

Conference Engrossed

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2863

AN ACT

AMENDING LAWS 2005, CHAPTER 286, SECTIONS 13, 20, 38, 64, 71, 75, 82 AND 102;
MAKING APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE
INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING
REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Subject to applicable laws, the sums or sources of revenue
 3 set forth in this act are appropriated for the fiscal years indicated and
 4 only from the funding sources listed for the purposes and objects specified
 5 and the performance measures are indicated as legislative intent. If monies
 6 from funding sources in this act are made unavailable, no other funding
 7 source shall be used.

8 Sec. 2. DEPARTMENT OF ADMINISTRATION

9		<u>2006-07</u>
10	<u>State general fund</u>	
11	FTE positions	301.3
12	Operating lump sum appropriation	\$ 18,483,800
13	ENSCO	5,330,400
14	Arizona financial information	
15	system	967,400
16	Statewide telecommunications	
17	management contract lease	
18	payment	<u>894,000</u>
19	Total - general fund	\$ 25,675,600

20 Performance measures:

21	Per cent of ADOA services receiving a good	
22	(6) or better rating from customers,	
23	based on annual survey (Scale 1-8)	75
24	Per cent of procurement plan award dates	
25	met for the RFP process	89
26	Customer satisfaction with establishing	
27	contracts (Scale 1-8)	5.5
28	Customer satisfaction with administering	
29	contracts (Scale 1-8)	5.0
30	Customer satisfaction rating for the	
31	operation of AFIS (Scale 1-8)	6.5
32	Average capitol police response time to	
33	emergency calls (in minutes and seconds)	1:40

34 The department may collect an amount of not to exceed \$1,762,600 from
 35 other funding sources, excluding federal funds, to recover pro rata costs of
 36 operating AFIS II. Any amounts left unspent from the Arizona financial
 37 information system special line item shall revert to the state general fund.

38	<u>Air quality fund</u>	
39	Lump sum appropriation	\$ 575,100
40	Performance measures:	
41	Customer satisfaction with all travel reduction	
42	services (Scale 1-8)	6.5

1 The amounts appropriated for the state employee transportation service
2 subsidy shall be used for up to a one hundred per cent subsidy of charges
3 payable for transportation service expenses as provided in section 41-786,
4 Arizona Revised Statutes, of nonuniversity state employees in a vehicle
5 emissions control area as defined in section 49-541, Arizona Revised
6 Statutes, of a county with a population of more than four hundred thousand
7 persons.

8 Capital outlay stabilization fund

9	FTE positions	56.7
10	Operating lump sum appropriation	\$ 5,235,400
11	Utilities	5,733,800
12	Relocation	<u>60,000</u>
13	Total - capital outlay stabilization	
14	fund	\$ 11,029,200

15 Performance measures:
16 Customer satisfaction rating for building
17 maintenance (Scale 1-8) 6.5

18 Monies in the relocation special line item are exempt from the
19 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
20 of appropriations until December 31, 2007.

21 Corrections fund

22	FTE positions	9.3
23	Lump sum appropriation	\$ 669,700

24 The intent of the legislature is for the amount appropriated from the
25 corrections fund to be expended solely for the oversight of construction
26 projects benefiting the state department of corrections or the department of
27 juvenile corrections.

28 Motor vehicle pool revolving fund

29	FTE positions	19.0
30	Lump sum appropriation	\$ 11,655,100

31 Performance measures:
32 Customer satisfaction with short-term (day use)
33 vehicle rental (Scale 1-8) 7.7

34 It is the intent of the legislature that the department not replace
35 vehicles until an average of six years and 120,000 miles, or later.

36 Telecommunications fund

37	FTE positions	22.0
38	Lump sum appropriation	\$ 2,896,000

39 Performance measures:
40 Customer satisfaction rating for the wide area
41 network (MAGNET) (Scale 1-8) 7.0

1	Customer satisfaction rating for statewide	
2	telecommunications management contract	
3	services (Scale 1-8)	7.0
4	<u>Automation operations fund</u>	
5	FTE positions	158.4
6	Lump sum appropriation	\$ 23,467,900
7	Performance measures:	
8	Customer satisfaction rating for mainframe	
9	services based on annual survey (Scale 1-8)	7.0
10	The appropriation for the automation operations fund is an estimate	
11	representing all monies, including balance forward, revenue and transfers	
12	during fiscal year 2006-2007. These monies are appropriated to the	
13	department of administration for the purposes established in section 41-711,	
14	Arizona Revised Statutes. The appropriation shall be adjusted as necessary	
15	to reflect receipts credited to the automation operations fund for automation	
16	operation center projects. Expenditures for all additional automation	
17	operation center projects shall be subject to review by the joint legislative	
18	budget committee, following approval of the government information technology	
19	agency. Expenditures for each additional project shall not exceed the	
20	specific revenues of that project.	
21	<u>Risk management fund</u>	
22	FTE positions	96.0
23	Operating lump sum appropriation	\$ 7,420,000
24	Risk management losses and premiums	47,322,400
25	Workers' compensation losses and	
26	premiums	24,517,700
27	External legal services	5,672,100
28	Nonlegal related expenditures	<u>3,153,800</u>
29	Total - risk management fund	\$ 88,086,000
30	Performance measures:	
31	Workers' compensation incidence rates/100	
32	FTE positions	5.0
33	Customer satisfaction with self-insurance	
34	(Scale 1-8)	6.8
35	<u>Personnel division fund</u>	
36	FTE positions	139.0
37	Operating lump sum appropriation	\$ 12,205,900
38	Human resources information solution	
39	certificate of participation	<u>4,077,000</u>
40	Total - personnel division fund	\$ 16,282,900

1	Performance measures:	
2	Customer satisfaction with employee training	
3	(Scale 1-8)	6.1
4	<u>Special employee health insurance</u>	
5	<u>trust fund</u>	
6	FTE positions	36.0
7	Lump sum appropriation	\$ 4,924,100
8	Performance measures:	
9	Customer satisfaction with benefit plans	
10	(Scale 1-8)	6.2
11	<u>State surplus materials revolving</u>	
12	<u>fund</u>	
13	FTE positions	16.0
14	Operating lump sum appropriation	\$ 1,156,800
15	State surplus property sales	
16	proceeds	<u>3,000,000</u>
17	Total - state surplus materials	
18	revolving fund	\$ 4,156,800
19	All state surplus property sales proceeds received by the department in	
20	excess of \$3,000,000 are appropriated. Before the expenditure of any state	
21	surplus property sales proceeds in excess of \$3,000,000, the department shall	
22	report the intended use of the monies to the joint legislative budget	
23	committee.	
24	<u>Federal surplus materials revolving</u>	
25	<u>fund</u>	
26	FTE positions	7.0
27	Lump sum appropriation	<u>\$ 399,000</u>
28	Total appropriation - department of	
29	administration	\$189,817,400
30	Fund sources:	
31	State general fund	\$ 25,675,600
32	Other appropriated funds	164,141,800
33	Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
34		<u>2006-07</u>
35	<u>Administration</u>	
36	FTE positions	3,096.8
37	Operating lump sum appropriation	\$ 65,759,800
38	DOA data center charges	5,717,500
39	Indian advisory council	211,900
40	DES eligibility	47,442,100
41	DES title XIX pass-through	320,700

1	Healthcare group administration	
2	and reinsurance	3,602,000
3	Office of administrative hearings	248,600
4	KidsCare - administration	8,622,300
5	Proposition 204 - AHCCCS	
6	administration	10,616,500
7	Proposition 204 - DES	
8	eligibility	<u>34,405,500</u>
9	Total appropriation and expenditure	
10	authority - administration	\$176,946,900
11	Fund sources:	
12	State general fund	\$ 75,017,800
13	Budget neutrality compliance	
14	fund	2,531,900
15	Children's health insurance	
16	program fund	6,605,800
17	Health care group fund	3,602,000
18	Expenditure authority	89,189,400
19	Performance measures:	
20	Per cent of applications processed on time	95
21	Customer satisfaction rating for eligibility	
22	determination clients (Scale 1-8)	6.0

23 It is the intent of the legislature that the appropriation for the
24 department of administration data center charges be used only for the payment
25 of charges incurred by the department for the use of computing services
26 provided by the department of administration data center.

27 The amounts appropriated for the department of economic security
28 eligibility special line item shall be used for intergovernmental agreements
29 with the department of economic security for the purpose of eligibility
30 determination and other functions. The general fund share may be used for
31 eligibility determination for other programs administered by the division of
32 benefits and medical eligibility based on the results of the Arizona random
33 moment sampling survey.

34 The Arizona health care cost containment system administration shall
35 report to the joint legislative budget committee by January 1 of each year on
36 the agency's use of the cost savings that results from entering into an
37 agreement with another state as outlined in Laws 1999, chapter 313, section
38 27. The report shall also include detail on the source of all revenues and
39 expenditure of monies from the intergovernmental service fund.

1 The Arizona health care cost containment system shall report by
 2 September 30 of each year to the joint legislative budget committee on the
 3 services that receive reimbursement from the federal government under the
 4 medicaid in public school initiative. The report shall include information
 5 on the type of services, how those services meet the definition of medical
 6 necessity and the total amount of federal dollars that the schools have
 7 received under the medicaid in public school initiative.

8 AHCCCS shall report by November 30, 2006 to the joint legislative
 9 budget committee on the fiscal impact of implementing certain provisions in
 10 the federal deficit reduction act of 2005 that provided states greater
 11 flexibility in the operation of their Medicaid programs. The report shall
 12 address: the fiscal impact associated with 1) Enacting the maximum amount of
 13 cost sharing subject to the federal limitations that aggregate cost sharing
 14 and premiums cannot exceed five per cent of household income. 2) Cost
 15 sharing for prescription drugs that are not preferred drugs within a class.
 16 3) Cost sharing for nonemergency care provided in a hospital. 4) Cost
 17 sharing for an alternative benefit package that is actuarially equivalent to
 18 federal "benchmark" benefit packages. AHCCCS shall report to the joint
 19 legislative budget committee by September 1, 2006 on which benefit
 20 alternative was selected as a "benchmark".

21 Acute care

22	Capitation	\$1,774,885,100
23	Reinsurance	99,109,100
24	Fee-for-service	447,375,500
25	Medicare premiums	120,729,900
26	Graduate medical education	22,512,800
27	Dual eligible part D copay subsidy	1,029,700
28	Disproportionate share payments	143,477,300
29	Critical access hospitals	1,700,000
30	Breast and cervical cancer	1,251,800
31	Ticket to work	4,765,900
32	Proposition 204 - capitation	998,767,600
33	Proposition 204 - reinsurance	84,146,900
34	Proposition 204 - fee-for-service	148,204,600
35	Proposition 204 - medicare	
36	premiums	28,496,100
37	Proposition 204 - county hold	
38	harmless	4,825,600
39	KidsCare - children	104,276,300
40	KidsCare - parents	44,801,900
41	Rural hospital reimbursement	12,158,100
42	Medicare clawback payments	<u>27,082,200</u>
43	Total appropriation and expenditure	
44	authority - acute care	\$4,069,596,400

1	Fund sources:	
2	State general fund	\$ 956,329,500
3	Children's health insurance	
4	program fund	116,017,600
5	Tobacco tax and health care	
6	fund - medically needy	
7	account	83,162,500
8	Tobacco products tax fund -	
9	emergency health services	
10	account	29,371,200
11	Expenditure authority	2,884,715,600
12	Performance measures:	
13	Per cent of well child visits in the first	
14	15 months of life (EPSDT)	72
15	Per cent of children's access to primary	
16	care provider	85
17	Per cent of women receiving annual cervical	
18	screening	55
19	Member satisfaction as measured by	
20	percentage of enrollees that choose	
21	to change health plans	3.5

22 The fiscal year 2006-2007 disproportionate share payment of
23 \$143,477,300 is based on the federal fiscal year 2006-2007 authorized
24 expenditure level of \$95,369,400. If the final federal expenditure
25 authorization is an amount different from the estimate, the governor shall
26 direct the Arizona health care cost containment system administration,
27 subject to the availability of monies and subject to review of the joint
28 legislative budget committee, to proportionately adjust authorization amounts
29 among the identified recipients of the disproportionate share hospital
30 payment. Before the final payment, the governor shall provide notification
31 to the president of the senate, the speaker of the house of representatives,
32 the chairpersons of the senate and house of representatives appropriations
33 committees and the staff director of the joint legislative budget committee
34 of the adjusted federal authorized expenditure level and the proposed
35 distribution plan for these monies.

36 The appropriation for disproportionate share payments for fiscal year
37 2006-2007 made pursuant to section 36-2903.01, subsection P, Arizona Revised
38 Statutes, includes \$88,854,700 for qualifying county operated hospitals,
39 \$26,147,700 for private qualifying disproportionate share hospitals and
40 \$28,474,900 for deposit in the Arizona state hospital fund.

1 Of the \$4,825,600 appropriated for the proposition 204 county hold
 2 harmless line, \$234,200 is allocated to Graham county, \$3,817,800 to Pima
 3 county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800 to
 4 Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in
 5 revenue due to the implementation of proposition 204, and shall be used for
 6 indigent health care costs.

7 Long-term care

8	Program lump sum appropriation	\$1,060,536,000
9	Medicare clawback payments	19,475,200
10	Dual eligible part D copay	
11	subsidy	470,300
12	Board of nursing	<u>209,700</u>
13	Total appropriation and expenditure	
14	authority - long-term care	\$1,080,691,200
15	Fund sources:	
16	State general fund	\$ 126,326,900
17	Expenditure authority	954,364,300

18 Performance measures:

19 Per cent of members utilizing home and
 20 community based services (HCBS) 67

21 Per cent of ALTCS eligibility as measured by
 22 quality control sample 99

23 Any federal funds that the Arizona health care cost containment system
 24 administration passes through to the department of economic security for use
 25 in long-term administration care for the developmentally disabled shall not
 26 count against the long-term care expenditure authority above.

27 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
 28 county portion of the fiscal year 2006-2007 nonfederal portion of the costs
 29 of providing long-term care system services is \$244,880,500. This amount is
 30 included in the expenditure authority fund source.

31 Total appropriation and expenditure

32	authority - Arizona health	
33	care cost containment system	<u>\$5,327,234,500</u>
34	Appropriated fund sources:	
35	State general fund	\$1,157,674,200
36	Budget neutrality compliance fund	2,531,900
37	Children's health insurance	
38	program fund	122,623,400
39	Health care group fund	3,602,000
40	Tobacco products tax fund -	
41	emergency health services	
42	account	29,371,200
43	Tobacco tax and health care	
44	fund - medically needy account	83,162,500
45	Expenditure authority	\$3,928,269,300

1 Performance measures:
2 Per cent of people under age 65 that
3 are uninsured

24

4 Before making fee-for-service program or rate changes that pertain to
5 hospital, nursing facility or home and community based services rates or for
6 any of the other fee-for-service rate categories that have increases that, in
7 the aggregate, are two per cent above and \$1,500,000 from the state general
8 fund greater than budgeted medical inflation in fiscal year 2006-2007, the
9 Arizona health care cost containment system administration shall report its
10 expenditure plan to the joint legislative budget committee for review.

11 The Arizona health care cost containment system shall report to the
12 joint legislative budget committee by March 1 of each year on the preliminary
13 actuarial estimates of the capitation rate changes for the following fiscal
14 year along with the reasons for the estimated changes. For any actuarial
15 estimates that include a range, the total range from minimum to maximum shall
16 be no more than three per cent. Before implementation of any changes in
17 capitation rates, the Arizona health care cost containment system
18 administration shall report its expenditure plan to the joint legislative
19 budget committee for review. Unless required for compliance with federal
20 law, before the administration implements any changes in policy affecting the
21 amount, sufficiency, duration and scope of health care services and who may
22 provide services, the administration shall prepare a fiscal impact analysis
23 on the potential effects of this change on the following year's capitation
24 rates. If the fiscal analysis demonstrates that these changes will result in
25 additional state costs of \$500,000 or greater for a given fiscal year, the
26 administration shall submit the policy changes to the joint legislative
27 budget committee for review. The administration shall also report quarterly
28 to the joint legislative budget committee itemizing all policy changes with
29 fiscal impacts of less than \$500,000 in state costs. If statutory language
30 is enacted to prohibit these policy changes, the portion of the footnote
31 regarding joint legislative budget committee review of policy changes shall
32 not apply.

33 Sec. 4. ATTORNEY GENERAL - DEPARTMENT OF LAW

34		<u>2006-07</u>
35	FTE positions	619.9
36	Operating lump sum appropriation	\$ 42,749,100
37	State grand jury	160,100
38	Victims' rights	3,228,300
39	Risk management interagency	
40	service agreement	<u>8,621,500</u>
41	Total appropriation - attorney general -	
42	department of law	\$ 54,759,000

1	Fund sources:	
2	State general fund	\$ 18,396,500
3	Antitrust enforcement revolving	
4	fund	208,200
5	Attorney general legal services	
6	cost allocation fund	6,041,000
7	Collection enforcement revolving	
8	fund	4,281,500
9	Consumer fraud revolving fund	2,699,900
10	Interagency service agreements	
11	fund	11,282,100
12	Risk management revolving fund	8,621,500
13	Victims' rights fund	3,228,300
14	Performance measures:	
15	Solicitor general - number of days to respond	
16	to a request for a legal opinion	60
17	Customer satisfaction rating for client	
18	agencies (Scale 1-8)	7.3

19 The \$160,100 appropriated for state grand jury expenses is for costs
20 incurred pursuant to section 21-428, subsection C, Arizona Revised Statutes.
21 It is the intent of the legislature that state grand jury expenses be limited
22 to the amount appropriated and that a supplemental appropriation will not be
23 provided.

24 The attorney general shall notify the president of the senate, the
25 speaker of the house of representatives and the joint legislative budget
26 committee before entering into a settlement of \$100,000 or more that will
27 result in the receipt of monies by the attorney general or any other person.
28 The attorney general shall not allocate or expend these monies until the
29 joint legislative budget committee reviews the allocations or expenditures.
30 Settlements that pursuant to statute must be deposited in the state general
31 fund need not be reviewed by the joint legislative budget committee. This
32 paragraph does not apply to actions under title 13, Arizona Revised Statutes,
33 or other criminal matters.

34 In addition to the \$11,282,100 appropriated from the interagency
35 service agreements fund, an additional \$800,000 and 11 FTE positions are
36 appropriated from the interagency service agreements fund for new or expanded
37 interagency service agreements. The attorney general shall report to the
38 joint legislative budget committee whenever an interagency service agreement
39 is established that will require expenditures from the additional amount.
40 The report shall include the name of the agency or entity with which the
41 agreement is made, the dollar amount of the contract by fiscal year and the
42 number of associated FTE positions.

1 All revenues received by the antitrust enforcement revolving fund in
 2 excess of \$208,200 are appropriated. Expenditures from the fund may not
 3 exceed \$750,000 in fiscal year 2006-2007. Before the expenditure of any
 4 antitrust enforcement revolving fund receipts in excess of \$208,200 in fiscal
 5 year 2006-2007, the attorney general shall submit the intended uses of the
 6 monies for review by the joint legislative budget committee.

7 Sec. 5. DEPARTMENT OF COMMERCE

	<u>2006-07</u>
8 FTE positions	74.9
9 Operating lump sum appropriation	\$ 3,606,200
10 Military base economic impact study	250,000
11 Arizona trade office in Sonora	25,000
12 International trade offices	1,319,300
13 Economic development matching funds	104,000
14 Main street	130,000
15 REDI matching grants	45,000
16 Rural economic development	304,000
17 Advertising and promotion	659,200
18 Motion picture development	309,300
19 CEDC commission	257,000
20 National law center/free trade	200,000
21 Oil overcharge administration	164,800
22 Minority and women owned business	110,500
23 Small business advocate	108,300
24 Apprenticeship services	<u>165,100</u>
25 Total appropriation - department of	
26 commerce	\$ 7,757,700
27 Fund sources:	
28 State general fund	\$ 4,234,600
29 Bond fund	131,100
30 CEDC fund	2,970,200
31 Oil overcharge fund	164,800
32 State lottery fund	257,000
33 Performance measures:	
34 Number of workers trained	25,000
35 Per cent of job training fund monies	
36 distributed to small businesses	25
37 Customer satisfaction rating for business	
38 development program (percentage rating	
39 services as good or excellent)	88

40 Of the \$2,970,200 appropriated from the CEDC fund, \$250,000 shall be
 41 utilized for implementation of cross-industry business/infrastructure
 42 development projects and related project coordination in support of regional
 43 technology councils and high technology clusters operating in Arizona.
 44

1	Sec. 6. ARIZONA COMMUNITY COLLEGES	
2		<u>2006-07</u>
3	<u>Equalization aid</u>	
4	Cochise	\$ 3,857,400
5	Graham	11,504,000
6	Navajo	3,373,200
7	Yuma/La Paz	<u>1,278,100</u>
8	Total - equalization aid	\$ 20,012,700
9	<u>Operating state aid</u>	
10	Cochise	\$ 8,349,000
11	Coconino	3,322,500
12	Gila	294,800
13	Graham	5,370,400
14	Maricopa	57,528,300
15	Mohave	4,196,900
16	Navajo	4,412,300
17	Pima	19,593,500
18	Pinal	6,014,700
19	Yavapai	4,738,700
20	Yuma/La Paz	<u>5,657,200</u>
21	Total - operating state aid	\$119,478,300
22	<u>Capital outlay state aid</u>	
23	Cochise	\$ 1,052,300
24	Coconino	421,300
25	Gila	65,500
26	Graham	525,800
27	Maricopa	11,421,900
28	Mohave	597,500
29	Navajo	568,900
30	Pima	3,262,900
31	Pinal	3,789,800
32	Yavapai	678,500
33	Yuma/La Paz	<u>911,200</u>
34	Total - capital outlay state aid	\$ 23,295,600
35	Total appropriation - Arizona community	
36	colleges	\$162,786,600
37	Fund sources:	
38	State general fund	\$162,786,600
39	Performance measures:	
40	Per cent of students who transfer to Arizona	
41	public universities without loss of credits	96
42	Number of applied baccalaureate programs	
43	collaboratively developed with universities	8

1 Of the \$3,789,800 Pinal community college receives in capital outlay
 2 state aid, \$2,000,000 shall be used for construction of a regional law
 3 enforcement officers training center and \$1,000,000 shall be used for a
 4 firefighters training facility at Central Arizona College.

5 Sec. 7. CORPORATION COMMISSION

6		<u>2006-07</u>
7	FTE positions	318.3
8	Operating lump sum appropriation	\$ 24,780,700
9	Corporation filings, same day	
10	service	400,400
11	Utilities audits, studies,	
12	investigations and hearings	<u>380,000*</u>
13	Total appropriation - corporation commission	\$ 25,561,100
14	Fund sources:	
15	State general fund	\$ 5,133,000
16	Arizona arts trust fund	44,100
17	Investment management regulatory	
18	and enforcement fund	828,200
19	Public access fund	3,673,000
20	Securities regulatory and	
21	enforcement fund	3,505,500
22	Utility regulation revolving fund	12,377,300
23	Performance measures:	
24	Average turnaround time in days for processing	
25	of regular corporate filings	70.0
26	Average turnaround time in days for processing	
27	of expedited corporate filings	3.0
28	Number of months required to review complaints	
29	received by securities division	1.5
30	Customer satisfaction rating for corporations	
31	program (Scale 1-8)	7.1

32 The corporation commission corporations division shall provide a report
 33 by the end of each calendar quarter during fiscal year 2006-2007 to the joint
 34 legislative budget committee on the total number of filings received by the
 35 corporations division, the total number of filings processed by the
 36 corporations division and the amount of time to process the filings. The
 37 corporation commission corporations division shall include in the first
 38 quarterly report for fiscal year 2006-2007 a plan for resolving the backlog
 39 of corporation filings.

