

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1464

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 35, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 35-104, to read:

4 35-104. State financial condition; reports

5 A. THE STATE TREASURER SHALL PREPARE AND SUBMIT TO THE GOVERNOR, THE
6 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ON
7 THE FIRST DAY OF EACH REGULAR SESSION OF THE LEGISLATURE A STATEMENT UNDER
8 OATH THAT DESCRIBES THE FINANCIAL CONDITION OF THE STATE TREASURY AT THE
9 CLOSE OF THE PRECEDING FISCAL YEAR AND THAT CONTAINS AN ESTIMATE OF THE
10 PROBABLE RECEIPTS AND DISBURSEMENTS FROM THE STATE TREASURY FOR THE CURRENT
11 FISCAL YEAR. THE STATEMENT SHALL INCLUDE AN ITEMIZED ESTIMATE OF THE
12 ANTICIPATED REVENUE FROM ALL SOURCES BASED ON THE LAWS IN EFFECT THAT WILL BE
13 RECEIVED BY THIS STATE AND SHALL SHOW THE FUND ACCOUNTS TO BE CREDITED DURING
14 THE SUBSEQUENT TWO FISCAL YEARS. THE STATE TREASURER SHALL SUBMIT A
15 SUPPLEMENTAL STATEMENT OF FINANCIAL CONDITION AT THE BEGINNING OF ANY SPECIAL
16 SESSION OF THE LEGISLATURE AND AT ANY OTHER TIME IT IS NECESSARY TO
17 ILLUSTRATE PROBABLE CHANGES IN THE STATE'S FINANCIAL CONDITION. THE
18 DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF REVENUE SHALL PROVIDE AT
19 NO COST TO THE STATE TREASURER THE INFORMATION NECESSARY TO COMPLETE THE
20 STATEMENT REQUIRED BY THIS SUBSECTION IN A MANNER AND SCHEDULE PRESCRIBED BY
21 THE STATE TREASURER.

22 B. WHEN THE LEGISLATURE ADOPTS A GENERAL APPROPRIATIONS ACT, THE STATE
23 TREASURER SHALL PREPARE A STATEMENT OF WHETHER THE AMOUNT APPROPRIATED IS
24 WITHIN THE AMOUNT ESTIMATED TO BE AVAILABLE IN THE AFFECTED FUNDS. THE
25 INFORMATION PREPARED BY THE STATE TREASURER PURSUANT TO THIS SUBSECTION SHALL
26 BE SUBMITTED TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF
27 THE HOUSE OF REPRESENTATIVES AND SHALL BE POSTED ON THE STATE TREASURER'S
28 OFFICIAL WEBSITE.

29 Sec. 2. Section 35-115, Arizona Revised Statutes, is amended to read:

1 35-115. Contents of budget report

2 Each budget report as required by section 35-111 shall include the
3 following:

4 1. Summary statements of the financial condition of the state, to
5 include:

6 (a) A consolidated balance sheet showing all current assets and
7 liabilities of the state at the close of the fiscal year last concluded.

8 (b) Summary statements of the actual income and expenditures of the
9 fiscal year last concluded.

10 (c) Similar summary statements of estimated fund balances for the
11 current fiscal year.

12 2. Schedules showing actual income from each source for the preceding
13 fiscal year and the estimated income of the current fiscal year and of the
14 two ensuing fiscal years for biennial budget units and for the next fiscal
15 year for annual budget units. The statements of income and estimated income
16 shall be itemized by source, by budget units and sources, ~~—~~ and by funds and
17 shall show separately revenue from nonrevenue, all detailed by sources.

18 3. Detailed comparative statements of expenditures and requests for
19 appropriations by funds, budget units, budget programs and budget classes,
20 showing the expenditures for the fiscal year last concluded, and the
21 estimated expenditures for the current year, and the request of each budget
22 unit and the governor's recommendations for appropriations for the two
23 ensuing fiscal years for biennial budget units and for the next fiscal year
24 for annual budget units, all distributed according to budget programs and
25 budget classes. In connection with each expenditure involving construction
26 projects to be completed in one or more fiscal years, there shall be shown
27 the total estimated cost of each project and the amount recommended to be
28 appropriated and expended in each ensuing fiscal year until completion of the
29 project. The state capital improvement plan and the governor's
30 recommendations concerning the plan shall be incorporated into the budget
31 report.

32 4. A summary statement for each fund of the cash resources estimated
33 to be available at the beginning of the next two fiscal years for biennial
34 budget units and for the next fiscal year for annual budget units and the
35 estimated cash receipts for the two ensuing fiscal years for biennial budget

1 units and for the next fiscal year for annual budget units, as compared with
2 the total recommended amounts for appropriations for all budget programs and
3 budget classes for the two ensuing fiscal years for biennial budget units and
4 for the next fiscal year for annual budget units, and if the total of the
5 recommended expenditures exceeds the total of the estimated resources,
6 recommendations as to how the deficiency is to be met and estimates of
7 receipts from any proposed additional revenues.

