

**March Plan
As Engrossed**

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Prepared by JLBC Staff
March 9, 2015

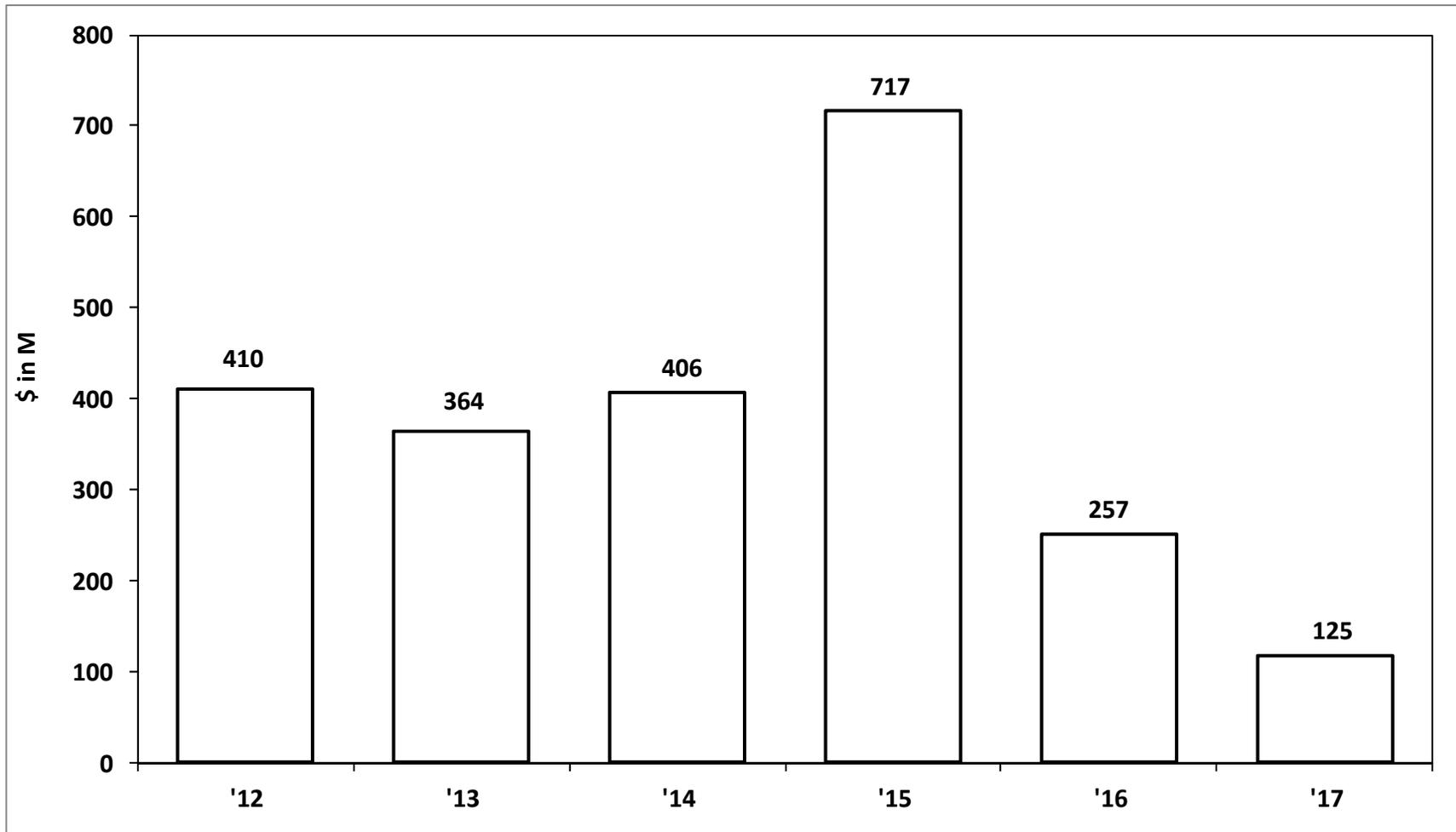
March Plan

March Plan	'15	'16	'17	'18
Balance Forward	\$577 M	\$12 M	\$0 M	\$0 M
Revenues	\$8.77 B	\$9.11 B	\$9.27 B	\$9.55 B
Spending	\$9.34 B	\$9.13 B	\$9.28 B	\$9.52 B
Ending Balance	\$12 M	\$0 M	\$(16) M	\$33 M
Base Revenue Growth	4.3%	3.8%	4.4%	5.1%
Spending Growth		(2.2)%	1.7%	2.5%

- ❑ Plan uses \$113 M of \$464 M Rainy Day Fund to balance '15

Structural Shortfall – Ongoing Revenues Vs. Spending

- '18 Has Projected \$33 M Structural Balance

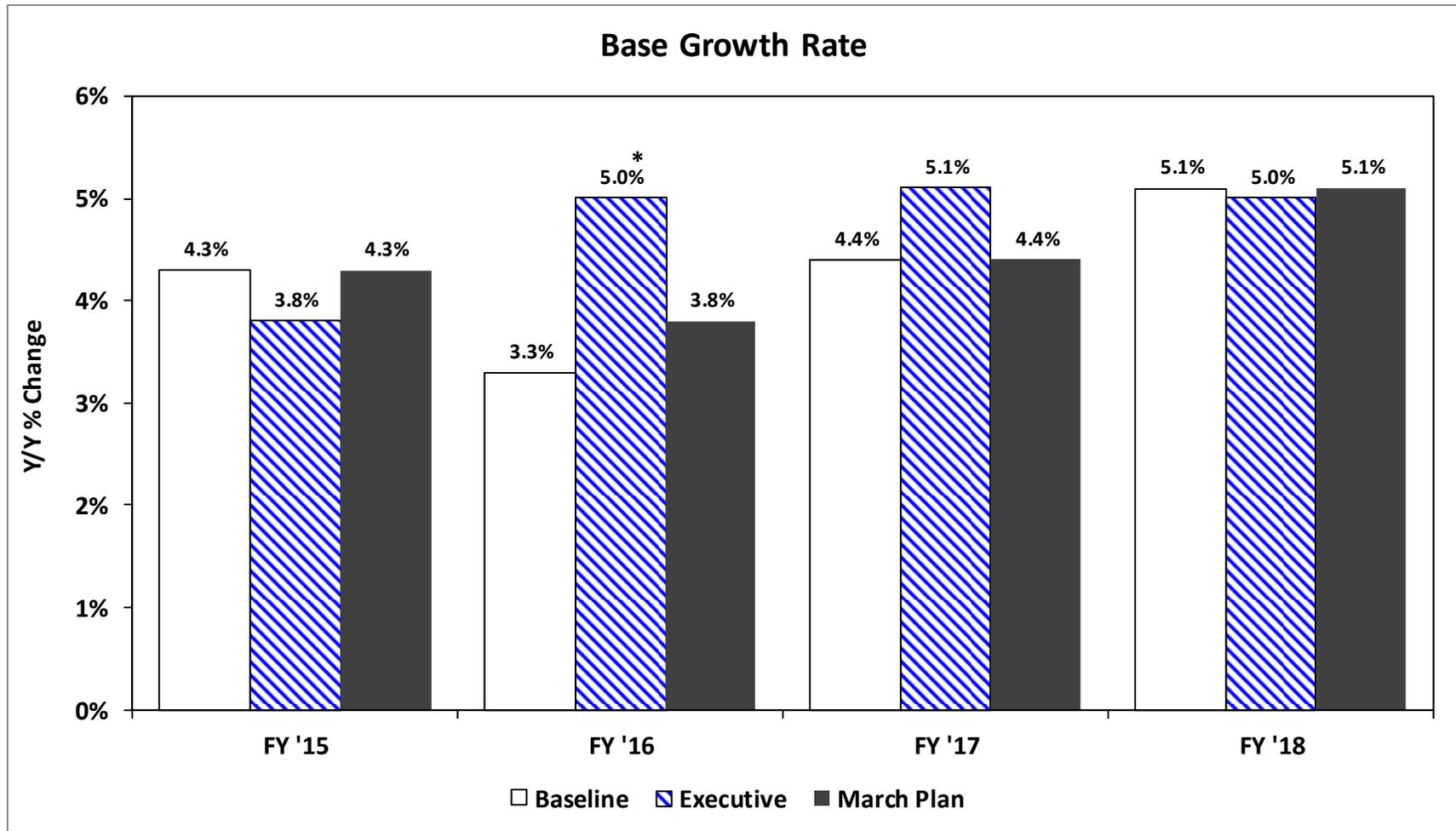


'16: How \$(678) M Baseline Shortfall Becomes \$1 M Balance

<u>\$ in M</u>	
\$(678)	Baseline '16 shortfall (without K-12 litigation)
12	FY 2015 Carry Forward
52	Higher base revenues
	<u>Policy Issues</u>
74	Revenue increases
220	Fund transfers
(176)	Spending increases
497	Spending reductions
<u>\$1</u>	Revised '16 Ending Balance

March Plan Annually Adds \$52 M in Revenue

- Represents Ongoing Revenue Without Policy Changes



* 4.3% when compared to JLBC '15 base

Tax Reductions

		<u>\$ in M</u>		
	<u>'16</u>	<u>'17</u>	<u>'18</u>	
Extend Income Tax Inflation Indexing	(6)	(15)	(25)	
Eliminate 0.1% Job Training Tax	(6.5)	(13)	(13)	

- ❑ One-time '16 inflation indexing is part of Baseline
- ❑ 0.1% employer tax is levied on first \$7,000 of wages and deposited to a job training fund
- ❑ Plan does not include Executive proposals to cap Homeowners Rebate or increase MVD fee

Revenue Increases/Fund Transfers

<u>'16</u>	
<u>\$ in M</u>	<u>Revenue Increases</u>
\$42	Fraud Detection and Prevention
15	Tax Amnesty
17	Private hospital disproportionate share \$ to GF
<u>\$74</u>	Subtotal
	<u>Fund Transfers</u>
0	State Employee Health (\$100 M in '17)
75	Commerce Authority Deal-Closing
25	Commerce Authority Job Training
20	ADOT HELP
15	ADOT Aviation
16	AG S&P Settlement (+ \$15 M Mortgage in '15)
7	AHCCCS Health Care Group
4	Parks Off-Highway Vehicle
58	20 Other Funds
<u>\$220</u>	Subtotal

\$176 M in Spending Increases

- Outside Standard Baseline Adjustments

<u>\$ in M</u>	
\$74	ADE – extra inflation (litigation discussion)
24	School facilities loan guarantee (SFB)
18	Employer retirement increase (ADC/DPS)
12	ADC – prison health
5	ADC – prison population growth
0	ADC – 1,000 private beds in '17 (\$24 M)
8	DCS – service growth
5	Capital outlay emergency projects
30	Other
<hr/>	
\$176	Total

\$497 M in Spending Reductions

\$ in M

\$117	ADE – Additional Assistance reduction
7	ADE – 3 Year Phase Out Multi-site Charter Small School Weight
22	ADE – Eliminate performance funding
0	ADE – Eliminate Declining Hold Harmless in '17 (\$40 M)
0	ADE – JTED/District Revisions in '17 (\$30 M)
20	ADE – Limit state liability for 1% property tax cap
99	Universities 13% reduction
16	Community Colleges – Maricopa/Pima/Pinal
40	AHCCCS/DHS Enrollment Re-estimate
37	AHCCCS/DHS Provider Reduction
4	DES – Child Care Shift
0	DES – 1 Year TANF Cap in '17 (\$9 M)

Spending Reductions Continued

\$ in M

\$17	Juvenile Corrections – Local Cost Sharing
6	Judiciary – Ongoing Fund Transfer
4	Judiciary – Reduce General Fund Automation Support
21	Department of Revenue – Local Cost Sharing
0	DPS - Cap HURF Shift at \$30 M (was to increase to \$60 M in '17)
5	ACA – Reduce Deal Closing fund from \$25 M to \$20 M (\$15 M in '17)
2	Counties – Eliminate Mohave/Pinal/Yavapai Aid
16	Statewide – Reduce Employer Health Contributions (\$32 M in '17)
7	ADOA – Shift Accounting System to Agency Charges
0	Hiring freeze/consolidations (\$21 M in '17)
26	Revised Revertments
31	Other
<u>\$497</u>	Total

Major Agency '16 Change in GF Spending

(\$ in M)

\$ Change Above '15

<u>Agency</u>	<u>JLBC Baseline</u>	<u>Executive</u>	<u>March Plan</u>
K-12 Education	181	(24)	81
School Facilities Board	2	25	28
Universities	(3)	(78)	(102)
Community Colleges	(1)	(10)	(17)
AHCCCS	(2)	(73)	(69)
Health Services	9	(7)	(10)
Economic Security	22	23	17
Child Safety	(11)	5	(4)
Corrections	8	52	39
Juvenile Corrections	0	(16)	(17)
Public Safety	(1)	(16)	4

Department of Education

	<u>GF \$ in M Above '15</u>	
	<u>'16</u>	<u>'17</u>
Formula Growth	176	378
Extra Base Level Increase	74	74
Non-Classroom Reduction	(117)	(117)
Phase Out Multi-site Charter Small School \$	(7)	(13)
Phase Out Pre '14 District Sponsored Charters	(1)	(2)
Repeal Student Success \$ (Transfer \$ to SFB)	(22)	(22)
1% Property Tax Cap Limitations	(20)	(20)
Eliminate Lower Enrollment Hold Harmless	0	(40)
Lower JTED/District Funding Overlap	0	(30)
AIMS Elimination Test Savings	(2)	(2)
State Board of Ed. Separate Budget Unit	(1)	(1)
Shift \$1 M IT Cert \$ to JTED Soft Capital	0	0
Teacher Development	0.5	0.5
Total	81	206
Total w/ SFB School Loan Guarantees	105	228

