

REFERENCE TITLE: general appropriations; 2012-2013.

State of Arizona
Senate
Fiftieth Legislature
Second Regular Session
2012

SB 1523

Introduced by
Senators Shooter, Biggs, Pierce S (with permission of Committee on Rules)

AN ACT

REPEALING LAWS 2011, CHAPTER 24, SECTION 130; AMENDING LAWS 2011, CHAPTER 24, SECTIONS 131 AND 139; MAKING APPROPRIATIONS AND BUDGET REDUCTIONS, LIMITATIONS AND TRANSFERS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS FOR FISCAL YEARS 2011-2012, 2012-2013 AND 2013-2014; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Repeal

3 Laws 2011, chapter 24, section 130 is repealed.

4 Sec. 2. Laws 2011, chapter 24, section 131 is amended to read:

5 Sec. 131. Special employee health insurance trust fund:

6 appropriation; purpose

7 Notwithstanding any other law, during fiscal ~~year~~ YEARS 2011-2012 AND
8 2012-2013, the department of administration shall have the authority to
9 negotiate and settle with the federal government any debts incurred due to
10 fund transfers from the SPECIAL EMPLOYEE health insurance trust fund
11 ESTABLISHED BY SECTION 38-654, ARIZONA REVISED STATUTES, in fiscal year
12 2011-2012. Settlement monies are appropriated from the SPECIAL EMPLOYEE
13 health insurance trust fund for this purpose. Before expending these monies,
14 the department of administration shall provide an expenditure plan to the
15 joint legislative budget committee for its review.

16 Sec. 3. Laws 2011, chapter 24, section 139 is amended to read:

17 Sec. 139. Health savings accounts; intent; report

18 A. It is the intent of the legislature that the department of
19 administration offer state employees an enhanced health savings account
20 option for the plan year beginning January 1, 2012.

21 B. On or before January 31, 2012, the department shall submit a report
22 to the joint legislative budget committee on the fiscal year 2011-2012
23 employer contribution savings associated with the implementation of the
24 enhanced health savings account option.

25 C. ~~In addition to any other appropriation reductions made in fiscal
26 year 2011-2012, notwithstanding any other law, monies shall be reduced from
27 state general fund appropriations and other state funds appropriated to state
28 agency units and from nonfederal nonappropriated funds for benefit costs and
29 transferred or reverted to the state general fund for the purposes of
30 providing adequate support and maintenance for agencies of this state. The
31 joint legislative budget committee staff shall determine and the department
32 of administration shall allocate to each agency a reduction for this section
33 based on the report in subsection B.~~

34 Sec. 4. Subject to applicable laws, the sums or sources of revenue set
35 forth in this act are appropriated for the fiscal years indicated and only
36 from the funding sources listed for the purposes and objects specified. If
37 monies from funding sources in this act are unavailable, no other funding
38 source shall be used.

39 Sec. 5. BOARD OF ACCOUNTANCY

	<u>2012-13</u>
41 FTE positions	13.0
42 Lump sum appropriation	\$ 1,887,800
43 Fund sources:	
44 Board of accountancy fund	\$ 1,887,800

1	Sec. 6. ACUPUNCTURE BOARD OF EXAMINERS	<u>2012-13</u>
2	FTE positions	1.0
3	Lump sum appropriation	\$ 125,300
4	Fund sources:	
5	Acupuncture board of examiners fund	\$ 125,300
6	Sec. 7. DEPARTMENT OF ADMINISTRATION	<u>2012-13</u>
7	FTE positions	510.1
8	Operating lump sum appropriation	\$ 78,777,200
9	Utilities	8,275,600
10	County attorney immigration enforcement	1,213,200
11	Human resources information solution - certificate of participation	4,954,800
12	Public safety communications	527,200
13	Risk management administrative expenses	8,746,100
14	Risk management losses and premiums	43,480,200
15	Workers' compensation losses and premiums	32,166,200
16	Statewide information security and privacy office	853,100
17	State surplus property sales proceeds	<u>1,260.000</u>
18	Total appropriation - department of administration	\$180,253,600
19	Fund sources:	
20	State general fund	\$ 13,422,200
21	Air quality fund	714,100
22	Automation operations fund	18,672,400
23	Capital outlay stabilization fund	17,890,500
24	Corrections fund	552,500
25	Federal surplus materials revolving fund	451,400
26	Information technology fund	3,120,500
27	Motor vehicle pool revolving fund	10,038,900
28	Personnel division fund	13,969,000
29	Risk management revolving fund	91,867,800

1	Special employee health insurance trust fund	5,108,300
2	State surplus materials revolving fund	2,378,800
3	State web portal fund	250,000
4	Telecommunications fund	1,817,200

5 Of the \$1,213,200 appropriated to the county attorney immigration
6 enforcement line item, \$200,000 shall be distributed to the county attorney
7 of a county in this state having a population of two million or more persons
8 for the purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
9 Statutes, and \$500,000 shall be distributed to the county sheriff of a county
10 in this state having a population of two million or more persons for the
11 purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
12 Statutes. Subject to the prior approval of the joint legislative budget
13 committee, the remaining monies may be distributed to county attorneys and
14 county sheriffs of counties with populations of less than two million persons
15 for the purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
16 Statutes. This appropriation is exempt from the provisions of section
17 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. The
18 appropriated monies may be spent in the sole discretion of the county
19 attorney or county sheriff to whom the monies are distributed for the purpose
20 of enforcing title 23, chapter 2, article 2, Arizona Revised Statutes,
21 without any further approval or other action by the county board of
22 supervisors of the county.

23 The department may collect an amount not to exceed \$1,762,600 from
24 other funding sources, excluding federal funds, to recover pro rata costs of
25 operating AFIS II.

26 The appropriation for the automation operations fund is an estimate
27 representing all monies, including balance forward, revenue and transfers
28 during fiscal year 2012-2013. These monies are appropriated to the
29 department of administration for the purposes established in section 41-711,
30 Arizona Revised Statutes. The appropriation shall be adjusted as necessary
31 to reflect receipts credited to the automation operations fund for automation
32 operation center projects. Before the expenditure of any automation
33 operations fund revenues in excess of \$18,672,400 in fiscal year 2012-2013,
34 the department of administration shall report the intended use of monies to
35 the joint legislative budget committee.

36 The amounts appropriated for the state employee transportation service
37 subsidy shall be used for up to a fifty per cent subsidy of charges payable
38 for transportation service expenses as provided in section 41-786, Arizona
39 Revised Statutes, of nonuniversity state employees in a vehicle emissions
40 control area as defined in section 49-541, Arizona Revised Statutes, of a
41 county with a population of more than four hundred thousand persons.

1 It is the intent of the legislature that the department not replace
 2 vehicles until an average of 120,000 miles or more.

3 All state surplus materials revolving fund revenues received by the
 4 department of administration in excess of the \$1,260,000 appropriated to the
 5 state surplus property sales proceeds line item in fiscal year 2012-2013 are
 6 appropriated to the department. Before the expenditure of state surplus
 7 materials revolving fund receipts in excess of \$1,260,000 in fiscal year
 8 2012-2013, the department of administration shall report the intended use of
 9 monies to the joint legislative budget committee.

10 Sec. 8. OFFICE OF ADMINISTRATIVE HEARINGS

	<u>2012-13</u>
12 FTE positions	12.0
13 Lump sum appropriation	\$ 825,600
14 Fund sources:	
15 State general fund	\$ 811,100
16 Healthcare group fund	14,500

17 Sec. 9. DEPARTMENT OF AGRICULTURE

	<u>2012-13</u>
19 FTE positions	161.0
20 Operating lump sum appropriation	\$ 9,002,200
21 Agricultural employment relations	
22 board	23,300
23 Animal damage control	65,000
24 Red imported fire ant	23,200
25 Agricultural consulting and	
26 training pari-mutuel	<u>128.500</u>
27 Total appropriation - department of	
28 agriculture	\$ 9,242,200
29 Fund sources:	
30 State general fund	\$ 7,817,300
31 Aquaculture fund	4,600
32 Arizona protected native plant	
33 fund	44,900
34 Citrus, fruit and vegetable	
35 revolving fund	240,000
36 Commercial feed fund	146,600
37 Dangerous plants, pests and	
38 diseases fund	62,700
39 State egg inspection fund	448,200
40 Fertilizer materials fund	147,400
41 Livestock custody fund	60,000
42 Pesticide fund	244,500
43 Seed law fund	26,000

1 Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
2 2012-13

3 FTE positions 2,217.3

4 Operating lump sum appropriation \$ 77,880,300

5 DES eligibility 53,661,700

6 Proposition 204 - AHCCCS

7 administration 6,620,400

8 Proposition 204 - DES eligibility 37,716,400

9 Traditional Medicaid services 3,264,479,100

10 Proposition 204 services 1,365,641,700

11 Children's rehabilitative services 128,599,100

12 KidsCare services 21,622,300

13 ALTCS services 1,177,910,000

14 Disproportionate share payments 13,487,100

15 Disproportionate share payments -

16 voluntary match 28,457,100

17 Rural hospitals 13,858,100

18 Graduate medical education 90,977,300

19 Total appropriation and expenditure
20 authority - Arizona health
21 care cost containment system \$6,280,910,600

22 Appropriated fund sources:

23 State general fund \$1,412,929,800

24 Budget neutrality compliance fund 3,221,100

25 Children's health insurance

26 program fund 18,123,100

27 Health care group fund 2,260,900

28 Prescription drug rebate

29 fund - state 69,949,700

30 Tobacco products tax fund -

31 emergency health services

32 account 19,222,900

33 Tobacco tax and health care

34 fund - medically needy account 38,295,800

35 Expenditure authority 4,716,907,300

36 Operating budget

37 The amounts appropriated for the department of economic security

38 eligibility line item shall be used for intergovernmental agreements with the

39 department of economic security for the purpose of eligibility determination

40 and other functions. The general fund share may be used for eligibility

41 determination for other programs administered by the division of benefits and

42 medical eligibility based on the results of the Arizona random moment

43 sampling survey.

1 The amounts included in the proposition 204 - AHCCCS administration,
2 proposition 204 - DES eligibility and proposition 204 services special line
3 items includes all available sources of funding consistent with section
4 36-2901.01, subsection B, Arizona Revised Statutes.

5 Medical services

6 Before making fee-for-service program or rate changes that pertain to
7 fee-for-service rate categories, the Arizona health care cost containment
8 system administration shall report its expenditure plan for review by the
9 joint legislative budget committee.

10 The Arizona health care cost containment system administration shall
11 report to the joint legislative budget committee by March 1 of each year on
12 the preliminary actuarial estimates of the capitation rate changes for the
13 following fiscal year along with the reasons for the estimated changes. For
14 any actuarial estimates that include a range, the total range from minimum to
15 maximum shall be no more than two per cent. Before implementation of any
16 changes in capitation rates, the Arizona health care cost containment system
17 administration shall report its expenditure plan for review by the joint
18 legislative budget committee. Before the administration implements any
19 changes in policy affecting the amount, sufficiency, duration and scope of
20 health care services and who may provide services, the administration shall
21 prepare a fiscal impact analysis on the potential effects of this change on
22 the following year's capitation rates. If the fiscal analysis demonstrates
23 that these changes will result in additional state costs of \$500,000 or
24 greater for a given fiscal year, the administration shall submit the policy
25 changes for review by the joint legislative budget committee.

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

30 The county portion of the fiscal year 2012-2013 nonfederal portion of
31 the costs of providing long-term care system services is included in the
32 expenditure authority fund source.

33 The Arizona health care cost containment system administration may
34 transfer up to \$1,200,000 from the traditional medicaid services line item
35 for fiscal year 2012-2013 to the attorney general for costs associated with
36 tobacco settlement litigation.

37 The nonappropriated portion of the prescription drug rebate fund is
38 included in the federal portion of the expenditure authority fund source.

39 Payments to hospitals

40 The \$13,487,100 appropriation for disproportionate share payments for
41 fiscal year 2012-2013 made pursuant to section 36-2903.01, subsection P,
42 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county health
43 care district and \$9,284,800 for private qualifying disproportionate share
44 hospitals.

1	Sec. 11. BOARD OF APPRAISAL	<u>2012-13</u>
2	FTE positions	5.5
3	Lump sum appropriation	\$ 755,500
4	Fund sources:	
5	Board of appraisal fund	\$ 755,500
6	Sec. 12. BOARD OF ATHLETIC TRAINING	<u>2012-13</u>
7	FTE positions	1.5
8	Lump sum appropriation	\$ 101,200
9	Fund sources:	
10	Athletic training fund	\$ 101,200
11	Sec. 13. ATTORNEY GENERAL - DEPARTMENT OF LAW	<u>2012-13</u>
12	FTE positions	478.7
13	Operating lump sum appropriation	\$ 44,043,700
14	State grand jury	176,800
15	Victims' rights	3,238,700
16	Risk management interagency	
17	service agreement	<u>8,765,900</u>
18	Total appropriation - attorney general -	
19	department of law	\$ 56,225,100
20	Fund sources:	
21	State general fund	\$ 16,846,500
22	Antitrust enforcement revolving	
23	fund	241,200
24	Attorney general legal services	
25	cost allocation fund	5,397,100
26	Collection enforcement revolving	
27	fund	5,291,900
28	Consumer protection - consumer	
29	fraud revolving fund	3,439,800
30	Interagency service agreements	
31	fund	13,004,000
32	Risk management revolving fund	8,765,900
33	Victims' rights fund	3,238,700
34	The attorney general shall notify the president of the senate, the	
35	speaker of the house of representatives and the joint legislative budget	
36	committee before entering into a settlement of \$100,000 or more that will	
37	result in the receipt of monies by the attorney general or any other person.	
38	The attorney general shall not allocate or expend these monies until the	
39	joint legislative budget committee reviews the allocations or expenditures.	
40	Settlements that pursuant to statute must be deposited in the state general	
41	fund need not be reviewed by the joint legislative budget committee. This	

1 paragraph does not apply to actions under title 13, Arizona Revised Statutes,
 2 or other criminal matters.

