ANNUAL BUDGET

FY 1993

ANALYSIS AND RECOMMENDATIONS

JLBC

Prepared By:

THE STAFF OF THE

JOINT LEGISLATIVE BUDGET COMMITTEE

STATE OF ARIZONA

JANUARY 22, 1992

This document is designed to be used in conjunction with the Summary of Recommendations and Economic and Revenue Forecast.

Information presented in the Summary volume has not been repeated in this document.

ALPHABETICAL INDEX OF STATE AGENCIES WITH DEPARTMENT NUMBER REFERENCE

Dept. No.		Page No.
0352	Accountancy, State Board of	IR-99
0101	Administration, Department of	GG-1
	Capital Budget	CB-14
0302	Agricultural Employment Rel. Bd.	IR-1
0304	Agriculture, AZ Department of	IR-4
0201	AHCCCS	HW-1
0119	Appel. & Trl Crt Appt, Comm on.	GG-71
0353	Appraisal, State Board of	IR-101
0434	Arizona State University-Main	ED-48
0438	Arizona State University-West	ED-53
0402	Arts, AZ Commission on the	ED-1
0105	Attorney General - Dept. of Law	GG-35
0150	Auditor General	GG-84
0308	Banking Department, State	IR-19
0354	Barbers, Board of	IR-103
0355	Behavioral Health Exam., Bd. of.	IR-105
0356	Boxing Commission, AZ State	IR-107
0310	Building & Fire Safety, Dept. of	IR-22
0315	Building Safety, Department of	IR-26
0358	Chiropractic Examiners, St. Bd. of	IR-110
0110	Coliseum & Expo. Center Bd, AZ	GG-46
0113	Commerce, Department of	GG-48
0408	Community Coll., St.Bd. of Dir. for	ED-4
0314	Contractors, Registrar of	IR-24
0316	Corporation Commission	IR-29
0520	Corrections, State Department of	PS-1
	Capital Budget	CB-21
0360	Cosmetology, Board of	IR-112
0116	Court of Appeals, Div. I	GG-63
0116	Court of Appeals, Div. II	GG-65
0530	Criminal Justice Commission, AZ	PS-20
0414	Deaf & Blind, AZ St. Sch. for the	ED-9
0362	Dental Examiners, State Board of	IR-114
0209	Economic Security, Department of	HW-32
	Capital Budget	CB-16
0418	Education, Department of	ED-20
0550	Emer. & Military Affairs, Dept of	PS-23
	Capital Budget	CB-17
0705	Environment, Comm. on the AZ	NR-1
0215	Environmental Quality, Dept.of	HW-72
0366	Funeral Dir. & Emb., St. Bd. of	IR-116
0720	Game and Fish Department, AZ	NR-3
	Capital Budget	CB-23
0730	Geological Survey, Arizona	NR-14
0125	Governor - Office of the	GG-72
0104	Gov's Ofc. of Affirmative Action	GG-74
0127	Gov's Ofc. of Strat. Plng. & Budtg	GG-76
0235	Health Services, Department of	HW-76
	Capital Budget	CB-18
0244	Hearing Impaired, AZ Cncl for the	HW-101
0422	Historical Society, Arizona	ED-40
	Capital Budget	CB-15
0424	Historical Society of AZ, Prescott	ED-42
0368	Homeopathic Med. Exam., Bd. of	IR-118
0150	House of Representatives	GG-81
0250	Indian Affairs, AZ Commission of	HW-103
0324	Industrial Commission of AZ	IR-46
0328	Insurance, Department of	IR-64
0150	Jt. Legislative Budget Committee	GG-83
0118	Judicial Conduct, Comm. on	GG-70
0740	Land Department, State	NR-17
0130	Law Enforce. Merit Sys. Council	GG-78
0150	Legislative Council	GG-82
0150	Lib., Arch. & Pub. Rec., Dept of	GG-85
0332	Liquor Licenses & Ctrl., Dept. of	IR-68
0160	Lottery Commission, AZ State	GG-88
0370	Medical Examiners, Board of	IR-120
0426	Medical Students Loans, Board of	ED-44
0338	Mine Inspector, State	IR-71
0750	Mines & Mineral Res., Dept. of	NR-20
0372	Naturopathic Phys. Bd. of Ex., St.	IR-123
0440	Northern Arizona University	ED-57
0374	Nursing, State Board of	IR-125
0376	Nursing Care Inst. Admin., Bd. of	IR-128
0340	Occup. Sfty. & Hlth. Review Bd	IR-73
0377	Occup. Therapy Exam., Bd. of	IR-130
0378	Opticians, St. Board of Dispensing	IR-132
0380	Optometry, State Board of	IR-134
0382	Osteopathic Examiners, AZ Bd. of	IR-136
0570	Pardons and Paroles, Board of	PS-31
0770	Parks Board, AZ State	NR-23
	Capital Budget	CB-30
0165	Personnel Board	GG-92
0384	Pharmacy, AZ State Board of	IR-138
0386	Physical Therapy Exam., Board of	IR-141
0260	Pioneers' Home, Arizona	HW-105
0388	Podiatry Examiners, St. Board of	IR-143
0390	Priv. Postsecondary Ed., St.Bd. of	IR-145
0392	Psychologist Exam., St. Bd. of	IR-147
0580	Public Safety, Department of	PS-33
	Capital Budget	CB-19
0342	Racing, Arizona Department of	IR-74
0344	Radiation Regulatory Agency	IR-84
0265	Rangers' Pensions, Arizona	HW-107
0346	Real Estate Department, State	IR-91
0430	Regents, Arizona Board of	ED-45
0348	Residential Util. Consumer Office	IR-93
0393	Respiratory Care Exam., Bd. of	IR-149
0177	Retirement System, Arizona St.	GG-94
0179	Revenue, Department of	GG-98
0180	Secretary of State - Dept. of State	GG-122
0150	Senate	GG-80
0394	Structural Pest Control Comm	IR-151
0117	Superior Court	GG-67
0115	Supreme Court	GG-53
0188	Tax Appeals, State Board of	GG-125
0396	Technical Registration, St. Bd. of	IR-153
0191	Tourism, Office of	GG-127
0610	Transportation, Department of	TR-1
	Capital Budget	CB-25
0192	Treasurer, State	GG-130
0196	Uniform State Laws, Comm. on	GG-133
0450	University of AZ - Main Campus	ED-62
0455	University of AZ - College of Med	ED-67
0271	Veterans' Service Commission, AZ	HW-108
0398	Veterinary Med. Exam. Bd., AZ St	IR-156
0790	Water Resources, Department of	NR-32
0350	Weights and Measures, Dept. of	IR-95
0525	Youth Trtmt & Rehab., Dept. of	PS-49
	Capital Budget	CB-20

SENATE APPROPRIATIONS COMMITTEE
JAIME GUTIERREZ - Chairman
Subcommittee Assignments - 40th Legislature 1991-92

CRIMINAL JUSTICE	HEALTH/WELFARE	GENERAL GOVERNMENT	EDUCATION
BARTLETT, Chairman	ALSTON, Chairman	DOUGHERTY, Chairman	GUTIERREZ, Chairman
Members: Greene, Hardt, Gutierrez	Members: Day, Stephens, Gutierrez	Members: Ruiz, Salmon, Springer, Gutierrez	Members: Arzberger, Todd
Accountancy, Bd. of	Agricultural Empl. Rel. Bd.	ADMINISTRATION, DEPT. OF	Arts, Comm. on the
AGRICULTURE, DEPT. OF 1/	AHCCCS	DOA - Central Board Svcs.*	COMMUNITY COLLEGES
ATTORNEY GENERAL	Behav. Hlth. Exm., Bd. of	Affirmative Action, Gov's Ofc. of	DEAF & BLIND, SCHOOL FOR
Boxing Commission	Bldg. & Fire Sfty.	Appraisal, St. Bd. of 1/	EDUCATION, DEPT. OF (K-12)
Chiropractic Exam. Bd.	Coliseum & Expo. Ctr.	Auditor General	Geological Survey
Corporation Commission	Contractors, Registrar of	Banking Department	Historical Society, AZ
CORRECTIONS, DEPT. OF	Dental Exam. Bd.	Barber Exam. Bd.	Historical Society, Prescott
COURTS	ECONOMIC SECURITY, DEPT. OF	Commerce, Dept. of	Land Department
Appellate/Trial Court	Emer. & Mil. Affrs, Dept. of	Cosmetology, Bd. of	Medical Student Loans Bd.
Court of Appeals	Environment, Comm. on AZ.	Governor, Office of the	Mine Inspector
Jud. Conduct, Comm. on	ENVIRONMENTAL QUAL., DEPT OF	Gov's Ofc. of Strat. Plng. & Budtg	Mines & Mineral Res., Dept.
Superior Courts	Game & Fish Department	Insurance, Dept. of	Nursing Board
Supreme Court	HEALTH SERVICES, DEPT. OF	Joint Legislative Bud. Cmte.	Oil & Gas Conserv. Comm.
Criminal Justice Comm.	Hearing Impaired, Council	Legislative Council	Parks Board
Juvenile Corr., Dept. of	Indian Affairs, Comm. of	Library, Archives & Pub. Rec	Private Postsecond. Ed.
Law Enforce. Merit Syst.	Industrial Commission	Lottery Commission	Respiratory Care Exam. Bd.1/
Liquor Licenses & Control	Occup. Sfty & Hlth Rev. Bd.	Medical Exam., Bd. of	UNIVERSITIES
Pardons & Paroles, Bd. of	Occup. Therapy Ex., Bd. of1/	Osteopathic Exam. Bd.	ASU
Pharmacy Bd.	Pioneers' Home	Personnel Board	ASU-West
PUBLIC SAFETY, DEPT. OF	Rangers' Pension	Racing, Dept. of	NAU
Radiation Reg. Agency	Tax Appeals Board	Real Estate Department	Regents, Bd. of
Residential Util. Cnsmr Ofc.	Weights & Measures, Dept. of	Retirement System	U of A
Structural Pest Control Bd.		REVENUE, DEPT. OF	U of A/Medical College
Technical Registration, Bd. of		Secretary of State	WATER RESOURCES, DEPT. OF
		Senate/House	
		Tourism, Office of	
		TRANSPORTATION, DEPT. OF	
		Treasurer	
		Uniform State Laws, Comm. on	
		Veterans' Services Comm.	

1/ Indicates new department

*Board of Funeral Directors & Embalmers, Homeopathic Medical Examiners Board, Naturopathic Physicians Examiners Board, Nursing Care Institution Administrators Board, Dispensing Opticians Board, Board of Optometry, Physical Therapy Examiners Board, Board of Podiatry Examiners, Board of Psychologist Examiners, Veterinary Medical Examining Board.

Revised 1/24/92

HOUSE APPROPRIATIONS COMMITTEE
JOHN WETTAW - Chairman
Subcommittee Assignments - 40th Legislature 1991-92

CRIMINAL JUSTICE	HEALTH/WELFARE	GENERAL GOVERNMENT	EDUCATION
ESKESEN, Chairman	BARNES, Chairman	GERARD, Chairman	McCARROLL, Chairman
Members: Bob Burns, Pacheco, Wettaw	Members: McLendon, Schweikert, Wettaw	Members: Cajero, Cummiskey, Patterson, Wettaw	Members: Eden, Graham, Rosenbaum, Wettaw
Accountancy, Bd. of	Agricultural Empl. Rel. Bd.	ADMINISTRATION, DEPT. OF	Arts, Comm. on the
AGRICULTURE, DEPT. OF 1/	AHCCCS	DOA - Central Board Svcs.*	COMMUNITY COLLEGES
ATTORNEY GENERAL	Behav. Hlth. Exm., Bd. of	Affirmative Action, Gov's. Ofc. of	DEAF & BLIND, SCHOOL FOR
Boxing Commission	Bldg. & Fire Sfty.	Appraisal, St. Bd. of 1/	EDUCATION, DEPT. OF (K-12)
Chiropractic Exam. Bd.	Coliseum & Expo. Ctr.	Auditor General	Geological Survey
Corporation Commission	Contractors, Registrar of	Banking Department	Historical Society, AZ
CORRECTIONS, DEPT. OF	Dental Exam. Bd.	Barber Exam. Bd.	Historical Society, Prescott
COURTS	ECONOMIC SECURITY, DEPT. OF	Commerce, Dept. of	Industrial Commission
Appellate/Trial Court	Emer. & Mil. Affrs, Dept. of	Cosmetology, Bd. of	Land Department
Court of Appeals	Environment, Comm. on AZ.	Governor, Office of the	Medical Student Loans Bd.
Jud. Conduct, Comm. on	ENVIRONMENTAL QUAL.,DEPT OF	Gov's Ofc. of Strat. Plng & Budtg	Mine Inspector
Superior Courts	Game & Fish Department	Insurance, Dept. of	Mines & Mineral Res., Dept.
Supreme Court	HEALTH SERVICES, DEPT. OF	Joint Legislative Bud. Cmte.	Nursing Board
Criminal Justice Comm.	Hearing Impaired, Council	Legislative Council	Oil & Gas Conserv. Comm.
Juvenile Corr., Dept. of	Indian Affairs, Comm. of	Library, Archives & Pub. Rec	Parks Board
Law Enforce. Merit Syst.	Occup. Sfty & Hlth Rev. Bd.	Lottery Commission	Private Postsecond. Ed.
Liquor Licenses & Control	Occup. Therapy Ex., Bd. of1/	Medical Exam., Bd. of	Respiratory Care Exam. Bd.1/
Pardons & Paroles, Bd. of	Pioneers' Home	Osteopathic Exam. Bd.	UNIVERSITIES
Pharmacy Board	Rangers' Pension	Personnel Board	ASU
PUBLIC SAFETY, DEPT. OF	Tax Appeals Board	Racing, Dept. of	ASU-West
Radiation Reg. Agency	Weights & Measures, Dept. of	Real Estate Department	NAU
Structural Pest Control Bd.		Residential Util. Cnsmr Ofc.	Regents, Bd. of
Technical Registration,Bd of		Retirement System	U of A
		REVENUE, DEPT. OF	U of A/Medical College
		Secretary of State	WATER RESOURCES, DEPT. OF
		Senate/House	
		Tourism, Office of	
		TRANSPORTATION, DEPT. OF	
		Treasurer	
		Uniform State Laws, Comm. on	
		Veterans' Services Comm.	

1/ Indicates new department

*Board of Funeral Directors & Embalmers, Homeopathic Medical Examiners Board, Naturopathic Physicians Examiners Board, Nursing Care Institution Administrators Board, Dispensing Opticians Board, Board of Optometry, Physical Therapy Examiners Board, Board of Podiatry Examiners, Board of Psychologist Examiners, Veterinary Medical Examining Board.
Revised 1/24/92

DIRECTORY OF JLBC ANALYSTS AND AGENCY/DEPARTMENT HEADS

AGENCY/DEPT./BUDGET AREA	JLBC ANALYST	AGENCY/DEPARTMENT HEADS	TELEPHONE NUMBER
Accountancy, State Board of	Ebba de la Rosa	Ruth R. Lee	255-3648
Administration, Department of	Scot Pitcairn	Gerard W. Tobin	542-1500
Agricultural Employment Relations Board	Karen Bock	Maxine McCarthy	542-5989
Agriculture, Arizona Department of	Karen Bock	Keith Kelly	542-0998
Arizona Health Care Cost Containment System	Monty Headley	Leonard Kirschner	234-3655
Appellate & Trial Court Appointments, Comm. on	Jayne Burgess	Honorable Stanley G. Feldman	542-4532
Appraisal, State Board of	Michelle Fusak	Adriane Brown-White	542-1539
Arizona State University	Dan Layzell	Lattie Coor	965-5606
Arts, Arizona Commission on the	Ebba de la Rosa	Shelley Cohn	255-5882
Attorney General - Department of Law	Jayne Burgess	Honorable Grant Woods	542-4266
Auditor General	Dick Morris	Douglas R. Norton	255-4385
Banking Department, State	Monty Headley	Harold E. Feeney	255-4421
Barbers, Board of	Karen Bock	Mario Herrera	542-2701
Behavioral Health Examiners, Board of	Karen Bock	David Oake	542-1882
Boxing Commission, Arizona State	Lorenzo Martinez	John Montano	542-1417
Building & Fire Safety, Department of	Ebba de la Rosa	Eric Borg	255-4072
Chiropractic Examiners, State Board of	Ebba de la Rosa	Elaine Le Tarte	255-1444
Coliseum & Exposition Center Board, Arizona	Lorenzo Martinez	Gary D. Montgomery	252-6771
Commerce, Department of	Mark Siegwarth	Jim Marsh	280-1306
Community Colleges, State Board of Directors for	Dan Layzell	Wayne McGrath	255-4037
Contractors, Registrar of	Michelle Fusak	Michael P. Goldwater	542-1525
Corporation Commission	Monty Headley	Honorable Renz D. Jennings	542-4143
Corrections, State Department of	Dick Morris (1) Lorenzo Martinez (2)	Samuel A. Lewis	542-5497
Cosmetology, Board of	Karen Bock	Sue Sansom	542-5366
Court of Appeals, Division I	Jayne Burgess	Honorable Noel Fidel	542-1478
Court of Appeals, Division II	Jayne Burgess	Honorable Joseph M. Livermore	884-1253
Criminal Justice Commission, Arizona	Jayne Burgess	Rex Holgerson	542-1928
Deaf and the Blind, Arizona State School for the	Michelle Fusak	Kenneth L. Rislov	628-5261
Dental Examiners, State Board of	Ebba de la Rosa	Betty J. Reynolds	255-3696
Economic Security, Department of	Marge Cawley Mark Siegwarth	Linda Moore-Cannon	542-5678
Education, Department of	Jack Neisent (1) Michelle Fusak (2)	Honorable C. Diane Bishop	542-4361

DIRECTORY OF JLBC ANALYSTS AND AGENCY/DEPARTMENT HEADS

Emergency and Military Affairs, Department of	Michael Bradley	Donald Owens	267-2710
Environment, Commission on the Arizona	Karen Bock	Marcia Dillman	542-2102
Environmental Quality, Department of	Karen Bock	Edward Z. Fox	257-6917
Funeral Directors & Embalmers, State Board of	Lorenzo Martinez	Jean Ellzey	542-3095
Game and Fish Department, Arizona	Keith Brainard	Duane Schroufe	942-3000
Geological Survey, Arizona	Keith Brainard	Larry D. Fellows	882-4795
Governor - Office of the	Dick Morris	Honorable Fife Symington	542-4331
Governor's Office of Affirmative Action	Dick Morris	J. Bruce Mayberry	542-3711
Governor's Office of Strategic Planning & Budgeting	Dick Morris	Peter Burns	542-5381
Health Services, Department of	Cy Blanton (1) Michael Bradley (2)	Alethea Caldwell	542-1024
Hearing Impaired, Arizona Council for the	Ebba de la Rosa	Stuart Brackney	542-3323
Historical Society, Arizona	Marge Cawley	Michael F. Weber	628-5774
Historical Society of Arizona, Prescott	Marge Cawley	Mac R. Harris	445-3122
Homeopathic Medical Examiners, Board of	Lorenzo Martinez	John C. Reed	542-3095
House of Representatives	Dick Morris	Honorable Jane Dee Hull	542-5836
Indian Affairs, Arizona Commission of	Ebba de la Rosa	Tony Machukay	542-3123
Industrial Commission of Arizona	Michelle Fusak	Larry Etchechury	542-4411
Insurance, Department of	Monty Headley	Susan Gallinger	255-5400
Joint Legislative Budget Committee	Dick Morris	Ted Ferris	542-5491
Judicial Conduct, Commission on	Jayne Burgess	E. Keith Stott	542-5200
Land Department, State	Keith Brainard	M. J. Hassell	542-4621
Law Enforcement Merit System Council	Cy Blanton	Jeff Raynor	223-2286
Legislative Council	Dick Morris	Don Jansen	542-4236
Library, Archives and Public Records, Dept. of	Marge Cawley	Sharon Womack	542-4035
Liquor Licenses & Control, Department of	Jayne Burgess	Mark G. Mazzie	542-5141
Lottery Commission, Arizona State	Michael Bradley	Geoffrey Gonsher	255-1438
Medical Examiners, Board of	Ebba de la Rosa	Douglas N. Cerf	255-3751
Medical Student Loans, Board of	Dan Layzell	Christopher A. Leadem	626-6216
Mine Inspector, State	Keith Brainard	Honorable Douglas K. Martin	542-5971
Mines & Mineral Resources, Department of	Marge Cawley	Leroy Kissinger	255-3791
Naturopathic Physicians Board of Examiners, State	Lorenzo Martinez	Glenn T. Ozalan	542-3095
Northern Arizona University	John Lee	Eugene M. Hughes	523-3232
Nursing, State Board of	Ebba de la Rosa	Fran Roberts	255-5092
Nursing Care Institution Administrators & Adult Care Home Managers, Bd. of Examiners of	Lorenzo Martinez	Christine Springer	542-3095

DIRECTORY OF JLBC ANALYSTS AND AGENCY/DEPARTMENT HEADS

Occupational Safety & Health Review Board	Michelle Fusak	Jack Duncan	864-0893
Occupational Therapy Exam., Board of	Lorenzo Martinez	Kenneth D. Fink	542-6784
Opticians, State Board of Dispensing	Lorenzo Martinez	Careen J. Heinze	542-3095
Optometry, State Board of	Lorenzo Martinez	Florence Moore	542-3095
Osteopathic Examiners, Arizona Board of	Ebba de la Rosa	Robert J. Miller	255-1747
Pardons and Paroles, Board of	Jayne Burgess	Robert L. Tucker	542-5656
Parks Board, Arizona State	Keith Brainard	Ken Travous	542-4174
Personnel Board	Scot Pitcairn	Judy Henkel	542-3888
Pharmacy, Arizona State Board of	Ebba de la Rosa	Llyn Lloyd	255-5125
Physical Therapy Examiners, Board of	Lorenzo Martinez	Patricia Plack	542-3095
Pioneers' Home, Arizona	Marge Cawley	Doris Marlowe	445-2181
Podiatry Examiners, State Board of	Lorenzo Martinez	Michael Kates	542-3095
Private Postsecondary Education, State Board of	Dan Layzell	Dona Markley	542-5709
Psychologist Examiners, State Board of	Lorenzo Martinez	Barbara Gast	542-3095
Public Safety, Department of	Cy Blanton	F. J. "Rick" Ayars	223-2359
Racing, Arizona Department of	Lorenzo Martinez	William Linton	542-5151
Radiation Regulatory Agency	Michelle Fusak	William A. Wright	255-4845
Rangers' Pensions, Arizona	Ebba de la Rosa	See Governor's Office	542-4331
Real Estate Department, State	Monty Headley	Jerry Holt	255-4670
Regents, Arizona Board of	John Lee	Frank Besnette	229-2500
Residential Utility Consumer Office	Monty Headley	Ron Mathis	255-1431
Respiratory Care Examiners, Board of	Karen Bock	Ann Marie Toshner	542-5995
Retirement System, Arizona State	Keith Brainard	David S. Hunt	255-5131
Revenue, Department of	Scot Pitcairn	Paul Waddell	542-3572
Secretary of State - Department of State	Lorenzo Martinez	Honorable Richard D. Mahoney	542-4285
Senate	Dick Morris	Honorable Peter Rios	542-4233
Structural Pest Control Commission	Ebba de la Rosa	Jack Root	255-3664
Superior Court	Jayne Burgess	William L. McDonald	542-9301
Supreme Court	Jayne Burgess	Honorable Stanley G. Feldman	542-4532
Tax Appeals, State Board of	Michelle Fusak	Jeanette Schmidt (Division I)	542-7070
		Edsil Allred (Division II)	542-3288
Technical Registration, State Board of	Ebba de la Rosa	Ronald Dalrymple	255-3503
Tourism, Office of	Mark Siegwarth	Frank Plencner	542-4764
Transportation, Department of	Cy Blanton	Charles Cowan	255-7226
Treasurer, State	Michael Bradley	Honorable Tony West	542-1463
Uniform State Laws, Commission on	Michelle Fusak	James M. Bush	257-5767

DIRECTORY OF JLBC ANALYSTS
AND AGENCY/DEPARTMENT HEADS

University of Arizona	John Lee	Manuel Pacheco	621-5511
Veterans' Service Commission, Arizona	Mark Siegwarth	Norman O. Gallion	255-3373
Veterinary Medical Examining Board, Arizona State	Lorenzo Martinez	Judy Zingg	542-3095
Water Resources, Department of	Karen Bock	Betsy Rieke	542-1540
Weights & Measures, Department of	Michelle Fusak	Ray Helmick	255-5211
Youth Treatment & Rehabilitation, Department of	Michael Bradley	John Arredondo	542-4988

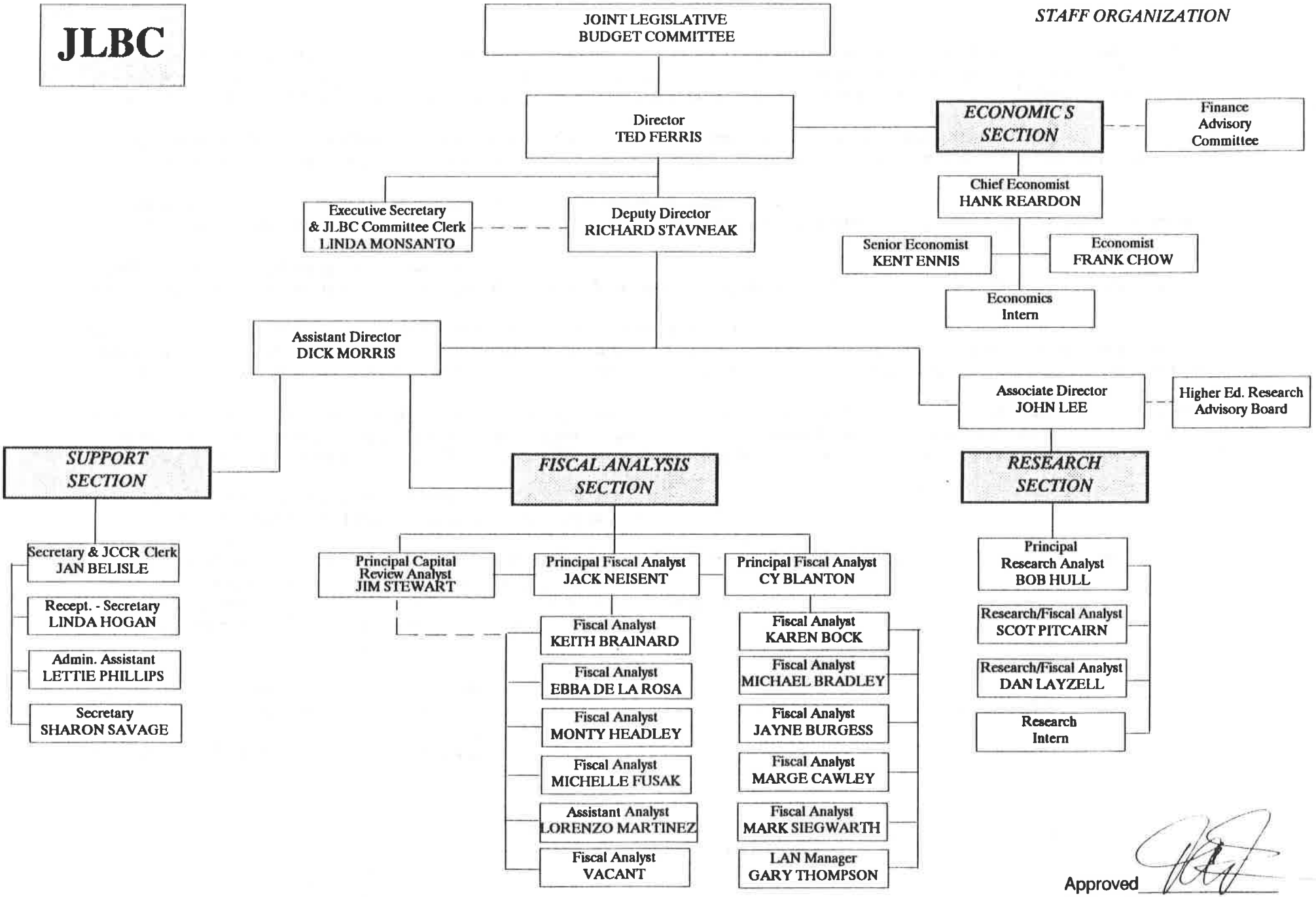
OTHER ASSIGNMENTS

Capital Review	Jim Stewart (1)
	Keith Brainard (2)
Data Processing	Gary Thompson
Economic & Revenue Forecast	Hank Reardon
	Kent Ennis
	Frank Chow
Federal Funds	Richard Stavneak
Fiscal Note Manager	Scot Pitcairn
Higher Education Research	John Lee
	Bob Hull
	Scot Pitcairn
	Dan Layzell
Oil Overcharge Funds	Mark Siegwarth

(1) Lead Assignment
(2) Secondary Assignment

JLBC

STAFF ORGANIZATION



Approved
Date: 1/17/92

FY 1993 JLBC STAFF RECOMMENDATION
DESCRIPTION OF METHODOLOGY
AND MAJOR TECHNICAL ISSUES

JLBC Staff Recommended Changes from FY 1992

In developing its FY 1993 budget recommendation, the JLBC Staff has reviewed the current year's appropriation (FY 1992) as well as each agency's FY 1993 budget request, and has made adjustments for:

- One-time appropriations (decrease)
- Annualization of partial year funding (increase)
- Specific cost considerations, such as the cost of employee benefits (increase or decrease)
- Demographic changes, such as population served (increase or decrease)
- Statutory programmatic requirements, including scheduled start-ups, decreases, increases, or elimination of programs (increases or decreases)
- Vacancy savings, based upon recent trend (increase or decrease)
- Other policy issues (increases or decreases)

The individual agency descriptions in the Analysis and Recommendations book provide further narrative detail on these changes, which are explained in a section entitled, "JLBC Staff Recommended Changes from FY 1992." In addition, the book provides the line item detail of the Staff's recommendations for each individual agency budget. The major technical issues with regard to each of these line items is described below.

FY 1992 Adjusted Appropriations - This dollar amount represents the FY 1992 appropriations from the General Appropriation Act as well as appropriations from other legislation. We have adjusted the General Appropriation Act estimates for the distribution of a portion of health insurance funds, which were unallocated to individual agencies at the time of the bill's passage.

We have also revised the estimates to reflect a special session supplemental to the Department of Economic Security and AHCCCS for costs related to maintaining the AFDC benefit increase.

Since the Legislature had not officially acted at the time of this writing to amend the FY 1992 General Appropriation Act, the FY 1992 column does not reflect proposed reductions in spending to eliminate the current year deficit.

FTE Positions - The number of FTE positions reflects both personnel funded from Personal Services as well as special line items. The FY 1992 FTE position estimates have also been adjusted to include any new staff funded through separate appropriation bills.

Personal Services - Vacancy Savings - This amount represents 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.

For FY 1992, the Legislature eliminated unfunded vacant positions and adopted new vacancy rates which were the lesser of 50% of the FY 1991 rate, or 50% of the standard vacancy rate. For FY 1993, JLBC Staff has generally recommended that the standard rates be applied. The standard vacancy rates are:

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

The vacancy savings will be found under the heading "Personal Services/ERE adjustments" in the individual agency narratives. In most circumstances, the Executive recommends retaining the FY 1992 vacancy rates.

Other Personal Services Adjustments--Elected Official Pay Raise - The JLBC Staff is also recommending Personal Services adjustments to annualize the January 1992 pay raises for elected officials.

The JLBC Staff recommendation does not incorporate the FY 1993 salary recommendations of the Commission on Salaries for Elected State Officials. The staff, instead, recommends that an elected official salary increase be addressed as part of the allocation of our recommended $25 million increase in state employee compensation. The Commission's recommendations affect the Mine Inspector, Corporation Commissioners, the Chief Justice and Supreme Court Justices, Appellate Justices and Superior Court Judges. The Executive concurs with the Commission's recommended salary adjustments for FY 1993.

The salary adjustments are as follows:

	Jan. 1992 Salary	Executive Recommend. Increase	Jan. 1993 Proposed Salary
Governor	$75,000	$ -0-	$75,000
Secretary of State	54,600	-0-	54,600
Treasurer	54,600	-0-	54,600
Attorney General	76,440	-0-	76,440
Supt. of Public Instruction	54,600	-0-	54,600
Corporation Commissioners	54,600	5,400	60,000
Mine Inspector	38,220	6,780	45,000
Supreme Court Chief Justice	93,912	22,088	116,000
Other Supreme Ct. Justices	91,728	20,272	112,000
Appellate Judges	89,554	20,446	110,000
Superior Ct. Judges (50% Share)	43,680	9,320	53,000

Employee Related Expenditures (ERE) - This category represents the state cost of employee benefits. The ERE calculations were based upon the following assumptions. The Executive concurs with these assumptions unless otherwise noted.

Disability Insurance: 0.53% of Personal Services for non-State Retirement System employees. The cost of disability insurance for State Retirement System employees is incorporated in the overall retirement contribution rate (See Below).

Federal Insurance Contributions Act (FICA) - As required by federal law, a) Social Security taxes were applied at a rate of 6.2% up to $55,800 in income and b) Medicare taxes were applied at a rate of 1.45% up to $130,800 in income. The Executive recommendation, however, applies both the Social Security and Medicare taxes to incomes up to $56,700.

Health and Dental Insurance - The JLBC Staff recommendation is based upon the following assumptions regarding a) the percentage of employees receiving health insurance and b) the state's annual dollar contribution:

	% Participation	Rate
Health:		
Employee Only	40.9%	$1,814
Employee & Dependents	46.2	3,915
Both State Employees	1.1	4,023
Dental:		
Employee Only	36.5	89
Employee & Dependents	48.5	208

With the exception of the Universities, all General Fund health and dental funds are transferred from the individual agencies to the Health Insurance Trust Fund. Given this "sweep" into a single fund, the use of standard percentages and dollar contributions simplifies the process of budgeting for health insurance. The standard participation and contribution rates are based on October 1991 health insurance enrollment data. The Executive uses a similar approach, but with slightly higher participation and contribution rates.

The above rates do not apply to the Universities, where the participation rates and dollar contributions are tailored to the specific institution. The Executive uses individual rates for the Universities, the Arizona Department of Transportation and Other Appropriated Fund agencies with 25.0 or fewer FTE positions.

The JLBC Staff recommendation includes a $4 million set-aside to cover an estimated 5% net increase in health and dental insurance. We do not recommend any change in the state employee contribution level. The Executive is providing no funding for rate increases as it believes favorable negotiations with health insurance carriers will result in no net increase in costs. However, in the event that does not occur, the added funds in the JLBC Staff recommendation will help mitigate the effect of the increased premiums on the employee share of costs.

Life Insurance - $13 per employee per year, a decrease of $6 from the FY 1992 budgeted rate.

Personnel Division - 0.75% of Personal Services. The Department of Administration's Personnel Division budget is funded from an assessment on the payroll of all state agencies. Laws 1991, Chapter 265, requires this pro rata share to increase from 0.70% in FY 1992 in increments of 0.05% each year until reaching 1.0% in FY 1998.

Retirement - The rates as a percent of Personal Services are as follows for the different retirement systems:

Retirement System	JLBC Rate	Exec Rate
State Retirement	3.59	3.59
Correctional Officers	6.35	6.32
Elected Officials	6.00	5.50
Dept. of Public Safety	0.00	0.00
NAU Police	4.10	3.86
U of A Police	0.94	1.47
ASU Police	5.95	8.50
Game and Fish	18.32	18.32
DEMA Firefighters	5.00	5.10

The Executive's rates are based on updated information. The JLBC Staff will be adjusting its retirement rates to reflect this information.

Unemployment Insurance - 0.20% of Personal Services. The Executive is using 0.25%.

Workers' Compensation - The rates vary by individual agency. The JLBC Staff recommendation is based upon the FY 1992 rates, since new FY 1993 rates were unavailable. Upon receiving the updated rates, the JLBC Staff will adjust its recommendation. The Executive has incorporated preliminary FY 1993 rates, but these estimates may change.

Other Operating Expenses

Inflation - The JLBC Staff recommends a 5% adjustment for medical expenses, but otherwise does not include any inflation adjustment. The Executive recommends the following inflation increases: medical, 5% and utilities, 5%.

Rent - For the first time in several years, the JLBC Staff recommendation includes rent for General Fund agencies. The funding will be transferred to the Capital Outlay Stabilization Account and used to fund the capital outlay recommendations made by the JLBC Staff. In addition

to providing a dedicated source of revenue for capital outlay projects, charging agencies for their office space increases legislative oversight of state-owned space by requiring them to be budgeted for this space prior to absorbing added square footage. JLBC Staff recommends the following rent items:

State-owned Space: In both General Fund and non-General Fund agencies, the Staff recommends charging $11.00 per square foot for office space and $4.50 per square foot for storage space. The Executive concurs with the recommended rates, but has included only non-General Fund rent.

New Tucson State Office Building: $17.37 per square foot based on the DOA allocation plan, which will permit full funding of the lease-purchase payment. In allocating space in the new building, DOA substantially increased several agencies' square footage above the levels they occupied in the private sector and/or other state-owned space. DOA was unable to achieve the $300,000 in savings promised last year from moving agencies with private leases into the Tucson building. As a result, the JLBC Staff recommendation for the DOA budget includes an agency-wide reduction of $300,000 to offset these lost savings.

Private sector space: The JLBC Staff recommendation generally includes no funds for additional private sector space or higher private sector rents except where necessary to meet contractual obligations.

Risk Management - Individual agency budgets include the FY 1992 risk management rates billed by the Department of Administration - Risk Management Division (DOA). These rates are estimated to result in total revenues of $36.1 million, of which $16.8 million is from the General Fund and $19.3 million from Other Appropriated and Non-Appropriated funds.

In addition, the JLBC Staff recommends setting aside an additional lump sum $9.8 million for projected loss increases, for a total of $45.9 million in rate revenues. These funds would subsequently be allocated to individual agencies and those amounts would be detailed in the Appropriations Report. State employee pay and health insurance adjustments are allocated in a similar manner.

The JLBC Staff recommends distributing the projected $9.8 million increase proportionally across fund sources in line with actuarial experience. This proposal would cost the General Fund, $5.1 million, Other Appropriated Funds, $4 million, and Non-Appropriated Funds, $700,000. The Executive recommends an increase of $9.5 million, with only $650,000 of the increase from the General Fund. This artificial cap on the General Fund contribution distorts the Risk Management Division's fund allocation system amongst agencies and funds, which is designed to reflect differing loss experience and actuarially projected claims.

Other Issues for Legislative Consideration

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 in our analysis the differences between the JLBC Staff and the Executive recommendation for each agency. Any policy issues recommended by the Governor and not addressed under the "JLBC Staff Recommended Changes from FY 1992" section are addressed under the heading "Other Issues for Legislative Consideration."

GENERAL GOVERNMENT
(GG)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 [1] ACTUAL	FY 1992 [1] ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	638.30	638.50	652.50	642.50	607.50	
BY PROGRAM/ORGANIZATION						
DIRECTOR'S OFFICE	422,000	0	0	0	0	
CENTRAL OPERATIONS	0	9,029,300	13,961,500	9,005,000	12,282,700	
DATA MANAGEMENT	4,643,900	0	0	0	0	
RISK MANAGEMENT	43,320,000	46,810,900	51,192,700	56,094,000	50,900,400	
WORKERS' COMPENSATION	12,286,300	14,394,800	14,237,300	14,010,700	14,220,800	
FINANCE	6,732,941	3,727,100	3,652,500	7,078,900	4,195,500	
PERSONNEL	4,621,100	4,752,100	5,032,800	5,188,500	5,004,800	
FACILITIES MANAGEMENT	13,217,400	2,219,200	2,404,800	2,144,800	1,131,700	
GENERAL SERVICES	95,000	12,311,900	12,412,100	12,680,800	11,759,300	
A G E N C Y T O T A L	85,338,641	93,245,300	102,893,700	106,202,700	99,495,200	
OPERATING BUDGET						
PERSONAL SERVICES	13,499,400	14,329,800	14,762,000	14,511,400	13,526,900	
EMPLOYEE RELATED EXP	3,151,100	3,688,200	3,901,800	3,855,800	3,414,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PROFESSIONAL/OUTSIDE SVCS	3,106,900	3,363,600	3,575,700	3,340,700	3,248,800	
TRAVEL - IN STATE	181,300	189,300	204,900	189,500	157,900	
TRAVEL - OUT OF STATE	17,700	31,600	25,700	25,100	26,800	
OTHER OPERATING EXP	2,814,000	3,090,400	3,163,000	3,356,500	3,172,500	
EQUIPMENT	259,900	358,000	408,800	273,000	84,400	
ALL OTHER OPERATING	6,379,800	7,032,900	7,378,100	7,184,800	6,690,400	
OPERATING SUBTOTAL	23,030,300	25,050,900	26,041,900	25,552,000	23,631,800	
SPECIAL LINE ITEMS						
ENSCO COP PAYMENT	0	0	4,800,000	0	3,810,600	
STATEWIDE ACCTG SYSTEM	730,100	850,000	850,000	850,000	850,000	
WORKERS' COMP PAYMENTS	10,069,900	11,200,000	11,044,000	11,044,000	11,044,000	
CLAIM MANAGEMENT FEES	961,100	1,250,000	1,250,000	1,250,000	1,250,000	
REINSURANCE PREMIUMS	0	400,000	400,000	400,000	400,000	
PREMIUM TAX	683,600	725,000	725,000	725,000	725,000	
LIAB & PROP LOSSES/REL EXP	29,472,400	28,574,000	36,200,000	36,200,000	30,000,000	
HEARING OFFICE	58,000	83,300	83,300	0	35,700	
ENVIRON LOSSES & REL EXP	1,598,400	4,000,000	4,000,000	4,000,000	4,000,000	
ATTY. GEN. - INS. DEFENSE	3,129,400	4,100,000	4,100,000	4,400,000	4,100,000	
INSURANCE PREMIUMS	3,351,900	3,500,000	3,675,000	3,675,000	3,500,000	
LOSS CONTROL GRANTS	990,000	500,000	500,000	500,000	500,000	
UNIV STUD HLTH WORK PROG	93,000	159,500	170,000	170,000	159,500	
TRANSFERS OUT:LOSS CONTRL	0	150,000	150,000	0	150,000	
PRIOR YR ACCRUED EXPENSES	0	3,493,100	0	0	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRANSFERS TO GENERAL FUND	2,500,000	0	0	0	0	
CONTINGENCY FOR LOSSES	0	0	0	0	6,200,000	
RESERVE	0	0	0	4,700,000	0	
SLIAG	234,100	331,700	331,700	275,100	333,200	
LEASE-PURCHASE RENT	570,400	599,400	599,400	4,426,900	625,500	
COSA RENT	0	0	0	0	748,800	
GAAP	531,100	602,800	602,800	604,900	602,800	
SPECIAL RECRUITMENT	34,600	43,500	63,500	63,500	43,500	
PERSONNEL AUTOMATION PROJ.	0	0	0	0	175,000	
RELOCATION	412,700	600,000	750,000	600,000	0	
RELOC/NON-WEST TOWER	0	0	0	0	450,000	
RELOCATION-WEST TOWER	0	0	0	0	50,000	
UTILITIES	4,845,300	6,444,100	6,444,100	6,766,300	6,122,100	
AGENCY CLOSE-OUT	0	20,000	0	0	0	
EXECUTIVE TRAINING	100,000	0	0	0	0	
COST RECOVERY/CASH MGMT	0	0	0	0	130,000	
REDUCTION-IN-FORCE COSTS	0	0	0	0	50,000	
WATER RIGHTS SETTLEMENT	1,500,000	0	0	0	0	
WOOLSEY FLOOD DISTRICT	34,181	0	0	0	0	
NAMED CLAIMANTS, CH. 263	311,911	0	0	0	0	
CPS STUDY	25,000	0	0	0	0	
TUCSON DEV CORP SETTLEMENT	71,249	0	0	0	0	
TUCSON STATE OFFICE BLDG	0	519,000	113,000	0	107,700	
COURTS BUILDING	0	49,000	0	0	0	
AGENCY-WIDE REDUCTIONS	0	0	0	0	-300,000	
SPECIAL ITEM SUBTOTAL	62,308,341	68,194,400	76,851,800	80,650,700	75,863,400	
AGENCY TOTAL	85,338,641	93,245,300	102,893,700	106,202,700	99,495,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION — JLBC ANALYST: PITCAIRN — HOUSE SUBCOMMITTEE CHAIR: GERARD
COST CENTER: AGENCY SUMMARY — OSPB ANALYST: COCKERHAM — SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	29,432,141	26,975,600	32,092,500	30,606,100	28,519,200	
OTHER FUNDS	55,906,500	66,269,700	70,801,200	75,596,600	70,976,000	
OTHER NON APPROPRIATED	189,048,600	213,054,600	264,159,500	0	264,159,500	
AGENCY TOTAL-ALL SOURCES	274,387,241	306,299,900	367,053,200	106,202,700	363,654,700	

The JLBC Staff recommends a total appropriation of $99,495,200 -- a net increase of $6,249,900, or 6.7%, to the adjusted FY 1992 appropriation. The General Fund portion of the recommendation is $28,519,200 -- a net increase of $1,543,600, or 5.7%, to the FY 1992 appropriation. [2/]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (30,600)
- ERE Rate Changes — (94,800)
- Base Adjustments/Removal of FY 1992 One-Time Expenditures — (411,000)
- Hearing Office — (47,600)
- ENSCO Certificates of Participation Payment — 3,810,600
- COSA Rent — 959,800
- Lease-Purchase Rent (excluding Tucson State Office Building) — 44,100
- Tucson State Office Building — (411,300)
- Cost Recovery/Cash Management — 130,000
- Statewide Accounting System (AFIS II) — - 0 -
  Reflects the replacement of $850,000 of General Fund support for system development with an equal amount appropriated from the Data Processing Revolving Fund.
- Risk Management Division — 4,224,900
  Increases for projected losses and related expenses, excluding rent.
- Workers' Compensation Division — 10,600
  Net adjustments excluding rent.

- Personnel Division 44,600
  Net adjustments excluding rent.
- Utilities - 5% Reduction. (322,000)
  This represents a 5% reduction from the FY 1992 appropriated amount. See General Services.
- Central Operations Staff Reductions (212,200)
- 5% Reduction in Processing Funding for Payroll/Personnel and Statewide Accounting (128,400)
- Facilities Management - Major Reduction in Core Staffing (826,900)
- Agency Relocation Costs (100,000)
  This is recommended to be allocated $50,000 for West Tower space and $450,000 for all other. See Facilities Management.
- General Services - Reductions in Custodial and Groundskeeping Staff (139,900)
- Reduction-in-Force Costs 50,000
  Allowance for costs of leave pay-off for staff not able to be transferred into other state positions. See Finance.
- Agency-Wide Reduction (300,000)
  Recapture of foregone Tucson State Office Building savings. See Finance.

1/ For comparability purposes, the FY 1991 Actual and FY 1992 Adjusted Appropriations figures include funds which were not appropriated. The Risk Management Revolving Fund and Workers' Compensation Fund will begin to be appropriated in FY 1993.

2/ The agency went through a major reorganization in FY 1992. See the individual cost centers for explanations.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	8.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	292,300	0	0	0	0	
EMPLOYEE RELATED EXP	53,400	0	0	0	0	
TRAVEL - IN STATE	100	0	0	0	0	
OTHER OPERATING EXP	18,200	0	0	0	0	
ALL OTHER OPERATING	18,300	0	0	0	0	
OPERATING SUBTOTAL	364,000	0	0	0	0	
SPECIAL LINE ITEMS						
HEARING OFFICE	58,000	0	0	0	0	
SPECIAL ITEM SUBTOTAL	58,000	0	0	0	0	
PROGRAM TOTAL	422,000	0	0	0	0	
BY FUND SOURCE						
GENERAL FUND	422,000	0	0	0	0	
OTHER NON APPROPRIATED	289,500	0	0	0	0	
PROGRAM TOTAL-ALL SOURCES	711,500	0	0	0	0	

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

The agency underwent a major reorganization during FY 1992. Several functions were initially consolidated into the Director's Office. This was subsequently renamed "Central Operations." FY 1992 estimates and FY 1993 recommendations, therefore, are shown under the new Central Operations cost center.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: CENTRAL OPERATIONS

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	152.00	152.00	149.00 1/	146.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	3,873,500	3,896,400	3,857,400	3,705,500	
EMPLOYEE RELATED EXP	0	927,800	933,300	988,500	855,000	
PROFESSIONAL/OUTSIDE SVCS	0	2,567,900	2,627,500	2,597,500	2,439,500	
TRAVEL - IN STATE	0	52,500	60,300	52,500	51,500	
TRAVEL - OUT OF STATE	0	6,500	3,500	3,500	6,500	
OTHER OPERATING EXP	0	634,900	674,300	634,900	628,900	
EQUIPMENT	0	32,900	32,900	20,700	0	
ALL OTHER OPERATING	0	3,294,700	3,398,500	3,309,100	3,126,400	
OPERATING SUBTOTAL	0	8,096,000	8,228,200	8,155,000	7,686,900	
SPECIAL LINE ITEMS						
ENSCO COP PAYMENT	0	0	4,800,000	0	3,810,600	
STATEWIDE ACCTG SYSTEM	0	850,000	850,000	850,000	850,000	
HEARING OFFICE	0	83,300	83,300	0	35,700	
AGENCY-WIDE REDUCTION	0	0	0	0	-100,500	
SPECIAL ITEM SUBTOTAL	0	933,300	5,733,300	850,000	4,595,800	
PROGRAM TOTAL	0	9,029,300	13,961,500	9,005,000	12,282,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: CENTRAL OPERATIONS

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	0	9,029,300	13,961,500	9,005,000	11,432,700	
OTHER FUNDS	0	0	0	0	850,000	
OTHER NON APPROPRIATED	0	226,600	40,000	0	40,000	
PROGRAM TOTAL-ALL SOURCES	0	9,255,900	14,001,500	9,005,000	12,322,700	

The JLBC Staff recommends a total appropriation of $12,282,700 -- a net increase of $3,253,400, or 36%, to the adjusted FY 1992 appropriation. The General Fund portion of the recommendation is $11,432,700, a net increase of $2,403,400, or 26.6%. [2/]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (1,600)
  Includes a vacancy factor of 3.5%. The FY 1992 vacancy factor is 3.5%. The Executive recommends an effective vacancy factor of 3.87% and a base Personal Services amount which is $14,800 lower than the JLBC Staff recommended amount. [3/]
- ERE Rate Changes (34,000)
- Equipment Base Reduction (32,900)
  Removal of FY 1992 Equipment funding. The Executive recommends $20,700 for replacement of an impact printer, copier, and 4 microcomputers.
- ENSCO Certificates of Participation Payments 3,810,600
  The $3.8 million annual FY 1993 payment for the Certificates of Participation (lease-purchase financing) for the ENSCO settlement is requested to be paid from this special line. The full payment is approximately $4.8 million, but is offset by accrued interest. The Executive has included this amount in Finance under the Lease-Purchase Rent line.
- Administrative Staff Reductions (182,500)
  Three FTE administrative positions are recommended to be eliminated and 1 FTE position transferred to the Finance Division for the Indirect Cost Recovery Program. These positions were either newly created or renamed as part of the agency-wide reorganization. Last year the Legislature approved 1 FTE position to coordinate and implement a program

to identify and collect indirect costs incurred by state agencies in administering federal programs. This specific position has not yet been filled, though the funding seems to have been transferred into this cost center. See Finance for further explanation.

- Elimination of 1 FTE Buyer Position (29,700)

  Eliminating 1 of 17 FTE Buyer positions from the State Procurement Office may result in a slight slowdown in the statewide purchasing process and less scrutiny of purchases.

- Hearing Office/Reduction of 1 FTE Position (47,600)

  One FTE position and $47,600 are recommended to be eliminated from the Hearing Office line. Hearing Office funding has been used the past few years to pay 1 FTE Administrative Secretary position to process capitol area parking citations and appeals and to coordinate a minimal number of Water Quality and Procurement appeals. Other support staff should be able to absorb this workload. The Executive recommends eliminating this special line and the 1 FTE position because of the sunsetting of the Water Quality Appeals Board and moving $20,000 to Professional and Outside Services for miscellaneous hearing costs. JLBC Staff believes, however, that the $35,700 recommended to remain in this line may be necessary into FY 1993 to pay for costs of hearing the Centex-Rogers construction contract dispute (Special Management Unit at Florence), as well as various procurement hearings.

- Data Processing Reduction (128,400)

  This amount represents a 5% reduction in funding for operating the state's personnel/payroll and accounting systems and miscellaneous related functions, and was formerly in the Data Management Division. The reduction is based on the assumption that: 1) the new Human Resources Management System (HRMS), with its on-line capabilities, should result in less CPU time for centralized reports; and 2) that the internal use of management reports can be streamlined. It should be noted, however, that with the development of the new accounting system (AFIS II), unexpected data processing costs may be incurred by the department.

- Statewide Accounting System (AFIS II) - 0 -

  JLBC Staff recommends appropriating $850,000 from the Data Processing Revolving Fund to replace all General Fund support for implementation of the new statewide accounting system, AFIS II. Originally, funding and implementation were to be completed in FY 1993. However, though the basic systems should be running by early FY 1993, the department's plan includes another $850,000 in FY 1994 due to various cost and time overruns. The rationale for using the Data Processing Revolving Fund is that the system is intended for statewide on-line use by all agencies currently paying into the revolving fund. The balance in the fund, estimated at nearly $1.8 million at the end of FY 1993 after this appropriation, should be more than adequate. Once the new system is implemented, the Honeywell system, on which the current accounting system is run, can be closed down.

- Agency-Wide Reduction (100,500)

  An agency-wide reduction of $300,000 is recommended, with a proportional share allocated for this cost center. The reduction is intended to offset the $300,000 in savings promised last year from moving agencies with private leases into the Tucson State Office Building. That amount has not been realized under the current space plan, and the funding has been added to other agencies budgets to make up the shortfall.

Other Issues for Legislative Consideration

- The Executive recommends $59,600 in Professional and Outside Services for round-the clock security at the ENSCO site. This is currently being paid from existing funds.

1/ The Executive's FTE number appears to be 3 FTE positions below the agency request because the Executive did not include the 2 FTE positions in the Statewide Accounting System special line.

2/ The agency underwent a major reorganization during FY 1992. The following functions were initially consolidated into the Director's Office, which was subsequently renamed "Central Operations": Operations and State Procurement Office, which was part of the Finance Division; Information Systems & Planning, which was in the Data Management Division; and Capitol Police/Security, which was under the Facilities Management Division. Very recently it was learned that the Operations section has been moved back into Finance. This latter change is not reflected in the budget recommendation, however.

3/ For this and other cost centers, the Executive's effective vacancy factor is provided even though the Executive's stated factor is generally one-half the standard rate or zero in certain cases. This difference between the effective and stated vacancy factors is due to the Executive's use of different Personal Services base assumptions.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	38.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,287,300	0	0	0	0	
EMPLOYEE RELATED EXP	235,900	0	0	0	0	
PROFESSIONAL/OUTSIDE SVCS	2,211,100	0	0	0	0	
TRAVEL - IN STATE	200	0	0	0	0	
TRAVEL - OUT OF STATE	300	0	0	0	0	
OTHER OPERATING EXP	173,100	0	0	0	0	
EQUIPMENT	5,900	0	0	0	0	
ALL OTHER OPERATING	2,390,600	0	0	0	0	
OPERATING SUBTOTAL	3,913,800	0	0	0	0	
SPECIAL LINE ITEMS						
STATEWIDE ACCTG SYSTEM	730,100	0	0	0	0	
SPECIAL ITEM SUBTOTAL	730,100	0	0	0	0	
PROGRAM TOTAL	4,643,900	0	0	0	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	4,643,900	0	0	0	0	
OTHER NON APPROPRIATED	29,076,800	31,999,700	30,925,100	0	30,925,100	
PROGRAM TOTAL-ALL SOURCES	33,720,700	31,999,700	30,925,100	0	30,925,100	

As noted under Central Operations, the internal Data Management staff and funding were moved into Central Operations in FY 1992 as part of the agency's reorganization. 1/

1/ The functions paid from the General Fund, which were moved into Central Operations, include all statewide personnel/payroll and accounting automation functions, as well as operations internal to the Department of Administration. The data services provided for a fee to other agencies are paid from the Data Processing Revolving Fund, the figures for which are included as Other Non-Appropriated expenditures.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: RISK MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 1/ ACTUAL	FY 1992 1/ ADJUSTED APPROPRIATIONS	FY 1993 1/ AGENCY REQUEST	FY 1993 1/ EXECUTIVE RECOMMENDATION	FY 1993 1/ JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	51.00 2/	55.00 2/	56.00 2/	56.00 2/	56.00 2/	
OPERATING BUDGET						
PERSONAL SERVICES	1,222,700	1,489,800	1,522,900	1,506,500	1,495,600	
EMPLOYEE RELATED EXP	261,500	368,100	375,000	347,500	338,700	
PROFESSIONAL/OUTSIDE SVCS	305,100	326,500	379,000	334,000	360,100	
TRAVEL - IN STATE	13,700	21,600	20,100	20,100	20,100	
TRAVEL - OUT OF STATE	1,600	13,900	10,000	10,000	10,000	
OTHER OPERATING EXP	351,500	393,900	382,100	379,600	351,800	
EQUIPMENT	121,800	30,000	28,600	21,300	24,100	
ALL OTHER OPERATING	793,700	785,900	819,800	765,000	766,100	
OPERATING SUBTOTAL	2,277,900	2,643,800	2,717,700	2,619,000	2,600,400	
SPECIAL LINE ITEMS						
LIAB & PROP LOSSES/REL EXP	29,472,400	28,574,000	36,200,000	36,200,000	30,000,000	
ENVIRON LOSSES & REL EXP	1,598,400	4,000,000	4,000,000	4,000,000	4,000,000	
ATTY. GEN. - INS. DEFENSE	3,129,400	4,100,000	4,100,000	4,400,000	4,100,000	
INSURANCE PREMIUMS	3,351,900	3,500,000	3,675,000	3,675,000	3,500,000	
LOSS CONTROL GRANTS	990,000	500,000	500,000	500,000	500,000	
PRIOR YR ACCRUED EXPENSES	0	3,493,100	0	0	0	
TRANSFERS TO GENERAL FUND	2,500,000	0	0	0	0	
CONTINGENCY FOR LOSSES	0	0	0	0	6,200,000	

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: RISK MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
RESERVE	0	0	0	4,700,000	0	
SPECIAL ITEM SUBTOTAL	41,042,100	44,167,100	48,475,000	53,475,000	48,300,000	
PROGRAM TOTAL	43,320,000	46,810,900	51,192,700	56,094,000	50,900,400	
BY FUND SOURCE						
OTHER FUNDS	43,320,000	46,810,900	51,192,700	56,094,000	50,900,400	
PROGRAM TOTAL-ALL SOURCES	43,320,000	46,810,900	51,192,700	56,094,000	50,900,400	

The JLBC Staff recommends a total appropriation from the Risk Management Revolving Fund of $50,900,400 -- a net increase of $4,089,500, or 8.7%, to the estimated FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (27,200)
  Includes a vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. Because this cost center is subject to appropriation for the first time, there was no budgeted vacancy factor in FY 1992. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes (30,700)
- All Other Operating Expenditures - Base Reductions (47,200)
  These reductions were included in the agency's request.
- Professional and Outside Services 33,600
  This 10.3% increase in funding for Professional and Outside Services brings the amount to within 5% of the agency request. The funding covers areas such as actuarial contracts, data processing, the contract with DOA - Finance for accounting services, and contracts for building the defense for various risk management lawsuits.

- Rent - State Owned Buildings (30,300)

  As a non-General Fund division, Risk Management has been paying rent into the Capital Outlay Stabilization Account (COSA), pursuant to A.R.S. § 41-792.01. This reduction reflects actual space usage.

- Equipment 21,500

  This amount provides for installation of a security system for the computers and other data processing equipment in the office, air conditioning equipment for the computer room, a VCR and monitor for doing loss prevention presentations for other agencies, various environmental testing equipment, a microcomputer, printer, and computer network server. The amount recommended is below the $26,000 requested due to savings likely to be realized by the new State Procurement Office contract for microcomputers. The Executive recommends $19,300 for equipment, excluding another $2,000 for the Industrial Hygienist (see below).

- Prior Year Accrued Expenses (3,493,100)

  The amount designated in a special line for FY 1992 as "Prior Year Accrued Expenses" represents those claims projected in the actuarial estimates to fall in FY 1991 which ended up falling into FY 1992. The amount is deleted for FY 1993.

- Industrial Hygienist 36,900

  Staff recommends adding a second Industrial Hygienist position requested by the department. The department has had one hygienist since 1987 to handle state-wide industrial hygiene problems within state agencies, such as asbestos abatement, air quality in state buildings, radon, hearing protection, respiratory protection, and chemical hygiene. According to the department this additional position should be able to realize savings to the state far in excess of the cost by: a) eliminating or reducing the need for certain outside contracts; and b) preventing conditions leading to Workers' Compensation claims by employees or other parties. The Executive also recommends this position.

- Liability & Property Losses/Related Expenditures 1,426,000

  This increase in the loss line is recommended to bring the amount to $30 million. However, the department has estimated these losses and related expenditures will be $36.2 million in FY 1993. The difference of $6.2 million is included below under a new line "Contingency for Losses."

- Contingency for Losses 6,200,000

  As described above, the department has estimated total liability and property losses and related expenditures, based on actuarial projections, will be $36.2 million for FY 1993. It is recommended that $6.2 million of this amount be included in this special line so that the department will need to come before the JLBC to approve a transfer of funds from the Contingency to the Liability and Property Losses line item if the latter amount exceeds $30 million. This should provide greater awareness on the part of the Legislature of the causes of the losses incurred for a particular year, as well as greater accountability for the department. Because the department already meets with the committee regularly for settlement approvals, such a requirement should not pose a major obstacle.

Other Issues for Legislative Consideration

- Attorney General - Insurance Defense Section

  The Executive recommends adding $300,000 to the $4,100,000 special line for the contract with the Attorney General's Insurance Defense Section. The Department of Administration request had not included this increase, although the Attorney General had originally requested a total budget of over $4.9 million and the addition of 13 FTE positions. Currently the section has 77 FTE positions, which is an increase of 10 FTE positions over FY 1991. The arguments for an increase include the growing case load (10% last year) and the lower cost of using Attorney General staff instead of outside counsel. The $300,000 increase was not broken down by the Executive, but presumably could be used to hire 5 to 6 more staff, including attorneys, legal assistants, and clerical support staff.

- Reserve

  The Executive recommends that the estimated FY 1993 year end fund balance be appropriated, which is included in their "Reserve" line. JLBC Staff is not recommending appropriating this balance; the "Contingency for Losses" line is a portion of the agency's projected losses (see above). The Executive is projecting a $4.7 million FY 1993 ending balance, while the JLBC Staff is projecting a year end balance of just over $5 million. The Executive's Risk Management charges, FY 1992 year end balance figure, and certain other assumptions differ from the JLBC Staff recommendation. See JLBC Summary of Recommendations for further details.

1/ Beginning with FY 1993, the Risk Management Revolving Fund is subject to annual appropriation, pursuant to Laws 1991, Chapter 265. The FY 1991 Actual and FY 1992 Adjusted Appropriations figures are shown for comparability purposes.

2/ These FTE figures do not include the Attorney General staff paid from the Attorney General - Insurance Defense special line. The number of FTE positions paid from this special line was 67 in FY 1991 and 77 in FY 1992.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: WORKERS' COMPENSATION

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 1/ ACTUAL	FY 1992 1/ ADJUSTED APPROPRIATIONS	FY 1993 1/ AGENCY REQUEST	FY 1993 1/ EXECUTIVE RECOMMENDATION	FY 1993 1/ JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	91,400	112,300	112,300	112,300	112,300	
EMPLOYEE RELATED EXP	16,200	27,200	27,200	25,600	25,100	
PROFESSIONAL/OUTSIDE SVCS	340,700	304,000	309,000	234,000	309,000	
TRAVEL - IN STATE	1,000	2,900	2,600	2,600	2,600	
TRAVEL - OUT OF STATE	0	1,500	1,200	1,200	1,200	
OTHER OPERATING EXP	27,100	51,400	40,400	40,400	36,500	
EQUIPMENT	2,300	11,000	5,600	5,600	5,600	
ALL OTHER OPERATING	371,100	370,800	358,800	283,800	354,900	
OPERATING SUBTOTAL	478,700	510,300	498,300	421,700	492,300	
SPECIAL LINE ITEMS						
WORKERS' COMP PAYMENTS	10,069,900	11,200,000	11,044,000	11,044,000	11,044,000	
CLAIM MANAGEMENT FEES	961,100	1,250,000	1,250,000	1,250,000	1,250,000	
REINSURANCE PREMIUMS	0	400,000	400,000	400,000	400,000	
PREMIUM TAX	683,600	725,000	725,000	725,000	725,000	
UNIV STUD HLTH WORK PROG	93,000	159,500	170,000	170,000	159,500	
TRANSFERS OUT:LOSS CONTRL	0	150,000	150,000	0	150,000	
SPECIAL ITEM SUBTOTAL	11,807,600	13,884,500	13,739,000	13,589,000	13,728,500	
PROGRAM TOTAL	12,286,300	14,394,800	14,237,300	14,010,700	14,220,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: WORKERS' COMPENSATION

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	12,286,300	14,394,800	14,237,300	14,010,700	14,220,800	
PROGRAM TOTAL-ALL SOURCES	12,286,300	14,394,800	14,237,300	14,010,700	14,220,800	

The JLBC Staff recommends a total appropriation from the Workers' Compensation Fund of $14,220,800 -- a net decrease of $(174,000), or (1.2)%, from the estimated FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Includes a vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes (2,100)
- All Other Operating Expenditures - Base Adjustments (17,600)
  These reductions were part of the agency's revised request. The Executive has removed an additional $75,000 on the basis that a corporate systems contract for claims processing has been canceled. However, the department has not yet decided whether to proceed with an outside contract or bring the process in-house.
- Rent - State Owned Buildings (3,900)
  As a non-General Fund division, Workers' Compensation has been paying rent into the Capital Outlay Stabilization Account (COSA), pursuant to A.R.S. § 41-792.01. This reduction reflects actual space usage.
- Equipment 5,600
  Staff recommends the requested funding for a microcomputer for the yet-to-be-appointed program manager and a laser printer for the network. The Executive also recommends this funding.
- Workers' Compensation Payments (156,000)
  Reduction in claims payments, as estimated by the agency.

1/ Beginning with FY 1993, the Workers' Compensation Fund is subject to annual appropriation, pursuant to Laws 1991, Chapter 265. The FY 1991 Actual and FY 1992 Adjusted Appropriations figures are shown for comparability purposes.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FINANCE

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	115.00	69.00	80.00	73.00	71.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,210,900	1,072,700	1,320,500	1,179,400	1,107,200	
EMPLOYEE RELATED EXP	468,000	250,800	308,900	291,300	265,300	
PROFESSIONAL/OUTSIDE SVCS	201,400	88,000	113,000	99,000	88,000	
TRAVEL - IN STATE	2,100	0	9,600	2,000	0	
TRAVEL - OUT OF STATE	3,800	0	1,300	700	0	
OTHER OPERATING EXP	586,700	180,300	228,300	191,600	178,400	
EQUIPMENT	7,100	13,400	24,000	8,000	0	
ALL OTHER OPERATING	801,100	281,700	376,200	301,300	266,400	
OPERATING SUBTOTAL	3,480,000	1,605,200	2,005,600	1,772,000	1,638,900	
SPECIAL LINE ITEMS						
SLIAG	234,100	331,700	331,700	275,100	333,200	
LEASE-PURCHASE RENT	570,400	599,400	599,400	4,426,900	625,500	
COSA RENT	0	0	0	0	748,800	
GAAP	531,100	602,800	602,800	604,900	602,800	
AGENCY CLOSE-OUT	0	20,000	0	0	0	
COST RECOVERY/CASH MGMT	0	0	0	0	130,000	
REDUCTION-IN-FORCE COSTS	0	0	0	0	50,000	

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FINANCE

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
WATER RIGHTS SETTLEMENT	1,500,000	0	0	0	0	
WOOLSEY FLOOD DISTRICT	34,181	0	0	0	0	
NAMED CLAIMANTS, CH. 263	311,911	0	0	0	0	
TUCSON DEV CORP SETTLEMENT	71,249	0	0	0	0	
TUCSON STATE OFFICE BLDG	0	519,000	113,000	0	107,700	
COURTS BUILDING	0	49,000	0	0	0	
AGENCY-WIDE REDUCTION	0	0	0	0	-41,400	
SPECIAL ITEM SUBTOTAL	3,252,941	2,121,900	1,646,900	5,306,900	2,556,600	
PROGRAM TOTAL	6,732,941	3,727,100	3,652,500	7,078,900	4,195,500	
BY FUND SOURCE						
GENERAL FUND	6,732,941	3,727,100	3,652,500	7,078,900	4,195,500	
PROGRAM TOTAL-ALL SOURCES	6,732,941	3,727,100	3,652,500	7,078,900	4,195,500	

The JLBC Staff recommends a total appropriation of $4,195,500 -- a net increase of $468,400, or 12.6%, to the adjusted FY 1992 appropriation. [1/]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 42,800

  Includes a new vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. Included in this recommendation is the elimination of the vacant Accounting Administrator position, which frees up $60,000 in Personal Services to reduce the vacancy factor. The department's base Personal Services in their request included a nearly 10% vacancy factor; evidently in the reorganization, too little funding was left for the positions remaining in the division. The Executive recommends an effective vacancy factor of 4.38% and a base Personal Services

amount which is $32,400 lower than the JLBC Staff recommended amount. See Footnote #3 under Central Operations for further explanation.

- ERE Rate Changes 6,200
- Equipment/Non-Capitalized Equipment (15,300)
  Removal of one-time FY 1992 funding - $1,900 in Non-Capitalized Equipment and $13,400 in Capitalized Equipment.
- Lease-Purchase Rent (excluding Tucson State Office Building) 26,100
  This amount reflects the increase in the department's General Fund share of annual payments for lease-purchase projects excepting the Tucson State Office Building. The total rent of $625,500 includes $439,700 for the 16th Street Parking Garage, $72,800 for the former State Compensation Fund Building, and the balance for common area space. The Executive has included $3,810,600 for ENSCO, $125,500 for the Tucson State Office Building (see below), and $51,100 for the State Compensation Fund Building in a "Rent of Facilities" line, which is shown here under "Lease-Purchase Rent."
- Rent - State Owned Buildings (COSA Rent special line) 748,800
  Includes reinstatement of General Fund rent in the amount of $748,800 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Rent - Tucson State Office Building (411,300)
  Eliminates one-time funding for the Tucson State Office Building and leaves the department with $107,700 for its share of the FY 1993 lease-purchase payment for the building. This amount is based on the plan adopted by the Joint Committee on Appropriations in June of 1991. Based upon the department's request, this plan assumed that $300,000 of the lease-purchase payment would be achieved from the savings of moving agencies into the building from private sector space. The Department of Administration (DOA) has essentially been unable to achieve this objective and $300,000 has been added to agency budgets to fill the shortfall in the lease-purchase payment. This amount forms the basis of the $300,000 agency-wide reduction (see below). The Executive recommends $125,500 (included in the "Lease-Purchase Rent" line - see above). This amount includes $32,100 for the Governor's space, $65,900 for DOA space, and $27,500 for space intended for the Auditor General which is now unallocated.
- Courts Building (49,000)
  This reduction reflects the elimination of DOA-support for vacant space in the Courts Building, constructed with Certificates of Participation funding.
- Agency Close-Out (20,000)
  Removal of one-time FY 1992 funding for costs associated with consolidating the Oil & Gas Commission into the Geological Survey.
- Cost Recovery/Cash Management 130,000
  Staff recommends 3 FTE positions and $130,000 for a new special line "Cost Recovery/Cash Management." Of this amount, $55,000 and 1 FTE position is recommended to be transferred from Central Operations to coordinate the Federal Indirect Cost Recovery program. Last year, 1 FTE position and funding for a study was approved for the

Indirect Cost Recovery program, but the department has not yet filled the position. A letter from the department in November 1991 indicated they intended to use an outside consultant to identify and collect the extant indirect cost revenues, with compensation based on a percentage of amounts collected. Recently the department has indicated the potential to generate $5 to $6 million in additional federal indirect costs by using an outside contract. Assuming a 15% commission, the contractor's share would be $800,000 to $1,000,000. The consultant would likely complete its role in the project within 2 years, and staff would need to be established and trained to continue the effort. In view of this, the consultant contract, at a potential cost of up to $1 million should be evaluated in relation to the alternative of creating an expanded unit of 5 to 6 staff along the lines of the SLIAG unit at a cost of perhaps $300,000 to $400,000 annually. In any case, a project coordinator needs to be established to oversee the consultant and/or administer in-house implementation. Additional resources may be needed in the future to conduct an effective identification and collection campaign for these monies.

The Staff also recommends $75,000 and 2 FTE positions (a Fiscal Services Officer and Administrative Assistant) to implement a cash management program. In regard to the Cash Management issue, the federal Cash Management Improvement Act, passed in October 1990, requires states to pay the federal government interest for federal funds on hand from the time funds are received until the related warrants are cleared by the bank. Likewise, the federal government must pay the states interest for state funds issued for federal programs from the time the related warrants are redeemed by the bank until the federal funds are received (related to Indirect Cost Recovery). The state currently does not have systems in place to ensure adherence to the required transfer and deposit schedules. The interest requirements begin July 1, 1993. The Executive recommends 2 FTE and $76,300 for these programs, offset by a $25,000 reduction in funding related to the Indirect Cost Recovery study. Their recommendation also assumes the position added last year for Indirect Cost Recovery will be filled.

- SLIAG — 1,500

  The amount reflects a $1,500 adjustment for ERE changes. The Executive recommends removal of $60,000 related to implementing a collection system for DES reimbursements. However, there are on-going costs of data processing not included in the DES budget. Note that all expenditures are reimbursed by the federal program.

- Reduction-in-Force Costs — 50,000

  Allowance for costs of leave pay-off for staff whose positions have been eliminated and are unable to be transferred to other positions within state government.

- Agency-Wide Reduction — (41,400)

  This amount represents the portion of the $300,000 agency-wide reduction allocated to this cost center. See Central Operations and also Tucson State Office Building above.

Other Issues for Legislative Consideration

- Pass-Through Audits/1099's

  The Executive recommends 2 FTE positions and $89,000 to a) coordinate the auditing of subrecipients of federal funds which pass through state agencies to local governments and other entities; and b) coordinate the filing of IRS Form 1099's with the federal government. The pass-through audits are mandated by the federal Single Audit Act of 1984. The 1099's must be filed properly to avoid penalties which may be imposed by FY 1993. The amount is offset by a $25,000 reduction of FY 1992 funding for a pass-through audit study, for a net amount of $64,000.

1/ The Finance Division, based on the agency budget request, contains only the General Accounting Office. The Procurement Office and Operations section have been moved to Central Operations. Very recently it was learned that the Operations section will be moved back into Finance. This latter change is not reflected in the budget recommendation, however.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: PERSONNEL

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	115.70	116.50	118.50	118.50	117.50	
OPERATING BUDGET						
PERSONAL SERVICES	3,208,700	3,345,900	3,407,700	3,408,300	3,312,700	
EMPLOYEE RELATED EXP	712,300	705,400	825,800	765,400	724,600	
PROFESSIONAL/OUTSIDE SVCS	33,500	64,800	134,800	63,800	39,800	
TRAVEL - IN STATE	11,700	10,600	10,600	10,600	11,100	
TRAVEL - OUT OF STATE	2,800	4,500	4,500	4,500	4,500	
OTHER OPERATING EXP	457,700	427,400	435,900	722,400	691,600	
EQUIPMENT	34,800	150,000	150,000	150,000	2,000	
ALL OTHER OPERATING	540,500	657,300	735,800	951,300	749,000	
OPERATING SUBTOTAL	4,461,500	4,708,600	4,969,300	5,125,000	4,786,300	
SPECIAL LINE ITEMS						
SPECIAL RECRUITMENT	34,600	43,500	63,500	63,500	43,500	
EXECUTIVE TRAINING	100,000	0	0	0	0	
CPS STUDY	25,000	0	0	0	0	
PERSONNEL AUTOMATION PROJ	0	0	0	0	175,000	
SPECIAL ITEM SUBTOTAL	159,600	43,500	63,500	63,500	218,500	
PROGRAM TOTAL	4,621,100	4,752,100	5,032,800	5,188,500	5,004,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: PERSONNEL

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	4,621,100	0	0	0	0	
OTHER FUNDS	0	4,752,100	5,032,800	5,188,500	5,004,800	
OTHER NON APPROPRIATED	149,225,000	170,406,200	221,703,800	0	221,703,800	
PROGRAM TOTAL-ALL SOURCES	153,846,100	175,158,300	226,736,600	5,188,500	226,708,600	

The JLBC Staff recommends a total appropriation from the Personnel Division Fund of $5,004,800 -- a net increase of $252,700, or 5.3%, to the FY 1992 appropriation. [1/]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (81,500)
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%, although the division's request indicates no vacancy amount. The Executive recommends an effective vacancy factor of 0.02% and a Personal Services Base which is $67,500 higher than the JLBC Staff recommended amount. This results from the Executive restoring a vacancy when the agency was requesting no restoration, as well as the differences in vacancy rates.
- ERE Rate Changes 26,400
- Rent - State Owned Buildings 245,200
  Includes charges to the Personnel Division Fund for rent in the amount of $245,200 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01. The Executive recommends $286,000 for the combined COSA rent and Lease-Purchase rent. See below.
- Rent - Lease-Purchase 18,000
  This amount is for the Personnel Division space in the former State Compensation Fund Building.
- Employee Relations 44,600

Currently there is no coordinated employee relations effort for state personnel. Each agency is responsible for determining and implementing its own programs and dealing with public employee associations or unions without oversight from the Governor. There is little uniformity in employee-management relations issues. Staff concurs with the department's request for funding to hire a Personnel Manager II to develop and administer an employee relations program for Arizona State Service. The Executive also recommends this position.

- Personnel Automation Project

  Staff recommends that $25,000 of Professional & Outside Services and $150,000 of Equipment funding be moved to a new special line "Personnel Automation Project." Last year, $150,000 plus a portion of the Professional & Outside Services funding was approved as the first installment for developing and acquiring a personnel automation system. As noted above, applicants' files and many other functions are still being handled by hand, at great cost in time lost and duplication of effort. The department has spent some of the funding on consultants, but the project has not been implemented. Now under the guidance of the systems planning group within Central Operations, it is hoped that the program will be implemented in an efficient and timely manner. Staff recommends the department report quarterly to the JLBC Staff on the status of the automation project.

- 0 -

Other Issues for Legislative Consideration

- Organizational Analyst

  The Executive recommends $38,400 for 1 FTE position to conduct turnover studies and manpower planning for future state personnel needs.

- Special Recruitment

  The Executive recommends an additional $20,000 for executive recruitment, recruitment of difficult-to-fill positions, and affirmative action needs.

1/ The original budget submission for the Personnel Division included an FY 1992 projection of $4.75 million in pro rata share revenues based on 0.7% of state payroll. The FY 1993 projection, at 0.75% of payroll, was $5,032,800. However, based on actual receipts through November, the department now projects the revenues for the current year, at 0.7% pro rata share, will be nearly $5.1 million. Assuming no growth in state payroll for FY 1993, the revenues at 0.75% of payroll could exceed $5.5 million. With the recommended expenditures and the $200,000 carry-forward balance permitted in the Personnel Division Fund, the General Fund could receive over $400,000 in revertments in FY 1992 and over $500,000 in FY 1993.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FACILITIES MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	302.60	35.50	35.50	35.50	12.50	
OPERATING BUDGET						
PERSONAL SERVICES	5,120,700	1,048,200	1,064,000	1,043,700	468,400	
EMPLOYEE RELATED EXP	1,382,700	324,900	329,700	274,800	97,200	
PROFESSIONAL/OUTSIDE SVCS	15,100	12,400	12,400	12,400	12,400	
TRAVEL - IN STATE	144,700	55,100	55,100	55,100	26,000	
TRAVEL - OUT OF STATE	9,200	3,000	3,000	3,000	2,400	
OTHER OPERATING EXP	1,199,000	143,700	143,700	139,400	46,500	
EQUIPMENT	88,000	31,900	46,900	16,400	0	
ALL OTHER OPERATING	1,456,000	246,100	261,100	226,300	87,300	
OPERATING SUBTOTAL	7,959,400	1,619,200	1,654,800	1,544,800	652,900	
SPECIAL LINE ITEMS						
UTILITIES	4,845,300	0	0	0	0	
RELOCATION	412,700	600,000	750,000	600,000	0	
RELOC/NON-WEST TOWER	0	0	0	0	450,000	
RELOCATION-WEST TOWER	0	0	0	0	50,000	
AGENCY-WIDE REDUCTION	0	0	0	0	-21,200	
SPECIAL ITEM SUBTOTAL	5,258,000	600,000	750,000	600,000	478,800	
PROGRAM TOTAL	13,217,400	2,219,200	2,404,800	2,144,800	1,131,700	

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: FACILITIES MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	12,917,200	1,907,300	2,066,400	1,841,400	1,131,700	
OTHER FUNDS	300,200	311,900	338,400	303,400	0	
PROGRAM TOTAL-ALL SOURCES	13,217,400	2,219,200	2,404,800	2,144,800	1,131,700	

The JLBC Staff recommends a total appropriation of $1,131,700 -- a net decrease of $(1,087,500), or (49)%, from the adjusted FY 1992 appropriation. The General Fund portion of the recommendation is $1,131,700 -- a net decrease of $(775,600), or (40.7)%, from the FY 1992 appropriation. 1/ 2/

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Includes a combined base vacancy factor of 2%. This is comprised of a 0% base vacancy factor for the General Fund portion and 10.2% for the Corrections Fund portion. The recommended vacancy factor after the recommended policy issue reductions is 0%. The FY 1992 budgeted vacancy factor was 1.5%; however, this was based on the number of FTE positions prior to reorganization. (See Footnote #1.) The Executive recommends an effective vacancy factor of 2.42% and a base Personal Services amount which is $4,500 below the JLBC Staff recommended amount. See Footnote #3 under Central Operations for further explanation.
- ERE Rate Changes — (107,500)
- Equipment — (31,900)
  Removal of one-time equipment funding. The Executive recommends $16,400 for 6 microcomputers, 2 laser printers, and a CADD Terminal.
- Major Reduction in Core Staffing — (826,900)
  It is recommended that the Facilities Management staff be reduced by 23 FTE positions, from 35.5 to 12.5 FTE positions. This reduction is premised on the following:
  -- Several administrative and clerical positions that once assisted with the building maintenance functions have been relieved of that workload since maintenance has been moved to General Services.

-- The number of major building projects, both General Fund and Corrections Fund, has declined and is expected to remain at a lower level at least for the next few years. It is recommended that construction management personnel, with the exception of the staff architect and engineers (see below), be paid from project funding, either as state employees or by contract with construction management firms.
-- The key roles remaining for the division are supervision of construction projects, coordination of all state leases, agency relocation and space remodeling, management of the building renewal funds, and maintaining an inventory of all major infrastructure. To those ends, the following core of staff and expenditures are recommended:

	Staffing	Cost
1.0	Assistant Director of State Facilities	$68,900
1.0	State Architect	65,000
1.0	Administrator of Statewide Planning	60,000
1.0	Civil Engineer III	57,500
1.0	Civil Engineer I	34,000
1.0	Fiscal Services Specialist/Leasing Coordinator	27,000
1.0	Building Plans Coordinator	32,000
3.0	State Building Inspectors @ $28,000	84,000
1.0	Administrative Assistant	16,600
1.0	Clerk Typist	14,100
0.5	State Service Intern (CADD Building Inventory)	9,300
12.5		$468,400
	ERE	$ 97,200
	Prof. & Outside Services	12,400
	Travel	28,400
	Other Operating Expenditures	46,500
	Relocation/Non-West Tower Space	450,000
	Relocation/West Tower Space	50,000
	Agency-Wide Reduction	(21,200)
	TOTAL	$1,131,700

The recommendation would establish a State Architect and 2 civil engineer positions. This staff could perform the architectural and engineering work for the small projects and portions of the larger projects, rather than having that work contracted out. This should result in substantial savings in outside contracts.

- Relocation (600,000)

  The funding for relocating state agencies is recommended to be moved into 2 new special lines, Relocation/Non-West Tower and Relocation/West Tower. See below.

- Relocation/Non-West Tower 450,000

  During FY 1991 and FY 1992 a large share of the Relocation funding in the operating budget and Office Refurbishing funding in the Capital Outlay bill has been spent on remodeling office space in the West Tower for use by various divisions of the Department of Administration and the Governor's Constituent Services, the Office of Strategic Planning and Budgeting and various transitional functions. Part of this space became available through various moves, but most through the vacating by the Courts of its space on the first 2 floors. Moreover, there is still vacant space in the West Tower. At the same time, the buildings at 1300 and 1400 West Washington have been vacated by DES as staff was moved into the new DES Building. That space has been vacant since Spring of 1991 and is projected not to be filled until Spring of 1993. This recommendation, combined with the $500,000 in the Capital Outlay budget recommendation, is intended to focus the resources toward filling the former DES buildings as quickly as possible, as well as completing the moves in the complex of Tucson state office buildings.

- Relocation/West Tower 50,000

  This amount is recommended to ensure that the remaining vacant space in the West Tower is filled at minimal additional cost, and that no unnecessary reshuffling and refurbishing is undertaken. See above.

- Agency-Wide Reduction (21,200)

  This amount represents the portion of the agency-wide reduction allocated to this cost center. See Central Operations and "Tucson State Office Building" under Finance for further explanation.

1/ As part of the agency-wide reorganization for FY 1991, all building maintenance and custodial functions were moved from Facilities Management to General Services. Facilities Management retains construction, space planning, relocation, and remodeling functions.

2/ This recommendation would eliminate the $311,900 Corrections Fund appropriation for administration of the Correctional Facilities construction program. Project-specific personnel and related expenditures, however, would still be paid from the Capital Outlay appropriations of the Corrections Fund. See the FY 1993 Other Funds Budget book and the FY 1993 Capital Outlay Budget Recommendations for further details.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: GENERAL SERVICES

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	206.50	206.50	206.50	200.50	
OPERATING BUDGET						
PERSONAL SERVICES	65,400	3,387,400	3,438,200	3,403,800	3,325,200	
EMPLOYEE RELATED EXP	21,100	1,084,000	1,101,900	1,162,700	1,108,600	
TRAVEL - IN STATE	7,800	46,600	46,600	46,600	46,600	
TRAVEL - OUT OF STATE	0	2,200	2,200	2,200	2,200	
OTHER OPERATING EXP	700	1,258,800	1,258,300	1,248,200	1,238,800	
EQUIPMENT	0	88,800	120,800	51,000	52,700	
ALL OTHER OPERATING	8,500	1,396,400	1,427,900	1,348,000	1,340,300	
OPERATING SUBTOTAL	95,000	5,867,800	5,968,000	5,914,500	5,774,100	
SPECIAL LINE ITEMS						
UTILITIES	0	6,444,100	6,444,100	6,766,300	6,122,100	
AGENCY-WIDE REDUCTION	0	0	0	0	-136,900	
SPECIAL ITEM SUBTOTAL	0	6,444,100	6,444,100	6,766,300	5,985,200	
PROGRAM TOTAL	95,000	12,311,900	12,412,100	12,680,800	11,759,300	

DEPARTMENT: DEPT. OF ADMINISTRATION
COST CENTER: GENERAL SERVICES

JLBC ANALYST: PITCAIRN
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	95,000	12,311,900	12,412,100	12,680,800	11,759,300	
OTHER NON APPROPRIATED	10,457,300	10,422,100	11,490,600	0	11,490,600	
PROGRAM TOTAL-ALL SOURCES	10,552,300	22,734,000	23,902,700	12,680,800	23,249,900	

The JLBC Staff recommends a total appropriation of $11,759,300 -- a net decrease of $(552,600), or (4.5)%, from the adjusted FY 1992 appropriation. [1/]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 36,900
  Includes a vacancy factor of 5%. The FY 1992 vacancy factor is 5.8%. The Executive recommends an effective vacancy factor of 5.31% and a base Personal Services amount which is $11,300 below the JLBC Staff recommended amount. See Footnote #3 under Central Operations for further explanation.
- ERE Rate Changes 45,400
- Non-Capitalized and Capitalized Equipment (36,100)
  The sum of $40,500 is recommended for Non-Capitalized Equipment replacement (mowers, blowers, etc.) and $52,700 for Capitalized Equipment, which includes funding for 3 gas-powered carts, a riding mower, a microcomputer for the network server, a copier and FAX machine for Tucson, a cement mixer and concrete saw, and various equipment for floor cleaning and refinishing. This results in a net reduction of $(36,100) from the current year. The Executive recommends $29,900 for Non-Capitalized Equipment and $51,000 for Equipment.
- Custodial Staff Reduction (98,600)
  Last year the Executive proposed shifting to alternate-day cleaning for the new buildings, and removing 11 FTE Custodial positions and related funding. However, this alternate-day schedule has not yet been implemented, and 4 of the 11 FTE positions have not been eliminated. This reduction removes those 4 FTE custodial positions which were to be eliminated last year, along with $20,000 in operating costs. The department should be able to achieve the FTE reductions through attrition.

- Groundskeeping Reduction (41,300)

  This eliminates 2 FTE vacant Groundskeeper positions, which should not impact the current level of service.

- Utilities (322,000)

  This amount represents a 5% reduction from the current funding level. This reduction is intended to encourage the department to adopt a more aggressive energy conservation strategy. The department is making strides in the area of cost tracking and energy systems management. However, more could be done in the way of employee awareness and thermostat and lighting use guidelines. Combined with the 5.2% increase in the electric rates as of December 1991 (electricity comprises about 92% of the utility costs), this would seem to impose the equivalent of a 10% reduction. Based on Staff projections of expenditures through FY 1993, however, the utility costs for both FY 1992 and FY 1993 should fall well below the FY 1992 budget of $6.4 million. The savings necessary to meet the JLBC Staff recommended utility budget are projected to be less than 2%, rather than the 10% figure mentioned above. Such savings should not be too difficult to achieve, but will require implementation of new conservation efforts. The Executive recommends a 5%, or $322,200, increase in funding for utilities.

- Agency-Wide Reduction (136,900)

  This amount represents the portion of the $300,000 agency-wide reduction allocated to this cost center. See Central Operations and also "Tucson State Office Building" under Finance for further explanation.

1/ As part of the agency-wide reorganization for FY 1992, all building maintenance and custodial functions were moved from Facilities Management to General Services.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	382.50	348.00	351.00	352.00	348.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	2,971,800	1,954,600	1,965,100	2,046,900	3,161,900	
CIVIL	6,695,200	7,008,200	7,321,900	6,908,700	6,834,200	
HUMAN SERVICES	714,900	1,048,000	1,257,600	1,188,800	1,173,100	
CRIMINAL	7,398,100	7,700,500	8,016,900	7,610,500	7,546,400	
AGENCY TOTAL	17,780,000	17,711,300	18,561,500	17,754,900	18,715,600	
OPERATING BUDGET						
PERSONAL SERVICES	13,142,700	12,846,200	13,370,500	12,977,400	12,869,600	
EMPLOYEE RELATED EXP	2,475,000	2,750,100	2,876,000	2,580,400	2,509,600	
PROFESSIONAL/OUTSIDE SVCS	164,600	38,000	38,000	88,000	38,000	
TRAVEL - IN STATE	153,100	155,000	155,000	155,000	155,000	
TRAVEL - OUT OF STATE	37,500	40,000	40,000	40,000	40,000	
OTHER OPERATING EXP	1,689,400	1,493,500	1,493,500	1,496,600	2,781,500	
EQUIPMENT	40,200	74,000	274,000	103,000	7,400	
ALL OTHER OPERATING	2,084,800	1,800,500	2,000,500	1,882,600	3,021,900	
OPERATING SUBTOTAL	17,702,500	17,396,800	18,247,000	17,440,400	18,401,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
GRAND JURY	0	150,000	150,000	150,000	150,000	
SPECIAL & HAZARDOUS WASTE	0	16,900	16,900	16,900	16,900	
TAX DIVISION-DOR SERVICES	0	147,600	147,600	0	147,600	
PROPERTY TAX SUPP	77,500	0	0	0	0	
PROPERTY TAX APPEALS	0	0	0	147,600	0	
SPECIAL ITEM SUBTOTAL	77,500	314,500	314,500	314,500	314,500	
A G E N C Y T O T A L	17,780,000	17,711,300	18,561,500	17,754,900	18,715,600	
BY FUND SOURCE						
GENERAL FUND	17,780,000	17,711,300	18,561,500	17,754,900	18,015,600	
OTHER FUNDS	0	0	0	0	700,000	
FEDERAL FUNDS	2,179,600	2,528,700	2,411,300	0	2,411,300	
OTHER NON APPROPRIATED	14,610,100	14,541,700	15,132,800	0	15,132,800	
AGENCY TOTAL-ALL SOURCES	34,569,700	34,781,700	36,105,600	17,754,900	36,259,700	

DEPARTMENT: ATTORNEY GENERAL - DEPARTMENT OF LAW
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $18,715,600 -- a net increase of $1,004,300, or 5.7%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $18,015,600 -- a net increase of $304,300, or 1.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (99,600)
• ERE Rate Changes	(247,100)
• Rent - State Owned Buildings	1,221,400
• Annualization of 4 FTE positions	129,600
• Funding shift from General Fund to Anti-Racketeering Revolving Fund	-0-

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ADMINISTRATION

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	42.00	46.00	46.00	47.00	46.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,544,600	1,487,800	1,487,800	1,516,800	1,487,300	
EMPLOYEE RELATED EXP	278,300	319,500	320,000	317,900	305,900	
PROFESSIONAL/OUTSIDE SVCS	119,300	2,000	2,000	52,000	2,000	
TRAVEL - IN STATE	14,000	18,000	18,000	18,000	18,000	
TRAVEL - OUT OF STATE	15,100	17,000	17,000	17,000	17,000	
OTHER OPERATING EXP	965,600	99,100	99,100	102,200	1,331,700	
EQUIPMENT	34,900	11,200	21,200	23,000	0	
ALL OTHER OPERATING	1,148,900	147,300	157,300	212,200	1,368,700	
PROGRAM TOTAL	2,971,800	1,954,600	1,965,100	2,046,900	3,161,900	
BY FUND SOURCE						
GENERAL FUND	2,971,800	1,954,600	1,965,100	2,046,900	3,161,900	
OTHER NON APPROPRIATED	4,788,600	2,868,500	2,977,200	0	2,977,200	
PROGRAM TOTAL-ALL SOURCES	7,760,400	4,823,100	4,942,300	2,046,900	6,139,100	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $3,161,900 -- a net increase of $1,207,300, or 61.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (600)
  Maintains a vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (13,500)
- Rent - State Owned Buildings 1,221,400
  Includes reinstatement of General Fund rent in the amount of $1,221,400 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

Other Issues for Legislative Consideration

- Executive Recommendation
  The Executive recommends $50,000 for a comprehensive computer system study; $31,000 for a new FTE position, an Administrative Assistant, to coordinate and process interstate extradition; $20,000 for equipment; and $100 for utilities inflation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	120.00	131.00	132.00	132.00	131.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,308,800	4,930,600	5,110,600	4,928,900	4,879,200	
EMPLOYEE RELATED EXP	978,400	1,055,600	1,099,300	954,200	933,000	
PROFESSIONAL/OUTSIDE SVCS	25,200	25,000	25,000	25,000	25,000	
TRAVEL - IN STATE	4,000	5,400	5,400	5,400	5,400	
TRAVEL - OUT OF STATE	5,900	9,000	9,000	9,000	9,000	
OTHER OPERATING EXP	295,300	808,600	808,600	808,600	827,600	
EQUIPMENT	100	26,400	116,400	30,000	7,400	
ALL OTHER OPERATING	330,500	874,400	964,400	878,000	874,400	
OPERATING SUBTOTAL	6,617,700	6,860,600	7,174,300	6,761,100	6,686,600	
SPECIAL LINE ITEMS						
TAX DIVISION-DOR SERVICES	0	147,600	147,600	0	147,600	
PROPERTY TAX SUPP	77,500	0	0	0	0	
PROPERTY TAX APPEALS	0	0	0	147,600	0	
SPECIAL ITEM SUBTOTAL	77,500	147,600	147,600	147,600	147,600	
PROGRAM TOTAL	6,695,200	7,008,200	7,321,900	6,908,700	6,834,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CIVIL

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,695,200	7,008,200	7,321,900	6,908,700	6,834,200	
OTHER NON APPROPRIATED	6,551,400	7,356,200	7,410,600	0	7,410,600	
PROGRAM TOTAL-ALL SOURCES	13,246,600	14,364,400	14,732,500	6,908,700	14,244,800	

The JLBC Staff recommends a total appropriation of $6,834,200 -- a net decrease of $(174,000), or (2.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (61,200)
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (112,800)

Other Issues for Legislative Consideration

- Executive Recommendation
  The Executive recommends $30,000 for equipment and recommends the addition of 1 FTE position without an increase to the Personal Services base.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: HUMAN SERVICES

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	35.50	31.00	32.00	32.00	31.00	
OPERATING BUDGET						
PERSONAL SERVICES	519,200	799,300	963,600	905,000	905,000	
EMPLOYEE RELATED EXP	107,000	172,000	207,300	190,900	191,400	
PROFESSIONAL/OUTSIDE SVCS	9,700	2,000	2,000	2,000	2,000	
TRAVEL - IN STATE	12,700	3,600	3,600	3,600	3,600	
TRAVEL - OUT OF STATE	2,100	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	64,200	65,300	65,300	65,300	69,100	
EQUIPMENT	0	3,800	13,800	20,000	0	
ALL OTHER OPERATING	88,700	76,700	86,700	92,900	76,700	
PROGRAM TOTAL	714,900	1,048,000	1,257,600	1,188,800	1,173,100	
BY FUND SOURCE						
GENERAL FUND	714,900	1,048,000	1,257,600	1,188,800	1,173,100	
FEDERAL FUNDS	351,000	165,600	157,900	0	157,900	
PROGRAM TOTAL-ALL SOURCES	1,065,900	1,213,600	1,415,500	1,188,800	1,331,000	

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: HUMAN SERVICES

The JLBC Staff recommends a total appropriation of $1,173,100 -- a net increase of $125,100, or 11.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (1,600)
  Maintains a vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (2,900)
- Annualization of 4 FTE positions for Fair Housing funded in FY 1992 from the Antitrust Revolving Fund 129,600

Other Issues for Legislative Consideration

- Executive Recommendation
  The Executive recommends $20,000 for equipment and recommends the addition of 1 FTE position without an increase to the Personal Services base.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CRIMINAL

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	185.00	140.00	141.00	141.00	140.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,770,100	5,628,500	5,808,500	5,626,700	5,598,100	
EMPLOYEE RELATED EXP	1,111,300	1,203,000	1,249,400	1,117,400	1,079,300	
PROFESSIONAL/OUTSIDE SVCS	10,400	9,000	9,000	9,000	9,000	
TRAVEL - IN STATE	122,400	128,000	128,000	128,000	128,000	
TRAVEL - OUT OF STATE	14,400	12,000	12,000	12,000	12,000	
OTHER OPERATING EXP	364,300	520,500	520,500	520,500	553,100	
EQUIPMENT	5,200	32,600	122,600	30,000	0	
ALL OTHER OPERATING	516,700	702,100	792,100	699,500	702,100	
OPERATING SUBTOTAL	7,398,100	7,533,600	7,850,000	7,443,600	7,379,500	
SPECIAL LINE ITEMS						
GRAND JURY	0	150,000	150,000	150,000	150,000	
SPECIAL & HAZARDOUS WASTE	0	16,900	16,900	16,900	16,900	
SPECIAL ITEM SUBTOTAL	0	166,900	166,900	166,900	166,900	
PROGRAM TOTAL	7,398,100	7,700,500	8,016,900	7,610,500	7,546,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ATTORNEY GENERAL
COST CENTER: CRIMINAL

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	7,398,100	7,700,500	8,016,900	7,610,500	6,846,400	
OTHER FUNDS	0	0	0	0	700,000	
FEDERAL FUNDS	1,828,600	2,363,100	2,253,400	0	2,253,400	
OTHER NON APPROPRIATED	3,270,100	4,317,000	4,745,000	0	4,745,000	
PROGRAM TOTAL-ALL SOURCES	12,496,800	14,380,600	15,015,300	7,610,500	14,544,800	

The JLBC Staff recommends a total appropriation of $7,546,400 -- a net decrease of $(154,100), or (2)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $6,846,400 -- net decrease of $(854,100), or (11.1%), from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (36,200)
  Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 1% due to the reduction in FTE positions. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (117,900)
- Funding shift from General Fund to Anti-Racketeering Revolving Fund -0-
  A.R.S. § 13-2314.01 allows the use of the Anti-Racketeering Revolving Fund for the investigation and prosecution of any offense defined as racketeering pursuant to A.R.S. §§ 13-2301(D)(4) or 13-2312, including civil enforcement. In FY 1992 the Fund had a carryforward balance of more than $2,200,000. Therefore, the JLBC Staff recommends that $700,000 be appropriated from the Anti-Racketeering Revolving Fund to the Criminal Division for use in the investigation and prosecution of racketeering offenses.

Other Issues for Legislative Consideration

- Executive Recommendation
  The Executive recommends $30,000 for equipment and recommends the addition of 1 FTE position without an increase to the Personal Services base.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: MARTINEZ
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	313.00	313.00	278.00	278.00	278.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,016,500	5,120,200	4,660,200	4,660,200	4,660,200	
EMPLOYEE RELATED EXP	776,700	794,700	723,300	1,004,100	898,500	
PROFESSIONAL/OUTSIDE SVCS	1,754,800	1,837,700	1,837,700	1,837,700	1,837,700	
TRAVEL - IN STATE	11,300	11,700	11,700	11,700	11,700	
TRAVEL - OUT OF STATE	27,800	30,000	37,000	37,000	37,000	
OTHER OPERATING EXP	5,444,900	5,814,500	5,732,000	2,451,200	5,556,800	
EQUIPMENT	183,800	200,000	100,000	100,000	100,000	
ALL OTHER OPERATING	7,422,600	7,893,900	7,718,400	4,437,600	7,543,200	
PROGRAM TOTAL	13,215,800	13,808,800	13,101,900	10,101,900	13,101,900	
BY FUND SOURCE						
OTHER FUNDS	13,215,800	13,808,800	13,101,900	10,101,900	13,101,900	
OTHER NON APPROPRIATED FUNDS	3,704,400	6,995,300	6,817,000	0	6,817,000	
PROGRAM TOTAL-ALL SOURCES	16,920,200	20,804,100	19,918,900	10,101,900	19,918,900	

DEPARTMENT: COLISEUM AND EXPOSITION CENTER
COST CENTER: COLISEUM AND EXPOSITION CENTER

The JLBC Staff recommends a total appropriation of $13,101,900 -- a net decrease of $(706,900), or (5.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- FTE Adjustments
  The JLBC Staff recommends the reduction of 35 temporary and seasonal FTE positions identified by the agency as a result of the Phoenix Suns basketball team moving to a new arena. This FTE decrease would reduce FTE positions from 313 to 278. The Coliseum and Exposition Center would then have 86 regular positions and 192 temporary and seasonal positions. The agency requires flexibility in determining the level of staffing because of the difficulty in being able to predict the level of activity which will occur throughout the year, especially activities connected with the Arizona State Fair.
- Personal Services/ERE Adjustments $(548,500)
  The amount includes $(460,000) in eliminated salaries, and $(88,500) in associated ERE.
- ERE Rate Changes 192,300
- Travel-Out of State Adjustments 7,000
  The agency plans a more aggressive marketing campaign to attract events to the Coliseum.
- OOE Adjustments (257,700)
  The agency has projected lower operating costs in various categories.
- Equipment (100,000)

By statute, all monies received by the Arizona Coliseum and Exposition Center Board are under full control of the board. The JLBC recommendation is for the Coliseum and Exposition Center to be appropriated 100% of its receipts. The above adjustments are made at the discretion of the Board and are shown for information only.

The Executive also recommends appropriating 100% of receipts.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF COMMERCE
COST CENTER: DEPARTMENT OF COMMERCE

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	72.00	69.00	69.00	72.00	67.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,088,000	1,840,200	1,865,000	2,015,600	1,863,300	
EMPLOYEE RELATED EXP	438,500	382,900	421,900	446,700	397,000	
PROFESSIONAL/OUTSIDE SVCS	188,800	140,100	140,100	140,600	154,700	
TRAVEL - IN STATE	68,300	103,500	103,500	107,500	105,100	
TRAVEL - OUT OF STATE	96,500	99,400	99,400	101,200	99,400	
OTHER OPERATING EXP	597,900	701,600	701,600	817,000	704,500	
EQUIPMENT	167,000	9,700	93,000	41,700	9,700	
ALL OTHER OPERATING	1,118,500	1,054,300	1,137,600	1,208,000	1,073,400	
OPERATING SUBTOTAL	3,645,000	3,277,400	3,424,500	3,670,300	3,333,700	
SPECIAL LINE ITEMS						
ECON DEVT MATCHING FUNDS	99,300	60,000	60,000	60,000	60,000	
CEDC COMMISSION	199,900	200,000	200,000	200,000	200,000	
ADVERTISING & PROMOTION	806,300	495,200	495,200	695,200	495,200	
ASIAN PACIFIC TRADE OFF.	157,300	157,800	119,800	157,800	120,000	
EUROPE/MEXICO TRADE OFF.	0	300,000	300,000	300,000	200,000	
REDI MATCHING GRANTS	42,300	89,000	89,000	89,000	89,000	
MOTION PICTURE DEVELOPMNT	49,900	479,100	511,700	615,500	479,100	
PROCUREMENT ASSIST. NET.	50,000	0	0	0	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF COMMERCE
COST CENTER: DEPARTMENT OF COMMERCE

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
INDIAN ECONOMIC DEVEL.	66,200	63,700	63,700	63,700	63,700	
SOLAR PROJECTS	81,200	0	0	100,000	0	
OIL OVERCHARGE ADMIN.	108,600	123,400	127,900	123,600	123,400	
JAPAN TRADE/TOURISM	0	0	0	280,000	280,000	
SPECIAL ITEM SUBTOTAL	1,661,000	1,968,200	1,967,300	2,684,800	2,110,400	
PROGRAM TOTAL	5,306,000	5,245,600	5,391,800	6,355,100	5,444,100	
BY FUND SOURCE						
GENERAL FUND	3,869,100	3,746,600	3,865,000	4,803,200	3,540,200	
OTHER FUNDS	1,436,900	1,499,000	1,526,800	1,551,900	1,903,900	
FEDERAL FUNDS	5,345,400	21,361,300	13,606,700	0	13,606,700	
OTHER NON APPROPRIATED	1,878,300	5,439,800	2,824,900	0	2,824,900	
PROGRAM TOTAL-ALL SOURCES	12,529,700	32,046,700	21,823,400	6,355,100	21,875,700	

DEPARTMENT: DEPARTMENT OF COMMERCE
COST CENTER: DEPARTMENT OF COMMERCE

The JLBC Staff recommends a total appropriation of $5,444,100 -- a net increase of $198,500, or 3.8%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $3,540,200 -- a net decrease of $(206,400) or (5.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- FTE Adjustments — $ -0-
  The elimination of 3 unfunded FTE positions, 2 General Fund and 1 Other Appropriated Fund.
- Personal Services/ERE Adjustments — (9,400)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The JLBC recommendation is a net decrease of $(4,200) to the General Fund and a decrease of $(5,200) to Other Appropriated Funds. The Executive recommends a General Fund vacancy factor of 0.75% and an increase of $41,500 for the General Fund. Additional upward adjustments of $114,200 are also recommended by the Executive, but not included in the JLBC Staff recommendation, to cover the salaries of new staff who came in at higher than the budgeted salaries.
- ERE Rate Changes — 9,100
- Asian Pacific Trade Office — (37,800)
  The JLBC Staff recommendation concurs with the agency reduction of its promotional budget. The Executive does not recommend a change to this special line item.
- Europe/Mexico Trade Office — (100,000)
  Due to difficulties experienced by the agency in establishing foreign trade offices and the proposal of an additional trade office in Japan in FY 1993, the JLBC Staff recommends delaying the opening of the European Office. In addition, the JLBC Staff recommends deleting the matching requirement for the trade offices to facilitate their opening. The Executive does not recommend a change to this special line item.
- Japan Trade and Tourism Office — 280,000
  The JLBC Staff concurs with the Executive proposal to hire a local consultant in Tokyo, Japan for the purpose of expanding trade and tourism opportunities for Arizona in FY 1993.
- Transfer of Programs from the General Fund to the Commerce and Economic Development Commission (CEDC) Fund — -0-
  The JLBC Staff recommends transferring $351,600 of the cost of 6 programs from the General Fund to the CEDC Fund. The CEDC Fund was set up by Laws 1989, Chapter 203, to provide financial assistance for the purpose of expansion, retention or relocation of businesses to the state. Administration costs cannot exceed 2% of the fund, up to a maximum of $120,000, which is to be appropriated annually. The following transfers represent a consolidation of the funding for advertising and financial assistance programs. The estimated CEDC revenue is $3,169,500 for FY 1992 and FY 1993.

The FY 1993 CEDC appropriation, with the proposed transfers included, would be $1,332,200. The transfers would occur in the following programs:

-- Advertising and Promotion	$102,600
-- Economic Development Matching Funds	60,000
-- REDI Matching Grants	89,000
-- Europe/Mexico Promotion	45,000
-- Japan Trade & Tourism Office Promotion	45,000
-- Asian Pacific Trade Office	10,000

The Executive does not address this issue.

- Housing Trust Fund 42,000

  One additional FTE position is recommended for this other appropriated fund due to increased federal regulation and funding for housing programs. The total appropriation from the Housing Trust Fund would be $146,300 which is under the 5% statutory limit on administrative costs. The Executive does not address this issue.

- Solar Qualification Fund 14,600

  Laws 1992, Chapter 176 created the appropriated Solar Qualification Assurance Fund which consists of fees collected from the licensing of solar contractors. The funds will be used for enforcement of warranties and standards. The Executive does not address this issue.

Other Issues for Legislative Consideration

- International Investment FTE Position

  The Executive recommends $60,900 and 1 FTE position with expertise in the area of international investment and trade. The JLBC Staff does not recommend this issue as the International Trade Office should be able to work with the Business Development and Business Finance departments on the advantages of capital investment in Arizona as opposed to other states. It is not clear that the position would be able to advise a firm on the merits of foreign investment as it relates to its individual country and situation.

- Research Support Staff

  The Executive recommends $19,900 and 1 FTE position to provide additional clerical support.

- Other Operating Expenditures

  The Executive recommends $108,100 to offset the reductions taken by the agency in meeting its rent obligations in FY 1992 and a one-time reduction of $(4,000) for non-capitalized equipment. The agency received a lump sum appropriation in FY 1992 to enable it to restructure and realign the priorities of the agency. The agency's request for FY 1993 and list of additional priorities do not include an increase for this line item.

- Equipment

  The Executive recommends $27,300 to allow the agency to continue the implementation of its automation plan. The JLBC Staff recommends deferring the purchase of replacement equipment.