8 5. Each fiscal year for annual budget units and biennially for
9 biennial budget units, delineation of requested expenditures for
10 administrative costs, including administrative personnel salaries and
11 employee related expenses and direct, indirect and shared costs for
12 administrative office space, equipment, supplies and overhead. For THE
13 purposes of this paragraph, "administrative" means any supportive activity
14 relating to management, supervision, budget or execution of the affairs of
15 the budget unit as distinguished from activities relating to its primary
16 direct service functions. The process of delineation and determination of
17 what constitutes administrative costs for each budget unit shall be developed
18 by the governor's office of strategic planning and budgeting in consultation
19 with the director and staff of the joint legislative budget committee.

20 6. A summary on one page or less providing selected performance
21 measures of the budget unit for the previous fiscal year and the budget
22 years. The performance measures may be expressed as service level measures
23 on a unit cost basis and shall be established by the governor's office of
24 strategic planning and budgeting in consultation with the director and staff
25 of the joint legislative budget committee.

26 7. A SEPARATE STATEMENT ON THE FIRST PAGE OF THE BUDGET REPORT
27 INDICATING WHETHER THE TOTAL AMOUNT OF STATE REVENUES, AS DEFINED BY ARTICLE
28 IX, SECTION 17, CONSTITUTION OF ARIZONA, INCLUDED IN THE REPORT FOR
29 EXPENDITURE IN THE NEXT FISCAL YEAR, INCLUDING EXPENDITURES BY THE
30 LEGISLATURE, THE JUDICIARY, THE ARIZONA BOARD OF REGENTS AND THE DEPARTMENT
31 OF TRANSPORTATION, WILL OR WILL NOT EXCEED THE AMOUNT OF STATE REVENUES
32 APPROPRIATED FOR THE CURRENT FISCAL YEAR, ADJUSTED ACCORDING TO THE ANNUAL
33 CHANGE IN THE POPULATION OF THIS STATE, FOR THE COST OF LIVING AS REPORTED BY
34 THE ECONOMIC ESTIMATES COMMISSION PURSUANT TO SECTION 41-562, SUBSECTION C,
35 PARAGRAPH 2 AND ENROLLMENT AND CASELOAD GROWTH ATTRIBUTED TO PROGRAMS OR

1 SERVICES PROVIDED BY THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM, THE
2 STATE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF ECONOMIC SECURITY, THE
3 DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH SERVICES. THE STATEMENT
4 SHALL ALSO ASSERT THE DIFFERENCE BETWEEN THE PROPOSED EXPENDITURE LEVELS AND
5 THE APPROPRIATIONS LIMITATION ESTABLISHED BY ARTICLE IX, SECTION 17,
6 CONSTITUTION OF ARIZONA. THE GOVERNOR SHALL PROMINENTLY POST THE STATEMENT
7 ON THE GOVERNOR'S OFFICE WEBSITE THROUGH JUNE 30 AFTER THE BUDGET REPORT IS
8 ISSUED. FOR THE PURPOSES OF THIS PARAGRAPH, APPROPRIATIONS OF STATE REVENUES
9 THAT ARE AUTHORIZED AND AVAILABLE FOR EXPENDITURE IN MORE THAN ONE FISCAL
10 YEAR AND THAT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO
11 LAPSING OF APPROPRIATIONS SHALL BE CONSIDERED TO HAVE BEEN APPROPRIATED FOR
12 EXPENDITURE ONLY IN THE FIRST AUTHORIZED FISCAL YEAR REGARDLESS OF WHETHER
13 ANY OF THOSE AMOUNTS HAVE BEEN OR MAY BE CARRIED FORWARD.

