

**Joint Legislative Budget Committee  
Staff Memorandum**

1716 West Adams  
Phoenix, Arizona 85007

Telephone: (602) 926-5491  
Facsimile: (602) 925-5416

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DATE: December 8, 2005  
TO: Richard Stavneak, Director  
FROM: Stefan Shepherd, Assistant Director  
SUBJECT: FY 2002 - 2005 FUND TRANSFERS

We have been asked for a list of fund transfers that were used to balance the budget between FY 2002 and FY 2005. The transfers equal \$546 million and exclude any transfers from the Budget Stabilization Fund.

Attached is a chart listing the transfers by legislative session and fiscal year. Following the chart is a brief narrative description of each fund's source of revenue and statutory purpose.

SSh:lm  
Attachments

**JLBC**

**FUND TRANSFERS <sup>1/</sup>**  
**For Fiscal Years 2002, 2003, 2004 and FY 2005**

<u>AGENCY/FUND</u>	<u>FY 2002</u> <u>2nd SS 2/</u>	<u>FY 2002</u> <u>3rd SS 3/</u>	<u>FY 2003</u> <u>2nd Reg 4/</u>	<u>FY 2003</u> <u>6th SS 5/</u>	<u>FY 2003</u> <u>1st SS 6/</u>	<u>FY 2004</u> <u>1st Reg 7/</u>	<u>FY 2005</u> <u>1st Reg 8/</u>	<u>TOTALS</u>
Department of Administration								
Risk Management Fund	0	0	6,000,000	4,000,000	2,000,000	0	9/	12,000,000
Motor Vehicle Pool Revolving Func	3,000,000	0	3,000,000	2,400,000	0	1,000,000	1,000,000	10,400,000
DOA 911 Emergency Telecom								
Services Revolving Fund	0	0	0	5,000,000	7,000,000	3,000,000	0	15,000,000
Arizona State Hospital Capital								
Construction Fund	0	0	3,000,000	10,400,000	0	0	0	13,400,000
Air Quality Fund	0	0	0	0	500,000	0	0	500,000
Retiree Accumulated Sick Leave Fund	3,463,100	0	1,286,900	0	400,000	0	0	5,150,000
Technology & Telecomm Func	0	0	4,000,000 10/	0	2,000,000	0	0	6,000,000
Lease Purchase Building								
Operating & Maintenance Fund	0	0	0	0	46,700	0	0	46,700
State Employee Ride Share	0	0	0	0	200,000	0	0	200,000
State Suggestion Program Award Fund	0	0	0	0	20,000	0	0	20,000
Admin AFIS II Collections	0	0	0	0	159,000	0	0	159,000
State Surplus Material Revolving	1,000,000 12/	0	1,000,000	0	(850,000)	0	0	1,150,000
Construction Insurance	600,000	0	0	0	0	0	0	600,000
Department of Agriculture								
Commercial Feed Fund	0	0	50,000	0	450,000	0	0	500,000
Pesticide Fund	0	0	50,000	0	400,000	0	0	450,000
Fertilizer Materials Fund	0	0	50,000	0	150,000	0	0	200,000
Ratite Control Fund	92,900	0	0	0	1,800	0	0	94,700
AHCCCS								
Intergovernmental Service Func	0	0	0	400,000	0	0	0	400,000
AHCCCS Fund	3,000,000	0	0	0	0	0	0	3,000,000
Third Party Collections	2,400,000	0	0	0	0	0	0	2,400,000
AZ Commission to the Arts								
Arts Endowment Fund Principal	0	0	0	1,000,000	0	0	0	1,000,000
Attorney General								
AntiRacketeering Fund	1,250,000	0	625,000	1,000,000	0	0	0	2,875,000
Prosecuting Attorneys Fund	0	0	0	0	200,000	0	0	200,000
Department of Banking								
Receivership Fund	0	0	0	570,800	150,000	0	0	720,800

<u>AGENCY/FUND</u>	<u>FY 2002</u> <u>2nd SS 2/</u>	<u>FY 2002</u> <u>3rd SS 3/</u>	<u>FY 2003</u> <u>2nd Reg 4/</u>	<u>FY 2003</u> <u>6th SS 5/</u>	<u>FY 2003</u> <u>1st SS 6/</u>	<u>FY 2004</u> <u>1st Reg 7/</u>	<u>FY 2005</u> <u>1st Reg 8/</u>	<u>TOTALS</u>
Department of Commerce								
Arizona Job Training Fund	10,000,000	0	0	0	5,000,000	2,500,000	0	17,500,000
Greater AZ Development Authority								
Revolving Fund	0	0	0	0	2,500,000	0	0	2,500,000
Arizona Clean Air Fund 14/	4,000,000	700,000	7,300,000	0	0	0	0	12,000,000
Housing Trust	0	0	2,000,000	0	0	0	0	2,000,000
Oil Overcharge	0	0	15/	0	0	0	0	0
Arizona Community Colleges								
Community College Certification Fund	0	0	0	0	88,700	0	0	88,700
Corporation Commission								
Utility Regulation Revolving Fund	0	0	0	750,000	0	0	0	750,000
Securities Reg & Enforcement Fund	1,000,000	0	0	0	0	0	0	1,000,000
Department of Corrections								
ACI Enterprises Revolving Fund	0	0	0	0	1,000,000	1,000,000	500,000	2,500,000
Drug Treatment and Education Fund	0	0	1,000,000	0	0	0	0	1,000,000
State Ed Fund for Correctional Education	0	0	0	500,000	0	0	0	500,000
Corrections Fund	30,000,000	4,500,000	0	0	0	0	0	34,500,000
Alcohol Abuse Treatment Fund	1,000,000	0	1,000,000	0	0	0	0	2,000,000
AZ Commission for the Deaf & the Hard of Hearing								
Telecommunication Fund for the Deaf	0	0	0	1,000,000	1,000,000	1,000,000	0	3,000,000
Drug and Gang Prevention Resource Center								
Resource Center Fund	0	0	0	0	200,000	0	0	200,000
Department of Economic Security								
Arizona Industries for the Blind Fund	0	0	0	1,000,000	0	0	0	1,000,000
Public Assistance Collections Fund	0	0	0	750,000	400,000	0	0	1,150,000
Long-Term Care System Fund	9,394,000	0	0	0	0	0	0	9,394,000
Department of Education								
Internal Services Fund	0	0	0	500,000	0	0	0	500,000
Education Printing Fund	0	0	0	500,000	0	0	0	500,000
Charter School Stimulus Fund	0	0	0	0	80,300	0	0	80,300
Research Based Systematic Phonics								
Instruction Fund	0	0	0	0	18,300	0	0	18,300
Education Commodity	0	0	0	0	100,000	0	0	100,000
Department of Environmental Quality							0	0
Air Quality Fund InLieu Fee Account	0	0	0	2,000,000	0	11,700,000	14,700,000 18/	28,400,000
Clean Air Fund	0	0	0	2,000,000	1,000,000	0	0	3,000,000
Voluntary Vehicle Repair/Retrofit Fund	0	0	0	2,600,000	0	0	0	2,600,000
Recycling Fund	0	0	0	1,000,000	500,000	0	0	1,500,000
Emissions Inspection Fund	0	0	0	2,000,000	0	0	0	2,000,000
Underground Storage Tank Fund	0	0	0	0	0	0	19/	0
UST Assurance - Maricopa County	0	0	0	0	2,400,000	0	0	2,400,000
UST Assurance - NonMaricopa County	0	0	0	0	3,600,000	0	0	3,600,000
Water Quality Assurance Revolving Fund	0	0	0	0	0	5,000,000	0	5,000,000
Air Quality Fund	0	0	0	0	0	20/	0	0