40 The \$400,400 appropriated from the public access fund for the
 41 corporation filings same day service special line item shall revert to the
 42 public access fund at the end of fiscal year 2006-2007 if the commission
 43 cannot process all expedited services within five business days and all other
 44 documents and services within thirty business days in accordance with section
 45 10-122, Arizona Revised Statutes.

1	Sec. 8. DEPARTMENT OF CORRECTIONS	
2		<u>2006-07</u>
3	FTE positions	9,726.9
4	Correctional officer personal services	\$245,729,900
5	Health care personal services	40,920,200
6	All other personal services	72,308,100
7	Employee related expenditures	128,942,400
8	Health care all other operating	
9	expenditures	62,596,200
10	Non-health care all other operating	
11	expenditures	<u>118,966,700</u>
12	Total - operating budget	\$669,463,500
13	Fund sources:	
14	State general fund	\$654,516,100
15	State education fund for	
16	correctional education	1,528,900
17	Alcohol abuse treatment fund	599,300
18	Penitentiary land fund	869,200
19	State charitable, penal and	
20	reformatory institutions	
21	land fund	570,000
22	Corrections fund	350,000
23	Transition office fund	180,000
24	Transition program drug treatment	
25	fund	600,000
26	Prison construction and operations	
27	fund	10,250,000
28	County jail beds	\$ 2,518,500
29	Fund sources:	
30	State general fund	\$ 2,518,500
31	Overtime/compensatory time	\$ 19,688,100
32	Fund sources:	
33	State general fund	\$ 19,688,100
34	Private prison per diem	\$ 81,846,800
35	Fund sources:	
36	State general fund	\$ 53,172,500
37	Corrections fund	28,674,300
38	Provisional beds	\$ 34,933,400
39	Fund sources:	
40	State general fund	\$ 34,933,400

1 Performance measures:

2 Escapes from secure facilities	0
3 Number of inmates receiving GED	3,000
4 Number of inmate random positive	
5 urinalysis results	900

6 Twenty-five per cent of land earnings and interest from the state
7 charitable, penal and reformatory institutions land fund shall be distributed
8 to the state department of corrections in compliance with section 25 of the
9 enabling act and the Constitution of Arizona to be used for the support of
10 state penal institutions.

11 One hundred per cent of land earnings and interest from the
12 penitentiary land fund shall be distributed to the department of corrections
13 in compliance with section 25 of the enabling act and the constitution to be
14 used for the support of state penal institutions.

15 Before the expenditure of any state education fund for correctional
16 education receipts in excess of \$1,528,900, the department of corrections
17 shall report the intended use of the monies to the director of the joint
18 legislative budget committee.

19 Before altering its bed capacity by closing state-operated prison beds,
20 canceling or not renewing contracts for privately-operated prison beds, the
21 department of corrections shall submit a bed plan detailing the proposed bed
22 closures for review by the joint legislative budget committee.

23 The appropriated amount includes \$25,751,300 for a \$2,943 salary
24 increase beginning July 1, 2006 for each employee in the correctional officer
25 series.

26 The overtime/compensatory time line item includes monies for personal
27 services and employee related expenditure costs from overtime and
28 compensatory time payouts accrued by department employees in fiscal year
29 2006-2007.

30 Before placing any additional inmates in out-of-state provisional beds,
31 the department shall place inmates in all available prison beds within
32 facilities that are located in Arizona and that house Arizona inmates, unless
33 the out-of-state provisional beds are of a comparable security level and
34 price.

35 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
36 any transfer to or from the amounts appropriated for county jail beds,
37 overtime/compensatory time, private prison per diem or provisional beds line
38 items shall require review by the joint legislative budget committee.

39 The private prison per diem line item includes \$2,382,600 from the
40 state general fund for a 4.5 per cent increase for private prison contracts
41 for facilities that are located within Arizona and that house Arizona inmates
42 as of July 1, 2006. The department shall provide this increase to all
43 applicable contractors by August 1, 2006.

1 The Arizona department of administration shall charge the department of
 2 corrections for employer general fund health and dental insurance based on
 3 actual enrollment in fiscal year 2006-2007.

4 By October 1, 2006, the department of corrections shall report to the
 5 joint legislative budget committee on "off-site" vehicles that are owned by
 6 the department and that do not remain on department property at the end of
 7 the work day. These may include "take-home" vehicles as well as vehicles
 8 that are stationed off-site of department property at the end of the work
 9 day. The list shall also include those vehicles that are used by department
 10 employees and that are taken home or parked at a location other than an
 11 employee's residence. The report shall identify all position classifications
 12 and their corresponding assignments and locations of all persons who qualify
 13 for an off-site vehicle. The report shall indicate the current number of
 14 positions and vehicles that are being used as off-site vehicles, the total
 15 number of vehicles that the department owns by category and the policy and
 16 guidelines relating to off-site vehicles.

17 A monthly report comparing department of corrections expenditures for
 18 the month and year-to-date as compared to prior year expenditures shall be
 19 forwarded to the president of the senate, the speaker of the house of
 20 representatives, the chairpersons of the senate and house of representatives
 21 appropriations committees and the director of the joint legislative budget
 22 committee by the thirtieth of the following month. The report shall include
 23 at least each line item of appropriation and the main components of all other
 24 operating expenditures. The report shall include an estimate of potential
 25 shortfalls, potential surpluses that may be available to offset these
 26 shortfalls and a plan, if necessary, for eliminating any shortfall without a
 27 supplemental appropriation.

28 By July 1, 2006, the department of corrections shall transmit to the
 29 joint legislative budget committee the operating per capita cost report for
 30 fiscal year 2004-2005. By February 1, 2007, the department of corrections
 31 shall transmit to the joint legislative budget committee the operating per
 32 capita cost report for fiscal year 2005-2006.

33 Sec. 9. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	<u>2006-07</u>
34	
35	<u>Phoenix day school for the deaf</u>
36	FTE positions 177.2
37	Operating lump sum appropriation \$ 9,616,100
38	School bus replacement <u>425,000</u>
39	Total - Phoenix day school for the deaf \$ 10,041,100
40	Fund sources:
41	State general fund \$ 4,713,900
42	Schools for the deaf and the
43	blind fund 5,327,200

1	<u>Tucson campus</u>	
2	FTE positions	312.1
3	Operating lump sum appropriation	\$ 14,537,100
4	School bus replacement	<u>425,000</u>
5	Total - Tucson campus	\$ 14,962,100
6	Fund sources:	
7	State general fund	\$ 9,809,100
8	Schools for the deaf and the	
9	blind fund	5,153,000
10	<u>Regional cooperatives</u>	
11	FTE positions	28.1
12	Lump sum appropriation	\$ 1,691,900
13	Fund sources:	
14	State general fund	\$ 1,270,500
15	Schools for the deaf and the	
16	blind fund	421,400
17	<u>Preschool/outreach programs</u>	
18	FTE positions	69.8
19	Lump sum appropriation	\$ 5,546,500
20	Fund sources:	
21	State general fund	\$ 2,631,200
22	Schools for the deaf and the	
23	blind fund	<u>2,915,300</u>
24	Total appropriation - Arizona state schools	
25	for the deaf and the blind	\$ 32,241,600
26	Fund sources:	
27	State general fund	\$ 18,424,700
28	Schools for the deaf and the	
29	blind fund	13,816,900
30	Performance measures:	
31	Per cent of parents rating overall quality of	
32	services as "good" or "excellent" based	
33	on annual survey	95
34	Per cent of students in grade 5 meeting or	
35	exceeding state academic standards in:	
36	Reading	20
37	Writing	25
38	Math	20
39	Per cent of students in high school meeting or	
40	exceeding state academic standards in:	
41	Reading	20
42	Writing	25
43	Math	20

1 Before the expenditure of any schools for the deaf and the blind fund
 2 monies in excess of \$13,816,900 in fiscal year 2006-2007, the joint
 3 legislative budget committee shall review the intended use of the funds.

4 All endowment earnings above \$200,000 in fiscal year 2006-2007 that are
 5 received by the schools for the deaf and the blind and deposited into the
 6 schools for the deaf and the blind fund are appropriated for operating
 7 expenditures.

8 Before expending any funds for school bus replacement, the Arizona
 9 state schools for the deaf and the blind shall submit an expenditure plan to
 10 the joint legislative budget committee for review.

11 Sec. 10. DEPARTMENT OF ECONOMIC SECURITY

	<u>2006-07</u>
12	
13	<u>Administration</u>
14	FTE positions 299.2
15	Operating lump sum appropriation \$ 36,670,000
16	Fund sources:
17	State general fund \$ 29,166,100
18	Federal child care and
19	development fund block grant 1,090,400
20	Federal temporary assistance
21	for needy families block grant 4,623,100
22	Public assistance collections
23	fund 130,000
24	Special administration fund 573,500
25	Spinal and head injuries trust
26	fund 86,900
27	Statewide cost allocation plan
28	fund 1,000,000
29	Finger imaging \$ 726,700
30	Fund sources:
31	State general fund \$ 453,400
32	Federal temporary assistance
33	for needy families block
34	grant 273,300
35	Lease-purchase equipment \$ 1,799,000
36	Fund sources:
37	State general fund \$ 1,138,000
38	Federal temporary assistance
39	for needy families block
40	grant 661,000
41	Public assistance collections \$ 485,700

1	Fund sources:	
2	Federal temporary assistance for	
3	needy families block grant	\$ 237,700
4	Public assistance collections	
5	fund	248,000
6	Attorney general legal services	\$ 657,400
7	Fund sources:	
8	State general fund	\$ 397,100
9	Federal child care and development	
10	fund block grant	15,600
11	Federal temporary assistance for	
12	needy families block grant	149,700
13	Public assistance collections	
14	fund	95,000
15	Triagency disaster recovery	\$ 271,500
16	Fund sources:	
17	Risk management fund	\$ 271,500
18	In accordance with section 35-142.01, Arizona Revised Statutes, the	
19	department of economic security shall remit to the department of	
20	administration any monies received as reimbursement from the federal	
21	government or any other source for the operation of the department of	
22	economic security west building and any other building lease-purchased by the	
23	state of Arizona in which the department of economic security occupies space.	
24	The department of administration shall deposit these monies in the state	
25	general fund.	
26	In accordance with section 38-654, Arizona Revised Statutes, the	
27	department of economic security shall transfer to the department of	
28	administration for deposit in the special employee health insurance trust	
29	fund any unexpended state general fund monies at the end of each fiscal year	
30	appropriated for employer health insurance contributions.	
31	<u>Developmental disabilities</u>	
32	FTE positions	197.9
33	Operating lump sum appropriation	\$ 3,743,800
34	Fund sources:	
35	State general fund	\$ 3,743,800
36	Case management	\$ 4,044,000
37	Fund sources:	
38	State general fund	\$ 4,044,000
39	Home and community based	
40	services	\$ 35,377,200
41	Fund sources:	
42	State general fund	\$ 34,529,100
43	Long term care system fund	848,100
44	Institutional services	\$ 294,900

1	Fund sources:		
2	State general fund	\$	294,900
3	Arizona training program at		
4	Coolidge	\$	500,000
5	Fund sources:		
6	State general fund	\$	500,000
7	State-funded long-term care		
8	services	\$	21,802,400
9	Fund sources:		
10	State general fund	\$	762,900
11	Long-term care system fund		21,039,500
12	Performance measures:		
13	Per cent of consumer satisfaction with		
14	case management services		95
15	Per cent of consumers living at home who		
16	are satisfied with services and supports		70
17	Per cent of families of children under 18		
18	who are satisfied with services and supports		65
19	Per cent of families or individuals 18 years		
20	or older, who do not live at home with		
21	family, who are satisfied with services		
22	and supports		89

23 It is the intent of the legislature that any available surplus monies
24 for developmental disability programs be applied toward the waiting list,
25 unless there are insufficient monies to annualize these costs in the
26 subsequent year. The children's waiting list shall receive first priority.
27 The amount appropriated for developmental disabilities shall be used to
28 provide for services for nontitle XIX eligible clients. The amount shall not
29 be used for other purposes, unless a transfer of monies is reviewed by the
30 joint legislative budget committee.

31 The department of economic security shall report all new placements
32 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
33 in fiscal year 2006-2007 to the president of the senate, the speaker of the
34 house of representatives, the chairpersons of the senate and house of
35 representatives appropriations committees and the director of the joint
36 legislative budget committee and the reason why this placement, rather than a
37 placement into a privately run facility for the developmentally disabled, was
38 deemed as the most appropriate placement. The department should also report
39 if no new placements were made. This report shall be made available by July
40 15, 2007.

1	<u>Long-term care</u>	
2	FTE positions	1,615.0
3	Operating lump sum appropriation	\$ 29,350,200
4	Fund sources:	
5	State general fund	\$ 9,803,700
6	Expenditure authority	19,546,500
7	Case management	\$ 32,482,200
8	Fund sources:	
9	State general fund	\$ 10,849,700
10	Expenditure authority	21,632,500
11	Home and community based	
12	services	\$511,250,800
13	Fund sources:	
14	State general fund	\$170,740,100
15	Expenditure authority	340,510,700
16	Institutional services	\$ 18,314,700
17	Fund sources:	
18	State general fund	\$ 6,117,600
19	Expenditure authority	12,197,100
20	Medical services	\$ 90,258,600
21	Fund sources:	
22	State general fund	\$ 30,148,600
23	Expenditure authority	60,110,000
24	Arizona training program at	
25	Coolidge	\$ 14,773,900
26	Fund sources:	
27	State general fund	\$ 4,934,900
28	Expenditure authority	9,839,000
29	Medicare clawback payments	\$ 2,069,000
30	Fund sources:	
31	State general fund	\$ 2,069,000

32 All monies in the long-term care system fund unexpended and
 33 unencumbered at the end of fiscal year 2006-2007 revert to the state general
 34 fund, subject to approval by the Arizona health care cost containment system.

35 The department shall report to the joint legislative budget committee
 36 by March 1 of each year on preliminary actuarial estimates of the capitation
 37 rate changes for the following fiscal year along with the reasons for the
 38 estimated changes. For any actuarial estimates that include a range, the
 39 total range from minimum to maximum shall be not more than three per cent.
 40 Before implementation of any changes in capitation rates for the long-term
 41 care program, the department of economic security shall report its
 42 expenditure plan to the joint legislative budget committee for its review.
 43 Unless required for compliance with federal law, before the department
 44 implements any changes in policy affecting the amount, sufficiency, duration
 45 and scope of health care services and who may provide services, the

1 department shall prepare a fiscal impact analysis on the potential effects of
 2 this change on the following year's capitation rates. If the fiscal analysis
 3 demonstrates that these changes will result in additional state costs of
 4 \$500,000 or greater for a given fiscal year, the department shall submit the
 5 policy changes to the joint legislative budget committee for review. The
 6 department shall also report quarterly to the joint legislative budget
 7 committee itemizing all policy changes with fiscal impacts of less than
 8 \$500,000 in state costs. If statutory language is enacted to prohibit these
 9 policy changes, the portion of the footnote regarding joint legislative
 10 budget committee review of policy changes shall not apply.

11	<u>Benefits and medical eligibility</u>	
12	FTE positions	569.9
13	Operating lump sum appropriation	\$ 32,273,800
14	Fund sources:	
15	State general fund	\$ 23,125,300
16	Federal temporary assistance	
17	for needy families block	
18	grant	9,148,500
19	Temporary assistance for	
20	needy families cash	
21	benefits	\$135,605,400
22	Fund sources:	
23	State general fund	\$ 56,308,200
24	Federal temporary assistance	
25	for needy families block	
26	grant	79,297,200
27	General assistance	\$ 4,260,800
28	Fund sources:	
29	State general fund	\$ 4,260,800
30	FLSA supplement	\$ 508,900
31	Fund sources:	
32	Federal temporary assistance for	
33	needy families block grant	\$ 508,900
34	Tribal pass-through funding	\$ 4,288,700
35	Fund sources:	
36	State general fund	\$ 4,288,700
37	Tuberculosis control payments	\$ 32,200
38	Fund sources:	
39	State general fund	\$ 32,200
40	Performance measures:	
41	Per cent of cash benefits issued timely	98.6
42	Per cent of total cash benefits payments	
43	issued accurately	95.0
44	Per cent of total food stamps payments	
45	issued accurately	95.0

1 Per cent of clients satisfied with family
 2 assistance administration 93.0

3 The operating lump sum appropriation may be expended on Arizona health
 4 care cost containment system eligibility determinations based on the results
 5 of the Arizona random moment sampling survey.

6 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 7 any transfer to or from the \$135,605,400 appropriated for temporary
 8 assistance for needy families cash benefits requires review by the joint
 9 legislative budget committee.

10 Of the amount appropriated for temporary assistance for needy families
 11 cash benefits, \$500,000 reflects appropriation authority only to ensure
 12 sufficient cashflow to administer cash benefits for tribes operating their
 13 own welfare programs. The department shall notify the joint legislative
 14 budget committee and the governor's office of strategic planning and
 15 budgeting staff before the use of any of the \$500,000 appropriation
 16 authority.

17 The department shall report to the joint legislative budget committee
 18 by the end of each calendar quarter on progress made in meeting federal TANF
 19 work participation requirements.

20 Child support enforcement

21	FTE positions	863.8
22	Operating lump sum appropriation	\$ 36,729,400
23	Fund sources:	
24	State general fund	\$ 4,262,800
25	Child support enforcement	
26	administration fund	8,100,100
27	Expenditure authority	24,366,500
28	Genetic testing	\$ 723,600
29	Fund sources:	
30	State general fund	\$ 72,400
31	Expenditure authority	651,200
32	Central payment processing	\$ 3,275,700
33	Fund sources:	
34	State general fund	\$ 444,700
35	Child support enforcement	
36	administration fund	1,573,800
37	Expenditure authority	1,257,200
38	County participation	\$ 6,845,200
39	Fund sources:	
40	Child support enforcement	
41	administration fund	\$ 1,384,100
42	Expenditure authority	5,461,100
43	Attorney general legal services	\$ 8,523,500

1	Fund sources:	
2	State general fund	\$ 673,900
3	Child support enforcement	
4	administration fund	2,139,800
5	Expenditure authority	5,709,800
6	Performance measures:	
7	Total IV-D collections	\$275,000,000
8	Ratio of current IV-D support collected	
9	and distributed to current IV-D support	
10	due	42.0

11 All state share of retained earnings, fees and federal incentives above
 12 \$13,197,800 received by the division of child support enforcement are
 13 appropriated for operating expenditures. New full-time equivalent positions
 14 may be authorized with the increased funding. The division of child support
 15 enforcement shall report the intended use of the monies to the president of
 16 the senate, the speaker of the house of representatives, the chairpersons of
 17 the senate and house of representatives appropriations committees and the
 18 director of the joint legislative budget committee and the director of the
 19 governor's office of strategic planning and budgeting.

20	<u>Aging and community services</u>	
21	FTE positions	80.6
22	Operating lump sum appropriation	\$ 5,302,500
23	Fund sources:	
24	State general fund	\$ 5,079,400
25	Federal temporary assistance	
26	for needy families block	
27	grant	223,100
28	Adult services	\$ 15,599,300
29	Fund sources:	
30	State general fund	\$ 15,599,300
31	Community and emergency	
32	services	\$ 5,924,900
33	Fund sources:	
34	Federal temporary assistance	
35	for needy families block	
36	grant	\$ 5,424,900
37	Utility assistance fund	500,000
38	Coordinated hunger	\$ 1,786,600
39	Fund sources:	
40	State general fund	\$ 1,286,600
41	Federal temporary assistance	
42	for needy families block	
43	grant	500,000
44	Coordinated homeless	\$ 2,804,900

1	Fund sources:	
2	State general fund	\$ 1,155,400
3	Federal temporary assistance	
4	for needy families block	
5	grant	1,649,500
6	Domestic violence prevention	\$ 13,647,400
7	Fund sources:	
8	State general fund	\$ 5,326,700
9	Federal temporary assistance	
10	for needy families block	
11	grant	6,620,700
12	Domestic violence shelter fund	1,700,000
13	Community-based marriage and	
14	communication skills program	
15	fund deposit	\$ 1,200,000
16	Fund sources:	
17	State general fund	\$ 1,200,000

18 Performance measures:
19 Adult protective services investigation
20 per cent rate 83

21 The department shall report on activities of food distribution efforts
22 funded through the monies in the coordinated hunger special line item to the
23 joint legislative budget committee by March 15, 2007. The report shall
24 demonstrate how the food was distributed and shall include letters from each
25 participating regional food bank stating its satisfaction with the
26 distribution process.

27 All domestic violence shelter fund monies above \$1,700,000 received by
28 the department of economic security are appropriated for the domestic
29 violence prevention special line item. The department of economic security
30 shall report the intended use of the monies above \$1,700,000 to the joint
31 legislative budget committee.

32 The department of economic security shall report to the joint
33 legislative budget committee on the amount of state and federal monies
34 available statewide for domestic violence funding by December 15, 2006. The
35 report shall include, at a minimum, the amount of monies available and the
36 state fiscal agent receiving those monies.

37 It is the intent of the legislature that the department use at least
38 \$1,038,900 of federal temporary assistance for needy families block grant
39 monies in the appropriation for community and emergency services to ensure
40 that councils of governments and tribal governments receive at least the same
41 amount of federal social services block grant monies that those entities
42 received in fiscal year 2000-2001.

1 The department shall apply for the maximum allowable federal temporary
 2 assistance for needy families block grant funding in fiscal year 2006-2007
 3 available to the state through a grant program to promote healthy marriages
 4 and responsible fatherhood. These monies shall be deposited in the
 5 community-based marriage and communication skills program fund established by
 6 section 41-2032, Arizona Revised Statutes, for at least the following
 7 purposes:

- 8 1. Marketing and advertising of marriage skills classes.
 - 9 2. The community-based relationship skills high school pilot program.
- 10 The department shall increase expenditures from the domestic violence
 11 special line item to faith-based programs by at least \$700,000 over the
 12 fiscal year 2005-2006 level.

