Conference Engrossed

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HOUSE BILL 2703

AN ACT

MAKING APPROPRIATIONS AND BUDGET REDUCTIONS, LIMITATIONS AND TRANSFERS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS FOR FISCAL YEAR 2014-2015; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. 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 may be used.

Sec. 2. ARIZONA STATE BOARD OF ACCOUNTANCY

	2014-15
FTE positions	13.0
Lump sum appropriation	$ 1,933,700
Fund sources:	
Board of accountancy fund	$ 1,933,700

Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

	2014-15
FTE positions	1.0
Lump sum appropriation	$ 154,600
Fund sources:	
Acupuncture board of examiners fund	$ 154,600

Sec. 4. DEPARTMENT OF ADMINISTRATION

	2014-15
FTE positions	504.1
Operating lump sum appropriation	$ 86,430,800
Utilities	8,275,600
County attorney immigration enforcement	1,213,200
Risk management administrative expenses	8,746,100
Risk management losses and premiums	44,362,200
Workers' compensation losses and premiums	31,159,200
Statewide information security and privacy office	871,700
State surplus property sales proceeds	1,260,000
Total appropriation - department of administration	$182,318,800
Fund sources:	
State general fund	$ 11,144,600
Air quality fund	927,100

Automation operations fund	19,108,000
Capital outlay stabilization fund	18,070,700
Corrections fund	572,900
Federal surplus materials revolving fund	464,100
Information technology fund	3,232,300
Motor vehicle pool revolving fund	10,155,800
Personnel division fund	12,898,700
Risk management revolving fund	91,982,200
Special employee health insurance trust fund	5,259,200
State surplus materials revolving fund	2,399,600
State web portal fund	4,250,000
Telecommunications fund	1,853,600

Of the $1,213,200 appropriated to the county attorney immigration enforcement line item, $200,000 must 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 must 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. Each county shall submit an annual report to the department of administration on or before October 1, 2014 on the actual use of the monies in the previous fiscal year and the projected use of the monies in the current fiscal year. The department of administration shall report to the directors of the governor's office of strategic planning and budgeting and the joint legislative budget committee on or before November 1, 2014 on the use of these monies.

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 established by section 41-711, Arizona Revised Statutes, is an estimate representing all monies, including balance forward, revenue and transfers during fiscal year 2014-2015. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation is 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 $19,108,000 in fiscal year 2014-2015, 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 must be used for up to a fifty per cent subsidy of charges payable for transportation service expenses as provided in section 41-710.01, 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 $2,399,600 in fiscal year 2014-2015 are appropriated to the department. Before the expenditure of state surplus materials revolving fund receipts in excess of $2,399,600 in fiscal year 2014-2015, the department of administration shall report the intended use of monies to the joint legislative budget committee.

On or before October 1, 2014, the department shall submit a report for review by the joint legislative budget committee of the expenditures to date and progress of implementation for any monies received from the state and local implementation grant program associated with the national public safety broadband network initiative. The joint legislative budget committee may require the department to submit more frequent reports as necessary for further review.

Sec. 5. OFFICE OF ADMINISTRATIVE HEARINGS

		2014-15
FTE positions		12.0
Lump sum appropriation	$	874,500
Fund sources:		
State general fund	$	862,200
Healthcare group fund		12,300

Sec. 6. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

		2014-15
FTE positions		3.0
Lump sum appropriation	$	125,000
Fund sources:		
State general fund	$	125,000

1 Sec. 7. ARIZONA DEPARTMENT OF AGRICULTURE

	2014-15
FTE positions	161.0
Operating lump sum appropriation	$ 7,881,800
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	$ 8,121,800
Fund sources:	
State general fund	$ 8,121,800

Sec. 8. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

	2014-15
FTE positions	2,208.3
Operating lump sum appropriation	$ 77,785,300
DES eligibility	54,867,700
Proposition 204 - AHCCCS administration	6,863,100
Proposition 204 - DES eligibility	38,354,100
Traditional medicaid services	3,896,186,400
Proposition 204 services	1,948,717,900
Adult expansion	227,369,700
Children's rehabilitative services	197,070,000
KidsCare services	6,223,000
ALTCS services	1,344,569,500
Disproportionate share payments	13,487,100
Disproportionate share payments - voluntary match	19,373,400
Rural hospitals	22,650,000
Graduate medical education	165,918,500
Safety net care pool	68,500,000
Total appropriation and expenditure authority - Arizona health care cost containment system	$8,087,935,700
Appropriated fund sources:	
State general fund	$1,274,393,500
Budget neutrality compliance fund	3,384,400
Children's health insurance program fund	6,649,300

Prescription drug rebate fund - state	79,035,000
Tobacco products tax fund - emergency health services account	18,202,400
Tobacco tax and health care fund - medically needy account	34,178,800
Expenditure authority	6,672,092,300

Operating budget

The amounts appropriated for the department of economic security eligibility line item must 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 line items include 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 on or before 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 may not be 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 more 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 do not count against the long-term care expenditure authority above.

Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the county portion of the fiscal year 2014-2015 nonfederal portion of the costs of providing long-term care system services is $245,196,200. This amount is included in the expenditure authority fund source.

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

The expenditure authority fund source includes voluntary payments made from political subdivisions for medicaid coverage of certain children and for payments to hospitals that operate a graduate medical education program or treat low-income patients. The political subdivision portions of the fiscal year 2014-2015 costs of graduate medical education, disproportionate share payments - voluntary match and safety net care pool line items are included in the expenditure authority fund source.

Any supplemental payments received in excess of $53,918,700 for nursing facilities that serve medicaid patients in fiscal year 2014-2015, including any federal matching monies, by the Arizona health care cost containment system administration are appropriated to the administration in fiscal year 2014-2015. 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. These payments are included in the expenditure authority fund source.

It is the intent of the legislature that the Arizona health care cost containment system administration increase skilled nursing facility provider rates by two per cent in fiscal year 2014-2015, in addition to rate adjustments that would otherwise be actuarially determined for fiscal year 2014-2015.

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 2014-2015 to the attorney general for costs associated with tobacco settlement litigation.

The Arizona health care cost containment system administration shall transfer $436,000 from the traditional medicaid services line item for fiscal year 2014-2015 to the department of revenue for enforcement costs associated with the March 13, 2013 master settlement agreement with tobacco companies.

The Arizona health care cost containment system administration shall transfer $1,000,000 from the traditional medicaid services line item for fiscal year 2014-2015 to the automation projects fund established by section 41-714, Arizona Revised Statutes, to implement a tobacco tax processing and revenue accounting system at the department of revenue.

Payments to hospitals

The $13,487,100 appropriation for disproportionate share payments for fiscal year 2014-2015 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 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 2014-2015 by the Arizona health care cost containment system administration in excess of $19,373,400 are appropriated to the administration in fiscal year 2014-2015. 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 for graduate medical education received in fiscal year 2014-2015, including any federal matching monies, by the Arizona health care cost containment system administration in excess of $165,918,500 are appropriated to the administration in fiscal year 2014-2015. 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 in excess of $68,500,000 for the safety net care pool by the Arizona health care cost containment system administration in fiscal year 2014-2015, including any federal matching monies, are appropriated to the administration in fiscal year 2014-2015. 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.

Other reports

On or before January 6, 2015, the Arizona health care cost containment system administration shall report to the director of the joint legislative budget committee the total amount of medicaid reconciliation payments and penalties received on or before that date since July 1, 2014. On June 30, 2015, the administration shall report the same information for all of fiscal year 2014-2015.

The Arizona health care cost containment system administration shall report thirty days after the end of each calendar quarter to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on the implementation of its required automation interaction with the health insurance exchange and eligibility modifications.