<u>AGENCY/FUND</u>	<u>FY 2002 2nd SS 2/</u>	<u>FY 2002 3rd SS 3/</u>	<u>FY 2003 2nd Reg 4/</u>	<u>FY 2003 6th SS 5/</u>	<u>FY 2003 1st SS 6/</u>	<u>FY 2004 1st Reg 7/</u>	<u>FY 2005 1st Reg 8/</u>	<u>TOTALS</u>
Exposition and State Fair Board State Fair Fund	0	0	0	2,000,000	0	1,000,000	0	3,000,000
Game and Fish Department Watercraft Licensing Fund	0	0	0	0	1,500,000	1,000,000	0	2,500,000
Government Information Technology Agency Information Technology Fund	500,000	0	0	0	0	0	0	500,000
Department of Health Services Interagency Service Agreement Fund	2,397,700	0	0	2,000,000	25,400	0	0	4,423,100
Serious Mental Illness Services Fund	0	0	0	500,000	0	0	0	500,000
Building Renewal Fund (SMAHC)	0	0	0	792,400	0	0	0	792,400
Indirect Cost Recovery Fund	0	0	0	821,900	0	0	2,000,000	2,821,900
Internal Services Fund	225,000	0	0	200,000	0	0	0	425,000
Disproportionate Share Payment Fund	0	0	0	98,800	0	0	0	98,800
Emergency Medical Services Operating Fund	0	0	0	1,000,000	600,000	0	500,000	2,100,000
Medical Services Stabilization Fund (Mental Hlth Inst. Funding)	0	0	0	0	500,000	0	0	500,000
Industrial Commission Industrial Commission Admin Fund	0	0	0	1,000,000	0	2,000,000	2,000,000	5,000,000
State Land Department Federal Reclamation Trust Fund	500,000	0	0	0	250,000	0	0	750,000
State Land Department	0	0	70,000	0	0	0	0	70,000
Lottery Lottery Fund	2,498,000	0	2,455,000	1,000,000	0	2,500,000	2,500,000	10,953,000
Judiciary Supreme Court Drug Treatment and Education Fund	0	0	0	800,000	0	0	0	800,000
State Aid to Detention Fund	0	0	0	400,000	0	0	0	400,000
State Parks Board State Parks Enhancement Fund	0	0	0	2,018,300	0	0	0	2,018,300
Off Highway Vehicle Recreation Fund	0	0	0	0	4,000,000	2,000,000	0	6,000,000
State Lake Improvement Fund	1,000,000	5,000,000	10,000,000	0	0	6,800,000	0	22,800,000
Commission for Postsecondary Education Teacher Loan Forgiveness	0	0	0	0	1,300	0	0	1,300

AGENCY/FUND	FY 2002 2nd SS 2/	FY 2002 3rd SS 3/	FY 2003 2nd Reg 4/	FY 2003 6th SS 5/	FY 2003 1st SS 6/	FY 2004 1st Reg 7/	FY 2005 1st Reg 8/	TOTALS
State Board for Private Postsecondary Education								
Private Postsecondary Education	0	0	0	0	100,000	0	0	100,000
Department of Public Safety								
Highway Patrol Fund	0	0	0	1,000,000	10,000,000 25/	0	0	11,000,000
Crime Laboratory Assessment	0	0	0	0	200,000	0	0	200,000
Auto Fingerprint Identification	0	0	0	0	400,000	0	0	400,000
Law Enforcement Alternative Fuel								
Vehicle Fund	156,000	0	0	0	0	0	0	156,000
Arizona Highway User Revenue	15,000,000	0	0	0	0	0	0	15,000,000
Residential Utility Consumer Office								
Residential Utility Consumer Ofc Fund	0	0	0	300,000	0	0	0	300,000
Department of Revenue								
DOR Unclaimed Property Fund	0	0	0	0	4,200,000 25/	0	0	4,200,000
School Facilities Board								
Building Renewal	34,934,700	35,000,000	0	0	0	0	0	69,934,700
Office of Tourism								
Tourism Revenue Clearing Account	0	0	2,200,000 29/	0	0	0	0	2,200,000
Department of Transportation								
Arizona Highway Magazine Fund	0	0	0	500,000	0	0	0	500,000
Transportation Equip Revolving Fund	30/	0	30/	0	2,000,000	32/	0	2,000,000
State Aviation Fund	0	0	0	0	4,500,000	0	0	4,500,000
Highway Expansion and Extension Loan								
(HELP) Program Fund	0	0	0	0	20,000,000	0	0	20,000,000
Local Transportation Assistance	31/	0	0	0	0	0	0	0
Vehicle License Tax	0	0	0	0	0	0	118,000,000	118,000,000
Department of Veterans' Services								
Veterans' Home Contingency Fund	0	0	0	244,300	0	0	0	244,300
Department of Water Resources								
Water Quality Fund	0	0	0	181,500	0	0	0	181,500
Augmentation and Conservation	1,000,000	0	0	0	0	0	0	1,000,000
Dam Repair	199,800	0	0	0	0	0	0	199,800
Arizona Water Banking Fund	1,000,000	0	0	0	0	9,000,000	2,000,000	12,000,000
<b>TOTAL</b>	<b>\$129,611,200</b>	<b>\$45,200,000</b>	<b>\$45,086,900</b>	<b>\$ 54,228,000</b>	<b>\$ 78,991,500</b>	<b>\$ 49,500,000</b>	<b>\$ 143,200,000</b>	<b>\$ 545,817,600</b>

1/ The dollar amounts from each of these funds shall be transferred to the General Fund, except as otherwise noted.

2/ Laws 2001, Chapter 4, 2nd Special Session.

3/ Laws 2001, Chapter 2, 3rd Special Session.

4/ Laws 2002, Chapter 327, 2nd Regular Session, except as otherwise noted.

5/ Laws 2002, Chapter 1, 6th Special Session.

6/ Laws 2003, Chapter 1, 1st Special Session, except as otherwise noted.

7/ Laws 2003, Chapter 262, 1st Regular Session, except as otherwise noted.

8/ Laws 2004, Chapter 275, 1st Regular Session.

9/ An amount of \$1.5 million shall be transferred to the Legislature, Executive and Judicial Public Buildings Land Fund for costs associated with the State Archives Building

10/ The proceeds from the sale of the Arizona telecommunications services central switching mechanism shall reduce dollar for dollar the \$4 million transfe

12/ This transfer, originally authorized by Laws 2001, Chapter 4, 2nd Special Session, was vetoed by the Governor. This transfer appears in the chart because these monies were still to be deposite



**ARIZONA DEPARTMENT OF ADMINISTRATION**

**Administration - AFIS II Collections (ADA4203/A.R.S. § 35-142)**

**Non-Appropriated**

**Source of Revenue:** Financial transaction processing fees.

**Purpose of Fund:** To operate the Arizona Financial Information System II.

**Air Quality (ADA2226/A.R.S. § 49-551)**

**Appropriated**

**Source of Revenue:** Annual air quality and emissions fees assessed on motor vehicle registrations, as well as legislative appropriations.

**Purpose of Fund:** To administer a travel reduction program, as defined by A.R.S. § 49-588, including bus ride subsidies for state employees.

**Arizona State Hospital Capital Construction (ADA2466/Laws 2000, Chapter 1, as amended)**

**Non-Appropriated**

**Source of Revenue:** \$77,500,000 over 4 fiscal years, beginning FY 2000 through FY 2003 from the Budget Stabilization Fund (BSF). While Laws 2000, Chapter 1 originally specified that these BSF transfers would come from BSF interest earnings, Laws 2000, 7<sup>th</sup> Special Session, Chapter 1 eliminated the requirement that interest earnings be the source of the BSF transfer.

