Senate Engrossed

State of Arizona
Senate
Fiftieth Legislature
Second Regular Session
2012

SENATE BILL 1523

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)

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

Section 1. Repeal

Laws 2011, chapter 24, section 130 is repealed.

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

Sec. 131. Special employee health insurance trust fund; appropriation; purpose

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

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

Sec. 139. Health savings accounts; intent; report

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

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

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

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

Sec. 5. BOARD OF ACCOUNTANCY

	2012-13
FTE positions	13.0
Lump sum appropriation	$ 1,887,800
Fund sources:	
Board of accountancy fund	$ 1,887,800

1 Sec. 6. ACUPUNCTURE BOARD OF EXAMINERS

	2012-13
FTE positions	1.0
Lump sum appropriation	$ 125,300
Fund sources:	
Acupuncture board of examiners fund	$ 125,300

Sec. 7. DEPARTMENT OF ADMINISTRATION

	2012-13
FTE positions	528.1
Operating lump sum appropriation	$ 78,777,200
Utilities	8,275,600
County attorney immigration enforcement	1,213,200
Human resources information solution - certificate of participation	3,319,600
Public safety communications	527,200
Risk management administrative expenses	8,746,100
Risk management losses and premiums	44,691,200
Workers' compensation losses and premiums	30,955,200
Statewide information security and privacy office	853,100
State surplus property sales proceeds	1,260,000
Total appropriation - department of administration	$178,618,400
Fund sources:	
State general fund	$ 13,422,200
Air quality fund	714,100
Automation operations fund	18,672,400
Capital outlay stabilization fund	17,890,500
Corrections fund	552,500
Federal surplus materials revolving fund	451,400
Information technology fund	3,120,500
Motor vehicle pool revolving fund	10,038,900
Personnel division fund	12,333,800
Risk management revolving fund	91,867,800

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

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

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

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

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

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

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

Sec. 8. OFFICE OF ADMINISTRATIVE HEARINGS

	2012-13
FTE positions	12.0
Lump sum appropriation	$ 825,600
Fund sources:	
State general fund	$ 811,100
Healthcare group fund	14,500

Sec. 9. DEPARTMENT OF AGRICULTURE

	2012-13
FTE positions	161.0
Operating lump sum appropriation	$ 7,577,300
Agricultural employment relations board	23,300
Animal damage control	65,000
Red imported fire ant	23,200
Agricultural consulting and training pari-mutuel	128,500
Total appropriation - department of agriculture	$ 7,817,300
Fund sources:	
State general fund	$ 7,817,300

Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

	2012-13
FTE positions	2,217.3
Operating lump sum appropriation	$ 77,880,300
DES eligibility	53,661,700
Proposition 204 - AHCCCS administration	6,620,400
Proposition 204 - DES eligibility	37,716,400
Traditional Medicaid services	3,420,887,100
Proposition 204 services	1,166,614,700
Children's rehabilitative services	128,599,100
KidsCare services	21,622,300
ALTCS services	1,177,910,000
Disproportionate share payments	13,487,100

Disproportionate share payments - voluntary match	28,457,100
Rural hospitals	13,858,100
Graduate medical education	90,977,300
Total appropriation and expenditure authority - Arizona health care cost containment system	$6,238,291,600
Appropriated fund sources:	
State general fund	$1,397,429,800
Budget neutrality compliance fund	3,221,100
Children's health insurance program fund	18,123,100
Health care group fund	2,260,900
Prescription drug rebate fund - state	69,949,700
Tobacco products tax fund - emergency health services account	19,222,900
Tobacco tax and health care fund - medically needy account	38,295,800
Expenditure authority	4,689,788,300

Operating budget

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

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

Medical services

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

The Arizona health care cost containment system administration shall report to the joint legislative budget committee by March 1 of each year on the preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates, the Arizona health care cost containment system

administration shall report its expenditure plan for review by the joint legislative budget committee. Before the administration implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

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

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

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

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

Payments to hospitals

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

Any monies for graduate medical education received in fiscal year 2012-2013, including any federal matching monies, by the Arizona health care cost containment system administration in excess of $90,977,300 are appropriated to the administration in fiscal year 2012-2013. Before the expenditure of these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be expended under this provision.

Any monies received for disproportionate share payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, that are received in fiscal year 2012-2013 by the Arizona health care cost containment system administration in excess of $28,457,100 are appropriated to the administration in fiscal year 2012-2013. Before the expenditure of these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of

strategic planning and budgeting of the amount of monies that will be expended under this provision.

Sec. 11. BOARD OF APPRAISAL

		2012-13
FTE positions		5.5
Lump sum appropriation	$	755,500
Fund sources:		
Board of appraisal fund	$	755,500

Sec. 12. BOARD OF ATHLETIC TRAINING

		2012-13
FTE positions		1.5
Lump sum appropriation	$	101,200
Fund sources:		
Athletic training fund	$	101,200

Sec. 13. ATTORNEY GENERAL - DEPARTMENT OF LAW

		2012-13
FTE positions		547.9
Operating lump sum appropriation	$	45,843,700
State grand jury		176,800
Victims' rights		3,238,700
Risk management interagency service agreement		8,765,900
Total appropriation - attorney general - department of law	$	58,025,100
Fund sources:		
State general fund	$	22,046,500
Antitrust enforcement revolving fund		241,200
Attorney general legal services cost allocation fund		1,997,100
Collection enforcement revolving fund		5,291,900
Consumer protection - consumer fraud revolving fund		3,439,800
Interagency service agreements fund		13,004,000
Risk management revolving fund		8,765,900
Victims' rights fund		3,238,700

The attorney general shall notify the president of the senate, the speaker of the house of representatives and the joint legislative budget committee before entering into a settlement of $100,000 or more that will result in the receipt of monies by the attorney general or any other person. The attorney general shall not allocate or expend these monies until the joint legislative budget committee reviews the allocations or expenditures. Settlements that pursuant to statute must be deposited in the state general

fund need not be reviewed by the joint legislative budget committee. This paragraph does not apply to actions under title 13, Arizona Revised Statutes, or other criminal matters.

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

Sec. 14. AUTOMOBILE THEFT AUTHORITY

	2012-13
FTE positions	6.0
Operating lump sum appropriation	$ 615,900
Automobile theft authority grants	3,607,700
Reimbursable programs	50,000
Total appropriation - auto theft authority	$ 4,273,600
Fund sources:	
Automobile theft authority fund	$ 4,273,600

The automobile theft authority shall submit a report to the joint legislative budget committee for review before expending any monies for the reimbursable programs line item. The agency shall also show sufficient funds collected to cover the expenses indicated in the report.

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

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

Sec. 15. BOARD OF BARBERS

	2012-13
FTE positions	4.0
Lump sum appropriation	$ 320,700
Fund sources:	
Board of barbers fund	$ 320,700

Sec. 16. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	2012-13
FTE positions	17.0
Lump sum appropriation	$ 1,603,800
Fund sources:	
Board of behavioral health examiners fund	$ 1,603,800

Sec. 17. STATE BOARD FOR CHARTER SCHOOLS

	2012-13
FTE positions	9.0
Lump sum appropriation	$ 750,600
Fund sources:	
State general fund	$ 750,600

Sec. 18. STATE BOARD OF CHIROPRACTIC EXAMINERS

	2012-13
FTE positions	5.0
Lump sum appropriation	$ 452,100
Fund sources:	
Board of chiropractic examiners fund	$ 452,100

Sec. 19. ARIZONA COMMUNITY COLLEGES

	2012-13
Equalization aid	
Cochise	$ 5,614,700
Graham	16,867,300
Navajo	5,370,100
Total - equalization aid	$ 27,852,100
Operating state aid	
Cochise	$ 5,784,600
Coconino	1,847,900
Gila	410,000
Graham	2,373,200
Maricopa	8,315,700
Mohave	1,785,600
Navajo	1,689,700
Pima	7,353,500
Pinal	2,107,800
Santa Cruz	63,500
Yavapai	957,600
Yuma/La Paz	2,802,600
Total - operating state aid	$ 35,491,700
Rural county reimbursement subsidy	$ 848,800
Total appropriation - Arizona community colleges	$ 64,192,600
Fund sources:	
State general fund	$ 64,192,600

Of the $848,800 appropriated to the rural county reimbursement subsidy line item, Apache county will receive $466,000 and Greenlee county $382,800.