3 In addition to the \$13,004,000 appropriated from the interagency
 4 service agreements fund in fiscal year 2012-2013, an additional \$800,000 and
 5 11 FTE positions are appropriated from the interagency service agreements
 6 fund in fiscal year 2012-2013 for new or expanded interagency service
 7 agreements. The attorney general shall report to the joint legislative
 8 budget committee whenever an interagency service agreement is established
 9 that will require expenditures from the additional amount. The report shall
 10 include the name of the agency or entity with which the agreement is made,
 11 the dollar amount of the contract by fiscal year and the number of associated
 12 FTE positions.

13 Sec. 14. AUTOMOBILE THEFT AUTHORITY

	<u>2012-13</u>
15 FTE positions	6.0
16 Operating lump sum appropriation	\$ 615,900
17 Automobile theft authority grants	3,607,700
18 Reimbursable programs	<u>50,000</u>
19 Total appropriation - auto theft authority	\$ 4,273,600

20 Fund sources:

21 Automobile theft authority fund	\$ 4,273,600
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22 The automobile theft authority shall submit a report to the joint
 23 legislative budget committee for review before expending any monies for the
 24 reimbursable programs line item. The agency shall also show sufficient funds
 25 collected to cover the expenses indicated in the report.

26 Automobile theft authority grants shall be awarded with consideration
 27 given to areas with greater automobile theft problems and shall be used to
 28 combat economic automobile theft operations.

29 The automobile theft authority shall pay seventy-five per cent of the
 30 personal services and employee related expenses for city and county sworn
 31 officers who participate in the Arizona vehicle theft task force.

32 Sec. 15. BOARD OF BARBERS

	<u>2012-13</u>
34 FTE positions	4.0
35 Lump sum appropriation	\$ 320,700
36 Fund sources:	
37 Board of barbers fund	\$ 320,700

38 Sec. 16. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	<u>2012-13</u>
40 FTE positions	17.0
41 Lump sum appropriation	\$ 1,603,800
42 Fund sources:	
43 Board of behavioral health	
44 examiners fund	\$ 1,603,800

1	Sec. 17. STATE BOARD FOR CHARTER SCHOOLS	<u>2012-13</u>
2	FTE positions	9.0
3	Lump sum appropriation	\$ 750,600
4	Fund sources:	
5	State general fund	\$ 750,600
6	Sec. 18. STATE BOARD OF CHIROPRACTIC EXAMINERS	<u>2012-13</u>
7	FTE positions	5.0
8	Lump sum appropriation	\$ 452,100
9	Fund sources:	
10	Board of chiropractic examiners fund	\$ 452,100
11	Sec. 19. ARIZONA COMMUNITY COLLEGES	<u>2012-13</u>
12	<u>Equalization aid</u>	
13	Cochise	\$ 5,614,700
14	Graham	16,867,300
15	Navajo	<u>5,370,100</u>
16	Total - equalization aid	\$ 27,852,100
17	<u>Operating state aid</u>	
18	Cochise	\$ 5,784,600
19	Coconino	1,847,900
20	Gila	410,000
21	Graham	2,373,200
22	Maricopa	8,315,700
23	Mohave	1,785,600
24	Navajo	1,689,700
25	Pima	7,353,500
26	Pinal	2,107,800
27	Santa Cruz	63,500
28	Yavapai	957,600
29	Yuma/La Paz	<u>2,802,600</u>
30	Total - operating state aid	\$ 35,491,700
31	Rural county reimbursement subsidy	<u>\$ 848,800</u>
32	Total appropriation - Arizona community	
33	colleges	\$ 64,192,600
34	Fund sources:	
35	State general fund	\$ 64,192,600
36	Of the \$848,800 appropriated to the rural county reimbursement subsidy	
37	line item, Apache county will receive \$466,000 and Greenlee county \$382,800.	

1	Sec. 20. REGISTRAR OF CONTRACTORS	<u>2012-13</u>
2	FTE positions	105.6
3	Operating lump sum appropriation	\$ 10,985,100
4	Office of administrative hearings	
5	costs	<u>1,017,600</u>
6	Total appropriation - registrar of	
7	contractors	\$ 12,002,700
8	Fund sources:	
9	Registrar of contractors fund	\$ 12,002,700
10	Any transfer to or from the amount appropriated for the office of	
11	administrative hearings costs line item shall require review by the joint	
12	legislative budget committee.	
13		
14	Sec. 21. CORPORATION COMMISSION	
15		<u>2012-13</u>
16	FTE positions	283.9
17	Operating lump sum appropriation	\$ 25,046,900
18	Corporation filings, same day	
19	service	400,400
20	Utilities audits, studies,	
21	investigations and hearings	<u>380,000*</u>
22	Total appropriation - corporation commission	\$ 25,827,300
23	Fund sources:	
24	State general fund	\$ 586,400
25	Arizona arts trust fund	49,900
26	Investment management regulatory	
27	and enforcement fund	678,700
28	Public access fund	6,399,600
29	Securities regulatory and	
30	enforcement fund	4,614,100
31	Utility regulation revolving fund	13,498,600
32	The \$400,400 appropriated from the public access fund for the	
33	corporation filings, same day service line item shall revert to the public	
34	access fund at the end of fiscal year 2012-2013 if the commission cannot	
35	process all expedited services within five business days and all regular	
36	services within thirty business days in accordance with sections 10-122,	
37	10-3122 and 29-851, Arizona Revised Statutes.	
38	Sec. 22. STATE DEPARTMENT OF CORRECTIONS	
39		<u>2012-13</u>
40	FTE positions	10,015.2
41	Operating lump sum appropriation	\$ 864,651,000
42	Private prison per diem	<u>127,636,600</u>
43	Total appropriation - state department	
44	of corrections	\$ 992,287,600

Fund sources:

State general fund	\$ 947,388,500
State education fund for correctional education	503,500
Alcohol abuse treatment fund	554,400
Penitentiary land fund	979,200
State charitable, penal and reformatory institutions	
land fund	360,000
Corrections fund	27,517,600
Transition program fund	3,485,000
Prison construction and operations fund	11,499,400

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

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

A monthly report comparing state department of corrections expenditures for the month and year-to-date as compared to prior year expenditures shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall be in the same format as the prior fiscal year and shall include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

The appropriation provides for 38,706 ongoing funded beds. The state department of corrections shall provide a report on bed capacity to the joint legislative budget committee for its review by August 1 annually. The report shall reflect the bed capacity for each security classification at each state-run and private institution, divided by funded, rated and total beds, for June 30 of the previous fiscal year and June 30 of the current fiscal year, and the reasons for any change within that time period. Within the total bed count, the department shall provide the number of temporary and special use beds.

One hundred per cent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

1 Twenty-five per cent of land earnings and interest from the state
 2 charitable, penal and reformatory institutions land fund shall be distributed
 3 to the state department of corrections in compliance with the enabling act
 4 and the Constitution of Arizona to be used for the support of state penal
 5 institutions.

6 Before the expenditure of any state education fund for correctional
 7 education receipts in excess of \$503,500, the state department of corrections
 8 shall report the intended use of the monies to the director of the joint
 9 legislative budget committee.

10 Sec. 23. COSMETOLOGY BOARD

	<u>2012-13</u>
12 FTE positions	24.5
13 Lump sum appropriation	\$ 1,742,100
14 Fund sources:	
15 Board of cosmetology fund	\$ 1,742,100

16 Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2012-13</u>
18 FTE positions	8.0
19 Operating lump sum appropriation	\$ 859,400
20 State aid to county attorneys	973,600
21 Victim compensation and assistance	<u>3,792,500</u>
22 Total appropriation - Arizona criminal	
23 justice commission	\$ 5,625,500
24 Fund sources:	
25 Criminal justice enhancement fund	\$ 624,700
26 Drug and gang prevention resource	
27 center fund	234,700
28 State aid to county attorneys fund	973,600
29 Victim compensation and assistance	
30 fund	3,792,500

31 All victim compensation and assistance receipts received by the Arizona
 32 criminal justice commission in excess of \$3,792,500 in fiscal year 2012-2013
 33 are appropriated to the crime victims program. Before the expenditure of any
 34 victim compensation and assistance receipts in excess of \$3,792,500 in fiscal
 35 year 2012-2013, the Arizona criminal justice commission shall report the
 36 intended use of the monies to the joint legislative budget committee.

37 All state aid to county attorneys fund receipts received by the Arizona
 38 criminal justice commission in excess of \$973,600 in fiscal year 2012-2013
 39 are appropriated to the state aid to the county attorney program. Before the
 40 expenditure of any state aid to county attorneys fund receipts in excess of
 41 \$973,600, the Arizona criminal justice commission shall report the intended
 42 use of the monies to the joint legislative budget committee.

1	Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND	
2		<u>2012-13</u>
3	FTE positions	541.2
4	Administration/statewide	\$ 3,587,000
5	Phoenix day school for the deaf	8,875,100
6	Tucson campus	14,001,800
7	Regional cooperatives	797,500
8	Preschool/outreach programs	5,412,400
9	School bus replacement	738,000
10	Voucher fund adjustment	<u>614,400</u>
11	Total appropriation - Arizona state schools	
12	for the deaf and the blind	\$ 34,026,200
13	Fund sources:	
14	State general fund	\$ 20,686,300
15	Arizona state schools for the	
16	deaf and the blind fund	13,339,900
17	Before the expenditure of any Arizona state schools for the deaf and	
18	the blind fund monies in excess of \$13,339,900 in fiscal year 2012-2013, the	
19	Arizona state schools for the deaf and the blind shall report to the joint	
20	legislative budget committee the intended use of the funds.	
21	Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
22		<u>2012-13</u>
23	FTE positions	15.0
24	Lump sum appropriation	\$ 3,745,700
25	Fund sources:	
26	Telecommunication fund for	
27	the deaf	\$ 3,745,700
28	Sec. 27. STATE BOARD OF DENTAL EXAMINERS	
29		<u>2012-13</u>
30	FTE positions	11.0
31	Lump sum appropriation	\$ 1,183,800
32	Fund sources:	
33	Dental board fund	\$ 1,183,800
34	Sec. 28. DEPARTMENT OF ECONOMIC SECURITY	
35		<u>2012-13</u>
36	FTE positions	4,086.3
37	Operating lump sum appropriation	\$286,858,400
38	<u>Administration</u>	
39	Attorney general legal services	21,338,400
40	<u>Aging and community services</u>	
41	Adult services	6,924,100
42	Community and emergency services	3,724,000
43	Coordinated hunger	1,754,600
44	Coordinated homeless	2,522,600
45	Domestic violence prevention	12,123,700

1	<u>Benefits and medical eligibility</u>	
2	Temporary assistance for needy	
3	families cash benefits	44,999,400
4	Tribal pass-through funding	4,680,300
5	<u>Child support enforcement</u>	
6	County participation	8,600,200
7	<u>Children, youth and families</u>	
8	Adoption services	57,744,600
9	Children support services	68,867,600
10	CPS emergency and residential	
11	placement	22,201,700
12	Foster care placement	21,212,600
13	Independent living maintenance	2,719,300
14	Permanent guardianship subsidy	8,815,300
15	<u>Developmental disabilities</u>	
16	Case management - medicaid	37,857,200
17	Home and community based	
18	services - medicaid	686,191,700
19	Institutional services -	
20	medicaid	19,225,100
21	Medical services	138,153,000
22	Arizona training program at	
23	Coolidge - medicaid	15,601,500
24	Medicare clawback payments	2,848,400
25	Case management - state-only	3,846,000
26	Home and community based	
27	services - state-only	32,615,300
28	State-funded long-term care	
29	services	26,528,100
30	<u>Employment and rehabilitation services</u>	
31	JOBS	13,005,600
32	Day care subsidy	121,396,600
33	Rehabilitation services	5,088,500
34	Workforce investment act	
35	services	<u>51,654,600</u>
36	Total appropriation - department of	
37	economic security	\$1,729,098,400
38	Fund sources:	
39	State general fund	\$ 576,057,500
40	Federal child care and	
41	development fund block grant	130,567,500
42	Federal temporary assistance for	
43	needy families block grant	239,304,400

1	Public assistance collections	
2	fund	423,900
3	Special administration fund	1,129,900
4	Spinal and head injuries trust	
5	fund	1,864,700
6	Statewide cost allocation plan	
7	fund	1,000,000
8	Child abuse prevention fund	1,459,100
9	Children and family services	
10	training program fund	205,300
11	Child support enforcement	
12	administration fund	16,534,900
13	Domestic violence shelter fund	2,220,000
14	Long-term care system fund	30,518,400
15	Workforce investment act grant	56,029,800
16	Child support enforcement	
17	administration fund expenditure	
18	authority	40,320,200
19	Expenditure authority	631,462,800

Administration

In accordance with section 35-142.01, Arizona Revised Statutes, the department of economic security shall remit to the department of administration any monies received as reimbursement from the federal government or any other source for the operation of the department of economic security west building and any other building lease-purchased by the state of Arizona in which the department of economic security occupies space. The department of administration shall deposit these monies in the state general fund.