- Advertising and Promotion

  The Executive recommends $200,000 to enhance media exposure for the state.
- Motion Picture Support Staff

  The Executive recommends $36,400 and 1 FTE position to provide additional support.
- Motion Picture Production and Development

  The Executive recommends $100,000 to conduct a feasibility study on the possible establishment of production facilities in the state. The JLBC Staff does not recommend this issue as the Motion Picture Office should be able to work with the Business Development and Business Finance departments in evaluating the establishment of production facilities in the state.
- Solar Projects

  The Executive recommends $100,000 in federal funds to jointly fund the study, design, construction and testing of a solar assisted cooling demonstration project. The JLBC Staff does not recommend this issue due to the availability of Oil Overcharge funds.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	149.30	145.30	149.30	145.30	146.30	
BY PROGRAM/ORGANIZATION						
SUPREME COURT	6,286,000	9,398,000	9,925,500	9,464,800	9,509,500	
FOSTER CARE REVIEW BOARD	1,155,800	1,247,800	1,359,800	1,247,800	1,225,200	
AGENCY TOTAL	7,441,800	10,645,800	11,285,300	10,712,600	10,734,700	
OPERATING BUDGET						
PERSONAL SERVICES	4,025,500	4,460,500	4,930,600	4,523,100	4,621,800	
EMPLOYEE RELATED EXP	764,800	960,300	1,062,300	964,500	1,005,500	
PROFESSIONAL/OUTSIDE SVCS	529,000	67,300	71,800	67,300	54,300	
TRAVEL	84,100	125,200	126,400	125,200	125,200	
OTHER OPERATING EXP	1,200,800	4,230,200	4,278,400	4,230,200	4,235,400	
EQUIPMENT	286,000	104,700	68,200	104,700	35,700	
ALL OTHER OPERATING	2,099,900	4,527,400	4,544,800	4,527,400	4,450,600	
OPERATING SUBTOTAL	6,890,200	9,948,200	10,537,700	10,015,000	10,077,900	

DEPARTMENT: SUPREME COURT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
BLDG TENANT IMPRMNT/ENHMT	0	0	50,000	0	0	
JUDICIAL ASSISTANCE	19,400	40,800	40,800	40,800	0	
JUDICIAL EDUCATION	202,000	210,400	210,400	210,400	210,400	
LAW LIBRARY	330,200	296,400	296,400	296,400	296,400	
GRAND JURY	0	150,000	150,000	150,000	150,000	
SPECIAL ITEM SUBTOTAL	551,600	697,600	747,600	697,600	656,800	
AGENCY TOTAL	7,441,800	10,645,800	11,285,300	10,712,600	10,734,700	
BY FUND SOURCE						
GENERAL FUND	7,441,800	10,645,800	11,235,300	10,712,600	10,734,700	
OTHER FUNDS	0	0	50,000	0	0	
OTHER NON APPROPRIATED	9,435,400	9,430,900	9,328,100	0	9,328,100	
AGENCY TOTAL-ALL SOURCES	16,877,200	20,076,700	20,613,400	10,712,600	20,062,800	

DEPARTMENT: SUPREME COURT
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $10,734,700 -- a net increase of $88,900, or 0.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (16,100)
• ERE Rate Changes	10,400
• Annualization of Judges Salary Increase	13,400
• Annualization of Building Maintenance Personnel	167,200
• Demographics	45,300
• Lease-Purchase Payment on State Courts Building	4,700
• Rent - Tucson State Office Building	5,200
• Equipment	(82,200)
• Non-Capitalized Equipment	(4,600)
• Reduction in Board Training	(13,000)
• Risk Management	(600)
• Elimination of Judicial Assistance	(40,800)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: SUPREME COURT

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	118.30	116.30	118.30	116.30	117.30	
OPERATING BUDGET						
PERSONAL SERVICES	3,382,300	3,743,400	4,125,900	3,806,000	3,900,700	
EMPLOYEE RELATED EXP	618,600	788,900	869,300	793,100	835,900	
PROFESSIONAL/OUTSIDE SVCS	447,200	44,300	61,800	44,300	44,300	
TRAVEL	57,100	68,400	69,000	68,400	68,400	
OTHER OPERATING EXP	982,000	3,972,400	4,008,000	3,972,400	3,972,700	
EQUIPMENT	247,200	83,000	43,900	83,000	30,700	
ALL OTHER OPERATING	1,733,500	4,168,100	4,182,700	4,168,100	4,116,100	
OPERATING SUBTOTAL	5,734,400	8,700,400	9,177,900	8,767,200	8,852,700	
SPECIAL LINE ITEMS						
BLDG TENANT IMPRMNT/ENHMT	0	0	50,000	0	0	
JUDICIAL ASSISTANCE	19,400	40,800	40,800	40,800	0	
JUDICIAL EDUCATION	202,000	210,400	210,400	210,400	210,400	
LAW LIBRARY	330,200	296,400	296,400	296,400	296,400	
GRAND JURY	0	150,000	150,000	150,000	150,000	
SPECIAL ITEM SUBTOTAL	551,600	697,600	747,600	697,600	656,800	
PROGRAM TOTAL	6,286,000	9,398,000	9,925,500	9,464,800	9,509,500	

DEPARTMENT: SUPREME COURT
COST CENTER: SUPREME COURT

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,286,000	9,398,000	9,875,500	9,464,800	9,509,500	
OTHER FUNDS	0	0	50,000	0	0	
OTHER NON APPROPRIATED	9,435,400	9,430,900	9,328,100	0	9,328,100	
PROGRAM TOTAL-ALL SOURCES	15,721,400	18,828,900	19,253,600	9,464,800	18,837,600	

The JLBC Staff recommends a total appropriation of $9,509,500 -- a net increase of $111,500, or 1.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (21,100)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1% due to the reduction in FTE positions.
- ERE Rate Changes — 13,200
- Annualization of Judges' Salary Increase — 13,400
  In 1990 the Commission on Salaries for Elective State Officials and the Governor recommended a 4% judicial salary increase effective January 1, 1991 and another 5% increase effective January 1, 1992. The $13,400 reflects the annualization of the January 1, 1992 increase.
- Annualization of Building Maintenance Personnel — 167,200
  In FY 1991, 31 FTE positions associated with support and maintenance of the new State Courts Building were funded for 9 months. The $167,200 reflects the annualization of these positions as they were not annualized in FY 1992.
- Demographics — 45,300
  The JLBC Staff recommends 1 FTE Assistant Payroll/Personnel Officer.
- Lease-Purchase Payment on State Courts Building — 4,700
  The $4,700 reflects an increase in the lease-purchase payment on the State Courts Building.
- Equipment — (65,500)
  Deletion of one-time capitalized equipment purchases.

- Non-Capitalized Equipment (4,300)
  Deletion of one-time non-capitalized equipment purchases.
- Risk Management (600)
- Elimination of Judicial Assistance (40,800)
  The Judicial Assistance special line provides for expenses associated with judges pro tempore and retired judges called to serve in the Superior and Appellate Courts. Expenditures include the payment of one-half of the Superior Court salaries (A.R.S. § 12-143), payment of retired judges' differential pay (A.R.S. § 38-803), and payment of travel expenses for persons serving outside their counties of residence (Arizona Constitution, Article VI, §§ 19 and 20). However, during the past several years funding has been insufficient to cover most claims submitted for payment. Annual unpaid claims have averaged $140,000 over the past 3 fiscal years in Maricopa County alone. Administrative Office of the Courts personnel estimate that only about 25% of total claims are paid. JLBC Staff believes it is inefficient to incur administrative costs in processing and paying only 25% of the claims submitted. Due to fiscal constraints it is not feasible to increase funding to $180,000 or more in order to pay all claims. Therefore, JLBC Staff recommends eliminating this special line.

Other Issues for Legislative Consideration

- Judges' Additional Salary Increase
  The Executive recommends $51,600 in Personal Services for 6 months funding of pay raises for judges as recommended by the Commission on Salaries for Elective State Officials. The JLBC Staff has not recommended this issue and instead recommends that an elected official salary increase be addressed as part of the allocation of the Staff's recommended $25 million increase in state employee compensation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SUPREME COURT
COST CENTER: FOSTER CARE REVIEW BOARD

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	31.00	29.00	31.00	29.00	29.00	
OPERATING BUDGET						
PERSONAL SERVICES	643,200	717,100	804,700	717,100	721,100	
EMPLOYEE RELATED EXP	146,200	171,400	193,000	171,400	169,600	
PROFESSIONAL/OUTSIDE SVCS	81,800	23,000	10,000	23,000	10,000	
TRAVEL	27,000	56,800	57,400	56,800	56,800	
OTHER OPERATING EXP	218,800	257,800	270,400	257,800	262,700	
EQUIPMENT	38,800	21,700	24,300	21,700	5,000	
ALL OTHER OPERATING	366,400	359,300	362,100	359,300	334,500	
PROGRAM TOTAL	1,155,800	1,247,800	1,359,800	1,247,800	1,225,200	
BY FUND SOURCE						
GENERAL FUND	1,155,800	1,247,800	1,359,800	1,247,800	1,225,200	
PROGRAM TOTAL-ALL SOURCES	1,155,800	1,247,800	1,359,800	1,247,800	1,225,200	

DEPARTMENT: SUPREME COURT
COST CENTER: FOSTER CARE REVIEW BOARD

The JLBC Staff recommends a total appropriation of $1,225,200 -- a net decrease of $(22,600), or (1.8)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ 5,000
Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%.	
• ERE Rate Changes	(2,800)
• Rent - Tucson State Office Building	5,200
Provides $76,900 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is to annualize the amount appropriated in FY 1992.	
• Non-Capitalized Equipment	(300)
Deletion of one-time non-capitalized equipment purchases.	
• Professional and Outside Services	(13,000)
Reduction in outside consultants and speakers in conjunction with statewide board meetings and board member training.	
• Equipment	(16,700)
Deletion of one-time capitalized equipment purchases.	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	133.50	130.50	137.00	130.50	131.50	
BY PROGRAM/ORGANIZATION						
COURT OF APPEALS (DIV.I)	5,630,700	5,410,500	5,777,400	5,614,900	5,475,000	
COURT OF APPEALS (DIV.II)	2,201,800	2,523,500	2,780,200	2,602,600	2,537,800	
AGENCY TOTAL	7,832,500	7,934,000	8,557,600	8,217,500	8,012,800	
OPERATING BUDGET						
PERSONAL SERVICES	5,658,500	5,822,600	6,271,800	6,088,300	5,863,700	
EMPLOYEE RELATED EXP	851,000	1,008,200	1,083,800	1,026,000	1,076,200	
PROFESSIONAL/OUTSIDE SVCS	11,800	40,800	11,000	40,800	10,800	
TRAVEL	88,700	100,300	102,500	100,300	100,300	
OTHER OPERATING EXP	769,400	875,000	1,001,300	875,000	951,800	
EQUIPMENT	453,100	87,100	87,200	87,100	10,000	
ALL OTHER OPERATING	1,323,000	1,103,200	1,202,000	1,103,200	1,072,900	
AGENCY TOTAL	7,832,500	7,934,000	8,557,600	8,217,500	8,012,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: COURT OF APPEALS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	7,832,500	7,934,000	8,557,600	8,217,500	8,012,800	
FEDERAL FUNDS	64,000	83,900	0	0	0	
AGENCY TOTAL-ALL SOURCES	7,896,500	8,017,900	8,557,600	8,217,500	8,012,800	

The JLBC Staff recommends a total appropriation of $8,012,800 -- a net increase of $78,800, or 1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (25,300)
• ERE Rate Changes	60,400
• Annualization of Judges' Salary Increase	55,100
• Demographics	19,900
• Rent - Tucson State Office Building	120,700
• One-time costs for moving to new Tucson State Office Building	(152,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	100.50	97.50	100.50	97.50	98.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,165,400	4,298,000	4,576,100	4,489,600	4,313,200	
EMPLOYEE RELATED EXP	611,200	746,400	793,500	759,200	795,000	
PROFESSIONAL/OUTSIDE SVCS	4,000	800	1,000	800	800	
TRAVEL	55,400	63,900	63,900	63,900	63,900	
OTHER OPERATING EXP	515,900	291,400	314,100	291,400	292,100	
EQUIPMENT	278,800	10,000	28,800	10,000	10,000	
ALL OTHER OPERATING	854,100	366,100	407,800	366,100	366,800	
PROGRAM TOTAL	5,630,700	5,410,500	5,777,400	5,614,900	5,475,000	
BY FUND SOURCE						
GENERAL FUND	5,630,700	5,410,500	5,777,400	5,614,900	5,475,000	
FEDERAL FUNDS	64,000	83,900	0	0	0	
PROGRAM TOTAL-ALL SOURCES	5,694,700	5,494,400	5,777,400	5,614,900	5,475,000	

DEPARTMENT: COURT OF APPEALS
COST CENTER: DIVISION I

The JLBC Staff recommends a total appropriation of $5,475,000 -- a net increase of $64,500, or 1.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(19,200)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1% due to the reduction in FTE positions.
- ERE Rate Changes 45,800
- Annualization of Judges' Salary Increase 40,000
  In 1990 the Commission on Salaries for Elective State Officials and the Governor recommended a 4% judicial salary increase effective January 1, 1991 and another 5% increase effective January 1, 1992. The $40,000 reflects the annualization of the January 1, 1992 increase.
- Demographics (2,100)
  The JLBC Staff recommends that the 0.5 judge position be eliminated and a new FTE position be created, an Information and Computer Systems Manager, to support the new docket system recently implemented to facilitate growth in appellate activity. The elimination of the 0.5 judge position results in a savings of $53,000. The cost of the new FTE position is $50,900. Thus, a savings of $2,100 may be achieved while meeting the needs of the appellate court operations.

Other Issues for Legislative Consideration

- Judges' Additional Salary Increase
  The Executive recommends $158,500 in Personal Services for 6 months funding of pay raises for judges as recommended by the Commission on Salaries for Elective State Officials. The JLBC Staff has not recommended this issue and instead recommends that an elected official salary increase be addressed as part of the allocation of the Staff's recommended $25 million increase in state employee compensation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	33.00	33.00	36.50	33.00	33.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,493,100	1,524,600	1,695,700	1,598,700	1,550,500	
EMPLOYEE RELATED EXP	239,800	261,800	290,300	266,800	281,200	
PROFESSIONAL/OUTSIDE SVCS	7,800	40,000	10,000	40,000	10,000	
TRAVEL	33,300	36,400	38,600	36,400	36,400	
OTHER OPERATING EXP	253,500	583,600	687,200	583,600	659,700	
EQUIPMENT	174,300	77,100	58,400	77,100	0	
ALL OTHER OPERATING	468,900	737,100	794,200	737,100	706,100	
PROGRAM TOTAL	2,201,800	2,523,500	2,780,200	2,602,600	2,537,800	
BY FUND SOURCE						
GENERAL FUND	2,201,800	2,523,500	2,780,200	2,602,600	2,537,800	
PROGRAM TOTAL-ALL SOURCES	2,201,800	2,523,500	2,780,200	2,602,600	2,537,800	

DEPARTMENT: COURT OF APPEALS
COST CENTER: DIVISION II

The JLBC Staff recommends a total appropriation of $2,537,800 -- a net increase of $14,300, or 0.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (6,100)
  Maintains a vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions.
- ERE Rate Changes 14,600
- Annualization of Judges' Salary Increase 15,100
  In 1990 the Commission on Salaries for Elective State Officials and the Governor recommended a 4% judicial salary increase effective January 1, 1991 and another 5% increase effective January 1, 1992. The $15,100 reflects the annualization of the January 1, 1992 increase.
- Demographics 22,000
  JLBC Staff recommends a 0.5 FTE position, an Appellate Systems Manager, to support the docket system and implement enhancements necessitated by the increased growth in appellate activity.
- Rent - Tucson State Office Building 120,700
  Provides $415,900 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.
- New Building Support (152,000)
  Deletion of one-time costs associated with the move to the new Tucson State Office Building.

Other Issues for Legislative Consideration

- Judges' Additional Salary Increase
  The Executive recommends $61,300 in Personal Services for 6 months funding of pay raises for judges as recommended by the Commission on Salaries for Elective State Officials. The JLBC Staff has not recommended this issue and instead recommends that an elected official salary increase be addressed as part of the allocation of the Staff's recommended $25 million increase in state employee compensation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SUPERIOR COURT
COST CENTER: SUPERIOR COURT

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	112.00	162.00	170.00	118.00	168.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,641,800	5,032,700	5,503,700	5,705,300	5,418,800	
EMPLOYEE RELATED EXP	596,700	663,000	725,000	708,100	626,300	
OTHER OPERATING EXP	619,600	583,400	583,400	583,400	583,400	
ALL OTHER OPERATING	619,600	583,400	583,400	583,400	583,400	
OPERATING SUBTOTAL	5,858,100	6,279,100	6,812,100	6,996,800	6,628,500	
SPECIAL LINE ITEMS						
FAMILY COUNSELING	346,400	379,000	431,400	379,000	431,400	
PROBATION STATE AID	1,565,400	1,660,000	1,660,000	1,660,000	1,660,000	
PROBATION ENHANCEMENT	10,571,400	10,914,500	14,390,900	10,914,500	12,101,200	
INTENSIVE PROBATION-ADULT	8,593,700	9,282,600	12,214,800	9,282,600	11,539,500	
INTENSIVE PROB.-JUVENILE	4,528,800	4,653,900	5,071,000	4,653,900	4,653,900	
JUVENILE PROBATION SERV.	17,167,700	17,793,800	19,479,000	17,793,800	17,793,800	
CT. APPOINT. SP. ADVOCATE	199,200	400,000	639,700	400,000	635,000	
COMMUNITY PUNISHMENT	2,525,400	2,500,000	2,500,000	2,500,000	2,500,000	
CHILD SUPPORT ENFORCEMENT	45,200	48,100	48,100	48,100	48,100	
SPECIAL ITEM SUBTOTAL	45,543,200	47,631,900	56,434,900	47,631,900	51,362,900	
PROGRAM TOTAL	51,401,300	53,911,000	63,247,000	54,628,700	57,991,400	

DEPARTMENT: SUPERIOR COURT
COST CENTER: SUPERIOR COURT

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	51,401,300	53,911,000	62,607,300	54,628,700	57,356,400	
OTHER FUNDS	0	0	639,700	0	635,000	
PROGRAM TOTAL-ALL SOURCES	51,401,300	53,911,000	63,247,000	54,628,700	57,991,400	

The JLBC Staff recommends a total appropriation of $57,991,400 -- a net increase of $4,080,400, or 7.6%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $57,356,400 -- a net increase of $3,445,400, or 6.4%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes — $ (81,300)
- Annualization of Judges' Salary Increase — 138,200
  In 1990 the Commission on Salaries for Elective State Officials and the Governor recommended a 4% judicial salary increase effective January 1, 1991 and another 5% increase effective January 1, 1992. The $138,200 reflects the annualization of the January 1, 1992 increase.
- New Judges — 292,500
  Funds annualization of 2 judgeships established in FY 1992, (1 in Yavapai County and 1 in Yuma County) and the creation of 4 new judgeships to be established in FY 1993 (3 in Maricopa County and 1 in Cochise County) pursuant to A.R.S. § 12-128.
- Family Counseling — 52,400
  13.8% Caseload Increase
- Probation Enhancement — 1,186,700
  JLBC Staff recommends $196,200 for annualization of FY 1991 funding of 13 probation officers. Also recommended is $990,500 for 6 months phase-in funding for 51 probation officers and 1.5 supervisors to maintain the 1:60 ratio according to A.R.S. § 12-251.
- Adult Intensive Probation — 2,256,900
  JLBC Staff recommends 6 months phase-in funding to increase the caseload capacity to 2,711.5.

- Court Appointed Special Advocate 235,000

  This proposal expands the program by $235,000 and shifts the $400,000 base cost from the General Fund to the Court Appointed Special Advocate Fund. Laws 1991, Chapter 230 established this fund as an account within the General Fund, but it is funded from 30% of unclaimed state lottery prize money. JLBC Staff recommends a FY 1993 addition of $112,000 for annualization of the FY 1992 increase and $123,000 for additional support to county programs. Also recommended is that the Court Appointed Special Advocate Fund be established as an account separate from the General Fund so that expenditures will be limited to monies received.

Other Issues for Legislative Consideration

- Judges' Additional Salary Increase

  The Executive recommends $549,900 in Personal Services for 6 months funding of pay raises for 118 judges as recommended by the Commission on Salaries for Elective State Officials. The JLBC Staff has not recommended this issue and instead recommends that an elected official salary increase be addressed as part of the allocation of the Staff's recommended $25 million increase in state employee compensation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: COMM. ON JUDCIAL CONDUCT
COST CENTER: COMM. ON JUDICIAL CONDUCT

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.50	2.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	49,100	82,200	82,200	82,200	82,200	
EMPLOYEE RELATED EXP	5,800	14,000	14,000	14,000	15,300	
PROFESSIONAL/OUTSIDE SVCS	20,600	19,000	19,000	19,000	19,000	
TRAVEL	10,000	8,300	8,300	8,300	8,300	
OTHER OPERATING EXP	21,300	14,100	14,100	14,100	14,100	
EQUIPMENT	7,600	1,000	1,000	1,000	1,000	
ALL OTHER OPERATING	59,500	42,400	42,400	42,400	42,400	
PROGRAM TOTAL	114,400	138,600	138,600	138,600	139,900	
BY FUND SOURCE						
GENERAL FUND	114,400	138,600	138,600	138,600	139,900	
PROGRAM TOTAL-ALL SOURCES	114,400	138,600	138,600	138,600	139,900	

The JLBC Staff recommends a total appropriation of $139,900 -- a net increase of $1,300, or 0.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $ 1,300

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BURGESS
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
OTHER OPERATING EXP	3,200	3,500	3,500	3,500	3,500	
ALL OTHER OPERATING	3,200	3,500	3,500	3,500	3,500	
P R O G R A M T O T A L	3,200	3,500	3,500	3,500	3,500	
BY FUND SOURCE						
GENERAL FUND	3,200	3,500	3,500	3,500	3,500	
PROGRAM TOTAL-ALL SOURCES	3,200	3,500	3,500	3,500	3,500	

The JLBC Staff recommends a total appropriation of $3,500 -- no change to the FY 1992 appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	3,425,800	4,044,200	3,501,000	3,369,200	3,558,500	
GOVERNORS EDUC TASK FORCE	0	125,000	0	0	0	
HAZARDOUS WASTE PROPERTY	70,000	0	0	0	0	
TRANSITION-GOVERNOR ELECT	77,100	0	0	0	0	
SPECIAL ITEM SUBTOTAL	3,572,900	4,169,200	3,501,000	3,369,200	3,558,500	
P R O G R A M T O T A L	3,572,900	4,169,200	3,501,000	3,369,200	3,558,500	
BY FUND SOURCE						
GENERAL FUND	3,572,900	3,369,200	3,501,000	3,369,200	3,558,500	
OTHER FUNDS	0	800,000	0	0	0	
PROGRAM TOTAL-ALL SOURCES	3,572,900	4,169,200	3,501,000	3,369,200	3,558,500	

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

The JLBC Staff recommends a total appropriation of $3,558,500 -- a net decrease of $(610,700), or (14.6)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $3,558,500 -- a net increase of $189,300, or 5.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Rent - State Owned Buildings $ 181,400
  Includes reinstatement of General Fund rent in the amount of $181,400 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Rent - Tucson State Office Building 7,900
  Provides $32,100 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase will be used to annualize the amount appropriated in FY 1992.
- Elimination of Non-recurring Expenditures (800,000)
  A one-time, special purpose, appropriation from the Legislative, Executive, and Judicial Public Buildings Land Earnings Fund.

Other Issues for Legislative Consideration

- Executive Recommendation
  The amount for the Office of the Governor, as shown in the Executive Budget, is the same as the total appropriation from the General Fund in FY 1992. The FY 1992 appropriation included $125,000 for the Governor's Education Task Force. The Education Task Force has now completed its work. Continuation of this $125,000 appropriation in FY 1993 effectively increases spending authority for the Office of the Governor by nearly 4%.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: MORRIS
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	5.00	5.00	6.00	5.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	155,500	153,700	185,100	157,600	159,300	
EMPLOYEE RELATED EXP	31,800	32,500	39,400	34,200	32,800	
PROFESSIONAL/OUTSIDE SVCS	6,200	5,400	6,500	5,400	5,400	
TRAVEL - IN STATE	1,600	3,800	4,500	3,800	3,800	
TRAVEL - OUT OF STATE	400	0	0	0	0	
OTHER OPERATING EXP	24,200	29,300	32,500	29,300	40,400	
EQUIPMENT	1,700	0	0	0	0	
ALL OTHER OPERATING	34,100	38,500	43,500	38,500	49,600	
PROGRAM TOTAL	221,400	224,700	268,000	230,300	241,700	
BY FUND SOURCE						
GENERAL FUND	221,400	224,700	268,000	230,300	241,700	
FEDERAL FUNDS	37,600	41,800	41,800	0	41,800	
PROGRAM TOTAL-ALL SOURCES	259,000	266,500	309,800	230,300	283,500	

DEPARTMENT: OFFICE OF AFFIRMATIVE ACTION
COST CENTER: OFFICE OF AFFIRMATIVE ACTION

The JLBC Staff recommends a total appropriation of $241,700 -- a net increase of $17,000, or 7.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 6,800
  Includes a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor of 3.5%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes (900)
- Rent - State Owned Buildings 11,100
  Includes reinstatement of General Fund rent in the amount of $11,100 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GOV OFFICE OF BUDG & PLNG
COST CENTER: PLANNING & BUDGETING

JLBC ANALYST: MORRIS
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	23.00	23.00	23.00	0.00	23.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	1,046,100	1,169,800	1,171,800	1,171,800	1,140,800	
REGULATION REVIEW COMM	12,000	11,600	47,100	47,100	43,600	
SLIM	0	1,250,000	0	5,750,000	1,250,000	
SPECIAL ITEM SUBTOTAL	1,058,100	2,431,400	1,218,900	6,968,900	2,434,400	
PROGRAM TOTAL	1,058,100	2,431,400	1,218,900	6,968,900	2,434,400	
BY FUND SOURCE						
GENERAL FUND	1,058,100	2,431,400	1,218,900	6,968,900	2,434,400	
PROGRAM TOTAL-ALL SOURCES	1,058,100	2,431,400	1,218,900	6,968,900	2,434,400	

The JLBC Staff recommends a total appropriation of $2,434,400 -- a net increase of $3,000, or 0.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Lump Sum Appropriation — $(29,000)
  Transferred to the Governor's Regulation Review Council.
- Regulation Review Council — 32,000
  The recommendation transfers 1 FTE position and $27,000 for Personal Services and Employee Related Expenditures and $2,000 for All Other Operating Expenditures from the lump sum appropriation for this agency. In addition, $3,000 is added for replacement of equipment used to record the council's meetings.

Other Issues for Legislative Consideration

- SLIM

  The Executive recommends an additional $4,500,000 for the Statewide Long Term Improvement Management (SLIM) project. This amount is in addition to the $1,250,000 already appropriated for FY 1993, by Laws 1991, Chapter 263. The total amount available in FY 1993 will be $5,750,000, if the Executive's recommendation is approved. Approval of the Executive's recommendation for FY 1993 will bring the state's total commitment to the SLIM project to $7 million, as $1,250,000 was appropriated for FY 1992. This represents only specific amounts designated for the project and does include the direct contributions by other state agencies of employees' time and their support, estimated to total $800,000 for FY 1992. The SLIM project began with the examination of 13 major state agencies. Funding for FY 1993, as recommended by the Executive, is to implement the findings of these examinations and to examine additional state agencies during FY 1993. Last year, when the SLIM project was presented for approval, there was no indication that additional funding, of such magnitude, would be required.

  The JLBC Staff does not recommend the additional $4.5 million for the following reasons: First, the Governor has not provided a budget nor any rationale for the additional $4.5 million; Secondly, the 24 loaned employees and directors of the affected agencies can be charged by the Governor with implementation of SLIM recommendations, particularly those which are administrative and do not require legislative action; Thirdly, any SLIM recommendation requiring legislative action will be analyzed by legislative staff including the JLBC Staff and the Legislative Auditor General and, subsequently, reviewed by the relevant standing committees of both houses of the Legislature--if implementation monies are required, they can be provided through the appropriations process; Finally, the consultant contract with Coopers-Lybrand for $1,533,000 should entail some implementation responsibilities. Ultimately, to be successful, Project SLIM recommendations will have to be judged worthy of implementation by state elected officials, and state employees will have to make it happen. It is not clear that additional funds need to be provided on top of the $3.3 million already committed to this effort.

- Governor's Regulation Review Council

  Included in the Executive recommendation is Personal Services of $3,100 and Employee Related Expenditures of $400 for Council members per diem. As this is to restore a specific FY 1992 budget reduction, it is not recommended by the JLBC Staff.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON
OSPB ANALYST: BYRNE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	24,400	24,700	24,700	24,500	24,700	
EMPLOYEE RELATED EXP	4,900	5,600	5,700	5,700	4,900	
PROFESSIONAL/OUTSIDE SVCS	900	4,000	4,000	4,000	4,000	
TRAVEL - IN STATE	900	2,200	2,200	2,200	2,200	
TRAVEL - OUT OF STATE	600	0	0	0	0	
OTHER OPERATING EXP	6,100	5,300	5,300	5,200	5,300	
ALL OTHER OPERATING	8,500	11,500	11,500	11,400	11,500	
PROGRAM TOTAL	37,800	41,800	41,900	41,600	41,100	
BY FUND SOURCE						
GENERAL FUND	37,800	41,800	41,900	41,600	41,100	
PROGRAM TOTAL-ALL SOURCES	37,800	41,800	41,900	41,600	41,100	

DEPARTMENT: LAW ENFORCEMENT MERIT SYSTEM COUNCIL
COST CENTER: LAW ENFORCEMENT MERIT SYSTEM COUNCIL

The JLBC Staff recommends a total appropriation of $41,100 -- a net decrease of $(700), or (1.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes (700)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: SENATE

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	5,742,400	6,470,900	5,932,000	5,932,000	5,932,000	
SPECIAL ITEM SUBTOTAL	5,742,400	6,470,900	5,932,000	5,932,000	5,932,000	
PROGRAM TOTAL	5,742,400	6,470,900	5,932,000	5,932,000	5,932,000	
BY FUND SOURCE						
GENERAL FUND	5,742,400	6,270,900	5,932,000	5,932,000	5,932,000	
OTHER FUNDS	0	200,000	0	0	0	
PROGRAM TOTAL-ALL SOURCES	5,742,400	6,470,900	5,932,000	5,932,000	5,932,000	

The JLBC Staff recommends a total appropriation of $5,932,000 -- a net decrease of $(538,900), or (8.3)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $5,932,000 -- a net decrease of $(338,900), or (5.4)%, from the FY 1992 appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: HOUSE OF REPRESENTATIVES

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	6,690,000	7,560,300	7,085,800	7,085,800	7,085,800	
SPECIAL ITEM SUBTOTAL	6,690,000	7,560,300	7,085,800	7,085,800	7,085,800	
PROGRAM TOTAL	6,690,000	7,560,300	7,085,800	7,085,800	7,085,800	
BY FUND SOURCE						
GENERAL FUND	6,690,000	7,360,300	7,085,800	7,085,800	7,085,800	
OTHER FUNDS	0	200,000	0	0	0	
PROGRAM TOTAL-ALL SOURCES	6,690,000	7,560,300	7,085,800	7,085,800	7,085,800	

The JLBC Staff recommends a total appropriation of $7,085,800 -- a net decrease of $(474,500), or (6.3)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $7,085,800 -- a net decrease of $(274,500), or (3.7)%, from the FY 1992 appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: LEGISLATIVE COUNCIL

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	2,924,100	2,640,800	2,587,100	2,592,300	2,587,100	
SPECIAL ITEM SUBTOTAL	2,924,100	2,640,800	2,587,100	2,592,300	2,587,100	
PROGRAM TOTAL	2,924,100	2,640,800	2,587,100	2,592,300	2,587,100	
BY FUND SOURCE						
GENERAL FUND	2,924,100	2,640,800	2,587,100	2,592,300	2,587,100	
PROGRAM TOTAL-ALL SOURCES	2,924,100	2,640,800	2,587,100	2,592,300	2,587,100	

The JLBC Staff recommends a total appropriation of $2,587,100 -- a net decrease of $(53,700), or (2.1)%, from the FY 1992 appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: JT LEGIS BUDGET COMMITTEE

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	1,699,900	1,673,300	1,673,300	1,673,300	1,735,000	
SPECIAL ITEM SUBTOTAL	1,699,900	1,673,300	1,673,300	1,673,300	1,735,000	
PROGRAM TOTAL	1,699,900	1,673,300	1,673,300	1,673,300	1,735,000	
BY FUND SOURCE						
GENERAL FUND	1,699,900	1,673,300	1,673,300	1,673,300	1,735,000	
PROGRAM TOTAL-ALL SOURCES	1,699,900	1,673,300	1,673,300	1,673,300	1,735,000	

The JLBC Staff recommends a total appropriation of $1,735,000 -- a net increase of $61,700, or 3.7% to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Project SLIM Oversight — $61,700

  To support project SLIM, the Executive branch has in place a staff of approximately 24 people, an advisory group, a nationally known consulting firm, and a $2.5 million appropriation. For the Legislature to properly evaluate the forthcoming recommendations and monitor their implementation, additional staff resources are required. To accomplish this assignment without unduly interfering with the existing workload requires a further reduction in the number of agencies assigned to each fiscal analyst. This will facilitate a more in-depth examination of each affected agency. Accordingly, two additional fiscal analysts and $61,700 for 9 months funding are recommended.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: LEGISLATURE
COST CENTER: AUDITOR GENERAL

JLBC ANALYST: MORRIS
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS						
LUMP SUM APPROPRIATION	6,792,800	7,250,700	7,518,200	7,518,200	7,462,000	
SPECIAL ITEM SUBTOTAL	6,792,800	7,250,700	7,518,200	7,518,200	7,462,000	
PROGRAM TOTAL	6,792,800	7,250,700	7,518,200	7,518,200	7,462,000	
BY FUND SOURCE						
GENERAL FUND	6,792,800	7,250,700	7,518,200	7,518,200	7,462,000	
OTHER NON APPROPRIATED	714,600	855,000	746,000	-0-	746,000	
PROGRAM TOTAL-ALL SOURCES	7,507,400	8,105,700	8,264,200	7,518,200	8,208,000	

The JLBC Staff recommends a total appropriation of $7,462,000 -- a net increase of $211,300, or 2.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Lump Sum Appropriation $211,300

  The recommended increase provides $34,400 for rate changes in Employee Related Expenditures and $55,900 for additional audits to be done on a contract basis. Included, also, is $84,300 for replacement of computer equipment. The recommended increase for computer equipment includes funding for the second phase of a program to upgrade the central processing unit of the agency's mainframe computer. This unit is now more than 8 years old and technologically obsolete. The recommendation further provides $27,500 for rent of the Tucson Office Building. These funds will be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The balance of the recommendation is for planned increases in All Other Operating Expenditures.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	113.00	112.50	112.50	0.00	110.50	
OPERATING BUDGET						
PERSONAL SERVICES	2,203,500	2,253,000	2,253,000	0	2,167,600	
EMPLOYEE RELATED EXP	532,300	556,800	556,800	0	559,800	
PROFESSIONAL/OUTSIDE SVCS	51,600	85,000	85,000	0	85,000	
TRAVEL - IN STATE	11,200	13,800	13,800	0	13,800	
TRAVEL - OUT OF STATE	12,200	5,300	5,300	0	5,300	
OTHER OPERATING EXP	805,900	909,200	918,500	0	918,500	
EQUIPMENT	18,100	80,000	80,000	0	80,000	
ALL OTHER OPERATING	899,000	1,093,300	1,102,600	0	1,102,600	
OPERATING SUBTOTAL	3,634,800	3,903,100	3,912,400	0	3,830,000	
SPECIAL LINE ITEMS						
ACQUISITIONS	380,000	380,000	380,000	0	380,000	
GRANTS-IN-AID	400,000	300,000	482,000	0	300,000	
MUSEUM FURNISHINGS	76,000	9,000	9,000	0	9,000	
RADIO READING	45,000	45,000	60,000	0	60,000	
TALKING BOOK PROGRAM	0	88,000	90,000	0	90,700	
LUMP SUM APPROPRIATION	0	0	0	4,933,400	0	
SPECIAL ITEM SUBTOTAL	901,000	822,000	1,021,000	4,933,400	839,700	
PROGRAM TOTAL	4,535,800	4,725,100	4,933,400	4,933,400	4,669,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	4,535,800	4,725,100	4,933,400	4,933,400	4,669,700	
FEDERAL FUNDS	988,200	738,700	121,700	0	121,700	
OTHER NON APPROPRIATED	98,000	119,400	124,400	0	124,400	
PROGRAM TOTAL-ALL SOURCES	5,622,000	5,583,200	5,179,500	4,933,400	4,915,800	

The JLBC Staff recommends a total appropriation of $4,669,700 -- a net decrease of $(55,400), or (1.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(50,600)
  Includes a new vacancy factor of 5%. The FY 1992 budgeted vacancy factor was 3.28%. The department has for a number of years had a high number of its positions vacant. Currently, 11% of its 112.5 FTE positions are vacant, thereby justifying the use of a higher vacancy rate.
- ERE Rate Changes 25,100
- Lease Purchase Increases 9,300
- Radio Reading 15,000
  Reflects monies which had previously been appropriated to DES for this program.
- Talking Book Program 2,700
  Includes an ERE rate change for the 3 FTE positions funded in this line.
- Eliminate Genealogy Section (56,900)
  The department could eliminate 1 Librarian and 1 Clerk Typist if it closed its genealogy library section. The genealogy library serves approximately 400 people a month. The genealogy library works cooperatively with the Mesa Family History Library of the Church of Latter Day Saints in providing genealogical information and services to the public. The information within these two libraries have complemented each other. Since the Mesa Family History Library provides reference plus research services to the public during the 64 hours it is open per week, the Legislature should consider closing the state's genealogy section and donating its collection to the Mesa Family History Library. Admission to the

Mesa Family History Library is free to everyone. If this issue is approved, A.R.S. § 41-1337A(3) would need to be deleted.

Other Issues for Legislative Consideration

- Executive Recommendation

  The Executive traditionally does not make a recommendation for legislative agencies.

- Grants-In-Aid Funding Increase to Ensure LSCA, Title I Monies

  An increase of $182,000 in the Grant-In-Aid special line item would be necessary to meet the revised criteria for the federal Library Services and Construction Act (LSCA), Title I monies. The revised federal criteria requires that, for the application year, states must maintain funding at an amount equal to 90% of the state expenditures for such purposes in the second preceding fiscal year.

  In 1986, the Legislature passed legislation creating county free library districts, which are political taxing subdivisions. Eleven counties have established county library districts, which have levied taxes to establish the districts and to cover necessary expenses of the districts as well as expansions. For the FY 1991 appropriation, the Legislature started to reduce the Grants-In-Aid funding with the understanding that the receipt of federal monies would not be placed in jeopardy. However, during 1990, the federal law was amended changing the maintenance of efforts categories from "expenditures from State and local sources" to only State sources. Based upon this change, the federal government will not recognize the local fund sources and will not recognize the county taxing districts' funds as part of the state's maintenance of effort. Therefore, the state's maintenance of effort level in both FY 1991 and FY 1992 were below the amended federal requirement. The department received a waiver for FY 1991 and recently applied for another waiver for FY 1992.

  JLBC Staff are developing various strategies which capture the county taxes raised through the County Library Taxing Districts to meet the maintenance of effort requirement. If this strategy is not adopted and funding is not increased, the department may lose $1.2 million of federal Title I, LSCA funds. The majority of these funds, $813,200, provides for the statewide Interlibrary Loan Program, State Reference Center Services, Youth Summer Reading Program, Young Peoples Film Program, Librarian Continuing Education Program, and LSCA Administration. The remainder, $322,800, is awarded to local public libraries.

- Obtain Exempt Status for all Agency Employees

  A 1989 National Conference of State Legislatures' (NCSL) audit stated that low staff morale and high staff turnover in the department was created by low salaries relative to the local market. In addition to the recommendation to re-assess librarian position salaries, NCSL strongly recommended that the employees of the department should be made exempt from the state personnel system. NCSL argued that exempt status would bring the department in line with all other legislative agencies in the state and provide the department with the flexibility it needs to develop a personnel system that meets the needs of its staff.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ. LOTTERY
COST CENTER: AZ. LOTTERY

JLBC ANALYST: BRADLEY
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	134.00	131.30	131.30	131.30	131.30	
OPERATING BUDGET						
PERSONAL SERVICES	3,333,400	3,411,600	3,429,100	3,394,800	3,377,200	
EMPLOYEE RELATED EXP	764,200	757,300	860,700	808,200	785,400	
PROFESSIONAL/OUTSIDE SVCS	119,600	172,600	150,300	129,200	145,600	
TRAVEL - IN STATE	230,400	197,900	210,400	204,700	180,100	
TRAVEL - OUT OF STATE	15,800	18,800	19,600	18,800	9,900	
OTHER OPERATING EXP	2,146,600	1,839,800	2,584,800	2,418,500	2,342,000	
EQUIPMENT	8,000	0	0	0	0	
ALL OTHER OPERATING	2,520,400	2,229,100	2,965,100	2,771,200	2,677,600	
OPERATING SUBTOTAL	6,618,000	6,398,000	7,254,900	6,974,200	6,840,200	
SPECIAL LINE ITEMS						
INSTANT TICKETS	1,235,500	1,116,000	1,120,800	1,120,800	1,116,000	
ADVERTISING	6,405,500	7,125,000	10,000,000	7,125,000	8,625,000	
ON-LINE VENDOR FEES	5,201,800	7,920,000	6,000,000	5,760,000	5,610,000	
RETAILER COMMISSIONS	13,395,900	18,684,000	15,000,000	13,920,000	13,620,000	
INSTANT TCKT BARCODE SYS	0	0	0	0	450,000	
SPECIAL ITEM SUBTOTAL	26,238,700	34,845,000	32,120,800	27,925,800	29,421,000	
PROGRAM TOTAL	32,856,700	41,243,000	39,375,700	34,900,000	36,261,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ. LOTTERY
COST CENTER: AZ. LOTTERY

JLBC ANALYST: BRADLEY
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	32,856,700	41,243,000	39,375,700	34,900,000	36,261,200	
OTHER NON APPROPRIATED	192,057,700	201,349,900	208,331,300	0	208,331,300	
PROGRAM TOTAL-ALL SOURCES	224,914,400	242,592,900	247,707,000	34,900,000	244,592,500	

The JLBC Staff recommends a total appropriation of $36,261,200 -- a net decrease of $(4,981,800), or (12.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (42,400)
  Includes a new vacancy factor of 2%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes — 36,100
- Travel - In State Decreased — (17,800)
  The marketing staff at the Lottery average over 18,600 miles per year per person in private vehicle mileage. The JLBC Staff recommends reducing funding to reflect savings that can be achieved through proper route management. The independent management review of the Lottery also identified this area for improvement.
- Travel - Out of State Decreased — (8,900)
  This reduction is the result of instant ticket printing operations moving from Alpharetta, Georgia to San Jose, California. Lottery travel is almost exclusively to ticket printing sites, and the reduced distance created these savings.
- Increased Telecommunication Line Charges — 546,500
- Increased Data Processing Contract Charges — 9,100
- Decreases in Various Professional and Outside Services — (27,000)
  A reduction of $4,400 was made in outside security contracts which the Lottery raised by 365% from FY 1991 to FY 1992 without proper explanation. The remaining $22,600 in reductions were identified by the Lottery for reduction.

- Decreases in Various other Operating Expenditures (76,300)

  Miscellaneous reductions include $4,500 eliminated for building renewal functions which are already funded in the capital budget, a reduction of $6,100 in non-capitalized equipment, a $8,500 reduction in magnetic media supplies, and a $36,000 reduction in miscellaneous field supplies. Also included is a reduction of $18,500 in educational and training fees to reflect actual historical expenditures, a $400 reduction in magazine subscriptions, and a $2,300 Lottery identified reduction in photography expenditures.

- Rent - Tucson State Office Building 22,900

  Provides $70,600 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space. The figure shown reflects a savings of $47,700 in private leases that are no longer required.

- Sales Related Changes
  - -- Reduced On-line Vendor Fees (2,310,000)
  - -- Reduced Retailer Commissions (5,064,000)
  - -- Instant Tickets -0-

  These changes are based upon forecasted sales for FY 1993 of:

The Pick	$145,000,000
Fantasy 5	42,000,000
Instant Games	40,000,000
TOTAL	$227,000,000

  Funds for the purchase of instant tickets are not reduced in order to allow for multiple games and flexibility to alter the length of game offerings based upon popularity. These options are also supported by the independent management review, completed in December 1991, on the Arizona Lottery.

- Increased Advertising 1,500,000

  Lottery sales have plummeted for many reasons. In order to reverse this trend, changes will have to be made by the Arizona Lottery. To aid in these changes, the JLBC Staff recommends increasing advertising expenditures and modernizing instant ticket sales as detailed in this issue and the next proposal. The Executive did not recommend any issues to improve lottery sales.

  This increase will bring advertising expenditures to 3.8% of forecasted sales. The maximum level of advertising expenditures allowed by statute is 4% of sales. In order to pay for itself, the additional advertising funding must produce approximately $4,000,000 in additional sales. This viewpoint and the need to improve marketing and advertising efforts is also shared by the independent management review of the Arizona Lottery. This recommendation is made prefaced upon assurance by the new executive management of the Arizona Lottery, that fundamental changes will be made to improve and enhance advertising efforts.

- Instant Ticket Barcoding System 450,000

  This issue will allow for the purchase, installation, and operation of an instant ticket barcoding system. These costs represent a one-time investment, with an estimated pay-back period of between 12 and 15 months. This issue will enhance revenues primarily through the elimination of fraud and ticket disposal costs, and reclamation of unclaimed prizes. Many lotteries have implemented barcoding systems with great success. This issue is also recommended by the independent management review of the Arizona Lottery. The following are some of the advantages in a barcoding validation system compared to the current system:

  -- The state retains unclaimed prizes instead of the retailer;
  -- Tickets can be redeemed at any location, instead of only the place purchased. This enhances sales, especially to tourists and as gifts;
  -- Tickets can be traced by computer at all times;
  -- Tickets can only be cashed once and are more difficult to alter.
  -- Stolen tickets cannot be cashed and can be traced as soon as an attempt is made.
  -- Multiple prize formats for games can be used instead of only Guaranteed Low End Prize Structures (GLEPS).
  -- Essential marketing and sales data can be collected at point of purchase and point of return.
  -- Disposal of unsold tickets is very expensive because special disposal techniques and security are required. With barcoding, this costs is greatly reduced because more conventional disposal methods can be used.

Other Issues for Legislative Consideration

- In addition to the issues recommended above, there are other options that would aid in increasing lottery sales. The independent management review of the Arizona Lottery suggests eliminating some statutory restrictions on the lottery, such as type of games, number of draws, and percentage pay-outs. The report also suggests redefining the Lottery Commission or replacing it with another group in order to provide quicker response to market conditions. Many of the recommendations contained within the management report have also been suggested by the JLBC Staff for the last few years. The JLBC Staff continues to believe that these recommendations have merit and should be considered by the Governor and the Legislature for implementation in order to help reverse the negative trend in lottery sales.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PERSONNEL BOARD
COST CENTER: PERSONNEL BOARD

JLBC ANALYST: PITCAIRN
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	67,900	70,000	70,000	70,000	70,000	
EMPLOYEE RELATED EXP	23,600	16,000	16,900	17,100	16,700	
PROFESSIONAL/OUTSIDE SVCS	105,300	102,600	101,700	101,700	101,700	
TRAVEL - IN STATE	1,200	1,700	1,700	1,700	1,600	
OTHER OPERATING EXP	35,800	20,600	20,200	20,200	35,100	
EQUIPMENT	3,200	5,300	5,700	5,700	5,300	
ALL OTHER OPERATING	145,500	130,200	129,300	129,300	143,700	
PROGRAM TOTAL	237,000	216,200	216,200	216,400	230,400	
BY FUND SOURCE						
GENERAL FUND	237,000	216,200	216,200	216,400	230,400	
PROGRAM TOTAL-ALL SOURCES	237,000	216,200	216,200	216,400	230,400	

DEPARTMENT: PERSONNEL BOARD
COST CENTER: PERSONNEL BOARD

The JLBC Staff recommends a total appropriation of $230,400 -- a net increase of $14,200, or 6.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Changes	700
• Travel - In State Adjustment	(100)
• Base Adjustments Agency's base reductions in Professional and Outside Services and Other Operating Expenditures	(1,300)
• Rent - State Owned Buildings Includes reinstatement of General Fund rent in the amount of $14,900 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.	14,900

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE RETIREMENT SYSTEM
COST CENTER: STATE RETIREMENT SYSTEM

JLBC ANALYST: BRAINARD
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	86.50	85.00	94.00	87.00	87.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,637,600	1,899,600	2,129,900	1,903,100	1,969,700	
EMPLOYEE RELATED EXP	417,300	444,700	503,800	477,500	481,500	
PROFESSIONAL/OUTSIDE SVCS	214,200	115,000	218,700	161,700	107,500	
TRAVEL - IN STATE	21,500	24,000	26,700	24,000	10,000	
TRAVEL - OUT OF STATE	23,400	9,000	16,300	9,000	13,600	
OTHER OPERATING EXP	448,000	464,600	613,700	451,100	436,900	
EQUIPMENT	0	47,700	57,700	29,300	47,400	
ALL OTHER OPERATING	707,100	660,300	933,100	675,100	615,400	
OPERATING SUBTOTAL	2,762,000	3,004,600	3,566,800	3,055,700	3,066,600	
SPECIAL LINE ITEMS						
AUTO FACILITIES GEN DSGN	250,000	143,700	0	0	0	
MAILING EQUIPMENT	120,800	0	0	0	0	
AUTO FACILITIES DEVELOP.	0	1,785,500	1,785,500	1,785,500	1,785,500	
ATTORNEY GENERAL IGA	0	0	50,000	0	35,000	
SPECIAL ITEM SUBTOTAL	370,800	1,929,200	1,835,500	1,785,500	1,820,500	
PROGRAM TOTAL	3,132,800	4,933,800	5,402,300	4,841,200	4,887,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE RETIREMENT SYSTEM
COST CENTER: STATE RETIREMENT SYSTEM

JLBC ANALYST: BRAINARD
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	3,132,800	4,933,800	5,352,300	4,841,200	4,887,100	
OTHER NON APPROPRIATED	8,737,900	9,051,700	9,002,700	0	9,002,700	
PROGRAM TOTAL-ALL SOURCES	11,870,700	13,985,500	14,355,000	4,841,200	13,889,800	

The JLBC Staff recommends a total appropriation of $4,887,100 -- a net decrease of $(46,700), or (0.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(16,200)
  Includes a vacancy factor of 1.5%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 22,500
- Professional & Outside Services Adjustment (7,500)
- Non-capitalized Replacement Equipment Adjustment (16,200)
- Capitalized Equipment Adjustment (5,300)
  The recommended funding would permit the purchase of the following replacement equipment: 13 personal computers, 1 microfiche reader, 4 laser printers, 1 scanner, and 1 desktop copier.
- Tucson Office Lease Adjustment (13,000)
  The agency's Tucson office has moved to a building owned by the Retirement System.
- In-State Travel Adjustment (14,000)
  The Retirement System's travel requirements have shifted to the non-appropriated Education Outreach Program. The Executive recommends funding In-State Travel at the FY 1992 level.
- Out-of-State Travel Adjustment 4,600
  This adjustment will permit members of the Retirement Board and up to 2 staff members to attend 1 of 2 annual conferences of retirement system associations. The Executive recommends funding at the same level as FY 1992.

- Temporary Help — 34,500

  The number of points (combined years of service and age) needed to retire will drop from 82 to 80 effective July 1, 1992. The JLBC Staff recommends funding to address the increase in inquiries that will result from this change. The Executive recommends $46,700 in the Professional & Outside Services line to address this issue.

- Retirement Officer I — 30,100

  The JLBC Staff recommends 1 additional Retirement Officer position to address the growing number of requests for retirement information and counseling. The Executive also recommends this additional position.

- EDP Programmer Analyst II — 42,500

  The JLBC Staff recommends 1 temporary, 2-year data processing programmer position to strengthen the agency's programming functions. Membership growth and the addition of the Long-term Disability and Health Insurance programs have substantially increased the agency's data processing requirements. If approved, this position would increase the number of programmers to 5. The Executive recommends establishing this position as permanent; the JLBC Staff believes the Retirement System's data processing staff requirements should be revisited upon completion of the automated system currently under development.

- Outside Legal Counsel — 35,000

  The JLBC Staff recommends funding for an Intergovernmental Agreement (IGA) with the Attorney General's Office. The Retirement System's needs for legal counsel are not being addressed by the Attorney General's Office. In addition, many retirement-related issues require expertise that may be unavailable in the Attorney General's Office. This appropriation will permit the Attorney General's Office to assign a half-time attorney with this expertise to the Retirement System. The Executive recommendation does not address this issue.

- Automated Facilities General Design Adjustment — (143,700)

  $143,700 was appropriated in FY 1992 to complete funding for the design of the automated system. Bids were submitted for project development; these bids have been rejected by the Retirement System and State Procurement, and the Retirement System intends to develop the system in-house. $1,785,500 was appropriated in FY 1992 to begin this development. This issue is discussed further below.

- Automated Facilities Development

The Legislature appropriated $1,785,500 in the current fiscal year to begin development of the Retirement System's automated system. All 7 bids submitted to develop this system were rejected, primarily because they included excessive charges for administration, overhead, and software development, and inflated estimates of the number of hours needed to develop the system. The Retirement System intends to develop this system in-house, a decision that has been approved by the Retirement System Board of Directors. The JLBC Staff concurs with this decision, and believes the agency can adequately develop this system at a cost lower than it would be using consultants. Because of the delay caused by problems associated with these bids, expenditures for this project will be significantly less than the amount appropriated for FY 1992. The JLBC Staff recommends the same level of funding for this project in FY 1993. The total estimated cost of developing the system is $3.2 million to $3.4 million.

Progress has been made in the system development, including the following:

-- automated payroll and budgeting systems have been brought on-line;
-- member vital statistics have been corrected;
-- a member address list has been completed,
-- equipment necessary to develop software has been acquired; and
-- 135,000 member benefit statements were developed and printed in-house, instead of contracting this service out.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,140.00	1,277.80	1,248.80	1,244.80	1,242.00	
BY PROGRAM/ORGANIZATION						
DIRECTOR'S OFFICE	431,700	549,700	560,100	554,200	553,700	
ADMINISTRATIVE SERVICES	9,293,700	3,471,900	3,401,600	3,349,300	3,309,000	
PROPERTY VALUATION	4,081,800	4,321,800	3,431,300	3,228,300	3,268,800	
FISCAL SRVCS & ANALYSIS	0	9,125,500	8,743,000	8,700,800	8,675,800	
SPECIAL SUPPORT	1,940,600	1,283,400	1,280,500	1,251,700	1,250,700	
TAX ENFORCEMENT	14,791,400	17,861,600	17,496,900	17,205,700	17,335,500	
TAX PAYER SUP & ED SER.	2,507,800	3,058,900	3,108,000	3,047,400	2,992,200	
DATA MANAGEMENT	10,716,500	11,229,400	11,445,600	11,362,600	11,107,600	
AGENCY TOTAL	43,763,500	50,902,200	49,467,000	48,700,000	48,493,300	
OPERATING BUDGET						
PERSONAL SERVICES	24,613,600	27,387,900	27,246,600	26,872,300	26,943,700	
EMPLOYEE RELATED EXP	5,649,200	6,716,200	7,369,300	7,085,600	7,085,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PROFESSIONAL/OUTSIDE SVCS	1,602,900	1,899,900	1,814,200	1,813,200	1,819,200	
TRAVEL - IN STATE	487,600	656,200	487,300	468,300	458,800	
TRAVEL - OUT OF STATE	484,800	599,900	609,000	599,900	609,000	
OTHER OPERATING EXP	9,138,800	11,914,200	11,238,600	11,174,700	11,151,800	
EQUIPMENT	1,448,200	1,497,900	702,000	686,000	681,000	
ALL OTHER OPERATING	13,162,300	16,568,100	14,851,100	14,742,100	14,719,800	
OPERATING SUBTOTAL	43,425,100	50,672,200	49,467,000	48,700,000	48,493,300	
SPECIAL LINE ITEMS						
SB1170 - HAZARDOUS PROD	88,400	230,000	0	0	0	
AUTOMATED COLLECTION SYS	250,000	0	0	0	0	
SPECIAL ITEM SUBTOTAL	338,400	230,000	0	0	0	
AGENCY TOTAL	43,763,500	50,902,200	49,467,000	48,700,000	48,493,300	
BY FUND SOURCE						
GENERAL FUND	43,763,500	50,902,200	49,467,000	48,700,000	48,493,300	
OTHER NON APPROPRIATED	178,600	180,600	180,600	0	180,600	
AGENCY TOTAL-ALL SOURCES	43,942,100	51,082,800	49,647,600	48,700,000	48,673,900	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $48,493,300 -- a net decrease of $(2,408,900), or (4.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (48,500)
  Due to differences in assumptions regarding vacancy factors and Personal Services bases, the Executive recommends a net reduction of $(272,100) prior to adding funding for overtime and annualizing other programs. See Administrative Services.
- ERE Rate Changes — 236,600
  The net increase due to the Executive's ERE rate changes is $528,900.
- Rent — 4,900
- Mainframe Computer — 7,700
  Adjustment for the third year of the phased acquisition.
- Completion of Recanvassing Program/Removal of Funding for One-Time Expenditures — (2,926,400)
  The 43 limited term positions and the related costs of the 3-year Recanvassing Program are removed for FY 1993, as well as one-time FY 1992 expenditures for the PIER II, Data Purification and Property Audit programs.
- Hazardous Products (SB 1170) — (75,100)
  The Hazardous Products licensing program enacted by Laws 1991, Chapter 184, appropriated $230,000 to the department to implement and administer this program. For FY 1993, 2 FTE positions and $154,800 is recommended to be moved above the line, removing $75,100 in one-time expenditures.
- Overtime — 141,800
  The federal Fair Labor Standards Act requires that employers provide eligible employees with monetary compensation for overtime worked rather than compensatory leave or other non-monetary compensation. As a result of this act, the department has estimated that its minimum costs of overtime payments in FY 1993 will be $250,000 plus ERE. JLBC Staff recommends providing $125,000 in Personal Services and $16,800 in ERE, or half the overtime requested by the department. This may require the department to maintain higher than budgeted vacancy rates in certain divisions in order to cover the additional overtime, as it has done to cover overtime payments in the past. The Executive recommends the requested $250,000 in Personal Services and $31,700 in ERE.
- Data Purification — 83,700
  For FY 1992, the Legislature approved 5 of 9 FTE positions requested to purge obsolete information from the tax files and assign single identification number to state taxpayer files. For FY 1993, an additional 2 of 4 requested FTE positions are recommended. The Executive recommends 2 FTE Programmers. See Taxpayer Support.

- Data Base Conversion 56,200

  This amount funds 1 FTE Programmer to assist in conversion to the new relational data base, in which all taxpayer files can be accessed by means of one identifier. The Executive recommends 2 FTE Programmers. See Data Management.

- Centrally-Valued Property Audits 110,200

  Funding is recommended for 2 FTE Property Appraisers to perform audits of centrally-valued property, such as railroad, mining, pipeline, and airline property. The department estimates $2.75 million in annual General Fund state education aid savings or increased revenues from this program. The Executive also recommends funding this program. See Property Valuation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	6.00	8.00	8.00	8.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	297,700	402,800	402,800	402,800	402,800	
EMPLOYEE RELATED EXP	55,600	65,900	76,300	70,400	69,900	
PROFESSIONAL/OUTSIDE SVCS	45,000	45,000	45,000	45,000	45,000	
TRAVEL - IN STATE	1,300	2,000	2,000	2,000	2,000	
TRAVEL - OUT OF STATE	3,400	3,600	3,600	3,600	3,600	
OTHER OPERATING EXP	27,100	30,400	30,400	30,400	30,400	
EQUIPMENT	1,600	0	0	0	0	
ALL OTHER OPERATING	78,400	81,000	81,000	81,000	81,000	
PROGRAM TOTAL	431,700	549,700	560,100	554,200	553,700	
BY FUND SOURCE						
GENERAL FUND	431,700	549,700	560,100	554,200	553,700	
PROGRAM TOTAL-ALL SOURCES	431,700	549,700	560,100	554,200	553,700	

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

The JLBC Staff recommends a total appropriation of $553,700 -- a net increase of $4,000, or 0.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 4,000

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ADMINISTRATIVE SERVICES

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	101.00	71.00	71.00	71.00	71.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,925,800	1,355,200	1,419,800	1,409,200	1,372,200	
EMPLOYEE RELATED EXP	476,100	360,600	405,100	376,900	364,000	
PROFESSIONAL/OUTSIDE SVCS	104,400	110,500	110,500	110,500	110,500	
TRAVEL - IN STATE	15,800	23,100	23,100	23,100	23,100	
TRAVEL - OUT OF STATE	2,300	1,000	1,000	1,000	1,000	
OTHER OPERATING EXP	6,616,400	1,580,500	1,442,100	1,428,600	1,438,200	
EQUIPMENT	76,600	9,000	0	0	0	
ALL OTHER OPERATING	6,815,500	1,724,100	1,576,700	1,563,200	1,572,800	
OPERATING SUBTOTAL	9,217,400	3,439,900	3,401,600	3,349,300	3,309,000	
SPECIAL LINE ITEMS						
SB1170 - HAZARDOUS PROD	76,300	32,000	0	0	0	
SPECIAL ITEM SUBTOTAL	76,300	32,000	0	0	0	
PROGRAM TOTAL	9,293,700	3,471,900	3,401,600	3,349,300	3,309,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ADMINISTRATIVE SERVICES

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	9,293,700	3,471,900	3,401,600	3,349,300	3,309,000	
OTHER NON APPROPRIATED	83,100	85,000	85,000	0	85,000	
PROGRAM TOTAL-ALL SOURCES	9,376,800	3,556,900	3,486,600	3,349,300	3,394,000	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: ADMINISTRATIVE SERVICES

The JLBC Staff recommends a total appropriation of $3,309,000 -- a net decrease of $(162,900), or (4.9)%, from the FY 1992 appropriation. [1]

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (24,000)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends an effective vacancy factor of 1.42% and a base Personal Services amount which is $1,100 higher than the JLBC Staff recommended amount prior to adding funding for overtime. [2]
- ERE Rate Changes — 3,800
- One-Time Expenditures/Base Reductions — (187,200)
  Deletion of one-time FY 1992 expenditures for implementing PIER II and for the Data Purification program.
- Overtime Funding — 40,600
  - This amount provides for half of the funding requested by the agency to meet overtime requirements. The Executive recommends the requested amount of $81,300. See the Summary for a more detailed explanation.
- Hazardous Products (SB 1170) — - 0 -
  Printing funding of $32,000 for the Hazardous Products licensing program is moved from a special line item to the operating budget.
- Data Purification — 3,900
  This amount funds printing costs for 2 of 4 FTE positions requested to complete the Data Purification project begun in FY 1992. The Executive has recommended the full amount requested of $7,800. See Taxpayer Support for a more detailed explanation.

1/ For FY 1992, a large portion of the funding for this cost center was shifted to the new Fiscal Services and Analysis cost center.
2/ For this and other cost centers, the Executive's effective vacancy factor is provided even though the Executive's stated factor is generally 1/2 the standard rate (or zero in the case of the Director's Office). This difference between the effective and stated vacancy factors is due to the Executive not restoring the previous year's vacancy amount prior to applying a new vacancy factor.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: PROPERTY VALUATION

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	116.00	119.00	81.00	78.00	78.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,764,100	2,866,600	2,246,500	2,150,200	2,192,300	
EMPLOYEE RELATED EXP	616,900	680,900	603,000	543,300	542,900	
PROFESSIONAL/OUTSIDE SVCS	237,600	337,300	324,600	324,600	324,600	
TRAVEL - IN STATE	243,100	297,300	128,400	109,400	99,900	
TRAVEL - OUT OF STATE	6,000	3,000	12,100	3,000	12,100	
OTHER OPERATING EXP	210,400	123,500	96,700	89,800	90,000	
EQUIPMENT	3,700	13,200	20,000	8,000	7,000	
ALL OTHER OPERATING	700,800	774,300	581,800	534,800	533,600	
PROGRAM TOTAL	4,081,800	4,321,800	3,431,300	3,228,300	3,268,800	
BY FUND SOURCE						
GENERAL FUND	4,081,800	4,321,800	3,431,300	3,228,300	3,268,800	
PROGRAM TOTAL-ALL SOURCES	4,081,800	4,321,800	3,431,300	3,228,300	3,268,800	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: PROPERTY VALUATION

The JLBC Staff recommends a total appropriation of $3,268,800 -- a net decrease of $(1,053,000), or (24.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (62,400)
  Includes a new vacancy factor of 3%. The FY 1992 budgeted vacancy factor is 1%. The Executive recommends an effective vacancy factor of 4.91% and a base Personal Services amount after deletion of the Recanvassing positions which is $42,100 below the JLBC Staff recommended amount. See footnote under Administrative Services for further explanation.
- ERE Rate Changes 29,000
- Rent (17,300)
  This private rent reduction results from the completion of the Recanvassing Program.
- Completion of Recanvassing Program/Removal of One-Time Expenditures (1,102,500)
  This reduction reflects the completion of the Recanvassing Program, with its 43 limited-term positions, and removal of one-time expenditures for the 4 Property Audit positions added in FY 1992.
- Centrally-Valued Property Audits 100,200
  Funding for 2 FTE Property Appraisers is recommended to perform audits of centrally-valued property, such as railroad, mining, pipeline, and airline property. The department estimates that this audit program, which is not currently being conducted, will result in an additional $5 million of tax revenues statewide. Of this amount, the state is estimated to realize $2.75 million in reduced state aid to education payments and increased centrally-valued property tax revenues. JLBC Staff further recommends that the department report quarterly to the Legislature on the results of the audit program, citing specific cases in which assessments have increased. The Executive also recommends funding this program.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: FISCAL SRVCS & ANALYSIS

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	82.00	82.00	82.00	82.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	2,007,700	2,034,400	2,019,100	2,030,000	
EMPLOYEE RELATED EXP	0	420,000	475,200	484,800	479,600	
PROFESSIONAL/OUTSIDE SVCS	0	3,000	3,000	3,000	3,000	
TRAVEL - IN STATE	0	16,900	16,900	16,900	16,900	
TRAVEL - OUT OF STATE	0	9,900	9,900	9,900	9,900	
OTHER OPERATING EXP	0	6,596,400	6,203,600	6,167,100	6,136,400	
EQUIPMENT	0	20,600	0	0	0	
ALL OTHER OPERATING	0	6,646,800	6,233,400	6,196,900	6,166,200	
OPERATING SUBTOTAL	0	9,074,500	8,743,000	8,700,800	8,675,800	
SPECIAL LINE ITEMS						
SB1170 - HAZARDOUS PROD	0	51,000	0	0	0	
SPECIAL ITEM SUBTOTAL	0	51,000	0	0	0	
PROGRAM TOTAL	0	9,125,500	8,743,000	8,700,800	8,675,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: FISCAL SRVCS & ANALYSIS

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	0	9,125,500	8,743,000	8,700,800	8,675,800	
PROGRAM TOTAL-ALL SOURCES	0	9,125,500	8,743,000	8,700,800	8,675,800	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: FISCAL SERVICES AND ANALYSIS [1/]

The JLBC Staff recommends a total appropriation of $8,675,800 -- a net decrease of $(449,700), or (4.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ 11,000
  Includes a vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. Since this is a new cost center, no vacancy factor was budgeted in FY 1992. The Executive recommends an effective vacancy factor of 2.68% and a base Personal Services amount which is $24,200 below the JLBC Staff recommended amount prior to the addition of funding for overtime. See the footnote under Administrative Services for further explanation.
- ERE Rate Changes — 55,700
- PIER II/Other Base Reductions — (610,000)
  Deletion of one-time FY 1992 expenditures for implementing PIER II and other one-time costs.
- Rent — 22,200
  This amount reflects the increase in the lease-purchase payment for the building at 1600 West Monroe.
- Overtime Funding — 15,200
  This amount provides for approximately half of the funding requested by the agency to meet overtime requirements. The Executive recommends the requested amount of $30,200. See the summary for a more detailed explanation.
- Centrally-Valued Property Audits — 10,000
  This amount is for telephone and modular office furniture installed for 2 FTE Property Appraiser positions to perform audits of centrally-valued property. See Property Valuation.
- Hazardous Products (SB 1170) — -0-
  Support costs of $51,000 for the Hazardous Products licensing program are moved from a special line item to the operating budget.
- Data Purification — 41,200
  This amount funds support costs for 2 of 4 FTE positions requested to complete the Data Purification project begun in FY 1992. The Executive recommends $79,400 for 4 FTE positions. See Taxpayer Support.
- Data Base Conversion — 5,000
  This amount is for telephone and modular office furniture installation for the 1 FTE Programmer position for the data base conversion. The Executive recommends $10,000 for 2 FTE Programmer positions. See Data Management.

1/ Prior to FY 1992, the department created a new division of Fiscal Services and Analysis from portions of Administrative Services, Special Support and Data Management.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: SPECIAL SUPPORT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	53.00	32.80	32.80	32.80	33.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,553,600	991,100	979,800	972,500	971,400	
EMPLOYEE RELATED EXP	308,400	208,800	230,400	209,900	210,000	
PROFESSIONAL/OUTSIDE SVCS	5,000	7,300	4,000	3,000	4,000	
TRAVEL - IN STATE	10,600	2,000	2,000	2,000	2,000	
TRAVEL - OUT OF STATE	3,900	2,300	2,300	2,300	2,300	
OTHER OPERATING EXP	51,800	65,300	62,000	62,000	61,000	
EQUIPMENT	7,300	6,600	0	0	0	
ALL OTHER OPERATING	78,600	83,500	70,300	69,300	69,300	
PROGRAM TOTAL	1,940,600	1,283,400	1,280,500	1,251,700	1,250,700	
BY FUND SOURCE						
GENERAL FUND	1,940,600	1,283,400	1,280,500	1,251,700	1,250,700	
PROGRAM TOTAL-ALL SOURCES	1,940,600	1,283,400	1,280,500	1,251,700	1,250,700	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: SPECIAL SUPPORT

The JLBC Staff recommends a total appropriation of $1,250,700 -- a net decrease of $(32,700), or (2.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(23,900)
  Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends an effective vacancy factor of 0.89% and a base Personal Services amount which is $1,100 higher than the JLBC Staff recommended amount.
- ERE Rate Changes 5,400
- PIER II/One-Time Expenditures (14,200)
  Deletion of one-time FY 1992 expenditures for implementing PIER II.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: TAX ENFORCEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	494.00	595.00	595.00	595.00	595.00	
OPERATING BUDGET						
PERSONAL SERVICES	10,764,800	12,447,700	12,470,200	12,358,800	12,513,500	
EMPLOYEE RELATED EXP	2,501,400	3,108,000	3,422,500	3,242,700	3,217,800	
PROFESSIONAL/OUTSIDE SVCS	13,400	153,000	67,000	67,000	67,000	
TRAVEL - IN STATE	195,300	276,000	276,000	276,000	276,000	
TRAVEL - OUT OF STATE	463,800	575,000	575,000	575,000	575,000	
OTHER OPERATING EXP	404,700	858,900	686,200	686,200	686,200	
EQUIPMENT	198,000	443,000	0	0	0	
ALL OTHER OPERATING	1,275,200	2,305,900	1,604,200	1,604,200	1,604,200	
OPERATING SUBTOTAL	14,541,400	17,861,600	17,496,900	17,205,700	17,335,500	
SPECIAL LINE ITEMS						
AUTOMATED COLLECTION SYS	250,000	0	0	0	0	
SPECIAL ITEM SUBTOTAL	250,000	0	0	0	0	
PROGRAM TOTAL	14,791,400	17,861,600	17,496,900	17,205,700	17,335,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: TAX ENFORCEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	14,791,400	17,861,600	17,496,900	17,205,700	17,335,500	
PROGRAM TOTAL-ALL SOURCES	14,791,400	17,861,600	17,496,900	17,205,700	17,335,500	

The JLBC Staff recommends a total appropriation of $17,335,500 -- a net decrease of $(526,100), or (2.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 70,200
  Includes a new vacancy factor of 6%. The FY 1992 vacancy factor is 6.4%. The rate is higher than the standard rate due to differences between the department's realized savings and the JLBC Staff projected savings from the past 2 years of FTE reductions. The Executive recommends an effective vacancy factor of 7.24% and a base Personal Services amount which is $164,700 below the amount recommended by JLBC Staff prior to adding funding for overtime. For further explanation, see the footnote under Administrative Services.
- ERE Rate Changes 94,100
- PIER II/One-Time Expenditures (701,700)
  Deletion of one-time FY 1992 expenditures for implementing PIER II and the Data Purification program.
- Overtime Funding 11,300
  This amount provides for half of the funding requested by the agency to meet overtime requirements. The Executive recommends the requested amount of $22,600. See the Summary for a more detailed explanation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	109.00	121.00	127.00	127.00	125.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,885,500	2,135,800	2,202,900	2,182,300	2,148,500	
EMPLOYEE RELATED EXP	449,400	583,200	665,700	625,700	604,600	
PROFESSIONAL/OUTSIDE SVCS	85,000	102,000	108,300	108,300	108,300	
TRAVEL - IN STATE	14,400	34,000	34,000	34,000	34,000	
TRAVEL - OUT OF STATE	2,000	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	53,200	115,300	95,100	95,100	94,800	
EQUIPMENT	18,300	13,100	0	0	0	
ALL OTHER OPERATING	172,900	266,400	239,400	239,400	239,100	
OPERATING SUBTOTAL	2,507,800	2,985,400	3,108,000	3,047,400	2,992,200	
SPECIAL LINE ITEMS						
SB1170 - HAZARDOUS PROD	0	73,500	0	0	0	
SPECIAL ITEM SUBTOTAL	0	73,500	0	0	0	
PROGRAM TOTAL	2,507,800	3,058,900	3,108,000	3,047,400	2,992,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,507,800	3,058,900	3,108,000	3,047,400	2,992,200	
PROGRAM TOTAL-ALL SOURCES	2,507,800	3,058,900	3,108,000	3,047,400	2,992,200	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: TAXPAYER SUPPORT AND EDUCATION SERVICES

The JLBC Staff recommends a total appropriation of $2,992,200 -- a net decrease of $(66,700), or (2.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(79,800)
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends an effective vacancy factor of 2.39% and a base Personal Services amount which is $7,600 below the JLBC Staff recommended amount prior to adding funding for overtime.
- ERE Rate Changes 19,300
- One-Time Expenditures/Base Reductions (47,600)
  Deletion of one-time FY 1992 expenditures for implementing PIER II and the Data Purification program.
- Overtime Funding 14,400
  This amount provides for approximately half of the funding requested by the agency to meet overtime requirements. The Executive recommends $28,300. See the Summary for a more detailed explanation.
- Hazardous Products (SB 1170) (11,600)
  The Hazardous Products legislation (Laws 1991, Chapter 184) appropriated $230,000 to the Department of Revenue for FY 1992 to implement the collection of fees, $73,500 of which was allocated by the department to a special line within this cost center. For FY 1993, the department is requesting that the 2 FTE positions and related funding be moved "above the line", resulting in a net decrease of $(11,600).
- Data Purification 38,600
  For FY 1992, the Legislature approved 5 of 9 FTE positions requested to purge obsolete information from the tax files and assign single tax identifier numbers to state taxpayer files as part of the conversion to a relational data base. JLBC Staff recommends funding for 2 of the remaining 4 FTE Data Purification positions requested for FY 1993. Implicit in this recommendation is the assumption that the department could convert 2 existing FTE positions currently answering taxpayer questions on a temporary basis for timely completion of this project. The Executive has recommended 4 FTE positions and $77,400. See also Data Management for a related issue regarding additional programmers.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	261.00	249.00	252.00	251.00	250.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,422,100	5,181,000	5,490,200	5,377,400	5,313,000	
EMPLOYEE RELATED EXP	1,241,400	1,288,800	1,491,100	1,531,900	1,341,000	
PROFESSIONAL/OUTSIDE SVCS	1,112,500	1,141,800	1,151,800	1,151,800	1,156,800	
TRAVEL - IN STATE	7,100	4,900	4,900	4,900	4,900	
TRAVEL - OUT OF STATE	3,400	3,100	3,100	3,100	3,100	
OTHER OPERATING EXP	1,775,200	2,543,900	2,622,500	2,615,500	2,614,800	
EQUIPMENT	1,142,700	992,400	682,000	678,000	674,000	
ALL OTHER OPERATING	4,040,900	4,686,100	4,464,300	4,453,300	4,453,600	
OPERATING SUBTOTAL	10,704,400	11,155,900	11,445,600	11,362,600	11,107,600	
SPECIAL LINE ITEMS						
SB1170 - HAZARDOUS PROD	12,100	73,500	0	0	0	
SPECIAL ITEM SUBTOTAL	12,100	73,500	0	0	0	
PROGRAM TOTAL	10,716,500	11,229,400	11,445,600	11,362,600	11,107,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DATA MANAGEMENT

JLBC ANALYST: PITCAIRN
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	10,716,500	11,229,400	11,445,600	11,362,600	11,107,600	
OTHER NON APPROPRIATED	95,500	95,600	95,600	0	95,600	
PROGRAM TOTAL-ALL SOURCES	10,812,000	11,325,000	11,541,200	11,362,600	11,203,200	

DEPARTMENT: DEPARTMENT OF REVENUE
COST CENTER: DATA MANAGEMENT

The JLBC Staff recommends a total appropriation of $11,107,600 -- a net decrease of $(121,800), or (1.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 60,400
  Includes a new vacancy factor of 5%. The FY 1992 vacancy factor is 5.9%. The rate is higher than the standard rate due to differences between the department's realized savings and the average JLBC Staff projected savings from the past two years of FTE reductions. The Executive recommends an effective vacancy factor of 5.36% and a base Personal Services amount which is $20,100 below the JLBC Staff recommended amount prior to adding funding for overtime.
- ERE Rate Changes 25,300
- PIER II/One-Time Expenditures (263,200)
  Deletion of one-time FY 1992 expenditures for implementing PIER II and the Data Purification and Property Audit programs.
- Overtime Funding 60,300
  This amount provides for approximately half of the funding requested by the agency to meet overtime requirements. The Executive recommends the requested amount of $120,300. See the Summary for a more detailed explanation.
- Mainframe Replacement 7,700
  This amount, the net effect of a $156,600 increase in Other Operating Expenditures and a reduction of $(148,900) in the Equipment line, reflects the third year costs of the upgrade/replacement of the agency's mainframe computer.
- Hazardous Products (SB 1170) (63,500)
  The Hazardous Products legislation (Laws 1991, Chapter 184) appropriated $230,000 to the department to implement the collection of fees, $73,500 of which was allocated by the department to a special line within this cost center. For FY 1993, the department is requesting that $10,000 in temporary services funding be moved above the line, resulting in a net reduction of $(63,500).
- Data Base Conversion 51,200
  In 1989 the department purchased software for $336,000 and began programming to convert all tax file programs to a relational, unified data base system. This system will allow the department to access information on all tax types for each taxpayer by using a single identifier. There are 10.5 FTE Programmers now working on development of the system, along with 5 FTE positions added last year to clean out obsolete file information prior to conversion (see the Data Purification issue in Taxpayer Support). This amount provides funding for 1 FTE Programmer position of the 3 requested by the department to help them meet the FY 1994 target date for conversion. The Executive recommends 2 FTE Programmers and $93,600.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: MARTINEZ
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	37.00	37.00	37.00	37.00	37.00	
OPERATING BUDGET						
PERSONAL SERVICES	664,400	658,700	666,700	660,000	660,000	
EMPLOYEE RELATED EXP	160,900	165,800	187,100	174,800	171,400	
PROFESSIONAL/OUTSIDE SVCS	101,300	81,900	73,000	73,000	73,000	
TRAVEL - IN STATE	900	11,000	3,000	3,000	1,600	
TRAVEL - OUT OF STATE	6,600	7,200	0	0	0	
OTHER OPERATING EXP	313,000	438,500	432,000	432,000	477,800	
EQUIPMENT	74,300	6,500	0	0	0	
ALL OTHER OPERATING	496,100	545,100	508,000	508,000	552,400	
OPERATING SUBTOTAL	1,321,400	1,369,600	1,361,800	1,342,800	1,383,800	
SPECIAL LINE ITEMS						
RUNOFF ELECTION	2,650,000	0	0	0	0	
RULES - PUBLICATIONS DIV	245,100	228,800	228,800	228,800	221,300	
ELECTIONS EXPENSE	2,218,200	100,900	2,813,500	2,813,500	2,614,400	
PROPOSITION 200	158,500	157,800	167,000	164,900	160,300	
SPEC ELECTION - STATE	0	230,000	0	0	0	
SPEC ELECTION - COUNTIES	0	562,000	0	0	0	
SPECIAL ITEM SUBTOTAL	5,271,800	1,279,500	3,209,300	3,207,200	2,996,000	
PROGRAM TOTAL	6,593,200	2,649,100	4,571,100	4,550,000	4,379,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: MARTINEZ
OSPB ANALYST: COCKERHAM

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,593,200	2,649,100	4,571,100	4,550,000	4,379,800	
OTHER NON APPROPRIATED	13,500	302,600	236,200	0	236,200	
PROGRAM TOTAL-ALL SOURCES	6,606,700	2,951,700	4,807,300	4,550,000	4,616,000	

The JLBC Staff recommends a total appropriation of $4,379,800 -- a net increase of $1,730,700, or 65.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 1,600
  Maintains a standard vacancy factor of 1%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 1%. The amount reflects the annualization of the January 1992 elected officials $1,300 salary and $300 ERE increase for the Secretary of State.
- ERE Rate Changes 5,300
- P&O Adjustments (8,900)
  One-time computer upgrade cost.
- Travel - In State Adjustments (9,400)
  The agency identified an $(8,000) reduction in travel expenses. The additional $(1,400) reduction will impact staff travel to counties for the purposes of providing free notary seminars.
- Travel - Out of State Adjustments (7,200)
  The reduction was identified by the agency.
- OOE Adjustments (85,200)
  The amount includes reductions in the following areas: $(37,000) for books, $(30,000) for printing, $(10,000) for postage, $(6,500) one-time cost for the notary public computer upgrade, and $(1,700) across various categories.
- Rent - State Owned Buildings 124,500
  Includes reinstatement of General Fund rent in the amount of $124,500 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

- Equipment (6,500)
  One-time notary public computer upgrade costs.
- 1992 Elections Expenses Adjustment 2,513,500
  The amount includes $132,900 in Personal Services and ERE, $1,635,900 for Professional & Outside Services which includes $1,029,300 for ballot printing, $2,100 for in-state travel, $(3,500) reduction in out of state travel identified by the agency, and $746,100 in Other Operating Expenditures which includes $709,300 for pamphlet printing. The recommended appropriation of $2,614,400 provides a 18% increase over the actual FY 1991 elections expenses (including the FY 1991 $925,000 supplemental). The agency's budget request was for a 27% increase in Elections Expenses. The Executive recommends the agency's request of $2,813,500.
- Proposition 200 2,500
  ERE Rate Changes
- Special Election-State (230,000)
- Special Election-Counties (562,000)
- Rules & Regulation Adjustment (7,500)
  The amount reduces postage funding from $25,000 to $17,500.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: FUSAK
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	9.50	9.50	11.50	9.50	9.50	
OPERATING BUDGET						
PERSONAL SERVICES	338,600	453,100	496,700	453,100	453,100	
EMPLOYEE RELATED EXP	49,900	62,500	77,600	63,700	58,900	
PROFESSIONAL/OUTSIDE SVCS	18,100	30,000	30,000	30,000	21,000	
TRAVEL - IN STATE	18,100	37,000	46,200	37,000	37,000	
TRAVEL - OUT OF STATE	3,000	6,700	11,800	6,700	6,700	
OTHER OPERATING EXP	47,200	97,800	114,300	110,500	107,600	
EQUIPMENT	57,300	9,300	2,900	0	1,700	
ALL OTHER OPERATING	143,700	180,800	205,200	184,200	174,000	
PROGRAM TOTAL	532,200	696,400	779,500	701,000	686,000	
BY FUND SOURCE						
GENERAL FUND	532,200	696,400	779,500	701,000	686,000	
PROGRAM TOTAL-ALL SOURCES	532,200	696,400	779,500	701,000	686,000	

DEPARTMENT: STATE BOARD OF TAX APPEALS
COST CENTER: STATE BOARD OF TAX APPEALS

The JLBC Staff recommends a total appropriation of $686,000 -- a net decrease of $(10,400), or (1.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $(3,600)
- Professional and Outside Services (9,000)
  Reduce Data Processing for Division I to reflect prior year expenditures.
- All Other Operating Expenditures 2,200
  JLBC Staff recommends a $9,800 increase to annualize the rent requirement for space in the State Courts Building. JLBC Staff recommends a net decrease of $(9,300) for capitalized equipment. The Staff also recommends $1,700 to enable Division II to purchase a laser printer. The Executive concurs with the annualization for rent and the decrease for Capitalized Equipment. However, the Executive did not recommend the laser printer but recommends an increase of $2,900 for non-capitalized equipment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: OFFICE OF TOURISM
COST CENTER: OFFICE OF TOURISM

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	19.00	19.00	19.00	19.00	17.00	
OPERATING BUDGET						
PERSONAL SERVICES	432,700	502,800	571,800	507,900	448,000	
EMPLOYEE RELATED EXP	93,600	111,200	126,400	112,700	103,900	
PROFESSIONAL/OUTSIDE SVCS	169,900	175,000	175,000	169,000	175,000	
TRAVEL - IN STATE	23,000	17,000	17,000	17,000	17,000	
TRAVEL - OUT OF STATE	67,800	50,000	50,000	50,000	50,000	
OTHER OPERATING EXP	623,700	689,600	689,600	681,600	664,100	
EQUIPMENT	26,200	15,000	15,000	0	15,000	
ALL OTHER OPERATING	910,600	946,600	946,600	917,600	921,100	
OPERATING SUBTOTAL	1,436,900	1,560,600	1,644,800	1,538,200	1,473,000	
SPECIAL LINE ITEMS						
MEDIA ADVERTISING/PROMO	1,832,000	2,086,700	2,002,500	2,086,700	1,932,000	
TOURISM FUND	2,000,000	2,080,000	2,080,000	2,234,700	2,234,700	
SPECIAL ITEM SUBTOTAL	3,832,000	4,166,700	4,082,500	4,321,400	4,166,700	
PROGRAM TOTAL	5,268,900	5,727,300	5,727,300	5,859,600	5,639,700	

DEPARTMENT: OFFICE OF TOURISM
COST CENTER: OFFICE OF TOURISM

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	5,268,900	5,727,300	5,727,300	5,859,600	5,639,700	
OTHER NON APPROPRIATED	21,900	22,000	22,000	0	22,000	
PROGRAM TOTAL-ALL SOURCES	5,290,800	5,749,300	5,749,300	5,859,600	5,661,700	

The JLBC Staff recommends a total appropriation of $5,639,700 -- a net decrease of $(87,600), or (1.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ 6,300
  Includes a new vacancy factor of 0% which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted rate was 1%. The Executive recommends a vacancy factor of 0%. No additional increase in Personal Services is recommended until the office is placed under the state personnel system and a position reclassification review is conducted.
- ERE Rate Adjustments — 2,800
- Eliminate 2 FTE Positions — (71,200)
  The agency was appropriated 3 FTE positions in FY 1990 to operate the proposed Painted Cliffs Welcome Center on I-40. The positions have traditionally been held vacant as it is not clear when or if the Welcome Center will be built. The savings of Personal Services and ERE associated with two of the positions is $61,300. The third FTE position, a receptionist, has been filled to assist the main office. An additional $9,900 in Personal Services was eliminated as this was used to partially fund the salary of the Commerce Director in FY 1992.

- Other Operating Expenses (25,500)

  The above amount represents a decrease associated with the transfer of lease space from private to state ownership. As a result of the state rate of $11 per square foot, the lease of the 4,500 square feet Evans House has decreased from $75,000 to $49,500. The Department of Administration (DOA), which purchased the property in 1980, had leased the Evans House to a limited partnership in June of 1987 for a 50-year term. The partnership renovated the property and subleased the space to the Office of Tourism. In January of 1990, the Joint Committee on Capital Review approved DOA's proposal to purchase the leasehold portion of the Evans House using funds from the Land, Planning and Acquisition Fund. As DOA did not charge rent in FY 1992 to General Fund agencies, the $75,000 appropriated in FY 1992 for rent of the Evans House should revert to the General Fund. The Executive recommends a reduction of $8,000.

- Tourism Fund 154,700

  The Tourism Fund will increase due to projected growth in bed tax revenues during FY 1992. Laws 1990, Chapter 391, allocates 75% of the growth of the last 0.5% of bed tax revenues from the General Fund to the Tourism Fund, in addition to a base appropriation of $2,000,000. Growth through October, 1991 was at 7% and is expected to continue through FY 1992. The Executive concurs.

- Media Advertising and Promotion (154,700)

  This reduction in General Fund support of Media Advertising and Promotion is offset by the increase in the Tourism Fund. The two special line items combined will provide $4,166,700 for media advertising and promotion, which is $84,200 above the FY 1993 agency request. The agency request for media advertising was lowered by $84,200 in order to increase Personal Services and ERE by an equal amount. The Executive does not recommend a change to this special line item.

Other Issues for Legislative Consideration

- Professional & Outside Services

  The Executive recommends a reduction of $(6,000). This line item includes the toll-free telephone service and mail services for travel information. These services complement the advertising budget in attracting tourists to the state. According to the agency's estimate, current funding understates the need by $36,100. As a result, the JLBC Staff does not recommend the reduction.

- Equipment

  The Executive recommends a one-time reduction of $(15,000). The JLBC Staff recommends maintaining the funding in this line item for improved telecommunications equipment. The Office of Tourism is frequently the first contact with the vacationing public, and the current phone system is inadequate to handle the current volume of calls.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE TREASURER
COST CENTER: STATE TREASURER

JLBC ANALYST: BRADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	32.00	31.00	34.00	31.00	30.00	
OPERATING BUDGET						
PERSONAL SERVICES	858,000	846,700	1,046,400	912,800	879,800	
EMPLOYEE RELATED EXP	185,100	183,200	252,700	201,900	196,000	
PROFESSIONAL/OUTSIDE SVCS	122,100	125,200	130,700	130,700	125,200	
TRAVEL - IN STATE	700	900	1,600	1,200	900	
TRAVEL - OUT OF STATE	10,100	8,200	14,300	8,200	8,200	
OTHER OPERATING EXP	90,500	80,700	99,100	80,500	153,300	
EQUIPMENT	17,500	9,500	54,100	12,000	0	
ALL OTHER OPERATING	240,900	224,500	299,800	232,600	287,600	
OPERATING SUBTOTAL	1,284,000	1,254,400	1,598,900	1,347,300	1,363,400	
SPECIAL LINE ITEMS						
LONG TERM CARE-COUNTIES	2,916,000	0	0	0	0	
JUSTICE OF PEACE SALARIES	1,406,800	1,879,500	1,973,000	1,879,500	1,879,500	
STATE GRAND JURY FUND	425,000	0	0	0	0	
SPECIAL ITEM SUBTOTAL	4,747,800	1,879,500	1,973,000	1,879,500	1,879,500	
PROGRAM TOTAL	6,031,800	3,133,900	3,571,900	3,226,800	3,242,900	

DEPARTMENT: STATE TREASURER
COST CENTER: STATE TREASURER

JLBC ANALYST: BRADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,031,800	3,133,900	3,571,900	3,226,800	3,242,900	
PROGRAM TOTAL-ALL SOURCES	6,031,800	3,133,900	3,571,900	3,226,800	3,242,900	

The JLBC Staff recommends a total appropriation of $3,242,900 -- a net increase of $109,000, or 3.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $54,000
  Includes a new vacancy factor of 3%. The FY 1992 budgeted vacancy factor was 7.81%. The current vacancy factor was based upon high vacancies in prior years. The reduction of the vacancy factor to 3% is made as the first phase of moving towards the standard vacancy factor of 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 5,400
- Funding for Position Regrades 20,400
- Rent - State Owned Buildings 71,000
  Includes reinstatement of General Fund rent in the amount of $71,000 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Increase in Non-Capitalized Equipment 1,600
- One-Time Equipment Costs (9,500)
- Reduction of 1 FTE Position (33,900)
  For FY 1990, 2 Program Compliance Auditor FTE positions were approved. However, neither of these positions has been filled. The JLBC Staff recommends eliminating 1 of these Program Compliance Auditor positions.

Other Issues for Legislative Consideration

- Investment of State Funds and Investment Earnings

  The state General Fund, the permanent land trust funds, and other agency funds are invested by the State Treasurer and earn interest income for the state. Currently, statutes restrict all such investments to certain types of securities. The capital gains from bond sales have been traditionally posted to the corpus as fund increases, instead of income. The State Treasurer's office is also limited by a slow growth in investment resources compared to the growth in the amount of funds under management of the State Treasurer. The following changes should be considered by the Legislature in order to increase interest earnings to the state:

  - Allow permanent land trust funds to be invested in a diversified portfolio which includes high grade equities. This requires statutory changes and including amending the Federal Enabling Act.
  - Clarify the statutes so that capital gains from bond sales are considered income, in keeping with federal tax law interpretation.
  - Fund additional investment resources, either as additional resources in the State Treasurer's office, or through contract with a private sector investment management agency. The State Retirement System assets are managed this way and have earned an average of 13.5% over the past 8 years through investments which include a diversified stock portfolio.

  Many states, pension funds, and retirement systems have had very favorable long-term growth and income through a mix of government securities, bonds, and equities. While the change to allow investment of permanent land trust funds in high grade equities does not mandate such investment, it provides flexibility to have a better mix of portfolio investments which will provide a significantly greater rate of return on investment. Posting capital gains as income will increase expendable funds available to education and other land grant recipients. Additional investment resources would also enhance the state's ability to monitor investments and maximize revenue while keeping risk at an acceptable level.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: FUSAK
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	900	1,800	2,000	1,800	1,800	
EMPLOYEE RELATED EXP	0	100	100	0	0	
TRAVEL - IN STATE	200	500	500	500	500	
TRAVEL - OUT OF STATE	5,000	5,000	5,400	5,200	5,000	
OTHER OPERATING EXP	10,300	15,500	16,300	16,300	16,300	
ALL OTHER OPERATING	15,500	21,000	22,200	22,000	21,800	
PROGRAM TOTAL	16,400	22,900	24,300	23,800	23,600	
BY FUND SOURCE						
GENERAL FUND	16,400	22,900	24,300	23,800	23,600	
PROGRAM TOTAL-ALL SOURCES	16,400	22,900	24,300	23,800	23,600	

DEPARTMENT: ARIZONA COMMISSION ON UNIFORM STATE LAWS
COST CENTER: ARIZONA COMMISSION ON UNIFORM STATE LAWS

The JLBC Staff recommends a total appropriation of $23,600 -- a net increase of $700, or 3.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustment $(100)
  JLBC Staff recommends no ERE funding based on expenditures of less than $10 for Workers' Compensation and Personnel Division Funding in the previous two fiscal years.
- All Other Operating Expenditures 800
  JLBC Staff recommends an increase of $800 to pay the state's annual assessed membership fee for the National Conference of Commissioners on Uniform State Laws.

HEALTH AND WELFARE
(HW)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	824.25	878.40	1,030.60	897.80	956.50	
	(T)	1,561.80	1,739.40	1,996.40	1,779.70	1,895.20	
BY PROGRAM/ORGANIZATION							
ADMINISTRATION	(S)	16,720,300	25,389,400	33,561,300	27,077,700	26,064,900	
	(T)	50,347,400	51,299,000	61,963,600	57,365,200	53,212,000	
DES-AHCCCS	(S)	10,704,600	13,273,000	17,019,500	13,066,100	16,116,900	
	(T)	17,477,400	26,547,600	34,143,800	26,237,200	31,146,700	
DHS-AHCCCS	(S)	13,406,800	682,700	758,200	318,400	703,600	
	(T)	15,236,700	6,561,600	11,628,600	5,861,000	11,248,600	
ACUTE CARE	(S)	292,355,100	331,300,800	419,341,000	328,425,100	375,690,400	
	(T)	628,473,300	804,160,800	1,011,270,000	894,244,600	944,683,700	
LONG TERM CARE	(S)	0	0	0	0	0	
	(T)	250,587,800	232,450,400	292,835,500	267,878,000	264,236,000	
AGENCY TOTAL	(S)	333,186,800	370,645,900	470,680,000	368,887,300	418,575,800	
	(T)	962,122,600	1,121,019,400	1,411,841,500	1,251,586,000	1,304,527,000	
OPERATING BUDGET							
PERSONAL SERVICES	(S)	11,799,600	18,535,400	22,089,700	18,504,700	20,069,400	
	(T)	29,869,300	36,668,200	42,630,700	37,344,800	39,653,400	
EMPLOYEE RELATED EXP	(S)	2,304,600	4,624,900	6,203,300	4,763,200	5,027,300	
	(T)	6,232,500	9,151,700	11,991,000	9,637,700	9,950,200	
PROFESSIONAL/OUTSIDE SVCS	(S)	6,320,400	7,624,800	5,477,400	4,497,100	8,287,400	
	(T)	17,079,800	16,541,000	10,219,700	10,362,400	18,229,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRAVEL - IN STATE	(S)	159,900	251,300	452,100	243,500	260,300	
	(T)	395,200	497,800	902,100	489,300	517,400	
TRAVEL - OUT OF STATE	(S)	19,100	16,800	16,900	16,500	16,800	
	(T)	36,900	33,000	33,000	33,000	33,000	
OTHER OPERATING EXP	(S)	5,621,900	7,006,000	8,767,400	7,043,500	7,063,300	
	(T)	11,296,900	13,678,100	16,947,400	14,738,300	13,907,300	
EQUIPMENT	(S)	30,200	295,900	1,510,300	208,400	381,100	
	(T)	127,800	591,800	2,815,800	418,000	841,300	
ALL OTHER OPERATING	(S)	12,151,500	15,194,800	16,224,100	12,009,000	16,008,900	
	(T)	28,936,600	31,341,700	30,918,000	25,681,000	33,528,900	
OPERATING SUBTOTAL	(S)	26,255,700	38,355,100	44,517,100	35,276,900	41,105,600	
	(T)	65,038,400	77,161,600	85,539,700	72,663,500	83,132,500	
SPECIAL LINE ITEMS							
ACUTE CARE CAPITATION	(S)	200,678,200	267,748,400	342,831,300	332,954,500	306,595,700	
	(T)	487,625,900	620,408,900	792,658,900	762,544,100	741,104,400	
FEE FOR SERVICE	(S)	39,742,400	34,958,200	35,886,200	42,520,300	40,622,000	
	(T)	66,218,900	90,539,100	126,363,700	112,122,200	113,288,200	
REINSURANCE	(S)	24,781,700	16,626,100	27,104,100	24,331,400	19,745,900	
	(T)	31,848,400	28,862,800	47,517,600	40,491,800	31,791,100	
DEFERRED LIABILITY	(S)	15,857,700	9,921,800	11,639,600	7,219,800	7,291,900	
	(T)	23,295,800	32,255,400	34,182,000	28,307,700	29,363,400	
MEDICARE PREMIUMS	(S)	2,121,800	218,500	544,200	399,100	225,600	
	(T)	6,915,800	5,810,700	6,390,700	6,047,200	6,433,500	
QMBs	(S)	27,400	127,800	1,335,600	0	209,300	
	(T)	575,000	649,900	4,157,100	0	935,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
EPSDT MENTAL HEALTH	(S)	1,145,900	1,000,000	0	1,000,000	1,000,000	
	(T)	2,793,500	23,678,700	0	24,731,600	21,768,100	
GOV.'S MN/MI REDUCTION	(S)	0	0	0	-80,000,000	0	
	(T)	0	0	0	-80,000,000	0	
OTHER LEGIS. (ACUTE CARE)	(S)	8,000,000	700,000	0	0	0	
	(T)	9,200,000	1,955,300	0	0	0	
DOA DATA CENTER	(S)	0	0	5,997,000	4,673,700	0	
	(T)	0	0	10,339,600	10,420,700	0	
IND. ADVISORY COUNCIL	(S)	44,300	95,000	95,000	50,000	95,000	
	(T)	89,700	190,000	190,000	100,000	190,000	
BOARD OF NURSING	(S)	0	70,000	88,000	88,000	70,000	
	(T)	143,900	214,900	272,100	230,600	214,900	
HEALTH CARE GROUP	(S)	0	198,000	106,200	0	106,200	
	(T)	0	198,000	106,200	0	106,200	
OTHER LEGIS. (ADMIN.)	(S)	1,285,900	101,300	0	0	0	
	(T)	2,870,900	202,600	0	0	0	
DES DDSA	(S)	159,400	173,800	178,000	178,600	174,800	
	(T)	318,900	347,600	356,000	357,200	349,600	
DES PASARR	(S)	17,900	96,700	52,500	52,500	52,500	
	(T)	39,600	386,800	209,900	210,000	209,900	
ELIGIBILITY TRANSFER	(S)	0	0	0	0	1,000,000	
	(T)	0	0	0	0	1,000,000	
DHS PASARR	(S)	94,000	94,700	95,400	94,700	94,200	
	(T)	375,900	385,800	388,700	385,900	383,800	
CHILDRENS REHAB. SERVICES	(S)	12,883,600	0	0	0	0	
	(T)	14,002,400	5,000,000	9,913,300	5,000,000	9,646,200	
INDIRECT COST - LICENSURE	(S)	90,900	160,500	202,800	47,800	187,100	
	(T)	181,800	320,900	405,500	95,500	374,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
DHS DENTAL	(S)	0	0	7,000	0	0	
	(T)	0	0	15,000	0	0	
LONG TERM CARE	(S)	0	0	0	0	0	
	(T)	199,992,900	231,540,400	292,835,500	267,878,000	264,236,000	
DES LONG TERM CARE	(S)	0	0	0	0	0	
	(T)	50,594,900	0	0	0	0	
NATCEP	(S)	0	0	0	0	0	
	(T)	0	910,000	0	0	0	
SPECIAL ITEM SUBTOTAL	(S)	306,931,100	332,290,800	426,162,900	333,610,400	377,470,200	
	(T)	897,084,200	1,043,857,800	1,326,301,800	1,178,922,500	1,221,394,500	
AGENCY TOTAL	(S)	333,186,800	370,645,900	470,680,000	368,887,300	418,575,800	
	(T)	962,122,600	1,121,019,400	1,411,841,500	1,251,586,000	1,304,527,000	
BY FUND SOURCE							
GENERAL FUND	(S)	333,186,800	370,645,900	470,680,000	368,887,300	418,575,800	
FEDERAL FUNDS	(T)	467,687,600	591,140,900	767,448,100	717,658,000	721,964,100	
OTHER NON APPROPRIATED	(T)	161,248,200	159,232,600	173,713,400	165,040,700	163,987,100	
AGENCY TOTAL-ALL SOURCES	(S)	333,186,800	370,645,900	470,680,000	368,887,300	418,575,800	
	(T)	962,122,600	1,121,019,400	1,411,841,500	1,251,586,000	1,304,527,000	

DEPARTMENT: AHCCCS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends an appropriation of $418,575,800 State General Funds (S) and $1,304,527,000 in Total Expenditure Authority (T) -- a net increase of $47,929,900, or 12.9%, to the FY 1992 General Fund appropriation, and a net increase of $183,507,600, or 16.4%, to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Administration

Additional Claims Positions	$ 106,000 (S) 216,400 (T)
Professional and Outside Services Adjustment (DOA Data Center)	356,200 (S) 1,073,900 (T)
Nursing Care Institution Audits	255,000 (S) 510,000 (T)
Replacement Capitalized Equipment	187,600 (S) 453,800 (T)
Other Changes	(229,300) (S) (341,100) (T)

- DES-AHCCCS

General Fund Adjustment to Reflect Actual AHCCCS Eligibility Costs	1,569,700 (S) 3,139,400 (T)
Transfer All AHCCCS Eligibility Determination to DES	1,000,000 (S) 1,000,000 (T)

Additional Eligibility Determination Staff	430,500 (S) 861,000 (T)
Other Changes	(156,300) (S) (401,300) (T)

- DHS-AHCCCS

Childrens Rehabilitative Services (CRS)	-0- (S) 4,646,200 (T)
Other Changes	20,900 (S) 40,800 (T)

- Acute Care

Population Growth (Includes $12.2 million savings from Eligibility Determination transfer)	47,584,300 (S) 108,688,000 (T)
Capitation Rate Increase	13,250,700 (S) 27,884,300 (T)
Medical Inflation	3,887,000 (S) 6,908,600 (T)
New Federal Medical Assistance Percentage (FMAP)	(16,971,000) (S) -0- (T)
State Legalization Impact Assistance Grant (SLIAG)	(2,750,000) (S) -0- (T)
Other Changes	(611,400) (S) (2,958,000) (T)

- Long Term Care

	-0- (S) 31,785,600 (T)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ADMINISTRATION

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	508.30	477.70	537.40	501.80	482.10	
	(T)	923.80	932.70	1,008.7	981.70	942.70	
OPERATING BUDGET							
PERSONAL SERVICES	(S)	5,655,500	10,847,900	12,570,200	10,968,300	10,871,300	
	(T)	19,786,100	21,293,200	23,591,600	22,272,000	21,257,300	
EMPLOYEE RELATED EXP	(S)	789,900	2,615,800	3,444,800	2,734,600	2,621,800	
	(T)	3,747,500	5,133,500	6,474,100	5,552,700	5,139,300	
PROFESSIONAL/OUTSIDE SVCS	(S)	5,785,200	7,589,500	5,407,100	4,473,800	8,252,100	
	(T)	16,209,500	16,470,400	10,079,100	10,315,800	18,159,300	
TRAVEL - IN STATE	(S)	24,200	76,500	103,800	77,200	80,000	
	(T)	170,700	148,300	205,500	156,700	156,900	
TRAVEL - OUT OF STATE	(S)	17,800	15,600	15,700	15,300	15,600	
	(T)	34,800	30,600	30,600	30,600	30,600	
OTHER OPERATING EXP	(S)	3,095,600	3,619,500	4,446,900	3,788,400	3,592,800	
	(T)	7,180,000	7,097,000	8,306,400	7,868,100	7,158,200	
EQUIPMENT	(S)	21,900	160,300	1,286,600	208,400	360,100	
	(T)	114,300	320,500	2,368,400	418,000	799,300	
ALL OTHER OPERATING	(S)	8,944,700	11,461,400	11,260,100	8,563,100	12,300,600	
	(T)	23,709,300	24,066,800	20,990,000	18,789,200	26,304,300	
OPERATING SUBTOTAL	(S)	15,390,100	24,925,100	27,275,100	22,266,000	25,793,700	
	(T)	47,242,900	50,493,500	51,055,700	46,613,900	52,700,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ADMINISTRATION

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS							
IND. ADVISORY COUNCIL	(S)	44,300	95,000	95,000	50,000	95,000	
	(T)	89,700	190,000	190,000	100,000	190,000	
HEALTH CARE GROUP	(S)	0	198,000	106,200	0	106,200	
	(T)	0	198,000	106,200	0	106,200	
BOARD OF NURSING	(S)	0	70,000	88,000	88,000	70,000	
	(T)	143,900	214,900	272,100	230,600	214,900	
DOA DATA CENTER	(S)	0	0	5,997,000	4,673,700	0	
	(T)	0	0	10,339,600	10,420,700	0	
OTHER LEGIS. (ADMIN.)	(S)	1,285,900	101,300	0	0	0	
	(T)	2,870,900	202,600	0	0	0	
SPECIAL ITEM SUBTOTAL	(S)	1,330,200	464,300	6,286,200	4,811,700	271,200	
	(T)	3,104,500	805,500	10,907,900	10,751,300	511,100	
PROGRAM TOTAL	(S)	16,720,300	25,389,400	33,561,300	27,077,700	26,064,900	
	(T)	50,347,400	51,299,000	61,963,600	57,365,200	53,212,000	
BY FUND SOURCE							
GENERAL FUND	(S)	16,720,300	25,389,400	33,561,300	27,077,700	26,064,900	
FEDERAL FUNDS	(T)	25,350,600	25,909,600	28,402,300	30,287,500	27,147,100	
OTHER NON APPROPRIATED	(T)	8,276,500	0	0	0	0	
PROGRAM TOTAL-ALL SOURCES	(S)	16,720,300	25,389,400	33,561,300	27,077,700	26,064,900	
	(T)	50,347,400	51,299,000	61,963,600	57,365,200	53,212,000	

DEPARTMENT: AHCCCS
COST CENTER: ADMINISTRATION

The JLBC Staff recommends an appropriation of $26,064,900 State General Funds (S) and $53,212,000 in Total Expenditure Authority (T) -- a net increase of $675,500, or 2.7%, to the FY 1992 General Fund Appropriation, and a net increase of $1,913,000, or 3.7%, to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (84,400) (S)
  (288,500) (T)

  Includes a new vacancy factor of 4.5%. The FY 1992 vacancy factor was 3.5%. The Staff has used a new vacancy factor based on the average vacancy rate experienced by the agency over the past 12 months. The Executive has recommended a vacancy factor of 2.5%.

  These adjustments also reflect net funding mix adjustments of $29,500 (S). Funding mix refers to the percentage of administrative costs that are paid for by either the state or federal government. Funding mixes can change from year to year based on how much time AHCCCS employees spend on categorical versus state-only cases, the composition of the AHCCCS population, and program changes. With the exception of the Information Resources Management Division (IRM), the Staff has used fund mix changes requested by the agency, applying these new funding mixes at the division level. These adjustments produce an overall Personal Services and ERE fund mix of 51% state, 49% federal.

  The major issue with respect to the state/federal administrative fund mix in FY 1993 involves certification of AHCCCS' computer system, the Prepaid Medicaid Management Information System (PMMIS). If the federal Health Care Finance Administration (HCFA) gives its approval of PMMIS, AHCCCS will be eligible for enhanced federal funding above the normal 50% matching rate for administration. AHCCCS has indicated that if PMMIS is certified, IRM would be funded at a matching rate of 42% state, 58% federal. In its request, AHCCCS did not assume PMMIS certification would occur in FY 1993 and instead requested a fund mix of 58% state, 42% federal.

  The Staff recommendation reflects PMMIS certification and the resultant fund mix. AHCCCS has indicated that the HCFA on-site visit to AHCCCS in early December went well and produced few concerns from HCFA. The Executive has also assumed PMMIS certification will occur by FY 1993. The Executive, however, has applied an overall Personal Services/ERE fund mix of 49% state, 51% federal. The Executive has argued that a lower state match is warranted given anticipated changes in the composition of the AHCCCS population. The Executive recommendation is based on the assumption that the AHCCCS population will become increasingly comprised of persons enrolled in categorical groups,

thereby shifting more administrative costs to the federal government. While the AHCCCS population is becoming more categorical, the Staff would recommend caution in pushing the fund mix below that indicated by the agency. Assuming a more generous federal matching rate helps show a lower General Fund obligation, but a misestimation could pose a hardship for the agency, which could be left with a shortfall on the General Fund side should the federal matching rate turn out to be lower than expected.

It should be noted that if PMMIS is not certified, $601,000 in General Funds would need to be added to Personal Services and ERE.

- ERE Rate Changes — (3,500) (S), 18,700 (T)

- Professional and Outside Services Adjustments — 356,200 (S), 1,073,900 (T)

  Represents fund mix changes totalling $219,100 (S), agency reductions of $(223,000) (S) and $(461,100) (T), and increased funding for AHCCCS' usage of the Department of Administration Data Center. As with Personal Services and ERE, the Staff recommendation reflects PMMIS certification. PMMIS certification affects Professional and Outside Services in that contracted consultants perform programming tasks on the system, and the system utilizes the DOA Data Center for mainframe capacity and support services. Included in this line is $3,574,800 (S) and $8,511,500 (T) for Data Center charges, or an increase of $360,100 (S) and $1,535,000 (T) over the FY 1992 appropriation. Should the system fail certification, $2,195,200 would need to be added to the Staff's recommended General Fund amount.

  The Executive has recommended a $1,534,300 (S) increase for Data Center charges. Also, the Executive has recommended placing Data Center charges into a special line item. The Staff believes that Data Center charges should remain within the Professional and Outside Services budget, making Data Center utilization compete with other funding demands. The Staff's belief is that DOA Data Center charges are not driven upwards by DOA, but rather these charges are propelled by AHCCCS' increased utilization of DOA mainframes and related support personnel and hardware. It is the Staff's view that leaving Data Center charges in the Professional and Outside Services line will require the agency to evaluate Data Center utilization within the context of the agency's overall needs for outside services.