AHCCCS/DHS

	<u>GF \$ in M Above '15</u>	
	<u>'16</u>	<u>'17</u>
Caseload Changes – Lower 15 base/ 1% Growth	(33)	42
5% Provider Reduction	(37)	(49)
Ambulance Rates at 68% (AHCCCS)	(6)	(6)
1.5% Capitation Growth ('17/18)	0	(18)
Indiana Waiver – ER/Premiums	0	(1)
Dispro Share Match – Shift to Locals	(3)	(3)
Fraud Prevention Staff (AHCCCS)	(1)	(1)
Third Party Liability (DHS)	0	(5)
State Hospital (DHS)	1	1
School Based Prevention/ Mental Health First Aid	<u>(0.6)</u>	<u>(0.6)</u>
Total	(79)	(41)
AHCCCS	(69)	(35)
DHS	(10)	(6)

Department of Child Safety

	<u>GF \$ in M Above '15</u>	
	<u>'16</u>	<u>'17</u>
One Time Backlog (May Special Session)	(11)	(23)
Preventative Services (May Special Session)	4	8
Caseload Growth – Out of Home Permanency Placements	8	8
Increase Foster Care Rates/ Reduce Residential Settings	(2)	(2)
Other Technical	(3)	(4)
Total	(4)	(13)

'15: How JLBC's \$(148) M Shortfall Becomes \$12 M Balance

<u>\$ in M</u>	
\$(148)	Baseline '15 shortfall
11	Private hospital disproportionate share \$ to GF
15	Mortgage Settlement Transfer
10	Medicaid Formula Revisions
5	DES reductions
5	Revert Unused DCS Transition Funds
113	Rainy Day Fund transfer
1	Repeal WIFA Water Supply
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\$12	'15 Ending Balance

GENERAL FUND BUDGET

\$ in Millions

	A		B		C		D		E		F		G		H		
	FY 2015 Exec	FY 2015 Engrossed	FY 2016 Exec	FY 2016 Engrossed	FY 2017 Exec	FY 2017 Engrossed	FY 2018 Exec	FY 2018 Engrossed	FY 2019 Exec	FY 2019 Engrossed	FY 2020 Exec	FY 2020 Engrossed	FY 2021 Exec	FY 2021 Engrossed	FY 2022 Exec	FY 2022 Engrossed	
1	Beginning Balance	\$ 579.2	\$ 577.4	\$ 1.2	\$ 12.0	\$ 136.8	\$ 1.0	\$ 148.9	\$ -	\$ 9,505.7	\$ 9,505.7	\$ 195.6	\$ 52.0	\$ 32.6	\$ 0.0	\$ 9.3	\$ 15.3
2	Revenues - January Baseline	\$ 8,630.6	\$ 8,630.6	\$ 8,768.2	\$ 8,768.2	\$ 9,093.5	\$ 9,093.5	\$ 9,505.7	\$ 9,505.7	\$ 195.6	\$ 52.0	\$ 32.6	\$ 0.0	\$ 9.3	\$ 15.3	\$ 2.3	\$ 0.0
3	Base Revenue Adjustment	(53.7)		105.0	52.0	188.6	52.0	195.6	52.0	32.6	0.0	9.3	15.3	2.3	0.0	0.5	0.5
4	Additional TPT Collectors			32.6	0.0	32.6	0.0	32.6	0.0	9.3	28.3	9.3	15.3	2.3	0.0	0.5	0.5
5	Fraud Detection			9.3	41.9	9.3	28.3	9.3	28.3	2.3	0.0	9.3	15.3	2.3	0.0	0.5	0.5
6	DFI Restructure			3.7	0.0	(2.3)	0.0	(2.3)	0.0	(12.0)	(15.4)	(28.0)	(24.7)				
7	Insurance Fraud Assessment			0.5	0.5	0.5	0.5	0.5	0.5								
8	Income Tax Inflation Indexing					(12.0)	(15.4)	(28.0)	(24.7)								
9	One-Time Revenues																
10	Tax Amnesty				15.0		0.0		0.0								0.0
11	Increase Dispro Share Cap	11.0	11.0	16.5	16.5	8.6	8.6										Notes
12	Fund Transfers																
13	Budget Stabilization Fund Transfer	125.7	113.3														
14	ADOA - HITF			90.0			100.0										0.0
15	AHCCCS - Healthcare Group			7.3	7.3												
16	Attorney General - Consumer Restitution			5.4	0.0												
17	Attorney General - Consumer Protection				5.4												
18	Attorney General - Mortgage/S&P Settlement		15.0		16.0		0.0										
19	ACA - Competes Fund			75.0	75.0												
20	ACA - Job Training Fund			25.0	25.0												Notes
21	Contractors - Recovery Fund			5.3	0.0												
22	Contractors - Contractors Fund			5.0	0.0												
23	Corp Comm. - Utility Regulation			2.0	2.0												
24	Corrections - Special Services Fund			2.0	2.0												
25	Corrections - Inmate Store Proceeds			2.5	2.5												
26	Corrections - Corrections Fund				1.3												
27	Corrections - Alcohol Abuse Treatment Fund				0.3												
28	Corrections - Building Renewal Fund				1.5												
29	Corrections - Correctional Industries Revolving Fund				0.5												
30	Corrections - Corrections Revolving Fund				1.1												
31	DES - Special Admin Fund			5.0	4.0												
32	ADE - State Facilities Fund			4.0	4.0												
33	ADE - Student Success Fund			2.4	2.4												
34	DEQ - Voluntary Vehicle Repair			2.0	2.0												
35	DEQ - Air Quality Fund			3.0	5.5												
36	DEQ - Recycling Fund			2.5	2.5												
37	DEQ - Indirect Cost Fund			2.5	0.0												
38	Housing - Housing Program Fund			5.0	5.0												
39	Parks - Off-Highway Vehicle Fund			7.0	4.0												
40	DPS - Highway Patrol Fund			5.2	5.2												
41	DPS - Fingerprint Clearance Fund			4.3	4.3												
42	ADOT - Economic Strength Fund			4.6	4.6												
43	ADOT - HELP Fund			20.0	20.0												
44	ADOT - State Aviation Fund			15.0	15.0												
45	ADOT - Motor Vehicle Liability			2.0	2.0												
46	Total Revenues	\$ 9,292.8	\$ 9,347.3	\$ 9,241.0	\$ 9,126.5	\$ 9,455.6	\$ 9,268.5	\$ 9,862.3	\$ 9,548.8	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4
47	Base FY 15 Spending	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4
48	January Baseline Increase			90.2	90.2	427.5	427.5	730.8	730.8								
49	Total JLBC Baseline	\$ 9,356.4	\$ 9,356.4	\$ 9,446.6	\$ 9,446.6	\$ 9,783.9	\$ 9,783.9	\$ 10,087.2	\$ 10,087.2	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4	\$ 9,356.4
	Changes to JLBC Baseline																
50	ADOA - Increased AFIS Costs			1.9	See Other	1.9	0.0	1.9	0.0								0.0
51	ADOA - GAO Cost Shift				(0.6)		(0.6)		(0.6)								(0.6)
52	ADOA - Eliminate Southwest Defense Contracts			(0.1)	0.0	(0.1)	0.0	(0.1)	0.0								0.0
53	ADOA - Automation - AFIS Cost Shift				(6.9)		0.0		0.0								0.0
54	ADOA - Automation - ADE Funding			0.9	0.0	(2.9)	(5.4)	(5.4)	(5.4)								(5.4)
55	ADOA - Automation - DES IT Security			0.9	Other Fund												

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\$ in Millions

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	FY 2015 Exec		FY 2015 Engrossed		FY 2016 Exec		FY 2016 Engrossed		FY 2017 Exec		FY 2017 Engrossed		FY 2018 Exec		FY 2018 Engrossed	
56	ADOA - Automation - DOR Projects				(1.7)		(1.7)		(1.7)		(1.7)		(1.7)		(1.7)	
57	ADOA - Automation - CHILDS						0.0		10.0		0.0		10.0		0.0	
58	ADOA - Government Transformation Office						1.0				1.0				1.0	
59	ADOA - Immigration Enforcement						(1.2)				(1.2)				(1.2)	
60	Office of Admin. Hearings - Operational Costs				0.1		0.0		0.1		0.0		0.1		0.0	
61	Agriculture - NEMF Increase				0.2				0.2				0.2			
62	AHCCCS - Formula	33.2		(15.3)		(39.6)		(31.5)		(51.1)		(42.7)		(70.0)		(55.2) Notes
63	AHCCCS - 1.5% Cap Rate (FY 17/FY 18)											(12.8)				(29.7)
64	AHCCCS - Provider Rate Reduction		(6.1)			(24.1)		(25.7)		(24.1)		(34.2)		(24.1)		(34.2) Notes
65	AHCCCS - Shift Dispro Share Pool 1 Match						(2.7)				(2.7)				(2.7)	
66	AHCCCS - Ambulance Rate Reduction					(6.0)		(6.0)		(6.0)		(6.0)		(6.0)		(6.0)
67	AHCCCS - Inspector General Fraud Prevention					(1.3)		(1.3)		(1.3)		(1.3)		(1.3)		(1.3)
68	AHCCCS - Indiana Waiver 2% Premium/\$25 ER											(0.3)				(0.3)
69	AHCCCS - Other									(1.5)				(1.5)		
70	Attorney General/DCS - Shift Legal Services \$1 M to DCS					1.0		0.0		1.0		0.0		1.0		0.0
71	Attorney General - Federalism Unit					1.0		Other Fund		1.0		Other Fund		1.0		Other Fund Notes
72	Attorney General - Southern AZ Drug Enforcement Unit							1.2				1.2				1.2
73	Charter School Board - Remove One-Time Equipment					(0.1)		(0.1)		(0.1)		(0.1)		(0.1)		(0.1)
74	Charter School Board - Charter Renewal Funding							0.2				0.2				0.2
75	DCS - Permanency Caseload Growth					8.1		8.0		15.4		8.0		25.1		8.0
76	DCS - Foster Care Caseload Growth					3.4		0.0		5.5		0.0		5.9		0.0
77	DCS - Emergency/Residential Caseload Growth					2.2		0.0		5.8		0.0		8.9		0.0
78	DCS - Child Care Caseload Growth					3.3		0.0		4.2		0.0		4.3		0.0
79	DCS - AG Staff Federal Backfill					0.5		0.0		0.5		0.0		0.5		0.0
80	DCS - Increase Foster Care Rates					(2.0)		(2.0)		(2.0)		(2.0)		(2.0)		(2.0)
81	DCS - Revert Unused Transition Funding														(5.5)	
82	DCS/Attorney General - Shift Legal Services \$1 M to DCS					(1.0)		0.0		(1.0)		0.0		(1.0)		0.0
83	ACA - Retain Mexico City Trade Office					0.3		0.3		0.3		0.3		0.3		0.3
84	ACA - Reduce Competes Fund Deposit							(5.0)				(10.0)				(10.0)
85	Comm Colleges - Formula					(0.1)				0.6				1.5		
86	Comm Colleges - State Aid Reduction (Maricopa/Pima/Pinal)					(8.8)		(15.6)		(8.8)		(15.6)		(8.8)		(15.6)
87	ADC - Annualize Max/Medium Beds (Formula/Baseline)					(0.3)		(0.3)		(0.3)		(0.3)		(0.3)		
88	ADC - New Beds					5.3		0.0		35.5		24.2		59.7		24.2 Notes
89	ADC - Health Care Litigation					8.1		6.6		8.1		8.1		8.1		8.1 Notes
90	ADC - Health Care Changes					9.9		5.0		9.9		5.0		9.9		5.0
91	ADC - Population Growth					7.4		5.3		12.8		5.3		18.1		5.3
92	ADC - Expand Transition Program 300 Inmates							(0.3)				(0.3)				(0.3)
93	ADC - Retirement Adjustment					13.5		13.5		15.4		15.4		17.3		15.4
94	ADC - Leap Year					0.9		0.9								
95	Counties - Eliminate Funding (Pinal/Yavapai/Mohave)					(1.7)		(1.7)		(1.7)		(1.7)		(1.7)		(1.7)
96	Counties - Graham Restore \$							0.5				0.5				0.5
97	DES - Formula Adjustments															
98	DES - TANF Reduce Cash Benefits From 2 Yrs to 1 Yr					0.3				(11.5)		(1.4)		(25.3)		(1.5) Notes
99	DES - Eliminate Homeless Capital Grant in FY 15															(9.0)
100	DES - DD Room and Board															0.0 Notes
101	DES - Eliminate Rural Autism Parenting					(0.3)		(0.3)		(0.3)		(0.3)		(0.3)		(0.3)
102	DES - Eliminate LTC Assisted Living					(0.3)		(0.3)		(0.3)		(0.3)		(0.3)		(0.3)
103	DES - Shift Child Care to CCDF					(4.0)		(4.0)		(4.0)		(4.0)		(4.0)		(4.0)
104	DES - Adult Protective Services Staff (11 FTE)					1.2		1.2		1.2		1.2		1.2		1.2
105	DES - DD Adult Preventative Dental					1.1				1.1				1.1		
106	DES - Lump Sum															(2.0)
107	ADE - Formula Changes															(2.0)
108	ADE - Base Level Increase															(2.0)
109	ADE - District Non-Classroom Reduction					(95.7)		(5.0)		(189.4)		(12.0)		(227.2)		(12.0)
110	ADE - Charter Additional Assistance Reduction					74.4		74.4		74.4		74.4		74.4		74.4 Notes
111	ADE - Eliminate Small School Weight for Multi-Site Charters (3 Yr)					(113.5)		(113.5)		(113.5)		(113.5)		(113.5)		(113.5)
112	ADE - Charter Additional Assistance Reduction					(10.3)		(3.0)		(10.3)		(3.0)		(10.3)		(3.0)
113	ADE - Eliminate Small School Weight for Multi-Site Charters (3 Yr)							(6.5)				(13.0)				(20.0)
114	ADE - Eliminate District Sponsored Charter Funding (2 Yr)					(0.3)		(1.2)		(0.3)		(2.4)		(0.3)		(2.4) Notes
115	ADE - Reduce IT Certification Funding							(1.0)				(1.0)				(1.0)
116	ADE - JTED Soft Capital							1.0				1.0				1.0