13	<u>Children, youth and families</u>	
14	FTE positions	1,535.5
15	Operating lump sum appropriation	\$ 74,705,800
16	Fund sources:	
17	State general fund	\$ 47,200,400
18	Children and family services	
19	training program fund	209,600
20	Federal temporary assistance	
21	for needy families block	
22	grant	27,295,800
23	Adoption services	\$ 40,237,300
24	Fund sources:	
25	State general fund	\$ 29,551,200
26	Federal temporary assistance	
27	for needy families block	
28	grant	10,686,100
29	Adoption services - family	
30	preservation projects	\$ 1,000,000
31	Fund sources:	
32	Federal temporary assistance	
33	for needy families block	
34	grant	\$ 1,000,000
35	Attorney general legal	
36	services	\$ 9,048,000
37	Fund sources:	
38	State general fund	\$ 9,000,200
39	Federal temporary assistance	
40	for needy families block	
41	grant	47,800
42	Child abuse prevention	\$ 819,700
43	Fund sources:	
44	Child abuse prevention fund	\$ 819,700
45	Children support services	\$ 42,195,700

1	Fund sources:	
2	State general fund	\$ 29,316,600
3	Child abuse prevention fund	750,000
4	Federal temporary assistance	
5	for needy families block	
6	grant	12,129,100
7	Comprehensive medical and dental	
8	program	\$ 2,057,000
9	Fund sources:	
10	State general fund	\$ 2,057,000
11	Child protective services appeals	\$ 659,400
12	Fund sources:	
13	State general fund	\$ 659,400
14	Child protective services	
15	expedited substance abuse	
16	treatment fund deposit	\$ 224,500
17	Fund sources:	
18	State general fund	\$ 224,500
19	CPS emergency placement	\$ 7,892,200
20	Fund sources:	
21	State general fund	\$ 3,685,800
22	Federal temporary assistance	
23	for needy families block	
24	grant	4,206,400
25	Family builders program	\$ 5,200,000
26	Fund sources:	
27	Federal temporary assistance for	
28	needy families block grant	\$ 5,200,000
29	Foster care placement	\$ 14,715,000
30	Fund sources:	
31	State general fund	\$ 8,491,900
32	Federal temporary assistance for	
33	needy families block grant	6,223,100
34	Healthy families	\$ 13,750,000
35	Fund sources:	
36	State general fund	\$ 8,715,800
37	Federal temporary assistance for	
38	needy families block grant	5,034,200
39	Homeless youth intervention	\$ 400,000
40	Fund sources:	
41	Federal temporary assistance for	
42	needy families block grant	\$ 400,000
43	Intensive family services	\$ 1,985,600

1	Fund sources:	
2	State general fund	\$ 1,985,600
3	Joint substance abuse treatment	
4	fund - state general fund	\$ 3,000,000
5	Fund sources:	
6	State general fund	\$ 3,000,000
7	Permanent guardianship subsidy	\$ 6,909,500
8	Fund sources:	
9	State general fund	\$ 6,050,200
10	Federal temporary assistance for	
11	needy families block grant	859,300
12	CPS residential placement	\$ 21,754,600
13	Fund sources:	
14	State general fund	\$ 7,788,000
15	Federal temporary assistance for	
16	needy families block grant	13,966,600
17	Temporary assistance for needy	
18	families deposit to the joint	
19	substance abuse treatment fund	\$ 2,000,000
20	Fund sources:	
21	Federal temporary assistance for	
22	needy families block grant	\$ 2,000,000
23	Performance measures:	
24	Per cent of newly hired CPS specialists	
25	completing training within 7 months	
26	of hire	100
27	Per cent of children in out-of-home care	
28	who have not returned to their families	
29	or been permanently placed elsewhere	
30	for more than 24 consecutive months	21
31	Per cent of CPS reports responded to by CPS	
32	staff	100
33	Per cent of CPS original dependencies	
34	cases where court denied or dismissed	<1
35	Per cent of office of administrative hearings	
36	where CPS case findings are affirmed	90
37	Per cent of CPS complaints reviewed by	
38	the office of the ombudsman-citizens	
39	aide where allegations are reported	
40	as valid by the ombudsman	13
41	Average number of days spent in shelter	
42	placements	15

1	Number of children in shelter care more	
2	than 21 days	0
3	Number of children under 3 in shelter care	0
4	Number of children under 6 in group homes	0

5 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
6 any transfer to or from the amounts appropriated for children support
7 services, CPS emergency placement, CPS residential placement or foster care
8 placement requires review by the joint legislative budget committee.

9 Of the amounts appropriated for children support services, CPS
10 emergency placement, CPS residential placement and foster care placement,
11 \$22,613,100 is appropriated from the federal temporary assistance for needy
12 families block grant to the social services block grant for deposit in the
13 following line items in the following amounts:

14	Children support services	5,371,700
15	CPS emergency placement	2,333,700
16	CPS residential placement	9,833,300
17	Foster care placement	5,074,400

18 Of the sums appropriated, \$3,841,500 from the adoption services special
19 line item and \$2,487,500 from the foster care placement special line item
20 shall be used to fund a 12.5 per cent increase in the adoption subsidy and
21 foster care rates in fiscal year 2006-2007.

22 The department of economic security shall provide training to any new
23 child protective services full-time equivalent positions before assigning to
24 any of these employees any client caseload duties.

25 It is the intent of the legislature that the department of economic
26 security shall use the funding in the division of children, youth and
27 families to achieve a one hundred per cent investigation rate.

28 It is the intent of the legislature that the \$1,000,000 appropriated to
29 the adoption services - family preservation projects special line item be
30 used to promote adoption as an option for children, including but not limited
31 to promoting the agency's adoption program and temporary adoption subsidy
32 payment increases to current adoption subsidy clients. The department shall
33 report the intended use of these monies to the joint legislative budget
34 committee by August 1 of each year for the committee's review. The report
35 shall include an evaluation of the most effective means of expending these
36 funds and performance measures to gauge the program's success. The report
37 shall reflect the recommendations of any statutory committee established to
38 provide recommendations on this appropriation.

39	<u>Employment and rehabilitation services</u>	
40	FTE positions	488.9
41	Operating lump sum appropriation	\$ 25,880,000

1	Fund sources:	
2	State general fund	\$ 8,918,700
3	Federal child care and development	
4	fund block grant	9,103,300
5	Federal temporary assistance for	
6	needy families block grant	5,212,300
7	Workforce investment act grant	2,051,700
8	Special administration fund	85,000
9	Spinal and head injuries trust	
10	fund	509,000
11	JOBS	\$ 22,942,300
12	Fund sources:	
13	State general fund	\$ 1,823,500
14	Federal temporary assistance for	
15	needy families block grant	17,618,800
16	Workforce investment act grant	2,000,000
17	Special administration fund	1,500,000
18	Day care subsidy	\$155,000,100
19	Fund sources:	
20	State general fund	\$ 75,482,900
21	Federal child care and	
22	development fund block grant	71,496,900
23	Federal temporary assistance for	
24	needy families block grant	8,020,300
25	Transitional child care	\$ 34,481,900
26	Fund sources:	
27	Federal child care and	
28	development fund block	
29	grant	\$ 34,481,900
30	Vocational rehabilitation	
31	services	\$ 5,419,100
32	Fund sources:	
33	State general fund	\$ 5,214,400
34	Spinal and head injuries	
35	trust fund	204,700
36	Independent living rehabilitation	
37	services	\$ 2,491,900
38	Fund sources:	
39	State general fund	\$ 784,200
40	Spinal and head injuries trust	
41	fund	1,707,700
42	Workforce investment act - local	
43	governments	\$ 48,040,600

1	Fund sources:	
2	Workforce investment act grant	\$ 48,040,600
3	Workforce investment act -	
4	discretionary	<u>\$ 3,614,000</u>
5	Fund sources:	
6	Workforce investment act grant	\$ 3,614,000
7	Performance measures:	
8	Number of TANF recipients who obtained	
9	employment	20,000
10	Per cent of customer satisfaction with	
11	child care	95.6
12	Vocational rehabilitation individuals	
13	successfully rehabilitated	1,900

14 It is the intent of the legislature that the \$22,942,300 appropriated
15 for JOBS may be used to support nonpermanent and seasonal positions to
16 fulfill federal program requirements when contracts for services cannot be
17 established with outside parties. The use of such positions shall be
18 reviewed by the joint legislative budget committee.

19 It is the intent of the legislature that the department shall use
20 \$4,500,000 of the monies appropriated for the JOBS special line item for
21 contracts with education and training entities. These contracts shall focus
22 on assisting JOBS clients in obtaining jobs paying, on average, ten dollars
23 per hour or more. The department shall report to the joint legislative
24 budget committee by October 15, 2006 on these efforts. The report shall
25 include expenditure details and placement data.

26 Of the \$155,000,100 appropriated for day care subsidy, \$120,087,700 is
27 for a program in which the upper income limit is no more than one hundred
28 sixty-five per cent of the federal poverty level. This provision shall not
29 be construed to impose a duty on an officer, agent or employee of the state
30 to discharge a responsibility or to create any right in a person or group if
31 the discharge or right would require an expenditure of state monies in excess
32 of the \$120,087,700 appropriation.

33 The amounts appropriated for day care subsidy and transitional child
34 care shall be used exclusively for child care costs unless a transfer of
35 monies is reviewed by the joint legislative budget committee. Monies shall
36 not be used from these appropriated amounts for any other expenses of the
37 department of economic security unless a transfer of monies is reviewed by
38 the joint legislative budget committee.

39 Monies in the child care subsidy and transitional child care special
40 line items shall be used to provide services only to residents of the state
41 of Arizona who are citizens or legal residents of the United States or who
42 are otherwise lawfully present in the United States.

1 The department shall report by October 1, 2006 to the joint legislative
2 budget committee the number of child care programs receiving reimbursements
3 that are operated out of public school facilities, the square footage used,
4 the number of children enrolled and the total rent costs for each of those
5 programs.

6 All spinal and head injuries trust fund receipts received by the
7 department of economic security in excess of \$2,421,400 are appropriated to
8 the independent living rehabilitation services special line item. Before the
9 expenditure of any spinal and head injuries trust fund receipts in excess of
10 \$2,421,400, the department of economic security shall submit the intended use
11 of the monies for review by the joint legislative budget committee.

12 Monies appropriated to the workforce investment act - discretionary
13 special line item may not be expended until a proposed expenditure plan has
14 been reviewed by the joint legislative budget committee.

15 All federal workforce investment act discretionary funds that are
16 received by the state in excess of \$3,614,000 are appropriated to the
17 workforce investment act - discretionary special line item. Excess monies
18 may not be spent until a proposed expenditure plan for the excess monies has
19 been reviewed by the joint legislative budget committee.

20 All federal workforce investment act funds for local governments that
21 are received by the state in excess of \$48,040,600 are appropriated to the
22 workforce investment act - local governments special line item. Excess
23 monies may not be spent until a proposed expenditure plan for the excess
24 monies has been reviewed by the joint legislative budget committee.

25 Performance measures:

26 Agencywide customer satisfaction rating

27 (Scale 1-5)

3.7

28 The above appropriations are in addition to funds granted to the state
29 by the federal government for the same purposes but shall be deemed to
30 include the sums deposited in the state treasury to the credit of the
31 department of economic security pursuant to section 42-5029, Arizona Revised
32 Statutes.

33 A monthly report comparing total expenditures for the month and
34 year-to-date as compared to prior year totals shall be forwarded to the
35 president of the senate, the speaker of the house of representatives, the
36 chairpersons of the senate and house of representatives appropriations
37 committees and the director of the joint legislative budget committee by the
38 thirtieth of the following month. The report shall include an estimate of
39 (1) potential shortfalls in entitlement programs, (2) potential federal and
40 other funds, such as the statewide assessment for indirect costs, and any
41 projected surplus in state supported programs that may be available to offset
42 these shortfalls and a plan, if necessary, for eliminating any shortfall
43 without a supplemental appropriation, (3) shortfalls resulting from new
44 leases or renegotiations of current leases and associated costs, and (4)

1 total expenditure authority of the child support enforcement program for the
2 month and year-to-date as compared to prior year totals.

3 The department of economic security shall report the receipt and
4 intended use of all current and prior year reversions from nonappropriated
5 sources to the joint legislative budget committee.

6 The amounts above include \$8,171,200 from the state general fund and
7 \$13,596,200 from matching federal expenditure authority to raise rates of
8 community service providers and independent service agreement providers
9 contracting with the division of developmental disabilities to the equivalent
10 of 99.69 per cent of fiscal year 2005-2006 market rates for all services on
11 the published rate schedule. It is the intent of the legislature that the
12 division request the Arizona health care cost containment system to approve a
13 capitation rate increase retroactive to July 1, 2006 to make provider rate
14 increases effective July 1, 2006. By July 1, 2006, the division shall obtain
15 approval for a rate increase implementation proposal from the Arizona health
16 care cost containment system. By August 1, 2006, the division shall submit
17 the implementation plan for review by the joint legislative budget committee.
18 The adjusted rates shall be implemented beginning with provider payments due
19 for services performed in August 2006. Payment for retroactive reimbursement
20 due for services provided in July 2006 shall be paid to providers no later
21 than September 15, 2006.

22 Sec. 11. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION
23 2006-07

24 Administration

25	FTE positions		70.5
26	Operating lump sum appropriation	\$	5,758,600
27	Information technology		<u>2,500,000</u>
28	Total - administration	\$	8,258,600
29	Fund sources:		
30	State general fund	\$	8,258,600

31 The operating lump sum appropriation includes \$291,100 and 4 FTE
32 positions for average daily membership auditing.

33 The appropriated amount for the information technology special line
34 item program is for improving access to currently-collected data, is not
35 intended to be used to expand data collection or hire additional permanent
36 staff and is exempt from the provisions of section 35-190, Arizona Revised
37 Statutes, relating to lapsing of appropriations through June 30, 2008.

38 Before expending any monies from the information technology special
39 line item program, the department of education shall present to the joint
40 legislative budget committee a timeline for implementation and completion of
41 the project, including expected deliverables, intended objectives and any
42 recommendations for statutory changes needed to complete the project. The
43 report shall occur after information technology authorization committee
44 approval of the project, unless approval was unreasonably withheld. During
45 implementation of the project, the department of education shall present to

1 the joint legislative budget committee at least once every six months a
 2 report on the progress of the project, including any changes to intended
 3 objectives and any updates on expected deliverables.

4 Formula programs

5	FTE positions	29.0
6	Operating lump sum appropriation	\$ 1,998,800
7	Basic state aid	\$2,966,207,800
8	Fund sources:	
9	State general fund	\$2,920,987,100
10	Permanent state school fund	45,220,700

11 The above appropriation provides basic state support to school
 12 districts for maintenance and operations funding as provided by section
 13 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in
 14 expendable income derived from the permanent state school fund and from state
 15 trust lands pursuant to section 37-521, subsection B, Arizona Revised
 16 Statutes, for fiscal year 2006-2007.

17 Receipts derived from the permanent state school fund and any other
 18 nonstate general fund revenue source that is dedicated to fund basic state
 19 aid will be expended, whenever possible, before expenditure of state general
 20 fund monies.

21 Except as required by section 37-521, Arizona Revised Statutes, all
 22 monies received during the fiscal year from national forests, interest
 23 collected on deferred payments on the purchase of state lands, the income
 24 from the investment of permanent funds as prescribed by the enabling act and
 25 the Constitution of Arizona and all monies received by the superintendent of
 26 public instruction from whatever source, except monies received pursuant to
 27 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 28 state treasury are appropriated for apportionment to the various counties in
 29 accordance with law. An expenditure shall not be made except as specifically
 30 authorized above.

31	Additional state aid to schools	\$ 324,224,300
32	Special education fund	35,232,300
33	Other state aid to districts	<u>983,900</u>
34	Total - formula programs	\$3,328,647,100
35	Fund sources:	
36	State general fund	\$3,283,426,400
37	Permanent state school fund	45,220,700

38 Non-formula programs

39	FTE positions	124.4
40	Operating lump sum appropriation	\$ 1,275,800
41	Achievement testing	10,227,600

42 Before making any changes to the achievement testing program that will
 43 increase program costs, the state board of education shall report the
 44 estimated fiscal impact of those changes to the joint legislative budget
 45 committee.

1	AIMS intervention; dropout	
2	prevention	\$ 5,550,000
3	School accountability	4,698,100
4	Adult education and GED	4,451,000

5 The appropriated amount is for classes in adult basic education,
6 general education development and citizenship on a statewide basis.

7 It is the intent of the legislature that no more than ten per cent of
8 the appropriation for adult education assistance be used by the department of
9 education for operating the division of adult education. It is also the
10 intent of the legislature that the greatest possible proportion of the monies
11 appropriated for adult education programs be devoted to instructional, rather
12 than administrative, aspects of the programs.

13 The department shall give persons under twenty-one years of age
14 priority in gaining access to services pertaining to general education
15 development testing.

16	Chemical abuse	806,200
17	English learner programs	332,600
18	Extended school year	500,000
19	Family literacy	1,004,900
20	Gifted support	1,367,400
21	School safety program	6,709,700
22	Small pass-through programs	581,600

23 The appropriated amount includes \$50,000 for the academic contest fund,
24 \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance,
25 \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's
26 academy, \$234,000 for Arizona school service through education technology,
27 \$50,000 for project citizen and \$50,000 for the economic academic council.

28	State block grant for early	
29	childhood education	19,424,600
30	State block grant for vocational	
31	education	11,256,800

32 The appropriated amount is for block grants to charter schools and
33 school districts that have vocational education programs. It is the intent
34 of the legislature that monies appropriated in the general appropriation act
35 for the state block grant for vocational education be used to promote
36 improved student achievement by providing vocational education programs with
37 flexible supplemental funding that is linked both to numbers of students in
38 such programs and to numbers of program completers who enter jobs in fields
39 directly related to the vocational education program that they completed. It
40 is the intent of the legislature that the amount of the state block grant for
41 vocational education funding that is used for state level administration of
42 the program be limited to no more than the amount used for such costs during
43 the prior fiscal year plus the applicable amount of any pay raise that may be
44 provided for state employees through legislative appropriation.

1	Vocational education extended year	600,000
2	Teacher certification	1,438,100
3	Monies collected by the department of education for teacher	
4	certification fees, as authorized by section 15-531, paragraphs 1 and 2,	
5	Arizona Revised Statutes, shall be deposited in a teacher certification fund	
6	for use in funding costs of the teacher certification program.	
7	Parental choice for reading success	1,000,000
8	Optional performance incentive	
9	programs	<u>120,000</u>
10	Total - nonformula programs	\$ 71,344,400
11	Fund sources:	
12	State general fund	\$ 62,702,300
13	Proposition 301 fund	7,000,000
14	Teacher certification fund	1,642,100
15	Performance measures:	
16	Per cent of students tested who perform	
17	at or above the national norm on the	
18	norm-referenced test (grade 2)	
19	-- reading	54
20	-- math	54
21	Per cent of students tested who perform	
22	at or above the national norm on the	
23	norm-referenced test (grade 9)	
24	-- reading	54
25	-- math	54
26	Per cent of schools with at least 75% of	
27	students meeting or exceeding standards in:	
28	-- reading	40
29	-- writing	45
30	-- math	40
31	Per cent of Arizona high school students	
32	who enter grade 9 and graduate within	
33	4 years	76
34	Per cent of students in grade 3 meeting	
35	or exceeding state academic standards in:	
36	-- reading	78
37	-- writing	82
38	-- math	78
39	Per cent of students in grade 5 meeting	
40	or exceeding state academic standards in:	
41	-- reading	75
42	-- writing	73
43	-- math	75

1	Per cent of students in grade 8 meeting		
2	or exceeding state academic standards in:		
3	-- reading		71
4	-- writing		84
5	-- math		68
6	Per cent of students in grade 12 meeting		
7	or exceeding state academic standards in:		
8	-- reading		90
9	-- writing		90
10	-- math		90
11	Per cent of students tested:		
12	-- norm-referenced test (grades 2 and 9)		96
13	-- AIMS		97
14	Per cent of Arizona schools receiving an		
15	underperforming label		5
16	Maximum number of days to process		
17	complete certification applications		8
18	Per cent of customers satisfied with		
19	certification services		90
20	<u>State board of education</u>		
21	FTE positions		8.0
22	Lump sum appropriation	\$	725,700
23	Fund sources:		
24	State general fund	\$	376,200
25	Teacher certification fund		349,500
26	Performance measures:		
27	Per cent of parents who rate "A+" the public		
28	school that their oldest school-age child		
29	attends		8.0
30	The appropriated amount includes \$100,000 for administering a survey to		
31	a random sample of parents of children in public schools statewide. The		
32	survey shall consist of the following question: "Students are given the		
33	grades A+, A, B, C, D and Fail to denote the quality of their work. Using		
34	the same A+, A, B, C, D and Fail scale, what grade would you give the school		
35	that your oldest child attends?"		
36	The state board of education program may establish its own strategic		
37	plan separate from that of the department of education and based on its own		
38	separate mission, goals and performance measures.		
39	Total appropriation - state board of		
40	education and superintendent		
41	of public instruction	\$	3,408,975,800

1	Fund sources:	
2	State general fund	\$3,354,763,500
3	Proposition 301 fund	7,000,000
4	Permanent state school fund	45,220,700
5	Teacher certification fund	1,991,600

6 The department shall provide an updated report on its budget status
7 every two months for the first half of each fiscal year and every month
8 thereafter to the president of the senate, the speaker of the house of
9 representatives, the chairpersons of the senate and house of representatives
10 appropriations committees, the director of the joint legislative budget
11 committee and the director of the governor's office of strategic planning and
12 budgeting. Each report shall include, at a minimum, the department's current
13 funding surplus or shortfall projections for basic state aid and other major
14 formula-based programs and shall be due thirty days after the end of the
15 applicable reporting period.

16 Within fifteen days of each apportionment of state aid that occurs
17 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
18 department shall provide the joint legislative budget committee staff and the
19 governor's office of strategic planning and budgeting with an electronic
20 spreadsheet or database copy of data included in the apor55-1 report for that
21 apportionment for each school district and the char55-1 report for that
22 apportionment for each charter school.

