

HOUSE AND SENATE CRIMINAL JUSTICE BRB

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.
4. As session law, require ADC to issue a Request for Proposal (RFP) to privatize correctional health services, including medical and dental services. ADC shall submit to JLBC for review, the proposed RFP by November 30, 2009, and shall award a contract by May 1, 2010.
5. As session law:
 - Require ADOA, in consultation with ADC, to issue a Request for Information by October 1, 2009, for purposes of identifying the feasibility of a concessions agreement, including a private vendor's ability to operate facilities which house maximum security inmates.
 - Authorize ADOA, in consultation with ADC, to issue an RFP for a concession agreement allowing a private vendor(s) to operate Arizona State Prison Complex facilities. The concession agreement shall: 1) be for a fixed term of 50 years, 2) result in an upfront payment to the state, and 3) require annual efficiency savings to be split 50/50 between the state and private vendor. The RFP shall be submitted to JCCR for review by November 1, 2009 and the proposed contract shall be submitted to JCCR for review by March 1, 2010. ADOA shall award a contract by May 1, 2010. It is the intent of the Legislature that the up front payment to the state generates a total of \$100 million.
6. As session law, authorize ADOA to enter into a re-financing agreement in FY 2010 for existing state-owned prison facilities. The re-financing agreement shall: 1) result in proceeds totaling \$495 million to the General Fund in FY 2010, 2) be for a fixed term of 20 years, 3) result in an initial re-payment in FY 2011, 4) utilize ADC Prison facilities as collateral, and 4) require ADC, including any private contractors, to maintain operations at the facilities in which any liens are placed. ADOA shall complete the transaction by May 1, 2010.
7. As session law, require ADOA to issue a single RFP to rebid ADC food and commissary service contracts. ADOA shall submit to JLBC for review, the proposed RFP by November 30, 2009, and shall award a contract by May 1, 2010.

Arizona Criminal Justice Commission

8. As session law, require the Arizona Drug and Gang Prevention Resource Center to enter into an IGA with ACJC for \$235,200 to fund the Arizona Youth Survey.

Judiciary

9. As permanent law, increase the JCEF Probation Surcharge from \$10 to \$20.
10. As permanent law, increase the adult intensive probation fee from \$50 to \$75.
11. As permanent law, increase the adult standard probation caseload ratio from 60:1 to 65:1.
12. 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.
13. 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.

14. 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.
15. 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. Retroactive to from and after June 30, 2009.
16. As permanent law, amend A.R.S. § 13-916 to expand the definition of an adult intensive probation team to two adult probation officers. Currently, an adult intensive probation team may consist of one adult probation officer and one surveillance officer, or one adult probation officer and two surveillance officers.

Department of Public Safety

17. 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.
18. 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.
19. As permanent law, establish the Crime Laboratory Operations Fund, consisting of the \$45 Defensive Driving Surcharge, formally deposited into the General Fund. DPS 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 are anticipated to be \$8.8 million in FY 2010 and \$10.8 million thereafter. Retroactive to from and after June 30, 2009.
20. 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.
21. As session law, continue to exempt state photo enforcement citations from being included in judicial productivity credit calculations in FY 2010. Retroactive to from and after June 30, 2009.

State Treasurer

22. As session law, fund the state share of JP salaries at 19.25% in FY 2010. Retroactive to from and after June 30, 2009.
23. As permanent law, repeal A.R.S. § 22-117(B) relating to state funding of JP salaries starting in FY 2011.
24. As permanent law, require that the 11.70% of criminal justice enhancement monies for county sheriffs be allocated through the State Treasurer's office rather than ADC.

Retirement

25. As permanent law, require all new dispatchers hired after the bill's effective date to participate in ASRS instead of CORP.
26. As permanent law, prohibit any earnings from off-duty jobs from being calculated towards retirement benefits for those in PSPRS.

HOUSE AND SENATE ENVIRONMENT BRB

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.
4. As session law, allow sanitation districts of less than 50,000 population, as well as cities of any size, to accept loans through the Water Infrastructure Financing Authority without requiring an election, so as to be able to use American Recovery and Reinvestment Act (ARRA) funds.
5. As permanent law, require the Agricultural Best Management Practices Committee to adopt a rule on best management practices for PM-10 emissions relating to commercial farming, animal production and incidental animal activities for any future designated PM-10 non-attainment area.