Sec. 20. REGISTRAR OF CONTRACTORS

	2012-13
FTE positions	105.6
Operating lump sum appropriation	$ 10,985,100
Office of administrative hearings costs	1,017,600
Total appropriation - registrar of contractors	$ 12,002,700
Fund sources:	
Registrar of contractors fund	$ 12,002,700

Any transfer to or from the amount appropriated for the office of administrative hearings costs line item shall require review by the joint legislative budget committee.

Sec. 21. CORPORATION COMMISSION

	2012-13
FTE positions	297.9
Operating lump sum appropriation	$ 25,046,900
Corporation filings, same day service	400,400
Utilities audits, studies, investigations and hearings	380,000*
Total appropriation - corporation commission	$ 25,827,300
Fund sources:	
State general fund	$ 586,400
Arizona arts trust fund	49,900
Investment management regulatory and enforcement fund	678,700
Public access fund	6,399,600
Securities regulatory and enforcement fund	4,614,100
Utility regulation revolving fund	13,498,600

The $400,400 appropriated from the public access fund for the corporation filings, same day service line item shall revert to the public access fund at the end of fiscal year 2012-2013 if the commission cannot process all expedited services within five business days and all regular services within thirty business days in accordance with sections 10-122, 10-3122 and 29-851, Arizona Revised Statutes.

Sec. 22. STATE DEPARTMENT OF CORRECTIONS

	2012-13
FTE positions	10,118.2
Operating lump sum appropriation	$ 868,417,100
Private prison per diem	127,636,600
Total appropriation - state department of corrections	$ 996,053,700

Fund sources:	
State general fund	$ 951,154,600
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.

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions 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.

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

Sec. 23. COSMETOLOGY BOARD

		2012-13
FTE positions		24.5
Lump sum appropriation	$	1,742,100
Fund sources:		
Board of cosmetology fund	$	1,742,100

Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

		2012-13
FTE positions		8.0
Operating lump sum appropriation	$	859,400
State aid to county attorneys		973,600
Victim compensation and assistance		3,792,500
Total appropriation - Arizona criminal justice commission	$	5,625,500
Fund sources:		
Criminal justice enhancement fund	$	624,700
Drug and gang prevention resource center fund		234,700
State aid to county attorneys fund		973,600
Victim compensation and assistance fund		3,792,500

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

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

Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	2012-13
FTE positions	541.2
Administration/statewide	$ 3,587,000
Phoenix day school for the deaf	8,875,100
Tucson campus	14,001,800
Regional cooperatives	797,500
Preschool/outreach programs	5,412,400
School bus replacement	738,000
Voucher fund adjustment	614,400
Total appropriation - Arizona state schools for the deaf and the blind	$ 34,026,200
Fund sources:	
State general fund	$ 20,686,300
Arizona state schools for the deaf and the blind fund	13,339,900

Before the expenditure of any Arizona state schools for the deaf and the blind fund monies in excess of $13,339,900 in fiscal year 2012-2013, the Arizona state schools for the deaf and the blind shall report to the joint legislative budget committee the intended use of the funds.

Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

	2012-13
FTE positions	15.0
Lump sum appropriation	$ 3,745,700
Fund sources:	
Telecommunication fund for the deaf	$ 3,745,700

Sec. 27. STATE BOARD OF DENTAL EXAMINERS

	2012-13
FTE positions	11.0
Lump sum appropriation	$ 1,183,800
Fund sources:	
Dental board fund	$ 1,183,800

Sec. 28. DEPARTMENT OF ECONOMIC SECURITY

	2012-13
FTE positions	5,453.5
Operating lump sum appropriation	$291,385,900
Administration	
Attorney general legal services	21,338,400
Aging and community services	
Adult services	6,924,100
Community and emergency services	3,724,000
Coordinated hunger	1,754,600
Coordinated homeless	2,522,600
Domestic violence prevention	12,123,700

Benefits and medical eligibility	
Temporary assistance for needy families cash benefits	44,999,400
Tribal pass-through funding	4,680,300
Child support enforcement	
County participation	8,600,200
Children, youth and families	
Adoption services	74,772,000
Children support services	68,867,600
CPS emergency and residential placement	22,201,700
Foster care placement	21,212,600
Independent living maintenance	2,719,300
Permanent guardianship subsidy	11,215,300
Developmental disabilities	
Case management - medicaid	38,071,900
Home and community based services - medicaid	690,196,700
Institutional services - medicaid	19,334,100
Medical services	138,936,500
Arizona training program at Coolidge - medicaid	15,601,500
Medicare clawback payments	2,848,400
Case management - state-only	3,846,000
Home and community based services - state-only	32,615,300
State-funded long-term care services	26,528,100
Employment and rehabilitation services	
JOBS	13,005,600
Day care subsidy	121,396,600
Independent living rehabilitation services	1,289,400
Rehabilitation services	3,799,100
Workforce investment act services	51,654,600
Total appropriation - department of economic security	$1,758,165,500
Fund sources:	
State general fund	$ 576,057,500
Federal child care and development fund block grant	130,567,500
Federal temporary assistance for needy families block grant	220,775,800

Public assistance collections fund	423,900
Special administration fund	1,129,900
Spinal and head injuries trust fund	1,864,700
Statewide cost allocation plan fund	1,000,000
Child abuse prevention fund	1,459,100
Children and family services training program fund	205,300
Child support enforcement administration fund	16,534,900
Domestic violence shelter fund	2,220,000
Long-term care system fund	74,735,700
Workforce investment act grant	56,029,800
Child support enforcement administration fund expenditure authority	40,320,200
Expenditure authority	634,841,200

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.

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

Child support enforcement

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

Children, youth and families

Of the amounts appropriated for children support services, CPS emergency and residential placement and foster care placement, the department may transfer up to ten per cent of the total amount of federal temporary assistance for needy families block grant monies appropriated to the department of economic security to the social services block grant for use in the following line items in the division of children, youth and families: children support services, CPS emergency and residential placement and foster care placement. Before transferring federal temporary assistance for needy families block grant monies to the social services block grant, the department shall report the proposed amount of the transfer to the director of the joint legislative budget committee. This report may be in the form of an expenditure plan that is submitted at the beginning of the fiscal year and updated, if necessary, throughout the fiscal year.

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

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

Developmental disabilities

The department of economic security shall report all new placements into a state-owned ICF-MR or the Arizona training program at Coolidge campus in fiscal year 2012-2013 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 and the reason why this placement, rather than a placement into a privately run facility for the developmentally disabled, was deemed as the most appropriate placement. The department shall also report if no new placements were made. This report shall be made available by July 15, 2013.

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

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

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

It is the intent of the legislature that the department of economic security increase developmental disabilities provider rates by two per cent beginning April 1, 2013.

Employment and rehabilitation services

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

All federal workforce investment act monies that are received by this state in excess of $56,029,800 are appropriated to the workforce investment act services line item. Before the expenditure of these increased monies, the department of economic security shall report the intended use of monies 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.

Any federal temporary assistance for needy families block grant monies received in fiscal year 2012-2013, including the beginning balance, by the department of economic security in excess of $220,775,800 is appropriated to the department in fiscal year 2012-2013. For every dollar the department of economic security receives in federal temporary assistance for needy families block grant monies in fiscal year 2012-2013 in excess of the $220,775,800 appropriated, there shall be a corresponding dollar reduction in the department's long-term care system fund appropriation. On or before June 30, 2013, the department shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of long-term care system fund monies, if any, that will not be expended under this provision.

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

	2012-13
FTE positions	171.4
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	$2,169,077,300
Fund sources:	
State general fund	$2,122,601,800
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 $15,656,000 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.