- Travel - In State Adjustments — (900) (S), -0- (T)

  Represents fund mix changes.

- Other Operating Expenditures Adjustment — (38,100) (S), 38,000 (T)

  Includes fund mix changes of $(54,100) (S) and an increase of $16,000 (S) and $38,000 (T) for computer maintenance contracts. Again, fund mix changes and the recommendation reflect PMMIS certification. Should the system not be certified, $242,500 (S) in General Funds would need to be added.

  The Staff does not concur with the Executive recommendation to add $262,600 in General Funds for increased rent in the agency's private office space. In considering this recommendation, some background is first needed. For the FY 1992 budget, AHCCCS requested additional funds to acquire all of the space in a private office building located at 701 E. Jefferson. At the time of the request, AHCCCS occupied a portion of this building but wanted to expand into all of the building upon other tenants vacating the space. The Legislature did not approve additional funding as part of AHCCCS FY 1992 budget; however, AHCCCS proceeded with its plan to occupy all of the building. In the FY 1993 budget request, AHCCCS requested additional funds to pay for this expansion.

  While AHCCCS was able to negotiate a lower lease amount for the entire building, in net terms, the lease cost increased with the space expansion. AHCCCS is currently absorbing this increase within its All Other Operating line appropriation, leaving the Staff to conclude that no additional funds are needed.

- Replacement Capitalized Equipment Adjustment — 187,600 (S), 453,800 (T)

  The agency's FY 1993 budget request indicates planned expenditures of $160,300 (S) and $320,500 (T) for replacement equipment in FY 1992. The Staff recommends $347,900 (S) and $774,300 (T) for replacement capitalized equipment in FY 1993. This recommendation reflects funding largely for replacement personal computers in all divisions. The Executive has recommended $93,900 (S) for replacement equipment. The Staff's recommendation reflects PMMIS certification, but if the system is not certified, $90,700 (S) would need to be added to the Staff's recommended amount.

- Additional Acute Care Claims Positions — 106,000 (S), 216,400 (T)

  The Staff recommends the addition of 8 (T) FTE positions for processing Fee for Service, Reinsurance, and Deferred Liability claims. Additional staff are needed in this area to eliminate the ongoing backlog of claims and shorten the turnaround time for the payment of claims. The Executive has recommended 47 (T) additional positions for claims processing.

  The Staff would like to make the following observations on the Executive recommendation: 1) the Executive recommendation represents nearly doubling the current number of claims positions (an AHCCCS position list dated September 17, 1991 indicated 53 (T) FTE positions in claims); 2) AHCCCS estimates that claims volume will increase

by 15% over FY 1992; 3) AHCCCS, in its request, indicated that it is eliminating the claims backlog with the assistance of 13 temporary personnel and overtime; and 4) even though AHCCCS has indicated to the Staff that because of inadequate staff, the "quick pay" discount is almost always lost, the Executive has shown no savings from adding staff in terms of paying claims faster and receiving the discount. (Under the current Adjusted Billed Charges payment system, AHCCCS receives a 15% discount, or "quick pay" discount, if it pays a claim within 30 days of receipt.)

While AHCCCS may have difficulty paying claims in a timely manner, the Staff is not convinced that AHCCCS' capacity to process claims should be doubled. A further problem lies in reconciling the Executive's recommendation and AHCCCS' request for claims positions. Revised budget documents received by the Staff indicated that AHCCCS requested 25 (T) additional claims positions. These documents also indicated a request for 42 (T) long term care eligibility workers. Discussions with AHCCCS regarding the Executive recommendation indicate that if all 47 positions were approved, most would be placed in acute care claims, with a few being assigned to long term care eligibility work.

Given these mixed messages coming from the agency, the Staff is recommending increasing claims positions by 15%. This increase corresponds approximately to anticipated growth in the acute care population. The Staff agrees that the claims backlog and claims growth must be addressed, and the Staff further believes that the addition of 8 positions will provide sufficient capacity to address current problems in claims processing. AHCCCS could not provide data on precisely how often the ABC discount is lost or place a dollar amount on the potential loss. Given this situation, the Staff would be reluctant to recommend savings associated with the addition of 8 positions.

- Inspection of Care

  90,700 (S)
  185,100 (T)

  The Staff recommends the addition of 2 (T) FTE positions, a Registered Nurse and a Social Worker, to form an inspection team, responsible for conducting inspections to ensure quality care for all Title XIX-eligible persons residing in an Institute for Mental Disease (e.g., psychiatric facilities, mental hospitals, or skilled nursing facilities). Such inspections are a federal requirement. The recommendation also includes $51,500 (S) and $105,000 (T) for contracted inspections. The Executive has recommended similar amounts for both the positions and the contracted inspections.

- Nursing Care Institution Audits

  255,000 (S)
  510,000 (T)

  The Staff recommends the addition of $255,000 (S) and $510,000 (T) for contracted audits and reviews of Title XIX nursing facilities. These audits are required in federal and state law (Laws 1991, Chapter 171). The Executive has also recommended this amount.

- Health Care Group (91,800) (S)
  (91,800) (T)

  The Staff recommends this reduction based on AHCCCS' estimate that enrollment in the Health Care Group will continue to grow, thereby lowering the need for General Fund support of the program. The Health Care Group is AHCCCS health insurance plan for small business. Enrollees receive medical treatment through AHCCCS' existing contracted providers and pay premiums and an administrative fee to AHCCCS. The Executive has recommended eliminating all General Fund support for the Health Care Group ($198,000), arguing that enrollment will increase enough by FY 1993 to make the program self-supporting. The Staff would agree that the Health Care Group should be self-supporting but would also argue that higher enrollment is not guaranteed. According to AHCCCS, the program could become self-supporting by FY 1993 if a major AHCCCS provider joins, bringing with it a considerable advertising budget to use in attracting new members. Since the addition of another provider is not certain, the Staff would recommend that the General Fund appropriation be footnoted to require AHCCCS to use funds generated by administrative fees and premiums paid by enrollees before using the General Fund appropriation. Thus, if the General Fund appropriation is ultimately unneeded, it will revert.

- Other Legislation Adjustment (101,300) (S)
  (202,600) (T)

  Laws 1991, Chapter 265 provided a one-time appropriation of $101,300 (S) and $202,600 (T) to AHCCCS for the purpose of developing a plan to implement a Title XIX adult mental health services program. This plan has since been delivered to the Legislature.

Other Issues for Legislative Consideration

- Indian Advisory Council

  The Executive has recommended a reduction of $(45,000) (S) from the Indian Advisory Council FY 1992 appropriated amount.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: DES-AHCCCS

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	305.50	388.00	480.50	388.00	461.70	
	(T)	615.00	780.00	961.00	780.00	925.80	
OPERATING BUDGET							
PERSONAL SERVICES	(S)	5,898,100	7,406,100	9,225,200	7,406,100	8,903,700	
	(T)	9,591,200	14,812,200	18,450,400	14,812,200	17,807,400	
EMPLOYEE RELATED EXP	(S)	1,456,100	1,921,500	2,653,200	1,995,900	2,331,000	
	(T)	2,367,800	3,843,000	5,306,300	3,991,800	4,662,000	
PROFESSIONAL/OUTSIDE SVCS	(S)	535,200	20,100	55,100	20,100	20,100	
	(T)	870,300	40,200	110,200	40,200	40,200	
TRAVEL - IN STATE	(S)	125,400	163,100	336,600	163,100	168,600	
	(T)	203,900	326,100	673,200	326,200	337,100	
TRAVEL - OUT OF STATE	(S)	1,300	1,200	1,200	1,200	1,200	
	(T)	2,100	2,400	2,400	2,400	2,400	
OTHER OPERATING EXP	(S)	2,502,900	3,360,000	4,294,000	3,248,600	3,444,000	
	(T)	4,070,100	6,528,100	8,588,000	6,497,200	6,696,100	
EQUIPMENT	(S)	8,300	130,500	223,700	0	21,000	
	(T)	13,500	261,200	447,400	0	42,000	
ALL OTHER OPERATING	(S)	3,173,100	3,674,900	4,910,600	3,433,000	3,654,900	
	(T)	5,159,900	7,158,000	9,821,200	6,866,000	7,117,800	
OPERATING SUBTOTAL	(S)	10,527,300	13,002,500	16,789,000	12,835,000	14,889,600	
	(T)	17,118,900	25,813,200	33,577,900	25,670,000	29,587,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: DES-AHCCCS

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS							
DES DDSA	(S)	159,400	173,800	178,000	178,600	174,800	
	(T)	318,900	347,600	356,000	357,200	349,600	
DES PASARR	(S)	17,900	96,700	52,500	52,500	52,500	
	(T)	39,600	386,800	209,900	210,000	209,900	
ELIGIBILITY TRANSFER	(S)	0	0	0	0	1,000,000	
	(T)	0	0	0	0	1,000,000	
SPECIAL ITEM SUBTOTAL	(S)	177,300	270,500	230,500	231,100	1,227,300	
	(T)	358,500	734,400	565,900	567,200	1,559,500	
PROGRAM TOTAL	(S)	10,704,600	13,273,000	17,019,500	13,066,100	16,116,900	
	(T)	17,477,400	26,547,600	34,143,800	26,237,200	31,146,700	
BY FUND SOURCE							
GENERAL FUND	(S)	10,704,600	13,273,000	17,019,500	13,066,100	16,116,900	
FEDERAL FUNDS	(T)	6,772,800	13,274,600	17,124,300	13,171,100	15,029,800	
PROGRAM TOTAL-ALL SOURCES	(S)	10,704,600	13,273,000	17,019,500	13,066,100	16,116,900	
	(T)	17,477,400	26,547,600	34,143,800	26,237,200	31,146,700	

The JLBC Staff recommends an appropriation of $16,116,900 State General Funds (S) and $31,146,700 in Total Expenditure Authority (T) --a net increase of $2,843,900, or 21.4%, to the adjusted FY 1992 General Fund appropriation, and a net increase of $4,599,100, or 17.3%, to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0- (S), -0- (T)

  Maintains a vacancy factor of 1%. The Executive recommends a vacancy factor of 0%.

- ERE Rate Changes — 17,400 (S), 34,800 (T)

- One-Time Equipment Adjustment — (130,500) (S), (261,200) (T)

- Additional Eligibility Determination Staff — 430,500 (S), 861,000 (T)

  The JLBC Staff recommends the addition of 28 (T) positions for caseload growth in population groups for which AHCCCS eligibility must be determined. The Staff recommends the addition of 18 (T) Eligibility Interviewer IIs (grade 15), 4 (T) Eligibility Interviewer Supervisors (grade 17), and 6 (T) Clerk Typist IIIs (grade 11). The Executive has not recommended additional eligibility positions for FY 1993. The detail for the Staff recommendation is as follows:

Personal Services	$253,600 (S) 507,200 (T)
ERE	66,400 (S) 132,800 (T)
Travel-In State	5,500 (S) 11,000 (T)
Other Operating Exp.	84,000 (S) 168,000 (T)
Equipment	21,000 (S) 42,000 (T)
Total	$430,500 (S) 861,000 (T)

- General Fund Adjustment to Reflect Actual AHCCCS Eligibility Costs — 1,569,700 (S) / 3,139,400 (T)

  Funds in this cost center reflect DES' cost of determining AHCCCS eligibility, with the amount appropriated for AHCCCS eligibility determination being based primarily on the percentage of time DES eligibility workers spend on AHCCCS cases. Other DES staff determine eligibility for the Aid to Families with Dependent Children (AFDC) program and Food Stamps, the cost of which is reflected in the DES budget. The workers' time allocation and the appropriation split between AHCCCS and DES is determined using the Arizona Random Moment Sampling (ARMS) methodology, which consists of periodic random surveys of DES eligibility workers. Due to recurring shortfalls in General Fund amounts appropriated for AHCCCS eligibility, the Staff recommends shifting General Funds from DES' regular eligibility determination to AHCCCS eligibility determination to better reflect the actual cost of AHCCCS eligibility work. The increase shown here is offset by a reduction in the DES Division of Family Support budget. The amount shifted represents average shortfalls in AHCCCS eligibility determination over the past two fiscal years. The detail for this transfer is as follows:

FTE Positions	60.4 (S) 120.8 (T)
Personal Services	$1,244,000 (S) 2,488,000 (T)
ERE	325,700 (S) 651,400 (T)
Total	$1,569,700 (S) 3,139,400 (T)

- Transfer All AHCCCS Eligibility Determination to DES — 1,000,000 (S) / 1,000,000 (T)

  Represents funding for one-time equipment purchases required to transition county eligibility determination for the MN/MI program to the state. For additional detail on this recommendation, please refer to the AHCCCS Acute Care narrative.

- DES Disability Determination Services Administration (DDSA) — 1,000 (S) / 2,000 (T)

  Reflects an ERE rate adjustment.

- DES Pre-Admission Screening and Annual Resident Review (PASARR) — (44,200) (S) / (176,900) (T)

  Represents the agency's reduction of 0.7 (S) and 3 (T) positions in response to the agency's redesign of the PASARR process. The Executive has also recommended this reduction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: DHS-AHCCCS

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	10.50	12.70	12.70	8.00	12.70	
	(T)	23.00	26.70	26.70	18.00	26.70	
OPERATING BUDGET							
PERSONAL SERVICES	(S)	246,000	281,400	294,300	130,300	294,400	
	(T)	492,000	562,800	588,700	260,600	588,700	
EMPLOYEE RELATED EXP	(S)	58,600	87,600	105,300	32,700	74,500	
	(T)	117,200	175,200	210,600	93,200	148,900	
PROFESSIONAL/OUTSIDE SVCS	(S)	0	15,200	15,200	3,200	15,200	
	(T)	0	30,400	30,400	6,400	30,400	
TRAVEL - IN STATE	(S)	10,300	11,700	11,700	3,200	11,700	
	(T)	20,600	23,400	23,400	6,400	23,400	
OTHER OPERATING EXP	(S)	23,400	26,500	26,500	6,500	26,500	
	(T)	46,800	53,000	53,000	13,000	53,000	
EQUIPMENT	(S)	0	5,100	0	0	0	
	(T)	0	10,100	0	0	0	
ALL OTHER OPERATING	(S)	33,700	58,500	53,400	12,900	53,400	
	(T)	67,400	116,900	106,800	25,800	106,800	
OPERATING SUBTOTAL	(S)	338,300	427,500	453,000	175,900	422,300	
	(T)	676,600	854,900	906,100	379,600	844,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: DHS-AHCCCS

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS							
DHS PASARR	(S)	94,000	94,700	95,400	94,700	94,200	
	(T)	375,900	385,800	388,700	385,900	383,800	
CHILDRENS REHAB. SERVICES	(S)	12,883,600	0	0	0	0	
	(T)	14,002,400	5,000,000	9,913,300	5,000,000	9,646,200	
INDIRECT COST - LICENSURE	(S)	90,900	160,500	202,800	47,800	187,100	
	(T)	181,800	320,900	405,500	95,500	374,200	
DHS DENTAL	(S)	0	0	7,000	0	0	
	(T)	0	0	15,000	0	0	
SPECIAL ITEM SUBTOTAL	(S)	13,068,500	255,200	305,200	142,500	281,300	
	(T)	14,560,100	5,706,700	10,722,500	5,481,400	10,404,200	
PROGRAM TOTAL	(S)	13,406,800	682,700	758,200	318,400	703,600	
	(T)	15,236,700	6,561,600	11,628,600	5,861,000	11,248,600	
BY FUND SOURCE							
GENERAL FUND	(S)	13,406,800	682,700	758,200	318,400	703,600	
FEDERAL FUNDS	(T)	1,829,900	5,878,900	10,870,400	5,542,600	10,545,000	
PROGRAM TOTAL-ALL SOURCES	(S)	13,406,800	682,700	758,200	318,400	703,600	
	(T)	15,236,700	6,561,600	11,628,600	5,861,000	11,248,600	

DEPARTMENT: AHCCCS
COST CENTER: DHS-AHCCCS

The JLBC Staff recommends an appropriation of $703,600 State General Funds (S) and $11,248,600 in Total Expenditure Authority (T) -- a net increase of $20,900, or 3.1%, to the FY 1992 General Fund appropriation, and a net increase of $4,687,000, or 71.4% to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ 16,400 (S), 32,500 (T)

  Reflects full year funding for all 24 (T) positions in Licensure.

- ERE Rate Changes — (16,500) (S), (32,900) (T)

- One-Time Equipment Adjustment — (5,100) (S), (10,100) (T)

- Indirect Cost-Licensure — 26,600 (S), 53,300 (T)

  Represents an estimated increase in the indirect cost rate for FY 1993.

- DHS Preadmission Screening and Annual Resident Review (PASARR) — (500) (S), (2,000) (T)

  Reflects a lower FY 1993 ERE rate.

- Childrens Rehabilitative Services (CRS) — -0- (S), 4,646,200 (T)

  Represents an increase in federal pass through funds to CRS for the provision of services to Title XIX eligible children. State General Fund matching dollars now appear in the DHS budget. The Staff recommendation reflects an estimate of $9,646,200 in federal funds for FY 1993. (See DHS-Family Health for further detail)

Other Issues for Legislative Consideration

- Transfer Licensure Funding to DHS

  The Executive has recommended transferring $345,300 (S) and $690,600 (T) from the DHS-AHCCCS cost center to the regular DHS budget. The Staff has not received a clear explanation regarding the rationale behind a transfer or whether a transfer would be beneficial to the state. Thus, the Staff is unable to recommend the transfer.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: ACUTE CARE

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	0.00	0.00	0.00	0.00	0.00	
	(T)	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS							
ACUTE CARE CAPITATION	(S)	200,678,200	267,748,400	342,831,300	332,954,500	306,595,700	
	(T)	487,625,900	620,408,900	792,658,900	762,544,100	741,104,400	
FEE FOR SERVICE	(S)	39,742,400	34,958,200	35,886,200	42,520,300	40,622,000	
	(T)	66,218,900	90,539,100	126,363,700	112,122,200	113,288,200	
DEFERRED LIABILITY	(S)	15,857,700	9,921,800	11,639,600	7,219,800	7,291,900	
	(T)	23,295,800	32,255,400	34,182,000	28,307,700	29,363,400	
REINSURANCE	(S)	24,781,700	16,626,100	27,104,100	24,331,400	19,745,900	
	(T)	31,848,400	28,862,800	47,517,600	40,491,800	31,791,100	
MEDICARE PART B	(S)	2,121,800	218,500	544,200	399,100	225,600	
	(T)	6,915,800	5,810,700	6,390,700	6,047,200	6,433,500	
QMBs	(S)	27,400	127,800	1,335,600	0	209,300	
	(T)	575,000	649,900	4,157,100	0	935,000	
EPSDT MENTAL HEALTH	(S)	1,145,900	1,000,000	0	1,000,000	1,000,000	
	(T)	2,793,500	23,678,700	0	24,731,600	21,768,100	
GOV.'S MN/MI REDUCTION	(S)	0	0	0	-80,000,000	0	
	(T)	0	0	0	-80,000,000	0	
OTHER LEGIS. (ACUTE CARE)	(S)	8,000,000	700,000	0	0	0	
	(T)	9,200,000	1,955,300	0	0	0	
SPECIAL ITEM SUBTOTAL	(S)	292,355,100	331,300,800	419,341,000	328,425,100	375,690,400	
	(T)	628,473,300	804,160,800	1,011,270,000	894,244,600	944,683,700	

DEPARTMENT: AHCCCS
COST CENTER: ACUTE CARE

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PROGRAM TOTAL	(S)	292,355,100	331,300,800	419,341,000	328,425,100	375,690,400	
	(T)	628,473,300	804,160,800	1,011,270,000	894,244,600	944,683,700	
BY FUND SOURCE							
GENERAL FUND	(S)	292,355,100	331,300,800	419,341,000	328,425,100	375,690,400	
FEDERAL FUNDS	(T)	271,493,600	401,170,500	520,239,500	494,130,000	497,303,800	
OTHER NON APPROPRIATED	(T)	64,624,600	71,689,500	71,689,500	71,689,500	71,689,500	
PROGRAM TOTAL-ALL SOURCES	(S)	292,355,100	331,300,800	419,341,000	328,425,100	375,690,400	
	(T)	628,473,300	804,160,800	1,011,270,000	894,244,600	944,683,700	

The JLBC Staff recommends an appropriation of $375,690,400 state General Funds (S) and $944,683,700 in Total Expenditure Authority (T) -- a net increase of $44,389,600, or 13.4%, to the FY 1992 General Fund appropriation, and a net increase of $140,522,900, or 17.5% to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Acute Care Services — $ 45,001,000 (S), 143,480,900 (T)

1) Transfer All Medical Eligibility Determination to the State

Overview

The Staff recommends the transfer of all AHCCCS medical eligibility work currently performed by the counties to the Department of Economic Security (DES) in order to maximize the placement of AHCCCS recipients in federally reimbursed categories. The Staff estimates net General Fund savings of $12 million in FY 1993 from this transfer. While the state would be assuming the cost of determining all medical eligibility, the Staff recommendation would offset this added cost by reducing state sales tax distribution to counties. One-time equipment costs are estimated to be $1 million and are shown in the DES-AHCCCS cost center.

County governments now perform eligibility determinations for persons enrolled in AHCCCS as Medically Needy/Medically Indigent (MN/MI) and Eligible Low Income Children (ELIC). DES determines AHCCCS eligibility for federal categorical groups such as Aid for Families with Dependent Children (AFDC). Evidence collected by AHCCCS indicates that approximately 15% of all people enrolled by the counties as MN/MIs should have been enrolled in a federal categorical group, mostly AFDC. If DES is performing eligibility for MN/MIs, it is assumed that greater numbers of AHCCCS applicants would be placed in the proper categories. Savings would be realized because medical services for MN/MIs are paid for entirely with state funds, whereas the federal government will pay about 65% of the cost of medical services rendered to categorically eligible recipients. Also, state dollars are saved because the capitation rate paid for AFDC enrollees is significantly less than the MN/MI capitation rate.

Flaws in Eligibility Process

In the Staff's view, the current eligibility determination process does not always encourage recipients to be enrolled in federal categories, where appropriate. Although counties currently screen applicants for possible enrollment in SOBRA (Sixth Omnibus Budget Reconciliation Act), no similar screening exits for AFDC households. In fact, the current system seems to encourage counties to enroll people in MN/MI as quickly as possible, thereby decreasing the amount of residual liability a county must pay. Under current state law, the state pays for emergency services incurred up to 48 hours prior to AHCCCS being notified by the counties of MN/MI eligibility. Expenses incurred before this 48 hour "window" are a county responsibility. As one can see, this situation encourages counties to move quickly on MN/MI determination, opening the possibility that some people may be incorrectly enrolled.

While creating an "AFDC Screening Tool" for use by the counties may address part of this issue, other factors could limit the effectiveness of AFDC screening. The most notable concern is that the amount counties contribute to the state for acute care services is fixed in statute and can not be increased during the course of a year. So, no matter how well counties screen applicants for AFDC or SOBRA eligibility, the counties' funding burden remains unchanged, leaving the state to pay for population increases. Although the state can hold counties liable for enrollment errors, sanctions paid by counties amount to only $500,000 to $600,000 per year, or a small fraction of the potential federal dollars lost when applicants are incorrectly enrolled as MN/MIs.

Savings Estimate

The savings estimate is based on the assumption that DES would begin determining all eligibility by October 1992. State law requires MN/MI eligibility to be redetermined every 6 months. Under our proposal, 15% of all individuals enrolled as MN/MIs prior to October 1992 would convert through redeterminations over the following 6 months to AFDC. Also, 15% of new MN/MIs would instead be enrolled in AFDC. Using these assumptions, the Staff is estimating net General Fund savings in Acute Care capitation of $12,213,900.

Implementation

The Staff recommendation would convert existing county eligibility offices into DES offices. We recommend that county eligibility workers be offered the opportunity to become state employees. Given that many MN/MIs become eligible while in the hospital, the staff recommends that eligibility workers continue to be stationed at county or other hospitals. This would ensure easy patient access to the eligibility process and allow eligibility workers to track patient spend-down. As a bridge to a future automated MN/MI eligibility system, DES may have to use certain aspects of the existing county system and the DES medical assistance eligibility determination system in the short term. DES has indicated that over the long term, a fully automated system will be necessary to handle all eligibility determinations. The Staff recommendation does not include additional funding for DES' automated system (MEDICS), but should this proposal be adopted, the Legislature may at some point want to appropriate funding for MEDICS.

The Staff has included $1 million of additional funding in the DES-AHCCCS budget for one time start-up costs, primarily for terminals to be installed in existing county offices, giving eligibility workers access to DES' medical assistance eligibility system. These one-time costs and other costs associated with enhancing DES' automated systems would have to be borne by the state. However, the Staff believes that if the state were to assume the ongoing administrative cost of performing all medical eligibility determinations, then such costs should be offset by reductions in state sales tax distributions to counties. A 1989 Peat Marwick study on the subject of eligibility determination indicated that in 1988, counties spent $9.6 million on MN/MI eligibility work. Adjusting this sum for the addition of staff and inflation, county eligibility costs could total $14.5 million by 1993. If this proposal is accepted, this amount would need to be added to the DES budget, to be offset by a revenue sharing reduction. For the recommendation, the Staff has not included these amounts in the DES-AHCCCS cost center. Given these recommendations would require adjustments to revenue sharing amounts, the Staff believes it would be best to more fully explore this proposal before making a specific dollar recommendation. Since the Legislature in the past has relied on the Auditor General to make cost estimates relative to county acute care and long term care contributions, the Staff would suggest that the Auditor General be directed to assess county administrative costs for MN/MI eligibility work.

Analysis of Governor's MN/MI Reduction Proposal

The Staff's objective in making this proposal is to produce no net financial losses for either the state or the counties. Our primary objective with this recommendation is to maximize to the greatest extent possible federal funding of the AHCCCS program. Hence, the Staff does not support the Executive recommendation to reduce state responsibility for coverage of the MN/MI population. In the Staff's view, the Executive's proposal represents a clear shift in medical care costs from the state to county governments and private hospitals at a time when the counties and hospitals are in no position to assume a substantially increased funding burden. With the potential loss of state MN/MI revenue, some smaller rural hospitals could face financial insolvency. There is also serious question as to whether people currently being served as MN/MIs would have the same access to health care under the Executive proposal. Furthermore, there does

not appear to be a guarantee that counties or private health care providers will automatically assume responsibility for providing care for individuals denied state coverage.

County Concerns

In considering this proposal, the Staff sought the comments of county representatives so that county concerns could be presented in this recommendation and be made known to the Legislature. The Staff believes it is important for county concerns to be addressed by the Legislature given that the cooperation of all parties involved will be needed to make a transition successful.

Discussions with county representatives indicate that a major concern is the issue of the counties' financial responsibility for providing health care to people prior to enrollment in AHCCCS. In general, counties are required to pay the medical expenses incurred by an MN/MI eligible person from the date of application for MN/MI coverage up to 48 hours prior to the county notifying AHCCCS of MN/MI eligibility. As mentioned earlier, the state pays for emergency services received 48 hours prior to notification of MN/MI eligibility. After notification, AHCCCS assigns MN/MIs to an AHCCCS health plan. Counties are concerned that if DES is slower than the counties in performing eligibility determinations, the counties' financial liability would increase.

To encourage DES to move expeditiously on eligibility determinations, the Legislature may wish to explore extending state liability to the date of MN/MI application. Under this scenario, the state would be assuming a liability that is currently being borne by the counties. If this cost is shifted to the state, the Staff would recommend making a corresponding reduction in state sales tax distributions to counties that is equivalent to their current retroactive liability. If the Legislature decides to proceed with this proposal, an accurate estimate of county expenditures on residual health care would be required. Again, the Staff recommends that the Auditor General be directed to assess county expenditures incurred during the period between MN/MI application and notification of eligibility.

Another county concern is their responsibility for providing health care to people not eligible for AHCCCS, or the residual population. When AHCCCS was created, counties were required to maintain their income eligibility standards if these standards exceeded the new statewide MN/MI income and resource limits. As a result, there is a possible need to leave intact a county administrative system for determining eligibility for county health services not offered by AHCCCS. As one option, the state could perform this determination for the counties. From another perspective, should the counties wish to offer services not covered by AHCCCS, the Legislature may want to leave the responsibility for administering and funding these services with the counties.

For the purposes of this recommendation, the Staff has not attempted to estimate county residual expenditures or offset such expenditures through a reduction in state sales tax distributions.

Possible Increases in AFDC Cash Enrollment

Another issue for consideration involves the possibility that transferring all AHCCCS eligibility work to DES could produce increased state costs from higher AFDC enrollment. As DES identifies MN/MI households that should be qualifying under the AFDC capitation rate code, we may also discover that these households are eligible for AFDC cash benefits. If all of the people the Staff has estimated would move from MN/MI to AFDC began receiving AFDC cash benefits, state AFDC costs could increase by approximately $1.6 million in FY 1993. However, given the difficulty in projecting this potential number of new cash recipients, the Staff has not recommended additional funding in DES for increased AFDC costs resulting from this proposal.

2) Adjustments for Population Growth, Medical Inflation, and the Federal Match Rate

Overview of Changes

The Staff recommendation for acute care services (Acute Capitation, Fee for Service, Reinsurance, and Deferred Liability) reflects the impact of transferring the MN/MI eligibility process from the counties to the state, and the resultant savings of converting MN/MIs to AFDC. In addition to this change, the Staff recommendation also reflects increased funding for population growth, a capitation rate increase, and medical inflation in Fee for Service and Reinsurance. Some of these increases have been offset to some extent by a change in the federal matching rate, or FMAP. Effective October 1, 1992, the FMAP will increase from 62.61% to 65.89%. In effect, this means that for every dollar spent on categorically eligible services, 34 cents will be paid by the state and 66 cents will be paid by the federal government. (FMAP is a mathematical relationship between Arizona personal income and the national average personal income.) The increase in FMAP indicates that Arizona personal income is declining relative to the national average. Another offset incorporated into the Staff recommendation is an increase in State Legalization Impact Assistance Grant (SLIAG) reimbursement. SLIAG is a federal program to help states pay for services provided to aliens who have recently obtained resident status under the federal legalization program. Changes to the FY 1992 Acute Care appropriation are detailed below.

a) 13.7% Population Growth - $47,584,300 (S)

The Executive has indicated overall population growth of 16%, excluding the Governor's MN/MI Reduction Program.

b) 5.17% Capitation Rate Increase - $13,250,700 (S)

The FY 1992 Acute Care budget provided for a 7.5% capitation rate increase for all categorical and state-only eligibility categories, an increase that corresponded to the expected medical inflation rate. However, the actual capitation rate increase negotiated by AHCCCS for the contract year beginning October 1, 1991 was, on a weighted average basis, 5.17%. The Executive recommendation does not specify a capitation rate increase amount. AHCCCS' FY 1993 budget request

indicates a 10% capitation rate increase. The Staff has requested information regarding a capitation rate increase, but as of this writing, no response has been received. For the FY 1991 Acute Care budget, AHCCCS supplied the Staff with an actuarial report on the expected capitation rate increase. No such report has been provided for FY 1993, and AHCCCS has indicated that it does not have sufficient consultant funds to produce a report. In the absence of sufficient justification for the capitation rate increase requested by the agency or implicitly included in the Executive recommendation, the Staff believes it is justifiable to recommend that the same capitation rate increase given in the current year be budgeted for FY 1993.

c) Medical Inflation - $3,887,000 (S)

The recommendation reflects medical inflation of 5% for Fee for Service and Reinsurance.

d) New Federal Medical Assistance Percentage (FMAP) - $(16,971,000)

e) State Legalization Impact Assistance Grant (SLIAG) -$(2,750,000)

SLIAG reimbursement was used as an offset against the AHCCCS FY 1992 General Fund appropriation. The Staff recommends that this practice continue in FY 1993. The recommendation reflects an estimate of $7,750,000 in SLIAG funds available in FY 1993. The FY 1992 appropriation was based on an estimate of $5,000,000 in SLIAG reimbursement. The Staff has based this increase on information from the General Accounting Office which has shown that the flow of SLIAG funds in the current year has exceeded expectations by approximately $5,000,000 and should continue at this rate before tapering off towards the end of FY 1993. The Executive has used $5,000,000 for FY 1993 SLIAG reimbursement.

- Qualified Medicare Beneficiaries — 81,500 (S) 285,100 (T)

The recommended amount reflects the payment of Part A and B Medicare premiums for certain low income Medicare recipients, as required by federal law. The increase covers population growth and higher premium rates, and also reflects the FMAP change. The agency request indicates a significantly higher funding requirement for the QMB population than recommended by the Staff. AHCCCS estimates the FY 1993 General Fund requirement for QMBs to be in excess of $1 million. The Staff believes that the bulk of these expenses are related to the provision of medical services to QMBs, in addition to the payment of premiums. The Staff requires further information on this medical services component before any additional funds can be recommended. The Executive has recommended that no funds be appropriated for QMBs. While the Staff still has questions regarding the payment of medical services, funding is clearly required for the payment of premiums.

- Medicare Part B Premiums — 7,100 (S) / 622,800 (T)

  This line item represents the payment of Part B Medicare Premiums for AHCCCS enrollees also eligible for Medicare. This is referred to as the Part B "buy in", and reduces AHCCCS costs in that some medical services for AHCCCS enrollees are instead paid for by Medicare. The increase covers population growth and increased Part B rates. As with other areas of acute care, some growth has been offset by the FMAP change.

- EPSDT Mental Health — -0- (S) / (1,910,600) (T)

  The recommended amount reflects $1,000,000 (S) and $2,862,900 (T) for the pharmaceutical and laboratory costs of Title XIX eligible persons receiving mental health services through the Department of Health Services behavioral health delivery system. Included in the Total Expenditure Authority is $18,905,200 in federal matching funds to be passed through to DHS for the provision of mental health services to Title XIX clients. The state General Fund match for the federal pass through dollars is found in the DHS Behavioral Health budget. The decline in federal funds shown here is in recognition that not all mental health services, such as room and board, are federally reimbursable. Thus, the Staff has applied federal matching funds to 85% of the services received by Title XIX eligible clients. The Executive also recommended $1,000,000 in General Funds for pharmaceutical and laboratory services.

- Other Legislation Adjustment — (700,000) (S) / (1,955,300) (T)

  Represents the one-time appropriation made in Laws 1991, Chapter 1, 2nd Special Session for the population increase associated with the AFDC benefit increase. Additional enrollment resulting from this increase is reflected in the regular acute care line items.

Other Issues for Legislative Consideration

- Governor's MN/MI Reduction Program

  As discussed in the narrative above on the transfer of eligibility determinations to the state, the Executive has recommended significant changes to eligibility for the state Medically Needy/Medically Indigent program. The Staff has rejected the Executive recommendation based on the belief that the proposal represents shifting costs from the state to the counties without a full consideration of the impact on the ability of county and private hospitals to absorb increased costs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AHCCCS
COST CENTER: LONG TERM CARE

JLBC ANALYST: HEADLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	0.00	0.00	0.00	0.00	0.00	
	(T)	0.00	0.00	0.00	0.00	0.00	
SPECIAL LINE ITEMS							
LONG TERM CARE	(S)	0	0	0	0	0	
	(T)	199,992,900	231,540,400	292,835,500	267,878,000	264,236,000	
DES LONG TERM CARE	(S)	0	0	0	0	0	
	(T)	50,594,900	0	0	0	0	
NATCEP	(S)	0	0	0	0	0	
	(T)	0	910,000	0	0	0	
SPECIAL ITEM SUBTOTAL	(S)	0	0	0	0	0	
	(T)	250,587,800	232,450,400	292,835,500	267,878,000	264,236,000	
PROGRAM TOTAL	(S)	0	0	0	0	0	
	(T)	250,587,800	232,450,400	292,835,500	267,878,000	264,236,000	
BY FUND SOURCE							
FEDERAL FUNDS	(T)	162,240,700	144,907,300	190,811,600	174,526,800	171,938,400	
OTHER NON APPROPRIATED	(T)	88,347,100	87,543,100	102,023,900	93,351,200	92,297,600	
PROGRAM TOTAL-ALL SOURCES	(S)	0	0	0	0	0	
	(T)	250,587,800	232,450,400	292,835,500	267,878,000	264,236,000	

DEPARTMENT: AHCCCS
COST CENTER: LONG TERM CARE

The JLBC Staff recommends an appropriation of $264,236,000 in Total Expenditure Authority (T) -- a net increase of $31,785,600, or 13.7%, to the FY 1992 Total Expenditure Authority. The Arizona Long Term Care System (ALTCS) is funded entirely with county and federal dollars.

JLBC Staff Recommended Changes from FY 1992

- ALTCS Lump Sum Appropriation — $ -0- (S); 31,785,600 (T)

  The Staff recommendation reflects $171,938,400 in federal funds and a county ALTCS contribution of $92,297,600. The Staff recommendation is based on 12% population growth over a revised FY 1992 population base. The issue of how the county contribution is collected will have to again be addressed by the Legislature, as the bill establishing the FY 1992 contribution (S.B. 1140) was session law and did not amend the ALTCS statute, A.R.S. § 11-292. Prior to FY 1992, the county ALTCS contribution was paid directly by the counties to AHCCCS. However, S.B. 1140 (Laws 1991, Chapter 296) instead directed the state Treasurer to withhold from county sales tax distributions the amount equal to the non-federal or county portion of ALTCS costs. The amounts withheld are transferred to the AHCCCS Long Term Care System fund and serve as the state match for federal funds.

Other Issues for Legislative Consideration

- Nurse Aid Training and Competency Evaluation Program (NATCEP)

  AHCCCS, in its request, did not specify an amount for NATCEP, nor has the Executive indicated an amount for this purpose. The Staff has requested detail on NATCEP funding requirements for FY 1993 but has not received a response from AHCCCS and thus is unable to make a recommendation at this point. The Staff has been informed that AHCCCS will begin including in capitation payments amounts to pay nursing facilities the cost of training nurse aids. In the past, nursing facilities were paid a separate amount for each nurse aid to cover training costs. Should NATCEP costs become part of the capitation payment currently reflected in the ALTCS lump sum above, the Legislature may want to consider eliminating this special line item.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	2,966.70	2,834.80	3,336.40	3,000.15	2,677.15	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	26,180,800	26,318,400	31,785,000	25,177,100	25,094,800	
DEVELOP. DISABILITIES	44,179,100	45,260,500	45,805,200	43,836,500	41,402,800	
LONG TERM CARE	42,682,200	54,137,300	59,582,900	57,575,900	56,090,500	
FAMILY SUPPORT	101,475,600	118,526,400	141,010,400	127,716,300	137,040,900	
CHILD SUPPORT ENFORCEMENT	0	3,048,200	5,731,200	2,842,800	2,818,300	
SOCIAL SERVICES	95,636,200	103,646,300	118,163,700	109,737,800	105,646,100	
CHILD PROT.SVCS TRAINING	152,900	427,100	434,200	427,900	428,200	
EMPLOYMENT & REHAB	6,008,200	8,388,600	12,192,800	7,445,900	7,162,700	
AGENCY TOTAL	316,315,000	359,752,800	414,705,400	374,760,200	375,684,300	
OPERATING BUDGET						
PERSONAL SERVICES	63,268,400	65,982,100	77,326,700	67,871,300	63,306,100	
EMPLOYEE RELATED EXP	15,292,700	16,596,700	21,693,300	17,477,300	16,550,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PROFESSIONAL/OUTSIDE SVCS	2,453,800	2,784,700	3,086,700	2,624,300	2,345,800	
TRAVEL - IN STATE	1,590,600	1,780,600	2,821,800	2,244,800	1,768,100	
TRAVEL - OUT OF STATE	54,800	56,200	73,200	57,500	59,100	
OTHER OPERATING EXP	18,990,000	17,579,500	23,977,500	19,540,900	17,587,500	
FOOD	601,200	589,000	554,100	554,100	497,500	
EQUIPMENT	835,100	817,700	2,985,700	1,453,000	890,800	
ALL OTHER OPERATING	24,525,500	23,607,700	33,499,000	26,474,600	23,148,800	
OPERATING SUBTOTAL	103,086,600	106,186,500	132,519,000	111,823,200	103,005,600	
SPECIAL LINE ITEMS						
ACYF ASSISTS	225,900	0	0	0	0	
AGING ASSISTS	85,200	0	0	0	0	
DD ASSISTS	175,400	0	0	0	0	
AZTECS MODIFICATION	470,600	635,900	580,800	580,800	580,800	
DES WEST LEASE-PURCHASE	24,700	0	0	0	0	
FMCS MODIFICATION	112,300	131,300	131,300	131,300	131,300	
INTERAGENCY COORD COUNCIL	0	200,000	197,400	0	0	
LAN LEASE-PURCHASE	2,800	0	0	0	0	
LEASE-PURCHASE EQUIPMENT	18,500	1,241,400	970,100	970,100	970,100	
PUB ASSIST COLLECT FUND	199,200	200,200	204,300	206,800	205,900	
ALZHEIMERS' SUBCOMMITTEE	11,000	0	0	0	0	
CHILDREN'S MENTAL HEALTH	173,800	0	0	0	0	
FINGERPRINTING	10,000	0	0	0	0	
OMNIBUS CPS ACT	1,880,700	0	0	0	0	
ASH COMMUNITY PLACEMENT	53,100	118,300	118,300	118,300	118,300	
ASSISTANCE TO FAMILIES	390,500	463,200	463,200	463,200	463,200	
DD FOSTER CARE	3,090,400	3,888,700	4,203,300	3,735,500	3,638,400	
HOUSEKEEPING PAYMENTS	200,100	197,400	197,400	197,400	197,400	
OUT-OF-DISTRICT PLACEMENT	654,600	729,700	727,700	508,900	181,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
DD PURCHASE OF CARE	19,115,600	22,091,500	22,509,200	21,545,800	21,073,700	
STIPENDS & ALLOWANCES	8,900	10,400	10,400	10,400	10,400	
VOC REHAB CONTRACTS	123,500	123,500	123,500	123,500	217,900	
ACUTE CARE	7,009,400	9,508,300	10,662,800	9,162,800	9,555,300	
FEE FOR SERVICE	907,100	1,862,200	1,897,800	1,897,800	1,897,800	
LTC FOSTER CARE	2,392,400	3,194,300	3,309,500	3,309,500	3,036,900	
LTC PURCHASE OF CARE	22,490,300	28,455,700	31,948,400	31,743,300	30,230,100	
STIPENDS & ALLOWANCES	198,800	205,400	205,400	205,400	205,400	
AFDC	58,785,400	77,973,900	90,330,300	85,724,600	92,872,300	
CHILD SUPPORT AUTOMATION	213,700	0	0	0	0	
CHILD SUPT. RESTRUCTURING	1,960,800	0	0	0	0	
EMERGENCY ASSISTANCE	767,400	849,500	849,500	849,500	849,500	
GENERAL ASSISTANCE	13,972,000	12,948,700	16,866,600	12,948,700	18,093,600	
TUBERCULOSIS CONTROL	11,900	19,400	19,400	19,400	19,400	
FOOD DISTRIBUTION INFO	24,000	24,000	24,000	24,000	24,000	
HOMELESS SHELTER	832,900	1,023,900	1,023,900	1,023,900	1,023,900	
INFORMATION AND REFERRAL	111,000	111,000	111,000	111,000	111,000	
RURAL FOOD BANK PROJECT	61,000	200,900	200,900	200,900	200,900	
HOMELESS COORDINATOR	68,500	0	0	0	0	
VETERANS' HOUSING	0	600,000	600,000	0	0	
NAVAJO SENIOR CENTERS	0	216,000	216,000	0	0	
FINANCIAL RECONCILIATION	0	625,200	311,000	311,000	311,000	
AUTOMATION EQUIPMENT	0	252,800	286,400	286,400	286,400	
ADOPTION SERVICES	10,725,700	12,523,300	12,523,300	12,523,300	12,523,300	
ADULT SERVICES	7,232,600	7,590,800	8,222,600	8,222,600	8,416,800	
CHILDREN SERVICES	33,637,200	37,495,800	40,518,100	39,202,200	40,894,800	
HIGH RISK INFANT SVCS	151,900	475,000	541,200	475,000	475,000	
INTENSIVE FAMILY SVCS	405,300	489,700	783,500	783,500	239,700	
CHILD SEVERANCE PROJ.	183,200	189,200	189,200	189,200	189,200	
CMDP	3,612,900	4,754,900	6,072,000	4,754,900	3,354,900	
DAY CARE	16,390,100	14,617,800	14,244,700	13,843,100	13,843,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
JOBS CHILD CARE	141,800	571,200	1,267,200	530,500	530,500	
TRANSITIONAL CHILD CARE	531,700	948,600	1,191,800	1,191,800	1,141,800	
INSTITUTION SUPP. PYMTS.	405,300	427,000	427,000	427,000	427,000	
LTC OMBUDSMAN	101,000	116,000	116,000	116,000	116,000	
VIDEOTAPING	0	200,000	200,000	200,000	200,000	
IND LIVING REHAB SVCS	552,100	552,700	552,700	552,700	552,700	
VOCATIONAL REHAB SERVICES	1,904,100	1,800,000	1,800,000	1,800,000	1,900,000	
JOB SEARCH STIPENDS	171,500	139,100	267,600	139,100	139,100	
NAVAJO EMPLOYMENT SERVICE	233,900	234,000	238,700	237,400	239,500	
OTHER RECEIPTS	-799,400	-1,000,000	-1,000,000	-2,000,000	-2,000,000	
JOBS	814,100	3,338,500	4,731,000	3,338,500	2,988,500	
SPECIAL ITEM SUBTOTAL	213,228,400	253,566,300	282,186,400	262,937,000	272,678,700	
AGENCY TOTAL	316,315,000	359,752,800	414,705,400	374,760,200	375,684,300	
BY FUND SOURCE						
GENERAL FUND	315,962,900	359,125,500	414,066,900	374,125,500	375,050,200	
OTHER FUNDS	352,100	627,300	638,500	634,700	634,100	
FEDERAL FUNDS	336,000,200	426,583,900	489,186,600	0	489,186,600	
OTHER NON APPROPRIATED	200,323,800	196,102,500	195,498,800	0	195,498,800	
AGENCY TOTAL-ALL SOURCES	852,639,000	982,439,200	1,099,390,800	374,760,200	1,060,369,700	

DEPARTMENT: DEPARTMENT OF ECONOMIC SECURITY
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $375,684,300 -- a net increase of $15,931,500, or 4.4%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $375,050,200 -- a net increase of $15,924,700, or 4.4%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- FTE Adjustment
  Reduces (157.65) FTE positions, which includes the following:
  -- Transfers (89.65) to federal funding;
  -- Transfers (60.4) to AHCCCS;
  -- Transfers (36.6) to Long Term Care, Title XIX, for the Coolidge conversion;
  -- Adds 31.1 new positions; and
  -- Eliminates (2.1) positions.
- Personal Services/ERE Adjustments ..... $ (91,700)
  Vacancy factors vary by cost center.
- ERE Rate Changes 671,700
- Federal Funding Offsets (904,600)
- Other Funds Offsets (955,300)
- Rent - State Owned Buildings (COSA) 92,600
- Tucson State Office Building Lease-Purchase Increase 65,300
- Lease-Purchase Adjustments (289,200)
- Professional and Outside Services - 5% Medical Inflation 36,800
- One-Time Capitalized and Non-Capitalized Equipment Adjustment (98,400)
- Developmental Disabilities/Long Term Care Caseload ..... (1,995,200)
  Includes the following major adjustments:

-- 6.0% growth in the statutory Long Term Care program.	3,647,500
-- Replacement residential and day programs for clients no longer eligible to receive foster care or a public education.	928,600
-- Transfers 60.6 positions from state to federal funding due to annualization of the 5th cottage, conversion of the 6th cottage and increased federal participation.	(4,021,700)
-- Vocational Rehabilitation federal funds offset.	(767,900)
-- DD FY 1992 Surplus.	(1,631,700)
-- DD Sliding Fee Schedule.	(150,000)

- AFDC - 16.4% Growth/3.6% Benefit Increase 14,898,400
- 48.4 New AFDC Eligibility Staff 746,700
- Transfer of 120.8 Eligibility Staff to AHCCCS (1,569,700)
- Food Stamp Postage 209,000
- General Assistance (GA) Growth 5,144,900
- Navajo Senior Centers/Veterans' Housing (816,000)
- Child Support Enforcement - Financial Reconciliation Adjustment (314,200)
- Social Services 2,202,800

  Funds a continuation of the current caseload growth and cost in the following statutory or "traditional" entitlements.

Program	$ Increase/Decrease
Adult Services/Supplemental Payments	826,000
Children Services	3,399,000
Comprehensive Medical & Dental	(1,400,000)
Day Care	(774,700)
JOBS Child Care	(40,700)
Transitional Child Care	193,200

- Automation Expansion 445,200
- Increase Special Administration Fund Contribution (1,000,000)
- Increase Vocational Rehabilitation Services 100,000
- Reduce JOBS to Reflect Surplus (350,000)
- Eliminate Venture Team (84,600)
- Other Reductions (213,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: ADMINISTRATION

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	388.30	344.00	412.40	345.60	304.30	
OPERATING BUDGET						
PERSONAL SERVICES	9,475,000	9,151,800	11,621,900	8,609,300	8,537,400	
EMPLOYEE RELATED EXP	2,073,200	2,086,400	2,970,600	2,015,000	2,044,500	
PROFESSIONAL/OUTSIDE SVCS	566,300	359,800	680,600	417,500	417,500	
TRAVEL - IN STATE	137,600	179,600	267,300	179,600	179,000	
TRAVEL - OUT OF STATE	51,900	49,000	57,400	49,700	52,600	
OTHER OPERATING EXP	11,700,200	11,305,800	12,795,000	11,189,800	11,148,500	
EQUIPMENT	511,500	777,200	1,308,300	827,200	827,200	
ALL OTHER OPERATING	12,967,500	12,671,400	15,108,600	12,663,800	12,624,800	
OPERATING SUBTOTAL	24,515,700	23,909,600	29,701,100	23,288,100	23,206,700	
SPECIAL LINE ITEMS						
ACYF ASSISTS	225,900	0	0	0	0	
AGING ASSISTS	85,200	0	0	0	0	
DD ASSISTS	175,400	0	0	0	0	
AZTECS MODIFICATION	470,600	635,900	580,800	580,800	580,800	
DES WEST LEASE-PURCHASE	24,700	0	0	0	0	
FMCS MODIFICATION	112,300	131,300	131,300	131,300	131,300	
INTERAGENCY COORD COUNCIL	0	200,000	197,400	0	0	
LAN LEASE-PURCHASE	2,800	0	0	0	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: ADMINISTRATION

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
LEASE-PURCHASE EQUIPMENT	18,500	1,241,400	970,100	970,100	970,100	
PUB ASSIST COLLECT FUND	199,200	200,200	204,300	206,800	205,900	
ALZHEIMERS' SUBCOMMITTEE	11,000	0	0	0	0	
CHILDREN'S MENTAL HEALTH	173,800	0	0	0	0	
FINGERPRINTING	10,000	0	0	0	0	
OMNIBUS CPS ACT	155,700	0	0	0	0	
SPECIAL ITEM SUBTOTAL	1,665,100	2,408,800	2,083,900	1,889,000	1,888,100	
PROGRAM TOTAL	26,180,800	26,318,400	31,785,000	25,177,100	25,094,800	
BY FUND SOURCE						
GENERAL FUND	25,981,600	26,118,200	31,580,700	24,970,300	24,888,900	
OTHER FUNDS	199,200	200,200	204,300	206,800	205,900	
FEDERAL FUNDS	34,693,000	39,887,600	42,861,200	0	42,861,200	
OTHER NON APPROPRIATED	243,500	2,788,300	2,032,700	0	2,032,700	
PROGRAM TOTAL-ALL SOURCES	61,117,300	68,994,300	76,678,900	25,177,100	69,988,700	

DEPARTMENT: DEPARTMENT OF ECONOMIC SECURITY
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $25,094,800 -- a net decrease of $(1,223,600), or (4.6)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $24,888,900 -- a net decrease of $(1,229,300), or (4.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- FTE Adjustment

  Reflects a transfer of (37.2) FTE positions from the General Fund to federal funding. This transfer reflects the increase of federal funds into this agency in FY 1992 and an anticipated increase in FY 1993. The FY 1992 Personal Services/ERE appropriations was reduced by $611,200 to reflect the timely receipt of Title IV-E dollars. However, the related 17.4 state FTE positions were not transferred from the General Fund to federal funding. This recommendation moves the positions to the appropriate funding source. The department projects a $704,600 increase of federal funding in FY 1993, which will be utilized to provide funding for 19.8 FTE positions. The Executive does not recommend these transfers from the General Fund to federal funding.

- Personal Services/ERE Adjustments $ (12,200)

  Maintains a vacancy factor of 7.4%. The Executive recommends a vacancy factor of 13.2%.

- Federal Funding Offset (704,600)

  Reflects a decrease in General Fund monies due to an increase in federal funding from such sources as the Title XX - Social Services Block Grant (SSBG) and Title IV-E funds that will be utilized to offset the state share of Personal Services and Employee Related Expenditures. The JLBC Staff also recommends the transfer of 19.8 FTE positions from state funding to federal funding. The Executive does not transfer the positions from the General Fund to federal sources. Instead the Executive increases the agency's vacancy factor by 6.2% to reflect the decrease in General Fund monies.

- ERE Rate Changes 104,600

- Rent - State Owned Buildings 92,600

  Includes reinstatement of General Fund rent in the amount of $92,600 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01

- Lease-Purchase Adjustments 3,600

  Includes the annualization of lease-purchases for the space in the Capitol Center, $8,200; and a decrease of $4,600 for the FY 1993 DES West lease-purchase payment. The Executive concurs.

- Rent - Tucson State Office Building 65,300
  Provides a total of $531,400 ($253,900, state; $253,900; and $23,600, other) to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The FY 1992 appropriation included the state share of the lease-purchase for a 9-month period and 3 months for private lease payments. The increase reflects annualization of the lease-purchase payment, the allocation of an added 7,403 square feet in the building and elimination of the private rent.

  The Executive recommends an increase of $103,200. In calculating the increase needed to cover the FY 1993 lease-purchase payment, the Executive did not back out the private lease portion of the appropriation, therefore requiring a larger increase to meet the FY 1993 payment.
- Transfers to Administration Division 75,700
  Includes transfer in of Out-of-State Travel, $700, and Occupancy costs, $75,000, to this division from other DES divisions. The Executive transfers $80,700 which reflects the transfer of $5,000 from the ICC special line which had been eliminated.
- Transfer of 0.5 FTE positions from the Division of Family Support 16,800
  The transfer will place the 1 FTE position (0.5 state and 0.5 federal) in its appropriate functional location. The Executive recommends transferring the 1 FTE position and $16,200. The variation reflects a difference in ERE rates used by JLBC Staff and the Executive.
- Lease-Purchase Equipment Adjustments (271,300)
  Includes all computer equipment lease-purchase agreements and related increases or decreases in FY 1993 payments. The Executive concurs.
- Arizona Technical Eligibility Computer System (AZTECS) Modification (55,100)
  Reflects the lower lease-purchase payment in FY 1993. The Executive concurs.
- Public Assistance Collections Fund (PACF) 5,700
  Includes an ERE rate change for the 6.4 FTE positions funded in this line. The Executive recommends an ERE rate change of $6,600.
- Reduce Other Operating Expenditures (705,300)
  This recommendation would reduce the General Fund operating budget by $705,300 by utilizing the available balance in the agency's non-appropriated Lease Purchases Fund. Laws of 1985, Chapter 324 established the fund with monies received from the sale of land proposed as the site for a Tucson DES multi-service center. Pursuant to A.R.S. § 41-1958.01(A), the department is to make initial and periodic payments pursuant to lease-purchase agreements it enters into under A.R.S. § 41-1958. A.R.S. § 41-1958.01 will need to be modified to allow use of these funds. The Executive concurs.

- Expand DES Automation Capacity 445,200

  The JLBC Staff recommends half-year funding for 3 FTE positions (1.1 state, 1.7 federal, and 0.2 other), financing a 5-year lease purchase of automation equipment, and software to ensure that the DES mainframe computer has adequate memory and storage capacity for its expanding caseloads and programs. To full-year fund, an additional $435,200 would be needed. The Executive recommends $460,200 for half-year funding.

- Eliminate Venture Team (84,600)

  This recommendation would eliminate 2.1 state funded FTE positions and result in at total savings of $84,600. Although legislation was adopted to establish Venture Team activities, the legislature never appropriated funding for Venture Team positions or activities. DES financed its initial Venture Team with federal funds. The Legislature deferred state funding until the team could demonstrate its cost effectiveness. Review of Venture Team reports indicate that the emphasis is on cost avoidance rather than cost savings. After reviewing the reports, JLBC Staff raised concerns over the work measurement methodology and the lack of solid data to support assumptions and conclusions. During FY 1992 and FY 1993, DES will be part of the SLIM evaluation and several performance audits conducted by the State Auditor General. It appears that Venture Team work and cost efficiency objectives will be conducted by SLIM activities and the performance audits, therefore decreasing the need for a state funded Venture Team. DES could continue to fund the Venture Team through federal funds, as originally envisioned by the Legislature. This reduction is offered by the agency as one of its permanent budget reduction options. The Executive does not address this issue.

- Eliminate Interagency Coordinating Council (ICC) (200,000)

  FY 1992 funding was provided to the department to continue the program while waiting for continued federal funding. Federal funds have been received and the Executive no longer sees the need for continuation of state funding.

Other Issues for Legislative Consideration

- Utility Inflation

  The Executive recommends a 5% or $62,100 inflationary adjustment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: DEVELOP. DISABILITIES

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	702.30	545.40	528.00	528.00	489.00	
OPERATING BUDGET						
PERSONAL SERVICES	14,237,100	11,712,400	11,439,600	11,335,400	10,480,200	
EMPLOYEE RELATED EXP	3,713,900	3,165,200	3,463,900	3,222,100	2,905,600	
PROFESSIONAL/OUTSIDE SVCS	779,600	1,273,000	1,139,800	1,167,000	878,400	
TRAVEL - IN STATE	190,200	273,100	263,800	263,800	243,000	
OTHER OPERATING EXP	1,121,600	882,300	853,900	854,000	790,200	
FOOD	443,100	331,800	291,200	291,200	204,200	
EQUIPMENT	56,900	0	0	0	0	
ALL OTHER OPERATING	2,591,400	2,760,200	2,548,700	2,576,000	2,115,800	
OPERATING SUBTOTAL	20,542,400	17,637,800	17,452,200	17,133,500	15,501,600	
SPECIAL LINE ITEMS						
ASH COMMUNITY PLACEMENT	53,100	118,300	118,300	118,300	118,300	
ASSISTANCE TO FAMILIES	390,500	463,200	463,200	463,200	463,200	
DD FOSTER CARE	3,090,400	3,888,700	4,203,300	3,735,500	3,638,400	
HOUSEKEEPING PAYMENTS	200,100	197,400	197,400	197,400	197,400	
OUT-OF-DISTRICT PLACEMENT	654,600	729,700	727,700	508,900	181,900	
DD PURCHASE OF CARE	19,115,600	22,091,500	22,509,200	21,545,800	21,073,700	
STIPENDS & ALLOWANCES	8,900	10,400	10,400	10,400	10,400	
VOC REHAB CONTRACTS	123,500	123,500	123,500	123,500	217,900	
SPECIAL ITEM SUBTOTAL	23,636,700	27,622,700	28,353,000	26,703,000	25,901,200	
PROGRAM TOTAL	44,179,100	45,260,500	45,805,200	43,836,500	41,402,800	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: DEVELOP. DISABILITIES

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	44,179,100	45,260,500	45,805,200	43,836,500	41,402,800	
FEDERAL FUNDS	2,548,200	2,765,500	2,765,500	0	2,765,500	
OTHER NON APPROPRIATED	402,500	456,000	456,000	0	456,000	
PROGRAM TOTAL-ALL SOURCES	47,129,800	48,482,000	49,026,700	43,836,500	44,624,300	

The JLBC Staff recommends a total appropriation of $41,402,800 -- a net decrease of $(3,857,700) or (8.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (13,000)
  Includes a new vacancy factor of 1%. The FY 1992 budgeted vacancy factor was 0.9%. The recommended rate is lower than the standard rate applied to agencies with this number of FTE positions due to the large number of FTE positions, such as direct care workers, that are exempt from the vacancy factor. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — 82,000
- Medical Inflation of 5% — 27,200
  The Executive concurs.
- Transfer to the Federal Long Term Care Program — (2,232,400)
  The JLBC Staff recommends transferring Arizona Training Program (ATP) clients at Coolidge from the 100% state-funded Developmental Disabilities program to the 65% federally-funded Long Term Care program. The savings results from three proposals:
  -- Annualize the savings associated with Title XIX certification of a fifth cottage at the ATP at Coolidge in FY 1992. This certification results in the transfer of 17.4 FTE positions and DD savings of $693,000. The Executive concurs.
  -- The JLBC Staff further recommends the Title XIX certification of a sixth cottage in July 1992 for an additional transfer of 34.8 FTE positions to the Long Term Care program and DD savings of $1,386,100. The agency applied for certification of both cottages in January 1992.

-- Transfer 3 Title XIX eligible clients in non-certified Coolidge cottages to Title XIX facilities. The placement of these clients in a Title XIX facility will transfer an additional 4.2 FTE positions to the Long Term Care program and savings of $153,300.

These 3 proposals will reduce the Developmental Disabilities General Fund budget by $2,232,400. The additional cost in the Long Term Care program will be $779,600 (S) and $2,232,400 (T), for a net savings of $1,452,800 to the General Fund.

- Foster Care (250,300)

  The recommendation represents an adjustment for lower than anticipated caseload growth in FY 1992. The recommended amount provides services for 139 developmentally disabled children, adjudicated dependent by the courts. The recommended amount funds 29 children in group homes, 105 in family settings, and 6 in other settings. This provides for 10% growth over estimated FY 1992. The Executive recommends $(153,200).

- Out of District Placement (547,800)

  Though funded for 20 clients in FY 1992, 16 clients became eligible for the Long Term Care program. Estimates for FY 1993 are that 5 clients will be served. The Executive recommends $(220,800).

- Purchase of Care (395,700)

  The recommended amount provides:

  -- $173,500 in residential services for 10 clients expected to age out of Foster Care in FY 1993;
  -- $264,400 for Adult Day for 77 clients expected to age out of public schools in FY 1993; and
  -- $(833,600) lump sum reduction recommended by the Executive. The Executive has not provided the details of this reduction. The JLBC Staff would prefer to delineate the effects of this proposal on the 4 categories of Purchase of Care; Residential, Adult Day, Children, and Support Services. Since the Executive has been unable to provide reliable data on the current number and costs of clients, however, we were unable to analyze current expenditure trends and, therefore, cannot provide a recommendation independent of the Executive.

  The department apparently has a current year Purchase of Care surplus of $2,738,500, mostly in Children Services. Since the Executive appears to incorporate only $833,600 of this surplus in its recommendation, however, the Executive's proposal would appear to permit contracted spending to increase by $1,904,900 over the projected FY 1992 spending level. This increase would allow either a reduction in the waiting list for services or a provider increase, or some combination. The Staff is concerned with the uncertain policy implications of the Executive's recommendation.

- Fee Schedule (150,000)

  The Executives recommends a sliding fee schedule which would allow financially able families to partially offset the cost of the programs. A fee schedule had been in use up to 1987 but was discontinued due to available state funds. The JLBC Staff concurs with the Executive recommendation.

- Purchase of Care Transfer to Vocational Rehabilitation (377,700)

  Transfers 10% of 100% state-funded Adult Day program recipients to the federally matched Vocational Rehabilitation program at a net savings of $377,700. Under the Vocational Rehabilitation program, the federal government will match 80% of expenditures. In FY 1993, $3,000,000 in additional federal funds will be available for state match. This proposal would decrease the Purchase of Care line item by $472,100 and increase the Vocational Rehabilitation line item by $94,400.

Other Issues for Legislative Consideration

- Utility Inflation

  The Executive recommends 5% or $100 for inflationary adjustments.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	(S)	296.70	338.70	339.10	339.10	340.30	
	(T)	780.80	898.20	975.60	975.60	979.10	
OPERATING BUDGET							
PERSONAL SERVICES	(S)	6,245,700	7,290,100	7,348,000	7,247,700	7,293,000	
	(T)	16,295,600	19,324,900	21,109,300	20,824,800	20,900,800	
EMPLOYEE RELATED EXP	(S)	1,631,700	1,969,100	2,264,100	2,057,700	2,019,400	
	(T)	4,250,600	5,220,800	6,501,500	5,912,200	5,791,100	
PROFESSIONAL/OUTSIDE SVCS	(S)	779,500	657,100	714,500	728,600	764,900	
	(T)	1,883,100	1,746,700	2,161,800	2,202,100	2,254,400	
TRAVEL - IN STATE	(S)	124,700	173,900	202,400	193,100	182,400	
	(T)	299,200	458,400	582,700	556,400	521,700	
TRAVEL - OUT OF STATE	(S)	0	700	1,300	1,300	0	
	(T)	0	1,400	4,000	4,000	400	
OTHER OPERATING EXP	(S)	666,900	560,300	680,600	680,600	584,800	
	(T)	1,598,600	1,478,100	1,998,500	1,998,500	1,692,000	
FOOD	(S)	158,100	257,200	262,900	262,900	293,300	
	(T)	379,100	455,200	495,800	495,800	582,800	
EQUIPMENT	(S)	77,600	3,000	85,200	85,200	27,200	
	(T)	186,100	6,000	242,400	242,400	77,900	
ALL OTHER OPERATING	(S)	1,806,800	1,652,200	1,946,900	1,951,700	1,852,600	
	(T)	4,346,100	4,145,800	5,485,200	5,499,200	5,129,200	
OPERATING SUBTOTAL	(S)	9,684,200	10,911,400	11,559,000	11,257,100	11,165,000	
	(T)	24,892,300	28,691,500	33,096,000	32,236,200	31,821,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION		FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS							
ACUTE CARE	(S)	7,009,400	9,508,300	10,662,800	9,162,800	9,555,300	
	(T)	15,028,700	20,386,700	22,862,000	22,862,000	20,489,500	
FEE FOR SERVICE	(S)	907,100	1,862,200	1,897,800	1,897,800	1,897,800	
	(T)	2,362,400	4,950,200	5,434,300	5,434,300	5,434,300	
LTC FOSTER CARE	(S)	2,392,400	3,194,300	3,309,500	3,309,500	3,036,900	
	(T)	6,264,200	7,373,100	7,946,600	7,946,600	7,946,600	
LTC PURCHASE OF CARE	(S)	22,490,300	28,455,700	31,948,400	31,743,300	30,230,100	
	(T)	58,629,900	68,358,000	78,927,700	78,927,700	76,306,000	
STIPENDS & ALLOWANCES	(S)	198,800	205,400	205,400	205,400	205,400	
	(T)	198,800	205,400	205,400	205,400	205,400	
SPECIAL ITEM SUBTOTAL	(S)	32,998,000	43,225,900	48,023,900	46,318,800	44,925,500	
	(T)	82,484,000	101,273,400	115,376,000	115,376,000	110,381,800	
PROGRAM TOTAL	(S)	42,682,200	54,137,300	59,582,900	57,575,900	56,090,500	
	(T)	107,376,300	129,964,900	148,472,000	147,612,200	142,202,900	
BY FUND SOURCE							
GENERAL FUND	(S)	42,682,200	54,137,300	59,582,900	57,575,900	56,090,500	
OTHER NON APPROPRIATED	(T)	64,694,100	75,827,600	88,889,700	90,036,300	86,112,400	
PROGRAM TOTAL-ALL SOURCES	(S)	42,682,200	54,137,300	59,582,900	57,575,900	56,090,500	
	(T)	107,376,300	129,964,900	148,472,000	147,612,200	142,202,900	

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

The JLBC Staff recommends a total appropriation of $56,090,500 in State General Funds (S) and $142,202,900 in Total Expenditure Authority (T) -- a net increase of $1,953,200 (S), or 3.6% (S), to the adjusted General Fund Appropriation, and a net increase of $12,238,000 (T), or 9.4% (T), to the FY 1992 Total Expenditure Authority.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (44,500) (S); (127,500) (T)

  Includes a new vacancy factor of 1%. The FY 1992 budgeted vacancy factor was 0.9%. The recommended rate is lower than the standard rate applied to agencies with this number of FTE positions due to the large number of FTE positions, such as direct care workers, that are exempt from a vacancy factor. The Executive recommends a vacancy factor of 0%.

- ERE Rate Changes — 49,400 (S); 141,400 (T)

- Travel - Out of State — (700) (S); (1,400) (T)

  Transfer to Administration. The Executive concurs.

- Other Operating Expenses — (14,200) (S); (28,400) (T)

  One-time equipment adjustment of $(6,700) (S) and $(13,400) (T) and a transfer of $(7,500) (S) and $(15,000) (T). The Executive concurs.

- Equipment — (3,000) (S); (6,000) (T)

  One-time equipment adjustment. The Executive concurs.

- Medical Inflation of 5% — 7,500 (S); 21,500 (T)

  The Executive recommends $8,600 (S) and $24,600 (T).

- Base adjustment due to increased federal participation

(760,700) (S)
-0- (T)

The change in the Federal Medical Assistance Percentage (FMAP) from 62.38% to 65.07% increases the share of costs paid by the federal government. The change in the FMAP will also transfer 24 FTE positions from state to federal funding. The above amount reflects the savings from the 24 FTE positions. Savings for the division as a whole are $2,568,900, with the difference of $1,808,200 reflected in the special line items.

- Transfer from the 100% State Developmental Disabilities Program

779,600 (S)
2,232,400 (T)

The JLBC Staff recommends transferring Arizona Training Program (ATP) clients at Coolidge from the 100% state-funded Developmental Disabilities program to the 65% federally-funded Long Term Care program. The savings result from 3 proposals:

-- Annualize the savings associated with Title XIX certification of a fifth cottage at the ATP at Coolidge in FY 1992. This certification results in the transfer of 6.1 (S) and 17.4 (T) FTE positions and $242,000 (S) and $693,000 (T). The Executive concurs.
-- The JLBC Staff further recommends the Title XIX certification of a sixth cottage in July 1992 for an additional transfer of 12.2 (S) and 34.8 (T) FTE positions to the Long Term Care program and $484,100 (S) and $1,386,100 (T). The agency applied for certification of both the fifth and sixth cottages in January 1992.
-- Transfer 3 Title XIX eligible clients in non-certified Coolidge cottages to Title XIX facilities. The placement of these clients in a Title XIX facility will transfer an additional 1.5 (S) and 4.2 (T) FTE positions to the Long Term Care program and $53,500 (S) and $153,300 (T).

These 3 proposals will reduce the Developmental Disabilities General Fund budget by $2,232,400. The additional cost in the Long Term Care program will be $779,600 (S) and $2,232,400 (T), for a net savings of $1,452,800 to the General Fund.

- Case Management

240,200 (S)
687,700 (T)

Provides 5.8 (S) and 16.5 (T) FTE positions to provide case management services. As caseloads are anticipated to increase 6% during FY 1993, this proposal would increase Case Management staff by 6%. The Executive recommends 11.5 (S) and 33 (T) FTE positions and provides 9 months of funding or $397,800 (S) and $1,138,800 (T).

- Total Expenditure Authority

-0- (S)
209,900 (T)

The total expenditure authority (T) was increased above the line to accommodate the DES Intergovernmental Agreement with AHCCCS for Pre-Admission Screening and Annual Resident Review (PASARR). This amount matches the funding level in the JLBC Staff and Executive recommendations for AHCCCS. The Executive recommendation for DES includes $386,800 (T) for PASARR.

- Acute Care

47,000 (S)
102,800 (T)

The recommendation reflects:

-- A projected FY 1992 surplus of $1,058,400 (S) and $2,267,200 (T). The Executive estimates a surplus of $1,500,000 (S) and $2,216,100 (T). The Acute Care rates negotiated in October 1991 were lower than previous rates.
-- Medical inflation of 5% for $546,100 (S) and $1,170,800 (T). The Executive does not recommend medical inflation for this special line item.
-- Caseload growth of 6% or an additional 353 clients for a total of 6,238 clients in FY 1993 and $559,300 (S) and $1,199,200 (T). The Executive recommends $936,200 (S) and $2,077,300 (T) for 11.7% caseload growth, which is based upon a higher surplus in FY 1992. The Executive also includes $218,300 (S) and $468,000 (T) due to the expansion of the Children's Mental Health program to include 18 to 20 year olds. Funding for children under the age of 18 is currently in the Department of Health Services (DHS) appropriation. If any additional funding is to be provided for 18 to 20 year olds, the Staff recommends the added dollars be placed in the DHS budget.

- Fee For Service

35,600 (S)
484,100 (T)

The recommended amount provides caseload growth of 6.5% over FY 1992 estimates and includes $(133,200) (S) due to increased federal participation. Medically fragile children and on-reservation American Indians receive assistance on a traditional fee-for-service basis rather than through a capitated payment system. Services will be provided for 17 medically fragile children, 77 clients for on-reservation services, and 153 clients for off-reservation services. The Executive concurs.

- Foster Care

(157,400) (S)
573,500 (T)

The recommendation represents an adjustment of $(290,400) (S) and $(670,300) (T) for lower than anticipated caseload growth in FY 1992, $(151,400) (S) due to increased federal participation and $284,400 (S) and $1,243,800 (T) for 10% growth. The recommended amount provides services for 336 developmentally disabled children, adjudicated dependent by the courts. The recommended amount funds 84 children in residential settings, 141 in family settings, and 11 in other settings. The Executive recommends $115,200 (S) and $573,500 (T) which incorporates different assumptions regarding client placement and 100% State Funded Support Services.

- Purchase of Care

1,774,400 (S)
7,948,000 (T)

-- Residential Services - An increase of $6,500 (S) and $2,659,300 (T), which includes $(1,011,500) (S) due to increased federal participation. This provides 6% caseload growth or an additional 92 clients for a total of 1,626 in FY 1993. This includes $137,000 (S) and $310,400 (T) for 21 clients aging out of Foster Care in FY 1993. The Executive recommends 11.3% caseload growth and $1,129,500 (S) and $4,902,100 (T).

-- Adult Day (100% State) - An increase of 16.1% or $1,039,600 (S) and (T) for Non-Rehabilitative Instruction Services that are not Title XIX reimbursable. These programs include Job Training, Supported Employment, and Job Placement. The Executive concurs.

-- Vocational Rehabilitation Offset - Allows 10% of 100% state-funded Adult Day program recipients to be placed in the federally matched Vocational Rehabilitation program at a net General Fund savings of $390,200. Under the Vocational Rehabilitation program, the federal government will match 80% of expenditures. In FY 1993, $3,000,000 in additional federal funds will be available for state match. This proposal would decrease the Adult Day (100% State) program by $487,800 and allow $97,600 to be used for the Vocational Rehabilitation match. Including federal funds, total resources would remain the same as in FY 1992.

-- Adult Day (Title XIX) - An increase of $131,400 (S) and $1,149,900 (T), which includes $(270,200) (S) due to increased federal participation. This provides caseload growth of 9% or an additional 124 clients for a total of 1,511 clients in FY 1993. The Executive concurs.

-- Children Services (100% State) - An increase of $83,400 (S) and (T). This provides for 7.6% caseload growth or an additional 50 clients for a total of 711 clients in FY 1993. The Executive concurs.

-- Children Services (Title XIX) - An increase of $86,400 (S) and $144,200 (T), which includes $(17,700) (S) due to increased federal participation. This provides for 6% caseload growth or an additional 28 clients for a total of 502 clients in FY 1993. The Executive concurs.

-- Support Services - An increase of $817,300 (S) and $2,871,600 (T), which includes $(224,200) (S) due to increased federal participation. This provides caseload growth of 7.6% or an additional 599 clients for a total of 8,458 for FY 1993. As clients may receive more than one service, this is a duplicated count. The issue

includes $541,300 (S) and $1,549,700 (T) due to increased costs in providing skilled nursing services to 207 clients. The Executive concurs.

-- Preschool Transfer - The expenditure authority is maintained to accommodate an intergovernmental agreement with the Department of Education (ADE) if it is necessary. In FY 1992, total expenditure authority was increased by $461,600 for a transfer from ADE to fund preschool programs for 232 children who were already being served by the division. In FY 1993, all 3 and 4 year olds should be served by school district programs. The Executive concurs.

Other Issues for Legislative Consideration

- DD ASSISTS

  The Executive recommends 2.1 (S) and (6) FTE positions and $136,500 (S) and $390,800 (T) to provide modifications to the DD computer system. The JLBC Staff recommends delaying any modifications to the DD ASSISTS program until decisions have been made whether the division should be a separate agency.

- Licensing and Monitoring

  The Executive recommends 4.7 (S) and 13 (T) FTE positions and $193,300 (S) and $526,600 (T). Of the positions, 0.5 (S) and 1 (T) FTE positions and $31,000 (S) and $62,000 (T) are for the Children's Mental Health program. The JLBC Staff does not recommend this issue as the number of settings requiring monitoring is expected to increase 5% in FY 1993, while the Executive recommendation is a 60% increase in licensing staff.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: FAMILY SUPPORT

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	878.80	803.20	948.20	871.95	766.50	
OPERATING BUDGET						
PERSONAL SERVICES	16,421,200	16,534,500	19,385,400	17,372,800	15,718,300	
EMPLOYEE RELATED EXP	4,046,900	4,251,900	5,561,700	4,577,400	4,113,800	
PROFESSIONAL/OUTSIDE SVCS	135,100	89,100	141,600	115,300	89,100	
TRAVEL - IN STATE	370,800	350,900	623,800	441,900	360,600	
OTHER OPERATING EXP	3,575,100	3,295,200	4,934,600	4,185,200	3,528,100	
EQUIPMENT	117,900	37,500	121,700	121,700	36,400	
ALL OTHER OPERATING	4,198,900	3,772,700	5,821,700	4,864,100	4,014,200	
OPERATING SUBTOTAL	24,667,000	24,559,100	30,768,800	26,814,300	23,846,300	
SPECIAL LINE ITEMS						
AFDC	58,785,400	77,973,900	90,330,300	85,724,600	92,872,300	
CHILD SUPPORT AUTOMATION	213,700	0	0	0	0	
CHILD SUPT. RESTRUCTURING	1,960,800	0	0	0	0	
EMERGENCY ASSISTANCE	767,400	849,500	849,500	849,500	849,500	
GENERAL ASSISTANCE	13,972,000	12,948,700	16,866,600	12,948,700	18,093,600	
TUBERCULOSIS CONTROL	11,900	19,400	19,400	19,400	19,400	
FOOD DISTRIBUTION INFO	24,000	24,000	24,000	24,000	24,000	
HOMELESS SHELTER	832,900	1,023,900	1,023,900	1,023,900	1,023,900	
INFORMATION AND REFERRAL	111,000	111,000	111,000	111,000	111,000	

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: FAMILY SUPPORT

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
RURAL FOOD BANK PROJECT	61,000	200,900	200,900	200,900	200,900	
HOMELESS COORDINATOR	68,500	0	0	0	0	
VETERANS' HOUSING	0	600,000	600,000	0	0	
NAVAJO SENIOR CENTERS	0	216,000	216,000	0	0	
SPECIAL ITEM SUBTOTAL	76,808,600	93,967,300	110,241,600	100,902,000	113,194,600	
PROGRAM TOTAL	101,475,600	118,526,400	141,010,400	127,716,300	137,040,900	
BY FUND SOURCE						
GENERAL FUND	101,475,600	118,526,400	141,010,400	127,716,300	137,040,900	
FEDERAL FUNDS	152,018,300	185,744,000	231,045,400	0	231,045,400	
OTHER NON APPROPRIATED	6,330,600	205,000	65,000	0	65,000	
PROGRAM TOTAL-ALL SOURCES	259,824,500	304,475,400	372,120,800	127,716,300	368,151,300	

The JLBC Staff recommends a total appropriation of $137,040,900 -- a net increase of $18,514,500 or 15.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (1,400)
  Includes a new vacancy factor of 1%. The FY 1992 budgeted vacancy factor was 1.1%. The standard rate applied to agencies with this number of FTE positions was lowered due to the large number of FTE positions, such as eligibility workers, that are exempt from a vacancy rate. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 75,600
- Other Operating Expenditures (118,700)
  Includes one-time equipment adjustment of $(51,200) and a transfer of $(67,500) to Administration for occupancy costs. The Executive concurs.

- Equipment (37,500)

  Includes one-time equipment adjustment associated with new FTE positions in FY 1992. The Executive concurs.

- FTE Transfer to Administration (16,800)

  Transfers 0.5 FTE position to Administration to conduct compliance reviews of the Division of Family Support in regards to the Civil Rights Act of 1964. The Executive concurs.

- New FTE Positions 746,700

  Adds 24.2 Eligibility Workers and related staff due to increased caseload growth in the Aid to Families With Dependent Children (AFDC) and Food Stamps programs. Since the federal government will match AFDC/Food Stamp state administrative expenses on a dollar-for-dollar basis, this will result in a total increase of 48.4 FTE positions. The Executive recommends $2,323,300 or 8 months of funding for 69.3 state FTE positions (138.6 total positions).

- FTE Transfer to AHCCCS (1,569,700)

  The JLBC Staff recommends transferring $1,569,700 and 60.4 state-funded and 120.8 total-funded FTE positions from the DES budget to the AHCCCS budget to better reflect the allocation of eligibility workers' time. Funds in this cost center reflect DES' cost of determining AFDC and Food Stamp eligibility. Other DES staff determine eligibility for the AHCCCS program, the cost of which is reflected in the AHCCCS budget. The workers' time allocation and the appropriation split between AHCCCS and DES is determined using the Arizona Random Moment Sampling (ARMS) methodology, which consists of periodic random surveys of DES eligibility workers. During the last 2 years, the ARMS results have shown a significant decrease in the percentage of time allocated to AFDC/Food Stamps relative to AHCCCS determinations, thereby resulting in a DES surplus. The proposed transfer realigns resources in line with ARMS. The decrease shown here is offset by an increase in the AHCCCS budget. The amount shifted represents average surpluses in AFDC/Food Stamp eligibility determination over the past 2 fiscal years.

- Food Stamp Postage 209,000

  The recommended amount provides funding for additional postage due to increased caseload growth. Food Stamp caseload has increased 82.6% since July of 1988. The Executive does not address this issue.

- AFDC 14,898,400

  The amount provides for 29,677 new recipients or 16.4% caseload growth over estimated FY 1992 and provides for an increase in the maximum monthly payment for a family of 3 from $334 to $346 beginning on July 1, 1992. The 3.6% increase in the payment level was calculated by using a projected increase in the Federal Poverty Level, which is the basis for the benefit level. The estimated cost of the benefit increase is $3,227,200. The Executive recommends no benefit increase, which will require amending the statutory provision mandating annual inflation adjustments. The projected 16.4% growth in caseload will increase the total number of recipients from 180,953 to 210,630 during FY 1993. The Executive allows for 11.2% caseload growth over estimated FY 1992, which is optimistic given that caseload increases have not been below 12% since 1986.

- General Assistance (GA) 5,144,900
  The JLBC Staff recommends this amount for a total appropriation of $18,093,600. The Executive recommendation freezes the program at its original FY 1992 appropriation of $12,948,700, which ignores both the projected current year shortfall of $3,600,000 and the likelihood of a double-digit increase in population again next year. The Executive recommendation offers no specific plan to achieve this proposal. Most likely, the Executive recommendation would require a $44, or 28.5%, cut in monthly benefits or a 2,700 reduction in recipients, or some combination of benefit cut and caseload caps.
- Veterans' Housing (600,000)
  FY 1992 appropriation is expected to be obligated in the second half of FY 1992 and expended during FY 1993. The Executive concurs.
- Navajo Senior Centers (216,000)
  FY 1992 non-lapsing appropriation to be used over a 2 year period. The Executive concurs.

Other Issues for Legislative Consideration

- Utility Inflation
  The Executive recommends 5%, or $100, for inflationary adjustments.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: CHILD SUPPORT ENFORCEMENT

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	87.30	149.00	87.30	87.30	
OPERATING BUDGET						
PERSONAL SERVICES	0	1,606,900	2,830,500	1,606,900	1,590,800	
EMPLOYEE RELATED EXP	0	374,300	737,700	449,300	441,100	
PROFESSIONAL/OUTSIDE SVCS	0	34,000	233,600	34,000	34,000	
TRAVEL - IN STATE	0	9,100	32,700	9,100	9,100	
TRAVEL - OUT OF STATE	0	0	3,400	0	0	
OTHER OPERATING EXP	0	145,900	693,100	146,100	145,900	
EQUIPMENT	0	0	602,800	0	0	
ALL OTHER OPERATING	0	189,000	1,565,600	189,200	189,000	
OPERATING SUBTOTAL	0	2,170,200	5,133,800	2,245,400	2,220,900	
SPECIAL LINE ITEMS						
FINANCIAL RECONCILIATION	0	625,200	311,000	311,000	311,000	
AUTOMATION EQUIPMENT	0	252,800	286,400	286,400	286,400	
SPECIAL ITEM SUBTOTAL	0	878,000	597,400	597,400	597,400	
PROGRAM TOTAL	0	3,048,200	5,731,200	2,842,800	2,818,300	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: CHILD SUPPORT ENFORCEMENT
JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE
HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	0	3,048,200	5,731,200	2,842,800	2,818,300	
FEDERAL FUNDS	0	17,789,600	22,353,900	0	22,353,900	
OTHER NON APPROPRIATED	0	8,300,700	8,592,600	0	8,592,600	
PROGRAM TOTAL-ALL SOURCES	0	29,138,500	36,677,700	2,842,800	33,764,800	

The JLBC Staff recommends a total appropriation of $2,818,300 -- a net decrease of $(229,900), or (7.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (20,600)
  Includes a new vacancy factor of 1%. The FY 1992 budgeted rate was 0%. The rate is lower than the standard rate applied to agencies with this number of FTE positions in order to staff the program as fully as possible. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 71,300
  The Executive recommends $75,000.
- Financial Reconciliation (314,200)
  The majority of cases were reconciled in FY 1992. The recommended amount provides funding for the estimated 24,300 remaining cases. The Executive concurs.
- Automation Equipment 33,600
  The increase results from a reduced federal participation rate in the ATLAS computer system, which will become operational in FY 1993. The federal match rate is lower for operational systems as compared to those in the initial stages of implementation. The Executive concurs.

Other Issues for Legislative Consideration

- Utility Inflation
  The Executive recommends a 5% or $200 inflationary adjustment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	575.50	596.00	781.30	708.00	569.55	
OPERATING BUDGET						
PERSONAL SERVICES	14,605,000	17,076,200	20,923,700	19,089,000	17,076,200	
EMPLOYEE RELATED EXP	3,298,800	4,110,000	5,655,700	4,463,400	4,368,900	
PROFESSIONAL/OUTSIDE SVCS	154,500	270,800	58,900	58,900	58,900	
TRAVEL - IN STATE	703,600	693,700	1,287,400	1,057,000	693,700	
OTHER OPERATING EXP	1,580,900	1,096,300	3,141,000	2,191,500	1,096,300	
EQUIPMENT	49,700	0	800,400	418,900	0	
ALL OTHER OPERATING	2,488,700	2,060,800	5,287,700	3,726,300	1,848,900	
OPERATING SUBTOTAL	20,392,500	23,247,000	31,867,100	27,278,700	23,294,000	
SPECIAL LINE ITEMS						
ADOPTION SERVICES	10,725,700	12,523,300	12,523,300	12,523,300	12,523,300	
ADULT SERVICES	7,232,600	7,590,800	8,222,600	8,222,600	8,416,800	
CHILDREN SERVICES	33,637,200	37,495,800	40,518,100	39,202,200	40,894,800	
HIGH RISK INFANT SVCS	151,900	475,000	541,200	475,000	475,000	
INTENSIVE FAMILY SVCS	405,300	489,700	783,500	783,500	239,700	
CHILD SEVERANCE PROJ.	183,200	189,200	189,200	189,200	189,200	
CMDP	3,612,900	4,754,900	6,072,000	4,754,900	3,354,900	
DAY CARE	16,390,100	14,617,800	14,244,700	13,843,100	13,843,100	
JOBS CHILD CARE	141,800	571,200	1,267,200	530,500	530,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRANSITIONAL CHILD CARE	531,700	948,600	1,191,800	1,191,800	1,141,800	
INSTITUTION SUPP. PYMTS.	405,300	427,000	427,000	427,000	427,000	
LTC OMBUDSMAN	101,000	116,000	116,000	116,000	116,000	
OMNIBUS CPS ACT	1,725,000	0	0	0	0	
VIDEOTAPING	0	200,000	200,000	200,000	200,000	
SPECIAL ITEM SUBTOTAL	75,243,700	80,399,300	86,296,600	82,459,100	82,352,100	
PROGRAM TOTAL	95,636,200	103,646,300	118,163,700	109,737,800	105,646,100	
BY FUND SOURCE						
GENERAL FUND	95,636,200	103,646,300	118,163,700	109,737,800	105,646,100	
FEDERAL FUNDS	50,265,900	66,534,200	72,674,800	0	72,674,800	
OTHER NON APPROPRIATED	537,600	950,900	950,900	0	950,900	
PROGRAM TOTAL-ALL SOURCES	146,439,700	171,131,400	191,789,400	109,737,800	179,271,800	

DEPARTMENT: DEPARTMENT OF ECONOMIC SECURITY
COST CENTER: SOCIAL SERVICES

The JLBC Staff recommends a total appropriation of $105,646,100 -- a net increase of $1,999,800 or 1.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- FTE Adjustment
  Reflects a transfer of (26.45) FTE from General Fund sources to federal funding. The state FTE position reduction reflects a federal funding offset of $761,700 received by the department in FY 1992. The FY 1992 appropriation for the Personal Services and Employee Relate Expenditure lines were reduced to reflect the offset, but the state FTE positions were not reduced to reflect the funding source transfer. The Executive does not address the transfer of these positions.
- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0.55%. The recommended rate is lower than the standard rate applied to agencies with this number of FTE positions due to the large number of FTE positions, such as Human Services Specialists, that are exempt from a vacancy factor. The Executive recommends a vacancy factor of 0.55%.
- ERE Rate Changes 258,900
- Professional and Outside Services Reduction (211,900)
  Reflects the department's request to transfer funds to the Children Services special line item. The Executive concurs.
- Adoption Services -0-
  - -- Includes $1,133,900 to fund caseload growth at the current 8.3% growth rate. FY 1986 - FY 1992 caseload growth averages 8.2% annually.
  - -- Includes a decrease of $(1,133,900) in medical costs, which represents approximately 50% of overall program costs. As a result, the overall average cost would decrease by 7.7% for a total average subsidy of $7,426.06 per year. These amounts do not reflect any change in the adoptive parents average cash subsidy, which is adjusted as part of the overall provider increase. The decrease in medical costs reflects the department's establishment of expenditure reduction methods; e.g., fee schedules, more intensive case management, reduced length of stay, and duration of services.
  - -- Includes $30,000 for non-recurring adoption expenses.
  - -- Assumes a total Title IV-E federal contribution of $1,155,500.
  - -- While Adoption Services' status as a statutory entitlement is unclear (A.R.S. § 8-142), the Legislature has by tradition fully funded the program.
  - -- The Executive concurs with the JLBC Staff recommendation.

- Adult Services 826,000
  - -- Includes $47,800 for the state match to comply with federal cost sharing requirements of Title III-B of the Older Americans Act.
  - -- Includes $778,200 to fund a $447,000 deficit and $331,200 to fund FY 1993 estimated caseload and average payment growth in the three Supplemental Payment programs.
  - -- The FY 1992 average cost is based upon DES estimates, which are higher than FY 1992 budgeted amounts. FY 1993 estimated payment increases for Visiting Nurse and Home Health Aid services are based on a 5.6% estimate, which approximates the increase of the FY 1992 payment level over the FY 1991 average payment level.

	Caseload			Average Payment		
	Current Growth Rate	New FY 1993 Caseload	Total FY 1993 Caseload	Estimated Growth Rate	Current Average Payment	1993 Average Payment
Housekeeping	8.8%	339	4,201	0.0%	$69.73	$69.73
Visiting Nurse	0.0	0	354	5.6	71.76	75.78
Home Health Aid	0.0	0	507	5.6	91.07	96.17

  - -- While the Legislature has by tradition fully funded caseload in all 3 programs, DES is only mandated to provide Housekeeping Payments (A.R.S. § 46-252). DES is required to pay any qualified Supplemental Security Income (SSI) recipient $70 a month for housekeeping. The majority of the caseload is given the $70 cash payment, which they then can use to arrange their own housekeeping. The remainder of the caseload receives a contracted service. By negotiating a group rate, DES has been able to provide the contracted service at a cost below the $70 cash payment.
  - -- FY 1986 - FY 1992 caseload growth averaged 10.1% annually.
  - -- The Executive recommends $47,800 for the Older Americans Act state match and caseload growth funding of $549,500 for the Supplemental Payments programs based upon an average caseload of 3,930 clients receiving Housekeeping Services at an average monthly cost of $70.00, 479 receiving Home Health-Aid services at $98.45, and 359 receiving Visiting Nurse services at $75.61. The Executive recommendation was the agency's budget request. The JLBC Staff recommendation is higher as it reflects more recent information and a higher current year deficit.
- Children Services 3,399,000
  - -- Includes $211,900 of a transfer from Professional and Outside Services and $3,187,100 to fund FY 1993 additional services related to caseload growth of 8.5%. More investigations result in the greater use of contracted services such as shelter care, foster care and in-home counseling. In its budget request, DES estimated a 5% increase in Child Protective Services reports "appropriate for investigation." First quarter data indicate an 11.3% growth. Increase in reports "appropriate for investigation" have varied over the years. These

reports increased by 14% during FY 1990 and by 5% during FY 1991. Between FY 1986 and FY 1992, these reports increased at a 7.4% annual rate.

-- Assumes $4,985,100 of federal funds that DES should receive during FY 1993, which includes Title IV-E - $4,200,000; Social Services Block Grant - $330,600; Title IV-B - $267,000, and the Crisis Nursery Grant - $187,500.

-- The Executive recommends a total increase of $1,706,400, or 4.5% overall growth. This amount reflects the $211,900 transfer from Professional and Outside Services to this special line, an increase of $2,517,400 for growth in services provided to children once they are in the Child Protective Services system, and a decrease of $(811,000) which reflects the movement of money from this line to the operating budget to hire 40 FTE positions.

- Comprehensive Medical and Dental Program (1,400,000)

-- Reflects a reduction of $(1,300,000) for the current year surplus, an anticipated growth in expenditures of $1,300,000 and a decrease of $(1,400,000) due to the agency reducing its state share of funding by increasing the number of foster children being determined AHCCCS eligible. The current year surplus may change if the CMDP charges related to EPSDT costs are different than the department's original estimate of $1,000,000. EPSDT is the Early and Periodic, Screening, Diagnosis and Treatment Services mental health program. EPSDT billing from DHS has been slow. In addition, due to the EPSDT program just beginning, little data exists upon which to base projections. Recent information indicates that CMDP is experiencing an increase in a total number of children receiving mental health referrals and an increase in the average length of hospital stays. If these trends continue, the department's current year surplus may be smaller.

-- The department believes that 81% of its foster children are Title XIX (AHCCCS) eligible. The department's data reflects an increase in its AHCCCS eligible children. In July 1991, 62% of its clients were AHCCCS eligible. In December 1991, 68% of foster children were AHCCCS eligible. Growth in Title XIX (AHCCCS) eligible children in CMDP would decrease the DES General Fund needs, but would increase the AHCCCS General Fund budget by approximately $476,000, the state's share, 34% of the $1,400,000.

-- Through better monitoring and review, DES has been able to lower expenditures during FY 1991 and FY 1992 and anticipates maintaining FY 1993 expenditures at FY 1992 levels. The FY 1993 projected average annual cost of $1,774.48 and projected caseload of 5,861 recipients reflect the current year surplus and FY 1993 anticipated growth.

-- Assumes a total other funds contribution of $7,045,300, which includes $4,896,500 -- AHCCCS Capitation and Reinsurance; $952,500 -- ALTCS Capitation and Reinsurance; $1,000,000 -- EPSDT offset; and $196,300 -- Third Party Liability.

-- According to A.R.S. § 8-512, the state shall provide comprehensive medical and dental care to the extent that funds are available.

-- The Executive recommendation maintains the current year appropriation and does not address the department's permanent budget reduction option of lower General Fund expenditures as more foster children are determined AHCCCS eligible.

- Day Care (774,700)
  - -- Includes a $373,100 decrease in the state's required funding match from 37.61% to 34.93% in the federal day care subsidy programs and a $401,600 offset from the use of Social Services Block Grant (SSBG) funding. The department will receive a SSBG increase of slightly less than $1,000,000 for FY 1993. In recent years as the department has received an increase in SSBG funds, it has allocated this increase proportionally to the Councils of Government (COG) and Indian Tribes for local planning activities. The Executive recommends that $401,600, which would be the COG and Indian Tribes proportional share of the FY 1993 SSBG increase, be used to offset Day Care costs. The FY 1993 COG and Indian Tribes SSBG funding level would remain at FY 1992 levels.
  - -- Beginning in FY 1992, five sources fund child care programs: the state appropriation; federal Social Services Block Grant (SSBG); federal Title IV-A for AFDC Employed; federal Title IV-A At Risk; and the new federal Child Care and Development Block Grant (CCDBG). Prior to FY 1991, Day Care was traditionally funded through two sources: a state appropriation and the federal SSBG.
  - -- As these new federal child care programs have been implemented and as families qualify for these new federal programs, the State Day Care caseload has decreased. The department projects FY 1993 monthly estimates of 9,227 children for the State Day Care, 1,507 children in the AFDC-Employed, 7,061 children in the AFDC "At Risk", and 3,633 children in the CCDBG program.
  - -- State Day Care is not a statutory entitlement and gets its legislative authority from the annual General Appropriation Act.
- JOBS Child Care (40,700)
  - -- Reflects the decrease in the state's required funding match from 37.61% to 34.93% in this program. The Executive concurs.
- Transitional Child Care 193,200
  - -- Includes a total increase of $589,800 ($173,500 state share) for a 20.11% growth in the number of children served and $250,000 ($87,300 state share) to cover the department's projected 7.9% increase in monthly child care costs.
  - -- Assumes that the average family co-payment would increase at the projected 7.9% monthly child care cost growth. All families are required to make co-payments based upon a sliding fee schedule.
  - -- Families are eligible for up to 12 months of child care benefits if they received AFDC benefits for three of the six months prior to ineligibility and are ineligible for AFDC due to increased hours of, or income from, employment or the loss of the employment disregard.
  - -- Includes a decrease of $(67,600) to reflect the decrease in the state's required funding match. The state's required participation rate decreased from 37.61% to 34.93%.

-- The Executive recommends an increase of $243,200 which reflects a) $223,500 for a 25.37% growth in the number of children served, b) $87,300 for a 7.9% increase in monthly child care costs and c) a decrease of $(67,600) to reflect the state's lower required federal match. The JLBC Staff recommendation reflects recent data that indicates a lower number of children are being served than the department originally projected for FY 1992.

- Institutional Support Payments -0-
  - -- DES estimates no change in caseloads or payments for FY 1993.
  - -- DES is required to fund all eligible recipients (A.R.S. § 46-252).
  - -- The Executive concurs.
- Offset General Fund Monies in Intensive Family Services (250,000)

  The recommendation would reduce the Intensive Family Services line by using $250,000 of the available balance in the agency's non-appropriated Child Abuse Prevention (CAP) Fund. Based on data provided by DES, the fund is projected to have a $1,058,800 balance forward at the end of FY 1993. It is unclear if statutory changes would be necessary to use these monies. The Intensive Family Services program was funded through the CAP fund during FY 1990, its start-up year. The Executive does not address this issue.

Other Issues for Legislative Consideration

- Adult Protective Services

  The Executive recommends $735,400 and 14 FTE positions to maintain Adult Protective Services' investigation rates at current levels. The Executive assumptions are based on the department's projections of a 20.7% increase in number of abuse and neglect reports in FY 1992 and an 8.8% increase in FY 1993. The Executive projects these high percentages due to heightened attention on elderly abuse as licensure requirements increase and as more elderly require long term care services. In FY 1990, however, abuse reports grew by 1.9% and in FY 1991 decreased by (2.4)%. FY 1986 - FY 1992 report growth averaged 6.3% annually.
- Child Protective Services

  The Executive recommends $2,637,000 and 58 FTE positions for half-year funding to maintain Child Protective Services' (CPS) investigation rates at current levels. The Executive states that it assumes an 11% caseload growth. The department's budget request projected a 5% percent increase and based its request on this assumption. To full-year fund, another $2,637,000 would be necessary.

  Historical data do not provide evidence that more staff will improve the department's investigation rate. Although FY 1990 reports increased by 14.1% and no new staff were provided, CPS raised its investigation rate to 87.3% from its FY 1989 rate of 85.6%. After an influx of 51 CPS FTE case management positions in FY 1991 and a 4.1% increase in reports, the department raised its investigation rate to 88.7%. Data for the first 3 months of FY 1992 indicate the department is maintaining an 88.0% investigation rate with no increased staff in FY 1992 and 11.3% growth in reports.

- Family Reunification - Adding 40 FTE Positions

  The Executive recommends the transfer of $1,022,900 from the Children Services special line item to the above the line operating budget to hire 40 FTE positions. The Executive recommendation will provide only 75% of the Personal Services, ERE and Other Operating Expenditures for the 40 FTE positions. To fully fund the 40 FTE positions an additional $232,000 would need to be transferred from the Children Services line.

  The Executive argues this transfer is needed to meet mandates requiring "reasonable efforts" to reunify children with their families when removal from their homes is necessary to protect the children from abuse. The "reasonable efforts" mandates are not new and funding for services to meet "reasonable efforts" for family reunification, such as visitation, has been funded through the Children Services special line item. The Executive argues that Human Service Workers (HSW) II positions are necessary to ensure that reasonable efforts for family reunification are met. The JLBC Staff recommends continuing to use the monies in the Children Services special line item for contracted services to provide parent aides to provide for transportation and visitation services.

- Intensive Family Services

  The Executive recommends $293,800 to expand the Intensive Family Services program. The program consists of contracted teams to target families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. A team consists of 1 Parent Aide, 1 Counselor and 1 Coordinator. Services provided by the teams are to be intensive, time-limited (6 to 8 weeks) and geared toward keeping the child in the home. The program emphasizes in-home crisis intervention and parent education.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	7.00	7.00	7.00	7.00	7.00	
OPERATING BUDGET						
PERSONAL SERVICES	70,200	206,400	206,400	206,400	206,400	
EMPLOYEE RELATED EXP	15,000	47,500	54,600	48,300	48,600	
PROFESSIONAL/OUTSIDE SVCS	0	57,100	57,100	57,100	57,100	
TRAVEL - IN STATE	16,200	60,400	60,400	60,400	60,400	
TRAVEL - OUT OF STATE	2,900	6,500	6,500	6,500	6,500	
OTHER OPERATING EXP	48,600	49,200	49,200	49,200	49,200	
ALL OTHER OPERATING	67,700	173,200	173,200	173,200	173,200	
PROGRAM TOTAL	152,900	427,100	434,200	427,900	428,200	
BY FUND SOURCE						
OTHER FUNDS	152,900	427,100	434,200	427,900	428,200	
PROGRAM TOTAL-ALL SOURCES	152,900	427,100	434,200	427,900	428,200	

The JLBC Staff recommends a total appropriation of $428,200 -- a net increase of $1,100, or 0.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $1,100

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	118.10	113.20	171.40	113.20	113.20	
OPERATING BUDGET						
PERSONAL SERVICES	2,214,200	2,403,800	3,571,200	2,403,800	2,403,800	
EMPLOYEE RELATED EXP	513,200	592,300	985,000	644,100	608,800	
PROFESSIONAL/OUTSIDE SVCS	38,800	43,800	60,600	45,900	45,900	
TRAVEL - IN STATE	47,500	39,900	84,000	39,900	39,900	
TRAVEL - OUT OF STATE	0	0	4,600	0	0	
OTHER OPERATING EXP	296,700	244,500	830,100	244,500	244,500	
EQUIPMENT	21,500	0	67,300	0	0	
ALL OTHER OPERATING	404,500	328,200	1,046,600	330,300	330,300	
OPERATING SUBTOTAL	3,131,900	3,324,300	5,602,800	3,378,200	3,342,900	
SPECIAL LINE ITEMS						
IND LIVING REHAB SVCS	552,100	552,700	552,700	552,700	552,700	
VOCATIONAL REHAB SERVICES	1,904,100	1,800,000	1,800,000	1,800,000	1,900,000	
JOB SEARCH STIPENDS	171,500	139,100	267,600	139,100	139,100	
NAVAJO EMPLOYMENT SERVICE	233,900	234,000	238,700	237,400	239,500	
OTHER RECEIPTS	-799,400	-1,000,000	-1,000,000	-2,000,000	-2,000,000	
JOBS	814,100	3,338,500	4,731,000	3,338,500	2,988,500	
SPECIAL ITEM SUBTOTAL	2,876,300	5,064,300	6,590,000	4,067,700	3,819,800	
PROGRAM TOTAL	6,008,200	8,388,600	12,192,800	7,445,900	7,162,700	

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

JLBC ANALYST: CAWLEY/SIEGWARTH
OSPB ANALYST: CHIFFELLE

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,008,200	8,388,600	12,192,800	7,445,900	7,162,700	
FEDERAL FUNDS	96,474,800	113,863,000	117,485,800	0	117,485,800	
OTHER NON APPROPRIATED	192,809,600	183,401,600	183,401,600	0	183,401,600	
PROGRAM TOTAL-ALL SOURCES	295,292,600	305,653,200	313,080,200	7,445,900	308,050,100	

The JLBC Staff recommends a total appropriation of $7,162,700 -- a net decrease of $(1,225,900), or (14.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 1.7%. The Executive recommends a vacancy factor of 1.7%.
- ERE Rate Changes — 16,500
- Professional and Outside Services - Medical Inflation Adjustment — 2,100
  The Executive concurs.
- Navajo Employment Services — 5,500
  Includes an ERE rate change for the 8 FTE positions funded in this line. The Executive recommends $3,400 for the ERE rate change.
- Special Administration Fund Offset — (1,000,000)
  Reflects an increase in the Special Administration Fund offset from $1,000,000 to $2,000,000. The Special Administration Fund consists of penalties collected for late payment of unemployment compensation charges. The federal government permits states flexibility in their use of these funds. Along with the beginning balance, the Fund is expected to generate $3,589,100 in available revenue in FY 1993. Information provided by the agency indicates that this proposal and other planned expenditures would leave the fund with a FY 1993 ending balance of $190,700. The Executive concurs.

- JOBS Surplus (350,000)

  The JLBC Staff recommends a decrease of $350,000. The department's FY 1992 expenditure data through November 1992 indicates a $1,000,000 surplus. Since the department must implement the single parent program statewide by October 1, 1992, the FY 1993 recommendation does not decrease the appropriation by the full surplus amount. Currently, the single parent program is implemented in Maricopa, Pima, and Pinal Counties. Based upon the past two year's of experience, the department has experienced difficulties in the early stages of implementation and has not expended its full appropriations. Therefore, JLBC Staff assumes the department will be able to implement the single parent family statewide by October 1, 1992 with an increase of $650,000 above FY 1992 estimated expenditures.

- Increase Vocational Rehabilitation Services 100,000

  The recommendation reflects an anticipated increase of $3,000,000 federal vocational rehabilitation grant monies. To ensure capturing a portion of the available federal monies, this line has been increased. The state share is matched by an approximate 80% federal match. As noted in Developmental Disabilities and Long Term Care, monies from these programs will also be utilized in capturing a portion of the new federal money.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ENVIRON QUALITY
COST CENTER: DEPT OF ENVIRON QUALITY

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	258.00	288.30	286.30	288.30	318.30	
OPERATING BUDGET						
PERSONAL SERVICES	6,407,800	7,124,900	7,114,100	7,040,800	6,363,400	
EMPLOYEE RELATED EXP	1,427,300	1,600,100	1,793,000	1,651,500	1,457,300	
PROFESSIONAL/OUTSIDE SVCS	597,400	214,400	214,400	216,900	216,900	
TRAVEL - IN STATE	191,600	232,600	232,600	229,700	215,100	
TRAVEL - OUT OF STATE	28,400	18,200	18,200	18,200	18,200	
OTHER OPERATING EXP	1,213,200	1,485,600	1,482,300	1,485,300	1,386,200	
EQUIPMENT	169,900	196,500	65,700	65,700	65,700	
ALL OTHER OPERATING	2,200,500	2,147,300	2,013,200	2,015,800	1,902,100	
OPERATING SUBTOTAL	10,035,600	10,872,300	10,920,300	10,708,100	9,722,800	
SPECIAL LINE ITEMS						
SPECIAL AND HAZ WASTE	0	0	0	1,240,800	0	
SPECIAL WASTE	0	435,500	622,700	0	601,100	
POLUTION PREVENTION	0	399,900	636,600	0	642,500	
USED OIL	0	0	84,600	0	83,500	
AQUIFER PROTECTN PERMITS	0	0	0	0	1,206,800	
AIR PERMITS ADMIN	0	0	0	0	178,000	
RADIATION PROGRAMS	0	0	0	0	931,000	
SPECIAL ITEM SUBTOTAL	0	835,400	1,343,900	1,240,800	3,642,900	
PROGRAM TOTAL	10,035,600	11,707,700	12,264,200	11,948,900	13,365,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF ENVIRON QUALITY
COST CENTER: DEPT OF ENVIRON QUALITY

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	10,035,600	11,602,900	12,179,600	11,948,900	11,108,400	
OTHER FUNDS	0	104,800	84,600	0	2,257,300	
FEDERAL FUNDS	6,696,700	23,627,400	23,627,400	0	23,805,000	
OTHER NON APPROPRIATED	9,786,200	62,133,900	37,869,700	0	38,269,100	
PROGRAM TOTAL-ALL SOURCES	26,518,500	97,469,000	73,761,300	11,948,900	75,439,800	

The JLBC Staff recommends a total appropriation of $13,365,700 -- a net increase of $1,658,000, or 14.2%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $11,108,400 -- a net decrease of $(494,500), or (4.3)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (70,200)
  Includes a new vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes 31,600
- Special Waste Program 165,600
  Chapter 315, 40th Leg., 1st Reg. Session provided a start-up General Fund appropriation of $435,500 and created 14.5 FTE positions to begin the special waste program in FY 1992. The JLBC Staff recommends an additional $165,600 to annualize the program in FY 1993. Office set-up and capital equipment costs are eliminated and the positions are funded for a full year. The total special waste program cost will be $601,100, which includes department overhead expenses and a 3% vacancy factor. The Executive recommends $617,900 from the General Fund, an increase of $182,400 from FY 1992.

Chapter 315 imposes a disposal fee for special wastes. The fees are to be deposited to the Special Waste Fund. The revenues are not available to fund the 14.5 FTE positions, however, as Chapter 315 requires the Special Waste Fund to repay the FY 1992 General Fund start-up appropriation. We estimate that, for FY 1993, the Special Waste Fund will have sufficient revenues to repay $110,000 of the $435,500 start-up amount.

- Pollution Prevention Program — 242,600

  Chapter 315, 40th Leg., 1st Reg. Session provided a start-up General Fund appropriation of $399,900 and created 15.5 FTE positions to begin the pollution prevention program in FY 1992. The JLBC Staff recommends shifting this cost to the Hazardous Waste Fund in FY 1993 and appropriating an additional $242,600 from the Hazardous Waste Fund to annualize the program. Office set-up and capital equipment costs are eliminated and the positions are funded for a full year. The total pollution prevention program cost is $642,500, which includes department overhead costs and a 3% vacancy factor. The Executive recommends $622,900 from the General Fund, an increase of $223,000 from FY 1992.