Land Department

6. As session law, shift the statutory \$3,000,000 Fire Suppression appropriation 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. At the end of calendar years 2009 and 2010, any balance in the Fire Suppression Fund above \$2,000,000 reverts to the Heritage Fund.
7. 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

8. 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.
9. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs.
10. 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

11. As permanent law, specify more detailed financial reporting on Nevada Water Banking revenues.
12. As session law, continue to suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund in FY 2010.

HOUSE AND SENATE GENERAL GOVERNMENT BRB

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.
2. As session law, require ADOA to rebid the existing telecommunications contract for implementation by September 30, 2009.

Department of Commerce

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

Corporation Commission

5. As session law, for FY 2010, change the timing of mutual fund notice filing fee deposits to the General Fund from continuously deposited to January and June.

Department of Emergency & Military Affairs

6. 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.

Department of Insurance

7. As permanent law, allow the director to decide whether or not to require a private mortgage insurance company to cease transacting new business if the company fails to meet the minimum collateral to insured mortgage liability ratio. Under current law, a company failing to meet the ratio must cease transacting new business.

Nursing Board

8. 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

9. As permanent law, transfer the Arizona State Library, Archives and Public Records, including any existing funds or appropriations, from the Legislature to the Secretary of State, change the composition of the Library's oversight board and require the sale of the Secretary of State building located at 14 N. 18th Avenue.
10. As permanent law, require all new employees at the Secretary of State's office to be classified as exempt.
11. As permanent law, allow the Secretary of State to publish the Landlord and Tenant Act online instead of hard copy.
12. As permanent law, eliminate the prohibition on using state monies for the health care directives registry.

Office of Tourism

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

Department of Transportation

14. As permanent law, change the cap for Aviation Fund grants from 10% of the fund balance to 10% of the average revenues for the previous 3 years.

Statewide

15. As permanent law, require proof of lawful presence in the United States to receive state and local public benefits, excluding licensure. The bill adds a list of acceptable documents to demonstrate lawful presence. If state or local administered federal program require proof of lawful presence, the same list of documents applies to the extent permitted by federal law.
16. 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.
17. As session law, require agencies to report on use of American Recovery and Reinvestment Act (ARRA) Funds by October 1.

18. As session law, continue to require unrestricted Federal Funds, excluding ARRA funds, to be deposited in the General Fund for the payment of essential government services.
19. 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.
20. As permanent law, allow counties to implement furloughs for civil services employees to address budget shortfalls or structural imbalances without an appeals process.
21. As session law, notwithstanding A.R.S. § 35-121 to permit annual budgets for all departments.
22. As session law, prohibit all state agencies from adopting rules that result in monetary or regulatory cost increases to other agencies, political subdivisions, or Arizona citizens in FY 2010. Exempts rules to comply with court orders, federal laws or constitutional requirements, to address imminent threats to public health or safety, or with specific authorization or requirement of the Legislature.
23. As session law, prohibit the state from purchasing or renewing contracts including month to month contracts for cell phones or cell phone minutes except for staff directly involved in health or safety positions. All exceptions are to be reported to JCCR.
24. As permanent law, adopt reforms to local impact fees, including defining the necessary public services for which impact fees can be assessed, adding provisions that growth areas are to pay their proportionate share of impact fees, and adding new requirements for infrastructure improvement plans adopted by cities and towns. Additionally, a moratorium is established on the collection of impact fees through June 30, 2012. The bill also specifies that new or modified building codes do not apply to a residential or commercial building that was approved by a municipality before June 1, 2009, except if necessary to receive federal stimulus funding. The bill provides that through June 30, 2012, a voter approval is required to increase local construction sales tax rates.
25. As permanent law, require a copy of a foreclosure notice to be sent to the tenants of rental properties.
26. As permanent law, change the composition of the board of directors for a special taxing district established under A.R.S. § 48, Chapter 36, by removing the 2 members of the Coconino County Board of Supervisors and replacing them with general public member the appointed Speaker of the House and President of the Senate.
27. As session law, require the State Land Commissioner to waive use restrictions on property near 40th Street and Union Hills, where there currently is the Maricopa Superior Court Northeast Justice Center and a golf course.