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

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

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

Education learning and accountability system	6,200,000
Fund sources:	
State general fund	$ 5,000,000
Education learning and accountability fund	1,200,000

For fiscal year 2012-2013, the state board of education, in collaboration with the department, shall report quarterly by the last day of each calendar quarter on its progress in implementing the education learning and accountability system and other related projects that may be funded through the education learning and accountability fund to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting. The quarterly report

shall include an assessment of progress from an independent third party that is not affiliated with state government.

English learner administration $ 3,958,200

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

Arizona structured English immersion fund 8,791,400

The department may use a portion of the appropriated amount to fund a new English language proficiency assessment.

State block grant for vocational education 11,492,700

K-3 reading 40,000,000

The appropriated amount is for funding costs of the K-3 reading weight established in section 15-943, Arizona Revised Statutes, except that the state board of education may use up to $1,500,000 of the appropriated amount on technical assistance and state level administration of the K-3 reading program. The appropriated amount includes 2 FTE positions.

Innovative education program grants 3,000,000

The state board of education shall use the appropriated one-time amount to fund innovative educational programs in public schools. The state board of education shall award program funding on a competitive grant basis. Grants shall be awarded only for use in school districts and charter schools for innovative education programs that have a proven track record of success in improving student achievement and on related technology, instructional delivery and materials. Each grantee shall be required to match its state grant with an equal or greater amount of private sector funding. Grantees shall submit a report on program results to the state board of education on or before October 1, 2013.

Teacher certification $ 1,781,200

Fund sources:

Teacher certification fund $ 1,781,200

State board of education $ 1,580,900

Fund sources:

State general fund	$ 1,212,200
Teacher certification fund	368,700

The state board of education program may establish its own strategic plan separate from that of the department of education and based on its own separate mission, goals and performance measures.

Total appropriation - state board of education and superintendent of public instruction	$2,601,238,500

Fund sources:

State general fund	$2,544,279,200
Proposition 301 fund	7,000,000
Permanent state school fund	46,475,500
Teacher certification fund	2,283,800
Education learning and accountability fund	1,200,000

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

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.

Sec. 30. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	2012-13
FTE positions	61.1
Administration	$ 1,621,300
Emergency management	837,000
Military affairs	2,495,400
Total appropriation – department of emergency and military affairs	$ 4,953,700

Fund sources:

State general fund	$ 4,821,000
Emergency response fund	132,700

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

Sec. 31. DEPARTMENT OF ENVIRONMENTAL QUALITY

	2012-13
FTE positions	322.0
Operating lump sum appropriation	$ 47,107,200
Emissions control contractor payment	21,119,500
Total appropriation - department of environmental quality	$ 68,226,700
Fund sources:	
Air permits administration fund	$ 7,008,600
Air quality fund	5,370,400
Emissions inspection fund	28,336,100
Hazardous waste management fund	1,712,100
Indirect cost recovery fund	12,873,200
Recycling fund	1,200,000
Solid waste fee fund	1,217,500
Underground storage tank revolving fund	22,000
Used oil fund	138,900
Water quality fee fund	10,347,900

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

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

end of fiscal year 2012-2013, assuming fiscal year 2012-2013 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

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

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

Sec. 32. OFFICE OF EQUAL OPPORTUNITY

		2012-13
FTE positions		4.0
Lump sum appropriation	$	187,900
Fund sources:		
State general fund	$	187,900

Sec. 33. STATE BOARD OF EQUALIZATION

		2012-13
FTE positions		7.0
Lump sum appropriation	$	625,800
Fund sources:		
State general fund	$	625,800

Sec. 34. BOARD OF EXECUTIVE CLEMENCY

		2012-13
FTE positions		14.0
Lump sum appropriation	$	826,200
Fund sources:		
State general fund	$	826,200

Sec. 35. ARIZONA EXPOSITION AND STATE FAIR BOARD

		2012-13
FTE positions		184.0
Lump sum appropriation	$	11,096,200
Fund sources:		
Arizona exposition and state fair fund	$	11,096,200

Sec. 36. DEPARTMENT OF FINANCIAL INSTITUTIONS

		2012-13
FTE positions		58.1
Lump sum appropriation	$	3,849,400

Fund sources:

State general fund	$ 2,927,000
Financial services fund	922,400

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

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

	2012-13
FTE positions	47.0
Lump sum appropriation	$ 1,693,300

Fund sources:

State general fund	$ 1,693,300

Sec. 38. STATE FORESTER

	2012-13
FTE positions	52.0
Operating lump sum appropriation	$ 3,281,300
Environmental county grants	75,000
Inmate fire crews	695,700
Total appropriation - state forester	$ 4,052,000

Fund sources:

State general fund	$ 4,052,000

Sec. 39. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

	2012-13
FTE positions	4.0
Lump sum appropriation	$ 339,600

Fund sources:

Board of funeral directors and embalmers fund	$ 339,600

Sec. 40. GAME AND FISH DEPARTMENT

	2012-13
FTE positions	273.5
Operating lump sum appropriation	$ 33,091,800
Pittman - Robertson/Dingell - Johnson act	3,808,000
Performance incentive pay program	346,100*
Lower Colorado multispecies conservation	350,000
Watercraft grant program	1,000,000
Watercraft safety education program	250,000
Total appropriation - game and fish department	$ 38,845,900

Fund sources:

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

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

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

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

Sec. 41. DEPARTMENT OF GAMING

	2012-13
FTE positions	115.3
Operating lump sum appropriation	$ 8,000,000
Casino operations certification	1,998,300
Problem gambling	2,051,300
Total appropriation - department of gaming	$ 12,049,600
Fund sources:	
Tribal-state compact fund	$ 1,998,300
Arizona benefits fund	9,751,300
State lottery fund	300,000

Sec. 42. ARIZONA GEOLOGICAL SURVEY

	2012-13
FTE positions	10.3
Lump sum appropriation	$ 865,100
Fund sources:	
State general fund	$ 865,100

Sec. 43. OFFICE OF THE GOVERNOR

	2012-13
Lump sum appropriation	$ 6,601,900*
Fund sources:	
State general fund	$ 6,601,900

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

1 Sec. 44. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING
2 2012-13
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 2012-13
9 FTE positions 1,176.7
10 Operating lump sum appropriation $131,983,900
11 Public health/family health
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 Behavioral health
26 Community placement treatment 1,130,700
27 Medicaid behavioral health -
28 proposition 204 137,526,200
29 Medicaid behavioral health -
30 traditional 1,081,624,300
31 Medicaid special exemption
32 payments 24,383,000
33 Medicare clawback payments 13,838,800
34 Non-medicaid seriously
35 mentally ill services 95,238,000
36 Proposition 204 administration 6,446,700
37 Supported housing 5,324,800
38 Total appropriation and expenditure
39 authority - department of
40 health services $1,512,043,600
41 Fund sources:
42 State general fund $ 586,731,600
43 Arizona state hospital fund 12,487,100

Arizona state hospital land earnings fund	650,000
Capital outlay stabilization fund	1,245,500
Child fatality review fund	92,700
Emergency medical services operating fund	5,024,300
Environmental laboratory licensure revolving fund	907,200
Federal child care development fund block grant	827,800
Health services licensing fund	7,857,700
Hearing and speech professionals fund	308,100
Indirect cost fund	8,829,200
Newborn screening program fund	6,680,100
Nursing care institution resident protection revolving fund	438,000
Substance abuse services fund	2,250,000
Tobacco tax and health care fund - health research account	1,000,000
Tobacco tax and health care fund - medically needy account	35,167,000
Vital records electronic systems fund	3,586,000
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.

Of the $1,125,000 for Alzheimer's disease research, $1,000,000 of that amount is from the tobacco tax and health care fund - health research account.

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.

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

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

Departmentwide

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded electronically 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 programs, potential federal and other funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation and total expenditure authority of the month and year-to-date for federally matched services.

