

HB 2635 AS INTRODUCED

HOUSE REVENUES

Arizona Department of Agriculture

1. As session law, permit the Citrus, Fruit and Vegetable Advisory Council and the Agricultural Advisory Council to keep fees up to a total of \$389,000 in FY 2010, and permits ADA to continue \$172,000 in FY 2009 fees in FY 2010.

Department of Education

2. As permanent law, repeal the State Equalization Tax Rate authorized in A.R.S. § 15-994.

Government Information Technology Agency

3. As permanent law, require all revenues from the State Web Portal be deposited in the State Web Portal Fund.

Arizona Department of Housing

4. As permanent law, repeal deposit of unclaimed property to Housing Trust Fund.

Department of Insurance

5. As session law, notwithstanding the requirement for the Department of Insurance to recover at least 95% but not more than 110% of the department's appropriated budget.

Judiciary

6. As permanent law, redirect the 30% of unclaimed lottery prize money for the Court Appointed Special Advocates (CASA) Fund to the General Fund. The bill also appropriates \$2,622,300 GF to CASA.

Lottery Commission

7. As session law, reduce FY 2010 Lottery distributions to the County Assistance Fund by \$765,000, the Local Transportation Assistance Fund by \$2,300,000, and the Local Transportation Assistance Fund II (Mass Transit) by \$990,000. The combined reduction between FY 2009 and FY 2010 is \$4,055,000.
8. As permanent law, redirect the 30% of unclaimed lottery prize money for the Court Appointed Special Advocates (CASA) Fund to the General Fund.
9. As permanent law, require that the General Fund receive at least \$57 million from Lottery proceeds.

Department of Racing

10. As permanent law, require pari-mutuel proceeds to be distributed to the General Fund rather than to Racing funds. The bill also appropriates General Fund monies to current Racing fund recipients to partially offset loss of pari-mutuel taxes. Makes Racing funds non-appropriated since they will now receive only General Fund monies. *See Department of Revenue unclaimed property provision for details on total appropriation redirected from both sources.*

Department of Revenue

11. As permanent law, require most unclaimed property proceeds to be distributed to the General Fund. The redirected monies are currently distributed to the Housing Trust Fund, Racing Funds, and the Department of Revenue. Appropriate \$4,595,500 to various Racing programs and \$2,963,200 to the Department of Revenue for administration and auditors. No funding is made available to Housing Trust Fund. The estimated \$173,100 to the Victims Compensation and Assistance Fund, \$26,300 to the Utility Assistance Fund, and \$11,200 to the Permanent School Fund would continue to be distributed as under current law.
12. As session law, continue to require JLBC review of any BRITS contract extensions or modifications that increase the contractor's share of gain-sharing proceeds from state revenues during FY 2010.
13. As permanent law, accelerate by 1 year the length of time for all property types to be presumed abandoned and therefore unclaimed.

Arizona Department of Transportation

14. As permanent law, change A.R.S. § 28-3002(A)7 to remove the cap on fees for duplicate drivers licenses.

Revenues

15. As session law, repeal the fee raising authority, appropriations, and rule making exemptions pursuant to Laws 2008, Chapter 291, Section 12 for all entities except for Agriculture (see above).
16. As permanent law, repeal the state's General Fund contribution to the Rio Nuevo multipurpose facility district, except for portion of the contribution used to pay scheduled debt service payments on the Rio Nuevo Multipurpose Facilities District Series 2008 Tax Revenue Bonds. The bill also would limit the calculation of the amount of funds eligible to be distributed to Rio Nuevo to revenue collected at the multipurpose facility site. Additionally, the bill provides that no state funds may be used for operating expenses of the facility, nor for any costs that qualify for funding from the Arizona Convention Center Development Fund. The bill also provides for a performance audit of the district beginning in 2010. And finally, the bill specifies that the district's Board of Directors consist of 9 members, 3 each to be appointed by the Governor, the President of the Senate, and the Speaker of the House.
17. As session law, authorize cities and towns to use local impact fees for General Fund purposes. The bill provides that if cities and towns choose to use local impact fees for General Fund purposes, they are to remit their pro rata share of \$210 million to the state in monthly payments based on the amount of state shared revenues remitted to the city or town in the previous month. The bill also provides that cities and towns may not increase impact fees in order to replace fees spent for General Fund purposes.
18. As session law, require Maricopa County to transfer \$66,168,400 and Pima County to transfer \$16,794,400 into the General Fund. Exempt these contributions from county expenditure limitations. These amounts are collectively \$55 million higher than the FY 2009 transfer.