On or before August 1, 2014, the Arizona health care cost containment system administration shall provide to the joint legislative budget committee for review a report on the interagency agreement with the department of health services for providing acute care services for persons enrolled in the Maricopa integrated regional behavioral health authority unless the administration already provided the report in fiscal year 2013-2014.

Sec. 9. STATE BOARD OF APPRAISAL

		2014-15
FTE positions		9.0
Lump sum appropriation	$	861,600
Fund sources:		
Board of appraisal fund	$	861,600

Sec. 10. BOARD OF ATHLETIC TRAINING

		2014-15
FTE positions		1.5
Lump sum appropriation	$	118,200
Fund sources:		
Athletic training fund	$	118,200

Sec. 11. ATTORNEY GENERAL - DEPARTMENT OF LAW

		2014-15
FTE positions		570.9
Operating lump sum appropriation	$	51,544,600
Capital postconviction prosecution		800,000
Child safety and family services		1,000,000
Northern Arizona law enforcement		500,000
State grand jury		181,100
Victims' rights		3,758,400
Risk management interagency service agreement		9,439,500
Military airport planning		5,000
Total appropriation - attorney general - department of law	$	67,228,600
Fund sources:		
State general fund	$	23,879,600
Antitrust enforcement revolving fund		244,200
Attorney general legal services cost allocation fund		2,087,500
Collection enforcement revolving fund		6,887,800
Consumer protection - consumer fraud revolving fund		5,306,200
Interagency service agreements fund		14,825,400
Risk management revolving fund		9,439,500

State aid to indigent defense fund 800,000
Victims' rights fund 3,758,400

The attorney general shall submit to the joint legislative budget committee for review the quarterly reports on legal settlements required by sections 41-192, 44-1531.01 and 44-1531.02, Arizona Revised Statutes.

In addition to the $14,825,400 appropriated from the interagency service agreements fund in fiscal year 2014-2015, an additional $800,000 and 11 FTE positions are appropriated from the interagency service agreements fund in fiscal year 2014-2015 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 must 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. 12. AUTOMOBILE THEFT AUTHORITY

	2014-15
FTE positions	6.0
Operating lump sum appropriation	$ 639,900
Automobile theft authority grants	4,607,700
Reimbursable programs	50,000
Total appropriation - automobile theft authority	$ 5,297,600
Fund sources:	
Automobile theft authority fund	$ 5,297,600

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 monies collected to cover the expenses indicated in the report.

Automobile theft authority grants must be awarded with consideration given to areas with greater automobile theft problems and 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. 13. BOARD OF BARBERS

	2014-15
FTE positions	4.0
Lump sum appropriation	$ 333,800
Fund sources:	
Board of barbers fund	$ 333,800

Sec. 14. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	2014-15
FTE positions	17.0
Lump sum appropriation	$ 1,758,100

Fund sources:		
Board of behavioral health examiners fund	$	1,758,100

Sec. 15. STATE BOARD FOR CHARTER SCHOOLS

		2014-15
FTE positions		11.0
Lump sum appropriation	$	994,400
Fund sources:		
State general fund	$	994,400

Sec. 16. STATE BOARD OF CHIROPRACTIC EXAMINERS

		2014-15
FTE positions		5.0
Lump sum appropriation	$	450,400
Fund sources:		
Board of chiropractic examiners fund	$	450,400

Sec. 17. ARIZONA COMMUNITY COLLEGES

		2014-15
Equalization aid		
Cochise	$	3,870,500
Graham		15,025,500
Navajo		5,283,300
Total - equalization aid	$	24,179,300
Operating state aid		
Cochise	$	5,343,400
Coconino		1,775,800
Gila		346,300
Graham		2,261,300
Maricopa		7,409,500
Mohave		1,543,300
Navajo		1,618,200
Pima		6,493,500
Pinal		2,023,900
Santa Cruz		47,900
Yavapai		887,000
Yuma/La Paz		2,726,600
Total - operating state aid	$	32,476,700
STEM and workforce programs state aid		
Cochise	$	1,236,700
Coconino		426,900
Gila		142,800
Graham		640,500
Maricopa		1,400,000
Mohave		593,700
Navajo		375,400

Pima	600,000
Pinal	1,009,300
Santa Cruz	45,400
Yavapai	802,900
Yuma/La Paz	882,500
Total - STEM and workforce programs state aid	$ 8,156,100
Rural county reimbursement subsidy	$ 1,273,800
Total appropriation - Arizona community colleges	$ 66,085,900
Fund sources:	
State general fund	$ 66,085,900

Of the $1,273,800 appropriated to the rural county reimbursement subsidy line item, Apache county receives $699,300 and Greenlee county $574,500.

Sec. 18. REGISTRAR OF CONTRACTORS

	2014-15
FTE positions	105.6
Operating lump sum appropriation	$ 11,175,700
Office of administrative hearings costs	1,017,600
Total appropriation - registrar of contractors	$ 12,193,300
Fund sources:	
Registrar of contractors fund	$ 12,193,300

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

Sec. 19. CORPORATION COMMISSION

	2014-15
FTE positions	300.9
Operating lump sum appropriation	$ 26,266,800
Corporation filings, same day service	400,400
Securities division database upgrade	750,000
Utilities audits, studies, investigations and hearings	380,000*
Total appropriation - corporation commission	$ 27,797,200
Fund sources:	
State general fund	$ 609,700
Arizona arts trust fund	50,100
Investment management regulatory and enforcement fund	715,400
Public access fund	6,623,800

Securities regulatory and enforcement fund	5,570,800
Utility regulation revolving fund	14,227,400

The $400,400 appropriated from the public access fund for the corporation filings, same day service line item reverts to the public access fund at the end of the fiscal year 2014-2015 if the commission has not established a same day service pursuant to section 10-122, Arizona Revised Statutes.

Sec. 20. STATE DEPARTMENT OF CORRECTIONS

	2014-15
FTE positions	9,534.0
Operating lump sum appropriation	$ 772,227,800
Private prison per diem	144,321,300
Inmate health care contracted services	125,274,900
Total appropriation - state department of corrections	$1,041,824,000
Fund sources:	
State general fund	$ 996,912,200
State education fund for correctional education	516,200
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	1,300,000
Prison construction and operations fund	13,684,400

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.

The state department of corrections shall forward a monthly report comparing department expenditures for the month and year-to-date as compared to prior year expenditures 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 on or before the thirtieth of the following month. The report must be in the same format as the prior fiscal year and 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 state department of corrections shall provide a report on bed capacity to the joint legislative budget committee for its review on or before August 1, 2014. The report must reflect the bed capacity for each security classification by gender at each state-run and private institution, divided by rated and total beds. The report must include bed capacity data for June 30 of the previous fiscal year, June 30 of the current fiscal year and June 30 of the subsequent fiscal year, as well as 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. If the department develops a plan subsequent to its August 1 report to close state-operated prison rated beds or cancel or not renew 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 implementing these changes.

One hundred per cent of land earnings and interest from the penitentiary land fund must 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 must 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 $516,200, the state department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

The department may spend a portion of its total appropriation on capital projects in fiscal year 2014-2015. Before the expenditure, the department shall submit the scope, purpose and estimated cost of the projects to the joint committee on capital review for its review pursuant to section 41-1252, Arizona Revised Statutes.