GENERAL FUND BUDGET

\$ in Millions

	A		B		C		D		E		F		G		H	
	FY 2015 Exec	FY 2015 Engrossed	FY 2016 Exec	FY 2016 Engrossed	FY 2017 Exec	FY 2017 Engrossed	FY 2018 Exec	FY 2018 Engrossed	FY 2017 Exec	FY 2017 Engrossed	FY 2018 Exec	FY 2018 Engrossed	FY 2017 Exec	FY 2017 Engrossed	FY 2018 Exec	FY 2018 Engrossed
115 ADE - Shift Funding to Separate State Board of Ed. Budget Unit				(1.3)				(1.3)								(1.3)
116 ADE - Repeal Student Success Funding			(21.5)	(22.4)	(21.5)	(22.4)	(21.5)	(22.4)							(21.5)	(22.4)
117 ADE - Cap Homeowner's Rebate at 44%			(18.0)	0.0	(33.0)	0.0	(33.0)	0.0							(33.0)	0.0
118 ADE - 1% Property Tax Cap Limitations			(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)							(20.2)	(20.2)
119 ADE - Eliminate Declining Enrollment Hold Harmless								(40.0)								(40.0)
120 ADE - Reduce JTED/District Overlap								(30.0)								(30.0)
121 ADE - Teach for America				0.5			0.5	0.5								0.5
122 ADE - Test Savings				(1.8)			(1.8)	(1.8)								(1.8)
123 ADE - Other			0.0		(0.4)									(0.7)		
124 State Board of Ed. - Separate Budget Unit				1.3			1.3	1.3								1.3
125 DEMA - NEMF Increase			1.4		1.4		1.4	1.4						1.4		
126 DEMA - Emergency Management Federal Match			1.5	1.5	1.5	1.5	1.5	1.5						1.5	1.5	
127 DEMA - Navajo Camp Fund Shift			(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)						(1.0)	(1.0)	
128 DFI - Agency Restructure			(3.0)	0.0	(3.0)	0.0	(3.0)	0.0						(3.0)	0.0	
129 Forester - Environmental County Grants				0.1			0.1	0.1								0.1
130 DHS - Formula	(8.7)	(2.6)	(8.7)	(8.4)	(18.0)	(14.9)	(31.2)	(22.5)								Notes
131 DHS - 1.5% Cap Rate (FY 17/FY 18)						(5.1)		(12.2)								
132 DHS - Provider Rate Reduction	(2.3)		(9.1)	(11.4)	(9.1)	(15.2)	(9.1)	(15.2)						(9.1)	(15.2)	Notes
133 DHS - Indiana Waiver 2% Premium						(1.1)		(1.5)								
134 DHS - Alzheimer's Funding			1.3	0.0	1.3	0.0	1.3	0.0						1.3	0.0	
135 DHS - State Hospital Increase			1.2	1.2	1.2	1.2	1.2	1.2						1.2	1.2	
136 DHS - Eliminate School-Based Prevention Education				(0.3)			(0.3)	(0.3)							(0.3)	
137 DHS - Eliminate Mental Health First Aid				(0.3)			(0.3)	(0.3)							(0.3)	
138 DHS - Third Party Liability						(5.2)		(5.2)								(5.2)
139 Insurance - Fraud Investigations			0.5	0.5	0.5	0.5	0.5	0.5						0.5	0.5	
140 Judiciary - Maricopa Drug Court Funding			0.3		0.3		0.3							0.3		
141 Judiciary - Pima Drug Court Funding			0.3		0.3		0.3							0.3		
142 Judiciary - Eliminate General Fund Automation Funding				(3.6)		(3.6)		(3.6)							(3.6)	
143 Judiciary - Fund Transfers				(6.0)		(6.0)		(6.0)							(6.0)	
144 DJC - Local Cost Sharing			(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)						(12.0)	(12.0)	
145 DJC - One-Time Shift from State Charitable Fund			(0.9)	(0.9)												
146 DJC - Admission Changes			(3.0)	(4.0)	(3.0)	(5.0)	(3.0)	(5.0)						(3.0)	(5.0)	
147 Land - CAP Water Rate Increase (OSPB 32k less than JLBC)	(0.1)		(0.1)													
148 Land - Self Fund Agency (Ballot Prop)					(12.6)	0.0	(12.6)	(12.6)						(12.6)	(12.6)	Notes
149 Leg - Auditor General - DCS Audit Funding			0.3	0.0	0.3	0.0	0.3	0.0						0.3	0.0	
150 Pioneer's Home - Fund Shift to Land Trust			(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)						(1.6)	(1.6)	
151 DPS - Continue ACTIC Funding			0.8	0.8	0.8	0.8	0.8	0.8						0.8	0.8	
152 DPS - New Motor Vehicle Fee			(30.0)		(60.0)		(60.0)							(60.0)		
153 DPS - Freeze HURF Shift						(30.0)		(30.0)							(30.0)	
154 DPS - Retirement Adjustment			14.1	4.2	14.1	4.2	14.1	4.2						14.1	4.2	
155 Racing - Eliminate Breeder Award				(0.3)		(0.3)		(0.3)							(0.3)	
156 Rad Reg - NEMF Increase			0.7		0.7		0.7							0.7		
157 Rad Reg - Self Fund Agency					(0.8)	0.0	(0.8)	0.0						(0.8)	0.0	
158 DOR - Fraudulent Returns			3.2	3.2	3.2	3.2	3.2	3.2						3.2	3.2	
159 DOR - Local Cost Sharing			(14.1)	(20.8)	(14.1)	(20.8)	(14.1)	(20.8)						(14.1)	(20.8)	
160 DOR - Tobacco Tax MSA			0.4		0.4		0.4							0.4		
161 SFB - New School Construction			(0.8)	1.5	(0.5)	0.7										
162 SFB - Access Our Best Public Schools			23.9	23.9	21.5	21.5	21.5	21.5						21.5	21.5	
163 SFB - Refinance						(1.7)		(1.7)							(1.7)	
164 Tourism - Eliminate Marketing Funding			(4.5)	0.0	(4.5)	0.0	(4.5)	0.0						(4.5)	0.0	
165 Universities - ASU Tempe - Funding Reduction			(34.3)	(45.2)	(34.3)	(41.5)	(34.3)	(41.5)						(34.3)	(41.5)	
166 Universities - ASU East - Funding Reduction			(2.7)	(3.6)	(2.7)	(3.3)	(2.7)	(3.3)						(2.7)	(3.3)	
167 Universities - ASU West - Funding Reduction			(3.4)	(4.4)	(3.4)	(4.0)	(3.4)	(4.0)						(3.4)	(4.0)	
168 Universities - NAU - Funding Reduction			(13.1)	(17.3)	(13.1)	(15.9)	(13.1)	(15.9)						(13.1)	(15.9)	
169 Universities - UA Main - Funding Reduction			(21.2)	(27.9)	(21.2)	(25.6)	(21.2)	(25.6)						(21.2)	(25.6)	
170 Universities - UA HSC - Funding Reduction			(0.4)	(0.5)	(0.4)	(0.5)	(0.4)	(0.5)						(0.4)	(0.5)	
171 Veterans Services - Shift Operations			(0.9)		(0.9)		(0.9)							(0.9)		
172 Veterans Services - Operating Costs			0.4	0.4	0.5	0.5	0.5	0.5						0.5	0.5	
173 WIFA - Eliminate FY 15 Funding	(1.0)	(1.0)														

GENERAL FUND BUDGET

\$ in Millions

	A	B	C		D		E	F	G	H
	FY 2015 Exec	FY 2015 Engrossed	FY 2016 Exec	FY 2016 Engrossed	FY 2017 Exec	FY 2017 Engrossed	FY 2018 Exec	FY 2018 Engrossed		
174 Water Resources - Water Banking Shift				(0.5)		(0.5)		(0.5)		
175 Weights and Measures - Fund Shift			(0.1)	0.0	(0.1)	0.0	(0.1)	0.0		
176 Capital - FY 15 ADC Max Bed Spending	(17.4)									
177 Capital - Navajo Nation Highway Construction				1.2						
178 Capital - ADOA Building Renewal			10.0	5.0	10.0	0.0	10.0	0.0		
179 Other - Hiring Freeze/Consolidations					(20.7)	(20.7)	(20.7)	(20.7)		
180 Other - Phoenix Convention Center Payment							(2.1)			
181 Other - Admin Adjustments	5.6		10.0	10.0	10.0	10.0	10.0	10.0		
182 Other - Revertments	(36.0)		(26.4)	(26.4)	(9.1)	(9.1)	(16.0)	(16.0)		
183 Other - Statewide Adjustments			0.4	0.0	0.4	0.0	0.4	0.0		
184 Other - Statewide AFIS Charge				1.9		1.9		1.9		
185 Other - HITF Contribution Reduction				(16.2)		(32.4)		(32.4)		
186 Other			0.5		0.2		(1.6)			
187 Net Spending Issues Above JLBC	\$ (64.8)	\$ (21.1)	\$ (342.4)	\$ (321.1)	\$ (477.2)	\$ (500.1)	\$ (528.4)	\$ (571.9)		
188 Total Spending	\$ 9,291.6	\$ 9,335.3	\$ 9,104.2	\$ 9,125.5	\$ 9,306.7	\$ 9,283.8	\$ 9,558.8	\$ 9,515.3		
189 Ending Cash Balance	\$ 1.2	\$ 12.0	\$ 136.8	\$ 1.0	\$ 148.9	\$ (15.3)	\$ 303.5	\$ 33.5		
190 Structural Balance	\$ (744.4)	\$ (717.0)	\$ (184.9)	\$ (257.9)	\$ 3.5	\$ (124.9)	\$ 154.6	\$ 33.5		

Notes

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|---|---|
| <ul style="list-style-type: none"> 11 Increase Dispro Share Cap 20 ACA - Job Training Fund 62 AHCCCS - Formula 64 AHCCCS - Provider Rate Reduction 71 Attorney General - Federalism Unit 88 ADC - New Beds 89 ADC - Health Care Litigation 97 DES - Formula Adjustments 100 DES - DD Room and Board 108 ADE - Base Level Increase 112 ADE - Eliminate District Sponsored Charter Funding (2 Yr) 130 DHS - Formula 132 DHS - Provider Rate Reduction 148 Land - Self Fund Agency (Ballot Prop) | <ul style="list-style-type: none"> Rural Priority Language Eliminate Tax 1/1/16 Average Annual 1% Growth - FY 16 - 18 Exclude HCBS and Nursing Facilities. 5% Reduction Starting Oct 1, 2015. Fund From Consumer Fraud RFP for 2,000 Beds. Fund 1,000 Beds. Plus \$6M Other Funds in FY 2016 Plus \$1.9 M Other Fund Supplemental (TANF Shift) to Address DD Shortfall Other Fund in FY 2016 Litigation Issue Phase out over 2 years See AHCCCS See AHCCCS 2016 Ballot Referral |
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MARCH PLAN
STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES 1/
WITH ONE-TIME FINANCING SOURCES

	FY 2015 Engrossed	FY 2016 Engrossed	FY 2017 Engrossed	FY 2018 Engrossed
REVENUES				
Ongoing Revenues	\$9,185,619,500	\$9,537,611,700	\$9,845,222,200	\$10,260,715,000
Previously Enacted Changes		(105,700,000)	(78,300,000)	(76,900,000)
DOR Fraud Detection		41,916,600	28,300,000	15,300,000
Insurance Fraud Assessment		516,600	516,600	516,600
Income Tax Indexing		(6,100,000)	(15,400,000)	(24,700,000)
Urban Revenue Sharing	(608,935,700)	(605,634,300)	(621,469,700)	(626,088,400)
Net On-going Revenues	\$8,576,683,800	\$8,862,610,600	\$9,158,869,100	\$9,548,843,200
One-time Financing Sources				
Balance Forward	577,399,200	12,000,000	450,500	
Rainy Day Fund Transfer	113,296,600			
Increase Dispro Share Cap	11,000,000	16,500,000	8,600,000	
Tax Amnesty		15,000,000		
Fund Transfers	68,900,000	220,194,500	100,000,000	
Subtotal One-time Revenues	\$770,595,800	\$263,694,500	\$109,050,500	\$0
Total Revenues	\$9,347,279,600	\$9,126,305,100	\$9,267,919,600	\$9,548,843,200
EXPENDITURES				
Operating Budget Appropriations	\$9,321,780,500	\$9,161,035,300	\$9,323,310,600	\$9,561,694,500
Supplementals	(28,132,000)			
Administrative Adjustments	80,000,000	70,000,000	70,000,000	70,000,000
Revertments	(80,000,000)	(111,380,700)	(109,128,200)	(116,014,500)
Subtotal Ongoing Expenditures	\$9,293,648,500	\$9,119,654,600	\$9,284,182,400	\$9,515,680,000
One-time Expenditures				
Capital Outlay	\$41,631,100	\$6,200,000		
Subtotal One-time Expenditures	\$41,631,100	\$6,200,000	\$0	\$0
Total Expenditures	\$9,335,279,600	\$9,125,854,600	\$9,284,182,400	\$9,515,680,000
Ending Balance <u>2/</u>	\$12,000,000	\$450,500	(\$16,262,800)	\$33,163,200
<i>Structural Balance <u>3/</u></i>	<i>(\$716,964,700)</i>	<i>(\$257,044,000)</i>	<i>(\$125,313,300)</i>	<i>\$33,163,200</i>

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

2/ This calculation reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.