**Purpose of Fund:** For demolition, construction and renovation of the Arizona State Hospital.

**Construction Insurance (ADA4219/A.R.S. § 41-622)**

**Non-Appropriated**

**Source of Revenue:** Risk management charges to agencies for state construction projects. The construction and design insurance rate is set by ADOA and reviewed by the Joint Committee on Capital Review.

**Purpose of Fund:** To self-insure state construction projects with total costs under \$50 million and to purchase “wrap-up” or “owner-controlled insurance programs” (OCIP) for projects with total costs over \$50 million. An OCIP is an insurance program provided by the owner of a project to protect its own interests and those of all participating contractors. Typically, an OCIP includes a series of insurance policies combined with loss prevention and quality assurance programs.

**Emergency Telecommunication Services Revolving (ADA2176/A.R.S. § 41-704)**

**Non-Appropriated**

**Source of Revenue:** The telecommunication services excise tax, currently \$0.37 per wire or wireless account, levied on monthly telephone bills and remitted by telephone companies, as authorized by A.R.S. § 42-5252.

**Purpose of Fund:** To aid the political subdivisions of the state in implementing and operating emergency telecommunication services (911); to purchase necessary equipment and consulting services (up to 3% of revenue); to pay monthly recurring costs for capital, maintenance, and operations; and to reimburse wireless carriers for the costs of compliance.

**Lease Purchase Building Operating and Maintenance (ADA1025/A.R.S. § 41-792.01)**

**Appropriated**

**Source of Revenue:** Operations and maintenance charges to agencies occupying non-COP lease-purchase state buildings.

**Purpose of Fund:** To operate and maintain non-COP lease-purchase state buildings. All such buildings have been paid off or sold.

**Motor Vehicle Pool Revolving (ADA4204/A.R.S. § 41-804)**

**Appropriated**

**Source of Revenue:** Charges to agencies for the use of motor pool vehicles.

**Purpose of Fund:** To operate the motor vehicle pool.

**Retiree Accumulated Sick Leave (YYA3200/A.R.S. § 38-616)**

**Non-Appropriated**

**Source of Revenue:** A 0.40% charge on the total benefit-eligible payroll of each agency within the ADOA personnel system. By statute, the rate may not exceed 0.40% and is set by ADOA with Joint Legislative Budget Committee review.

**Purpose of Fund:** To compensate eligible retiring state employees for accumulated sick leave, to pay insurance premiums, and to administer the program. Payments are calculated as a percentage, tiered according to accrual level, of hourly salary. Payments to one individual shall not exceed \$30,000.

**Risk Management Revolving (ADA4216/A.R.S. § 41-622)**

**Appropriated**

**Source of Revenue:** Actuarial charges assessed on agencies insured under the state’s risk management system, as well recoveries by the state through litigation.

**Purpose of Fund:** To pay damages relating to self-insured liability, property, and workers' compensation losses; to purchase additional risk management services including insurance and loss prevention; and to operate the Risk Management Division.

**State Employee Suggestion Program Award (ADA3190/A.R.S. § 38-613)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations.

**Purpose of Fund:** To award state employees up to \$1,000 for a special act in the public interest or for an adopted idea resulting in state savings or improved operations. Up to \$50 per award may be used to purchase recognition materials and up to 6% of fund monies may be used to administer the program.

**State Employee Travel Reduction (ADA2261/A.R.S. § 41-101.03)**

**Non-Appropriated**

**Source of Revenue:** Grants by the Maricopa Association of Governments, the State Travel Reduction Planning Office, and the Arizona Department of Environmental Quality.

**Purpose of Fund:** To operate and administer a ride-sharing program for the transportation of state employees between home and work.

**State Surplus Materials Revolving (ADA4214/A.R.S. § 41-2606)**

**Appropriated**

**Source of Revenue:** State surplus property sales revenues.

**Purpose of Fund:** To collect, store, and administer the sale of state surplus property. The majority of revenues is returned to donor agencies. The department retains a service and handling fee.

**Technology and Telecommunications (ADA4201/A.R.S. § 41-713)**

**Appropriated**

**Source of Revenue:** Charges to agencies and other political entities for information technology products and services. The fund has continuously appropriated sub-accounts for agreements made with other states and the Arizona Health Care Cost Containment System.

**Purpose of Fund:** To operate and equip telecommunications voice, data, video, and graphics systems, allowing the collection, storage, interchange, retrieval, processing, transmission, and securing of information.

**DEPARTMENT OF AGRICULTURE**

**Commercial Feed (AHA2012/A.R.S. § 3-2607)**

**Appropriated**

**Source of Revenue:** Licensing fees and fines associated with the regulation of animal and bird feeds.

**Purpose of Fund:** To regulate animal and bird feeds.

**Fertilizer Materials (AHA2081/A.R.S. § 3-269)**

**Appropriated**

**Source of Revenue:** A portion of the fertilizer manufacturer's license fee, fees collected for the inspection of materials, and the proceeds from the sale of seized, non-complying materials.

**Purpose of Fund:** To regulate fertilizers.

**Pesticide (AHA2051/A.R.S. § 3-350)**

**Appropriated**

**Source of Revenue:** A portion of pesticide registration fees and proceeds resulting from condemnation and sale of non-compliant equipment.

**Purpose of Fund:** To regulate pesticides.

**Ratite Control (AHA2098/A.R.S. § 3-1483)**

**Appropriated**

**Source of Revenue:** Registration fees assessed for commercial ratite slaughter and other appropriations. Ratites are defined as ostriches, emus, and other related animals.

**Purpose of Fund:** To regulate ratite production and, as available, for 50% of the costs associated with ratite slaughter state inspection.

**AHCCCS**

**Intergovernmental Service (HCA2438/A.R.S. § 36-2927)**

**Non-Appropriated**

**Source of Revenue:** Monies collected from the State of Hawaii.

**Purpose of Fund:** To be used for costs associated with information technology services provided by AHCCCS to the State of Hawaii for the design, development, implementation, operation, and maintenance of a Medical Management Information System.

**Third Party Collections** (HCA3791 Acute Care/HCA3019 Long Term Care/A.R.S. § 36-2913) **Non-Appropriated**

**Source of Revenue:** Collections from third-party payers and revenues from lien and estate recoveries.

**Purpose of Fund:** To provide acute medical services to AHCCCS members.

**ARIZONA COMMISSION TO THE ARTS**

**Arts Endowment Expendable Trust** (HUA3106/A.R.S. § 41-986) **Non-Appropriated**

**Source of Revenue:** Interest from the Arts Endowment Fund. From FY 1998 - FY 2009, subject to legislative appropriation, the Arts Endowment Fund will receive all revenue from the Amusements Classification of the transaction privilege tax above that classification's total FY 1994 revenues. These revenues shall not exceed \$2,000,000 in any fiscal year. The Arts Endowment Trust Fund received \$2,000,000 deposits in FY 1998 – FY 2001, and FY 2004 – FY 2005. Laws 2002, 3<sup>rd</sup> Special Session, Chapter 1 suspended deposits in FY 2002 and FY 2003. Laws 2002, Chapter 1, 6<sup>th</sup> Special Session transferred \$1,000,000 of the principal to the General Fund. The Arizona Commission on the Arts is only permitted to spend revenue earned from the investment of these funds. This interest income is deposited into the Arts Endowment Expendable Trust.