23 Sec. 12. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

24		<u>2006-07</u>
25	<u>Administration</u>	
26	FTE positions	13.9
27	Lump sum appropriation	\$ 1,860,800
28	Fund sources:	
29	State general fund	\$ 1,860,800
30	<u>Emergency management</u>	
31	FTE positions	11.0
32	Operating lump sum appropriation	\$ 979,000
33	Civil air patrol	<u>54,200</u>
34	Total - emergency management	\$ 1,033,200
35	Fund sources:	
36	State general fund	\$ 900,500
37	Emergency response fund	132,700
38	<u>Military affairs</u>	
39	FTE positions	66.2
40	Operating lump sum appropriation	\$ 2,880,900
41	Guardsmen tuition reimbursement	1,446,000
42	Military gift package postage	100,000
43	Project challenge	<u>2,092,200</u>
44	Total - military affairs	\$ 6,519,100

1	Fund sources:	
2	State general fund	<u>\$ 6,519,100</u>
3	Total appropriation - department of	
4	emergency and military affairs	\$ 9,413,100
5	Fund sources:	
6	State general fund	\$ 9,280,400
7	Emergency response fund	132,700
8	Performance measures:	
9	Per cent of project challenge graduates	
10	either employed or in school	95
11	Customer satisfaction rating for communities	
12	served during disasters (Scale 1-8)	6.0
13	The department of emergency and military affairs appropriation includes	
14	\$1,215,000 for service contracts. This amount is exempt from section 35-190,	
15	Arizona Revised Statutes, relating to lapsing of appropriations, except that	
16	all fiscal year 2006-2007 monies remaining unexpended and unencumbered on	
17	October 31, 2007 revert to the state general fund.	
18	It is the intent of the legislature that the department of emergency	
19	and military affairs submit a request to the United States department of	
20	defense by September 30, 2006 to allow the department of emergency and	
21	military affairs to conduct training exercises for Arizona national guard	
22	units at the Arizona-Mexico border. The department of emergency and military	
23	affairs shall report to the joint legislative budget committee by December	
24	31, 2006 on the response of the United States department of defense to this	
25	request.	
26	Sec. 13. DEPARTMENT OF ENVIRONMENTAL QUALITY	
27		<u>2006-07</u>
28	<u>Administration</u>	
29	FTE positions	144.6
30	Lump sum appropriation	\$ 14,066,900
31	Fund sources:	
32	State general fund	\$ 4,097,500
33	Indirect cost recovery fund	9,969,400
34	<u>Air programs</u>	
35	FTE positions	120.9
36	Air permits administration	
37	program	5,650,400
38	Air quality program	4,864,500
39	Emissions control contractor	
40	payment	31,739,600
41	Emissions control program -	
42	administration	4,012,500

1	Transfers to counties program	165,000
2	Maricopa, Pima and Pinal counties	
3	travel reduction plan	<u>1,676,900</u>
4	Total - air programs	\$ 48,108,900
5	Fund sources:	
6	State general fund	\$ 2,052,200
7	Air quality fund	4,802,600
8	Air permits administration	5,502,000
9	Emissions inspection fund	35,752,100
10	<u>Waste programs</u>	
11	FTE positions	42.4
12	Hazardous waste program	1,674,500
13	Solid waste program	4,234,600
14	Waste tire program	219,800
15	Underground storage tank program	<u>22,000</u>
16	Total - waste programs	\$ 6,150,900
17	Fund sources:	
18	State general fund	\$ 1,695,600
19	Hazardous waste management fund	746,100
20	Recycling fund	2,138,800
21	Solid waste fee fund	1,411,800
22	Underground storage tank fund	22,000
23	Used oil fund	136,600
24	<u>Water programs</u>	
25	FTE positions	120.5
26	Drinking water regulation program	1,649,000
27	Surface water regulation program	993,000
28	Arizona pollution discharge	
29	elimination system	672,000
30	Underground water regulation	
31	program	2,319,500
32	Water quality program	3,853,200
33	Clean water revolving loan	
34	program	1,551,900
35	Drinking water revolving loan	
36	program	<u>893,200</u>
37	Total - water programs	\$ 11,931,800
38	Fund sources:	
39	State general fund	\$ 7,878,600
40	Water quality fee fund	4,053,200
41	Total appropriation - department of	
42	environmental quality	\$ 80,258,500

1	Fund sources:	
2	State general fund	\$ 15,723,900
3	Air permits administration fund	5,502,000
4	Air quality fund	4,802,600
5	Emissions inspection fund	35,752,100
6	Hazardous waste management fund	746,100
7	Indirect cost recovery fund	9,969,400
8	Recycling fund	2,138,800
9	Solid waste fee fund	1,411,800
10	Underground storage tank fund	22,000
11	Used oil fund	136,600
12	Water quality fee fund	4,053,200

13	Performance measures:	
14	Per cent of contaminated sites closed	
15	requiring no further action (cumulative)	
16	versus known sites	77.0
17	Number of nonattainment areas exceeding	
18	national ambient air quality standards	5
19	Per cent of statutorily set permit timelines	
20	met through licensing time frames rule	99
21	Number of days per year exceeding national	
22	ambient air quality standards for ozone,	
23	carbon monoxide or particulates	0
24	Per cent of facilities from drinking water	
25	priority log assigned to enforcement staff	50
26	Customer satisfaction rating for citizens	
27	(Scale 1-8)	7.4

28 Of the monies appropriated to the Maricopa, Pima and Pinal counties
 29 travel reduction plan special line item in fiscal year 2006-2007, \$948,000
 30 shall be allocated to Maricopa county, \$373,000 shall be allocated to the
 31 Pima association of governments, \$87,000 shall be allocated to Pinal county
 32 and \$268,300 shall be allocated to Pima county.

33 When expenditures from the hazardous waste or environmental health
 34 reserves are authorized, the director of the department of environmental
 35 quality shall report the nature of the emergency and the authorized
 36 expenditure amount to the president of the senate, the speaker of the house
 37 of representatives, the chairpersons of the senate and house of
 38 representatives appropriations committees and the director of the joint
 39 legislative budget committee.

40 Pursuant to section 49-282, Arizona Revised Statutes, the department of
 41 environmental quality shall submit a fiscal year 2007-2008 budget for the
 42 water quality assurance revolving fund before September 1, 2006, for review
 43 by the senate and house of representatives appropriations committees.

1 The amounts appropriated for the clean water revolving loan program and
2 the drinking water revolving loan program in fiscal year 2006-2007 shall be
3 used to provide a twenty per cent match of the fiscal year 2006-2007 federal
4 safe drinking water and clean water revolving fund allocations to this state.
5 Of the amount appropriated, any amount in excess of the required twenty per
6 cent match reverts to the state general fund.

7 The monies appropriated in the transfers to counties program special
8 line item are for use by Arizona counties to avoid being declared in
9 nonattainment of particulate matter standards by establishing public
10 notification and outreach programs, minimizing exposure to particulate matter
11 concentrations and to abatement and minimization of controllable sources of
12 particulate matter through best available control measures. Of the monies in
13 the transfers to counties program special line item in fiscal year 2006-2007,
14 \$50,000 shall be used by Pima county for carbon monoxide monitoring as
15 required by the Pima county limited maintenance plan with the federal
16 environmental protection agency.

17 The appropriation from the air permits administration fund is an
18 estimate representing all monies distributed to this fund, including balance
19 forward, revenue and transfers during fiscal year 2006-2007. These monies
20 are appropriated to the Arizona department of environmental quality for the
21 purposes established in section 49-455, Arizona Revised Statutes. The
22 appropriation shall be adjusted as necessary to reflect actual final receipts
23 credited to the air permits administration fund.

24 The water quality assurance revolving fund advisory board shall report
25 on improvements to the WQARF program that would result in efficiency savings
26 of time or funding for the remediation of listed sites, the reduction of
27 program costs not directly associated with a listed site, and the enhancement
28 of the recovery of costs from responsible parties. The board shall present
29 its findings in writing to the governor, the president of the senate, the
30 speaker of the house of representatives, and the joint legislative budget
31 committee, by no later than December 1, 2006.

32 The department of environmental quality shall report annually on the
33 progress of WQARF activities, including emergency response, priority site
34 remediation, cost recovery activity, revenue and expenditure activity and
35 other WQARF-funded program activity. This report shall also include a budget
36 for the WQARF program which is developed in consultation with the WQARF
37 advisory board. The fiscal year 2006-2007 report shall be submitted to the
38 joint legislative budget committee by September 1, 2006. This budget shall
39 specify the monies budgeted for each listed site during fiscal year
40 2006-2007. In addition, the department and the advisory board shall prepare
41 and submit to the joint legislative budget committee, by October 2, 2006, a
42 report in a table format summarizing the current progress on remediation of
43 each listed site on the WQARF registry. The table shall include the stage
44 of remediation for each site at the end of fiscal year 2005-2006, whether the
45 current stage of remediation is anticipated to be completed in fiscal year

1 2006-2007 and the anticipated stage of remediation at each listed site at the
 2 end of fiscal year 2007-2008 assuming fiscal year 2006-2007 funding levels.
 3 The department and advisory board may include other relevant information
 4 about the listed sites in the table.

5 The department of environmental quality shall submit to the joint
 6 legislative budget committee for review a written report detailing the
 7 maximum, minimum and average water quality permit processing times for fiscal
 8 year 2005-2006 and fiscal year 2006-2007 by December 1, 2006. The fiscal
 9 year 2006-2007 data shall contain the year-to-date actual data and projected
 10 totals for fiscal year 2006-2007. This report shall also include total
 11 number of staff hours devoted to water quality permit processing in fiscal
 12 year 2005-2006 and fiscal year 2006-2007, the total costs to process these
 13 permits and the progress made in reducing water quality permit processing
 14 times.

15 All indirect cost recovery fund revenues received by the department of
 16 environmental quality in excess of \$9,969,400 in fiscal year 2006-2007 are
 17 appropriated to the department. Before the expenditure of indirect cost
 18 recovery fund receipts in excess of \$9,969,400 in fiscal year 2006-2007, the
 19 department of environmental quality shall submit the intended use of the
 20 monies to the joint legislative budget committee for review.

21 Any transfer from the amount appropriated for the Arizona pollution
 22 discharge elimination system special line item shall require prior joint
 23 legislative budget committee review.

24 Sec. 14. STATE BOARD OF EQUALIZATION

25		<u>2006-07</u>
26	FTE positions	7.0
27	Lump sum appropriation	\$ 584,500
28	Fund sources:	
29	State general fund	\$ 584,500
30	Performance measures:	
31	Average calendar days to process a	
32	property tax appeal from receipt to	
33	issuance	28
34	Per cent of rulings upheld in tax courts	100
35	Customer satisfaction rating (Scale 1-8)	6.1

36 Sec. 15. DEPARTMENT OF FINANCIAL INSTITUTIONS

37		<u>2006-07</u>
38	FTE positions	55.1
39	Operating lump sum appropriation	\$ 3,350,100
40	Document imaging project	<u>75,000</u>
41	Total appropriation - department of	
42	financial institutions	\$ 3,425,100
43	Fund sources:	
44	State general fund	\$ 3,425,100

1	Performance measures:	
2	Per cent of examinations reports mailed	
3	within 25 days of examiner's completion	
4	of exam procedures	90.0
5	Per cent of license applications approved	
6	within 45 days of receipt	95.0
7	Per cent of examinations receiving	
8	satisfactory rating	91.0
9	Average days from receipt to resolution	
10	of regular complaints	28.0
11	Per cent of complainants indicating they	
12	received "good" or better service when	
13	filing a complaint	65.0

14 The department of financial institutions shall assess and set fees to
 15 ensure that monies deposited in the state general fund will equal or exceed
 16 its expenditure from the state general fund.

17 Sec. 16. OFFICE OF THE GOVERNOR

18		<u>2006-07</u>
19	Lump sum appropriation	\$ 6,288,600*
20	Fund sources:	
21	State general fund	\$ 6,288,600

22 Included in the lump sum appropriation of \$6,288,600 for fiscal year
 23 2006-2007 is \$10,000 for the purchase of mementos and items for visiting
 24 officials.

25 Sec. 17. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

26		<u>2006-07</u>
27	FTE positions	26.0
28	Lump sum appropriation	\$ 2,075,400
29	Fund sources:	
30	State general fund	\$ 2,075,400

31	Performance measures:	
32	Per cent of participants rating budget and	
33	planning training "good" or "excellent"	98

34 Sec. 18. DEPARTMENT OF HEALTH SERVICES

35		<u>2006-07</u>
36	<u>Administration</u>	
37	FTE positions	419.8
38	Operating lump sum appropriation	\$ 15,987,700
39	Fund sources:	
40	State general fund	\$ 14,212,100
41	Capital outlay stabilization	
42	fund	1,576,100
43	Emergency medical services	
44	operating fund	199,500
45	Assurance and licensure	\$ 10,392,600

1	Fund sources:	
2	State general fund	\$ 8,489,600
3	Federal child care and development	
4	fund block grant	750,100
5	Hearing and speech professionals	
6	fund	302,300
7	Nursing care institution resident	
8	protection fund	38,000
9	Expenditure authority	812,600
10	Attorney general legal services	\$ 444,900
11	Fund sources:	
12	State general fund	\$ 394,900
13	Emergency medical services	
14	operating fund	50,000
15	Newborn screening fund - indirect	
16	costs	\$ 478,600
17	Fund sources:	
18	Newborn screening fund	\$ 478,600
19	Indirect cost fund	\$ 7,299,400
20	Fund sources:	
21	Indirect cost fund	\$ 7,299,400
22	Nursing care institution	
23	incentive grants	\$ 128,500
24	Fund sources:	
25	Nursing care institution	
26	resident protection fund	\$ 128,500
27	Performance measures:	
28	Per cent of relicensure surveys completed	
29	on time:	
30	Child care facilities	50
31	Health care facilities	25
32	Per cent of complaint investigations initiated	
33	later than investigative guidelines:	
34	Child care facilities	5
35	Health care facilities	25
36	<u>Public health</u>	
37	FTE positions	240.5
38	Operating lump sum appropriation	\$ 5,900,000
39	Fund sources:	
40	State general fund	\$ 5,095,600
41	Emergency medical services	
42	operating fund	804,400
43	AIDS reporting and surveillance	\$ 1,125,000

1	Fund sources:	
2	State general fund	\$ 1,125,000
3	Alzheimer's disease research	\$ 5,000,000
4	Fund sources:	
5	State general fund	\$ 4,000,000
6	Health research fund	1,000,000
7	Arizona statewide immunization	
8	information system	\$ 472,400
9	Fund sources:	
10	State general fund	\$ 472,400
11	Community health centers	\$ 10,426,600
12	Fund sources:	
13	State general fund	\$ 10,426,600
14	County public health	\$ 200,000
15	Fund sources:	
16	State general fund	\$ 200,000
17	County tuberculosis provider	
18	care and control	\$ 1,010,500
19	Fund sources:	
20	State general fund	\$ 1,010,500
21	Diabetes prevention and control	\$ 100,000
22	Fund sources:	
23	State general fund	\$ 100,000
24	Direct grants	\$ 460,300
25	Fund sources:	
26	State general fund	\$ 460,300
27	EMS operations	\$ 2,992,900
28	Fund sources:	
29	Emergency medical services	
30	operating fund	\$ 2,992,900
31	Hepatitis C surveillance	\$ 370,900
32	Fund sources:	
33	State general fund	\$ 370,900
34	Kidney program	\$ 50,500
35	Fund sources:	
36	State general fund	\$ 50,500
37	Laboratory services	\$ 4,319,600
38	Fund sources:	
39	State general fund	\$ 3,436,400
40	Environmental laboratory licensure	
41	revolving fund	883,200
42	Loan repayment	\$ 250,000

1	Fund sources:		
2	State general fund	\$	100,000
3	Emergency medical services		
4	operating fund		150,000
5	Poison control center funding	\$	925,000
6	Fund sources:		
7	State general fund	\$	925,000
8	Reimbursement to counties	\$	67,900
9	Fund sources:		
10	State general fund	\$	67,900
11	Renal and nonrenal disease management	\$	468,000
12	Fund sources:		
13	State general fund	\$	468,000
14	Scorpion antivenom	\$	150,000
15	Fund sources:		
16	State general fund	\$	150,000
17	STD control subventions	\$	26,300
18	Fund sources:		
19	State general fund	\$	26,300
20	Telemedicine	\$	260,000
21	Fund sources:		
22	State general fund	\$	260,000
23	Trauma advisory board	\$	369,100
24	Fund sources:		
25	Emergency medical services		
26	operating fund	\$	369,100
27	Umbilical cord pamphlet	\$	30,000
28	Fund sources:		
29	State general fund	\$	30,000
30	University of Arizona poison		
31	control center funding	\$	1,275,000
32	Fund sources:		
33	State general fund	\$	1,275,000
34	Vaccines	\$	3,784,300
35	Fund sources:		
36	State general fund	\$	3,784,300
37	Vital records maintenance	\$	500,000
38	Fund sources:		
39	Vital records electronic		
40	systems fund	\$	500,000

1 Performance measures:

2 Immunization rate among 2-year-old children	80
3 Per cent of high school youth who smoked	
4 in the last month	18
5 Customer waiting time in vital records	
6 lobby (in minutes)	20

7 Of the \$10,426,600 appropriated for community health centers, at least
8 \$564,000 shall be distributed to Yavapai county for county primary care
9 programs.

10 The department of health services may use up to four per cent of the
11 amounts appropriated for renal and nonrenal disease management, community
12 health centers and telemedicine for the administrative costs to implement
13 each program.

14 Monies appropriated for AIDS reporting and surveillance and renal and
15 nonrenal disease management shall be used to provide services only to
16 residents of the state of Arizona who are citizens or legal residents of the
17 United States or who are otherwise lawfully present in the United States.

18 The department of health services shall require the screening of
19 potential recipients of vaccines for private insurance coverage, eligibility
20 for the federal vaccines for children program and eligibility for the state
21 children's health insurance program. This requirement applies to vaccines
22 purchased with state monies appropriated for the vaccines special line item
23 for both the federal 317 program and the state-only immunization program.

24 The department of health services shall report to the joint legislative
25 budget committee by February 1, 2007 on the amount of federal monies received
26 for fiscal year 2006-2007 for the 317 vaccine program.

27 The appropriation for direct grants is to provide for local health work
28 and a portion of the cost of employing 1 public health nurse and 1 sanitarian
29 in counties with populations of less than 500,000 persons. The monies are to
30 be divided equally among eligible counties on a nonmatching basis. All
31 monies that are received by a county under this appropriation and that are
32 not used for the prescribed purposes revert to the state general fund.

33 The \$67,900 appropriated for reimbursement to counties is to provide
34 matching monies to counties with populations of less than 500,000 persons for
35 local health work on an equal matching basis and shall be distributed based
36 on the proportion of funding each county received in fiscal year 2002-2003.

37 The \$200,000 appropriated for county public health shall be distributed
38 as follows to the following counties to reimburse local health departments
39 pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220;
40 Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

1	<u>Family health</u>	
2	FTE positions	96.8
3	Operating lump sum appropriation	\$ 5,398,400
4	Fund sources:	
5	State general fund	\$ 3,404,600
6	Expenditure authority	1,993,800
7	Abstinence funding	\$ 1,500,000
8	Fund sources:	
9	State general fund	\$ 1,500,000
10	Adult cystic fibrosis	\$ 105,200
11	Fund sources:	
12	State general fund	\$ 105,200
13	Adult sickle cell anemia	\$ 33,000
14	Fund sources:	
15	State general fund	\$ 33,000
16	AHCCCS - children's rehabilitative	
17	services	\$ 56,500,200
18	Fund sources:	
19	State general fund	\$ 18,872,500
20	Expenditure authority	37,627,700
21	Breast and cervical cancer	
22	screening	\$ 1,091,200
23	Fund sources:	
24	State general fund	\$ 1,091,200
25	Child fatality review team	\$ 100,000
26	Fund sources:	
27	Child fatality review fund	\$ 100,000
28	Children's rehabilitative	
29	services	\$ 3,587,000
30	Fund sources:	
31	State general fund	\$ 3,587,000
32	County nutrition services	\$ 330,300
33	Fund sources:	
34	State general fund	\$ 330,300
35	County prenatal services grant	\$ 1,148,500
36	Fund sources:	
37	State general fund	\$ 1,148,500
38	Folic acid	\$ 200,000
39	Fund sources:	
40	Tobacco tax and health care fund -	
41	medically needy account	\$ 200,000
42	Health start	\$ 226,600

1	Fund sources:	
2	State general fund	\$ 226,600
3	High risk perinatal services	\$ 3,630,600
4	Fund sources:	
5	State general fund	\$ 3,180,600
6	Emergency medical services	
7	operating fund	450,000
8	Medicaid special exemption	
9	payments	\$ 1,220,800
10	Fund sources:	
11	State general fund	\$ 407,800
12	Expenditure authority	813,000
13	Newborn screening program	\$ 5,480,100
14	Fund sources:	
15	Newborn screening program fund	\$ 5,480,100
16	Women's services	\$ 500,000
17	Fund sources:	
18	State general fund	\$ 500,000
19	Performance measures:	
20	Number of newborns screened under newborn	
21	screening program	92,500

22 The amounts appropriated for children's rehabilitative services and for
23 AHCCCS - children's rehabilitative services are intended to cover all costs
24 in full for contracts for the provision of services to clients, unless a
25 transfer of monies is reviewed by the joint legislative budget committee.

26 The department of health services may transfer up to \$350,000 in
27 revenues from the indirect cost fund to the Arizona health care cost
28 containment system for the purpose of meeting indirect cost state match
29 requirements related to AHCCCS - children's rehabilitative services program.

30 Of the \$3,630,600 appropriated for high risk perinatal services
31 \$583,000 shall be distributed to counties.

32 The department of health services shall distribute all monies
33 appropriated for the county prenatal services grant on a pass-through basis
34 with consideration to population, need and amount received in prior years.

35 Monies in the women's services special line item shall be used to
36 provide \$20,000 in individual grants to non-profit agencies whose primary
37 function is to assist pregnant women in seeking alternatives to abortion.
38 Grant monies shall be used to provide medically accurate services and
39 programs related to pregnancy and up to twelve months after birth. Grant
40 monies shall not be used for abortion or abortion referral services or
41 granted to entities that promote, refer or perform abortions. The department
42 may use up to ten per cent of monies appropriated to this line item for any
43 associated administrative costs.

1	<u>Behavioral health</u>	
2	FTE positions	122.0
3	Operating lump sum appropriation	\$ 8,875,500
4	Fund sources:	
5	State general fund	\$ 4,274,800
6	Expenditure authority	4,600,700
7	Arnold v. Sarn	\$ 37,468,900
8	Fund sources:	
9	State general fund	\$ 27,500,000
10	Expenditure authority	9,968,900
11	Children's behavioral health	
12	services	\$ 9,351,800
13	Fund sources:	
14	State general fund	\$ 9,351,800
15	Children's behavioral health state	
16	match for title XIX	\$290,378,100
17	Fund sources:	
18	State general fund	\$ 96,993,600
19	Expenditure authority	193,384,500
20	Court monitoring	\$ 197,500
21	Fund sources:	
22	State general fund	\$ 197,500
23	Dual eligible part D copay subsidy	\$ 480,000
24	Fund sources:	
25	State general fund	\$ 480,000
26	Medicaid special exemption	
27	payments	\$ 16,980,900
28	Fund sources:	
29	State general fund	\$ 5,672,100
30	Expenditure authority	11,308,800
31	Medicare clawback payments	\$ 10,062,700
32	Fund sources:	
33	State general fund	\$ 10,062,700
34	Mental health and substance abuse	
35	state match for title XIX	\$ 87,612,900
36	Fund sources:	
37	State general fund	\$ 29,264,900
38	Expenditure authority	58,348,000
39	Mental health nontitle XIX	\$ 2,447,300
40	Fund sources:	
41	State general fund	\$ 2,447,300
42	Proposition 204 - administration	\$ 6,230,500

1	Fund sources:	
2	State general fund	\$ 2,031,000
3	Expenditure authority	4,199,500
4	Proposition 204 - children's	
5	behavioral health services	\$ 3,861,400
6	Fund sources:	
7	State general fund	\$ 1,289,800
8	Expenditure authority	2,571,600
9	Proposition 204 - general mental	
10	health and substance abuse	\$ 83,449,400
11	Fund sources:	
12	State general fund	\$ 27,874,200
13	Expenditure authority	55,575,200
14	Proposition 204 - seriously	
15	mentally ill services	\$160,688,400
16	Fund sources:	
17	State general fund	\$ 53,673,900
18	Expenditure authority	107,014,500
19	Seriously emotionally handicapped	
20	children	\$ 500,000
21	Fund sources:	
22	State general fund	\$ 500,000
23	Seriously mentally ill nontitle	
24	XIX	\$ 61,116,700
25	Fund sources:	
26	State general fund	\$ 30,691,900
27	Tobacco tax and health care fund	
28	medically needy account	30,424,800
29	Seriously mentally ill state match	
30	for title XIX	\$162,835,400
31	Fund sources:	
32	State general fund	\$ 54,391,100
33	Expenditure authority	108,444,300
34	Substance abuse nontitle XIX	\$ 14,635,400
35	Fund sources:	
36	State general fund	\$ 12,135,400
37	Substance abuse services fund	2,500,000
38	Performance measures:	
39	Per cent of RBHA title XIX clients	
40	satisfied with services	90
41	Per cent of title XIX population that is	
42	enrolled in a behavioral health service	13.5

1 Before implementation of any changes in capitation rates for the
2 AHCCCS - children's rehabilitative services special line item and any title
3 XIX behavioral health line items, the department of health services shall
4 report its expenditure plan to the joint legislative budget committee for its
5 review. Unless required for compliance with federal law, before the
6 department implements any changes in policy affecting the amount,
7 sufficiency, duration and scope of health care services and who may provide
8 services, the department shall prepare a fiscal impact analysis on the
9 potential effects of this change on the following year's capitation rates.
10 If the fiscal analysis demonstrates that these changes will result in
11 additional state costs of \$500,000 or greater for a given fiscal year, the
12 department shall submit the policy changes to the joint legislative budget
13 committee for review. The department shall also report quarterly to the
14 joint legislative budget committee itemizing all policy changes with fiscal
15 impacts of less than \$500,000 in state costs. If statutory language is
16 enacted to prohibit these policy changes, the portion of the footnote
17 regarding joint legislative budget committee review of policy changes shall
18 not apply.