HB 2636 AS INTRODUCED**HOUSE GENERAL GOVERNMENT****Arizona Department of Administration**

1. As session law, repeal authority to enter into a 15-year \$7.5 million lease-purchase agreement for design and construction of a state emergency operations center.

Department of Commerce

2. As session law, amend Laws 2004, Chapter 235, Section 14 to reduce the Military Installation Fund deposit by \$(4,800,000) in FY 2010.
3. As session law, amend Laws 2007, Chapter 260, Section 6 to eliminate the FY 2010 \$25 million advance appropriation to the 21st Century Fund.

Department of Emergency & Military Affairs

4. As session law, reduce the aggregate amount of liabilities that may be incurred under any emergency declared by the Governor pursuant to A.R.S. § 35-192 from \$4.0 million to \$3.5 million.

Nursing Board

5. As permanent law, eliminate GF funding for fingerprinting, but continue to require each applicant for initial nursing assistant certification to submit a full set of fingerprints to the board for the purpose of obtaining a state and federal criminal records check.

Secretary of State

6. As permanent law, allow the Secretary of State to publish the Landlord and Tenant Act online instead of hard copy.

Office of Tourism

7. As session law, suspend the Tourism funding formula in A.R.S. § 42-5029.

Statewide

8. As session law, specify that any non-lapsing monies appropriated from the General Fund that remain unexpended or unencumbered at the close of FY 2010 shall be counted as part of the closing balance.
9. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.
10. As session law, allow agencies to implement a furlough for FY 2010 and directs ADOA to prescribe implementation procedures. Also, exempts ADOA from rule making requirements for the purpose of prescribing procedures.
11. As permanent law, allow counties to implement furloughs for civil services employees to address budget shortfalls or structural imbalances without an appeals process.
12. As session law, notwithstanding A.R.S. § 35-121 to permit annual budgets for all departments.
13. As session law, increase PSPRS, CORP, and EORP members' contribution rates, if currently less than 50% of the total contribution rate, by 1.93% but not to exceed 50% of the total contribution rate.

HB 2637 AS INTRODUCED

HOUSE STATE PROPERTIES

Department of Administration/Department of Agriculture

1. As session law, require ADOA to sell the current Department of Agriculture Lab at 2422 W. Holly in Phoenix. Any proceeds from the sale shall be deposited into the General Fund.

Department of Public Safety

2. As session law, require Department of Public Safety (DPS) to sell one twin engine airplane. Any proceeds from the sale shall be deposited into the General Fund.
3. As session law, require DPS to sell one helicopter. Any proceeds from the sale shall be deposited into the General Fund.

HB 2638 AS INTRODUCED**HOUSE CRIMINAL JUSTICE****Attorney General**

1. As session law, continue to permit the use of monies available in the Consumer Fraud Revolving Fund for any operating costs incurred by the Attorney General, including costs associated with the Tobacco Master Settlement Agreement arbitration.

State Department of Corrections

2. As session law, permit the use of monies appropriated to the Transition Office Fund for any operating expenses related to the Transition Program.
3. As session law, require the department to report actual FY 2009, estimated FY 2010, and requested FY 2011 expenditures as delineated in the FY 2010 General Appropriation Act when the department submits its FY 2011 budget request pursuant to A.R.S. § 35-113.

Judiciary

4. As permanent law, increase the JCEF Probation Surcharge from \$10 to \$20.
5. As permanent law, increase the adult intensive probation fee from \$50 to \$75.
6. As permanent law, increase adult standard probation's probationer to probation officer caseload ratio from 60:1 to 65:1.
7. As session law, eliminate the reporting requirements for the Annual Juvenile Intensive Probation Report, the Community Punishment Program Report, the Emancipation of Minors Report, the Annual Drug Treatment and Education Fund Report, the Annual Lengthy Trial Fund Report, the Annual Child Support Committee Report, and the Annual Domestic Relations Committee Report. Require these reports to be submitted electronically in FY 2012.
8. As session law, suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the counties to report on reductions in county funding as a result of the elimination of the non-supplanting provisions.
9. As permanent law, amend A.R.S. § 28-3396 to require the \$45 surcharge for all persons who elect to take a defensive driving course in lieu of paying the civil traffic violation fine to be deposited into the Crime Laboratory Operations Fund. Currently, these monies are deposited into the General Fund and the surcharge is expected to generate \$10.8 million annually.
10. As session law, require \$2 million of the revenue, starting July 1, 2009, from the \$45 surcharge for all persons who elect to take a defensive driving course in lieu of paying the civil traffic violation fine to be deposited into the General Fund.