Sec. 21. BOARD OF COSMETOLOGY

		2014-15
FTE positions		24.5
Lump sum appropriation	$	1,784,500
Fund sources:		
Board of cosmetology fund	$	1,784,500

Sec. 22. ARIZONA CRIMINAL JUSTICE COMMISSION

		2014-15
FTE positions		9.0
Operating lump sum appropriation	$	888,100

State aid to county attorneys	973,600
Victim compensation and assistance	4,092,500
Total appropriation - Arizona criminal justice commission	$ 5,954,200
Fund sources:	
Criminal justice enhancement fund	$ 649,200
Drug and gang prevention resource center fund	238,900
State aid to county attorneys fund	973,600
Victim compensation and assistance fund	4,092,500

All victim compensation and assistance receipts received by the Arizona criminal justice commission in excess of $4,092,500 in fiscal year 2014-2015 are appropriated to the crime victims program. Before the expenditure of any victim compensation and assistance receipts in excess of $4,092,500 in fiscal year 2014-2015, 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 2014-2015 are appropriated to the state aid to the county attorneys 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. 23. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	2014-15
FTE positions	541.2
Administration/statewide	$ 4,207,600
Phoenix day school for the deaf	9,999,200
Tucson campus	14,348,300
Regional cooperatives	832,400
Preschool/outreach programs	5,255,300
School bus replacement	738,000
Replace network core infrastructure	695,800
Voucher fund adjustment	(1,000,000)
Total appropriation - Arizona state schools for the deaf and the blind	$ 35,076,600
Fund sources:	
State general fund	$ 22,491,100
Schools for the deaf and the blind fund	12,585,500

Before the expenditure of any schools for the deaf and the blind fund monies in excess of $12,585,500 in fiscal year 2014-2015, 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. 24. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

	2014-15
FTE positions	15.0
Lump sum appropriation	$ 4,015,400
Fund sources:	
Telecommunication fund for the deaf	$ 4,015,400

Sec. 25. STATE BOARD OF DENTAL EXAMINERS

	2014-15
FTE positions	11.0
Lump sum appropriation	$ 1,214,800
Fund sources:	
Dental board fund	$ 1,214,800

Sec. 26. DEPARTMENT OF ECONOMIC SECURITY

	2014-15
FTE positions	6,722.5
Operating lump sum appropriation	$208,901,600
Administration	
Attorney general legal services	11,324,500
Aging and adult services	
Adult services	7,924,100
Community and emergency services	3,724,000
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
Coordinated hunger	1,754,600
Tribal pass-through funding	4,680,300
Child support enforcement	
County participation	6,740,200
Child safety and family services	
Division of child safety and family services operating lump sum appropriation	210,655,900
Division of child safety and family services attorney general legal services	18,260,500
Records retention staff	597,400
Adoption services	188,483,300
In-home preventive support services	28,432,100
Out-of-home support services	116,729,900

CPS emergency and residential placement	76,467,000
Foster care placement	46,328,400
Independent living maintenance	3,469,300
Intensive family services	8,500,000
Permanent guardianship subsidy	11,215,300
Grandparent stipends	1,000,000
Developmental disabilities	
Case management - medicaid	47,727,500
Home and community based services - medicaid	804,205,900
Institutional services - medicaid	18,964,400
Medical services - medicaid	138,600,200
Arizona training program at Coolidge - medicaid	15,903,500
Medicare clawback payments	2,902,400
Case management - state-only	3,926,600
Home and community based services - state-only	35,096,700
State-funded long-term care services	26,527,900
Autism parenting skills - rural areas	300,000
Employment and rehabilitation services	
JOBS	11,005,600
Day care subsidy	130,396,600
Independent living rehabilitation services	1,289,400
Rehabilitation services	3,799,100
Workforce investment act services	53,654,600
Agencywide	
Contingency funding	1,449,300
Total appropriation - department of economic security	$2,310,583,800
Fund sources:	
State general fund	755,846,600
Federal child care and development fund block grant	130,769,700
Federal temporary assistance for needy families block grant	218,705,400
Public assistance collections fund	427,000

Special administration fund	2,829,900
Spinal and head injuries trust fund	1,874,700
Statewide cost allocation plan fund	1,000,000
Child abuse prevention fund	1,459,100
Children and family services training program fund	207,700
Child support enforcement administration fund	16,787,400
Domestic violence shelter fund	2,220,000
Long-term care system fund	31,198,500
Workforce investment act grant	56,060,000
Child support enforcement administration fund expenditure authority	40,397,800
Developmental disabilities medicaid expenditure authority	745,999,600
Division of child safety and family services expenditure authority	304,800,400

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 adult 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 on or before December 15, 2014. The report must 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.

Child support enforcement

All state shares of retained earnings, fees and federal incentives above $16,787,400 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.

Child safety and family services

Of the amounts appropriated for out-of-home 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 child safety and family services: out-of-home 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 child safety and family services to achieve a one hundred per cent investigation rate.

Before the expenditure of monies from the intensive family services line item in fiscal year 2014-2015, the department of economic security shall submit an expenditure plan for review by the joint legislative budget committee. The expenditure plan must include an estimate of any comparable funding in the in-home preventive support services line item.

The amount appropriated for grandparent stipends must be used for a monthly stipend for a grandparent or any level of great-grandparent if a dependent child is placed in that person's care pursuant to department guidelines.

The department of economic security shall report to the joint legislative budget committee on its progress in implementing the auditor general's recommendations to improve performance-based contracting for foster home recruitment-related services on or before December 31, 2014.

The department of economic security or its successor agency must submit a report to the joint legislative budget committee on its progress in improving child safety hotline wait times and decreasing the abandoned call rate. The report must include the mean abandoned call rate along with the

mean and median call wait times. The report must be submitted on or before February 1, 2015 for the prior year.

It is the intent of the legislature that the funding in the in-home preventive support services line item be used for families whose children are at risk of out-of-home placement due to abuse, neglect or dependency, while the funding in the out-of-home support services line item is for children in out-of-home placements.

The legislature recognizes that legislation is being developed for a successor agency for child protective services that is separate from the department of economic security. Since that task is not complete, this budget has been adopted without knowing the scope, department needs and funding requirements for the successor agency that are necessary to protect the safety of the children in this state. It is the intent of the legislature to reexamine the budget in conjunction with the legislation that will create a successor agency, in order to meet the needs of that successor agency. The needs include staffing, automation, support services, placement, early intervention services and any needs deemed essential for the successor agency services and the safety of children in this state.

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 2014-2015 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. The department shall make this report available on or before July 15, 2015.

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2014-2015 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

The appropriation for autism parenting skills - rural areas is for training parents in counties with a population of less than five hundred thousand persons according to the 2010 United States decennial census to provide intensive behavioral treatment to children with autism who are younger than five years of age.

The department shall report to the joint legislative budget committee on or before 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 may not be 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 more 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 must 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 home and community based service provider rates by two per cent above the June 30, 2014 rate beginning on July 1, 2014. The two per cent provider rate increase for home and community based service provider rates may not be used for any administrative costs of the department of economic security. It is the intent of the legislature that the department of economic security not reduce any developmentally disabled provider rates in order to fund increases for other developmentally disabled provider service rates.

Employment and rehabilitation services

Of the $130,396,600 appropriated for day care subsidy, plus any funding authorized to be deferred to fiscal year 2015-2016, $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 $56,060,000 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 $56,060,000 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 are 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.

The department of economic security shall forward a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals must 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 on or before the thirtieth of the

following month. The report must 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 2014-2015, including the beginning balance, by the department of economic security in excess of $218,705,400 is appropriated to the department in fiscal year 2014-2015. For every dollar the department of economic security receives in federal temporary assistance for needy families block grant monies in fiscal year 2014-2015 in excess of the $218,705,400 appropriated, minus any fiscal year 2013-2014 revertments expected to be spent as administrative adjustments in fiscal year 2014-2015, the department's state general fund appropriation is reduced by a corresponding dollar amount. The department shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before September 1, 2014 its estimate of how much of its fiscal year 2013-2014 revertment will be spent as administrative adjustments in fiscal year 2014-2015 and excluded from the total amount of federal temporary assistance for needy families block grant monies. On or before June 30, 2015, the department shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of state general fund monies, if any, that will not be expended under this provision.

Before expending monies from the contingency funding line item in fiscal year 2014-2015, the department of economic security shall submit an expenditure plan to the joint legislative budget committee for its review. Monies in the contingency funding line item must be spent only to address unanticipated shortfalls in child protective services.