MARCH PLAN GENERAL FUND SPENDING BY MAJOR BUDGET UNITS

	FY 2016 Change From Prior Year	FY 2016 Engrossed	FY 2017 Change From Prior Year	FY 2017 Engrossed	FY 2018 Change From Prior Year	FY 2018 Engrossed
EXPENDITURES						
Operating Budget						
-- Department of Administration	(779,200)	\$10,413,800		\$10,413,800		\$10,413,800
-- ADOA - Automation Projects Fund	(27,717,000)	7,783,000	(2,783,000)	5,000,000		5,000,000
-- ADOA - Dept. of Child Safety	(25,000,000)					
-- AHCCCS	(69,205,300)	1,205,197,900	34,090,400	1,239,288,300	46,004,400	1,285,292,700
-- Attorney General	200,000	23,665,100		23,665,100		23,665,100
-- Department of Child Safety	(3,872,800)	357,132,600	(8,408,200)	348,724,400		348,724,400
-- Commerce Authority	(5,000,000)	26,800,000	(5,000,000)	21,800,000		21,800,000
-- Community Colleges	(16,861,100)	55,045,300	535,200	55,580,500	869,400	56,449,900
-- Department of Corrections	38,578,000	1,035,423,600	26,644,700	1,062,068,300		1,062,068,300
-- County Funding	(1,650,000)	6,000,500		6,000,500		6,000,500
-- Department of Economic Security	16,905,200	496,195,500	18,139,000	514,334,500	30,622,400	544,956,900
-- Department of Education	81,176,700	3,889,569,400	124,843,700	4,014,413,100	156,605,200	4,171,018,300
-- Department of Environmental Quality		7,000,000		7,000,000		7,000,000
-- Department of Health Services	(10,308,600)	603,053,500	4,218,600	607,272,100	15,929,600	623,201,700
-- Judiciary	(10,090,500)	100,405,100		100,405,100		100,405,100
-- Department of Juvenile Corrections	(16,901,400)	27,264,500	(98,600)	27,165,900		27,165,900
-- State Land Department	64,200	12,574,000		12,574,000	(12,574,000)	
-- Department of Public Safety	4,246,300	93,571,200		93,571,200		93,571,200
-- Public Safety Personnel Retirement System		6,000,000		6,000,000		6,000,000
-- Department of Revenue	(17,605,800)	30,533,600		30,533,600		30,533,600
-- School Facilities Board	27,524,300	216,882,700	(5,303,400)	211,579,300	(1,419,600)	210,159,700
-- Office of Tourism	(2,000,000)	7,103,700		7,103,700		7,103,700
-- Universities	(101,521,200)	666,900,700	12,054,500	678,955,200	3,698,800	682,654,000
-- Department of Water Resources	(500,000)	12,830,300		12,830,300		12,830,300
-- All Other Budgets	(6,117,900)	163,425,700	239,600	163,665,300	(3,400,000)	160,265,300
-- Civic Center Payment		20,449,000		20,449,000	2,050,000	22,499,000
-- Rio Nuevo Payment		10,000,000		10,000,000		10,000,000
-- Asset Sale/Lease-Back Debt Service	(9,100)	84,114,600	2,800	84,117,400	(2,300)	84,115,100
-- Hiring Freeze/Consolidations			(20,700,000)	(20,700,000)		(20,700,000)
-- HITF Employer Rate Reduction	(16,200,000)	(16,200,000)	(16,200,000)	(32,400,000)		(32,400,000)
-- AFIS Cost Charges	1,900,000	1,900,000		1,900,000		1,900,000
Total - Operating Budget	(\$160,745,200)	\$9,161,035,300	\$162,275,300	\$9,323,310,600	\$238,383,900	\$9,561,694,500
-- FY 2015 Supplementals	28,132,000					
-- Capital Outlay	(35,431,100)	6,200,000	(6,200,000)			
-- Administrative Adjustments	(10,000,000)	70,000,000		70,000,000		70,000,000
-- Revertments	(31,380,700)	(111,380,700)	2,252,500	(109,128,200)	(6,886,300)	(116,014,500)
Total Spending	(\$209,425,000)	\$9,125,854,600	\$158,327,800	\$9,284,182,400	\$231,497,600	\$9,515,680,000

DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
OPERATING SPENDING CHANGES				
DOA - Arizona Department of Administration	11,193,000			10,413,800
DOA - Increased Accounting System Costs			0	
DOA - GAO Cost Shift			(566,000)	
DOA - Eliminate Southwest Defense Contracts			0	
DOA - Transformation Office			1,000,000	
DOA - Eliminate Employer Sanctions Funding			(1,213,200)	
APF - Automation Projects Fund/ADOA	35,500,000			7,783,000
APF - Remove One-Time ADE Automation		(5,000,000)	0	
APF - Remove One-Time DCS Automation		(5,000,000)		
APF - Reduce One-Time ADOA Automation/Cost Shift		(9,198,000)	(6,819,000)	
APF - DES IT Security			Other Fund	
APF - Remove DOR Automation Funding			(1,700,000)	
DOA/DCS - Department of Child Safety/ADOA	19,500,000			0
DOA/DCS - Remove One-Time Funding in FY 16		(25,000,000)		
OAH - Office of Administrative Hearings	862,500			862,500
AAM - Commission of African-American Affairs	125,000			125,000
AGR - Department of Agriculture	8,323,000			8,124,600
AGR - NEMF Change		(198,400)		
AXS - AHCCCS	1,259,115,600			1,205,197,900
AXS - Formula Adjustments		(1,976,000)	(31,464,100)	
AXS - Statutory Adjustment		(98,500)		
AXS - Provider Rate Reduction			(25,700,000)	
AXS - Shift Dispro Share Pool 1 Match			(2,610,700)	
AXS - Ambulance Rate Reduction			(6,033,300)	
AXS - Inspector General - Fraud Prevention			(1,322,700)	
ATT - Attorney General	23,465,100			23,665,100
ATT - Child Safety Realignment		(1,000,000)	0	
ATT - Southern AZ Drug Enforcement Unit		0	1,200,000	

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
ATT - Federalism Unit			Other Fund	
CHA - State Board for Charter Schools	994,700			1,209,200
CHA - Remove One-time Equipment Funding			(4,500)	
CHA - Charter Renewal Funding			219,000	
DCS - Department of Child Safety	361,005,400			357,132,600
DCS - Remove One-Time Funding		(12,143,600)		
DCS - Technical Payment Deferral		(3,000,000)		
DCS - Annualize FY 15 Staff Increase		270,800		
DCS - Additional Preventive Services		4,000,000		
DCS - Attorney General Realignment		1,000,000	0	
DCS - Permanency Caseload Growth			8,000,000	
DCS - Increase Foster Care Rates			(2,000,000)	
ACA - Arizona Commerce Authority	31,800,000			26,800,000
ACA - Remove One-Time Mexico City Funding		(300,000)	300,000	
ACA - Reduce Competes Fund Deposit			(5,000,000)	
CCO - Arizona Community Colleges	71,906,400			55,045,300
CCO - Formula Changes		(1,271,800)		
CCO - State Aid Reduction (Maricopa/Pima/Pinal)			(15,589,300)	
COR - Corporation Commission	610,500			609,900
COR - Remove One-Time Funding		(600)		
ADC - Department of Corrections	996,845,600			1,035,423,600
ADC - Annualize Maximum Security Beds		343,900		
ADC - Annualize Medium Security Beds		7,197,300		
ADC - Health Care Litigation			6,572,000	
ADC - Population Growth			5,300,000	
ADC - Health Care SLI Changes			5,000,000	
ADC - Retirement Adjustment			13,535,700	
ADC - Expand Transition Program 300 Inmates			(300,000)	
ADC - Leap Year			929,100	
CF - County Funding	7,650,500			6,000,500
CF - Restore Graham Funding		(500,000)	500,000	
CF - Eliminate County Funding for Pinal/Yavapai/Mohave			(1,650,000)	

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
SDB - Arizona State Schools for the Deaf and the Blind	22,497,900			21,802,100
SDB - Remove One-Time Funding		(695,800)		
DES - Department of Economic Security	482,542,300			496,195,500
DES - Remove One-Time Funding		(500,000)		
DES - DD Medicaid Formula Adjustments		22,828,000		
DES - Eliminate Rural Autism Parenting			(300,000)	
DES - Eliminate LTC Assisted Living			(300,000)	
DES - Shift Child Care to Federal Fund			(4,000,000)	
DES - Adult Protective Services Staff (11 FTE)			1,177,200	
DES - Lump Sum Reduction			(2,000,000)	
BOE - State Board of Education	0			1,325,200
BOE - Shift Funding From ADE For New Budget Unit			1,325,200	
ADE - Arizona Department of Education	3,808,392,700			3,889,569,400
ADE - Formula Changes		181,166,200	(5,000,000)	
ADE - Extra Base Level Increase			74,394,000	
ADE - District Non-Classroom Reduction			(113,457,200)	
ADE - Charter Additional Assistance Reduction			(3,000,000)	
ADE - Reduce IT Certification Funding			(1,000,000)	
ADE - JTED Soft Capital			1,000,000	
ADE - Shift Funding to Separate State Board of Ed. Budget Unit			(1,325,200)	
ADE - District Sponsored Charter Phase-Out			(1,181,400)	
ADE - Repeal Student Success Funding			(22,400,000)	
ADE - 1% Property Tax Cap Limitations			(20,219,700)	
ADE - Teach for America			500,000	
ADE - Achievement Test Costs			(1,800,000)	
ADE - Small School Weight for Multi-Site Charters Phase Out			(6,500,000)	
EMA - Department of Emergency & Military Affairs	13,044,400			9,709,900
EMA - NEMF Decrease		(1,375,400)		
EMA - Remove One-Time Military Airport Funding		(2,500,000)		
EMA - Emergency Management Federal Match			1,540,900	
EMA - Navajo Camp Fund Shift			(1,000,000)	
DEQ - Department of Environmental Quality	7,000,000			7,000,000

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
OEO - Governor's Office of Equal Opportunity	188,600			188,600
EQU - State Board of Equalization	641,800			641,800
EXE - Board of Executive Clemency	958,600			958,600
DFI - Dept of Financial Institutions	3,020,200			3,020,200
BFS - Department of Fire, Building & Life Safety	2,205,300			2,205,300
FOR - State Forester	9,103,800			9,021,800
FOR - Remove One-Time Funding		(157,000)		
FOR - Environmental County Grants			75,000	
GEO - Arizona Geological Survey	941,700			941,700
GOV - Office of the Governor	6,920,100			6,920,100
OSP - Gov's Ofc of Strategic Planning & Budgeting	1,994,000			1,994,000
DHS - Department of Health Services	610,762,500			603,053,500
DHS - Formula Adjustments		10,161,400	(8,470,000)	
DHS - Remove One-Time Alzheimer's Funding		(1,250,000)	0	
DHS - Provider Rate Reduction			(11,400,000)	
DHS - ASH Increase			1,200,000	
DHS - Eliminate School Based Prevention Education			(300,000)	
DHS - Eliminate Mental Health First Aid			(250,000)	
AZH - Arizona Historical Society	3,156,000			3,156,000
PAZ - Prescott Historical Society	826,300			826,300
IND - Independent Redistricting Commission	1,115,300			1,115,300
CIA - Arizona Commission of Indian Affairs	56,900			56,900
INS - Department of Insurance	5,366,700			5,883,300
INS - Insurance Fraud Investigations			516,600	

	FY 2015 GF Engrossed		FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
SPA - Judiciary - Supreme Court	16,012,900				15,303,000
SPA - Automation Centralization from Superior Court			2,880,600		
SPA - Eliminate General Fund Automation Funding				(3,590,500)	
COA - Judiciary - Court of Appeals	14,380,200				14,380,200
SUP - Judiciary - Superior Court	80,102,500				76,721,900
SUP - Shift Automation to Supreme Court			(2,880,600)		
SUP - Eliminate One-Time Funding			(500,000)		
DJC - Department of Juvenile Corrections	44,165,900				27,264,500
DJC - Local Cost Sharing				(12,000,000)	
DJC - One-Time Shift from State Charitable Fund				(901,400)	
DJC - Admission Changes				(4,000,000)	
LAN - State Land Department	12,509,800				12,574,000
LAN - CAP Rate Adjustment			64,200		
Legislature					
AUD - Auditor General	18,246,400				17,996,400
AUD - Remove One-Time Funding			(250,000)	0	
HOU - House of Representatives	13,372,200				13,372,200
JLBC - Joint Legislative Budget Committee	2,493,000				2,493,000
LEG - Legislative Council	8,248,900				8,248,900
SEN - Senate	8,283,800				8,283,800
MIN - State Mine Inspector	1,215,600				1,215,600
NAV - Arizona Navigable Steam Adjudication Comm.	129,200				129,200
NUR - State Board of Nursing	150,000				0
NUR - Fund Shift			(150,000)		
SPB - Arizona State Parks Board	500,000				0
SPB - Remove One-Time Funding			(500,000)		