Department of Public Safety

11. As session law, continue to suspend the schedule established by A.R.S. § 28-6537 and A.R.S. § 28-6993 governing the level of HURF and State Highway Fund revenues available to fund DPS' Highway Patrol costs.
12. As session law, reduce the \$3,484,000 appropriated in FY 2010 by Laws 2007, Chapter 261 from the DNA Identification System Fund to \$980,000. These monies were originally appropriated to fund the operating costs of expanded testing provisions and the design and construction of an expanded crime lab in Phoenix.
13. As permanent law, establish the Crime Laboratory Operations Fund, consisting of the \$45 Defensive Driving Surcharge, formally deposited into the General Fund. The Department of Public Safety shall administer the fund and monies in the fund are subject to legislative appropriation. Monies in the fund shall be used for costs associated with scientific analysis and crime laboratory operations. Revenues into the fund in FY 2010 are anticipated to be \$8.8 million in FY 2010 and \$10.8 million thereafter. Retroactive to from and after June 30, 2009.
14. As session law, continue to redirect 9% of CJEF revenues, formally deposited into the General Fund, to DPS to fund the department's crime laboratory operations. These monies will be deposited into DPS' Crime Laboratory Assessment Fund.

State Treasurer

15. As session law, continue to fund the state share of JP salaries at 38.5% in FY 2010.

HB 2639 AS INTRODUCED**HOUSE K-12 EDUCATION****Department of Education**

1. As permanent law, adjust the base level amount in A.R.S. § 15-901B2 to an amount that would maintain state Base Support Level (BSL) funding at the FY 2009 level, including \$(119) million in district formula reductions continued from the January 2009 Special Session.
2. As session law, reduce state aid funding for Soft Capital by \$(175) million statewide for FY 2010.
3. As session law, reduce Soft Capital funding for school districts that do not receive state aid for FY 2010 by the amount that would be reduced if they did qualify for state aid for FY 2010.
4. As session law, specify that to the extent possible, the Soft Capital reductions shall be taken against administrative costs, rather than classroom instruction.
5. As permanent law, modify the charter school Additional Assistance per pupil funding amounts to levels that would result in a total net decrease in charter school formula funding for FY 2010 of \$(5) million below current law, including \$(4) million in charter formula reductions continued from the January 2009 Special Session.
6. As permanent law, increase by 2% the transportation funding amounts per route mile in A.R.S. § 15-945.
7. As session law, continue to permit school districts to use Soft Capital funding for FY 2010 for any operating or capital expenditures.
8. As permanent law, cap ADM per pupil at 1.0 unless otherwise specified in law and apportion the 1.0 ADM based on the percentage of total time that a student is enrolled in or in attendance at the school district, charter school or Technology Assisted Project Based Instruction Program.
9. As permanent law, prohibit Basic State Aid funding for Early Kindergarten repeaters.
10. As permanent law, repeal the Rapid Decline funding formula in A.R.S. § 15-942.
11. As session law, continue to fund state aid for JTEDs in FY 2010 at a percentage that would freeze statewide JTED costs at the prior year level and limit funding only to JTEDs in operation during FY 2009.
12. As session law, continue to “hold harmless” a JTED if the adjustment factor otherwise would cause it to receive less state aid in FY 2010 than in FY 2009, apart from reductions due to changes in student counts, property values and other technical factors.
13. As permanent law, remove cap on number of district-sponsored TAPBI programs but require new programs to be approved by the State Board of Education.
14. As permanent law, remove cap on number of charter-sponsored TAPBI programs but require charter board approval of new charter TAPBIs.
15. As permanent law, fund full-time TAPBI students at 80% of full formula amount.
16. As permanent law, fund part-time TAPBI students at 80% of full formula amount.
17. As permanent law, phase out the Career Ladder program over 11 years and prohibit new teachers from participating in the program.
18. As permanent law, repeal the new Teacher Performance Pay funding formula in A.R.S. § 15-977G3.
19. As session law, allow districts to fund up to 50% of new Excess Utilities formula in FY 2010 using cash balances only. As permanent law, make technical corrections to laws linked to the new formula.
20. As session law, continue to defer \$602.6 million in Basic State Aid payments for FY 2010 until FY 2011. Appropriate \$602.6 million in FY 2011 for these deferred Basic State Aid payments and \$886,200 for related interest costs in FY 2011.
21. As session law, continue to require school districts to include in the FY 2010 revenue estimates that they use for computing their FY 2010 tax rates the rollover monies that they will receive for FY 2010 in July 2010.
22. As session law, set the K-12 Qualifying Tax Rate (QTR) at \$2.92 for both FY 2010 and FY 2011. Otherwise Truth in Taxation would require rates to be \$2.75 in FY 2010 and \$2.85 (estimated) in FY 2011.
23. As permanent law, require county assessors to place assessed value on Government Property Lease Excise Tax (GPLET) properties and report those values to ADE.
24. As permanent law, instruct ADE to include the assessed valuation of properties subject to the Government Property Lease Excise Tax (GPLET) in the tax base that it uses when computing local share funding under the K-12 Basic State Aid formula.
25. As permanent law, eliminate Homeowner’s Rebate funding for Desegregation programs, Transportation Revenue Control Limit (TRCL) funding, and Career Ladder.
26. As permanent law, cap desegregation budgets at the prior year level.
27. As permanent law, continue to authorize the ADE or Auditor General to conduct financial, program,