Sec. 46. ARIZONA HISTORICAL SOCIETY

	2012-13
FTE positions	51.9
Operating lump sum appropriation	$ 2,031,100
Arizona experience museum	441,400

Field services and grants	65,000
Papago park museum	1,613,600
Total appropriation - Arizona historical society	$ 4,151,100
Fund sources:	
State general fund	$ 4,151,100

Sec. 47. PRESCOTT HISTORICAL SOCIETY

	2012-13
FTE positions	13.0
Lump sum appropriation	$ 652,600
Fund sources:	
State general fund	$ 652,600

Sec. 48. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

	2012-13
FTE positions	1.0
Lump sum appropriation	$ 107,300
Fund sources:	
Board of homeopathic and integrated medicine examiners' fund	$ 107,300

Sec. 49. DEPARTMENT OF HOUSING

	2012-13
FTE positions	3.0
Lump sum appropriation	$ 297,500
Fund sources:	
Housing trust fund	$ 297,500

Sec. 50. ARIZONA COMMISSION OF INDIAN AFFAIRS

	2012-13
FTE positions	3.0
Lump sum appropriation	$ 54,300
Fund sources:	
State general fund	$ 54,300

Sec. 51. INDUSTRIAL COMMISSION OF ARIZONA

	2012-13
FTE positions	235.6
Lump sum appropriation	$ 19,550,400
Fund sources:	
Industrial commission administrative fund	$ 19,550,400

Sec. 52. DEPARTMENT OF INSURANCE

	2012-13
FTE positions	90.5
Lump sum appropriation	$ 5,184,200
Fund sources:	
State general fund	$ 5,184,200

Sec. 53. ARIZONA JUDICIARY

	2012-13
Supreme court	
FTE positions	169.0
Operating lump sum appropriation	$ 14,259,700
Automation	11,082,600
Case and cash management system	3,326,500
County reimbursements	187,900
Court appointed special advocate	3,025,800
Domestic relations	640,300
Foster care review board	3,332,000
Commission on judicial conduct	506,800
Judicial nominations and performance review	417,200
Model court	447,600
State aid	5,904,800
Total appropriation - supreme court	$ 43,131,200
Fund sources:	
State general fund	$ 15,915,700
Confidential intermediary and fiduciary fund	478,800
Court appointed special advocate fund	2,923,800
Criminal justice enhancement fund	2,960,300
Defensive driving school fund	4,120,200
Judicial collection enhancement fund	13,787,900
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.

Court of appeals	
FTE positions	134.8
Division I	$ 9,591,200
Division II	$ 4,195,100
Total appropriation - court of appeals	$ 13,786,300
Fund sources:	
State general fund	$ 13,786,300

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

Superior court	
FTE positions	136.5
Judges compensation	$ 7,390,200
Adult standard probation	13,521,500
Adult intensive probation	10,737,700
Community punishment	2,307,900
Interstate compact	641,800
Drug court	1,013,600
Juvenile standard probation	4,598,700
Juvenile intensive probation	9,163,000
Juvenile treatment services	22,311,400
Juvenile family counseling	660,400
Juvenile crime reduction	5,123,400
Probation surcharge	5,028,900
Juvenile diversion consequences	9,024,900
Special water master	20,000
Total appropriation - superior court	$ 91,543,400
Fund sources:	
State general fund	$ 79,083,200
Criminal justice enhancement fund	6,931,300
Drug treatment and education fund	500,000
Judicial collection enhancement fund	5,028,900

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

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

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

By November 1, 2012, the administrative office of the courts shall report to the joint legislative budget committee the fiscal year 2011-2012 actual, fiscal year 2012-2013 estimated and fiscal year 2013-2014 requested amounts for the following:

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

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

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

Total appropriation - Arizona judiciary	$148,460,900
Fund sources:	
State general fund	$108,785,200
Confidential intermediary and fiduciary fund	478,800
Court appointed special advocate fund	2,923,800
Criminal justice enhancement fund	9,891,600
Defensive driving school fund	4,120,200
Drug treatment and education fund	500,000
Judicial collection enhancement fund	18,816,800
State aid to the courts fund	2,944,500

Sec. 54. DEPARTMENT OF JUVENILE CORRECTIONS

	2012-13
FTE positions	738.5
Lump sum appropriation	$ 46,790,000
Fund sources:	
State general fund	$ 42,929,800
State charitable, penal and reformatory institutions land fund	1,098,600

Criminal justice enhancement fund	528,400
State education fund for committed youth	2,233,200

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

Sec. 55. STATE LAND DEPARTMENT

	2012-13
FTE positions	125.7
Operating lump sum appropriation	$ 13,718,200
Natural resource conservation districts	650,000
CAP user fees	481,200
Due diligence fund	500,000
Total appropriation - state land department	$ 15,349,400

Fund sources:

State general fund	$ 1,231,800
Environmental special plate fund	260,000
Due diligence fund	500,000
Risk management revolving fund	9,888,400
Trust land management fund	3,469,200

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

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

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

Sec. 56. LAW ENFORCEMENT MERIT SYSTEM COUNCIL

	2012-13
FTE positions	1.0
Lump sum appropriation	$ 70,200

Fund sources:

State general fund	$ 70,200

Sec. 57. LEGISLATURE

	2012-13
Senate	
Lump sum appropriation	$ 7,985,200*
Fund sources:	
State general fund	$ 7,985,200

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

House of representatives	
Lump sum appropriation	$ 12,993,700*
Fund sources:	
State general fund	$ 12,993,700

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

Legislative council	
FTE positions	42.8
Operating lump sum appropriation	$ 7,327,100
Ombudsman-citizens aide office	527,000
Total appropriation - legislative council	$ 7,854,100*
Fund sources:	
State general fund	$ 7,854,100

Dues for the council of state governments shall be expended only on an affirmative vote of the legislative council.

Joint legislative budget committee	
FTE positions	29.0
Lump sum appropriation	$ 2,399,900*
Fund sources:	
State general fund	$ 2,399,900
Auditor general	
FTE positions	184.8
Lump sum appropriation	$ 17,156,000*
Fund sources:	
State general fund	$ 17,156,000

Sec. 58. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

	2012-13
FTE positions	45.2
Lump sum appropriation	$ 2,815,600
Fund sources:	
Liquor licenses fund	$ 2,815,600

Sec. 59. ARIZONA STATE LOTTERY COMMISSION

	2012-13
FTE positions	97.8
Operating lump sum appropriation	$ 8,126,300
Advertising	15,500,000
Total appropriation - Arizona state lottery commission	$ 23,626,300
Fund source:	
State lottery fund	$ 23,626,300

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.

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.

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.

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.

Sec. 60. ARIZONA MEDICAL BOARD

	2012-13
FTE positions	58.5
Lump sum appropriation	$ 5,799,200
Fund sources:	
Arizona medical board fund	$ 5,799,200

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.

Sec. 61. STATE MINE INSPECTOR

	2012-13
FTE positions	14.0
Operating lump sum appropriation	$ 997,500
Abandoned mines safety fund deposit	188,300
Aggregate mined land reclamation	112,500
Total appropriation - state mine inspector	$ 1,298,300

Fund sources:
State general fund $ 1,185,800
Aggregate mining reclamation fund 112,500

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

Sec. 62. NATUROPATHIC PHYSICIANS MEDICAL BOARD

		2012-13
FTE positions		7.0
Lump sum appropriation	$	586,000

Fund sources:

Naturopathic physicians medical board fund	$	586,000

Sec. 63. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

		2012-13
FTE positions		2.0
Lump sum appropriation	$	126,900

Fund sources:

State general fund	$	126,900

Sec. 64. ARIZONA STATE BOARD OF NURSING

		2012-13
FTE positions		40.2
Lump sum appropriation	$	4,034,300

Fund sources:

Board of nursing fund	$	4,034,300

Sec. 65. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

		2012-13
FTE positions		6.0
Lump sum appropriation	$	426,000

Fund sources:

Nursing care institution administrators' licensing and assisted living facility managers' certification fund	$	426,000

Sec. 66. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

		2012-13
FTE positions		1.5
Lump sum appropriation	$	161,600

Fund sources:

Occupational therapy fund	$	161,600

Sec. 67. STATE BOARD OF DISPENSING OPTICIANS

		2012-13
FTE positions		1.0
Lump sum appropriation	$	131,100
Fund sources:		
Board of dispensing opticians fund	$	131,100

Sec. 68. STATE BOARD OF OPTOMETRY

		2012-13
FTE positions		2.0
Lump sum appropriation	$	197,300
Fund sources:		
Board of optometry fund	$	197,300

Sec. 69. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

		2012-13
FTE positions		6.7
Lump sum appropriation	$	698,300
Fund sources:		
Board of osteopathic examiners fund	$	698,300

Sec. 70. ARIZONA STATE PARKS BOARD

		2012-13
FTE positions		163.0
Operating lump sum appropriation	$	10,026,700
Kartchner caverns state park		2,180,300
Total appropriation - Arizona state parks board	$	12,207,000
Fund sources:		
State parks enhancement fund	$	11,707,000
Reservation surcharge revolving fund		500,000

All operating expenditures include $26,000 from the state parks enhancement fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2012-2013, an additional ten per cent of this increase of Fool Hollow receipts is appropriated from the state parks enhancement fund to meet the revenue sharing agreement with the city of Show Low and the United States forest service.