Sec. 27. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

		2014-15
FTE positions		175.9
Operating lump sum appropriation	$	8,599,100
Fund sources:		
State general fund	$	8,261,000
Teacher certification fund		138,100
Department of education empowerment scholarship account fund		200,000

The operating lump sum appropriation includes $683,900 and 8.5 FTE positions for average daily membership auditing and $200,000 and 2 FTE positions for information technology security services.

Basic state aid $2,397,082,600
Fund sources:
State general fund $2,350,607,100
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 2014-2015.

Receipts derived from the permanent state school fund and any other nonstate general fund revenue source that is dedicated to fund basic state aid must 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 may not be made except as specifically authorized above.

K-3 reading 40,007,600

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.

School year 2013-2014
school district charter
school conversions 24,500,000

Incremental monies for school district charter schools that converted to charter school status or that began operating as new schools under charter school status in fiscal year 2013-2014 may be expended only from the monies appropriated in the school year 2013-2014 school district charter schools conversions line item. It is the intent of the legislature that incremental monies provided for school district charter schools that converted to charter school status or that began operating as new schools under charter school status for fiscal year 2013-2014 be funded in fiscal year 2014-2015 at $24,500,000 in state aid statewide and that school district budget limits must be reduced accordingly. The department of education shall allocate monies from the school year 2013-2014 school district charter school conversions line item on a pro rata basis based on the amount of incremental

monies for state aid that individual school district charter schools that converted to charter school status or that began operating as new schools under charter school status for fiscal year 2013-2014 received for fiscal year 2013-2014. In addition, it is the intent of the legislature that incremental monies provided through local property taxes for school district charter schools that converted to charter school status or that began operating as new schools under charter school status for fiscal year 2013-2014 in school districts that are not eligible to receive basic state aid funding be reduced in fiscal year 2014-2015 by the same proportion that incremental monies for state aid are reduced for school districts that are eligible for basic state aid funding for fiscal year 2014-2015 and that school district budget limits be reduced accordingly. "Incremental monies" means the additional funding that a school district charter school receives under the state K-12 equalization funding formula above what it would receive under that formula if the school was a district noncharter school.

Student success funding	$ 21,500,000
Fund sources:	
Student success fund	$ 21,500,000
Additional state aid	352,502,000
Special education fund	33,242,100
Other state aid to districts	983,900
Accountability and achievement testing	$ 18,223,600
Fund sources:	
State general fund	$ 11,223,600
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 submit the estimated fiscal impact of those changes to the joint legislative budget committee for review.

Adult education	4,500,000
Alternative teacher development program	500,000

The department of education shall award the appropriated amount to a service provider that meets all of the requirements of section 15-552, Arizona Revised Statutes. The service provider shall dedicate fifty per cent of the appropriated amount for alternative teacher development programs in counties with a population of more than nine hundred thousand persons according to the 2010 United States decennial census and fifty per cent of the appropriated amount for alternative teacher development programs in counties with a population of less than nine hundred thousand persons according to the 2010 United States decennial census.

Arizona structured English immersion fund	4,960,400
English learner administration	6,516,200

The department of education must use the appropriated amount 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.

Information technology certifications	$1,000,000
JTED performance pay	500,000

The department of education shall distribute the appropriated amount to joint technical education districts on a pro rata basis based on the actual costs incurred to secure industry credential assessments and examinations for eligible students in joint technical education districts.

JTED soft capital and equipment	1,000,000

The department of education shall distribute the appropriated amount to joint technical education districts with fewer than two thousand average daily membership pupils for soft capital and equipment expenses. The appropriated amount must be allocated on a pro rata basis based on the average daily membership of eligible joint technical education districts.

Student success fund deposit	22,400,000*
School safety program	3,646,400
State block grant for vocational education	11,575,400
Teacher certification	$ 1,841,900
Fund sources:	
Teacher certification fund	$ 1,841,900
State board of education	$ 1,614,400
Fund sources:	
State general fund	$ 1,234,700
Teacher certification fund	379,700

The state board of education 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	$2,956,695,600

Fund sources:

State general fund	$2,879,160,400
Proposition 301 fund	7,000,000
Permanent state school fund	46,475,500
Teacher certification fund	2,359,700
Student success fund	21,500,000
Department of education empowerment scholarship account fund	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 must include, at a minimum, the department's current funding surplus or shortfall projections for basic state aid and other major formula-based programs and is due thirty days after the end of the applicable reporting period.

Within fifteen days after 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.

For fiscal year 2014-2015, the state board of education, in collaboration with the department of education and the department of administration, shall report quarterly on or before the last day of each calendar quarter on its progress in implementing 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.

Sec. 28. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	2014-15
FTE positions	63.1
Administration	$ 1,805,700
Emergency management	861,900
Military affairs	2,542,900
Military installation fund deposit	2,500,000
Total appropriation - department of emergency and military affairs	$ 7,710,500

Fund sources:

State general fund	$ 7,577,800
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 2014-2015 monies remaining unexpended and unencumbered on October 31, 2015 revert to the state general fund.

Sec. 29. DEPARTMENT OF ENVIRONMENTAL QUALITY

	2014-15
FTE positions	322.0
Operating lump sum appropriation	$ 46,214,500
Safe drinking water program	1,800,000
Emissions control contractor payment	21,119,500
Total appropriation - department of environmental quality	$ 69,134,000
Fund sources:	
Air permits administration fund	$ 7,143,900
Air quality fund	5,376,400
Emissions inspection fund	28,392,300
Hazardous waste management fund	1,742,700
Indirect cost recovery fund	13,308,500
Recycling fund	1,359,400
Solid waste fee fund	1,242,700
Underground storage tank revolving fund	22,000
Water quality fee fund	10,546,100

Before spending any monies from the safe water drinking program line item, the department shall submit an expenditure plan for review by the joint legislative budget committee.

Pursuant to section 49-282, Arizona Revised Statutes, the department of environmental quality shall submit a fiscal year 2015-2016 budget for the water quality assurance revolving fund before September 1, 2014, 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 must also include a budget for the WQARF program that is developed in consultation with the WQARF advisory board. The department shall submit the fiscal year 2014-2015 report to the joint legislative budget committee on or before September 1, 2014. This budget must specify the monies budgeted for each listed site during fiscal year 2014-2015. In addition, the department and the advisory board shall prepare and submit to the joint legislative budget committee, on or before October 2, 2014, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table

must include the stage of remediation for each site at the end of fiscal year 2013-2014, indicate whether the current stage of remediation is anticipated to be completed in fiscal year 2014-2015 and indicate the anticipated stage of remediation at each listed site at the end of fiscal year 2014-2015, assuming fiscal year 2014-2015 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

All air permits administration revenues received by the department of environmental quality in excess of $7,143,900 in fiscal year 2014-2015 are appropriated to the department. Before the expenditure of air permits administration receipts in excess of $7,143,900 in fiscal year 2014-2015, 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 $13,308,500 in fiscal year 2014-2015 are appropriated to the department. Before the expenditure of indirect cost recovery fund receipts in excess of $13,308,500 in fiscal year 2014-2015, the department of environmental quality shall report the intended use of the monies to the joint legislative budget committee.

Sec. 30. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

		2014-15
FTE positions		4.0
Lump sum appropriation	$	188,500
Fund sources:		
State general fund	$	188,500

Sec. 31. STATE BOARD OF EQUALIZATION

		2014-15
FTE positions		7.0
Lump sum appropriation	$	639,500
Fund sources:		
State general fund	$	639,500

Sec. 32. BOARD OF EXECUTIVE CLEMENCY

		2014-15
FTE positions		14.0
Lump sum appropriation	$	958,400
Fund sources:		
State general fund	$	958,400

The board of executive clemency shall report to the staff directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before November 1, 2014 on the total number and types of cases it reviewed in fiscal year 2013-2014.