compliance or ADM audits of school districts and charter schools.

28. As session law, suspend new funding for the early graduation program, but continue to fund existing students with available fund balances.
29. As session law, require county treasurers to revert to the state General Fund from school district cash balances statewide a total of \$255 million or the total combined ending balance in school district Maintenance and Operations (M&O) funds, Unrestricted Capital Outlay funds, and Soft Capital funds statewide, whichever is less. Ending balances would be adjusted for federal Impact Aid, encumbrances, budget balance carry forward amounts, plus an amount equal to 50% of what a district would receive for excess utilities in FY 2010 pursuant to A.R.S. § 15-910.04, but only for the amount that could be funded with cash balances only and capped at \$40 million statewide.

School Facilities Board

30. As session law, suspend the Building Renewal formula for FY 2010.
31. As permanent law, count kindergarteners as half-time Average Daily Membership (ADM) pupils for purposes of determining minimum school facility adequacy requirements, thereby not requiring the School Facilities Board (SFB) to fund new classroom costs for Full-Day Kindergarten (FDK).
32. As session law, continue to prohibit SFB from authorizing or awarding funding for the design or construction of any new school facility, including FDK, or for school site acquisitions. Continue to require school districts to submit capital plans during FY 2010, and permit SFB to review and award new school facilities, subject to future appropriations.

HB 2640 AS INTRODUCED

HOUSE HIGHER EDUCATION

Arizona Community Colleges

1. As session law, suspend capital outlay funding for FY 2010.
2. As session law, notwithstanding the operating state aid formula in FY 2010, and specify that the appropriation for operating state aid shall be as provided in the General Appropriation Act.
3. Require community colleges to post their budgets on-line rather than in the newspaper.

Board of Medical Student Loans

4. As session law, notwithstanding the requirement in A.R.S. §15-1723(A) that at least 50% of loan monies be apportioned for students attending private medical schools.

Commission for Postsecondary Education

5. As permanent law, restrict Leveraging Education Assistance Partnership (LEAP) grants to Arizona residents who demonstrate financial need and who are attending an approved Arizona university at least half-time. Previously in General Appropriation Act as footnote.

Universities

6. As permanent law, require the Arizona Board of Regents (ABOR) and the Auditor General to develop a uniform accounting and reporting system.
7. As permanent law, require both Arizona State (ASU) University East and West campuses to be separated as individual budget units. Require ASU Main to continue to provide administrative support for ASU East and ASU West campuses.
8. As session law, suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT).
9. As permanent law, make a technical change for the credit hour threshold requirement to conform to 2009 special session legislation, which changed the full-time equivalent student enrollment count from the 21st day of the fall semester to the 45th day of the fall and spring semesters.