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
PIO - Arizona Pioneers' Home	1,603,400			0
PIO - Fund Shift to State Charitable Fund			(1,603,400)	
POS - Commission for Postsecondary Education	1,396,800			1,396,800
DPS - Department of Public Safety	89,324,900			93,571,200
DPS - Maintain ACTIC Funding		(750,000)	750,000	
DPS - Retirement Contribution Rate Increase			4,246,300	
PSP - Public Safety Personnel Retirement System	6,000,000			6,000,000
RAC - Arizona Department of Racing	2,029,500			1,779,500
RAC - Eliminate Breeder's Award			(250,000)	
RAD - Radiation Regulatory Agency	1,468,900			773,600
RAD - NEMF Decrease		(695,300)		
REA - State Real Estate Department	2,989,700			2,989,700
REV - Department of Revenue	48,139,400			30,533,600
REV - Fraud Prevention Contract			3,150,000	
REV - Local Cost Sharing			(20,755,800)	
SFB - School Facilities Board	189,358,400			216,882,700
SFB - New School Construction		(91,600)	1,483,000	
SFB - Lease-Purchase Changes		2,232,900		
SFB - Access Our Best Public Schools Fund			23,900,000	
SOS - Secretary of State	15,027,800			15,027,800
TAX - State Board of Tax Appeals	265,600			265,600
TOU - Office of Tourism	9,103,700			7,103,700
TOU - Remove One-Time Funding		(2,000,000)		
DOT - Department of Transportation	50,400			50,400
TRE - State Treasurer	1,205,100			1,205,100

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
UNI - Universities				
UNI - Arizona Board of Regents	21,928,400			21,928,400
UNI - ASU - Tempe/DPC	290,104,300			242,361,600
UNI - Refinance Savings		(2,523,300)		
UNI - Funding Reduction			(45,219,400)	
UNI - ASU - East Campus	25,853,400			22,256,100
UNI - Funding Reduction			(3,597,300)	
UNI - ASU - West Campus	33,328,100			28,890,700
UNI - Funding Reduction			(4,437,400)	
UNI - Northern Arizona University	118,281,200			100,979,400
UNI - Refinance Adjustment		1,700		
UNI - Funding Reduction			(17,303,500)	
UNI - UA - Main Campus	209,341,200			181,400,500
UNI - Refinance Adjustment		400		
UNI - Funding Reduction			(27,941,100)	
UNI - UA - Health Sciences Center	69,585,300			69,084,000
UNI - Funding Reduction			(501,300)	
VSC - Department of Veterans' Services	5,438,300			6,092,100
VSC - New Cemetery Operating Cost		207,100	446,700	
WIFA - Water Infrastructure Finance Authority	0			0
WIFA - Remove One-Time Deposit		(1,000,000)		
WAT - Department of Water Resources	13,330,300			12,830,300
WAT - Water Banking Fund Shift			(500,000)	
WEI - Department of Weights & Measures	1,475,700			1,407,700
WEI - Remove One-Time Funding		(68,000)		
OTH - Other				
OTH - FY 15 Supplemental/Ex-Appropriation	(6,996,800)	6,996,800		0

	FY 2015 GF Engrossed	FY 16 Baseline 1/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
OTH - Debt Service Payments	84,123,700	(9,100)		84,114,600
OTH - Civic Center Debt Service	20,449,000	0		20,449,000
OTH - HITF Employer Rate Reduction	0	0	(16,200,000)	(16,200,000)
OTH - AFIS Cost Charges	0	0	1,900,000	1,900,000
OTH - Rio Nuevo Distribution	10,000,000	0		10,000,000
OTH - Administrative Adjustments	80,000,000	(20,000,000)	10,000,000	70,000,000
OTH - Revertments	(80,000,000)	(5,000,000)	(26,380,700)	(111,380,700)
TOTAL - OPERATING SPENDING CHANGES	9,293,648,500	131,768,300	(320,897,400)	9,125,654,600
CAPITAL SPENDING				
ADOA - 500 Maximum Security ADC Beds (Enacted)	17,431,100	(17,431,100)		0
ADOA Building Renewal	9,000,000	(9,000,000)	5,000,000	5,000,000
ABOR Building Renewal	3,000,000	(3,000,000)		0
ADC Building Renewal	3,000,000	(3,000,000)		0
Navajo Nation Highway Construction	0	0	1,200,000	1,200,000
Veterans' Services - Yuma Facility	9,200,000	(9,200,000)		0
TOTAL - CAPITAL SPENDING	41,631,100	(41,631,100)	6,200,000	6,200,000
TOTAL - ALL SPENDING	9,335,279,600	90,137,200	(314,697,400)	9,131,854,600
REVENUE CHANGES				
REV - Ongoing Revenue	8,576,683,800	197,593,600	52,000,000	8,826,277,400
REV - One-Time Revenue	53,900,000	(60,000,000)		(6,100,000)
REV - Beginning Balance	577,399,200	(577,399,200)	12,000,000	12,000,000
REV - Budget Stabilization Fund Transfer	113,296,600			0
REV - Increase DSH Cap	11,000,000		16,500,000	16,500,000
REV - Fraud Detection	0		41,916,600	41,916,600
REV - Tax Amnesty	0		15,000,000	15,000,000
REV - Insurance Fraud Assessment	0		516,600	516,600
REV - ADOA - Health Insurance Trust Fund Transfer	0		FY 17	0
REV - AHCCCS - Healthcare Group Fund Transfer	0		7,252,800	7,252,800
REV - Attorney General - Consumer Restitution Fund Transfer	0		5,400,000	5,400,000
REV - Attorney General - Mortgage Settlement	15,000,000			0
REV - Attorney General - S&P Settlement	0		16,000,000	16,000,000
REV - Commerce Authority - Competes Fund Transfer	0		75,000,000	75,000,000

	FY 2015 GF Engrossed	FY 16 Baseline <u>1/</u> Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 GF Engrossed
REV - Commerce Authority - Job Training Fund Transfer	0		25,000,000	25,000,000
REV - Corp Comm. - Utility Regulation Fund Transfer	0		2,000,000	2,000,000
REV - Corrections - Special Services Fund Transfer	0		2,000,000	2,000,000
REV - Corrections - Inmate Store Proceeds Fund Transfer	0		2,500,000	2,500,000
REV - Corrections - Corrections Fund Transfer	0		1,250,000	1,250,000
REV - Corrections - Alcohol Abuse Treatment Fund Transfer	0		250,000	250,000
REV - Corrections - Building Renewal Fund Transfer	0		1,500,000	1,500,000
REV - Corrections - Correctional Industries Revolving Fund Transfer	0		500,000	500,000
REV - Corrections - Corrections Revolving Fund Transfer	0		1,072,000	1,072,000
REV - DES - Special Admin Fund Transfer	0		4,000,000	4,000,000
REV - ADE - State Facilities Fund Transfer	0		4,000,000	4,000,000
REV - ADE - Student Success Fund Transfer	0		2,400,000	2,400,000
REV - DEQ - Voluntary Vehicle Repair Fund Transfer	0		2,000,000	2,000,000
REV - DEQ - Air Quality Fund Transfer	0		5,500,000	5,500,000
REV - DEQ - Recycling Fund Transfer	0		2,493,700	2,493,700
REV - Housing - Housing Program Fund Transfer	0		5,000,000	5,000,000
REV - Judiciary - Supreme - Alternative Dispute Resolution Fund Transfer	0		250,000	250,000
REV - Judiciary - Supreme - Arizona Lengthy Trial Fund Transfer	0		750,000	750,000
REV - Judiciary - Supreme - Court Appointed Special Advocate Fund Transfer	0		500,000	500,000
REV - Judiciary - Supreme - State Aud to Courts Fund Transfer	0		100,000	100,000
REV - Judiciary - Superior - Criminal Justice Enhancement Fund Transfer	0		650,000	650,000
REV - Judiciary - Superior - Drug Treatment and Education Fund Transfer	0		250,000	250,000
REV - Judiciary - Superior - Judicial Collection Enhancement Fund Transfer	0		500,000	500,000
REV - Judiciary - Superior - Juvenile Probation Services Fund Transfer	0		3,000,000	3,000,000
REV - Parks - Off-Highway Vehicle Fund Transfer	0		4,000,000	4,000,000
REV - DPS - Highway Patrol Fund Transfer	0		5,168,200	5,168,200
REV - DPS - Fingerprint Clearance Fund Transfer	0		4,347,800	4,347,800
REV - ADOT - Economic Strength Fund Transfer	0		4,560,000	4,560,000
REV - ADOT - HELP Fund Transfer	0		20,000,000	20,000,000
REV - ADOT - State Aviation Fund Transfer	0		15,000,000	15,000,000
REV - ADOT - Motor Vehicle Liability Fund Transfer	0		2,000,000	2,000,000
TOTAL - REVENUE CHANGES (INCL. FUND TRANSFERS) <u>2/</u>	9,347,279,600	(439,805,600)	364,127,700	9,132,305,100
ENDING BALANCE	12,000,000	(529,942,800)	678,825,100	450,500

1/ Represents FY 2016 Baseline cost above FY 2015 Baseline estimate.

2/ Represents all revenue changes, including fund transfers.

DETAILED LIST OF OTHER FUND CHANGES BY AGENCY

	FY 2015 OF 1/ Engrossed	FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
OPERATING SPENDING CHANGES				
SBA - State Board of Accountancy	1,936,800			1,936,800
ACU - Acupuncture Board of Examiners	154,700			157,700
ACU - Rulemaking			3,000	
DOA - Arizona Department of Administration	192,907,100			183,717,100
DOA - Increase Appropriation Authority for Data Center Mainframe (Exec 16 Only)			2,007,100	
DOA - Shift 3 FTE from IT Fund to Web Portal Fund for FFP Reasons			yes	
DOA - Shift ASET Projects from APF (\$473k Increase)			in APF	
DOA - New Accounting System Fund			7,567,800	
APF - Automation Projects Fund/ADOA	70,034,700			24,794,400
APF - Remove One-Time ADE Automation		(5,000,000)	0	
APF - Remove One-Time DCS Automation		(5,000,000)	0	
APF - Reduce ADOA Accounting Automation		(17,331,000)	(6,819,000)	
APF - Remove One-Time ADOA ASET Funding (Exec: ADOA)		(9,001,700)	7,325,000	
APF - Retain ASET Program Staff		2,150,000	0	
APF - Remove One-Time DEQ Automation		(6,800,000)	5,000,000	
APF - Remove One-Time DOR Tobacco Tax Automation		(1,000,000)	0	
APF - Remove One-Time ADC Automation		(8,000,000)	0	
APF - Remove One-Time DOR Tax Data Automation			(1,700,000)	
APF - DES IT Security Project			936,400	
OAH - Office of Administrative Hearings	12,300			12,300
AXS - AHCCCS	141,450,400			143,413,600
AXS - Formula Adjustments		3,102,700	(1,139,500)	
AXS - Nursing Assessment (\$56.4M EA)			yes	
APP - State Board of Appraisal	861,800			821,800
APP - Remove One-Time Funding		(40,000)	0	
ART - Arizona Commission on the Arts	1,000,000			0

	FY 2015 OF 1/ Engrossed		FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
ART - Remove One-Time Funding (BSF)			(1,000,000)	0	
BAT - Board of Athletic Training	118,200				118,200
ATT - Attorney General	43,358,900				43,158,900
ATT - Federalism Unit				1,000,000	
ATT - Southern Arizona Drug Enforcement to GF				(1,200,000)	
ATA - Automobile Theft Authority	5,297,800				5,297,800
BAR - Board of Barbers	333,900				333,900
BHE - Board of Behavioral Health Examiners	1,758,600				1,758,600
CHA - State Board for Charter Schools	0				0
DCS - Department of Child Safety	160,667,200				160,667,200
BCE - State Board of Chiropractic Examiners	450,600				450,600
ROC - Registrar of Contractors	12,196,700				12,196,700
COR - Corporation Commission	27,179,000				26,474,000
COR - Remove One-Time Funding (PAF/SREF)			(705,000)	0	
ADC - Department of Corrections	44,911,900				46,872,500
ADC - Realign Education \$ due to Caseload			153,800	0	
ADC - CORP Adjustment				6,800	
ADC - Health Care Litigation				1,500,000	
ADC - Transition Program Adjustment				300,000	
COS - Board of Cosmetology	1,785,000				1,806,900
COS - Full-time Investigator				21,900	
JUS - Arizona Criminal Justice Commission	5,955,100				5,955,100
SDB - AZ State Schools for the Deaf and the Blind	12,590,200				11,590,200

	FY 2015 OF 1/ Engrossed		FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
SDB - Realign ASDB Expenditures with Revenue (ASDB Fund)			(1,000,000)	0	
HEA - Comm for the Deaf & the Hard of Hearing	4,276,700				4,312,200
HEA - One-Time Modernization of Agency Business Systems			(220,000)	0	
HEA - Arizona Relay Service Contract				511,000	
DEN - Board of Dental Examiners	1,215,100				1,215,100
DES - Department of Economic Security	306,942,400				306,942,400
DES - Shift Child Care to Federal Fund				4,000,000	
BOE - State Board of Education	0				379,800
BOE - Shift Funding from ADE for New Budget Unit				379,800	
ADE - Arizona Department of Education	77,836,100				56,987,100
ADE - Base Adjustment (Tech Based Lang Dev Literacy Intervention Fund)			(53,200)	0	
ADE - Endowment Earnings (Perm State School Fund)			884,000	0	
ADE - Student Success Fund Repeal				(21,500,000)	
ADE - Shift Funding to Separate State Board of Ed. Budget Unit				(379,800)	
ADE - ESA Administration				200,000	
EMA - Department of Emergency & Military Affairs	132,700				132,700
DEQ - Department of Environmental Quality	69,241,800				69,241,800
DEQ - Exec \$1.8M VEI Safe Drinking Water (double count)			(1,800,000)	1,800,000	
COL - Arizona Exposition and State Fair Board	11,620,800				11,620,800
DFI - Dept of Financial Institutions	1,247,400				1,460,700
DFI - Remove One-Time Funding			(10,000)	0	
DFI - New Licensing System - Ongoing Annual Costs				223,300	
EMB - Board of Funeral Directors and Embalmers	353,700				353,700
FIS - Arizona Game and Fish Department	40,474,200				41,910,400
FIS - Equipment (Vehicles, Boats, Body Armor)				936,200	
FIS - Sport Fish Habitat				500,000	