HOUSE AND SENATE HEALTH AND WELFARE BRB

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, eliminate the KidsCare Parents Program.
5. As permanent law, reduce eligibility of the KidsCare Children program to families making less than 150% FPL for any new applicants.
6. As permanent law, eliminate dentures as a covered service.
7. As session law, exclude AHCCCS from the ambulance provider rates set by DHS.
8. As session law, implement 5% reimbursement rates reduction. Stipulates that no individual rate may be reduced by more than 5%.
9. As session law, set county ALTCS contributions at \$190,467,500. Specifies that without the passage of the American Recovery and Reconciliation Act of 2009, county ALTCS contributions would have been \$262,889,400.
10. 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.
11. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations, retroactive to June 30, 2004.
12. 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.
13. 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.
14. As session law, change 50/50 split for revision of excess appropriations in ALTCS to 62.2% counties/37.8% state in FY 2009 and FY 2010 to ensure compliance with American Recovery and Reinvestment Act FMAP provisions. Specify that this is retroactive to June 30, 2009.
15. Require AHCCCS to submit a report by October 1, 2009 on hospital provider assessments.
16. Require AHCCCS to transfer Acute Care county savings due to the receipt of the enhanced FMAP in FY 2009 to counties by December 31, 2009.
17. As session law, permit AHCCCS to reduce by one level the thresholds beyond which patient costs are paid by reinsurance for the contract year 2010.
18. As session law, permit AHCCCS to reduce the risk contingency rate setting for all managed care organizations by 50% and impose a 5.88% reduction on funding for all managed care organizations administrative funding levels.
19. As session law, it is the intent of the legislature that AHCCCS comply with the Federal False Claims Act, achieve the maximum savings as possible under the federal act, and continue to consider best available technologies to consider fraud.

Arizona Biomedical Research Commission

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

Department of Economic Security

21. 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.
22. As session law, require recipients of TANF Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security has reasonable cause to believe that the recipient uses illegal drugs.
23. 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

24. As permanent law, requires 2 poison control centers to be maintained in Arizona. Eliminates requirement to issue an RFP to select one poison control center statewide. (Laws 2009, 1st Special Session, Chapter 1)
25. 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.
26. As permanent law, define “indigent” for Seriously Mentally Ill as being below 100% of the Federal Poverty Level.
27. As session law, require DHS when allocating available monies to behavioral health services to give priority to services such as assessment, crisis intervention, case management and screenings performed in hospital-based emergency departments and inpatient and outpatient and other settings. Specifies that behavioral health providers and division contractors are not liable for refusing to provide uncompensated or underfunded nonemergency, non-title XIX behavioral health services to persons who are not seriously mentally ill.

HOUSE AND SENATE HIGHER EDUCATION BRB

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. As permanent law, beginning in FY 2011, eliminate the "hold harmless" provision that currently keeps a community college's operating state aid from decreasing when its enrollment declines. Also change the eligibility threshold for growth funding from the highest level after FY 2004 (current law) to any growth that exceeds the currently funded enrollment level.
4. As permanent law, fund community college dual enrollment at 50%.
5. As permanent law, require community colleges to post their budgets on-line rather than in the newspaper.
6. As session law, notwithstanding 20% cap to the community college districts' ability to use capital outlay monies for operating.
7. As permanent law, delete duplicative report on number of students; change reporting dates for Proposition 301 Workforce report; eliminate requirement to report individual course data; and change reporting date for enrollment and eliminate course level data.

Board of Medical Student Loans

8. 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 retroactive to July 1, 2009.

Commission for Postsecondary Education

9. 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

10. As permanent law, require the Arizona Board of Regents (ABOR) and the Auditor General to develop a uniform accounting and reporting system.
11. 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.
12. 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).
13. As permanent law, require funding for enrollment growth be limited to Arizona residents.
14. As permanent law, repeal \$632.3 million of ABOR's \$800 million lease-to-own and bond transactions authority. Repeal Laws 2008, Chapter 287, Section 39 requirement for funding construction at Phoenix biomedical campus.
15. 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.
16. As permanent law, require an annual report on paid invited speakers and associated costs.
17. As session law, appropriate \$100 million in FY 2011 to the universities for the deferral of FY 2010 payments.