**Purpose of Fund:** To award grants to mid-sized arts organizations for stabilization projects.

**ATTORNEY GENERAL**

**Anti-Racketeering Revolving** (AGA2131/A.R.S. § 13-2314.01) **Non-Appropriated**

**Source of Revenue:** Forfeitures of property and assets to satisfy judgements pursuant to anti-racketeering statutes.

**Purpose of Fund:** To investigate and prosecute any offense defined as racketeering pursuant to Arizona statutes.

**Prosecuting Attorneys' Advisory Council Training** **Non-Appropriated**  
(AGA2057/A.R.S. § 41-1830.03; 41-2401)

**Source of Revenue:** 3.03% of Criminal Justice Enhancement Fund monies.

**Purpose of Fund:** For costs of training, technical assistance for prosecuting attorneys of the state and any political subdivision, and expenses for the operation of the council.

**BANKING DEPARTMENT**

**Receivership Revolving** (BDA3023/A.R.S. § 6-135.01) **Non-Appropriated**

**Source of Revenue:** Revenue generated from the sale of assets of firms under receivership, and transfers from the Banking Department Revolving Fund.

**Purpose of Fund:** Provide funding for the administration of receiverships.

**DEPARTMENT OF COMMERCE**

**Arizona Clean Air** (EPA1238/A.R.S. § 41-1516) **Non-Appropriated**

**Source of Revenue:** The Arizona Clean Air Fund (ACAF) had 5 revenue sources. Their descriptions are as follows:

- 1) State agency appropriations for purchasing or converting alternative fuel vehicles that have not been spent by the end of each fiscal year. To date, this source has not generated any revenue for the fund.
- 2) Monies from the ADEQ Vehicle Repair Grant program that have not been spent at the end of each fiscal year.
- 3) A fee that owners of vehicles 5 years old or newer may pay in lieu of the vehicle emission inspections (A.R.S. § 49-543). This revenue source shifted to the Air Quality Fund beginning July 1, 2003.
- 4) A minimum of 29% of revenues from computerized bingo or Pick-3 games and a minimum of 21.5% of revenues from instant bingo games after obligations are met to the Heritage Fund. No revenue is anticipated from this source.
- 5) Gifts, grants, donations and interest.

**Purpose of Fund:** To provide grants for alternative fuel vehicles and diesel vehicle conversion grants. For this table we assume that all monies available for discretionary spending will be fully utilized in the fiscal year that the funds become available. Laws 2002, Chapter 296 shifted this fund from the Department of Commerce to the Department of Environmental Quality from and after July 1, 2002.

**Greater Arizona Development Authority Revolving (EPA2311/A.R.S. § 41-1554.03)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations, federal monies, gifts, grants, donations, loan repayments, administrative fees and penalties, and interest.

**Purpose of Fund:** To help rural communities meet their infrastructure needs. GADA may issue bonds, guarantee debt obligations, and provide technical and financial assistance to political subdivisions, special districts, and Indian tribes. Legislative appropriations to the GADA Revolving Fund may only be used to secure bonds. The state funding only serves as collateral for the loans and is not directly loaned out. The fund was capitalized with \$20 million from the General Fund between FY 1998 and FY 2000. Other revenue to the fund may be used for the Department of Commerce's GADA operating costs, as well as technical and financial assistance to communities.

**Housing Trust (EPA2235/A.R.S. § 41-1512)**

**Partially Appropriated**

**Source of Revenue:** Receives 55% of the proceeds from the sales of unclaimed property and interest income.

**Purpose of Fund:** For expenses related to the provision of affordable housing opportunities to low and moderate income families. The appropriated portion pays for administration expenses, and may not to exceed 10% of the Housing Trust monies. The non-appropriated portion of the fund is used for the operation, construction, or renovation of housing facilities for low-income households. The Legislature may transfer monies from the fund to the Housing Development Fund for use on housing projects around state prisons. Laws 2001, Chapter 22 created a separate Department of Housing, which now administers this fund.

**Job Training (EPA1237/A.R.S. § 41-1544)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations, gifts, grants, interest earned on investments and, primarily, proceeds from a 0.1% employers' wage tax. Tax revenues collected in FY 2004 were \$12.4 million and are estimated to be \$12.5 million in FY 2005 and FY 2006. Interest earned on the fund in FY 2004 was \$500,000.

**Purpose of Fund:** To provide training and retraining for specific employment opportunities with new and expanding businesses or businesses undergoing economic conversion. Training shall be through the community college system, a licensed private postsecondary educational institution, or a community college operated by a tribal government, unless the employer requests another qualified training provider. Of the monies appropriated to the fund, 25% is set aside for small and rural businesses.

**Oil Overcharge (EPA3171/A.R.S. § 41-1509)**

**Partially-Appropriated**

**Source of Revenue:** Federal court settlements by oil companies who overcharged consumers during the petroleum price controls of the 1970's, and interest earnings.

**Purpose of Fund:** To provide restitution to the citizens of Arizona. Restitution is to be made through energy programs administered by the state. The portion of the fund that is used for loans, grants, and energy conservation programs are non-appropriated. The monies used for administration are appropriated.

**ARIZONA COMMUNITY COLLEGES**

**Community College Certification (CMA2009/A.R.S. § 15-1425)**

**Appropriated**

**Source of Revenue:** Fees collected for the issuance and renewal of occupational and professional teaching certificates and monies appropriated by the Legislature.

**Purpose of Fund:** To certify instructors of classes at community colleges. Laws 2002, Chapter 6 eliminated Teacher Certification as of June 30, 2002. Laws 2001, Chapter 1, 1<sup>st</sup> Special Session transferred \$88,700 to the General Fund in FY 2003 and Laws 2003, Chapter 264 reverted \$400 in unspent monies to the state General Fund on July 1, 2003.

**CORPORATION COMMISSION**

**Securities Regulatory and Enforcement (CCA2264/A.R.S. § 44-2039)**

**Appropriated**

**Source of Revenue:** Registration and transfer of registration fees for securities dealers and salesmen, and from registration fees for securities exchanges established in the state.

**Purpose of Fund:** For education, regulatory, investigative, and enforcement operations in the Securities Division.

**Utility Regulation Revolving (CCA2172/A.R.S. § 40-408)**

**Appropriated**

**Source of Revenue:** Assessments against public utilities regulated by the Commission, as defined by A.R.S. § 40-401.

**Purpose of Fund:** For all expenses incurred by the Utilities Division, including attorneys and legal staff, auditors, economists and other staff employed by the Division.

## **DEPARTMENT OF CORRECTIONS**

### **Alcohol Abuse Treatment (DCA2204/A.R.S. § 31-255)**

**Appropriated**

**Source of Revenue:** The lesser of \$0.50 per hour or 67% of wages earned by inmates convicted of driving under the influence (DUI) offenses. The average charge for inmate labor is \$0.75 per hour.

**Purpose of Fund:** To provide alcohol abuse treatment and rehabilitation services for DUI inmates.

### **Arizona Correctional Industries Revolving (DCA4002/A.R.S. § 41-1624)**

**Non-Appropriated**

**Source of Revenue:** Sale of Arizona Correctional Industries (ACI) goods and services and interest earnings.

**Purpose of Fund:** To compensate state employees and inmates employed at ACI; purchase materials for the manufacture of goods for resale, equipment, and supplies; maintain and repair ACI's buildings and equipment; and pay other associated ACI operational costs.

### **Corrections (DCA2088/A.R.S. § 41-1641)**

**Appropriated**

**Source of Revenue:** Luxury taxes on alcohol and tobacco products.

**Purpose of Fund:** For the construction, major maintenance, purchase or lease of correctional or state-operated juvenile facilities. The Legislature may also appropriate monies in this fund for the operation of these facilities.

### **Drug Treatment and Education Revolving (DCA2277/AR.S. § 42-3106)**

**Non-Appropriated**

**Source of Revenue:** The fund receives 3% of tax revenue collected on spirituous liquors and 7% of tax revenue collected on vinous and malt liquor.