	FY 2015 OF 1/ Engrossed		FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
GAM - Department of Gaming	13,516,200				13,516,200
DHS - Department of Health Services	87,851,000				88,151,000
DHS - Exec \$100K Nursing Care Special Projects			(50,000)	100,000	
DHS - Emergency Medical Local Grants				250,000	
HOM - Board of Homeopathic & Integrated Medicine Examiners	102,100				102,100
DOH - Department of Housing	314,600				314,600
IND - Industrial Commission	19,994,800				19,994,800
SPA - Judiciary - Supreme Court	27,575,800				28,929,200
SPA - Automation Centralization from Superior Court			1,353,400	0	
SUP - Judiciary - Superior Court	13,531,600				12,178,200
SUP - Shift Automation to Supreme Court (CJEF/JCEF)			(1,353,400)	0	
DJC - Department of Juvenile Corrections	3,942,900				16,143,200
DJC - Realign Education \$ due to Caseload			(701,100)	0	
DJC - Local Cost Sharing				12,000,000	
DJC - One-Time Shift of Expenditures from GF to State Charitable Fund				901,400	
LAN - State Land Department	5,622,500				4,522,500
LAN - Remove One-Time Automation Funding			(1,200,000)	100,000	
LIQ - Department of Liquor Licenses & Control	3,589,200				3,362,500
LIQ - Remove One-Time Automation Funding - Exec. Retain \$400k			(626,700)	400,000	
LOT - Arizona State Lottery Commission	103,731,300				108,886,800
LOT - Sales Adjustment			5,155,500	0	
MAS - Board of Massage Therapy	438,700				453,700
MAS - On-Line Licensing				15,000	
MED - Arizona Medical Board	5,740,300				6,424,700
MED - Backlog & Verification Staffing				684,400	

	FY 2015 OF 1/ Engrossed		FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
MIN - State Mine Inspector	112,500				112,500
NAT - Naturopathic Physicians Medical Board	177,600				177,600
NAV - Navigable Stream Adjudication Commission	359,300				200,000
NAV - Court-Related Hearings (Fund Source)				200,000	
NUR - State Board of Nursing	4,272,100				4,808,800
NUR - Fund Shift			150,000	0	
NUR - Certified Nursing Assistant Program Backfill				386,700	
NCI - Nursing Care Inst. Administrators Board	420,300				420,300
OCC - Board of Occupational Therapy Examiners	184,200				172,600
OCC - Remove One-Time Funding			(11,600)	0	
DIS - State Board of Dispensing Opticians	135,800				135,800
OPT - State Board of Optometry	206,100				229,900
OPT - Database and Payment Portal System Upgrade				23,800	
OST - Arizona Board of Osteopathic Examiners	801,700				801,700
SPB - Arizona State Parks Board	12,842,100				12,842,100
SPB - DEQ Consent Order/Fire Alarms/Electric Campsites (Capital)				See Capital	
PER - Personnel Board	375,000				375,000
PES - Office of Pest Management	1,700,500				1,700,500
PHA - Arizona State Board of Pharmacy	2,053,900				2,017,600
PHA - Remove One-time Leave Payout			(36,300)	0	
PHY - Board of Physical Therapy Examiners	408,000				481,600
PHY - Attorney General Services				35,000	
PHY - Upgrade Database Interface				23,600	
PHY - Replace Multifunction Printer				15,000	

	FY 2015 OF 1/ Engrossed		FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
PIO - Arizona Pioneers' Home	4,658,100				6,232,000
PIO - Remove One-Time Funding (Miners' Hospital Fund)			(29,500)	0	
PIO - Temporary Shift of Expenditures from GF to State Charitable Fund				1,603,400	
POD - State Board of Podiatry Examiners	147,300				147,300
POS - Commission for Postsecondary Education	1,535,400				1,535,400
PRI - Board for Private Postsecondary Education	395,700				995,700
PRI - Transfer to Student Tuition Recovery Fund				600,000	
PSY - State Board of Psychologist Examiners	413,600				448,200
PSY - Remove One-Time Funding			(23,800)	10,300	
PSY - Restore Board Member Compensation				15,000	
PSY - Rulemaking				12,000	
PSY - Full-Time Administrative Assistant				21,100	
DPS - Department of Public Safety	155,232,300				164,807,800
DPS - PSPRS Retirement Cost Increase				9,575,500	
DPS - Shift \$296.2K IT Funding Source (Highway Patrol)				yes	
RAC - Arizona Department of Racing	2,900,700				2,900,700
RAD - Radiation Regulatory Agency	853,200				853,200
REA - State Real Estate Department					
RUC - Residential Utility Consumer Office	1,337,800				1,337,800
RES - Board of Respiratory Care Examiners	297,200				297,200
RET - Arizona State Retirement System	29,294,700				28,040,400
RET - Remove One-Time Funding (ASRS Admin Account)			(2,214,500)	0	
RET - Internal Audit				89,400	
RET - IT Security				870,800	
REV - Department of Revenue	25,513,600				47,500,100

	FY 2015 OF 1/ Engrossed	FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
REV - TPT IT Changes (One-Time)			1,230,700	
REV - Non-Program IT Charge (\$2.9M)			Yes	
REV - Local Government Funding for Department Operations			20,755,800	
SFB - School Facilities Board	0			23,900,000
SFB - Access Our Best Public Schools Fund			23,900,000	
SOS - Secretary of State	3,682,400			3,682,400
SBO - State Boards' Office	231,100			231,100
TEC - State Board of Technical Registration	2,124,600			2,124,600
DOT - Department of Transportation	366,314,700			368,400,700
DOT - Highway Maintenance Workload			2,086,000	
TRE - State Treasurer	5,005,700			5,045,700
TRE - Empowerment Scholarship Account Administration			40,000	
UNI - ASU - Tempe/DPC	516,830,500			516,830,500
UNI - ASU - East Campus	31,509,500			31,509,500
UNI - ASU - West Campus	42,575,500			42,575,500
UNI - Northern Arizona University	132,857,500			132,857,500
UNI - UA - Main Campus	301,560,300			301,560,300
UNI - UA - Health Sciences Center	43,434,900			43,434,900
VSC - Department of Veterans' Services	32,001,600			32,001,600
VME - Veterinary Medical Examining Board	577,300			546,800
VME - Remove One-Time Funding		(30,500)	0	
WAT - Department of Water Resources	906,900			2,116,600
WAT - Add 4 Staff Plus Consultants (Water Banking Fund)			488,300	

	FY 2015 OF 1/ Engrossed	FY 16 Baseline 2/ Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
WAT - Expand Litigation Line to Other Uses			Current	
WAT - Contractual Rent Increase			221,400	
WAT - Water Banking Fund Shift			500,000	
WEI - Department of Weights & Measures	1,773,300			1,773,300
OTH - Other				
OTH - Unallocated ASRS Retirement Adjustment	314,700	(314,700)	0	0
OTH - AFIS Cost Charges	0		5,667,800	5,667,800
OTH - Health Insurance Contribution	0		(8,561,500)	(8,561,500)
TOTAL - OPERATING SPENDING CHANGES	\$3,252,582,000	(\$50,603,600)	\$75,740,900	\$3,254,339,600
CAPITAL SPENDING CHANGES				
Building Renewal				
Arizona Department of Administration	9,000,000	0	0	9,000,000
ADC Building Renewal and Preventative Maintenance	5,464,300	0	0	5,464,300
Game & Fish Department	0	0	530,000	530,000
Arizona Lottery Commission	97,400	6,200	0	103,600
Arizona Department of Transportation	3,396,800	0	0	3,396,800
New Projects				
ADOT '15/'16 Statewide Highway Construction	13,398,000	22,244,000	(5,190,000)	30,452,000
ADOT '15/'16 Controlled Access Highways	84,426,000	4,237,000	0	88,663,000
ADOT '15/'16 Debt Service	111,075,000	4,281,000	0	115,356,000
ADOT '15/'16 Airport Planning & Development	20,012,300	1,779,500	0	21,791,800
ADOT '15/'16 De-Icer Storage	2,280,000	(2,280,000)	2,280,000	2,280,000
ADOT '15/'16 Vehicle Wash Systems	3,000,000	(3,000,000)	2,910,000	2,910,000
Arizona Exposition and State Fair Board Capital Projects	1,000,000	(1,000,000)	1,000,000	1,000,000
Parks - Capital Projects	1,500,000	(1,500,000)	1,500,000	1,500,000
DPS - Microwave Towers	2,000,000	(2,000,000)	0	0
TOTAL - CAPITAL SPENDING CHANGES	\$256,649,800	\$22,767,700	\$3,030,000	\$282,447,500
TOTAL - OPERATING & CAPITAL SPENDING	\$3,509,231,800	(\$27,835,900)	\$78,770,900	\$3,536,787,100
FUND TRANSFERS				

	FY 2015 OF <u>1/</u> Engrossed		FY 16 Baseline <u>2/</u> Above FY 15	FY 16 Change to FY 16 Baseline	FY 2016 OF Engrossed
APF/DOA - Automation Projects Fund/ Arizona Department of Administration					
APF/DOA - Automation Operations from DOA	9,057,300		(9,057,300)	5,700,000	5,700,000
APF/DOA - State Web Portal from DOA	0		2,150,000	1,625,000	3,775,000
APF/DOA - AHCCCS Traditional Medicaid Services	1,000,000			0	0
APF/DOA - Education Learning & Accountability Fund	1,600,000				1,600,000
APF/DOA - Emission Fund from DEQ	6,800,000		(6,800,000)	5,000,000	5,000,000
APF/DOA - Prison Construction & Operation Fund from ADC	5,500,000		(5,500,000)	0	0
APF/DOA - Corrections Fund from ADC	2,500,000		(2,500,000)	0	0
APF/DOA - Special Admin Fund from DES	0			936,400	936,400
Other Transfers					
ADOT - Motor Vehicle to SETIF	0			710,000	710,000
TOTAL - FUND TRANSFERS	\$26,457,300		(\$21,707,300)	\$13,971,400	\$17,721,400

1/ Represents original FY 2015 appropriations adjusted for technical revisions.

2/ Represents FY 2016 Baseline cost above FY 2015 Baseline estimate.

FY 2015 SUPPLEMENTALS

	Engrossed Change to '15	
General Fund		
ADOA - Department of Child Safety	(\$5,500,000)	
AHCCCS - Medicaid Surplus	(48,520,500)	
Department of Economic Security	3,252,000	
Department of Education - Formula Shortfall	26,861,100	
Department of Health Services - Medicaid Shortfall	6,127,100 *	
State Land Department - CAP Fees	64,200	
School Facilities Board - Refinancing	(9,415,900)	
Water Infrastructure Financing Authority	(1,000,000)	
General Fund - Total	(\$28,132,000)	
Other Funds		
Arizona Department of Administration - Federal Claims (FY 14 - 17.7 M/FY 15 - 17.7 M)	\$18,764,900	
Commission for the Deaf and the Hard of Hearing - Relay Service Contract	255,500 **	
Department of Economic Security	4,000,000	
Navigable Stream Adjudication Commission - Court Related Hearings	359,300	
Other Funds - Total	\$23,379,700	
Expenditure Authority		
AHCCCS	\$268,809,500	
Department of Economic Security	21,082,900	
Expenditure Authority - Total	\$289,892,400	
<p>* March Plan proposes to allow AHCCCS to transfer up to \$10 million to the Department of Health Services in FY 2015.</p> <p>** \$220,000 for database modernization project is made available through the end of FY 2016.</p>		

FY 2016 BUDGET RECONCILIATION BILL PROVISIONS

Budget Procedures - HB 2674/SB I472

	<u>Section</u>
Statewide	
1. As session law, notwithstanding A.R.S. § 35-111 to permit the Governor to submit an annual budget for FY 2017.	8
2. As session law, notwithstanding A.R.S. § 35-113 to permit the head of each department to submit an annual budget for FY 2017.	8
3. As session law, notwithstanding A.R.S. § 35-121 to permit annual appropriations for all agencies for FY 2016 through FY 2018.	8
4. As session law, continue to set the FY 2016 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$13.08/square foot for rentable office space and \$4.74/square foot for rentable storage space.	7
5. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	6
6. As permanent law, require annual budget requests for all departments to specify the amount of FTE Positions and Personal Services by retirement system and fund source.	1
7. As permanent law, require JLBC Staff to report on an annual retirement expenses budget, delineating the state's spending for the employer contribution. Departments would be required to submit the necessary information to the Joint Legislative Budget Committee.	5
Arizona Department of Administration	
8. As permanent law, eliminate the annual electronic transaction reporting requirement pursuant to A.R.S. § 35-142.	2
9. As permanent law, repeal the Working Capital Surplus Limitation associated with 2010 state buildings sale and lease-back. Require ADOA, in response to the Investment Yield Restriction, to report to JLBC and OSPB on the investment yield amount and whether the department reduced the yield of investments or modified investments to meet the terms of the restriction.	3
10. As permanent law, allow the department to collect a usage fee to recover the costs of operating AFIS, the state's accounting system; create an appropriated AFIS Cost Allocation Fund to receive those fees, which are based on a per transaction charge for which any change must be reviewed by JLBC prior to implementation.	4
Revenues	
11. As session law, notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund for FY 2016 through FY 2018.	9