HOUSE AND SENATE K-12 EDUCATION BRB

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. Exempt school districts with fewer than 600 K-8 pupils from 50% of the K-8 Soft Capital reductions and districts with fewer than 600 high school pupils from 50% of the high school Soft Capital reductions that they otherwise would receive 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 and the charter school Additional Assistance per pupil funding amounts in A.R.S. § 15-185B4.
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, amend the state aid payment schedule for school districts in A.R.S. § 15-973 in order to pay 1/12th of the annual cost each month and make each payment on the first day of the following month, but with June payments on both 6/1 and 6/30 each year. (Current law skips August and November payments, makes double payments in April and May, and makes all payments on the 15th of the month.)
9. As permanent law, amend the state aid payment schedule for charter schools in A.R.S. § 15-185B5 in order to match the new schedule for school districts. (Current law provides charters with 12 equal monthly payments on the 15th of each month with no skipped or double payments.)
10. As session law, require ADE to apportion the newly required August state aid payment for FY 2010 in approximately equal amounts across months of the year that will remain after the general effective date of the act. (Otherwise the newly-mandated August payment would not be made.)
11. 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.
12. As permanent law, prohibit Basic State Aid funding for Early Kindergarten repeaters.
13. As session law, exempt current Kindergartners from the new prohibition on funding for Early Kindergarten repeaters.
14. As permanent law, repeal the Rapid Decline funding formula in A.R.S. § 15-942.
15. 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.
16. 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.
17. 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.
18. As permanent law, remove cap on number of charter-sponsored TAPBI programs but require charter board approval of new charter TAPBIs.
19. As permanent law, fund full-time TAPBI students at 95% of full formula amount for full-time students.
20. As permanent law, fund part-time TAPBI students at 85% of full formula amount for part-time students.
21. As session law, for FY 2010 set the maximum base level increase for Career Ladder districts at 5.0% rather than 5.5% and limit the program only to teachers who participated in the prior year.
22. As permanent law, repeal the new Teacher Performance Pay funding formula in A.R.S. § 15-977G3.
23. 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.
24. 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.

25. As permanent law, require county assessors to place assessed value on Government Property Lease Excise Tax (GPLET) properties and report those values to ADE.
26. As permanent law, require governmental entities to provide county assessors with a complete list of development agreements between it and its prime lessees for GPLET properties, plus related information.
27. 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.
28. As permanent law, eliminate Homeowner's Rebate funding for Desegregation programs, Transportation Revenue Control Limit (TRCL) funding, and Career Ladder.
29. As permanent law, prohibit a school district from increasing its primary property tax rate if 1) at least half of the residential property in the district has a total combined primary property tax rate that exceeds the 1% cap in the State Constitution, and 2) the school district's current primary property tax rate exceeds 150% of the K-12 Qualifying Tax Rate (QTR).
30. As permanent law, cap desegregation budgets at the prior year level.
31. 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.
32. As permanent law, allow a school district to spend Class B bond proceeds for furniture, equipment and technology if their useful life exceeds the duration of the bonds issued and require such bonds to mature within 5 years.
33. As session law, suspend new funding for the early graduation program for one year, but continue to fund existing students with available fund balances.
34. As session law, suspend the new Excess Utilities funding formula in A.R.S. § 15-910.04 and Excess Utilities reporting requirements currently prescribed in A.R.S. § 15-910.03.
35. As permanent law, require every school that offers Full Day Kindergarten (FDK) to also provide meaningful half-day instruction if there is sufficient demand for 1 full-size class.
36. As session law, permit public schools to charge tuition for Full Day Kindergarten (FDK), but only if they eliminated free FDK in FY 2010 due to budget reductions.
37. As permanent law, permit each school district to establish its own deadline for notifying teachers of their employment status for the upcoming school year.
38. As permanent law, eliminate the requirement that a school district must notify its certificated teachers by May 15 of the prior year in order to implement a general salary reduction in the current year.
39. As permanent law, permit a school district or charter school to convert to a biennial audit cycle if its previous annual audit did not contain any negative findings, to the extent permitted by federal law.
40. As session law, suspend the annual AIMS Intervention and Dropout Prevention performance audit for FY 2010.
41. As session law, suspend the biennial Special Education Cost Study for FY 2010 and FY 2011.
42. As session law, permit Cave Creek Unified to use remaining bond proceeds from November 2000 election.
43. As permanent law, permit school districts and charter schools to advertize on their websites and athletic facilities, but permit them to refuse advertizing.
44. As session law, permit the Santa Cruz Valley Union High School district to correct budget overexpenditures over a 5-year rather than 1 or 2-year period.
45. As session law, permit the Blue Ridge Unified and Snowflake Unified School Districts to correct ADM overpayments over a 5-year rather than 1 or 2-year period.
46. As session law, permit the Red Mesa Unified school district to correct budget expenditures over a 5-year rather than 1 or 2-year period.
47. As session law, establish for FY 2010 a separate Revenue Control Limit calculation for purposes of overrides that does not reflect the \$119 million in school district formula reductions from the 1st Special Session.
48. As session law, amend Laws 2009, Chapter 6 in order to include rollover monies in the calculation of school district cash balances, change the date for paying rollover monies from 10/15 to 11/1, and make a technical correction.
49. As permanent law, permit all school districts to budget for a 15% M&O override, or for a 10% M&O override and a 5% special program override. (Currently all districts may budget for a 10% M&O override, but only districts with K-3 pupils may budget for an additional 5% K-3 override.)
50. As session law, allow school districts to conduct an override election in March 2010 for either 1) a 15% M&O override that would replace any previously approved M&O and K-3 overrides, 2) an additional 5% M&O or special program override if the voters authorized a 10% M&O override in November 2009, or 3) a 17% override for a common school district if an M&O override and K-3 override were still in effect on the effective date of the act.
51. As permanent law, permit a school district governing board to establish a fund or trust account to fund