Sec. 33. ARIZONA EXPOSITION AND STATE FAIR BOARD

	2014-15
FTE positions	184.0
Lump sum appropriation	$ 11,618,800
Fund sources:	
Arizona exposition and state fair fund	$ 11,618,800

Sec. 34. DEPARTMENT OF FINANCIAL INSTITUTIONS

	2014-15
FTE positions	60.1
Lump sum appropriation	$ 4,266,200
Fund sources:	
State general fund	$ 3,019,100
Financial services fund	1,247,100

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. 35. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

	2014-15
FTE positions	48.0
Operating lump sum appropriation	$ 2,026,000
Fire school	175,000
Total appropriation - department of fire, building and life safety	$ 2,201,000
Fund sources:	
State general fund	$ 2,201,000

Sec. 36. STATE FORESTER

	2014-15
FTE positions	55.0
Operating lump sum appropriation	$ 2,779,200
Environmental county grants	275,000
Inmate fire crews	695,700
Fire suppression	1,000,000
Hazardous vegetation removal	1,350,000
Total appropriation - state forester	$ 6,099,900
Fund sources:	
State general fund	$ 6,099,900

Sec. 37. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

	2014-15
FTE positions	4.0
Lump sum appropriation	$ 353,600
Fund sources:	
Board of funeral directors' and embalmers' fund	$ 353,600

Sec. 38. ARIZONA GAME AND FISH DEPARTMENT

	2014-15
FTE positions	273.5
Operating lump sum appropriation	$ 34,347,800
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	$ 40,101,900
Fund sources:	
Capital improvement fund	$ 999,700
Game and fish fund	34,184,100
Wildlife endowment fund	16,000
Watercraft licensing fund	4,555,800
Game, non-game, fish and endangered species fund	346,300

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 2014-2015 for the performance incentive pay program line item must 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. 39. DEPARTMENT OF GAMING

	2014-15
FTE positions	115.3
Operating lump sum appropriation	$ 8,312,900
Additional operating expenses	800,400
Casino operations certification	2,104,000
Problem gambling	2,279,700
Total appropriation - department of gaming	$ 13,497,000
Fund sources:	
Tribal-state compact fund	$ 2,104,000
Arizona benefits fund	11,093,000
State lottery fund	300,000

The department of gaming shall report to the staff directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before December 1, 2014 on the expected amount and purpose of expenditures from the additional operating expenses line item for fiscal year 2014-2015. The report must include the projected line item detail.

Sec. 40. ARIZONA GEOLOGICAL SURVEY

	2014-15
FTE positions	10.3
Lump sum appropriation	$ 941,400
Fund sources:	
State general fund	$ 941,400

Sec. 41. OFFICE OF THE GOVERNOR

	2014-15
Lump sum appropriation	$ 6,926,000*
Fund sources:	
State general fund	$ 6,926,000

Included in the lump sum appropriation of $6,926,000 for fiscal year 2014-2015 is $10,000 for the purchase of mementos and items for visiting officials.

Sec. 42. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	2014-15
FTE positions	22.0
Lump sum appropriation	$ 1,993,200*
Fund sources:	
State general fund	$ 1,993,200

Sec. 43. DEPARTMENT OF HEALTH SERVICES

	2014-15
FTE positions	1,176.7
Operating lump sum appropriation	$ 66,389,200
Public health/family health	
Adult cystic fibrosis	105,200
AIDS reporting and surveillance	1,000,000
Alzheimer's disease research	2,375,000
Breast and cervical cancer and bone density screening	1,369,400
County tuberculosis provider care and control	590,700
Folic acid	400,000
High risk perinatal services	2,543,400
Newborn screening program	6,307,000
Nonrenal disease management	198,000

Nursing facility study	50,000
Poison control centers funding	990,000
Renal dental care and nutrition supplements	300,000
Behavioral health	
Arizona state hospital - operating	58,349,500
Arizona state hospital - restoration to competency	900,000
Arizona state hospital - sexually violent persons	9,728,700
Crisis services	16,391,100
Medicaid behavioral health - adult expansion	73,805,900
Medicaid behavioral health - comprehensive medical and dental program	182,521,300
Medicaid behavioral health - proposition 204	533,313,600
Medicaid behavioral health - traditional	819,169,600
Medicaid insurance premium payments	23,795,400
Medicare clawback payments	14,100,700
Mental health first aid	250,000
Non-medicaid seriously mentally ill services	78,846,900
Proposition 204 administration	6,446,700
Supported housing	5,324,800
Total appropriation and expenditure authority - department of health services	$1,905,562,100
Fund sources:	
State general fund	$ 613,163,100
Arizona state hospital fund	9,587,800
Arizona state hospital land earnings fund	650,000
Capital outlay stabilization fund	1,559,800
Child fatality review fund	94,800
Emergency medical services operating fund	5,121,400
Environmental laboratory licensure revolving fund	926,900
Federal child care and development fund block grant	879,400

Health services licensing fund	9,272,600
Indirect cost fund	8,940,400
Newborn screening program fund	6,738,900
Nursing care institution resident protection revolving fund	88,200
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	35,467,000
Vital records electronic systems fund	3,634,700
Federal medicaid authority	1,206,187,100

Public health/family health

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

Of the $2,375,000 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 within thirty days after the end of each calendar quarter on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report must include at a minimum the department's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa county as follows: supported housing services for 1,200 class members, supported employment services for 750 class members, 8 assertive community treatment teams and consumer operated services for 1,500 class members. The department shall also report the amounts, by fund source, it plans to use to pay for expanded services.

The amounts included in the proposition 204 administration and medicaid behavioral health - proposition 204 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 state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona.

The department shall report to the joint legislative budget committee on or before 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 may not be 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 more for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

On or before January 6, 2015, 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 on or before that date since July 1, 2014. On June 30, 2015, the department shall report the same information for all of fiscal year 2014-2015.

It is the intent of the legislature that monies in the mental health first aid line item be spent to train mental health first aid instructors.

Departmentwide

The department of health services shall electronically forward a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals 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 on or before the thirtieth of the following month. The report must 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. 44. ARIZONA HISTORICAL SOCIETY

	2014-15
FTE positions	51.9
Operating lump sum appropriation	$ 2,116,500
Arizona experience museum	428,300
Field services and grants	66,000
Papago park museum	544,200
Total appropriation - Arizona historical society	$ 3,155,000

Fund sources:
State general fund $ 3,155,000

On or before November 28, 2014, the Arizona historical society and the department of administration shall submit a joint report to the joint legislative budget committee on the options for use of the now-vacant mining and mineral museum at 1502 West Washington street. The options may include reopening the space as a museum, converting the space into offices or selling the facility. The report must address the costs of each option. The report must also identify the option recommended by the society and the option recommended by the department.