HB 264I AS INTRODUCED**HOUSE HEALTH AND WELFARE****Arizona Department of Administration**

1. As permanent law, define eligible dependents for the state employee health insurance program as a spouse, a child under the age of 19, or a child under the age of 23 if a full-time student, beginning October 1, 2009.
2. As session law, continue to prohibit implementation of a differentiated health insurance premium in FY 2010 based on the integrated or non-integrated status of the provider, beginning October 1, 2009.

AHCCCS

3. Eliminate the Temporary Medical Coverage Program.
4. As permanent law:
 - Creates liability for “knowingly” presenting a false claim for medical assistance;
 - Sets penalty for filing a false claim;
 - Permits third party to bring action for false claim and sets conditions for state to dismiss actions;
 - If the state pursues an action brought by a third party, establishes the percent of the proceeds to be awarded to the third party;
 - Allows a civil action to be brought up to 6 years after the date of the violation occurred; and
 - Requires annual report by Attorney General on the number of cases filed by their office by third parties under the False Claims Act.
5. As permanent law, eliminate the KidsCare Parents Program.
6. As permanent law, eliminate dentures as a covered service.
7. As permanent law, exclude AHCCCS from the ambulance provider rates set by DHS.
8. As session law, do not adjust institutional or noninstitutional provider rates by inflation.
9. As session law, implement 5% reimbursement rates reduction.
10. As session law, set county ALTCS contributions at \$262,889,400.
11. As session law, set the County Acute Care contribution at \$51,711,900. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328.
12. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations, retroactive to June 30, 2004.
13. As session law, establish FY 2010 disproportionate share distributions to the Maricopa County Hospital District, the Arizona State Hospital, and private qualifying disproportionate share hospitals.
14. As session law, require the collection of \$2,646,200 in DUC pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations, retroactive to June 30, 2004.
15. As session law, change 50/50 split for revision of excess appropriations in ALTCS to 60 counties/40 state in FY 2009 and FY 2010 to ensure compliance with American Recovery and Reinvestment Act FMAP provisions.

Arizona Biomedical Research Commission

16. Repeal the previously enacted appropriation for the Public Regenerative Tissue Repository.

Department of Economic Security

17. As session law, permit DES to reduce income eligibility levels for all child care programs. Require report to JLBC within 15 days of change in levels.
18. As session law, suspend the transfer of Lottery revenue to DES for homeless shelter and services, and deposit the money in the General Fund.
19. As permanent law, enact conforming changes associated with the elimination of the General Assistance program in Laws 2009, 1st Special Session, Chapter 1.

Department of Health Services

20. As permanent law, delete requirement that there be a poison control center affiliated with the University of Arizona. This provision deletes a conflict with Laws 2009, 1st Special Session, Chapter 1 which requires an RFP to select one poison control center statewide.
21. As session law, continue to require Maricopa and Pima Counties and all cities to pay 86% and remaining counties 50% of cost of Restoration to Competency treatment in FY 2010.

HB 2642 AS INTRODUCED**HOUSE ENVIRONMENT****Arizona Department of Agriculture**

1. As permanent law, increase the requirement for livestock/animal disease inspection from within 12 hours to within 48 hours.
2. As permanent law, repeal the Arizona Agriculture Protection Commission (Title 3, Chapter 18).

Department of Environmental Quality

3. As session law, continue to suspend the UST Revolving Fund Assurance Account administrative cap for FY 2010, as was done in FY 2008 and FY 2009, to allow the department to utilize up to \$6,531,000 for program operating costs.

Land Department

4. As session law, shift the statutory \$3,000,000 appropriation to the Fire Suppression Fund from the General Fund to the State Parks Heritage Fund. The Heritage Fund monies are disbursed to the Department only as reimbursement for fire suppression costs. Any unused monies from the deposit from the Heritage Fund to the Fire Suppression Fund in FY 2009 and FY 2010 revert to the Heritage Fund.
5. As permanent law, establish the Trust Management Fund and allow the department to retain up to 10% of annual permanent fund receipts to manage the land trust. Require the department to revert \$7,077,500 to the General Fund by June 30, 2010, and appropriate \$9,773,500 from the Trust Management Fund.

Arizona State Parks Board

6. As session law, continue to allow State Parks Enhancement Fund monies to be used for the operation of state parks as appropriated by the Legislature or for capital needs as approved by the Joint Committee on Capital Review.
7. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs.
8. As permanent law, allow interest earnings from the Land Conservation Fund above \$500,000 to be used for operating state parks.

Department of Water Resources

9. As session law, continue to suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund in FY 2010.