  Chapter 315 imposes fees related to hazardous waste generation and management. These fees are to be deposited to the Hazardous Waste Fund. We estimate that revenues will be sufficient to support the entire program cost and to repay $177,300 of the $399,900 start-up appropriation.

- Aquifer Protection Permits — 402,300

  Chapter 280, 40th Leg., 1st Regular Session created 10 FTE positions in the Water Quality Assurance Revolving Fund (WQARF). The JLBC Staff recommends an appropriation of $402,300 from the WQARF to continue these 10 positions. In addition, this recommendation shifts 20 existing APP positions and $804,500 from the General Fund to the WQARF.

  This recommendation requires a statutory change. Chapter 280 provided for fee revisions to allow full APP cost recovery, but the APP fees currently are deposited to the General Fund. For this recommendation, the deposit of fees must be changed to the WQARF. Note that funding is not included here for indirect department costs.

- Used Oil — 45,800

  The JLBC Staff recommends adding one new FTE and $45,800 to be appropriated from the Used Oil Fund which was created last year. Also, we recommend shifting the existing General Fund used oil program position and $37,700 to the Used Oil Fund. The total Used Oil Fund appropriation would be 2 FTE positions and $83,500.

- Radiation Regulatory Programs — 931,000

  The JLBC Staff recommends transferring the Arizona Radiation Regulatory Agency functions to DEQ's Office of Waste Programs. With only three nuclear reactors and no nuclear waste site, Arizona has no clear need for an independent radiation agency. The transfer will save the General Fund $(100,900). The amount includes full funding for 19 FTE positions and the radiation laboratory. Of the amount, $836,900 and 17 FTE positions are from the General Fund and 2 FTE positions and $94,100 are from the Medical Radiologic Technology Board Fund.

- Air Quality Fee Fund -0-
  The recommendation continues to fund 3 FTE positions in the Office of Air Quality from the Air Quality Fee Fund. The amount of $104,800 includes $83,700 for Personal Services, $19,200 for ERE, and $3,300 for operating expenditures.

- Air Quality Permits Administration Fund -0-
  Chapter 283, 40th Leg., 1st Regular Session created the Permits Administration Fund consisting of fees and penalties related to air quality permits. The fund is to support permit processing and other program costs. The JLBC Staff recommends that 4 existing permit staff FTE positions and $178,000 be shifted from the General Fund to the Permits Administration Fund and that this fund be made subject to appropriation. The net impact to the Department's appropriation is $0.
- Rent - Tucson State Office Building 37,600
  Provides $37,600 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.
- Other Adjustments (128,300)
  This includes a $2,500 increase for medical inflation, and $(130,800) for reduced capitalized equipment. The Executive concurs with these adjustments but also adds $3,000 for utilities inflation and reduces Travel--In State by $(2,900).

Other Issues for Legislative Consideration

- DEQ Building Fund
  As part of the new lease agreement, DEQ's new landlord paid approximately $1 million to DEQ for modular furniture systems. DEQ deposited this payment, as well as additional monies from its non-appropriated funds, to an administratively created Building Fund. The Building Fund was not subject to appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,670.90	1,717.81	1,759.41	1,711.81	1,621.06	
BY PROGRAM/ORGANIZATION						
OFFICE OF THE DIRECTOR	9,860,300	10,411,900	11,740,000	10,985,300	11,164,900	
EMS/HEALTH CARE FACIL	6,295,300	7,415,600	7,906,800	7,084,000	6,929,400	
DISEASE PREVENTION SVCS	5,942,200	6,502,900	7,559,100	6,718,000	6,484,200	
FAMILY HEALTH	12,395,600	30,728,900	33,510,000	30,253,700	30,028,600	
BEHAVIORAL HEALTH	104,335,500	143,985,700	166,943,200	153,234,500	157,599,500	
DIVISION OF LAB SERVICES	2,521,400	2,704,900	4,201,400	3,258,300	2,713,400	
AGENCY TOTAL	141,350,300	201,749,900	231,860,500	211,533,800	214,920,000	
OPERATING BUDGET						
PERSONAL SERVICES	33,425,600	36,398,500	39,009,700	36,922,400	33,509,600	
EMPLOYEE RELATED EXP	8,306,400	10,108,500	12,153,600	10,202,200	9,131,200	
PROFESSIONAL/OUTSIDE SVCS	3,285,400	4,308,300	4,852,400	4,224,300	4,059,100	
TRAVEL - IN STATE	311,900	478,300	530,600	517,800	471,700	
TRAVEL - OUT OF STATE	39,800	58,100	63,800	58,700	58,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
OTHER OPERATING EXP	7,505,000	8,554,100	9,142,600	8,615,700	9,310,100	
FOOD	765,000	1,129,400	1,129,400	1,129,400	790,900	
EQUIPMENT	653,600	546,600	1,783,000	837,200	544,600	
ALL OTHER OPERATING	12,560,700	15,074,800	17,501,800	15,383,100	15,234,500	
OPERATING SUBTOTAL	54,292,700	61,581,800	68,665,100	62,507,700	57,875,300	
SPECIAL LINE ITEMS						
AHCCCS-CRS	0	9,001,100	9,481,100	9,352,200	8,452,300	
BLOOD AND ALCOHOL PROGRAM	0	67,700	77,200	67,700	67,700	
LAB RENOVATION/EXPANSION	0	0	0	362,600	0	
EMS PROVIDER CONTRACTS	381,200	400,000	400,000	400,000	316,000	
ARIZONA POISON CONTROL	450,000	450,000	0	450,000	450,000	
STATE EMS SPEC. PROJECTS	144,900	200,000	200,000	200,000	158,000	
AMBULANCE REPLACEMENT	142,100	150,000	150,000	150,000	118,500	
EMSCOM DEVELOPMENT	100,000	100,000	100,000	100,000	79,000	
EMER MED SVCS OPER FUND	1,517,100	1,647,500	1,515,200	1,022,100	1,258,800	
CMI PILOT PROGRAM	1,782,200	6,125,000	6,125,000	0	0	
EMS REGIONAL COORD. SYS.	0	0	200,000	150,000	120,000	
REGION RESID./PSYCH. BEDS	3,725,900	5,713,500	5,713,500	5,713,500	5,713,500	
CHILDREN'S BEH. HLTH SVCS	18,500,100	12,961,300	12,853,100	12,826,000	11,961,300	
CHRON. MENTALLY ILL SVCS	21,511,600	39,539,000	54,410,900	53,310,700	60,435,800	
MENTAL HEALTH SERVICES	9,603,700	9,965,300	9,897,600	9,893,100	9,965,300	
SUBSTANCE ABUSE	12,537,400	13,145,500	13,060,900	13,055,200	13,645,500	
DIRECT GRANTS	578,000	578,000	578,000	578,000	578,000	
REIMBURSEMENT TO COUNTIES	700,000	396,300	396,300	396,300	396,300	
TB PROVIDER HOSPITAL CARE	793,300	873,300	873,300	873,300	873,300	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SEX TRANS. DIS. CONTROL	67,900	76,800	76,800	76,800	76,800	
AIDS REPORT/SURVEILLANCE	104,400	125,000	125,000	125,000	125,000	
VACCINES	2,125,100	2,125,100	2,766,600	2,325,100	2,125,100	
KIDNEY PROGRAM	100,000	100,000	100,000	100,000	100,000	
HEALTH EFFECTS STUDIES	89,500	158,000	158,000	158,000	158,000	
CHRONIC DISEASE SURVEILL.	140,400	193,200	0	0	193,200	
ADULT CYSTIC FIBROSIS	212,600	221,400	221,400	221,400	221,400	
ADULT SICKLE CELL ANEMIA	17,300	69,400	69,400	69,400	69,400	
INFORMATION/REFERRAL SVC.	50,700	52,100	52,100	52,100	52,100	
CHILD REHAB. SERVICES	5,836,700	10,521,400	11,321,400	10,329,000	10,332,900	
NEWBORN INTENSIVE CARE	2,387,500	5,153,500	5,153,500	4,653,500	5,153,500	
PERINATAL CARE SERVICES	205,800	269,400	269,400	1,541,900	269,400	
TEEN PRENATAL EXPRESS	561,500	1,072,500	2,191,200	0	1,123,300	
RURAL OBSTETRIC SERVICES	73,200	195,000	195,000	0	195,000	
MED. MALPRACTICE/OBSTET.	0	205,000	205,000	200,000	205,000	
NUTRITION SUBVENTIONS	297,100	330,100	330,100	330,100	330,100	
RELOCATE VITAL RECORDS	0	190,500	190,500	0	0	
PRENATAL OUTREACH	0	100,000	200,000	0	100,000	
CMI MEDICATIONS	1,300,000	2,415,000	2,415,000	2,415,000	2,535,800	
TRANSITIONAL LIVING UNIT	351,800	395,300	435,800	395,300	395,300	
GERIATRIC RESIDENTL BEDS	0	0	4,380,000	2,200,000	3,285,000	
WOMENS SUB ABUSE RES TRMT	0	0	1,095,000	0	0	
CANCER/BIRTH DEFECT R	0	0	0	193,200	0	
EPSDT ADMIN	668,600	746,800	948,500	600,500	746,800	
CMI CLOZARIL PROGRAM	0	500,000	500,000	500,000	523,200	
DRUG ABUSE WAITING LIST	0	500,000	500,000	500,000	0	
EPSDT-DES	0	1,038,000	1,038,000	1,038,000	1,038,000	
SER EMOTION. HAND. CHILD	0	4,332,200	4,332,200	4,332,200	4,332,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
WIC SUPPLEMENTAL	0	1,000,000	1,000,000	1,000,000	1,000,000	
CHILDREN'S MATCH (XIX)	0	6,768,900	6,774,100	6,768,900	7,768,900	
PRENATAL SCRNG FOR HEP. B	0	0	119,300	0	0	
SPECIAL ITEM SUBTOTAL	87,057,600	140,168,100	163,195,400	149,026,100	157,044,700	
A G E N C Y T O T A L	141,350,300	201,749,900	231,860,500	211,533,800	214,920,000	
BY FUND SOURCE						
GENERAL FUND	139,065,000	198,802,400	229,295,300	209,061,700	200,319,700	
OTHER FUNDS	2,285,300	2,947,500	2,565,200	2,472,100	14,600,300	
FEDERAL FUNDS	55,915,700	61,956,900	61,201,800	0	61,201,800	
OTHER NON APPROPRIATED	5,910,900	6,625,100	6,222,400	0	6,222,400	
AGENCY TOTAL-ALL SOURCES	203,176,900	270,331,900	299,284,700	211,533,800	282,344,200	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: SUMMARY

The JLBC Staff recommends a total appropriation of $214,920,000 -- a net increase of $13,170,100, or 6.5%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $200,319,700 -- a net increase of $1,517,300, or 0.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (601,400)
• ERE Rate Changes	(156,300)
• Reduced Equipment Costs	(2,000)
• 5% Medical Inflation	381,200
• Increased Rent Costs	836,600
• Increase in CMI Program	10,500,000
• Funding of 45 Community Geriatric Beds in Lieu of a Higher ASH Census	3,285,000
• Close SAMHC and Provide Services Through Community Providers	-0-
• Disproportionate Share Funds -Increase to ASH Other Operating Expenditures	500,000
• Reallocation of CRS Costs to Federal Funds	(737,300)
• Reduction in Food Costs	(338,500)
• One Time Costs to Relocate Vital Records	(50,000)
• Reductions in EMS Operating Fund Expenditures	(567,200)
• Funding of EMS Regional Council Contracts	120,000

Other Issues for Legislative Consideration

- Intra-Department FTE Transfers

  The Executive recommended transferring 4 FTE positions from the Behavioral Health program and 12 FTE positions from the Emergency Medical Services/Health Care Facilities Program to the Office of the Director. The Executive also recommended transferring 14 FTE positions from the Behavioral Health program to the Emergency Medical Services/Health Care Facilities program. The Executive estimates $17,100 in savings associated with technical recalculation of ERE rates. These transfers were recommended in order to consolidate all licensure functions in one division.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	182.00	184.00	200.00	200.00	184.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,372,300	4,657,700	5,165,400	5,058,100	4,606,100	
EMPLOYEE RELATED EXP	1,012,400	1,101,500	1,370,300	1,252,900	1,119,500	
PROFESSIONAL/OUTSIDE SVCS	405,200	723,300	923,500	723,300	723,300	
TRAVEL - IN STATE	22,000	40,600	46,300	46,300	40,600	
TRAVEL - OUT OF STATE	4,600	5,600	5,600	5,600	5,600	
OTHER OPERATING EXP	2,483,200	2,592,400	2,698,400	2,857,200	3,569,500	
EQUIPMENT	282,600	126,000	365,700	67,600	126,000	
ALL OTHER OPERATING	3,197,600	3,487,900	4,039,500	3,700,000	4,465,000	
OPERATING SUBTOTAL	8,582,300	9,247,100	10,575,200	10,011,000	10,190,600	
SPECIAL LINE ITEMS						
DIRECT GRANTS	578,000	578,000	578,000	578,000	578,000	
REIMBURSEMENT TO COUNTIES	700,000	396,300	396,300	396,300	396,300	
RELOCATE VITAL RECORDS	0	190,500	190,500	0	0	
SPECIAL ITEM SUBTOTAL	1,278,000	1,164,800	1,164,800	974,300	974,300	
PROGRAM TOTAL	9,860,300	10,411,900	11,740,000	10,985,300	11,164,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	9,860,300	10,411,900	11,740,000	10,985,300	11,164,900	
FEDERAL FUNDS	242,800	300,400	308,700	0	308,700	
OTHER NON APPROPRIATED	2,268,100	3,158,200	2,797,200	0	2,797,200	
PROGRAM TOTAL-ALL SOURCES	12,371,200	13,870,500	14,845,900	10,985,300	14,270,800	

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

The JLBC Staff recommends a total appropriation of $11,164,900 -- a net increase of $753,000, or 7.2%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(64,100)
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.9%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 30,500
- Rent - State Owned Buildings 796,200
  Includes reinstatement of General Fund rent in the amount of $1,061,600 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Of that amount $265,400 will be paid from federal funds. Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Rent - Tucson State Office Building 40,400
  Provides $118,900 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.
- Relocate Vital Records (50,000)
  The JLBC Staff recommends eliminating $50,000 in one-time costs and moving the remaining $140,500 to Other Operating Expenditures for on-going costs of the new records facility. The Executive recommended that $190,500 be moved to the Other Operating Expenditures line item.

Other Issues for Legislative Consideration

- Intra-Department of FTE Transfers
  The Executive recommended 16 FTE positions be transferred to the Office of the Director. For a full description of this issue, please turn to the agency summary pages.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	154.50	160.10	168.70	156.10	149.10	
OPERATING BUDGET						
PERSONAL SERVICES	2,111,600	2,625,100	3,145,100	2,848,000	2,609,700	
EMPLOYEE RELATED EXP	519,700	834,700	1,125,000	771,700	811,100	
PROFESSIONAL/OUTSIDE SVCS	64,800	84,500	100,500	100,500	84,500	
TRAVEL - IN STATE	93,300	136,100	171,900	171,900	136,100	
TRAVEL - OUT OF STATE	4,500	11,200	11,800	11,800	11,200	
OTHER OPERATING EXP	626,200	776,500	774,500	695,200	776,500	
EQUIPMENT	139,900	0	12,800	12,800	0	
ALL OTHER OPERATING	928,700	1,008,300	1,071,500	992,200	1,008,300	
OPERATING SUBTOTAL	3,560,000	4,468,100	5,341,600	4,611,900	4,429,100	
SPECIAL LINE ITEMS						
EMS PROVIDER CONTRACTS	381,200	400,000	400,000	400,000	316,000	
ARIZONA POISON CONTROL	450,000	450,000	0	450,000	450,000	
STATE EMS SPEC. PROJECTS	144,900	200,000	200,000	200,000	158,000	
AMBULANCE REPLACEMENT	142,100	150,000	150,000	150,000	118,500	
EMSCOM DEVELOPMENT	100,000	100,000	100,000	100,000	79,000	
EMER MED SVCS OPER FUND	1,517,100	1,647,500	1,515,200	1,022,100	1,258,800	
EMS REGIONAL COORD. SYS.	0	0	200,000	150,000	120,000	
SPECIAL ITEM SUBTOTAL	2,735,300	2,947,500	2,565,200	2,472,100	2,500,300	
PROGRAM TOTAL	6,295,300	7,415,600	7,906,800	7,084,000	6,929,400	

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	4,010,000	4,468,100	5,341,600	4,611,900	4,429,100	
OTHER FUNDS	2,285,300	2,947,500	2,565,200	2,472,100	2,500,300	
FEDERAL FUNDS	2,298,500	3,570,800	3,834,400	0	3,834,400	
OTHER NON APPROPRIATED	0	15,500	0	0	0	
PROGRAM TOTAL-ALL SOURCES	8,593,800	11,001,900	11,741,200	7,084,000	10,763,800	

The JLBC Staff recommends a total appropriation of $6,929,400 -- a net decrease of $(486,200), or (6.6)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $4,429,100 -- a net decrease of $(39,000), or (0.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (20,200)

  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes (18,800)
- Emergency Medical Services Operating Fund (447,200)

  The Emergency Medical Services Operating Fund is experiencing declining available funds. Concurrently, many FTE positions have been left unfilled, and contracts with the EMS Regional Councils are planned to be re-established. The JLBC Staff recommends the changes shown below in order to accomplish the following objectives:
  -- Maintain expenditures within available funds;
  -- Provide funding for EMS Regional Councils contracts; and
  -- Eliminate excess administrative overhead.

  These changes represent a 21% across the board cut excluding the Arizona Poison Control program, and the addition of $120,000 for the Regional Councils. It is important to mention that availability of funds in the EMS Operating Fund will again decline by approximately $400,000, or 15%, in FY 1994.

-- Personal Services and ERE Adjustments in the EMS Operating Fund	$ (3,400)
-- EMS Operating Fund - Position Reduction The JLBC Staff recommends the elimination of 11 FTE positions and a 21% reduction in All Other Operating Expenditures. This reduction is necessary in order to stay within the amount of funds available in this fund, and also reduces excess administrative staff.	(319,600)
-- 21% across the board cut in EMS Operating Fund - All Other Operating	(65,700)
-- 21% reduction in 4 Below-The-Line Items These reductions are in EMS Provider Contracts, State EMS Special Projects, Ambulance Replacement and EMSCOM Operating Fund.	(178,500)
-- Funding of EMS Regional Councils This provides funding for contracting with EMS Regional Councils.	120,000

Other Issues for Legislative Consideration

- Intra-Department FTE Transfers
  The Executive recommends transferring 12 FTE positions from this program to the Office of the Director, and transferring 14 FTE positions to this program from the Behavioral Health Program. For a full description of this issue, please turn to the agency summary pages.
- Inter-Department FTE Transfers
  The Executive recommends transferring 5 FTE positions from the Arizona Health Care Cost Containment System (AHCCCS) to this program within the Department of Health Services. The reason for this transfer and the exact duties of these 5 FTE positions needs to be clarified.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	77.00	76.00	89.00	76.00	76.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,618,200	1,680,800	1,980,100	1,681,700	1,672,300	
EMPLOYEE RELATED EXP	378,700	429,700	569,600	456,800	417,700	
PROFESSIONAL/OUTSIDE SVCS	71,700	121,500	165,300	121,500	121,500	
TRAVEL - IN STATE	50,300	76,600	88,400	76,600	76,600	
TRAVEL - OUT OF STATE	6,100	18,000	21,700	18,000	18,000	
OTHER OPERATING EXP	381,100	463,700	535,300	450,800	465,500	
EQUIPMENT	15,500	61,200	99,000	61,200	61,200	
ALL OTHER OPERATING	524,700	741,000	909,700	728,100	742,800	
OPERATING SUBTOTAL	2,521,600	2,851,500	3,459,400	2,866,600	2,832,800	
SPECIAL LINE ITEMS						
TB PROVIDER HOSPITAL CARE	793,300	873,300	873,300	873,300	873,300	
SEX TRANS. DIS. CONTROL	67,900	76,800	76,800	76,800	76,800	
AIDS REPORT/SURVEILLANCE	104,400	125,000	125,000	125,000	125,000	
VACCINES	2,125,100	2,125,100	2,766,600	2,325,100	2,125,100	
KIDNEY PROGRAM	100,000	100,000	100,000	100,000	100,000	
HEALTH EFFECTS STUDIES	89,500	158,000	158,000	158,000	158,000	
CHRONIC DISEASE SURVEILL.	140,400	193,200	0	0	193,200	
CANCER/BIRTH DEFECT R	0	0	0	193,200	0	
SPECIAL ITEM SUBTOTAL	3,420,600	3,651,400	4,099,700	3,851,400	3,651,400	
PROGRAM TOTAL	5,942,200	6,502,900	7,559,100	6,718,000	6,484,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	5,942,200	6,502,900	7,559,100	6,718,000	6,484,200	
FEDERAL FUNDS	4,433,700	5,998,400	5,998,400	0	5,998,400	
OTHER NON APPROPRIATED	4,800	9,000	9,000	0	9,000	
PROGRAM TOTAL-ALL SOURCES	10,380,700	12,510,300	13,566,500	6,718,000	12,491,600	

The JLBC Staff recommends a total appropriation of $6,484,200 -- a net decrease of $(18,700), or (0.3)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(10,700)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes (9,800)
- 5% Medical Inflation 1,800

Other Issues for Legislative Consideration

- Two-Dose Measles Immunization
  The Executive recommended $200,000 in General Fund monies to implement two-dose measles immunization for children entering primary school in 1992. The department had originally requested $654,700 for this issue, and the Executive recommendation is premised on finding the balance of $454,700 in federal grants.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	102.00	85.75	86.75	85.75	85.75	
OPERATING BUDGET						
PERSONAL SERVICES	1,764,900	1,578,200	1,661,000	1,578,200	1,568,300	
EMPLOYEE RELATED EXP	415,800	384,800	456,700	391,100	381,300	
PROFESSIONAL/OUTSIDE SVCS	128,900	118,800	118,800	118,800	119,100	
TRAVEL - IN STATE	66,000	94,700	94,700	94,700	94,700	
TRAVEL - OUT OF STATE	3,000	2,700	2,700	2,700	2,700	
OTHER OPERATING EXP	374,600	353,800	364,200	318,600	355,100	
EQUIPMENT	0	5,000	3,000	0	3,000	
ALL OTHER OPERATING	572,500	575,000	583,400	534,800	574,600	
OPERATING SUBTOTAL	2,753,200	2,538,000	2,701,100	2,504,100	2,524,200	
SPECIAL LINE ITEMS						
AHCCCS-CRS	0	9,001,100	9,481,100	9,352,200	8,452,300	
ADULT CYSTIC FIBROSIS	212,600	221,400	221,400	221,400	221,400	
ADULT SICKLE CELL ANEMIA	17,300	69,400	69,400	69,400	69,400	
INFORMATION/REFERRAL SVC.	50,700	52,100	52,100	52,100	52,100	
CHILD REHAB. SERVICES	5,836,700	10,521,400	11,321,400	10,329,000	10,332,900	
NEWBORN INTENSIVE CARE	2,387,500	5,153,500	5,153,500	4,653,500	5,153,500	
PERINATAL CARE SERVICES	205,800	269,400	269,400	1,541,900	269,400	
TEEN PRENATAL EXPRESS	561,500	1,072,500	2,191,200	0	1,123,300	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
RURAL OBSTETRIC SERVICES	73,200	195,000	195,000	0	195,000	
MED. MALPRACTICE/OBSTET.	0	205,000	205,000	200,000	205,000	
NUTRITION SUBVENTIONS	297,100	330,100	330,100	330,100	330,100	
PRENATAL OUTREACH	0	100,000	200,000	0	100,000	
WIC SUPPLEMENTAL	0	1,000,000	1,000,000	1,000,000	1,000,000	
PRENATAL SCRNG FOR HEP. B	0	0	119,300	0	0	
SPECIAL ITEM SUBTOTAL	9,642,400	28,190,900	30,808,900	27,749,600	27,504,400	
PROGRAM TOTAL	12,395,600	30,728,900	33,510,000	30,253,700	30,028,600	
BY FUND SOURCE						
GENERAL FUND	12,395,600	30,728,900	33,510,000	30,253,700	30,028,600	
FEDERAL FUNDS	27,637,400	32,482,900	32,357,900	0	32,357,900	
OTHER NON APPROPRIATED	56,400	293,900	176,100	0	176,100	
PROGRAM TOTAL-ALL SOURCES	40,089,400	63,505,700	66,044,000	30,253,700	62,562,600	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: FAMILY HEALTH

The JLBC Staff recommends a total appropriation of $30,701,900 -- a net decrease of $(700,300), or (2.3)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (12,300)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes (1,100)
- One Time Equipment Costs (2,000)
- 5% Medical Inflation 52,400
- Funding Shift for Children's Rehabilitative Services (CRS) (737,300)
  The JLBC Staff recommends an increase in total CRS funding of $5 million, or 20.4%. With greater utilization of federal funds based on patient mix and matching rate, the General Fund requirement will actually decline by $737,300. In FY 1992, the federal share for the CRS program was set at $5,000,000. With the benefit of program data that was not available before, the federal share can be calculated with much greater accuracy. The agency has also had success in shifting AHCCCS clients into the AHCCCS system in order to receive matching federal funds. Finally, the federal match percentage is scheduled to increase on October 1, 1992. The combination of better data, shifting of clients to AHCCCS coverage, and increased federal match, allows the state to redistribute CRS funding and reduce General Fund costs by $737,300.

	FY 1992	Executive FY 1993	JLBC Staff FY 1993	JLBC Staff - FY 1992
Children's Rehabilitative Svcs	$10,521,400	$10,329,000	$10,332,900	$ (188,500)
AHCCCS - CRS	9,001,100	9,352,000	8,452,300	(548,800)
Federal Funds	5,000,000	9,841,300*	10,737,300	5,737,300
Total	$24,522,500	$29,522,500*	$29,522,500	$5,000,000

* The Executive recommendation does not include federal funds; however, based on conversations and correspondence with the Executive concerning their intent for total funding, the numbers shown reflect their federal funds estimate for comparison purposes.

The federal share amount used in the JLBC Staff recommendation is based upon Department estimates that 50% of the client population, and 65% of the cost will qualify for the AHCCCS program. Of those, 86% are estimated to be categorically qualified to receive an annualized weighted federal share of 65.07% for services which they receive.

Other Issues for Legislative Consideration

- Newborn Intensive Care Program

  The Executive recommended reducing the Newborn Intensive Care Program (NICP) by $500,000. The JLBC Staff does not recommend this issue. Although NICP has experienced savings from the transition to a capitation form of hospital reimbursement, these savings can be used to strengthen the NICP program. By not reducing this program, seed money for continuation of Inpatient Developmental Intervention programs will be available, as well as, bringing on more contract providers for Level 2 newborn care. These programs have proven histories of saving much more in reduced long term costs than their initial expense.

- Rural Obstetric Services/Medical Malpractice

  The Executive recommended reducing Medical Malpractice/Obstetrics by $5,000 and eliminating Rural Obstetric Services funding of $195,000, for a total reduction of $200,000. The Executive makes this recommendation based on declining physician eligibility and lower malpractice premiums. The JLBC Staff does not recommend this issue. Medical Malpractice premiums continue to be extremely high in rural areas, and the decline in eligible physicians might indicate the need for further incentives to stay in rural communities instead of fewer. In fact, a recent survey by Mutual Insurance Company of Arizona, which insures 60% of Arizona's private practice doctors, indicates that malpractice insurance for Obstetrics and Gynecology rose from around $18,000 per year in 1982 to over $75,000 in 1989. Although the average is now around $50,000 per year, this is still 2.8 times what the amount was just 9 years ago. The rate of malpractice claims is also rising again, and the insurance industry is predicting renewed price increases. Evidence has not been presented that demonstrates the problem of attracting and retaining obstetric services in rural areas has diminished. For these reasons, the JLBC Staff recommends continued funding of these programs.

- Perinatal Care Services

  The Executive recommended combining the Perinatal Care Services, Teen Prenatal Express, and Prenatal Outreach programs into one line item. The JLBC Staff does not recommend this issue. Although all of the programs are part of an overall system of prenatal care, the individual line items allow the Legislature to prioritize funding and to insure that important programs are not reduced in funding or eliminated.

- Prenatal Outreach

  The Executive recommended an increase of $100,000 for the Prenatal Outreach program. The Un Comienzo Sano/Health Start program is supported by these funds. Health Start received a $100,000 donation from a private corporation in FY 1992, and the Executive recommended to replace these funds in FY 1993 with the same amount of General Fund. The JLBC Staff does not recommend this issue.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,095.40	1,151.96	1,147.96	1,133.96	1,066.21	
OPERATING BUDGET						
PERSONAL SERVICES	22,043,800	24,338,500	25,382,600	24,238,200	21,542,700	
EMPLOYEE RELATED EXP	5,619,000	6,960,000	8,137,700	6,918,400	6,000,900	
PROFESSIONAL/OUTSIDE SVCS	2,608,600	3,253,200	3,253,200	3,153,200	3,003,600	
TRAVEL - IN STATE	60,500	108,600	106,600	106,600	102,000	
TRAVEL - OUT OF STATE	14,800	15,000	15,000	15,000	15,000	
OTHER OPERATING EXP	3,190,300	3,885,200	3,988,100	3,813,200	3,647,800	
FOOD	765,000	1,129,400	1,129,400	1,129,400	790,900	
EQUIPMENT	52,200	150,000	451,000	312,100	150,000	
ALL OTHER OPERATING	6,691,400	8,541,400	8,943,300	8,529,500	7,709,300	
OPERATING SUBTOTAL	34,354,200	39,839,900	42,463,600	39,686,100	35,252,900	
SPECIAL LINE ITEMS						
CMI PILOT PROGRAM	1,782,200	6,125,000	6,125,000	0	0	
REGION RESID./PSYCH. BEDS	3,725,900	5,713,500	5,713,500	5,713,500	5,713,500	
CHILDREN'S BEH. HLTH SVCS	18,500,100	12,961,300	12,853,100	12,826,000	11,961,300	
CHRON. MENTALLY ILL SVCS	21,511,600	39,539,000	54,410,900	53,310,700	60,435,800	
MENTAL HEALTH SERVICES	9,603,700	9,965,300	9,897,600	9,893,100	9,965,300	
SUBSTANCE ABUSE	12,537,400	13,145,500	13,060,900	13,055,200	13,645,500	
CMI MEDICATIONS	1,300,000	2,415,000	2,415,000	2,415,000	2,535,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRANSITIONAL LIVING UNIT	351,800	395,300	435,800	395,300	395,300	
GERIATRIC RESIDENTL BEDS	0	0	4,380,000	2,200,000	3,285,000	
WOMENS SUB ABUSE RES TRMT	0	0	1,095,000	0	0	
EPSDT ADMIN	668,600	746,800	948,500	600,500	746,800	
CMI CLOZARIL PROGRAM	0	500,000	500,000	500,000	523,200	
DRUG ABUSE WAITING LIST	0	500,000	500,000	500,000	0	
EPSDT-DES	0	1,038,000	1,038,000	1,038,000	1,038,000	
SER EMOTION. HAND. CHILD	0	4,332,200	4,332,200	4,332,200	4,332,200	
CHILDREN'S MATCH (XIX)	0	6,768,900	6,774,100	6,768,900	7,768,900	
SPECIAL ITEM SUBTOTAL	69,981,300	104,145,800	124,479,600	113,548,400	122,346,600	
PROGRAM TOTAL	104,335,500	143,985,700	166,943,200	153,234,500	157,599,500	
BY FUND SOURCE						
GENERAL FUND	104,335,500	143,985,700	166,943,200	153,234,500	145,499,500	
OTHER FUNDS	0	0	0	0	12,100,000	
FEDERAL FUNDS	21,303,300	19,604,400	18,702,400	0	18,702,400	
OTHER NON APPROPRIATED	3,581,600	3,148,500	2,941,900	0	2,941,900	
PROGRAM TOTAL-ALL SOURCES	129,220,400	166,738,600	188,587,500	153,234,500	179,243,800	

DEPARTMENT: DEPARTMENT OF HEALTH SERVICES
COST CENTER: BEHAVIORAL HEALTH

The JLBC Staff recommends a total appropriation of $157,559,500 -- a net increase of $13,613,800, or 9.5%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $141,710,400 -- a net decrease of $(2,275,300), or (1.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(484,400)
  Includes a new vacancy factor of 3%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes (162,000)
- 5% Medical Inflation 313,700
- Reduction in Food Costs (338,500)
  The recommend level of funding will fully fund three meals per day for each Arizona State Hospital resident, all snack servings, day care meals, and staff purchased meals. The reduction is the result of eliminating meals that were above the required number, and funding per meal raw food costs at $1.10, rather than the requested level of $1.38. The Department of Health Services reported in early December that their average raw food costs were $1.08 per meal.
- Redistribution of Children's Behavioral Health Funding -0-
  The JLBC Staff recommends moving $1,000,000 from the Children's Behavioral Health Services line item to the Children's Title XIX Match line item and to footnote these line items to restrict their usage. The rapid increase in Title XIX eligible children threatens to turn the system into an "indigent only" system unless funds are specifically set aside for non-Title XIX eligible children. It was the intent of the Legislature to prevent such a system by dividing children's behavioral health funding into multiple line items. However, non-covered services for Title XIX eligible children are also being paid for from non-match funding. In recognition of the fact that the Title XIX children have been using the non-match funds for uncovered services, $1,000,000 is recommended to be transferred with the addition of the following footnotes:

  Children's BHS Title XIX Match Line Item
  "The $7,768,900 appropriated for Children's BHS Title XIX Match shall be used to provide services for children that have been identified as eligible for the Title XIX program for both covered and uncovered services."

Children's Behavioral Health Services Line Item

"The $11,961,300 appropriated for Children's Behavioral Health Services shall be used to provide services for children that have not been identified as eligible for the Title XIX program, and shall not be used to pay for services for children identified to be eligible for the Title XIX program."

- Funding 45 Community Geriatric Beds in Lieu of a Higher ASH Census 3,285,000

  The JLBC Staff recommends funding for 45 community geriatric beds in order to reduce the census at the Arizona State Hospital (ASH). This will allow ASH to maintain a census within its licensing limit and will eliminate the need for increased staffing at ASH. The federal licensing for ASH was reduced from a maximum of 593 beds to a maximum of 513 beds. Without reducing the census, ASH might lose federal Medicare funding due to exceeding its maximum licensed capacity. The Executive recommended 30 geriatric beds and $2,200,000, but has shown this increase in the Chronically Mentally Ill Services line item. While the Executive recommendation would be sufficient if the ASH population remains unchanged, it allows no flexibility if commitments increase as they have in the past.

- Chronically Mentally Ill Services 10,500,000

  The JLBC Staff recommends an increase of $10,500,000 in Chronically Mentally Ill (CMI) services in order to continue progress in establishing a comprehensive behavioral health system. The following is a comparison of the JLBC Staff recommendation and the Executive recommendation. Geriatric Bed funding was included in order to be comparable.

	Executive	JLBC Staff	Difference
CMI Services Increase	$7,800,000	$10,500,000	$2,700,000
Geriatric Bed Funding	2,200,000	3,285,000	1,085,000
TOTAL	$10,000,000	$13,785,000	$3,785,000

The JLBC Staff recommends combining the CMI Pilot Program and CMI Services line items. This results in a shift between line items of $6,125,000, with a net effect of zero. The laws creating the pilot programs have lapsed, and the department is currently planning to implement aspects of the pilot programs, such as managed care, on a state-wide basis. Therefore, the distinction between pilot and non-pilot programs has diminished, and funding by separate line item is no longer necessary.

The JLBC Staff recommends $500,000 of the $10,500,000 increase be used to upgrade the Behavioral Health Management Information System (BHMIS) so it can provide the essential information needed to develop and manage an improved behavioral health system. The current system does not provide basic reports by population group or type of services. Information is not available to make fundamental financial and program management choices. Samples of data from BHMIS have shown unacceptably high error rates and a lack of database integrity. The following footnote is recommended:

Chronically Mentally Ill Services Line Item

"Of the $54,310,800 appropriated for Chronically Mentally Ill Services, an amount not to exceed $500,000 shall be used to upgrade the Behavioral Health Management Information System (BHMIS). The BHMIS system shall be upgraded to provide information on all populations being served, by funding source, by category of referral, and shall record all services provided by major category. The system shall also be upgraded to include all data necessary for comprehensive management of Chronically Mentally Ill Services. These changes may include revised contract requirements with regional administrative entities and community providers to insure timely, standardized and adequate data collection and reporting. The BHMIS system shall be updated to satisfy these requirements by June 30, 1993."

- Close SAMHC and Provide Services Through Community Providers -0-

  The Southern Arizona Mental Health Center (SAMHC) is an anomaly in the behavioral health system. It is the only state run facility in the regional entity provider network. This creates two problems; competition with private providers, and lack of flexibility of the regional entity to tailor the provider network to the needs of the geographical area. The JLBC Staff recommends that this facility be closed and these services be provided in the community. The level of funding remains constant, and services might actually increase with the added flexibility. This issue is accomplished by reducing above-the-line items by 85.75 FTE positions and $4,271,800, while increasing Chronically Mentally Ill Services by an equal $4,271,800.

- Substance Abuse Treatment -0-

  The JLBC Staff recommends combining the Drug Abuse Waiting List and Substance Abuse line items. This will allow the department to expend funds in the most critical areas by adding flexibility.

- Administrative Entities -0-

  The JLBC Staff recommends that a footnote be attached to funds appropriated to the department that are subsequently distributed to administrative entities. The purpose of this footnote is to restrict the amount of funds that can be spent on administrative costs, and will insure that a minimum percentage is spent on actual services. In addition, the footnote also restricts the administrative entities in providing services in order to prevent the possibility of their competing unfairly with their provider network in provision of direct care. The following footnote is recommended:

  "Of monies appropriated to the Department of Health Services and distributed to administrative entities, the administrative entities shall not expend more than 10% of their allocation on administrative costs, and shall not expend more than 15% of their allocation for providing services to include case management. The administrative entities shall expend a minimum of 75% of their allocation on services to clients provided by community providers."

- Disproportionate Share Payments to ASH 500,000

  The JLBC Staff recommends shifting $11,600,000 of the cost of the Behavioral Health Division from the General Fund to the Arizona State Hospital Disproportionate Share Payment Fund (DSF). The Staff also recommends using $500,000 of the fund for ASH for operational costs and $2,000,000 in the capital budget for ASH capital improvements. Under the disproportionate share plan by AHCCCS, which was approved in Chapters 3 and 4, Laws 1991 by the Fourth Special Session, Fortieth Legislature, pending federal approval the Arizona State Hospital (ASH) will receive disproportionate share payments. These payments are deposited into the newly created DSF, which is subject to legislative appropriation. The JLBC Staff estimates that net income to this fund for FY 1992 and FY 1993 combined will be $14,100,000. Of that amount, $2,000,000 is contained within the capital budget recommendation for improvements at ASH in order to comply with licensing requirements of federal oversight agencies. An additional $500,000 is recommended to increase funding for ASH Other Operating Expenditures. For the past several years ASH has required intra-department transfers of approximately that amount in order to fully pay its costs. The remaining $11,600,000 is appropriated to the department for ASH and offsets the need for General Fund monies currently used for this purpose. The Executive did not address the issue of disproportionate share payments to ASH.

Other Issues for Legislative Consideration

- Intra-Department Transfers

  The Executive recommended 18 FTE positions be transferred out of the Behavioral health program, 4 to the Office of the Director, and 14 to the Emergency Medical Services/Health Care Facilities program. For a detailed description of this issue, please turn to the summary pages.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	60.00	60.00	67.00	60.00	60.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,514,800	1,518,200	1,675,500	1,518,200	1,510,500	
EMPLOYEE RELATED EXP	360,800	397,800	494,300	411,300	400,700	
PROFESSIONAL/OUTSIDE SVCS	6,200	7,000	291,100	7,000	7,100	
TRAVEL - IN STATE	19,800	21,700	22,700	21,700	21,700	
TRAVEL - OUT OF STATE	6,800	5,600	7,000	5,600	5,600	
OTHER OPERATING EXP	449,600	482,500	782,100	480,700	495,700	
EQUIPMENT	163,400	204,400	851,500	383,500	204,400	
ALL OTHER OPERATING	645,800	721,200	1,954,400	898,500	734,500	
OPERATING SUBTOTAL	2,521,400	2,637,200	4,124,200	2,828,000	2,645,700	
SPECIAL LINE ITEMS						
BLOOD AND ALCOHOL PROGRAM	0	67,700	77,200	67,700	67,700	
LAB RENOVATION/EXPANSION	0	0	0	362,600	0	
SPECIAL ITEM SUBTOTAL	0	67,700	77,200	430,300	67,700	
PROGRAM TOTAL	2,521,400	2,704,900	4,201,400	3,258,300	2,713,400	

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

JLBC ANALYST: BLANTON/BRADLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,521,400	2,704,900	4,201,400	3,258,300	2,713,400	
OTHER NON APPROPRIATED	0	0	298,200	0	298,200	
PROGRAM TOTAL-ALL SOURCES	2,521,400	2,704,900	4,499,600	3,258,300	3,011,600	

The JLBC Staff recommends a total appropriation of $2,713,400 -- a net increase of $8,500, or 0.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (9,700)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 4,900
- 5% Medical Inflation 13,300

Other Issues for Legislative Consideration

- State Lab Renovation
  The Executive recommends $362,600 for renovating the State Lab located within the Capitol Mall Area. The JLBC Staff does not recommend this issue for 3 reasons. First, this issue is a capital related item, and is more appropriately discussed as part of the state's capital budget, rather than the department's operational budget. The second reason is that the Executive branch is annually appropriated building renewal funds, and this project can be completed with those funds. The third reason is that the current location of the State Laboratory is ill advised for the types of work conducted at the site. The possibility of radiation, chemical, biological, or explosion hazards in this crowded downtown area will become greater in the future as workload increases. Before more money is invested in the existing facility, ample consideration should be given to acquiring a different lab, or constructing one in a location more suitable for such activities. Consideration should also be given to consolidating various lab functions conducted by state agencies. Although some lab functions of state agencies could not be efficiently combined, many common uses could. An overall plan for the future of lab services including other agencies could result in greater safety, efficiency, and cost savings.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	5.00	5.00	5.00	5.00	5.00	
OPERATING BUDGET						
PERSONAL SERVICES	133,100	133,100	133,100	133,100	133,100	
EMPLOYEE RELATED EXP	30,700	33,800	37,800	30,900	30,300	
PROFESSIONAL/OUTSIDE SVCS	5,500	8,100	6,100	8,100	8,100	
TRAVEL - IN STATE	2,100	3,000	3,000	3,000	3,000	
TRAVEL - OUT OF STATE	700	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	22,900	23,000	21,000	23,000	23,000	
ALL OTHER OPERATING	31,200	36,100	32,100	36,100	36,100	
PROGRAM TOTAL	195,000	203,000	203,000	200,100	199,500	
BY FUND SOURCE						
GENERAL FUND	195,000	203,000	203,000	200,100	199,500	
FEDERAL FUNDS	51,000	50,000	50,000	0	50,000	
OTHER NON APPROPRIATED	1,788,600	2,475,900	2,363,200	0	2,363,200	
PROGRAM TOTAL-ALL SOURCES	2,034,600	2,728,900	2,616,200	200,100	2,612,700	

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

The JLBC Staff recommends a total appropriation of $199,500 -- a net decrease of $(3,500), or (1.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Change	(3,500)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	101,500	111,100	111,100	111,100	97,600	
EMPLOYEE RELATED EXP	24,900	27,700	30,900	25,700	22,200	
TRAVEL - IN STATE	7,900	7,100	7,000	7,000	7,000	
TRAVEL - OUT OF STATE	200	0	0	0	0	
OTHER OPERATING EXP	14,700	13,900	30,300	13,900	29,600	
EQUIPMENT	9,700	0	0	0	0	
ALL OTHER OPERATING	32,500	21,000	37,300	20,900	36,600	
PROGRAM TOTAL	158,900	159,800	179,300	157,700	156,400	
BY FUND SOURCE						
GENERAL FUND	158,900	159,800	179,300	157,700	156,400	
OTHER NON APPROPRIATED	0	0	5,500	0	5,500	
PROGRAM TOTAL-ALL SOURCES	158,900	159,800	184,800	157,700	161,900	

DEPARTMENT: ARIZONA COMMISSION OF INDIAN AFFAIRS
COST CENTER: ARIZONA COMMISSION OF INDIAN AFFAIRS

The JLBC Staff recommends a total appropriation of $156,400 -- a net decrease of $(3,400), or (2.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (16,600)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The decrease includes $(13,500) in Personal Services and $(3,100) in related ERE for savings achieved by hiring a new Administrative Assistant and new Administrative Secretary at entry level salaries.
- ERE Rate Change $(2,400)
- Travel In-State (100)
  Decrease to reflect actual expenditures.
- Rent-State Owned Buildings 15,700
  Includes reinstatement of General Fund rent in the amount of $15,700 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PIONEERS' HOME
COST CENTER: PIONEERS' HOME

JLBC ANALYST: CAWLEY
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	110.00	107.40	110.00	107.40	107.40	
OPERATING BUDGET						
PERSONAL SERVICES	2,077,600	2,055,100	2,095,600	2,055,200	2,035,900	
EMPLOYEE RELATED EXP	600,000	598,300	683,600	632,800	612,500	
FOOD	219,700	0	227,700	127,700	0	
ALL OTHER OPERATING	219,700	0	227,700	127,700	0	
PROGRAM TOTAL	2,897,300	2,653,400	3,006,900	2,815,700	2,648,400	
BY FUND SOURCE						
GENERAL FUND	2,897,300	2,653,400	3,006,900	2,815,700	2,648,400	
OTHER NON APPROPRIATED	944,300	1,098,300	940,400	0	940,400	
PROGRAM TOTAL-ALL SOURCES	3,841,600	3,751,700	3,947,300	2,815,700	3,588,800	

DEPARTMENT: PIONEERS' HOME
COST CENTER: PIONEERS' HOME

The JLBC Staff recommends a total appropriation of $2,648,400 -- a net decrease of $(5,000), or (0.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(25,000)
  Includes a new vacancy factor of 2%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.07%. The Executive recommends a vacancy factor of 1.07%.
- ERE Rate Changes 20,000

Other Issues for Legislative Considerations

- Food Costs
  The Executive recommends $127,700 from the General Fund to partially provide for food expenditures. The remaining food costs, $100,000, would be covered by the use of Pioneers' Home Charitable Endowment Fund monies. During FY 1992, monies in the Charitable Endowment Fund were utilized to cover all food expenditures. The JLBC Staff recommendation would continue to utilize Charitable Endowment Fund monies for all food costs. If all food expenditures are fully funded from the Endowment Fund, the Fund's FY 1993 ending balance is estimated to be $19,700.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ARIZONA RANGERS' PENSIONS
COST CENTER: ARIZONA RANGERS' PENSION

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
OTHER OPERATING EXP	8,800	9,200	9,600	9,500	9,500	
ALL OTHER OPERATING	8,800	9,200	9,600	9,500	9,500	
PROGRAM TOTAL	8,800	9,200	9,600	9,500	9,500	
BY FUND SOURCE						
GENERAL FUND	8,800	9,200	9,600	9,500	9,500	
PROGRAM TOTAL-ALL SOURCES	8,800	9,200	9,600	9,500	9,500	

The JLBC Staff recommends a total appropriation of $9,500 -- a net increase of $300 or 3.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Inflation $300

  Includes a 3.5% adjustment for inflation, as per the provisions of A.R.S § 41-951 (B), which states: " The department of administration shall annually adjust the amount of pensions according to the annual changes in the GNP price deflator as defined in A.R.S. § 41-563."

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: VETERANS' SERVICE COMM
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	34.00	34.00	34.00	34.00	35.00	
BY PROGRAM/ORGANIZATION						
VETERANS' AFFAIRS	807,600	751,800	751,800	737,100	751,800	
VETERANS' CONSERVATORSHIP	340,300	386,200	386,200	388,000	387,000	
AGENCY TOTAL	1,147,900	1,138,000	1,138,000	1,125,100	1,138,800	
OPERATING BUDGET						
PERSONAL SERVICES	641,900	695,200	691,200	691,200	707,100	
EMPLOYEE RELATED EXP	167,000	179,800	189,100	186,300	186,500	
PROFESSIONAL/OUTSIDE SVCS	200	0	0	0	0	
TRAVEL - IN STATE	21,700	27,100	33,000	27,700	27,500	
TRAVEL - OUT OF STATE	4,400	5,800	8,200	6,600	5,800	
OTHER OPERATING EXP	178,700	163,200	169,000	165,900	167,800	
EQUIPMENT	11,300	6,900	7,500	7,400	4,100	
ALL OTHER OPERATING	216,300	203,000	217,700	207,600	205,200	
OPERATING SUBTOTAL	1,025,200	1,078,000	1,098,000	1,085,100	1,098,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: VETERANS' SERVICE COMM
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
VETERANS ORG CONTRACTS	36,300	40,000	40,000	40,000	40,000	
VETERANS CEMETARY FUND	86,400	20,000	0	0	0	
SPECIAL ITEM SUBTOTAL	122,700	60,000	40,000	40,000	40,000	
AGENCY TOTAL	1,147,900	1,138,000	1,138,000	1,125,100	1,138,800	
BY FUND SOURCE						
GENERAL FUND	807,600	751,800	751,800	737,100	751,800	
OTHER FUNDS	340,300	386,200	386,200	388,000	387,000	
FEDERAL FUNDS	149,100	180,900	181,400	0	181,400	
OTHER NON APPROPRIATED	33,300	47,500	0	0	0	
AGENCY TOTAL-ALL SOURCES	1,330,300	1,366,400	1,319,400	1,125,100	1,320,200	

The JLBC Staff recommends a total appropriation of $1,138,800 -- a net increase of $800, or 0.1%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $751,800 -- which is the same as the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (5,000)
• ERE Rate Changes	3,700
• Additional FTE position	20,700
• Travel - In State	400
• Other Operating Expenses	3,800
• Equipment	(2,800)
• Veterans' Cemetery Fund	(20,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	20.00	20.00	20.00	20.00	21.00	
OPERATING BUDGET						
PERSONAL SERVICES	425,400	445,200	441,200	441,200	457,100	
EMPLOYEE RELATED EXP	106,700	108,900	120,700	114,200	115,900	
PROFESSIONAL/OUTSIDE SVCS	200	0	0	0	0	
TRAVEL - IN STATE	16,800	21,400	27,300	22,200	21,800	
TRAVEL - OUT OF STATE	3,400	5,800	6,600	5,800	5,800	
OTHER OPERATING EXP	121,100	103,600	108,500	106,300	107,100	
EQUIPMENT	11,300	6,900	7,500	7,400	4,100	
ALL OTHER OPERATING	152,800	137,700	149,900	141,700	138,800	
OPERATING SUBTOTAL	684,900	691,800	711,800	697,100	711,800	
SPECIAL LINE ITEMS						
VETERANS ORG CONTRACTS	36,300	40,000	40,000	40,000	40,000	
VETERANS CEMETARY FUND	86,400	20,000	0	0	0	
SPECIAL ITEM SUBTOTAL	122,700	60,000	40,000	40,000	40,000	
PROGRAM TOTAL	807,600	751,800	751,800	737,100	751,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	807,600	751,800	751,800	737,100	751,800	
FEDERAL FUNDS	149,100	180,900	181,400	0	181,400	
OTHER NON APPROPRIATED	33,300	47,500	0	0	0	
PROGRAM TOTAL-ALL SOURCES	990,000	980,200	933,200	737,100	933,200	

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

The JLBC Staff recommends a total appropriation of $751,800 -- the same as the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (5,000)
  Maintains a vacancy factor of 0% which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The reduction is the result of newly hired personnel coming in at lower wages. The Executive concurs.
- ERE Rate Changes — 4,000
- Additional FTE Position — 20,700
  The recommended amount provides for 1 FTE position. The department has not had an increase in staff since 1978 even though the veteran population has grown over 15% in this time period. Client growth, increased involvement in veteran activities and the upcoming construction of the veterans' nursing home justify an additional FTE position. The Executive does not address this issue.
- Travel - In State — 400
  The Executive recommends an increase of $800.
- Rent - Tucson State Office Building — 2,700
  Provides $10,800 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase will be used to annualize the amount appropriated in FY 1992. The Executive concurs.
- Equipment — (2,800)
  The JLBC Staff recommendation delays part of the agency's 3-year automation plan. The Executive recommends $500.
- Veteran's Cemetery Fund — (20,000)
  During FY 1992, the final payment from the General Fund was made for conveyance of the Arizona Veterans' Cemetery to the U.S. National Cemetery System. Laws 1989, Chapter 29 authorized conveyance to the U.S. National Cemetery System. The Executive concurs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: SIEGWARTH
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	14.00	14.00	14.00	14.00	14.00	
OPERATING BUDGET						
PERSONAL SERVICES	216,500	250,000	250,000	250,000	250,000	
EMPLOYEE RELATED EXP	60,300	70,900	68,400	72,100	70,600	
TRAVEL - IN STATE	4,900	5,700	5,700	5,500	5,700	
TRAVEL - OUT OF STATE	1,000	0	1,600	800	0	
OTHER OPERATING EXP	57,600	59,600	60,500	59,600	60,700	
ALL OTHER OPERATING	63,500	65,300	67,800	65,900	66,400	
PROGRAM TOTAL	340,300	386,200	386,200	388,000	387,000	
BY FUND SOURCE						
OTHER FUNDS	340,300	386,200	386,200	388,000	387,000	
PROGRAM TOTAL-ALL SOURCES	340,300	386,200	386,200	388,000	387,000	

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

The JLBC Staff recommends a total appropriation of $387,000 -- a net increase of $800, or 0.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ -0-
Maintains a vacancy factor of 0% which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	
• ERE Rate Changes	(300)
• Other Operating	1,100
Represents full funding of the agencies' lease requirement. The Executive does not address this issue.	

Other Issues for Legislative Consideration

- Travel Adjustment
  The Executive recommends a decrease of $(200) in Travel - In State and an increase $800 in Travel - Out of State, for a total of $600.

INSPECTION AND REGULATION
(IR)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: BOCK
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	3.50	
OPERATING BUDGET						
PERSONAL SERVICES	104,100	120,500	120,500	119,300	107,400	
EMPLOYEE RELATED EXP	26,800	23,300	25,800	26,600	23,700	
PROFESSIONAL/OUTSIDE SVCS	1,800	13,200	13,200	12,700	11,200	
TRAVEL - IN STATE	1,600	7,500	7,500	4,400	4,200	
OTHER OPERATING EXP	9,300	11,100	11,200	10,600	19,500	
EQUIPMENT	0	0	2,000	2,000	2,000	
ALL OTHER OPERATING	12,700	31,800	33,900	29,700	36,900	
PROGRAM TOTAL	143,600	175,600	180,200	175,600	168,000	
BY FUND SOURCE						
GENERAL FUND	143,600	175,600	180,200	175,600	168,000	
PROGRAM TOTAL-ALL SOURCES	143,600	175,600	180,200	175,600	168,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AGRICULTURAL EMPLOYMENT RELATIONS BOARD
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $168,000 -- a net decrease of $(7,600), or (4.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 3,000
- Investigator Reduction (14,600)
  Due to a low level of activity, the board's investigator position is reduced to 0.5. The Legal Secretary, General Counsel, and Executive Secretary positions will assist with investigations as necessary. The amount includes $(12,000) in Personal Services and $(2,600) in Employee Related Expenses. The Executive recommends reducing travel by $(1,600) and OOE by $(300) to address reduced investigations activity.
- Reduced Board Meeting Funding (4,400)
  The amount for meeting costs is reduced to budget for four meetings rather than eight. Since FY 1989, no more than three meetings have been held in a year. The amount includes $(1,100) in board member per diem and $(3,300) in Travel - In State. The Executive recommends reductions of $(300) for board member per diem and $(1,500) for their travel.
- Reduced Legal Activity (2,200)
  Because recent election and complaint activity has been low and has not risen as predicted by the agency, the amount for Professional and Outside Services is reduced by $(2,000) and the amount of Other Operating Expenditures (OOE) is reduced by $(200). The OOE reduction will be spread across postage, printing, and supplies. The Executive reduces legal services by $(500) and OOE by $(200).
- Replacement Equipment and Other Adjustments 1,300
  The amount includes $2,000 to replace the board's 12-year-old copier. Because the maintenance contract on the old copier will no longer be needed, OOE is reduced by $(700).
- Rent - State Owned Buildings 9,300
  Includes reinstatement of General Fund rent in the amount of $9,300 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

Other Items For Consideration

- Overtime Elimination

  The Executive recommends a reduction of $900 to the Personal Services amount. The JLBC Staff recommends retaining the amount to allow flexibility in implementing the investigator position reduction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	319.50	309.20	320.20	266.20	246.20	
BY PROGRAM/ORGANIZATION						
OFFICE OF DIRECTOR	1,818,400	2,262,000	2,511,100	2,044,700	2,492,500	
ANIMAL SERVICES	4,143,500	4,005,200	4,139,900	3,983,000	3,540,600	
PLANT INDUSTRIES	4,616,300	4,453,000	4,575,100	3,647,900	3,728,400	
CHEMICALS/ENVIRONMENTAL	762,900	1,010,900	1,349,000	1,049,300	862,600	
AGENCY TOTAL	11,341,100	11,731,100	12,575,100	10,724,900	10,624,100	
OPERATING BUDGET						
PERSONAL SERVICES	6,348,200	6,644,800	6,709,600	6,488,100	5,528,600	
EMPLOYEE RELATED EXP	1,660,500	1,717,800	1,991,900	1,675,700	1,545,700	
PROFESSIONAL/OUTSIDE SVCS	281,700	384,300	468,100	401,500	334,300	
TRAVEL - IN STATE	663,400	597,000	618,500	733,700	483,900	
TRAVEL - OUT OF STATE	14,100	35,100	50,300	31,700	37,100	
OTHER OPERATING EXP	1,005,500	1,076,900	1,098,800	1,144,800	1,479,800	
EQUIPMENT	-43,700	27,700	220,500	115,400	21,600	
ALL OTHER OPERATING	1,921,000	2,121,000	2,456,200	2,427,100	2,356,700	
OPERATING SUBTOTAL	9,929,700	10,483,600	11,157,700	10,590,900	9,431,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
REDUCTION IN FORCE COST	0	0	0	0	146,400	
AQUACULTURE	700	0	15,000	0	11,900	
AGRIC WORKER SAFETY	372,500	157,000	249,500	0	0	
INTEGRATED PEST MGMT	0	0	0	59,000	0	
ANIMAL DAMAGE CONTROL	75,000	75,000	75,000	75,000	75,000	
MARKET NEWS	37,300	0	0	0	0	
USDA CO-OP AGRMT	42,100	75,000	0	0	0	
EGG INSPECTION	167,000	182,700	223,300	0	185,900	
FRUIT/VEG STANDARDIZATION	716,800	757,800	854,600	0	773,900	
SPECIAL ITEM SUBTOTAL	1,411,400	1,247,500	1,417,400	134,000	1,193,100	
AGENCY TOTAL	11,341,100	11,731,100	12,575,100	10,724,900	10,624,100	
BY FUND SOURCE						
GENERAL FUND	9,848,800	9,944,800	10,793,700	9,069,300	9,097,700	
OTHER FUNDS	1,492,300	1,786,300	1,781,400	1,655,600	1,526,400	
FEDERAL FUNDS	260,400	260,400	260,400	0	260,400	
OTHER NON APPROPRIATED	5,401,000	3,644,100	2,876,100	0	2,876,100	
AGENCY TOTAL-ALL SOURCES	17,002,500	15,635,600	15,711,600	10,724,900	13,760,600	

DEPARTMENT: DEPARTMENT OF AGRICULTURAL
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $10,624,100 -- a net decrease of $(1,107,000), or (9.4)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $9,097,700 -- a net decrease of $(847,100), or (8.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 1.7%, which is the standard rate, as applied by cost center, to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.	$ 11,900
• ERE Rate Changes	81,700
• Data Processing Management	(3,700)
• Office of Inspections Internal Shift	(49,400)
• Rent - State Owned Buildings	447,600
• Rent - Tucson State Office Building	9,000
• Aquaculture	11,900
• Livestock Inspections	(461,800)
• USDA Cooperative Agreement	(75,000)
• Border Inspection Stations	(1,381,500)
• Interior Inspections	448,700
• Agricultural Worker Safety Funding Shift	(157,000)
• All Other Changes	10,600

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: OFFICE OF DIRECTOR

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	48.60	45.50	46.50	40.50	40.50	
OPERATING BUDGET						
PERSONAL SERVICES	836,000	1,206,300	1,221,800	1,066,800	1,074,900	
EMPLOYEE RELATED EXP	217,500	288,200	354,400	246,400	245,700	
PROFESSIONAL/OUTSIDE SVCS	72,900	161,800	116,800	109,300	111,800	
TRAVEL - IN STATE	31,600	42,400	56,000	35,400	35,400	
TRAVEL - OUT OF STATE	14,000	14,500	30,700	8,500	10,900	
OTHER OPERATING EXP	351,200	539,100	541,900	533,600	992,800	
EQUIPMENT	-77,300	9,700	189,500	44,700	14,400	
ALL OTHER OPERATING	392,400	767,500	934,900	731,500	1,165,300	
OPERATING SUBTOTAL	1,445,900	2,262,000	2,511,100	2,044,700	2,485,900	
SPECIAL LINE ITEMS						
REDUCTION IN FORCE COST	0	0	0	0	6,600	
AGRIC WORKER SAFETY	372,500	0	0	0	0	
SPECIAL ITEM SUBTOTAL	372,500	0	0	0	6,600	
PROGRAM TOTAL	1,818,400	2,262,000	2,511,100	2,044,700	2,492,500	

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: OFFICE OF DIRECTOR

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	1,818,400	2,203,000	2,511,100	2,044,700	2,492,500	
OTHER FUNDS	0	59,000	0	0	0	
FEDERAL FUNDS	260,400	260,400	260,400	0	260,400	
OTHER NON APPROPRIATED	4,340,000	2,582,700	1,840,000	0	1,840,000	
PROGRAM TOTAL-ALL SOURCES	6,418,800	5,105,100	4,611,500	2,044,700	4,592,900	

The JLBC Staff recommends a total appropriation of $2,492,500 -- a net increase of $230,500, or 10%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $2,492,500, a net increase of $289,500, or 13%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 3,300
  Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes (12,500)
- Data Processing Management (3,700)
  The JLBC Staff recommends $46,300 for 1 FTE position to standardize and manage the department's data processing activities. The amount includes $31,700 in Personal Services, $7,200 in ERE, $2,700 in Other Operating Expenditures, and $4,700 in Equipment. This recommendation also eliminates $50,000 from Professional & Outside Services that was include in FY 1992 for one-time data processing costs associated with the department's consolidation. The Executive concurs on this issue.
- Integrated Pest Management -0-
  The IPM program was funded on a one-time basis from the Pesticide Fund in FY 1992. Revenues in the Pesticide Fund will not be sufficient to support the program without a change in fee structure. Therefore, the program's funding of $59,000 is moved to the General Fund from the Pesticide Fund. The net change to the agency appropriation is $0. The Executive concurs on this issue.

- Office of Inspections Shift (213,200)
  Six FTE positions are eliminated from the Director's Office. Four of these are moved to the Plant Services Division. The shifted positions will assist with exotic pest surveys, plant quarantines, and other infestation-prevention activities. The amount includes the following: Personal Services, $(165,800); ERE, $(37,800); Travel - In State, $(7,000); Travel - Out of State, $(3,600); Other Operating, $(5,600) and, for reduction-in-force costs of the 2 eliminated FTE positions, $6,600. The JLBC Staff concurs with the Executive on this issue.
- Rent - State Owned Buildings 447,600
  Includes reinstatement of General Fund rent in the amount of $447,600 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Rent - Tucson State Office Building 9,000
  Provides $3,400 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.

Other Issues for Consideration

- Agricultural Laboratory
  The Executive recommends $56,000 from the General Fund and $45,000 from the Pesticide Fund for operating expenses and equipment for the state agricultural laboratory. The JLBC Staff does not consider these items to be critical.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: ANIMAL SERVICES

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	106.70	107.70	109.60	108.70	93.70	
OPERATING BUDGET						
PERSONAL SERVICES	2,484,400	2,454,100	2,454,100	2,571,000	2,116,300	
EMPLOYEE RELATED EXP	660,100	647,300	726,400	661,900	577,900	
PROFESSIONAL/OUTSIDE SVCS	158,700	139,900	139,900	139,900	139,900	
TRAVEL - IN STATE	403,700	337,100	341,000	360,500	264,500	
TRAVEL - OUT OF STATE	-14,500	9,900	6,000	6,800	9,900	
OTHER OPERATING EXP	208,400	159,200	159,200	167,900	121,600	
ALL OTHER OPERATING	756,300	646,100	646,100	675,100	535,900	
OPERATING SUBTOTAL	3,900,800	3,747,500	3,826,600	3,908,000	3,230,100	
SPECIAL LINE ITEMS						
REDUCTION IN FORCE COST	0	0	0	0	37,700	
AQUACULTURE	700	0	15,000	0	11,900	
ANIMAL DAMAGE CONTROL	75,000	75,000	75,000	75,000	75,000	
EGG INSPECTION	167,000	182,700	223,300	0	185,900	
SPECIAL ITEM SUBTOTAL	242,700	257,700	313,300	75,000	310,500	
PROGRAM TOTAL	4,143,500	4,005,200	4,139,900	3,983,000	3,540,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: ANIMAL SERVICES

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,975,800	3,822,500	3,901,600	3,772,400	3,342,800	
OTHER FUNDS	167,700	182,700	238,300	210,600	197,800	
OTHER NON APPROPRIATED	789,100	745,500	745,400	0	745,400	
PROGRAM TOTAL-ALL SOURCES	4,932,600	4,750,700	4,885,300	3,983,000	4,286,000	

The JLBC Staff recommends a total appropriation of $3,540,600 -- a net decrease of $(464,600), or (11.5)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $3,342,800 -- a net decrease of $(479,700), or (12.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (30,500)
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 8,600
- Aquaculture 11,900
  The Aquaculture Program was begun in FY 1991 as a "90/10" program with a separate fund. The program regulates fish farms and similar operations. The amount will support 0.4 FTE position and related costs. Program revenues as projected by the agency will not support more than 0.4 FTE position in FY 1993.
- Livestock Inspection (461,800)
  This issue reduces the Livestock Inspection program by approximately one-fourth. The following positions are eliminated: 11 Livestock Officers, 1 Clerk Typist II, 1 Investigator, and 1 Investigations Supervisor. The amount includes the following: Personal Services, $(313,800); ERE, $(83,900); Travel, $(72,600); and OOE, $(41,600). Also included is $37,700 for costs associated with the reduction in force.

  Brand inspections fall into 3 main categories: farm inspections, road stops, and auction inspections. Their principle purpose is to prevent livestock theft by verifying the proper ownership of animals before sale or slaughter. Auctions,

which are among the most likely points of sale for stolen animals, provide an efficient venue for inspections, where, on average, 500 animals are inspected at one place in the equivalent of 3 work-days. However, the livestock inspection program averages about 50 animals per day per inspector for non-auction inspections, which is a much less efficient use of resources for crime prevention. The JLBC Staff recommends eliminating 11 inspector positions to reduce the inspections of very small numbers of livestock. The remaining 33 inspectors will continue to deter theft by inspecting at points of sale and on road stops where livestock are checked going out of state, as well as at small farms on a random basis. The 2 remaining investigator positions will focus on high priority incidents. This issue may require a statute change pertaining to mandatory inspections. The Executive does not address this issue.

- Miscellaneous Adjustments 7,200

  The JLBC Staff recommends $7,200 in other adjustments. The Executive recommends $(8,900) in other reductions.

Other Issues for Consideration

- Egg Inspection Program

  The Executive recommends $27,900 and 1 new FTE position for egg inspections. The JLBC Staff notes that the Egg Inspection Fund is experiencing a declining fund balance and will be unable to support itself at the current activity level without a revenue change. Furthermore, need for a new position has not been substantiated.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: PLANT INDUSTRIES

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	144.20	132.00	136.10	93.00	91.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,578,000	2,492,200	2,492,200	2,262,900	1,845,200	
EMPLOYEE RELATED EXP	670,700	668,900	769,200	612,700	587,600	
PROFESSIONAL/OUTSIDE SVCS	800	8,600	8,600	33,300	8,600	
TRAVEL - IN STATE	187,300	170,900	170,900	279,600	137,400	
TRAVEL - OUT OF STATE	1,100	900	900	7,600	6,500	
OTHER OPERATING EXP	380,700	278,700	278,700	329,800	267,100	
EQUIPMENT	1,500	0	0	63,000	0	
ALL OTHER OPERATING	571,400	459,100	459,100	713,300	419,600	
OPERATING SUBTOTAL	3,820,100	3,620,200	3,720,500	3,588,900	2,852,400	
SPECIAL LINE ITEMS						
REDUCTION IN FORCE COST	0	0	0	0	102,100	
INTEGRATED PEST MGMT	0	0	0	59,000	0	
MARKET NEWS	37,300	0	0	0	0	
USDA CO-OP AGRMT	42,100	75,000	0	0	0	
FRUIT/VEG STANDARDIZATION	716,800	757,800	854,600	0	773,900	
SPECIAL ITEM SUBTOTAL	796,200	832,800	854,600	59,000	876,000	
PROGRAM TOTAL	4,616,300	4,453,000	4,575,100	3,647,900	3,728,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: PLANT INDUSTRIES

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,857,400	3,620,200	3,720,500	2,808,700	2,954,500	
OTHER FUNDS	758,900	832,800	854,600	839,200	773,900	
OTHER NON APPROPRIATED	271,900	315,900	290,700	0	290,700	
PROGRAM TOTAL-ALL SOURCES	4,888,200	4,768,900	4,865,800	3,647,900	4,019,100	

The JLBC Staff recommends a total appropriation of $3,728,400 -- a net decrease of $(724,600), or (16.3)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $2,954,500 -- a net decrease of $(665,700), or (18.4)%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $39,100
  Includes a new vacancy factor of 2%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 64,500
- USDA Cooperative Agreement (75,000)
  Under an inter-governmental agreement, the USDA grades watermelons entering Arizona from Mexico. Formerly, Arizona Department of Agriculture (ADA) processed the grading fees and funds were appropriated to pay the U.S. Department of Agriculture (USDA) 75% of the receipts. ADA retained the remaining 25% of receipts. Now, the USDA will process the fees itself and will continue to pay the state 25% of receipts. As a result, fund revenue will remain unchanged and ADA can eliminate its $75,000 payment to the USDA. The Executive concurs on this issue.
- Office of Inspections Shift 163,800
  Four FTE positions are shifted from the Director's Office. They will assist with exotic pest surveys, plant quarantines, and other infestation-prevention activities. The amount includes the following: Personal Services, $124,600; ERE, $28,400; Travel - In State, $4,000; Travel - Out of State, $3,600; Other Operating, $3,200. The JLBC Staff concurs with the Executive on this issue.

- Border Inspection Stations (1,381,500)

  The JLBC Staff concurs with the Executive in recommending that the border vehicle inspection program be eliminated. In its place, interior pest inspections will be increased. (See below.) The recommendation includes the following reductions: FTE positions, (60); Personal Services, $(1,134,900); ERE, $(258,700); Travel-In State, $(60,000); Other Operating Expenditures, $(30,000). The amount also includes $102,100 for one time costs associated with the reduction in force.

  The productivity rate, in terms of pests identified, remains extremely low even with the elimination of private vehicle inspections. Only 948 vehicles, less than a tenth of 1% of inspected vehicles, failed to pass inspection in FY 1991. Furthermore, pest infestations have occurred in Arizona despite the border inspection program. Strengthened interior inspection and interstate compliance agreement programs are recommended to replace the border program. The recommendation eliminates 56 Agricultural Inspector II positions and 4 Agricultural Inspector III positions, along with $1,000 of travel and $500 of operating costs for each position.

- Interior Inspections 448,700

  The JLBC Staff concurs with the Executive in recommending that 15 FTE positions be converted from border inspectors to interior inspection and compliance officers. Interstate compliance agreements related to importing plant products will be expanded, and the ADA will accelerate its enforcement of plant importation laws. In addition, early pest detection methods will be utilized more extensively.

- Other Miscellaneous Adjustments 15,800

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: CHEMICALS/ENVIRONMENTAL

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	20.00	24.00	28.00	24.00	21.00	
OPERATING BUDGET						
PERSONAL SERVICES	449,800	492,200	541,500	587,400	492,200	
EMPLOYEE RELATED EXP	112,200	113,400	141,900	154,700	134,500	
PROFESSIONAL/OUTSIDE SVCS	49,300	74,000	202,800	119,000	74,000	
TRAVEL - IN STATE	40,800	46,600	50,600	58,200	46,600	
TRAVEL - OUT OF STATE	13,500	9,800	12,700	8,800	9,800	
OTHER OPERATING EXP	65,200	99,900	119,000	113,500	98,300	
EQUIPMENT	32,100	18,000	31,000	7,700	7,200	
ALL OTHER OPERATING	200,900	248,300	416,100	307,200	235,900	
OPERATING SUBTOTAL	762,900	853,900	1,099,500	1,049,300	862,600	
SPECIAL LINE ITEMS						
AGRIC WORKER SAFETY	0	157,000	249,500	0	0	
SPECIAL ITEM SUBTOTAL	0	157,000	249,500	0	0	
PROGRAM TOTAL	762,900	1,010,900	1,349,000	1,049,300	862,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF AGRICULTURE
COST CENTER: CHEMICALS/ENVIRONMENTAL

JLBC ANALYST: BOCK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	197,200	299,100	660,500	443,500	307,900	
OTHER FUNDS	565,700	711,800	688,500	605,800	554,700	
PROGRAM TOTAL-ALL SOURCES	762,900	1,010,900	1,349,000	1,049,300	862,600	

The JLBC Staff recommends a total appropriation of $862,600 -- a net decrease of $(148,300), or (14.6)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $307,900 -- a net decrease of $8,800, or 2.9%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — 21,100
- Other Operating Expenditures Adjustments — (1,600)
- Agricultural Worker Safety Program — (157,000)
  This program was moved to the Department of Agriculture from the Industrial Commission in FY 1991 and funded on a one-time basis from the Pesticide Fund. The Pesticide Fund's current level of receipts cannot support this program. The JLBC Staff recommends that the program again be funded by the Industrial Commission's Occupational Safety and Health Administration (OSHA) program through an inter-governmental agreement. The JLBC Staff recommends shifting 3 FTE positions and $123,400 to the Industrial Commission Special Fund. The amount reduces capital equipment by $40,200 and includes $6,600 for ERE and non-capital equipment adjustments. Also, the program is moved from the Director's Office to the Chemicals/Environmental Division. The Executive recommends this program be financed from the General Fund.
- Capital Equipment — (10,800)
  The JLBC Staff recommends a $(5,400) reduction in capital equipment for both the Commercial Feed and the Fertilizer Materials Funds. For each fund, the change leaves $3,600 for a microcomputer. The Executive includes $6,400 from Fertilizer Materials and $7,500 from Commercial Feed for equipment.

Other Issues for Consideration

- Miscellaneous Adjustments

  The Executive recommends the following Travel-Out of State reductions: $(200) from the Pesticide Fund, $(300) from the Fertilizer Materials Fund, and $(500) from the Commercial Feed Fund. In addition, the Executive recommends $5,500 from each of these funds for rent, which the JLBC Staff does not recommend because the amount is included in the FY 1992 expenditures.

- Annualization of HB 2121 (Chapter 315)

  The Executive recommends $15,600 in Personal Services and $4,300 in ERE to annualize 2 FTE positions that were funded for 5.25 months of FY 1992. The JLBC Staff recommends no increase, as the total amount provided in FY 1992, $44,000, is sufficient to fund necessary staff for a full year.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BANKING DEPARTMENT
COST CENTER: BANKING DEPARTMENT

JLBC ANALYST: HEADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	90.00	81.80	55.00	55.00	55.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,924,000	2,095,800	1,449,100	1,449,100	1,449,100	
EMPLOYEE RELATED EXP	452,400	486,800	338,100	322,800	316,700	
PROFESSIONAL/OUTSIDE SVCS	79,400	94,100	67,500	67,500	67,500	
TRAVEL - IN STATE	86,800	90,000	60,000	60,000	60,000	
TRAVEL - OUT OF STATE	19,200	20,400	16,000	16,000	16,000	
OTHER OPERATING EXP	269,000	276,400	248,400	248,400	248,400	
EQUIPMENT	34,100	8,800	0	0	0	
ALL OTHER OPERATING	488,500	489,700	391,900	391,900	391,900	
OPERATING SUBTOTAL	2,864,900	3,072,300	2,179,100	2,163,800	2,157,700	
SPECIAL LINE ITEMS						
RECEIVERSHIPS	337,300	526,900	274,400	271,400	270,900	
SPECIAL ITEM SUBTOTAL	337,300	526,900	274,400	271,400	270,900	
PROGRAM TOTAL	3,202,200	3,599,200	2,453,500	2,435,200	2,428,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BANKING DEPARTMENT
COST CENTER: BANKING DEPARTMENT

JLBC ANALYST: HEADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,202,200	3,599,200	2,483,500	2,435,200	2,428,600	
OTHER NON APPROPRIATED	142,100	139,200	104,300	0	104,300	
PROGRAM TOTAL-ALL SOURCES	3,344,300	3,738,400	3,805,900	2,435,200	2,532,900	

The JLBC Staff recommends a total appropriation of $2,428,600 -- a net decrease of $(1,170,600) or (32.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0.75%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — (28,800)
- Reductions Due to Lower Revenue — (885,800)

  The Department has historically been required by a footnote in the General Appropriation Act to collect revenue equal to or exceeding its appropriation from the General Fund, making the Department self-supporting. In light of this requirement and anticipated declines in revenue, the Staff recommends that personnel and operating expense reductions be enacted for FY 1993. Revenue losses can be attributed primarily to the movement of two large banks (Bank of America-Arizona, and Security Pacific) to federal charters, meaning that the state will no longer regulate these banks or collect examination fees. Not regulating these two institutions translates into a loss of $600,000 in revenue annually. Additionally, revenue from the licensure of money transmitters has not materialized as expected, and in general, revenue from other licensed groups, such as mortgage brokers, is expected to decline. The Executive has recommended reductions similar to the Staff's.

To bring expenditures in line with expected revenues, the Staff recommends the following reductions:

FTE Positions	(26.8)
Personal Services	$(646,700)
ERE	(141,300)
Prof and Outside Services	(26,600)
Travel-In State	(30,000)
Travel-Out of State	(4,400)
Other Operating	(28,000)
Equipment	(8,800)
Total	$(885,800)

The positions to be eliminated include 22.8 Financial Institution Examiners of various grades and 4 State Examiners in the Receivership division. The Staff believes that in addition to aligning expenditures with expected revenues, these reductions will also bring staffing more in line with the Department's workload and will not impair the Department's ability to regulate the financial entities under its jurisdiction.

- Receiverships (256,000)

  Reflects reductions to accommodate lower revenue, an ERE rate adjustment, and placement of risk management charges above the line. Staff reductions of 4 positions in Receiverships are reflected in the FTE reduction above.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

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

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	72.50	70.20	70.20	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,809,800	1,827,700	1,854,400	0	0	
EMPLOYEE RELATED EXP	442,000	425,100	490,500	0	0	
PROFESSIONAL/OUTSIDE SVCS	900	800	800	0	0	
TRAVEL - IN STATE	204,900	203,100	203,100	0	0	
TRAVEL - OUT OF STATE	8,000	8,500	8,500	0	0	
OTHER OPERATING EXP	303,000	305,100	305,100	0	0	
EQUIPMENT	20,900	0	0	0	0	
ALL OTHER OPERATING	537,700	517,500	517,500	0	0	
OPERATING SUBTOTAL	2,789,500	2,770,300	2,862,400	0	0	
SPECIAL LINE ITEMS						
FIRE TRAINING	30,000	30,000	30,000	0	0	
SPECIAL ITEM SUBTOTAL	30,000	30,000	30,000	0	0	
PROGRAM TOTAL	2,819,500	2,800,300	2,892,400	0	0	

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

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,819,500	2,800,300	2,892,400	0	0	
OTHER NON APPROPRIATED	485,400	907,900	747,900	0	0	
PROGRAM TOTAL-ALL SOURCES	3,304,900	3,708,200	3,640,300	0	0	

The JLBC Staff recommends a total appropriation of $0 -- a net decrease of $(2,800,300), or (100)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Agency Consolidation $(2,800,300)

  JLBC Staff concurs with the Executive recommendation for consolidation of the Department of Building and Fire Safety and the Registrar of Contractors to form the Department of Building Safety. The Department of Building and Fire Safety is currently authorized under A.R.S. § 31-1103.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: REGISTRAR OF CONTRACTORS
COST CENTER: REGISTRAR OF CONTRACTORS

JLBC ANALYST: FUSAK
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	108.10	103.60	103.60	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,302,600	2,352,100	2,403,300	0	0	
EMPLOYEE RELATED EXP	579,000	575,800	589,800	0	0	
PROFESSIONAL/OUTSIDE SVCS	42,800	27,200	27,200	0	0	
TRAVEL - IN STATE	180,800	184,600	184,600	0	0	
TRAVEL - OUT OF STATE	1,500	1,600	1,600	0	0	
OTHER OPERATING EXP	612,000	706,600	711,600	0	0	
EQUIPMENT	800	0	0	0	0	
ALL OTHER OPERATING	837,900	920,000	925,000	0	0	
PROGRAM TOTAL	3,719,500	3,847,900	3,918,100	0	0	
BY FUND SOURCE						
GENERAL FUND	3,719,500	3,847,900	3,918,100	0	0	
OTHER NON APPROPRIATED	1,850,000	2,111,100	2,103,900	0	0	
PROGRAM TOTAL-ALL SOURCES	5,569,500	5,959,000	6,022,000	0	0	

DEPARTMENT: REGISTRAR OF CONTRACTORS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $0 -- a net decrease of $(3,847,900), or (100)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Agency Consolidation $(3,847,900)

  JLBC Staff concurs with the Executive recommendation for consolidation of the Registrar of Contractors and the Department of Building and Fire Safety to form the Department of Building Safety. The Registrar is currently authorized under A.R.S. § 32-1103.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BUILDING SAFETY
COST CENTER: BUILDING SAFETY

JLBC ANALYST: FUSAK
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	169.50	167.50	
OPERATING BUDGET						
PERSONAL SERVICES	0	0	0	3,912,900	3,914,400	
EMPLOYEE RELATED EXP	0	0	0	977,300	953,100	
PROFESSIONAL/OUTSIDE SVCS	0	0	0	28,000	28,000	
TRAVEL - IN STATE	0	0	0	374,200	383,400	
TRAVEL - OUT OF STATE	0	0	0	10,100	9,100	
OTHER OPERATING EXP	0	0	0	1,096,900	1,100,100	
ALL OTHER OPERATING	0	0	0	1,509,200	1,520,600	
OPERATING SUBTOTAL	0	0	0	6,399,400	6,388,100	
SPECIAL LINE ITEMS						
FIRE TRAINING SCHOOL	0	0	0	30,000	30,000	
SPECIAL ITEM SUBTOTAL	0	0	0	30,000	30,000	
PROGRAM TOTAL	0	0	0	6,429,400	6,418,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BUILDING SAFETY
COST CENTER: BUILDING SAFETY

JLBC ANALYST: FUSAK
OSPB ANALYST: BONCOSKEY

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	0	0	0	6,429,400	6,418,100	
OTHER NON APPROPRIATED	0	0	0	0	2,851,800	
PROGRAM TOTAL-ALL SOURCES	0	0	0	6,429,400	9,269,900	

The JLBC Staff recommends a total appropriation of $6,418,100 -- a net decrease of $(230,100), or (3.5)% from the combined Registrar of Contractors and Department of Building Fire and Safety FY 1992 appropriations.

JLBC Staff Recommended Changes from FY 1992

JLBC Staff recommends the consolidation of the Registrar of Contractors (ROC) and the Department of Building and Fire Safety (BFS). The following reductions are from the combined ROC and BFS FY 1992 appropriations and are based on savings due to efficiencies from the consolidation. The proposed increases are essentially one-time adjustments necessary to facilitate the consolidation. The net saving to the General Fund is $(230,100). The Executive also recommends the consolidation with a net savings estimate of $(200,000).

- Personal Services/ERE Adjustments — $ (83,800)
  Includes a vacancy factor of 2.5%. The Executive recommends a vacancy factor of 2%.
- ERE Rate Changes — 16,800
- FTE Reduction — (271,700)
  JLBC Staff recommends a) the elimination of 5 unspecified FTE positions and b) the elimination of 1.3 ROC FTE Print Shop positions as was mandated by the Legislature in FY 1992. ROC eliminated 1.3 FTE positions and reduced other areas to achieve the savings in FY 1992. The Executive recommends these eliminations with a corresponding reduction of $(305,200).
- Rent - Tucson State Office Building — $37,500
  Provides $73,000 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.

- Consolidation Related Adjustments 71,100

  JLBC Staff recommends the following:
  - -- $(2,200) decrease for utilities and rent based on a rental rate of $12 per square foot for 31,000 square feet. The Executive recommends no change to the current rent structure with $13.50 allocated for the Registrar of Contractors space and $10.15 for the Building and Fire Safety space;
  - -- $(3,300) decrease in Travel - In State due to efficiencies from moving 2 Building and Fire Safety Inspector FTE positions to the Registrar of Contractors' Mesa Office;
  - -- $31,000 increase for moving costs;
  - -- $29,400 increase to consolidate the system data bases; and
  - -- $16,200 increase to expand the phone system.

Other Issues for Legislative Consideration

- Revise Premium Tax Statutes

  A.R.S. § 20.224 establishes a 2.2% tax on fire insurance premiums. 15% of the revenue is deposited into the General Fund: the remaining 85% is distributed among three groups: 1) municipalities' firefighter accounts in the Public Safety Personnel Retirement System (PSPRS), 2) municipalities that procure the services of private firefighters, and 3) Firefighter's Relief and Pension Funds, (relief funds), which are used to provide retirement benefits for volunteer firefighters who meet age and experience requirements.

  Many municipalities' firefighter accounts are actuarially sound enough to require no employer contribution. Likewise, while relief funds do not receive an annual actuarial evaluation, their actuarial condition appears to be sound, as well. The JLBC Staff believes that a portion of fire insurance premium tax receipts could be used to fund the Office of the State Fire Marshal without endangering the actuarial condition of these entities.

  Relief funds submit annual reports to the State Fire Marshal and Legislative Archives which include information on: receipts from various sources, payment of refunds and benefits, and names of recipients. The reports do not contain information on the number, ages, and experience levels of active members, and some type of actuarial analysis or assessment. Also, there is nothing that prohibits municipalities from capturing remaining monies following termination of the relief funds, as did the City of Tempe when it terminated its relief fund in 1990.

  The JLBC Staff suggests that the Legislature consider the following:
  - -- Revise statutes to require an actuarial analysis of Firefighter's Relief and Pension Funds, paid for from the fire insurance premium tax receipts. For example, each of the 138 entities within the PSPRS currently receive an annual actuarial analysis, at an average cost of $500.
  - -- Revise statutes to prohibit municipalities from capturing remaining monies following termination of relief funds.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	227.50	225.00	225.00	225.00	225.00	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION/HEARING	1,738,600	1,861,800	1,954,500	1,887,200	2,138,600	
CORPORATIONS	1,066,400	1,063,600	1,109,200	1,068,700	1,069,300	
SECURITIES	1,581,600	1,619,300	1,755,300	1,624,000	1,600,900	
RAILROAD SAFETY	450,400	342,900	462,400	345,100	344,000	
UTILITIES	4,927,300	4,660,100	4,854,000	4,568,100	4,699,500	
LEGAL	976,000	987,400	1,027,700	986,500	930,300	
AGENCY TOTAL	10,740,300	10,535,100	11,163,100	10,479,600	10,782,600	
OPERATING BUDGET						
PERSONAL SERVICES	6,302,100	6,411,400	6,597,700	6,426,400	6,416,800	
EMPLOYEE RELATED EXP	1,403,600	1,415,000	1,654,100	1,462,700	1,428,700	
PROFESSIONAL/OUTSIDE SVCS	376,300	382,500	432,500	400,000	432,500	
TRAVEL - IN STATE	186,500	183,000	183,000	183,000	183,000	
TRAVEL - OUT OF STATE	69,200	68,400	68,400	63,900	68,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
OTHER OPERATING EXP	1,433,300	1,511,700	1,514,700	1,486,500	1,829,900	
EQUIPMENT	209,700	19,800	55,400	0	47,500	
ALL OTHER OPERATING	2,275,000	2,165,400	2,254,000	2,133,400	2,561,300	
OPERATING SUBTOTAL	9,980,700	9,991,800	10,505,800	10,022,500	10,406,800	
SPECIAL LINE ITEMS						
ARIZONA ARTS TRUST FUND	0	25,800	25,800	27,100	25,800	
EXPERT TESTIMONY	0	17,500	17,500	0	0	
RAILROAD WARNING SYSTEMS	113,400	0	114,000	0	0	
AUDITS AND RATE HEARINGS	646,200	500,000	500,000	350,000	350,000	
PIPELINE SFTY REVOLV FUND	0	0	0	80,000	0	
SPECIAL ITEM SUBTOTAL	759,600	543,300	657,300	457,100	375,800	
AGENCY TOTAL	10,740,300	10,535,100	11,163,100	10,479,600	10,782,600	
BY FUND SOURCE						
GENERAL FUND	4,808,300	4,861,800	5,255,600	4,897,900	5,127,000	
OTHER FUNDS	5,932,000	5,673,300	5,907,500	5,581,700	5,655,600	
FEDERAL FUNDS	137,800	145,000	152,700	0	152,700	
OTHER NON APPROPRIATED	603,100	1,033,500	1,031,200	0	1,031,200	
AGENCY TOTAL-ALL SOURCES	11,481,200	11,713,600	12,347,000	10,479,600	11,966,500	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $10,782,600 -- a net increase of $247,500, or 2.3%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $5,127,000 -- a net increase of $265,200, or 5.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ 6,600
• ERE Rate Changes	12,500
• Rent - State Owned Buildings	261,100
• Rent Adjustments (Tucson State Office Building, Other Private and State Space)	57,100
• Replacement Capitalized Equipment Adjustment	(2,300)
• Pipeline Safety Revolving Fund	80,000
• Expert Testimony Special Line Item	(17,500)
• Audits and Rate Hearings Special Line Item	(150,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: ADMINISTRATION/HEARING

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	35.00	35.00	35.00	35.00	35.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,008,600	1,076,800	1,109,500	1,088,600	1,082,200	
EMPLOYEE RELATED EXP	227,800	237,000	280,700	245,300	233,700	
PROFESSIONAL/OUTSIDE SVCS	215,300	220,000	220,000	220,000	220,000	
TRAVEL - IN STATE	9,000	11,000	11,000	11,000	11,000	
TRAVEL - OUT OF STATE	17,100	17,000	17,000	17,000	17,000	
OTHER OPERATING EXP	241,100	300,000	316,300	305,300	574,700	
EQUIPMENT	19,700	0	0	0	0	
ALL OTHER OPERATING	502,200	548,000	564,300	553,300	822,700	
PROGRAM TOTAL	1,738,600	1,861,800	1,954,500	1,887,200	2,138,600	
BY FUND SOURCE						
GENERAL FUND	1,738,600	1,861,800	1,954,500	1,887,200	2,138,600	
PROGRAM TOTAL-ALL SOURCES	1,738,600	1,861,800	1,954,500	1,887,200	2,138,600	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: ADMINISTRATION/HEARING

The JLBC Staff recommends a total appropriation of $2,138,600 -- a net increase of $276,800, or 14.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 6,600
  Maintains a vacancy factor of 2.5%. The Executive recommends a vacancy factor of 2.5%. The recommended amount also includes $6,600 to annualize the January 1992 Commissioner's statutory salary increase.
- ERE Rate Changes (4,500)
- Rent - State Owned Buildings 261,100
  Includes reinstatement of General Fund rent in the amount of $261,100 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

  The Commission has indicated to the Staff that the Department of Administration plans to allocate two floors of the state office building located at 1300 W. Washington to the Commission in FY 1993. Under the Commission's plan, General Fund space would increase by 10,000 square feet. The recommended amount would not fund this entire increase, thus the Staff recommends that either the Commission allocate more space to non-General Fund divisions or not acquire as much additional space as originally planned.
- Rent - Tucson State Office Building 13,600
  Provides $24,100 to be applied to the FY 1993 lease-purchase for the new Tucson Office Building. The increase will be used to annualize the amount appropriated in FY 1992.

Other Issues for Legislative Consideration

- Commissioner's Salary Increase
  The Executive has recommended increasing the Commissioners' salaries to $60,000, effective January 1, 1993. The Executive's recommendation follows the salary recommendations contained within the October 1, 1991 report of the Commission on Salaries for Elective State Officers. As noted above, the Staff recommendation provides an increase to complete the last year of a phased-in increase that was recommended in the previous report of the salary commission. The Staff has not recommended funds to provide the January 1993 increases reflected in the October report and instead recommends that an elected official salary increase be addressed as part of the allocation of the JLBC Staff's recommended $25 million increase in state employee compensation.

- Miscellaneous Other Operating Reductions

  The Executive has recommended Other Operating reductions for aircraft rental and freight and moving expenses totalling $11,000. The Staff does not recommend a reduction for aircraft costs because although the Commission's stolen aircraft is being returned and a rental aircraft will no longer be required, the Commission must still pay operating expenses for its own aircraft. Given the Commission will require funds to move into additional state space in FY 1993, the Staff does not agree with the Executive's moving expense reduction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: CORPORATIONS

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	38.00	38.00	38.00	38.00	38.00	
OPERATING BUDGET						
PERSONAL SERVICES	659,200	642,200	656,200	642,100	642,200	
EMPLOYEE RELATED EXP	188,100	178,700	203,800	185,600	184,400	
PROFESSIONAL/OUTSIDE SVCS	48,500	36,000	36,000	36,000	36,000	
TRAVEL - IN STATE	600	700	700	700	700	
TRAVEL - OUT OF STATE	2,700	1,500	1,500	1,500	1,500	
OTHER OPERATING EXP	160,800	178,700	185,200	175,700	178,700	
EQUIPMENT	6,500	0	0	0	0	
ALL OTHER OPERATING	219,100	216,900	223,400	213,900	216,900	
OPERATING SUBTOTAL	1,066,400	1,037,800	1,083,400	1,041,600	1,043,500	
SPECIAL LINE ITEMS						
ARIZONA ARTS TRUST FUND	0	25,800	25,800	27,100	25,800	
SPECIAL ITEM SUBTOTAL	0	25,800	25,800	27,100	25,800	
PROGRAM TOTAL	1,066,400	1,063,600	1,109,200	1,068,700	1,069,300	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: CORPORATIONS

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	1,037,700	1,037,800	1,083,400	1,041,600	1,043,500	
OTHER FUNDS	28,700	25,800	25,800	27,100	25,800	
PROGRAM TOTAL-ALL SOURCES	1,066,400	1,063,600	1,109,200	1,068,700	1,069,300	

The JLBC Staff recommends a total appropriation of $1,069,300 -- a net increase of $5,700, or 0.5%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $1,043,500 -- a net increase of $5,700, or 0.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 2.5%. The Executive recommends a vacancy factor of 2.5%.
- ERE Rate Changes 5,700

Other Issues for Legislative Consideration

- Other Operating Reduction
  The Executive has recommended a $3,000 reduction for freight and moving expenses.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: SECURITIES

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	41.00	40.00	40.00	40.00	40.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,178,200	1,220,100	1,302,700	1,221,000	1,220,100	
EMPLOYEE RELATED EXP	266,400	261,200	314,600	265,000	260,300	
PROFESSIONAL/OUTSIDE SVCS	18,000	20,000	20,000	37,500	20,000	
TRAVEL - IN STATE	4,300	5,000	5,000	5,000	5,000	
TRAVEL - OUT OF STATE	9,900	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	104,800	93,500	93,500	93,500	93,500	
ALL OTHER OPERATING	137,000	120,500	120,500	138,000	120,500	
OPERATING SUBTOTAL	1,581,600	1,601,800	1,737,800	1,624,000	1,600,900	
SPECIAL LINE ITEMS						
EXPERT TESTIMONY	0	17,500	17,500	0	0	
SPECIAL ITEM SUBTOTAL	0	17,500	17,500	0	0	
PROGRAM TOTAL	1,581,600	1,619,300	1,755,300	1,624,000	1,600,900	
BY FUND SOURCE						
GENERAL FUND	1,581,600	1,619,300	1,755,300	1,624,000	1,600,900	
OTHER NON APPROPRIATED	603,100	1,033,500	1,031,200	0	1,031,200	
PROGRAM TOTAL-ALL SOURCES	2,184,700	2,652,800	2,786,500	1,624,000	2,632,100	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: SECURITIES

The JLBC Staff recommends a total appropriation of $1,600,900 -- a net decrease of $(18,400), or (1.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ -0-
Maintains a vacancy factor of 1%. The Executive recommends a vacancy factor of 1%.	
• ERE Rate Changes	(900)
• Expert Testimony Special Line Item	(17,500)
The Staff recommends that this special line item not be funded in FY 1993, and given past expenditures, the Staff further recommends that this special line item be eliminated. The Executive recommends that funding be continued at $17,500 for FY 1993 and be transferred into the Professional and Outside Services line, thereby eliminating the special line item.	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: RAILROAD SAFETY

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	8.00	8.00	8.00	8.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	216,700	226,900	226,900	226,900	226,900	
EMPLOYEE RELATED EXP	52,200	51,900	57,400	54,100	53,000	
TRAVEL - IN STATE	43,800	44,700	44,700	44,700	44,700	
TRAVEL - OUT OF STATE	4,200	3,800	3,800	3,800	3,800	
OTHER OPERATING EXP	20,100	15,600	15,600	15,600	15,600	
ALL OTHER OPERATING	68,100	64,100	64,100	64,100	64,100	
OPERATING SUBTOTAL	337,000	342,900	348,400	345,100	344,000	
SPECIAL LINE ITEMS						
RAILROAD WARNING SYSTEMS	113,400	0	114,000	0	0	
SPECIAL ITEM SUBTOTAL	113,400	0	114,000	0	0	
PROGRAM TOTAL	450,400	342,900	462,400	345,100	344,000	
BY FUND SOURCE						
GENERAL FUND	450,400	342,900	462,400	345,100	344,000	
PROGRAM TOTAL-ALL SOURCES	450,400	342,900	462,400	345,100	344,000	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: RAILROAD SAFETY

The JLBC Staff recommends a total appropriation of $344,000 -- a net increase of $1,100, or 0.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $1,100

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: UTILITIES

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	89.00	87.50	87.50	87.50	87.50	
OPERATING BUDGET						
PERSONAL SERVICES	2,612,800	2,593,500	2,640,900	2,595,900	2,593,500	
EMPLOYEE RELATED EXP	558,000	549,800	637,800	586,500	574,000	
PROFESSIONAL/OUTSIDE SVCS	85,100	85,000	135,000	85,000	135,000	
TRAVEL - IN STATE	126,000	118,100	118,100	118,100	118,100	
TRAVEL - OUT OF STATE	19,300	30,000	30,000	25,500	30,000	
OTHER OPERATING EXP	747,900	763,900	736,800	727,100	851,400	
EQUIPMENT	132,000	19,800	55,400	0	47,500	
ALL OTHER OPERATING	1,110,300	1,016,800	1,075,300	955,700	1,182,000	
OPERATING SUBTOTAL	4,281,100	4,160,100	4,354,000	4,138,100	4,349,500	
SPECIAL LINE ITEMS						
PIPELINE SFTY REVOLV FUND	0	0	0	80,000	0	
AUDITS AND RATE HEARINGS	646,200	500,000	500,000	350,000	350,000	
SPECIAL ITEM SUBTOTAL	646,200	500,000	500,000	430,000	350,000	
PROGRAM TOTAL	4,927,300	4,660,100	4,854,000	4,488,100	4,699,500	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: UTILITIES

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	4,927,300	4,660,100	4,854,000	4,568,100	4,699,500	
FEDERAL FUNDS	137,800	145,000	152,700	0	152,700	
PROGRAM TOTAL-ALL SOURCES	5,065,100	4,805,100	5,006,700	4,568,100	4,852,200	

The JLBC Staff recommends a total appropriation of $4,699,500 -- a net increase of $39,400, or 0.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 3.5%. The Executive recommends a vacancy factor of 3.5%.
- ERE Rate Changes — 24,200
- Rent Adjustment — 86,600
  Represents the movement of all rent funding for divisions funded out of the Utility Regulation Revolving Fund into this cost center and the net effect of a portion of the Utilities division vacating private space and relocating in state space.
- Rent - Tucson State Office Building — 900
  Provides $34,700 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase will be used to annualize the amount appropriated in FY 1992.
- Replacement Capitalized Equipment Adjustment — (2,300)
  The Utilities division was appropriated $19,800 for replacement computers in FY 1992. The Staff recommends $17,500 for replacement computers in FY 1993, or a decrease of $(2,300). The recommendation is based on an average cost of $3,500 for personal computers on the state contract. The Executive has not recommended funds for replacement equipment.

- Pipeline Safety Revolving Fund 80,000

  Includes $50,000 in Professional and Outside Services to update pipeline safety training videos and $30,000 in Equipment for the replacement of safety inspection equipment loaned to master meter operators. The Commission has not requested an appropriation from this fund for the past 3 years, instead allowing a balance to accumulate so that certain projects could be funded. Revenues in the fund come from fines assessed for violations of state "bluestake" laws. The Executive has also recommended funding of $80,000.

- Audits and Rate Hearings Special Line Item (150,000)

  The Staff concurs with the Executive recommendation to reduce funding for this special line item by $150,000. As of this writing, the fund balance including all prior year appropriations stood at $714,000. A fund balance has accumulated because funding for this line item has been made non-lapsing, given the extended and often uncertain nature of rate cases heard by the Commission.

Other Issues for Legislative Consideration

- Miscellaneous Other Operating Reductions

  The Executive has recommended Other Operating reductions for aircraft rental and computer software totalling $9,700. Since the Commission's aircraft is used by all divisions, including the non-General Fund Utilities division, a portion of aircraft expenses are paid out of non-General Funds. However, for the reason cited in the Administration/Hearing narrative, the Staff has not recommended a reduction. Because the Staff recommendation includes funds for replacement computer equipment, no reduction in software purchases has been recommended.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: LEGAL

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	16.50	16.50	16.50	16.50	16.50	
OPERATING BUDGET						
PERSONAL SERVICES	626,600	651,900	661,500	651,900	651,900	
EMPLOYEE RELATED EXP	111,100	136,400	159,800	126,200	123,300	
PROFESSIONAL/OUTSIDE SVCS	9,400	21,500	21,500	21,500	21,500	
TRAVEL - IN STATE	2,800	3,500	3,500	3,500	3,500	
TRAVEL - OUT OF STATE	16,000	14,100	14,100	14,100	14,100	
OTHER OPERATING EXP	158,600	160,000	167,300	169,300	116,000	
EQUIPMENT	51,500	0	0	0	0	
ALL OTHER OPERATING	238,300	199,100	206,400	208,400	155,100	
PROGRAM TOTAL	976,000	987,400	1,027,700	986,500	930,300	
BY FUND SOURCE						
OTHER FUNDS	976,000	987,400	1,027,700	986,500	930,300	
PROGRAM TOTAL-ALL SOURCES	976,000	987,400	1,027,700	986,500	930,300	

DEPARTMENT: CORPORATION COMMISSION
COST CENTER: LEGAL

The JLBC Staff recommends a total appropriation of $930,300 -- a net decrease of $(57,100), or (5.8)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• ERE Rate Changes	$(13,100)
• Rent Adjustment	(44,000)

Represents the movement of rent charges into the Utilities cost center, consolidating all rent requirements of the Utility Regulation Revolving Fund into one cost center. This practice follows rent for General Fund cost centers which is consolidated in the Administration/Hearing cost center. The Executive has left rent funding in this division's budget.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	257.00	256.50	260.00	258.70	260.50	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	2,572,500	3,004,800	2,953,800	2,873,900	2,810,200	
CLAIMS	2,599,900	2,628,700	2,712,900	2,619,100	2,551,600	
ADMINISTRATIVE LAW JUDGE	3,191,100	3,446,400	3,616,000	3,453,500	3,396,700	
LABOR	378,700	390,300	438,200	430,400	432,200	
SPECIAL FUND	431,700	449,600	457,200	454,300	452,800	
OCCUPATIONAL SFTY/HEALTH	1,638,700	1,625,600	1,634,000	1,554,500	1,694,300	
LEGAL COUNSEL	633,700	652,300	698,500	665,800	659,000	
AGENCY TOTAL	11,446,300	12,197,700	12,510,600	12,051,500	11,996,800	
OPERATING BUDGET						
PERSONAL SERVICES	6,024,100	6,177,800	6,334,500	6,225,700	6,113,000	
EMPLOYEE RELATED EXP	1,384,000	1,466,900	1,712,000	1,555,400	1,493,900	
PROFESSIONAL/OUTSIDE SVCS	1,380,400	1,472,600	1,537,700	1,436,200	1,429,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRAVEL - IN STATE	131,200	141,100	141,100	141,100	141,100	
TRAVEL - OUT OF STATE	9,900	11,900	11,900	11,300	11,900	
OTHER OPERATING EXP	2,458,600	2,918,700	2,764,200	2,672,600	2,674,800	
EQUIPMENT	58,100	8,700	9,200	9,200	9,200	
ALL OTHER OPERATING	4,038,200	4,553,000	4,464,100	4,270,400	4,266,500	
OPERATING SUBTOTAL	11,446,300	12,197,700	12,510,600	12,051,500	11,873,400	
SPECIAL LINE ITEMS						
AGRICULTURE WORKER SAFETY	0	0	0	0	123,400	
SPECIAL ITEM SUBTOTAL	0	0	0	0	123,400	
AGENCY TOTAL	11,446,300	12,197,700	12,510,600	12,051,500	11,996,800	
BY FUND SOURCE						
OTHER FUNDS	11,446,300	12,197,700	12,510,600	12,051,500	11,996,800	
FEDERAL FUNDS	791,800	1,190,200	1,190,200	0	1,190,200	
OTHER NON APPROPRIATED	60,000	60,000	60,000	0	60,000	
AGENCY TOTAL-ALL SOURCES	12,298,100	13,447,900	13,760,800	12,051,500	13,247,000	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $11,996,800 -- a net decrease of $(200,900), or (1.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (98,400)
• ERE Rate Changes	42,200
• All Other Operating Expenditures	(300,200)
-- $(43,100) net decrease to Professional and Outside Services	
-- $(55,000) decrease to reflect telephone system conversion	
-- $(114,000) decrease to reflect data processing system completion	
-- $(35,600) decrease for Other Operating Expenditures	
-- $(38,500) decrease for rent	
-- $(14,000) decrease for Equipment	
• Labor Division Workload	22,900
• Investigation Vehicle	9,200
• Agriculture Worker Safety Special Line	123,400

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATION

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	43.00	42.60	43.00	42.60	42.60	
OPERATING BUDGET						
PERSONAL SERVICES	992,900	1,010,900	1,046,800	1,041,600	1,000,800	
EMPLOYEE RELATED EXP	230,700	235,400	277,500	257,900	238,900	
PROFESSIONAL/OUTSIDE SVCS	79,800	78,600	78,600	78,700	78,700	
TRAVEL - IN STATE	14,300	14,900	14,900	14,900	14,900	
TRAVEL - OUT OF STATE	3,600	4,500	4,500	4,500	4,500	
OTHER OPERATING EXP	1,233,800	1,660,500	1,531,500	1,476,300	1,472,400	
EQUIPMENT	17,400	0	0	0	0	
ALL OTHER OPERATING	1,348,900	1,758,500	1,629,500	1,574,400	1,570,500	
PROGRAM TOTAL	2,572,500	3,004,800	2,953,800	2,873,900	2,810,200	
BY FUND SOURCE						
OTHER FUNDS	2,572,500	3,004,800	2,953,800	2,873,900	2,810,200	
FEDERAL FUNDS	39,500	73,100	73,100	0	73,100	
OTHER NON APPROPRIATED	16,100	16,100	16,100	0	16,100	
PROGRAM TOTAL-ALL SOURCES	2,628,100	3,094,000	3,043,000	2,873,900	2,899,400	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $2,810,200 -- a net decrease of $(194,600), or (6.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (12,500)
  Includes a vacancy factor of 1%, which is the standard rate applied to agencies with this number of FTE positions. No vacancy factor was applied in FY 1992. The Executive recommends a vacancy factor of 0.5%.
- ERE Rate Changes 5,900
- All Other Operating Expenditures (149,500)
  JLBC Staff recommends the following:
  -- $100 increase in Professional and Outside Services for medical evaluation services;
  -- $(15,000) decrease to reflect the agency's telephone system conversion;
  -- $(114,000) decrease to reflect the completion of the Wang Data Processing System; and
  -- $(20,600) decrease to reflect the actual number of optical disk cartridges needed.
- Rent Adjustment (38,500)
  JLBC Staff recommends a decrease in rent to reflect the actual space allocation the Industrial Commission will occupy in FY 1993. The State Parks Board was scheduled to move from the Industrial Commission Building in FY 1992 and the Industrial Commission was scheduled to occupy the vacated space, however, the move will not occur until mid FY 1993. As a result, the Industrial Commission's total rent obligation will be reduced. The Parks Board will pay the Industrial Commission $13.50 per square foot for the first half of the year based on the current tenant rental.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: CLAIMS

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	85.00	81.80	83.00	83.00	81.80	
OPERATING BUDGET						
PERSONAL SERVICES	1,393,300	1,351,400	1,382,800	1,372,400	1,331,100	
EMPLOYEE RELATED EXP	359,900	366,600	429,400	412,500	388,300	
PROFESSIONAL/OUTSIDE SVCS	393,900	405,000	405,000	357,500	351,500	
TRAVEL - IN STATE	200	1,000	1,000	1,000	1,000	
TRAVEL - OUT OF STATE	1,200	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	444,700	502,700	492,700	473,700	477,700	
EQUIPMENT	6,700	0	0	0	0	
ALL OTHER OPERATING	846,700	910,700	900,700	834,200	832,200	
PROGRAM TOTAL	2,599,900	2,628,700	2,712,900	2,619,100	2,551,600	
BY FUND SOURCE						
OTHER FUNDS	2,599,900	2,628,700	2,712,900	2,619,100	2,551,600	
OTHER NON APPROPRIATED	43,900	43,900	43,900	0	43,900	
PROGRAM TOTAL-ALL SOURCES	2,643,800	2,672,600	2,756,800	2,619,100	2,595,500	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: CLAIMS

The JLBC Staff recommends a total appropriation of $2,551,600 -- a net decrease of $(77,100), or (2.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(26,200)
  Includes a vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. No vacancy factor was applied in FY 1992. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 27,600
- All Other Operating Expenditures (78,500)
  JLBC Staff recommends the following:
  -- a net decrease of $(53,500) for Professional and Outside Services which includes an increase of $500 for medical and hospital services and a decrease of $(54,000) for optical disk production costs as estimated by the Department of Administration;
  -- $(10,000) decrease to reflect the completion of the agency's telephone system conversion; and
  -- $(15,000) decrease for microfiche.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: ADMINISTRATIVE LAW JUDGE

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	50.00	53.50	54.00	53.50	53.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,690,900	1,824,900	1,898,600	1,840,600	1,797,500	
EMPLOYEE RELATED EXP	349,000	370,900	436,700	397,800	383,400	
PROFESSIONAL/OUTSIDE SVCS	791,000	878,400	933,500	878,400	878,400	
TRAVEL - IN STATE	19,100	21,600	21,600	21,600	21,600	
TRAVEL - OUT OF STATE	300	600	600	600	600	
OTHER OPERATING EXP	340,800	345,500	325,000	314,500	315,200	
EQUIPMENT	0	4,500	0	0	0	
ALL OTHER OPERATING	1,151,200	1,250,600	1,280,700	1,215,100	1,215,800	
PROGRAM TOTAL	3,191,100	3,446,400	3,616,000	3,453,500	3,396,700	
BY FUND SOURCE						
OTHER FUNDS	3,191,100	3,446,400	3,616,000	3,453,500	3,396,700	
PROGRAM TOTAL-ALL SOURCES	3,191,100	3,446,400	3,616,000	3,453,500	3,396,700	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: ADMINISTRATIVE LAW JUDGE

The JLBC Staff recommends a total appropriation of $3,396,700 -- a net decrease of $(49,700), or (1.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(33,200)
  Includes a vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. No vacancy factor was applied in FY 1992. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 18,300
- All Other Operating Expenditures (34,800)
  JLBC Staff recommends a decrease of $(25,000) to reflect the completion of the agency's telephone system conversion. The JLBC Staff also recommends a decrease of $(5,300) for non-capitalized equipment and $(4,500) for capitalized equipment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LABOR

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	13.00	13.00	14.00	14.00	14.00	
OPERATING BUDGET						
PERSONAL SERVICES	240,000	256,500	274,000	274,000	274,000	
EMPLOYEE RELATED EXP	56,200	63,400	78,800	73,900	74,100	
PROFESSIONAL/OUTSIDE SVCS	100	200	200	200	200	
TRAVEL - IN STATE	5,600	7,500	7,500	7,500	7,500	
TRAVEL - OUT OF STATE	1,500	1,400	1,400	1,400	1,400	
OTHER OPERATING EXP	73,400	61,300	67,100	64,200	65,800	
EQUIPMENT	1,900	0	9,200	9,200	9,200	
ALL OTHER OPERATING	82,500	70,400	85,400	82,500	84,100	
PROGRAM TOTAL	378,700	390,300	438,200	430,400	432,200	
BY FUND SOURCE						
OTHER FUNDS	378,700	390,300	438,200	430,400	432,200	
PROGRAM TOTAL-ALL SOURCES	378,700	390,300	438,200	430,400	432,200	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: LABOR DIVISION

The JLBC Staff recommends a total appropriation of $432,200 -- a net increase of $41,900, or 10.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 3,800
  JLBC Staff recommends an increase of $3,000 to Personal Services and $800 to Employee Related Expenditures to fully fund all positions.
- ERE Rate Changes 6,000
- Labor Division Workload 22,900
  JLBC Staff recommends funding for 1 Clerk Typist III position. The volume of public inquiries has increased to a point where investigators and the office manager are being used as phone answering back-ups. This is inefficient due to the grade levels of the inspectors and the office manager. The Executive concurs with this recommendation.
- Investigation Vehicle 9,200
  The JLBC Staff recommends 1 sedan be purchased for the six inspectors in the Labor Division. There is currently no vehicle available for field inspections. The Executive also recommends this issue.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: SPECIAL FUND

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	15.00	15.00	15.00	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	293,600	307,000	305,100	305,000	305,100	
EMPLOYEE RELATED EXP	70,000	74,700	84,200	81,100	79,500	
PROFESSIONAL/OUTSIDE SVCS	14,800	15,400	15,400	15,700	15,700	
TRAVEL - IN STATE	0	500	500	500	500	
OTHER OPERATING EXP	53,300	52,000	52,000	52,000	52,000	
ALL OTHER OPERATING	68,100	67,900	67,900	68,200	68,200	
PROGRAM TOTAL	431,700	449,600	457,200	454,300	452,800	
BY FUND SOURCE						
OTHER FUNDS	431,700	449,600	457,200	454,300	452,800	
PROGRAM TOTAL-ALL SOURCES	431,700	449,600	457,200	454,300	452,800	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: SPECIAL FUND

The JLBC Staff recommends a total appropriation of $452,800 -- a net increase of $3,200, or 0.71%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(2,400)
  JLBC Staff recommends a decrease of $(1,900) from Personal Services and $(500) from Employee Related Expenditures to reflect the actual funding requirement.
- ERE Rate Changes 5,300
- Professional and Outside Services 300
  JLBC Staff recommends an increase to fund 5% medical inflation for medical and hospital services and advisement.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: OCCUPATIONAL SFTY/HEALTH

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	36.00	35.60	36.00	35.60	38.60	
OPERATING BUDGET						
PERSONAL SERVICES	1,029,600	1,014,700	997,100	976,100	992,100	
EMPLOYEE RELATED EXP	241,100	255,700	286,700	232,700	232,700	
PROFESSIONAL/OUTSIDE SVCS	43,600	47,100	47,100	47,200	47,200	
TRAVEL - IN STATE	85,200	87,800	87,800	87,800	87,800	
TRAVEL - OUT OF STATE	2,900	2,900	2,900	2,300	2,900	
OTHER OPERATING EXP	221,800	213,200	212,400	208,400	208,200	
EQUIPMENT	14,500	4,200	0	0	0	
ALL OTHER OPERATING	368,000	355,200	350,200	345,700	346,100	
OPERATING SUBTOTAL	1,638,700	1,625,600	1,634,000	1,554,500	1,570,900	
SPECIAL LINE ITEMS						
AGRICULTURE WORKER SAFETY	0	0	0	0	123,400	
SPECIAL ITEM SUBTOTAL	0	0	0	0	123,400	
PROGRAM TOTAL	1,638,700	1,625,600	1,634,000	1,554,500	1,694,300	

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: OCCUPATIONAL SFTY/HEALTH

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	1,638,700	1,625,600	1,634,000	1,554,500	1,694,300	
FEDERAL FUNDS	752,300	1,117,100	1,117,100	0	1,117,100	
PROGRAM TOTAL-ALL SOURCES	2,391,000	2,742,700	2,751,100	1,554,500	2,811,400	

The JLBC Staff recommends a total appropriation of $1,694,300 -- a net increase of $68,700, or 4.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(27,900)
  Includes a new vacancy factor of 0.5%. No vacancy factor was applied in FY 1992. JLBC Staff also recommends a decrease of $(17,600) in Personal Services to reflect the actual funding requirement. The Executive recommends a vacancy factor of 0.5%.
- ERE Rate Changes (17,700)
- All Other Operating Expenditures (9,100)
  JLBC Staff recommends an increase of $100 in Professional and Outside Services for medical and hospital services. JLBC Staff recommends a decrease of $(5,000) to reflect the completion of the agency's telephone system conversion. The Staff also recommends a decrease of $(4,200) for capitalized equipment.