Sec. 45. PRESCOTT HISTORICAL SOCIETY

		2014-15
FTE positions		13.0
Lump sum appropriation	$	826,000
Fund sources:		
State general fund	$	826,000

Sec. 46. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

		2014-15
FTE positions		1.0
Lump sum appropriation	$	102,100
Fund sources:		
Board of homeopathic and integrated medicine examiners' fund	$	102,100

Sec. 47. ARIZONA DEPARTMENT OF HOUSING

		2014-15
FTE positions		3.0
Lump sum appropriation	$	313,800
Fund sources:		
Housing trust fund	$	313,800

Sec. 48. ARIZONA COMMISSION OF INDIAN AFFAIRS

		2014-15
FTE positions		3.0
Lump sum appropriation	$	56,900
Fund sources:		
State general fund	$	56,900

Sec. 49. INDUSTRIAL COMMISSION OF ARIZONA

		2014-15
FTE positions		235.6
Lump sum appropriation	$	19,989,500
Fund sources:		
Administrative fund	$	19,989,500

Sec. 50. DEPARTMENT OF INSURANCE

	2014-15
FTE positions	90.5
Lump sum appropriation	$ 5,364,900
Fund sources:	
State general fund	$ 5,364,900

Sec. 51. ARIZONA JUDICIARY

	2014-15
Supreme court	
FTE positions	175.0
Operating lump sum appropriation	$ 14,072,600
Automation	11,344,600
Case and cash management system	3,326,500
County reimbursements	187,900
Court appointed special advocate	3,042,900
Domestic relations	655,400
Foster care review board	3,617,100
Commission on judicial conduct	522,300
Judicial nominations and performance review	428,400
Model court	447,600
State aid	5,949,100
Total appropriation - supreme court	$ 43,594,400
Fund sources:	
State general fund	$ 16,020,000
Confidential intermediary and fiduciary fund	488,000
Court appointed special advocate fund	2,940,900
Criminal justice enhancement fund	3,004,500
Defensive driving school fund	4,194,400
Judicial collection enhancement fund	14,002,000
State aid to the courts fund	2,944,600

On or before September 1, 2014, 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 must 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 must be submitted in one summary document. The report must 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.

The appropriation includes 40 FTE positions for the foster care review board, which is an increase of 3 FTE positions from fiscal year 2013-2014. The supreme court shall allocate sufficient monies to the foster care review board to hire 3 additional employees.

Court of appeals

FTE positions	136.8
Division I	$ 10,065,400
Division II	$ 4,350,900
Total appropriation - court of appeals	$ 14,416,300
Fund sources:	
State general fund	$ 14,416,300

Of the 136.8 FTE positions for fiscal year 2014-2015, 98.3 FTE positions are for Division I and 38.5 FTE positions are for Division II.

Superior court

FTE positions	137.5
Judges compensation	$ 7,682,500
Adult standard probation	17,658,900
Adult intensive probation	12,417,500
Community punishment	2,310,100
Interstate compact	748,500
Drug court	1,013,600
Juvenile standard probation	4,756,200
Juvenile intensive probation	9,175,600
Juvenile treatment services	22,341,400
Juvenile family counseling	660,400
Juvenile crime reduction	5,192,100
Juvenile diversion consequences	9,024,900
Special water master	220,000
Total appropriation - superior court	$ 93,201,700
Fund sources:	
State general fund	$ 79,670,300
Criminal justice enhancement fund	7,002,200
Drug treatment and education fund	500,000
Judicial collection enhancement fund	6,029,200

Of the 137.5 FTE positions, 82 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 must 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.

On or before November 1, 2014, the administrative office of the courts shall report to the joint legislative budget committee the fiscal year 2013-2014 actual, fiscal year 2014-2015 estimated and fiscal year 2015-2016 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 must 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 must delineate how the office expends these monies that are not distributed as direct aid to counties.

Sec. 52. DEPARTMENT OF JUVENILE CORRECTIONS

	2014-15
FTE positions	738.5
Lump sum appropriation	$ 47,748,100
Fund sources:	
State general fund	$ 43,822,700
State charitable, penal and reformatory institutions land fund	1,098,600
Criminal justice enhancement fund	530,600
State education fund for committed youth	2,296,200

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions land fund must 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. 53. STATE LAND DEPARTMENT

	2014-15
FTE positions	130.7
Operating lump sum appropriation	$ 15,104,600
Natural resource conservation districts	650,000
CAP user fees	673,600
Due diligence fund	500,000
Scanning and digitizing trust land records	1,200,000
Northern Arizona landing strip	10,000
Total appropriation - state land department	$ 18,138,200
Fund sources:	
State general fund	$ 12,515,700
Environmental special plate fund	260,000
Due diligence fund	500,000
Trust land management fund	4,862,500

The appropriation includes $673,600 for central Arizona project user fees in fiscal year 2014-2015. For fiscal year 2014-2015, from municipalities that assume their allocation of central Arizona project water for 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 2014-2015, $30,000 must be used to provide grants to natural resource conservation districts environmental education centers.

Sec. 54. LEGISLATURE

	2014-15
Senate	
Lump sum appropriation	$ 8,283,800*
Fund sources:	
State general fund	$ 8,283,800

Included in the lump sum appropriation of $8,283,800 for fiscal year 2014-2015 is $1,000 for the purchase of mementos and items for visiting officials.

House of representatives	
Lump sum appropriation	$ 13,372,200*
Fund sources:	
State general fund	$ 13,372,200

Included in the lump sum appropriation of $13,372,200 for fiscal year 2014-2015 is $1,000 for the purchase of mementos and items for visiting officials.

Legislative council

FTE positions	49.0
Operating lump sum appropriation	$ 7,418,000
Ombudsman-citizens aide office	828,500
Total appropriation - legislative council	$ 8,246,500*
Fund sources:	
State general fund	$ 8,246,500

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

It is the intent of the legislature that the ombudsman-citizens aide prioritize the investigation and processing of complaints relating to child protective services or its successor agency.

Joint legislative budget committee

FTE positions	29.0
Lump sum appropriation	$ 2,492,000*
Fund sources:	
State general fund	$ 2,492,000

Auditor general

FTE positions	184.8
Lump sum appropriation	$ 17,989,700*
Fund sources:	
State general fund	$ 17,989,700

Included in the lump sum appropriation is funding to pay state rent at the statewide rate.

Sec. 55. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

	2014-15
FTE positions	45.2
Operating lump sum appropriation	$ 2,939,100
Licensing replacement system	626,700
Total appropriation - department of liquor licenses and control	$ 3,565,800
Fund sources:	
Liquor licenses fund	$ 3,565,800

Sec. 56. ARIZONA STATE LOTTERY COMMISSION

	2014-15
FTE positions	98.8
Operating lump sum appropriation	$ 8,418,700
Advertising	15,500,000
Total appropriation - Arizona state lottery commission	$ 23,918,700
Fund source:	

State lottery fund $ 23,918,700

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 $852,300 in fiscal year 2014-2015.

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 $18,571,300 in fiscal year 2014-2015.

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 $9,399,400, or 3.7 per cent of actual online ticket sales in fiscal year 2014-2015.

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 $51,298,200 in fiscal year 2014-2015.

Sec. 57. BOARD OF MASSAGE THERAPY

		2014-15
FTE positions		5.0
Lump sum appropriation	$	457,200
Fund sources:		
Board of massage therapy fund	$	457,200

Sec. 58. ARIZONA MEDICAL BOARD

		2014-15
FTE positions		58.5
Lump sum appropriation	$	5,738,700
Fund sources:		
Arizona medical board fund	$	5,738,700

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. 59. STATE MINE INSPECTOR

		2014-15
FTE positions		14.0
Operating lump sum appropriation	$	1,028,600
Abandoned mines		194,700
Aggregate mined land reclamation		112,500
Total appropriation - state mine inspector	$	1,335,800
Fund sources:		
State general fund	$	1,223,300
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 2014-2015 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 2014-2015, the state mine inspector shall report the intended use of the monies to the joint legislative budget committee.