Aging and community services

All domestic violence shelter fund monies above \$2,220,000 received by the department of economic security are appropriated for the domestic violence prevention line item. Before the expenditure of these increased monies, the department of economic security shall report the intended use of monies above \$2,220,000 to the joint legislative budget committee.

The department of economic security shall report to the joint legislative budget committee on the amount of state and federal monies available statewide for domestic violence funding by December 15, 2012. The report shall include, at a minimum, the amount of monies available and the state fiscal agent receiving those monies.

Benefits and medical eligibility

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

1 Of the amount appropriated for temporary assistance for needy families
2 cash benefits, \$500,000 reflects appropriation authority only to ensure
3 sufficient cash flow to administer cash benefits for tribes operating their
4 own welfare programs. The department shall notify the joint legislative
5 budget committee and the governor's office of strategic planning and
6 budgeting staff before the use of any of the \$500,000 appropriation
7 authority.

8 Child support enforcement

9 All state share of retained earnings, fees and federal incentives above
10 \$16,534,900 received by the division of child support enforcement are
11 appropriated for operating expenditures. New full-time equivalent positions
12 may be authorized with the increased funding. Before the expenditure of
13 these increased monies, the department of economic security shall report the
14 intended use of the monies to the joint legislative budget committee.

15 Children, youth and families

16 Of the amounts appropriated for children support services, CPS
17 emergency and residential placement and foster care placement, \$22,613,100 is
18 appropriated from the federal temporary assistance for needy families block
19 grant to the social services block grant for deposit in the following line
20 items in the following amounts:

Children support services	\$ 5,371,700
CPS emergency and residential placement	12,167,000
Foster care placement	5,074,400

21 The department of economic security shall provide training to any new
22 child protective services FTE positions before assigning to any of these
23 employees any client caseload duties.

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

27 Developmental disabilities

28 The department of economic security shall report all new placements
29 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
30 in fiscal year 2012-2013 to the president of the senate, the speaker of the
31 house of representatives, the chairpersons of the senate and house of
32 representatives appropriations committees and the director of the joint
33 legislative budget committee and the reason why this placement, rather than a
34 placement into a privately run facility for the developmentally disabled, was
35 deemed as the most appropriate placement. The department shall also report
36 if no new placements were made. This report shall be made available by July
37 15, 2013.

1 All monies in the long-term care system fund unexpended and
2 unencumbered at the end of fiscal year 2012-2013 revert to the state general
3 fund, subject to approval by the Arizona health care cost containment system
4 administration.

5 The department shall report to the joint legislative budget committee
6 by March 1 of each year on preliminary actuarial estimates of the capitation
7 rate changes for the following fiscal year along with the reasons for the
8 estimated changes. For any actuarial estimates that include a range, the
9 total range from minimum to maximum shall be not more than two per cent.
10 Before implementation of any changes in capitation rates for the long-term
11 care program, the department shall report for review the expenditure plan to
12 the joint legislative budget committee. Before the department implements any
13 changes in policy affecting the amount, sufficiency, duration and scope of
14 health care services and who may provide services, the department shall
15 prepare a fiscal impact analysis on the potential effects of this change on
16 the following year's capitation rates. If the fiscal analysis demonstrates
17 that these changes will result in additional state costs of \$500,000 or
18 greater for a given fiscal year, the department shall submit the policy
19 changes for review by the joint legislative budget committee.

20 Prior to the implementation of any developmentally disabled or
21 long-term care statewide provider rate adjustments not already specifically
22 authorized by the legislature, court mandates or changes to federal law, the
23 department shall submit a report for review by the joint legislative budget
24 committee. The report shall include, at a minimum, the estimated cost of the
25 provider rate adjustment and the ongoing source of funding for the
26 adjustment, if applicable.

27 For fiscal year 2012-2013, the department of economic security shall
28 not increase reimbursement rates for community service providers and
29 independent service agreement providers contracting with the division of
30 developmental disabilities.

31 Employment and rehabilitation services

32 Of the \$121,396,600 appropriated for day care subsidy, plus any funding
33 authorized to be deferred to fiscal year 2013-2014, \$115,199,900 is for a
34 program in which the upper income limit is no more than one hundred
35 sixty-five per cent of the federal poverty level.

36 All federal workforce investment act monies that are received by this
37 state in excess of \$56,029,800 are appropriated to the workforce investment
38 act services line item. Before the expenditure of these increased monies,
39 the department of economic security shall report the intended use of monies
40 above \$56,029,800 to the joint legislative budget committee.

Departmentwide

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

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of potential shortfalls in entitlement programs and potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 29. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

2012-13

FTE positions 139.1
Operating lump sum appropriation \$ 7,725,200

Fund sources:

State general fund \$ 7,591,300
Teacher certification fund 133,900

The operating lump sum appropriation includes \$291,100 and 4 FTE positions for average daily membership auditing and \$200,000 and 2 FTE positions for information technology security services.

Basic state aid \$2,162,276,700

Fund sources:

State general fund	\$2,115,801,200
Permanent state school fund	46,475,500

The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated \$46,475,500 in expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2012-2013.

The portion of the above appropriation for basic state aid for charter school additional assistance pursuant to section 15-185, subsection B, paragraph 4, Arizona Revised Statutes, includes a \$17,656,000 reduction.

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

1 Except as required by section 37-521, Arizona Revised Statutes, all
 2 monies received during the fiscal year from national forests, interest
 3 collected on deferred payments on the purchase of state lands, the income
 4 from the investment of permanent funds as prescribed by the enabling act and
 5 the Constitution of Arizona and all monies received by the superintendent of
 6 public instruction from whatever source, except monies received pursuant to
 7 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 8 state treasury are appropriated for apportionment to the various counties in
 9 accordance with law. An expenditure shall not be made except as specifically
 10 authorized above.

11	Additional state aid	\$303,188,200
12	Special education fund	33,242,100
13	Other state aid to districts	983,900
14	Accountability and achievement	
15	testing	10,217,400
16	Fund sources:	
17	State general fund	\$ 3,217,400
18	Proposition 301 fund	7,000,000

19 Before making any changes to the achievement testing program that will
 20 increase program costs, the state board of education shall report the
 21 estimated fiscal impact of those changes to the joint legislative budget
 22 committee.

23	English learner administration	\$ 9,458,200
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24 The appropriated amount is to be used by the department of education to
 25 provide English language acquisition services for the purposes of section
 26 15-756.07, Arizona Revised Statutes, and for the costs of providing English
 27 language proficiency assessments, scoring and ancillary materials as
 28 prescribed by the department of education to school districts and charter
 29 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
 30 Statutes. The department of education may use a portion of the appropriated
 31 amount to hire staff or contract with a third party to carry out the purposes
 32 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
 33 41-192, Arizona Revised Statutes, the superintendent of public instruction
 34 also may use a portion of the appropriated amount to contract with one or
 35 more private attorneys to provide legal services in connection with the case
 36 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

37	Arizona structured English immersion	
38	fund	3,291,400
39	State block grant for vocational	
40	education	11,492,700
41	Teacher certification	\$ 1,781,200
42	Fund sources:	
43	Teacher certification fund	\$ 1,781,200
44	State board of education	\$ 894,300

1 Fund sources:
2 State general fund \$ 525,600
3 Teacher certification fund 368,700
4 The state board of education program may establish its own strategic
5 plan separate from that of the department of education and based on its own
6 separate mission, goals and performance measures.
7 Total appropriation - state board of
8 education and superintendent
9 of public instruction

Within fifteen days of each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department shall post on its website the amount of state aid apportioned to each recipient and the underlying data.

30 Sec. 30. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

		<u>2012-13</u>
31	FTE positions	61,1
32	Administration	\$ 1,621,300
33	Emergency management	837,000
34	Military affairs	<u>2,495,400</u>
35	Total appropriation - department of emergency and military affairs	\$ 4,953,700
36	Fund sources:	
37	State general fund	\$ 4,821,700
38	Emergency response fund	132,700
39		
40		

1 The department of emergency and military affairs appropriation includes
 2 \$1,215,000 for service contracts. This amount is exempt from the provisions
 3 of section 35-190, Arizona Revised Statutes, relating to lapsing of
 4 appropriations, except that all fiscal year 2012-2013 monies remaining
 5 unexpended and unencumbered on October 31, 2013, revert to the state general
 6 fund.

7 Sec. 31. DEPARTMENT OF ENVIRONMENTAL QUALITY

	<u>2012-13</u>
9 FTE positions	247.5
10 Operating lump sum appropriation	\$ 44,807,200
11 Emissions control contractor	
12 payment	<u>20,119,500</u>
13 Total appropriation - department of	
14 environmental quality	\$ 64,926,700
15 Fund sources:	
16 Air permits administration fund	\$ 7,008,600
17 Air quality fund	5,370,400
18 Emissions inspection fund	25,536,100
19 Hazardous waste management fund	1,712,100
20 Indirect cost recovery fund	12,873,200
21 Solid waste fee fund	1,917,500
22 Underground storage tank	
23 revolving fund	22,000
24 Used oil fund	138,900
25 Water quality fee fund	10,347,900

26 Pursuant to section 49-282, Arizona Revised Statutes, the department of
 27 environmental quality shall submit a fiscal year 2013-2014 budget for the
 28 water quality assurance revolving fund before September 1, 2012, for review
 29 by the senate and house of representatives appropriations committees.

30 The department of environmental quality shall report annually on the
 31 progress of WQARF activities, including emergency response, priority site
 32 remediation, cost recovery activity, revenue and expenditure activity and
 33 other WQARF-funded program activity. This report shall also include a budget
 34 for the WQARF program that is developed in consultation with the WQARF
 35 advisory board. The fiscal year 2012-2013 report shall be submitted to the
 36 joint legislative budget committee by September 1, 2012. This budget shall
 37 specify the monies budgeted for each listed site during fiscal year
 38 2012-2013. In addition, the department and the advisory board shall prepare
 39 and submit to the joint legislative budget committee, by October 2, 2012, a
 40 report in a table format summarizing the current progress on remediation of
 41 each listed site on the WQARF registry. The table shall include the stage of
 42 remediation for each site at the end of fiscal year 2011-2012, whether the
 43 current stage of remediation is anticipated to be completed in fiscal year
 44 2012-2013 and the anticipated stage of remediation at each listed site at the
 45 end of fiscal year 2012-2013, assuming fiscal year 2012-2013 funding levels.

1 The department and advisory board may include other relevant information
 2 about the listed sites in the table.

3 All air permit administration revenues received by the department of
 4 environmental quality in excess of \$7,008,600 in fiscal year 2012-2013 are
 5 appropriated to the department. Before the expenditure of air permits
 6 administration receipts in excess of \$7,008,600 in fiscal year 2012-2013, the
 7 department of environmental quality shall report the intended use of the
 8 monies to the joint legislative budget committee.

9 All indirect cost recovery fund revenues received by the department of
 10 environmental quality in excess of \$12,873,200 in fiscal year 2012-2013 are
 11 appropriated to the department. Before the expenditure of indirect cost
 12 recovery fund receipts in excess of \$12,873,200 in fiscal year 2012-2013, the
 13 department of environmental quality shall report the intended use of the
 14 monies to the joint legislative budget committee.

15 Sec. 32. OFFICE OF EQUAL OPPORTUNITY

	<u>2012-13</u>
17 FTE positions	4.0
18 Lump sum appropriation	\$ 187,900
19 Fund sources:	
20 State general fund	\$ 187,900

21 Sec. 33. STATE BOARD OF EQUALIZATION

	<u>2012-13</u>
23 FTE positions	7.0
24 Lump sum appropriation	\$ 625,800
25 Fund sources:	
26 State general fund	\$ 625,800

27 Sec. 34. BOARD OF EXECUTIVE CLEMENCY

	<u>2012-13</u>
29 FTE positions	14.0
30 Lump sum appropriation	\$ 826,200
31 Fund sources:	
32 State general fund	\$ 826,200

33 Sec. 35. ARIZONA EXPOSITION AND STATE FAIR BOARD

	<u>2012-13</u>
35 FTE positions	184.0
36 Lump sum appropriation	\$ 11,096,200
37 Fund sources:	
38 Arizona exposition and state	
39 fair fund	\$ 11,096,200

40 Sec. 36. DEPARTMENT OF FINANCIAL INSTITUTIONS

	<u>2012-13</u>
42 FTE positions	55.1
43 Lump sum appropriation	\$ 3,660,300

1 Fund sources:

2 State general fund	\$ 2,927,000
3 Financial services fund	733,300

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

7 Sec. 37. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

2012-13

8 FTE positions	47.0
9 Lump sum appropriation	\$ 1,693,300

11 Fund sources:

12 State general fund	\$ 1,693,300
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13 Sec. 38. STATE FORESTER

2012-13

14 FTE positions	52.0
15 Operating lump sum appropriation	\$ 2,281,300
16 Environmental county grants	75,000
17 Inmate fire crews	<u>695,700</u>

19 Total appropriation - state forester	\$ 3,052,000
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20 Fund sources:

21 State general fund	\$ 3,052,000
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22 Sec. 39. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

2012-13

24 FTE positions	4.0
25 Lump sum appropriation	\$ 339,600

26 Fund sources:

27 Board of funeral directors and	
28 embalmers fund	\$ 339,600

29 Sec. 40. GAME AND FISH DEPARTMENT

2012-13

31 FTE positions	273.5
32 Operating lump sum appropriation	\$ 33,091,800
33 Pittman - Robertson/Dingell -	
34 Johnson act	3,808,000
35 Performance incentive pay program	346,100*
36 Lower Colorado multispecies	
37 conservation	350,000
38 Watercraft grant program	1,000,000
39 Watercraft safety education program	<u>250,000</u>

40 Total appropriation - game and fish	
41 department	\$ 38,845,900

42 Fund sources:

43 Capital improvement fund	\$ 1,000,000
44 Game and fish fund	32,980,400

1	Waterfowl conservation fund	43,400
2	Wildlife endowment fund	16,000
3	Watercraft licensing fund	4,471,400
4	Game, nongame, fish and endangered species fund	334,700

5 In addition to the \$3,808,000 for the Pittman - Robertson/Dingell -
 6 Johnson act line item, the lump sum appropriation includes \$50,000 for
 7 cooperative fish and wildlife research, which may be used for the purpose of
 8 matching federal and apportionment funds.