postemployment benefits provided to employees and their spouses or dependents.

52. As permanent law, permit school districts to hire as superintendent a person without an administrator certificate or doctoral degree.
53. As permanent law, add non-certificated superintendents to the list of persons requiring fingerprinting as a condition of employment.
54. As permanent law, permit schools with < 4,000 ADM to do their own accounting, if qualified and approved.
55. As permanent law, reduce public school regulations regarding Intergovernmental Agreements (IGAs) (such as exempting IGAs and contracts between school districts from competitive bidding); due process for certificated teachers (such as reducing the number of days that a teacher has to correct inadequate classroom performance and reducing the number of days notice that a school district must give prior to dismissing a teacher or suspending them without pay); procurement practices and construction services; budgets, audits and reporting; school property; bullying, harassment, intimidation, and pupil disciplinary proceedings; and miscellaneous other items.
56. As permanent law, repeal the "Local Education Accountability Program," which allows individual schools within a school district to receive direct funding associated with teacher salaries, average daily membership and transportation, rather than being funded for those items through their school district.
57. As session law, repeal session law language that currently limits AIMS contracts to 1 year.
58. As permanent law, limit capital overrides to 10% of a school district's Revenue Control Limit (RCL).
59. As session law, allow a county school superintendent to suspend a transportation school district if there has been a student count of less than 100 pupils between the ages of 6 and 21 for three months during the school year.
60. As permanent law, prohibit school districts and charter schools from adopting policies that guarantee employment for tenured teachers over non-tenured teachers or employment preference based on seniority (defined as years of service) within the categories of tenured and non-tenured teachers.
61. As permanent law, prohibit school districts from paying for association days.
62. As permanent law, require Classroom Site Fund per pupil funding calculations to factor in prior year shortfalls or surpluses.

School Facilities Board

63. As session law, suspend the Building Renewal formula for FY 2010.
64. 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).
65. As session law, continue to prohibit SFB from authorizing or awarding funding for the design or construction of any new school facility, including FDK but excluding \$100 million in new bonding authority (see below), 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.
66. As permanent law, restrict SFB from providing new construction projects inflationary funding above the formula funding.
67. As session law, require the SFB to issue up to \$100 million of Qualified School Construction Bonds as authorized by the American Reinvestment and Recovery Act of 2009. Require the bonds to be issued by December 31, 2009, and limit the proceeds to be spent on new construction projects only. Require proceeds to first be given to school districts whose current ADM exceeds the district-wide space capacity.