19 In addition to the appropriation for the department of health services,
20 earnings on state lands and interest on the investment of the permanent land
21 funds are appropriated to the state hospital in compliance with the enabling
22 act and the Constitution of Arizona.

23 The \$52,150,900 lump sum appropriation includes \$3,100,000 from the
24 state general fund for salary increases for direct care workers and
25 psychiatrists at the Arizona state hospital. The department of health
26 services shall submit to the joint legislative budget committee an
27 expenditure plan for the \$3,100,000 allocated for salary increases prior to
28 the expenditure of these monies.

29 A monthly report comparing total expenditures for the month and
30 year-to-date as compared to prior year totals shall be forwarded to the
31 president of the senate, the speaker of the house of representatives, the
32 chairpersons of the senate and house of representatives appropriations
33 committees and the director of the joint legislative budget committee by the
34 thirtieth of the following month. The report shall include an estimate of
35 (1) potential shortfalls in programs, (2) potential federal and other funds,
36 such as the statewide assessment for indirect costs, that may be available to
37 offset these shortfalls, and a plan, if necessary, for eliminating any
38 shortfall without a supplemental appropriation, and (3) total expenditure
39 authority of the month and year-to-date for seriously mentally ill state
40 match for title XIX, seriously mentally ill nontitle XIX, children's
41 behavioral health services, children's behavioral health state match for
42 title XIX, mental health nontitle XIX, substance abuse nontitle XIX,
43 seriously emotionally handicapped children and children's rehabilitative
44 services.

1 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 2 any transfer to or from the amounts appropriated for seriously mentally ill
 3 state match for title XIX, seriously mentally ill nontitle XIX,
 4 Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral
 5 health services, children's behavioral health state match for title XIX,
 6 mental health nontitle XIX, substance abuse nontitle XIX, mental health and
 7 substance abuse state match for title XIX, seriously emotionally handicapped
 8 children, children's rehabilitative services, AHCCCS - children's
 9 rehabilitative services, adult cystic fibrosis, adult sickle cell anemia,
 10 high risk perinatal services, county prenatal services grant, community
 11 placement treatment, dual eligible copay subsidy, sexually violent persons,
 12 county tuberculosis provider care and control, kidney program, county
 13 nutrition services, community health centers, vaccines, renal and nonrenal
 14 disease management, AIDS reporting and surveillance, telemedicine, university
 15 of Arizona poison center funding and the poison control center funding shall
 16 require review by the joint legislative budget committee. The department may
 17 transfer monies between the amounts appropriated for proposition 204
 18 children's behavioral health services, proposition 204 seriously mentally ill
 19 services, and proposition 204 general mental health and substance abuse
 20 without review by the joint legislative budget committee but may not transfer
 21 monies to and from these line items to any other line item except as provided
 22 above without review by the joint legislative budget committee. The amounts
 23 appropriated for these items shall be used exclusively for contracts for the
 24 provision of services to clients unless a transfer of monies is reviewed by
 25 the joint legislative budget committee or unless otherwise permitted to be
 26 expended for administrative costs as specified in this act. Monies shall not
 27 be used from these appropriated amounts for any other expenses of the
 28 department of health services, unless a transfer of monies is reviewed by the
 29 joint legislative budget committee.

30 Sec. 19. ARIZONA JUDICIARY

31		<u>2006-07</u>
32	<u>Supreme court</u>	
33	FTE positions	194.9
34	Operating lump sum appropriation	\$ 16,972,600
35	Automation	12,337,200
36	Case and cash management system	1,517,300
37	County reimbursements	246,000
38	Court appointed special advocate	2,775,300
39	Domestic relations	643,800
40	Foster care review board	1,670,200
41	Commission on judicial conduct	286,400
42	Judicial nominations and	
43	performance review	229,000

1	Model court	514,300
2	Rural state aid to courts	418,500
3	State aid	<u>5,580,700</u>
4	Total appropriation - supreme court	\$ 43,191,300
5	Fund sources:	
6	State general fund	\$ 16,488,400
7	Confidential intermediary and	
8	fiduciary fund	436,600
9	Court appointed special advocate	
10	fund	3,423,900
11	Criminal justice enhancement fund	3,053,800
12	Defensive driving school fund	5,344,700
13	Judicial collection enhancement	
14	fund	12,001,700
15	State aid to the courts fund	2,442,200
16	Performance measures:	
17	Customer satisfaction rating for defensive	
18	driving schools (Scale 1-8)	7.6

19 By September 1, 2006, the supreme court shall report to the joint
20 legislative budget committee on current and future automation projects
21 coordinated by the administrative office of the courts. The report shall
22 include a list of court automation projects receiving or anticipated to
23 receive state monies in the current or next two fiscal years as well as a
24 description of each project, number of FTE positions, the entities involved,
25 and the goals and anticipated results for each automation project. The
26 report shall be submitted in one summary document. The report shall indicate
27 each project's total multi-year cost by fund source and budget line item,
28 including any prior year, current year and any future year expenditures.

29 By December 31, 2006 and June 30, 2007, the administrative office of
30 the courts shall report to the joint legislative budget committee on monies
31 expended from the case and cash management system special line item and
32 progress relative to the development and deployment of the case and cash
33 management system. The report shall include a timeline and expenditure plan
34 for the project, identify the courts involved and their respective monetary
35 and non-monetary contributions and indicate progress and changes relative to
36 the project since the previous timeline and expenditure plan was submitted.

37 Included in the appropriation for the supreme court program is \$1,000
38 for the purchase of mementos and items for visiting officials.

39 All case processing assistance fund receipts received by the
40 administrative office of the courts in excess of \$3,053,800 in fiscal year
41 2006-2007 are appropriated to the supreme court. Before the expenditure of
42 any case processing assistance fund receipts in excess of \$3,053,800 in
43 fiscal year 2006-2007, the administrative office of the courts shall submit
44 the intended use of the monies for review by the joint legislative budget
45 committee.

1 All defensive driving school fund receipts received by the
 2 administrative office of the courts in excess of \$5,344,700 in fiscal year
 3 2006-2007 are appropriated to the supreme court. Before the expenditure of
 4 any defensive driving school fund receipts in excess of \$5,344,700 in fiscal
 5 year 2006-2007, the administrative office of the courts shall submit the
 6 intended use of the monies for review by the joint legislative budget
 7 committee.

8 Notwithstanding any other law, the amount appropriated for rural state
 9 aid to courts shall be allocated to counties with populations of less than
 10 500,000 persons.

11 All judicial collection enhancement fund receipts, excluding revenues
 12 resulting from the probation surcharge, received by the administrative office
 13 of the courts in excess of \$12,001,700 in fiscal year 2006-2007 are
 14 appropriated to the supreme court. Before the expenditure of judicial
 15 collection enhancement fund receipts in excess of \$12,001,700 in fiscal year
 16 2006-2007, the administrative office of the courts shall submit the intended
 17 use of the monies for review by the joint legislative budget committee.

18 The administrative office of the courts shall not transfer monies
 19 between the supreme court operating budget and the automation line item
 20 without review by the joint legislative budget committee.

21 Court of appeals

22	FTE positions	147.6
23	Division I	\$ 8,659,900
24	Performance measures:	
25	Customer satisfaction rating for	
26	settlement program (Scale 1-8)	6.8
27	Division II	\$ 3,933,700
28	Performance measures:	
29	Customer satisfaction rating for	
30	settlement program (Scale 1-8)	7.6
31	Total appropriation - court of appeals	\$ 12,593,600
32	Fund sources:	
33	State general fund	\$ 12,593,600

34 Of the 147.6 full-time equivalent positions for fiscal year 2006-2007,
 35 107.8 FTE positions are for Division I and 39.8 FTE positions are for
 36 Division II.

37 Superior court

38	FTE positions	231.2
39	Judges compensation	\$ 16,046,500
40	Adult standard probation	11,769,300
41	Adult intensive probation	10,427,000
42	Community punishment	2,766,600
43	Interstate compact	587,400
44	Juvenile standard probation	7,845,200
45	Juvenile intensive probation	13,496,800

1	Juvenile treatment services	22,184,800
2	Juvenile family counseling	660,400
3	Juvenile crime reduction	5,165,300
4	Probation surcharge	2,723,800
5	Progressively increasing	
6	consequences	9,551,500
7	Special water master	<u>20,000</u>
8	Total appropriation - superior court	\$103,244,600
9	Fund sources:	
10	State general fund	\$ 93,025,100
11	Criminal justice enhancement fund	6,995,700
12	Drug treatment and education fund	500,000
13	Judicial collection enhancement	
14	fund	2,723,800
15	Performance measures:	
16	Customer satisfaction rating by states	
17	participating in the interstate compact	
18	(Scale 1-8)	7.2
19	<u>Juvenile standard probation:</u>	
20	Per cent of probationers successfully	
21	completing probation without a referral	
22	(a notice of misbehavior)	75
23	<u>Juvenile intensive probation (JIPS):</u>	
24	Per cent of probationers successfully	
25	completing probation without a referral	
26	(a notice of misbehavior)	69
27	<u>Adult standard probation:</u>	
28	Per cent of probationers exiting probation	
29	and not committed to county jail or prison	83
30	<u>Adult intensive probation (AIPS):</u>	
31	Per cent of probationers exiting intensive	
32	probation and not committed to county jail	
33	or prison	52

34 Of the 231.2 FTE positions, 166 FTE positions represent superior court
35 judges. One-half of their salaries are provided by state general fund
36 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is
37 not meant to limit the counties' ability to add judges pursuant to section
38 12-121, Arizona Revised Statutes.

39 Up to 4.6 per cent of the amounts appropriated for juvenile probation
40 services - treatment services and progressively increasing consequences may
41 be retained and expended by the supreme court to administer the programs
42 established by section 8-322, Arizona Revised Statutes, and to conduct
43 evaluations as needed. The remaining portion of the treatment services and
44 progressively increasing consequences programs shall be deposited in the

1 juvenile probation services fund established by section 8-322, Arizona
2 Revised Statutes.

3 Receipt of state probation monies by the counties is contingent on the
4 county maintenance of fiscal year 2003-2004 expenditure levels for each
5 probation program. State probation monies are not intended to supplant
6 county dollars for probation programs.

7 All community punishment program receipts received by the
8 administrative office of the courts in excess of \$2,766,600 in fiscal year
9 2006-2007 are appropriated to the community punishment line item. Before the
10 expenditure of any community punishment receipts in excess of \$2,766,600 in
11 fiscal year 2006-2007, the administrative office of the courts shall submit
12 the intended use of the monies for review by the joint legislative budget
13 committee.

14 All juvenile crime reduction fund receipts received by the
15 administrative office of the courts in excess of \$5,165,300 in fiscal year
16 2006-2007 are appropriated to the juvenile crime reduction line item. Before
17 the expenditure of any juvenile crime reduction fund receipts in excess of
18 \$5,165,300 in fiscal year 2006-2007, the administrative office of the courts
19 shall submit the intended use of the monies for review by the joint
20 legislative budget committee.

21 The administrative office of the courts shall not allocate any monies
22 appropriated for adult probation services to Maricopa county. It is the
23 intent of the legislature that Maricopa county will pay for adult probation
24 programs in that county.

25 All judicial collection enhancement fund receipts received by the
26 administrative office of the courts resulting from the probation surcharge in
27 excess of \$2,723,800 in fiscal year 2006-2007 are appropriated to the
28 superior court. Before the expenditure of judicial collection enhancement
29 fund receipts in excess of \$2,723,800 in fiscal year 2006-2007, the
30 administrative office of the courts shall submit the intended use of the
31 monies for review by the joint legislative budget committee.

32 The administrative office of the courts shall include with their fiscal
33 year 2007-2008 budget request a report indicating fiscal year 2005-2006
34 actual, fiscal year 2006-2007 estimated and fiscal year 2007-2008 requested
35 amounts for the following:

36 1. On a county-by-county basis, the number of authorized and filled
37 case carrying probation positions and non-case carrying positions,
38 distinguishing between adult standard, adult intensive, juvenile standard and
39 juvenile intensive. The report shall indicate the level of state probation
40 funding, other state funding, county funding and probation surcharge funding
41 for those positions.

42 2. Total receipts and expenditures by county and fund source for the
43 adult standard, adult intensive, juvenile standard and juvenile intensive
44 line items, including the amount of personal services expended from each
45 revenue source of each account.

1 3. The amount of monies from the adult standard, adult intensive,
 2 juvenile standard and juvenile intensive line items that the office does not
 3 distribute as direct aid to counties. The report shall delineate how the
 4 office expends these monies that are not distributed as direct aid to
 5 counties.

6		
7	Total appropriation - Arizona judiciary	\$159,029,500
8	Fund sources:	
9	State general fund	\$122,107,100
10	Confidential intermediary and	
11	fiduciary fund	436,600
12	Court appointed special advocate	
13	fund	3,423,900
14	Criminal justice enhancement fund	10,049,500
15	Defensive driving school fund	5,344,700
16	Drug treatment and education fund	500,000
17	Judicial collection enhancement	
18	fund	14,725,500
19	State aid to the courts fund	2,442,200

20 The administrative office of the courts shall submit the intended use
 21 of any reimbursement monies received for review to the joint legislative
 22 budget committee prior to their expenditure.

23 Sec. 20. DEPARTMENT OF JUVENILE CORRECTIONS

24		<u>2006-07</u>
25	FTE positions	1,183.7
26	Operating lump sum appropriation	\$ 78,544,700
27	Adobe mountain well renovation	<u>340,000</u>
28	Total appropriation - department of juvenile	
29	corrections	\$ 78,884,700
30	Fund sources:	
31	State general fund	\$ 74,126,200
32	State charitable, penal and	
33	reformatory institutions	
34	land fund	1,094,900
35	Criminal justice enhancement fund	685,300
36	State education fund for committed	
37	youth	2,638,300
38	ADOA risk management fund	340,000
39	Performance measures:	
40	Escapes from DJC secure care facilities	0
41	Juveniles passing the GED language test	92
42	Per cent of juveniles who show progress in	
43	their primary treatment problem area	80
44	Per cent of juveniles returned to custody	
45	within 12 months of release	22

1 Prior to expending \$495,000 for completion of suicide prevention
 2 renovation projects, the department shall submit an expenditure plan to the
 3 joint committee on capital review for review.

4 The amounts appropriated include \$1,510,300 for a \$1,700 salary
 5 increase beginning July 1, 2006 for each employee in the youth correctional
 6 officer series.

7 The department shall provide a travel stipend to all southwest regional
 8 juvenile correction complex staff whose residence is at least twenty miles
 9 from work.

10 Twenty-five per cent of land earnings and interest from the state
 11 charitable, penal and reformatory institutions land fund shall be distributed
 12 to the department of juvenile corrections, in compliance with section 25 of
 13 the enabling act and with the Constitution of Arizona, to be used for the
 14 support of state juvenile institutions and reformatories.

15 Before the expenditure of any state education fund for committed youth
 16 receipts in excess of \$2,638,300, the department of juvenile corrections
 17 shall report the intended use of the monies to the director of the joint
 18 legislative budget committee.

19 Sec. 21. STATE LAND DEPARTMENT

	<u>2006-07</u>
21 FTE positions	212.9
22 Operating lump sum appropriation	\$ 15,719,100
23 Natural resource conservation	
24 districts	650,000
25 Environmental county grants	250,000
26 CAP user fees	1,347,900
27 Inmate fire crews	903,500
28 Fiscal year 2006-2007 fire season	1,500,000
29 Fire suppression operating	
30 expenses	1,907,000
31 Due diligence fund deposit	<u>500,000</u>
32 Total appropriation - state land department	\$ 22,777,500
33 Fund sources:	
34 State general fund	\$ 22,326,900
35 Environmental special plate fund	220,000
36 ADOA risk management fund	230,600
37 Performance measures:	
38 Average land sales processing time	
39 (application to auction, in months)	14
40 Per cent of customers giving the department	
41 a rating above 4 (5 = very satisfied)	87
42 Total trust earnings generated	\$486,200,000
43 Total expendable fund earnings generated	\$127,800,000
44 Total trust land sales	\$500,000,000

1 Total number of trust land acres sold in
2 Maricopa, Pima and Pinal counties 3,000
3 Total number of trust land acres sold in
4 all other remaining counties 1,000

5 The appropriation includes \$1,347,900 for central Arizona project user
6 fees in fiscal year 2006-2007. For fiscal year 2006-2007, from cities that
7 assume their allocation of central Arizona project water every dollar
8 received as reimbursement to the state in for past central Arizona water
9 conservation district payments, one dollar reverts to the state general fund
10 in the year that the reimbursement is collected.

11 Of the amount appropriated for natural resource conservation districts
12 in fiscal year 2006-2007, \$30,000 shall be used to provide grants to NRCD
13 environmental education centers.

14 Of the operating lump sum appropriation, the sum of \$3,893,600
15 supplements planning and disposition funding and shall be used by the state
16 land department for the sole purpose of the planning and disposition of state
17 trust land as follows:

- 18 1. The employment of outside professional services.
- 19 2. At least two of the twelve full-time equivalent employment
20 positions appropriated in the fiscal year 2005-2006 budget for the planning
21 and disposition of state trust land located within five miles of the
22 corporate boundaries of incorporated cities and towns having a population of
23 less than one hundred thousand persons.
- 24 3. The state land commissioner shall provide for the disposition of
25 state trust land in the most expeditious manner consistent with the fiduciary
26 duties prescribed by the enabling act and the Constitution of Arizona. Each
27 calendar quarter the commissioner shall provide a report to the joint
28 legislative budget committee on the planning, sale and lease of trust land in
29 the preceding quarter. The report shall:
 - 30 (a) Identify the number of acres that were added to a conceptual plan,
31 added to a master plan or otherwise planned or prepared for disposition, sale
32 and long-term commercial lease.
 - 33 (b) Include an analysis of the volume of trust land in each county
34 entering the real estate market in comparison with private and other land in
35 the real estate market.
 - 36 (c) Distinguish between urban and rural parcels.
 - 37 (d) Indicate the value added or revenue received.
 - 38 (e) List the resources used and dedicated to trust land planning and
39 disposition, including full-time equivalent positions, contracts and
40 appropriated and nonappropriated expenditures for each of the items included
41 in the report.
 - 42 (f) Include in the report for the final quarter of the fiscal year a
43 fiscal year-end inventory of trust land prepared for sale, including the
44 appraised value and fiscal year-end totals for the fiscal year regarding:
 - 45 (i) The amount of trust land sold.

- 1 (ii) The amount of trust land put under long-term commercial lease.
- 2 (iii) The amount of revenue collected from the sale of trust land.
- 3 (iv) The amount of revenue collected from the long-term commercial
- 4 lease of trust land.
- 5 (v) The amount of purchase price financed on installment sales of
- 6 state trust land and the principal payoff terms and anticipated yield to the
- 7 trust over the terms of the installment sales.

8 The appropriation includes \$230,600 from the risk management fund in
 9 fiscal year 2006-2007 for fifty per cent of the costs to update the emergency
 10 action plan and dam breach analysis, to assess earth fissures and earth
 11 fissure risk zoning and to repair cracks at three dams located in the
 12 Maricopa county flood control district. If the district does not offer the
 13 remaining fifty per cent of the costs to repair the dams, these monies shall
 14 revert to the department of administration risk management fund.

15 The appropriation includes \$96,000 in fiscal year 2006-2007 for radio
 16 system upgrades. Before any expenditure for the radio system upgrade, the
 17 department shall submit an expenditure plan to the joint legislative budget
 18 committee for review. The submittal shall include an assessment by the
 19 public safety communications commission as to whether the department's
 20 proposal is consistent and compatible with the statewide interoperable
 21 microwave system.