9 The \$300,000 from the game and fish fund and \$46,100 from the
 10 watercraft licensing fund in fiscal year 2012-2013 for the performance
 11 incentive pay program line item shall be used for personal services and
 12 employee-related expenditures associated with the department's performance
 13 incentive pay program. This appropriation is a continuing appropriation and
 14 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
 15 relating to lapsing of appropriations.

16 Sec. 41. DEPARTMENT OF GAMING

	<u>2012-13</u>	
17	FTE positions	115.3
18	Operating lump sum appropriation	\$ 8,000,000
19	Casino operations certification	1,998,300
20	Problem gambling	<u>2,051,300</u>
21	Total appropriation - department of gaming	\$ 12,049,600
22	Fund sources:	
23	Tribal-state compact fund	\$ 1,998,300
24	Arizona benefits fund	9,751,300
25	State lottery fund	300,000

26 Sec. 42. ARIZONA GEOLOGICAL SURVEY

	<u>2012-13</u>	
27	FTE positions	10.3
28	Lump sum appropriation	\$ 865,100
29	Fund sources:	
30	State general fund	\$ 865,100

31 Sec. 43. OFFICE OF THE GOVERNOR

	<u>2012-13</u>	
32	Lump sum appropriation	\$ 6,601,900*
33	Fund sources:	
34	State general fund	\$ 6,601,900

35 Included in the lump sum appropriation of \$6,601,900 for fiscal year
 36 2012-2013 is \$10,000 for the purchase of mementos and items for visiting
 37 officials.

1	Sec. 44. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	
2		<u>2012-13</u>
3	FTE positions	22.0
4	Lump sum appropriation	\$ 1,874,200*
5	Fund sources:	
6	State general fund	\$ 1,874,200
7	Sec. 45. DEPARTMENT OF HEALTH SERVICES	
8		<u>2012-13</u>
9	FTE positions	1,176.7
10	Operating lump sum appropriation	\$129,383,900
11	<u>Public health/family health</u>	
12	Adult cystic fibrosis	105,200
13	AIDS reporting and surveillance	1,000,000
14	Alzheimer's disease research	1,125,000
15	Breast and cervical cancer and	
16	bone density screening	1,346,700
17	County tuberculosis provider care	
18	and control	590,700
19	Folic acid	400,000
20	High risk perinatal services	2,543,400
21	Newborn screening program	6,248,200
22	Poison control centers funding	990,000
23	Renal and nonrenal disease	
24	management	198,000
25	<u>Behavioral health</u>	
26	Community placement treatment	1,130,700
27	Crisis services	16,391,100
28	Medicaid behavioral health -	
29	proposition 204	137,526,200
30	Medicaid behavioral health -	
31	traditional	1,081,624,300
32	Medicaid special exemption	
33	payments	24,383,000
34	Medicare clawback payments	13,838,800
35	Non-medicaid prescription	
36	medication	50,154,900
37	Proposition 204 administration	6,446,700
38	Supported housing	5,324,800
39	Total appropriation and expenditure	
40	authority - department of	
41	health services	<hr/> \$1,480,751,600
42	Fund sources:	
43	State general fund	\$ 555,439,600
44	Arizona state hospital fund	13,807,300

1	Arizona state hospital land	
2	earnings fund	650,000
3	Capital outlay stabilization fund	1,245,500
4	Child fatality review fund	92,700
5	Emergency medical services	
6	operating fund	5,024,300
7	Environmental laboratory licensure	
8	revolving fund	907,200
9	Federal child care development	
10	fund block grant	827,800
11	Health services licensing fund	7,857,700
12	Hearing and speech professionals	
13	fund	308,100
14	Indirect cost fund	7,509,000
15	Newborn screening program fund	6,680,100
16	Nursing care institution resident	
17	protection revolving fund	438,000
18	Substance abuse services fund	2,250,000
19	Tobacco tax and health care fund -	
20	health research account	1,000,000
21	Tobacco tax and health care fund -	
22	medically needy account	35,167,000
23	Vital records electronic systems	
24	fund	3,586,000
25	Federal medicaid authority	837,961,300

Public health/family health

The department of health services may use up to four per cent of the amounts appropriated for renal and nonrenal disease management for the administrative costs to implement the program.

Behavioral health

It is the intent of the legislature that the per cent attributable to administration/profit for the regional behavioral health authority in Maricopa county is nine per cent of the overall capitation rate.

The department of health services shall report to the joint legislative budget committee thirty days after the end of each calendar quarter on the progress the department is making toward settling the Arnold v. Sarn lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

The amounts included in the proposition 204 administration and medicaid behavioral health - proposition 204 special line items include all available sources of funding consistent with section 36-2901.01, subsection B, Arizona Revised Statutes.

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

5 The department shall report to the joint legislative budget committee
 6 by March 1 of each year on preliminary actuarial estimates of the capitation
 7 rate changes for the following fiscal year along with the reasons for the
 8 estimated changes. For any actuarial estimates that include a range, the
 9 total range from minimum to maximum shall be no more than two per cent.
 10 Before implementation of any changes in capitation rates for any behavioral
 11 health line items, the department of health services shall report its
 12 expenditure plan for review by the joint legislative budget committee.
 13 Before the department implements any changes in policy affecting the amount,
 14 sufficiency, duration and scope of health care services and who may provide
 15 services, the department shall prepare a fiscal impact analysis on the
 16 potential effects of this change on the following year's capitation rates.
 17 If the fiscal analysis demonstrates that these changes will result in
 18 additional state costs of \$500,000 or greater for a given fiscal year, the
 19 department shall submit the policy changes for review by the joint
 20 legislative budget committee.

21 Departmentwide

22 A monthly report comparing total expenditures for the month and
 23 year-to-date as compared to prior year totals shall be forwarded
 24 electronically to the president of the senate, the speaker of the house of
 25 representatives, the chairpersons of the senate and house of representatives
 26 appropriations committees and the director of the joint legislative budget
 27 committee by the thirtieth of the following month. The report shall include
 28 an estimate of potential shortfalls in programs, potential federal and other
 29 funds, such as the statewide assessment for indirect costs, that may be
 30 available to offset these shortfalls, and a plan, if necessary, for
 31 eliminating any shortfall without a supplemental appropriation and total
 32 expenditure authority of the month and year-to-date for federally matched
 33 services.

34 Sec. 46. ARIZONA HISTORICAL SOCIETY

	<u>2012-13</u>
36 FTE positions	51.9
37 Operating lump sum appropriation	\$ 2,031,100
38 Arizona experience museum	441,400
39 Field services and grants	65,000
40 Papago park museum	<u>1,613,600</u>
41 Total appropriation - Arizona historical	
42 society	\$ 4,151,100
43 Fund sources:	
44 State general fund	\$ 4,151,100

1	Sec. 47. PRESCOTT HISTORICAL SOCIETY	<u>2012-13</u>
2	FTE positions	13.0
3	Lump sum appropriation	\$ 652,600
4	Fund sources:	
5	State general fund	\$ 652,600
6	Sec. 48. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	<u>2012-13</u>
7	FTE positions	1.0
8	Lump sum appropriation	\$ 107,300
9	Fund sources:	
10	Board of homeopathic and	
11	integrated medicine	
12	examiners' fund	\$ 107,300
13	Sec. 49. DEPARTMENT OF HOUSING	<u>2012-13</u>
14	FTE positions	3.0
15	Lump sum appropriation	\$ 297,500
16	Fund sources:	
17	Housing trust fund	\$ 297,500
18	Sec. 50. ARIZONA COMMISSION OF INDIAN AFFAIRS	<u>2012-13</u>
19	FTE positions	3.0
20	Lump sum appropriation	\$ 54,300
21	Fund sources:	
22	State general fund	\$ 54,300
23	Sec. 51. INDUSTRIAL COMMISSION OF ARIZONA	<u>2012-13</u>
24	FTE positions	235.6
25	Lump sum appropriation	\$ 19,550,400
26	Fund sources:	
27	Industrial commission	
28	administrative fund	\$ 19,550,400
29	Sec. 52. DEPARTMENT OF INSURANCE	<u>2012-13</u>
30	FTE positions	90.5
31	Lump sum appropriation	\$ 5,184,200
32	Fund sources:	
33	State general fund	\$ 5,184,200
34	Sec. 53. ARIZONA JUDICIARY	<u>2012-13</u>
35	<u>Supreme court</u>	
36	FTE positions	169.0
37	Operating lump sum appropriation	\$ 14,259,700

1	Automation	11,082,600
2	Case and cash management system	3,326,500
3	County reimbursements	187,900
4	Court appointed special advocate	3,025,800
5	Domestic relations	640,300
6	Foster care review board	3,332,000
7	Commission on judicial conduct	506,800
8	Judicial nominations and performance review	417,200
9	Model court	447,600
10	State aid	<u>5,904,800</u>
11	Total appropriation - supreme court	\$ 43,131,200
12	Fund sources:	
13	State general fund	\$ 15,915,700
14	Confidential intermediary and fiduciary fund	478,800
15	Court appointed special advocate fund	2,923,800
16	Criminal justice enhancement fund	2,960,300
17	Defensive driving school fund	4,120,200
18	Judicial collection enhancement fund	13,787,900
19	State aid to the courts fund	2,944,500

By September 1, 2012, the supreme court shall report to the joint legislative budget committee on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects receiving or anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, the number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multiyear cost by fund source and budget line item, including any prior year, current year and future year expenditures.

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

Of the \$187,900 appropriated for county reimbursements, state grand jury is limited to \$97,900 and capital postconviction relief is limited to \$90,000.

39	<u>Court of appeals</u>	
40	FTE positions	134.8
41	Division I	\$ 9,591,200
42	Division II	<u>\$ 4,195,100</u>
43	Total appropriation - court of appeals	\$ 13,786,300
44	Fund sources:	
45	State general fund	\$ 13,786,300

1 Of the 134.8 FTE positions for fiscal year 2012-2013, 98.3 FTE
 2 positions are for Division I and 36.5 FTE positions are for Division II.

3 Superior court

4	FTE positions	136.5
5	Judges compensation	\$ 7,390,200
6	Adult standard probation	13,521,500
7	Adult intensive probation	10,737,700
8	Community punishment	2,307,900
9	Interstate compact	641,800
10	Drug court	1,013,600
11	Juvenile standard probation	4,598,700
12	Juvenile intensive probation	9,163,000
13	Juvenile treatment services	22,311,400
14	Juvenile family counseling	660,400
15	Juvenile crime reduction	5,123,400
16	Probation surcharge	5,028,900
17	Juvenile diversion consequences	9,024,900
18	Special water master	<u>20,000</u>

19 Total appropriation - superior court \$ 91,543,400

20 Fund sources:

21	State general fund	\$ 79,083,200
22	Criminal justice enhancement fund	6,931,300
23	Drug treatment and education fund	500,000
24	Judicial collection enhancement fund	5,028,900

25 Of the 136.5 FTE positions, 81 FTE positions represent superior court
 26 judges in counties with a population of less than two million persons.
 27 One-half of their salaries are provided by state general fund appropriations
 28 pursuant to section 12-128, Arizona Revised Statutes. This is not meant to
 29 limit the counties' ability to add judges pursuant to section 12-121, Arizona
 30 Revised Statutes.

31 Up to 4.6 per cent of the amounts appropriated for juvenile treatment
 32 services and juvenile diversion consequences may be retained and expended by
 33 the supreme court to administer the programs established pursuant to section
 34 8-322, Arizona Revised Statutes, and to conduct evaluations as needed. The
 35 remaining portion of the juvenile treatment services and juvenile diversion
 36 consequences appropriations shall be deposited in the juvenile probation
 37 services fund established by section 8-322, Arizona Revised Statutes.

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

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

6 Sec. 55. STATE LAND DEPARTMENT

	<u>2012-13</u>
8 FTE positions	125.7
9 Operating lump sum appropriation	\$ 13,718,200
10 Natural resource conservation	
11 districts	650,000
12 CAP user fees	481,200
13 Due diligence fund	<u>500,000</u>
14 Total appropriation - state land department	\$ 15,349,400
15 Fund sources:	
16 State general fund	\$ 1,231,800
17 Environmental special plate fund	260,000
18 Due diligence fund	500,000
19 Risk management revolving fund	9,888,400
20 Trust land management fund	3,469,200

21 The appropriation includes \$481,200 for central Arizona project user
 22 fees in fiscal year 2012-2013. For fiscal year 2012-2013, from
 23 municipalities that assume their allocation of central Arizona project water
 24 every dollar received as reimbursement to the state for past central Arizona
 25 water conservation district payments, one dollar reverts to the state general
 26 fund in the year that the reimbursement is collected.

