o Prescott Historical Society	312,000	25,000	67,000	
o Public Safety, Department of	4,261,000	1,100,000	472,000	
o Regents, Arizona Board of	1,000,000	-0-	-0-	
o State Parks Board	2,336,000	270,000	775,000	
o Tourism, Office of	688,100	-0-	-0-	
o Veterans' Service Commission	-0-	29,400	-0-	
TOTAL - GENERAL FUND	$135,361,210	$ 14,089,600	$ 18,616,000	
AGENCY AND OTHER FUNDS			* Ch. 275, Laws of 1988	
Corrections, Department of	$ 37,390,000	$ 71,394,000	$ 18,513,000*	
Game and Fish Department	665,000	665,000	637,000	
Transportation, Department of	5,490,615	5,490,600	5,490,600	
Arizona State Parks Board	1,947,800	2,027,800	2,160,800	
Regents Matching Funds - Building Renewal	-0-	3,286,400	-0-	
TOTAL - AGENCY AND OTHER FUNDS	$ 45,493,415	$ 82,863,800	$ 26,801,400	
TOTAL - ALL FUNDS	$180,854,625	$ 96,953,400	$ 45,417,400	

B. Major Maintenance and Repair of Buildings - Use of Funds

The amount recommended is intended for major maintenance and repair activities that involve the repair and reworking of a building, including the upgrading of systems which will result in maintaining a building's expected useful life. The funds may not be used for the following project types: 1) new construction, 2) area beautification, 3) infrastructure, 4) routine maintenance, 5) new paving, 6) resurfacing of an area that was not capitalized as part of the original cost of a building, and 7) demolition and removal of a building. In addition, funds may not be used for a maintenance project involving a building not on the inventory list.