22 Sec. 22. LEGISLATURE

	<u>2006-07</u>
23	
24	<u>Senate</u>
25	Lump sum appropriation \$ 8,109,800*
26	Fund sources:
27	State general fund \$ 8,109,800
28	Included in the lump sum appropriation of \$8,109,800 for fiscal year
29	2006-2007 is \$1,000 for the purchase of mementos and items for visiting
30	officials.
31	<u>House of representatives</u>
32	Lump sum appropriation \$ 12,399,900*
33	Fund sources:
34	State general fund \$ 12,399,900
35	Included in the lump sum appropriation of \$12,399,900 for fiscal year
36	2006-2007 is \$1,000 for the purchase of mementos and items for visiting
37	officials.
38	<u>Legislative council</u>
39	FTE positions 47.8
40	Operating lump sum appropriation \$ 4,761,200*
41	Ombudsman-citizens aide office <u>383,100*</u>
42	Total appropriation - legislative
43	council \$ 5,144,300*
44	Fund sources:
45	State general fund \$ 5,144,300

1	Performance measures:	
2	Per cent of customers rating accuracy and	
3	timeliness of bill drafting "good" or	
4	"excellent" based on annual survey	97
5	Per cent of customers rating accuracy of	
6	computer help desk "good" or "excellent"	
7	based on annual survey	94
8	Per cent of investigations completed	
9	within 3 months by office of the	
10	ombudsman-citizens aide	91
11	Per cent of customers rating overall	
12	experience with the office of the	
13	ombudsman-citizens aide "good" or	
14	"excellent"	85
15	<u>Joint legislative budget committee</u>	
16	FTE positions	35.0
17	Lump sum appropriation	\$ 2,775,000*
18	Fund sources:	
19	State general fund	\$ 2,775,000
20	Performance measures:	
21	Survey of legislator satisfaction (4=high)	3.66
22	Errors in budget bills	0
23	Maximum per cent actual revenues vary	
24	from forecasted revenues	+ -3.0
25	Days to transmit fiscal notes	14
26	By November 1, 2006, the joint legislative budget committee staff shall	
27	present a study on the possible fiscal impacts of the privatization of health	
28	care services in the Arizona department of corrections to the joint	
29	legislative budget committee.	
30	<u>Auditor general</u>	
31	FTE positions	184.4
32	Lump sum appropriation	\$ 14,499,300*
33	Fund sources:	
34	State general fund	\$ 14,499,300
35	Performance measures:	
36	Per cent of single audit recommendations	
37	implemented or adopted within 1 year	
38	for financial audits	65
39	Per cent of administrative recommendations	
40	implemented or adopted within 2 years for	
41	performance audits	95
42	Customer satisfaction rating (Scale 1-8)	6.8

1	<u>Library, archives and public records</u>	
2	FTE positions	115.8
3	Operating lump sum appropriation	\$ 6,936,400
4	Grants-in-aid	651,400
5	Statewide radio reading service	
6	for the blind	<u>97,000</u>
7	Total appropriation - library,	
8	archives and public records	\$ 7,684,800*
9	Fund sources:	
10	State general fund	\$ 7,058,100
11	Records services fund	626,700
12	Performance measures:	
13	Customer satisfaction rating (Scale 1-8)	7.4
14	All records services fund receipts, including prior year fund balances,	
15	received by the Arizona state library, archives and public records in excess	
16	of \$626,700 in fiscal year 2006-2007 are appropriated to the Arizona state	
17	library, archives and public records. Before the expenditure of records	
18	services fund receipts in excess of \$626,700 in fiscal year 2006-2007, the	
19	Arizona state library, archives and public records shall submit the intended	
20	use of the monies for review by the joint legislative budget committee.	
21	Sec. 23. BOARD OF MEDICAL STUDENT LOANS	
22		<u>2006-07</u>
23	Medical student financial	
24	assistance	\$ 1,809,800
25	Fund sources:	
26	State general fund	\$ 1,500,000
27	Medical student loan fund	309,800
28	Performance measures:	
29	Per cent of physicians meeting service	
30	requirement	93
31	Customer satisfaction rating (Scale 1-8)	7.5
32	Sec. 24. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	
33		<u>2006-07</u>
34	FTE positions	2.0
35	Lump sum appropriation	\$ 256,800
36	Fund sources:	
37	State general fund	\$ 256,800
38	Performance measures:	
39	Per cent of Arizona rivers and	
40	streams adjudicated	100
41	Customer satisfaction rating for hearing	
42	attendees (Scale 1-8)	7.5

1	Sec. 25. STATE BOARD OF DISPENSING OPTICIANS	
2		<u>2006-07</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 102,700
5	Fund sources:	
6	Board of dispensing opticians fund	\$ 102,700
7	Performance measures:	
8	Average calendar days to resolve a complaint	90
9	Average calendar days to renew a license	3
10	Customer satisfaction rating (Scale 1-8)	6.0
11	Sec. 26. COMMISSION FOR POSTSECONDARY EDUCATION	
12		<u>2006-07</u>
13	FTE positions	5.0
14	Operating lump sum appropriation	\$ 355,100
15	Leveraging educational assistance	
16	partnership (LEAP)	3,364,500
17	Private postsecondary education	
18	student financial assistance	
19	program	400,000
20	Family college savings program	108,600
21	Arizona college and career guide	21,200
22	Arizona minority educational	
23	policy analysis center	150,600
24	Twelve plus partnership	<u>119,600</u>
25	Total appropriation - commission for	
26	postsecondary education	\$ 4,519,600
27	Fund sources:	
28	State general fund	\$ 1,620,800
29	Postsecondary education fund	2,898,800
30	Performance measures:	
31	LEAP student grants awarded	4,000
32	Per cent of customers rating commission	
33	services as "good" or "excellent"	95
34	The appropriation for leveraging educational assistance partnership is	
35	provided to create grants under the Arizona state student incentive grant	
36	program administered by the Arizona commission for postsecondary education.	
37	Grants may be made according to the provisions of applicable federal and	
38	state laws and regulations relating to this program. Only Arizona residents	
39	who demonstrate financial need and who are attending, on at least a half-time	
40	basis, an approved program at a properly accredited Arizona postsecondary	
41	educational institution are eligible for the program.	

1 Each participating institution, public or private, in order to be
 2 eligible to receive state matching funds under the state student incentive
 3 grant program for grants to students, shall provide an amount of
 4 institutional matching funds that equals the amount of funds provided by the
 5 state to the institution for the state student incentive grant program.
 6 Administrative expenses incurred by the commission for postsecondary
 7 education shall be paid from institutional matching funds and shall not
 8 exceed twelve per cent of the funds in fiscal year 2006-2007.

9 For fiscal year 2006-2007, any unencumbered balance remaining in the
 10 postsecondary education fund on June 30, 2006 and all grant monies and other
 11 revenues received by the commission for postsecondary education during this
 12 fiscal year, when paid into the state treasury, are appropriated for the
 13 explicit purposes designated by special line items and for additional
 14 responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised
 15 Statutes.

16 Of the total amount appropriated for the private postsecondary
 17 education student financial assistance program, no more than ten per cent may
 18 be used for program administrative costs.

19 The appropriations for Arizona college and career guide, Arizona
 20 minority educational policy analysis center and twelve plus partnership are
 21 estimates representing all monies distributed to this fund, including balance
 22 forward, revenue and transfers, during fiscal year 2006-2007. The
 23 appropriations shall be adjusted as necessary to reflect actual final
 24 receipts credited to the postsecondary education fund.

25 The commission for postsecondary education shall not transfer funds out
 26 of the private postsecondary education student financial assistance program
 27 special line item.

28 Sec. 27. DEPARTMENT OF PUBLIC SAFETY

	<u>2006-07</u>
29	
30	2,069.8
31	FTE positions
32	\$172,842,000
33	Operating lump sum appropriation
34	5,520,900
35	Additional highway patrol personnel
36	25,952,900
37	GITEM
38	3,000,000
39	Highway patrol safety equipment
40	3,808,800
41	Motor vehicle fuel
42	1,258,100
43	Statewide interoperability design
44	<u>2,768,100</u>
	Sworn officer salary adjustments
	Total appropriation - department of public
	safety
	\$215,150,800
	Fund sources:
	\$156,989,400
	State general fund
	10,000,000
	Highway user revenue fund
	10,000,000
	State highway fund
	19,745,700
	Arizona highway patrol fund

1	Criminal justice enhancement fund	2,980,100
2	Motor vehicle liability insurance	
3	enforcement fund	1,352,100
4	Crime laboratory assessment fund	4,974,100
5	Arizona deoxyribonucleic acid	
6	identification system fund	2,582,900
7	Automated fingerprint identification	
8	system fund	3,257,200
9	Motorcycle safety fund	205,000
10	Risk management fund	296,200
11	Parity compensation fund	2,768,100

12	Performance measures:	
13	Per cent of scientific analysis cases over	
14	30 calendar days old	2.0
15	Per cent of system reliability of the Arizona	
16	automated fingerprint identification network	98
17	Clandestine labs dismantled	50

18 Any monies remaining in the department of public safety joint account
 19 on June 30, 2007 shall revert to the funds from which they were appropriated.
 20 The reverted monies shall be returned in direct proportion to the amounts
 21 appropriated.

22 Of the \$25,952,900 appropriated to GITEM, \$10,000,000 is to be used to
 23 expand the existing gang intelligence team enforcement mission into a
 24 multijurisdiction task force known as the gang and immigration intelligence
 25 team enforcement mission. If the department of public safety uses any of the
 26 monies appropriated for GITEM for an agreement or contract with a city, town,
 27 county or other entity to provide services for the GITEM program, the city,
 28 town, county or other entity shall provide fifteen per cent of the cost of
 29 the services and the department of public safety shall provide eighty-five
 30 per cent of the cost for each agreement or contract. Agreements or contracts
 31 with cities, towns or counties may be entered into only if the police
 32 department of the city or town or the county sheriff has entered into a 287
 33 memorandum of understanding with the United States department of homeland
 34 security to investigate, apprehend and detain illegal aliens in the United
 35 States to the fullest extent consistent with state and federal law. The
 36 \$10,000,000 is to be used for new functions relating to immigration
 37 enforcement, including border security and border personnel. This
 38 appropriation is for the purpose of expanding GITEM and not to add a new unit
 39 or increased administration to the mission. The \$10,000,000 is exempt from
 40 the provisions of section 35-190, Arizona Revised Statutes, relating to the
 41 lapsing of appropriations, except that all unexpended and unencumbered monies
 42 shall revert on June 30, 2008. Prior to expending the \$10,000,000, the
 43 department shall submit an expenditure plan to the joint legislative budget
 44 committee for review. Within thirty days after the last day of each calendar

1 quarter, the department shall provide a summary of quarterly and year-to-date
2 expenditures to the joint legislative budget committee.

3 Of the \$25,952,900 appropriated to GITEM, \$7,000,000 is to be used for
4 the gang and immigration intelligence team enforcement mission and is for an
5 additional one hundred department of public safety sworn personnel, fifty of
6 whom shall be used for immigration and border security. Prior to expending
7 the \$7,000,000, the department shall submit an expenditure plan to the joint
8 legislative budget committee for review. Within thirty days after the last
9 day of each calendar quarter, the department shall provide a summary of
10 quarterly and year-to-date expenditures to the joint legislative budget
11 committee.

12 If H.B. 2577 or similar legislation to fund the GITEM program at a
13 level of \$25,952,900 is enacted into law during the forty-seventh
14 legislature, second regular session, the sum of \$25,952,900 and 161.8 FTE
15 positions appropriated in this act for GITEM revert to the general fund.

16 By October 1, 2006, the department of public safety shall report to the
17 joint legislative budget committee on take home vehicles that are owned by
18 the department and that are assigned on a 24-hour basis to employees or other
19 individuals. The report shall identify all position classifications and
20 their corresponding assignments and locations of all persons who qualify for
21 a take home vehicle. The report shall indicate the current number of
22 positions and vehicles being used as take home vehicles, the total number of
23 vehicles the department owns by category and the policy and guidelines
24 relating to take home vehicles.

25 Distribution of the monies appropriated for sworn officer salary
26 adjustments shall be determined by the department. Before expending any
27 monies appropriated through the sworn officer salary adjustments special line
28 item, the department of public safety shall submit the intended distribution
29 of the salary plan to the joint legislative budget committee for review.

30 Of the \$156,989,400 appropriated from the state general fund,
31 \$4,327,300 is appropriated to fund the salary increase authorized by Laws
32 2006, chapter 1, in lieu of any highway user revenue fund and state highway
33 fund monies being expended for this purpose.

34 The department of public safety shall submit an expenditure plan to the
35 joint legislative budget committee for review before expending any monies
36 appropriated through the additional highway patrol special line item.

37 The department of public safety shall report quarterly to the joint
38 legislative budget committee on sworn personnel staffing levels and crime lab
39 personnel staffing levels. The report shall identify the number of filled
40 and appropriated positions by job classification and, if applicable, the
41 program to which the position is assigned. The report shall identify the
42 department of public safety's progress in filling the additional positions
43 appropriated through the additional highway patrol personnel special line
44 item. In addition, the report shall include the department's progress in
45 hiring the additional positions funded in the fiscal year 2005-2006 budget.

1 The department of public safety shall submit an expenditure plan to the
 2 joint legislative budget committee for review before transferring monies from
 3 the additional highway patrol personnel special line item.

4 It is the intent of the legislature that the department of public
 5 safety fill the 25 positions intentionally held vacant by the department in
 6 fiscal year 2005-2006.

7 Sec. 28. STATE RETIREMENT SYSTEM

	<u>2006-07</u>
8 FTE positions	231.0
9 Operating lump sum appropriation	\$ 16,908,300
10 Information technology plan	<u>2,881,500</u>
11 Total appropriation - state retirement	
12 system	\$ 19,789,800
13 Fund sources:	
14 State retirement system	
15 administration account	\$ 16,892,100
16 Long-term disability	
17 administration account	2,897,700
18 Performance measures:	
19 Per cent of members satisfied with ASRS	
20 telephone services	87
21 Per cent of investment returns	8.0
22 Per cent of benefit payment calculations	
23 that are accurate as measured by quality	
24 control sample	96

25 The state retirement system shall provide a report by the end of each
 26 calendar quarter during fiscal year 2006-2007 to the joint legislative budget
 27 committee on the discussions and actions of the state retirement system board
 28 regarding their efforts to minimize the retirement contribution rate.

29 Before the expenditure of the appropriation of \$2,881,500 in fiscal
 30 year 2006-2007 and the hiring of FTE positions appropriated for the agency's
 31 information technology plan, the retirement system shall present an
 32 expenditure plan to the joint legislative budget committee staff for review.
 33 The expenditure plan shall include current year and prior years'
 34 appropriations to be spent in the current year and prior year appropriation
 35 balances. The retirement system shall include the approval of the project
 36 investment justification document by the information technology authorization
 37 committee as part of its submission to the joint legislative budget committee
 38 staff. The agency shall provide semiannual reports to the joint legislative
 39 budget committee staff regarding the expenditures and project tasks completed
 40 to date. Actual divestiture of monies from the retirement fund for
 41 expenditure shall occur following the joint legislative budget committee
 42 staff review of the agency's information technology plan.
 43

1 Sec. 29. DEPARTMENT OF REVENUE

	<u>2006-07</u>
2	
3 FTE positions	1,148.0
4 Operating lump sum appropriation	\$ 65,446,100
5 Unclaimed property administration	<u>1,609,000</u>
6 Total appropriation - department of revenue	\$ 67,055,100
7 Fund sources:	
8 State general fund	\$ 64,582,800
9 Estate and unclaimed property fund	1,609,000
10 Liability setoff fund	393,500
11 Tobacco tax and health care fund	469,800
12 Performance measures:	
13 Average calendar days to refund income tax	12
14 Per cent of written taxpayer inquiries	
15 answered within 30 calendar days	
16 of receipt	90
17 Per cent of delinquent accounts collected	11
18 Customer satisfaction rating for taxpayer	
19 information section (Scale 1-5)	4.6

20 The department shall provide the department's general fund revenue
21 enforcement goals for fiscal year 2006-2007 to the joint legislative budget
22 committee for review by July 31, 2006. The department shall provide
23 quarterly progress reports to the joint legislative budget committee as to
24 the effectiveness of the department's overall enforcement and collections
25 program. The reports shall include a comparison of projected and actual
26 general fund revenue enforcement collections for fiscal year 2006-2007. The
27 reports are due within thirty days after the end of each calendar quarter.

28 The department of revenue shall pay not more than \$368,100 from all
29 funds in fiscal year 2006-2007 for their risk management payment to the
30 department of administration.

31 An amount equal to 12.5 per cent of the dollar value of the properties
32 recovered by unclaimed property contract auditors is appropriated from the
33 estate and unclaimed property fund to pay unclaimed property contract auditor
34 fees in accordance with section 44-313, Arizona Revised Statutes, requiring
35 that administrative expenses be appropriated. This amount is currently
36 estimated at \$1,770,000 in fiscal year 2006-2007.

37 Sec. 30. SCHOOL FACILITIES BOARD

	<u>2006-07</u>
38	
39 FTE positions	18.0
40 Operating lump sum appropriation	\$ 1,646,100
41 New school facilities debt service	75,733,500
42 New school facilities	<u>200,000,000</u>
43 Total appropriation - school facilities	
44 board	\$277,379,600

1	Fund sources:	
2	State general fund	\$277,379,600
3	Performance measures:	
4	Per cent of school districts inspected	
5	meeting minimum adequacy standards	100
6	Per cent of school districts rating the	
7	board's services as "good" or "excellent"	
8	in an annual survey	90

9	Sec. 31. DEPARTMENT OF STATE - SECRETARY OF STATE	
10		<u>2006-07</u>
11	FTE positions	48.3
12	Operating lump sum appropriation	\$ 2,718,100
13	Election services	4,304,400
14	Help America vote act	<u>20,000,000</u>
15	Total appropriation - secretary of state	\$ 27,022,500

16	Fund sources:	
17	State general fund	\$ 6,860,100
18	Election systems improvement fund	20,000,000
19	Professional employer organization	
20	fund	162,400
21	Performance measures:	
22	Per cent of documents returned to public	
23	filer in 48 hours (business services	
24	division)	85
25	Per cent of election law complaints reviewed	
26	and acted on within 7 days	100

27 The secretary of state shall report to the joint legislative budget
 28 committee and the governor's office of strategic planning and budgeting by
 29 December 31, 2006 the actual amount and purpose of expenditures from the
 30 election systems improvement fund in fiscal year 2005-2006 and the expected
 31 amount and purpose of expenditures from the fund for fiscal years 2006-2007
 32 and 2007-2008.

33 Any transfer to or from the amount appropriated for the elections
 34 services special line item shall require review by the joint legislative
 35 budget committee.

36	Sec. 32. DEPARTMENT OF TRANSPORTATION	
37		<u>2006-07</u>
38	<u>Administration</u>	
39	FTE positions	412.0
40	Operating lump sum appropriation	\$ 38,817,700
41	Attorney general legal services	<u>2,574,800</u>
42	Total appropriation - administration	\$ 41,392,500
43	Fund sources:	
44	State highway fund	\$ 41,392,500

1	<u>Highways</u>	
2	FTE positions	2,516.0
3	Operating lump sum appropriation	\$121,825,600
4	Highway maintenance	113,478,200
5	Vehicles and heavy equipment	36,277,200
6	Vehicles and heavy equipment	
7	fuel surcharge	<u>2,000,000</u>
8	Total - highways	\$273,581,000
9	Fund sources:	
10	State general fund	\$ 74,700
11	Safety enforcement and	
12	transportation	
13	infrastructure fund	558,700
14	State highway fund	235,670,400
15	Transportation department	
16	equipment fund	37,277,200
17	Performance measures:	
18	Per cent of Maricopa regional freeway	
19	miles completed	100
20	Per cent of overall highway construction	
21	projects completed on schedule	100
22	Of the total amount appropriated for the highways program, \$113,478,200	
23	in fiscal year 2006-2007 for highway maintenance is exempt from the	
24	provisions of section 35-190, Arizona Revised Statutes, relating to lapsing	
25	of appropriations, except that all unexpended and unencumbered monies of the	
26	appropriation revert to their fund of origin, either the state highway fund	
27	or the safety enforcement and transportation infrastructure fund, on August	
28	31, 2007.	
29	<u>Motor vehicle</u>	
30	FTE positions	1,730.0
31	Operating lump sum appropriation	\$ 96,226,000
32	Abandoned vehicle administration	930,800
33	New third party funding	<u>671,700</u>
34	Total appropriation - motor vehicle	\$ 97,828,500
35	Fund sources:	
36	Air quality fund	\$ 61,500
37	Driving under the influence	
38	abatement fund	131,500
39	Highway user revenue fund	588,000
40	Motor vehicle liability insurance	
41	enforcement fund	3,762,600
42	State highway fund	91,847,900
43	Vehicle inspection and title	
44	enforcement fund	1,437,000

1	Performance measures:	
2	Average office wait time from receiving	
3	numbered ticket to arriving at counter	
4	(minutes)	15.0
5	Per cent of office customers rating	
6	services "good" or "excellent"	83
7	Average telephone wait time to speak	
8	to an MVD employee (minutes)	16.2
9	Per cent of alternative vehicle	
10	registration renewal methods	
11	(mail, internet, third party)	78.1

12 The new third party funding special line item includes a total of
13 \$671,700 and 16 FTE positions for motor vehicle division third party
14 workload. The amounts include \$318,100 and 8 FTE positions added in fiscal
15 year 2005-2006, and \$353,600 and 8 FTE positions added in fiscal year
16 2006-2007. The fiscal year 2005-2006 amounts added \$113,400 and 3 FTE
17 positions for title and registration quality assurance and \$204,700 and 5 FTE
18 positions to allow commercial driver schools and up to 15 motorcycle dealers
19 to become authorized third parties to administer their respective driver
20 license examination. The fiscal year 2006-2007 amounts include \$265,200 and
21 6 FTE positions to contract with 145 authorized title and registration third
22 parties and \$88,400 and 2 FTE positions to eliminate the vehicle
23 identification number inspections waiting list. It is the intent of the
24 legislature that the new funding of \$265,200 and 6 FTE positions in fiscal
25 year 2006-2007 will not be continued in fiscal year 2007-2008 if the number
26 of title and registration third parties does not reach 145 by December 31,
27 2006. It is the intent of the legislature that the new funding of \$88,400
28 and 2 FTE positions in fiscal year 2006-2007 will not be continued in fiscal
29 year 2007-2008 if the waiting list for vehicle identification number
30 inspection third parties is not eliminated by December 31, 2006.

31 The department shall submit quarterly progress reports to the joint
32 legislative budget committee for review of the progress in increasing third
33 party transactions, the status of motor vehicle division third party
34 staffing, workload and quality assurance backlog. The quarterly progress
35 report shall also include the number of existing third parties and the number
36 of entities on the third party waiting lists. The quarterly report shall
37 address title and registration, vehicle identification number inspection,
38 commercial driver license examination, noncommercial driver license
39 examination, commercial driver training school, noncommercial driver training
40 school and traffic survival school. The reports are due within thirty days
41 after the end of each calendar quarter.

42 It is the intent of the legislature that the department of
43 transportation identify in their fiscal year 2007-2008 budget request the
44 total third party staff resources.

1 The department of transportation shall submit a report to the joint
2 legislative budget committee for review by November 30, 2006, on whether the
3 per cent of reviewed third party transactions can be reduced below 10 per
4 cent and still retain statistical validity.

5 The operating lump sum appropriation includes \$500,000 for the study of
6 new motor vehicle division (MVD) computer system planning. Before the
7 expenditure of these monies the department shall provide the proposed
8 assessment plan to the joint legislative budget committee for review. With
9 the submission of the plan, the department shall submit comments of the
10 information technology authorization committee (ITAC) on the proposed plan.
11 The department's assessment shall include a comprehensive assessment of the
12 scope of the project and evaluation of technology options for a proposed
13 replacement MVD computer system. The proposed new computer system would
14 integrate the databases of the division's major computer systems, including
15 driver license, commercial driver license and title and registration. ITAC's
16 approval shall also address whether the department's proposed assessment
17 addresses the need for adequate project controls and external oversight, the
18 estimated total cost and timeframe for completing all major systems, an
19 evaluation of the department's ability to manage such a technology project,
20 the estimated cost of any additional department resources needed for the
21 project to succeed and any estimated continuing additional costs to operate
22 the proposed new computer system.

23 Before its release, ITAC shall review the department's request for
24 proposals for the assessment of the new computer system.

25 On completion of the assessment for a proposed replacement MVD computer
26 system, the department shall submit the completed assessment to the joint
27 legislative budget committee for review. With the submission, the department
28 shall submit comments of ITAC on the completed assessment.

29 The department shall not transfer any funds to or from the motor
30 vehicle division without the review by the joint legislative budget
31 committee.

32 The department shall report to the joint legislative budget committee
33 by July 31, 2006 for review on where funding for MVD counter clerks in
34 customer service offices has been shifted. The average number of MVD counter
35 clerks decreased from 866 in fiscal year 2002-2003, to 756 in fiscal year
36 2003-2004 and to 725 in fiscal year 2004-2005.

37 The department of transportation shall submit quarterly progress
38 reports to the joint legislative budget committee on their progress in
39 improving motor vehicle division wait times and vehicle registration renewal
40 by mail turnaround times. The reports shall document the monthly averages
41 for the total time customers spent at the office and the reasons for changes
42 in these times for each motor vehicle division field office equipped with
43 electronic customer monitoring devices. The reports shall document the wait
44 time to get a numbered ticket from a motor vehicle division employee, the
45 time between receiving the numbered ticket and arriving at the counter and

1 the transaction time at the counter. The reports shall document the number
 2 of customers who arrived at motor vehicle division offices but who did not
 3 complete their transaction, and the motor vehicle division's average
 4 turnaround time for vehicle registration renewal by mail. The reports are
 5 due within thirty days after the end of each calendar quarter. This new
 6 report replaces any prior report requirements.