**Purpose of Fund:** To provide rehabilitation programs and counseling for inmates, who have a history of substance abuse, released on parole.

### **State Education Fund for Correctional Education (DCA2107/A.R.S. § 15-1372)**

**Appropriated**

**Source of Revenue:** "Basic State Aid" funding that ADC receives from the Arizona Department of Education based on the number of Average Daily Membership pupils attending ADC education programs pursuant to A.R.S. § 15-1372.

**Purpose of Fund:** To provide education to inmates under the age of 18 years and inmates with disabilities who are age 21 or younger.

## **ARIZONA COMMISSION FOR THE DEAF & THE HARD OF HEARING**

### **Telecommunication Fund for the Deaf (DFA2047/A.R.S. § 36-1947)**

**Appropriated**

**Source of Revenue:** Revenues from the Telecommunications Services Excise Tax, which is a 1.1% surcharge on local telephone bills. The fund receives revenues from this tax equal to .68% of local telephone bills. The remainder of the surcharge, equal to .42% of the local telephone bills, is allocated to other state agencies.

**Purpose of Fund:** To operate the Arizona Relay System, support community outreach and education, purchase, repair, and distribute telecommunication devices for the deaf, hard of hearing, blind, and speech impaired, and operating costs of the commission.

## **DRUG AND GANG PREVENTION RESOURCE CENTER**

### **Drug and Gang Prevention Resource Center (DPA2280/A.R.S. § 41-2402)**

**Appropriated**

**Source of Revenue:** The fund is distributed through the Arizona Criminal Justice Commission and consists of 1.31% of Superior Court fees.

**Purpose of Fund:** To provide a statewide resource system that assists agencies, organizations, and individuals in their community drug and gang prevention activities.

## **DEPARTMENT OF ECONOMIC SECURITY**

### **Arizona Industries for the Blind (DEA4003/A.R.S. § 41-1975)**

**Non-Appropriated**

**Source of Revenue:** Proceeds from sales of products of Arizona Industries for the Blind, as well as interest earned on the fund balance.

**Purpose of Fund:** To provide funds for the wages and salaries of production workers, inspectors, and other employees necessary for the operation of the training centers, workshops, or home industries; supplies, equipment or other incidental costs.

**Long Term Care System (Non-Federal Matched) (DEA2224/A.R.S. § 36-2953)**

**Appropriated**

**Source of Revenue:** Client revenue for room and board, third-party recovery, interest, and miscellaneous federal monies.

**Purpose of Fund:** To fund administrative and program costs associated with the Long Term Care system. These monies are used to offset costs of services provided to Long Term Care clients which are not reimbursed by the federal government, such as room and board.

**Public Assistance Collections (DEA2217/A.R.S. § 46-295)**

**Appropriated**

**Source of Revenue:** A portion of monies collected in recovery payments from ineligible or overpaid public assistance recipients and reimbursements received from persons legally responsible for support of public assistance recipients. The fund receives 25% of the monies collected. The remaining 75% of revenues are credited to the General Fund.

**Purpose of Fund:** To improve public assistance collection activities.

**DEPARTMENT OF EDUCATION**

**Charter Schools Stimulus (EDA1007/A.R.S. § 15-188)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations from the state General Fund.

**Purpose of Fund:** To encourage the establishment of charter schools by assisting with charter school start-up costs.

**Education Commodity (EDA4210/A.R.S. § 15-1152)**

**Non-Appropriated**

**Source of Revenue:** Fees from school districts participating in the federal Food Commodities Program.

**Purpose of Fund:** To pay for costs of administering the federal Food Commodities Program.

**Internal Services (EDA4209/A.R.S. § 35-142)**

**Non-Appropriated**

**Source of Revenue:** Federal indirect cost monies and intra-office fees for copier services, MIS maintenance, postage and other miscellaneous expenditures.

**Purpose of Fund:** Clearing fund for federal indirect costs and miscellaneous intra-office revenues and expenditures.

**Production Revolving (EDA4211/A.R.S. § 15-237)**

**Non-Appropriated**

**Source of Revenue:** Print shop collections from in-house and interagency publishing.

**Purpose of Fund:** Revolving fund for revenues and expenditures from the agency print shop.

**Research Based Reading Instruction and Reading**

**Instruction Training (EDA2413/Laws 2002, Chapter 295)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations from the state General Fund.

**Purpose of Fund:** Pays for teacher training in methods of reading instruction, pursuant to A.R.S. § 15-704.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**Air Quality (EVA2226/A.R.S. § 49-551)**

**Appropriated**

**Source of Revenue:** Monies received from a \$1.50 fee assessed on motor vehicle registrations and gifts, grants and donations, and legislative appropriations. Beginning July 1, 2003 the fund also receives a fee that owners of vehicles 5 years old or newer may pay in-lieu of the vehicle emission inspections (A.R.S. § 49-543).

**Purpose of Fund:** To pay the costs of air quality research, experiments, education, and programs conducted by or for the department. Also to provide an annual \$400,000 transfer to the Department of Administration for state employee travel reduction programs and annual appropriations for the Department of Weights and Measures Oxygenated Fuels and Vapor Recovery programs.

**Air Quality - Clean Air Subaccount (EVA9599/A.R.S. § 49-551)**

**Partially-Appropriated**

**Source of Revenue:** A fee that owners of vehicles 5 years or older pay in-lieu of the vehicle emissions inspections, expected to total \$14.7 million in FY 2005. The FY 2004 Public Finance Omnibus Reconciliation Bill (ORB) deposited the first \$11.7 million of in-lieu fees to the General Fund for FY 2005.

**Purpose of Fund:** 5% of fee revenues may be used for administrative costs, with the balance distributed for the following programs:

1. 5% for the Voluntary Lawn and Garden Equipment Emissions Reduction Program;
2. 15% for the Voluntary Vehicle Repair and Retrofit Program;
3. 30% for the Diesel Vehicle Low Emissions Incentive Grant Program;
4. 10% for the voluntary accelerate purchase of Tier 2 and Tier 3 non-road equipment;
5. 15% for grants to counties with populations fewer than 400,000 for travel reduction programs;
6. 25% for other air quality programs and measures.

**Arizona Clean Air (EVA1238/A.R.S. § 41-411)**

**Non-Appropriated**

**Source of Revenue:** The Arizona Clean Air Fund (ACAF) had 5 revenue sources prior to its elimination. Their descriptions are as follows:

- 1) State agency appropriations for purchasing or converting alternative fuel vehicles that have not been spent by the end of each fiscal year. To date, this source has not generated any revenue for the fund.
- 2) Monies from the ADEQ Vehicle Repair Grant program that have not been spent at the end of each fiscal year.
- 3) A fee that owners of vehicles 5 years old or newer may pay in lieu of the vehicle emission inspections (A.R.S. § 49-543). This revenue source shifted to the Air Quality Fund beginning July 1, 2003.
- 4) A minimum of 29% of revenues from computerized bingo or Pick-3 games and a minimum of 21.5% of revenues from instant bingo games after obligations are met to the Heritage Fund.
- 5) Gifts, grants, donations and interest.

**Purpose of Fund:** To provide grants for alternative fuel vehicles and diesel vehicle conversion grants. Beginning July 1, 2003, the revenue source and activities of this fund shifts to the Air Quality Fund.

**Emissions Inspection (EVA2082/A.R.S. § 49-544)**

**Appropriated**

**Source of Revenue:** Legislative appropriations, test fees, fleet certificate fees, private grants, donations, and federal grants.