All reservation surcharge revolving fund receipts received by the Arizona state parks board in excess of $500,000 in fiscal year 2012-2013 are appropriated to the reservation surcharge revolving fund. Before the expenditure of any reservation surcharge revolving fund monies in excess of $500,000 in fiscal year 2012-2013, the Arizona state parks board shall report the intended use of the monies to the joint legislative budget committee.

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

Sec. 71. STATE PERSONNEL BOARD

		2012-13
FTE positions		3.0
Lump sum appropriation	$	365,200
Fund sources:		
Personnel division fund - personnel board account	$	365,200

Sec. 72. OFFICE OF PEST MANAGEMENT

		2012-13
FTE positions		30.0
Lump sum appropriation	$	2,000,000
Fund sources:		
Pest management fund	$	2,000,000

Sec. 73. ARIZONA STATE BOARD OF PHARMACY

		2012-13
FTE positions		18.0
Lump sum appropriation	$	1,918,100
Fund sources:		
Arizona state board of pharmacy fund	$	1,918,100

Sec. 74. BOARD OF PHYSICAL THERAPY

		2012-13
FTE positions		3.8
Lump sum appropriation	$	364,100
Fund sources:		
Board of physical therapy fund	$	364,100

Sec. 75. ARIZONA PIONEERS' HOME

		2012-13
FTE positions		106.3
Operating lump sum appropriation	$	5,957,800
Prescription drugs		240,000
Total appropriation - pioneers' home	$	6,197,800
Fund sources:		
State general fund	$	1,603,600
Miners' hospital fund		1,500,000
State charitable fund		3,094,200

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

Sec. 76. STATE BOARD OF PODIATRY EXAMINERS

		2012-13
FTE positions		1.0
Lump sum appropriation	$	142,600
Fund sources:		
Podiatry fund	$	142,600

Sec. 77. COMMISSION FOR POSTSECONDARY EDUCATION

		2012-13
FTE positions		5.0
Operating lump sum appropriation	$	240,900
Leveraging educational assistance partnership (LEAP)		2,319,500
Family college savings program		148,600
Arizona college and career guide		21,200
Math and science teacher initiative		176,000
Arizona minority educational policy analysis center		99,900
Twelve plus partnership		130,500
Total appropriation - commission for postsecondary education	$	3,136,600
Fund sources:		
State general fund	$	1,396,800
Postsecondary education fund		1,739,800

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

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

The appropriations for Arizona college and career guide, Arizona minority educational policy analysis center and twelve plus partnership are estimates representing all monies distributed to this fund, including balance forward, revenue and transfers, during fiscal year 2012-2013. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the postsecondary education fund.

Sec. 78. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

		2012-13
FTE positions		4.0
Lump sum appropriation	$	326,600
Fund sources:		
Board for private postsecondary education fund	$	326,600

Sec. 79. STATE BOARD OF PSYCHOLOGIST EXAMINERS

		2012-13
FTE positions		4.0
Lump sum appropriation	$	344,000
Fund sources:		
Board of psychologist examiners fund	$	344,000

Sec. 80. DEPARTMENT OF PUBLIC SAFETY

		2012-13
FTE positions		1,903.7
Operating lump sum appropriation	$	198,099,300
GIITEM		21,301,400
GIITEM subaccount		2,390,000
Motor vehicle fuel		3,935,500
Public safety equipment		2,390,000
Total appropriation - department of public safety	$	228,116,200
Fund sources:		
State general fund	$	45,526,200
Highway user revenue fund		119,961,000
State highway fund		6,780,000
Arizona highway patrol fund		19,249,300
Criminal justice enhancement fund		2,859,300
Safety enforcement and transportation infrastructure fund		1,509,100
Crime laboratory assessment fund		868,000
Crime laboratory operations fund		14,653,300
Arizona deoxyribonucleic acid identification system fund		5,452,200
Automated fingerprint identification system fund		3,008,600

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

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

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

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

Sec. 81. ARIZONA DEPARTMENT OF RACING

	2012-13
FTE positions	40.5
Operating lump sum appropriation	$ 2,816,400
Arizona breeders' award	250,000
County fairs livestock and agricultural promotion	1,779,500
Total appropriation - department of racing	$ 4,845,900

Fund sources:

State general fund	$ 2,029,500
Racing regulation fund	2,816,400

The amount appropriated to the county fairs livestock and agricultural promotion line item is for deposit in the county fairs livestock and agricultural promotion fund administered by the office of the governor.

Sec. 82. RADIATION REGULATORY AGENCY

	2012-13
FTE positions	29.0
Lump sum appropriation	$ 1,568,600

Fund sources:

State general fund	$ 743,000
State radiologic technologist certification fund	264,600
Radiation regulatory fee fund	561,000

Sec. 83. STATE REAL ESTATE DEPARTMENT

	2012-13
FTE positions	59.0
Lump sum appropriation	$ 2,917,300

Fund sources:

State general fund	$ 2,917,300

Sec. 84. RESIDENTIAL UTILITY CONSUMER OFFICE

	2012-13
FTE positions	11.0
Operating lump sum appropriation	$ 1,144,000
Professional witnesses	145,000*
Total appropriation - residential utility consumer office	$ 1,289,000

Fund sources:

Residential utility consumer office revolving fund	$ 1,289,000

Sec. 85. BOARD OF RESPIRATORY CARE EXAMINERS

	2012-13
FTE positions	4.0
Lump sum appropriation	$ 257,200

Fund sources:

Board of respiratory care examiners fund	$ 257,200

Sec. 86. STATE RETIREMENT SYSTEM

	2012-13
FTE positions	233.9
Lump sum appropriation	$ 23,723,500

Fund sources:	
State retirement system administration account	$ 20,923,500
Long-term disability administration account	2,800,000

Sec. 87. DEPARTMENT OF REVENUE

	2012-13
FTE positions	860.3
Operating lump sum appropriation	$ 58,126,200
BRITS operational support	7,433,200
Temporary collectors	2,873,200
Unclaimed property administration and audit	1,770,000
Total appropriation - department of revenue	$ 70,202,600
Fund sources:	
State general fund	$ 44,129,600
DOR administrative fund	24,333,800
Liability setoff fund	1,073,800
Tobacco tax and health care fund	665,400

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

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

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

Sec. 88. SCHOOL FACILITIES BOARD

	2012-13
FTE positions	17.0
Operating lump sum appropriation	$ 1,613,600
New school facilities debt service	169,429,700
Building renewal grants	2,667,900
Total appropriation - school facilities board	$173,711,200

Fund sources:

State general fund	$173,711,200

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	139.1
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

Sec. 91. STATE BOARD OF TAX APPEALS

	2012-13
FTE positions	4.0
Lump sum appropriation	$ 253,400
Fund sources:	
State general fund	$ 253,400

Sec. 92. BOARD OF TECHNICAL REGISTRATION

	2012-13
FTE positions	23.0
Lump sum appropriation	$ 1,834,900
Fund sources:	
Technical registration fund	$ 1,834,900

Sec. 93. OFFICE OF TOURISM

	2012-13
FTE positions	25.0
Lump sum appropriation	$ 7,000,000
Fund sources:	
State general fund	$ 7,000,000

Sec. 94. DEPARTMENT OF TRANSPORTATION

	2012-13
FTE positions	4,548.0
Operating lump sum appropriation	$201,429,500
Attorney general legal services	2,895,600
Highway maintenance	126,555,600
Vehicles and heavy equipment	26,591,700
Fraud investigation	753,900
New third party funding	940,100
Total appropriation - Arizona department of transportation	$359,166,400
Fund sources:	
State general fund	$ 50,200
Air quality fund	72,200
Driving under the influence abatement fund	146,900
Highway user revenue fund	624,800
Motor vehicle liability insurance enforcement fund	1,052,600
Safety enforcement and transportation infrastructure fund	1,866,000
State aviation fund	1,577,800
State highway fund	325,749,800

Transportation department equipment fund	26,591,700
Vehicle inspection and title enforcement fund	1,434,400

It is the intent of the legislature that the department not include any administrative overhead expenditures in duplicate drivers' license fees charged to the public.