27 Of the amount appropriated for natural resource conservation districts
 28 in fiscal year 2012-2013, \$30,000 shall be used to provide grants to natural
 29 resource conservation districts environmental education centers.

30 If the land department's use of state trust land proceeds, which would
 31 otherwise be deposited into a beneficiary's permanent fund, is found to be
 32 constitutional, the department's appropriation from the risk management
 33 revolving fund is reduced and the appropriation from the trust land
 34 management fund is increased by an amount equal to the fund balance plus any
 35 revenues for the remainder of the fiscal year, not to exceed the amount of
 36 the department's risk management revolving fund appropriation.

37 Sec. 56. LAW ENFORCEMENT MERIT SYSTEM COUNCIL

	<u>2012-13</u>
39 FTE positions	1.0
40 Lump sum appropriation	\$ 70,200
41 Fund sources:	
42 State general fund	\$ 70,200

1 Sec. 57. LEGISLATURE

2012-13

3 Senate

4 Lump sum appropriation \$ 7,985,200*

5 Fund sources:

6 State general fund \$ 7,985,200

7 Included in the lump sum appropriation of \$7,985,200 for fiscal year
8 2012-2013 is \$1,000 for the purchase of mementos and items for visiting
9 officials.

10 House of representatives

11 Lump sum appropriation \$ 12,993,700*

12 Fund sources:

13 State general fund \$ 12,993,700

14 Included in the lump sum appropriation of \$12,993,700 for fiscal year
15 2012-2013 is \$1,000 for the purchase of mementos and items for visiting
16 officials.

17 Legislative council

18 FTE positions	42.8
19 Operating lump sum appropriation	\$ 7,327,100
20 Ombudsman-citizens aide office	<u>527,000</u>
21 Total appropriation - legislative	
22 council	\$ 7,854,100*
23 Fund sources:	
24 State general fund	\$ 7,854,100
25 Dues for the council of state governments shall be expended only on an	
26 affirmative vote of the legislative council.	

27 Joint legislative budget committee

28 FTE positions	29.0
29 Lump sum appropriation	\$ 2,399,900*
30 Fund sources:	
31 State general fund	\$ 2,399,900

32 Auditor general

33 FTE positions	184.8
34 Lump sum appropriation	\$ 16,156,000*
35 Fund sources:	
36 State general fund	\$ 16,156,000

37 Sec. 58. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

2012-13

38 FTE positions	45.2
39 Lump sum appropriation	\$ 2,815,600
40 Fund sources:	
41 Liquor licenses fund	\$ 2,815,600

1	Sec. 59. ARIZONA STATE LOTTERY COMMISSION	<u>2012-13</u>
2	FTE positions	97.8
3	Operating lump sum appropriation	\$ 8,126,300
4	Advertising	<u>15,500,000</u>
5	Total appropriation - Arizona state	
6	lottery commission	\$ 23,626,300
7	Fund source:	
8	State lottery fund	\$ 23,626,300
9	An amount equal to 3.6 per cent of actual instant ticket sales is appropriated for the printing of instant tickets or for contractual obligations concerning instant ticket distribution. This amount is currently estimated to be \$14,359,800 in fiscal year 2012-2013.	
10	An amount equal to a percentage of actual online game sales as determined by contract is appropriated for payment of online vendor fees. This amount is currently estimated to be \$7,988,100, or 3.7 per cent of actual online ticket sales in fiscal year 2012-2013.	
11	An amount equal to 6.5 per cent of gross lottery game sales, less tab tickets, is appropriated for payment of sales commissions to ticket retailers. An additional amount not to exceed 0.5 per cent of gross lottery game sales is appropriated for payment of sales commissions to ticket retailers. The combined amount is currently estimated to be 6.7 per cent of total ticket sales, or \$41,000,000 in fiscal year 2012-2013.	
12	An amount equal to twenty per cent of tab ticket sales is appropriated for payment of sales commissions to charitable organizations. This amount is currently estimated to be \$576,500 in fiscal year 2012-2013.	
13	Sec. 60. ARIZONA MEDICAL BOARD	
14	<u>2012-13</u>	
15	FTE positions	58.5
16	Lump sum appropriation	\$ 5,799,200
17	Fund sources:	
18	Arizona medical board fund	\$ 5,799,200
19	The Arizona medical board may use up to seven per cent of the Arizona medical board fund balance remaining at the end of each fiscal year for a performance based incentive program the following fiscal year based on the program established by section 38-618, Arizona Revised Statutes.	
20	Sec. 61. STATE MINE INSPECTOR	
21	<u>2012-13</u>	
22	FTE positions	14.0
23	Operating lump sum appropriation	\$ 997,500
24	Abandoned mines safety fund deposit	188,300
25	Aggregate mined land reclamation	<u>112,500</u>
26	Total appropriation - state mine inspector	\$ 1,298,300

1 Fund sources:

2 State general fund	\$ 1,185,800
3 Aggregate mining reclamation fund	112,500

4 All aggregate mining reclamation fund receipts received by the state
 5 mine inspector in excess of \$112,500 in fiscal year 2012-2013 are
 6 appropriated to the aggregate mined land reclamation line item. Before the
 7 expenditure of any aggregate mining reclamation fund receipts in excess of
 8 \$112,500 in fiscal year 2012-2013, the state mine inspector shall report the
 9 intended use of the monies to the joint legislative budget committee.

10 Sec. 62. NATUROPATHIC PHYSICIANS MEDICAL BOARD

	<u>2012-13</u>
11 FTE positions	7.0
12 Lump sum appropriation	\$ 586,000

13 Fund sources:

14 Naturopathic physicians medical	
15 board fund	\$ 586,000

16 Sec. 63. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

	<u>2012-13</u>
19 FTE positions	2.0
20 Lump sum appropriation	\$ 126,900

21 Fund sources:

22 State general fund	\$ 126,900
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23 Sec. 64. ARIZONA STATE BOARD OF NURSING

	<u>2012-13</u>
25 FTE positions	40.2
26 Lump sum appropriation	\$ 4,034,300

27 Fund sources:

28 Board of nursing fund	\$ 4,034,300
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29 Sec. 65. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND
 30 ASSISTED LIVING FACILITY MANAGERS

	<u>2012-13</u>
32 FTE positions	6.0
33 Lump sum appropriation	\$ 426,000

34 Fund sources:

35 Nursing care institution	
36 administrators' licensing and	
37 assisted living facility	
38 managers' certification fund	\$ 426,000

39 Sec. 66. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

	<u>2012-13</u>
41 FTE positions	1.5
42 Lump sum appropriation	\$ 161,600

43 Fund sources:

44 Occupational therapy fund	\$ 161,600
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1	Sec. 67. STATE BOARD OF DISPENSING OPTICIANS	<u>2012-13</u>
2	FTE positions	1.0
3	Lump sum appropriation	\$ 131,100
4	Fund sources:	
5	Board of dispensing opticians fund	\$ 131,100
6	Sec. 68. STATE BOARD OF OPTOMETRY	<u>2012-13</u>
7	FTE positions	2.0
8	Lump sum appropriation	\$ 197,300
9	Fund sources:	
10	Board of optometry fund	\$ 197,300
11	Sec. 69. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY	<u>2012-13</u>
12	FTE positions	6.7
13	Lump sum appropriation	\$ 698,300
14	Fund sources:	
15	Board of osteopathic examiners fund	\$ 698,300
16	Sec. 70. ARIZONA STATE PARKS BOARD	<u>2012-13</u>
17	FTE positions	142.5
18	Operating lump sum appropriation	\$ 10,026,700
19	Kartchner caverns state park	<u>2,180,300</u>
20	Total appropriation - Arizona state parks	
21	board	\$ 12,207,000
22	Fund sources:	
23	State parks enhancement fund	\$ 11,707,000
24	Reservation surcharge revolving	
25	fund	500,000
26	All operating expenditures include \$26,000 from the state parks	
27	enhancement fund for Fool Hollow state park revenue sharing. If receipts to	
28	Fool Hollow exceed \$260,000 in fiscal year 2012-2013, an additional ten per	
29	cent of this increase of Fool Hollow receipts is appropriated from the state	
30	parks enhancement fund to meet the revenue sharing agreement with the city of	
31	Show Low and the United States forest service.	
32	All reservation surcharge revolving fund receipts received by the	
33	Arizona state parks board in excess of \$500,000 in fiscal year 2012-2013 are	
34	appropriated to the reservation surcharge revolving fund. Before the	
35	expenditure of any reservation surcharge revolving fund monies in excess of	
36	\$500,000 in fiscal year 2012-2013, the Arizona state parks board shall report	
37	the intended use of the monies to the joint legislative budget committee.	

1 During fiscal year 2012-2013, no more than \$5,000 from appropriated or
 2 nonappropriated monies may be used for the purposes of out-of-state travel
 3 expenses by state parks board staff. No appropriated or nonappropriated
 4 monies may be used for out-of-country travel expenses. The state parks board
 5 shall submit by June 30, 2013, a report to the joint legislative budget
 6 committee on out-of-state travel activities and expenditures for that fiscal
 7 year.

8 Sec. 71. STATE PERSONNEL BOARD

	<u>2012-13</u>
10 FTE positions	3.0
11 Lump sum appropriation	\$ 365,200
12 Fund sources:	
13 Personnel division fund -	
14 personnel board account	\$ 365,200

15 Sec. 72. OFFICE OF PEST MANAGEMENT

	<u>2012-13</u>
17 FTE positions	30.0
18 Lump sum appropriation	\$ 2,000,000
19 Fund sources:	
20 Pest management fund	\$ 2,000,000

21 Sec. 73. ARIZONA STATE BOARD OF PHARMACY

	<u>2012-13</u>
23 FTE positions	18.0
24 Lump sum appropriation	\$ 1,918,100
25 Fund sources:	
26 Arizona state board of pharmacy	
27 fund	\$ 1,918,100

28 Sec. 74. BOARD OF PHYSICAL THERAPY

	<u>2012-13</u>
30 FTE positions	3.8
31 Lump sum appropriation	\$ 364,100
32 Fund sources:	
33 Board of physical therapy fund	\$ 364,100

34 Sec. 75. ARIZONA PIONEERS' HOME

	<u>2012-13</u>
36 FTE positions	106.3
37 Operating lump sum appropriation	\$ 5,957,800
38 Prescription drugs	<u>240,000</u>
39 Total appropriation - pioneers' home	\$ 6,197,800
40 Fund sources:	
41 State general fund	\$ 1,603,600
42 Miners' hospital fund	1,500,000
43 State charitable fund	3,094,200

1 Earnings on state lands and interest on the investment of the permanent
 2 land funds are appropriated for the pioneers' home and the hospital for
 3 disabled miners in compliance with the enabling act and the Constitution of
 4 Arizona.

5 Sec. 76. STATE BOARD OF PODIATRY EXAMINERS

	<u>2012-13</u>
7 FTE positions	1.0
8 Lump sum appropriation	\$ 142,600

9 Fund sources:

10 Podiatry fund	\$ 142,600
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11 Sec. 77. COMMISSION FOR POSTSECONDARY EDUCATION

	<u>2012-13</u>
13 FTE positions	5.0
14 Operating lump sum appropriation	\$ 240,900
15 Leveraging educational assistance	
16 partnership (LEAP)	2,319,500
17 Family college savings program	148,600
18 Arizona college and career guide	21,200
19 Math and science teacher	
20 initiative	176,000
21 Arizona minority educational	
22 policy analysis center	99,900
23 Twelve plus partnership	<u>130,500</u>

24 Total appropriation - commission for	
25 postsecondary education	\$ 3,136,600

26 Fund sources:

27 State general fund	\$ 1,396,800
28 Postsecondary education fund	1,739,800

29 Each participating institution, public or private, in order to be
 30 eligible to receive state matching funds under the leveraging educational
 31 assistance partnership for grants to students, shall provide an amount of
 32 institutional matching funds that equals the amount of funds provided by the
 33 state to the institution for the leveraging educational assistance
 34 partnership. Administrative expenses incurred by the commission for
 35 postsecondary education shall be paid from institutional matching funds and
 36 shall not exceed twelve per cent of the funds in fiscal year 2012-2013.

37 Any unencumbered balance remaining in the postsecondary education fund
 38 on June 30, 2012, and all grant monies and other revenues received by the
 39 commission for postsecondary education, when paid into the state treasury,
 40 are appropriated for the explicit purposes designated by line items and for
 41 additional responsibilities prescribed in sections 15-1851 and 15-1852,
 42 Arizona Revised Statutes.

1	Gang and immigration intelligence	
2	team enforcement mission border	
3	security and law enforcement	
4	subaccount	2,390,000
5	Motorcycle safety fund	205,000
6	Risk management fund	1,446,300
7	Parity compensation fund	1,817,900
8	Public safety equipment fund	2,390,000

9 Of the \$21,301,400 appropriated to GIITEM, \$9,327,000 shall be used for
 10 one hundred department of public safety GIITEM personnel. The additional
 11 staff shall include at least fifty sworn department of public safety
 12 positions to be used for immigration enforcement and border security and
 13 fifty department of public safety positions to assist GIITEM in various
 14 efforts, including: 1) strict enforcement of all federal law relating to
 15 illegal aliens and arresting illegal aliens, 2) responding to or assisting
 16 any county sheriff or attorney in investigating complaints of employment of
 17 illegal aliens, 3) enforcing Arizona's law known as the Legal Arizona Workers
 18 Act, strict enforcement of Arizona's SB 1070 Arizona's "Support Our Law
 19 Enforcement and Safe Neighborhoods Act", investigating crimes of identity
 20 theft in the context of hiring illegal aliens and the unlawful entry into the
 21 country and 4) taking strict enforcement action. Any change in the GIITEM
 22 mission or allocation of monies must be approved by the joint legislative
 23 budget committee. The department shall submit an expenditure plan to the
 24 joint legislative budget committee for review before expending any monies not
 25 identified in the department's previous expenditure plans.