- Agriculture Worker Safety Special Line — 123,400

  JLBC Staff recommends that the Agriculture Worker Safety Program be funded in the Industrial Commission's OSHA program with the Department of Agriculture performing the actual safety function through an Inter-Governmental Agreement (IGA). The special line includes 3 inspector FTE positions along with all necessary funding. Laws 1990, Chapter 274 (H.B. 2416) transferred the Pesticide Safety Inspection responsibility from the Industrial Commission Agency (ICA) to the Department of Agriculture, however, no funding adjustment was made to the ICA budget. In the FY 1992 budget, the Legislature funded this program from the Department of Agriculture's Pesticide Fund. The Pesticide Fund balance in FY 1993, however, will be insufficient to finance the Agriculture Worker Safety activities again. The Executive recommends that the cost of this program be shifted to the General Fund in the Department of Agriculture.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: INDUSTRIAL COMMISSION
COST CENTER: LEGAL COUNSEL

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	15.00	15.00	15.00	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	383,800	412,400	430,100	416,000	412,400	
EMPLOYEE RELATED EXP	77,100	100,200	118,700	99,500	97,000	
PROFESSIONAL/OUTSIDE SVCS	57,200	47,900	57,900	58,500	57,800	
TRAVEL - IN STATE	6,800	7,800	7,800	7,800	7,800	
TRAVEL - OUT OF STATE	400	500	500	500	500	
OTHER OPERATING EXP	90,800	83,500	83,500	83,500	83,500	
EQUIPMENT	17,600	0	0	0	0	
ALL OTHER OPERATING	172,800	139,700	149,700	150,300	149,600	
PROGRAM TOTAL	633,700	652,300	698,500	665,800	659,000	
BY FUND SOURCE						
OTHER FUNDS	633,700	652,300	698,500	665,800	659,000	
PROGRAM TOTAL-ALL SOURCES	633,700	652,300	698,500	665,800	659,000	

DEPARTMENT: INDUSTRIAL COMMISSION OF ARIZONA
COST CENTER: LEGAL COUNSEL

The JLBC Staff recommends a total appropriation of $659,000 -- a net increase of $6,700, or 1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $(3,200)
- Professional and Outside Services 9,900

  JLBC Staff recommends an increase in Professional and Outside Services of $600 to fund inflation for medical evaluation and hospital services and $9,300 to fund legal fees associated with an increase in litigation activity. Cases dealing with OSHA issues increased by 40% from FY 1990 to FY 1991, and cases dealing with businesses that have no insurance increased by 10% for the same period. The caseload is projected to increase another 10% for these areas from FY 1991 to FY 1992.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT. OF INSURANCE
COST CENTER: DEPARTMENT OF INSURANCE

JLBC ANALYST: HEADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	84.00	85.00	86.00	89.00	86.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,851,100	1,931,200	2,010,300	2,062,400	1,952,100	
EMPLOYEE RELATED EXP	436,500	461,600	496,100	513,900	476,900	
PROFESSIONAL/OUTSIDE SVCS	79,000	49,700	49,700	49,700	49,700	
TRAVEL - IN STATE	6,000	10,300	10,300	10,300	10,300	
TRAVEL - OUT OF STATE	20,200	14,600	14,600	14,600	14,600	
OTHER OPERATING EXP	543,800	614,300	675,100	651,700	647,200	
EQUIPMENT	34,600	1,000	1,200	4,800	1,200	
ALL OTHER OPERATING	683,600	689,900	750,900	731,100	723,000	
OPERATING SUBTOTAL	2,971,200	3,082,700	3,257,300	3,307,400	3,152,000	
SPECIAL LINE ITEMS						
MOVING EXPENSES	0	0	450,000	80,000	0	
SPECIAL ITEM SUBTOTAL	0	0	450,000	80,000	0	
PROGRAM TOTAL	2,971,200	3,082,700	3,707,300	3,387,400	3,152,000	

DEPARTMENT: DEPT. OF INSURANCE
COST CENTER: DEPARTMENT OF INSURANCE

JLBC ANALYST: HEADLEY
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,971,200	3,082,700	3,707,300	3,387,400	3,152,000	
OTHER NON APPROPRIATED	3,956,300	4,957,500	4,609,300	0	4,609,300	
PROGRAM TOTAL-ALL SOURCES	6,927,500	8,040,200	8,316,600	3,387,400	7,761,300	

The JLBC Staff recommends a total appropriation of $3,152,000 -- a net increase of $69,300, or 2.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (12,500)

  Includes a new vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 10,300
- Rent Adjustment 31,400

  Represents an increase of $31,400 for higher operating expenses in the Department's private office space. The recommendation reflects occupancy until the end of FY 1993 at the Department's base rent amount of $236,800, plus $78,800 for operating expenses. The recommendation is based on the assumption that the Department will continue to apply funds appropriated in FY 1991 for more space to pay operating expenses.

  The Staff suggests that the Department negotiate with the building's owner, the State Compensation Fund, to remain in the space until the end of FY 1993. However, the Staff recommends that the Department aggressively pursue a new location either in the Capital Mall or in other private space, making a move possible at the beginning of FY 1994. Given that the State Compensation Fund is regulated by the Department, the Staff believes that it is inappropriate for the Department to lease space from an entity it also regulates.

  The Executive has recommended that the Department move to new space in FY 1993 and has included $80,000 for this purpose. The Executive recommendation reflects 9 months of occupancy at the Department's current location and 3

months at an unspecified location. Included in the Executive recommendation is a net increase of $29,100 for additional space at a new location and operating expenses.

- Rent - Tucson State Office Building 5,700

  Provides $18,800 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.

- Replacement Non-Capitalized Equipment Adjustment (6,100)

  According to the Department's FY 1993 budget request, the Department will spend $15,200 on replacement non-capitalized equipment in FY 1992. The recommended amount for FY 1993 is $9,100.

- Replacement Capitalized Equipment Adjustment (1,000)

  The Department was appropriated $1,000 for new capitalized equipment in FY 1992. None is recommended for FY 1993. The Executive recommends no funds for replacement capitalized equipment as well.

- Additional Insurance Analyst III 41,500

  The Staff recommends the addition of an Insurance Analyst III to enable the Department to manage the increased workload resulting from the passage of H.B. 2027 (Laws 1991, Chapter 299). This bill requires the Department to review and approve an estimated 500 small group health insurance filings annually. Department approval is required before these small group policies can be marketed. Also, H.B. 2027 requires the Department to review and approve an estimated 50 long term care rate filings annually. If the Department is understaffed and does not review these rate filings within 30 days of submission, the rate increase is approved by default. Given that existing staff currently have on average a short period of time to review policies, the Staff believes another analyst is needed to handle the additional workload resulting from H.B. 2027. The Executive has also recommended adding this position. The detail for this position is as follows:

Personal Services	$ 30,900
ERE	7,500
Other Operating Exp.	1,900
Equipment	1,200
Total	$ 41,500

Other Issues for Legislative Consideration

- Additional Positions to Address Insurance Company Insolvencies

  The Executive has recommended the addition of 3 positions to "develop insurer reporting systems to provide more timely and thorough analysis of insurer financial statements and other pertinent statistical data." The Staff has not recommended additional positions primarily because the Department has not requested the positions and has further indicated that it plans to rely on the continued automation of the Department to improve its tracking of potential insolvencies.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF LIQUOR LICENSES
COST CENTER: DEPT OF LIQUOR LICENSES

JLBC ANALYST: BURGESS
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	55.00	55.00	54.00	54.00	54.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,146,100	1,184,900	1,224,100	1,214,700	1,168,600	
EMPLOYEE RELATED EXP	303,800	287,800	299,600	307,500	297,900	
PROFESSIONAL/OUTSIDE SVCS	25,200	51,800	38,800	36,800	34,800	
TRAVEL - IN STATE	74,400	56,000	56,000	56,000	56,000	
TRAVEL - OUT OF STATE	400	800	800	800	0	
OTHER OPERATING EXP	361,300	335,900	349,900	344,700	335,700	
EQUIPMENT	11,600	0	26,000	0	0	
ALL OTHER OPERATING	472,900	444,500	471,500	438,300	426,500	
OPERATING SUBTOTAL	1,922,800	1,917,200	1,995,200	1,960,500	1,893,000	
SPECIAL LINE ITEMS						
LIQUOR BOARD	0	24,800	24,800	24,800	24,800	
MICROFILM SYSTEM	40,000	50,000	0	0	0	
SPECIAL ITEM SUBTOTAL	40,000	74,800	24,800	24,800	24,800	
PROGRAM TOTAL	1,962,800	1,992,000	2,020,000	1,985,300	1,917,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF LIQUOR LICENSES
COST CENTER: DEPT OF LIQUOR LICENSES

JLBC ANALYST: BURGESS
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	1,962,800	1,992,000	2,020,000	1,985,300	1,917,800	
FEDERAL FUNDS	4,400	31,300	0	0	0	
PROGRAM TOTAL-ALL SOURCES	1,967,200	2,023,300	2,020,000	1,985,300	1,917,800	

The JLBC Staff recommends a total appropriation of $1,917,800 -- a net decrease of $(74,200), or (3.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 400
  Maintains a vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes 14,200
- Rent - Tucson State Office Building 1,700
  Provides $4,200 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992. The Executive recommends $8,800 for rent in the new Tucson Office Building.
- Elimination of 1 FTE Position (20,800)
  Due to reorganization of the agency, a Clerk Typist III position was eliminated.
- Decreases for Contract Hearing Officers and Court Reporters (17,000)
  The agency requested a decrease of $13,000 for contract hearing officers and court reporters. JLBC Staff recommends a further decrease of $4,000 based on the agency's submitted Temporary Reduction Options. The Executive recommends decreases totaling $15,000.
- Microfilm System (50,000)
  Deletion of one-time purchases.
- Other Operating Expenditures Reduction (1,900)

- Eliminate Travel - Out of State (800)
  Eliminates Superintendent's attendance at the Western States Regional Conference of Liquor Administrators.

Other Issues for Legislative Consideration

- Reclassification
  The Executive recommends $30,700 in Personal Services for reclassification and upgrading of several FTE positions.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE MINE INSPECTOR
COST CENTER: STATE MINE INSPECTOR

JLBC ANALYST: BRAINARD
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	10.50	10.50	11.00	10.50	10.50	
OPERATING BUDGET						
PERSONAL SERVICES	311,400	325,400	325,400	328,800	325,400	
EMPLOYEE RELATED EXP	77,400	70,600	79,900	74,200	72,200	
PROFESSIONAL/OUTSIDE SVCS	2,700	0	2,700	0	0	
TRAVEL - IN STATE	43,400	43,400	43,400	42,300	43,400	
TRAVEL - OUT OF STATE	2,500	1,400	4,600	2,200	1,400	
OTHER OPERATING EXP	99,900	119,300	136,700	135,600	178,700	
EQUIPMENT	0	9,400	13,600	0	0	
ALL OTHER OPERATING	148,500	173,500	201,000	180,100	223,500	
PROGRAM TOTAL	537,300	569,500	606,300	583,100	621,100	
BY FUND SOURCE						
GENERAL FUND	537,300	569,500	606,300	583,100	621,100	
FEDERAL FUNDS	116,100	105,000	105,000	0	105,000	
PROGRAM TOTAL-ALL SOURCES	653,400	674,500	711,300	583,100	726,100	

DEPARTMENT: STATE MINE INSPECTOR
COST CENTER: STATE MINE INSPECTOR

The JLBC Staff recommends a total appropriation of $621,100 -- a net increase of $51,600, or 9.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a vacancy factor of 0%. The Executive also recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Changes	1,600
• Rent - State Owned Buildings Includes reinstatement of General Fund rent in the amount of $43,400 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.	43,400
• Telephone Cost Adjustment	5,100
• Non-capitalized Replacement Equipment The non-capitalized equipment budget of $1,500 would provide 4 replacement precision instruments used to measure toxicity levels in mines. The Executive recommends $800 for non-capitalized equipment.	1,500
• Capitalized Equipment Adjustment	(9,400)
• Operating Expenses Adjustment The adjustment includes funding for printing, postage, and field supplies.	9,400

Other Issues for Legislative Consideration

- State Mine Inspector Salary Adjustment
  The Commission on Salaries for Statewide Elective Officers recommends an increase to the salary of the State Mine Inspector from $36,400 to $44,000, effective January 1993. The FY 1993 cost, including ERE, would be $5,300. While the Executive recommends only $4,200 for this issue, the Staff recommends that the elected official salary increase be addressed as part of the allocation of the Staff's recommended $25 million increase in state employee compensation.
- Travel - Out of State
  The Executive recommends an $800 increase to Travel - Out of State to permit three agency staff to attend mine-rescue training classes; the JLBC Staff recommendation would permit attendance by two staff members.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: OCCUP SFTY & HLTH REV BD
COST CENTER: OCCUP SFTY & HLTH REV BD

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	700	700	700	700	700	
PROFESSIONAL/OUTSIDE SVCS	6,900	7,400	7,400	7,400	7,400	
TRAVEL - IN STATE	900	900	900	900	900	
OTHER OPERATING EXP	100	100	100	100	100	
ALL OTHER OPERATING	7,900	8,400	8,400	8,400	8,400	
PROGRAM TOTAL	8,600	9,100	9,100	9,100	9,100	
BY FUND SOURCE						
GENERAL FUND	8,600	9,100	9,100	9,100	9,100	
PROGRAM TOTAL-ALL SOURCES	8,600	9,100	9,100	9,100	9,100	

The JLBC Staff recommends a total appropriation of $9,100 -- no change to the FY 1992 appropriation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MARTINEZ
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	58.30	53.70	56.70	53.70	55.70	
BY PROGRAM/ORGANIZATION						
COMMERCIAL RACING	2,065,500	2,372,700	2,667,200	2,390,200	2,482,700	
COUNTY FAIR RACING	245,800	358,900	367,500	352,100	346,600	
ARIZONA RACING INDUSTRY	12,400	19,800	19,700	19,800	20,100	
AGENCY TOTAL	2,323,700	2,751,400	3,054,400	2,762,100	2,849,400	
OPERATING BUDGET						
PERSONAL SERVICES	1,202,700	1,401,000	1,495,600	1,406,300	1,453,500	
EMPLOYEE RELATED EXP	319,600	316,200	379,200	334,800	339,600	
PROFESSIONAL/OUTSIDE SVCS	444,400	571,700	677,000	584,100	605,400	
TRAVEL - IN STATE	97,700	142,900	195,900	146,500	170,200	
TRAVEL - OUT OF STATE	7,700	9,400	9,400	6,700	8,100	
OTHER OPERATING EXP	236,600	277,100	277,900	277,800	268,100	
EQUIPMENT	15,000	33,100	19,400	5,900	4,500	
ALL OTHER OPERATING	801,400	1,034,200	1,179,600	1,021,000	1,056,300	
AGENCY TOTAL	2,323,700	2,751,400	3,054,400	2,762,100	2,849,400	

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MARTINEZ
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,077,900	2,392,500	2,686,900	2,410,000	2,502,800	
OTHER FUNDS	245,800	358,900	367,500	352,100	346,600	
OTHER NON APPROPRIATED FUNDS	1,491,000	1,774,000	1,578,600	0	1,578,600	
AGENCY TOTAL-ALL SOURCES	3,814,700	4,525,400	4,633,000	2,762,100	4,428,000	

The JLBC Staff recommends a total appropriation of $2,849,400 -- a net increase of $98,000, or 3.6%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $2,502,800 -- a net increase of $110,300, or 4.6% to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $6,600
  Includes a new vacancy factor of 1% for Commercial Racing. The Executive also recommends a vacancy factor of 1% for Commercial Racing.
- ERE Rate Changes — 11,100
- New FTE Positions — 58,200
  JLBC Staff recommends 1 EDP Systems Project Manager position for the regulation of off-track wagering facilities, and 1 Accounting Technician I position for the added responsibilities of transferring Boxing Commission revenue authority and responsibilities to the Commercial Racing cost center of the Department of Racing.
- Professional & Outside Services — 33,700
  Includes a $26,400 increase for Commercial Racing animal drug testing, a $7,500 increase for County Fair Racing animal drug testing, and a $(200) reduction for the Arizona Racing Industry.
- Travel - In State — 27,300
  Includes a $24,000 net increase in Commercial Racing for the regulation of satellite wagering sites, a $3,600 increase in County Fair Racing for additional motor pool charges and mileage reimbursement, and a $(300) reduction for the Arizona Racing Industry.

- Travel - Out of State (1,300)
  Includes a $(1,000) reduction for Commercial Racing, and a $(300) reduction for the Arizona Racing Industry.
- OOE (9,000)
  Includes a $(10,200) reduction for Commercial Racing across various categories, a $100 increase in County Fair Racing, and a $1,100 increase for the Arizona Racing Industry.
- Equipment (28,600)
  Includes a $(3,000) reduction for Commercial Racing, and a $(25,600) reduction for County Fair Racing.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COMMERCIAL RACING

JLBC ANALYST: MARTINEZ
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	51.40	47.20	50.20	47.20	49.20	
OPERATING BUDGET						
PERSONAL SERVICES	1,085,300	1,244,600	1,339,200	1,249,900	1,297,100	
EMPLOYEE RELATED EXP	295,000	280,000	337,700	295,800	301,300	
PROFESSIONAL/OUTSIDE SVCS	408,400	535,500	628,400	535,500	561,900	
TRAVEL - IN STATE	41,700	53,600	90,300	53,600	77,600	
TRAVEL - OUT OF STATE	7,000	4,900	4,900	2,200	3,900	
OTHER OPERATING EXP	213,100	249,100	249,800	249,800	238,900	
EQUIPMENT	15,000	5,000	16,900	3,400	2,000	
ALL OTHER OPERATING	685,200	848,100	990,300	844,500	884,300	
PROGRAM TOTAL	2,065,500	2,372,700	2,667,200	2,390,200	2,482,700	
BY FUND SOURCE						
GENERAL FUND	2,065,500	2,372,700	2,667,200	2,390,200	2,482,700	
OTHER NON APPROPRIATED FUNDS	860,100	976,200	889,900	0	889,900	
PROGRAM TOTAL-ALL SOURCES	2,925,600	3,348,900	3,557,100	2,390,200	3,372,600	

DEPARTMENT: ARIZONA DEPARTMENT OF RACING
COST CENTER: COMMERCIAL RACING

The JLBC Staff recommends a total appropriation of $2,482,700 -- a net increase of $110,000, or 4.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 6,600
  Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.28%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 9,000
- Satellite Wagering Regulation 41,600
  The JLBC Staff recommends 1 EDP Systems Project Manager position to regulate satellite wagering facilities statewide. The recommended amount includes $33,700 for salary and $7,900 in ERE. The Executive recommendation did not address this issue.
- Boxing Commission Revenue Authority & Responsibility 16,600
  JLBC Staff recommends transferring the authority and responsibility for the administration, collection and accounting of revenues for the state Boxing Commission to the Department of Racing. The recommendation would add 1 Accounting Technician I position to the Department of Racing. The Boxing Commission would maintain autonomous authority over the regulation of the boxing industry in Arizona. The amount reflects $13,500 for salary and $3,100 in associated ERE. This recommendation will require statutory changes. The Executive recommendation continues the Boxing Commission with no changes.
- Professional & Outside Services Adjustments 26,400
  The amount reflects a 5% medical inflation increase for animal drug testing.
- Travel - In State Adjustments (6,600)
  The amount reflects a $(4,000) reduction in lodging funding, a $(2,700) reduction in per diem funding, and a $100 increase in mileage reimbursement.
- Satellite Wagering Regulation In-State Travel 30,600
  The department anticipates 30 to 40 satellite wagering facilities in operation throughout the state by FY 1993. The amount will fund travel expenses associated with the inspection of these sites. The Executive recommendation did not address this issue.
- Travel - Out of State Adjustment (1,000)
  The amount reduces the department's contingency funds for background investigations from $2,700 to $1,700.

- OOE Adjustments (10,200)

  The reduction includes $(4,000) in printing, $(3,500) in repair/maintenance, a $1,200 increase for operating supplies, and $(3,900) across various categories.

- Equipment (3,000)

  The recommended appropriation amount of $2,000 will fund the replacement of a personal computer.

Other Issues for Legislative Consideration

- Increased Race Days

  Turf Paradise horse track has requested that it be allowed to increase its racing meetings in FY 1993 and FY 1994. The department estimates that an additional $19,100 in Personal Services and ERE, and $8,200 in animal drug testing funding will be needed if the racing permit is extended. The total funding impact of the proposed additional race days is $27,300. The Racing Commission will decide on the additional race days in early February.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: COUNTY FAIR RACING

JLBC ANALYST: MARTINEZ
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	6.90	6.50	6.50	6.50	6.50	
OPERATING BUDGET						
PERSONAL SERVICES	117,400	156,400	156,400	156,400	156,400	
EMPLOYEE RELATED EXP	24,600	36,200	41,500	39,000	38,300	
PROFESSIONAL/OUTSIDE SVCS	34,600	33,600	46,000	46,000	41,100	
TRAVEL - IN STATE	55,100	85,700	102,100	89,300	89,300	
OTHER OPERATING EXP	14,100	18,900	19,000	18,900	19,000	
EQUIPMENT	0	28,100	2,500	2,500	2,500	
ALL OTHER OPERATING	103,800	166,300	169,600	156,700	151,900	
PROGRAM TOTAL	245,800	358,900	367,500	352,100	346,600	
BY FUND SOURCE						
OTHER FUNDS	245,800	358,900	367,500	352,100	346,600	
OTHER NON APPROPRIATED FUNDS	630,900	797,800	688,700	0	688,700	
PROGRAM TOTAL-ALL SOURCES	876,700	1,156,700	1,056,200	352,100	1,035,300	

DEPARTMENT: ARIZONA DEPARTMENT OF RACING
COST CENTER: COUNTY FAIR RACING

The JLBC Staff recommends a total appropriation of $346,600 -- a net decrease of $(12,300), or (3.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Changes	2,100
• Professional & Outside Services Adjustments The amount includes an increase of $1,700, or 5% for medical inflation associated with animal testing. An additional $5,800 is included to allow for the testing of 12.5 samples/day for 62 race days. The agency has requested funding for 14 samples/day. The actual rate of samples taken in FY 1990 and FY 1991 was 11 samples/day. The Executive recommends an increase of $12,400 which will fund the agency's request of 14 samples/day.	7,500
• Travel - In State Adjustments The amount includes $3,500 for motor pool charges associated with a truck the department purchased in FY 1992, and $100 in increased mileage reimbursement costs.	3,600
• OOE Adjustments One-time cost for the purchase of non-capitalized equipment.	100
• Equipment The amount includes a $(28,100) reduction associated with the one-time cost for a trailer and truck, and $2,500 to replace 5 radio (walkie-talkie) units.	(25,600)

Other Issues for Legislative Consideration

- Revenue Shortfall
  This cost center is supported by a 3.5% share of pari-mutuel racing receipts received by the state, with the level of funding subject to appropriation. The department's revenue projection for FY 1993 is $340,800. This amount is below the JLBC recommended appropriation of $346,600 and the Executive recommendation of $352,100. If the revenue level falls short of the needed funding, the department will have to limit race days available for county fair racing, which will have a negative impact on the state's share of pari-mutuel racing receipts.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF RACING
COST CENTER: ARIZONA RACING INDUSTRY

JLBC ANALYST: MARTINEZ
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PROFESSIONAL/OUTSIDE SVCS	1,400	2,600	2,600	2,600	2,400	
TRAVEL - IN STATE	900	3,600	3,500	3,600	3,300	
TRAVEL - OUT OF STATE	700	4,500	4,500	4,500	4,200	
OTHER OPERATING EXP	9,400	9,100	9,100	9,100	10,200	
ALL OTHER OPERATING	12,400	19,800	19,700	19,800	20,100	
PROGRAM TOTAL	12,400	19,800	19,700	19,800	20,100	
BY FUND SOURCE						
GENERAL FUND	12,400	19,800	19,700	19,800	20,100	
PROGRAM TOTAL-ALL SOURCES	12,400	19,800	19,700	19,800	20,100	

DEPARTMENT: ARIZONA DEPARTMENT OF RACING
COST CENTER: ARIZONA RACING INDUSTRY

The JLBC Staff recommends a total appropriation of $20,100 -- a net increase of $300, or 1.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Professional & Outside Services Adjustments $(200)
  Reduced court reporter funding based on historical actual expenditures.
- Travel - In State Adjustments (300)
  Reduced lodging funding based on historical actual expenditures.
- Travel - Out of State Adjustments (300)
  Reduced airfare funding.
- OOE Adjustments 1,100
  Additional funding for $1,500 registration fee increase.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	26.00	22.00	22.00	22.00	0.00	
BY PROGRAM/ORGANIZATION						
RAD EVALUATION/COMPLIANCE	1,131,600	937,800	1,033,200	997,500	0	
MED RADIOLOGIC TECH BD	93,400	90,300	94,200	92,200	0	
AGENCY TOTAL	1,225,000	1,028,100	1,127,400	1,089,700	0	
OPERATING BUDGET						
PERSONAL SERVICES	760,100	650,300	708,000	672,500	0	
EMPLOYEE RELATED EXP	169,400	139,500	173,900	175,200	0	
PROFESSIONAL/OUTSIDE SVCS	9,800	8,300	8,300	8,300	0	
TRAVEL - IN STATE	36,800	31,200	31,200	31,200	0	
TRAVEL - OUT OF STATE	2,700	5,800	5,800	5,800	0	
OTHER OPERATING EXP	199,400	172,000	200,200	196,700	0	
EQUIPMENT	46,800	21,000	0	0	0	
ALL OTHER OPERATING	295,500	238,300	245,500	242,000	0	
OPERATING SUBTOTAL	1,225,000	1,028,100	1,127,400	1,089,700	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
SPECIAL ITEM SUBTOTAL	0	0	0	0	0	
AGENCY TOTAL	1,225,000	1,028,100	1,127,400	1,089,700	0	
BY FUND SOURCE						
GENERAL FUND	1,131,600	937,800	1,033,200	997,500	0	
OTHER FUNDS	93,400	90,300	94,200	92,200	0	
FEDERAL FUNDS	465,600	206,200	177,600	0	0	
OTHER NON APPROPRIATED	406,100	406,100	399,400	0	0	
AGENCY TOTAL-ALL SOURCES	2,096,700	1,640,400	1,704,400	1,089,700	0	

DEPARTMENT: RADIATION REGULATORY AGENCY
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $0 -- a net decrease of $(1,028,100), or (100)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $0 -- a net decrease of $(937,800), or (100)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Agency Transfer

  JLBC Staff recommends deleting A.R.S. § 30-652 and transferring the Arizona Radiation Regulatory Agency (ARRA) to the Department of Environmental Quality (DEQ). The transfer will result in a net savings to the General Fund of $(100,900). The current need for an independent radiation regulatory agency is unclear. The State of Arizona has only 3 nuclear reactors and will not have a low level waste site for at least 30 years as specified by the Western Low Level Waste Disposal Compact. The only state that currently has a separate radiation agency is the State of Illinois. Illinois has 3 times the number of nuclear reactors and an active low level waste site. The ARRA programs can be incorporated into the DEQ Office of Waste Management Program.

Other Issues for Legislative Consideration

- Alternative Recommendation

  If the agency is not transferred to DEQ, the JLBC Staff would recommend an appropriation of $1,083,800 for the agency. The Executive recommends a continuation budget of $1,089,700.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: RAD EVALUATION/COMPLIANCE

JLBC ANALYST: FUSAK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	24.00	20.00	20.00	20.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	704,300	596,600	654,300	618,800	0	
EMPLOYEE RELATED EXP	157,000	125,200	157,800	161,200	0	
PROFESSIONAL/OUTSIDE SVCS	9,200	6,300	6,300	6,300	0	
TRAVEL - IN STATE	34,600	28,500	28,500	28,500	0	
TRAVEL - OUT OF STATE	1,600	4,100	4,100	4,100	0	
OTHER OPERATING EXP	178,100	156,100	182,200	178,600	0	
EQUIPMENT	46,800	21,000	0	0	0	
ALL OTHER OPERATING	270,300	216,000	221,100	217,500	0	
OPERATING SUBTOTAL	1,131,600	937,800	1,033,200	997,500	0	
PROGRAM TOTAL	1,131,600	937,800	1,033,200	997,500	0	
BY FUND SOURCE						
GENERAL FUND	1,131,600	937,800	1,033,200	997,500	0	
FEDERAL FUNDS	465,600	206,200	177,600	0	0	
OTHER NON APPROPRIATED	406,100	406,100	399,400	0	0	
PROGRAM TOTAL-ALL SOURCES	2,003,300	1,550,100	1,610,200	997,500	0	

DEPARTMENT: RADIATION REGULATORY AGENCY
COST CENTER: RADIATION EVALUATION/COMPLIANCE

The JLBC Staff recommends a total appropriation of $0 -- a net decrease of $(937,800), or (100)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Program Transfer

  JLBC Staff recommends deleting A.R.S. § 30-652 and transferring the Evaluation and Compliance programs to the Department of Environmental Quality (DEQ). The transfer will result in net savings to the General Fund of $(100,900).

  -- X-Ray Compliance (A.R.S. § 30-654.18) - Transfer 6 FTE positions (General Fund) including all operating costs and monies for 2-3 hearings to DEQ. Funding is included for rent in the DEQ building at $13.50 per square foot.

  -- Environmental Surveillance Laboratory (A.R.S. § 30-654.16) - Transfer 9 FTE positions (4 General Fund; 5 Non-General Fund) including all operating costs to DEQ. Funding is included for rent outside of the DEQ building at $11.00 per square foot which is the state rental rate. Also included is $15,000 for "buildout" costs necessary to modify a facility for Laboratory usage.

  -- Radioactive Material (RAM) (A.R.S. § 30-654.1-654.18) - Transfer 6 FTE positions (General Fund) including operating costs and monies for 2-3 hearings to DEQ. Funding is included for rent in the DEQ building at $13.50 per square foot.

  The transfer will also include additional expenditures from non-appropriated, non-General Fund sources. Specifically, estimated expenditures for FY 1993 are as follows: $136,300 from a Federal Radon Grant; $19,300 from a Nuclear Regulatory Commission (NRC) Grant; $10,000 from a Federal X-Ray Grant; $399,400 in Nuclear Emergency Management Fund (NEMF) monies; and $12,000 received from the Department of Energy for the Western Low Level Waste Disposal Compact to fund a Low Level Waste Program. An Emergency Response program is funded with NEMF monies which includes 2 FTE positions.

Other Issues for Legislative Consideration

- Alternative Recommendation

  If the Evaluation and Compliance program is not transferred to DEQ, the JLBC Staff would recommend an appropriation of $993,300 for operating costs. The Executive recommends a continuation budget with $997,500 for operating costs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: RADIATION REGULATORY AGCY
COST CENTER: MED RADIOLOGIC TECH BD

JLBC ANALYST: FUSAK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	2.00	2.00	2.00	2.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	55,800	53,700	53,700	53,700	0	
EMPLOYEE RELATED EXP	12,400	14,300	16,100	14,000	0	
PROFESSIONAL/OUTSIDE SVCS	600	2,000	2,000	2,000	0	
TRAVEL - IN STATE	2,200	2,700	2,700	2,700	0	
TRAVEL - OUT OF STATE	1,100	1,700	1,700	1,700	0	
OTHER OPERATING EXP	21,300	15,900	18,000	18,100	0	
ALL OTHER OPERATING	25,200	22,300	24,400	24,500	0	
PROGRAM TOTAL	93,400	90,300	94,200	92,200	0	
BY FUND SOURCE						
OTHER FUNDS	93,400	90,300	94,200	92,200	0	
PROGRAM TOTAL-ALL SOURCES	93,400	90,300	94,200	92,200	0	

DEPARTMENT: RADIATION REGULATORY AGENCY
COST CENTER: MEDICAL RADIOLOGIC TECHNOLOGY BOARD

The JLBC Staff recommends a total appropriation of $0 -- a net decrease of $(90,300), or (100)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Program Transfer

  JLBC Staff recommends deleting A.R.S. § 32-2801 and transferring the Medical Radiologic Technology Board of Examiners (MRTBE) to the Department of Environmental Quality (DEQ) along with $94,100 from the MRTBE fund for operating costs. Funding is included for rent in the DEQ building at a rental rate of $13.50 per square foot.

Other Issues for Legislative Consideration

- Alternative Recommendation

  If the program is not transferred to DEQ, the JLBC Staff would recommend an appropriation of $90,500 for operating costs. The Executive recommends a continuation budget with $92,200 for operating costs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: REAL ESTATE DEPARTMENT — JLBC ANALYST: HEADLEY — HOUSE SUBCOMMITTEE CHAIR: GERARD
COST CENTER: REAL ESTATE DEPARTMENT — OSPB ANALYST: BONCOSKEY — SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	76.00	76.00	76.00	71.00	71.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,598,100	1,760,700	1,760,800	1,755,200	1,755,200	
EMPLOYEE RELATED EXP	418,900	429,700	481,900	443,400	436,300	
PROFESSIONAL/OUTSIDE SVCS	92,000	80,000	5,800	78,000	78,000	
TRAVEL - IN STATE	57,400	90,000	75,000	75,000	75,000	
TRAVEL - OUT OF STATE	3,600	10,000	10,000	10,000	10,000	
OTHER OPERATING EXP	480,700	490,200	427,000	438,400	437,800	
EQUIPMENT	27,500	8,000	8,000	0	0	
ALL OTHER OPERATING	661,200	678,200	525,800	601,400	600,800	
PROGRAM TOTAL	2,678,200	2,868,600	2,768,500	2,800,000	2,792,300	
BY FUND SOURCE						
GENERAL FUND	2,678,200	2,868,600	2,768,500	2,800,000	2,792,300	
OTHER NON APPROPRIATED	283,800	341,700	308,800	0	308,800	
PROGRAM TOTAL-ALL SOURCES	2,962,000	3,210,300	3,077,300	2,800,000	3,101,100	

DEPARTMENT: REAL ESTATE DEPARTMENT
COST CENTER: REAL ESTATE DEPARTMENT

The JLBC Staff recommends a total appropriation of $2,792,300 -- a net decrease of $(76,300), or (2.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

(Note: The reductions indicated below are primarily those requested by the department to bring agency expenditures in line with expected FY 1993 revenue. The department is required by statute to collect revenue equalling between 95% and 110% of its appropriation.)

- Personal Services/ERE Adjustments — $ (6,800)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.19%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes — 7,900
- Professional and Outside Services Adjustment — (2,000)
  Represents an agency reduction in the use of contracted administrative law judges. This reduction was requested by the department and is also recommended by the Executive.
- Travel-In State Adjustments — (15,000)
  This amount reflects the department's reduction to in-state travel. More funds were devoted to travel in FY 1992 as part of the new Commissioner's policy of travelling extensively throughout the state to acquaint himself and other department managers with the real estate industry. The Executive concurs with this reduction.
- Rent Adjustment — (69,600)
  Represents the department's renegotiation of its lease for private space in which the landlord agreed to a lower price per square foot. The Executive has indicated a similar reduction.
- Rent - Tucson State Office Building — 20,400
  Provides $49,600 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.
- Miscellaneous Other Operating Reductions — (3,200)
  Reflects reductions made by the department.
- Replacement Capitalized Equipment Adjustment — (8,000)
  The department was appropriated $8,000 for equipment in FY 1992. None is recommended for FY 1993. The Executive also recommends no funds for equipment.
- FTE Adjustments — -0-
  The Staff recommends the reduction of 5 FTE positions currently being held vacant by the department. The Executive also recommends this reduction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: RES UTILITY CONSUMER OFC
COST CENTER: RES UTILITY CONSUMER OFC

JLBC ANALYST: HEADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	12.00	12.00	12.00	12.00	12.00	
OPERATING BUDGET						
PERSONAL SERVICES	463,700	464,900	465,300	465,200	464,900	
EMPLOYEE RELATED EXP	91,100	103,000	117,700	91,900	97,000	
PROFESSIONAL/OUTSIDE SVCS	416,800	337,400	329,400	329,400	329,400	
TRAVEL - IN STATE	6,700	9,700	13,500	13,200	13,500	
TRAVEL - OUT OF STATE	5,100	7,600	7,600	4,100	7,600	
OTHER OPERATING EXP	94,000	95,500	102,100	98,300	98,300	
ALL OTHER OPERATING	522,600	450,200	452,600	445,000	448,800	
PROGRAM TOTAL	1,077,400	1,018,100	1,035,600	1,002,100	1,010,700	
BY FUND SOURCE						
OTHER FUNDS	1,077,400	1,018,100	1,035,600	1,002,100	1,010,700	
PROGRAM TOTAL-ALL SOURCES	1,077,400	1,018,100	1,035,600	1,002,100	1,010,700	

DEPARTMENT: RESIDENTIAL UTILITY CONSUMERS OFFICE
COST CENTER: RESIDENTIAL UTILITY CONSUMERS OFFICE

The JLBC Staff recommends a total appropriation of $1,010,700 -- a net decrease of $(7,400), or (0.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $(6,000)
- Professional and Outside Services Adjustment (8,000)
  Represents the agency's reduction based on anticipated requirements for consultants in FY 1993. The Executive concurs with this reduction.
- Travel-In State Adjustment 3,800
  Represents an increase for new RUCO Board members who reside a greater distance away from Phoenix than past members. The Executive has recommended a similar increase.
- Rent Adjustment 2,800
  The increase covers RUCO's FY 1993 allocation of the lease-purchase payment for the Courts building.

Other Issues for Legislative Consideration

- Out of State Travel Reduction
  The Executive has recommended a $(3,500) reduction for Out of State Travel, based on the Executive's statewide policy on travel. The Staff does not recommend this reduction given the agency's continued need to send new and existing staff to out of state training conferences and other educational meetings.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WEIGHTS/MEASURES
COST CENTER: DEPT OF WEIGHTS/MEASURES

JLBC ANALYST: FUSAK
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	61.00	66.10	66.10	66.10	66.10	
OPERATING BUDGET						
PERSONAL SERVICES	1,253,800	1,427,000	1,436,800	1,435,100	1,415,200	
EMPLOYEE RELATED EXP	324,000	351,100	359,600	379,800	366,700	
PROFESSIONAL/OUTSIDE SVCS	40,900	45,300	45,300	45,300	45,300	
TRAVEL - IN STATE	207,600	230,000	230,000	230,000	230,000	
TRAVEL - OUT OF STATE	6,700	5,000	5,000	5,000	5,000	
OTHER OPERATING EXP	318,400	315,300	678,300	648,000	315,300	
EQUIPMENT	152,100	41,100	263,100	47,800	41,200	
ALL OTHER OPERATING	725,700	636,700	1,221,700	976,100	636,800	
PROGRAM TOTAL	2,303,500	2,414,800	3,018,100	2,791,000	2,418,700	
BY FUND SOURCE						
GENERAL FUND	1,934,700	2,167,200	2,770,500	2,158,300	1,967,500	
OTHER FUNDS	368,800	247,600	247,600	632,700	451,200	
PROGRAM TOTAL-ALL SOURCES	2,303,500	2,414,800	3,018,100	2,791,000	2,418,700	

DEPARTMENT: DEPARTMENT OF WEIGHTS AND MEASURES
COST CENTER: DEPARTMENT OF WEIGHTS AND MEASURES

The JLBC Staff recommends a total appropriation of $2,418,700 -- a net increase of $3,900, or 0.16% to the FY 1992 appropriation. The General Fund portion of the recommendation is $1,967,500 -- a net decrease of $(199,700), or (9.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(14,900)
  Includes a vacancy factor of 1.5%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75% which was half of the standard rate. The Executive recommends a vacancy factor of 0.5%.
- ERE Rate Changes 18,700
- Equipment 100
  JLBC staff recommends an increase of $100 (for a total of $41,200) for capitalized equipment which includes funding for the following:
  -- replacement of 9 portable scales
  -- ultra micro balance to enable the Department to calibrate ultra small mass.
  The Executive recommends a total of $48,800 for Capitalized Equipment.
- Oxygenated Fuel Program -0-
  JLBC Staff recommends that 2 FTE positions and $41,600 of the cost associated with the Oxygenated Fuel Program be shifted from the General Fund to the Air Quality Fund. Currently, $247,600 of the cost is funded from the Air Quality Fund for the Oxygenated Fuel Program with a small part of the program, specifically $41,600, funded from the General Fund. With this change, the entire Oxygenated Fuel Program will be funded from the Air Quality Fund. The Executive recommends this issue.
- Used Oil Fund -0-
  JLBC Staff recommends that half of the $324,000 cost of the Used Oil Program be shifted from the Used Oil Fund in FY 1993. This change will reduce the General Fund obligation by $(162,000). The Executive recommends fully funding the program from the Used Oil Fund in FY 1993. Given the uncertainty over the Used Oil Fund balance, however, we recommend deferring the Executive recommendation until FY 1994.

  The fund consists of 50% of all Used Oil fees collected by Department of Environmental Quality (DEQ) and testing fees collected by DWM which are deposited monthly into a Used Oil Fund account in the State Treasury. DEQ anticipates fee collections of $104,500 in FY 1993 and DWM anticipates collections of $253,800 for a total of $358,300 in new revenue. For FY 1992, DEQ has indicated that they will not collect any revenue and DWM has collected on average

only $2,100 per month for the first half of the fiscal year. The revenue problem has been exasperated by the hiring freeze which has not allowed DWM to hire the new inspectors appropriated in FY 1992. Based on this information, the JLBC Staff estimates that the Used Oil Fund will start FY 1992 with less than a $60,000 carry forward. Thus resulting in cash flow problems for at least the first half of the fiscal year. While the entire program could be financed from the Fund in FY 1993 if the revenue projections are accurate, the level of current collections suggest a more cautious approach.

Other Issues for Legislative Consideration

- Agency Relocation

  The facility that the department currently occupies is not optimal in terms of size or layout. The programs are overcrowded which affects productivity and brings up issues of safety. Specifically, testing volatile fuels and oils in the same building as the department's administrative staff and the Metrology Labs may be a safety hazard. The department is requesting an increase of $363,000 which includes costs for rent, one-time moving expenses and equipment needed to meet the safety needs of the gas and oil testing laboratories. The JLBC Staff continues to recommend that the Department of Administration (DOA) purchase a facility for the department using the $15,000,000 of monies appropriated for the acquisition of RTC or other distressed properties in FY 1992. The Executive recommends an increase of $334,700 for this issue.

OCCUPATIONAL AND LICENSING AGENCIES
SUMMARY OF RECEIPTS, RECOMMENDATIONS AND BALANCE FORWARD
FISCAL YEAR 1992

Agency/Board	Balance Forward FY 1993	90% of FY 1993 Receipts	JLBC Staff Recommendation	Balance Forward FY 1994
Board of Accountancy	$ 503,800	$ 830,800	$ 730,200	$ 604,400
Board of Appraisal	39,400	224,800	220,000	44,200
Barber Examiners Board	94,700	123,100	135,100	82,700
Behavioral Health Examiner	116,000	171,000	203,800	83,200
Boxing Commission 1/	11,100	-0-	-0-	-0-
Chiropractic Examiners Board	101,800	234,800	218,000	118,600
Board of Cosmetology	638,700	678,000	583,000	733,700
Board of Dental Examiners	292,100	461,300	431,800	321,600
Dispensing Opticians Board	42,300	61,400	56,600	47,100
Funeral Directors & Embalmers Board	75,800	228,200	162,700	141,300
Homeopathic Medical Examiners Board	29,000	18,100	18,400	28,700
Board of Medical Examiners	1,176,300	2,619,500	2,286,100	1,509,700
Naturopathic Physical Examiners Board	31,700	36,700	25,300	43,100
Board of Nursing	602,000	1,387,000	1,024,400	964,600
Nursing Care Institution Admin. Board	93,700	117,000	61,600	149,100
Board of Optometry	97,400	19,000	94,400	22,000
Occupational Therapy Board	64,200	46,500	52,600	58,100
Osteopathic Examiners Board	324,500	493,800	247,500	570,800
Board of Pharmacy	744,400	677,000	615,100	806,300
Physical Therapy Examiners Board	99,400	125,400	66,100	158,700
Podiatry Examiners Board	43,100	51,200	44,000	50,300
Board of Private Postsecondary Education	54,800	127,200	134,900	47,100
Psychologist Examiners Board	343,500	255,900	164,200	435,200
Board of Respiratory Care Examiners	210,000	13,200	117,400	105,800
Structural Pest Control Commission 2/	-0-	242,000	242,000	-0-
Board of Technical Registration	418,100	966,100	777,600	606,600
Veterinary Medical Examiners Board	53,300	271,000	156,300	168,000
TOTALS	**6,301,100**	**10,480,000**	**8,869,100**	**7,900,900**

1/ The JLBC Staff recommends converting the Boxing Commission to a General Fund agency; the Boxing Fund would be eliminated and all receipts deposited into the General Fund.

2/ Estimates doe not include the Inspector Support Fund. It is the intent of the legislature that not more than 25% of the appropriation shall be expended from he Structural Pest Control Commission Fund.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF ACCOUNTANCY
COST CENTER: BOARD OF ACCOUNTANCY

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	9.00	9.00	9.00	9.00	9.00	
OPERATING BUDGET						
PERSONAL SERVICES	184,200	190,900	190,900	190,900	190,900	
EMPLOYEE RELATED EXP	40,600	52,200	52,200	45,500	47,700	
PROFESSIONAL/OUTSIDE SVCS	205,100	206,800	309,900	206,800	211,800	
TRAVEL - IN STATE	6,400	9,700	15,000	9,700	11,000	
TRAVEL - OUT OF STATE	5,900	4,800	9,700	4,800	6,300	
OTHER OPERATING EXP	132,100	165,500	176,300	158,200	159,200	
EQUIPMENT	10,300	0	0	0	0	
ALL OTHER OPERATING	360,800	386,800	510,900	379,500	388,300	
OPERATING SUBTOTAL	584,600	629,900	754,000	615,900	626,900	
SPECIAL LINE ITEMS						
SPECIAL INVESTIGATIONS	0	103,300	103,300	103,300	103,300	
SPECIAL ITEM SUBTOTAL	0	103,300	103,300	103,300	103,300	
PROGRAM TOTAL	584,600	733,200	857,300	719,200	730,200	

DEPARTMENT: BOARD OF ACCOUNTANCY
COST CENTER: BOARD OF ACCOUNTANCY

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	584,600	733,200	857,300	719,200	730,200	
PROGRAM TOTAL-ALL SOURCES	584,600	733,200	857,300	719,200	730,200	

The JLBC Staff recommends a total appropriation of $730,200 -- a net decrease of $(3,000), or (0.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustment — $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — (4,500)
- Travel - In State — 1,300
  Increase for additional traveling expenses of new board member.
- Travel - Out of State — 1,500
  Increase to attend conferences in locations different than FY 1992.
- Professional and Outside Services — 5,000
  JLBC Staff recommends an increase of $5,000 for modification and expansion of the board's data processing applications.
- Other Operating Expenditures — (6,300)
  - -- $1,000 increase for repair/maintenance contract
  - -- $(7,300) decrease in office rent to reflect the actual contract amount. The Executive concurs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF APPRAISAL
COST CENTER: BOARD OF APPRAISAL

JLBC ANALYST: FUSAK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	34,400	95,700	131,400	106,500	107,600	
EMPLOYEE RELATED EXP	4,000	30,500	43,700	21,300	25,000	
PROFESSIONAL/OUTSIDE SVCS	16,300	30,700	41,000	23,700	30,700	
TRAVEL - IN STATE	2,800	25,500	46,000	15,200	25,500	
TRAVEL - OUT OF STATE	1,100	2,000	6,600	5,900	2,000	
OTHER OPERATING EXP	8,900	35,400	40,000	31,400	29,200	
EQUIPMENT	21,200	0	0	0	0	
ALL OTHER OPERATING	50,300	93,600	133,600	76,200	87,400	
PROGRAM TOTAL	88,700	219,800	308,700	204,000	220,000	
BY FUND SOURCE						
GENERAL FUND	0	0	42,900	0	0	
OTHER FUNDS	88,700	219,800	265,800	204,000	220,000	
PROGRAM TOTAL-ALL SOURCES	88,700	219,800	308,700	204,000	220,000	

DEPARTMENT: BOARD OF APPRAISAL
COST CENTER: BOARD OF APPRAISAL

The JLBC Staff recommends a total appropriation of $220,000 -- a net increase of $200, or 0.09%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $14,700
  JLBC Staff recommends $10,200 to fully fund board member per diem as provided for in A.R.S. § 38-611. In FY 1992, the board members opted to decline per diem payment until the Board had sufficient resources. JLBC Staff also recommends $1,700 for per diem for 3 new Board members added by Laws 1991, Chapter 223 (H.B. 2165). The Board now consists of 11 members. The Executive recommends an increase of $6,000 for Board member per diem.
- ERE Rate Changes (8,300)
- All Other Operating Expenditures (6,200)
  JLBC Staff recommends a decrease of ($7,700) for rent based on the actual square footage of 1,300 used by the Board. The Staff also recommends an increase of $1,500 for postage due to a change in the license renewal cycle which requires the Board to send information to licensees more frequently. The FY 1992 budget was based on a 3 year renewal cycle for appraisers and a 2 year renewal cycle for tax agents. The renewal cycle was changed to an annual renewal for both appraisers and tax agents by Ch. 223 (H.B. 2165). The Executive recommends a decrease of $(4,000) for rent and a decrease of $(10,300) for Travel - In State.

Other Issues for Legislative Consideration

- Reclassification
  The Executive recommends $6,100 to reclassify an Administrative Secretary I FTE position from a grade 12 to a grade 14. JLBC Staff does not concur with this issue.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF BARBERS
COST CENTER: BOARD OF BARBERS

JLBC ANALYST: BOCK
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	79,800	82,100	81,800	81,200	81,800	
EMPLOYEE RELATED EXP	16,400	18,000	20,700	17,600	18,800	
PROFESSIONAL/OUTSIDE SVCS	400	800	800	800	800	
TRAVEL - IN STATE	8,200	11,300	14,100	11,300	11,300	
TRAVEL - OUT OF STATE	0	800	1,300	800	1,300	
OTHER OPERATING EXP	20,500	21,700	22,000	20,500	21,100	
EQUIPMENT	4,200	0	0	0	0	
ALL OTHER OPERATING	33,300	34,600	38,200	33,400	34,500	
PROGRAM TOTAL	129,500	134,700	140,700	132,200	135,100	
BY FUND SOURCE						
OTHER FUNDS	129,500	134,700	140,700	132,200	135,100	
PROGRAM TOTAL-ALL SOURCES	129,500	134,700	140,700	132,200	135,100	

DEPARTMENT: BOARD OF BARBERS
COST CENTER: BOARD OF BARBERS

The JLBC Staff recommends a total appropriation of $135,100 -- a net increase of $400, or 0.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(400)
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 900
- Travel-Out of State 500
  Includes an increase of $500 for travel to the annual Barbers' Conference.
- Other Operating Expenditures (600)
  Includes a $(1,500) adjustment for rent, $700 for a maintenance contract on the new computer and printer, and $200 for computer related supplies.

Other Issues For Legislative Consideration

- Personal Services
  The Executive recommends reducing the amount for temporary help by $(600). Because this amount is budgeted in case of staff illness, the JLBC staff does not recommend the issue.
- Fund Balance
  The board is experiencing a declining fund balance. It will not be able to maintain operations in FY 1994 at the current budget level without a fee adjustment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BEHAVIORAL HEALTH EXAM
COST CENTER: BEHAVIORAL HEALTH EXAM

JLBC ANALYST: BOCK
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	2.00	3.00	4.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	67,900	99,900	126,800	92,700	99,900	
EMPLOYEE RELATED EXP	10,900	15,100	20,700	17,500	18,500	
PROFESSIONAL/OUTSIDE SVCS	20,200	2,000	13,500	12,000	19,000	
TRAVEL - IN STATE	6,300	10,000	14,600	13,400	13,400	
TRAVEL - OUT OF STATE	2,500	3,000	3,000	3,000	3,000	
OTHER OPERATING EXP	47,900	45,300	48,300	45,300	46,400	
EQUIPMENT	5,300	3,600	5,100	0	3,600	
ALL OTHER OPERATING	82,200	63,900	84,500	73,700	85,400	
PROGRAM TOTAL	161,000	178,900	232,000	183,900	203,800	
BY FUND SOURCE						
OTHER FUNDS	161,000	178,900	232,000	183,900	203,800	
PROGRAM TOTAL-ALL SOURCES	161,000	178,900	232,000	183,900	203,800	

DEPARTMENT: BEHAVIORAL HEALTH EXAMINERS
COST CENTER: BEHAVIORAL HEALTH EXAMINERS

The JLBC Staff recommends a total appropriation of $203,800 -- a net increase of $24,900, or 13.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 3,400
- Professional and Outside Services 17,000
  The Board will use professional secretarial services in reducing its backlog of applications, and in processing complaints and renewals which are becoming part of the Board's workload. The Executive recommends $10,000 for this issue.
- Travel - In State 3,400
  This amount is to fund Board Members' travel associated with handling applications, renewals and complaints, and also to fund staff travel for presentations to potential applicants.
- Other Operating Expenditures 1,100
  This change brings the amount for rent in line with the Board's office space as allocated by the Department of Administration.

Other Issues for Legislative Consideration

- Board Member Per Diem
  The Executive recommends reducing board member per diem by $(9,000) from the board's budgeted amount. The JLBC Staff expects that the board members will work enough hours processing applications and complaints to use the $9,000 in per diem.
- Capital Equipment
  The Executive recommends eliminating $(3,600) in funding for capital equipment. The Board intends to use its capital equipment budget to enhance its office computer system.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOXING COMMISSION
COST CENTER: BOXING COMMISSION

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.50	1.50	1.50	1.50	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	35,700	35,200	36,500	35,200	29,800	
EMPLOYEE RELATED EXP	10,400	9,000	10,500	9,200	7,100	
PROFESSIONAL/OUTSIDE SVCS	300	1,200	1,500	1,200	1,000	
TRAVEL - IN STATE	1,300	3,000	4,700	3,000	3,000	
TRAVEL - OUT OF STATE	900	900	1,400	900	900	
OTHER OPERATING EXP	9,200	6,800	8,900	6,500	10,000	
ALL OTHER OPERATING	11,700	11,900	16,500	11,600	14,900	
PROGRAM TOTAL	57,800	56,100	63,500	56,000	51,800	
BY FUND SOURCE						
GENERAL FUND	54,400	27,300	48,500	42,500	51,800	
OTHER FUNDS	3,400	28,800	15,000	13,500	0	
PROGRAM TOTAL-ALL SOURCES	57,800	56,100	63,500	56,000	51,800	

DEPARTMENT: ARIZONA STATE BOXING COMMISSION
COST CENTER: ARIZONA STATE BOXING COMMISSION

The JLBC Staff recommends a total appropriation of $51,800 -- a net decrease of $(4,300), or (7.7)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $51,800 -- a net increase of $24,500, or 89.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — (600)
- P&O Adjustments — (200)
  The amount reflects a reduction in Legal Costs.
- Rent - State Owned Buildings — 3,200
  Includes reinstatement of General Fund rent in the amount of $3,200 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Transfer Revenue Authority & Responsibility to the Department of Racing — (6,700)
  JLBC Staff recommends transferring authority and responsibility for the administration, collection and accounting of revenues for the state Boxing Commission to the Department of Racing. The Boxing Commission would maintain autonomous regulatory authority over the boxing industry in Arizona. The transfer would eliminate the Boxing Commission 0.5 FTE Clerk Typist III position 3 months after the start of FY 1993. The 3 month funding for the Clerk Typist position is to facilitate the transition of responsibilities to the Department of Racing, and includes $1,800 in Personal Services and $400 in ERE. The Department of Racing would gain 1 FTE Accounting Technician I position with $16,600 in associated Personal Services and ERE. Implementation of this recommendation will require statutory changes.
- Eliminate the Boxing Fund — -0-
  JLBC Staff recommends the elimination of the Boxing Fund, and that all fees and taxes collected be deposited into the state General Fund. The Boxing Commission is a 90/10 agency, but has not been self-sufficient for several years. This recommendation will require statutory changes.

The Executive recommends a total appropriation of $56,000 for the Boxing Commission; $42,500 from the General Fund, and $13,500 from the Boxing Fund. If the transfer recommendation is not implemented, JLBC Staff recommends a total appropriation of $58,500. If the Boxing Fund is continued, JLBC Staff recommends $43,500 from the General Fund and $15,000 from the Boxing Fund.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: CHIROPRACTIC EXAMINERS BD
COST CENTER: CHIROPRACTIC EXAMINERS BD

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	107,400	107,800	111,600	111,600	111,600	
EMPLOYEE RELATED EXP	22,000	20,800	21,600	20,700	21,900	
PROFESSIONAL/OUTSIDE SVCS	13,000	16,200	17,200	16,200	16,200	
TRAVEL - IN STATE	3,500	7,100	7,100	7,100	7,100	
TRAVEL - OUT OF STATE	6,200	4,800	7,300	4,800	5,200	
OTHER OPERATING EXP	57,000	52,000	54,000	54,000	54,000	
EQUIPMENT	7,100	9,300	7,000	0	2,000	
ALL OTHER OPERATING	86,800	89,400	92,600	82,100	84,500	
PROGRAM TOTAL	216,200	218,000	225,800	214,400	218,000	
BY FUND SOURCE						
OTHER FUNDS	216,200	218,000	225,800	214,400	218,000	
PROGRAM TOTAL-ALL SOURCES	216,200	218,000	225,800	214,400	218,000	

DEPARTMENT: CHIROPRACTIC EXAMINERS BOARD
COST CENTER: CHIROPRACTIC EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $218,000 -- a net increase of $0, or 0%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 3,800
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. JLBC Staff recommends an increase of $3,800 in Personal Services for board member compensation for additional board meetings necessary to address a hearing backlog. The Executive concurs.
- ERE Rate Changes 1,100
- Other Operating Expenditures 2,000
  -- $1,000 increase in rent for privately owned space. The Executive concurs. The boards' lease, which expires in FY 1994, provides for an annual increase of 43 cents a square foot. For FY 1994, the JLBC Staff recommends renegotiating the lease without the inflation adjustment or moving to new space.
  -- $1,000 increase in maintenance contracts for equipment.
- Capitalized Equipment (7,300)
  -- $(9,300) decrease for one-time FY 1992 expenditure for copy machine.
  -- $2,000 increase for purchase of 2 conference tables.
- Travel - Out of State 400
  Increase to attend conference in location different than FY 1992.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF COSMETOLOGY
COST CENTER: BOARD OF COSMETOLOGY

JLBC ANALYST: BOCK
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	14.50	15.50	15.50	15.50	15.50	
OPERATING BUDGET						
PERSONAL SERVICES	289,000	308,600	308,600	308,600	308,600	
EMPLOYEE RELATED EXP	70,200	78,600	78,600	80,000	82,600	
PROFESSIONAL/OUTSIDE SVCS	45,600	48,100	84,200	74,000	64,000	
TRAVEL - IN STATE	21,500	25,000	32,700	25,000	25,000	
TRAVEL - OUT OF STATE	6,100	1,200	5,700	2,000	2,000	
OTHER OPERATING EXP	110,100	102,000	111,700	96,600	91,800	
EQUIPMENT	5,700	0	9,000	9,000	9,000	
ALL OTHER OPERATING	189,000	176,300	243,300	206,600	191,800	
P R O G R A M T O T A L	548,200	563,500	630,500	595,200	583,000	
BY FUND SOURCE						
OTHER FUNDS	548,200	563,500	630,500	595,200	583,000	
PROGRAM TOTAL-ALL SOURCES	548,200	563,500	630,500	595,200	583,000	

DEPARTMENT: BOARD OF COSMETOLOGY
COST CENTER: BOARD OF COSMETOLOGY

The JLBC Staff recommends a total appropriation of $583,000 -- a net increase of $19,500, or 3.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 4,000
- Base Adjustments (16,200)
  Professional and Outside Services is reduced by $(7,000) and Other Operating Expenditures by $(2,600) to return to the FY 1992 appropriated base for these line items. Also, $(6,600) is eliminated for non-capitalized equipment.
- Testing Services 22,900
  The board will subscribe to nationally standard written and practical examinations. Of the amount, $4,000 is to meet a fee increase for the written exam, and $18,900 is to begin using the newly developed practical exam. The Executive recommends $25,900 for this issue. Note that the practical examination price is to be determined in February. The actual budgeted amount should be based on the official price.
- Travel - Out of State 800
  This will allow one of the state board members to attend an additional conference as an officer of the national cosmetology council.
- Photocopier 8,000
  The amount adds $9,000 for a new copy machine and eliminates $(1,000) for maintenance of the old copy machine.

Other Issues for Consideration

- Operating Increases
  The Executive recommends inflation-related and other increases of $4,600 for maintenance contracts, supplies, education, dues, and printing.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF DENTAL EXAMINERS
COST CENTER: BOARD OF DENTAL EXAMINERS

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	8.00	8.00	9.00	8.00	8.00	
OPERATING BUDGET						
PERSONAL SERVICES	196,500	208,800	235,700	210,000	220,200	
EMPLOYEE RELATED EXP	35,200	44,400	56,400	39,700	49,600	
PROFESSIONAL/OUTSIDE SVCS	24,000	24,000	24,000	24,000	24,000	
TRAVEL - IN STATE	4,800	6,500	6,500	6,500	6,500	
TRAVEL - OUT OF STATE	3,200	5,400	7,200	5,400	5,400	
OTHER OPERATING EXP	72,200	89,100	87,300	83,400	86,100	
ALL OTHER OPERATING	104,200	125,000	125,000	119,300	122,000	
OPERATING SUBTOTAL	335,900	378,200	417,100	369,000	391,800	
SPECIAL LINE ITEMS						
AUTOMATION	0	18,000	0	0	0	
IMPAIRED DENTIST PROGRAM	10,000	40,000	40,000	40,000	40,000	
SPECIAL ITEM SUBTOTAL	10,000	58,000	40,000	40,000	40,000	
PROGRAM TOTAL	345,900	436,200	457,100	409,000	431,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF DENTAL EXAMINERS
COST CENTER: BOARD OF DENTAL EXAMINERS

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	345,900	436,200	457,100	409,000	431,800	
PROGRAM TOTAL-ALL SOURCES	345,900	436,200	457,100	409,000	431,800	

The JLBC Staff recommends a total appropriation of $431,800 -- a net decrease of $(4,400), or (1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 13,700
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. This increase includes $10,200 in Personal Services and $2,300 in related ERE for reclassification of board staff in conjunction with DOA - Personnel Division analysis. Previously, the board's Substance Abuse Program and licensing and examination functions were handled by secretarial and clerical staff. The Executive does not concur. Also included is an increase of $1,200 in Personal Services for board member compensation to reflect actual board meeting days. The Executive concurs.
- ERE Rate Change 2,900
- Other Operating Reductions (3,000)
  Elimination of non-capitalized equipment and furniture.
- Automation (18,000)
  One-time FY 1992 expenditure for hardware and processing services to automate licensing and consumer complaint processing.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: FUNERAL DIR. & EMBALM BD
COST CENTER: FUNERAL DIR. & EMBALM BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	2.50	3.00	3.00	2.50	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	67,800	83,000	83,000	71,500	80,800	
EMPLOYEE RELATED EXP	13,600	27,600	27,600	18,100	17,600	
PROFESSIONAL/OUTSIDE SVCS	16,800	24,200	24,200	25,700	24,700	
TRAVEL - IN STATE	7,700	19,500	19,500	15,200	15,500	
TRAVEL - OUT OF STATE	1,700	0	0	0	0	
OTHER OPERATING EXP	6,500	24,200	24,200	24,100	24,100	
ALL OTHER OPERATING	32,700	67,900	67,900	65,000	64,300	
PROGRAM TOTAL	114,100	178,500	178,500	154,600	162,700	
BY FUND SOURCE						
OTHER FUNDS	114,100	178,500	178,500	154,600	162,700	
PROGRAM TOTAL-ALL SOURCES	114,100	178,500	178,500	154,600	162,700	

DEPARTMENT: FUNERAL DIRECTORS & EMBALMERS BOARD
COST CENTER: FUNERAL DIRECTORS & EMBALMERS BOARD

The JLBC Staff recommends a total appropriation of $162,700 -- a net decrease of $(15,800), or (8.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (2,200)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The amount reflects reduced per diem from fewer board member workdays expected as a result of the expanded investigative position in FY 1992.
- ERE Rate Changes (10,000)
- Professional & Outside Services Adjustments 500
  The amount reflects a $1,500 increase in Joint Office Costs, and a $(1,000) reduction for Data Programs.
- Travel-In State Adjustments (4,000)
  Eliminate $(4,000) associated with FY 1992 conference trips.
- OOE Adjustments (100)
  Technical correction to agency's OOE.

Other Issues for Legislative Consideration

- FTE Reduction
  The Executive recommends reducing a 1.0 FTE Administrative Secretary position to a 0.5 FTE position. Personal Services and ERE associated with this reduction is $(12,600). The agency hired an Administrative Secretary in FY 1992 in response to the increased workload brought on by the expanded investigative position in FY 1992. The agency also expects a further increase in workload from the stricter regulation of crematories and anticipated legislation dealing with insurance-funded prearranged funeral sales.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: HOMEOPATHIC MED EXAM BD
COST CENTER: HOMEOPATHIC MED EXAM BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	.25	.25	.25	.25	.25	
OPERATING BUDGET						
PERSONAL SERVICES	3,900	5,400	5,400	5,400	5,400	
EMPLOYEE RELATED EXP	300	500	500	500	500	
PROFESSIONAL/OUTSIDE SVCS	5,400	10,100	10,900	11,200	10,900	
TRAVEL - IN STATE	100	300	500	500	500	
OTHER OPERATING EXP	1,700	2,100	1,100	1,100	1,100	
EQUIPMENT	1,900	0	0	0	0	
ALL OTHER OPERATING	9,100	12,500	12,500	12,800	12,500	
PROGRAM TOTAL	13,300	18,400	18,400	18,700	18,400	
BY FUND SOURCE						
OTHER FUNDS	13,300	18,400	18,400	18,700	18,400	
PROGRAM TOTAL-ALL SOURCES	13,300	18,400	18,400	18,700	18,400	

DEPARTMENT: HOMEOPATHIC MEDICAL EXAMINERS BOARD
COST CENTER: HOMEOPATHIC MEDICAL EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $18,400 -- no change to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• Professional & Outside Services Adjustment The amount reflects a $1,100 increase in Joint Office Costs, and a $(300) reduction in Legal Costs.	800
• Travel-In State Adjustments The agency is anticipating a new board member from Tucson.	200
• OOE Adjustments Reduced Postage $(300) and Printing $(700) costs identified by the agency to offset increased P&O and Travel increases.	(1,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF MEDICAL EXAM
COST CENTER: BOARD OF MEDICAL EXAMINER

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	39.00	39.00	41.00	39.00	39.00	
OPERATING BUDGET						
PERSONAL SERVICES	911,600	1,060,800	1,116,400	1,049,900	1,037,200	
EMPLOYEE RELATED EXP	188,400	221,000	266,600	236,700	228,300	
PROFESSIONAL/OUTSIDE SVCS	382,700	354,300	418,000	357,200	380,200	
TRAVEL - IN STATE	31,000	37,500	40,100	35,400	37,500	
TRAVEL - OUT OF STATE	8,000	8,800	9,600	4,400	8,800	
OTHER OPERATING EXP	393,500	399,500	448,100	418,600	427,600	
EQUIPMENT	40,300	0	61,800	0	0	
ALL OTHER OPERATING	855,500	800,100	977,600	815,600	854,100	
OPERATING SUBTOTAL	1,955,500	2,081,900	2,360,600	2,102,200	2,119,600	
SPECIAL LINE ITEMS						
AUTOMATION	40,700	28,500	30,000	0	0	
AG AGREEMENT	166,400	166,500	166,500	166,500	166,500	
SPECIAL ITEM SUBTOTAL	207,100	195,000	196,500	166,500	166,500	
PROGRAM TOTAL	2,162,600	2,276,900	2,557,100	2,268,700	2,286,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF MEDICAL EXAM
COST CENTER: BOARD OF MEDICAL EXAMINER

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	2,162,600	2,276,900	2,557,100	2,268,700	2,286,100	
PROGRAM TOTAL-ALL SOURCES	2,162,600	2,276,900	2,557,100	2,268,700	2,286,100	

The JLBC Staff recommends a total appropriation of $2,286,100 -- a net increase of $9,200, or 0.4%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(28,700)
  Includes a new vacancy factor of 3.2%. The FY 1992 budget vacancy factor was 1%. For the past 2 fiscal years, the board has requested transfers from Personal Services and ERE to Professional and Outside Services and Other Operating Expenditures in the amounts of $65,000 in FY 1990 and $125,000 in FY 1991. These transfers were granted in order to address shortfalls in Professional and Outside Services and Other Operating Expenses, primarily due to the number and length of cases brought before the board and additional postage and rent expenses. The additional vacancy factor of 2.2% above the FY 1992 level is equivalent to the JLBC Staff recommended increase in Professional and Outside Services for legal services and in Other Operating Expenses for postage. Given that the board has had excesses in the past that could be transferred out from Personal Services to All Other Operating Expenditures, this higher vacancy rate is justified. The Executive recommends a vacancy factor of 2%.
- ERE Rate Change 12,400
- Professional and Outside Services 25,900
  -- $2,900 medical inflation increase of 5% for medical services.
  -- $23,000 increase for court reporter and transcription service, and hearing officer costs. This increase brings the legal services amount to the actual FY 1991 level.
- Rent - Tucson State Office Building 4,800
  Provides $8,800 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.

- Other Operating Expenditures 23,300
  - -- $6,000 increase in postage.
  - -- $5,300 increase in rent for privately owned space. The Executive concurs. The board's lease, which expires at the end of FY 1993, provides for an annual increase of 48 cents a square foot. The JLBC Staff recommends renegotiating the lease without the inflation adjustment or moving to new space.
  - -- $(1,000) decrease for one-time FY 1992 non-capitalized equipment expenditure.
  - -- $13,000 increase for repair and maintenance contracts. The Executive recommends $14,800.
- Capitalized Equipment (28,500)

  Elimination of below-the-line Automation item due to project completion. The Executive concurs.

Other Issues for Legislative Consideration

- Travel Decrease

  The Executive recommends a decrease of $(2,100) in Travel - In State and $(4,400) in Travel - Out of State.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: NATUROPATHIC PHYS EXAM BD
COST CENTER: NATUROPATHIC PHYS EXAM BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	.25	.25	.25	.25	.25	
OPERATING BUDGET						
PERSONAL SERVICES	6,600	6,600	6,600	6,600	6,200	
EMPLOYEE RELATED EXP	500	600	600	600	600	
PROFESSIONAL/OUTSIDE SVCS	7,100	15,000	15,000	15,300	15,300	
TRAVEL - IN STATE	900	1,500	1,500	900	900	
OTHER OPERATING EXP	2,600	2,300	2,300	2,300	2,300	
EQUIPMENT	1,500	0	0	0	0	
ALL OTHER OPERATING	12,100	18,800	18,800	18,500	18,500	
PROGRAM TOTAL	19,200	26,000	26,000	25,700	25,300	
BY FUND SOURCE						
OTHER FUNDS	19,200	26,000	26,000	25,700	25,300	
PROGRAM TOTAL-ALL SOURCES	19,200	26,000	26,000	25,700	25,300	

DEPARTMENT: NATUROPATHIC PHYSICIANS EXAMINERS BOARD
COST CENTER: NATUROPATHIC PHYSICIANS EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $25,300 -- a net decrease of $(700), or (2.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(400)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- Professional & Outside Services Adjustments 300
  The amount reflects an additional $300 in increased Joint Office Costs.
- Travel - In State Adjustments (600)
  Reduced travel costs for new board member from Phoenix who replaced a board member from Prescott.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF NURSING
COST CENTER: BOARD OF NURSING

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	21.20	21.70	21.70	21.70	21.70	
OPERATING BUDGET						
PERSONAL SERVICES	527,600	555,500	555,500	555,500	555,500	
EMPLOYEE RELATED EXP	102,700	121,000	121,000	124,700	129,700	
PROFESSIONAL/OUTSIDE SVCS	103,200	53,000	53,000	83,000	53,000	
TRAVEL - IN STATE	23,400	14,300	14,300	14,300	14,300	
TRAVEL - OUT OF STATE	9,400	5,700	5,700	4,000	5,700	
OTHER OPERATING EXP	256,700	225,300	225,300	226,000	224,300	
ALL OTHER OPERATING	392,700	298,000	298,000	327,300	297,000	
OPERATING SUBTOTAL	1,023,000	974,800	974,800	1,007,500	982,500	
SPECIAL LINE ITEMS						
NURSE AID TRAINING PROG.	86,900	74,900	96,100	54,600	41,600	
SPECIAL ITEM SUBTOTAL	86,900	74,900	96,100	54,600	41,600	
PROGRAM TOTAL	1,109,900	1,049,700	1,070,900	1,062,100	1,024,100	
BY FUND SOURCE						
OTHER FUNDS	1,109,900	1,049,700	1,070,900	1,062,100	1,024,100	
FEDERAL FUNDS	317,700	144,900	184,100	0	184,100	
OTHER NON APPROPRIATED	143,900	70,000	88,000	0	88,000	
PROGRAM TOTAL-ALL SOURCES	1,571,500	1,264,600	1,343,000	1,062,100	1,296,200	

DEPARTMENT: BOARD OF NURSING
COST CENTER: BOARD OF NURSING

The JLBC Staff recommends a total appropriation of $1,024,100 -- a net decrease of $(25,600), or (2.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 8,700
- Other Operating Expenditures (1,000)
  Decrease in non-capitalized equipment.
- Nurse Aid Training Program (33,300)
  - -- $2,200 ERE Rate Changes
  - -- $(1,000) decrease for one-time FY 1992 expenditure for equipment. The Executive concurs.
  - -- $5,500 increase in Professional and Outside Services for Nurse Aid examiners. The Executive concurs.
  - -- $(40,000) decrease to reflect additional Medicare monies to be passed through the Department of Health Services (DHS) to the board. In 1990, the Board of Nursing acquired the responsibility for administering the Nurse Aid Training and Registration Program (NATRP) mandated by the federal Medicaid program. The Board is responsible for: overseeing the training curriculum of schools conducting nurse aid training; maintaining a registry; coordinating renewals; auditing the validity of reimbursement requests for training from schools conducting nurse aid training and forwarding them to the Arizona Health Care Cost Containment System (AHCCCS) for payment; and conducting testing for nurse aides. The Board is estimated to spend $149,800 in FY 1992 for the administration of NATRP. Of this amount, $74,900 was appropriated from the Board of Nursing Fund. The remaining $74,900 was a Medicaid match, on a dollar for dollar basis, which the Board received through AHCCCS. In FY 1993, Medicare will be contributing $80,000 for administrative costs through DHS. As a result, the financial responsibility of the Board and of Medicaid will decrease by $40,000 each. The following shows the effect of the DHS agreement. The Executive concurs.

Administration	FY 1992 Estimate	JLBC Rec. Increase	FY 1993 Without Medicare	FY 1993 With Medicare
Board of Nursing	$ 75,000	$ 6,700	$ 81,700	$ 41,700
Medicaid (AHCCCS)	75,000	6,700	81,700	41,700
Medicare (DHS)	-0-	-0-	-0-	80,000
TOTAL	$150,000	$13,400	$163,400	$163,400

Other Issues for Legislative Consideration

- Nurse Aid Training Program

  The Executive recommends an increase of $13,800 in Other Operating Expenditures. Because the agency has provided inadequate justification, the JLBC Staff does not recommend this increase.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: NURS CARE INST ADMIN BD
COST CENTER: NURS CARE INST ADMIN BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: KEARNS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	.70	.70	.70	.70	.70	
OPERATING BUDGET						
PERSONAL SERVICES	22,800	24,100	24,100	24,100	24,100	
EMPLOYEE RELATED EXP	6,600	6,200	6,200	7,300	4,400	
PROFESSIONAL/OUTSIDE SVCS	18,800	26,700	24,000	24,000	24,200	
TRAVEL - IN STATE	800	4,500	4,300	4,200	4,100	
OTHER OPERATING EXP	4,400	4,900	4,800	4,800	4,800	
ALL OTHER OPERATING	24,000	36,100	33,100	33,000	33,100	
OPERATING SUBTOTAL	53,400	66,400	63,400	64,400	61,600	
SPECIAL LINE ITEMS						
SPECIAL ITEM SUBTOTAL	0	0	0	0	0	
PROGRAM TOTAL	53,400	66,400	63,400	64,400	61,600	
BY FUND SOURCE						
GENERAL FUND	3,700	0	0	0	0	
OTHER FUNDS	49,700	66,400	63,400	64,400	61,600	
PROGRAM TOTAL-ALL SOURCES	53,400	66,400	63,400	64,400	61,600	

DEPARTMENT: NURSING CARE INSTITUTION ADMINISTRATORS BOARD
COST CENTER: NURSING CARE INSTITUTION ADMINISTRATORS BOARD

The JLBC Staff recommends a total appropriation of $61,600 - a net decrease of $(4,800), or (7.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes (1,800)
- Professional & Outside Services Adjustments (2,500)
  The amount reflects a $400 increase in Joint Office Costs, and a reduction of $(2,900) identified by the agency in Legal and Examination Costs.
- Travel-In State Adjustments (400)
  Agency identified a $(200) reduction in funding. The other $(200) reduction is the result of using the standard $.255/mile reimbursement rate.
- OOE Adjustments (100)
  Agency identified reduction in printing costs.

Other Issues for Legislative Consideration

- General Fund Payback
  The agency received a $16,500 General Fund appropriation in FY 1990 because revenue expectations were not realized. The agency has repaid $5,500 to the General Fund. The final $11,000 is expected to paid back by June 1992.

  The agency received a $7,000 General Fund appropriation in FY 1991 for start up costs associated with the licensure and regulation of adult care home managers and adult care homes. Monies which were unspent from this appropriation reverted to the General Fund at the end of FY 1991.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: OCCUPATIONAL THERAPY BD
COST CENTER: OCCUPATIONAL THERAPY BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	.70	.70	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,400	20,000	28,400	28,400	28,400	
EMPLOYEE RELATED EXP	0	5,100	7,200	9,500	5,800	
PROFESSIONAL/OUTSIDE SVCS	0	1,500	4,100	2,000	4,100	
TRAVEL - IN STATE	900	1,500	1,600	1,300	1,300	
TRAVEL - OUT OF STATE	0	0	1,400	0	1,300	
OTHER OPERATING EXP	0	7,000	11,700	8,000	11,700	
ALL OTHER OPERATING	900	10,000	18,800	11,300	18,400	
PROGRAM TOTAL	2,300	35,100	54,400	49,200	52,600	
BY FUND SOURCE						
GENERAL FUND	2,300	0	0	0	0	
OTHER FUNDS	0	35,100	54,400	49,200	52,600	
PROGRAM TOTAL-ALL SOURCES	2,300	35,100	54,400	49,200	52,600	

DEPARTMENT: OCCUPATIONAL THERAPY BOARD
COST CENTER: OCCUPATIONAL THERAPY BOARD

The JLBC Staff recommends a total appropriation of $52,600 - a net increase of $17,500, or 50%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $10,100
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The amount represents full year funding of the Executive Director's salary and ERE. The FY 1992 appropriation only provided salary funding for the 8.4 months that the director was expected to be on the job. The Executive concurs.
- ERE Rate Changes (1,000)
- Professional & Outside Services Adjustments 2,600
  Anticipated Court Reporter and Investigation cost increases.
- Travel - In State Adjustments (200)
  Result of mileage adjustments, and using the standard $.255/mile reimbursement rate.
- Travel - Out of State Adjustments 1,300
  Travel expenses for board member to attend regulatory workshop and conference.
- OOE Adjustments 4,700
  Annualization of anticipated operational expenses for the board's first full year of licensing. Includes $1,400 for non-capitalized equipment.

Other Issues for Legislative Consideration

- General Fund Payback
  The agency received a $25,000 General Fund appropriation in FY 1991 for agency start-up costs. The agency is scheduled to repay the $25,000 to the General Fund by June 1992.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DISPENSING OPTICIANS BD
COST CENTER: DISPENSING OPTICIANS BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	.80	.80	.80	.80	.80	
OPERATING BUDGET						
PERSONAL SERVICES	25,300	29,600	29,600	27,800	27,800	
EMPLOYEE RELATED EXP	4,300	8,000	8,000	5,000	5,400	
PROFESSIONAL/OUTSIDE SVCS	13,400	14,600	14,600	14,800	14,800	
TRAVEL - IN STATE	1,700	3,100	3,100	2,200	2,700	
OTHER OPERATING EXP	3,500	6,800	6,800	5,700	5,900	
ALL OTHER OPERATING	18,600	24,500	24,500	22,700	23,400	
PROGRAM TOTAL	48,200	62,100	62,100	55,500	56,600	
BY FUND SOURCE						
OTHER FUNDS	48,200	62,100	62,100	55,500	56,600	
PROGRAM TOTAL-ALL SOURCES	48,200	62,100	62,100	55,500	56,600	

DEPARTMENT: DISPENSING OPTICIANS BOARD
COST CENTER: DISPENSING OPTICIANS BOARD

The JLBC Staff recommends a total appropriation of $56,600 -- a net decrease of $(5,500), or (8.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(1,800)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The amount reflects the elimination of board per diem funding associated with the FY 1992 Sunset Review meetings.
- ERE Rate Changes (2,600)
- Professional & Outside Services Adjustments 200
  The amount reflects a $200 increase in Joint Office Costs.
- Travel-In State Adjustments (400)
  Eliminates funding associated with FY 1992 Sunset Review meetings.
- OOE Adjustments (900)
  Reduce $(800) associated with the FY 1992 Sunset Audit expenses and a $(100) technical correction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF OPTOMETRY
COST CENTER: BOARD OF OPTOMETRY

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.50	1.75	1.75	1.50	1.75	
OPERATING BUDGET						
PERSONAL SERVICES	50,600	53,900	53,900	47,700	52,700	
EMPLOYEE RELATED EXP	10,200	13,800	13,800	9,400	10,900	
PROFESSIONAL/OUTSIDE SVCS	15,700	18,000	18,000	27,000	18,000	
TRAVEL - IN STATE	9,000	5,700	5,700	4,700	4,800	
TRAVEL - OUT OF STATE	0	700	700	0	700	
OTHER OPERATING EXP	4,800	7,300	7,300	7,300	7,300	
ALL OTHER OPERATING	29,500	31,700	31,700	39,000	30,800	
PROGRAM TOTAL	90,300	99,400	99,400	96,100	94,400	
BY FUND SOURCE						
OTHER FUNDS	90,300	99,400	99,400	96,100	94,400	
PROGRAM TOTAL-ALL SOURCES	90,300	99,400	99,400	96,100	94,400	

DEPARTMENT: BOARD OF OPTOMETRY
COST CENTER: BOARD OF OPTOMETRY

The JLBC Staff recommends a total appropriation of $94,400 -- a net decrease of $(5,000), or (5.0)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(1,200)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The amount reflects reduced per diem from fewer board member workdays expected as a result of the expanded investigative position in FY 1992.
- ERE Rate Changes (2,900)
- Travel-In State Adjustments (900)
  Eliminate $(700) for Prescott board meeting, and $(200) for mileage adjustments.

Other Issues for Legislative Consideration

- FTE Reduction
  The Executive recommends a 0.25 FTE reduction in the agency's investigative position. The board responded to an increase in complaints received and investigations undertaken in FY 1991 by expanding a 0.5 FTE Medical Investigator position to a 0.75 FTE position in FY 1992. Personal Services and ERE associated with this reduction is $(6,800). The agency does not anticipate a decrease in workload.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: OSTEOPATHIC EXAMINERS BD
COST CENTER: OSTEOPATHIC EXAMINERS BD

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.50	4.50	5.50	5.00	4.50	
OPERATING BUDGET						
PERSONAL SERVICES	129,800	132,400	161,000	138,300	138,400	
EMPLOYEE RELATED EXP	29,500	26,400	36,800	32,000	29,400	
PROFESSIONAL/OUTSIDE SVCS	31,300	35,400	35,400	36,800	35,500	
TRAVEL - IN STATE	5,500	5,800	5,500	5,800	5,800	
TRAVEL - OUT OF STATE	3,200	4,300	6,500	4,300	3,800	
OTHER OPERATING EXP	42,500	41,500	39,000	34,600	34,600	
EQUIPMENT	14,400	0	0	0	0	
ALL OTHER OPERATING	96,900	87,000	86,400	81,500	79,700	
OPERATING SUBTOTAL	256,200	245,800	284,200	251,800	247,500	
SPECIAL LINE ITEMS						
AUTOMATION	0	12,600	0	0	0	
SPECIAL ITEM SUBTOTAL	0	12,600	0	0	0	
PROGRAM TOTAL	256,200	258,400	284,200	251,800	247,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: OSTEOPATHIC EXAMINERS BD
COST CENTER: OSTEOPATHIC EXAMINERS BD

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	256,200	258,400	284,200	251,800	247,500	
PROGRAM TOTAL-ALL SOURCES	256,200	258,400	284,200	251,800	247,500	

The JLBC Staff recommends a total appropriation of $247,500 -- a net decrease of $(10,900), or (4.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 7,300
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. This increase includes $6,000 in Personal Services and $1,300 in ERE for the reclassification of 1 FTE Administrative Assistant to an Administrative Assistant III and 1 FTE Clerk Typist I to a Secretary. The Executive recommends $5,900 in Personal Services and $1,400 in ERE. The Executive recommends a vacancy factor of 0%.
- ERE Rate Change 1,700
- Professional and Outside Services 100
  Inflation increase of 5% for medical services.
- Reduction in Travel - Out of State (500)
  Decrease to keep travel expenditures in line with new FY 1993 conference locations.
- Other Operating Expenditures (6,900)
  Decrease for data processing equipment lease-purchase.
- Automation (12,600)
  One-time FY 1992 expenditure for automation of the board's licensing and complaint-tracking processes.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF PHARMACY
COST CENTER: BOARD OF PHARMACY

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	11.00	11.00	11.00	11.00	11.00	
OPERATING BUDGET						
PERSONAL SERVICES	367,800	390,200	390,200	388,500	388,500	
EMPLOYEE RELATED EXP	80,800	88,500	88,500	89,600	79,500	
PROFESSIONAL/OUTSIDE SVCS	22,100	23,600	28,600	28,600	23,600	
TRAVEL - IN STATE	39,700	33,400	33,400	33,400	33,400	
TRAVEL - OUT OF STATE	4,000	4,000	4,000	4,000	4,000	
OTHER OPERATING EXP	93,200	80,600	80,600	78,300	81,100	
EQUIPMENT	0	0	9,000	6,400	0	
ALL OTHER OPERATING	159,000	141,600	155,600	150,700	142,100	
OPERATING SUBTOTAL	607,600	620,300	634,300	628,800	610,100	
SPECIAL LINE ITEMS						
AUTOMATION	10,400	5,000	0	0	5,000	
SPECIAL ITEM SUBTOTAL	10,400	5,000	0	0	5,000	
PROGRAM TOTAL	618,000	625,300	634,300	628,800	615,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF PHARMACY
COST CENTER: BOARD OF PHARMACY

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	618,000	625,300	634,300	628,800	615,100	
PROGRAM TOTAL-ALL SOURCES	618,000	625,300	634,300	628,800	615,100	

The JLBC Staff recommends a total appropriation of $615,100 -- a net decrease of $(10,200), or (1.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (2,000)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. Includes an adjustment of $(1,700) in Personal Services and $(300) in related ERE to reflect amount appropriated in FY 1992. The Executive recommends an adjustment of $(1,700) in Personal Services and $(400) in related ERE. The Executive recommends a vacancy factor of 0%.
- ERE Rate Change (8,700)
- Other Operating Expenditures (2,900)
  -- Decrease for the end of copy machine lease-purchase.
- Rent - Tucson State Office Building 3,400
  Provides $6,300 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.

Other Issues for Legislative Consideration

- Vehicle Upgrades
  The Executive recommends $1,800 for vehicle upgrades.
- E.D.P. Programming Support

The Executive recommends moving $5,000 for E.D.P programming support from below the line to Professional and Outside Services. The JLBC Staff recommends maintaining the below the line appropriation for FY 1993 so that an accurate spending history can be established.

- Laptop Computers

  The Executive recommends $4,600 for the purchase of laptop computers to automate compliance survey recording and reporting. The JLBC Staff does not recommend the laptop computers because the demands of field inspection do not warrant this unnecessary expense.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PHYSICAL THERAPY EXAM BD
COST CENTER: PHYSICAL THERAPY EXAM BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	28,000	27,900	29,000	27,900	30,300	
EMPLOYEE RELATED EXP	5,200	6,900	8,200	5,300	6,500	
PROFESSIONAL/OUTSIDE SVCS	16,400	19,100	18,000	19,100	18,200	
TRAVEL - IN STATE	1,300	3,600	3,200	3,200	3,100	
TRAVEL - OUT OF STATE	900	1,500	1,300	1,300	1,200	
OTHER OPERATING EXP	6,500	7,500	6,800	7,200	6,800	
ALL OTHER OPERATING	25,100	31,700	29,300	30,800	29,300	
PROGRAM TOTAL	58,300	66,500	66,500	64,000	66,100	
BY FUND SOURCE						
OTHER FUNDS	58,300	66,500	66,500	64,000	66,100	
PROGRAM TOTAL-ALL SOURCES	58,300	66,500	66,500	64,000	66,100	

DEPARTMENT: PHYSICAL THERAPY EXAMINERS BOARD
COST CENTER: PHYSICAL THERAPY EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $66,100 -- a net decrease of $(400), or (0.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Changes	(900)
• Executive Director Salary Adjustment The amount reflects a $2,400 increase in the Executive Director's salary, and $500 in ERE. The agency has shifted monies from other line items to partially fund this increase. The adjustments will make the salary commensurate with the responsibilities of the position. The agency's revenue history and revenue projections can accommodate these adjustments. The Executive did not recommend the salary increase.	2,900
• Professional & Outside Services Adjustments The amount includes a $200 increase in Joint Office Costs, and a reduction of $(1,100) in investigation funding identified by the agency to help fund the Executive Director's salary increase.	(900)
• Travel-In State Adjustments Reduced mileage reimbursement costs identified by the agency to help fund the Executive Director's salary increase.	(500)
• Travel-Out of State Adjustments The amount includes a $100 increase for airfare and a $(400) reduction in lodging costs identified by the agency.	(300)
• OOE Adjustments The agency identified a $(300) reduction in telephone costs and a $(400) reduction in printing costs to help fund the Executive Director's salary increase.	(700)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PODIATRY EXAMINERS BOARD
COST CENTER: PODIATRY EXAMINERS BOARD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	1.00	1.00	1.00	1.00	
OPERATING BUDGET						
PERSONAL SERVICES	3,900	21,500	21,500	21,500	21,500	
EMPLOYEE RELATED EXP	100	4,000	4,000	3,900	5,100	
PROFESSIONAL/OUTSIDE SVCS	28,000	15,200	15,200	16,000	15,200	
TRAVEL - IN STATE	100	400	400	400	400	
OTHER OPERATING EXP	1,700	1,800	1,800	1,800	1,800	
ALL OTHER OPERATING	29,800	17,400	17,400	18,200	17,400	
PROGRAM TOTAL	33,800	42,900	42,900	43,600	44,000	
BY FUND SOURCE						
OTHER FUNDS	33,800	42,900	42,900	43,600	44,000	
PROGRAM TOTAL-ALL SOURCES	33,800	42,900	42,900	43,600	44,000	

DEPARTMENT: PODIATRY EXAMINERS BOARD
COST CENTER: PODIATRY EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $44,000 -- a net increase of $1,100, or 2.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ -0-
Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	
• ERE Rate Changes	1,100
• Professional & Outside Services Adjustments	0
Legal funding is reduced $(800) to reflect historical actual expenditures, and Joint Office Costs are increased by $800. The net funding effect is $0. The Executive recommends an increase of $800 in P&O for Joint Office Costs.	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BD OF PRIV POSTSECOND ED
COST CENTER: BD OF PRIV POSTSECOND ED

JLBC ANALYST: LAYZELL
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.20	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	78,700	78,600	78,600	78,600	78,600	
EMPLOYEE RELATED EXP	19,100	16,800	16,800	13,400	17,400	
PROFESSIONAL/OUTSIDE SVCS	3,400	17,200	8,700	8,700	8,700	
TRAVEL - IN STATE	1,400	3,500	3,500	3,500	3,500	
TRAVEL - OUT OF STATE	0	800	800	800	800	
OTHER OPERATING EXP	21,200	27,300	25,600	25,500	25,900	
EQUIPMENT	200	0	0	0	0	
ALL OTHER OPERATING	26,200	48,800	38,600	38,500	38,900	
PROGRAM TOTAL	124,000	144,200	134,000	130,500	134,900	
BY FUND SOURCE						
OTHER FUNDS	124,000	144,200	134,000	130,500	134,900	
OTHER NON APPROPRIATED	110,500	110,000	110,000	0	110,000	
PROGRAM TOTAL-ALL SOURCES	234,500	254,200	244,000	130,500	244,900	

DEPARTMENT: BOARD OF PRIVATE POSTSECONDARY EDUCATION
COST CENTER: BOARD OF PRIVATE POSTSECONDARY EDUCATION

The JLBC Staff recommends a total appropriation of $134,900 -- a net decrease of $(9,300) or (6.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.	$ -0-
• ERE Rate Changes	600
• Net Reduction in Professional and Outside Services This requested reduction reflects negative base adjustments of $(300) for data processing services and $(9,700) for an investment consultant, and an additional $1,500 for an education consultant to assist with three school closings. The Executive concurs with this recommendation.	(8,500)
• Net Reduction in Other Operating Expenditures This requested reduction reflects negative base adjustments of $(900) for printing expenses and $(1,000) for non-capitalized equipment, and an additional $100 for maintenance contracts. The Executive concurs with this recommendation.	(1,800)
• Lease Requirement The Board currently is not being billed for the full amount of space leased from the Department of Administration, Facilities Management Division. The agency will be required to pay this amount in FY 1993. The Executive is not recommending this issue.	400

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PSYCHOLOGIST EXAMINERS BD
COST CENTER: PSYCHOLOGIST EXAMINERS BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1.00	1.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	32,100	31,700	59,700	59,700	59,700	
EMPLOYEE RELATED EXP	8,000	7,000	14,900	11,900	11,500	
PROFESSIONAL/OUTSIDE SVCS	39,100	62,900	71,200	65,400	66,500	
TRAVEL - IN STATE	2,000	4,000	4,000	4,500	4,000	
TRAVEL - OUT OF STATE	1,600	1,500	5,000	2,500	3,200	
OTHER OPERATING EXP	11,300	16,500	19,600	16,900	19,300	
ALL OTHER OPERATING	54,000	84,900	99,800	89,300	93,000	
PROGRAM TOTAL	94,100	123,600	174,400	160,900	164,200	
BY FUND SOURCE						
OTHER FUNDS	94,100	123,600	174,400	160,900	164,200	
PROGRAM TOTAL-ALL SOURCES	94,100	123,600	174,400	160,900	164,200	

DEPARTMENT: PSYCHOLOGIST EXAMINERS BOARD
COST CENTER: PSYCHOLOGIST EXAMINERS BOARD

The JLBC Staff recommends a total appropriation of $164,200 -- a net increase of $40,600, or 32.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes — (900)
- New Statutory Requirements — 33,400
  The JLBC Staff recommends that the board be appropriated 1 FTE Administrative Assistant, Grade 13, at an annual salary of $19,000. The board anticipates increased workloads in all areas as a result of Laws 1991, Chapter 119, which requires the board to regulate the practice of psychology and not just the use of the title. The recommended amount also includes a $9,000 increase in the Executive Director's salary to make the salary commensurate with the added responsibilities of the new mandate. The amount includes $5,400 in ERE adjustments. The Board's revenue history and revenue projections can accommodate the adjustments. The Executive concurs.
- Professional & Outside Services Adjustments — 3,600
  The amount reflects a $2,600 increase in Joint Office Costs, and additional monies to cover the anticipated increases in court reporter services, investigations, and hearings.
- Travel - Out of State Adjustments — 1,700
  Increased funding will allow the board to send 2 members to 2 national association conferences to gather information on how other states with similar mandates regulate the profession.
- OOE Adjustments — 2,800
  The amount reflects the anticipated increases in operational expenses associated with the board's new mandate, including the publication of a directory.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF RESPTRY CARE EXM
COST CENTER: BOARD OF RESPTRY CARE EXM

JLBC ANALYST: BOCK
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	2.00	2.00	2.00	2.00	
OPERATING BUDGET						
PERSONAL SERVICES	0	52,800	56,000	52,800	55,000	
EMPLOYEE RELATED EXP	0	11,000	14,100	10,500	12,100	
PROFESSIONAL/OUTSIDE SVCS	0	5,000	5,000	5,000	5,000	
TRAVEL - IN STATE	0	5,000	4,000	4,000	4,000	
TRAVEL - OUT OF STATE	0	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	0	45,000	45,000	28,300	35,300	
EQUIPMENT	0	4,000	7,000	5,000	4,000	
ALL OTHER OPERATING	0	61,000	63,000	44,300	50,300	
PROGRAM TOTAL	0	124,800	133,100	107,600	117,400	
BY FUND SOURCE						
GENERAL FUND	0	50,000	0	0	0	
OTHER FUNDS	0	74,800	133,100	107,600	117,400	
OTHER NON APPROPRIATED	0	0	0	0	0	
PROGRAM TOTAL-ALL SOURCES	0	124,800	133,100	107,600	117,400	

DEPARTMENT: BOARD OF RESPIRATORY CARE EXAMINERS
COST CENTER: BOARD OF RESPIRATORY CARE EXAMINERS

The JLBC Staff recommends a total appropriation of $117,400 -- a net decrease of $(7,400), or (5.9)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $0 -- a net decrease of $(50,000), or (100)%, from the FY 1992 appropriation. From FY 1993 onward, this new 90/10 agency will be self-supporting.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 2,700
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%. Personal Services is increased by $2,200 and Employee Related Expenditures by $500 to reflect the initial, actual salaries of personnel.
- ERE Rate Changes 600
- Travel-In State (1,000)
  The agency does not expect to need this amount.
- Other Operating Expenditures (9,700)
  Rent is reduced by $(7,600) from the agency's budgeted amount to reflect expected billing amounts for DOA-owned space. The board's budget included funding for privately owned office space. The JLBC staff does not recommend funding for a move from state-owned space. Non-capitalized equipment is reduced by $(2,100), leaving $1,800 for this item. The Executive recommends $0 for non-capitalized equipment. The Executive also recommends $(3,700) in other miscellaneous adjustments.

Other Issues for Legislative Consideration

- Loan Repayment
  The Board borrowed $50,000 from the General Fund for FY 1992, its first full year of operation. The board will pay this amount back by the end of FY 1992. For FY 1993, all funding will be from the Respiratory Care Fund.
- Capital Equipment
  The Executive recommends increasing the amount for capital equipment from $4,000 to $5,000.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STRUCT. PEST CONTROL COMM
COST CENTER: STRUC PEST CONTROL COMM

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	26.00	26.00	26.00	26.00	26.00	
OPERATING BUDGET						
PERSONAL SERVICES	467,500	557,200	557,200	503,700	557,200	
EMPLOYEE RELATED EXP	99,600	135,200	154,900	116,400	143,000	
PROFESSIONAL/OUTSIDE SVCS	123,800	132,500	132,500	132,500	132,500	
TRAVEL - IN STATE	70,700	69,300	71,300	69,300	69,300	
TRAVEL - OUT OF STATE	11,400	5,000	3,000	3,000	3,000	
OTHER OPERATING EXP	177,800	122,400	147,100	122,400	122,400	
EQUIPMENT	55,200	0	28,700	10,200	10,200	
ALL OTHER OPERATING	438,900	329,200	382,600	337,400	337,400	
PROGRAM TOTAL	1,006,000	1,021,600	1,094,700	957,500	1,037,600	
BY FUND SOURCE						
OTHER FUNDS	1,006,000	1,021,600	1,094,700	957,500	1,037,600	
FEDERAL FUNDS	72,700	96,600	96,600	96,600	96,600	
PROGRAM TOTAL-ALL SOURCES	1,078,700	1,118,200	1,191,300	957,500	1,134,200	

DEPARTMENT: STRUCTURAL PEST CONTROL COMMISSION
COST CENTER: STRUCTURAL PEST CONTROL COMMISSION

The JLBC Staff recommends a total appropriation of $1,037,600 -- a net increase of $16,000, or 1.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 1%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 10.5%.
- ERE Rate Changes 7,800
- Travel - Out of State (2,000)
- Capitalized Equipment 10,200
  Increase is for a replacement photocopier. The Executive concurs.

Other Issues for Legislative Consideration

- Higher Vacancy Rate
  The Executive recommends a vacancy rate of 9.5% to be applied in addition to the normal 1% vacancy rate applied to agencies of this size. In FY 1991, the agency was appropriated 5 Pest Control Inspectors in accordance with A.R.S. § 32-2304C, which states that the commission is to maintain a ratio of 1 inspector to every 200 industry members. The agency, however, has not been able to fill the 5 positions due to a lack of qualified applicants, and the positions have remained vacant since appropriation in FY 1991. The Executive's additional vacancy rate recommendation of $(54,000) in Personal Services and $(12,600) in ERE is equivalent to the salaries of 3 Inspector I positions. The JLBC Staff recommends full funding for the 5 Inspectors, but recommends a modified lump sum budget. This will provide adequate funds to fulfill legislative intent but will prevent the commission from transferring excess Personal Service and ERE appropriations to other line items without JLBC approval.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BD OF TECH REGISTRATION
COST CENTER: BD OF TECH REGISTRATION

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	15.00	15.00	15.00	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	310,300	309,200	304,800	305,800	304,800	
EMPLOYEE RELATED EXP	72,600	74,800	84,800	79,600	78,800	
PROFESSIONAL/OUTSIDE SVCS	178,700	23,100	23,100	105,400	23,100	
TRAVEL - IN STATE	10,400	10,000	10,000	10,000	10,000	
TRAVEL - OUT OF STATE	11,400	11,400	11,400	9,500	11,400	
OTHER OPERATING EXP	182,300	173,600	177,500	168,400	176,600	
EQUIPMENT	5,800	7,000	0	5,000	0	
ALL OTHER OPERATING	388,600	225,100	222,000	298,300	221,100	
OPERATING SUBTOTAL	771,500	609,100	611,600	683,700	604,700	
SPECIAL LINE ITEMS						
EXAMINATIONS	0	172,900	172,900	172,900	172,900	
SPECIAL ITEM SUBTOTAL	0	172,900	172,900	172,900	172,900	
PROGRAM TOTAL	771,500	782,000	784,500	856,600	777,600	

DEPARTMENT: BD OF TECH REGISTRATION
COST CENTER: BD OF TECH REGISTRATION

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: BURRIS

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	771,500	782,000	784,500	856,600	777,600	
PROGRAM TOTAL-ALL SOURCES	771,500	782,000	784,500	856,600	777,600	

The JLBC Staff recommends a total appropriation of $777,600 -- a net decrease of $(4,400), or (0.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(5,500)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. Decrease includes $(4,400) in Personal Services and $(1,100) in related ERE for vacancy savings achieved by the hire of an Investigations Supervisor at entry level. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 5,100
- Capitalized Equipment (7,000)
  One-time FY 1992 expenditure for computer equipment.
- Commercial Rent 3,000
  - -- $3,600 increase for additional rent clause in lease. The board's lease, which expires at the end of FY 1995, provides for an annual increase which corresponds to a portion of increased tax costs and operating costs. The Executive recommends $800.
  - -- $(600) decrease in rent to reflect actual contract price.

Other Issues for Legislative Consideration

- Rosters

  The Executive recommends $82,300 for the publication of a combined member, code and rules roster. The JLBC Staff does not recommend this increase. The board makes these lists available upon request for the cost of production. Also, the actual number of these lists sold in FY 1991 is approximately less than 4% of the total number of registrants.
- Reclassification

  The Executive recommends $1,000 for the reclassification of a Clerk Typist to Administrative Secretary.
- Travel - Out of State

  The Executive recommends a decrease of $(1,900) in out of state travel.
- Copy Machine

  The Executive recommends $5,000 for the purchase of a copy machine.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: VETERINARY MED EXAM BD
COST CENTER: VETERINARY MED EXAM BD

JLBC ANALYST: MARTINEZ
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	83,400	78,700	83,800	83,300	83,800	
EMPLOYEE RELATED EXP	16,700	16,700	20,400	16,300	16,600	
PROFESSIONAL/OUTSIDE SVCS	26,100	31,000	31,000	30,500	30,500	
TRAVEL - IN STATE	9,700	12,100	12,100	11,000	11,400	
TRAVEL - OUT OF STATE	600	1,900	1,900	1,900	1,900	
OTHER OPERATING EXP	13,500	12,100	12,100	12,100	12,100	
EQUIPMENT	1,800	0	0	0	0	
ALL OTHER OPERATING	51,700	57,100	57,100	55,500	55,900	
PROGRAM TOTAL	151,800	152,500	161,300	155,100	156,300	
BY FUND SOURCE						
OTHER FUNDS	151,800	152,500	161,300	155,100	156,300	
PROGRAM TOTAL-ALL SOURCES	151,800	152,500	161,300	155,100	156,300	

DEPARTMENT: VETERINARY MEDICAL EXAMINING BOARD
COST CENTER: VETERINARY MEDICAL EXAMINING BOARD

The JLBC Staff recommends a total appropriation of $156,300 -- a net increase of $3,800, or 2.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $5,100
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. The increase is related to Laws 1991, Chapter 85, (HB 2065), which raised the per diem cap for board members from $50 to $100.
- ERE Rate Changes (100)
- Professional & Outside Services Adjustments (500)
  Reduced Joint Office Costs.
- Travel-In State Adjustments (700)
  Eliminate $(700) in funding for Prescott board meeting.