**Purpose of Fund:** To pay for enforcement of fleet inspections, exemptions, and certificates of waiver programs; to pay Emissions Inspection program contract and administrative charges, including station auditing, contractor training and certification, and motorist assistance; to pay for state portion of catalytic converter program costs, and to pay for research studies of the feasibility and effectiveness of new emission control technologies.

**Recycling (EVA2289/A.R.S. § 49-837)**

**Appropriated**

**Source of Revenue:** Landfill disposal (tipping) fees and legislative appropriations.

**Purpose of Fund:** For grants to local governments and others for developing recycling markets and programs; for public information and assistance on source reduction and recycling; and for revenue collection and fund administration.

**UST - Area A Assurance Account (EVA2271/A.R.S. § 49-1051)**

**Non-Appropriated**

**Source of Revenue:** Area A (Maricopa County) excise tax revenues, cost recovery, and interest. The excise tax is a 1¢/gallon tax on regulated substances, such as gasoline.

**Purpose of Fund:** To provide partial coverage of corrective actions to underground storage tanks and to reimburse ADEQ if the state is required to take corrective action in Area A.

**UST - Non-Maricopa County Assurance Account (EVA2271/A.R.S. § 49-1051)**

**Non-Appropriated**

**Source of Revenue:** Non-Maricopa County excise tax revenues, cost recovery, and interest. The excise tax is a 1¢/gallon tax on regulated substances, such as gasoline.

**Purpose of Fund:** To provide partial coverage of corrective actions to underground storage tanks and to reimburse ADEQ if the state is required to take corrective action in areas other than Area A.

**Voluntary Vehicle Repair and Retrofit (EVA2365/A.R.S. § 49-474.03)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations, a \$10 fee on diesel vehicle registrations, gifts, grants and donations.

**Purpose of Fund:** To provide monies for local programs intended to repair or retrofit vehicles that fail emissions tests.

**Water Quality Assurance Revolving (WQARF) (EVA2221/A.R.S. § 49-282)**

**Non-Appropriated**

**Source of Revenue:** Fees and taxes related to municipal water use, pesticides, fertilizers, hazardous waste, and groundwater withdrawal. As required by A.R.S § 49-282, \$15,000,000 is to be transferred to WQARF from the Corporate Income Tax. The \$15,000,000 is adjusted at the close of the fiscal year so that when combined with other revenues the fund receives \$18,000,000 annually. This statutory transfer was suspended for both FY 2004 and FY 2005 in favor of a transfer amount of \$10,000,000.

**Purpose of Fund:** For the operation of the WQARF Priority Site Remediation Program. Expenditures include administration, legal support, identification of responsible polluters, community involvement, and contract costs for the clean-up of sites for which no responsible party can be found. There is a transfer of up to \$800,000 to the Department of Water Resources for well inspection and data management and a transfer of up to \$350,000 to the Voluntary Remediation Fund.

**EXPOSITION AND STATE FAIR BOARD**

**Arizona Exposition and State Fair (CLA4001/A.R.S. § 3-1005)**

**Appropriated**

**Source of Revenue:** Receipts and lease revenues from fairground facilities, most of which are associated with the State Fair.

**Purpose of Fund:** For operating costs of the State Fair.

**GAME AND FISH DEPARTMENT**

**Watercraft Licensing (GFA2079/A.R.S. § 5-323)**

**Appropriated**

**Source of Revenue:** Registration fees for the licensing and numbering of watercraft, license taxes, and penalty assessments.

**Purpose of Fund:** To provide monies for administering and enforcing registration of watercraft and boating safety laws, and for providing any information and education program relating to boating and boating safety.

**GOVERNMENT INFORMATION TECHNOLOGY AGENCY**

**Information Technology (GTA2152/A.R.S. § 41-3505)**

**Appropriated**

**Source of Revenue:** A pro rata share, currently 0.15% of total payroll, charged to all budget units subject to GITA or ITAC oversight.

**Purpose of Fund:** To support GITA and ITAC in their performance of information technology planning, oversight, coordination, and consulting statewide.

**DEPARTMENT OF HEALTH SERVICES**

**Agreements/IGA (HSA2144/2500/A.R.S. § 35-142)**

**Non-Appropriated**

**Source of Revenue:** Intergovernmental agreements between DHS and other state and local entities. Includes subaccounts for Liquor Services Fees authorized under A.R.S. § 4-203.02 (FY 2004 revenue \$47,000) and Arizona State Hospital Rental Income (FY 2004 revenue: \$526,200).

**Purpose of Fund:** To fund services which DHS has agreed to perform at the request of, or in conjunction with, public agencies.

**Building Renewal (HSA2133/A.R.S. § 36-545.09)**

**Appropriated**

**Source of Revenue:** From lease of state-owned property (the former Southern Arizona Mental Health Center) in Tucson.

**Purpose of Fund:** To maintain the property.

**Emergency Medical Services Operating (HSA2171/A.R.S. § 36-2218)**

**Appropriated**

**Source of Revenue:** The fund receives 48.9% of the Medical Services Enhancement Fund revenues, which are collected from a 13% surcharge on fines charged for criminal offenses and civil motor vehicle statute violations.

**Purpose of Fund:** To fund local and state emergency medical services systems.

**Indirect Cost Recovery (HSA9000/A.R.S. § 36-108)**

**Non-Appropriated**

**Source of Revenue:** Prior to FY 2000, charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs were placed in this non-appropriated fund. In FY 2000, this Indirect Cost Fund became appropriated. Monies were left in this fund to address outstanding obligations.

**Purpose of Fund:** Prior to FY 2000, this fund paid a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements. After FY 2000, funds are utilized for outstanding obligations.

**Internal Services (HSA4202/A.R.S. § 36-108)**

**Non-Appropriated**

**Source of Revenue:** Charges from other DHS funds.

**Purpose of Fund:** Revolving Fund used by DHS warehouse for the purchase of goods.

**Medical Services Stabilization (HSA3037/A.R.S. § 36-2922)**

**Non-Appropriated**

**Source of Revenue:** Transfer from AHCCCS Medical Services Stabilization Fund.

**Purpose of Fund:** To offset increases above the appropriated amount in the cost of providing behavioral health care services to the medically indigent, medically needy or to low income children.

**Serious Mental Illness Services (HSA2464/A.R.S. § 36-503.02)**

**Non-Appropriated**

**Source of Revenue:** Monies appropriated from the Tobacco Litigation Settlement Account, other legislative appropriations and interest earned on these monies. The fund received a one-time appropriation of \$50,000,000 from tobacco settlement funds in FY 2001.

**Purpose of Fund:** To fund Community Housing, Vocational Rehabilitation, and other recovery support services to persons with serious mental illnesses.

**INDUSTRIAL COMMISSION**

**Administrative (ICA2177/A.R.S. § 23-1081)**

**Appropriated**

**Source of Revenue:** Annual tax on workers' compensation premiums that can not exceed 3%.

**Purpose of Fund:** For all expenses of the Industrial Commission in carrying out its powers and duties.

**STATE LAND DEPARTMENT**

**Federal Reclamation Trust (LDA2024/A.R.S. § 37-106)**

**Non-Appropriated**

**Source of Revenue:** Reimbursements from lessees and interest.

**Purpose of Fund:** To make payments for federal reclamation project assessments when state land lessees are delinquent.

**State Land Department (LDA2451/A.R.S. § 37-108)**

**Non-Appropriated**

**Source of Revenue:** Reimbursements from successful bidders on state lands for expenses incurred to advertise land sales and for zoning application fees.

**Purpose of Fund:** To fund expenses incurred from the advertisement of state trust land sales and to pay zoning fees for new projects.