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

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

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

Sec. 95. STATE TREASURER

	2012-13
FTE positions	30.4
Operating lump sum appropriation	$ 2,690,900
Justice of the peace salaries	1,115,100
Law enforcement/boating safety fund grants	2,183,800
Total appropriation - state treasurer	$ 5,989,800
Fund sources:	
State general fund	$ 1,115,100
Law enforcement and boating safety fund	2,183,800
State treasurer's operating fund	2,493,500
State treasurer's management fund	197,400

Sec. 96. ARIZONA BOARD OF REGENTS

	2012-13
FTE positions	25.9
Operating lump sum appropriation	$ 2,350,300
Arizona teachers incentive program	90,000
Arizona transfer articulation support system	213,700

Student financial assistance	10,041,200
Western interstate commission office	125,000
Course redesign technology and capital	15,273,700
Performance funding	5,000,000
WICHE student subsidies	4,106,000
Total appropriation - Arizona board of regents	$ 37,199,900
Fund sources:	
State general fund	$ 37,199,900

The course redesign technology and capital appropriation shall become available for use by Arizona state university and Northern Arizona university after the Arizona board of regents approves an expenditure plan. The Arizona board of regents shall review the expenditure plan before October 1, 2012. The monies must be used for innovative course redesign technologies and capital improvements that will maintain or improve learning outcomes and decrease per student costs for large enrollment or high failure rate classes. Of this amount, $11,971,100 shall be distributed to the Arizona state university campuses and $3,302,600 shall be distributed to Northern Arizona university. The Arizona board of regents shall notify the joint legislative budget committee staff of the amounts allocated to each Arizona state university campus. It is the intent of the legislature that these monies be budgeted to the individual campuses beginning in fiscal year 2013-2014. It is the intent of the legislature to appropriate funding to Arizona state university and Northern Arizona university in fiscal year 2013-2014 through fiscal year 2016-2017 with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona board of regents at the beginning of fiscal year 2016-2017.

The following amounts have been allocated from the university campuses to the Arizona board of regents for performance funding: $2,030,000 from Arizona state university – Tempe and downtown Phoenix campuses, $156,300 from Arizona state university – East, $271,700 from Arizona state university - West, $834,600 from Northern Arizona university, and $1,707,400 from the university of Arizona – main campus. The performance funding formula shall be as prescribed by law. The Arizona board of regents shall report the final allocation of performance funding to the joint legislative budget committee on or before July 1, 2012.

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. 97. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

	2012-13
FTE positions	6,097.9
Operating lump sum appropriation	$524,500,400
Biomedical informatics	1,955,200
Downtown Phoenix campus	98,952,200
Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses	$625,407,800
Fund sources:	
State general fund	$157,397,500
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 $232,157,900. 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 131 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.

Sec. 98. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	2012-13
FTE positions	416.6
Operating lump sum appropriation	$ 50,178,100
TRIF lease-purchase payment	2,000,000
Total appropriation - Arizona state university - East campus	$ 52,178,100

Fund sources:

State general fund	$ 12,253,300
University collections fund	37,924,800
Technology and research initiative fund	2,000,000

It is the intent of the legislature that the general fund base funding for Arizona state university - East campus is $18,003,500. This appropriation includes a deferral of $5,750,200 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 131 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.

Sec. 99. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	2012-13
FTE positions	562.9
Operating lump sum appropriation	$ 54,153,900
TRIF lease-purchase payment	1,600,000
Total appropriation - Arizona state university - West campus	$ 55,753,900

Fund sources:

State general fund	$ 22,823,100
University collections fund	31,330,800
Technology and research initiative fund	1,600,000

It is the intent of the legislature that the general fund base funding for Arizona state university - West campus is $32,887,900. This appropriation includes a deferral of $10,064,800 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 131 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.

Sec. 100. NORTHERN ARIZONA UNIVERSITY

	2012-13
FTE positions	2,057.2
Operating lump sum appropriation	$159,322,300
NAU - Yuma	2,970,800
Teacher training	2,000,000
Total appropriation - Northern Arizona university	$164,293,100
Fund sources:	
State general fund	$ 64,632,400
University collections fund	99,660,700

It is the intent of the legislature that the general fund base funding for Northern Arizona university is $95,127,200. This appropriation includes a deferral of $30,494,800 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 131 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 amount for the teacher training line item shall be distributed to the Arizona K-12 center for program implementation and mentor training for the Arizona mentor teacher program prescribed by the state board of education.

Sec. 101. UNIVERSITY OF ARIZONA

	2012-13
Main campus	
FTE positions	5,365.0
Operating lump sum appropriation	$331,102,900
Agriculture	36,954,900
Arizona cooperative extension	12,460,400
Sierra Vista campus	6,139,300
Total - Main campus	$386,657,500
Fund sources:	
State general fund	$130,253,500
University collections fund	256,404,000
Health sciences center	
FTE positions	979.1
Operating lump sum appropriation	$ 54,760,900
Clinical rural rotation	357,600
Clinical teaching support	8,097,000
Liver research institute	458,500
Phoenix medical campus	20,821,900
Telemedicine network	1,847,900
Total - health sciences center	$ 86,343,800
Fund sources:	
State general fund	$ 44,557,600
University collections fund	41,786,200
Total appropriation - university of Arizona	$473,001,300
Fund sources:	
State general fund	$174,811,100
University collections fund	298,190,200

It is the intent of the legislature that the general fund base funding for university of Arizona - main campus is $192,406,600. This appropriation includes a deferral of $62,153,100 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 131 of this act.

It is the intent of the legislature that the general fund base funding for university of Arizona - health sciences center is $61,334,300. This appropriation includes a deferral of $16,776,700 from fiscal year 2012-2013 to fiscal year 2013-2014. This deferral shall be paid as required in section 131 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.

Sec. 102. DEPARTMENT OF VETERANS' SERVICES

	2012-13
FTE positions	500.3
Operating lump sum appropriation	$ 2,977,900
Arizona state veterans' homes	27,574,700
Southern Arizona cemetery	274,800
Veterans' benefit counseling	2,826,700
Total appropriation - department of veterans' services	$ 33,654,100
Fund sources:	
State general fund	$ 5,197,100
State home for veterans' trust fund	27,574,700
State veterans' conservatorship fund	882,300

Sec. 103. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

	2012-13
FTE positions	5.5
Lump sum appropriation	$ 455,300
Fund sources:	
Veterinary medical examining board fund	$ 455,300

Sec. 104. DEPARTMENT OF WATER RESOURCES

	2012-13
FTE positions	90.0
Operating lump sum appropriation	$ 7,443,400
Adjudication support	1,212,900
Assured and adequate water supply administration	1,771,100

Rural water studies	1,139,600
Conservation and drought program	395,700
Automated groundwater monitoring	401,100
Total appropriation - department of water resources	$ 12,363,800
Fund sources:	
State general fund	$ 11,998,300
Water resources fund	100,200
Assured and adequate water supply administration fund	265,300

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

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

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

Sec. 105. DEPARTMENT OF WEIGHTS AND MEASURES

	2012-13
FTE positions	36.4
General services	$ 1,787,500
Vapor recovery	633,700
Oxygenated fuel	780,200
Total appropriation - department of weights and measures	$ 3,201,400
Fund sources:	
State general fund	$ 1,470,000
Air quality fund	1,413,900
Motor vehicle liability insurance enforcement fund	317,500

Fiscal Year 2011-2012 Appropriation Adjustments

Sec. 106. Department of administration; state personnel system; conditional supplemental appropriation; 2011-2012; conditional appropriation; 2012-2013

A. In addition to any other appropriations made in fiscal year 2011-2012, the sum of $154,000 is appropriated from the personnel division fund in fiscal year 2011-2012 to the department of administration for

operating costs, only if House Bill 2571, fiftieth legislature, second regular session, relating to the state personnel system, becomes law.