EDUCATION
(ED)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ COMMISSION ON THE ARTS
COST CENTER: AZ COMMISSION ON THE ARTS

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	11.50	11.50	11.50	11.50	11.50	
OPERATING BUDGET						
PERSONAL SERVICES	311,900	312,900	309,000	309,000	309,000	
EMPLOYEE RELATED EXP	66,800	68,800	67,800	71,300	69,900	
PROFESSIONAL/OUTSIDE SVCS	100	0	0	0	0	
TRAVEL - IN STATE	14,800	13,100	15,800	14,600	13,100	
TRAVEL - OUT OF STATE	800	700	800	800	800	
OTHER OPERATING EXP	97,100	96,200	98,800	96,200	77,800	
EQUIPMENT	0	0	27,300	15,000	0	
ALL OTHER OPERATING	112,800	110,000	142,700	126,600	91,700	
OPERATING SUBTOTAL	491,500	491,700	519,500	506,900	470,600	
SPECIAL LINE ITEMS						
COMMUNITY SERVICE PROJECT	1,021,000	867,800	867,800	867,800	836,100	
SPECIAL ITEM SUBTOTAL	1,021,000	867,800	867,800	867,800	836,100	
PROGRAM TOTAL	1,512,500	1,359,500	1,387,300	1,374,700	1,306,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ COMMISSION ON THE ARTS
COST CENTER: AZ COMMISSION ON THE ARTS

JLBC ANALYST: DE LA ROSA
OSPB ANALYST: SHAFFER

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	1,512,500	1,359,500	1,387,300	1,374,700	1,306,700	
FEDERAL FUNDS	607,200	793,100	677,000	0	677,000	
OTHER NON APPROPRIATED	1,071,600	1,103,400	1,103,000	0	1,103,000	
PROGRAM TOTAL-ALL SOURCES	3,191,300	3,256,000	3,167,300	1,374,700	3,086,700	

The JLBC Staff recommends a total appropriation of $1,306,700 -- a net decrease of $(52,800), or (3.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (4,800)
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 0%. Decrease includes $(3,900) in Personal Services and $(900) in related ERE for savings achieved by hiring a new Arts Program Administrator at entry level salary.
- ERE Rate Changes 2,000
- Travel - Out of State 100
  Increase to attend conference held in different location than FY 1992.
- Non-capitalized equipment 500
  Increase for the purchase of one typewriter.
- Rent Reduction (18,900)
  The Arts Commission is scheduled to move from private space into the West Wing of the Executive Tower. JLBC Staff recommends $17,850 for three months of private space rent and $34,650 for state space rent, for a total of $52,500 -- a net decrease of $(18,900) from the FY 1992 rent appropriation. Moving expenses will be paid for by the Department of Administration--Facilities Management. The Executive does not concur.

- Reduce Community Service Project Funding (31,700)

  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. Beginning in FY 1990, the Arts Commission began overseeing the non-appropriated Arts Trust Fund, which provided additional funds for grant monies in the amount of $705,300 in FY 1990 and $968,300 in FY 1991. For FY 1992 and FY 1993, the Arts Trust Fund contribution for grant monies is estimated to increase by $31,700 to $1,000,000. Since the Arts Trust Fund will generate $31,700 more in FY 1993, the JLBC Staff recommends that the State's portion of these grant monies be decreased by an equivalent amount. The Executive does not concur.

Other Issues for Legislative Consideration

- Travel - In State

  The Executive recommends an increase of $1,600 for in-state-travel.
- Capitalized Equipment

  The Executive recommends an increase of $15,000 for the purchase of a new copy machine, a personal computer and a laser printer.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BD OF DIR FOR COMM COLL
COST CENTER: BD OF DIR FOR COMM COLL

JLBC ANALYST: LAYZELL
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	10.00	10.00	12.00	10.00	10.00	
OPERATING BUDGET						
PERSONAL SERVICES	408,800	466,800	573,400	414,400	466,800	
EMPLOYEE RELATED EXP	71,700	81,300	100,800	70,500	78,100	
PROFESSIONAL/OUTSIDE SVCS	24,100	6,000	21,000	6,000	21,000	
TRAVEL - IN STATE	40,000	34,600	39,000	33,100	33,100	
TRAVEL - OUT OF STATE	3,700	0	6,000	0	0	
OTHER OPERATING EXP	76,100	21,200	73,500	18,900	18,900	
EQUIPMENT	10,200	0	5,500	0	0	
ALL OTHER OPERATING	154,100	61,800	145,000	58,000	73,000	
OPERATING SUBTOTAL	634,600	609,900	819,200	542,900	617,900	
SPECIAL LINE ITEMS						
OPERATING STATE AID (M&O)	67,033,100	68,917,400	85,791,700	68,917,400	72,147,500	
CAPITAL OUTLAY STATE AID	8,344,200	10,319,000	13,520,100	0	10,319,000	
EQUALIZATION AID	5,126,500	5,891,900	9,465,900	5,891,900	6,267,200	
ECONOMIC DEV TRAIN (CH)	0	150,000	0	150,000	150,000	
ECONOMIC DEVELOP TRAINING	0	0	0	3,000,000	3,000,000	
SPECIAL ITEM SUBTOTAL	80,503,800	85,278,300	108,777,700	77,959,300	91,883,700	
PROGRAM TOTAL	81,138,400	85,888,200	109,596,900	78,502,200	92,501,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BD OF DIR FOR COMM COLL
COST CENTER: BD OF DIR FOR COMM COLL

JLBC ANALYST: LAYZELL
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	81,138,400	85,888,200	109,596,900	78,502,200	92,501,600	
FEDERAL FUNDS	1,909,700	2,133,500	2,133,500	0	2,133,500	
OTHER NON APPROPRIATED	117,600	158,700	158,700	0	158,700	
PROGRAM TOTAL-ALL SOURCES	83,165,700	88,180,400	111,889,100	78,502,200	94,793,800	

The JLBC Staff recommends a General Fund appropriation of $92,501,600 -- a net increase of $6,613,400, or 7.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends shifting a portion of Personal Services and ERE totaling $(61,300) to the Certification Fund as indirect cost charges. An indirect cost recovery schedule, based on the salaries of the agency's administrative staff, was approved by the State Board of Directors for Community Colleges in FY 1992.
- ERE Rate Changes — (3,200)
- Professional and Outside Services — 15,000
  The State Attorney General's office has contracted with an outside law firm to provide legal services for the agency. This represents the estimated cost of legal services for FY 1993. The Executive is not recommending this issue.
- Travel - In State — (1,500)
- Other Operating Expenses — (2,300)
  This includes a base reduction for non-capitalized equipment. The Executive concurs with this recommendation.
- Operating State Aid — 3,230,100
  The State Aid formula, established in A.R.S. § 15-1466, was effectively negated in FY 1992 when the Legislature provided line item appropriations for community college districts based on their FY 1991 aid allocation. The 1991, Legislature also established a joint legislative study committee on community college finance to, among other things, review the current system of state funding of community colleges. An ad hoc study committee composed of community college

representatives presented its final recommendations in a report to the Legislature and the Governor in December 1991 and to the joint legislative study committee in January 1992. The members of the joint legislative study committee voted to introduce the recommendations of the community college ad hoc study committee as legislation in the 1992 session of the Arizona Legislature.

The JLBC Staff recommends the practice proposed by the joint legislative study committee of basing State Aid appropriations on prior year appropriations with adjustments for inflation and changes in actual enrollment. The first component of the increase, the inflationary adjustment, is based on a 1% increase (the same as our recommended inflation adjustment for K-12 Basic State Aid) and represents an additional resource requirement of $689,300.

The second component of the increase, enrollment change, funds one-half of the 7.3% systemwide increase in actual FTSE enrollment between FY 1990 and FY 1991. As a result, each district receives an additional 3.65% increase for enrollment growth. This represents an additional resource requirement of $2,540,800.

The total additional funding required to fully fund the proposed formula would be $7,075,500. The JLBC Staff recommendation funds $3,230,100, or 45.7% of this requirement. The Executive recommends no additional funding for State Aid in FY 1993.

- Capital Outlay State Aid

- 0 -

The Legislature appropriated one-half of the increase in State Aid provided in A.R.S. § 15-1464, as amended by Laws 1990, Chapter 397, Section 1 for FY 1992. The joint legislative study committee recommended no change in the current capital outlay state aid formula. JLBC Staff recommends delaying for one year the increase required to fully implement the formula. An additional $2,703,700 would have been required for Capital Outlay State Aid had this requirement been funded.

The Executive recommends a reduction of $(10,319,000) resulting in no capital outlay funding for community college districts in FY 1993. The Executive's rationale for this reduction is based on three premises:

-- The method of appropriating General Fund capital outlay aid to community college districts is inequitable and inconsistent when compared to how capital outlay funding is allocated to the Arizona Board of Regents and the Department of Administration (DOA).
-- Community college districts can use capital outlay funding for purposes other than building renewal and maintenance (e.g., for capitalized equipment purchases or capital construction), and for FY 1992, districts were granted the option of using up to 20% of their capital outlay aid for operating purposes. DOA and ABOR can use capital funding only for building renewal and maintenance and must submit a separate request if they wish to build new capital facilities.
-- Community college districts have other capital funding sources, including secondary tax levies and tuition and fee revenue.

JLBC Staff disagrees with the Executive's rationale for the following reasons:

-- Building renewal and maintenance funding is relatively little but is just a small portion of the total capital outlay funding approved by the state for DOA and the universities. The Legislature annually approves substantial funding for DOA and the universities regarding lease-purchase payments and for the universities regarding debt service on outstanding bonds. For FY 1993, the required lease-purchase payments for DOA and the universities are $22.3 million and $11.5 million respectively. Also, the required FY 1993 debt service payments for universities total $54.9 million. Thus, the Executive's analysis disregards completely a major portion of the state-approved capital outlay funding for DOA and the universities.

-- Further, funding for community colleges is much more comparable to funding for K-12 education. K-12 education in Arizona receives funding from multiple sources much in the same way as community college districts. Basic State Aid for K-12 education in Arizona includes a component for capital outlay funding. For FY 1992, it is estimated that $125 million to $150 million, or 12.8% to 15.3%, of the $977.3 appropriated for Basic State Aid was for capital outlay funding. For community colleges, $10.3 million, or 12.1%, of the $85.1 million appropriated for all state aid to community colleges was for capital outlay purposes. Further, K-12 districts have the same flexibilities granted to community colleges regarding capital outlay aid. Thus, when compared with K-12 education, capital outlay funding for community college districts is provided in a consistent and equitable manner.

-- Not all community college districts have a secondary tax levy. For FY 1992, only 5 of the 10 districts have a secondary levy. Thus, the remaining 5 districts would have to establish a secondary levy and, thus, would be levying a new tax.

-- Finally, though tuition and fee revenue could be used for capital costs, districts use it primarily to fund operating expenses (15.8% of the total in FY 1992). To use tuition and fee revenue for capital costs would thus require either a reallocation of existing revenues away from the operating budget or an increase in tuition and fees.

In sum, the Executive proposal represents a shifting of costs from the state General Fund to local property taxes and/or tuition and fee revenue.

- Equalization Aid 375,300

According to the current statute, the FY 1992 minimum equalization base of $429,546,700 would increase by 7% and the actual FY 1991 primary assessed valuation (A.V.) of districts eligible for equalization aid would increase by the growth rate for that district's A.V. between the two most recent years for which actual A.V. is known. Eligible districts are then paid on the basis of the difference between the statutory A.V. and district A.V. at the rate of $1.37 per $100 of A.V. or the district's levy rate, whichever is less.

The proposal presented by the community college ad hoc study committee recommends changing the current equalization formula as follows:

-- increasing the minimum A.V. base to $550,000,000
-- increasing the minimum A.V. base in succeeding years by the percentage change in total primary A.V. in the rural community college districts (all but Maricopa and Pima), using the actual amounts from the two most recent years
-- using the prior year's actual A.V. for each district rather than an estimate of the current year's A.V.
-- applying the lesser of an average tax rate based on actual tax levies and actual A.V. for all rural districts from the prior year or the community college district's actual rate

This proposal would require an additional $3,304,800 for FY 1993.

JLBC Staff proposes changing current law to reflect the actual average growth in assessed valuation for the two most recent years and the most recent actual year's assessed valuation for eligible districts. Under this proposal, the FY 1992 minimum equalization base of $429,546,700 would increase by 4.3% to $448,017,200, and the two districts which currently qualify for equalization aid, Cochise and Graham, would have their aid based on their 1991 actual assessed valuation. The Executive recommends no additional funding for Equalization Aid in FY 1993.

- Economic Development Training -0-

  The Legislature approved $150,000 for FY 1992 as the first year of a three-year commitment for a specialized workforce recruitment and training program provided by Maricopa Community College District to a major interstate banking firm. JLBC Staff recommends that the funding be continued in FY 1993. The Executive concurs with this recommendation.

- Economic Development Training Program: New and Expanding Industries 3,000,000

  The Executive is recommending that $3,000,000 be appropriated to the State Board of Directors for Community Colleges for the economic development and training efforts of new and expanding industries in Arizona. The Executive will be introducing legislation to establish this program. Staff concurs with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	482.90	477.70	505.20	479.70	490.20	
BY PROGRAM/ORGANIZATION						
PHOENIX DAY SCHOOL	2,197,700	2,542,500	3,326,300	2,553,500	2,699,400	
AZ DIAG TESTING & ED CTR	1,034,900	1,135,500	1,372,500	1,139,800	1,168,700	
TUCSON CAMPUS	8,461,400	9,642,500	13,097,400	10,790,500	11,083,600	
AGENCY TOTAL	11,694,000	13,320,500	17,796,200	14,483,800	14,951,700	
OPERATING BUDGET						
PERSONAL SERVICES	11,980,200	12,044,000	13,593,000	12,081,800	12,594,400	
EMPLOYEE RELATED EXP	1,672,900	2,767,900	3,501,300	2,918,400	2,948,800	
PROFESSIONAL/OUTSIDE SVCS	306,500	162,700	186,600	159,300	165,200	
TRAVEL - IN STATE	61,400	50,600	54,400	50,600	50,600	
TRAVEL - OUT OF STATE	-2,000	0	0	0	0	
OTHER OPERATING EXP	2,061,200	2,661,100	4,065,800	3,644,800	3,714,200	
FOOD	151,100	146,100	152,900	146,100	147,200	
EQUIPMENT	340,400	315,600	1,125,000	365,600	348,200	
ALL OTHER OPERATING	2,918,600	3,336,100	5,584,700	4,366,400	4,425,400	
OPERATING SUBTOTAL	16,571,700	18,148,000	22,679,000	19,366,600	19,968,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
SPECIAL ED INST VOUCHERS	-4,444,700	-4,535,900	-4,592,800	-4,592,800	-4,726,900	
ENDOWMENT EARNINGS	-433,000	-291,600	-290,000	-290,000	-290,000	
SPECIAL ITEM SUBTOTAL	-4,877,700	-4,827,500	-4,882,800	-4,882,800	-5,016,900	
AGENCY TOTAL	11,694,000	13,320,500	17,796,200	14,483,800	14,951,700	
BY FUND SOURCE						
GENERAL FUND	11,694,000	13,320,500	17,796,200	14,483,800	14,951,700	
FEDERAL FUNDS	564,200	616,000	409,300	0	409,300	
OTHER NON APPROPRIATED	211,600	197,300	194,900	0	194,900	
AGENCY TOTAL-ALL SOURCES	12,469,800	14,133,800	18,400,400	14,483,800	15,555,900	

DEPARTMENT: SCHOOL FOR THE DEAF AND THE BLIND
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $19,968,600 -- a net increase of $1,820,600, or 10%, to the FY 1992 appropriation. The General Fund portion is $14,951,700 -- a net increase of $1,631,200, or 12.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (6,000)
• ERE Rate Changes	81,100
• Lease Purchase Payments	1,021,900
• All Other Operating Expenditures	24,600
• Capitalized Equipment	27,200
• Excess/Deficit Voucher	47,000
• Salary Equity Funding	319,100
• MHSSI Classes	201,200
• Transition Services	41,700
• Preschool Support	62,800

Other Issues for Legislative Consideration

- Regional Cooperative Program

  ASDB is requesting $291,300 to establish the Southeast and Southwest regions of the Regional Cooperative Program. Laws 1987, Chapter 363, established the pilot program consisting of 3 regional cooperatives to provide educational services for hearing handicapped, visually handicapped and multiply handicapped severely sensory impaired children. Currently the North Central region is the only region in operation. The requested funding would include 5.5 FTE positions (2 Regional Coordinators; 2.5 Administrative Secretaries, and 1 Accounting Technician). The Regional Cooperative Programs would help stabilize the population growth at ASDB, if not reduce it in the long run, by allowing students to live at home and attend their local school district. This would comply with federal law which requires students to be placed in the least restrictive environment.

- Voucher Preschool Students

  ASDB estimates that they currently serve 145 preschool students who are 3-5 years old. The funding for educational services is provided through a General Fund appropriation. The preschool students are not counted in ASDB's voucher count as are the elementary and secondary students. The preschool budget is incorporated within the Tucson Campus budget which makes it difficult to track specific expenditures related to the preschool programs. If the preschool students were vouchered, the ASDB General Fund operating budget could be reduced and the budgeting methodology would be consistent throughout the budget.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: PHOENIX DAY SCHOOL

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	118.90	116.50	122.50	116.50	125.50	
OPERATING BUDGET						
PERSONAL SERVICES	2,974,000	3,035,300	3,390,100	3,035,300	3,286,700	
EMPLOYEE RELATED EXP	392,200	704,100	881,400	730,600	767,500	
PROFESSIONAL/OUTSIDE SVCS	34,000	30,200	30,200	30,500	30,500	
TRAVEL - IN STATE	3,000	4,100	4,100	4,100	4,100	
OTHER OPERATING EXP	394,900	370,700	420,500	376,000	379,900	
FOOD	43,300	40,100	42,200	40,100	41,200	
EQUIPMENT	124,800	140,300	335,600	114,700	119,200	
ALL OTHER OPERATING	600,000	585,400	832,600	565,400	574,900	
OPERATING SUBTOTAL	3,966,200	4,324,800	5,104,100	4,331,300	4,629,100	
SPECIAL LINE ITEMS						
SPECIAL ED INST VOUCHERS	-1,768,500	-1,782,300	-1,777,800	-1,777,800	-1,929,700	
SPECIAL ITEM SUBTOTAL	-1,768,500	-1,782,300	-1,777,800	-1,777,800	-1,929,700	
PROGRAM TOTAL	2,197,700	2,542,500	3,326,300	2,553,500	2,699,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: PHOENIX DAY SCHOOL

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	2,197,700	2,542,500	3,326,300	2,553,500	2,699,400	
FEDERAL FUNDS	131,600	118,300	122,900	0	122,900	
OTHER NON APPROPRIATED	14,400	6,600	7,900	0	7,900	
PROGRAM TOTAL-ALL SOURCES	2,343,700	2,667,400	3,457,100	2,553,500	2,830,200	

The JLBC Staff recommends a total appropriation of $4,629,100 -- a net increase of $304,300, or 7%, to the FY 1992 appropriation. The General Fund portion is $2,699,400 -- a net increase of $156,900, or 6.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (300)
  Maintains a vacancy factor of 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 11,700
- All Other Operating Expenditures 3,800
  JLBC Staff recommends an increase of $300 in Professional and Outside Services for medical and hospital services. JLBC Staff also recommends an increase of $3,500 for non-capitalized replacement equipment (for a total of $16,900) which is based on one-third of the scheduled replacement equipment total cost.
- Capitalized Equipment (23,100)
  JLBC Staff recommends a net decrease of $(23,100) for a total of $117,200 based on the following:
  -- $53,500 for the final lease-purchase payment for 5 preschool school buses.
  -- $32,000 to replace 3 school buses each with over 100,000 miles on them. The University of Arizona Transportation Department has worked with the school to establish a replacement cycle for their vehicles. The study estimates that small school buses should be replaced at 100,000 miles. The recommended funding represents a lease-purchase payment of three years.
  -- $31,700 to fund one-third of the remaining equipment scheduled for replacement.
  The Executive recommends a net decrease of $(25,600) for a total of $114,700.

- Excess Voucher — 30,400

  JLBC Staff recommends 1 FTE position which is currently funded through excess Permanent Special Education Institutional Voucher Funds. The excess voucher funds were generated by the addition of 4 students. The Executive does not concur with this recommendation.

- Salary Equity Funding — 80,600

  Laws 1988, Chapter 237 provides that the Department of Administration (DOA) shall conduct salary equity studies for teachers, credentialed specialists, and other personnel unique to ASDB. DOA has indicated that it considers all ASDB staff to be unique and, therefore, all staff were included in the salary study. The law provides that the JLBC shall use the results in making its recommendations for Personal Services 1 year in arrears. The salary equity study examines salary increases in 3 specific school districts: Tucson Unified, Mesa Unified, and Washington Elementary School districts. The study indicates that the FY 1991 increase was 4.7% for these districts and 2% for FY 1992. The Legislature did not approve equity funding in FY 1992 for the 4.7% increase. Therefore, JLBC Staff recommends a total salary increase of 6.7% to be funded mid year based on the statutory DOA salary equity studies conducted for FY 1991 and FY 1992. JLBC Staff recommends mid year funding for the FY 1991 increase of 4.7% in the operating budget with the FY 1992 increase of 2% funded through the state-wide salary package. The Executive does not concur with this recommendation.

- Fund 2 MHSSI classes — 201,200

  ASDB currently has 9 multiply handicapped severely sensory impaired (MHSSI) classes, which are all at capacity. ASDB is projecting student growth of 20 MHSSI students in FY 1993. JLBC Staff recommends funding to serve 8 students. Specifically, 2 teachers and 2 teacher aides can be hired along with the required support services. The Executive does not recommend this issue.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: AZ DIAG TESTING & ED CTR

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	56.60	55.50	62.00	57.50	58.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,189,800	1,165,300	1,373,500	1,204,500	1,241,600	
EMPLOYEE RELATED EXP	163,900	283,800	373,600	310,400	309,400	
PROFESSIONAL/OUTSIDE SVCS	13,100	18,300	18,300	18,700	18,700	
TRAVEL - IN STATE	500	800	800	800	800	
TRAVEL - OUT OF STATE	300	0	0	0	0	
OTHER OPERATING EXP	17,700	48,700	49,600	48,700	48,700	
ALL OTHER OPERATING	31,600	67,800	68,700	68,200	68,200	
OPERATING SUBTOTAL	1,385,300	1,516,900	1,815,800	1,583,100	1,619,200	
SPECIAL LINE ITEMS						
SPECIAL ED INST VOUCHERS	-350,400	-381,400	-443,300	-443,300	-450,500	
SPECIAL ITEM SUBTOTAL	-350,400	-381,400	-443,300	-443,300	-450,500	
PROGRAM TOTAL	1,034,900	1,135,500	1,372,500	1,139,800	1,168,700	
BY FUND SOURCE						
GENERAL FUND	1,034,900	1,135,500	1,372,500	1,139,800	1,168,700	
FEDERAL FUNDS	98,100	155,800	0	0	0	
OTHER NON APPROPRIATED	7,700	2,300	4,500	0	4,500	
PROGRAM TOTAL-ALL SOURCES	1,140,700	1,293,600	1,377,000	1,139,800	1,173,200	

DEPARTMENT: SCHOOL FOR THE DEAF AND THE BLIND
COST CENTER: ARIZONA DIAGNOSTIC TREATMENT AND EDUCATION CENTER

The JLBC Staff recommends a total appropriation of $1,619,200 -- a net increase of $102,300, or 6.7%, to the FY 1992 appropriation. The General Fund portion is $1,168,700 -- a net increase of $33,200, or 2.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (4,400)
  Includes a new vacancy factor of 1%. The FY 1992 budgeted vacancy factor was 0.75% which was half of the standard rate of 1.5%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 10,000
- Other Operating Expenditures 400
  JLBC Staff recommends an increase of $400 in Professional and Outside Services for medical and hospital services.
- Excess Voucher 65,600
  JLBC Staff recommends 3 FTE positions which are currently funded through excess Permanent Special Education Institutional Voucher funds. The excess voucher funds were generated by the addition of 5 students. The Executive recommends an increase of 2 FTE positions and $49,700 for this issue.
- Salary Equity Funding 30,700
  Laws 1988, Chapter 237 provides that the Department of Administration (DOA) shall conduct salary equity studies for teachers, credentialed specialists, and other personnel unique to ASDB. DOA has indicated that it considers all ASDB staff to be unique and, therefore, all staff were included in the salary study. The law provides that the JLBC shall use the results in making its recommendations for Personal Services 1 year in arrears. The salary equity study examines salary increases in 3 specific school districts: Tucson Unified, Mesa Unified, and Washington Elementary School districts. The study indicates that the FY 1991 increase was 4.7% for these districts and 2% for FY 1992. The Legislature did not approve equity funding in FY 1992 for the 4.7% increase. Therefore, JLBC Staff recommends a total salary increase of 6.7% to be funded mid year based on the statutory DOA salary equity studies conducted for FY 1991 and FY 1992. JLBC Staff recommends mid year funding for the FY 1991 increase of 4.7% in the operating budget with the FY 1992 increase of 2% funded through the state-wide salary package. The Executive does not concur with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: TUCSON CAMPUS

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	307.40	305.70	320.70	305.70	306.20	
OPERATING BUDGET						
PERSONAL SERVICES	7,816,400	7,843,400	8,829,400	7,842,000	8,066,100	
EMPLOYEE RELATED EXP	1,116,800	1,780,000	2,246,300	1,877,400	1,871,900	
PROFESSIONAL/OUTSIDE SVCS	259,400	114,200	138,100	110,100	116,000	
TRAVEL - IN STATE	57,900	45,700	49,500	45,700	45,700	
TRAVEL - OUT OF STATE	-2,300	0	0	0	0	
OTHER OPERATING EXP	1,648,600	2,241,700	3,595,700	3,220,100	3,285,600	
FOOD	107,800	106,000	110,700	106,000	106,000	
EQUIPMENT	215,600	175,300	789,400	250,900	229,000	
ALL OTHER OPERATING	2,287,000	2,682,900	4,683,400	3,732,800	3,782,300	
OPERATING SUBTOTAL	11,220,200	12,306,300	15,759,100	13,452,200	13,720,300	
SPECIAL LINE ITEMS						
SPECIAL ED INST VOUCHERS	-2,325,800	-2,372,200	-2,371,700	-2,371,700	-2,346,700	
ENDOWMENT EARNINGS	-433,000	-291,600	-290,000	-290,000	-290,000	
SPECIAL ITEM SUBTOTAL	-2,758,800	-2,663,800	-2,661,700	-2,661,700	-2,636,700	
PROGRAM TOTAL	8,461,400	9,642,500	13,097,400	10,790,500	11,083,600	

DEPARTMENT: SCH FOR THE DEAF & BLIND
COST CENTER: TUCSON CAMPUS

JLBC ANALYST: FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	8,461,400	9,642,500	13,097,400	10,790,500	11,083,600	
FEDERAL FUNDS	334,500	341,900	286,400	0	286,400	
OTHER NON APPROPRIATED	189,500	188,400	182,500	0	182,500	
PROGRAM TOTAL-ALL SOURCES	8,985,400	10,172,800	13,566,300	10,790,500	11,552,500	

The JLBC Staff recommends a total appropriation of $13,720,300 -- a net increase of $1,414,000, or 11.5%, to the FY 1992 appropriation. The General Fund portion is $11,083,600 -- a net increase of $1,441,100, or 14.9%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (1,300)
  Maintains a vacancy factor of 1%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 59,400
- All Other Operating Expenditures 1,042,300
  JLBC Staff recommends an increase of $1,800 in Professional and Outside Services for medical and hospital services. JLBC Staff recommends a decrease of $(49,300) for telecommunications due to savings from the school's new telephone system. JLBC Staff recommends an increase of $1,021,900 to fund the lease purchase payment requirements for the ASDB High School, Elementary and Middle Schools, Learning Center and Deaf and Blind Food Service Facility, and modular buildings. JLBC Staff also recommends an increase of $67,900 for non-capitalized replacement equipment (for a total of $124,200) which is based on one-third of the scheduled replacement equipment total cost.

- Capitalized Equipment — 50,300

  JLBC Staff recommends a net increase of $50,300 for a total of $225,600 based on the following:
  -- $61,800 for the final lease-purchase payments for 6 school buses;
  -- $63,500 for the second payment of the replacement telephone equipment; and
  -- $100,300 to fund one-third of the remaining equipment (excluding replacement vehicles) scheduled for replacement.

  The Executive recommends a net increase of $75,600 for a total of $250,900.

- Deficit Voucher — (49,000)

  JLBC Staff recommends eliminating 2 FTE positions due to a decrease in enrollment and thus a decrease in money received through Permanent Special Education Institutional Voucher Funds. The loss was due to decrease of 4 students. The Executive does not concur with this recommendation.

- Salary Equity Funding — 207,800

  Laws 1988, Chapter 237 provides that the Department of Administration (DOA) shall conduct salary equity studies for teachers, credentialed specialists, and other personnel unique to ASDB. DOA has indicated that it considers all ASDB staff to be unique and, therefore, all staff were included in the salary study. The law provides that the JLBC shall use the results in making its recommendations for Personal Services 1 year in arrears. The salary equity study examines salary increases in 3 specific school districts: Tucson Unified, Mesa Unified, and Washington Elementary School districts. The study indicates that the FY 1991 increase was 4.7% for these districts and 2% for FY 1992. The Legislature did not approve equity funding in FY 1992 for the 4.7% increase. Therefore, JLBC Staff recommends a total salary increase of 6.7% to be funded mid year based on the statutory DOA salary equity studies conducted for FY 1991 and FY 1992. JLBC Staff recommends mid year funding for the FY 1991 increase of 4.7% in the operating budget with the FY 1992 increase of 2% funded through the state-wide salary package. The Executive does not concur with this recommendation.

- Transition Services — 41,700

  The Individuals with Disabilities Education Act (IDEA) requires ASDB to provide transition services to graduating students. The transition program is currently funded through a federal grant from the Office of Special Education which will cease as of June 30, 1992. To keep ASDB in compliance with federal law, JLBC Staff recommends funding for 1 vocational services specialist to provide transition services. The position will aid 281 eligible students in the transition to post-school activities. The Executive does not concur with this recommendation.

- Preschool Handicapped — 62,800

  ASDB was mandated by federal law (PL 99-457) to provide preschool services, including support services, to all children by the 1991-92 school year. In FY 1991, funding was provided for transportation services for preschool children, ages 3-5. JLBC Staff recommends 1.5 FTE positions for support services to serve approximately 145 preschool students eligible for the support. The Executive does not concur with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	214.90	228.80	222.80	180.30	228.80	
BY PROGRAM/ORGANIZATION						
STATE BOARD OF EDUCATION	163,400	143,800	145,400	146,200	140,800	
GENERAL SERVICES ADMIN	8,051,800	7,248,000	8,977,100	8,496,900	8,169,000	
ASSISTANCE TO SCHOOLS	1,197,848,900	1,296,892,500	1,464,190,600	1,355,879,500	1,391,879,200	
VOCATIONAL EDUCATION	1,247,300	1,255,500	1,300,300	1,255,500	1,271,900	
AGENCY TOTAL	1,207,311,400	1,305,539,800	1,474,613,400	1,365,778,100	1,401,460,900	
OPERATING BUDGET						
PERSONAL SERVICES	5,275,600	5,205,200	5,281,700	5,163,600	5,316,200	
EMPLOYEE RELATED EXP	1,115,600	1,135,200	1,293,800	1,175,200	1,185,000	
PROFESSIONAL/OUTSIDE SVCS	361,700	405,500	444,300	399,400	157,800	
TRAVEL - IN STATE	111,600	116,800	115,200	116,800	110,200	
TRAVEL - OUT OF STATE	21,900	32,300	35,400	32,300	32,700	
OTHER OPERATING EXP	1,054,600	1,123,600	1,161,200	1,117,400	1,508,300	
EQUIPMENT	143,100	9,700	0	0	0	
ALL OTHER OPERATING	1,692,900	1,687,900	1,756,100	1,665,900	1,809,000	
OPERATING SUBTOTAL	8,084,100	8,028,300	8,331,600	8,004,700	8,310,200	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
ACHIEVEMENT TESTING	995,200	192,500	1,645,000	1,465,500	857,000	
EDUC. COMM. OF THE STATES	41,200	43,100	45,000	45,000	45,000	
SLIAG ADMINISTRATION	39,400	30,000	30,500	30,000	30,000	
SPECIAL EDUCATION AUDIT	202,600	228,400	245,700	228,400	215,200	
SCHOOL RESTRUCTURING	100,000	100,000	100,000	100,000	100,000	
BASIC STATE AID	917,284,700	978,094,100	1,145,539,000	1,045,225,800	1,077,627,700	
PRIOR YEAR STATE AID	100,262,400	143,196,400	143,196,400	143,196,400	143,196,400	
ADDITIONAL STATE AID	138,878,500	131,810,100	132,000,000	123,237,800	126,359,300	
ASSIST. TO SCH. DIST.	212,700	455,000	518,000	498,700	509,600	
CERT. OF EDUC. CONV.	8,574,900	8,047,200	8,635,000	9,152,400	9,130,300	
PERM. EDUCATION VOUCHERS	2,381,700	2,894,100	3,065,000	2,909,800	2,995,500	
PERM.SPEC.ED.INST.VOUCHER	4,516,500	5,074,500	5,242,000	4,693,000	5,114,500	
ACADEMIC CONTEST FUND	74,700	75,000	75,000	75,000	75,000	
ACADEMIC DECATHLON	82,100	81,300	82,200	81,300	81,000	
ADULT EDUCATION ASSIST.	3,035,900	3,049,400	3,052,300	3,049,400	3,041,000	
AZ HUMANITIES COUNCIL	0	40,000	40,000	40,000	40,000	
AZ PRINCIPALS' ACADEMY	37,900	25,200	25,200	25,200	25,200	
AZ TEACHER EVALUATION	401,400	400,500	405,300	400,500	391,100	
ASSET	234,000	234,000	234,000	234,000	234,000	
CHEMICAL ABUSE	846,300	828,900	835,000	828,900	830,300	
COMPUTER TECH. EQUIP.	850,000	0	0	0	0	
DROPOUT PREVENTION	1,237,400	2,182,700	2,194,700	2,182,700	2,182,100	
EXTENDED SCHOOL YEAR	487,900	500,000	500,000	500,000	500,000	
FULL-DAY KINDERGARTEN	1,346,100	1,400,000	1,400,400	1,400,000	1,401,500	
GIFTED SUPPORT	1,000,500	999,900	999,900	999,900	1,000,500	
K-3 SUPPORT	5,465,700	5,458,200	5,460,700	5,458,200	5,451,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION — JLBC ANALYST: NEISENT/FUSAK — HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
COST CENTER: AGENCY SUMMARY — OSPB ANALYST: MABRY — SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PRESCHOOL HANDICAPPED	1,433,200	1,911,000	955,500	955,500	955,500	
PRESCH. HAND. SUPPORT	786,500	400,000	0	0	0	
SLIAG OUTREACH	0	25,000	25,000	25,000	24,300	
PRESCHOOL PILOT PROGRAM	591,000	1,600,000	1,600,000	2,600,000	2,601,200	
RESIDENTIAL PLACEMENT	0	100,000	100,000	100,000	100,000	
SCHOOL BREAKFAST PROGRAM	0	100,000	100,000	100,000	100,000	
SCH. BUSES NATIVE-AMER.	440,400	0	0	0	0	
SCH. DIST. HOUSING	850,000	0	0	0	0	
SLIAG ADULT EDUCATION	822,100	2,000,000	2,000,000	2,000,000	2,000,000	
TUITION FUND	0	100,000	100,000	100,000	100,000	
VOCATIONAL ED. ASSISTANCE	2,815,000	2,835,000	2,835,000	2,835,000	2,835,000	
VOC. ED. PROG. SUPPORT	949,800	1,000,000	1,000,000	1,000,000	1,000,900	
VOC. & TECH. EDUCATION	1,949,600	2,000,000	2,000,000	2,000,000	2,000,000	
SPECIAL ITEM SUBTOTAL	1,199,227,300	1,297,511,500	1,466,281,800	1,357,773,400	1,393,150,700	
AGENCY TOTAL	1,207,311,400	1,305,539,800	1,474,613,400	1,365,778,100	1,401,460,900	
BY FUND SOURCE						
GENERAL FUND	1,207,311,400	1,305,539,800	1,474,613,400	1,365,778,100	1,401,460,900	
FEDERAL FUNDS	289,211,100	341,663,000	360,350,000	0	360,350,000	
OTHER NON APPROPRIATED	65,280,200	62,271,300	56,211,300	0	59,211,300	
AGENCY TOTAL-ALL SOURCES	1,561,802,700	1,709,474,100	1,891,174,700	1,365,778,100	1,821,022,200	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $1,401,460,900 -- a net increase of $95,921,100, or 7.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments		$ (91,200)
• ERE Rate Changes		39,700
• All Other Operating Expenditures		299,800
• Achievement Testing		664,500
• Education Commission of the States		1,900
• Basic State Aid		99,533,600
-- Base adjustments to the FY 1992 adjusted appropriation to reflect the FY 1992 funding requirement.	17,171,100	
-- Demographic adjustments to reflect 30% growth in preschool handicapped students, 3.5% growth in elementary students, and 1% growth in high school students.	56,578,200	
-- 1% Statutory Inflation Adjustment	21,573,200	
-- Other Changes	4,211,100	
TOTAL	99,533,600	
• Additional State Aid ("Homeowners' Rebate Program")		(5,450,800)
• Other Statutory Formula Programs		1,279,100
• Preschool Handicapped		(955,500)
• Preschool Handicapped Support		(400,000)
• Preschool Pilot Program		1,000,000

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: STATE BOARD OF EDUCATION

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	2.50	2.50	2.50	2.50	2.50	
OPERATING BUDGET						
PERSONAL SERVICES	50,200	52,800	52,800	52,800	52,800	
EMPLOYEE RELATED EXP	15,300	13,200	14,800	15,600	13,800	
PROFESSIONAL/OUTSIDE SVCS	17,600	14,100	14,100	14,100	10,500	
TRAVEL - IN STATE	700	7,300	700	7,300	700	
TRAVEL - OUT OF STATE	1,600	4,800	5,200	4,800	5,200	
OTHER OPERATING EXP	73,600	51,600	57,800	51,600	57,800	
EQUIPMENT	4,400	0	0	0	0	
ALL OTHER OPERATING	97,900	77,800	77,800	77,800	74,200	
PROGRAM TOTAL	163,400	143,800	145,400	146,200	140,800	
BY FUND SOURCE						
GENERAL FUND	163,400	143,800	145,400	146,200	140,800	
PROGRAM TOTAL-ALL SOURCES	163,400	143,800	145,400	146,200	140,800	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: STATE BOARD OF EDUCATION

The JLBC Staff recommends a total appropriation of $140,800 -- a net decrease of $(3,000), or (2.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• ERE Rate Changes	$ 600
• Professional and Outside Services Base Adjustment	(3,600)
The base adjustments reflect the transfer of Communications Service Center funding to the General Services Administration budget.	
• Travel - In State Base Adjustment	(6,600)
• Travel - Out of State Base Adjustment	400
• Other Operating Expenditures Base Adjustment	6,200

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: GENERAL SERVICES ADMIN

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	159.50	159.50	153.50	151.50	159.50	
OPERATING BUDGET						
PERSONAL SERVICES	4,318,700	4,252,700	4,311,800	4,211,100	4,355,500	
EMPLOYEE RELATED EXP	916,500	937,100	1,066,700	965,700	978,100	
PROFESSIONAL/OUTSIDE SVCS	272,100	311,700	350,500	312,000	67,600	
TRAVEL - IN STATE	89,400	88,100	93,100	88,100	88,100	
TRAVEL - OUT OF STATE	20,300	27,500	30,200	27,500	27,500	
OTHER OPERATING EXP	917,700	1,002,200	1,033,600	998,600	1,380,700	
EQUIPMENT	138,700	9,700	0	0	0	
ALL OTHER OPERATING	1,438,200	1,439,200	1,507,400	1,426,200	1,563,900	
OPERATING SUBTOTAL	6,673,400	6,629,000	6,885,900	6,603,000	6,897,500	
SPECIAL LINE ITEMS						
ACHIEVEMENT TESTING	995,200	192,500	1,645,000	1,465,500	857,000	
EDUC. COMM. OF THE STATES	41,200	43,100	45,000	45,000	45,000	
SLIAG ADMINISTRATION	39,400	30,000	30,500	30,000	30,000	
SPECIAL EDUCATION AUDIT	202,600	228,400	245,700	228,400	215,200	
SCHOOL RESTRUCTURING	100,000	100,000	100,000	100,000	100,000	
SLIAG OUTREACH	0	25,000	25,000	25,000	24,300	
SPECIAL ITEM SUBTOTAL	1,378,400	619,000	2,091,200	1,893,900	1,271,500	
PROGRAM TOTAL	8,051,800	7,248,000	8,977,100	8,496,900	8,169,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: GENERAL SERVICES ADMIN

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	8,051,800	7,248,000	8,977,100	8,496,900	8,169,000	
FEDERAL FUNDS	5,872,700	7,682,400	7,569,600	0	7,569,600	
OTHER NON APPROPRIATED	839,900	1,175,300	1,211,300	0	1,211,300	
PROGRAM TOTAL-ALL SOURCES	14,764,400	16,105,700	17,758,000	8,496,900	16,949,900	

The JLBC Staff recommends a total appropriation of $8,169,000 -- a net increase of $921,000 or 12.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(101,100)
  Includes a vacancy factor of 2%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1%, which was half of the standard rate. The Executive recommends a vacancy factor of 2%. JLBC Staff recommends $1,300 in Personal Services to annualize elected officials' salary adjustments which became effective January, 1992.
- ERE Rate Changes 20,000
- Rent - State Owned Buildings 396,600
  Includes reinstatement of General Fund rent in the amount of $396,600 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Rent - Tucson State Office Building 17,700
  Provides $29,400 for the department's share of rent to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase is for additional space and to annualize the amount appropriated in FY 1992.
- Rent - State Courts Building (111,100)
  JLBC Staff recommends a decrease to reflect the department's share of space in the State Courts Building.

- All Other Operating Expenditures (3,400)

  JLBC Staff recommends the following:

  -- Postage (22,000)
  -- Printing 18,200
  -- Telecommunications 15,000
  -- Equipment (11,200)

  JLBC Staff recommends no funding for capitalized equipment which results in a decrease of $(9,700) and a net decrease for $(1,500) for non-capitalized equipment.

  -- Miscellaneous Adjustments (3,400)

- Communications Service Center 35,900

  JLBC Staff recommends that 8 FTE positions and $296,000 be transferred from Professional and Outside Services within each department division and special line item to Personal Services, Employee Related Expenditures and Other Operating Expenditures within the General Services Administration (GSA) budget. The net increase to GSA is $35,900. The specific changes are as follows: $(700) decrease to SLIAG Outreach; $(15,300) to Special Education Audit; and $(244,100) to the GSA operating budget for Professional and Outside Services along with a corresponding increase of $296,000 to the GSA operating budget for the FTE transfer. The remaining $(35,900) reduction will come from other programs within the ADE budget, thus making this a no cost issue. Currently, the Communications Service Center (CSC) is funded through billings to the various divisions within the department. The divisions and line items use appropriations made in Professional and Outside Services to pay the CSC. The reduction to Professional and Outside Services will directly match the increase to Personal Services, Employee Related Expenditures and Other Operating Expenditures.

- Achievement Testing 664,500

  In FY 1992, $192,500 was appropriated to the department for Norm Referenced Testing to fully test grades 4, 7 and 11. Laws 1991, Chapter 288 also allocated up to $258,000 for achievement testing from anticipated revertments from the career ladder program. Of the total available funds of $420,500, the sum of $100,000 was to be used to administer the ASAP essential skills testing.

  JLBC Staff recommends the following for achievement testing:

  -- A decrease of $(20,100) for a total of $172,400 for Norm Referenced Testing based on full testing for grades 4, 7, and 11. The analysis assumes that only 80% of the students in each grade will actually be tested and that the department will only need to purchase 545 new tests. The program will utilize 142,800 tests from current inventories within the districts and at the department. These tests have been accumulated over the past 5 years of the department's contract with the current publishing company. The current contract expires at the end of FY 1993, therefore, any tests left in inventory will most likely be obsolete as new tests will be developed by the

new publishing company. JLBC Staff analysis indicates that 22% of all states fund norm referenced testing for 3 grades, 16% for 4 grades and 41% of all states do not provide any direct funding for norm referenced testing. The Executive recommends $597,200 for Norm Referenced Testing with full testing of grades 2-12.

-- An increase of $684,600 for the Arizona Student Assessment Plan (ASAP) essential skills testing, with full testing for grades 3, 8, and 12. Of the total, $100,000 will be used to develop the form (Form D) to be utilized in the pilot program which will begin in the spring of 1993. No funding was included in the GSA budget for ASAP in FY 1992. Tests A, B and C were developed using federal dollars and were distributed to the school districts in the current year. Once the state mandated the ASAP program (Laws 1990, Chapter 233), federal dollars could no longer be used to fund development costs. The Executive recommends $675,800 for ASAP with full testing of grades 3, 8 and 12.

- Education Commission of the States 1,900

  JLBC Staff recommends an increase for the state's assessment for the Education Commission of the States.

Other Issues for Legislative Consideration

- Career Ladders

  The department has requested 2 FTE positions, and $140,400 to provide technical assistance to the State Board, the State Career Ladder Advisory Committee, and school districts for matters relating to the implementation, operation and monitoring of Career Ladder programs. The program is currently funded from an assessment on participating district's Basic State Aid. Laws 1990, Chapter 319, required the department to request funding for the program for FY 1993. JLBC Staff recommends the continuation of the assessment on participating district's Basic State Aid to fund the issue. The Executive does not recommend this issue.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	26.60	40.50	40.50	0.00	40.50	
SPECIAL LINE ITEMS						
BASIC STATE AID	917,284,700	978,094,100	1,145,539,000	1,045,225,800	1,077,627,700	
PRIOR YEAR STATE AID	100,262,400	143,196,400	143,196,400	143,196,400	143,196,400	
ADDITIONAL STATE AID	138,878,500	131,810,100	132,000,000	123,237,800	126,359,300	
ASSIST. TO SCH. DIST.	212,700	455,000	518,000	498,700	509,600	
CERT. OF EDUC. CONV.	8,574,900	8,047,200	8,635,000	9,152,400	9,130,300	
PERM. EDUCATION VOUCHERS	2,381,700	2,894,100	3,065,000	2,909,800	2,995,500	
PERM.SPEC.ED.INST.VOUCHER	4,516,500	5,074,500	5,242,000	4,693,000	5,114,500	
ACADEMIC CONTEST FUND	74,700	75,000	75,000	75,000	75,000	
ACADEMIC DECATHLON	82,100	81,300	82,200	81,300	81,000	
ADULT EDUCATION ASSIST.	3,035,900	3,049,400	3,052,300	3,049,400	3,041,000	
AZ HUMANITIES COUNCIL	0	40,000	40,000	40,000	40,000	
AZ PRINCIPALS' ACADEMY	37,900	25,200	25,200	25,200	25,200	
AZ TEACHER EVALUATION	401,400	400,500	405,300	400,500	391,100	
ASSET	234,000	234,000	234,000	234,000	234,000	
CHEMICAL ABUSE	846,300	828,900	835,000	828,900	830,300	
COMPUTER TECH. EQUIP.	850,000	0	0	0	0	
DROPOUT PREVENTION	1,237,400	2,182,700	2,194,700	2,182,700	2,182,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
EXTENDED SCHOOL YEAR	487,900	500,000	500,000	500,000	500,000	
FULL-DAY KINDERGARTEN	1,346,100	1,400,000	1,400,400	1,400,000	1,401,500	
GIFTED SUPPORT	1,000,500	999,900	999,900	999,900	1,000,500	
K-3 SUPPORT	5,465,700	5,458,200	5,460,700	5,458,200	5,451,600	
PRESCHOOL HANDICAPPED	1,433,200	1,911,000	955,500	955,500	955,500	
PRESCH. HAND. SUPPORT	786,500	400,000	0	0	0	
PRESCHOOL PILOT PROGRAM	591,000	1,600,000	1,600,000	2,600,000	2,601,200	
RESIDENTIAL PLACEMENT	0	100,000	100,000	100,000	100,000	
SCHOOL BREAKFAST PROGRAM	0	100,000	100,000	100,000	100,000	
SCH. BUSES NATIVE-AMER.	440,400	0	0	0	0	
SCH. DIST. HOUSING	850,000	0	0	0	0	
SLIAG ADULT EDUCATION	822,100	2,000,000	2,000,000	2,000,000	2,000,000	
TUITION FUND	0	100,000	100,000	100,000	100,000	
VOCATIONAL ED. ASSISTANCE	2,815,000	2,835,000	2,835,000	2,835,000	2,835,000	
VOC. ED. PROG. SUPPORT	949,800	1,000,000	1,000,000	1,000,000	1,000,900	
VOC. & TECH. EDUCATION	1,949,600	2,000,000	2,000,000	2,000,000	2,000,000	
SPECIAL ITEM SUBTOTAL	1,197,848,900	1,296,892,500	1,464,190,600	1,355,879,500	1,391,879,200	
PROGRAM TOTAL	1,197,848,900	1,296,892,500	1,464,190,600	1,355,879,500	1,391,879,200	
BY FUND SOURCE						
GENERAL FUND	1,197,848,900	1,296,892,500	1,464,190,600	1,355,879,500	1,391,879,200	
FEDERAL FUNDS	281,731,500	332,142,100	351,045,800	0	351,045,800	
OTHER NON APPROPRIATED	64,440,300	61,096,000	55,000,000	0	58,000,000	
PROGRAM TOTAL-ALL SOURCES	1,544,020,700	1,690,130,600	1,870,236,400	1,355,879,500	1,800,925,000	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: ASSISTANCE TO SCHOOLS

The JLBC Staff recommends a total appropriation of $1,391,879,200 -- a net increase of $94,986,700, or 7.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

Basic State Aid

- Base Adjustments $17,171,100

  These are adjustments to the FY 1992 adjusted appropriation to reflect the FY 1992 funding requirement. The adjustments include the following:
  - -- $10,935,000 to reflect higher than expected student counts.
  - -- $2,823,800 to reflect higher than expected Sudden Growth funding.
  - -- $1,090,800 to reflect additional funding required for financial and compliance audits.
  - -- $1,794,700 to reflect additional funding required by statute for school districts affected by student loss or tuition loss.
  - -- $835,000 to reflect school restructuring funding.
  - -- $(340,800) to reflect updated estimates for County Equalization.
  - -- $32,600 to reflect miscellaneous adjustments.

- Demographic Adjustments 56,578,200

  The JLBC Staff recommendation provides funding for a 30% increase in the preschool handicapped student count, a 3.5% increase in the elementary student count, and a 1% increase in the high school student count. The total estimated increase in student count for FY 1993 is 17,429 including 252 preschool handicapped, 15,577 elementary students and 1,600 high school students. The Executive recommendation includes approximately $39,900,000 for student growth. The Executive assumes a 25% increase in preschool handicapped, a 3% increase in elementary students and a 1% increase in high school students. JLBC Staff analysis indicates that the amount in the Executive's budget for student growth is approximately $10,000,000 short of funding his growth assumptions.

- 1% Statutory Inflation Adjustment 21,573,200

  A.R.S. § 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 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 adjustment also affects the Permanent Education Vouchers and the Permanent Special Education Institutional Vouchers. JLBC Staff estimates the full GNP Price Deflator adjustment to be 3.6%. The Executive recommends no inflation adjustment for FY 1993.

- 0% Growth in School District Assessed Valuation

  Growth in school district assessed valuation increases the "local share" of total formula funding and thus offsets increases in state funding. The JLBC Staff recommendation for Basic State Aid assumes no growth in school district assessed valuation for FY 1993. Statewide assessed value growth has been steadily declining as follows: 1986, 16%; 1987, 12%; 1988, 9%; 1989, 8.8%; 1990, 3%; 1991, (0.2)%. The Executive recommendation includes an additional $7,300,000 to reflect a decrease in school district assessed value of (1)%.

- County Equalization -0-

  A.R.S. § 15-994 provides that the County Board of Supervisors shall levy a county equalization tax. The rate is 53¢ per $100 of assessed value and is assessed against all property just as the state property tax is assessed. County Equalization monies are a deduction from the total equalization requirement and thus lower the General Fund requirement. The JLBC Staff recommendation includes a reduction of $(117,865,600) for County Equalization. This represents no change from the FY 1992 level since the JLBC Staff recommendation assumes no growth in assessed value for FY 1993. The Executive recommendation includes a reduction of $(119,000,000) for County Equalization. Given their 1% lower estimate for assessed valuation, we believe their estimate of county equalization to be over $2,000,000 too high.

- Decrease in Endowment Revenue 3,096,000

  The beginning FY 1992 carrying value of the Permanent State School Fund is $466,764,500. The beginning FY 1993 carrying value is estimated to be $495,564,500. The FY 1992 appropriation for Basic State Aid included a reduction of $(61,096,000) for Endowment Earnings. The FY 1993 JLBC Staff recommendation includes a reduction of $(58,000,000) for Endowment Earnings. Although the carrying value of the Permanent State School Fund is projected to increase in FY 1993, lower interest rates will result in a lower yield from investment of the fund. Also, certain bonds related to the failure of First Executive Life of California held by the Permanent State School Fund are in default and not paying interest, resulting in an unanticipated loss of $1,200,000. See overview of the JLBC Staff recommendation in the summary book which discusses broadening investment opportunities for the Permanent State School Fund. The Executive recommendation includes a reduction of $(56,000,000) for Endowment Earnings.

- Retirement Recapture 1,626,400

  Laws 1990, Chapter 310 provided that if the employer contribution rate to the State Retirement Plan is less than 5.09%, for the current year, school district expenditures and State Aid would be reduced to reflect the savings. The JLBC Staff recommendation for Basic State Aid includes a reduction of $(20,547,600) for the "retirement recapture", which is $1,626,400 below the estimated FY 1992 recapture. The retirement recapture reduction is based on the savings resulting from the retirement contribution rate being lowered from 5.09% in FY 1989 to 3.59% in FY 1993. The JLBC Staff recommendation for Additional State Aid includes a reduction of $(1,786,700) for retirement savings from districts which do not receive Basic State Aid. The JLBC Staff total estimated savings for the retirement recapture is $(22,334,300). The Executive recommendation includes a reduction of $(22,000,000) for the retirement recapture.

- Federal Impact Aid (PL 81-874) -0-

  The JLBC Staff recommendation for Basic State Aid includes a deduction of $(15,000,000) for federal impact aid payments received by school districts. The JLBC Staff recommendation maintains the deduction at the same level as FY 1992. The Executive recommendation also includes a deduction of $(15,000,000) for federal impact aid.

- State Aid Deferral ("Rollover") -0-

  The JLBC Staff recommendation includes the deferral of $(142,500,000) in FY 1993 Basic State Aid payments to FY 1994. The JLBC Staff recommendation maintains the deferral at the FY 1992 level. The Executive also recommends continuing the rollover at $(142,500,000).

- State Juvenile Educational System (511,300)

  Laws 1989, Chapter 266 established the State Juvenile Educational System and provided for the calculation and apportionment of equalization assistance for the system, beginning in FY 1992. The JLBC recommendation is based on a FY 1992 student count of 477, under the control of the Arizona Department of Juvenile Corrections. The reduction in funding is due to a reduction in student count from 580 in FY 1991. The Executive recommendation is based on a student count of 490 and includes a reduction of $(500,000) from FY 1992.

- Increase in Transportation Mileage 2,000,000

- Sudden Growth -0-

  A.R.S. § 15-948 provides that school districts, after the first 40 days in session of the current year, may determine if they are eligible to increase their budget capacity due to growth in student population. Sudden Growth may be calculated on student growth above 5% (at the full base level) or above 3% (at one-third the base level). The JLBC Staff recommendation includes $9,000,000 for Sudden Growth. Laws 1991, Chapter 288 limited Sudden Growth funding for FY 1992 to 64% of the actual requirement. JLBC Staff recommends that the same approach be applied for FY 1993. The Executive recommendation includes $10,000,000 for Sudden Growth and is also based on funding 64% of the requirement.

- Rapid Decline (2,000,000)

  A.R.S. § 15-942 provides that if a school district's elementary or high school student count or adjusted student count declines by 5% or more, the district may use 95% of the current year student count or adjusted count in determining its budget for the following year. To be consistent with Sudden Growth, JLBC Staff concurs with the Executive recommendation that Rapid Decline be funded at 64% of the requirement, which results in a $(2,000,000) savings in Basic State Aid. However, the Executive recommendation includes a reduction of $(1,800,000).

Total Basic State Aid Increase **$99,533,600**

Prior Year State Aid ("Rollover" repayment)

- No Increase -0-

The FY 1991 Basic State Aid appropriation included a reduction of $(142,500,000) to reflect FY 1991 Basic State Aid payments deferred to FY 1992. Laws 1990, Chapter 1, 3rd Special Session, appropriated $142,500,000 in FY 1992 for the FY 1991 reduction. The bill also appropriated $696,400 to be distributed to school districts for expenses associated with the reduction. The FY 1992 Basic State Aid appropriation also included a reduction of $(142,500,000) to reflect FY 1992 Basic State Aid payments deferred to FY 1993. Laws 1991, Chapter 287 appropriated $142,500,000 in FY 1993 for the FY 1992 reduction. The bill also appropriated $696,400 for distribution to school districts incurring expenses associated with the reduction. Since the FY 1993 rollover repayment is the same as the FY 1992 repayment, no additional funding is required.

Additional State Aid ("Homeowners' Rebate Program")

The FY 1992 appropriation of $131,810,100 was based upon no increase in Class 5 property and a projected increase of 3% in average school district tax rates. The FY 1992 requirement is approximately $133,500,200. The FY 1993 JLBC Staff recommendation is based upon a projected increase of 3% in Class 5 property and a projected increase of 3% in average school district tax rates. Class 5 property assessed value increased by 2.4% in 1991. The Executive recommendation is based on a 1% decrease in Class 5 property and a total decrease of $(8,572,300). The JLBC Staff recommendation also reflects the lowering of the "buydown" rate from 45% to 40%. Laws 1990, Chapter 3, 3rd Special Session, provides that the reduction rate shall be 50% in tax year 1990, and shall decline by 5% every year until it reaches 0% in tax year 2000. Laws 1988, Chapter 271 amended A.R.S. § 15-972 to provide that the maximum state reduction in property taxes for any residential parcel shall not exceed $500. The JLBC Staff recommendation also includes a reduction of $(1,786,700) to reflect estimated savings in employer contributions to the State Retirement System for school district personnel in districts which do not receive equalization assistance ("zero aid" districts). The Additional State Aid changes are as follows:

- Base Adjustment to the FY 1992 adjusted appropriation to reflect the FY 1992 funding requirement. 1,690,100
- 3% increase in Class 5 property and 3% increase in average school district tax rates. 10,664,100
- Statutory reduction of "buydown" rate from 45% to 40%. (16,018,300)
- Retirement Recapture (1,786,700)

Total Additional State Aid Decrease $(5,450,800)

Other Statutory Formula Programs

- 1% Statutory Inflation Adjustment 174,100
- Demographic Adjustments 1,105,000

Includes the Certificates of Educational Convenience, Permanent Education Vouchers, Permanent Special Education Institutional Vouchers and Assistance to School Districts programs.

Non-Formula Programs

- Base Adjustments (32,300)

  The base adjustments reflect the transfer of Communications Service Center funding to the General Services Administration budget.

- ERE Rate Changes 12,600
- Preschool Handicapped (955,500)

  Laws 1989, Chapter 96 established a special education advisory committee to oversee the transition of educational services for handicapped preschool children from the Department of Economic Security (DES) to the Department of Education (ADE) to ensure that ADE is the single state agency responsible for all educational services for children with special needs. The transition of services was in response to federal legislation (Public Law 99-457) which mandated that the state set standards for handicapped preschool services by the 1991-92 school year. The funding transferred to ADE is used to contract back with DES to continue to provide educational services to the children served by DES. The recommended reduction for FY 1993 reflects a lower requirement due to the "aging out" of children served by DES. The Executive also recommends a decrease of $(955,500).

- Preschool Handicapped Support (400,000)

  Laws 1990, Chapter 258 required all school districts to provide educational programs for handicapped preschool children. The bill required school districts to provide educational programs for 4-year-old handicapped preschool children, who were not already receiving services through the Department of Education (ADE) or the Department of Economic Security (DES), beginning in the 1990-1991 school year. An appropriation of $900,000 was provided to assist school districts required to increase enrollment in educational programs for such children. The appropriation was reduced in FY 1992 to reflect the 4-year-olds who would now be counted in school district student counts. The reduction of $400,000 for FY 1993 reflects the inclusion of 3-year-olds in school district student counts. The Executive also recommends a decrease of $(400,000).

- Preschool Pilot Program 1,000,000

  The Executive recommends an additional $1,000,000 for FY 1993. JLBC Staff concurs with the Executive recommendation. Laws 1990, Chapter 345 established a 4-year pilot project of preschool grants to school districts for FY 1991 - FY 1994 and appropriated $500,000 to the State Board of Education for grants for at-risk preschool pilot projects and $100,000 to the Department of Education (ADE) for providing technical assistance, training, monitoring, and evaluation of the projects. The $500,000 appropriation is subject to receiving matching funds of at least $500,000 from private industry. The grants are to be disbursed by the State Board to school districts to be used in individual schools to provide preschool services to at-risk children who have reached the age of 4. Schools shall be selected for grants based on the percentage of at-risk children in their kindergarten through third grade populations and on the quality of their programs. The FY 1992 appropriation included an increase of $1,000,000, which does not require private sector match, for "phase 2" of the project. The additional money raised total funding for the program to $1,600,000.

Other Issues for Legislative Consideration

- State Aid for Unified Districts

  Under current law, unified school districts and elementary districts not in high school districts use a Qualifying Tax Rate (QTR) of $2.36 to determine elementary equalization assistance and a rate of $2.36 to determine high school equalization assistance. A district may receive equalization assistance on the elementary side of the equation because the $2.36 levy does not generate enough to meet the equalization base. The high school side, however, may be "zero aid" because the $2.36 levy is sufficient or greater than what is needed to meet the equalization base. If the levy is greater than what is needed to meet the equalization base the district can actually lower its overall tax rate. JLBC Staff analysis indicates that the calculation could be simplified and streamlined by combining the elementary and high school equalization bases and using a $4.72 QTR. JLBC Staff estimates that combining the equalization bases would result in a savings to the state of approximately $(9,700,000).

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: VOCATIONAL EDUCATION

JLBC ANALYST: NEISENT/FUSAK
OSPB ANALYST: MABRY

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	26.30	26.30	26.30	26.30	26.30	
OPERATING BUDGET						
PERSONAL SERVICES	906,700	899,700	917,100	899,700	907,900	
EMPLOYEE RELATED EXP	183,800	184,900	212,300	193,900	193,100	
PROFESSIONAL/OUTSIDE SVCS	72,000	79,700	79,700	73,300	79,700	
TRAVEL - IN STATE	21,500	21,400	21,400	21,400	21,400	
OTHER OPERATING EXP	63,300	69,800	69,800	67,200	69,800	
ALL OTHER OPERATING	156,800	170,900	170,900	161,900	170,900	
PROGRAM TOTAL	1,247,300	1,255,500	1,300,300	1,255,500	1,271,900	
BY FUND SOURCE						
GENERAL FUND	1,247,300	1,255,500	1,300,300	1,255,500	1,271,900	
FEDERAL FUNDS	1,606,900	1,838,500	1,734,600	0	1,734,600	
PROGRAM TOTAL-ALL SOURCES	2,854,200	3,094,000	3,034,900	1,255,500	3,006,500	

DEPARTMENT: DEPARTMENT OF EDUCATION
COST CENTER: VOCATIONAL EDUCATION

The JLBC Staff recommends a total appropriation of $1,271,900 -- a net increase of $16,400, or 1.3%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $9,900
  Includes a new vacancy factor of 1%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2.1%. The Executive recommends a vacancy factor of 2.1%.
- ERE Rate Changes 6,500

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ HISTORICAL SOCIETY
COST CENTER: AZ HISTORICAL SOCIETY

JLBC ANALYST: CAWLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	49.50	49.50	49.50	49.50	49.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,157,700	1,190,900	1,259,900	1,190,900	1,190,900	
EMPLOYEE RELATED EXP	236,100	276,400	326,900	290,400	284,800	
PROFESSIONAL/OUTSIDE SVCS	58,700	31,300	31,300	31,300	31,300	
TRAVEL - IN STATE	11,500	9,100	9,100	9,100	9,100	
OTHER OPERATING EXP	1,629,400	1,664,500	1,669,700	1,677,600	1,666,200	
EQUIPMENT	23,500	10,300	23,800	17,000	17,000	
ALL OTHER OPERATING	1,723,100	1,715,200	1,733,900	1,735,000	1,723,600	
OPERATING SUBTOTAL	3,116,900	3,182,500	3,320,700	3,216,300	3,199,300	
SPECIAL LINE ITEMS						
JOURNAL OF AZ HISTORY	5,000	5,000	5,000	5,000	5,000	
HISTORICAL SOCIETY GRANTS	30,000	30,000	30,000	30,000	30,000	
LIBRARY ACQUISITIONS	1,300	1,500	1,500	1,500	1,500	
SPECIAL ITEM SUBTOTAL	36,300	36,500	36,500	36,500	36,500	
PROGRAM TOTAL	3,153,200	3,219,000	3,357,200	3,252,800	3,235,800	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ HISTORICAL SOCIETY
COST CENTER: AZ HISTORICAL SOCIETY

JLBC ANALYST: CAWLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,153,200	3,219,000	3,357,200	3,252,800	3,235,800	
OTHER NON APPROPRIATED	65,800	81,100	35,900	0	35,900	
PROGRAM TOTAL-ALL SOURCES	3,219,000	3,300,100	3,393,100	3,252,800	3,271,700	

The JLBC Staff recommends a total appropriation of $3,235,800 -- a net increase of $16,800, or 0.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 3%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 8,400
- All Other Operating Expenditures 1,700
  -- Lease-Purchase payment increase for the Papago Park Museum.
  -- The Executive also recommends $11,400 for a 5% utilities' inflation rate.
- Equipment 6,700
  Provides $17,000 for the purchase of a passenger van to replace a 1975 station wagon. The recommendation also reflects a one-time equipment decrease of $(10,300). The Executive concurs.

Other Issues for Legislative Consideration

- Delays the Opening of the Papago Park Museum
  The recommendation will delay the opening of the Papago Park Museum. The agency will continue to develop and construct exhibits as it is able with private funding.
- Offset General Fund by Papago Park Museum Revenues
  When the Papago Park Museum facilities are opened to the public, the Legislature should consider establishing a fund for revenues received from the museum's gift shop, auditorium, cafeteria and admissions. In addition to the need for legislation to create a fund, a statutory change would be necessary to allow the Society to charge an admission fee. These fund revenues could be utilized to offset General Fund monies expended for the museum's operating budget.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: PRESCOTT HIST SOCIETY
COST CENTER: PRESCOTT HIST SOCIETY

JLBC ANALYST: CAWLEY
OSPB ANALYST: BLACK

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	15.50	15.50	17.00	15.50	15.50	
OPERATING BUDGET						
PERSONAL SERVICES	331,600	351,400	381,800	351,400	351,200	
EMPLOYEE RELATED EXP	91,700	86,900	96,200	92,200	89,300	
PROFESSIONAL/OUTSIDE SVCS	4,500	3,900	3,900	3,900	3,900	
TRAVEL - IN STATE	300	300	500	500	300	
OTHER OPERATING EXP	78,800	75,000	75,000	69,300	65,400	
ALL OTHER OPERATING	83,600	79,200	79,400	73,700	69,600	
PROGRAM TOTAL	506,900	517,500	557,400	517,300	510,100	
BY FUND SOURCE						
GENERAL FUND	506,900	517,500	557,400	517,300	510,100	
PROGRAM TOTAL-ALL SOURCES	506,900	517,500	557,400	517,300	510,100	

DEPARTMENT: PRESCOTT HISTORICAL SOCIETY
COST CENTER: PRESCOTT HISTORICAL SOCIETY

The JLBC Staff recommends a total appropriation of $510,100 -- a net decrease of $(7,400), or (1.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (300)
Personal Services needs are lower due to a retirement and hiring in at a lower salary level.	
• ERE Rate Changes	2,500
• All Other Operating Expenditures	(9,600)

-- One-Time Adjustments include reductions of $(32,500) for the Gurley and Summit Streets' lease-purchase payment and $(11,000) for the removal of two leaking underground fuel tanks. Both items were completed in FY 1992.

-- Increase to OOE of $26,100 to offset the one-time expenditure of $26,100 for OOE by the Sharlot Hall Historical Society, the private auxiliary of the Prescott Historical Society.

-- $7,800 increase for utility expenses which had previously been provided free of charge by the City of Prescott.

-- The Executive recommends $3,800 more for higher housekeeping and office supplies costs.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: MED STUDENT LOANS BOARD
COST CENTER: MED STUDENT LOANS BOARD

JLBC ANALYST: LAYZELL
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	0.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
OPERATING SUBTOTAL	0	0	0	0	0	
SPECIAL LINE ITEMS						
MEDICAL STUDENT LOANS	3,000	1,000	1,000	1,000	1,000	
SPECIAL ITEM SUBTOTAL	3,000	1,000	1,000	1,000	1,000	
PROGRAM TOTAL	3,000	1,000	1,000	1,000	1,000	
BY FUND SOURCE						
GENERAL FUND	3,000	1,000	1,000	1,000	1,000	
OTHER NON APPROPRIATED	75,000	77,000	83,000	0	83,000	
PROGRAM TOTAL-ALL SOURCES	78,000	78,000	84,000	1,000	84,000	

The JLBC Staff recommends a total appropriation of $1,000 -- a net change of $0 to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- No Adjustments $ -0-

  The Board of Medical Student Loans requested no increase in funding for FY 1993. The Executive concurs with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BOARD OF REGENTS
COST CENTER: REGENTS STAFF AND WICHE

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	32.61	32.60	34.60	32.60	28.10	
OPERATING BUDGET						
PERSONAL SERVICES	1,338,800	1,343,700	1,471,200	1,330,300	1,158,300	
EMPLOYEE RELATED EXP	265,500	280,900	313,800	237,100	201,800	
PROFESSIONAL/OUTSIDE SVCS	19,100	33,300	33,300	33,300	33,300	
TRAVEL - IN STATE	6,500	16,300	16,700	16,300	16,300	
OTHER OPERATING EXP	244,100	205,900	208,900	205,900	205,900	
EQUIPMENT	92,600	0	3,000	0	0	
ALL OTHER OPERATING	362,300	255,500	261,900	255,500	255,500	
OPERATING SUBTOTAL	1,966,600	1,880,100	2,046,900	1,822,900	1,615,600	
SPECIAL LINE ITEMS						
WICHE INTERSTATE OFFICE	68,400	71,500	75,000	75,000	75,000	
WICHE STUDENT SUBSIDY	1,734,800	1,926,900	1,992,400	1,926,900	1,992,400	
COURSE EQUIVALENCY GUIDE	12,100	13,200	13,200	13,200	13,200	
STUDENT FIN.AID TRUST FND	1,058,900	1,058,900	1,136,200	1,058,900	1,136,200	
STUDENT INCENTIVE GRANTS	1,201,400	1,201,400	1,220,800	1,220,800	1,220,800	
TEACHER LN FORGIVENESS FD	100,000	10,000	0	0	0	
TLFF FOR DEAF AND BLIND	95,000	95,000	0	95,000	95,000	
AREA HEALTH PROGRAM	262,000	500,000	0	887,700	750,000	
INCENTIVE FUNDING	0	0	200,000	0	0	
SPECIAL ITEM SUBTOTAL	4,532,600	4,876,900	4,637,600	5,277,500	5,282,600	
PROGRAM TOTAL	6,499,200	6,757,000	6,684,500	7,100,400	6,898,200	

DEPARTMENT: BOARD OF REGENTS
COST CENTER: REGENTS STAFF AND WICHE

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,499,200	6,757,000	6,684,500	7,100,400	6,898,200	
FEDERAL FUNDS	1,587,300	1,920,600	1,920,600	0	1,920,600	
OTHER NON APPROPRIATED	1,930,400	1,905,200	1,755,100	0	1,755,100	
PROGRAM TOTAL-ALL SOURCES	10,016,900	10,582,800	10,360,200	7,100,400	10,573,900	

The JLBC Staff recommends a total General Fund appropriation of $6,898,200 -- a net increase of $141,200, or 2.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes — (46,800)
  Provides the optional retirement contribution at the state retirement rate of 3.59%.
- Improvement of the Board's Staff Functions — (217,700)
  In line with the Auditor General's recommendations, the Board needs to reduce its detailed involvement in the operational activities of the universities and focus on the important functions of policy issues and overall strategic planning by delegating the operational details of the universities to the university presidents and limiting the frequency of the Board meetings from the current monthly to more meaningful quarterly meetings. Accordingly, the JLBC Staff recommends a reduction of the Board's staff personnel by 4.5 FTE positions. The JLBC Staff recommends that the Board evaluate every position of its staff and determine whether the Board needs a 40-employee agency including 2 Deputy Executive Directors, 2 public affairs officials, 2 legal counsels, 7 auditors, and 10.5 secretaries.
- WICHE Interstate Office — 3,500
  Provides Arizona's share of inflationary increase for WICHE administrative expenses. The Executive recommends the same amount.

- WICHE Student Subsidy — 65,500
  Provides an additional funding (3.4% increase) for an estimated subsidy requirement for 131 students.
- Student Financial Aid Trust Fund — 77,300
  Provides the projected institutional match amount for the trust fund.
- State Student Incentive Grants — 19,400
  Provides the projected federal match requirement. The Executive recommends the same amount.
- Teacher Loan Forgiveness Fund — (10,000)
  Provides a funding reduction due to discontinuance of the funding requirement for FY 1993. The Executive recommends the same.
- Teacher Loan Forgiveness Fund for Deaf and Blind — -0-
  The Board is requesting this activity to be transferred to the University of Arizona. The statute authorizes the Board to oversee the program through the University of Arizona. The JLBC Staff and Executive maintain the current funding level.
- Area Health Education Program — 250,000
  The Board is requesting this activity to be transferred to the College of Medicine. The JLBC Staff recommends continued funding with the Board of Regents since statute authorizes the Board to maintain the program. The Staff recommendation provides state funding for Northern Arizona Health Education Program for which the federal funds are scheduled to be terminated on September 30, 1992. Currently, the state funds $500,000 for the operations of two health centers; Southeastern Arizona Health Education Center and Western Arizona Health Education Center. The Executive recommends a $387,700 increase over FY 1992.

Other Issues for Legislative Consideration

- FY 1993 Appropriation for All Universities to the Board of Regents
  The Executive proposes that the FY 1993 appropriation for all universities be made to the Board of Regents for allocation among campuses.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LAYZELL
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4,912.00	4,841.00	5,081.73	4,843.07	4,853.00	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	135,623,200	132,378,500	147,340,100	129,362,000	128,896,300	
ORGANIZED RESEARCH	9,147,000	8,925,000	9,469,100	8,677,700	8,431,600	
PUBLIC SERVICE	2,185,100	1,965,200	2,835,300	1,852,400	1,953,900	
ACADEMIC SUPPORT	34,308,000	37,282,100	40,440,600	35,010,000	36,116,600	
STUDENT SERVICES & ADMIN	13,504,700	13,321,000	14,375,000	13,026,400	12,785,100	
INSTITUTIONAL SUPPORT	43,482,200	45,807,800	53,019,900	46,704,900	46,846,800	
AGENCY TOTAL	238,250,200	239,679,600	267,480,000	234,633,400	235,030,300	
OPERATING BUDGET						
PERSONAL SERVICES	160,028,800	159,345,200	173,308,800	157,260,000	152,522,000	
EMPLOYEE RELATED EXP	29,273,800	30,490,600	33,661,100	27,882,300	29,699,400	
PROFESSIONAL/OUTSIDE SVCS	3,068,400	1,210,700	1,734,400	1,208,900	1,187,700	
TRAVEL - IN STATE	137,300	340,100	389,000	336,200	333,200	
TRAVEL - OUT OF STATE	1,591,300	745,100	946,100	754,000	729,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: A.S.U. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LAYZELL
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
OTHER OPERATING EXP	33,668,500	33,213,900	39,498,000	35,707,500	34,229,600	
LIBRARY ACQUISITIONS	4,952,800	4,819,700	4,819,700	4,819,700	4,819,700	
EQUIPMENT	5,529,300	9,514,300	13,122,900	6,664,800	11,509,700	
ALL OTHER OPERATING	48,947,600	49,843,800	60,510,100	49,491,100	52,808,900	
OPERATING SUBTOTAL	238,250,200	239,679,600	267,480,000	234,633,400	235,030,300	
SPECIAL LINE ITEMS						
SPECIAL ITEM SUBTOTAL	0	0	0	0	0	
AGENCY TOTAL	238,250,200	239,679,600	267,480,000	234,633,400	235,030,300	
BY FUND SOURCE						
GENERAL FUND	181,966,100	181,714,100	217,995,000	182,557,000	184,135,500	
OTHER FUNDS	56,284,100	57,965,500	49,485,000	52,076,400	50,894,800	
FEDERAL FUNDS	47,672,000	47,672,000	47,672,000	0	47,672,000	
OTHER NON APPROPRIATED	183,739,000	179,250,000	177,457,000	0	177,457,000	
AGENCY TOTAL-ALL SOURCES	469,661,200	466,601,600	492,609,000	234,633,400	460,159,300	

DEPARTMENT: ARIZONA STATE UNIVERSITY - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $235,030,300 -- a net decrease of $(4,649,300), or (1.9)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $184,135,500 -- a net increase of $2,421,400, or 1.3%, to the FY 1992 appropriation. The University Fund portion of the recommendation from tuition and fee collections is $50,894,800 -- a net decrease of $(7,070,700), or (12.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(1,845,000)
  Includes a vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 533,700
- Enrollment Change (1,621,600)
  Provides a decrease of $(1,621,600) due to a 506 FTE student decrease, based on a 3-year weighted rolling average. This includes a (34.5) FTE position reduction and reductions in related personal services, ERE, and all other operating expenses. The Executive is recommending a reduction of (23) FTE positions and $(1,499,100) for the enrollment decline.
- Collections Change 7,070,700
  Provides a decrease of $(7,070,700), which increases the General Fund requirement by that amount. The adjustments are shown below:

	Collections	Other Receipts	Total
FY 1992 Estimate	$56,415,100	$1,550,400	$57,965,500
FY 1993 Adjustments			
FY 1992 Collections Change	$(5,487,900)	$(450,400)	$(5,938,300)
Debt Service Increase	(1,132,400)	--	(1,132,400)
TOTAL ADJUSTMENTS	$(6,620,300)	$(450,400)	$(7,070,700)
FY 1993 Recommendation	**$49,794,800**	**$1,100,000**	**$50,894,800**

  The Executive is recommending a $(5,889,100) decrease in collections with no additional funding for debt service.
- Annualization 62,100
  Annualizes partial year funding provided in FY 1992 for the Music Building Expansion.

- New Facilities Support — 2,087,400

  Provides 46.5 FTE positions and support to cover personnel and operating costs for four new facilities scheduled to open during FY 1993: Goldwater Center for Science and Engineering (7/92); Computing and Network Services Building (7/92); Life Sciences Building (10/92); and the Law Library (12/92). This also provides support for the Forestry Sciences Building, currently owned by the Federal Government, that will become part of the university's space inventory in December, 1992. The Executive is recommending 20 FTE positions and $1,467,600 for the opening of these facilities.

- Equipment Replacement — 1,882,100

  Includes additional formula funding for equipment replacement in FY 1993. The Executive is recommending a 38% reduction in replacement equipment for Instruction and a 45% reduction for all other budgeted programs, totaling $(2,964,300).

- Productivity Enhancement Adjustment — (7,614,700)

  Reduces FY 1992 Personal Services and ERE bases by 4%. The purpose of this reduction is to enhance and encourage the productivity of faculty, administrative staff, and other university personnel through a more efficient allocation of operating resources.

- Teaching Incentive Grant — 1,866,700

  Provides one-time funding equivalent to 2% of the FY 1992 Instructional Faculty Personal Services base with required ERE for FY 1993. The purpose of this funding is to promote excellence in undergraduate education. JLBC Staff recommends that the university be given the flexibility to allocate these funds within the following suggested parameters:
  - -- The allocation of grants will be limited to ranked faculty (Full Professors, Associate Professors, and Assistant Professors) and adjunct faculty.
  - -- Faculty must teach a minimum of 6 classroom contact hours per semester at the undergraduate level to be eligible. Courses classified as independent study may not be counted.
  - -- The university must present a methodology for the allocation of funds for review by the Joint Legislative Budget Committee by September 15, 1992. If the university fails to present this methodology by the required date, the funds will revert to the state General Fund.
  - -- The university must submit a report to the Speaker of the House, President of the Senate, and Chairmen of the House and Senate Appropriations Committees regarding the allocation of these funds by December 15, 1992. If the university fails to submit a report, the funds will revert to the state General Fund.
  - -- This funding is a one-time program, subject to renewal each year based, in part, upon an annual evaluation of the program outcomes by the Legislature.

Other Issues for Legislative Consideration

- Tri-University Cost Study Equity, Phase II

  The university request includes $3,972,300 and 90.8 FTE positions for the second year of equity funding identified in the Board of Regents Tri-University Cost Study. ASU received the first year of funding in FY 1990. The second year of funding has subsequently been delayed. Given current resource constraints, JLBC Staff recommends deferring the second year of funding.

- Engineering Excellence

  The Executive is recommending 5 FTE positions and related expenses totalling $1,059,900 for the second year of funding for Engineering Excellence III program. This amount includes $324,700 for the first of five annual lease/purchase payments for the Construction and Technology facility at the ASU Research Park.

- Optional Retirement Contribution and Disability Insurance Premium

  The Executive recommends the regular state retirement contribution rate of 3.59% for the university optional retirement programs (TIAA-CREF and VALIC) and no funding allocation for the disability insurance premium associated with these optional retirement programs. The standard contribution rate for optional retirement is 7% and the disability insurance premium is 0.53%. As a result, the Executive's recommendation reduces the optional retirement contribution and disability insurance by a total of 3.94% [(7% - 3.59%) + 0.53%]. This results in a total savings of $2,759,500, which includes $2,388,300 for optional retirement and $371,200 for disability insurance.

  The Executive's rationale for this reduction is found in A.R.S. §15-1628, subsection C which states that, "The appropriation to each university for purposes of enabling the Arizona Board of Regents to make the contribution provided in this subsection shall not exceed the employer contribution required under the Arizona state retirement system of the Arizona state retirement plan..." However, also under A.R.S. §15-1628, subsection C, the Arizona Board of Regents is required to "contribute public funds appropriated or other funds available for such purpose on behalf of each participant in the optional retirement programs in an amount equal to 7% of the participant's compensation."

  Employee Related Expenditures, including the optional retirement contribution, for positions funded through the university state operating budget are a part of the university operating budget which consists of the state General Fund and Tuition and Fee Collections. The universities and the Board of Regents are legally and contractually obligated to pay the 7% contribution for optional retirement. Further, these optional retirement programs are national in scope and are provided by Arizona's universities so that they can remain competitive with other institutions in attracting and retaining qualified faculty and staff. Therefore, JLBC Staff recommends continuing the past practice of fully funding the optional retirement contribution at the 7% rate from the General Fund and University Collections Fund.

- Utilities Inflation

  The Executive recommends a 5%, or $583,700, inflationary increase for utilities.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: A.S.U. - WEST
COST CENTER: ASU WEST

JLBC ANALYST: LAYZELL
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	511.20	535.30	646.60	541.30	546.30	
OPERATING BUDGET						
PERSONAL SERVICES	11,452,600	15,796,000	19,450,300	15,841,400	15,539,200	
EMPLOYEE RELATED EXP	2,110,300	3,308,700	4,006,500	3,172,000	3,380,600	
PROFESSIONAL/OUTSIDE SVCS	838,500	395,400	776,200	395,400	399,400	
TRAVEL - IN STATE	39,800	106,800	123,600	108,000	108,300	
TRAVEL - OUT OF STATE	147,500	217,900	299,200	217,900	221,700	
OTHER OPERATING EXP	8,509,800	8,672,800	10,113,400	8,746,900	8,804,900	
LIBRARY ACQUISITIONS	1,984,000	1,623,800	1,623,800	1,623,800	1,623,800	
EQUIPMENT	2,514,700	1,191,600	6,029,100	529,400	934,600	
ALL OTHER OPERATING	14,034,300	12,208,300	18,965,300	11,621,400	12,092,700	
PROGRAM TOTAL	27,597,200	31,313,000	42,422,100	30,634,800	31,012,500	
BY FUND SOURCE						
GENERAL FUND	24,557,000	27,496,500	38,779,000	26,751,900	27,169,400	
OTHER FUNDS	3,040,200	3,816,500	3,643,100	3,882,900	3,843,100	
OTHER NON APPROPRIATED	485,000	485,000	485,000	0	485,000	
PROGRAM TOTAL-ALL SOURCES	28,082,200	31,798,000	42,907,100	30,634,800	31,497,500	

DEPARTMENT: ARIZONA STATE UNIVERSITY - WEST
COST CENTER: ARIZONA STATE UNIVERSITY - WEST

The JLBC Staff recommends a total appropriation of $31,012,500 -- a net decrease of $(300,500), or (1.0)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $27,169,400 -- a net decrease of $(327,100), or (1.2)%, from the FY 1992 appropriation. The University Fund portion of the recommendation is $3,843,100 -- a net increase of $26,600, or 0.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(206,600)
  Includes a vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 127,800
- Enrollment Change 287,200
  Provides an increase of $287,200 due to a projected growth in enrollment of 85 FTE students between Fall 1991 and Fall 1992. This includes a 6 FTE position increase and increases in related personal services, ERE, and all other operating expenses. The Executive is recommending an increase of 6 FTE positions and $264,800 in related funding.
- Collections Change (26,600)
  Provides an increase of $26,600, which decreases the General Fund requirement by that amount. The adjustments are shown below:

	Collections	Other Receipts	Total
FY 1992 Estimates	$3,806,500	$10,000	$3,816,500
FY 1993 Adjustments:			
Reduction in Local Retention	160,300	--	160,300
Collections Change	(133,700)	--	(133,700)
TOTAL ADJUSTMENTS	$26,600	--	$26,600
FY 1993 Recommendation	**$3,833,100**	**$10,000**	**$3,843,100**

  The Executive is recommending a $66,400 increase in collections.
- Annualization 104,100
  Fully funds student support services which were funded for a part of FY 1991 and not annualized in FY 1992. The Executive is not recommending this issue.

- New Facilities Support 258,700

  Provides 5 FTE positions to cover personnel and operating costs for the University Center Building, the Class/Lab Computer Center, the Faculty/Administration Building, and the Campus Services Complex. The Executive is not recommending this issue.

- Equipment Replacement (288,100)

  Reduces formula equipment replacement funding by $(288,100) in FY 1993. The Executive is recommending a $(668,200) reduction in replacement equipment.

- Productivity Enhancement Adjustment (769,300)

  Reduces FY 1992 Personal Services and ERE bases by 4%. The purpose of this reduction is to enhance and encourage the productivity of faculty, administrative staff, and other university personnel through a more efficient allocation of operating resources. The Executive is not recommending this issue.

- Teaching Incentive Grant 185,700

  Provides one-time funding equivalent to 2% of the FY 1992 Instructional Faculty Personal Services base with required ERE for FY 1993. The purpose of this funding is to promote excellence in undergraduate education. JLBC Staff recommends that the university be given the flexibility to allocate these funds within the following suggested parameters:

  -- The allocation of grants will be limited to ranked faculty (Full Professors, Associate Professors, and Assistant Professors) and adjunct faculty.
  -- Faculty must teach a minimum of 6 classroom contact hours per semester at the undergraduate level to be eligible. Courses classified as independent study may not be counted.
  -- The university must present a methodology for the allocation of funds for review by the Joint Legislative Budget Committee by September 15, 1992. If the university fails to present this methodology by the required date, the funds will revert to the state General Fund.
  -- The university must submit a report to the Speaker of the House, President of the Senate, and Chairmen of the House and Senate Appropriations Committees regarding the allocation of these funds by December 15, 1992. If the university fails to submit a report, the funds will revert to the state General Fund.
  -- This funding is a one-time program, subject to renewal each year based, in part, upon an annual evaluation of the program outcomes by the Legislature. The Executive is not recommending this issue.

Other Issues for Legislative Consideration

- Optional Retirement Contribution and Disability Insurance Premium

  The Executive recommends the regular state retirement contribution rate of 3.59% for the university optional retirement programs (TIAA-CREF and VALIC) and no funding allocation for the disability insurance premium associated with these optional retirement programs. The standard contribution rate for optional retirement is 7% and the disability insurance premium is 0.53%. As a result, the Executive's recommendation reduces the optional retirement contribution and disability insurance by a total of 3.94% [(7.0% - 3.59%) + 0.53%]. This results in a total savings of $256,400, which includes $221,900 for optional retirement and $34,500 for disability insurance.

  The Executive's rationale for this reduction is found in A.R.S. §15-1628, subsection C which states that, "The appropriation to each university for purposes of enabling the Arizona Board of Regents to make the contribution provided in this subsection shall not exceed the employer contribution required under the Arizona state retirement system of the Arizona state retirement plan..." However, also under A.R.S. §15-1628, subsection C, the Arizona Board of Regents is required to "contribute public funds appropriated or other funds available for such purpose on behalf of each participant in the optional retirement program in an amount equal to 7% of the participant's compensation."

  Employee Related Expenditures, including the optional retirement contribution, for positions funded through the university state operating budget are a part of the university operating budget which consists of the state General Fund and Tuition and Fee Collections. The universities and the Board of Regents are legally and contractually obligated to pay the 7% contribution for optional retirement. Further, these optional retirement programs are national in scope and are provided by Arizona's universities so that they can remain competitive with other institutions in attracting and retaining qualified faculty and staff. Therefore, JLBC Staff recommends continuing the past practice of fully funding the optional retirement contribution at the 7% rate from the General Fund and University Collections Fund.

- Utilities Increase

  The Executive recommends a 5%, or $68,100, inflationary increase for utilities.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,874.68	1,937.00	2,137.15	2,001.68	2,006.70	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	44,429,100	45,987,700	53,560,500	47,619,900	48,311,300	
ORGANIZED RESEARCH	2,498,400	2,551,800	2,652,200	2,427,200	2,461,200	
PUBLIC SERVICE	1,228,300	1,243,900	1,741,900	1,228,300	1,220,300	
ACADEMIC SUPPORT	10,684,700	11,893,200	13,414,500	11,911,800	12,144,100	
STUDENT SERVICES & ADMIN	7,978,300	7,570,700	9,529,400	7,683,400	7,626,900	
INSTITUTIONAL SUPPORT	19,637,100	22,162,200	24,443,800	21,690,400	21,486,400	
AGENCY TOTAL	86,455,900	91,409,500	105,342,300	92,561,000	93,250,200	
OPERATING BUDGET						
PERSONAL SERVICES	56,646,500	58,609,400	66,193,600	60,202,800	58,509,000	
EMPLOYEE RELATED EXP	12,362,700	13,097,700	15,695,200	12,880,200	14,170,900	
PROFESSIONAL/OUTSIDE SVCS	643,500	529,500	633,700	529,500	572,000	
TRAVEL - IN STATE	415,200	461,600	502,500	474,400	474,400	
TRAVEL - OUT OF STATE	309,200	341,800	1,098,100	341,800	371,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: NORTHERN AZ UNIVERSITY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
OTHER OPERATING EXP	11,380,500	13,877,100	15,107,800	14,247,800	14,007,000	
LIBRARY ACQUISITIONS	1,217,100	1,691,300	2,233,300	1,691,300	1,691,300	
EQUIPMENT	2,953,700	2,234,400	3,311,400	1,626,500	2,887,400	
ALL OTHER OPERATING	16,919,200	19,135,700	22,886,800	18,911,300	20,003,600	
OPERATING SUBTOTAL	85,928,400	90,842,800	104,775,600	91,994,300	92,683,500	
SPECIAL LINE ITEMS						
MINORITY RCRTMT & RETENT	527,500	566,700	566,700	566,700	566,700	
SPECIAL ITEM SUBTOTAL	527,500	566,700	566,700	566,700	566,700	
AGENCY TOTAL	86,455,900	91,409,500	105,342,300	92,561,000	93,250,200	
BY FUND SOURCE						
GENERAL FUND	67,984,300	71,941,900	86,959,500	72,682,000	74,427,400	
OTHER FUNDS	18,471,600	19,467,600	18,382,800	19,879,000	18,822,800	
FEDERAL FUNDS	13,799,900	15,695,000	16,162,500	0	16,162,500	
OTHER NON APPROPRIATED	44,347,700	43,651,000	45,285,500	0	45,285,500	
AGENCY TOTAL-ALL SOURCES	144,603,500	150,755,500	166,790,300	92,561,000	154,698,200	

DEPARTMENT: NORTHERN ARIZONA UNIVERSITY
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $93,250,200 -- a net increase of $1,840,700, or 2%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $74,427,400 -- a net increase of $2,485,500, or 3.5%, to the FY 1992 appropriation. The University Fund portion of the recommendation from tuition and fee collections is $18,822,800 -- a net decrease of $(644,800), or (3.3)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(796,900)
  Includes a new vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 1,097,500
- Student Enrollment Growth Funding 3,105,100
  Provides funding for 63.7 new FTE positions including 42.5 faculty members, 10.6 secretaries, and 10.6 support staff positions based on 936 additional FTE students in accordance with the 22 to 1 student/faculty ratio formula. The Executive recommends $2,842,600 and 63.7 new FTE positions.
- New Facilities Support 134,600
  Provides 6 new FTE positions for a half year operating expenses for the Forestry Complex. The Executive recommends $109,600 with 1 new FTE position.
- Replacement Equipment 459,000
  Provides the formula funding requirement. The Executive recommends a reduction of $(671,500).
- Collections Adjustments 644,800
  Provides a net decrease of $(644,800) for collections which increases the General Fund requirement by the same amount. The adjustments are shown below:

	Collections	Other Receipts	Balance Forward	Total
FY 1992 Estimate	$18,767,600	$600,000	$100,000	$19,467,600
FY 1993 Adjustments:				
Collections Change	$(544,800)	$100,000	--	$(444,800)
Debt Service Increase	(200,000)	--	--	(200,000)
TOTAL ADJUSTMENT	$(744,800)	$100,000	--	$(644,800)
FY 1993 Recommendation	**$18,022,800**	**$700,000**	**$100,000**	**$18,822,800**

The Executive recommends no allowance for an additional debt service requirement of $200,000 and provides a total collections increase of $411,400, which reduces the General Fund requirement by $(411,400).

- Productivity Enhancement Adjustment (2,912,200)

  Reduces FY 1992 Personal Services and ERE bases by 4%. The purpose of this reduction is to enhance and encourage the productivity of faculty, administrative staff, and other university personnel through a more efficient allocation of operating resources.

- Teaching Incentive Grant 753,600

  Provides one-time funding equivalent to 2% of the FY 1992 Instructional Faculty Personal Services base with required ERE for FY 1993. The purpose of this funding is to promote excellence in undergraduate education. JLBC Staff recommends that the university be given the flexibility to allocate these funds within the following suggested parameters:
  - -- The allocation of grants will be limited to ranked faculty (Full Professors, Associate Professors, and Assistant Professors) and adjunct faculty.
  - -- Faculty must teach a minimum of 6 classroom contact hours per semester at the undergraduate level to be eligible. Courses classified as independent study may not be counted.
  - -- The university must present a methodology for the allocation of funds for review by the Joint Legislative Budget Committee by September 15, 1992. If the university fails to present this methodology by the required date, the funds will revert to the state General Fund.
  - -- The university must submit a report to the Speaker of the House, President of the Senate, and Chairmen of the House and Senate Appropriations Committees regarding the allocation of these funds by December 15, 1992. If the university fails to submit a report, the funds will revert to the state General Fund.
  - -- This funding is a one-time program, subject to renewal each year based, in part, upon an annual evaluation of the program outcomes by the Legislature.

Other Issues for Legislative Consideration

- Tri-University Cost Study Equity Funding Phase II

  The university request includes $471,800 and 18 new FTE positions for the second year funding of the cost study equity adjustments. The Legislature funded the first year equity adjustments in FY 1990. In FY 1991 and FY 1992, the Legislature delayed the second year funding due to the state's resource constraints. The JLBC Staff recommendation does not provide the equity funding for FY 1993 due to a lack of the resource availability.

- Optional Retirement Contribution and Disability Insurance Premium

  The Executive recommends the regular state retirement contribution rate of 3.59% for the university optional retirement programs (TIAA-CREF and VALIC) and no funding allocation for the disability insurance premium associated with these optional retirement programs. The standard contribution rate for optional retirement is 7% and the disability insurance premium is 0.53%. As a result, the Executive's recommendation reduces the optional retirement contribution and disability insurance by a total of 3.94% [(7% - 3.59%) + 0.53%)]. This results in a total savings of $1,056,500, which includes $914,400 for optional retirement and $142,100 for disability insurance.

  The Executive's rationale for this reduction is found in A.R.S. §15-1628, subsection C which states that, "The appropriation to each university for purposes of enabling the Arizona Board of Regents to make the contribution provided in this subsection shall not exceed the employer contribution required under the Arizona state retirement system of the Arizona state retirement plan..." However, also under A.R.S. §15-1628, subsection C, the Arizona Board of Regents is required to "contribute public funds appropriated or other funds available for such purpose on behalf of each participant in the optional retirement programs in an amount equal to 7% of the participant's compensation."

  Employee Related Expenditures, including the optional retirement contribution, for positions funded through the university state operating budget are a part of the university operating budget which consists of the state General Fund and Tuition and Fee Collections. The universities and the Board of Regents are legally and contractually obligated to pay the 7% contribution for optional retirement. Further, these optional retirement programs are national in scope and are provided by Arizona's universities so that they can remain competitive with other institutions in attracting and retaining qualified faculty and staff. Therefore, JLBC Staff recommends continuing the past practice of fully funding the optional retirement contribution at the 7% rate from the General Fund and University Collections Fund.

- Utilities Inflation

  The Executive recommends a 5%, or $206,500, inflationary adjustment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	5,380.20	5,381.90	5,584.30	5,351.90	5,364.20	
BY PROGRAM/ORGANIZATION						
INSTRUCTION	121,918,800	120,463,400	129,205,600	116,988,200	117,050,200	
ORGANIZED RESEARCH	19,667,500	19,526,000	21,009,900	19,181,800	19,165,000	
PUBLIC SERVICE	1,432,700	1,458,600	1,781,400	1,396,500	1,379,800	
ACADEMIC SUPPORT	25,109,700	27,280,000	33,240,100	26,937,600	27,969,200	
STUDENT SERVICES & ADMIN	12,761,500	12,428,300	14,070,700	12,260,200	11,992,800	
INSTITUTIONAL SUPPORT	38,859,500	43,649,400	50,121,200	44,905,800	44,008,400	
AGRICULTURE	37,717,200	38,594,500	41,109,700	37,428,800	37,580,000	
AGENCY TOTAL	257,466,900	263,400,200	290,538,600	259,098,900	259,145,400	
OPERATING BUDGET						
PERSONAL SERVICES	181,457,800	181,412,000	192,127,800	178,720,600	173,623,200	
EMPLOYEE RELATED EXP	30,509,300	31,833,100	36,405,700	30,881,300	32,363,200	
PROFESSIONAL/OUTSIDE SVCS	1,348,600	1,556,700	1,957,600	1,534,700	1,534,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: U. OF A. - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
TRAVEL - IN STATE	636,900	1,259,400	1,385,000	1,252,800	1,252,800	
TRAVEL - OUT OF STATE	817,200	855,400	970,800	833,400	840,000	
OTHER OPERATING EXP	30,119,400	31,483,500	37,925,000	32,856,200	32,142,000	
LIBRARY ACQUISITIONS	4,921,400	5,715,200	7,144,000	5,715,200	5,715,200	
EQUIPMENT	6,495,000	8,095,700	11,340,600	6,115,500	10,485,100	
ALL OTHER OPERATING	44,338,500	48,965,900	60,723,000	48,307,800	51,969,800	
OPERATING SUBTOTAL	256,305,600	262,211,000	289,256,500	257,909,700	257,956,200	
SPECIAL LINE ITEMS						
MINORITY RCRTMT & RETENT	1,161,300	1,189,200	1,282,100	1,189,200	1,189,200	
SPECIAL ITEM SUBTOTAL	1,161,300	1,189,200	1,282,100	1,189,200	1,189,200	
AGENCY TOTAL	257,466,900	263,400,200	290,538,600	259,098,900	259,145,400	
BY FUND SOURCE						
GENERAL FUND	196,975,100	200,608,700	234,800,100	199,632,200	201,914,500	
OTHER FUNDS	60,491,800	62,791,500	55,738,500	59,466,700	57,230,900	
FEDERAL FUNDS	106,803,600	107,820,900	110,112,700	0	110,112,700	
OTHER NON APPROPRIATED	318,890,200	327,737,900	343,189,000	0	343,189,000	
AGENCY TOTAL-ALL SOURCES	683,160,700	698,959,000	743,840,300	259,098,900	712,447,100	

DEPARTMENT: UNIVERSITY OF ARIZONA - MAIN CAMPUS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $259,145,400 -- a net decrease of $(4,254,800), or (1.6)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $201,914,500 -- a net increase of $1,305,800 or 0.7%, to the FY 1992 appropriation. The University Fund portion of the recommendation from tuition and fee collections is $57,230,900 -- a net decrease of $(5,560,600), or (8.9)% from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(2,177,700)
  Includes a new vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 1,982,100
- Annualizaton for FY 1992 Facilities 825,900
  Provides for annualized requirement. The Executive recommends $818,300.
- New Facilities Support 727,400
  Provides 15.3 new FTE positions for operating expenses of the Fine Arts and North Plant facilities. The Executive recommends $448,600 with 3 new FTE positions.
- Student Enrollment Decline (1,543,700)
  Provides a decrease of $(1,543,700) and a (33) FTE position reduction due to declining enrollment by (483) FTE students based on a 3-year weighted rolling average. The Executive recommends a reduction of $(1,412,400).
- Risk Management Adjustment (143,100)
- Replacement Equipment 2,440,300
  Provides the formula funding requirement. The Executive recommends a reduction of $(2,028,900).

- Collections Adjustments 5,560,600

  Provides a net decrease of $(5,560,600) for collections which increases the General Fund requirement by the same amount. The adjustments are shown below:

	Collections	Other Receipts	Total
FY 1992 Estimate	$58,056,700	$4,734,800	$62,791,500
FY 1993 Adjustments:			
Collections Change	$(4,656,100)	$25,200	(4,630,900)
Debt Service Increase	(929,700)	--	(929,700)
TOTAL ADJUSTMENTS	$(5,585,800)	$25,200	$(5,560,600)
FY 1993 Recommendation	**$52,470,900**	**$4,760,000**	**$57,230,900**

  The Executive recommends no allowance for an additional debt service requirement of $929,700 and provides a total collections decrease of $(3,324,800), which increases the General Fund requirement by $3,324,800.

- Productivity Enhancement Adjustment (8,609,000)

  Reduces FY 1992 Personal Services and ERE bases by 4%. The purpose of this reduction is to enhance and encourage the productivity of faculty, administrative staff, and other university personnel through a more efficient allocation of operating resources.

- Teaching Incentive Grant 2,243,000

  Provides one-time funding equivalent to 2% of the FY 1992 Instructional Faculty Personal Services base including the College of Agriculture with required ERE for FY 1993. The purpose of this funding is to promote excellence in undergraduate education. JLBC Staff recommends that the university be given the flexibility to allocate these funds within the following suggested parameters:
  - -- The allocation of grants will be limited to ranked faculty (Full Professors, Associate Professors, and Assistant Professors) and adjunct faculty.
  - -- Faculty must teach a minimum of 6 classroom contact hours per semester at the undergraduate level to be eligible. Courses classified as independent study may not be counted.
  - -- The university must present a methodology for the allocation of funds for review by the Joint Legislative Budget Committee by September 15, 1992. If the university fails to present this methodology by the required date, the funds will revert to the state General Fund.
  - -- The university must submit a report to the Speaker of the House, President of the Senate, and Chairmen of the House and Senate Appropriations Committees regarding the allocation of these funds by December 15, 1992. If the university fails to submit a report, the funds will revert to the state General Fund.

-- This funding is a one-time program, subject to renewal each year based, in part, upon an annual evaluation of the program outcomes by the Legislature.

Other Issues for Legislative Consideration

- Optional Retirement Contribution and Disability Insurance Premium

  The Executive recommends the regular state retirement contribution rate of 3.59% for the university optional retirement programs (TIAA-CREF and VALIC) and no funding allocation for the disability insurance premium associated with these optional retirement programs. The standard contribution rate for optional retirement is 7% and the disability insurance premium is 0.53%. As a result, the Executive's recommendation reduces the optional retirement contribution and disability insurance by a total of 3.94% [(7.0% - 3.59%) + 0.53%]. This results in a total savings of $2,124,100, which includes $1,838,400 for optional retirement and $285,700 for disability insurance.

  The Executive's rationale for this reduction is found in A.R.S. §15-1628, subsection C which states that, "The appropriation to each university for purposes of enabling the Arizona Board of Regents to make the contribution provided in this subsection shall not exceed the employer contribution required under the Arizona state retirement system of the Arizona state retirement plan..." However, also under A.R.S. §15-1628, subsection C, the Arizona Board of Regents is required to "contribute public funds appropriated or other funds available for such purposes on behalf of each participant in the optional retirement programs in an amount equal to 7% of the participant's compensation."

  Employee Related Expenditures, including the optional retirement contribution, for positions funded through the university state operating budget are a part of the university operating budget which consists of the state General Fund and Tuition and Fee Collections. The universities and the Board of Regents are legally and contractually obligated to pay the 7% contribution for optional retirement. Further, these optional retirement programs are national in scope and are provided by Arizona's universities so that they can remain competitive with other institutions in attracting and retaining qualified faculty and staff. Therefore, JLBC Staff recommends continuing the past practice of fully funding the optional retirement contribution at the 7% rate from the General Fund and University Collections Fund.

- Utilities Inflation

  The Executive recommends a 5%, or $467,200, inflationary adjustment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	625.70	623.70	670.90	626.70	634.80	
BY PROGRAM/ORGANIZATION						
ORGANIZED RESEARCH	1,997,200	1,929,200	2,443,300	1,820,700	1,788,000	
STUDENT SERVICES	217,700	171,100	176,200	164,600	162,300	
INSTRUCTION	22,955,700	24,896,800	27,977,100	24,480,300	24,635,100	
ACADEMIC SUPPORT	13,208,500	12,652,100	14,066,500	12,624,200	12,670,400	
INSTITUTIONAL SUPPORT	8,096,300	7,974,900	10,312,300	8,431,000	8,273,500	
AGENCY TOTAL	46,475,400	47,624,100	54,975,400	47,520,800	47,529,300	
OPERATING BUDGET						
PERSONAL SERVICES	24,936,700	26,802,500	29,280,400	26,567,700	25,932,900	
EMPLOYEE RELATED EXP	3,710,400	3,752,700	4,605,100	3,714,200	4,283,900	
PROFESSIONAL/OUTSIDE SVCS	153,700	91,100	295,500	91,100	91,100	
TRAVEL - IN STATE	32,000	117,200	144,300	117,200	117,200	
TRAVEL - OUT OF STATE	29,300	23,500	39,400	23,500	23,500	
OTHER OPERATING EXP	6,598,100	6,417,900	8,655,900	6,880,900	6,610,300	
LIBRARY ACQUISITIONS	601,800	632,100	1,264,100	632,100	632,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: U. OF A. - COLL OF MED
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: LEE
OSPB ANALYST: BARTON

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
EQUIPMENT	946,400	781,200	1,209,400	488,200	832,400	
ALL OTHER OPERATING	8,361,300	8,063,000	11,608,600	8,233,000	8,306,600	
OPERATING SUBTOTAL	37,008,400	38,618,200	45,494,100	38,514,900	38,523,400	
SPECIAL LINE ITEMS						
CLINICAL TEACHING SUPPORT	9,467,000	9,005,900	9,481,300	9,005,900	9,005,900	
SPECIAL ITEM SUBTOTAL	9,467,000	9,005,900	9,481,300	9,005,900	9,005,900	
AGENCY TOTAL	46,475,400	47,624,100	54,975,400	47,520,800	47,529,300	
BY FUND SOURCE						
GENERAL FUND	44,169,800	45,470,500	52,729,500	45,265,200	45,283,400	
OTHER FUNDS	2,305,600	2,153,600	2,245,900	2,255,600	2,245,900	
FEDERAL FUNDS	37,973,500	38,733,000	39,701,300	0	39,701,300	
OTHER NON APPROPRIATED	75,190,100	77,515,800	81,172,200	0	81,172,200	
AGENCY TOTAL-ALL SOURCES	159,639,000	163,872,900	175,848,900	47,520,800	168,402,800	

DEPARTMENT: UNIVERSITY OF ARIZONA - COLLEGE OF MEDICINE
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $47,529,300 -- a net decrease of $(94,800), or (0.2)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $45,283,400 -- a net decrease of $(187,100), or (0.4)%, from the FY 1992 appropriation. The University Fund portion of the recommendation from tuition and fee collections is $2,245,900 -- a net increase of $92,300, or 4.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(315,200)
  Includes a new vacancy factor of 3%, which is the standard rate applied to agencies with this number of FTE positions. The FY 1992 budgeted vacancy factor was 2%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 675,000
- Annualization for FY 1992 Facilities Support 35,100
  The Executive recommends $39,200.
- New Facilities Support 345,100
  Provides 11.1 new FTE positions for 8 months of operating expenses for Library Expansion. The Executive recommends $359,800 and 3 new FTE positions.
- Replacement Equipment 38,800
  Provides the formula funding requirement. The Executive recommends a reduction of $(293,000).
- Tuition/Fee Collections Adjustment (92,300)
  Provides a collections increase of $92,300, which decreases the General Fund requirement by the same amount. The Executive recommends a collections increase of $102,000.
- Productivity Enhancement Adjustment (1,249,100)
  Reduces FY 1992 Personal Services and ERE bases by 4%. The purpose of this reduction is to enhance and encourage the productivity of faculty, administrative staff, and other university personnel through a more efficient allocation of operating resources.
- Teaching Incentive Grant 375,500
  Provides one-time funding equivalent to 2% of the FY 1992 Instructional Faculty Personal Services base with required ERE for FY 1993. The purpose of this funding is to promote excellence in teaching. JLBC Staff recommends that the university be given the flexibility to allocate these funds within the following suggested parameters:
  -- The allocation of grants will be limited to ranked faculty (Full Professors, Associate Professors, and Assistant Professors) and adjunct faculty.
  -- Faculty must teach a minimum of 6 classroom contact hours per semester to be eligible.

-- The university must present a methodology for the allocation of funds for review by the Joint Legislative Budget Committee by September 15, 1992. If the university fails to present this methodology by the required date, the funds will revert to the state General Fund.
-- The university must submit a report to the Speaker of the House, President of the Senate, and Chairmen of the House and Senate Appropriations Committees regarding the allocation of these funds by December 15, 1992. If the university fails to submit a report, the funds will revert to the state General Fund.
-- This funding is a one-time program, subject to renewal each year based, in part, upon an annual evaluation of the program outcomes by the Legislature.

Other Issues for Legislative Consideration

- Optional Retirement Contribution and Disability Insurance Premium

  The Executive recommends the regular state retirement contribution rate of 3.59% for the university optional retirement programs (TIAA-CREF and VALIC) and no funding allocation for the disability insurance premium associated with these optional retirement programs. The standard contribution rate for optional retirement is 7% and the disability insurance premium is 0.53%. As a result, the Executive's recommendation reduces the optional retirement contribution and disability insurance by a total of 3.94% [(7.0% - 3.59%) + 0.53%]. This results in a total savings of $516,700, which includes $447,200 for optional retirement and $69,500 for disability insurance.