26 Of the \$21,301,400 appropriated to GIITEM, only \$2,603,400 shall be
 27 deposited in the GIITEM fund established by section 41-1724, Arizona Revised
 28 Statutes, and is appropriated for the purposes of that section. The
 29 \$2,603,400 is exempt from the provisions of section 35-190, Arizona Revised
 30 Statutes, relating to the lapsing of appropriations. This state recognizes
 31 that states have inherent authority to arrest a person for any immigration
 32 violation.

33 Any monies remaining in the department of public safety joint account
 34 on June 30, 2013 shall revert to the funds from which they were appropriated.
 35 The reverted monies shall be returned in direct proportion to the amounts
 36 appropriated.

37 Sec. 81. ARIZONA DEPARTMENT OF RACING

	<u>2012-13</u>	
38	FTE positions	40.5
39	Operating lump sum appropriation	\$ 2,536,400
40	County fairs livestock and	
41	agricultural promotion	<u>1,779,500</u>
42	Total appropriation - department of	
43	racing	\$ 4,315,900

1 Fund sources:
 2 State general fund \$ 1,779,500
 3 Racing regulation fund 2,536,400
 4 The amount appropriated to the county fairs livestock and agricultural
 5 promotion line item is for deposit in the county fairs livestock and
 6 agricultural promotion fund administered by the office of the governor.
 7 Sec. 82. RADIATION REGULATORY AGENCY

	<u>2012-13</u>
9 FTE positions	28.0
10 Lump sum appropriation	\$ 1,558,600
11 Fund sources:	
12 State general fund	\$ 743,000
13 State radiologic technologist	
14 certification fund	264,600
15 Radiation regulatory fee fund	551,000
16 Sec. 83. STATE REAL ESTATE DEPARTMENT	
	<u>2012-13</u>
18 FTE positions	55.0
19 Lump sum appropriation	\$ 2,656,700
20 Fund sources:	
21 State general fund	\$ 2,656,700
22 Sec. 84. RESIDENTIAL UTILITY CONSUMER OFFICE	
	<u>2012-13</u>
24 FTE positions	11.0
25 Operating lump sum appropriation	\$ 1,144,000
26 Professional witnesses	<u>145,000*</u>
27 Total appropriation - residential utility	
28 consumer office	\$ 1,289,000
29 Fund sources:	
30 Residential utility consumer	
31 office revolving fund	\$ 1,289,000
32 Sec. 85. BOARD OF RESPIRATORY CARE EXAMINERS	
	<u>2012-13</u>
34 FTE positions	4.0
35 Lump sum appropriation	\$ 257,200
36 Fund sources:	
37 Board of respiratory care	
38 examiners fund	\$ 257,200
39 Sec. 86. STATE RETIREMENT SYSTEM	
	<u>2012-13</u>
41 FTE positions	233.9
42 Lump sum appropriation	\$ 23,723,500

1 Fund sources:

2 State retirement system

3 administration account \$ 20,923,500

4 Long-term disability

5 administration account 2,800,000

6 Sec. 87. DEPARTMENT OF REVENUE

7 2012-13

8 FTE positions 843.3

9 Operating lump sum appropriation \$ 58,126,200

10 BRITS operational support 5,632,000

11 Temporary collectors 2,873,200

12 Unclaimed property administration
13 and audit 1,770,000

14 Total appropriation - department of revenue \$ 68,401,400

15 Fund sources:

16 State general fund \$ 44,129,600

17 DOR administrative fund 22,532,600

18 Liability setoff fund 1,073,800

19 Tobacco tax and health care fund 665,400

20 The \$2,873,200 appropriated from the state general fund for temporary
21 collectors is to collect established debt. The department shall report its
22 results to the joint legislative budget committee on or before January 31,
23 2013.

24 If twelve and one-half per cent of the total dollar value of properties
25 recovered by unclaimed property contract auditors exceeds \$1,770,000, the
26 excess amount shall be transferred from the state general fund to the DOR
27 administrative fund and appropriated to the department for contract auditor
28 fees.

29 The department shall report the department's general fund revenue
30 enforcement goals for fiscal year 2012-2013 to the joint legislative budget
31 committee by July 31, 2012. The department shall provide an annual progress
32 report to the joint legislative budget committee as to the effectiveness of
33 the department's overall enforcement and collections program for fiscal year
34 2012-2013 by July 31, 2013. The reports shall include a comparison of
35 projected and actual general fund revenue enforcement collections for fiscal
36 year 2012-2013.

37 Sec. 88. SCHOOL FACILITIES BOARD

38 2012-13

39 FTE positions 17.0

40 Operating lump sum appropriation \$ 1,313,600

41 New school facilities debt service 169,429,700

42 Building renewal grants 2,667,900

43 Total appropriation - school facilities
44 board \$173,411,200

Fund sources:

State general fund \$173,411,200

Pursuant to section 35-142.01, Arizona Revised Statutes, any reimbursement received by or allocated to the school facilities board under the federal qualified school construction bond program in fiscal year 2012-2013 shall be deposited in or revert to the state general fund.

Sec. 89. DEPARTMENT OF STATE - SECRETARY OF STATE

2012-13

FTE positions 133.3

Operating lump sum appropriation \$ 8,607,600

Election services 4,437,200

Help America vote act 2,934,200

Library grants-in-aid 651,400

Statewide radio reading service

for the blind 97,000
Total appropriation - secretary of state \$ 16,727,400

Fund sources:

State general fund \$ 13,224,400

Election systems improvement fund 2,934,200

Record services fund 568,800

The secretary of state shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting by December 31, 2012 the actual amount and purpose of expenditures from the election systems improvement fund in fiscal year 2011-2012 and the expected amount and purpose of expenditures from the fund for fiscal year 2012-2013.

Any transfer to or from the amount appropriated for the election services line item shall require review by the joint legislative budget committee.

The fiscal year 2012-2013 appropriation from the election systems improvement fund for HAVA is available for use pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2014.

Included in the operating lump sum appropriation of \$8,607,600 for fiscal year 2012-2013 is \$5,000 for the purchase of mementos and items for visiting officials.

Sec. 90. STATE BOARDS' OFFICE

2012-13

FTE positions 3.0

Lump sum appropriation \$ 211,600

Fund sources:

Special services revolving fund \$ 211,600

1	Sec. 91. STATE BOARD OF TAX APPEALS	<u>2012-13</u>
2	FTE positions	4.0
3	Lump sum appropriation	\$ 253,400
4	Fund sources:	
5	State general fund	\$ 253,400
6	Sec. 92. BOARD OF TECHNICAL REGISTRATION	<u>2012-13</u>
7	FTE positions	23.0
8	Lump sum appropriation	\$ 1,834,900
9	Fund sources:	
10	Technical registration fund	\$ 1,834,900
11	Sec. 93. DEPARTMENT OF TRANSPORTATION	<u>2012-13</u>
12	FTE positions	4,548.0
13	Operating lump sum appropriation	\$201,429,500
14	Attorney general legal services	2,895,600
15	Highway maintenance	126,555,600
16	Vehicles and heavy equipment	26,591,700
17	Fraud investigation	753,900
18	New third party funding	<u>940,100</u>
19	Total appropriation - Arizona department	
20	of transportation	\$359,166,400
21	Fund sources:	
22	State general fund	\$ 50,200
23	Air quality fund	72,200
24	Driving under the influence	
25	abatement fund	146,900
26	Highway user revenue fund	86,880,400
27	Motor vehicle liability	
28	insurance enforcement fund	1,052,600
29	Safety enforcement and	
30	transportation infrastructure	
31	fund	1,866,000
32	State aviation fund	1,577,800
33	State highway fund	239,494,200
34	Transportation department	
35	equipment fund	26,591,700
36	Vehicle inspection and title	
37	enforcement fund	1,434,400
38	It is the intent of the legislature that the department not include any	
39	administrative overhead expenditures in duplicate drivers' license fees	
40	charged to the public.	

1 Of the total amount appropriated, \$126,555,600 in fiscal year 2012-2013
 2 for highway maintenance is exempt from the provisions of section 35-190,
 3 Arizona Revised Statutes, relating to lapsing of appropriations, except that
 4 all unexpended and unencumbered monies of the appropriation revert to their
 5 fund of origin, either the state highway fund or the safety enforcement and
 6 transportation infrastructure fund, on August 31, 2013.

7 The department of transportation shall submit an annual report to the
 8 joint legislative budget committee on progress in improving motor vehicle
 9 division wait times and vehicle registration renewal by mail turnaround times
 10 in a format similar to prior years. The report is due on July 31, 2013 for
 11 fiscal year 2012-2013.

12 Of the \$359,166,400 appropriation to the department of transportation,
 13 the department of transportation shall pay \$16,773,800 in fiscal year
 14 2012-2013 from all funds to the department of administration for its risk
 15 management payment.

16 Sec. 94. STATE TREASURER

	<u>2012-13</u>
18 FTE positions	30.4
19 Operating lump sum appropriation	\$ 2,690,900
20 Justice of the peace salaries	1,115,100
21 Law enforcement/boating safety	
22 fund grants	<u>2,183,800</u>
23 Total appropriation - state treasurer	\$ 5,989,800

24 Fund sources:

25 State general fund	\$ 1,115,100
26 Law enforcement and boating	
27 safety fund	2,183,800
28 State treasurer's operating fund	2,493,500
29 State treasurer's management fund	197,400

30 Sec. 95. ARIZONA BOARD OF REGENTS

	<u>2012-13</u>
32 FTE positions	25.9
33 Operating lump sum appropriation	\$ 2,350,300
34 Arizona teachers incentive program	90,000
35 Arizona transfer articulation	
36 support system	213,700
37 Student financial assistance	10,041,200
38 Western interstate commission	
39 office	125,000
40 WICHE student subsidies	<u>4,106,000</u>

41 Total appropriation - Arizona board of
 42 regents

43 Fund sources:

44 State general fund	\$ 16,926,200
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Within ten days of the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit an expenditure plan for review to the joint legislative budget committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

Sec. 96. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

2012-13

FTE positions	6,097.9
Operating lump sum appropriation	<u>\$526,530,400</u>
Biomedical informatics	1,955,200
Downtown Phoenix campus	<u>98,952,200</u>
Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses	<u>\$627,437,800</u>
Fund sources:	
State general fund	\$159,427,500
University collections fund	468,010,300

It is the intent of the legislature that the general fund base funding for Arizona state university - Tempe and downtown Phoenix campuses is \$234,187,900. This appropriation includes a deferral of \$74,760,400 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 121 of this act.

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

The appropriated monies shall not be used for scholarships or any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2012 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

The appropriated monies shall not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which the state is the adverse party.

1 Sec. 97. ARIZONA STATE UNIVERSITY - EAST CAMPUS

2012-13

3	FTE positions	416.6
4	Operating lump sum appropriation	\$ 50,334,400
5	TRIF lease-purchase payment	<u>2,000,000</u>
6	Total appropriation - Arizona state	
7	university - East campus	\$ 52,334,400
8	Fund sources:	
9	State general fund	\$ 12,409,600
10	University collections fund	37,924,800
11	Technology and research initiative	
12	fund	2,000,000

13 It is the intent of the legislature that the general fund base funding
 14 for Arizona state university - East campus is \$18,159,800. This
 15 appropriation includes a deferral of \$5,750,200 from fiscal year 2012-2013 to
 16 fiscal year 2013-2014. This deferral shall be paid as required in section
 17 121 of this act.

18 The state general fund appropriations shall not be used for alumni
 19 association funding.

20 The appropriated monies shall not be used for scholarships or any
 21 student newspaper.

22 Any unencumbered balances remaining in the collections account on June
 23 30, 2012 and all collections received by the university during the fiscal
 24 year, when paid into the state treasury, are appropriated for operating
 25 expenditures, capital outlay and fixed charges. Earnings on state lands and
 26 interest on the investment of the permanent land funds are appropriated in
 27 compliance with the enabling act and the Constitution of Arizona. No part of
 28 this appropriation may be expended for supplemental life insurance or
 29 supplemental retirement. Receipts from summer session, when deposited in the
 30 state treasury, together with any unencumbered balance in the summer session
 31 account, are appropriated for the purpose of conducting summer sessions but
 32 are excluded from the amounts enumerated above.

33 Sec. 98. ARIZONA STATE UNIVERSITY - WEST CAMPUS

2012-13

35	FTE positions	562.9
36	Operating lump sum appropriation	\$ 54,425,600
37	TRIF lease-purchase payment	<u>1,600,000</u>
38	Total appropriation - Arizona state	
39	university - West campus	\$ 56,025,600
40	Fund sources:	
41	State general fund	\$ 23,094,800
42	University collections fund	31,330,800
43	Technology and research initiative	
44	fund	1,600,000

1 It is the intent of the legislature that the general fund base funding
2 for Arizona state university - West campus is \$33,159,600. This
3 appropriation includes a deferral of \$10,064,800 from fiscal year 2012-2013
4 to fiscal year 2013-2014. This deferral shall be paid as required in section
5 121 of this act.