B. The sum of $2,000,000 is appropriated from the personnel division fund in fiscal year 2012-2013 to the department of administration for operating costs, only if House Bill 2571, fiftieth legislature, second regular session, relating to the state personnel system, becomes law.

Sec. 107. Department of administration; risk management revolving fund; supplemental appropriation; 2011-2012; review

A. The department of administration is authorized to negotiate and settle with the federal government any debts incurred due to disallowed fund transfers and expenditures of federal participation monies in fiscal years 2009-2010 and 2010-2011. Notwithstanding any other law, the sum of $10,400,000 is appropriated from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, in fiscal year 2011-2012 to the department of administration for this purpose.

B. Before expending monies pursuant to subsection A of this section, the department of administration shall report to the joint legislative budget committee on the final agreement with the federal government.

Sec. 108. AHCCCS; supplemental appropriation; fiscal year 2011-2012

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

1. $51,500,000 from the prescription drug rebate fund.
2. $112,600,700 from the state general fund.
3. $372,544,100 in federal medicaid expenditure authority.

Sec. 109. AHCCCS; transfer; fiscal year 2011-2012; tobacco settlement litigation

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

Sec. 110. Corporation commission; supplemental appropriation; reduction; transfer; 2011-2012

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

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

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

Sec. 111. Department of economic security; reductions; 2011-2012

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

Sec. 112. Department of health services; supplemental appropriation; 2011-2012

In addition to any other appropriations made in fiscal year 2011-2012, the following sums from the following sources are appropriated to the department of health services for medicaid capitation payments in fiscal year 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. 113. Department of health services; state hospital; supplemental appropriation; 2011-2012

In addition to any other appropriations made in fiscal year 2011-2012, the sum of $2,500,000 is appropriated from the state general fund in fiscal year 2011-2012 to the department of health services for operating expenses associated with the Arizona state hospital.

Sec. 114. 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. 115. School facilities board; supplemental appropriation; 2011-2012

In addition to any other appropriation made in fiscal year 2011-2012, the sum of $11,500,000 is appropriated from the state general fund in fiscal year 2011-2012 to the building renewal grant fund established by section 15-2032, Arizona Revised Statutes, for the purpose of maintaining the adequacy of existing school facilities.

Sec. 116. Appropriations; budget stabilization fund; fiscal years 2011-2012 and 2012-2013

The sum of $250,000,000 in fiscal year 2011-2012 and the sum of $200,000,000 in fiscal year 2012-2013 are appropriated from the state general

fund to the budget stabilization fund established by section 35-144, Arizona Revised Statutes.

Sec. 117. Secretary of state; 2011-2012 appropriation; exemption

The state general fund appropriation made to the secretary of state in fiscal year 2011-2012 for the library grants-in-aid special line item in the amount of $651,400 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 118. 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.

Fiscal Year 2012-2013 Appropriations

Sec. 119. Appropriation; purpose; exemption; conditional enactment; secretary of interior; notice

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

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

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

Sec. 120. Arizona commerce authority; allocation

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

Sec. 121. Department of health services; appropriation; fiscal year 2012-2013; emergency and trauma services

The sum of $300,000 is appropriated from the state general fund in fiscal year 2012-2013 to the department of health services for distribution to hospitals for the purpose of maintaining essential emergency department and level IV trauma services. In order to receive monies pursuant to this section, a hospital must meet all of the following criteria:

1. Be located in a county with a population of less than five hundred thousand persons.

2. Be licensed to operate twenty-five or fewer beds.

3. Not be designated as a critical access hospital, as of January 1, 2012, pursuant to 42 Code of Federal Regulations part 485, subpart F.

4. Be located within twenty-five miles of a hospital operated by the Indian health service.

Sec. 122. Department of health services; appropriations; long-term care system fund; fiscal year 2012-2013

A. Notwithstanding section 36-2953, Arizona Revised Statutes, the sum of $1,379,600 is appropriated from the long-term care system fund established by section 36-2953, Arizona Revised Statutes, in fiscal year 2012-2013 to the department of health services for agency services.

B. The sum of $2,692,800 is appropriated from federal medicaid authority in fiscal year 2012-2013 to the department of health services to increase behavioral health provider reimbursement by two per cent beginning April 1, 2013.

Sec. 123. Independent redistricting commission; appropriation; fiscal year 2012-2013; exemption

A. The sum of $1,450,000 is appropriated from the state general fund in fiscal year 2012-2013 to the independent redistricting commission for the operating expenses of the commission. This appropriation may be used for the payment of obligations incurred in fiscal year 2011-2012.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all monies remaining unexpended and unencumbered after the payment of fees, costs and expenses of the commission revert to the state general fund.

Sec. 124. Appropriations; automation projects fund; fiscal years 2012-2013, 2013-2014, 2014-2015 and 2015-2016

A. The sum of $16,800,000 in fiscal year 2012-2013, the sum of $20,000,000 in each of fiscal years 2013-2014 and 2014-2015 and the sum of $23,000,000 in fiscal year 2015-2016 are appropriated from the state general fund for deposit into the automation projects fund established by section 41-714, Arizona Revised Statutes, for the purpose of implementing, upgrading or maintaining automation and information technology projects for any state agency.

B. In addition to the appropriations made in subsection A of this section, the following sums from the following sources are appropriated for deposit into the automation projects fund in fiscal year 2012-2013:

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

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

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

Sec. 125. Appropriation; debt service payments; state buildings

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

B. The sum of $24,012,300 is appropriated from the state general fund in fiscal year 2012-2013 to the department of administration for the purpose of making a debt service payment on the sale and lease-back of state buildings authorized by Laws 2010, sixth special session, chapter 4, section 2.

Sec. 126. AHCCCS; department of health services; reconciliation payments; report

On or before January 7, 2013, the Arizona health care cost containment system administration and the department of health services shall report to the director of the joint legislative budget committee the total amount of

medicaid reconciliation payments and penalties received by that date since July 1, 2012. On June 30, 2013, the administration and department shall report the same information for all of fiscal year 2012-2013.

Fund Balance Transfers

Sec. 127. Fund balance transfers; fiscal years 2012-2013 and 2013-2014

A. Notwithstanding any other law, on or before June 30, 2013, the following amounts from the following sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. Arizona department of administration:
   Special employee health insurance trust fund - $30,000,000
2. Department of environmental quality:
   Emissions inspection fund - $10,000,000
3. Judiciary – supreme court:
   State aid to courts fund - $50,000
   Alternative dispute resolution fund - $200,000
   Arizona lengthy trial fund - $100,000
   Public defender training fund - $25,000
4. Judiciary – superior court:
   Judicial collection enhancement fund - $400,000
   Criminal justice enhancement fund - $75,000
   Drug treatment and education fund - $150,000
   Juvenile probation services fund - $5,000,000

B. Notwithstanding any other law, on or before June 30, 2013, the sum of $2,500,000 shall be transferred from the corrections fund established by section 41-1641, Arizona Revised Statutes, to the department of corrections building renewal fund established by section 41-797, Arizona Revised Statutes, in fiscal year 2012-2013 for the purposes of providing adequate support and maintenance for the department of corrections.

C. Notwithstanding any other law, on or before June 30, 2014, the following amounts from the following sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. Judiciary – supreme court:
   State aid to courts fund - $50,000
   Alternative dispute resolution fund - $200,000
   Arizona lengthy trial fund - $100,000
   Public defender training fund - $25,000
2. Judiciary – superior court:
   Judicial collection enhancement fund - $400,000
   Criminal justice enhancement fund - $75,000
   Drug treatment and education fund - $150,000
   Juvenile probation services fund - $5,000,000

D. The administrative office of the courts shall not assess a fee on any political subdivision in order to offset the transfers prescribed in subsections A and C of this section.