  The Executive's rationale for this reduction is found in A.R.S. §15-1628, subsection C which states that, "The appropriation to each university for purposes of enabling the Arizona Board of Regents to make the contribution provided in this subsection shall not exceed the employer contribution required under the Arizona state retirement system of the Arizona state retirement plan..." However, also under A.R.S. §15-1628, subsection C, the Arizona Board of Regents is required to "contribute public funds appropriated or other funds available for such purpose on behalf of each participant in the optional retirement programs in an amount equal to 7% of the participant's compensation."

  Employee Related Expenditures, including the optional retirement contribution, for positions funded through the university state operating budget are a part of the university operating budget which consists of the state General Fund and Tuition and Fee Collections. The universities and the Board of Regents are legally and contractually obligated to pay the 7% contribution for optional retirement. Further, these optional retirement programs are national in scope and are provided by Arizona's universities so that they can remain competitive with other institutions in attracting and retaining qualified faculty and staff. Therefore, JLBC Staff recommends continuing the past practice of fully funding the optional retirement contribution at the 7% rate from the General Fund and University Collections Fund.
- Utilities Inflation

  The Executive recommends a 5%, or $112,000, inflationary adjustment.

PROTECTION AND SAFETY
(PS)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	5,829.20	6,062.40	6,729.80	6,487.80	6,455.40	
BY PROGRAM/ORGANIZATION						
ADULT INSTITUTIONS	186,849,300	197,798,000	229,458,400	212,760,900	212,089,900	
HUMAN RESOURCES/DEVELOPMT	31,511,300	37,335,600	42,579,100	39,464,500	39,451,800	
ADMINISTRATION	13,084,900	12,000,300	13,971,700	12,194,600	13,034,300	
CORRECTIONAL INDUSTRIES	288,400	0	0	0	0	
COMMUNITY CORRECTIONS	8,649,100	8,827,900	9,020,200	6,541,800	4,891,600	
AGENCY TOTAL	240,383,000	255,961,800	295,029,400	270,961,800	269,467,600	
OPERATING BUDGET						
PERSONAL SERVICES	124,673,100	133,166,900	149,483,300	140,341,800	138,935,500	
EMPLOYEE RELATED EXP	37,543,500	40,532,600	51,011,600	44,272,800	42,768,600	
PROFESSIONAL/OUTSIDE SVCS	17,943,000	20,029,300	21,958,900	21,510,100	21,571,500	
TRAVEL - IN STATE	370,100	440,900	506,400	481,900	464,700	
TRAVEL - OUT OF STATE	93,300	95,400	98,700	97,500	95,900	
OTHER OPERATING EXP	36,424,300	37,052,200	40,473,600	38,702,500	39,599,900	
EQUIPMENT	4,127,300	2,641,100	8,188,700	2,028,500	2,107,800	
ALL OTHER OPERATING	58,958,000	60,258,900	71,226,300	62,820,500	63,839,800	
OPERATING SUBTOTAL	221,174,600	233,958,400	271,721,200	247,435,100	245,543,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
FOOD	15,279,600	17,646,800	18,724,600	18,135,000	18,411,300	
DISCHARGE EXPENSE	265,800	327,300	344,400	333,900	338,300	
WORK INCENTIVE PAY PLAN	3,663,000	4,029,300	4,239,200	4,121,400	4,174,100	
ENDOWMENT EARNINGS OFFSET	0	0	0	936,400	0	
SPECIAL PAY PACKAGE	0	0	0	0	1,000,000	
SPECIAL ITEM SUBTOTAL	19,208,400	22,003,400	23,308,200	23,526,700	23,923,700	
AGENCY TOTAL	240,383,000	255,961,800	295,029,400	270,961,800	269,467,600	
BY FUND SOURCE						
GENERAL FUND	240,383,000	255,025,400	295,029,400	255,025,400	253,531,200	
OTHER FUNDS	0	936,400	0	15,936,400	15,936,400	
FEDERAL FUNDS	293,700	311,000	229,900	0	229,900	
OTHER NON APPROPRIATED	18,207,200	16,559,500	16,805,000	0	16,805,000	
AGENCY TOTAL-ALL SOURCES	258,883,900	272,832,300	312,064,300	270,961,800	286,502,500	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $269,467,600 -- a net increase of $13,505,800, or 5.3%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $253,531,200 -- a net decrease of $(1,494,200), or (0.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ (637,800)
• ERE Rate Changes	328,500
• Population Growth - 641 New Prisoners	2,070,100
• Opening New Prisons	
-- Addition at ASPC - Safford - 250 Beds	4,083,500
-- Cook Unit at Florence - 800 Beds	7,862,500
• Special Pay Package - Correctional Officer Series	1,000,000
• Close Correctional Release Centers	
-- Northern Arizona - (126) Beds	(1,504,400)
-- New Dawn - (40) Beds	(460,600)
• Annualization	600,400
• Medical Inflation	789,000
• Rent - State Owned Buildings	820,400
• Replacement Equipment	(1,161,600)
• One-Time Costs and Other Reductions	(284,200)
• Fund Shift to Corrections Fund	-0-
Would shift $15 million of funding from the General Fund to the Corrections Fund.	

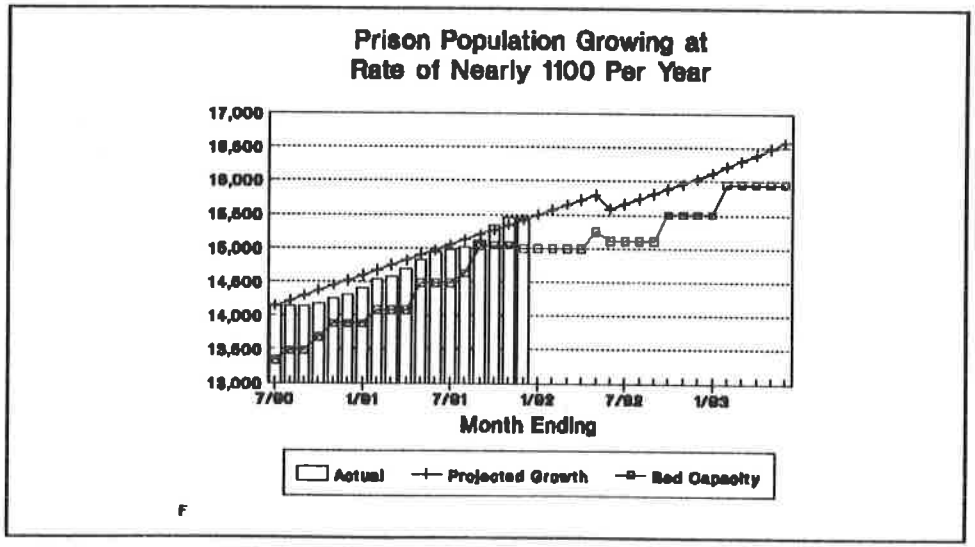
Both the Governor and JLBC Staff Recommend Using Corrections Fund Money to Finance the Growth of the Department's Operating Budget in FY 1993, and to Use Lease-Purchase Financing to Construct New Prison Beds -- JLBC Staff Does Not Include Governor's Privatization Proposal

The state prison population is growing at the rate of approximately 90 per month, or nearly 1,100 inmates per year. Currently, all prisons are operating in excess of their capacity and the women's facilities, in particular, are badly overcrowded. This continued growth has placed a major financial burden on the state, such that General Fund resources are no longer sufficient to sustain the required annual operating budget. To bridge the gap, both the Governor and the JLBC Staff recommend:

- Closing 3 correctional release centers. Savings from these closures will be used to make additional space available for the more serious criminals. The Southern Arizona Correctional Release Center would be converted to a women's prison to alleviate the female overcrowding problem.
- Appropriating $15 million from the Corrections Fund to fund the increased operating costs of the state's prison system, thereby, saving the General fund a like amount.

- Constructing 1,050 new prison beds; 250 for women and 800 for men. This construction will need to be financed through the use of Certificates of Participation (COP) if the Corrections Fund monies are used for the operating budget. The future revenue stream from the Corrections Fund (beginning in FY 1994) can serve as the repayment mechanism for the COP's. The state has a statutory obligation to incarcerate convicted felons sentenced by the courts. Although revisions to the Criminal Code to reduce prison populations are envisioned by some, any changes enacted in 1992 are unlikely to reduce the anticipated growth of our prison population over the next 2 years.

While the JLBC Staff is not necessarily opposed to "privatization" of selected, lower-security prison beds, the JLBC Staff does not concur with the Executive's proposal to contract for private prison beds. Use of private prison beds is a policy issue to be addressed by the Legislature as authorizing legislation is required. Therefore, the JLBC Staff recommends funding the second phase of the Cook Unit at an earlier date than the Executive. The JLBC Staff also provides additional funds for a higher average daily population.



Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADULT INSTITUTIONS

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4,961.20	5,164.40	5,731.80	5,599.30	5,611.90	
OPERATING BUDGET						
PERSONAL SERVICES	101,059,500	106,381,400	119,964,600	113,508,200	113,843,200	
EMPLOYEE RELATED EXP	31,664,100	34,054,600	43,004,900	37,627,400	36,629,100	
PROFESSIONAL/OUTSIDE SVCS	3,649,300	4,141,200	5,172,600	5,122,700	4,294,600	
TRAVEL - IN STATE	235,500	278,600	330,100	314,600	303,900	
TRAVEL - OUT OF STATE	76,200	68,900	72,200	71,000	69,400	
OTHER OPERATING EXP	27,635,000	28,861,800	31,999,400	30,872,800	31,060,600	
EQUIPMENT	3,629,800	2,397,200	5,995,500	1,886,100	1,965,400	
ALL OTHER OPERATING	35,225,800	35,747,700	43,569,800	38,267,200	37,693,900	
OPERATING SUBTOTAL	167,949,400	176,183,700	206,539,300	189,402,800	188,166,200	
SPECIAL LINE ITEMS						
FOOD	15,040,300	17,329,100	18,406,900	18,003,200	18,411,300	
DISCHARGE EXPENSE	265,800	327,300	344,400	333,900	338,300	
WORK INCENTIVE PAY PLAN	3,593,800	3,957,900	4,167,800	4,084,600	4,174,100	
ENDOWMENT EARNINGS OFFSET	0	0	0	936,400	0	
SPECIAL PAY PACKAGE	0	0	0	0	1,000,000	
SPECIAL ITEM SUBTOTAL	18,899,900	21,614,300	22,919,100	23,358,100	23,923,700	
PROGRAM TOTAL	186,849,300	197,798,000	229,458,400	212,760,900	212,089,900	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADULT INSTITUTIONS

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	186,849,300	196,861,600	229,458,400	196,824,500	196,153,500	
OTHER FUNDS	0	936,400	0	15,936,400	15,936,400	
FEDERAL FUNDS	271,900	307,800	226,700	0	226,700	
OTHER NON APPROPRIATED	8,291,900	8,643,800	8,541,300	0	8,541,300	
PROGRAM TOTAL-ALL SOURCES	195,413,100	206,749,600	238,226,400	212,760,900	220,857,900	

The JLBC Staff recommends a total appropriation of $212,089,900 -- a net increase of $14,291,900, or 7.2%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $196,153,500 -- a net decrease of $(708,100), or (0.4)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 42,700
  Maintains a vacancy factor of 3.8%. The Executive also recommends a vacancy factor of 3.8%.
- ERE Rate Changes 202,800
  The Executive recommends an increase of $1,205,000.
- Population Growth 1,314,200
  The JLBC Staff recommendations are based on a net increase in the Average Daily Population (ADP) of 641 inmates during FY 1993. The budgeted ADP for FY 1992 of 15,041 is expected to increase to 15,682 by the end of FY 1993. The Department of Corrections originally projected an ADP increase of 923. The JLBC Staff and the Executive recommend that the three correctional release centers be closed. This will reduce the ADP by 282. Recommended for closure is the 126 bed, Northern Arizona Correctional Release Center (NACRC) and New Dawn a 40 bed, women's correction release center. The 116 bed Southern Arizona Correctional Release Center (SACRC) will also be closed and converted to a 144 bed women's prison. The additional bed space for women is needed to reduce serious overcrowding. The Executive is recommending that Shock Incarceration be terminated, thus further reducing the ADP by 75 inmates. The Executive also recommends the use of private prisons for parole violators who are returned to custody and, for inmates convicted of DWI offenses. The private prison plan is estimated to lower the ADP by an additional 125 inmates

in FY 1993, thus bringing the net ADP funded by the Executive to 441. Based upon an adjusted ADP count of 441, the Executive recommends increased funding of $903,900 for Population Growth.

- Additional Prison Beds 10,522,000

The amount recommended by the JLBC Staff is for operation of an additional 1,050 prison beds currently under construction. These include the new 250 bed, medium security, addition to the Arizona State Prison Complex - Safford and the 800 bed Cook Unit at the Eyman Complex, in Florence. The Cook Unit is also a medium security prison.

The new addition at the Safford Complex is expected to open in May of 1992. As the May opening date is nearly 4 months earlier than originally planned, no funding was provided in FY 1992. To open in May, the Department of Corrections will have to fund all opening and operational costs from reallocations of existing appropriations. For FY 1993, the JLBC Staff recommends a total of $3,448,300 for the operation of this new facility. That includes $2,944,800 for 118 FTE positions. In addition, the recommendation provides $503,500 for operating costs. The amounts recommended represent full year funding and will not require annualization.

The $7,073,700 recommended by the JLBC Staff for the new Cook Unit is phased to coincide with 2 scheduled opening dates. The first 400 beds will open in November of 1992. The amount recommended for the first phase is $4,642,200. This provides 10 months funding of $3,732,000 for a staff of 180.5 FTE positions. In addition, $910,200 is recommended for operating costs over an 8 month period. Both staffing and operational costs will require annualization in FY 1994. The Executive recommends 195.7 positions and $5,133,600 to meet the same opening schedule. The Executive staffing costs, exclusive of Correctional Service Officer I's, reflect the Department of Corrections average salary for each position classification. The JLBC Staff recommendations are based on the entry level salaries established by the Department of Administration's Personnel Division.

As now planned, the second 400 beds of the Cook Unit will be available in February of 1992. The JLBC Staff recommends funding to meet the February opening date. The JLBC Staff recommends a total of $2,431,500 for the second phase opening. This provides 7 months funding for 107 additional positions at a projected cost of $1,536,500. The balance of the recommendation, or $895,000 is for operational costs over the remaining 5 months of the fiscal year. As explained under "Other Issues for Legislative Consideration," the Executive recommends the opening of phase 2 be delayed until June of 1993.

- Annualization 521,000

The amount recommended is to annualize the cost of prison facilities authorized and activated in FY 1992, but only partially funded at that time. Of the amount recommended, $435,800 is for the Rynning Unit at the Eyman Complex in Florence. In FY 1992 staffing for the Rynning Unit was funded for 11 months and operating costs were provided for 9 months. Included also is $44,600 for support positions authorized for the Eyman Complex. Those positions were also funded for an 11 month period last fiscal year. Recommended, also, is $40,600 for the 150 bed prison in Globe. The Globe prison opened in September of 1991, after being transferred from the Department of Youth Treatment and

Rehabilitation. The Executive recommends $930,700 for annualization. The major differences between the recommendations of the Executive and the JLBC Staff is in Personal Services and Employee Related Expenditures. The Executive recommendation projects salary costs at the Department of Corrections average salary for each position classification. The recommendation by the JLBC Staff reflects the entry level salary as established by the Personnel Division of the Department of Administration. The Executive has also used an Employee Related Expenditure rate higher than the rate used by the JLBC Staff.

- Special Pay Package for Correctional Service Employees — 1,000,000

  Salaries for Correctional Service Officers, Sergeants, Lieutenants, Captains and Majors are not competitive. The Arizona salary schedule for these employees is significantly below amounts paid to comparable employees of the federal government, surrounding states, as well as, Maricopa and Pima counties. The current salary structure is causing excessive turnover among these employees. Such turnover in itself is an unwarranted and a hidden cost. The recommendation of the JLBC Staff provides funding for the initial phase of a program to adjust the salaries for these employees and to bring the State of Arizona into line with other employers. If the recommended amount is implemented on January 1, 1993, it can effectively provide nearly $2 million, on an annualized basis, for salary adjustments. This amount is intended to be in addition to any amounts awarded from the $25 million state employee pay increase recommended for mid-year by the JLBC Staff.

- Convert the Southern Arizona Correctional Release Center to a 144 Bed Women's Prison — 1,666,200

  Both the Executive and the JLBC Staff recommend that the Southern Arizona Correctional Release Center (SACRC) be closed, and the facility be converted to a 144 bed prison for women. This will allow the Department of Corrections to house additional prisoners without increasing its appropriation. On December 31, 1991, there were 939 women housed in prison facilities designed with an operating capacity of 794 beds. Current projections show that the women's population will continue to grow at the rate of 7.5 inmates per month. The JLBC Staff recommends that $1,666,200 be transferred from the Community Corrections Division. The recommended transfer includes the staff of 42 FTE positions currently assigned to SACRC.

- Other Transfers from the Community Corrections Division — 336,500

  Both the Executive and the JLBC Staff recommend that the Northern Arizona Correctional Release Center and New Dawn be closed. New Dawn is a 40 bed release center for women. Closure of these 2 facilities will allow the Department to house more serious offenders without budget increases. As part of that reallocation, it is recommended that $336,500 be transferred from the Community Corrections Division. These funds are for the direct cost of inmate care.

- Medical Inflation — 16,400

  Provides an increase for medical inflation of 5%.

- Replacement Equipment — (1,053,900)

- Nonrecurring Costs — (276,000)

  This reduction reflects one-time costs approved in FY 1992 for the opening of new prisons. These costs are not required in FY 1993.

- Funding Shift from General Fund to Corrections Fund -0-

  Both the Executive and the JLBC Staff recommend that $15,000,000 be appropriated in FY 1993 to the Department of Corrections for increased operating costs of the prison system. Using the Corrections Fund for operating expenses will reduce the fund balance to $1,000,000. The remaining balance is recommended, as part of the Capital Budget, for the design of an additional 1,050 prison beds; 250 for women and 800 for men. The proposed construction will need to be financed through the use of Certificates of Participation (COP) if Corrections Fund monies are used for the operating budget. The future revenue stream from the Corrections Fund (beginning in FY 1994) can serve as the repayment mechanism for the COP's. The state has a statutory obligation to incarcerate convicted felons sentenced by the courts. Although revisions to the Criminal Code to reduce the prison population are envisioned by some, any changes enacted in 1992 are unlikely to reduce the anticipated growth of our prison population over the next 2 years.

Other Issues for Legislative Consideration

- Safford Double Bunking and Opening of the Cook Unit - Second Phase

  The Executive recommends that the new 250 bed addition at the Arizona State Prison Complex - Safford be temporarily double bunked for 11 months, beginning July of 1992. The Executive further recommends that the second 400 beds, of the 800 bed, Cook Unit be funded for the last month of FY 1993. When the second 400 beds at the Cook Unit are opened, the 250 inmates double bunked at Safford are to be transferred to the Cook Unit. The Executive recommendation provides that the funding and staff required for the temporary double bunking operation at Safford be transferred to the Cook Unit when the inmates are transferred. The JLBC Staff recommends that the second phase of the Cook Unit be opened in February of 1993, thus making more beds available at an earlier date. Temporary double bunking at Safford is not included in the JLBC Staff recommendations.

- Privatized Prisons

  The Executive recommends $1,810,000, in FY 1993, to contract for 450 private prison beds. Of these beds, 200 would house parolees who have violated the technical conditions of their parole. Currently, these violators are occupying prison beds pending a final disposition hearing. The Executive proposes to implement this plan on February 1, 1993. The amount recommended is based on $40 per inmate day. If approved, this proposal will require annualized funding of just over $1.7 million in FY 1994.

  The remaining 250 private prison beds would be used for offenders convicted of DWI offenses. The addition of these beds would provide only a small increase in the bed capacity for DWI offenders, as existing facilities would be reallocated in order to make additional bed space available for more serious criminals. The Executive recommends $610,000 for these 250 private DWI beds. The recommendation is based on an occupancy date of May 1, 1993. The projected daily rate is $40 per inmate day. Annualized funding of $3,040,000 will be required in FY 1994 to continue the contracts for these beds.

  While the JLBC Staff is not necessarily opposed to "privatization" of selected, lower-security prison beds, the JLBC Staff does not concur with the Executive's proposal to contract for private prison beds. Use of private prison beds is a policy issue to be addressed by the Legislature as authorizing legislation is required. Therefore, the JLBC Staff recommends funding the second phase of the Cook Unit at an earlier date than the Executive. The JLBC Staff also provides additional funds for a higher average daily population.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: HUMAN RESOURCES/DEVELOPMT

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	479.50	505.50	596.50	550.50	547.50	
OPERATING BUDGET						
PERSONAL SERVICES	13,552,700	16,653,300	19,154,800	17,932,200	17,188,900	
EMPLOYEE RELATED EXP	3,341,300	3,904,000	5,076,600	4,323,600	4,087,200	
PROFESSIONAL/OUTSIDE SVCS	11,603,200	13,273,900	14,047,000	13,643,300	14,486,400	
TRAVEL - IN STATE	78,500	82,000	90,100	89,500	85,300	
TRAVEL - OUT OF STATE	3,200	5,000	5,000	5,000	5,000	
OTHER OPERATING EXP	2,730,500	3,205,400	3,464,300	3,351,900	3,480,000	
EQUIPMENT	201,900	212,000	741,300	119,000	119,000	
ALL OTHER OPERATING	14,617,300	16,778,300	18,347,700	17,208,700	18,175,700	
P R O G R A M T O T A L	31,511,300	37,335,600	42,579,100	39,464,500	39,451,800	
BY FUND SOURCE						
GENERAL FUND	31,511,300	37,335,600	42,579,100	39,464,500	39,451,800	
OTHER NON APPROPRIATED	0	3,200	0	0	0	
PROGRAM TOTAL-ALL SOURCES	31,511,300	37,338,800	42,579,100	39,464,500	39,451,800	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: HUMAN RESOURCES AND DEVELOPMENT

The JLBC Staff recommends a total appropriation of $39,451,800 -- a net increase of $2,116,200, or 5.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (659,900)
  Includes a new vacancy factor of 6%. The FY 1992 budgeted vacancy factor was 3%. The Department of Corrections continues to experience difficulties attracting and retaining health care professionals. As a result of these difficulties, a higher vacancy factor is warranted. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 55,300
  The Executive recommends an increase of $111,200.
- Medical Inflation 753,200
  Provides an increase for medical inflation of 5%. Of the increase recommended, $649,300 is in Professional and Outside Services and $103,900 is in Other Operating Expenditures.
- Population Growth 669,000
  These funds will provide services to an additional 641 inmates projected for FY 1993. They are used for outside medical care, ancillary services, as well as, hospitalization for inmates. The Executive recommendation is based on 441 inmates, at a projected cost of $439,800.
- Opening Additional Prison Beds 1,324,100
  Amounts recommended provide initial funding for on-site health care delivery at the new 250 bed addition at the Arizona State Prison Complex - Safford and the new 800 bed Cook Unit being constructed at the Eyman Complex in Florence. There are 16 new positions and $585,600 included for the prison at Safford. The 16 new positions are funded for 12 months at an estimated cost of $573,600. These estimates are based on the entry level salaries as established by the Personnel Division of the Department of Administration. First year operating costs of $12,000 are also recommended.

  On-site health care costs for the new Cook Unit at Florence are recommended to coincide with the phased opening of this new prison. It is expected that the Department will begin to occupy the first 400 beds in November of 1992. Seventeen FTE positions and $573,400 are recommended for the first phase. Staffing costs, based on a 10 month period are estimated to be $530,000. This amount reflects the entry level salary rates established by the Personnel Division. Phase one funding also includes $43,400 for operating costs. The operating cost recommendation is for an 8 month period. The Executive recommendation is also based on a November 1992 opening date. It includes 19 FTE positions and $585,000 for the first phase of the Cook Unit. The amount recommended by the Executive for Personal Services is based on the Department of Corrections average salary for each position classification.

Construction of the second 400 beds at the Cook Unit is scheduled to be completed and ready for occupancy in February of 1993. The JLBC Staff recommends $165,100 based on the February opening date. That amount provides funding for an additional 9 FTE positions, at an estimated cost of $163,100. This is for a 7 month period and is based on entry level salaries as established by the Personnel Division. The recommendation also includes $2,000 for associated operating costs for a 5 month period.

- Annualization — 71,800

  The amount recommended is to annualize costs partially funded in FY 1992 for the opening of the second 400 beds at the Rynning Unit in Florence and the prison at Globe. Of this amount, $71,800 is for the Rynning Unit. In FY 1992, the Rynning Unit health staff was funded for 11 months. To annualize that cost in FY 1993, $56,700 is recommended. In addition, $14,900 is recommended for operating costs which were previously funded for 9 months. Also recommended is $200 for operating costs at the prison in Globe. The Globe facility was transferred from the Department of Youth Treatment and Rehabilitation and began accepting inmates in September of 1991.
- Rent - Tucson State Office Building — 12,700

  Provides $51,500 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The increase will be used to annualize the amount appropriated in FY 1992.
- Replacement Equipment — (93,000)
- Other Reductions — (17,000)

  Rent is reduced $8,500 as a commercial lease will be terminated when the Training Bureau moves into the new Tucson Office Building. The remaining $8,500 represents non-recurring costs associated with the opening of a new prison in FY 1992.

Other Issues for Legislative Consideration

- Opening of New Prisons

  The Executive recommendations include $827,400 for the Arizona State Prison Complex - Safford. That will allow the Department of Corrections to temporarily double bunk 250 inmates at the new medium security addition. Double bunking is planned for the 11 month period from July of 1992 through May of 1993. The Executive recommends opening the second 400 beds at the Cook Unit in Florence in June of 1993. Within the amount recommended by the Executive there are 4 FTE positions and $28,000 for the Cook Unit. In June, when the Cook Unit is opened, the 250 inmates temporarily double bunked at Safford will be moved to the Cook Unit. The staff and operational funding required for double bunking at Safford will also be transferred to the Cook Unit.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADMINISTRATION

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	188.00	191.00	200.00	195.00	195.00	
OPERATING BUDGET						
PERSONAL SERVICES	5,068,600	5,075,000	5,279,400	5,137,900	5,144,000	
EMPLOYEE RELATED EXP	1,161,200	1,191,300	1,390,400	1,264,000	1,244,500	
PROFESSIONAL/OUTSIDE SVCS	2,053,500	2,193,500	2,318,600	2,253,300	2,280,400	
TRAVEL - IN STATE	32,800	48,400	54,300	50,000	52,400	
TRAVEL - OUT OF STATE	11,900	17,900	17,900	17,900	17,900	
OTHER OPERATING EXP	4,514,300	3,442,300	3,467,200	3,448,100	4,271,700	
EQUIPMENT	242,600	31,900	1,443,900	23,400	23,400	
ALL OTHER OPERATING	6,855,100	5,734,000	7,301,900	5,792,700	6,645,800	
P R O G R A M T O T A L	13,084,900	12,000,300	13,971,700	12,194,600	13,034,300	
BY FUND SOURCE						
GENERAL FUND	13,084,900	12,000,300	13,971,700	12,194,600	13,034,300	
FEDERAL FUNDS	21,800	3,200	3,200	0	3,200	
OTHER NON APPROPRIATED	3,543,900	2,247,500	2,344,700	0	2,344,700	
PROGRAM TOTAL-ALL SOURCES	16,650,600	14,251,000	16,319,600	12,194,600	15,382,200	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $13,034,300 -- a net increase of $1,034,000, or 8.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 600
  Maintains a vacancy factor of 2.4%. The Executive recommends a vacancy factor of 2.4%.
- ERE Rate Changes 37,200
  The Executive recommends an increase of $57,000.
- Population Growth 86,900
  The amount recommended by the JLBC Staff is to fund administrative costs associated with the projected increase of 641 inmates in the Average Daily Population (ADP). The Executive recommends an increase of $59,800 that is based on an ADP increase of 441 inmates.
- Opening Additional Prison Beds 99,900
  The recommended increase includes $49,600 and 2 FTE positions, an Investigator III and a Secretary, for the new 250 bed, medium security (Level III) addition to ASPC - Safford. This new addition is scheduled to open in May of 1992. The recommended amount for Safford includes $43,200 for Personal Services and Employee Related Expenditures and $6,400 for All Other Operating Expenditures. The Executive recommends an increase of $50,600 for the addition to the Safford Prison. Of that amount, $48,000 is for Personal Services and Employee Related Expenditures for 2 positions. The balance of the Executive recommendation is for All Other Operating Expenditures.

  The JLBC Staff also recommends $50,300 and 2 Investigator III positions for the new Cook Unit, an 800 bed prison, being constructed at the Eyman Complex in Florence. The first 400 beds are expected to open in November of 1992 and the remaining 400 beds are scheduled for activation in February of 1993. The amount recommended of $25,800 for the first 400 beds provides 10 months funding for staff and 8 months funding for operating expenditures. Funding for the second 400 beds of $24,500 is based upon a period of 7 months for the staff and 5 months for operating expenditures. Included in the amount recommended for the second 400 beds is $15,400 for Personal Services and Employee Related Expenditures, $2,900 for Operating Expenditures and $6,200 for Equipment. The Executive recommends 1 FTE position and $21,900 to fund the first phase opening of the Cook Unit. Phase two will not open until June 1, 1993 as recommended by the Executive.

- Annualization 7,600

  The amount recommended is to annualize costs only partially funded in FY 1992 for the opening of the second 400 beds of the Rynning Unit, located in the Eyman Complex at Florence. In FY 1992, the Rynning Unit staff was funded for 11 months and operating costs were funded for 9 months. Included also is the annualization of operating costs for the prison in Globe. The Executive recommendation for annualization is $13,100. The difference between the 2 recommendations is found in Personal Services and Employee Related Expenditures.

- Rent - State Owned Buildings 816,500

  Includes reinstatement of General Fund rent in the amount of $816,100 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.

- Replacement Equipment (14,700)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: CORRECTIONAL INDUSTRIES

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	18.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	209,500	0	0	0	0	
EMPLOYEE RELATED EXP	78,900	0	0	0	0	
PROGRAM TOTAL	288,400	0	0	0	0	
BY FUND SOURCE						
GENERAL FUND	288,400	0	0	0	0	
OTHER NON APPROPRIATED	6,371,400	5,665,000	5,919,000	0	5,919,000	
PROGRAM TOTAL-ALL SOURCES	6,659,800	5,665,000	5,919,000	0	5,919,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: COMMUNITY CORRECTIONS

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	182.50	201.50	201.50	143.00	101.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,782,800	5,057,200	5,084,500	3,763,500	2,759,400	
EMPLOYEE RELATED EXP	1,298,000	1,382,700	1,539,700	1,057,800	807,800	
PROFESSIONAL/OUTSIDE SVCS	637,000	420,700	420,700	490,800	510,100	
TRAVEL - IN STATE	23,300	31,900	31,900	27,800	23,100	
TRAVEL - OUT OF STATE	2,000	3,600	3,600	3,600	3,600	
OTHER OPERATING EXP	1,544,500	1,542,700	1,542,700	1,029,700	787,600	
EQUIPMENT	53,000	0	8,000	0	0	
ALL OTHER OPERATING	2,259,800	1,998,900	2,006,900	1,551,900	1,324,400	
OPERATING SUBTOTAL	8,340,600	8,438,800	8,631,100	6,373,200	4,891,600	
SPECIAL LINE ITEMS						
FOOD	239,300	317,700	317,700	131,800	0	
WORK INCENTIVE PAY PLAN	69,200	71,400	71,400	36,800	0	
SPECIAL ITEM SUBTOTAL	308,500	389,100	389,100	168,600	0	
PROGRAM TOTAL	8,649,100	8,827,900	9,020,200	6,541,800	4,891,600	

DEPARTMENT: DEPARTMENT OF CORRECTIONS
COST CENTER: COMMUNITY CORRECTIONS

JLBC ANALYST: MORRIS/MARTINEZ
OSPB ANALYST: TUCKER

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	8,649,100	8,827,900	9,020,200	6,541,800	4,891,600	
PROGRAM TOTAL-ALL SOURCES	8,649,100	8,827,900	9,020,200	6,541,800	4,891,600	

The JLBC Staff recommends a total appropriation of $4,891,600 -- a net decrease of $(3,936,300), or (44.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(21,200)
  Maintains a vacancy factor of 3%. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes 33,200
  The Executive recommends an increase of $55,600.
- Medical Inflation 19,400
- Close the Southern Arizona Correctional Release Center and Convert the Facility to a Women's Prison (1,666,200)
  Both the Executive and the JLBC Staff recommend that the Southern Arizona Correctional Release Center (SACRC) be closed and the facility become a 144 bed women's prison. This will allow the Department of Corrections to manage additional prisoners without increasing its appropriation. The JLBC Staff recommends that the existing staff of 42 FTE positions and the current appropriation be transferred to the Adult Institutions Division. As a women's prison, the facility would be under the jurisdiction of the Adult Institutions Division. As of December 31, 1991, there were 939 women housed in prison facilities which have an operating capacity of 794 beds. The Department of Corrections projects that the women's population will continue to grow at the rate of 7.5 additional inmates per month.
- Close the Northern Arizona Correctional Release Center (NACRC) (1,759,900)
  The Executive and the JLBC Staff recommend that the 126 bed Northern Arizona Correctional Release Center (NACRC), in Phoenix, be closed. Funding currently being used to support this center will be reallocated and used by the Department of Corrections to house and manage inmates who are more serious offenders. Of the $1,759,900 to be reallocated, the Executive and the JLBC Staff both recommend that $255,500 be transferred to the Adult Institutions Division for the direct care of inmates.

- Close New Dawn (541,600)

  It is recommended by both the Executive and JLBC Staff that New Dawn, a 40 bed Correctional Release Center for women, be closed. This center is located in Phoenix. Savings realized from the closing will be reallocated and used by the Department of Corrections to house and manage inmates who are more serious offenders. The Executive and the JLBC Staff recommended that $81,000 of the projected savings be transferred to the Adult Institutions Division for direct care of inmates. The recommendation, also, provides funding for the maintenance and security of the, state owned, New Dawn building after it is closed.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ CRIMINAL JUSTICE COMM
COST CENTER: AZ CRIMINAL JUSTICE COMM

JLBC ANALYST: BURGESS
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	6.00	6.00	6.00	6.00	6.00	
OPERATING BUDGET						
PERSONAL SERVICES	207,000	190,100	190,100	190,100	190,100	
EMPLOYEE RELATED EXP	34,200	36,700	42,100	40,000	39,400	
PROFESSIONAL/OUTSIDE SVCS	10,900	7,000	7,000	7,000	7,000	
TRAVEL - IN STATE	3,400	9,300	9,300	9,300	9,300	
TRAVEL - OUT OF STATE	500	3,000	3,000	3,000	3,000	
OTHER OPERATING EXP	74,300	74,200	64,200	61,400	61,500	
EQUIPMENT	3,100	0	0	0	0	
ALL OTHER OPERATING	92,200	93,500	83,500	80,700	80,800	
OPERATING SUBTOTAL	333,400	320,300	315,700	310,800	310,300	
SPECIAL LINE ITEMS						
SUBSTANCE ABUSE SURVEYS	0	25,000	40,000	15,000	0	
DRUG ENFORCEMENT ACCOUNT	971,300	2,500,000	2,500,000	0	2,000,000	
GENERAL FUND LOAN	0	0	0	2,000,000	0	
DRUG RESOURCE CENTER	0	160,000	200,000	200,000	200,000	
SPECIAL ITEM SUBTOTAL	971,300	2,685,000	2,740,000	2,215,000	2,200,000	
PROGRAM TOTAL	1,304,700	3,005,300	3,055,700	2,525,800	2,510,300	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: AZ CRIMINAL JUSTICE COMM
COST CENTER: AZ CRIMINAL JUSTICE COMM

JLBC ANALYST: BURGESS
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	971,300	2,500,000	2,500,000	2,000,000	2,000,000	
OTHER FUNDS	333,400	505,300	555,700	525,800	510,300	
FEDERAL FUNDS	9,371,100	10,335,700	6,259,700	0	6,259,700	
OTHER NON APPROPRIATED	3,652,900	3,142,200	2,834,500	0	2,834,500	
PROGRAM TOTAL-ALL SOURCES	14,328,700	16,483,200	12,149,900	2,525,800	11,604,500	

The JLBC Staff recommends a total appropriation of $2,510,300 -- a net decrease of $(495,000), or (16.5)%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $2,000,000 -- a net decrease of $(500,000), or (20)%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $ 2,700
- Annualization of Rent 3,300
- Drug Abuse Surveys (25,000)

  Laws 1991, Chapter 265 eliminated the statutory mandate to conduct substance abuse and gang activity surveys annually. The law now states that these surveys are to be conducted when monies are appropriated for that purpose (A.R.S. § 41-2416). Having completed extensive surveys in FY 1992, the $25,000 reflects the deletion of this appropriation. The Executive recommends $15,000 to fund the K-12 comprehensive drug study to keep the substance abuse data current. The Executive also recommends that the studies of drug abuse among adults and college students and youth gang activity be conducted every other year.
- Miscellaneous Adjustments (13,000)
- Non-Capitalized Equipment (3,000)
- Drug Prevention Resource Center

  Additional estimated revenues 40,000

- Drug Enforcement Account (500,000)

  This represents a $2,000,000 loan from the General Fund to aid cash flow since the date of receipt of federal funds is unknown. The $2,000,000 shall be deposited to the General Fund upon the receipt of the federal funds, but not later than June 30, 1993. This amount represents a $500,000 reduction in the level of the loan, which was $2,500,000 in FY 1992. The Executive concurs with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	63.50	62.50	62.50	62.50	62.50	
BY PROGRAM/ORGANIZATION						
EMERGENCY SERVICES	705,600	745,600	825,500	749,300	746,400	
MILITARY AFFAIRS	3,227,100	3,328,100	3,468,000	3,477,000	3,376,900	
AGENCY TOTAL	3,932,700	4,073,700	4,293,500	4,226,300	4,123,300	
OPERATING BUDGET						
PERSONAL SERVICES	1,427,900	1,495,200	1,552,300	1,508,200	1,511,300	
EMPLOYEE RELATED EXP	332,400	389,600	410,700	415,400	406,200	
PROFESSIONAL/OUTSIDE SVCS	18,300	23,500	23,500	20,800	23,500	
TRAVEL - IN STATE	32,200	39,400	39,400	37,900	39,300	
TRAVEL - OUT OF STATE	10,600	9,100	9,100	8,900	8,200	
OTHER OPERATING EXP	1,017,200	1,021,400	1,140,700	1,145,600	1,071,400	
EQUIPMENT	56,600	7,100	29,400	4,100	0	
ALL OTHER OPERATING	1,134,900	1,100,500	1,242,100	1,217,300	1,142,400	
OPERATING SUBTOTAL	2,895,200	2,985,300	3,205,100	3,140,900	3,059,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
CIVIL AIR PATROL	78,100	78,100	78,100	78,100	78,100	
EMERGENCY RESPONSE COM	14,500	19,800	19,800	19,800	19,800	
EDUCATION	40,600	63,000	63,000	63,000	63,000	
UNIT ALLOWANCE	10,000	25,000	25,000	25,000	25,000	
SERVICE CONTRACTS	818,200	854,200	854,200	854,200	829,200	
STATE ACTIVE DUTY	6,900	5,300	5,300	5,300	5,300	
UNIFORM ALLOWANCE	29,200	3,000	3,000	0	3,000	
REIMBURSABLE STA ACTV DTY	40,000	40,000	40,000	40,000	40,000	
SPECIAL ITEM SUBTOTAL	1,037,500	1,088,400	1,088,400	1,085,400	1,063,400	
A G E N C Y T O T A L	3,932,700	4,073,700	4,293,500	4,226,300	4,123,300	
BY FUND SOURCE						
GENERAL FUND	3,932,700	4,073,700	4,293,500	4,226,300	4,123,300	
FEDERAL FUNDS	15,488,900	19,753,000	15,551,200	0	15,551,200	
AGENCY TOTAL-ALL SOURCES	19,421,600	23,826,700	19,844,700	4,226,300	19,674,500	

DEPARTMENT: DEPARTMENT OF EMERGENCY SERVICES AND MILITARY AFFAIRS
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $4,123,300 -- a net increase of $49,600, or 1.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ 300
• ERE Rate Changes	12,300
• Annualization of Adjutant General Salary Increase	20,100
• One-Time Equipment Costs	(7,100)
• Decreased Travel Costs	(1,000)
• Increased Share of Headquarters Building Costs	50,000
• Decreased State Match for Federal Service Contracts	(25,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: EMERGENCY SERVICES

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	15.00	15.00	15.00	15.00	15.00	
OPERATING BUDGET						
PERSONAL SERVICES	405,600	414,700	451,200	414,700	417,800	
EMPLOYEE RELATED EXP	77,200	95,000	116,100	100,000	98,800	
PROFESSIONAL/OUTSIDE SVCS	15,300	20,000	20,000	20,000	20,000	
TRAVEL - IN STATE	5,800	9,800	9,800	8,300	9,700	
TRAVEL - OUT OF STATE	9,000	7,100	7,100	6,900	6,200	
OTHER OPERATING EXP	95,000	96,000	97,400	99,000	96,000	
EQUIPMENT	5,100	5,100	26,000	2,500	0	
ALL OTHER OPERATING	130,200	138,000	160,300	136,700	131,900	
OPERATING SUBTOTAL	613,000	647,700	727,600	651,400	648,500	
SPECIAL LINE ITEMS						
CIVIL AIR PATROL	78,100	78,100	78,100	78,100	78,100	
EMERGENCY RESPONSE COM	14,500	19,800	19,800	19,800	19,800	
SPECIAL ITEM SUBTOTAL	92,600	97,900	97,900	97,900	97,900	
PROGRAM TOTAL	705,600	745,600	825,500	749,300	746,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: EMERGENCY SERVICES

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	705,600	745,600	825,500	749,300	746,400	
FEDERAL FUNDS	4,360,600	7,162,100	2,544,000	0	2,544,000	
PROGRAM TOTAL-ALL SOURCES	5,066,200	7,907,700	3,369,500	749,300	3,290,400	

The JLBC Staff recommends a total appropriation of $746,400 -- a net increase of $800, or 0.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 3,800
  Includes a new vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 3,100
- Decreased Travel Costs (1,000)
- One-Time Equipment Costs (5,100)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: MILITARY AFFAIRS

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	48.50	47.50	47.50	47.50	47.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,022,300	1,080,500	1,101,100	1,093,500	1,093,500	
EMPLOYEE RELATED EXP	255,200	294,600	294,600	315,400	307,400	
PROFESSIONAL/OUTSIDE SVCS	3,000	3,500	3,500	800	3,500	
TRAVEL - IN STATE	26,400	29,600	29,600	29,600	29,600	
TRAVEL - OUT OF STATE	1,600	2,000	2,000	2,000	2,000	
OTHER OPERATING EXP	922,200	925,400	1,043,300	1,046,600	975,400	
EQUIPMENT	51,500	2,000	3,400	1,600	0	
ALL OTHER OPERATING	1,004,700	962,500	1,081,800	1,080,600	1,010,500	
OPERATING SUBTOTAL	2,282,200	2,337,600	2,477,500	2,489,500	2,411,400	
SPECIAL LINE ITEMS						
EDUCATION	40,600	63,000	63,000	63,000	63,000	
UNIT ALLOWANCE	10,000	25,000	25,000	25,000	25,000	
SERVICE CONTRACTS	818,200	854,200	854,200	854,200	829,200	
STATE ACTIVE DUTY	6,900	5,300	5,300	5,300	5,300	
UNIFORM ALLOWANCE	29,200	3,000	3,000	0	3,000	
REIMBURSABLE STA ACTV DTY	40,000	40,000	40,000	40,000	40,000	
SPECIAL ITEM SUBTOTAL	944,900	990,500	990,500	987,500	965,500	
PROGRAM TOTAL	3,227,100	3,328,100	3,468,000	3,477,000	3,376,900	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF EMER & MIL AFFRS
COST CENTER: MILITARY AFFAIRS

JLBC ANALYST: BRADLEY
OSPB ANALYST: ZELZNAK

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,227,100	3,328,100	3,468,000	3,477,000	3,376,900	
FEDERAL FUNDS	11,128,300	12,590,900	13,007,200	0	13,007,200	
PROGRAM TOTAL-ALL SOURCES	14,355,400	15,919,000	16,475,200	3,477,000	16,384,100	

The JLBC Staff recommends a total appropriation of $3,376,900 -- a net increase of $48,800, or 1.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (3,500)
  Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 1%.
- Annualization of the Adjutant General Salary Increase — 20,100
  The Adjutant General's salary is based upon a negotiated fixed term contract. The salary was increased from $58,000 to $73,714 per year. The fixed contract salary had remained at $58,000 for 4 years. The new salary will not change for another 4 years or until the current Adjutant General's retirement. For these reasons, this increase should not be viewed as a one-year increase, but rather a combination of 7 or 8 years of increases. The $20,100 increase includes increased Employee Related Expenditures.
- ERE Rate Changes — 9,200
- Increased Share of Headquarters Building Costs — 50,000
  The United States Purchasing and Fiscal Office (USPFO) personnel will be moving into their own building in August 1992. These personnel currently pay a portion of the costs of the National Guard Headquarters Building. The JLBC Staff recommends $50,000 to pay for utilities, phone services, sewage, and so forth, currently paid by federal funds that will no longer be available. This would not allow the department to expand into the vacated space unless they find savings elsewhere. The Executive recommended $97,600 for this issue, which would allow the department to expand into the vacated space.

- One-Time Equipment Costs (2,000)
- Decrease in State Match for Federal Service Contracts (25,000)

  The department informed the JLBC Staff in December 1991 that the state matching requirement for federal service contracts could be reduced. The department estimated a reduced need of $25,000 - $50,000. The JLBC Staff recommends that funding be reduced by the conservative end of this range, or $25,000.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: BD OF PARDONS AND PAROLES
COST CENTER: BD OF PARDONS AND PAROLES

JLBC ANALYST: BURGESS
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	43.00	43.00	43.00	43.00	43.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,145,700	1,161,700	1,161,700	1,150,100	1,150,100	
EMPLOYEE RELATED EXP	248,100	263,100	292,600	269,100	264,000	
PROFESSIONAL/OUTSIDE SVCS	67,800	69,700	69,700	69,700	69,700	
TRAVEL - IN STATE	30,300	39,500	39,500	39,500	39,500	
TRAVEL - OUT OF STATE	700	500	500	500	500	
OTHER OPERATING EXP	333,300	457,700	457,700	457,700	549,800	
EQUIPMENT	22,300	3,800	3,800	10,100	3,800	
ALL OTHER OPERATING	454,400	571,200	571,200	577,500	663,300	
PROGRAM TOTAL	1,848,200	1,996,000	2,025,500	1,996,700	2,077,400	
BY FUND SOURCE						
GENERAL FUND	1,848,200	1,996,000	2,025,500	1,996,700	2,077,400	
PROGRAM TOTAL-ALL SOURCES	1,848,200	1,996,000	2,025,500	1,996,700	2,077,400	

DEPARTMENT: BOARD OF PARDONS AND PAROLES
COST CENTER: BOARD OF PARDONS AND PAROLES

The JLBC Staff recommends a total appropriation of $2,077,400 -- a net increase of $81,400, or 4.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (14,300)
  Maintains a vacancy factor of 1%, which is the standard rate applied to agencies with this number of FTE positions. The Executive recommends a vacancy factor of 1%. Also included is a base adjustment of $11,500 due to a lower Personal Services base, with which the Executive concurs.
- ERE Rate Changes — 3,600
- Rent - State Owned Buildings — 85,800
  Includes reinstatement of General Fund rent in the amount of $85,800 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Equipment — 6,300
  The Executive concurs with this recommendation. First year funding for the lease/purchase of re-manufactured high-speed copier.

Other Issues for Legislative Consideration

- Reduce Board from 7 Members to 6 Members
  According to A.R.S. § 31-401(I)(2), a quorum may consist of two members. Therefore, reducing the Board to 6 members would effect a savings of $60,100.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,629.00	1,617.00	1,617.00	1,617.00	1,611.00	
BY PROGRAM/ORGANIZATION						
CRIMINAL INVESTIGATION	11,742,800	11,945,800	12,577,600	11,988,100	11,749,500	
HIGHWAY PATROL	32,846,100	32,709,500	33,927,800	33,304,500	32,929,700	
ADMINISTRATION	18,781,000	17,864,300	18,244,500	17,916,800	17,768,900	
CRIMINAL JUSTICE SUPPORT	9,443,400	9,410,000	9,558,700	9,113,100	8,839,700	
TELECOMMUNICATIONS	13,786,200	15,964,400	16,253,500	14,898,900	15,884,700	
AGENCY TOTAL	86,599,500	87,894,000	90,562,100	87,221,400	87,172,500	
OPERATING BUDGET						
PERSONAL SERVICES	56,171,700	56,527,100	57,640,000	56,401,200	55,874,100	
EMPLOYEE RELATED EXP	10,829,600	10,578,100	12,133,300	11,391,400	11,115,200	
PROFESSIONAL/OUTSIDE SVCS	365,000	303,900	303,900	304,900	310,800	
TRAVEL - IN STATE	453,700	567,700	567,700	557,700	568,500	
TRAVEL - OUT OF STATE	175,000	163,400	163,400	163,400	163,400	
OTHER OPERATING EXP	14,145,000	14,127,100	14,127,100	14,037,300	13,826,100	
FOOD	0	0	0	0	1,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
EQUIPMENT	4,160,700	3,174,400	3,174,400	2,913,200	2,860,500	
ALL OTHER OPERATING	19,299,400	18,336,500	18,336,500	17,976,500	17,730,900	
OPERATING SUBTOTAL	86,300,700	85,441,700	88,109,800	85,769,100	84,720,200	
SPECIAL LINE ITEMS						
BLOOD/ALCOHOL PROGRAM	63,500	0	0	0	0	
ACJIS	235,300	452,300	452,300	452,300	452,300	
AFIN	0	2,000,000	2,000,000	1,000,000	2,000,000	
SPECIAL ITEM SUBTOTAL	298,800	2,452,300	2,452,300	1,452,300	2,452,300	
AGENCY TOTAL	86,599,500	87,894,000	90,562,100	87,221,400	87,172,500	
BY FUND SOURCE						
GENERAL FUND	62,920,600	46,123,500	47,573,300	44,176,200	38,936,000	
OTHER FUNDS	23,678,900	41,770,500	42,988,800	43,045,200	48,236,500	
FEDERAL FUNDS	4,822,600	5,341,600	4,783,300	0	4,783,300	
OTHER NON APPROPRIATED	9,581,600	9,014,700	9,017,600	0	9,017,600	
AGENCY TOTAL-ALL SOURCES	101,003,700	102,250,300	104,363,000	87,221,400	100,973,400	

DEPARTMENT: DEPARTMENT OF PUBLIC SAFETY
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $87,172,500 -- a net decrease of $(721,500), or (0.8)%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $38,936,000 -- a net decrease of $(7,187,500), or (15.6)%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a vacancy factor of 1.5%.	$ (503,600)
• ERE Rate Changes	658,200
• One Time Equipment Adjustment	(3,174,400)
• Capitalized Equipment	3,020,500
• Non-Capitalized Equipment	(11,100)
• Medical Inflation	22,700
• Commercial Rent	5,700
• Vehicle Replacement for Criminal Investigation Bureau (CIB)	(160,000)
• "Take Home" Car Privileges	(151,500)
• Vehicle Fleet	(71,400)
• Air Rescue Helicopter Service	(408,600)
• Transfer in of School Bus Training Program from the Arizona Department of Transportation (ADOT)	52,000
• Fund Shift	-0-

The JLBC Staff recommends the following funding shifts, three of which impact the General Fund. The recommended funding shifts are:

-- $7,281,700 from the State Highway Fund to the Highway User Revenue Fund (HURF) as a funding source for Highway Patrol activities; and $5,015,000 from the General Fund to HURF as a funding source for Highway Patrol activities. Article 9 § 14 of the Constitution allows for this funding. Utilization of HURF for this purpose will still provide cities and counties with more funding in FY 1993 than is available in FY 1992 while increasing funding available for construction. See Arizona Department of Transportation Summary.

-- $1,000,000 from the General Fund to the Criminal Justice Enhancement Fund (CJEF) as a funding source, for fingerprint system funds. The Fingerprint Fund is supported by 7.5% of CJEF funds allocated for the operation of the Automated Fingerprint Identification System. Since the system is not yet operational, this fund has been accumulating excess monies. This shift will use the accumulated excess for a partial payment of the FY 1993 lease-purchase cost of the system.

-- $230,800 from the General Fund to the Donations Fund as a funding source, for the Air Rescue Service. The Department of Public Safety Donations Fund (Fund Number 312500) contains deposits of Racketeering Influenced Corrupt Organizations (RICO) funds. This shift is commensurate with the percentage of missions flown in support of law enforcement activities, which is approximately 10.4%. This percentage is the average over the past five years.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL INVESTIGATION

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	253.00	251.00	251.00	251.00	251.00	
OPERATING BUDGET						
PERSONAL SERVICES	9,672,100	9,706,300	10,052,400	9,831,900	9,634,900	
EMPLOYEE RELATED EXP	1,678,500	1,727,100	2,002,900	1,827,400	1,762,500	
PROFESSIONAL/OUTSIDE SVCS	5,400	2,200	2,200	2,300	2,300	
TRAVEL - IN STATE	86,100	126,400	126,400	116,400	126,400	
TRAVEL - OUT OF STATE	40,300	36,700	36,700	36,700	36,700	
OTHER OPERATING EXP	170,400	187,100	186,700	173,400	186,700	
EQUIPMENT	90,000	160,000	170,300	0	0	
ALL OTHER OPERATING	392,200	512,400	522,300	328,800	352,100	
PROGRAM TOTAL	11,742,800	11,945,800	12,577,600	11,988,100	11,749,500	
BY FUND SOURCE						
GENERAL FUND	11,742,800	10,471,500	11,103,300	10,513,800	10,275,200	
OTHER FUNDS	0	1,474,300	1,474,300	1,474,300	1,474,300	
FEDERAL FUNDS	1,782,500	2,129,300	1,992,300	0	1,992,300	
OTHER NON APPROPRIATED	1,300,400	1,000,000	1,000,000	0	1,000,000	
PROGRAM TOTAL-ALL SOURCES	14,825,700	15,075,100	15,569,900	11,988,100	14,741,800	

DEPARTMENT: DEPARTMENT OF PUBLIC SAFETY
COST CENTER: CRIMINAL INVESTIGATIONS

The JLBC Staff recommends a total appropriation of $11,749,500 -- a net decrease of $(196,300), or (1.9)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $10,435,300 -- a net decrease of $(196,300), or (1.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 1.5%.	$ (83,900)
• ERE Rate Changes	47,900
• One Time Equipment Adjustment	(160,000)
• Capitalized Equipment	160,000
• Non-Capitalized Equipment	(400)
• Medical Inflation	100
• Vehicle Replacement for Criminal Investigation Bureau (CIB) The JLBC Staff recommends that the General Fund vehicle replacement program for CIB be deferred one year. This will result in 14 vehicles not being replaced. The consequences of deferral is the usage of overage/overmileage vehicles and the ultimate need to replace more vehicles in a given fiscal year.	(160,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: HIGHWAY PATROL

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	721.00	719.00	719.00	719.00	721.00	
OPERATING BUDGET						
PERSONAL SERVICES	24,773,100	25,156,300	25,548,200	25,156,300	25,008,100	
EMPLOYEE RELATED EXP	4,993,200	4,713,000	5,411,800	5,180,300	5,080,600	
PROFESSIONAL/OUTSIDE SVCS	37,000	23,600	23,600	23,700	23,700	
TRAVEL - IN STATE	193,600	227,400	227,400	227,400	228,200	
TRAVEL - OUT OF STATE	49,200	22,200	22,200	22,200	22,200	
OTHER OPERATING EXP	271,100	296,900	295,200	295,200	295,200	
FOOD	0	0	0	0	1,600	
EQUIPMENT	2,528,900	2,270,100	2,399,400	2,399,400	2,270,100	
ALL OTHER OPERATING	3,079,800	2,840,200	2,967,800	2,967,900	2,841,000	
PROGRAM TOTAL	32,846,100	32,709,500	33,927,800	33,304,500	32,929,700	
BY FUND SOURCE						
GENERAL FUND	9,676,900	0	0	0	0	
OTHER FUNDS	23,169,200	32,709,500	33,927,800	33,304,500	32,929,700	
FEDERAL FUNDS	1,516,400	1,749,200	1,377,400	0	1,377,400	
OTHER NON APPROPRIATED	244,500	313,000	312,000	0	312,000	
PROGRAM TOTAL-ALL SOURCES	34,607,000	34,771,700	35,617,200	33,304,500	34,619,100	

DEPARTMENT: DEPARTMENT OF PUBLIC SAFETY
COST CENTER: HIGHWAY PATROL

The JLBC Staff recommends a total appropriation of $32,929,700 -- a net increase of $220,200, or 0.7%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.	$ (225,000)
• ERE Rate Changes	394,800
• One Time Equipment Adjustment	(2,270,100)
• Capitalized Equipment	2,270,100
• Non-Capitalized Equipment	(1,700)
• Medical Inflation	100
• School Bus Training Program from the Arizona Department of Transportation (ADOT) The JLBC Staff recommends that 2 FTE positions and $52,000 be transferred from ADOT to the Department of Public Safety (DPS) and that DPS be made responsible for training school bus driver trainers. This transfer is contingent upon a statutory change.	52,000
• Fund Shift The JLBC Staff recommends shifting $7,281,700 of Highway Patrol costs from the Highway Fund to the Highway User Revenue Fund (HURF). Article 9 § 14 of the Constitution provides for this funding. Utilization of HURF for this purpose will still provide cities and counties with more funding in FY 1993 than ever before made available, while increasing funding available for state highway construction.	-0-

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: ADMINISTRATION

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	213.00	209.00	209.00	209.00	209.00	
OPERATING BUDGET						
PERSONAL SERVICES	7,054,800	7,070,600	7,257,200	6,979,200	7,017,800	
EMPLOYEE RELATED EXP	1,372,400	1,235,600	1,423,800	1,423,700	1,407,200	
PROFESSIONAL/OUTSIDE SVCS	133,000	110,500	110,500	111,200	111,200	
TRAVEL - IN STATE	68,900	82,600	82,600	82,600	82,600	
TRAVEL - OUT OF STATE	47,900	41,300	41,300	41,300	41,300	
OTHER OPERATING EXP	9,885,700	9,323,700	9,329,100	9,278,800	9,108,800	
EQUIPMENT	154,800	0	0	0	0	
ALL OTHER OPERATING	10,290,300	9,558,100	9,563,500	9,513,900	9,343,900	
OPERATING SUBTOTAL	18,717,500	17,864,300	18,244,500	17,916,800	17,768,900	
SPECIAL LINE ITEMS						
BLOOD/ALCOHOL PROGRAM	63,500	0	0	0	0	
SPECIAL ITEM SUBTOTAL	63,500	0	0	0	0	
PROGRAM TOTAL	18,781,000	17,864,300	18,244,500	17,916,800	17,768,900	

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: ADMINISTRATION

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	18,438,200	12,643,300	13,023,500	12,695,800	12,369,800	
OTHER FUNDS	342,800	5,221,000	5,221,000	5,221,000	5,399,100	
FEDERAL FUNDS	1,360,700	1,359,500	1,310,000	0	1,310,000	
OTHER NON APPROPRIATED	5,803,700	4,270,400	4,295,900	0	4,295,900	
PROGRAM TOTAL-ALL SOURCES	25,945,400	23,494,200	23,850,400	17,916,800	23,374,800	

The JLBC Staff recommends a total appropriation of $17,768,900 -- a net decrease of $(95,400), or (0.5)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $12,369,800 -- a net decrease of $(273,500), or (2.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (63,100)
  Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 181,900
- Medical Inflation 8,700
- "Take Home" Car Privileges (151,500)
  The JLBC Staff recommends that the Department restrict usage of cars for administrators to work related activity only, thereby reducing General Fund operational and maintenance costs of these vehicle. The recently completed Auditor General's performance audit noted that 250 vehicles utilized as "take home" vehicles should be restricted as to usage. The JLBC Staff concurs with restrictions on the 250 vehicles.
- Vehicle Fleet (71,400)
  The JLBC Staff recommends that the vehicle fleet be reduced by 200 cars which are excess to the needs of the Department. Elimination of these cars will eliminate the General Fund operational and maintenance cost of these vehicles. The recently completed Auditor General's performance audit noted that the Agency could eliminate 87 vehicles immediately. The Agency has voluntarily agreed to reduce the fleet by 200 vehicles.

- Fund Shift

  The JLBC Staff recommends $178,100 of costs attributable to Highway Patrol activities be shifted from the Highway Fund to the Highway User Revenue Fund (HURF). Article 9 § 14 of the Constitution provides for this funding. Utilization of HURF for this purpose will still provide cities and counties with more funding in FY 1993 than ever before made available, while increasing funding available for state highway construction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: CRIMINAL JUSTICE SUPPORT

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	158.00	156.00	156.00	156.00	148.00	
OPERATING BUDGET						
PERSONAL SERVICES	6,295,900	6,148,000	6,286,300	6,074,000	5,831,700	
EMPLOYEE RELATED EXP	1,158,100	1,124,600	1,286,400	1,160,100	1,102,600	
PROFESSIONAL/OUTSIDE SVCS	36,200	42,400	42,400	42,500	42,500	
TRAVEL - IN STATE	31,900	42,000	42,000	42,000	42,000	
TRAVEL - OUT OF STATE	21,400	46,400	46,400	46,400	46,400	
OTHER OPERATING EXP	1,696,600	1,776,100	1,778,600	1,748,100	1,697,900	
EQUIPMENT	203,300	230,500	76,600	0	76,600	
ALL OTHER OPERATING	1,989,400	2,137,400	1,986,000	1,879,000	1,905,400	
PROGRAM TOTAL	9,443,400	9,410,000	9,558,700	9,113,100	8,839,700	
BY FUND SOURCE						
GENERAL FUND	9,276,500	7,646,600	7,795,300	7,349,700	6,845,500	
OTHER FUNDS	166,900	1,763,400	1,763,400	1,763,400	1,994,200	
FEDERAL FUNDS	163,000	103,600	103,600	0	103,600	
OTHER NON APPROPRIATED	163,500	780,300	780,000	0	780,000	
PROGRAM TOTAL-ALL SOURCES	9,769,900	10,293,900	10,442,300	9,113,100	9,723,300	

DEPARTMENT: DEPARTMENT OF PUBLIC SAFETY
COST CENTER: CRIMINAL JUSTICE SUPPORT

The JLBC Staff recommends a total appropriation of $8,839,700 -- a net decrease of $(570,300), or (6.1)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $6,845,500 -- a net decrease of $(801,100), or (10.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (53,800)
  Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes 35,600
- One Time Equipment Adjustment (230,500)
- Capital Equipment 76,600
- Medical Inflation 7,900
- Commercial Rent 2,500
- Air Rescue Helicopter Service (408,600)
  The JLBC Staff recommends that the Air Rescue helicopter levels be reduced to provide 16 hour per day service in all four operations areas. Over the past five fiscal years, approximately 14,500 missions have been flown. These missions include law enforcement, hospital transfer, search and rescue, medevac and miscellaneous flights. A review of the time of day distribution of missions shows that the fewest occurrences are from midnight to 8:00 AM. These missions account for between 12 and 15 percent of activity. Utilizing an "on call" system, this shift can be eliminated, with a reduction of 8 FTE positions. Air ambulance companies can be utilized for medevac and hospital transfer services thereby reducing the complaint of unfair competition from the state.
- Funding Shift -0-
  The JLBC Staff recommends that $230,800 of the total operational cost of the Air Rescue Service be shifted from the General Fund to the Department of Public Donations Fund (Fund Number 312500) into which Racketeering Influenced Corrupt Organizations (RICO) funds are deposited. This shift, which represents 10.4% of the Air Rescue Service cost, is commensurate with the percentage of missions flown over the past five years, for law enforcement purposes.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: TELECOMMUNICATIONS

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	284.00	282.00	282.00	282.00	282.00	
OPERATING BUDGET						
PERSONAL SERVICES	8,375,800	8,445,900	8,495,900	8,359,800	8,381,600	
EMPLOYEE RELATED EXP	1,627,400	1,777,800	2,008,400	1,799,900	1,762,300	
PROFESSIONAL/OUTSIDE SVCS	153,400	125,200	125,200	125,200	131,100	
TRAVEL - IN STATE	73,200	89,300	89,300	89,300	89,300	
TRAVEL - OUT OF STATE	16,200	16,800	16,800	16,800	16,800	
OTHER OPERATING EXP	2,121,200	2,543,300	2,537,500	2,541,800	2,537,500	
EQUIPMENT	1,183,700	513,800	528,100	513,800	513,800	
ALL OTHER OPERATING	3,547,700	3,288,400	3,296,900	3,286,900	3,288,500	
OPERATING SUBTOTAL	13,550,900	13,512,100	13,801,200	13,446,600	13,432,400	
SPECIAL LINE ITEMS						
ACJIS	235,300	452,300	452,300	452,300	452,300	
AFIN	0	2,000,000	2,000,000	1,000,000	2,000,000	
SPECIAL ITEM SUBTOTAL	235,300	2,452,300	2,452,300	1,452,300	2,452,300	
PROGRAM TOTAL	13,786,200	15,964,400	16,253,500	14,898,900	15,884,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF PUBLIC SAFETY
COST CENTER: TELECOMMUNICATIONS

JLBC ANALYST: BLANTON
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	13,786,200	15,362,100	15,651,200	13,616,900	9,445,500	
OTHER FUNDS	0	602,300	602,300	1,282,000	6,439,200	
OTHER NON APPROPRIATED	2,069,500	2,651,000	2,629,700	0	2,629,700	
PROGRAM TOTAL-ALL SOURCES	15,855,700	18,615,400	18,883,200	14,898,900	18,514,400	

The JLBC Staff recommends a total appropriation of $15,884,700 -- a net decrease of $(79,700), or (0.5)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $9,445,500 -- a net decrease of $(5,916,600), or (38.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (77,800)
  Includes a new vacancy factor of 1.5%. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (2,000)
- One Time Equipment Adjustment (513,800)
- Capitalized Equipment 513,800
- Non-Capitalized Equipment (9,000)
- Medical Inflation 5,900
- Commercial Rent 3,200
- Fund Shift -0-

  The JLBC Staff recommends these funding shifts, which affect the General Fund:

  -- From the General Fund to the Highway User Revenue Fund (HURF), $4,836,900. Article 9 § 14 of the Constitution provides for this funding. Utilization of HURF for this purpose will still provide cities and counties with more funding in FY 1993 than is available to FY 1992, while increasing funding available for construction.

-- From the General Fund to the Automated Fingerprint Fund of the Criminal Justice Enhancement Fund (CJEF), $1,000,000. The Fingerprint Fund is supported by 7.5% of CJEF funds for the operation of the Automated Fingerprint Identification System. Since the system is not yet operational, this fund has been accumulating excess CJEF monies. This shift will use the accumulated excess for a partial payment of the FY 1993 lease-purchase cost of the system.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	785.10	653.10	653.10	653.10	586.10	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	6,103,400	2,495,700	2,618,500	2,443,600	2,234,400	
SECURE CARE	18,493,700	19,513,400	20,206,900	19,481,600	17,768,900	
COMMUNITY CARE	6,500,000	7,238,700	7,167,300	7,096,700	9,280,400	
EDUCATION	1,923,100	2,604,200	2,666,000	2,104,200	2,092,800	
AGENCY TOTAL	33,020,200	31,852,000	32,658,700	31,126,100	31,376,500	
OPERATING BUDGET						
PERSONAL SERVICES	17,374,800	15,448,600	15,871,200	13,759,100	13,952,100	
EMPLOYEE RELATED EXP	5,236,700	4,317,500	4,988,600	3,971,400	3,905,800	
PROFESSIONAL/OUTSIDE SVCS	1,314,000	864,600	864,600	826,200	878,000	
TRAVEL - IN STATE	375,100	526,400	526,400	507,000	447,000	
TRAVEL - OUT OF STATE	18,500	15,000	15,000	15,000	7,800	
OTHER OPERATING EXP	3,677,900	4,121,900	4,290,900	3,775,500	4,090,600	
EQUIPMENT	186,100	528,300	72,300	67,200	16,800	
ALL OTHER OPERATING	5,571,600	6,056,200	5,769,200	5,190,900	5,440,200	
OPERATING SUBTOTAL	28,183,100	25,822,300	26,629,000	22,921,400	23,298,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
FOOD	521,000	282,000	282,000	355,600	238,800	
WORK INCENTIVE PAY PLAN	109,200	35,900	35,900	35,900	64,200	
PURCHASE OF CARE	4,206,900	5,597,400	5,597,400	0	0	
GOVERNOR'S TASK FORCE	0	114,400	114,400	111,600	0	
EQUALIZATN ASST PASS THRU	0	0	0	2,104,200	0	
CMNTY MENTAL HLTH TRTMNT	0	0	0	0	1,313,100	
RESIDENTIAL TREATMENT	0	0	0	3,574,400	3,714,600	
COMMUNITY TREATMENT	0	0	0	2,023,000	2,747,700	
SPECIAL ITEM SUBTOTAL	4,837,100	6,029,700	6,029,700	8,204,700	8,078,400	
AGENCY TOTAL	33,020,200	31,852,000	32,658,700	31,126,100	31,376,500	
BY FUND SOURCE						
GENERAL FUND	33,020,200	28,947,800	29,692,700	28,721,900	28,383,700	
OTHER FUNDS	0	2,904,200	2,966,000	2,404,200	2,992,800	
FEDERAL FUNDS	1,483,800	1,780,500	1,780,500	0	1,780,500	
OTHER NON APPROPRIATED	151,400	516,400	406,000	0	6,000	
AGENCY TOTAL-ALL SOURCES	34,655,400	34,148,900	34,845,200	31,126,100	33,163,000	

DEPARTMENT: DEPARTMENT OF YOUTH TREATMENT AND REHABILITATION
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $31,376,500 -- a net decrease of $(475,500), or (1.5)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $28,383,700 -- a net decrease of $(564,100), or (1.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$ 43,700
• ERE Rate Changes	34,300
• Reductions in Equalization Assistance due to a reduction in ADM from 580 to 477.	(511,400)
• Decreased Travel - In State	(36,000)
• Decreased Travel - Out of State	(6,600)
• Decreased Equipment Costs	(416,500)
• Increased Rent	271,200
• Increased Purchase-of-Care	864,900
• Elimination of Task Force	(114,400)
• Medical Costs Increase	89,500
• Increase in Non-Capitalized Equipment	37,000
• Decrease in Food Costs	(11,100)
• Increase in WIPP Costs	30,000
• Shift in Risk Management Costs	7,000
• Eliminate 4 FTE positions	(242,700)
• Close Alamo Juvenile Facility and Provide Care for Mentally Ill Youth in Community Placements	(514,400)

Alamo Juvenile Facility is a mental health unit with a capacity of 40 beds for committed youth and an average daily census of around 25 youth. Alamo is located on the grounds of the Arizona State Hospital. As a state operated facility, it does not qualify for Federal Title XIX Early Periodic Screening, Diagnosis and Treatment (EPSDT) matching funds. By closing this facility and contracting for these services, the state will be eligible to receive matching funds from the federal government. The Secure Care and Administration programs are reduced by 52 FTE positions and $(1,827,500) to reflect closing Alamo. The Community Care program is increased by $1,825,000, of which $1,313,100 is from the General Fund and $511,900 is from federal funds. The net effect is a General Fund savings of $514,400, while total funding varies by only $2,500. These figures are based upon estimates that 50% of youth will qualify categorically for the EPSDT program, a weighted federal match of 65.07%, and 85% of services of eligible children being covered by matching funds. The figure also assumes a contract for an average daily population of 25 youth at around $200 per day. If the actual percentage qualifying for EPSDT subsequently proves to be different, or if contracted price changes, the amount of General Fund savings will vary upward or downward.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: ADMINISTRATION

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	68.00	60.00	60.00	60.00	51.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,578,300	1,578,100	1,626,100	1,577,300	1,345,300	
EMPLOYEE RELATED EXP	2,636,200	443,000	512,300	392,000	323,000	
PROFESSIONAL/OUTSIDE SVCS	226,000	82,000	82,000	82,000	78,500	
TRAVEL - IN STATE	306,300	13,800	13,800	13,800	10,400	
TRAVEL - OUT OF STATE	18,500	15,000	15,000	15,000	7,800	
OTHER OPERATING EXP	1,182,700	248,400	248,400	248,400	465,900	
EQUIPMENT	155,400	1,000	6,500	3,500	3,500	
ALL OTHER OPERATING	1,888,900	360,200	365,700	362,700	566,100	
OPERATING SUBTOTAL	6,103,400	2,381,300	2,504,100	2,332,000	2,234,400	
SPECIAL LINE ITEMS						
GOVERNOR'S TASK FORCE	0	114,400	114,400	111,600	0	
SPECIAL ITEM SUBTOTAL	0	114,400	114,400	111,600	0	
PROGRAM TOTAL	6,103,400	2,495,700	2,618,500	2,443,600	2,234,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: ADMINISTRATION

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,103,400	2,495,700	2,618,500	2,443,600	2,234,400	
FEDERAL FUNDS	1,483,800	1,780,500	1,780,500	0	1,780,500	
PROGRAM TOTAL-ALL SOURCES	7,587,200	4,276,200	4,399,000	2,443,600	4,014,900	

The JLBC Staff recommends a total appropriation of $2,234,400 -- a net decrease of $(261,300), or (10.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 29,500
  Includes a vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 6.07%. This figure also reflects a decreased Personal Services requirement based upon a calculation of actual salaries. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes (52,500)
- Decreased Travel - In State (2,800)
- Decreased Travel - Out of State (6,600)
- Rent - State Owned Buildings 228,200
  Includes reinstatement of General Fund rent in the amount of $228,200 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Increased Equipment Costs 2,500
- Elimination of Funding for the Governors' Task Force on Juvenile Corrections and 2 associated FTE positions. (114,400)
  The Governor's Task Force on Juvenile Corrections was established through Executive Order by Governor Mofford in 1989, and later extended by both Governor Mofford and Governor Symington. The Legislature chose not to provide funding for this task force in FY 1990 and FY 1991. However, in FY 1992, the Legislature appropriated $114,400 for this purpose. The Task Force was originally created to aid the new department in setting overall goals and direction.

Upon completion of that task, the Task Force's mission was amended to making specific recommendations for change. This task has also been completed. The Task Force is currently functioning as a monitor and advisor to the department and aided in selection of the new director. The Task Force has completed its missions and was initially expected to be a one-year task force. In addition, the Legislature has never stated an intent to create a permanent oversight task force for the Department of Youth Treatment and Rehabilitation. Therefore, the JLBC Staff recommends elimination of funding for this Task Force. If funding is continued, a clear set of responsibilities, authority, and duration of existence should be established for the Task Force.

- Close Alamo Juvenile Institution and Provide Care for Mentally Ill Youth in Community Placements (102,500)

  This issue provides care in the community while enabling the state to receive offsetting federal funds from the Title XIX EPSDT program. The savings shown are reduced administrative costs and include a reduction of 2.5 FTE positions. For a full description of this issue, please refer to the summary pages.

- Eliminate 4 FTE positions (242,700)

  The department created 4 new FTE positions as Superintendents and upgraded 2 other FTE positions to Regional Administrators. This additional layer of administration is unnecessary and excessive. The JLBC Staff recommends that these new positions be eliminated. The Executive recommends downgrading these positions and reducing funding by $(152,900) rather than eliminating the positions. However, this would allow the department to create 4 other FTE positions in exchange for those that are downgraded.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: SECURE CARE

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	607.10	502.10	502.10	502.10	452.60	
OPERATING BUDGET						
PERSONAL SERVICES	12,945,000	11,481,000	11,830,600	11,361,200	10,440,200	
EMPLOYEE RELATED EXP	2,179,800	3,222,700	3,726,700	3,359,900	3,016,400	
PROFESSIONAL/OUTSIDE SVCS	582,300	627,600	627,600	647,100	664,500	
TRAVEL - IN STATE	34,900	349,000	349,000	349,000	289,400	
OTHER OPERATING EXP	2,114,600	3,228,200	3,302,200	3,322,100	3,055,000	
EQUIPMENT	6,900	299,900	65,800	63,700	13,300	
ALL OTHER OPERATING	2,738,700	4,504,700	4,344,600	4,381,900	4,022,200	
OPERATING SUBTOTAL	17,863,500	19,208,400	19,901,900	19,103,000	17,478,800	
SPECIAL LINE ITEMS						
FOOD	521,000	269,100	269,100	342,700	225,900	
WORK INCENTIVE PAY PLAN	109,200	35,900	35,900	35,900	64,200	
SPECIAL ITEM SUBTOTAL	630,200	305,000	305,000	378,600	290,100	
PROGRAM TOTAL	18,493,700	19,513,400	20,206,900	19,481,600	17,768,900	

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: SECURE CARE

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	18,493,700	19,213,400	19,906,900	19,181,600	17,168,900	
OTHER FUNDS	0	300,000	300,000	300,000	600,000	
OTHER NON APPROPRIATED	74,200	69,000	106,000	0	6,000	
PROGRAM TOTAL-ALL SOURCES	18,567,900	19,582,400	20,312,900	19,481,600	17,774,900	

The JLBC Staff recommends a total appropriation of $17,768,900 -- a net decrease of $(1,744,500), or (8.9)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $17,168,900 -- a net decrease of $(2,044,500), or (10.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ (6,900)
  Includes a vacancy factor of 3%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 6.07%. This figure also includes a decreased Personal Services requirement based upon a calculation of actual salaries. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes — 85,900
- Medical Inflation — 19,500
- Appropriate Parental Assessment and Restitution Funds — 100,000
  Parental Assessment and Restitution (PAR) Funds are generated by parents of committed youth that are required by court order to pay a portion of the cost of the youth's room, board, and treatment. The JLBC Staff recommends appropriating $100,000 of PAR funds to offset the General Fund appropriation. It is further recommended that medical funding be increased by $70,000, and Work Incentive Pay Plan (WIPP) funding be increased by $30,000 as a benefit of appropriating these PAR funds.
- Decreased Travel - In State — (29,000)

- Increased Rent for Endowment Lands — 64,700

  The department leases land for the Catalina Juvenile Facility from the School Land Endowment, and for Adobe Mountain Juvenile Facility from the Penitentiary Land Endowment. The State Land Department determines the annual cost of rent for these lands. The department's FY 1993 charges are $1,147,400, which is an increase of $64,700 over FY 1992. However, these funds are subsequently used to offset expenditures of the Department of Corrections and the Department of Education. Therefore, the statewide impact is a net increase of zero.

- Shift in Risk Management Assessment From Education Program — 7,000
- Increase in Non-Capitalized Equipment Costs — 37,000
- Decrease in Equipment Costs — (286,600)
- Decrease in General Fund Food Costs — (11,100)

  This reduction in General Fund costs is based on an average meal cost of $1.035, for 555 juveniles in Secure Care facilities receiving 1,095 meals per year. Total funds available for food are $625,900, of which $225,900 are General Fund and $400,000 are from the federal National School Breakfast and Lunch Program. The total funding per youth has not been decreased, and the savings only represent additional offsetting resources from federal funds. The Executive recommended a General Fund increase of $73,600, primarily due to applying a higher meal cost.

- Shift of $200,000 in costs from General Fund to Land Endowment Earnings — -0-

  This shift will make use of an outstanding balance in the department's State Charitable, Penal and Reformatories Land Earnings Fund.

- Close Alamo Juvenile Facility and Provide Care for Mentally Ill Youth in Community Placements — (1,725,000)

  This issue closes Alamo Juvenile facility and provides funds for community treatment in order to qualify for offsetting federal funds from the Title XIX EPSDT program. The number shown reflects only the closing of Alamo and Secure Care program savings. This issue includes a reduction of 49.5 FTE positions from this division. For a full description of this issue, please refer to the summary pages.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: COMMUNITY CARE

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	58.00	36.00	36.00	36.00	36.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,372,400	821,000	846,000	820,600	837,500	
EMPLOYEE RELATED EXP	214,300	230,500	266,500	219,500	236,000	
PROFESSIONAL/OUTSIDE SVCS	449,000	97,100	97,100	97,100	97,100	
TRAVEL - IN STATE	19,400	144,200	144,200	144,200	140,000	
OTHER OPERATING EXP	235,700	203,200	203,200	205,000	181,500	
EQUIPMENT	2,300	132,400	0	0	0	
ALL OTHER OPERATING	706,400	576,900	444,500	446,300	418,600	
OPERATING SUBTOTAL	2,293,100	1,628,400	1,557,000	1,486,400	1,492,100	
SPECIAL LINE ITEMS						
PURCHASE OF CARE	4,206,900	5,597,400	5,597,400	0	0	
FOOD	0	12,900	12,900	12,900	12,900	
CMNTY MENTAL HLTH TRTMNT	0	0	0	0	1,313,100	
RESIDENTIAL TREATMENT	0	0	0	3,574,400	3,714,600	
COMMUNITY TREATMENT	0	0	0	2,023,000	2,747,700	
SPECIAL ITEM SUBTOTAL	4,206,900	5,610,300	5,610,300	5,610,300	7,788,300	
PROGRAM TOTAL	6,500,000	7,238,700	7,167,300	7,096,700	9,280,400	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: COMMUNITY CARE

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,500,000	7,238,700	7,167,300	7,096,700	8,980,400	
OTHER FUNDS	0	0	0	0	300,000	
OTHER NON APPROPRIATED	77,200	447,400	300,000	0	0	
PROGRAM TOTAL-ALL SOURCES	6,577,200	7,686,100	7,467,300	7,096,700	9,280,400	

The JLBC Staff recommends a total appropriation of $9,280,400 -- a net increase of $2,041,700, or 28.2%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $8,980,400 -- a net increase of $1,741,700, or 24.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ 21,100
  Includes a new vacancy factor of 1%, which is the standard rate for cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 6.07%. This figure also reflects a decreased Personal Services requirement based upon a calculation of actual salaries. The Executive recommends a vacancy factor of 3%.
- ERE Rate Changes — 900
- Decreased Travel - In State — (4,200)
- One-time Equipment Costs — (132,400)
- Decreased Rent Costs — (21,700)
- Increase in Purchase of Care--Title XIX (EPSDT) Service Requirements. — 564,900
  The department contracts with many of the same providers that are part of the Children's Behavioral Health provider network. These community providers have been forced, in many cases, to upgrade their facilities, staff, and treatment in order to be licensed to care for Title XIX eligible children. These upgrades result in higher costs which are then passed on in higher charges for services. Although the department does not greatly benefit from federal Title XIX matching funds, it must still bear these increased costs. The $564,100 increase is recommended to cover these increased contract prices and does not represent an increase in services.

- Increase in Purchase of Care--Appropriating Criminal Justice Enhancement Fund (CJEF) monies 300,000

  The department receives a portion of the Criminal Justice Enhancement Fund (CJEF) to fund substance abuse programs for committed youth. The JLBC Staff recommends that these funds be appropriated for this same purpose. Appropriation of CJEF monies will provide the Legislature with the opportunity to review these expenditures for their effectiveness and continuing necessity. The appropriation of these funds also more clearly reflects the funding available to the department for community treatment.

- Close Alamo Juvenile Facility and Provide Care for Mentally Ill Youth In Community Placements 1,313,100

  This issue closes Alamo Juvenile Facility and provides funds for community mental health treatment in order to qualify for offsetting federal funds from the Title XIX EPSDT program. The number shown is the increase in General Fund for the Community Care Program. In addition, $511,900 is expected to be generated in federal funds for total funding of $1,825,000. For a full description of this issue, please refer to the summary pages.

- Redistribution of Purchase-of-Care -0-

  For FY 1993, both the JLBC Staff and the Executive recommend dividing the Purchase-of-Care line item into a Residential Treatment line and a Community Treatment line in order to provide enhanced tracking and oversight. The JLBC Staff recommends 105 average daily placements (ADP) and $3,714,600 for residential treatment, and 581 ADP and $2,747,700 for community treatment. The Executive recommended 105 ADP and $3,574,400 for residential, and 512 ADP and $2,023,000 for non-residential treatment.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: YOUTH TRMT & REHAB, DEPT
COST CENTER: EDUCATION

JLBC ANALYST: BRADLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: ESKESEN
SENATE SUBCOMMITTEE CHAIR: BARTLETT

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	52.00	55.00	55.00	55.00	46.00	
OPERATING BUDGET						
PERSONAL SERVICES	1,479,100	1,568,500	1,568,500	0	1,329,100	
EMPLOYEE RELATED EXP	206,400	421,300	483,100	0	330,400	
PROFESSIONAL/OUTSIDE SVCS	56,700	57,900	57,900	0	37,900	
TRAVEL - IN STATE	14,500	19,400	19,400	0	7,200	
OTHER OPERATING EXP	144,900	442,100	537,100	0	388,200	
EQUIPMENT	21,500	95,000	0	0	0	
ALL OTHER OPERATING	237,600	614,400	614,400	0	433,300	
OPERATING SUBTOTAL	1,923,100	2,604,200	2,666,000	0	2,092,800	
SPECIAL LINE ITEMS						
EQUALIZATN ASST PASS THRU	0	0	0	2,104,200	0	
SPECIAL ITEM SUBTOTAL	0	0	0	2,104,200	0	
PROGRAM TOTAL	1,923,100	2,604,200	2,666,000	2,104,200	2,092,800	
BY FUND SOURCE						
GENERAL FUND	1,923,100	0	0	0	0	
OTHER FUNDS	0	2,604,200	2,666,000	2,104,200	2,092,800	
PROGRAM TOTAL-ALL SOURCES	1,923,100	2,604,200	2,666,000	2,104,200	2,092,800	

DEPARTMENT: DEPARTMENT OF YOUTH TREATMENT AND REHABILITATION
COST CENTER: EDUCATION

The JLBC Staff recommends a total appropriation of $2,092,800 -- a net decrease of $(511,400), or (19.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes — $ (31,400)
- Reduction of 9 FTE positions — (298,900)
  This reduction and the 4 following reductions are necessary in order to bring expenditures down to the level of funding that will be received in FY 1993 from state equalization assistance. The reduction in 9 FTE positions and the following reductions were identified by the department as reductions they would make due to reduced funding. The equalization assistance is expected to decline from $2,604,200 in FY 1992 to $2,092,800 in FY 1993 as a result of declining student count.
- One-Time Decrease in Equipment Costs — (95,000)
- Shift of Risk Management Costs to the Secure Care Program — (7,000)
- Elimination of Teacher Conferences and In-Service Training — (32,200)
  This reduction will eliminate all formal teacher training activities.
- Other Reductions — (46,900)
  Other reductions totalling $46,900 must be made in Other Operating Expenditures in addition to those listed above, in order to remain within the estimated $2,092,800 in state equalization assistance.

Other Issues for Legislative Consideration

- Appropriation Format
  The Executive has recommended appropriating the Education program as a single line. The JLBC Staff does not recommend changing the method of appropriation. By reducing this cost center to a single line, the Legislature will lose detailed oversight over the policies and expenditures of this program. The single line item would not provide any more flexibility than a lump sum appropriation for this program, and is therefore unnecessary.
- Education Funding
  The reductions shown above are the result of Average Daily Membership (ADM) in the departments' schools dropping from a budgeted level of 580 in FY 1992 to an actual ADM of 477. The actual ADM will be used to determine state equalization assistance payments for FY 1993. The declining census in Secure Care facilities will continue to erode juvenile education funding. Five factors cause concern for the continued success of this program without increased funding:

-- Teacher salaries are far below competitive levels and those recommended by the Department of Administration.
-- The education program must maintain a "school" at each Secure Care facility, thus diluting available resources.
A normal school district with an average daily membership of 477 would probably operate only 1 campus. The department maintains a campus at each of its 4 Secure Care facilities. In FY 1993, the department will have only 46 General Fund FTE positions to divide among 4 campuses, which exacerbates the problem of reduced funding. Security and transportation needs prohibit the department from operating only one campus.
-- The education program must become accredited.
-- Class sizes are much smaller than in regular districts due to unique needs.
-- The "school year" is year round, although funding is based on a 9 month school year.

These issues would require statutory change or a General Fund subsidy to alleviate. An alternative that could be considered for FY 1993 is to fund rapid decline at 64% as was recommended for other school districts. The department's rapid decline was suspended for FY 1993 by statute and therefore is not funded. This option would produce approximately $207,800 in additional equalization aid, and thereby reduce the impact of funding cuts.

TRANSPORTATION
(TR)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3,334.00	3,295.00	3,421.00	3,295.10	3,314.00	
BY PROGRAM/ORGANIZATION						
DIRECTOR'S STAFF	355,200	460,600	789,300	783,400	767,300	
TRANS PLANNING DIVISION	3,702,400	4,347,300	4,413,300	4,360,100	4,278,900	
ADMIN SERVICES DIVISION	32,648,000	34,109,100	37,731,000	37,498,000	36,087,400	
SPECIAL SUPPORT GROUP	3,729,700	3,915,200	4,361,700	4,303,600	4,165,800	
MOTOR VEHICLE DIVISION	29,404,900	32,446,500	35,075,700	34,323,300	32,642,300	
HIGHWAYS DIVISION	108,408,200	111,824,300	118,421,100	114,888,000	114,633,900	
AERONAUTICS DIVISION	1,386,800	1,780,800	1,576,200	1,574,600	1,555,100	
PUBLIC TRANSIT DIVISION	101,200	100,200	204,900	207,200	109,200	
AGENCY TOTAL	179,736,400	188,984,000	202,573,200	197,938,200	194,239,900	
OPERATING BUDGET						
PERSONAL SERVICES	64,034,300	63,948,200	64,815,800	63,830,200	61,814,400	
EMPLOYEE RELATED EXP	14,812,500	16,348,600	19,140,300	15,981,000	16,892,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PROFESSIONAL/OUTSIDE SVCS	2,738,200	1,778,000	1,782,000	1,778,000	1,782,000	
TRAVEL - IN STATE	1,189,100	1,697,800	1,721,100	1,697,800	1,687,800	
TRAVEL - OUT OF STATE	130,300	143,200	143,900	143,200	143,200	
OTHER OPERATING EXP	22,663,100	25,030,100	25,055,800	25,003,200	24,250,900	
EQUIPMENT	1,531,300	1,495,100	2,698,300	2,672,500	1,310,100	
ALL OTHER OPERATING	28,252,000	30,144,200	31,401,100	31,294,700	29,174,000	
OPERATING SUBTOTAL	107,098,800	110,441,000	115,357,200	111,105,900	107,880,900	
SPECIAL LINE ITEMS						
RISK MANAGEMENT PREMIUM	9,130,900	10,017,900	10,017,900	10,017,900	10,017,900	
EDUCATION AND TRAINING	15,600	15,800	15,800	15,800	15,800	
LICENSE PLATES AND TABS	1,253,900	1,275,300	1,275,300	1,275,300	1,275,300	
MEDICAL ADVISORY BOARD	71,500	86,300	87,800	88,800	86,600	
DRIVERS LICENSE/TITLE	345,400	2,200,000	2,200,000	2,200,000	2,200,000	
REIMBURSEMENT TO HWY FUND	33,900	70,500	70,500	70,500	70,500	
HIGHWAY MAINTENANCE	61,209,100	62,955,000	63,682,500	63,240,800	67,497,800	
RADIO COMMUNICATIONS	414,700	417,100	417,100	417,100	417,100	
OTHER TRANSIT PLANNING	20,000	16,800	16,800	16,800	16,800	
MAG PROGRAM LIFECYCLE	0	0	198,900	197,400	190,700	
PRIVATIZATION	0	0	109,500	108,700	104,700	
TORT LIABILITY LOSS CNTRL	0	0	200,800	200,800	130,700	
FINANCIAL MNGMNT & CONTRL	0	0	225,300	224,200	221,300	
OPERATIONAL REQUIREMENT	0	0	702,100	701,500	407,100	
REG. AREA ROAD FUND RENT	0	0	706,500	706,500	706,500	
EDP SERVICE REQUIREMENTS	0	0	700,200	698,800	658,200	
INDUSTRIAL HYGIENE	0	0	54,500	54,200	45,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
PERSONNEL ADMIN. REQ.	0	0	84,800	84,300	62,500	
LEGAL COUNSEL SERVICES	0	0	137,200	136,100	134,000	
MVD SERVICE IMPROVEMENT	0	0	610,400	603,400	308,200	
REVENUE COLLECTIONS	0	0	443,300	443,300	169,900	
MVD OPERATIONAL REQRMNTS	0	0	87,200	87,200	0	
MVD LEGAL COUNSEL	0	0	78,400	78,400	0	
HIWAY MAINT NEW FEATURES	0	0	2,358,000	2,356,800	0	
HIGHWAY DEVELOPMENT REQ.	0	0	690,500	657,500	87,600	
TRAFFIC ANALYSIS	0	0	179,800	172,300	163,400	
OPERATIONAL TRANSFER	0	0	-5,300	80,900	0	
SPECIAL & HAZARDOUS WASTE	0	16,600	0	0	0	
MAG PGM LIFECYCLE XFEROUT	0	0	-84,900	-79,500	0	
HIWAY OPER SPT	0	0	213,000	213,000	113,000	
AIR QUALITY CONFORMANCE	0	0	96,700	96,700	0	
MANDATORY INSURANCE ENF.	142,600	1,372,900	1,599,600	1,621,000	1,212,100	
ABANDONED VEHICLE FUND	0	98,800	45,800	45,800	45,800	
SPECIAL ITEM SUBTOTAL	72,637,600	78,543,000	87,216,000	86,832,300	86,359,000	
A G E N C Y T O T A L	179,736,400	188,984,000	202,573,200	197,938,200	194,239,900	
BY FUND SOURCE						
GENERAL FUND	75,500	67,300	69,000	71,000	69,600	
OTHER FUNDS	179,660,900	188,916,700	202,504,200	197,867,200	194,170,300	
FEDERAL FUNDS	188,435,600	182,118,700	193,244,100	0	193,244,100	
OTHER NON APPROPRIATED	66,765,600	114,003,800	93,482,800	0	93,590,400	
AGENCY TOTAL-ALL SOURCES	434,937,600	485,106,500	489,300,100	197,938,200	481,074,400	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $194,239,900 -- a net increase of $5,255,900, or 2.8%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $69,600 -- a net increase of $2,300, or 3.4% to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 2.8%.	$(1,376,900)
• ERE Rate Changes	1,174,100
• Capitalized Equipment Adjustment	(185,000)
• Other One Time Adjustments	(327,000)
• Non-Capitalized Equipment	14,400
• Highway Maintenance	4,542,800
• Annualization	33,500
• Mandatory Insurance	(160,800)
• Special and Hazardous Waste	(16,600)
• Abandoned Vehicle Fund	(53,000)
• Medical Advisory Board	300
• MAG Program Lifecycle	190,700
• Privatization Administration	104,700
• Tort Liability Loss Control	130,700
• Financial Management and Control	221,300
• EDP Service Requirements	658,200
• Operational Requirements	407,100
• Regional Area Road Fund (RARF) Rent	706,500
• Industrial Hygiene	45,500
• Personnel Administration Requirements	62,500
• Legal Counsel Services	134,000
• Service Improvements	308,200
• Revenue Collections	169,900
• Inter-Departmental- Transfer School Bus Training	(55,200)
• Intra Departmental Transfer	(2,033,300)
• Traffic Analysis	163,400

• Highway Development Requirements	87,600
• Highway Operational Support	113,000
• Dealer Enforcement Fund	195,300

The Department of Transportation has requested funding for initiatives in a fashion to allow the Director maximum flexibility in taking management actions to streamline, privatize and reorganize to improve efficiency and effectiveness. In return for this flexibility, the Director has agreed:

a. To add no new FTE positions for FY 1993; and

b. Make a concerted effort to submit an FY 1994 budget request which reflects reductions in FTE positions and cost of administration/operations of the department.

The JLBC Staff recommends approval of the concept of funding initiatives in this fashion for FY 1993 only. Future budgets would be funded in the traditional line item format, accommodating the Director's requests for realignment of resources. Since the initiatives presented by the department represent consolidation of policy issues by functional groupings, the staff recommendation was arrived at based on budgetary detail and worthiness of the issues involved. This methodology took into consideration the following:

1. Needs of the Department;

2. Need to totally fund DPS Highway Patrol activities from a combination of HURF/Highway Funds;

3. Optimize funding available for statewide highway construction; and

4. Ensure cities/counties HURF funding is not reduced below current level.

The following table is provided to demonstrate how these criteria were applied.

HIGHWAY USER REVENUE FUND ANALYSIS
(Thousands)

	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	FY 1993 Exec Rec	FY 1993 JLBC Rec.
Estimated Total HURF Collections	$ 679,811	$ 693,000	$ 715,800	$ 715,800	$ 715,800
Less: Economic Strength Fund	500	1,000	1,000	1,000	1,000
Funding for the Department of Public Safety	-0-	12,453	-0-	14,366	24,750
Mandatory Insurance	235	1,372	1,600	1,621	1,212
Net HURF Collections	679,076	678,175	713,200	698,813	688,838
Less: Cities	208,708	207,315	218,695	213,875	210,534
Counties	123,746	122,599	129,372	126,495	124,500
Controlled Access, 15% Funds	52,300	52,163	54,813	53,734	52,986
Department of Public Safety Transfer	23,303	25,253	21,000	25,265	18,203
Net State Highway Fund (Discretionary)	271,019	270,845	289,320	279,444	282,615
Less: Operating Budget	178,077	185,601	198,907	198,775	191,092
Proposed Pay Raise	-0-	-0-	1,815	1,815	1,815
Potential Risk Management Increase	-0-	-0-	5,825	5,825	3,948
Capital Outlay	8,904	4,344	11,849	10,537	5,190
Debt Service	28,452	31,500	39,810	39,810	39,810
Plus: Interest Income (State Highway Fund)	9,063	8,000	7,000	7,000	7,000
Net HURF available for Statewide Highway Construction	$ 64,649	$ 57,400	$ 38,114	$ 29,682	$ 47,760

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: DIRECTOR'S STAFF

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	6.00	6.00	6.00	6.00	6.00	
OPERATING BUDGET						
PERSONAL SERVICES	290,800	352,900	364,400	364,400	364,400	
EMPLOYEE RELATED EXP	36,600	52,700	62,500	58,900	53,500	
TRAVEL - IN STATE	11,200	19,500	19,500	19,500	19,500	
TRAVEL - OUT OF STATE	4,500	9,600	9,600	9,600	9,600	
OTHER OPERATING EXP	12,100	25,900	24,900	24,900	24,900	
ALL OTHER OPERATING	27,800	55,000	54,000	54,000	54,000	
OPERATING SUBTOTAL	355,200	460,600	480,900	477,300	471,900	
SPECIAL LINE ITEMS						
MAG PROGRAM LIFECYCLE	0	0	198,900	197,400	190,700	
PRIVATIZATION	0	0	109,500	108,700	104,700	
SPECIAL ITEM SUBTOTAL	0	0	308,400	306,100	295,400	
PROGRAM TOTAL	355,200	460,600	789,300	783,400	767,300	
BY FUND SOURCE						
OTHER FUNDS	355,200	460,600	789,300	783,400	767,300	
PROGRAM TOTAL-ALL SOURCES	355,200	460,600	789,300	783,400	767,300	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: DIRECTOR'S STAFF

The JLBC Staff recommends a total appropriation of $767,300 -- a net increase of $306,700, or 66.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $13,200
  Maintains a vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes (900)
- Non-Capitalized Equipment (1,000)
- MAG Program Lifecycle 190,700
  The JLBC Staff recommends establishing an office to implement a budget-based monitoring, reporting, and control process for the overall Maricopa Association of Governments program so that short-term decisions regarding scope, financing and scheduling are not permitted to undermine the long-term viability of the program as recommended by the August 1991 Performance audit of the Urban Highways Program for Maricopa County. The Executive recommends $197,400.
- Privatization 104,700
  The JLBC Staff recommends establishing an office to oversee the development of criteria for evaluating privatization projects and to evaluate proposals and make recommendations on privatization of freeway construction. This recommendation supports Laws 1991, Chapter 304 § 2. The Executive recommends $108,700.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: TRANS PLANNING DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	89.00	99.00	101.00	98.80	99.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,522,700	3,014,200	2,994,900	2,972,400	2,950,000	
EMPLOYEE RELATED EXP	555,600	628,100	715,500	681,600	633,800	
PROFESSIONAL/OUTSIDE SVCS	2,700	0	0	0	0	
TRAVEL - IN STATE	78,100	113,300	113,300	113,300	113,300	
TRAVEL - OUT OF STATE	20,500	14,900	14,900	14,900	14,900	
OTHER OPERATING EXP	380,600	426,800	421,500	424,700	416,900	
EQUIPMENT	142,200	150,000	153,200	153,200	150,000	
ALL OTHER OPERATING	624,100	705,000	702,900	706,100	695,100	
PROGRAM TOTAL	3,702,400	4,347,300	4,413,300	4,360,100	4,278,900	
BY FUND SOURCE						
OTHER FUNDS	3,702,400	4,347,300	4,413,300	4,360,100	4,278,900	
FEDERAL FUNDS	4,193,700	4,978,400	5,176,900	0	5,176,900	
PROGRAM TOTAL-ALL SOURCES	7,896,100	9,325,700	9,590,200	4,360,100	9,455,800	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: TRANSPORTATION PLANNING DIVISION

The JLBC Staff recommends a total appropriation of $4,278,900 -- a net decrease of $(68,400), or (1.6)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.	$(77,900)
• ERE Rate Changes	19,400
• Non-Capitalized Equipment	(4,600)
• One Time Adjustment	(5,300)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: ADMIN SERVICES DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	335.00	325.00	349.00	325.40	325.00	
OPERATING BUDGET						
PERSONAL SERVICES	8,874,600	8,845,700	9,094,800	8,958,400	8,822,000	
EMPLOYEE RELATED EXP	1,944,100	1,929,100	2,273,700	2,181,100	2,003,500	
PROFESSIONAL/OUTSIDE SVCS	1,711,200	1,140,400	1,140,400	1,140,400	1,140,400	
TRAVEL - IN STATE	16,600	28,400	28,400	28,400	28,400	
TRAVEL - OUT OF STATE	15,600	11,600	11,600	11,600	11,600	
OTHER OPERATING EXP	10,324,200	11,878,600	11,874,100	11,873,200	11,682,400	
EQUIPMENT	630,800	257,400	755,200	755,200	257,400	
ALL OTHER OPERATING	12,698,400	13,316,400	13,809,700	13,808,800	13,120,200	
OPERATING SUBTOTAL	23,517,100	24,091,200	25,178,200	24,948,300	23,945,700	
SPECIAL LINE ITEMS						
RISK MANAGEMENT PREMIUM	9,130,900	10,017,900	10,017,900	10,017,900	10,017,900	
TORT LIABILITY LOSS CNTRL	0	0	200,800	200,800	130,700	
FINANCIAL MNGMNT & CONTRL	0	0	225,300	224,200	221,300	
OPERATIONAL REQUIREMENT	0	0	702,100	701,500	407,100	
REG. AREA ROAD FUND RENT	0	0	706,500	706,500	706,500	
EDP SERVICE REQUIREMENTS	0	0	700,200	698,800	658,200	
SPECIAL ITEM SUBTOTAL	9,130,900	10,017,900	12,552,800	12,549,700	12,141,700	
PROGRAM TOTAL	32,648,000	34,109,100	37,731,000	37,498,000	36,087,400	

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: ADMIN SERVICES DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	32,648,000	34,109,100	37,731,000	37,498,000	36,087,400	
PROGRAM TOTAL-ALL SOURCES	32,648,000	34,109,100	37,731,000	37,498,000	36,087,400	

The JLBC Staff recommends a total appropriation of $36,087,400 -- a net increase of $1,978,300, or 5.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(29,100)
  Includes a new vacancy factor of 3%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes 79,800
- Non-Capitalized Equipment (4,500)
- One Time Adjustment (191,700)
- Tort Liability Loss Control 130,700
  The JLBC Staff recommends enhancement of the litigation and collision investigation capability of the department. Considering that FY 1992 risk management costs exceed $10 million and the projected FY 1993 cost is estimated at $14 million (all increases in risk management charges will be allocated from a lump-sum increase in the appropriations bill and are not shown in individual agency budgets), the cost of this issue can easily be recouped from a single settlement. Furthermore, this will enable the department to comply with the recently established Arizona Supreme Court requirements in the discovery process. The Executive recommends $200,800.

- Financial Management and Control — 221,300

  The JLBC Staff recommends additional resources to enable the department to more efficiently address the requirements of Generally Accepted Accounting Practices (GAAP) and the operation of the Advanced Automated Transportation Accounting System (TRACS). The Department's Management Consulting Office (Formerly the Productivity Resource Management System,(PRMS)) studied the divisions manpower requirements and found a significant increase in workload without a corresponding increase in manpower. The Executive recommends $224,200.

- EDP Service Requirements — 658,200

  The JLBC Staff recommends: improvements to both the voices and data telecommunications networks to improve responsiveness to inquiries from both the public and other state agencies such as the Department of Public Safety; upgrading the mainframe to meet the increased requirements for data processing; and, improved support for users of the LAN, WANG mini computer and PC's. The Executive recommends $698,800.

- Operational Requirements — 407,100

  The JLBC Staff recommends increased funding to: improve procurement and contracting services; to provide utilities for newly opened facilities and the increased volume of mail; to improve the in-house design capability to accommodate 75% of the facility design work; and, to address the increased workload. The Executive recommends $701,500 which includes recycling, telephone operating funds and security services.

- Regional Area Road Fund (RARF) Rent — 706,500

  The JLBC Staff recommends that funds be appropriated to pay the RARF the fair market value for rental of buildings purchased in the freeway corridors with RARF monies, which are being utilized by the Department of Transportation (ADOT) for temporary office space during renovation of ADOT permanent office spaces. Reimbursement of RARF for use of these properties acquired with RARF monies was recommended by the August 1991 Performance Audit. The Executive recommends $706,500.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: SPECIAL SUPPORT GROUP

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	84.00	84.00	90.00	83.90	84.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,684,000	2,816,100	2,857,300	2,835,900	2,814,400	
EMPLOYEE RELATED EXP	536,300	559,000	650,300	615,500	574,400	
PROFESSIONAL/OUTSIDE SVCS	129,700	200,800	200,800	200,800	200,800	
TRAVEL - IN STATE	21,100	35,200	35,200	35,200	35,200	
TRAVEL - OUT OF STATE	12,800	19,300	19,300	19,300	19,300	
OTHER OPERATING EXP	266,500	244,900	239,100	239,100	239,800	
EQUIPMENT	63,700	24,100	67,400	67,400	24,100	
ALL OTHER OPERATING	493,800	524,300	561,800	561,800	519,200	
OPERATING SUBTOTAL	3,714,100	3,899,400	4,069,400	4,013,200	3,908,000	
SPECIAL LINE ITEMS						
EDUCATION AND TRAINING	15,600	15,800	15,800	15,800	15,800	
INDUSTRIAL HYGIENE	0	0	54,500	54,200	45,500	
PERSONNEL ADMIN. REQ.	0	0	84,800	84,300	62,500	
LEGAL COUNSEL SERVICES	0	0	137,200	136,100	134,000	
SPECIAL ITEM SUBTOTAL	15,600	15,800	292,300	290,400	257,800	
PROGRAM TOTAL	3,729,700	3,915,200	4,361,700	4,303,600	4,165,800	

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: SPECIAL SUPPORT GROUP

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	3,729,700	3,915,200	4,361,700	4,303,600	4,165,800	
OTHER NON APPROPRIATED	33,140,900	34,570,600	34,338,800	0	34,338,800	
PROGRAM TOTAL-ALL SOURCES	36,870,600	38,485,800	38,700,500	4,303,600	38,504,600	

The JLBC Staff recommends a total appropriation of $4,165,800 -- a net increase of $250,600, or 6.4%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(2,100)
  Includes a new vacancy factor of 1.5%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.75%. The Executive recommends a vacancy factor of 0.75%.
- ERE Rate Changes 15,800
- Non-Capitalized Equipment (5,100)
- Industrial Hygiene 45,500
  The JLBC Staff recommends funding to improve safety within the department and to comply with state and federal OSHA requirements and to minimize Risk Management and Worker Compensation exposure. The Executive recommends $54,200.
- Personnel Administration Requirements 62,500
  The JLBC Staff recommends funding to provide for workload increases in the Human Resources and Personnel Administration area. The Executive recommends $84,300.
- Legal Counsel Services 134,000
  The JLBC Staff recommends funding to expand the department's legal staff to address the problem of right-of-way acquisition and practices, and to determine the most cost effective strategy for right-of-way acquisition. The August 1991 Performance Audit recommended controlling right-of-way costs. The Executive recommends $136,100.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: MOTOR VEHICLE DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	872.00	867.00	927.00	867.00	870.00	
OPERATING BUDGET						
PERSONAL SERVICES	17,923,100	17,828,600	18,044,800	17,685,400	17,478,800	
EMPLOYEE RELATED EXP	4,645,500	4,365,000	5,201,700	4,902,000	4,682,700	
PROFESSIONAL/OUTSIDE SVCS	760,400	371,700	375,700	371,700	375,700	
TRAVEL - IN STATE	236,000	328,200	351,500	328,200	350,700	
TRAVEL - OUT OF STATE	24,100	22,600	23,300	22,600	22,600	
OTHER OPERATING EXP	3,781,800	4,430,500	4,492,400	4,437,500	4,383,900	
EQUIPMENT	220,600	50,000	158,500	132,700	50,000	
ALL OTHER OPERATING	5,022,900	5,203,000	5,401,400	5,292,700	5,182,900	
OPERATING SUBTOTAL	27,591,500	27,396,600	28,647,900	27,880,100	27,344,400	
SPECIAL LINE ITEMS						
LICENSE PLATES AND TABS	1,253,900	1,275,300	1,275,300	1,275,300	1,275,300	
MEDICAL ADVISORY BOARD	71,500	86,300	87,800	88,800	86,600	
DRIVERS LICENSE/TITLE	345,400	2,200,000	2,200,000	2,200,000	2,200,000	
MVD SERVICE IMPROVEMENT	0	0	610,400	603,400	308,200	
REVENUE COLLECTIONS	0	0	443,300	443,300	169,900	
MVD OPERATIONAL REQRMNTS	0	0	87,200	87,200	0	
MVD LEGAL COUNSEL	0	0	78,400	78,400	0	
SPECIAL & HAZARDOUS WASTE	0	16,600	0	0	0	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: MOTOR VEHICLE DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
MANDATORY INSURANCE ENF.	142,600	1,372,900	1,599,600	1,621,000	1,212,100	
ABANDONED VEHICLE FUND	0	98,800	45,800	45,800	45,800	
SPECIAL ITEM SUBTOTAL	1,813,400	5,049,900	6,427,800	6,443,200	5,297,900	
PROGRAM TOTAL	29,404,900	32,446,500	35,075,700	34,323,300	32,642,300	
BY FUND SOURCE						
OTHER FUNDS	29,404,900	32,446,500	35,075,700	34,323,300	32,642,300	
FEDERAL FUNDS	178,500	409,100	62,200	0	62,200	
OTHER NON APPROPRIATED	9,640,600	11,809,200	10,561,000	0	10,668,600	
PROGRAM TOTAL-ALL SOURCES	39,224,000	44,664,800	45,698,900	34,323,300	43,373,100	

The JLBC Staff recommends a total appropriation of $32,642,300 -- a net increase of $195,800, or 0.6%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(553,900)
  Includes a new vacancy factor of 3%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes 408,900
- Non-Capitalized Equipment 19,200
- Annualization 33,500
  Three positions for the St. George Port-of-Entry were appropriated for 6 months in FY 1992. This annualizes the cost of these positions.

- One Time Adjustment

Mandatory Insurance Enforcement	(552,500)
Medical Advisory Board	300
Special Hazardous Waste	(16,600)
Abandoned Vehicle Fund	(53,000)
Other Operating	(100,000)

- Mandatory Insurance 391,700

  The JLBC Staff recommends additional funding to carry out the provisions of the mandatory insurance statute. The Executive recommends $491,100.