6 The state general fund appropriations shall not be used for alumni
7 association funding.

8 The appropriated monies shall not be used for scholarships or any
9 student newspaper.

10 Any unencumbered balances remaining in the collections account on June
11 30, 2012 and all collections received by the university during the fiscal
12 year, when paid into the state treasury, are appropriated for operating
13 expenditures, capital outlay and fixed charges. Earnings on state lands and
14 interest on the investment of the permanent land funds are appropriated in
15 compliance with the enabling act and the Constitution of Arizona. No part of
16 this appropriation may be expended for supplemental life insurance or
17 supplemental retirement. Receipts from summer session, when deposited in the
18 state treasury, together with any unencumbered balance in the summer session
19 account, are appropriated for the purpose of conducting summer sessions but
20 are excluded from the amounts enumerated above.

21 Sec. 99. NORTHERN ARIZONA UNIVERSITY

	<u>2012-13</u>
23 FTE positions	2,057.2
24 Operating lump sum appropriation	\$160,156,900
25 NAU - Yuma	2,970,800
26 Teacher training	<u>2,000.000</u>
27 Total appropriation - Northern Arizona	
28 university	\$165,127,700
29 Fund sources:	
30 State general fund	\$ 65,467,000
31 University collections fund	99,660,700

32 It is the intent of the legislature that the general fund base funding
33 for Northern Arizona university is \$95,961,800. This appropriation includes
34 a deferral of \$30,494,800 from fiscal year 2012-2013 to fiscal year
35 2013-2014. This deferral shall be paid as required in section 121 of this
36 act.

37 The state general fund appropriations shall not be used for alumni
38 association funding.

39 The appropriated monies shall not be used for scholarships or any
40 student newspaper.

41 Any unencumbered balances remaining in the collections account on June
42 30, 2012 and all collections received by the university during the fiscal
43 year, when paid into the state treasury, are appropriated for operating
44 expenditures, capital outlay and fixed charges. Earnings on state lands and
45 interest on the investment of the permanent land funds are appropriated in

1 compliance with the enabling act and the Constitution of Arizona. No part of
 2 this appropriation may be expended for supplemental life insurance or
 3 supplemental retirement. Receipts from summer session, when deposited in the
 4 state treasury, together with any unencumbered balance in the summer session
 5 account, are appropriated for the purpose of conducting summer sessions but
 6 are excluded from the amounts enumerated above.

7 The appropriated amount for the teacher training line item shall be
 8 distributed to the Arizona K-12 center for program implementation and mentor
 9 training for the Arizona mentor teacher program prescribed by the state board
 10 of education.

11 Sec. 100. UNIVERSITY OF ARIZONA

12 2012-13

13 Main campus

14	FTE positions	5,365.0
15	Operating lump sum appropriation	\$332,810,300
16	Agriculture	36,954,900
17	Arizona cooperative extension	12,460,400
18	Sierra Vista campus	<u>6,139,300</u>
19	Total - Main campus	\$388,364,900

20 Fund sources:

21	State general fund	\$131,960,900
22	University collections fund	256,404,000

23 Health sciences center

24	FTE positions	979.1
25	Operating lump sum appropriation	\$ 54,760,900
26	Clinical rural rotation	357,600
27	Clinical teaching support	8,097,000
28	Liver research institute	458,500
29	Phoenix medical campus	14,821,900
30	Telemedicine network	<u>1,847,900</u>
31	Total - health sciences center	\$ 80,343,800

32 Fund sources:

33	State general fund	\$ 38,557,600
34	University collections fund	41,786,200

35	Total appropriation - university of	
36	Arizona	\$468,708,700

37 Fund sources:

38	State general fund	\$170,518,500
39	University collections fund	298,190,200

40 It is the intent of the legislature that the general fund base funding
 41 for university of Arizona - main campus is \$194,114,000. This appropriation
 42 includes a deferral of \$62,153,100 from fiscal year 2012-2013 to fiscal year
 43 2013-2014. This deferral shall be paid as required in section 121 of this
 44 act.

1 It is the intent of the legislature that the general fund base funding
 2 for university of Arizona - health sciences center is \$55,334,300. This
 3 appropriation includes a deferral of \$16,776,700 from fiscal year 2012-2013
 4 to fiscal year 2013-2014. This deferral shall be paid as required in section
 5 121 of this act.

6 The state general fund appropriations shall not be used for alumni
 7 association funding.

8 The appropriated monies shall not be used for scholarships or any
 9 student newspaper.

10 Any unencumbered balances remaining in the collections account on June
 11 30, 2012 and all collections received by the university during the fiscal
 12 year, when paid into the state treasury, are appropriated for operating
 13 expenditures, capital outlay and fixed charges. Earnings on state lands and
 14 interest on the investment of the permanent land funds are appropriated in
 15 compliance with the enabling act and the Constitution of Arizona. No part of
 16 this appropriation may be expended for supplemental life insurance or
 17 supplemental retirement. Receipts from summer session, when deposited in the
 18 state treasury, together with any unencumbered balance in the summer session
 19 account, are appropriated for the purpose of conducting summer sessions but
 20 are excluded from the amounts enumerated above.

21 Sec. 101. DEPARTMENT OF VETERANS' SERVICES

	<u>2012-13</u>
23 FTE positions	500.3
24 Operating lump sum appropriation	\$ 2,977,900
25 Arizona state veterans' homes	27,574,700
26 Southern Arizona cemetery	274,800
27 Veterans' benefit counseling	<u>2,826.700</u>
28 Total appropriation - department of	
29 veterans' services	\$ 33,654,100

30 Fund sources:	
31 State general fund	\$ 5,197,100
32 State home for veterans' trust	
33 fund	27,574,700
34 State veterans' conservatorship	
35 fund	882,300

36 Sec. 102. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

	<u>2012-13</u>
38 FTE positions	5.5
39 Lump sum appropriation	\$ 455,300
40 Fund sources:	
41 Veterinary medical examining	
42 board fund	\$ 455,300

1 Sec. 103. DEPARTMENT OF WATER RESOURCES

2012-13

3 FTE positions	77.5
4 Operating lump sum appropriation	\$ 7,443,400
5 Adjudication support	1,212,900
6 Assured and adequate water supply	
7 administration	1,771,100
8 Rural water studies	1,139,600
9 Conservation and drought program	395,700
10 Automated groundwater monitoring	<u>401,100</u>

11 Total appropriation - department of water	
12 resources	\$ 12,363,800

13 Fund sources:

14 State general fund	\$ 5,698,300
15 Water resources fund	6,400,200
16 Assured and adequate water	

17 supply administration fund	265,300
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18 Monies in the assured and adequate water supply administration line
 19 item shall be used only for the exclusive purposes prescribed in sections
 20 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department
 21 of water resources shall not transfer any funds into or out of the assured
 22 and adequate water supply administration line item.

23 It is the intent of the legislature that monies in the rural water
 24 studies line item will be spent only to assess local water use needs and to
 25 develop plans for sustainable future water supplies in rural areas outside
 26 the state's AMAs and not be made available for other department operating
 27 expenditures.

28 Monies in the adjudication support line item shall be used only for the
 29 exclusive purposes prescribed in section 45-256 and section 45-257,
 30 subsection B, paragraph 4, Arizona Revised Statutes. The department of water
 31 resources shall not transfer any funds into or out of the adjudication
 32 support line item.

33 Sec. 104. DEPARTMENT OF WEIGHTS AND MEASURES

2012-13

35 FTE positions	36.4
36 General services	\$ 1,757,500
37 Vapor recovery	633,700
38 Oxygenated fuel	<u>780.200</u>

39 Total appropriation - department	
40 of weights and measures	\$ 3,171,400

41 Fund sources:

42 State general fund	\$ 1,440,000
43 Air quality fund	1,413,900
44 Motor vehicle liability insurance	

45 enforcement fund	317,500
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1 Fiscal Year 2011-2012 Appropriation Adjustments

2 Sec. 105. AHCCCS: supplemental appropriation: fiscal year
3 2011-2012

4 In addition to any other appropriations made in fiscal year 2011-2012,
5 the following sums from the following sources are appropriated to the Arizona
6 health care cost containment system administration for traditional medicaid
7 services in fiscal year 2011-2012:

- 8 1. \$51,500,000 from the prescription drug rebate fund.
- 9 2. \$118,273,100 from the state general fund.

10 3. \$226,071,700 in federal medicaid expenditure authority.

11 Sec. 106. AHCCCS: transfer; fiscal year 2011-2012; tobacco
12 settlement litigation

13 The Arizona health care cost containment system administration may
14 transfer up to \$1,364,300 from the traditional medicaid services line item
15 for fiscal year 2011-2012 to the attorney general for costs associated with
16 tobacco settlement litigation.

17 Sec. 107. Corporation commission; supplemental appropriation;
18 reduction; transfer; 2011-2012

19 A. In addition to any other appropriations made in fiscal year
20 2011-2012 to the corporation commission, the sum of \$75,000 is appropriated
21 from the state general fund in fiscal year 2011-2012 to the corporation
22 commission for operating expenses.

23 B. In addition to any other appropriation reductions made in fiscal
24 year 2011-2012, notwithstanding any other law, the appropriation to the
25 corporation commission is reduced by \$50,000 from the public access fund and
26 \$25,000 from the securities regulatory and enforcement fund in fiscal year
27 2011-2012.

28 C. Notwithstanding any other law, on or before June 30, 2012, the
29 corporation commission shall transfer \$50,000 from the public access fund and
30 \$25,000 from the securities regulatory and enforcement fund to the state
31 general fund.

32 Sec. 108. Department of economic security: reductions;
33 2011-2012

34 In addition to any other appropriation reductions made in fiscal year
35 2011-2012, the sum of \$12,300,000 is reduced from the department of economic
36 security's appropriation from the state general fund for home and community
37 based services - medicaid.

38 Sec. 109. Department of health services; supplemental
39 appropriation; 2011-2012

40 In addition to any other appropriations made in fiscal year 2011-2012,
41 the following sums from the following sources are appropriated to the
42 department of health services for medicaid capitation payments in fiscal year
43 2011-2012:

1. \$12,300,000 from the state general fund.
 2. \$33,900,000 from the prescription drug rebate fund.
 3. \$93,535,400 in federal medicaid expenditure authority.

Sec. 110. Department of health services; behavioral health services; fiscal year 2011-2012; state match

For fiscal year 2011-2012, the department of health services may use monies in the IGA and ISA fund as the state medicaid match for behavioral health services. Before using the monies, the department shall report to the director of the joint legislative budget committee the proposed amount of the IGA and ISA fund monies to be used for the match, the source of those monies, including reconciliation payments and penalties, and the total amount of reconciliation payments and penalties in the fund.

Sec. 111. Appropriation; budget stabilization fund; fiscal year 2011-2012

The sum of \$250,000,000 is appropriated from the state general fund in fiscal year 2011-2012 to the budget stabilization fund established by section 35-144, Arizona Revised Statutes.

Sec. 112. Appropriation; reimbursement of additional county expenses

A. The sum of \$1,900,000 is appropriated from the state general fund to the secretary of state in fiscal year 2011-2012 for the purpose of reimbursing counties for election expenditures pursuant to this section. This appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that any monies remaining unspent on June 30, 2013 shall revert to the state general fund.

B. The secretary of state shall reimburse counties for the additional cost of printing ballots and other election materials for the special primary election and special general election for United States representative for the eighth congressional district in Arizona and shall reimburse counties for compensation paid to election board and tally board officers serving during the special elections, as well as other costs of administering the elections that are in addition to and greater than the expenses to be reimbursed as prescribed in section 16-250, Arizona Revised Statutes. The secretary of state may advance a portion of estimated expenses to each county. A county that receives an advance shall provide subsequent documentation to the secretary of state pursuant to subsection C of this section.

C. The clerk of the board of supervisors of each county shall submit to the secretary of state for approval an itemized claim, together with documentation, verified by the clerk for expenses incurred or to be incurred by the county as prescribed by subsection B of this section. On approval of the claim by the secretary of state, the claim shall be submitted to the department of administration for payment to the county from the monies appropriated for this purpose in subsection A of this section.

1 Fiscal Year 2012-2013 Appropriations

2 Sec. 113. Appropriation: purpose: exemption: conditional
3 enactment: secretary of interior: notice

4 A. The sum of \$2,000,000 is appropriated from the state general fund
5 in fiscal year 2012-2013 to the department of administration to comply with
6 this state's obligation relating to the settlement of the White Mountain
7 Apache Tribe's water rights claims pursuant to the White Mountain Apache
8 Tribe Water Rights Quantification Act of 2010 (P.L. 111-291; 124 Stat. 3064).

9 B. The appropriation made in subsection A of this section is exempt
10 from the provisions of section 35-190, Arizona Revised Statutes, relating to
11 lapsing of appropriations.

12 C. This section is effective on receipt of notice by the executive
13 director of the Arizona legislative council from the department of water
14 resources that the secretary of the United States department of interior has
15 issued a record of decision approving the construction of the White Mountain
16 Apache Tribe rural water system as provided in section 309(d)(1)(E) of the
17 White Mountain Apache Tribe Water Rights Quantification Act of 2010
18 (P.L. 111-291, title III; 124 Stat. 3064, 3073).

19 Sec. 114. Arizona commerce authority: allocation

20 In accordance with section 43-409, Arizona Revised Statutes,
21 \$31,500,000 of state general fund withholding tax revenue is allocated in
22 fiscal year 2012-2013 to the Arizona commerce authority, of which \$10,000,000
23 shall be credited to the Arizona commerce authority fund established by
24 section 41-1506, Arizona Revised Statutes, and \$21,500,000 shall be credited
25 to the Arizona competes fund established by section 41-1545.01, Arizona
26 Revised Statutes.