Sec. 128. Fund transfer; mortgage settlement; fiscal year 2012-2013; intent

A. Notwithstanding any other law, on or before June 30, 2013, the attorney general shall direct a total of $50,000,000 received pursuant to the consent judgments in the National Mortgage Settlement to the state general fund to compensate the state for costs resulting from the alleged unlawful conduct of the defendants.

B. It is the intent of the legislature that the monies deposited into the state general fund pursuant to subsection A of this section be used in current state general fund efforts in areas covered by the National Mortgage Settlement, including agencies such as the state real estate department, department of insurance and attorney general - department of law, and for other areas impacted by the alleged unlawful conduct of the defendants in the National Mortgage Settlement.

Payment Deferrals

Sec. 129. Department of economic security; payment deferral; appropriation

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

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

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

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

Sec. 130. Reduction in school district state aid apportionment in fiscal year 2012-2013; appropriations in fiscal year 2013-2014

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

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

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

Sec. 131. Arizona board of regents; deferral; support and maintenance; appropriation in fiscal year 2013-2014

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

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

Statewide Adjustments

Sec. 132. Appropriation; operating adjustments

	2012-2013
State lease-purchase and rental rate adjustments	$ 1,499,600
Fund sources:	
Other appropriated funds	$ 1,499,600
Retirement rate adjustments	8,057,100
Fund sources:	
State general fund	6,602,900
Other appropriated funds	1,454,200
Department of law pro rata adjustments	(3,987,800)
Fund sources:	
State general fund	(3,987,800)
Annual retirement contribution rate adjustments	11,196,500

Fund sources:
State general fund 9,202,800
Other appropriated funds 1,993,700
Health insurance premium holiday
adjustments (25,000,000)
Fund sources:
State general fund (25,000,000)
The other appropriated funds may be allocated from any funds listed in this act.

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 adjustments will generate $252,000 in net state general fund savings, which the joint legislative budget committee staff shall allocate to the department of administration for building renewal 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. 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. It is the intent of the legislature that the auditor general not be charged rent for its state-owned space at 2910 N. 44th Street beginning in fiscal year 2013-2014 if this space continues to be maintained by the department of administration and the space still qualifies for the department of administration's building renewal monies. It is the intent of the legislature that the department of health services pay no more than $908,900 in rent to the department of administration for the department of health services' state-owned space in fiscal year 2012-2013.

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.

Department of law pro rata adjustment

The amount appropriated for department of law pro rata adjustments shall be for fiscal year 2012-2013 reductions in agency or department pro rata changes. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the pro rata reduction.

Annual retirement contribution rate adjustments

The amount appropriated for annual contribution rate adjustments shall be for fiscal year 2012-2013 adjustments in agency or department contribution rates, excluding universities and the judicial branch, due to the annual contribution rate change process. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the annual contribution rate 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.

Health insurance premium holiday

The amount appropriated for health insurance premium holiday adjustments shall be for fiscal year 2012-2013 adjustments in agency or department insurance premiums due to the one-time health insurance premium holiday required by this act. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the health insurance premium holiday 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 health insurance premium holiday adjustments.

Sec. 133. Retention payments; appropriation; fiscal year 2012-2013

A. From and after September 28, 2012, the sums of $16,633,400 from the state general fund and $11,695,200 from other appropriated funds are appropriated in fiscal year 2012-2013 to state agency units for personal services and employee-related expenditures related to the one-time critical retention payments authorized in subsection B of this section. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount available for the payments. 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 the payments.

B. Subject to available monies, the director of each state agency unit shall award a one-time critical retention payment to an employee who is uncovered as of September 29, 2012. The payment shall be equal to five per cent of the employee's annual salary level, prorated for the remainder of the fiscal year. The amount shall be distributed evenly throughout each remaining pay period in fiscal year 2012-2013.

C. On or before October 15, 2012, the department of administration shall report to the joint legislative budget committee, for each budget unit, the following information:

1. The number of employees awarded a retention payment by fund source.
2. The total amount of retention payments awarded by fund source.

D. Any monies appropriated to state agency units pursuant to this section that are not awarded as retention payments shall revert to the fund of origin at the close of fiscal year 2012-2013.

Sec. 134. Department of law; general agency counsel charges; fiscal year 2012-2013

A. Pursuant to section 41-191.09, Arizona Revised Statutes, the following state agencies and departments are charged the following amounts for general agency counsel provided by the department of law:

1.	Department of administration	$127,700
2.	Office of administrative hearings	$ 3,000
3.	Arizona arts commission	$ 3,100
4.	Automobile theft authority	$ 1,400
5.	Citizens clean elections commission	$ 2,700
6.	State department of corrections	$ 2,000
7.	Arizona criminal justice commission	$ 8,700
8.	Arizona state schools for the deaf and the blind	$100,200
9.	Commission for the deaf and hard of hearing	$ 4,100
10.	Arizona early childhood development and health board	$ 47,100
11.	Department of education	$132,000
12.	Department of emergency and military affairs	$115,300
13.	Department of environmental quality	$135,600
14.	Office of equal opportunity	$ 100
15.	Arizona exposition and state fair board	$ 20,900
16.	Department of financial institutions	$ 1,900
17.	Department of fire, building and life safety	$ 2,500
18.	State forester	$ 12,100
19.	Department of gaming	$ 35,000
20.	Arizona geological survey	$ 6,800
21.	Department of health services	$170,000
22.	Arizona historical society	$ 700
23.	Arizona department of housing	$ 18,100
24.	Department of insurance	$ 10,500

25.	Department of juvenile corrections	$ 9,400
26.	State land department	$ 2,100
27.	Department of liquor licenses and control	$ 11,400
28.	Arizona state lottery commission	$ 24,800
29.	State mine inspector	$ 1,200
30.	Arizona state parks board	$ 45,800
31.	State personnel board	$ 600
32.	Arizona pioneers' home	$ 12,100
33.	Commission for postsecondary education	$ 1,800
34.	Department of public safety	$677,400
35.	Arizona department of racing	$ 2,300
36.	Radiation regulatory agency	$ 3,800
37.	Arizona state retirement system	$ 69,100
38.	Department of revenue	$ 4,900
39.	School facilities board	$ 2,400
40.	Department of state - secretary of state	$ 1,800
41.	Office of tourism	$ 8,100
42.	State treasurer	$ 9,200
43.	Department of veterans' services	$ 52,700
44.	Department of weights and measures	$ 4,200

B. This section is effective only if House Bill 2860, fiftieth legislature, second regular session, relating to criminal justice budget reconciliation, becomes law.

Sec. 135. State employee health insurance premium holiday; report

For the purpose of instituting a one-time insurance premium holiday, the department of administration shall not collect premiums for the self-insured state employee health insurance program for sufficient pay periods during fiscal year 2012-2013 to generate $25,000,000 of state general fund savings. The department may determine which pay periods will not have a premium charged. This premium holiday applies to all premiums, including employer, employee and retiree contributions. For entities that pay premiums on a basis other than biweekly, the department shall calculate an equivalent decrease in premiums and reduce their premium collection by that amount. On or before September 1, 2012, the department shall report to the joint legislative budget committee on its plans for implementing the premium holiday.

Sec. 136. Allocation of funds

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

Other Provisions

Sec. 137. Legislative intent; expenditure reporting

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

Sec. 138. FTE positions; reporting; definition

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

Sec. 139. Filled FTE positions; reporting

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

Sec. 140. Transfer of spending authority

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

Sec. 141. Interim reporting requirements

A. State general fund revenue for fiscal year 2011-2012, not including the beginning balance and including one-time revenues, is forecasted to be $8,645,992,200.

B. State general fund revenue for fiscal year 2012-2013, not including the beginning balance and including one-time revenues, is forecasted to be $8,693,355,700.

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

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

Sec. 142. Definition

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

Sec. 143. Definition

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

Sec. 144. Definition

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