14 Sec. 3. Title 35, chapter 1, article 2, Arizona Revised Statutes, is
15 amended by adding section 35-125, to read:

16 35-125. Legislative budget; statement of increased
17 appropriations

18 EACH YEAR BEFORE TRANSMITTING THE GENERAL APPROPRIATION ACT TO THE
19 GOVERNOR, THE LEGISLATURE MAY ADOPT BY CONCURRENT RESOLUTION A STATEMENT
20 INDICATING WHETHER THE TOTAL AMOUNT OF STATE REVENUES, AS DEFINED BY ARTICLE
21 IX, SECTION 17, CONSTITUTION OF ARIZONA, APPROPRIATED IN THAT LEGISLATIVE
22 SESSION FOR EXPENDITURE IN THE NEXT FISCAL YEAR BY ALL BUDGET UNITS WILL OR
23 WILL NOT EXCEED THE AMOUNT OF STATE REVENUES APPROPRIATED FOR THE CURRENT
24 FISCAL YEAR, ADJUSTED ACCORDING TO THE ANNUAL CHANGE IN THE POPULATION OF
25 THIS STATE, FOR THE COST OF LIVING AS REPORTED BY THE ECONOMIC ESTIMATES
26 COMMISSION PURSUANT TO SECTION 41-562, SUBSECTION C, PARAGRAPH 3 AND
27 ENROLLMENT AND CASELOAD GROWTH ATTRIBUTED TO PROGRAMS OR SERVICES PROVIDED BY
28 THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM, THE STATE DEPARTMENT OF
29 CORRECTIONS, THE DEPARTMENT OF ECONOMIC SECURITY, THE DEPARTMENT OF EDUCATION
30 AND THE DEPARTMENT OF HEALTH SERVICES. THE STATEMENT SHALL ALSO ASSERT THE
31 DIFFERENCE BETWEEN THE PROPOSED EXPENDITURE LEVELS AND THE APPROPRIATIONS
32 LIMITATION ESTABLISHED BY ARTICLE IX, SECTION 17, CONSTITUTION OF ARIZONA.
33 THE LEGISLATURE SHALL ALSO PROMINENTLY POST THE CONCURRENT RESOLUTION ON THE
34 LEGISLATURE'S WEBSITE THROUGH DECEMBER 31 OF THE CALENDAR YEAR IT WAS
35 ADOPTED. FOR THE PURPOSES OF THIS PARAGRAPH, APPROPRIATIONS OF STATE

1 REVENUES THAT ARE AUTHORIZED AND AVAILABLE FOR EXPENDITURE IN MORE THAN ONE
2 FISCAL YEAR AND THAT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
3 RELATING TO LAPSING OF APPROPRIATIONS SHALL BE CONSIDERED TO HAVE BEEN
4 APPROPRIATED FOR EXPENDITURE ONLY IN THE FIRST AUTHORIZED FISCAL YEAR
5 REGARDLESS OF WHETHER ANY OF THOSE AMOUNTS HAVE BEEN OR MAY BE CARRIED
6 FORWARD.

7 Sec. 4. Section 41-562, Arizona Revised Statutes, is amended to read:

8 41-562. Powers and duties of the commission; definition

9 A. The economic estimates commission shall determine and report to the
10 legislature ~~prior to~~ BEFORE January 15 of each year the following:

11 1. The estimated total personal income in Arizona for the next fiscal
12 year.

13 2. The estimated total personal income in Arizona for the current
14 fiscal year.

15 3. The estimated percentage change per capita of estimated total
16 personal income in Arizona for the next fiscal year.

17 4. The estimated per capita personal income in Arizona for the current
18 fiscal year.

19 B. Other state agencies shall assist the economic estimates commission
20 in furnishing available data and information necessary for development of the
21 required estimates. In no event shall the commission authorize an
22 independent study or employ consultants in the performance of its duties.

23 C. The economic estimates commission shall determine and publish ~~prior~~
24 ~~to~~ BEFORE:

25 1. November 15 of each year the maximum dollar amount ~~which~~ THAT is
26 expected to be available for legislative appropriation from state tax
27 revenues pursuant to article IX, section 17, ~~of the~~ Constitution OF ARIZONA,
28 for the succeeding fiscal year. The dollar amount available for
29 appropriation from state tax revenues shall be computed by multiplying
30 together the appropriation percentage limitation for the succeeding fiscal
31 year and the estimated total personal income of the state of Arizona for the
32 succeeding fiscal year.

33 2. DECEMBER 15 OF EACH YEAR:

34 (a) THE POSITIVE OR NEGATIVE PERCENTAGE CHANGE FROM THE PRECEDING
35 YEAR IN THE POPULATION OF THIS STATE, USING THE MOST RECENT UNITED STATES

1 DECENNIAL CENSUS OR THE MOST RECENT ANNUAL UPDATE OF THE CENSUS BY THE
2 DEPARTMENT OF ECONOMIC SECURITY.

3 (b) THE POSITIVE OR NEGATIVE PERCENTAGE CHANGE FROM THE PRECEDING YEAR
4 IN THE COST OF LIVING, USING THE IMPLICIT PRICE DEFLATOR FOR THE GROSS
5 NATIONAL PRODUCT REPORTED BY THE UNITED STATES DEPARTMENT OF COMMERCE FOR THE
6 FOUR MOST RECENT CALENDAR QUARTERS FOR WHICH DATA ARE AVAILABLE.

7 3. MARCH 31 OF EACH YEAR ANY REVISIONS TO THE PERCENTAGES REPORTED
8 PURSUANT TO PARAGRAPH 2, SUBDIVISIONS (a) AND (b) OF THIS SUBSECTION.

9 D. For the purposes of this section, "total personal income" means the
10 dollar amount that will be reported as total income received by persons in
11 the state of Arizona by the United States department of commerce or its
12 successor agency."

13 Amend title to conform

and, as so amended, it do pass

JOHN KAVANAGH
Chairman

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H:jjb

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06/24/2009
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