Sec. 60. NATUROPATHIC PHYSICIANS MEDICAL BOARD

		2014-15
FTE positions		2.0
Lump sum appropriation	$	158,900
Fund sources:		
Naturopathic physicians medical board fund	$	158,900

Sec. 61. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

		2014-15
FTE positions		2.0
Lump sum appropriation	$	129,200
Fund sources:		
State general fund	$	129,200

Sec. 62. ARIZONA STATE BOARD OF NURSING

		2014-15
FTE positions		42.2
Lump sum appropriation	$	4,270,800
Fund sources:		
Board of nursing fund	$	4,270,800

Sec. 63. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

		2014-15
FTE positions		6.0
Lump sum appropriation	$	420,200
Fund sources:		
Nursing care institution administrators' licensing and assisted living facility managers' certification fund	$	420,200

Sec. 64. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

		2014-15
FTE positions		1.5
Lump sum appropriation	$	184,100
Fund sources:		
Occupational therapy fund	$	184,100

Sec. 65. STATE BOARD OF DISPENSING OPTICIANS

		2014-15
FTE positions		1.0
Lump sum appropriation	$	135,800
Fund sources:		
Board of dispensing opticians fund	$	135,800

Sec. 66. STATE BOARD OF OPTOMETRY

		2014-15
FTE positions		2.0
Lump sum appropriation	$	206,000
Fund sources:		
Board of optometry fund	$	206,000

Sec. 67. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

		2014-15
FTE positions		6.7
Lump sum appropriation	$	801,500
Fund sources:		
Board of osteopathic examiners fund	$	801,500

Sec. 68. ARIZONA STATE PARKS BOARD

		2014-15
FTE positions		163.0
Operating lump sum appropriation	$	10,592,400
Kartchner caverns state park		2,228,700
Total appropriation - Arizona state parks board	$	12,821,100
Fund sources:		
State parks revenue fund	$	12,821,100

All other operating expenditures include $26,000 from the state parks revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2014-2015, an additional ten per cent of this increase of Fool Hollow receipts is appropriated from the state parks revenue fund to meet the revenue sharing agreement with the city of Show Low and the United States forest service.

Sec. 69. STATE PERSONNEL BOARD

		2014-15
FTE positions		3.0
Lump sum appropriation	$	374,900
Fund sources:		
Personnel division fund - personnel board subaccount	$	374,900

Sec. 70. OFFICE OF PEST MANAGEMENT

	2014-15
FTE positions	30.0
Lump sum appropriation	$ 1,700,000
Fund sources:	
Pest management fund	$ 1,700,000

Sec. 71. ARIZONA STATE BOARD OF PHARMACY

	2014-15
FTE positions	18.0
Operating lump sum appropriation	$ 2,017,000
One-time funding leave payout	36,300*
Total appropriation - Arizona state board of pharmacy	$ 2,053,300
Fund sources:	
Arizona state board of pharmacy fund	$ 2,053,300

Sec. 72. BOARD OF PHYSICAL THERAPY

	2014-15
FTE positions	4.0
Lump sum appropriation	$ 407,900
Fund sources:	
Board of physical therapy fund	$ 407,900

Sec. 73. ARIZONA PIONEERS' HOME

	2014-15
FTE positions	106.3
Operating lump sum appropriation	$ 6,059,400
Prescription drugs	200,000
Total appropriation - pioneers' home	$ 6,259,400
Fund sources:	
State general fund	$ 1,602,800
Miners' hospital fund	2,079,400
State charitable fund	2,577,200

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

Sec. 74. STATE BOARD OF PODIATRY EXAMINERS

	2014-15
FTE positions	1.0
Lump sum appropriation	$ 147,300
Fund sources:	
Podiatry fund	$ 147,300

Sec. 75. COMMISSION FOR POSTSECONDARY EDUCATION

		2014-15
FTE positions		5.0
Operating lump sum appropriation	$	184,800
Leveraging educational assistance partnership (LEAP)		2,319,500
Arizona college and career guide		21,300
Math and science teacher initiative		176,000
Arizona minority educational policy analysis center		100,000
Twelve plus partnership		130,500
Total appropriation - commission for postsecondary education	$	2,932,100
Fund sources:		
State general fund	$	1,396,800
Postsecondary education fund		1,535,300

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 must be paid from institutional matching funds and may not exceed twelve per cent of the funds in fiscal year 2014-2015.

Any unencumbered balance remaining in the postsecondary education fund on June 30, 2014, 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 the 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 2014-2015. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the postsecondary education fund.

Sec. 76. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

		2014-15
FTE positions		4.0
Lump sum appropriation	$	395,600
Fund sources:		
Board for private postsecondary education fund	$	395,600

Sec. 77. STATE BOARD OF PSYCHOLOGIST EXAMINERS

	2014-15
FTE positions	4.0
Lump sum appropriation	$ 409,800
Fund sources:	
Board of psychologist examiners fund	$ 409,800

Sec. 78. DEPARTMENT OF PUBLIC SAFETY

	2014-15
FTE positions	1,907.7
Operating lump sum appropriation	$214,014,900
GIITEM	21,304,700
GIITEM subaccount	2,390,000
Motor vehicle fuel	3,935,500
Public safety equipment	2,890,000
Total appropriation - department of public safety	$244,535,100
Fund sources:	
State general fund	$ 89,321,400
Arizona highway user revenue fund	89,247,100
State highway fund	6,743,800
Arizona highway patrol fund	19,020,900
Automation operations fund	296,200
State aid to indigent defense fund	700,000
Criminal justice enhancement fund	2,872,500
Safety enforcement and transportation infrastructure fund	1,566,300
Crime laboratory assessment fund	871,100
Crime laboratory operations fund	14,719,800
Arizona deoxyribonucleic acid identification system fund	6,321,200
Arizona automated fingerprint identification system fund	2,909,700
Gang and immigration intelligence team enforcement mission border security and law enforcement subaccount	2,390,000
Motorcycle safety fund	205,000
Risk management revolving fund	1,233,700
Parity compensation fund	1,950,000
Public safety equipment fund	2,890,000
Concealed weapons permit fund	1,276,400

Of the $21,304,700 appropriated to GIITEM, $9,327,600 must be used for one hundred department of public safety GIITEM personnel. The additional staff must 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 laws 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.

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 $21,304,700 appropriated to GIITEM, only $2,603,400 is 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, 2015 revert to the funds from which they were appropriated. The reverted monies must be returned in direct proportion to the amounts appropriated.

Sec. 79. ARIZONA DEPARTMENT OF RACING

	2014-15
FTE positions	40.5
Operating lump sum appropriation	$ 2,895,900
Arizona breeders' award	250,000
County fairs livestock and agricultural promotion	1,779,500
Total appropriation - department of racing	$ 4,925,400
Fund sources:	
State general fund	$ 2,029,500
Racing regulation fund	2,895,900

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. 80. RADIATION REGULATORY AGENCY

	2014-15
FTE positions	29.0
Lump sum appropriation	$ 1,626,200
Fund sources:	
State general fund	$ 773,300
State radiologic technologist certification fund	273,300
Radiation regulatory fee fund	579,600

Sec. 81. STATE REAL ESTATE DEPARTMENT

	2014-15
FTE positions	37.0
Lump sum appropriation	$ 2,988,700
Fund sources:	
State general fund	$ 2,988,700

Sec. 82. RESIDENTIAL UTILITY CONSUMER OFFICE

	2014-15
FTE positions	11.0
Operating lump sum appropriation	$ 1,189,400
Professional witnesses	145,000*
Total appropriation - residential utility consumer office	$ 1,334,400
Fund sources:	
Residential utility consumer office revolving fund	$ 1,334,400

Sec. 83. BOARD OF RESPIRATORY CARE EXAMINERS

	2014-15
FTE positions	4.0
Lump sum appropriation	$ 297,100
Fund sources:	
Board of respiratory care examiners fund	$ 297,100

Sec. 84. ARIZONA STATE RETIREMENT SYSTEM

	2014-15
FTE positions	246.9
Operating lump sum appropriation	$ 24,802,500
Automation upgrades	4,484,500*
Total appropriation - state retirement system	$ 29,287,000

Fund sources:	
Arizona state retirement system administration account	$ 26,487,000
Long-term disability trust fund administration account	2,800,000

Sec. 85. DEPARTMENT OF REVENUE

	2014-15
FTE positions	880.8
Operating lump sum appropriation	$ 64,809,500
BRITS operational support	7,602,500
Unclaimed property administration and audit	1,218,500
Total appropriation - department of revenue	$ 73,630,500
Fund sources:	
State general fund	$ 48,125,300
DOR administrative fund	24,428,700
Liability setoff revolving fund	397,200
Tobacco tax and health care fund	679,300

If the total dollar value of properties retained by unclaimed property contract auditors exceeds $1,218,500, the excess amount is 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 2014-2015 to the joint legislative budget committee on or before September 30, 2014. 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 2014-2015 on or before September 30, 2015. The reports must include a comparison of projected and actual general fund revenue enforcement collections for fiscal year 2014-2015.