Consolidation - HB 2682/SB I480

AHCCCS/Department of Health Services	
12. As session law, transfer responsibility for behavioral health services, excluding the Arizona State Hospital, from the Department of Health Services to AHCCCS, effective July 1, 2016. As session law, direct Legislative Council to draft legislation conforming A.R.S. to these provisions.	9, 12
Department of Gaming/Department of Racing	
13. As permanent law, merge the Department of Gaming with the Department of Racing, effective July 1, 2015 or the effective date of the act, whichever is later. As session law, direct Legislative Council to draft legislation conforming A.R.S. to these provisions.	1-4, 10, 12-13

Department of Financial Institutions/Board of Appraisal

14. As permanent law, merge the Board of Appraisal with the Department of Financial Institutions, effective July 1, 2015 or the effective date of the act, whichever is later. As session law, direct Legislative Council to draft legislation conforming A.R.S. to these provisions. 5-8, 11-13

Criminal Justice - HB 2680/SB 1478

Attorney General - Department of Law

15. As session law, continue to permit the Attorney General to use State Aid to Indigent Defense Fund for capital postconviction prosecution activities in FY 2016. 10

State Department of Corrections

16. As session law, repeal earlier authorization of 1,000 beds from 2,000-bed Request for Proposals issued by the department on February 2, 2012, require new Requests for Proposals for up to a total of 2,000 male medium security contracted beds, require award of 1,000 beds no earlier than July 1, 2016, with other 1,000 beds subject to legislative authorization. 5, 11, 12
17. As session law, continue to require the department to report actual FY 2015, estimated FY 2016, and requested FY 2017 expenditures as delineated in the prior year when the department submits its FY 2017 budget request pursuant to A.R.S. § 35-113. 6
18. As permanent law, allow the department to offset invoices of its health care provider for claims paid on behalf of eligible inmates without regard to dates of service. 2

Judiciary

19. As session law, continue to 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

Department of Juvenile Corrections

20. As permanent law, establish a Department of Juvenile Corrections Local Cost Sharing Fund and require each Arizona county to annually pay an assessed amount to the fund. As session law, it is the intent of the Legislature that each county pay an assessed amount determined by the county's proportional share by population of \$12,000,000. 3, 4, 13, 14
21. As permanent law, prohibit youth under the age of 14 and youth who have not committed a felony from being sentenced to secure care at the department. Individuals with a seriously mentally ill diagnosis may still be admitted to DJC. 1, 14

Department of Public Safety

22. As session law, continue to require DPS to receive JLBC review of the expenditure plan for the GIITEM Subaccount FY 2016 appropriation prior to its expenditure. 8
23. As session law, continue to suspend the schedule established by A.R.S. § 28-6537 governing the level of Highway User Revenue Fund (HURF) revenues available to fund DPS' Highway Patrol costs. 7
24. As session law, continue to allow use of the State Aid to Indigent Defense Fund for Department of Public Safety operating expenses. 10

Environment - HB 2676/SB I474

Department of Environmental Quality

25. As session law, continue to allow the department to utilize up to \$6,531,000 from a combination of the Underground Storage Tank (UST) Fund and the Regulated Substance Fund in FY 2016 for department administrative expenses. 6
26. As session law, continue to decrease the General Fund appropriation to the Water Quality Assurance Revolving Fund from \$15,000,000 to \$7,000,000. 8
27. As session law, allow \$1.8 million of the department's Emission Inspection Fund monies to be spent on the Safe Drinking Water Program. 9

Land Department

28. As permanent law, allow permanent land trust earnings to be used to fund the department's administrative expenses, contingent upon voter approval of related 2016 ballot measure. 1, 2, 11

Arizona Navigable Stream Adjudication Commission

29. As session law, allow use of Water Banking Fund for the commission's unpaid legal obligations, retroactive to July 1, 2014. 7

Arizona State Parks Board

30. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. 5
31. As permanent law, clarify that the Yarnell Hill Memorial Site Board Fund can be used to purchase, design, and construct the Yarnell Hill Memorial. 3

Department of Water Resources

32. As session law, continue to allow the department's Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2016. 4
33. As session law, continue to allow the department non-municipality special fee authority, including an intent clause that limits additional revenue up to \$100,200, and exempt department from rulemaking for this purpose. 10

Land Trust Ballot Referral - HCR 2038/SCR I018

Land Department

34. As session law, refer to the 2016 General Election ballot a proposition to amend the Arizona Constitution to allow the Land Department to use a portion of Trust Land receipts for management and operation of the Trust. 1

Government - HB 2675/SB I473

Arizona Commission of African-American Affairs/Treasurer

35. As permanent law, transfer the administration of the African-American Commission Fund from the Treasurer to the Arizona Commission of African-American Affairs. 3

Arizona Commerce Authority

36. As permanent law, reduce annual Competes Fund deposit from \$21.5 million to \$16.5 million in FY 2016 and \$11.5 million in FY 2017 and future years. 6

Department of Emergency and Military Affairs

37. As permanent law, expand the use of the Navajo Camp Fund to allow remaining monies in the fund after all expenses for Camp Navajo are paid to be used for other Army National Guard training sites. 2

Arizona Historical Society

38. As permanent law, eliminate the Journal of Arizona History Magazine Fund. 5

Secretary of State

39. As permanent law, repeal the portion of Laws 2012, Chapter 361 which increased the reimbursement rate to counties for Presidential Preference Elections from \$1.25/voter to 100% of incurred costs. 1

Department of Veterans' Services

40. As permanent law, change the name of the Southern Arizona Veterans' Cemetery Trust Fund to the Arizona State Veterans' Cemetery Trust Fund. Monies deposited into this fund would be used to operate and maintain all 3 cemeteries in the state. 4

Health - HB 2677/SB 1475

AHCCCS

Rates and Services

41. As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. 15

42. As session law, place "hard cap" limiting capitation rate increase to 1.5% in FY 2017 and FY 2018. 26

43. As permanent law, change the reimbursement to providers for ground ambulance services from 80% of the rates established by the Department of Health Services, as scheduled to go into effect Oct. 1, 2015, to 68.59%. 3

44. As session law, authorize agency to reduce provider rates by a cumulative total of up to (5)%; would exclude nursing facility, developmental disability, and home and community based services rates. Permit agency to reduce provider rate reduction if capitation rate increase in FY 2016 is less than 3.0%. 16

45. As session law, require AHCCCS to apply for waivers from the federal government to impose the following statutory changes: 1) require adult Medicaid enrollees up to 133% of the Federal Poverty Limit (FPL) to pay a premium of 2% of their income, 2) allow providers to charge co-pays of up to \$25 for non-emergency use of the emergency room, and 3) eliminate payment for non-emergency medical transportation from October 1, 2015 through Sept. 30, 2016 for adults at 100% - 133% FPL. 19

Counties

46. As session law, set FY 2016 county Arizona Long Term Care System (ALTCS) contributions at \$249,234,600. 7

47. As session law, set the County Acute Care contribution at \$47,233,500. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. 12

48. As session law, continue to require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations. 13

49. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations. 14

50. As session law, require AHCCCS to transfer any excess monies back to the counties by December 31, 2016 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal ACA.

Hospitals

51. As session law, establish FY 2016 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (MIHS), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. Increase DSH distribution to \$105.9 million for FY 2015 and \$113.2 million for FY 2016. Require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. Reduce specific Pool 1 and 2 distributions to private qualifying disproportionate share hospitals and Yuma Regional Medical Center to \$5,000 each. As session law, permit local jurisdictions to provide additional local match for Pool 1 and 2 distributions. 12

52. As session law, require agency to report to JLBC and OSPB on any supplemental hospital payments paid to Critical Access Hospitals (CAH) in FY 2016. As permanent law, allow political subdivisions, tribal governments or universities to provide the state match contribution for federal CAH funding. 18

Erroneous Payments

53. As session law, continue to permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Subject to legislative appropriation, any credits received may be used to pay for the AHCCCS program in the year they are received. 20

Available Funding

54. As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. 25

Reports

55. As session law, continue to require AHCCCS to submit a report by December 1, 2015 on utilization of emergency departments for non-emergency use by AHCCCS enrollees. 22

56. As session law, continue to require AHCCCS and DHS to submit a joint report by January 1, 2016 on hospital costs and charges. 23

Department of Health Services

57. As session law, revise language regarding counties' cost of care of Sexually Violent Persons (SVP) at the Arizona State Hospital to clarify that all counties are required to pay 31% of their total SVP costs in FY 2016, which is comparable to the FY 2015 cost-sharing. Require counties to pay SVP costs throughout the entire commitment process, including pre-adjudication proceedings. 8

58. As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2016. Allow counties to use any source of county revenue to make the transfers. 9

59. As session law, continue to notwithstanding A.R.S. § 36-773 to permit DHS to use Tobacco Tax and Health Care Fund - Health Research Account for Alzheimer's disease research. 21

60. As permanent law, establish 4 separate funds that DHS must use for intergovernmental/interagency service agreements. 2

61. As permanent law, delete a DHS homeland security allocation and reporting requirement pursuant to A.R.S. § 41-4255. 5

62. As session law, place "hard cap" limiting capitation rate increases to 1.5% and FY 2017 in FY 2018. 27

63. As session law, authorize agency to reduce provider rates by a cumulative total of up to (5)%; would exclude nursing facility, developmental disability, and home and community based services rates. Permit agency to reduce provider rate reduction if capitation rate increase in FY 2016 is less than 3.0%. 17

64. As session law, require the department to report to JLBC and OSPB Directors on efforts to increase third-party liability payments for behavioral health services. 24

NOTE: See Consolidation BRB for Behavioral Health transfer to AHCCCS

Higher Education - HB 2679/SB I477

Arizona Community Colleges

65. As permanent law, eliminate Maricopa and Pima districts' operating and Science, Technology, Engineering and Mathematics (STEM) and Workforce Programs funding. 3, 4
66. As session law, continue to suspend STEM and Workforce Programs funding formula for FY 2016 and specify the funding in the General Appropriations Act. 9
67. As permanent law, permit a qualifying Indian tribe to enter into a compact with the state by September 1, 2017 to receive a share of TPT revenues for tribal community and technical colleges. 7

Department of Education

68. As permanent law, establish the tribal college dual enrollment program fund, which is subject to legislative appropriation. 2

Commission for Postsecondary Education

69. As permanent law, permit use of private contractors to collect outstanding PEG debt. 6
70. As session law, permit use of Postsecondary Education Voucher Fund monies in the administration of the PEG program. 5

State Lottery

71. As permanent law, transmit 15%, but not to exceed \$160,000, annually of unclaimed Lottery prize money to the tribal college dual enrollment program fund. 1

Universities

72. As session law, continue to 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). 8

Human Services - HB 2681/SB I479

Department of Child Safety

73. As session law, continue to require the department to report with the Early Childhood Development and Health Board on collaborative efforts on child welfare issues. 7
74. As session law, require the Auditor General to evaluate the department's removal processes, the department's permanency practices, and the effectiveness of a differential response system. 6

Department of Economic Security

75. As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable cause to believe that the recipient uses illegal drugs. 5
76. As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to the JLBC within 15 days of any change in levels. 4
77. As permanent law, require DES to transfer any FY 2015 equity balance from capitated payments in the Long Term Care System Fund to the General Fund by June 30, 2016. Require DES to report the transfer amount to JLBC. 2

- 78. As permanent law, reduce cumulative TANF participation eligibility from 24 to 12 months, effective July 1, 2016. 3
- 79. As permanent law, allow DES to contract with new private intermediate care facilities to serve the developmentally disabled population. 1

K-12 Education - HB 2683/SB I476

Department of Education

JTEDs

- 80. As session law, continue to fund state aid for Joint Technical Education Districts (JTEDs) with more than 2,000 students at 95.5% of the formula requirement and reduce budget limits accordingly. These JTEDs would receive 95.5% of 92.5% of Base Support Level funding starting in FY 2017 (*see next provision*). 15
- 81. As permanent law, require districts and JTEDs to fund the Base Support Level for students who attend JTEDs at 92.5%, effective July 1, 2016, except that districts sending students to a JTED centralized campus will still receive full BSL funding for them. 3
- 82. As permanent law, do not allow a school district to prohibit or discourage students from attending a JTED. 3
- 83. As permanent law, allow a school district or charter school that experiences a funding loss due to the 92.5% BSL funding factor for JTED students to use a portion of their JTED satellite funding to offset the loss, up to the amount of the loss. 3

Formula Requirements

- 84. As permanent law, increase the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school “Additional Assistance” amounts (A.R.S. § 15-185B4) by 1.59% for standard inflation. 1, 4, 6

Funding Formula Changes

- 85. As session law, reduce school districts’ Additional Assistance funding by \$352,442,700 (\$238,985,500 continuing and \$113,457,200 new) and reduce budget limits accordingly. As session law, continue to reduce District Additional Assistance funding to school districts that do not receive state aid in FY 2016 by the amount that would be reduced if they did qualify for state aid for FY 2016 and reduce budget limits accordingly. 11
- 86. As session law, require all school districts to hold a public meeting to discuss or present their plans for proposed reductions pertaining to District Additional Assistance funding. Require a “C”, “D” or “F” school to allow the community to submit comments or recommendations on the proposed reductions within 30 days of the meeting and require the governing board to consider the comments or recommendations at a subsequent public meeting. Require the governing board of all school districts to include the percentage of classroom spending in the school district’s adopted budget on the page of the budget that governing board members sign. 11
- 87. As session law, state that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General. 11
- 88. As session law, reduce Charter Additional Assistance by \$18,656,000 (\$15,656,000 continuing and \$3,000,000 new). 13
- 89. As session law, continue to reduce Charter Additional Assistance funding to school districts with charter schools that do not receive state aid by the amount that would be reduced under the \$18,656,000 statewide Charter Additional Assistance suspension if they did qualify for state aid for FY 2016 and reduce budget limits accordingly. 13
- 90. As permanent law, make multi-site charters ineligible for charter small school weight funding, phased-out over 3 years. 1
- 91. As session law, continue to cap total District Additional Assistance reductions for school districts with fewer than 1,100 students at \$5,000,000. 12
- 92. As permanent law, phase out pre-2014 district-sponsored charter schools over 2 years. Funding for district-sponsored charter schools started after FY 2013 continues to be eliminated in FY 2016, as specified under current law. 17
- 93. As permanent law, cap the state’s share of the 1% cap, or the amount of homeowners’ primary property taxes from all taxing jurisdictions exceeding 1% of the full cash value of their home, at \$1 million per county. Require Property Tax Oversight Commission to compute amounts of foregone state funding to be provided by taxing jurisdictions to school districts. 7
- 94. As permanent law, eliminate the “hold harmless” for school districts with declining enrollments starting in FY 2017. 4