- Service Improvements 308,200

  The JLBC Staff recommends funding to enable the department to open the new drivers license facility in Glendale, provide improved services in other high usage driver license facilities statewide and to improve dealer services. The dealer services funding is included in the special line item, Dealer Enforcement Fund. The Executive recommends $603,400 which includes Saturday overtime, Abandoned Vehicle and Dealer Services Administration funding.

- Revenue Generation 169,900

  The JLBC Staff recommends funding to enable the department to improve revenue generation by improving port-of-entry and collection activities. The Legislature has approved 14 additional FTE positions for revenue collection during the past 5 years, but revenues have increased only marginally. The Executive recommends $443,300 including funding for revenue collectors.

- Inter Departmental Transfer (55,200)

  The JLBC Staff recommends the transfer of 2 FTE positions and associated costs of the Bus Drivers Training function to the Department of Public Safety. This transfer is contingent upon statutory change.

- Dealer Enforcement Fund 195,300

  The JLBC Staff recommends shifting funding for this program from the non-appropriated category to the appropriated category. Laws of 1991, Chapter 317 modifies A.R.S. § 28-1330B by requiring monies in the fund to be subject to Legislative appropriation.

Other Issues for Legislative Consideration

- Operational Requirements

  The Executive recommends $39,800 for increased Other Operating Expenditure requirements and an increase of $47,400 for the License Plate Fund.

- Legal Counsel

  The Executive recommends $78,400 for legal counsel.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: HIGHWAYS DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	1,916.00	1,878.00	1,912.00	1,878.30	1,894.00	
OPERATING BUDGET						
PERSONAL SERVICES	31,075,300	30,237,100	30,612,600	30,170,600	28,545,600	
EMPLOYEE RELATED EXP	6,930,100	8,616,500	10,013,400	7,314,100	8,733,700	
PROFESSIONAL/OUTSIDE SVCS	78,500	6,500	6,500	6,500	6,500	
TRAVEL - IN STATE	800,600	1,142,400	1,142,400	1,142,400	1,109,900	
TRAVEL - OUT OF STATE	45,000	49,500	49,500	49,500	49,500	
OTHER OPERATING EXP	7,483,000	7,571,600	7,582,000	7,582,000	7,081,200	
EQUIPMENT	371,900	828,600	1,564,000	1,564,000	828,600	
ALL OTHER OPERATING	8,779,000	9,598,600	10,344,400	10,344,400	9,075,700	
OPERATING SUBTOTAL	46,784,400	48,452,200	50,970,400	47,829,100	46,355,000	
SPECIAL LINE ITEMS						
HIGHWAY MAINTENANCE	61,209,100	62,955,000	63,682,500	63,240,800	67,497,800	
RADIO COMMUNICATIONS	414,700	417,100	417,100	417,100	417,100	
HIWAY MAINT NEW FEATURES	0	0	2,358,000	2,356,800	0	
HIGHWAY DEVELOPMENT REQ.	0	0	690,500	657,500	87,600	
TRAFFIC ANALYSIS	0	0	179,800	172,300	163,400	
OPERATIONAL TRANSFER	0	0	-5,300	80,900	0	
MAG PGM LIFECYCLE XFEROUT	0	0	-84,900	-79,500	0	
HIWAY OPER SPT	0	0	213,000	213,000	113,000	
SPECIAL ITEM SUBTOTAL	61,623,800	63,372,100	67,450,700	67,058,900	68,278,900	
PROGRAM TOTAL	108,408,200	111,824,300	118,421,100	114,888,000	114,633,900	

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: HIGHWAYS DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	108,408,200	111,824,300	118,421,100	114,888,000	114,633,900	
FEDERAL FUNDS	182,600,700	175,078,800	183,154,800	0	183,154,800	
OTHER NON APPROPRIATED	23,984,100	67,624,000	48,583,000	0	48,583,000	
PROGRAM TOTAL-ALL SOURCES	314,993,000	354,527,100	350,158,900	114,888,000	346,371,700	

The JLBC Staff recommends a total appropriation of $114,633,900 -- a net increase of $2,809,600, or 2.5%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(709,000)
  Includes a new vacancy factor of 3.0% which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 1.5%. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes 634,700
- Non-Capitalized Equipment 10,400
- Highway Maintenance 4,542,800
  The JLBC Staff recommends 17 FTE positions and $2,230,200 to maintain the lane miles, shoulder miles, signs, etc. in the state highway system. This program budget requirement includes the projected FY 1993 additional workload. The Executive recommends $2,356,800 for the new features as a special line item. This special line item also includes funding for increased utility costs.

  The JLBC Staff also recommends that the electrical and signal operations section (41 FTE positions and $1,937,100) be transferred from the Highways Division operating budget to the Highways Maintenance special line item and that the requirement for increased utility costs ($121,100) for freeways be appropriated for Highway Maintenance. The Executive recommends the transfer of the electrical and signal operations sections.

- Highway Development Requirements — 87,600
  The JLBC Staff recommends funding to improve highway bridge safety. The Executive recommends $657,500 to include consultant management and advanced engineering.
- Traffic Analysis — 163,400
  The JLBC Staff recommends funding to provide improved traffic capacity and response to solutions. The Executive recommends $172,300.
- Highway Operational Support — 113,000
  The JLBC Staff recommends funding the purchase of asphalt testing equipment. This equipment is recommended by the Strategic Highway Research Program to determine the suitability of asphalt cement for use for the specific climatic and traffic conditions. The Executive recommends $213,000 which includes $100,000 for a computer network.
- Intra-Departmental Transfers — (2,033,300)
  The JLBC Staff recommends the elimination of 1 FTE position and $(84,900), and the transfer of the Electric and Signal section of the operating budget to the Highway Maintenance special line item, $(1,948,400). The Executive recommends $(1,959,000).

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AERONAUTICS DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	29.00	33.00	33.00	32.70	33.00	
OPERATING BUDGET						
PERSONAL SERVICES	607,600	789,700	776,700	772,800	768,900	
EMPLOYEE RELATED EXP	144,900	183,000	206,400	208,700	193,100	
PROFESSIONAL/OUTSIDE SVCS	55,700	58,600	58,600	58,600	58,600	
TRAVEL - IN STATE	23,700	29,900	29,900	29,900	29,900	
TRAVEL - OUT OF STATE	7,800	14,400	14,400	14,400	14,400	
OTHER OPERATING EXP	411,100	449,700	419,700	419,700	419,700	
EQUIPMENT	102,100	185,000	0	0	0	
ALL OTHER OPERATING	600,400	737,600	522,600	522,600	522,600	
OPERATING SUBTOTAL	1,352,900	1,710,300	1,505,700	1,504,100	1,484,600	
SPECIAL LINE ITEMS						
REIMBURSEMENT TO HWY FUND	33,900	70,500	70,500	70,500	70,500	
SPECIAL ITEM SUBTOTAL	33,900	70,500	70,500	70,500	70,500	
PROGRAM TOTAL	1,386,800	1,780,800	1,576,200	1,574,600	1,555,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: AERONAUTICS DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	1,386,800	1,780,800	1,576,200	1,574,600	1,555,100	
FEDERAL FUNDS	1,462,700	1,652,400	4,850,200	0	4,850,200	
PROGRAM TOTAL-ALL SOURCES	2,849,500	3,433,200	6,426,400	1,574,600	6,405,300	

The JLBC Staff recommends a total appropriation of $1,555,100 -- a net decrease of $(225,700), or (12.7)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ (26,100)
  Includes a new vacancy factor of 1%, which is the standard rate applied to cost centers with this number of FTE positions. The FY 1992 budgeted vacancy factor was 0.5%. The Executive recommends a vacancy factor of 0.5%.
- ERE Rate Changes 15,400
- Capitalized Equipment (185,000)
- One Time Adjustment (30,000)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF TRANSPORTATION
COST CENTER: PUBLIC TRANSIT DIVISION

JLBC ANALYST: BLANTON
OSPB ANALYST: BENBEROU

HOUSE SUBCOMMITTEE CHAIR: GERARD
SENATE SUBCOMMITTEE CHAIR: DOUGHERTY

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	56,200	63,900	70,300	70,300	70,300	
EMPLOYEE RELATED EXP	19,400	15,200	16,800	19,100	17,800	
TRAVEL - IN STATE	1,800	900	900	900	900	
TRAVEL - OUT OF STATE	0	1,300	1,300	1,300	1,300	
OTHER OPERATING EXP	3,800	2,100	2,100	2,100	2,100	
ALL OTHER OPERATING	5,600	4,300	4,300	4,300	4,300	
OPERATING SUBTOTAL	81,200	83,400	91,400	93,700	92,400	
SPECIAL LINE ITEMS						
OTHER TRANSIT PLANNING	20,000	16,800	16,800	16,800	16,800	
AIR QUALITY CONFORMANCE	0	0	96,700	96,700	0	
SPECIAL ITEM SUBTOTAL	20,000	16,800	113,500	113,500	16,800	
PROGRAM TOTAL	101,200	100,200	204,900	207,200	109,200	
BY FUND SOURCE						
GENERAL FUND	75,500	67,300	69,000	71,000	69,600	
OTHER FUNDS	25,700	32,900	135,900	136,200	39,600	
PROGRAM TOTAL-ALL SOURCES	101,200	100,200	204,900	207,200	109,200	

DEPARTMENT: DEPARTMENT OF TRANSPORTATION
COST CENTER: PUBLIC TRANSIT DIVISION

The JLBC Staff recommends a total appropriation of $109,200 -- a net increase of $9,000, or 9%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $69,600 -- a net increase of $2,300, or 3.4%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $8,000
  Maintains a vacancy factor of 0%, which is the standard rate applied to cost centers with this number of FTE positions.
  The Executive recommends a vacancy factor of 0%.
- ERE Rate Adjustments 1,000

Other Issues for Legislative Consideration

- Air Quality Conformance
  The Executive recommends appropriating $96,700 from the Air Quality Fund to the Public Transit Division for air quality conformance. The JLBC Staff recommends that the Department coordinate with the Department of Environmental Quality, who administers the Air Quality Fund, for funding this issue and, if agreement is reached, then the funds can be appropriated to the Department of Transportation.

NATURAL RESOURCES
(NR)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: COMM ON AZ ENVIRONMENT
COST CENTER: COMM ON AZ ENVIRONMENT

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	3.00	3.00	3.00	3.00	3.00	
OPERATING BUDGET						
PERSONAL SERVICES	66,200	70,500	70,500	70,500	70,500	
EMPLOYEE RELATED EXP	18,300	16,900	16,900	17,300	17,000	
PROFESSIONAL/OUTSIDE SVCS	900	1,200	3,200	1,200	1,200	
TRAVEL - IN STATE	600	600	600	600	600	
TRAVEL - OUT OF STATE	300	0	0	0	0	
OTHER OPERATING EXP	19,600	11,300	15,500	11,300	17,800	
EQUIPMENT	5,100	0	0	0	0	
ALL OTHER OPERATING	26,500	13,100	19,300	13,100	19,600	
PROGRAM TOTAL	111,000	100,500	106,700	100,900	107,100	
BY FUND SOURCE						
GENERAL FUND	111,000	100,500	106,700	100,900	107,100	
OTHER NON APPROPRIATED	22,100	27,400	28,100	0	28,100	
PROGRAM TOTAL-ALL SOURCES	133,100	127,900	134,800	100,900	135,200	

DEPARTMENT: COMMISSION ON THE ARIZONA ENVIRONMENT
COST CENTER: COMMISSION ON THE ARIZONA ENVIRONMENT

The JLBC Staff recommends a total appropriation of $107,100 -- a net increase of $6,600, or 1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ -0-
  Maintains a vacancy factor of 0%. The Executive recommends a vacancy factor of 0%.
- ERE Rate Changes 100
- Rent - State Owned Buildings 12,100
  Includes reinstatement of General Fund rent in the amount of $12,100 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Conference and Operating Expenses (5,600)
  Other Operating Expenditures is reduced by $(5,600). The Commission will be able to rely more on conference fees from its Revolving Fund to offset the General Fund reduction.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	277.00	271.50	273.50	273.50	271.50	
BY PROGRAM/ORGANIZATION						
ADMIN. & FIELD SERVICES	14,185,400	14,245,800	14,825,300	14,636,200	14,548,700	
WATERCRAFT	1,241,700	1,447,900	1,380,500	1,373,300	1,331,000	
GAME,N-GM,FISH,ENDRD SPEC	255,000	265,800	265,600	264,700	258,200	
WATERFOWL CONSERVATION FD	2,500	0	0	0	0	
AGENCY TOTAL	15,684,600	15,959,500	16,471,400	16,274,200	16,137,900	
OPERATING BUDGET						
PERSONAL SERVICES	6,820,200	6,847,300	6,926,000	6,847,900	6,831,300	
EMPLOYEE RELATED EXP	2,112,400	2,056,300	2,372,400	2,313,800	2,271,800	
PROFESSIONAL/OUTSIDE SVCS	351,400	235,800	235,800	235,900	220,800	
TRAVEL - IN STATE	268,400	259,000	259,000	259,000	259,000	
TRAVEL - OUT OF STATE	37,100	25,300	25,300	15,800	22,700	
OTHER OPERATING EXP	3,396,700	3,475,400	3,504,400	3,508,000	3,496,400	
EQUIPMENT	543,700	821,000	862,500	810,500	753,600	
ALL OTHER OPERATING	4,597,300	4,816,500	4,887,000	4,829,200	4,752,500	
OPERATING SUBTOTAL	13,529,900	13,720,100	14,185,400	13,990,900	13,855,600	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
COMMISSION RESERVE	400	0	0	0	0	
COOPERATIVE RESEARCH PROJ	30,000	30,000	30,000	30,000	30,000	
PITMAN-ROBERTSON	927,300	910,000	918,000	0	918,000	
DINGELL-JOHNSON	758,000	690,000	767,100	0	767,100	
COST TRANSFER	317,000	359,500	321,000	322,000	321,000	
COST TRANSFER	0	10,000	10,000	10,000	10,000	
PITTMAN-ROB/DINGELL-JOHN	0	0	0	1,685,100	0	
REG.FIELD OFF. LEASE/PUR	119,600	236,500	236,500	232,800	232,800	
WATERFOWL CONSERVATION	2,400	3,400	3,400	3,400	3,400	
SPECIAL ITEM SUBTOTAL	2,154,700	2,239,400	2,286,000	2,283,300	2,282,300	
A G E N C Y T O T A L	15,684,600	15,959,500	16,471,400	16,274,200	16,137,900	
BY FUND SOURCE						
OTHER FUNDS	15,684,600	15,959,500	16,471,400	16,274,200	16,137,900	
FEDERAL FUNDS	11,766,600	11,957,800	12,197,000	0	12,197,000	
OTHER NON APPROPRIATED	687,400	6,910,100	11,316,700	0	11,316,700	
AGENCY TOTAL-ALL SOURCES	28,138,600	34,827,400	39,985,100	16,274,200	39,651,600	

DEPARTMENT: GAME & FISH DEPARTMENT
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $16,137,900 -- a net increase of $178,400, or 1.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$(85,400)
• ERE Rate Changes	225,100
• Federal Programs Match Adjustment	85,100
• Capitalized Equipment Adjustment	(67,400)
• Reclassification of Wildlife Managers	59,800
• Other Adjustments	(38,800)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: ADMIN. & FIELD SERVICES

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	246.50	241.50	241.50	241.50	241.50	
OPERATING BUDGET						
PERSONAL SERVICES	6,322,000	6,279,100	6,331,400	6,258,200	6,265,700	
EMPLOYEE RELATED EXP	1,974,300	1,897,300	2,201,500	2,142,700	2,113,800	
PROFESSIONAL/OUTSIDE SVCS	273,700	160,300	160,300	160,400	160,300	
TRAVEL - IN STATE	251,300	231,700	231,700	231,700	231,700	
TRAVEL - OUT OF STATE	27,400	18,300	18,300	11,300	15,700	
OTHER OPERATING EXP	3,052,800	3,048,100	3,077,100	3,080,600	3,069,100	
EQUIPMENT	446,200	741,100	850,000	800,000	741,100	
ALL OTHER OPERATING	4,051,400	4,199,500	4,337,400	4,284,000	4,217,900	
OPERATING SUBTOTAL	12,347,700	12,375,900	12,870,300	12,684,900	12,597,400	
SPECIAL LINE ITEMS						
COMMISSION RESERVE	400	0	0	0	0	
COOPERATIVE RESEARCH PROJ	30,000	30,000	30,000	30,000	30,000	
PITMAN-ROBERTSON	927,300	910,000	918,000	0	918,000	
DINGELL-JOHNSON	758,000	690,000	767,100	0	767,100	
PITTMAN-ROB/DINGELL-JOHN	0	0	0	1,685,100	0	
REG.FIELD OFF. LEASE/PUR	119,600	236,500	236,500	232,800	232,800	
WATERFOWL CONSERVATION	2,400	3,400	3,400	3,400	3,400	
SPECIAL ITEM SUBTOTAL	1,837,700	1,869,900	1,955,000	1,951,300	1,951,300	
PROGRAM TOTAL	14,185,400	14,245,800	14,825,300	14,636,200	14,548,700	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: ADMIN. & FIELD SERVICES
JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH
HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	14,185,400	14,245,800	14,825,300	14,636,200	14,548,700	
FEDERAL FUNDS	11,766,600	11,957,800	12,197,000	0	12,197,000	
OTHER NON APPROPRIATED	687,400	6,910,100	11,316,700	0	11,316,700	
PROGRAM TOTAL-ALL SOURCES	26,639,400	33,113,700	38,339,000	14,636,200	38,062,400	

The JLBC Staff recommends a total appropriation of $14,548,700 -- a net increase of $302,900, or 2.1%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(82,800)
  Includes a vacancy factor of 2%. The Executive recommends a vacancy factor of 1%. In addition to a lower vacancy factor, the Executive also recommends increasing Personal Services by $3,300, plus related expenses, for the Director's salary. The JLBC Staff does not recommend this salary increase. The Executive recommendation also includes a reduction of $10,000, plus related expenses, in overtime funding. The JLBC Staff recommends funding the agency's overtime requirements at the current year's level of $60,000.
- ERE Rate Changes 226,100
  This adjustment is the result of 2 factors: 1) the agency underestimated the number of employees who are members of the Public Safety Personnel Retirement System (PSPRS) in FY 1992; and 2) the required employer contribution for Game & Fish employees who are PSPRS members will increase in FY 1993 from 17.52% to 18.32%.
- Dingell-Johnson, Pittman-Robertson State Match Adjustment 85,100
  These federal programs require a state match of 25%, funding a variety of wildlife- and fish-related research projects.
- Regional Field Offices Lease-Purchase Adjustment (3,700)
- Travel - Out of State Adjustment (2,600)
- Reclassification of Wildlife Managers 59,800
  A 1991 Auditor General Performance Audit found excessive spans of control in the agency's field offices. Currently, Regional Supervisors oversee an average of 20 employees, including 12 Wildlife Manager II's. The Game & Fish

Department has requested, and the JLBC Staff recommends, a plan to reclassify 14 Wildlife Manager II's to Wildlife Manager III's. These reclassed positions would be responsible for supervising 4 to 5 Wildlife Manager II's each. The Executive concurs with this recommendation.

- Telephone Maintenance Adjustment 21,000

  The JLBC Staff recommends funding telephone system maintenance costs. The recommended amount reflects the Game & Fish Fund's pro-rated share of these costs. The Executive concurs with this recommendation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: WATERCRAFT LICENSING

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	26.50	26.00	28.00	28.00	26.00	
OPERATING BUDGET						
PERSONAL SERVICES	391,900	463,200	492,200	487,300	463,200	
EMPLOYEE RELATED EXP	112,300	134,300	143,800	145,000	133,300	
PROFESSIONAL/OUTSIDE SVCS	48,700	54,600	54,600	54,600	44,600	
TRAVEL - IN STATE	12,800	19,900	19,900	19,900	19,900	
TRAVEL - OUT OF STATE	4,600	4,500	4,500	2,000	4,500	
OTHER OPERATING EXP	261,600	332,000	332,000	332,000	332,000	
EQUIPMENT	92,800	79,900	12,500	10,500	12,500	
ALL OTHER OPERATING	420,500	490,900	423,500	419,000	413,500	
OPERATING SUBTOTAL	924,700	1,088,400	1,059,500	1,051,300	1,010,000	
SPECIAL LINE ITEMS						
COST TRANSFER	317,000	359,500	321,000	322,000	321,000	
SPECIAL ITEM SUBTOTAL	317,000	359,500	321,000	322,000	321,000	
PROGRAM TOTAL	1,241,700	1,447,900	1,380,500	1,373,300	1,331,000	

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: WATERCRAFT LICENSING

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	1,241,700	1,447,900	1,380,500	1,373,300	1,331,000	
PROGRAM TOTAL-ALL SOURCES	1,241,700	1,447,900	1,380,500	1,373,300	1,331,000	

The JLBC Staff recommends a total appropriation of $1,331,000 -- a net decrease of $(116,900), or (8.1)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $600
  Includes a vacancy factor of 1%. The Executive also recommends a vacancy factor of 1%.
- ERE Rate Changes (1,600)
- Equipment Adjustment (67,400)
- Professional & Outside Services Adjustment (10,000)
  The agency was appropriated $15,000 in the current fiscal year for development of materials related to Boating Safety Education. This adjustment reduces this appropriation to $5,000.
- Cost Transfer Adjustment (38,500)
  The agency has recalculated the cost transfer from the Watercraft Licensing Fund to the Game & Fish Fund. This transfer is used to reimburse the Game & Fish Fund for functions performed by employees and equipment in the Game & Fish cost center on behalf of the Watercraft Licensing Fund.

Other Issues for Legislative Consideration

- The Executive recommends $37,500 to add 2 FTE's to address the agency's increase in boat registrations. The JLBC Staff recognizes that the growing number of boat registrations has increased the agency's workload. However, the Auditor General has recommended that the agency discontinue registration of certain boat categories that comprise more than 10% of all boats registered, particularly non-motorized watercraft, such as rowboats, canoes, and inflatable rafts. In addition to eliminating problems associated with registering these watercraft, discontinuing

their registration will reduce the agency's boat registration workload. The Auditor General also recommends that the agency make up for the decreased revenue by increasing registration fees for other, motorized watercraft. Because these fees are established in statutes, this revision would require Legislative action.

Revenue growth in the Watercraft Licensing Fund has not kept pace with growth in the Watercraft Licensing budget, and watercraft registration fees and license taxes have not been increased in at least 10 years. The Game & Fish Department is expected to propose to the Legislature a number of fee changes in 1993.

The Game & Fish Department reports that 13% of all watercraft owners register late, despite imposition of a $5 late charge. The JLBC Staff recommends the Game & Fish Commission consider increasing the late registration charge. This will either increase Watercraft Licensing revenues or reduce the agency's registration workload during peak spring and summer months.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GAME,N-GM,FISH,ENDRD SPEC

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	4.00	4.00	4.00	4.00	4.00	
OPERATING BUDGET						
PERSONAL SERVICES	106,300	105,000	102,400	102,400	102,400	
EMPLOYEE RELATED EXP	25,800	24,700	27,100	26,100	24,700	
PROFESSIONAL/OUTSIDE SVCS	26,600	20,900	20,900	20,900	15,900	
TRAVEL - IN STATE	4,300	7,400	7,400	7,400	7,400	
TRAVEL - OUT OF STATE	5,100	2,500	2,500	2,500	2,500	
OTHER OPERATING EXP	82,200	95,300	95,300	95,400	95,300	
EQUIPMENT	4,700	0	0	0	0	
ALL OTHER OPERATING	122,900	126,100	126,100	126,200	121,100	
OPERATING SUBTOTAL	255,000	255,800	255,600	254,700	248,200	
SPECIAL LINE ITEMS						
COST TRANSFER	0	10,000	10,000	10,000	10,000	
SPECIAL ITEM SUBTOTAL	0	10,000	10,000	10,000	10,000	
PROGRAM TOTAL	255,000	265,800	265,600	264,700	258,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: GAME AND FISH DEPARTMENT
COST CENTER: GAME,N-GM,FISH,ENDRD SPEC

JLBC ANALYST: BRAINARD
OSPB ANALYST: BETLACH

HOUSE SUBCOMMITTEE CHAIR: BARNES
SENATE SUBCOMMITTEE CHAIR: ALSTON

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	255,000	265,800	265,600	264,700	258,200	
PROGRAM TOTAL-ALL SOURCES	255,000	265,800	265,600	264,700	258,200	

The JLBC Staff recommends a total appropriation of $258,200 -- a net decrease of $(7,600), or (2.9)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(3,200)
- ERE Rate Changes 600
- Professional & Outside Services Reduction (5,000)

  The source of the Game, Non-Game, Fish, and Endangered Species Fund is the state income tax check-off. Contributions are projected to drop to $150,000 in FY 1993. The agency uses its Professional & Outside Services appropriation to increase public awareness of this income tax check-off opportunity. The JLBC Staff recommends reducing this appropriation from $20,900 to $15,900.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: ARIZONA GEOLOGICAL SURVEY
COST CENTER: AZ GEOLOGICAL SURVEY

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	13.00	14.25	14.25	17.25	14.25	
OPERATING BUDGET						
PERSONAL SERVICES	355,500	391,700	397,400	466,600	397,400	
EMPLOYEE RELATED EXP	76,600	88,200	100,700	110,600	91,000	
TRAVEL - IN STATE	5,600	10,900	13,100	16,400	10,900	
TRAVEL - OUT OF STATE	2,200	4,800	5,100	3,000	4,800	
OTHER OPERATING EXP	112,300	117,700	122,200	114,300	118,600	
EQUIPMENT	12,100	8,100	18,700	4,300	3,400	
ALL OTHER OPERATING	132,200	141,500	159,100	138,000	137,700	
OPERATING SUBTOTAL	564,300	621,400	657,200	715,200	626,100	
SPECIAL LINE ITEMS						
IOCC	0	0	5,000	0	0	
SPECIAL ITEM SUBTOTAL	0	0	5,000	0	0	
PROGRAM TOTAL	564,300	621,400	662,200	715,200	626,100	
BY FUND SOURCE						
GENERAL FUND	564,300	621,400	662,200	715,200	626,100	
FEDERAL FUNDS	16,000	40,700	10,700	0	10,700	
OTHER NON APPROPRIATED	43,900	25,900	26,000	0	26,000	
PROGRAM TOTAL-ALL SOURCES	624,200	688,000	698,900	715,200	662,800	

DEPARTMENT: ARIZONA GEOLOGICAL SURVEY
COST CENTER: ARIZONA GEOLOGICAL SURVEY

The JLBC Staff recommends a total appropriation of $626,100 -- a net increase of $4,700, or 0.8%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 7,000
- ERE Rate Changes 1,500
- Non-capitalized Replacement Equipment Adjustment 900
  This increase provides software costs for a replacement computer.
- Replacement Equipment Adjustment (4,700)
  Funding would provide a replacement personal computer; the total equipment budget is $3,400.

Other Issues for Legislative Consideration

- Consolidation

  The Executive recommends consolidating the functions of the Department of Mines and Mineral Resources (DMMR) and the Arizona Geological Survey in order to reduce administrative and overhead expenses. The proposed "Department of Geology & Mineral Resources" would remain in Tucson, with the museum and offices in Phoenix serving as the department's satellite Earth Sciences Education Center. The new agency would employ 17.25 FTE positions, requiring a reduction of 5 FTE positions from the agencies' present count. This includes eliminating the DMMR Director, 2 administrative positions, 2 mining engineer positions, and 2 clerical positions. 1 museum curator would be retained, and 1 assistant curator and 1 geologist position would be added. The Executive estimates the General Fund savings resulting from this consolidation to be $242,500, not including the cost of paying terminated staff for unused annual leave.

  The JLBC Staff does not oppose consolidation of these agencies, but does believe that the Executive recommendation provides inadequate resources to operate the Arizona Mineral Museum. While retaining all 14.25 FTE positions currently funded for the Geological Survey, this recommendation would eliminate 7 of DMMR's 8 FTE positions, and replace 2 of these FTE positions with lower paid positions. DMMR moved into the new Arizona Mineral Museum, recently completed at a cost of $1 million, in September 1991. This facility is superior to and substantially larger than the agency's previous facility and was designed exclusively to house mine files and mineral samples maintained by DMMR. The new museum is experiencing a significant daily increase in visitation over the previous site. In addition to providing inadequate levels of management and staffing, the JLBC Staff believes the Executive recommendation would adversely affect the ability of the public and the mining industry to take advantage of DMMR resources. While some cost savings

may be possible by consolidating these agencies, most of these savings would occur at the expense of the new museum, agency management, and the general public.

The JLBC Staff does recommend eliminating 1 FTE position from DMMR, providing savings of $48,800.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: LAND DEPARTMENT

JLBC ANALYST: BRAINARD
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	166.00	164.00	164.00	164.00	164.00	
OPERATING BUDGET						
PERSONAL SERVICES	4,352,800	4,506,300	4,599,800	4,507,800	4,496,000	
EMPLOYEE RELATED EXP	986,100	995,900	1,141,200	1,053,100	1,016,300	
PROFESSIONAL/OUTSIDE SVCS	457,400	558,000	522,500	522,500	522,500	
TRAVEL - IN STATE	171,700	206,300	206,300	206,300	206,300	
TRAVEL - OUT OF STATE	3,800	2,200	2,200	2,200	2,200	
OTHER OPERATING EXP	1,311,900	1,346,500	1,375,300	1,351,100	1,336,500	
EQUIPMENT	192,200	131,100	79,000	64,500	71,500	
ALL OTHER OPERATING	2,137,000	2,244,100	2,185,300	2,146,600	2,139,000	
OPERATING SUBTOTAL	7,475,900	7,746,300	7,926,300	7,707,500	7,651,300	
SPECIAL LINE ITEMS						
LITIGATION EXPENSES	9,100	20,000	20,000	20,000	20,000	
LEGAL ADVERTISING	30,000	30,000	30,000	30,000	30,000	
CAP USER FEES	78,000	78,100	78,100	78,100	78,100	
WATER RIGHTS FILING FEES	8,700	33,300	33,400	33,300	33,300	
WATER LITIGATION	55,700	51,500	64,900	63,800	51,500	
ILLEGAL DUMP SUPERVISION	18,300	15,000	15,000	15,000	15,000	
NAT. RESOURCE CONSV. DIST	155,200	128,000	128,000	128,000	128,000	
CONSERVATION EDUCATION	29,100	30,000	30,000	30,000	30,000	

DEPARTMENT: STATE LAND DEPARTMENT
COST CENTER: LAND DEPARTMENT

JLBC ANALYST: BRAINARD
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
GEOLOGICAL MAPPING	25,000	0	0	0	0	
BOARD OF APPEALS	7,800	17,100	16,900	16,900	16,900	
SPECIAL ITEM SUBTOTAL	416,900	403,000	416,300	415,100	402,800	
PROGRAM TOTAL	7,892,800	8,149,300	8,342,600	8,122,600	8,054,100	
BY FUND SOURCE						
GENERAL FUND	7,892,800	8,149,300	8,342,600	8,122,600	8,054,100	
FEDERAL FUNDS	811,800	1,184,300	685,100	0	685,100	
OTHER NON APPROPRIATED	1,483,400	1,591,200	790,300	0	790,300	
PROGRAM TOTAL-ALL SOURCES	10,188,000	10,924,800	9,818,000	8,122,600	9,529,500	

The JLBC Staff recommends a total appropriation of $8,054,100 -- a net decrease of $(95,200), or (1.2)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(12,700)
  Includes a vacancy factor of 2%. The Executive also recommends a vacancy factor of 2%.
- ERE Rate Changes 22,800
- Professional & Outside Services Adjustment (35,500)
  The FY 1992 P&O Services appropriation included a one-time appropriation of $10,000 for well abandonment, and $115,500 to complete development of the core portion of the agency's automated business and administrative system. This adjustment reflects elimination of these appropriations, and the addition of $90,000 to begin the next phase of the automated system development. Phase 2 includes applications related to management of State Lands, including integrating the completed core system with the Geographic Information System (GIS), and automating water rights data.

This adjustment relies on a concomitant replacement of the agency's existing mainframe computer with one possessing capacity to run land management programs. The FY 1993 lease-purchase payment for the mainframe would be $131,000; payments for the following 4 fiscal years will be $208,000. This cost is included in the Other Operating Expenditures line item and replaces the lease-purchase payment for the existing mainframe and related items.

- Non-capitalized Replacement Equipment Adjustment (10,000)
  The recommended amount of $44,000 would provide various office furniture and computer peripherals.
- Capitalized Replacement Equipment Adjustment (59,600)
  The recommended amount of $71,500 would provide the following replacement equipment: 1 high-speed printer, 1 copying machine, 8 personal computers, 4 laser printers, 1 fax machine, and 1 pickup truck for the Forestry Division.
- Board of Appeals Travel Adjustment (200)

Other Issues for Legislative Consideration

- Investment of Trust Land Endowment Funds

  The JLBC Staff recommends the Legislature consider legislation to broaden the list of permissible investments of the Permanent Trust Land Fund to include stocks and other equities. This would include amendment(s) to Arizona Revised Statutes to define capital gains from the sale of equities and securities as expendable income, and working with Arizona's Congressional delegation to revise Arizona's Enabling Act. This act, which granted the state its Trust Lands, limits investment of Trust Land Funds to bonds and other interest-bearing securities. However, it is a well-documented fact that investment in stocks and other equities over time will outperform bonds and other interest-bearing securities.

  Up to 60% of the State Retirement Fund may be invested in stocks and other equities. This fund has earned an average compound yield during the past 10 years of 13.9%. The Permanent Trust Land Fund reached $500 million in 1991. A single year of Trust Land Fund earnings at 13.9% instead of the 9.9% earned on investment of this fund during this period would return to the state an additional $20 million, with about $18 million of this amount being applied to offset the General Fund contribution to K-12. In fact, JLBC Staff analysis shows that the Permanent Trust Land Fund would have earned some $114 million more over an 8-year period from FY 1985 through FY 1992, had the Permanent Fund been invested in the same manner as the State Retirement Fund. This additional yield would have provided like savings to the General Fund.

  The broadened authority recommended by the JLBC Staff would require a congressional revision to Arizona's Enabling Act. The treatment of capital gains as expendable income, however, would only require a state statutory change.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF MINERAL RESOURCES
COST CENTER: DEPT OF MINERAL RESOURCES

JLBC ANALYST: CAWLEY
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	8.50	8.00	8.00	0.00	7.00	
OPERATING BUDGET						
PERSONAL SERVICES	263,600	258,000	257,100	0	219,000	
EMPLOYEE RELATED EXP	56,200	53,000	60,700	0	47,600	
TRAVEL - IN STATE	3,400	8,400	9,300	0	7,100	
TRAVEL - OUT OF STATE	800	0	0	0	0	
OTHER OPERATING EXP	23,400	19,600	19,600	0	339,900	
ALL OTHER OPERATING	27,600	28,000	28,900	0	347,000	
PROGRAM TOTAL	347,400	339,000	346,700	0	613,600	
BY FUND SOURCE						
GENERAL FUND	347,400	339,000	346,700	0	613,600	
OTHER NON APPROPRIATED	37,500	38,000	44,000	0	44,000	
PROGRAM TOTAL-ALL SOURCES	384,900	377,000	390,700	0	657,600	

DEPARTMENT: DEPARTMENT OF MINERAL RESOURCES
COST CENTER: DEPARTMENT OF MINERAL RESOURCES

The JLBC Staff recommends a total appropriation of $613,600 -- a net increase of $274,600, or 81%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- ERE Rate Changes $ 3,100
- Rent - State Owned Buildings 320,300

  Includes reinstatement of General Fund rent in the amount of $320,300 for state owned space, to be paid into the Capital Outlay Stabilization Account (COSA). Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01.
- Eliminate 1 Mining Engineer FTE Position (48,800)

  The person in the position to be eliminated is retiring in May 1992. The department, recognizing the tight budget constraints of the state, has offered to eliminate this position as a cost saving measure. The responsibilities of this position will be portioned out to the 2 remaining positions performing mining engineering tasks, the Administrative Services Officer II and Mining Engineer. The elimination of the position may impact the timeliness of the completion of mining studies and evaluations. In particular, the department anticipates delays in the completion of studies for the development of commercial mineral resource development in the state.

Other Issues for Legislative Consideration

- Agency Consolidation

  The Executive recommends consolidating the functions of the Department of Mines and Mineral Resources (DMMR) and the Arizona Geological Survey in order to reduce administrative and overhead expenses. The proposed "Department of Geology & Mineral Resources" would remain in Tucson, with the museum and offices in Phoenix serving as the department's satellite Earth Sciences Education Center. The new agency would employ 17.25 FTE positions, requiring a reduction of 5 FTE positions from the agencies' present count. This includes eliminating the DMMR Director, 2 administrative positions, 2 mining engineer positions, and 2 clerical positions. The museum curator would be retained, and 1 assistant curator and 1 geologist position would be added. The Executive estimates the General Fund savings resulting from this consolidation to be $242,500, not including the cost of paying terminated staff for unused annual leave.

  The JLBC Staff does not oppose consolidation of these agencies, but does believe that the Executive recommendation provides inadequate resources to operate the Arizona Mineral Museum. While retaining all 14.25 FTE positions currently funded for the Geological Survey, this recommendation would eliminate 7 of DMMR's 8 FTE positions, and replace 2 of these FTE positions with lower

paid positions. DMMR moved into the new Arizona Mineral Museum, recently completed at a cost of $1 million, in September 1991. This facility is superior to and substantially larger than the agency's previous facility and was designed exclusively to house mine files and mineral samples maintained by DMMR. The new museum is experiencing a significant daily increase in visitation over the previous site. In addition to providing inadequate levels of management and staffing, the JLBC Staff believes the Executive recommendation would adversely affect the ability of the public and the mining industry to take advantage of DMMR resources. While some cost savings may be possible by consolidating these agencies, most of these savings would occur at the expense of the new museum, agency management, and the general public.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD — JLBC ANALYST: BRAINARD — HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
COST CENTER: AGENCY SUMMARY — OSPB ANALYST: SCHWALBE — SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	178.00	172.50	180.50	147.00	179.50	
BY PROGRAM/ORGANIZATION						
ADMINISTRATIVE & SPRT SVC	6,425,600	6,936,800	7,434,700	6,116,600	7,195,100	
AORCC-PROJECT ADMIN	4,205,100	600,000	600,000	600,000	600,000	
AGENCY TOTAL	10,630,700	7,536,800	8,034,700	6,716,600	7,795,100	
OPERATING BUDGET						
PERSONAL SERVICES	3,667,100	3,562,200	3,870,300	3,177,000	3,735,100	
EMPLOYEE RELATED EXP	1,081,300	959,100	1,180,500	898,400	1,034,800	
PROFESSIONAL/OUTSIDE SVCS	34,400	5,000	5,000	5,100	5,000	
TRAVEL - IN STATE	84,500	71,300	76,800	76,800	73,300	
TRAVEL - OUT OF STATE	7,700	4,100	4,100	2,600	4,100	
OTHER OPERATING EXP	1,444,800	1,538,400	1,627,300	1,388,100	1,757,200	
EQUIPMENT	202,200	107,800	180,800	129,800	153,800	
ALL OTHER OPERATING	1,773,600	1,726,600	1,894,000	1,602,400	1,993,400	
OPERATING SUBTOTAL	6,522,000	6,247,900	6,944,800	5,677,800	6,763,300	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
SLIF PROJECTS	3,092,100	0	0	0	0	
BLESF PROJECTS	595,800	600,000	600,000	600,000	600,000	
AZ CONSERVATION CORPS	297,400	275,000	275,000	282,000	275,000	
STATE TRUST LAND LEASES	123,400	173,900	214,900	156,800	156,800	
FOOL HOLLOW STATE PARK	0	190,000	0	0	0	
TONTO REVOLVING FUND	0	50,000	0	0	0	
SPECIAL ITEM SUBTOTAL	4,108,700	1,288,900	1,089,900	1,038,800	1,031,800	
AGENCY TOTAL	10,630,700	7,536,800	8,034,700	6,716,600	7,795,100	
BY FUND SOURCE						
GENERAL FUND	6,425,600	5,636,800	5,944,700	4,626,600	4,705,100	
OTHER FUNDS	4,205,100	1,900,000	2,090,000	2,090,000	3,090,000	
FEDERAL FUNDS	580,400	562,500	523,400	0	523,400	
OTHER NON APPROPRIATED	1,617,100	24,443,100	31,440,000	0	30,540,000	
AGENCY TOTAL-ALL SOURCES	12,828,200	32,542,400	39,998,100	6,716,600	38,858,500	

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $7,795,100 -- a net increase of $258,300, or 3.4%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $4,705,100 -- a net decrease of $(931,700), or (16.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments	$(22,100)
• ERE Rate Changes	40,900
• Rent - State Owned Buildings	55,800
• Fool Hollow State Park Annualization	(40,300)
• Capitalized Replacement Equipment Adjustment	46,000
• State Trust Land Lease Adjustment	(17,100)
• Tonto Natural Bridge State Park Revolving Fund Adjustment	(50,000)
• Revise State Lake Improvement Fund Statutes	245,100

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: ADMINISTRATIVE & SPRT SVC

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	168.00	172.50	180.50	147.00	179.50	
OPERATING BUDGET						
PERSONAL SERVICES	3,363,300	3,562,200	3,870,300	3,177,000	3,735,100	
EMPLOYEE RELATED EXP	1,016,700	959,100	1,180,500	898,400	1,034,800	
PROFESSIONAL/OUTSIDE SVCS	15,000	5,000	5,000	5,100	5,000	
TRAVEL - IN STATE	69,100	71,300	76,800	76,800	73,300	
TRAVEL - OUT OF STATE	5,300	4,100	4,100	2,600	4,100	
OTHER OPERATING EXP	1,360,800	1,538,400	1,627,300	1,388,100	1,757,200	
EQUIPMENT	174,600	107,800	180,800	129,800	153,800	
ALL OTHER OPERATING	1,624,800	1,726,600	1,894,000	1,602,400	1,993,400	
OPERATING SUBTOTAL	6,004,800	6,247,900	6,944,800	5,677,800	6,763,300	
SPECIAL LINE ITEMS						
AZ CONSERVATION CORPS	297,400	275,000	275,000	282,000	275,000	
STATE TRUST LAND LEASES	123,400	173,900	214,900	156,800	156,800	
FOOL HOLLOW STATE PARK	0	190,000	0	0	0	
TONTO REVOLVING FUND	0	50,000	0	0	0	
SPECIAL ITEM SUBTOTAL	420,800	688,900	489,900	438,800	431,800	
PROGRAM TOTAL	6,425,600	6,936,800	7,434,700	6,116,600	7,195,100	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: ADMINISTRATIVE & SPRT SVC

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	6,425,600	5,636,800	5,944,700	4,626,600	4,705,100	
OTHER FUNDS	0	1,300,000	1,490,000	1,490,000	2,490,000	
FEDERAL FUNDS	580,400	562,500	523,400	0	523,400	
OTHER NON APPROPRIATED	1,554,500	24,330,900	31,303,300	0	30,403,300	
PROGRAM TOTAL-ALL SOURCES	8,560,500	31,830,200	39,261,400	6,116,600	38,121,800	

The JLBC Staff recommends a total appropriation of $7,195,100 -- a net increase of $258,300, or 3.7%, to the FY 1992 appropriation. The General Fund portion of the recommendation is $4,705,100 -- a net decrease of $(931,700), or (16.5)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $(22,100)
  Includes a vacancy factor of 2%. The Executive recommends a vacancy factor of 2.5%.
- ERE Rate Changes 40,900
- Rent - State-Owned Buildings 55,800
  Includes reinstatement of General Fund rent in the amount of $49,300 for state-owned space, to be paid into the Capital Outlay Stabilization Account (COSA). $60,700 will be paid into COSA from non-appropriated sources, for a total COSA payment of $110,000. Monies in COSA will be used to replace General Fund appropriations for building renewal and other capital outlay projects, pursuant to A.R.S. § 41-792.01. The Department of Administration (DOA) has notified State Parks that they will be moved into state-owned office space in January 1993. The total rent from appropriated sources is $87,800, based on 6 months in the Industrial Commission Building at $13.50 per square foot, and 6 months in state-owned space at $11 per square foot. The FY 1992 rent appropriation includes $32,000, sufficient for the agency's space in the Industrial Commission building only through December 1991.

- Fool Hollow State Park Annualization (40,300)

  The Legislature appropriated $190,000 as first-year funding for Fool Hollow State Park. This adjustment eliminates the start-up expenses associated with the park's opening and provides $149,700 for the park, based on the cost of operating other water-based state parks with similar visitation levels. The Executive recommends $149,300 for this issue.

- Capitalized Replacement Equipment Adjustment 46,000

  This level of funding would permit acquisition of the following replacement equipment: 8 pickup trucks, 1 tractor, 1 outboard motor, 1 personal computer, and various field equipment.

- State Trust Land Leases (17,100)

  This adjustment reflects revised appraisals at 2 state parks and the transfer of the property at Catalina State Park from the State Land Department to the U.S. Forest Service.

- Tonto Natural Bridge State Park Revolving Fund Adjustment (50,000)

  This adjustment eliminates the one-time appropriation of $50,000 in FY 1992, designed to provide initial funding for the Tonto State Park Revolving Fund.

- Revise State Lake Improvement Fund Statutes 245,100

  The JLBC Staff and Executive concur with a Parks Board proposal to revise statutes in order to direct a portion of the State Lake Improvement Fund (SLIF) to parks operations. This proposal will shift $1 million of the cost of operating state parks from the General Fund to SLIF and will provide an additional $245,100 in SLIF monies to expand staffing at 7 water-based state parks.

  Currently, SLIF receipts may be used only for capital projects at sites where boats are permitted and for administering the SLIF grant program. Requests for SLIF grants by local and county governments, the State Parks Board, and other state agencies are approved by the Parks Board based on recommendations from the Arizona Outdoor Coordinating Commission (AORCC). The proposed revision would direct one-half of SLIF receipts, following allocation to SLIF grant program administration, directly to the Parks Board, leaving the remaining half to be administered by AORCC. This proposal would also expand the authorized use of SLIF grants from just capital projects to operations and equipment.

  State Parks capital development projects currently may be funded from several sources, including the Heritage Fund, the Parks Enhancement Fund, and the State Lake Improvement Fund. Yet, the Parks Board relies primarily on the General Fund to maintain and operate an increasing number of state parks with increasing levels of visitation. These growing visitation levels, particularly at water-based state parks, are straining the agency's ability to adequately and safely operate these sites. Directing a portion of SLIF revenues to parks operations will improve the agency's ability to address this increase in visitation.

  Annual SLIF revenues are about $5 million; the fund's primary sources are transfers from the Motor Vehicle Fuel Tax and the Watercraft Licensing Fund. The Parks Board's share of SLIF grants has traditionally been 1/3 to 1/2 of the total grant allocation.

The JLBC Staff recommendation of an additional $245,100 includes 7 additional seasonal, part-time parks attendants, supplies, and equipment. The Executive recommends that the portion of the Parks Board budget proposed to be funded from SLIF be non-appropriated. The JLBC Staff instead recommends that the portion of the Parks Board budget funded from SLIF be subject to legislative appropriation.

Other Issues for Legislative Consideration

- Cost Center Name Change

  The JLBC Staff recommends the Parks Board Administrative and Support Services cost center be changed to "Administration and Park Operations" in order to more accurately reflect its functions.

- Consolidate AORCC Cost Center

  The JLBC Staff recommends the AORCC cost center be consolidated into the Administrative and Support Services cost center. AORCC consists of a single line-item, Boating Safety and Law Enforcement Safety Fund (BLESF). This appropriation has a footnote stating, "The appropriation for BLESF is an estimate only. All monies distributed to this fund during FY 1992 in excess of the appropriated amount are appropriated to the State Parks Board for purposes established in A.R.S. § 5-383."

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AORCC-PROJECT ADMIN

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	10.00	0.00	0.00	0.00	0.00	
OPERATING BUDGET						
PERSONAL SERVICES	303,800	0	0	0	0	
EMPLOYEE RELATED EXP	64,600	0	0	0	0	
PROFESSIONAL/OUTSIDE SVCS	19,400	0	0	0	0	
TRAVEL - IN STATE	15,400	0	0	0	0	
TRAVEL - OUT OF STATE	2,400	0	0	0	0	
OTHER OPERATING EXP	84,000	0	0	0	0	
EQUIPMENT	27,600	0	0	0	0	
ALL OTHER OPERATING	148,800	0	0	0	0	
OPERATING SUBTOTAL	517,200	0	0	0	0	
SPECIAL LINE ITEMS						
SLIF PROJECTS	3,092,100	0	0	0	0	
BLESF PROJECTS	595,800	600,000	600,000	600,000	600,000	
SPECIAL ITEM SUBTOTAL	3,687,900	600,000	600,000	600,000	600,000	
PROGRAM TOTAL	4,205,100	600,000	600,000	600,000	600,000	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: STATE PARKS BOARD
COST CENTER: AORCC-PROJECT ADMIN

JLBC ANALYST: BRAINARD
OSPB ANALYST: SCHWALBE

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
OTHER FUNDS	4,205,100	600,000	600,000	600,000	600,000	
OTHER NON APPROPRIATED	62,600	112,200	136,700	0	136,700	
PROGRAM TOTAL-ALL SOURCES	4,267,700	712,200	736,700	600,000	736,700	

The JLBC Staff recommends a total appropriation of $600,000 -- a net increase of $0 or 0%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- This cost center consists of a single line-item, Boating Safety and Law Enforcement Safety Fund (BLESF) Projects. These monies are passed-through via grants to local and county governments. The funding level depends upon fund receipts; a footnote is attached to this appropriation stating, "The appropriation for BLESF is an estimate only. All monies distributed to this fund during FY 1992 in excess of the appropriated amount are appropriated to the State Parks Board for the purposes established in A.R.S. § 5-383." Because this cost center consists of a single line-item, it should be considered for consolidation into the Administrative and Support Services cost center.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	234.30	214.70	214.70	214.70	214.70	
BY PROGRAM/ORGANIZATION						
ADMINISTRATION	3,739,900	3,822,500	3,884,900	3,862,600	3,866,400	
ENGINEERING	3,037,400	4,894,800	4,643,700	4,343,300	4,411,500	
WATER MANAGEMENT	4,692,600	3,522,900	3,330,900	3,210,400	3,099,200	
AGENCY TOTAL	11,469,900	12,240,200	11,859,500	11,416,300	11,377,100	
OPERATING BUDGET						
PERSONAL SERVICES	6,898,500	6,216,800	6,568,500	6,320,100	6,333,600	
EMPLOYEE RELATED EXP	1,487,100	1,392,800	1,640,100	1,444,400	1,420,000	
PROFESSIONAL/OUTSIDE SVCS	308,800	359,900	359,900	359,900	359,900	
TRAVEL - IN STATE	231,600	261,500	261,500	261,300	261,300	
TRAVEL - OUT OF STATE	29,900	36,700	36,700	36,700	36,700	
OTHER OPERATING EXP	2,174,700	2,515,600	2,570,900	2,572,000	2,543,700	
EQUIPMENT	15,400	9,000	9,000	9,000	9,000	
ALL OTHER OPERATING	2,760,400	3,182,700	3,238,000	3,238,900	3,210,600	
OPERATING SUBTOTAL	11,146,000	10,792,300	11,446,600	11,003,400	10,964,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: AGENCY SUMMARY

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
SPECIAL LINE ITEMS						
GROUNDWATER REPLENISHMENT	0	500,000	0	0	0	
USGS COOPERATIVE AGRMNT	234,900	272,900	272,900	272,900	272,900	
EARLY FLOOD WARNING SYS	71,000	90,000	90,000	90,000	90,000	
FLOOD CONTROL DEVELOPMENT	18,000	50,000	50,000	50,000	50,000	
CLIFTON FLOOD CONTROL	0	535,000	0	0	0	
SPECIAL ITEM SUBTOTAL	323,900	1,447,900	412,900	412,900	412,900	
AGENCY TOTAL	11,469,900	12,240,200	11,859,500	11,416,300	11,377,100	
BY FUND SOURCE						
GENERAL FUND	11,469,900	11,705,200	11,859,500	11,416,300	11,377,100	
OTHER FUNDS	0	535,000	0	0	0	
FEDERAL FUNDS	170,200	764,800	758,200	0	758,200	
OTHER NON APPROPRIATED	295,900	1,815,700	4,670,500	0	5,085,400	
AGENCY TOTAL-ALL SOURCES	11,936,000	14,820,700	17,288,200	11,416,300	17,220,700	

DEPARTMENT: DEPARTMENT OF WATER RESOURCES
COST CENTER: AGENCY SUMMARY

The JLBC Staff recommends a total appropriation of $11,377,100 -- a net decrease of $(863,100), or (7.1)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $11,377,100 -- a net decrease of $(328,100), or (2.8)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

• Personal Services/ERE Adjustments Includes a new vacancy factor of 1.4%. The FY 1992 vacancy factor was 3%. Because the agency has reorganized itself and the cost centers have changed in size, it is difficult to compare the vacancy rates on a cost center basis.	$ 143,100
• ERE Rate Changes	900
• Rent - 15 South 15th Avenue	16,200
• Rent - Tucson State Office Building	11,900
• Clifton Flood Control	(535,000)
• Groundwater Replenishment Studies	(500,000)
• Travel Adjustment	(200)

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ADMINISTRATION

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	47.00	43.50	43.50	43.50	43.50	
OPERATING BUDGET						
PERSONAL SERVICES	1,510,500	1,397,200	1,411,100	1,421,800	1,424,000	
EMPLOYEE RELATED EXP	292,200	295,100	327,400	294,400	296,000	
PROFESSIONAL/OUTSIDE SVCS	38,700	44,000	44,000	44,000	44,000	
TRAVEL - IN STATE	13,100	14,500	14,500	14,500	14,500	
TRAVEL - OUT OF STATE	12,000	12,000	12,000	12,000	12,000	
OTHER OPERATING EXP	1,861,900	2,059,700	2,075,900	2,075,900	2,075,900	
EQUIPMENT	11,500	0	0	0	0	
ALL OTHER OPERATING	1,937,200	2,130,200	2,146,400	2,146,400	2,146,400	
PROGRAM TOTAL	3,739,900	3,822,500	3,884,900	3,862,600	3,866,400	
BY FUND SOURCE						
GENERAL FUND	3,739,900	3,822,500	3,884,900	3,862,600	3,866,400	
FEDERAL FUNDS	170,200	764,800	758,200	0	758,200	
OTHER NON APPROPRIATED	84,000	82,000	82,200	0	82,200	
PROGRAM TOTAL-ALL SOURCES	3,994,100	4,669,300	4,669,300	3,862,600	4,706,800	

DEPARTMENT: DEPARTMENT OF WATER RESOURCES
COST CENTER: ADMINISTRATION

The JLBC Staff recommends a total appropriation of $3,866,400 -- a net increase of $43,900, or 1.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 32,400
  Includes a new vacancy factor of 1% which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 1%.
- ERE Rate Changes (4,700)
- Other Operating Expenditures 16,200
  This amount is for the 15 S. 15th Avenue Office Building lease-purchase payment. The Executive concurs on this issue.

Other Issues for Consideration

- Replacement Word Processing
  The department currently uses a 1982 NBI word processing system. NBI has essentially abandoned support of its hardware, and the software is not upgradeable. Maintenance and replacement parts are costly and difficult to obtain. Given the amount of internal publishing and professional correspondence required of DWR, a flexible, upgradeable LAN system is needed to replace the NBI system. An appropriation of $200,000 would be sufficient to replace the Department's 31 NBI-system terminals with microcomputers and to purchase necessary supporting network hardware and software.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ENGINEERING

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	68.00	92.00	92.00	92.00	92.00	
OPERATING BUDGET						
PERSONAL SERVICES	2,040,600	2,736,400	2,907,200	2,776,400	2,782,600	
EMPLOYEE RELATED EXP	462,800	614,300	727,400	557,400	619,800	
PROFESSIONAL/OUTSIDE SVCS	3,600	163,000	163,000	163,000	163,000	
TRAVEL - IN STATE	98,100	189,000	189,000	189,000	189,000	
TRAVEL - OUT OF STATE	10,200	17,000	17,000	17,000	17,000	
OTHER OPERATING EXP	96,500	218,200	218,200	218,600	218,200	
EQUIPMENT	1,700	9,000	9,000	9,000	9,000	
ALL OTHER OPERATING	210,100	596,200	596,200	596,600	596,200	
OPERATING SUBTOTAL	2,713,500	3,946,900	4,230,800	3,930,400	3,998,600	
SPECIAL LINE ITEMS						
USGS COOPERATIVE AGRMNT	234,900	272,900	272,900	272,900	272,900	
EARLY FLOOD WARNING SYS	71,000	90,000	90,000	90,000	90,000	
FLOOD CONTROL DEVELOPMENT	18,000	50,000	50,000	50,000	50,000	
CLIFTON FLOOD CONTROL	0	535,000	0	0	0	
SPECIAL ITEM SUBTOTAL	323,900	947,900	412,900	412,900	412,900	
PROGRAM TOTAL	3,037,400	4,894,800	4,643,700	4,343,300	4,411,500	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: ENGINEERING
JLBC ANALYST: BOCK
OSPB ANALYST: ROAN
HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	3,037,400	4,359,800	4,643,700	4,343,300	4,411,500	
OTHER FUNDS	0	535,000	0	0	0	
OTHER NON APPROPRIATED	89,200	614,900	0	0	414,900	
PROGRAM TOTAL-ALL SOURCES	3,126,600	5,509,700	4,643,700	4,343,300	4,826,400	

The JLBC Staff recommends a total appropriation of $4,411,500 -- a net decrease of $(483,300), or (9.9)%, from the FY 1992 appropriation. The General Fund portion of the recommendation is $4,411,500 -- a net increase of $51,700, or 1.2%, to the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments $ 56,500
  Includes a new vacancy factor of 1.5% which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes (4,800)
- Clifton Flood Control (535,000)
  This amount was appropriated from the Flood Control Assistance Fund on a one-time basis for the town of Clifton's flood control project. The Executive concurs on this issue.

Other Issues for Legislative Consideration

- Miscellaneous Adjustments
  The Executive adds $400 for utilities inflation.

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: WATER MANAGEMENT

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
FULL TIME EQUIVALENT POS.	119.30	79.20	79.20	79.20	79.20	
OPERATING BUDGET						
PERSONAL SERVICES	3,347,400	2,083,200	2,250,200	2,121,900	2,127,000	
EMPLOYEE RELATED EXP	732,100	483,400	585,300	592,600	504,200	
PROFESSIONAL/OUTSIDE SVCS	266,500	152,900	152,900	152,900	152,900	
TRAVEL - IN STATE	120,400	58,000	58,000	57,800	57,800	
TRAVEL - OUT OF STATE	7,700	7,700	7,700	7,700	7,700	
OTHER OPERATING EXP	216,300	237,700	276,800	277,500	249,600	
EQUIPMENT	2,200	0	0	0	0	
ALL OTHER OPERATING	613,100	456,300	495,400	495,900	468,000	
OPERATING SUBTOTAL	4,692,600	3,022,900	3,330,900	3,210,400	3,099,200	
SPECIAL LINE ITEMS						
GROUNDWATER REPLENISHMENT	0	500,000	0	0	0	
SPECIAL ITEM SUBTOTAL	0	500,000	0	0	0	
PROGRAM TOTAL	4,692,600	3,522,900	3,330,900	3,210,400	3,099,200	

Joint Legislative Budget Committee-Fiscal Year 1993 Budget-Analysis and Recommendations

DEPARTMENT: DEPT OF WATER RESOURCES
COST CENTER: WATER MANAGEMENT

JLBC ANALYST: BOCK
OSPB ANALYST: ROAN

HOUSE SUBCOMMITTEE CHAIR: MCCARROLL
SENATE SUBCOMMITTEE CHAIR: GUTIERREZ

DESCRIPTION	FY 1991 ACTUAL	FY 1992 ADJUSTED APPROPRIATIONS	FY 1993 AGENCY REQUEST	FY 1993 EXECUTIVE RECOMMENDATION	FY 1993 JLBC STAFF RECOMMENDATION	LEGISLATIVE WORK SPACE
BY FUND SOURCE						
GENERAL FUND	4,692,600	3,522,900	3,330,900	3,210,400	3,099,200	
OTHER NON APPROPRIATED	122,700	1,118,800	4,588,300	0	4,588,300	
PROGRAM TOTAL-ALL SOURCES	4,815,300	4,641,700	7,919,200	3,210,400	7,687,500	

The JLBC Staff recommends a total appropriation of $3,099,200 -- a net decrease of $(423,700), or (12)%, from the FY 1992 appropriation.

JLBC Staff Recommended Changes from FY 1992

- Personal Services/ERE Adjustments — $ 54,200
  Includes a new vacancy factor of 1.5% which is the standard rate applied to cost centers with this number of FTE positions. The Executive recommends a vacancy factor of 1.5%.
- ERE Rate Changes — 10,400
- Rent - Tucson State Office Building — 11,900
  Provides $78,500 to be applied to the FY 1993 lease-purchase payment for the new Tucson Office Building. The net increase is for a reduction in space and to annualize the amount appropriated in FY 1992. The amount also adjusts for the move from private to state-owned offices. The Executive added $39,100 for this issue.
- Groundwater Replenishment Studies — (500,000)
  Eliminates funding for this one-time, below-the-line item.
- Travel - In State Adjustment — (200)
  This change adjusts for current mileage estimates. The Executive concurs.

Other Issues for Consideration

- Conservation Variances/Enforcement

  The agency requested $174,500 and 5 FTE positions for Groundwater Code conservation requirements and enforcement. The department has received over 2,000 requests for variance from the 1995 conservation requirements it has set for industries, farms, and municipalities. With current staff, Department of Water Resources expects to take up to four years to complete the variance reviews. This will not allow water users time to plan and invest for meeting the 1995 requirements, which reduce water allotments by 5% on average.

- Other Adjustments

  The Executive adds $700 for utilities inflation.

SUMMARY OF CAPITAL OUTLAY RECOMMENDATIONS (CB)

FISCAL YEAR 1993

CAPITAL OUTLAY BUDGET RECOMMENDATIONS

BY THE STAFF OF THE

JOINT COMMITTEE ON CAPITAL REVIEW

MEMBERS

HOUSE

John Wettaw, Chairman
Stan Barnes
Lisa Graham
Art Hamilton
Mark Killian
Robert "Bob" McLendon
E. C. "Polly" Rosenbaum

SENATE

Jaime Gutierrez, Vice-Chairman
Lela Alston
Ann Day
A. V. "Bill" Hardt
Tom Patterson
Armando Ruiz
Alan Stephens

STAFF

Ted Ferris, Director
Jim Stewart, Principal Capital Review Analyst
Keith Brainard, Fiscal Analyst
Janet Belisle, Secretary/Clerk

STATE OF ARIZONA
CAPITAL BUDGET PROCESS

Laws 1986, Chapter 85, which became effective April 11, 1986, provided for the establishment of a new "capital budget process." The key elements are:

- **Capital Improvement Plan**: The director of DOA receives from the agencies and transmits to the Governor by October 15th each year a state capital improvement plan. This allows for timely review, budget planning, and recommendation preparation prior to session.

  The plan includes:
  - proposed land acquisition
  - proposed capital projects
  - forecasts of requirements
  - status reports of projects
  - building condition reports
  - building renewal reports
  - new appropriations requests

- **Building Renewal Formula**: A formula has been developed to ensure that necessary monies are appropriated for the upkeep and renewal of all state buildings.

  The formula takes into consideration the:
  - current replacement value of each facility
  - original construction cost of each facility
  - current age of each facility
  - expected useful life of each facility

- **Joint Committee on Capital Review (JCCR):**

  According to A.R.S. § 41-1251, the Committee consist of fourteen members, including the Chairman of the Senate and House of Representatives Appropriations Committees, the Majority and Minority Leaders of the Senate and House of Representatives, and four members of the Senate Appropriations Committee appointed by the President of the Senate and four members of the House of Representatives Appropriations Committee appointed by the Speaker of the House.

  The Chairman of the Senate Appropriations Committee has a term as Chairman from the first day of the first regular session to the first day of the second regular session of each legislature, and the Chairman of the House of Representatives Appropriations Committee has a term from the first day of the second regular session to the first day of the next regular session.

STATE OF ARIZONA - CAPITAL BUDGET PROCESS - (Continued)

- **Statutory Duties:**

1. Develop and approve a uniform formula for computing annual building renewal funding needs and a uniform format for the collection of data for the formula (A.R.S. § 41-793.01).

2. Approve building systems for the purposes of computing and funding building renewal and for preparing capital improvement plans (A.R.S. § 41-793.01).

3. Review the state capital improvement plan. Make recommendations to the legislature concerning funding for land acquisition, capital projects and building renewal (A.R.S. § 41-1252).

4. Review the expenditure of all monies appropriated for land acquisition, capital projects and building renewal (A.R.S. § 41-1252).

5. Before the release of monies for construction of new capital projects, review the scope, purpose and estimated cost of the project (A.R.S. § 41-1252).

6. The Joint Committee on Capital Review has the powers conferred by law on legislative committees (A.R.S. § 41-1252).

7. Responsibilities previously borne by JLBC, now superseded by JCCR include:

   - Approving transfers of capital appropriations within a budget unit [A.R.S. § 35-173(D)].
   - Approving DOA land and building purchases and condemnation (A.R.S. § 41-791.02).
   - Approving DOA lease-purchase agreements (A.R.S. § 41-791.02).
   - Determining rental rates for buildings owned by or leased to the state (A.R.S. § 41-792).
   - Approving corrections facilities expenditures from the Corrections Fund (A.R.S. § 41-1651).
   - Approving the issuance of revenue bonds by the Board of Regents (Sec. 15 of Ch. 85).

The Joint Legislative Budget Committee Staff provides staff assistance to the Committee (A.R.S. § 41-1252). Jim Stewart of the Joint Legislative Budget Committee Staff serves the Committee as Principal Capital Review Analyst, with assistance from Keith Brainard, Fiscal Analyst, and Janet Belisle, Committee Clerk and Secretary.

LEASE-PURCHASE SUMMARY

The Department of Administration, the Industrial Commission, Arizona State University and the University of Arizona have entered into lease-purchase agreements for the acquisition and construction of state facilities. The table below provides the following information related to state lease-purchase agreements, as of September 30, 1991: 1) the facility acquired or constructed; 2) the amount issued, including pro rata costs associated with the issuance; 3) the required FY 1993 lease-purchase payment, *which is included in the operating budgets for the various tenants;* 4) the agency appropriated the required payment; and 5) the source of funding.

FACILITY	TOTAL ISSUANCE	FY 1993 PAYMENT	PRIMARY TENANT	SOURCE OF FUNDING
DEPARTMENT OF ADMINISTRATION				
Revenue Building	$26,919,000	$2,401,800	Department of Revenue	General Fund
Dept of Economic Security Homes	3,420,450	306,000	Department of Economic Security	General Fund, Federal Funds
Capitol Center	20,845,000	1,664,300	Atty General, Dept of Water Resources	General Fund
16th Avenue Parking Garage	5,390,000	439,700	Department of Administration	General Fund
Historical Society Museum	13,665,000	1,117,400	Historical Society	General Fund
ASDB Food Service Facility	3,765,000	301,200	School for the Deaf and Blind	General Fund
Supreme Court Building	40,440,000	3,399,400	Supreme Court	General Fund
Dept of Economic Security-West	36,205,000	3,033,900	Department of Economic Security	General Fund, Federal Funds
Tucson Office Building	22,365,000	1,876,500	Multiple Agencies	General, Federal, Special Funds
Old Compensation Fund Building	8,020,900	638,500	Dept of Administration, Land Dept	General Fund
Library for the Blind	1,405,100	112,400	Library and Archives	General Fund
Game & Fish Regional Offices	2,927,300	232,800	Game & Fish Department	Game & Fish Fund
Tonto Natural Bridge	4,712,900	375,200	State Parks Board	Parks Enhancement Fund
Records Management Addition	2,441,900	194,900	Library & Archives	General Fund
ASDB High School and Auditorium	15,811,200	1,271,700	School for the Deaf and Blind	General Fund
ENSCO	55,080,000	4,728,800	Department of Administration	General Fund
SUBTOTAL, DOA	$263,413,750	$22,094,500		
Industrial Commission	$17,000,000	$1,250,000*	Industrial Commission	Indust. Comm. Special Fund
UNIVERSITIES				
ASU-West	$55,400,000	$5,480,000	Arizona State University	
ASU-Telecommunications	9,975,000	1,580,000	Arizona State University	
ASU-Towers	4,500,000	442,000	Arizona State University	
U of A-Telecommunications	27,595,000	3,483,000	University of Arizona	
U of A-Alumni Foundation Building	4,750,000	485,000	University of Arizona	
SUBTOTAL, UNIVERSITIES	$102,220,000	$11,470,000		
TOTAL	$382,633,750	$34,814,500		

*Estimated

STATE BONDING SUMMARY

The Board of Regents, on behalf of the universities; the Coliseum and Exposition Center Board, the Department of Transportation, and the Arizona Power Authority have issued bonds to acquire and construct facilities and to purchase equipment. Bonding amounts for the universities are authorized by the Legislature. Northern Arizona University and Arizona State University have exhausted their bonding authority; the University of Arizona has $22,248,000 in remaining bonding authority. The total bonds outstanding, as of June 30, 1991, and the required FY 1993 debt service payments are shown in the table below.

INSTITUTION	BONDS OUTSTANDING	FY 1993 DEBT SERVICE PAYMENT
BOARD OF REGENTS		
University of Arizona	$280,295,000	$21,356,000
Arizona State University	251,259,000	23,880,000
Northern Arizona University	93,935,000	9,691,800
SUBTOTAL, BOARD OF REGENTS	$625,489,000	$54,927,800
Coliseum & Exposition Center	1,835,000	381,000
Department of Transportation	1,201,677,875	97,350,000
Arizona Power Authority	89,820,000	6,347,900
TOTAL	$1,918,821,875	$159,006,700

SUMMARY OF REQUESTS AND RECOMMENDATIONS

The table below compares the Agency Request with the Capital Improvement Plan, the Executive recommendation and the JLBC Staff recommendation:

GENERAL FUND	AGENCY REQUEST	FY 1993 CAPITAL IMPR. PLAN	FY 1993 EXECUTIVE REC	FY 1993 JLBC REC	FY 1993 LEGISLATIVE WORK SPACE
Formula-Building Renewal-Agencies	7,131,700	7,131,720	2,000,000	0	
Formula-Building Renewal-Regents	17,742,299	0	2,000,000	3,153,200	
Administration, Department of	6,798,000	2,535,000	490,000	500,000	
Agriculture, Department of	282,300	0	0	0	
AHCCCS	6,475,200	0	0	0	
Arizona Historical Society	602,600	60,600	0	75,000	
Arizona School for the Deaf & Blind	1,432,500	0	0	0	
Building & Fire Safety	62,000	0	0	0	
Community Colleges	2,662,000	0	0	0	
Corrections, Department of	133,968,300	0	0	0	
Economic Security, Department of	7,995,900	218,400	218,000	223,000	
Emergency Services and Military Affairs	867,000	0	0	105,600	
Health Services, Department of	6,774,200	1,352,000	0	0	
Pioneers' Home	20,000	0	0	0	
Prescott Historical Society	63,000	0	0	0	
Public Safety, Department of	5,976,000	0	0	305,000	
Regents, Board of	8,979,100	0	0	0	
State Parks Board	2,455,000	250,000	0	0	
Weights & Measures	2,845,000	0	0	0	
Youth Treatment & Rehabilitation, Department of	15,290,000	606,000	292,000	20,000	
TOTAL-GENERAL FUND	228,422,099	12,153,720	5,000,000	4,381,800	
OTHER FUNDS					
Corrections, Department of	0	0	1,000,000	1,819,900	
Game and Fish, Department of	515,000	215,000	405,000	305,000	
Health Services, Department of	0	0	0	2,000,000	
Transportation, Department of	10,536,400	3,011,600	10,536,400	5,190,000	
Formula Building Renewal	1,749,800	1,749,800	1,699,000	9,749,800	
TOTAL OTHER FUNDS	12,801,200	4,976,400	13,640,400	19,064,700	
TOTAL ALL FUNDS	241,223,299	17,130,120	18,640,400	23,446,500	

SUMMARY OF THE JLBC STAFF FY 1993 CAPITAL OUTLAY RECOMMENDATIONS

The JLBC Staff Recommendation is composed of two elements: (I) a "formula-driven" appropriation for Major Maintenance and Repair Of Buildings (Building Renewal), for which $12,903,000 is recommended; and (II) Construction Project appropriations for construction, renovations, or expansions, for which $10,543,500 is recommended. The JLBC Staff Recommendation is consistent with the process and priorities for capital outlay which were established in Laws 1986, Chapter 85. 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 Plan.

MAJOR MAINTENANCE AND REPAIR OF BUILDINGS (BUILDING RENEWAL) USE OF FUNDS

The JLBC Staff recommends $12,903,000 for major maintenance and repair of state owned buildings. The recommendation is based upon 45% General Fund support of a formula which takes into account the replacement value, age, and life-cycle of a building as prescribed by Laws 1986, Chapter 85. The Executive recommendation would provide a General Fund support of 28% to DOA and 11% to the Board of Regents. 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. 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. This formula, when fully funded is designed to provide adequate monies to properly maintain state facilities. The recommendation is shown below by building system and fund source:

	FY 1993 Executive Recommendation	FY 1993 JLBC Staff Recommendation
Building System:		
1. Administration, Department of	$3,699,000	$ 4,959,000 *
2. Board of Regents	2,000,000	7,944,000
TOTAL	$5,699,000	$12,903,000
Fund Source:		
1. Coliseum & Exposition Center Fund	$ 428,000	$ 428,000
2. Game and Fish Fund	99,100	99,100
3. Highway User Revenue Fund	1,003,600	1,003,600
4. Industrial Commission Special Fund	0	50,800
5. Retirement System Administration Fund	16,700	16,700
6. State Aeronautics Fund	23,000	23,000
7. State Compensation Fund	121,000	121,000
8. State General Fund	4,000,000	3,153,200
9. COSA Fund	0	8,000,000
10. State Lottery Fund	7,600	7,600
TOTAL	$5,699,000	$12,903,000

* If monies in the capital outlay stabilization account are insufficient to fund the appropriation to the Board of Regents and the appropriation to the Department of Administration for building renewal, the appropriation to the Board of Regents shall remain at the full amount and the appropriation to the Department of Administration shall be reduced by the difference between the appropriated amount to the Department of Administration and the balance in the capital outlay stabilization account.

CONSTRUCTION PROJECT APPROPRIATIONS FOR STATE FACILITIES

Agency Priority Number	Agency/Project Descriptions	JLBC Staff Recommendations General Fund	Other Funds	Total
	Administration, Department of			
2	Refurbish Vacated Office Space	500,000		500,000
	Total	500,000		500,000
	Arizona Historical Society			
2	Molina Block Restoration	60,000		60,000
6	Adobe Annex	15,000		15,000
	Total	75,000		75,000
	Economic Security, Department of			
1	Fire & Life Safety Corrections	120,000		120,000
5	Computer Room Expansion	103,000		103,000
	Total	223,000		223,000
	Emergency and Military Affairs, Department of			
1	Tucson Access Road Modifications	50,000		50,000
2	3666th Maintenance Armory	20,000		20,000
3	385th Armory Modification	35,000		35,000
6	Rittenhouse Land Acquisition	600		600
	Total	105,600		105,600
	Health Services, Department of			
	Maintenance & Modifications		2,000,000	
	Total		2,000,000	

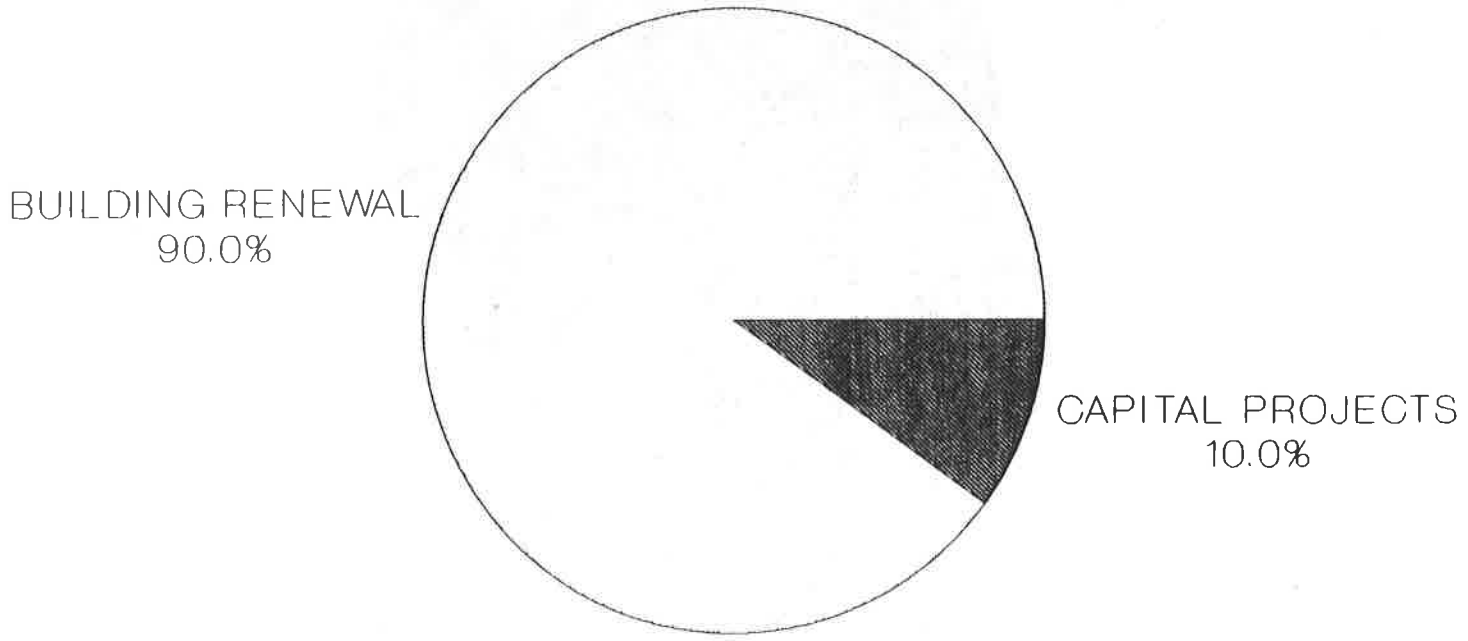
CONSTRUCTION PROJECT APPROPRIATIONS FOR STATE FACILITIES

Agency Priority Number	Agency/Project Descriptions	JLBC Staff Recommendations General Fund	Other Funds	Total
	Public Safety, Department of			
3	Statewide Officers Remote Housing	290,000		290,000
8	Statewide Radio Transmission Facilities	15,000		15,000
	Total	305,000		305,000
	Youth Treatment & Rehabilitation, Department of			
4	AMJI West Unit Structure	10,000		10,000
5	CMJI Cholla Structural Evaluation	10,000		10,000
	Total	20,000		20,000
	Corrections, Department of			
1	New Facilities Design		1,000,000	1,000,000
9	ASPC-F Central Unit Code Compliance		509,600	509,600
14	ASPC-Florence CU Health Unit		60,300	60,300
	Statewide Building Maintenance		250,000	250,000
	Total		1,819,900	1,819,900
	Game & Fish, Department of - G&F Fund			
2	Shooting Range Development		5,000	5,000
3	Hatchery Renovations & Improvement		200,000	200,000
4	Habitat Land Acquisition		100,000	100,000
	Total		305,000	305,000

CONSTRUCTION PROJECT APPROPRIATIONS FOR STATE FACILITIES

Agency Priority Number	Agency/Project Descriptions	JLBC Staff Recommendations General Fund	Other Funds	Total
	Transportation, Department of - Highway Fund			
1	Prescott Relocation		1,214,000	1,214,000
2	S.W. Valley Driver's License		1,445,300	1,445,300
3	Modular Wall Systems		500,000	500,000
4	Yuma Maintenance/MVD Fire Protection		329,000	329,000
5	Nogales M/C Relocation		310,000	310,000
6	Wash Rack/Controlled Drainage		300,000	300,000
7	Fuel Tank Upgrades		700,000	700,000
8	Hq Class "A" Fire Alarm System		200,000	200,000
9	Sand & Salt Storage Facilities		192,000	192,000
	Total		5,190,000	5,190,000
	GRAND TOTAL	1,228,600	9,314,900	10,543,500

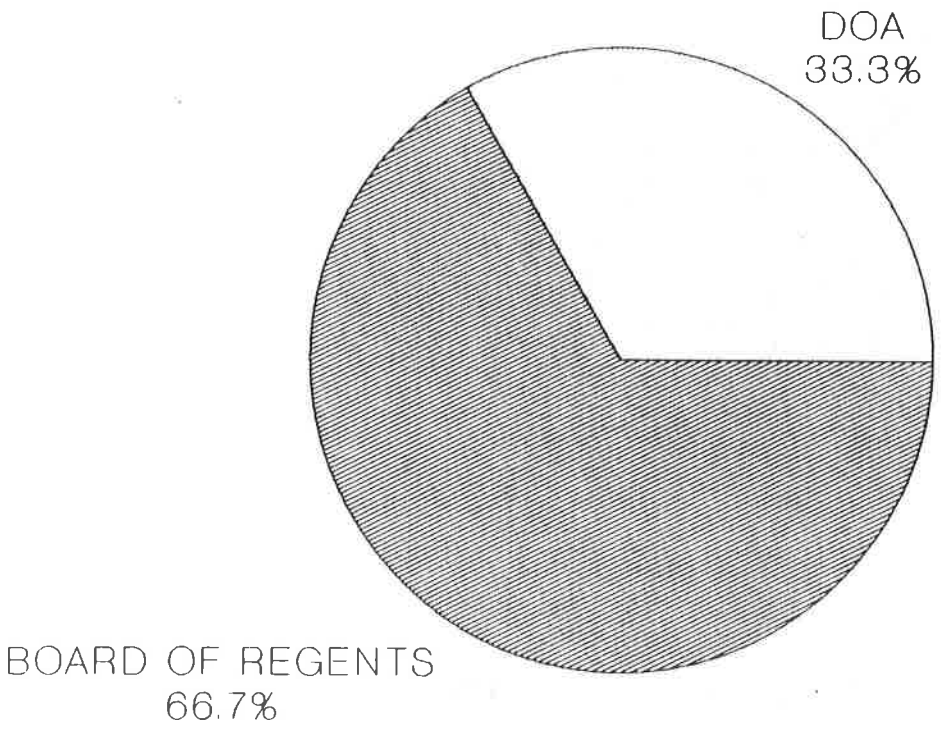
FY 1993
DISTRIBUTION OF RECOMMENDED FUNDING
GENERAL FUND/COSA



TOTAL: $12,381,800

COSA: CAPITAL OUTLAY STABILIZATION ACCOUNT

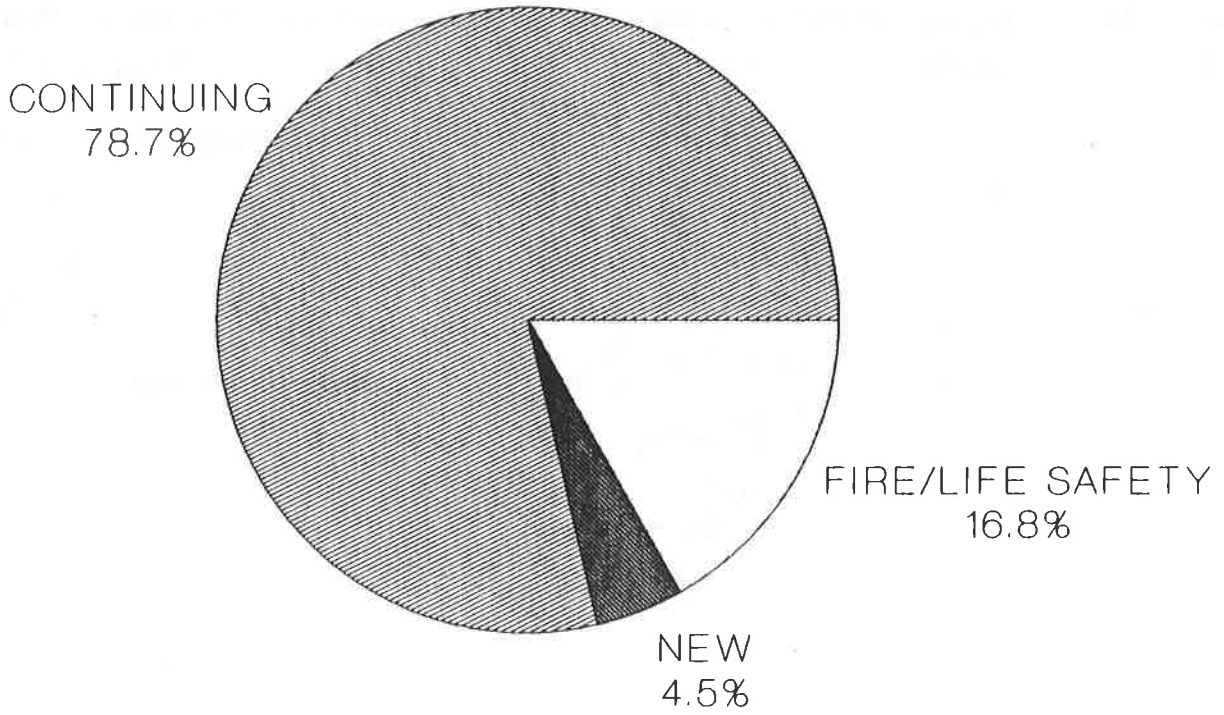
FY 1993
BUILDING RENEWAL DISTRIBUTION
GENERAL FUND/COSA



AT 45% OF FORMULA

COSA • CAPITAL OUTLAY STABILIZATION ACCOUNT

FY 1993
RECOMMENDED PROJECTS BY TYPE
GENERAL FUND/COSA



NON-BUILDING RENEWAL PROJECTS

COSA - CAPITAL OUTLAY STABILIZATION ACCOUNT

Joint Committee on Capital Review - Fiscal Year 1993 Capital Budget

Department: Department of Administration

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		6,798,000	2,535,000	490,000	500,000	
1	East and West Annex	2,815,000	367,000	150,000	0	
	Funds to renovate annex buildings.					
2	Refurbish Office Space	600,000	300,000	300,000	150,000	
	Funds to refurbish vacated office space within the State Buildings.					
2A	Refurbish Office Space	0	0	0	350,000	
	Funds to refurbish 1300 and 1400 West Washington to allow relocation of state agencies.					
3	DOA Renovations	1,708,000	1,708,000	0	0	
	Funds to renovate and make improvements.					
5	Facilities Planning & Design	1,675,000	160,000	40,000	0	
	Funds to begin design for state facilities in Flagstaff and Yuma. Funds will also be used for a feasibility study for Jackson School.					

Joint Committee on Capital Review - Fiscal Year 1993 Capital Budget

Department: Arizona Historical Society

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		612,800	60,600	0	75,000	
2	Molina Block Restoration (Construction)	145,000	0	0	60,000	
	Funds to continue the Molina Block Restoration Project. The state has appropriated $533,125 towards this continuing project and $520,000 has been provided from private funds. This project is part of the Master Planned Yuma Crossing that is supported by funding from the City of Yuma, State Government and the private sector.					
3	Douglas-Williams House Restoration (Infrastructure)	10,600	10,600	0	0	
	Funds to complete the restoration of this house purchased by the State in 1988. The State has appropriated $329,720 for this project and the appropriation this year of $10,600 protects the states investment, completes the project and allows the museum to be opened to the public.					
5	Coconino County Hospital	50,000	50,000	0	0	
	Funds to correct safety violations prior to scheduled restoration. This project is scheduled to be completed in FY 1994. Failure to fund these safety corrections could result in the evacuation of this facility until corrections are made.					
6	Adobe Annex (Infrastructure)	15,000	0	0	15,000	
	Funds to install air conditioning in this facility which will allow full year utilization of the structure. Failure to fund this project will result in a seasonal loss of use and would delay the Yuma Crossing Master plan schedule.					

Department: Department of Economic Security

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		7,995,900	218,400	218,000	223,000	
1	Fire & Life Safety Code Corrections (Design & Infrastructure)	368,100	218,400	218,000	120,000	
5	Computer Room Expansion (Construction)	103,000	0	0	103,000	

Funds to complete fire and life safety code corrections. Unsafe conditions exist at various DES sites. Deficiencies in 19 buildings and 9 group homes have been identified and will be corrected with the requested funds. These corrections must be made to prevent the loss of current and future Title XIX funding and to assure all people living at ATPC are afforded equal health, safety and accessibility as required by law.

Funds to complete the computer room expansion at 170 West Madison. This expansion is necessary to accommodate the change in operation which resulted from the addition of DES West and to improve services and production required by the increase of mandated Federal and State reporting requirements. The design fees were appropriated in FY 92 and this funding of construction completes the project.

These corrections will include modifications to smoke barriers, sprinklers, and alarm systems. Fire alarm pull stations will be added as will additional smoke detectors. These corrections will correct the most acute code violations and will bring the buildings into minimal compliance with the Fire and Life Safety Code.

Department: Department of Emergency and Military Affairs

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		867,900	0	0	105,600	
1	Tucson Valencia Access Road (Design and Construction)	50,000	0	0	50,000	
	Funds to design and make necessary modifications in the road access to this facility. The modifications are required by Pima County. This armory was occupied in 1988 and there has been one traffic fatality since the opening. There must be a left turn lane and a deceleration lane constructed to provide safe access to the facility.					
2	3666th Maint Armory Modification (Design of Facility)	20,000	0	0	20,000	
	Funds to design a 26,000 square foot addition to an existing armory. The present armory was constructed in 1956 as a 400 person facility. At the present time over 800 guardsmen train at the facility. The state has been given a USPFO Warehouse with no cost to the state. With this alteration and addition, the property can be converted into a usable armory. Construction funds of $250,000 are requested in FY 1994. Total value of this project including federal funding will be $1,080,000.					
3	385th Armory Modification (Design of Facility)	35,000	0	0	35,000	
	Funds to design a 11,525 square foot addition to an existing armory bringing the Aviation armory up to National Guard Bureau construction criteria. Construction funds of $514,000 are requested in FY 1994. This armory was constructed in 1974 as a company sized facility. The facility now provides housing for a group size organization. Requested federal funds for this project are $1,533,000.					
6	Rittenhouse Airfield Land Acq. (Land Acquisition)	600	0	0	600	
	Funds to acquire 212 acres from the Bureau of Land Management. This facility will be used as a Field Training Exercise Site for helicopter units. This property is offered by the Bureau of Land Management and at this time it may be purchased at the cost of $2.50 per acre. This 212 acre site is presently used for helicopter practice approaches and field training exercises, both of which are essential for the units operation.					

Department: Department of Health Services

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		**6,774,200**	**1,352,000**	**0**	**0**	
1	Perimeter Fence Modification (Safety Modification)	228,300	200,000	0	0	
	Funds for the completion of fence modification begun last year. Replacement will be made using "non-climbable fence" to prevent patient escapes.					
3	DHS Laboratory Building (Design Fees)	1,658,000	1,152,000	0	0	
	Funds for the design of a 60,400 square foot laboratory to be built at the Arizona State University Research Park.					

Department: Department of Public Safety

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		5,976,000	0	0	305,000	
3	Statewide officer Remote Housing (Continuation of on-going program)	1,020,000	0	0	290,000	
	Funds to continue the replacement of old deteriorating housing units at remote duty stations. This is an on-going program of land acquisition and construction. This continuing project will be completed in FY 1994.					
8	Statewide Radio Transmission Facilities (3 year expansion program)	15,000	0	0	15,000	
	Funds to cover 8 radio transmission buildings with aluminum siding to prevent further deterioration of the fiberglass mountain top structures. The equipment is now subject to extreme weather conditions and must be protected to ensure support to law enforcement officers in the field.					

Department: Department of Youth Treatment & Rehabilitation

Fund: General Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		15,290,000	606,000	292,000	20,000	
3	AJI-Wren/Eagle Remodel (Design & Installation)	314,000	314,000	0	0	
	Funds to design and construct approximately thirty-five security metal doors and frames in the Wren and Eagle Buildings. This project will allow the department to provide safe, secure housing and provide proper custodial control and supervision.					
4	AMJI-West Unit Structural Survey	10,000	0	0	10,000	
	Funds to hire a professional registrant to perform studies to evaluate, report and recommend remedial action for structural cracks in four cottages at Adobe Mountain. If this condition is not corrected it could lead to structural failure.					
5	CMJI-Cholla Structural Evaluation	10,000	0	0	10,000	
	Funds to hire a professional registrant to evaluate and report the cause of structural cracks in walls and roof structure of the Cholla Building. The report for the gymnasium will recommend corrective action.					
6	AMJI-North Unit HVAC Improvement	372,000	292,000	292,000	0	
	Funds to design and construct improvements to the HVAC system in the North Unit cottages at Adobe Mountain. The work will include fan coil units, associated ductwork, compressors, chillers, and cooling towers.					

Department: Department of Corrections

Fund: Corrections Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		0 1/	0	1,000,000	1,000,000	
1	New Facilities Design	22,215,000	0	1,000,000	1,000,000	

Initial design of an 800-bed male, Level III prison at the Eyman Complex-Arizona State Prison Complex in Florence and a 250-bed female, Level III facility at the Arizona State Prison Complex-Perryville. The 800-bed facility is proposed to include 8 housing units, an administration building, a processing and reception building, kitchen/dining unit, a 40-cell lock-up, and sallyport. The Department of Corrections estimates the total project cost to be $27,000,000. The 250-bed women's facility is proposed to include 2½ housing units, an administration building, a kitchen/dining unit, a health unit, and an Arizona Corrections Industries/vocational training building. The Department of Corrections estimates design and construction of the women's facility will cost $9,300,000.

The state prison population is growing at the rate of 90 inmates per month, or 1,100 per year. Currently, all prisons are operating in excess of their capacity. Women's facilities in particular are overcrowded.

Both the Executive and JLBC Staff recommend construction of 1,050 new beds; 250 female and 800 male. This construction will need to be financed through Certificates of Participation (COP's) if Corrections Fund monies are used for the operating budget. $1,000,000 is recommended for the design of these facilities. This amount will be returned to the Corrections Fund before the end of FY 1993 from the proceeds of this issuance. The Corrections Fund will serve as the future revenue stream for the repayment of the COP's.

The JLBC Staff recommends that DOA include a "reuse" option in all future prison design contracts that will permit the state to reuse the same design and services of the same architect at different prison construction sites. At its December 1988 meeting, the JCCR directed DOA to include this option in prison construction contracts. DOA has disregarded this directive, resulting in significant additional, unnecessary costs to the state.

1/ The Department of Corrections requested $133,968,300 from the General Fund. There is no JLBC Staff recommendation for the Department of Corrections from the General Fund.

Department: Department of Corrections

Fund: Trust Land Endowments
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		0	0	0	819,900	
9	ASPC-F Central Unit Code Compliance	1,419,600	0	0	509,600	

Design of the Central Yard natural gas pipeline replacement; design and initial construction of fire safety improvements in Cell Blocks 2, 3, and 4; and design and construction of electrical service in the Vocational Education building and waste piping leaks in CB2. The natural gas pipeline is substantially deteriorated, creating a fire life safety issue and significant energy loss. The remaining projects have been identified as Emergency or Fire Safety projects in the VSLA Physical Plant Evaluation.

14	ASPC-F Central Health Unit	2,478,000	0	0	60,300

Design of a health and geriatric dorm to replace the demolished Cutter Lab/Dorm 8. This proposed structure would be about 13,000 square feet, and house a health unit and 30 geriatric and handicapped inmates. Temporary modular units are currently being used to provide these facilities. The recommended amount is intended to supplement $50,000 already directed to this project.

	Statewide Building Maintenance	250,000	0	0	250,000

The size of the Department of Corrections capital plant exceeds 4 million square feet, with an estimated replacement value of $275 million. The recommended amount would permit the agency to respond to capital issues that either do not qualify for Building Renewal monies, such as repaving and other infrastructure projects, or to respond on a timely basis to capital and security requirements, such as pipe bursts and fence repairs. This appropriation is also recommended by the State Auditor in its 1991 Performance Audit of the Department of Corrections Prison Maintenance and Construction function.

The Department of Corrections is the beneficiary of 2 State Land Grants: the Penitentiaries Land Grant, and the State Charitable, Penal, and Reformatories Land Grant. For each of these grants there is a permanent and expendable account; only the revenue in the expendable account may be spent. The source of revenue into the expendable account is interest earnings on investment of the permanent account and receipts from the lease of State Trust Lands. The Department of Corrections is the sole beneficiary of the Penitentiaries Land Earnings Fund. The Legislature has traditionally divided the Charitable, Penal, and Reformatories Fund as follows: one-half is allocated to the Pioneers' Home in Prescott, and the remaining one-half is divided equally between the Department of Youth Treatment and Rehabilitation and the Department of Corrections. The estimated receipts into these funds that may be expended by the Department of Corrections in FY 1993, including the balance forward, is $819,900. This includes $419,900 available from the Penitentiaries Fund and $400,000 from the Charitable, Penal, and Reformatories Fund.

Department: Game and Fish Department

Fund: Various Funds
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		515,000	215,000	405,000	305,000	
1	Hatchery Renovation	200,000	200,000	200,000	200,000	
	Ongoing upgrades to the Game & Fish Department's 5 hatcheries using the Capital Improvement Fund. State appropriations for this project are matched by federal funds on a 75% federal, 25% state basis.					
2	Facilities Maintenance	100,000	0	100,000	0	
	Repair and maintenance of agency facilities. The JLBC Staff believes the agency's building renewal appropriation, when combined with previous appropriations for building renewal and facilities maintenance, is sufficient to meet its building repair requirements.					
3	Shooting Range Development	15,000	15,000	5,000	5,000	
	Improvements to private and public shooting ranges, provided to shooting organizations on a 50/50 matching basis. This is part of an agency effort to use the Game & Fish Fund to provide training in the safe handling and use of firearms and safe hunting practices. JLBC Staff believes the recommended amount, combined with unexpended balances from previous appropriations, are sufficient to achieve the agency's objectives.					
4	Waterfowl Habitat	200,000	0	100,000	100,000	
	Acquisition of wetlands and other properties suitable for migratory waterfowl habitat using the Waterfowl Conservation Fund. The agency is studying and considering various properties for acquisition; when combined with previous appropriations, the recommended amount will permit the agency to acquire appropriate sites.					

Fund: AZ State Hospital Disproportionate Share Payment Fund

Department: Department of Health Services

Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		3,339,500	0	0	2,000,000	
	AZ State Hospital Facilities Renovation		0	0	2,000,000	

The JLBC Staff recommends funding to renovate facilities at the Arizona State Hospital (ASH) to meet licensing requirements of federal health care oversight agencies. Accreditation of the State Hospital may be endangered without this renovation. These upgrades are part of a larger, multi-year Department of Health Services effort to renovate the entire ASH campus.

Department: Department of Transportation

Fund: Highway Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
AGENCY TOTALS		10,536,400	3,001,600	10,536,400	5,190,000	
1	Prescott Relocation	1,214,000	0	1,214,000	1,214,000	
	Funds to purchase 15 acres of land in Prescott Valley for the relocation of the Prescott Maintenance Yard. The existing facility cannot meet the needs of the Department and the facility must relocated. This project is scheduled for completion in 1996.					
2	S.W. Valley Driver's License	1,445,300	260,000	1,445,300	1,445,300	
	Funds to purchase 15 acres of land in the Goodyear area and construct a 8,200 square foot building for Motor Vehicle Division Operations. This is a continuation of the project presented to the J.C.C.R. on 19 July, 1991.					
3	Modular Wall Systems	500,000	0	500,000	500,000	
	Funds to begin phase 5 of 9 phases providing modular systems to the Departments Headquarters Complex. This phase will entail the modification to 143 work stations.					
4	Yuma Maintenance/MVD Fire Protection	329,000	0	329,0000	329,000	
	Funds to develop and install a fire distribution system, domestic water distribution, sewer disposal system, and surface water retention system. This is a Yuma County requirement for the continued development and operation of this facility.					
5	Nogales M/C Relocation	310,000	0	310,000	310,000	
	Funds to construct a 9,000 square foot, five bay, pre-engineered metal equipment storage building. This structure will be located at the new Nogales camp site. This construction is part of the planned relocation of this maintenance yard.					
6	Wash Rack/Controlled Drainage	300,000	300,000	300,000	300,000	
	Funds to construct wash rack facilities that meet the environmental requirements of EPA/ADEQ for controlled water distribution. This years budget will be used for facilities in Phoenix and Tucson. This ongoing program will continue through FY 1997.					

Department: Department of Transportation

Fund: Highway Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
7	Fuel Tank Upgrades	700,000	0	700,000	700,000	
	Funds to continue a project based on EPA/ADEQ requirements to replace the majority of the Departments petroleum storage tank systems between now and 1998. This is the third year of the program and 18 tanks will be upgraded.					
8	Hq Class "A" Fire Alarm System	200,000	0	200,000	200,000	
	Funds to upgrade of a Class B system in 13 headquarters area buildings. The Department has been placed on notice by the State Fire Marshall during inspections. This fire and life safety project is on-going and will be completed in 1994.					
9	Sand & Salt Facilities	192,000	192,000	192,000	192,000	
	Funds to construct two 1,440 square foot premix and at these locations salt storage buildings. At the present time, storage for bulk salt and premix is not available at Colcord and Chambers. Outside storage at these locations makes use of these materials difficult and unreliable.					
10	Bullhead Service Center	1,143,200	1,143,200	1,143,200	0	
	Funds to design and construct an 8,000 square foot service center from which the department can provide full service to the residents of Bullhead City. The land for this facility has been received from the Bureau of Land Management.					
11	Durango Maintenance Facility	540,000	0	540,000	0	
	Funds for the construction of new office, ready rooms, and other improvements for five maintenance organizations. This project is necessary for the increased activities of these Durango based units.					
12	Prescott Equipment Shop	1,050,000	0	1,050,000	0	
	Funds to construct a 16,000 square foot pre-engineered full service equipment maintenance and repair facility. The present Prescott facility is inadequate to maintain the equipment fleet.					
13	Asphalt Storage Tank Replacement	196,000	196,000	196,000	0	
	Funds to continue the program of removing and replacing old existing tanks. This year the department will procure install two 8,000 gallon road asphalt tanks for four Highway Maintenance Yards. This ongoing program will continue through FY 1997.					

Department: Department of Transportation

Fund: Highway Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
14	Chandler Driver's License	1,153,200	1,473,000	1,153,200	0	
	Purchase of 2.5 acres, design and construct a 5,200 square foot facility that will provide full drivers licensing and enforcement functions for the Chandler area. Because of rapid population growth, this facility is needed to meet public demands.					
15	Landscape Chemical Storage	105,000	105,000	105,000	0	
	Funds to construct a 700 square foot steel frame, metal clad structure. This addition will provide office space, sanitary facilities and storage chemicals. Seed must be stored away from chemical storage because of potential fume damage.					
16	District I Office Expansion	40,000	40,000	40,000	0	
	Funds to expand the present District Office Building including the Laboratory space. This expansion is necessary to provide work space for 18 additional employees.					
17	AJO #2 Land	73,700	0	73,700	0	
	Funds to purchase 3.8 acres of land presently leased from Phelps Dodge Copper Corporation and conduct an environmental study. This yard supports the operations in western AJO County. The department must vacate within 30 days or purchase the property.					
18	Keams Canyon Spreader Rack	20,000	20,000	20,000	0	
	Funds to construct a six stall steel frame metal clad building for spreader racks. The present racks are inadequate, especially under adverse weather conditions.					
19	Three Points Truck Shed	423,000	0	423,000	0	
	Funds to construct a 7,200 square foot pre-engineered metal truck shed at the Three Point Maintenance site. This structure will provide truck storage and office ready rooms. This yard is the base of operations for the western half of Pima County					
20	Globe Paint Dock Canopy	20,000	0	20,000	0	
	Funds to construct an 1,800 square foot metal canopy for an existing paint dock at the Globe Maintenance Yard. This canopy is required to meet federal standards for storage of hazardous materials.					

Department: Department of Transportation

Fund: Highway Fund
Analyst: Stewart

PRIORITY	PROJECT TITLE	FY 1993 REQUEST	FY 1993 CAP IMPR PLAN	FY 1993 EXEC REC	FY 1993 JLBC REC	LEGISLATIVE WORK AREA
21	Indian Pine Extension	162,000	162,000	162,000	0	
	Funds to construct a 3,600 square foot addition to the Indian Pine Equipment Storage Building. The present building will not accommodate the present fleet.					
22	Building Relocations	80,500	0	80,500	0	
	Funds to relocate two existing building from the Kingman Maintenance Camp to Seligman and Gila Bend. The Kingman Camp will be abandoned relieving the department from the liability as a result of trespass.					
23	West Area Laboratory	120,000	120,000	120,000	0	
	Funds to purchase and install a cement cylinder curing room at the West Area Laboratory and make needed modifications to the HVAC system. These modifications are necessary to support the department's testing programs.					
24	Seligman Remote Housing	29,500	0	29,500	0	
	Funds to construct a four foot fence around the Seligman Remote Housing Area and complete the trailer pads to allow occupancy. This project is necessary for protection against trespassing and vandalism.					
25	Parker Creek Water Storage	90,000	0	90,000	0	
	Funds to purchase and install two 8,000 gallon underground fiberglass tanks for fire protection at the Maintenance Camp. At the present time, this camp has no protection to control a catastrophic forest fire.					
26	Kayenta M/C Mobile Home	50,000	0	50,000	0	
	Funds to purchase and install one 24 x 52 feet, three-bedroom mobile home at Kayenta. Fund will provide for the trailer pad, a septic tank system, and a chain link fence for the site. The present residence has exceeded its useful life, and it would not be cost effective to renovate the existing home.					
27	Stateside Small Construction	50,000	0	50,000	0	
	This fund will provide a source of emergency funding for the construction of small miscellaneous structures such as sign sheds, sand and salt sheds, and well houses. The need for this type of construction is related to on-going highway work that cannot always be projected. Unplanned events such as rock slides, flooding, and other weather related emergencies must be handled through this type of construction funding.					

Non-Appropriated Capital Projects

Department: Game & Fish Department

Fund: Heritage and Federal Funds
Analyst: Stewart

Heritage Fund

Passage of the Arizona Heritage Fund Initiative in November 1990 authorized the annual transfer of $10 million from the Lottery Fund to both the Game & Fish Department and the State Parks Board. Monies transferred to the Game & Fish Department must be expended within the following limitations:

Habitat Acquisition	60%
Habitat Protection	15%
Urban Wildlife	15%
Public Access	5%
Environmental Education	5%

At least 40% of the allocation for Habitat Acquisition, or 24% of the total Fund, must be used to acquire habitat containing threatened or endangered species. The remaining allocation for Habitat Acquisition may be used to research and manage areas containing species that require special protection or conservation. Allocations for Habitat Protection, Urban Wildlife, and Environmental Education are not required to make capital acquisitions. The only other allocation for capital outlay from the Game & Fish Heritage Fund is Public Access; this allocation is to be used to acquire entry to public lands for recreational use, such as to a river or lake for swimming or boating purposes.

Federal Funds

The U.S. Fish & Wildlife Service will provide $1,000,000 in FY 1993 to the Game & Fish Department as the 75% federal match for Arizona's fish hatcheries. The JLBC Staff Recommendation for the Game & Fish Capital Improvement Fund includes $200,000 in FY 1993 to provide the state match. This appropriation is part of a multi-year effort to upgrade and renovate all 5 fish hatcheries owned and operated by the Game & Fish Department. The remaining $50,000 of the state's match is provided through administrative and in-kind contributions.

Non-Appropriated Capital Projects

Department: State Parks Board

Fund: Heritage Fund
Analyst: Stewart

Passage of the Arizona Heritage Fund Initiative in November 1990 authorized the annual transfer of $10 million from lottery receipts to both the Game & Fish Department and the State Parks Board. Monies transferred to the Parks Board must be expended within the following limitations:

Local, Regional, & State Parks	35%
State Parks Acquisition & Development	17%
Historic Preservation	17%
Natural Areas Acquisition	17%
Trails Development	5%
Environmental Education	5%
Natural Areas Management	4%

Allocations for Local, Regional, & State Parks and Trails Development are subject to approval by the Arizona Outdoor Recreation Coordinating Commission (AORCC); all other allocations are subject to approval by the State Parks Board. Grants totalling $2,877,000 in calendar years 1992 and 1993 have been approved, mostly for State Parks Acquisition & Development, for the following State Parks projects and activities:

State Parks Planning and Development	$300,000
New State Parks Acquisition	200,000
Homolovi State Park Ruins Stabilization	100,000
Homolovi State Park Utilities	490,000
Homolovi State Park Restrooms and Shower Building	480,000
Lost Dutchman State Park Restroom and Shower Building	200,000
Lake Havasu State Park Maintenance Compound Acquisition	150,000
Lyman Lake State Park Petroglyph Trail Development	2,200
Picacho Peak State Park Restroom Buildings	486,500
Red Rock State Park Maintenance Building and Utilities	100,000
Slide Rock State Park Water/Wastewater Treatment	93,300
Tonto Natural Bridge State Park Lodge Fire Suppression	200,000
Tubac State Park Property Acquisition	75,000
TOTAL	$2,877,000

In addition to these projects, the Parks Board and AORCC have approved funding of $6,700,000 in calendar years 1992 and 1993 from the State Parks Heritage Fund for capital projects to be administered by local and county governments and non-profit groups. Funding for these projects is from one or more of the following categories: Local, Regional, & State Parks, Trails Development, and Historic Preservation.

Non-Appropriated Capital Projects

Fund: Enhancement & State Lake Improvement Fund

Department: State Parks Board

Analyst: Stewart

State Parks Enhancement Fund

Laws 1991, Chapter 265 created the State Parks Enhancement Fund, composed of parks user fees and concession revenue. Up to one-half of this Fund may be appropriated for parks operations; the other half is to be used for the acquisition and development of Tonto Natural Bridge and Kartchner Caverns State Park. Upon completion of the acquisition and development of these parks, this portion of the Fund also will be subject to legislative appropriation. The estimated FY 1993 expenditures for these parks is as follows:

Tonto Natural Bridge State Park Lease-Purchase Payment	$ 375,200
Kartchner Caverns Development	$3,300,000
	$3,675,200

State Lake Improvement Fund

The State Lake Improvement Fund (SLIF) is to be used for projects at boating sites, including launching ramps, parking areas, lake improvement and construction, campgrounds, and acquisition of property that provides access to boating sites. Requests for SLIF grants are reviewed by AORCC, approved by the State Parks Board, and must also be reviewed by the Joint Committee on Capital Review. Projects totalling $3,896,900 have been approved for calendar year 1992. These projects are as follows:

Lake Havasu State Park Boat Camps	$488,100
Lake Havasu State Park Camping Facilities	530,400
Saguaro Lake Boat Storage Area Replacement, Maricopa County	23,000
Davis Camp Boating and Camping Facilities, Mohave County	385,400
Bullhead City Boating Facilities	330,300
La Paz County Lagoon Area Improvements	133,900
Beasley Flat River Access Area Development, Camp Verde	29,400
Lee's Ferry Patrol Boat and Equipment Acquisition, Coconino County	35,000
Pontoon Boat and Safety Equipment, Apache County	33,600
Colorado River Radio Network Acquisition, Arizona State Parks	12,000
Rio Salado Development, City of Tempe	318,000
Lyman Lake State Park Improvements	288,200
Upper Little Colorado Basin Lakes Study, Apache County	220,000
Green Valley Lake Development Design, Town of Payson	238,000
Pigeon Creek Lake Recreation Area Development Study, Greenlee County	540,000
Gila River Campground Improvements, Town of Kearney	39,500
Patagonia Lake State Park Improvements	194,700
Roper Lake State Park Improvements	57,400
TOTAL	$3,896,900