7 Aeronautics

8	FTE positions	33.0
9	Lump sum appropriation	\$ 2,029,800
10	Fund sources:	
11	State aviation fund	\$ 2,029,800
12	Performance measures:	
13	Per cent of airport development projects	
14	completed on schedule	100
15	Total appropriation - department of	
16	transportation	<u>\$414,831,800</u>
17	Fund sources:	
18	State general fund	\$ 74,700
19	Air quality fund	61,500
20	Driving under the influence	
21	abatement fund	131,500
22	Highway user revenue fund	588,000
23	Motor vehicle liability	
24	insurance enforcement fund	3,762,600
25	Safety enforcement and	
26	transportation infrastructure	
27	fund	558,700
28	State aviation fund	2,029,800
29	State highway fund	368,910,800
30	Transportation department	
31	equipment fund	37,277,200
32	Vehicle inspection and title	
33	enforcement fund	1,437,000

34 Of the \$413,749,400 appropriation to the Arizona department of
 35 transportation, the department shall pay \$16,773,800 in fiscal year 2006-2007
 36 from all funds to the Arizona department of administration for their risk
 37 management payment.

38 Sec. 33. STATE TREASURER

39		<u>2006-07</u>
40	FTE positions	33.4
41	Operating lump sum appropriation	\$ 2,616,400
42	Justice of the peace salaries	<u>2,949,000</u>
43	Total appropriation - state treasurer	\$ 5,565,400
44	Fund sources:	
45	State general fund	\$ 5,565,400

1 Performance measures:
2 Ratio of yield of LGIP to Standard
3 and Poor's LGIP index 1.2
4 Ratio of yield of endowment pools to
5 Big Bond Index 1.1
6 Customer satisfaction rating for local
7 government investment pool participants
8 (Scale 1-8) 6.1
9 It is the intent of the legislature that the investment management fee
10 on monies managed by the state treasurer be set at eight basis points.
11 Sec. 34. ARIZONA BOARD OF REGENTS

		<u>2006-07</u>
12	FTE positions	27.9
13	Operating lump sum appropriation	\$ 2,194,700
14	Arizona teachers incentive program	90,000
15	Arizona transfer articulation	
16	support system	213,700
17	Student financial assistance	2,161,200
18	Western interstate commission	
19	office	112,000
20	WICHE student subsidies	<u>3,570,700</u>
21	Total appropriation - Arizona board of	
22	regents	\$ 8,342,300
23	Fund sources:	
24	State general fund	\$ 8,342,300
25	Performance measures:	
26	Per cent of graduating seniors who rate	
27	their overall university experience	
28	as "good"/"excellent"	95
29	Per cent of full-time undergraduate students	
30	enrolled per semester in 3 or more	
31	primary courses with ranked faculty	77
32	Per cent of full-time undergraduate students	
33	enrolled per semester in 3 or more primary	
34	courses with professors of any rank	60
35	Average number of years taken to graduate	
36	for students who began as freshmen	4.7

37
38 Within ten days of the acceptance of the universities' semiannual all
39 funds budget reports, the Arizona board of regents shall submit an
40 expenditure plan to the joint legislative budget committee for its review.
41 The expenditure plan shall include any tuition revenue amounts that are
42 greater than the appropriated amounts and all retained tuition and fee
43 revenue expenditures for the current fiscal year. The additional revenue
44 expenditure plan shall provide as much detail as the university budget
45 requests.

1 The Arizona board of regents shall report to the joint legislative
 2 budget committee by August 31, 2006 on its plan for establishing, pursuant to
 3 section 15-1626, Arizona Revised Statutes, a differentiated tuition and fee
 4 rate structure for students who have earned credit hours in excess of the
 5 credit hour threshold.

6 Sec. 35. ARIZONA STATE UNIVERSITY

7		<u>2006-07</u>
8	<u>Main campus</u>	
9	FTE positions	6,833.6
10	Operating lump sum appropriation	\$485,198,000
11	Biomedical informatics	1,000,000
12	Senator Barry Goldwater papers	529,000
13	Downtown Phoenix campus	<u>32,751,200</u>
14	Total - Main campus	\$519,478,200
15	Fund sources:	
16	State general fund	\$314,735,400
17	University collections fund	204,742,800
18	Performance measures:	
19	Per cent of graduating seniors who rate	
20	their overall university experience	
21	as "good"/"excellent"	95
22	Per cent of full-time undergraduate	
23	students enrolled per semester in 3 or	
24	more primary courses with ranked faculty	72
25	Per cent of full-time undergraduate students	
26	enrolled per semester in 3 or more primary	
27	courses with professors of any rank	60
28	Average number of years taken to graduate	
29	for students who began as freshmen	4.6
30	External dollars for research and creative	
31	activity	\$180,000,000

32 The \$529,000 appropriated for Senator Barry Goldwater papers shall be
 33 distributed to the Arizona Historical Foundation for the preservation of the
 34 papers of Senator Barry Goldwater. Before expenditure of these monies,
 35 Arizona State University shall provide the Arizona Historical Foundation's
 36 expenditure plans to the joint legislative budget committee.

37	<u>East campus</u>	
38	FTE positions	423.0
39	Operating lump sum appropriation	\$ 32,709,000
40	Lease-purchase payment	<u>2,000,000</u>
41	Total - East campus	\$ 34,709,000

1	Fund sources:	
2	State general fund	\$ 18,088,600
3	University collections fund	14,620,400
4	Technology and research initiative	
5	fund	2,000,000
6	Performance measures:	
7	Per cent of graduating seniors who rate	
8	their overall university experience	
9	as "good"/"excellent"	96
10	Per cent of full-time undergraduate students	
11	enrolled per semester in 3 or more primary	
12	courses with ranked faculty	68
13	Per cent of full-time undergraduate students	
14	enrolled per semester in 3 or more primary	
15	courses with professors of any rank	60
16	Average number of years taken to graduate	
17	for students who began as freshmen	4.8
18	<u>West campus</u>	
19	FTE positions	810.0
20	Operating lump sum appropriation	\$ 64,757,500
21	Lease-purchase payment	<u>1,600,000</u>
22	Total - West campus	\$ 66,357,500
23	Fund sources:	
24	State general fund	\$ 45,419,900
25	University collections fund	19,337,600
26	Technology and research initiative	
27	fund	1,600,000
28	Performance measures:	
29	Per cent of graduating seniors who rate	
30	their overall university experience	
31	as "good"/"excellent"	98
32	Per cent of full-time undergraduate students	
33	enrolled per semester in 3 or more primary	
34	courses with ranked faculty	72
35	Per cent of full-time undergraduate students	
36	enrolled per semester in 3 or more primary	
37	courses with professors of any rank	60
38	Average number of years taken to graduate for	
39	students who began as freshmen	4.5
40	<u>University discretionary adjustment</u>	
41	Lump sum appropriation	\$ 10,600,000
42	Fund sources:	
43	State general fund	\$ 10,600,000
44	Total appropriation - Arizona state	<u>university</u>
45	university	\$631,144,700

1 Fund sources:
 2 State general fund \$388,843,900
 3 University collections fund 238,700,800
 4 Technology and research initiative
 5 fund 3,600,000
 6 The state general fund appropriations shall not be used for alumni
 7 association funding.
 8 The appropriated monies are not to be used for scholarships.
 9 The appropriated monies are not to be used to support any student
 10 newspaper.
 11 The appropriated monies shall not be used by the Arizona state
 12 university college of law legal clinic for any lawsuits involving inmates of
 13 the state department of corrections in which the state is the adverse party.
 14 University budget requests shall provide as much detail for the
 15 downtown Phoenix campus as for any other budget program. Notwithstanding
 16 section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer
 17 to or from the amounts appropriated for the downtown Phoenix campus line item
 18 shall require prior review by the joint legislative budget committee.
 19 Any unencumbered balances remaining in the collections account on June
 20 30, 2006 and all collections received by the university during the fiscal
 21 year, when paid into the state treasury, are appropriated for operating
 22 expenditures, capital outlay and fixed charges. Earnings on state lands and
 23 interest on the investment of the permanent land funds are appropriated in
 24 compliance with the enabling act and the Constitution of Arizona. No part of
 25 this appropriation may be expended for supplemental life insurance or
 26 supplemental retirement. Receipts from summer session, when deposited in the
 27 state treasury, together with any unencumbered balance in the summer session
 28 account, are hereby appropriated for the purpose of conducting summer
 29 sessions but are excluded from the amounts enumerated above.
 30 Arizona state university may develop a four-year pilot program for an
 31 optional flat rate tuition for incoming undergraduate students beginning in
 32 academic year 2007-2008 and provide a report on the pilot program to the
 33 joint legislative budget committee by December 1, 2006 and December 1, 2012.
 34 Sec. 36. NORTHERN ARIZONA UNIVERSITY

35		<u>2006-07</u>
36	FTE positions	2,081.7
37	Operating lump sum appropriation	\$159,428,800
38	University discretionary adjustment	3,200,000
39	NAU - Yuma	<u>2,266,000</u>
40	Total appropriation - Northern Arizona	
41	university	\$164,894,800
42	Fund sources:	
43	State general fund	\$125,350,800
44	University collections fund	39,544,000

1	Performance measures:	
2	Per cent of graduating seniors who rate	
3	their overall university experience	
4	as "good"/"excellent"	98
5	Per cent of full-time undergraduate	
6	students enrolled per semester in	
7	3 or more primary courses with	
8	ranked faculty	93
9	Per cent of full-time undergraduate students	
10	enrolled per semester in 3 or more primary	
11	courses with professors of any rank	60
12	Average number of years taken to graduate for	
13	students who began as freshmen	4.5

14 The state general fund appropriations shall not be used for alumni
 15 association funding.

16 The appropriated monies are not to be used for scholarships.

17 The appropriated monies are not to be used to support any student
 18 newspaper.

19 Any unencumbered balances remaining in the collections account on June
 20 30, 2006 and all collections received by the university during the fiscal
 21 year, when paid into the state treasury, are appropriated for operating
 22 expenditures, capital outlay and fixed charges. Earnings on state lands and
 23 interest on the investment of the permanent land funds are appropriated in
 24 compliance with the enabling act and the Constitution of Arizona. No part of
 25 this appropriation may be expended for supplemental life insurance or
 26 supplemental retirement. Receipts from summer session, when deposited in the
 27 state treasury, together with any unencumbered balance in the summer session
 28 account, are hereby appropriated for the purpose of conducting summer
 29 sessions but are excluded from the amounts enumerated above.

30 Sec. 37. UNIVERSITY OF ARIZONA

31		<u>2006-07</u>
32	<u>Main campus</u>	
33	FTE positions	5,586.7
34	Operating lump sum appropriation	\$343,044,800
35	Agriculture	39,008,200
36	Arizona cooperative extension	11,588,800
37	Sierra Vista campus	<u>5,367,600</u>
38	Total - Main campus	\$399,009,400
39	Fund sources:	
40	State general fund	\$290,631,300
41	University collections fund	108,378,100

1	Performance measures:	
2	Per cent of graduating seniors who rate	
3	their overall university experience	
4	as "good"/"excellent"	96
5	Per cent of full-time undergraduate students	
6	enrolled per semester in 3 or more primary	
7	courses with ranked faculty	80
8	Per cent of full-time undergraduate students	
9	enrolled per semester in 3 or more primary	
10	courses with professors of any rank	60
11	Average number of years taken to graduate	
12	for students who began as freshmen	4.6
13	<u>Health sciences center</u>	
14	FTE positions	920.3
15	Operating lump sum appropriation	\$ 61,800,700
16	Clinical rural rotation	485,800
17	Clinical teaching support	9,733,000
18	Liver research institute	512,600
19	Phoenix medical campus	6,000,000
20	Telemedicine network	<u>1,191,900</u>
21	Total - health sciences center	\$ 79,724,000
22	Fund sources:	
23	State general fund	\$ 64,210,400
24	University collections fund	15,513,600
25	Performance measures:	
26	Per cent of graduating seniors who rate	
27	their overall university experience	
28	as "good"/"excellent"	99
29	<u>University discretionary adjustment</u>	
30	Lump sum appropriation	\$ 6,200,000
31	Fund sources:	
32	State general fund	\$ 6,200,000
33	Total appropriation - university of	
34	Arizona	<u>\$484,933,400</u>
35	Fund sources:	
36	State general fund	\$361,041,700
37	University collections fund	123,891,700
38	The state general fund appropriations shall not be used for alumni	
39	association funding.	
40	The appropriated monies are not to be used for scholarships.	
41	The appropriated monies are not to be used to support any student	
42	newspaper.	

1 Any unencumbered balances remaining in the collections account on June
 2 30, 2006 and all collections received by the university during the fiscal
 3 year, when paid into the state treasury, are appropriated for operating
 4 expenditures, capital outlay and fixed charges. Earnings on state lands and
 5 interest on the investment of the permanent land funds are appropriated in
 6 compliance with the enabling act and the Constitution of Arizona. No part of
 7 this appropriation may be expended for supplemental life insurance or
 8 supplemental retirement. Receipts from summer session, when deposited in the
 9 state treasury, together with any unencumbered balance in the summer session
 10 account, are hereby appropriated for the purpose of conducting summer
 11 sessions but are excluded from the amounts enumerated above.

12 The Sierra Vista campus special line item includes \$1,200,000 to
 13 replace previously reallocated funds.

14 University budget requests shall provide as much detail for the Phoenix
 15 medical campus as for any other budget program. Notwithstanding section
 16 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or
 17 from the amounts appropriated for the Phoenix medical campus line item shall
 18 require prior review by the joint legislative budget committee.

19 The university of Arizona and the Arizona board of regents shall report
 20 to the joint legislative budget committee, on August 15, 2006 and February
 21 15, 2007, updates concerning the formal relationship between the Phoenix
 22 medical campus and area hospitals, partnerships with private medical schools,
 23 the availability of clinical rotations for medical students in this state,
 24 the creation of new residency positions in this state, the expansion of
 25 medical services in this state's rural areas, the attraction of out-of-state
 26 medical students to practice in this state and any other strategies being
 27 considered or employed to prevent a doctor shortage in this state or the
 28 rural areas of this state.

29 Sec. 38. DEPARTMENT OF WATER RESOURCES

	<u>2006-07</u>
31 FTE positions	212.7
32 Operating lump sum appropriation	\$ 15,185,600
33 Assured and adequate water supply	
34 administration	2,800,000
35 Arizona water protection fund	
36 deposit	- 0 -
37 Rural water studies	1,911,000
38 Adjudication support	500,000
39 Automated groundwater monitoring	<u>500,000</u>
40 Total appropriation - department of water	
41 resources	\$ 20,896,600

1	Fund sources:	
2	State general fund	\$ 19,796,600
3	Assured and adequate water	
4	supply administration fund	1,100,000
5	Performance measures:	
6	Number of rural water studies initiated	4
7	Customer satisfaction rating for hydrology	
8	program (Scale 1-8)	8.0

9 Funding appropriated for the purposes of rural water studies is exempt
 10 from the provisions of section 35-190, Arizona Revised Statutes, relating to
 11 lapsing of appropriations through June 30, 2008.

12 It is the intent of the legislature that monies in the assured and
 13 adequate water supply special line item will only be spent for the assured
 14 and adequate water supply program and not be made available for other
 15 department operating expenditures.

16 Any transfer to or from the amount appropriated for the assured and
 17 adequate water supply special line item shall require review by the joint
 18 legislative budget committee.

19 Prior to August 1, 2006, the department shall submit an expenditure
 20 plan to the joint legislative budget committee describing how the monies in
 21 the assured and adequate water supply special line item will be used to
 22 accelerate the assured and adequate water supply program application process.
 23 The expenditure plan shall include information on the number and processing
 24 time of applications received by the program.

25 The department shall report to the joint legislative budget committee
 26 on the amount of fees collected by the assured and adequate water supply
 27 program within thirty days after the end of each calendar year quarter.

28 The appropriation includes \$500,000 for automated groundwater
 29 monitoring to establish automated groundwater monitoring sites that monitor
 30 hydrologic behavior of groundwater basins and assess groundwater levels over
 31 time. Of the \$500,000 appropriation, \$325,000 shall be used for the costs
 32 associated with the installation, operation and maintenance of field
 33 equipment. The remaining \$175,000 shall be used to fund 2 FTE positions.

34 Sec. 39. DEPARTMENT OF WEIGHTS AND MEASURES

35		<u>2006-07</u>
36	<u>General services</u>	
37	FTE positions	25.9
38	Lump sum appropriation	\$ 1,638,100
39	Fund sources:	
40	State general fund	\$ 1,531,400
41	Motor vehicle liability insurance	
42	enforcement fund	106,700

1	<u>Vapor recovery</u>		
2	FTE positions		8.5
3	Lump sum appropriation	\$	561,800
4	Fund sources:		
5	Air quality fund	\$	561,800
6	<u>Oxygenated fuel</u>		
7	FTE positions		6.0
8	Lump sum appropriation	\$	807,600
9	Fund sources:		
10	Air quality fund	\$	<u>807,600</u>
11	Total appropriation - department		
12	of weights and measures	\$	3,007,500
13	Fund sources:		
14	State general fund	\$	1,531,400
15	Air quality fund		1,369,400
16	Motor vehicle liability insurance		
17	enforcement fund		106,700
18	Performance measures:		
19	Average customer satisfaction rating		
20	(Scale 1-5)		4.7
21	Per cent of retail stores' price		
22	scanning devices in compliance		68
23	Per cent of cleaner burning gas		
24	samples in compliance with oxygenated		
25	fuel standards		100
26	Per cent of gasoline dispensing facilities		
27	inspected annually that are in compliance		
28	with vapor recovery standards		90
29	Sec. 40. Laws 2005, chapter 286, section 13 is amended to read:		
30	Sec. 13. BOARD OF BARBERS		
31			<u>2005-06</u> <u>2006-07</u>
32	FTE positions		4.0 4.0
33	Lump sum appropriation	\$	230,600** \$ 230,600
34			\$ 274,600
35	Fund sources:		
36	Board of barbers fund	\$	230,600 \$ 230,600
37			\$ 274,600
38	Performance measures:		
39	Average calendar days to resolve a complaint		21 21
40	Average calendar days to renew a license		2 2
41	Customer satisfaction rating (Scale 0-100)		90 90

1 Sec. 41. Laws 2005, chapter 286, section 20 is amended to read:

2 Sec. 20. REGISTRAR OF CONTRACTORS

	<u>2005-06</u>	<u>2006-07</u>
3		
4 FTE positions	138.8	138.8
5 Operating lump sum appropriation	\$ 8,616,700	\$ 8,617,300
6 Office of administrative hearings		
7 costs	869,500	869,500
8		900,500
9 Incentive pay	<u>113,500</u>	<u>113,500</u>
10 Total appropriation - registrar of		
11 contractors	\$ 9,599,700**	\$ 9,600,300
12		\$ 9,631,300
13 Fund sources:		
14 Registrar of contractors fund	\$ 9,599,700	\$ 9,600,300
15		\$ 9,631,300

16 Performance measures:

17 Average calendar days from receipt of		
18 complaint to jobsite inspection	14	14
19 Customer satisfaction rating (Scale 1-8)	7.1	7.1

20 ANY TRANSFER TO OR FROM THE AMOUNT APPROPRIATED FOR THE OFFICE OF
 21 ADMINISTRATIVE HEARINGS COSTS SPECIAL LINE ITEM SHALL REQUIRE REVIEW BY THE
 22 JOINT LEGISLATIVE BUDGET COMMITTEE.

23 Sec. 42. Laws 2005, chapter 286, section 38 is amended to read:

24 Sec. 38. GAME AND FISH DEPARTMENT

	<u>2005-06</u>	<u>2006-07</u>
25		
26 FTE positions	274.5	274.5
27 Operating lump sum appropriation	\$ 22,700,600	\$ 22,622,700
28		\$ 24,247,300
29 LOWER COLORADO MULTI-SPECIES		
30 CONSERVATION	- 0 -	350,000
31 Pittman - Robertson/Dingell -		
32 Johnson act	2,808,000	2,808,000
33 Performance incentive pay program	<u>346,800*</u>	<u>346,800*</u>
34 Total appropriation - game and fish		
35 department	\$ 25,855,400	\$ 25,777,500
36		\$ 27,752,100
37 Fund sources:		
38 Game and fish fund	\$ 23,312,600	\$ 23,234,700
39		\$ 24,409,300
40 Waterfowl conservation fund	43,400	43,400
41 Wildlife endowment fund	16,000	16,000
42 Watercraft licensing fund	2,183,200	2,183,200
43		2,983,200
44 Game, nongame, fish and		
45 endangered species fund	300,200	300,200

1	Performance measures:		
2	Per cent of public satisfaction with		
3	off-highway vehicle and watercraft		
4	information products and services	65	65
5	Per cent of anglers rating their experience		
6	as "excellent", or greater than or equal		
7	to 9, on a scale of 1 to 10	69	69

8 In addition to the \$2,808,000 for the Pittman - Robertson/Dingell -
 9 Johnson act special line item, the lump sum appropriation includes \$40,000
 10 for cooperative fish and wildlife research which may be used for the purpose
 11 of matching federal and apportionment funds.

12 THE ARIZONA GAME AND FISH DEPARTMENT SHALL SUBMIT TO THE JOINT
 13 LEGISLATIVE BUDGET COMMITTEE FOR REVIEW AN EXPENDITURE PLAN FOR THE \$160,000
 14 ALLOCATED FOR WATERCRAFT OPERATION UNDER THE INFLUENCE ENFORCEMENT EQUIPMENT
 15 PRIOR TO THE EXPENDITURES OF THESE MONIES.

16 The \$300,000 from the game and fish fund and \$46,800 from the
 17 watercraft licensing fund in fiscal year 2005-2006 and fiscal year 2006-2007
 18 for the performance incentive pay program special line item shall be used for
 19 personal services and employee related expenditures associated with the
 20 department's performance incentive pay program in accordance with Laws 1999,
 21 chapter 138. This appropriation is a continuing appropriation and is exempt
 22 from the provisions of section 35-190, Arizona Revised Statutes, relating to
 23 lapsing of appropriations.

24 ~~The game and fish department and the department of transportation shall~~
 25 ~~conduct a joint study to examine the transfer of responsibility for~~
 26 ~~processing watercraft registration from the game and fish department to the~~
 27 ~~department of transportation. This study shall be submitted to the joint~~
 28 ~~legislative budget committee by December 30, 2005 and is to include an~~
 29 ~~implementation plan with a proposed date for the transfer of watercraft~~
 30 ~~registration and examine the overall impact to citizens, potential cost~~
 31 ~~savings, and the number of full time equivalent positions to be transferred~~
 32 ~~from the game and fish department to the department of transportation.~~

33 The shooting range appropriation of \$100,000 in fiscal year 2005-2006
 34 and fiscal year 2006-2007, included in the lump sum appropriation, is a
 35 continuing appropriation and is exempt from the provisions of section 35-190,
 36 Arizona Revised Statutes, relating to lapsing of appropriations, until
 37 December 31, 2007.