27 Sec. 115. Appropriation: automation projects fund: fiscal year
28 2012-2013

29 A. The sum of \$35,800,000 is appropriated from the state general fund
30 in fiscal year 2012-2013 to the automation projects fund established by
31 section 41-714, Arizona Revised Statutes, for the purpose of implementing,
32 upgrading or maintaining automation and information technology projects for
33 any state agency.

34 B. In addition to the appropriation made in subsection A of this
35 section, the following sums from the following sources are appropriated to
36 the automation projects fund in fiscal year 2012-2013:

37 1. \$1,500,000 from the information technology fund established by
38 section 41-3505, Arizona Revised Statutes.

39 2. \$5,600,000 from the state web portal fund established by section
40 41-3506, Arizona Revised Statutes.

41 3. \$4,200,000 from the automation operations fund established by
42 section 41-711, Arizona Revised Statutes.

1 Sec. 116. Appropriation: debt service payments: state buildings

2 A. The sum of \$60,107,500 is appropriated from the state general fund
3 in fiscal year 2012-2013 to the department of administration for the purpose
4 of making a debt service payment on the sale and lease-back of state
5 buildings authorized by Laws 2009, third special session, chapter 6,
6 section 32.

7 B. The sum of \$24,012,300 is appropriated from the state general fund
8 in fiscal year 2012-2013 to the department of administration for the purpose
9 of making a debt service payment on the sale and lease-back of state
10 buildings authorized by Laws 2009, sixth special session, chapter 4,
11 section 2.

12 Sec. 117. Appropriation: debt retirement fund; fiscal year
13 2012-2013

14 The sum of \$200,000,000 is appropriated from the state general fund in
15 fiscal year 2012-2013 to the debt retirement fund established by section
16 41-726, Arizona Revised Statutes. The department of administration shall not
17 expend any monies appropriated to the fund before May 1, 2013. Beginning
18 May 1, 2013, the department of administration shall expend all monies
19 appropriated to the fund for the purposes specified in section 41-726,
20 Arizona Revised Statutes.

21 Sec. 118. AHCCCS; department of health services; reconciliation
22 payments; report

23 On or before January 7, 2013, the Arizona health care cost containment
24 system administration and the department of health services shall report to
25 the director of the joint legislative budget committee the total amount of
26 medicaid reconciliation payments and penalties received by that date since
27 July 1, 2012. On June 30, 2013, the administration and department shall
28 report the same information for all of fiscal year 2012-2013.

29 Payment Deferrals

30 Sec. 119. Department of economic security: payment deferral:
31 appropriation

32 A. In addition to any other appropriation reductions made in fiscal
33 year 2012-2013, notwithstanding any other law, the department of economic
34 security shall defer \$35,000,000 in payments for services provided in May and
35 June 2013 until after July 1, 2013.

36 B. In addition to any other appropriations made in fiscal year
37 2013-2014, the sum of \$35,000,000 is appropriated from the state general fund
38 in fiscal year 2013-2014 to the department of economic security for the
39 purpose of paying bills for services provided in May and June, 2013.

40 C. Of the amounts deferred in subsection A of this section, payments
41 to child care providers shall not be deferred.

42 D. Of the amounts deferred in subsection A of this section, May
43 payments to providers of developmentally disabled services shall not be
44 deferred.

1 Sec. 120. Reduction in school district state aid apportionment
2 in fiscal year 2012-2013: appropriations in fiscal
3 year 2013-2014

4 A. In addition to any other appropriation reductions made in fiscal
5 year 2012-2013, notwithstanding any other law, the state board of education
6 shall defer until after July 1, 2013 but no later than August 29, 2013
7 \$952,627,700 of the basic state aid and additional state aid payment that
8 otherwise would be apportioned to school districts during fiscal year
9 2012-2013 pursuant to section 15-973, Arizona Revised Statutes. The funding
10 deferral required by this subsection does not apply to charter schools.

11 B. In addition to any other appropriations made in fiscal year
12 2013-2014, the sum of \$952,627,700 is appropriated from the state general
13 fund in fiscal year 2013-2014 to the state board of education and the
14 superintendent of public instruction for basic state aid and additional state
15 aid entitlement for fiscal year 2013-2014. This appropriation shall be
16 disbursed after July 1, 2013 but no later than August 29, 2013 to the several
17 counties for the school districts in each county in amounts equal to the
18 reductions in apportionment of basic state aid and additional state aid that
19 are required pursuant to subsection A of this section for fiscal year
20 2012-2013.

21 C. School districts shall include in the revenue estimates that they
22 use for computing their tax rates for fiscal year 2012-2013 the monies that
23 they will receive pursuant to subsection B of this section.

24 Sec. 121. Arizona board of regents: deferral: support and
25 maintenance: appropriation in fiscal year 2013-2014

26 A. In addition to any other appropriation reductions made in fiscal
27 year 2012-2013, the Arizona board of regents shall defer until after July 1,
28 2013, the sum of \$200,000,000, which is allocated to the universities in the
29 individual campus appropriations.

30 B. In addition to any other amounts appropriated to the Arizona board
31 of regents for fiscal year 2013-2014, the sum of \$200,000,000 is appropriated
32 from the state general fund to the Arizona board of regents to be distributed
33 for the support and maintenance of institutions under its jurisdiction for
34 payments deferred from fiscal year 2012-2013. The department of
35 administration shall distribute these monies to the board no later than
36 October 1, 2013.

37 Statewide Adjustments

38 Sec. 122. Appropriation: operating adjustments

39 2012-2013

40 State lease-purchase and rental rate	
41 adjustments	\$ 1,499,600
42 Fund sources:	
43 Other appropriated funds	\$ 1,499,600

State lease-purchase and rental rate adjustments

The amount appropriated for state lease-purchase adjustments shall be for fiscal year 2012-2013 adjustments in agency or department lease-purchase and rental rate charges in agencies. These adjustments eliminate the payments for lease-purchase transactions completed in fiscal year 2011-2012, provide state rental rate payments for the completed lease-purchase transactions and reduce the usable square foot rental rate for state-owned space as prescribed in the fiscal year 2012-2013 budget procedures budget reconciliation bill, among other adjustments. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution adjustment. These adjustments may include reallocation of state general fund appropriations between state agency units. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state lease-purchase and rental rate adjustments.

Retirement rate adjustment

The amount appropriated for retirement rate adjustments shall be for fiscal year 2012-2013 adjustments in agency or department retirement contribution rate increases due to changes in the proportion of the retirement rate paid by the employer in the Arizona state retirement system and to reimburse employees for retirement contributions made in excess of fifty per cent of the total retirement contribution in fiscal year 2012-2013. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow the implementation of retirement rate adjustments.

Sec. 123. Retirement rate shift; 2011-2012 employee refund; exemption

A. In addition to any other appropriation made in fiscal year 2011-2012, the sum of \$6,602,900 from the state general fund and \$1,454,200 from other appropriated funds are appropriated to state agency units for a retirement contribution rate increase due to changes in the proportion of the retirement rate paid by the employer in the Arizona state retirement system from forty-seven per cent to fifty per cent, and to reimburse employees for retirement contributions made in excess of fifty per cent of the total retirement contribution in fiscal year 2011-2012. The joint legislative

1 budget committee staff shall determine and the department of administration
2 shall allocate to each agency or department an amount for the contribution
3 adjustment. The joint legislative budget committee staff shall also
4 determine and the department of administration shall allocate adjustments, as
5 necessary, in expenditure authority to allow the implementation of retirement
6 rate adjustments. The other appropriated funds may be allocated from any
7 funds listed in this act.

8 B. In addition to any other appropriations made in fiscal year
9 2011-2012 to the department of education, the sum of \$32,714,800 is
10 appropriated from the state general fund in fiscal year 2011-2012 to the
11 department of education for basic state aid associated with a retirement
12 contribution rate increase due to changes in the proportion of the retirement
13 rate paid by the employer in the Arizona state retirement system from
14 forty-seven per cent to fifty per cent, and to reimburse employees for
15 retirement contributions made in excess of fifty per cent of the total
16 retirement contribution in fiscal year 2011-2012.

17 C. Before June 30, 2012, \$1,949,200 shall be transferred from state
18 general fund to other state funds for transfers made under Laws 2011, chapter
19 26, section 8. The joint legislative budget committee staff shall determine
20 and the department of administration shall allocate to each fund an amount
21 for the transfer.

22 D. The appropriations made in this section are exempt from the
23 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
24 of appropriations, except that any monies remaining unspent on December 31,
25 2012 shall revert to the fund from which the monies were appropriated.

26 Sec. 124. Special employee health insurance trust fund:
27 transfer: 2012-2013

28 A. Before January 1, 2013, the department of administration shall
29 transfer \$25,000,000 from the special employee health insurance trust fund
30 established by section 38-654, Arizona Revised Statutes, to the state general
31 fund as a one-time refund of employer contributions.

32 B. Before January 1, 2013, the department of administration shall
33 transfer from the special employee health insurance trust fund established by
34 section 38-654, Arizona Revised Statutes, to each fund from which employer
35 contributions for state employee health insurance were made, excluding the
36 state general fund, an amount proportionally equal to the amount transferred
37 to the state general fund in subsection A of this section based on employer
38 contributions made in fiscal year 2011-2012. This transfer represents a
39 one-time refund of employer contributions.

40 C. The total amount transferred pursuant to subsection B of this
41 section shall not exceed \$35,000,000.

42 D. Before January 1, 2013, the department of administration shall
43 refund employee and retiree contributions to the special employee health
44 insurance trust fund established by section 38-654, Arizona Revised Statutes,
45 by an amount proportionally equal to the amount transferred for employer

1 contributions in subsections A and B of this section, based on total employee
2 contributions made in fiscal year 2011-2012. The amount refunded to each
3 employee or retiree shall be based on the type of coverage and employee
4 contribution level of each employee or retiree. This adjustment represents a
5 one-time refund of employee and retiree contributions.

6 E. The total amount reduced or refunded pursuant to subsection D of
7 this section shall not exceed \$13,000.000.

8 F. Before making the transfers in subsection B or D of this section,
9 the department shall submit to the joint legislative budget committee a plan
10 detailing the amount of each transfer for committee review.

11 Sec. 125. Allocation of funds; health insurance adjustments

12 For the purposes of allocating the appropriations made by Laws 2011,
13 chapter 24, sections 137 and 138, the appropriations may be allocated from
14 the following funds, in addition to the funds listed in the appropriation:
15 drug and gang prevention resource center fund, children and family services
16 training program fund, Arizona state hospital fund, aggregate mining
17 reclamation fund, radiation regulatory fee fund, state treasurer's management
18 fund, water resources fund and capital improvement fund.

19 Other Provisions

20 Sec. 126. Legislative intent; expenditure reporting

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

31 Sec. 127. FTE positions: reporting; definition

32 Full-time equivalent (FTE) positions contained in this act are subject
33 to appropriation. The director of the department of administration shall
34 account for the use of all appropriated FTE positions excluding those in the
35 department of economic security, the universities and the department of
36 environmental quality. The director shall submit the fiscal year 2012-2013
37 report by October 1, 2013 to the director of the joint legislative budget
38 committee. The reports shall compare the level of FTE usage in each fiscal
39 year to the appropriated level. For the purposes of this section, "FTE
40 positions" shall mean the total number of hours worked, including both
41 regular and overtime hours as well as hours taken as leave, divided by the
42 number of hours in a work year. The director of the department of
43 administration shall notify the director of each budget unit if the budget
44 unit has exceeded its number of appropriated FTE positions. The above
45 excluded agencies shall each report to the director of the joint legislative

1 budget committee in a manner comparable to the department of administration
2 reporting.

3 Sec. 128. Filled FTE positions: reporting

4 By October 1, 2012, each agency, including the judiciary and
5 universities, shall submit a report to the director of the joint legislative
6 budget committee on the number of filled, appropriated FTE positions by fund
7 source. The number of filled, appropriated FTE positions reported shall be
8 as of September 1, 2012.

9 Sec. 129. Transfer of spending authority

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

14 Sec. 130. Interim reporting requirements

15 A. State general fund revenue for fiscal year 2011-2012, not including
16 the beginning balance and including one-time revenues, is forecasted to be
17 \$8,898,910,900.

18 B. State general fund revenue for fiscal year 2012-2013, not including
19 the beginning balance and including one-time revenues, is forecasted to be
20 \$8,826,355,700.

21 C. The executive branch shall provide to the joint legislative budget
22 committee a preliminary estimate of the fiscal year 2011-2012 state general
23 fund ending balance by September 15, 2012. The estimate shall include
24 projections of total revenues, total expenditures and ending balance. The
25 department of administration shall continue to provide the final report for
26 the fiscal year in its annual financial report pursuant to section 35-131,
27 Arizona Revised Statutes.

28 D. Based on the information provided by the executive branch, the
29 staff of the joint legislative budget committee shall report to the joint
30 legislative budget committee by October 15 of 2012 and 2013 as to whether
31 that fiscal year's revenues and ending balance are expected to change by more
32 than \$50,000,000 from the budgeted projections. The executive branch may
33 also provide its own estimates to the joint legislative budget committee by
34 October 15 of each year.

35 Sec. 131. Definition

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

39 Sec. 132. Definition

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

43 Sec. 133. Definition

44 For the purposes of this act, "review by the joint legislative budget
45 committee" means a review by a vote of a majority of a quorum of the members.