95. As session law, require ADE to notify school districts by December 15, 2015 how it plans to implement current year Average Daily Membership funding in FY 2017 and report the estimated fiscal impact by district.	11
<i>Other</i>	
96. As session law, continue to require community colleges and universities to transfer \$6 per pupil to ADE by December 1, 2015 for deposit into the Education Learning and Accountability Fund.	10
97. As session law, continue to stipulate that \$100,000 of the \$3,646,400 School Safety Program appropriation for FY 2016 is to be used for a pilot program on school emergency readiness and establish requirements for the pilot program.	14
98. As permanent law, repeal the Student Success Fund.	5
School Facilities Board	
99. As permanent law, require the board to report annually to the JLBC by December 31 on all Class B bond approvals by school districts in that year, and require school districts to report their information to SFB by December 1.	8
100. As session law, allow the School Facilities Board to refinance existing lease-purchase debt.	16
101. As permanent law, transfer from ADE to the School Facilities Board a requirement to annually publish a list of vacant and unused buildings that may be suitable for operation of a charter school and require the list to be submitted to the Governor, President of the Senate, Speaker of the House, and Secretary of State.	2
102. As permanent law, establish the Access Our Best Public Schools Fund, which is subject to legislative appropriation, except that grants, gifts and donations are continuously appropriated.	9

Revenue - HB 2673/SB 1471

Department of Agriculture

103. As session law, continue fee raising authority and an exemption relating to establishing fees for the Department of Agriculture in FY 2016. The bill continues an intent clause that limits additional revenues to \$357,000.	14
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Arizona Commerce Authority

104. As permanent law, repeal the Job Training tax as of January 1, 2016.	2-4, 10, 22
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Counties and Cities & Towns

105. As session law, continue to allow counties with a population below 200,000 in the 2010 decennial census to use any source of county revenue to meet a county fiscal obligation for FY 2016. Requires counties using this authority to report to the Director of the JLBC on the intended amount and sources of funds by October 1, 2015.	18
106. As permanent law, conform the Phoenix Convention Center debt service distribution in A.R.S. § 42-5030 to the distributions contained in A.R.S. § 9-602, which were modified to conform to the actual debt service payments of the Phoenix Convention Center financing.	6
107. As session law, modify the JLBC's reporting requirements relating to the fiscal impact of government property excise tax (GPLET) rates by requiring counties to provide the JLBC Staff with the information necessary to complete the report, eliminating a report section pertaining to the determination of the property tax levy per square foot, and permitting the JLBC Staff to sample leases to produce the report.	9
108. As permanent law, add the JLBC Staff to the list of recipients of GPLET payment information produced by counties and currently reported to the Department of Revenue.	8

Department of Financial Institutions

109. As session law, continue to allow the Department of Financial Institutions to use the Financial Services Fund for general operating expenditures of the department.	17
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110.As session law, extend the permission for the agency to spend up to \$850,000 from the Receivership Revolving Fund in FY 2015 for information technology upgrades into FY 2016. This permission was originally extended from FY 2014 into FY 2015.	11
Department of Insurance	
111.As session law, continue to suspend the requirement that fees collected by the department be between 95% and 110% of the department's appropriation.	15
112.As permanent law, require the Department of Insurance to report Insurance Premium Tax credit information for a given fiscal year within 3 months of the end of a fiscal year.	1
Department of Liquor Licenses and Control	
113.As session law, extend the permission for the agency to spend its FY 2015 appropriation of \$626,700 for its licensing and imaging system upgrade through FY 2016.	16
Department of Public Safety	
114.As session law, reduce the FY 2017 shift of Highway Patrol costs from HURF to the General Fund from \$60 million to \$30 million.	12
Radiation Regulatory Agency	
115.As session law, continue fee raising authority and an exemption relating to establishing fees for the Radiation Regulatory Agency in FY 2016. The bill continues an intent clause that limits additional revenues to \$561,000.	13
Department of Revenue	
116.As permanent law, require the department to charge a fee in FY 2016 to non-program cities to cover costs associated with capturing sales tax data with sufficient specificity in order to program that capability into the Taxpayer Accounting System. The monies would be deposited into the department's IGA and ISA Fund. Permits cities to meet their obligation from any source of city revenue and excludes contributions from expenditure limits. States legislative intent that fees be equal to \$0.76 multiplied by the city's population.	5, 7, 21
117.As session law, permit the department to use up to \$2,000,000 of sales tax collected by private contracted collectors to pay for services of the contracted collectors.	20
118.As permanent law, require the department to charge a fee to local governments to recover a portion of costs incurred in providing administrative and collection services to local governments. The monies would be deposited into the Department of Revenue Administrative Fund. Permits local governments to meet their obligation from any source of revenue and excludes contributions from expenditure limits. States legislative intent that fees not exceed \$20,755,835 and be allocated between cities and towns and counties based on the prorated share of all revenues distributed to them (excluding Highway Urban Revenue Fund money).	5, 7, 21
119.As session law, implement a tax amnesty window from September 1, 2015 through October 31, 2015 for unpaid individual income, corporate income, and transaction privilege tax liabilities for tax years ending before January 1, 2014 for annual taxpayers and February 1, 2015 for all others.	19

General Appropriation Act - HB 2671/SB I469

These provisions are in addition to the individual agency appropriations.

Arizona Department of Administration

120. As session law, provide the Department of Administration the FY 2016 appropriation authority to spend certain Automation Projects Fund remaining balances as of June 30, 2015 for the same respective purposes specified in FY 2015 after a report to JLBC. Provide the Department of Administration the FY 2016 appropriation authority to spend the remaining balance from the FY 2014 appropriation for replacing the Department of Corrections inmate management system. 126
121. As session law, reduce the FY 2015 \$25,000,000 General Fund appropriation to the department for costs associated with the establishment of the Department of Child Safety and the relocation of the Department of Economic Security data center by \$5,500,000 and make non-lapsing through FY 2016. 4
122. As session law, permit the department to use Risk Management funds to settle FY 2014 federal financial participation claims. Permit department to use the Health Insurance Trust Fund for its FY 2014 claims. 112

AHCCCS/Department of Health Services

123. As session law, permit AHCCCS to transfer up to \$10.0 million of its FY 2015 appropriation to the Department of Health Services for Medicaid behavioral health services upon prior review by JLBC. 114

Department of Child Safety

124. As session law, continue the \$11,000,000 payment deferral to providers from FY 2016 to FY 2017. Appropriate \$11,000,000 in FY 2017 for these deferred payments. 140

Arizona Commerce Authority

125. As session law, in accordance with statute (A.R.S. § 43-409), allocate \$26,500,000 of General Fund withholding tax revenue to the Authority in FY 2016. Permanent law language reducing distribution from \$31,500,000 found in Government BRB. 127

Corporation Commission

126. As session law, extend the permission for the agency to spend its \$750,000 FY 2015 Securities Regulatory and Enforcement Fund appropriation for a database upgrade in FY 2016. 115

Counties and Cities & Towns

127. As session law, to appropriate \$550,000 to all counties with populations under 200,000 people according to the 2010 Census. This is a reduction from the 900,000 person threshold in the FY 2015 budget. As session law, continue to appropriate \$500,000 to Graham County. 125
128. As session law, in accordance with statute (A.R.S. § 9-601), continue to appropriate \$20,449,000 from the General Fund for the Phoenix Convention Center. 130
129. As session law, provide an estimate of \$10,000,000 for the amount of sales tax revenues that will be distributed to the Rio Nuevo Multipurpose Facility District-in accordance with statute (A.R.S. § 42-5031). 131

Commission on the Deaf and Hard of Hearing

130. As session law, extend the permission for the agency to spend up to \$220,000 from the Telecommunication Fund for the Deaf in FY 2015 for information technology upgrades into FY 2016. 116

Department of Economic Security	
131.As session law, continue the \$21,000,000 payment deferral to providers from FY 2016 to FY 2017. Appropriate \$21,000,000 in FY 2017 for these deferred payments.	141
Department of Education	
132.As session law, continue to defer \$930,727,700 in Basic State Aid payments from FY 2016 to FY 2017. Appropriate \$930,727,700 in FY 2017 for these deferred payments. Continue to exempt school districts with less than 600 students from the K-12 rollover. Allow the State Board of Education to make the rollover payment no later than July 12, 2016.	142
133.As session law, continue to require school districts to include in the FY 2016 revenue estimates that they use for computing their FY 2016 tax rates the rollover monies that they will receive for FY 2016 in July 2016.	142
Independent Redistricting Commission	
134.As session law, extend the permission for the agency to spend its \$1,462,701 FY 2014 General Fund appropriation into FY 2016.	120
Universities	
135.As session law, continue the \$200,000,000 universitywide payment deferral to the universities from FY 2016 to FY 2017. Appropriate \$200,000,000 in FY 2017 for these deferred payments.	143
Water Infrastructure Finance Authority	
136.As session law, repeal the \$1,000,000 FY 2015 General Fund appropriation to the Water Supply Development Revolving Fund.	5
Debt Service	
137.As session law, appropriate \$84,114,600 from the General Fund to the Arizona Department of Administration in FY 2016 for a debt service payment on the 2010 sale and lease-back of state buildings.	129
Revenues	
138.As session law, continue to specify revenue and expenditure estimates for FY 2015, FY 2016, FY 2017, and FY 2018.	150
139.As session law, continue to require the Executive branch to provide JLBC preliminary estimates of FY 2015 ending balances by September 15, 2015. Require JLBC Staff to report to JLBC by October 15, 2015 as to whether FY 2016 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	150
Statewide	
140.As session law, appropriate \$1,900,000 from the General Fund and \$5,667,800 from Other Appropriated Funds in FY 2016 for Arizona Financial Information Systems (AFIS) collections. The JLBC Staff shall determine and ADOA shall allocate these adjustments to individual agencies to permit them to pay the charge.	144
141.As session law, ex-appropriate \$(16,200,000) from the General Fund and \$(8,561,500) from Other Appropriated Funds in FY 2016 for an employer health insurance contribution reduction. The JLBC Staff shall determine and ADOA shall allocate these adjustments to individual agencies to reflect the reduced contribution amount.	144
142.As session law, continue to specify FY 2016 individual agency charges totaling \$1,809,500 for general agency counsel provided by the Attorney General.	145
143.As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	146

144.As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2016 in all agencies and provide it to the JLBC Director by October 1, 2016. The Department of Economic Security, Universities, and Department of Environmental Quality are exempt from the report but are required to report separately.	147
145.As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2015 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2015.	148
146.As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	149

General

147.As session law, continue to define “*” as designating an appropriation exempt from lapsing.	151
148.As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.	152
149.As session law, continue to define “review by the Joint Legislative Budget Committee” as a review by a vote of a majority of a quorum of the members.	153

MAJOR FOOTNOTE CHANGES

The budget plan includes the following major modification of footnotes. This list does not include footnotes pertaining to one-time reports or appropriations.

Department of Corrections

150.Adds footnote that any changes in per diem rates for the inmate health care contracted services shall be reviewed by the Joint Legislative Budget Committee (JLBC).	26
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Department of Economic Security

151.Adds footnote requiring agency to report to JLBC before transferring money into or out of Case Management and new DDD Operating Lump Sum line items.	32
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Judiciary

152.Adds footnotes requiring all centralized service payments for counties, probation expenses, and automation costs to be funded solely from those particular line items.	59
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Department of Revenue

153.As session law, require the department to issue a Request for Proposals prior to awarding funding for a fraud prevention contract.	93
154.Adds footnote requiring the Department of Revenue to report to JLBC and OSPB on the amounts of individual income tax credits claimed in FY 2015.	93

School Facilities Board

155.Adds footnote depositing \$23.9 million into the Access Our Best Public Schools Fund and appropriating monies in the fund for use in establishing an Arizona public schools achievement district and the mechanisms by which it would operate. Requires JLBC review of expenditure plan prior to spending. Requires the Executive branch to recommend proposed legislation to codify the mechanisms developed.	94
156.Adds footnote depositing \$1,000,000 from the Building Renewal Grants line item in FY 2015 into the Emergency Deficiencies Correction Fund. Requires any school district receiving monies from the fund in FY 2015 to report to the School Facilities Board a plan to improve the district’s preventative maintenance of building systems.	124

Universities

157.Deletes footnotes in Arizona State University - Tempe/Downtown Phoenix Campus, Arizona State University - East Campus, and Northern Arizona University budgets concerning parity funding since the FY 2015 budget concluded the parity initiative. --

Capital Outlay Bill

158.Deletes footnote exempting capital appropriations from lapsing unless the project has been finished, abandoned, or without expenditure or encumbrance for a full fiscal year. Replaces it with new footnote reverting any remaining monies from non-ADOT highway construction capital appropriations to fund of origin on June 30, 2017. 10