**LOTTERY**

**State Lottery (LOA2122/A.R.S. § 5-521)**

**Partially-Appropriated**

**Source of Revenue:** Sales of lottery tickets, retailer license fees and interest earnings.

**Purpose of Fund:** A portion of the fund is appropriated to pay for all costs of the Arizona State Lottery Commission. In addition, Laws 2003, Chapter 262 transfers \$2,500,000 in FY 2004 from the State Lottery Fund to the General Fund and Laws 2004, Chapter 275 transfers \$2,500,000 from the State Lottery Fund to the General Fund in FY 2005. After all expenses are paid including the prize monies displayed below in the Non-Appropriated Funds Expended line, Lottery profits are distributed to the Local Transportation Assistance Fund, the County Assistance Fund, the Heritage Fund, the Arizona Clean Air Fund, the Economic Development Commission, various health and welfare programs, the General Fund, and the Local Transportation Assistance Fund-Mass Transit, revenues permitting.

## **JUDICIARY SUPREME COURT**

### **Drug Treatment and Education (SPA2277/A.R.S. § 13-901.02)**

**Non-Appropriated**

**Source of Revenue:** The fund receives 7% of tax revenue collected on spirituous liquors and 18% of tax revenue collected on vinous and malt liquor. Of this amount, 50% is allocated to this fund and 50% is allocated to the Arizona Parents Commission on Drug Education and Prevention.

**Purpose of Fund:** To place persons in drug education and treatment programs. Such monies are allocated to Superior Court probation departments according to a formula based on probation caseloads.

### **State Aid to Detention (SPA2141/A.R.S. § 41-2417)**

**Non-Appropriated**

**Source of Revenue:** Legislative appropriations.

**Purpose of Fund:** To provide grants to counties for maintaining, expanding, or operating juvenile detention centers.

## **STATE PARKS BOARD**

### **Off-Highway Vehicle Recreation (PRA2253/A.R.S. § 28-1176)**

**Non-Appropriated**

**Source of Revenue:** Transfer from the Motor Vehicle Fuel Tax, equivalent to 0.55% of the total license taxes on motor vehicle fuel.

**Purpose of Fund:** To plan, administer, and enforce off-highway vehicle recreation, and to develop facilities consistent with the off-highway vehicle plan. Seventy percent of the monies collected are to be used by the Arizona State Parks Board for planning, administration, and facilities development; the remainder is transferred to the Arizona Game and Fish Department for enforcement.

### **State Lake Improvement (PRA2105/A.R.S. § 5-382)**

**Non-Appropriated**

**Source of Revenue:** Primarily a transfer from the Highway User Revenue Fund, based on a formula that estimates state gasoline taxes paid for boating purposes. Also included is a portion of the watercraft license tax collected by the Arizona Game and Fish Department.

**Purpose of Fund:** To fund projects at boating sites, including launching ramps, parking areas, lake improvement and construction, campgrounds, and acquisition of property to provide access to boating sites. Project grant requests are reviewed by the Arizona Outdoor Recreation Coordinating Commission and approved by the Arizona State Parks Board. Approved projects must be reviewed by the Joint Committee on Capital Review.

### **State Parks Enhancement (PRA2202/A.R.S. § 41-511.11)**

**Partially-Appropriated**

**Source of Revenue:** State parks user fees and concession sales.

**Purpose of Fund:** Under permanent law, one-half of this fund is appropriated for parks operations and the other half is used for park acquisition and development (including the lease-purchase payments for the Tonto Natural Bridge State Park). Upon completion of the Tonto lease-purchase payment, expected in FY 2012, the acquisition and development portion of the fund will be subject to legislative appropriation. In both FY 2004 and FY 2005, the entire fund, less an amount for the Tonto lease-purchase payment, has been appropriated for park operations, therefore the non-appropriated capital spending in FY 2004 and FY 2005 represent the Tonto lease-purchase payments and prior year capital development projects.

## **COMMISSION FOR POSTSECONDARY EDUCATION**

### **Arizona Teachers Incentive Program (PEA2249/A.R.S. § 15-1851)**

**Non-Appropriated**

**Source of Revenue:** Monies collected as repayment from students who do not meet the conditions of the loan program.

**Purpose of Fund:** To collect repayment monies from students who received a loan in prior years for teacher education and did not fulfill their teaching obligation. The students' teacher loan indebtedness to the State of Arizona is forgiven if the recipient of the monies completes a specified period of time teaching in designated school districts which are identified as having high proportions of economically disadvantaged and at risk pupils. Monies collected are reverted to the General Fund.

**STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION**

**Board for Private Postsecondary Education (PVA2056/A.R.S. § 32-3004)**

**Appropriated**

**Source of Revenue:** Monies collected by the board from the examination and licensing of private postsecondary institutions. The board retains 90% of these monies and deposits 10% in the General Fund.

**Purpose of Fund:** To examine, license, investigate, and regulate private postsecondary institutions. Monies are also expended on board administration costs.

**DEPARTMENT OF PUBLIC SAFETY**

**Automated Fingerprint Identification System (PSA2286/A.R.S. § 41-2414)**

**Appropriated**

**Source of Revenue:** A 6.46% allocation from the Criminal Justice Enhancement Fund (CJEF). CJEF consists of a 47% penalty assessment on fines, violations, forfeitures and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.

**Purpose of Fund:** For operation and maintenance of the Arizona Automated Fingerprint Identification System.

**Crime Laboratory Assessment (PSA2282/A.R.S. § 41-2415)**

**Appropriated**

**Source of Revenue:** A 2.3% allocation of CJEF. DPS retains 55% of this fund and distributes the remaining funds to political subdivisions that operate crime laboratories. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.

**Purpose of Fund:** To provide enhanced crime lab services, purchase and maintain scientific equipment, and train crime lab forensic scientists.

**Arizona Highway Patrol (PSA2032/A.R.S. § 41-1752)**

**Appropriated**

**Source of Revenue:** A 0.43% premium tax paid by vehicle insurers, miscellaneous service fees, rewards, awards, insurance recoveries, and receipts from the sale/disposal of property held by the Highway Patrol.

**Purpose of Fund:** To administer the provisions of law relating to the Highway Patrol and Highway Patrol Reserve and all matters pertaining to those laws.

**Arizona Highway User Revenue (PSA3113/A.R.S. § 28-6533)**

**Appropriated**

**Source of Revenue:** Revenues collected from various highway-related taxes and fees, including the motor vehicle license tax.

**Purpose of Fund:** To fund a portion of Highway Patrol costs.

**Law Enforcement Alternative Fuel Vehicle (PSA2452/A.R.S. § 28-735)**

**Appropriated**

**Source of Revenue:** A \$350 civil penalty imposed on violations of the high occupancy vehicle lane restriction of which \$250 is deposited in the fund.

**Purpose of Fund:** To pay incremental costs associated with the purchase of law enforcement alternative fuel vehicles.

**RESIDENTIAL UTILITY CONSUMER OFFICE**

**Residential Utility Consumer Office Revolving (UOA2175/A.R.S. § 40-409)**

**Appropriated**

**Source of Revenue:** An assessment against public service corporations, as defined by A.R.S. § 40-401.01.

**Purpose of Fund:** To operate the Residential Utility Consumer Office.

## **DEPARTMENT OF REVENUE**

### **DOR Estate and Unclaimed Property (RVA1520/A.R.S. § 44-301)**

**Partially-Appropriated**

**Source of Revenue:** The fund consists of monies from the sale of abandoned property, including bank accounts, safe deposit boxes, stock certificates, utility deposits, life insurance policies and unclaimed victim restitution monies. Property is typically considered “abandoned” after 5 years. Notwithstanding the title of this fund, it no longer includes the proceeds of escheated estates. Those funds are deposited to the department’s Escheated Estates Fund.