HOUSE AND SENATE REVENUES BRB

Arizona Department of Agriculture

1. As session law, permit the Citrus, Fruit and Vegetable Advisory Council, the Agricultural Advisory Council, and the director to increase fees in FY 2010 and permit the Arizona Department of Agriculture to continue \$172,000 in FY 2009 fee increases in FY 2010.
2. As session law, require the Citrus, Fruit and Vegetable Advisory Council to provide 30 days advance notice of a public hearing for any proposed fee increases in FY 2010.

Registrar of Contractors

3. As session law, allow 14% of prior fiscal year revenues from the Residential Contractor's Recovery Fund to be used for employee and contracted services, equipment, and for operational costs, rather than 10% of fund balance.

Department of Education

4. As permanent law, repeal the State Equalization Tax Rate authorized in A.R.S. § 15-994.
5. As permanent law, specify the official K-12 Qualifying Tax Rate (QTR) for FY 2010 at \$2.75 in compliance with the Truth in Taxation (A.R.S. § 41-1276).
6. As session law, redirect \$95 million in local Vehicle License Tax collections to county treasurers for distribution to local school districts to help fund basic state aid costs. This amount includes \$53 million in county distributions and \$42 million in city distributions. Exempt these contributions from county expenditure limitations. Allows counties to use any source of county revenue to make the transfers.
7. As permanent law, use a 10% single assessment ratio for all voter-approved overrides and bond elections, authorized after June 30, 2009. The provisions apply to school districts, community college districts, cities, towns and counties, but exclude special taxing districts. The bill provides that the approved bonded indebtedness does not apply in computing the constitutional debt limitations for these jurisdictions.

Government Information Technology Agency

8. As permanent law, beginning in FY 2011, require all revenues from the State Web Portal be deposited in the State Web Portal Fund.
9. As session law, limit the operating expenses exempt from appropriation to no more than \$3 million in FY 2010.

Arizona Department of Housing

10. As permanent law, deposit unclaimed property proceeds in the General Fund rather than the Housing Trust Fund.

Department of Insurance

11. 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.

Lottery Commission

12. 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 total reduction is \$4,055,000.
13. As permanent law, repeal the State Land Department's Community Protection Initiative Fund and Department of Environmental Quality's Water Supply Development Fund Special Line Item from the list of recipients of State Lottery Fund monies.

Department of Racing

14. 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

15. 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.
16. As permanent law, accelerate by 2 years the length of time for all property types to be presumed abandoned and therefore unclaimed (from 5 years to 3 years), revised the time period for travelers' checks from 14 years to 3 years and money orders from 6 to 3 years.
17. As permanent law, transfer the function of tobacco tax enforcement from the Department of Revenue to the Department of Liquor Licenses and Control.
18. As session law, shift \$662,800 of funding in the Department of Revenue from Tobacco Tax and Health Care Funds to the General Fund, and shift an equal amount of General Fund in the Arizona Health Care Cost Containment System to the Tobacco Tax and Health Care Fund.

Arizona Department of Transportation

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

Revenues

20. 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).
21. As permanent law, 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. The bill specifies that the district's Board of Directors consist of 9 members, 5 to be appointed by the Governor, and 2 each to be appointed by the President of the Senate and the Speaker of the House. The bill provides that, until a notice to proceed is issued for a hotel and convention center, distributed funds may only be used for debt service on bonds issued before January 1, 2009, administrative expenses, contractual obligations incurred before June 1, 2009, and the design and construction of the hotel and convention center. The bill also requires the establishment of a web-site database reporting revenues and expenditures of the district, and requires the posting of annual financial reports on the web-site.
22. As session law, authorize cities and towns to use local impact fees for General Fund purposes. The bill also provides that cities and towns may not increase impact fees in order to replace fees spent for General Fund purposes.
23. As session law, require Maricopa County to transfer \$24,168,400 and Pima County to transfer \$3,794,400 into the General Fund. Exempt these contributions from county expenditure limitations. Allows counties to use any source of county revenue to make the transfers.
24. As permanent law, repeal the June 30, 2011 sunset date for the school tuition organization corporate income tax credit.

HOUSE AND SENATE STATE PROPERTIES BRB

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.