38 Sec. 43. Laws 2005, chapter 286, section 64 is amended to read:

39	Sec. 64. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION		
40		<u>2005-06</u>	
41	FTE positions	2.0	
42	Lump sum appropriation	\$ 160,700	\$210,700
43	Fund sources:		
44	State general fund	\$ 160,700	\$210,700

1 Performance measures:

2 Per cent of Arizona rivers and
 3 streams adjudicated 100
 4 Customer satisfaction rating for hearing
 5 attendees (Scale 1-8) 7.0

6 \$50,000 OF THE APPROPRIATION IS EXEMPT FROM SECTION 35-190, ARIZONA
 7 REVISED STATUTES, RELATING TO LAPSING OF APPROPRIATIONS, UNTIL JUNE 30, 2007.

8 Sec. 44. Laws 2005, chapter 286, section 71 is amended to read:

9 Sec. 71. STATE PARKS BOARD

	<u>2005-06</u>	<u>2006-07</u>
10 FTE positions	249.3	249.3
11 Operating lump sum appropriation	\$ 12,784,500	\$ 12,784,500
12 Kartchner caverns state park	<u>1,654,800</u>	1,654,800
13		<u>2,354,800</u>
14		
15 Total appropriation - Arizona state parks		
16 board	\$ 14,439,300	\$ 14,439,300
17		\$ 15,139,300
18 Fund sources:		
19 State general fund	\$ 2,380,500	\$ 2,380,500
20		\$ 5,730,500
21 State parks enhancement fund	10,505,800	10,505,800
22		7,855,800
23 Law enforcement and boating		
24 safety fund	1,092,700	1,092,700
25 Reservation surcharge revolving		
26 fund	460,300	460,300
27 Performance measures:		
28 Annual park attendance	2,500,000	2,500,000
29 Per cent of park visitors rating their		
30 experience "good" or "excellent"	96	96

31 The appropriation for law enforcement and boating safety fund projects
 32 is an estimate representing all monies distributed to this fund, including
 33 balance forward, revenue and transfers during fiscal years 2005-2006 and
 34 2006-2007. These monies are appropriated to the Arizona state parks board
 35 for the purposes established in section 5-383, Arizona Revised Statutes. The
 36 appropriation shall be adjusted as necessary to reflect actual final receipts
 37 credited to the law enforcement and boating safety fund.

38 All other operating expenditures include \$26,000 from the state parks
 39 enhancement fund for Fool Hollow state park revenue sharing. If receipts to
 40 Fool Hollow exceed \$260,000 in fiscal years 2005-2006 and 2006-2007, an
 41 additional ten per cent of this increase of Fool Hollow receipts is
 42 appropriated from the state parks enhancement fund to meet the revenue
 43 sharing agreement with the city of Show Low and the United States forest
 44 service.

1 All reservation surcharge revolving fund receipts received by the
 2 Arizona state parks board in excess of \$460,300 in fiscal years 2005-2006 and
 3 2006-2007 are appropriated to the reservation surcharge revolving fund.
 4 Before the expenditure of any reservation surcharge revolving fund monies in
 5 excess of \$460,300 in fiscal years 2005-2006 and 2006-2007, the Arizona state
 6 parks board shall submit the intended use of the monies for review by the
 7 joint legislative budget committee.

8 During fiscal years 2005-2006 and 2006-2007, no more than \$5,000 each
 9 year from appropriated or non-appropriated monies may be used for the
 10 purposes of out-of-state travel expenses by state parks board staff. No
 11 appropriated or non-appropriated monies may be used for out-of-country travel
 12 expenses. The state parks board shall submit by June 30, 2006 and June 30,
 13 2007, a report to the joint legislative budget committee on out-of-state
 14 travel activities and expenditures for that fiscal year.

15 The state parks board shall submit to the joint legislative budget
 16 committee, on a quarterly basis, the operating expenditures of each state
 17 park.

18 Sec. 45. Laws 2005, chapter 286, section 75 is amended to read:

19 Sec. 75. PIONEERS' HOME

	<u>2005-06</u>	<u>2006-07</u>
21 FTE positions	115.8	115.8
22 Personal services	\$ 3,267,400	3,267,400
23 Employee related expenditures	1,172,200	1,172,200
24 Professional and outside services	129,300	129,300
25 Travel in-state	25,000	25,000
26 Other operating expenditures	446,800	446,800
27 Food	202,200	202,200
28 Equipment	12,000	12,000
29 Prescription drugs	<u>436,400</u>	<u>436,400</u>
30 Total appropriation - pioneers' home	\$ 5,691,300	\$ 5,691,300
31 Fund sources:		
32 STATE GENERAL FUND	\$ - 0 -	\$ 800,100
33 Miners' hospital fund	1,468,900	1,468,900
34 State charitable fund	4,222,400	4,222,400
35		3,422,300

36 Performance measures:

37 Per cent of residents rating services as
 38 "good" or "excellent" 98 98

39 Earnings on state lands and interest on the investment of the permanent
 40 land funds are appropriated for the pioneers' home and the hospital for
 41 disabled miners in compliance with the enabling act and the Constitution of
 42 Arizona.

43 The pioneers' home shall not exceed its expenditure authority for
 44 monies appropriated from the miners' hospital for disabled miners' land fund.

1 Sec. 46. Laws 2005, chapter 286, section 82 is amended to read:

2 Sec. 82. RADIATION REGULATORY AGENCY

	<u>2005-06</u>	<u>2006-07</u>
3 FTE positions	25.0	25.0 29.0
4 Lump sum appropriation	\$ 1,352,900	\$ 1,352,900 \$ 1,608,300
5 Fund sources:		
6 State general fund	\$ 1,105,600	\$ 1,105,600 \$ 1,361,000
7 State radiologic technologist certification fund	247,300	247,300
8 Performance measures:		
9 Per cent of x-ray tubes overdue for inspection	22	22
10 Radiological incidents (non-Palo Verde related)	15	15
11 Radiological incidents (Palo Verde)	0	0
12 Customer satisfaction rating (Scale 1-8)	7.5	7.5

13 Sec. 47. Laws 2005, chapter 286, section 102 is amended to read:

14 Sec. 102. DEPARTMENT OF VETERANS' SERVICES

	<u>2005-06</u>	<u>2006-07</u>
15 FTE positions	299.3	299.3 324.3
16 Operating lump sum appropriation	\$ 14,578,100	\$ 14,554,600 \$ 13,659,600
17 Southern Arizona cemetery	134,700	134,700 256,200
18 NORTHERN ARIZONA CEMETERY	- 0 -	182,700
19 VETERANS' BENEFITS COUNSELING	- 0 -	2,070,000
20 Telemedicine project	10,000	10,000
21 Veterans' organizations contracts	<u>29,200</u>	<u>29,200</u>
22 Total appropriation - department of veterans' services	\$ 14,752,000	\$ 14,728,500 \$ 16,207,700
23 Fund sources:		
24 State general fund	\$ 2,259,000	\$ 2,259,000 \$ 3,738,200
25 State home for veterans' trust fund	11,834,600	11,834,600
26 State veterans' conservatorship fund	658,400	634,900
27 Performance measures:		
28 DHS quality rating of the veterans' home ("excellent", "standard" or "substandard")	Excellent	Excellent
29 Per cent of customers rating department's services as "good" or "excellent"	95	95

1 Sec. 48. Appropriations; fund deposits
2 A. The sum of \$274,158,600 is appropriated from the state general fund
3 in fiscal year 2006-2007 for deposit in funds as follows:
4 1. \$9,808,600 in the budget stabilization fund established by section
5 35-144, Arizona Revised Statutes.
6 2. \$850,000 in the telecommunication fund for the deaf established by
7 section 36-1947, Arizona Revised Statutes.
8 3. \$245,000,000 in a separate account of the state highway fund
9 established by section 28-6991, Arizona Revised Statutes, to be known as the
10 statewide transportation acceleration needs account. Any other assets
11 received by the department of transportation as a result of investment and
12 expenditure of these monies shall also be deposited in the statewide
13 transportation acceleration needs account.
14 4. \$13,500,000 in the Arizona water banking fund established by
15 section 45-2425, Arizona Revised Statutes. These monies shall be used to
16 carry out state obligations related to Indian firming. The department of
17 water resources shall report its expenditure plans for these monies to the
18 joint legislative budget committee by November 30, 2006.
19 5. \$5,000,000 in the Arizona arts endowment fund established by
20 section 41-986, Arizona Revised Statutes. It is the intent of the
21 legislature that this deposit completes the deposits into the fund required
22 by section 42-5029, Arizona Revised Statutes.
23 B. The sum of \$62,000,000 is appropriated from the state highway fund
24 in fiscal year 2006-2007 for deposit in a separate account of the state
25 highway fund established by section 28-6991, Arizona Revised Statutes, to be
26 known as the statewide transportation acceleration needs account. Any other
27 assets received by the department of transportation as a result of investment
28 and expenditure of these monies shall also be deposited in the statewide
29 transportation acceleration needs account.
30 C. The appropriations made in subsection A, paragraph 3 and subsection
31 B of this section are exempt from the provisions of section 35-190, Arizona
32 Revised Statutes, relating to the lapsing of appropriations.

33 Sec. 49. Appropriation; operating adjustments

	<u>2006-07</u>
34	
35 Attorney general cost allocation	\$ 5,402,600
36 Fund sources:	
37 State general fund	\$ 4,595,700
38 Other appropriated funds	806,900
39 State employee health insurance	
40 adjustments	\$ 39,327,600
41 Fund sources:	
42 State general fund	\$ 28,695,900
43 Other appropriated funds	10,631,700
44 State employee retirement	
45 adjustments	\$ 36,925,800

1	Fund sources:	
2	State general fund	\$ 27,635,500
3	Other appropriated funds	9,290,300
4	State telecommunications adjustments	\$ 9,331,100
5	Fund sources:	
6	State general fund	\$ 5,300,600
7	Other appropriated funds	4,030,500
8	Biennial agency operating adjustments	\$ 6,400,000
9	Fund sources:	
10	State general fund	\$ 1,500,000
11	Other appropriated funds	4,900,000

12 The other appropriated funds may be allocated from the following funds:
13 board of accountancy fund, acupuncture board of examiners fund, air permits
14 administration fund, air quality fund, antitrust enforcement revolving fund,
15 board of appraisal fund, Arizona benefits fund, Arizona health care cost
16 containment system donations fund, Arizona medical board fund, Arizona
17 protected native plant fund, attorney general legal services cost allocation
18 fund, Arizona automated fingerprint identification system fund, automobile
19 theft authority fund, automation operations fund, state aviation fund, board
20 of barbers fund, board of behavioral health examiners fund, bond fund,
21 capital outlay stabilization fund, state charitable fund, child abuse
22 prevention fund, child fatality review fund, child support enforcement
23 administration fund, children's health insurance program fund, board of
24 chiropractic examiners fund, citrus, fruit and vegetable revolving fund,
25 collection enforcement revolving fund, commerce and economic development
26 commission fund, commercial feed fund, confidential intermediary and
27 fiduciary fund, agricultural consulting and training fund, consumer
28 protection-consumer fraud revolving fund, corrections fund, board of
29 cosmetology fund, crime laboratory assessment fund, criminal justice
30 enhancement fund, county fair racing fund, court appointed special advocate
31 fund, defensive driving school fund, dental board fund, Arizona
32 deoxyribonucleic acid identification system fund, board of dispensing
33 opticians fund, driving under the influence abatement fund, drug and gang
34 prevention resource center fund, state education fund for committed youth,
35 state education fund for correctional education, state egg inspection fund,
36 emergency medical services operating fund, emissions inspection fund,
37 environmental laboratory licensure revolving fund, estate and unclaimed
38 property fund, Arizona exposition and state fair fund, federal child care and
39 development fund block grant, federal surplus materials revolving fund,
40 federal temporary assistance for needy families block grant, fertilizer
41 materials fund, board of funeral directors' and embalmers' fund, fingerprint
42 clearance card fund, game and fish fund, game, nongame, fish and endangered
43 species fund, hazardous waste management fund, healthcare group fund, hearing
44 and speech professionals fund, state highway fund, Arizona highway patrol
45 fund, highway user revenue fund, board of homeopathic medical examiners fund,

1 housing trust fund, DHS indirect cost fund, ADEQ indirect cost fund,
2 industrial commission administrative fund, information technology fund,
3 interagency service agreements fund, intergovernmental agreements and grants,
4 investment management regulatory and enforcement fund, job training fund,
5 judicial collection enhancement fund, land conservation fund administration
6 account, lease-purchase building operating and maintenance fund, liability
7 set-off fund, long-term care system fund, long-term disability administration
8 account, state lottery fund, board of medical examiners fund, the miners'
9 hospital for disabled miners land fund, motor vehicle liability insurance
10 enforcement fund, motor vehicle pool revolving fund, naturopathic physicians
11 board of medical examiners fund, newborn screening program fund, board of
12 nursing fund, nursing care institution administrators' licensing and assisted
13 living facility managers' certification fund, occupational therapy fund, oil
14 overcharge fund, board of optometry fund, board of osteopathic examiners
15 fund, state parks enhancement fund, penitentiary land fund, personnel
16 division fund, pesticide fund, Arizona state board of pharmacy fund, board of
17 physical therapy fund, podiatry fund, postsecondary education fund, prison
18 construction and operations fund, board for private postsecondary education
19 fund, professional employer organization fund, Arizona protected native plant
20 fund, board of psychologist examiners fund, public access fund, public
21 assistance collections fund, racing administration fund, state radiologic
22 technologist certification fund, records services fund, recycling fund,
23 registrar of contractors fund, reservation surcharge revolving fund,
24 residential utility consumer office revolving fund, board of respiratory care
25 examiners fund, state retirement system administration account, risk
26 management revolving fund, safety enforcement and transportation
27 infrastructure fund, schools for the deaf and the blind fund, securities
28 regulatory and enforcement fund, seed law fund, solid waste fee fund, special
29 administration fund, special employee health insurance trust fund, special
30 services revolving fund, spinal and head injuries trust fund, state aid to
31 the courts fund, Arizona state hospital fund, state board of equalization
32 fund, state surplus materials revolving fund, structural pest control
33 commission fund, substance abuse services fund, teacher certification fund,
34 technical registration fund, telecommunications fund, telecommunication fund
35 for the deaf, telecommunications excise tax fund, tobacco tax and health care
36 fund, transportation department equipment fund, tribal-state compact fund,
37 used oil fund, utility regulation revolving fund, vehicle inspection and
38 title enforcement fund, state veterans' conservatorship fund, state home for
39 veterans' trust fund, veterinary medical examining board fund, victims'
40 rights fund, watercraft licensing fund, waterfowl conservation fund, water
41 quality fee fund, and workforce investment act grant.

1 Attorney general cost allocation

2 The amount appropriated for attorney general legal services cost
3 allocation adjustments shall be for agency and department pro rata share
4 contributions for the attorney general legal services cost allocation charge.
5 The joint legislative budget committee staff shall determine and the
6 department of administration shall allocate to each agency or department an
7 amount sufficient to charge the pro rata share contribution of 0.62 per cent
8 to each fund's personal services base.

9 The joint legislative budget committee staff shall also determine and
10 the department of administration shall allocate adjustments, as necessary, in
11 total expenditure authority to allow implementation of pro rata share
12 contribution adjustments.

13 The attorney general pro rata contribution shall not be charged to the
14 department of administration risk management fund and any fund administered
15 by the Arizona health care cost containment system, the Arizona department of
16 agriculture and councils that receive administrative and budgetary services
17 from the Arizona department of agriculture, the department of law, the
18 auditor general, the corporation commission, the department of economic
19 security, the Arizona game and fish department, the office of the governor,
20 the house of representatives, the industrial commission, the joint
21 legislative budget committee, the legislative council, the Arizona state
22 library, archives and public records, the residential utility consumer
23 office, the senate, the superior court, the court of appeals, the supreme
24 court, the department of transportation, the universities, the department of
25 water resources or any self-supporting regulatory agency as determined by
26 section 35-143.01, Arizona Revised Statutes.

27 State employee health insurance adjustments

28 The amount appropriated for state employee health insurance adjustments
29 shall be for fiscal year 2006-2007 increases in the employer share of state
30 employee health insurance premiums. The joint legislative budget committee
31 staff shall determine and the department of administration shall allocate to
32 each agency's or department's employee related expenditures an amount
33 sufficient for the employer share of the employee health insurance increases.
34 The joint legislative budget committee staff shall also determine and the
35 department of administration shall allocate adjustments, as necessary, in
36 expenditure authority to allow implementation of state employee health
37 insurance adjustments.

38 State employee retirement adjustments

39 The amount appropriated for state employee retirement contribution
40 adjustments shall be for fiscal year 2006-2007 increases in the employer
41 share of state employee retirement contributions. The joint legislative
42 budget committee staff shall determine and the department of administration
43 shall allocate to each agency's or department's employee related expenditures
44 an amount sufficient for the employer share of the employee retirement
45 contribution increase. The joint legislative budget committee staff shall

1 also determine and the department of administration shall allocate
2 adjustments, as necessary, in expenditure authority to allow implementation
3 of state employee retirement contribution adjustments.

4 State telecommunications adjustments

5 The amount appropriated for state telecommunications adjustments shall
6 be for fiscal year 2006-2007 increases in agency or department
7 telecommunication charges. The joint legislative budget committee staff
8 shall determine and the department of administration shall allocate to each
9 agency or department an amount sufficient for the contribution increase. The
10 joint legislative budget committee staff shall also determine and the
11 department of administration shall allocate adjustments, as necessary, in
12 expenditure authority to allow implementation of state telecommunications
13 adjustments.

14 Biennial agency operating adjustments

15 The amount appropriated for biennial agency operating adjustments shall
16 be to annualize fiscal year 2005-2006 increases made pursuant to Laws 2005,
17 chapter 286, section 107 for agencies that received a fiscal year 2006-2007
18 appropriation in Laws 2005, chapter 286. The joint legislative budget
19 committee staff shall determine and the department of administration shall
20 allocate to each agency or department an amount for these annualization
21 adjustments. The joint legislative budget committee staff shall also
22 determine and the department of administration shall allocate adjustments, as
23 necessary, in expenditure authority to allow implementation of these
24 annualization adjustments.

25 Sec. 50. Legislative intent; expenditure reporting

26 It is the intent of the legislature that all departments, agencies or
27 budget units receiving appropriations under the terms of this act shall
28 continue to report actual, estimated and requested expenditures by budget
29 programs and budget classes in a format that is similar to the budget
30 programs and budget classes used for budgetary purposes in prior years. A
31 different format may be used if deemed necessary to implement the provisions
32 of section 35-113, Arizona Revised Statutes, agreed to by the director of the
33 joint legislative budget committee and incorporated into the budget
34 preparation instructions adopted by the governor's office of strategic
35 planning and budgeting pursuant to section 35-112, Arizona Revised Statutes.

36 Sec. 51. FTE positions; reporting

37 Full-time equivalent (FTE) positions contained in this act are subject
38 to appropriation. The director of the department of administration shall
39 account for the use of all appropriated FTE positions excluding those in the
40 department of economic security, the universities and the department of
41 environmental quality. The director shall submit fiscal year 2006-2007
42 reports by February 1, 2007 and August 1, 2007 to the director of the joint
43 legislative budget committee. The reports shall compare the level of FTE
44 usage in each fiscal year to the appropriated level. The director of the
45 department of administration shall notify the director of each budget unit if

1 the budget unit has exceeded its number of appropriated FTE positions. The
2 above excluded agencies shall each report to the director of the joint
3 legislative budget committee in a manner comparable to the department of
4 administration reporting.

5 Sec. 52. Filled FTE positions; reporting

6 By October 1, 2006, each agency, including the judiciary and
7 universities, shall submit a report to the director of the joint legislative
8 budget committee on the number of filled, appropriated full-time equivalent
9 positions by fund source. The number of filled, appropriated full-time
10 equivalent positions reported shall be as of September 1, 2006.

11 Sec. 53. Performance measure results; reporting

12 As part of its fiscal year 2007-2008 budget request, agencies shall
13 submit the fiscal year 2005-2006 result for the performance measures listed
14 in this act. Agencies receiving fiscal year 2006-2007 budgets in Laws 2005,
15 chapter 286, shall submit the fiscal year 2005-2006 result for the
16 performance measures listed in that act as part of their fiscal year
17 2007-2008 budget request. If an agency fails to submit this information, it
18 shall submit a report to the joint legislative budget committee staff and the
19 office of strategic planning and budgeting as part of its fiscal year
20 2007-2008 budget request on why the agency failed to submit its results for
21 the performance measure.

22 Sec. 54. Transfer of spending authority

23 The department of administration shall report monthly to the director
24 of the joint legislative budget committee on any transfers of spending
25 authority made pursuant to section 35-173, subsection C, Arizona Revised
26 Statutes, during the prior month.

27 Sec. 55. Interim reporting requirements

28 A. State general fund revenue for fiscal year 2005-2006, not including
29 the beginning balance and including one-time revenues, is forecasted to be
30 \$8,878,726,500.

31 B. State general fund revenue for fiscal year 2006-2007, not including
32 the beginning balance and including one-time revenues, is forecasted to be
33 \$9,121,756,800.

34 C. The executive branch shall provide to the joint legislative budget
35 committee a preliminary estimate of the fiscal year 2005-2006 state general
36 fund ending balance by September 15, 2006. The preliminary estimate of the
37 fiscal year 2006-2007 state general fund ending balance shall be provided by
38 September 15, 2007. The estimate shall include projections of total
39 revenues, total expenditures and ending balance. The department of
40 administration shall continue to provide the final report for the fiscal year
41 in its annual financial report pursuant to section 35-131, Arizona Revised
42 Statutes.

1 D. Based on the information provided by the executive branch, the
2 staff of the joint legislative budget committee shall report to the joint
3 legislative budget committee by October 15 of 2006 and 2007 as to whether
4 that fiscal year's revenues and ending balance are expected to change by more
5 than \$50,000,000 from the budgeted projections. The executive branch may
6 also provide its own estimates to the joint legislative budget committee by
7 October 15 of each year.

8 Sec. 56. Office of strategic planning and budgeting; federal
9 revenue maximization reporting

10 The office of strategic planning and budgeting shall report to the
11 joint legislative budget committee by July 1, 2006 and the beginning of each
12 subsequent calendar quarter in the fiscal year on the status of the federal
13 revenue maximization initiative. The report, at a minimum, shall include an
14 update on contracts awarded as a result of the "RevMax" request for
15 proposals, a summary of projects and the potential savings from each project.
16 Any reported savings shall distinguish between potential reductions in
17 current funding levels and foregone future spending increases.

18 Sec. 57. Definition

19 For the purposes of this act, "*" means this appropriation is a
20 continuing appropriation and is exempt from the provisions of section 35-190,
21 Arizona Revised Statutes, relating to lapsing of appropriations.

22 Sec. 58. Definition

23 For the purposes of this act, "***" means this appropriation is
24 available for use pursuant to the provisions of section 35-143.01, subsection
25 C, Arizona Revised Statutes, and is exempt from the provisions of section
26 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until
27 June 30, 2007.

28 Sec. 59. Definition

29 For the purposes of this act, "expenditure authority" means that the
30 fund sources are continuously appropriated monies that are included in the
31 individual line items of appropriations.

32 Sec. 60. Definition

33 For the purposes of this act, "review by the joint legislative budget
34 committee" means a review by a vote of a majority of a quorum of the members.
35 The committee review is to occur within forty-five days of the date of
36 receipt of the agency's request for review being received by the office of
37 the chairman of the committee with a copy to the staff director of the
38 committee. The agency shall respond to the committee or joint legislative
39 budget committee staff requests for information within fifteen days of the
40 request.