**Purpose of Fund:** The appropriated portion of the fund covers the department's administrative costs including the handling, publicizing and selling of abandoned property. The department retains not less than \$100,000 in the non-appropriated portion of the fund to pay allowed claims, while the state attempts to locate abandoned property owners. Once monies are determined to be “unreturnable” they are disbursed as follows: Monies associated with unclaimed utility deposits are transferred to the Utility Assistance Fund. Monies from unclaimed shares and dividends of Arizona corporations and unclaimed property in a self-storage unit are transferred to the Permanent State School Fund. Unclaimed victim restitution monies are transferred to the Arizona Criminal Justice Commission’s Victim Compensation and Assistance Fund. The remaining monies are transferred to the following funds in the following percentages: Housing Trust Fund (55%), State General Fund (25%), and Racing Fund (20%). Racing's 20% share is distributed to 8 different Racing funds which are capped at specific levels of revenue, with any excess being deposited to the General Fund. Racing deposited \$4,640,900 in FY 2004 to the General Fund.

## **SCHOOL FACILITIES BOARD**

### **Building Renewal (SFA2465/A.R.S. § 15-2031)**

**Non-Appropriated**

**Source of Revenue:** Appropriated monies and Transaction Privilege Tax (TPT) revenues that are credited to the fund each year in an amount determined by the School Facilities Board.

**Purpose of Fund:** To provide school districts with monies for maintaining the adequacy of existing school facilities.

## **OFFICE OF TOURISM**

### **Tourism (TOA2236/A.R.S. § 41-2306)**

**Non-Appropriated**

**Source of Revenue:** Transfer from the General Fund to the Tourism Fund of 3.5% of bed taxes, 3% of amusement taxes, and 2% of restaurant taxes collected in the prior year. The Legislature suspended this funding formula for FY 2004 in favor of a fixed appropriation. In addition, the Tourism Fund receives a transfer from the Tourism and Sports Authority (TSA) to be used for tourism promotion in Maricopa County. Pursuant to Laws 2000, Chapter 372, this TSA transfer is to be in the amount of \$4,000,000 in FY 2002 and shall increase each year by 5%. These revenues are derived from a 1% increase in the bed tax and a 3.25% increase in the car rental tax. Finally, the fund receives a portion of tribal gaming contributions, pursuant to Proposition 202. The Tourism Fund became non-appropriated in FY 2004, pursuant to Laws 2002, Chapter 288.

**Purpose of Fund:** To pay for all costs associated with Office of Tourism activities.

## **DEPARTMENT OF TRANSPORTATION**

### **Arizona Highways Magazine (DTA2031/A.R.S. § 28-7315)**

**Non-Appropriated**

**Source of Revenue:** Sales of subscriptions, maps, pamphlets, and other materials, and interest earnings. The fund can also consist of monies appropriated by the Legislature from the State Highway Fund, not to exceed \$500,000 annually. There are no current appropriations.

**Purpose of Fund:** For production and sales of subscriptions, maps, pamphlets, etc. Remaining balances in this revolving fund at the end of a fiscal year shall not revert to the State General or State Highway Fund and expenditures are exempt from statutory allotment provisions.

### **Highway Expansion and Extension Loan Program (DTA2417/A.R.S. § 28-7674)**

**Non-Appropriated**

**Source of Revenue:** The fund consists of monies appropriated by the Legislature; monies received from the federal government, state agencies, political subdivisions and Indian tribes; interest; and public or private gifts, grants or donations.

**Purpose of Fund:** To create a state infrastructure bank under the Federal State Infrastructure Bank Act to provide financial assistance to political subdivisions, Indian tribes and state agencies for eligible transportation projects. The fund makes loans to ADOT, cities, and other entities to accelerate highway construction projects. The loans are repaid from future programmed funds for those projects. The fund may be used to pay costs to administer the fund and shall pay costs of an annual financial audit of the fund. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

**State Aviation** (DTA2005/A.R.S. § 28-8202)

**Appropriated**

**Source of Revenue:** Flight property tax, aircraft registration fees, license taxes, fuel taxes, the sale of abandoned aircraft, receipts from airports operated by the department, and interest earnings.

**Purpose of Fund:** For the administration of aviation laws, the operation and maintenance of state-owned airports, and capital projects at publicly-owned and operated airports of political subdivisions.

**Transportation Department Equipment** (DTA2071/A.R.S. § 28-7006)

**Appropriated**

**Source of Revenue:** Equipment rental, sale at auction, insurance recoveries, donations, interest earnings, and monies appropriated by the Legislature (for purchase, repairs and maintenance).

**Purpose of Fund:** For ownership, maintenance, service or repair of equipment and consumable material including administrative expenses.

**Vehicle License Tax**

**Source of Revenue:** Ad valorem tax levied on registered vehicles in state. The tax is levied per \$100 of a vehicle's assessed value.

**Purpose of Fund:** To be distributed in the following manner: 45% to HURF, 24.6% to county general funds, 5.7% to county highway projects, and 24.6% to incorporated cities and towns.

**DEPARTMENT OF WATER RESOURCES**

**Augmentation and Conservation Assistance** (WCA2213/A.R.S. § 45-615)

**Non-Appropriated**

**Source of Revenue:** A portion of fees for groundwater withdrawal in Active Water Management Areas (AMA).

**Purpose of Fund:** Generally, to support water supply augmentation projects, such as groundwater recharge, as well as AMA conservation programs. In FY 2005 only, also to support department operations pursuant to Laws 2004, Chapter 280. By law, each AMA has its own sub-account within the fund. The Year-End Fund Balances represent non-obligated cash and do not reflect monies already granted but not yet paid.

**Dam Repair** (WCA2218/A.R.S. § 45-1212.01)

**Non-Appropriated**

**Source of Revenue:** Repayments for emergency remedial measures undertaken by the department on behalf of dam owners, as well as from dam safety inspection fees, filing fees, and legislative appropriations.

**Purpose of Fund:** Generally, to implement emergency remedial measures on privately owned dams as necessary to protect life and property, as well as to offer loans and grants for private dam owners to make non-emergency repairs. In FY 2005 only, also to support department operations pursuant to Laws 2004, Chapter 280.

**Arizona Water Banking** (WCA2110/A.R.S. § 45-2425)

**Non-Appropriated**

**Source of Revenue:** General Fund appropriations and fees associated with the purchase, lease, storage, accreditation, and delivery of Colorado River water to municipalities and industrial water users. The Legislature appropriated \$500,000 in both FY 2003 and FY 2004, but did not appropriate any funds in FY 2005. Also from a portion of the 4% property tax collected by CAWCD to pay for water storage. By law, each AMA has its own sub-account within the fund. This fund operates on the calendar year. Because fees and taxes are collected at the end of the fiscal year, the Year-End Fund Balances are not reflective of the calendar year-end balances.

**Purpose of Fund:** To purchase and store the unused portion of Arizona's Colorado River water allotment. In FY 2004 only, also to support department operations pursuant to an agreement with the Arizona Water Banking Authority (AWBA). The department provides administrative support for this fund, but control of expenditures is vested with AWBA.

**Arizona Water Quality** (WCA2304/A.R.S. § 45-618)

**Non-Appropriated**

**Source of Revenue:** From annual Water Quality Assurance Revolving Fund (WQARF) transfers negotiated with the Arizona Department of Environmental Quality (ADEQ), as well as from legislative appropriations, grants, and contributions from other public agencies.

**Purpose of Fund:** To inspect wells for groundwater contamination and to take appropriate remedial action on contaminated wells. Inspections are done in conjunction with the ADEQ WQARF program.