The operating lump sum appropriation includes $100,000 to improve the department's analysis of tax data. Before spending these monies, the department shall submit an expenditure plan for review by the joint legislative budget committee.

Sec. 86. SCHOOL FACILITIES BOARD

	2014-15
FTE positions	17.0
Operating lump sum appropriation	$ 1,676,500
New school facilities debt service	170,155,200
Building renewal grants	16,667,900
New school facilities	858,200
Total appropriation - school facilities board	$189,357,800
Fund sources:	
State general fund	$189,357,800

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 2014-2015 must be deposited in or revert to the state general fund.

Sec. 87. DEPARTMENT OF STATE - SECRETARY OF STATE

	2014-15
FTE positions	141.1
Operating lump sum appropriation	$ 10,596,500
Election services	4,431,600
Help America vote act	2,941,000
Library grants-in-aid	651,400*
Statewide radio reading service for the blind	97,000
Total appropriation - secretary of state	$ 18,717,500
Fund sources:	
State general fund	$ 15,035,500
Election systems improvement fund	2,941,000
Records services fund	741,000

The secretary of state shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before December 31, 2014 the actual amount and purpose of expenditures from the election systems improvement fund in fiscal year 2013-2014 and the expected amount and purpose of expenditures from the fund for fiscal year 2014-2015.

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

The fiscal year 2014-2015 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, 2016.

Included in the operating lump sum appropriation of $10,596,500 for fiscal year 2014-2015 is $5,000 for the purchase of mementos and items for visiting officials.

Sec. 88. STATE BOARDS' OFFICE

	2014-15
FTE positions	3.0
Lump sum appropriation	$ 231,000
Fund sources:	
Special services revolving fund	$ 231,000

1 Sec. 89. STATE BOARD OF TAX APPEALS
2 2014-15
3 FTE positions 4.0
4 Lump sum appropriation $ 264,700
5 Fund sources:
6 State general fund $ 264,700
7 Sec. 90. STATE BOARD OF TECHNICAL REGISTRATION
8 2014-15
9 FTE positions 25.0
10 Lump sum appropriation $ 2,119,500
11 Fund sources:
12 Technical registration fund $ 2,119,500
13 Sec. 91. OFFICE OF TOURISM
14 2014-15
15 FTE positions 28.0
16 Tourism fund deposit $ 7,102,600
17 Arizona promotion 2,000,000
18 Total appropriation - office of
19 tourism $ 9,102,600
20 Fund sources:
21 State general fund $ 9,102,600
22 Sec. 92. DEPARTMENT OF TRANSPORTATION
23 2014-15
24 FTE positions 4,548.0
25 Operating lump sum appropriation $206,952,600
26 Attorney general legal services 2,895,600
27 Highway maintenance 136,178,400
28 Vehicles and heavy equipment 18,501,500
29 Fraud investigation 773,300
30 New third party funding 971,100
31 Total appropriation - department of
32 transportation $366,272,500
33 Fund sources:
34 State general fund $ 50,400
35 Air quality fund 74,500
36 Driving under the influence
37 abatement fund 153,800
38 Arizona highway user revenue fund 651,500
39 Motor vehicle liability
40 insurance enforcement fund 1,086,700
41 Safety enforcement and
42 transportation infrastructure
43 fund 1,880,500

State aviation fund	1,624,400
State highway fund	340,785,100
Transportation department equipment fund	18,501,500
Vehicle inspection and title enforcement fund	1,464,100

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

Of the total amount appropriated, $136,178,400 in fiscal year 2014-2015 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, 2015.

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, 2015 for fiscal year 2014-2015.

Of the $366,272,500 appropriation to the department of transportation, the department of transportation shall pay $16,773,800 in fiscal year 2014-2015 from all funds to the department of administration for its risk management payment.

Sec. 93. STATE TREASURER

	2014-15
FTE positions	30.4
Operating lump sum appropriation	$ 2,820,900
Justice of the peace salaries	1,205,100
Law enforcement/boating safety fund grants	2,183,800
Total appropriation - state treasurer	$ 6,209,800
Fund sources:	
State general fund	$ 1,205,100
Law enforcement and boating safety fund	2,183,800
State treasurer empowerment scholarship account fund	40,000
State treasurer's operating fund	2,583,400
State treasurer's management fund	197,500

Sec. 94. ARIZONA BOARD OF REGENTS

	2014-15
FTE positions	25.9
Operating lump sum appropriation	$ 2,349,600
Arizona teachers incentive program	90,000

Arizona transfer articulation support system	213,700
Student financial assistance	10,041,200
Western interstate commission office	131,000
Performance funding	5,000,000
WICHE student subsidies	4,100,000
Total appropriation - Arizona board of regents	$ 21,925,500
Fund sources:	
State general fund	$ 21,925,500

The Arizona board of regents shall allocate the $5,000,000 appropriation for performance funding to the three universities under its jurisdiction in accordance with a performance funding model to be adopted by the board that is substantially similar to what the board used in allocating the performance funding appropriation for fiscal year 2013-2014.

It is the intent of the legislature that the Arizona board of regents adopt a performance funding model and report to the joint legislative budget committee the final allocation of the $5,000,000 performance funding lump sum appropriation on or before July 1, 2014. The formula must be consistent with board objectives previously adopted in the board's enterprise plan. The performance funding model must use select performance metrics that include, at a minimum, the increase in degrees awarded, the increase in completed student credit hours and the increase in externally generated research and public service funding. The formula may give added weight to degrees related to science, technology, engineering and mathematics, as well as other high-value degrees that are in short supply or are essential to the state's long-term economic development strategy.

It is further the intent of the legislature that the Arizona board of regents use the adopted performance funding model in developing and submitting future budget requests for the universities under its jurisdiction, and that the legislature use the performance funding model in the development of future fiscal year appropriations for the universities under the jurisdiction of the Arizona board of regents.

Within ten days after 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 must 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 must provide as much detail as the university budget requests.

Sec. 95. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

	2014-15
FTE positions	6,142.9
Operating lump sum appropriation	$503,798,100
Biomedical informatics	1,955,200
Parity funding	38,843,100
Downtown Phoenix campus	110,783,800
Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses	$655,380,200
Fund sources:	
State general fund	$202,311,500
University collections fund	453,068,700

It is the intent of the legislature that the general fund base funding for Arizona state university - Tempe and downtown Phoenix campuses is $277,071,900. This appropriation includes a deferral of $74,760,400 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

The increased state general fund appropriations may not be used for medical marijuana research.

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

The appropriated monies may 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.

Any unencumbered balances remaining in the collections account on June 30, 2014 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.

It is the intent of the legislature to appropriate funding to Arizona state university and northern Arizona university with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona board of regents no later than the beginning of fiscal year 2016-2017.

The sum of $2,000,000 in fiscal year 2015-2016 and the sum of $2,000,000 in fiscal year 2016-2017 are appropriated from the state general fund to Arizona state university - Tempe and downtown Phoenix campuses for operating expenditures.

Sec. 96. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	2014-15
FTE positions	425.6
Operating lump sum appropriation	$ 46,230,900
Parity funding	6,647,000
TRIF lease-purchase payment	2,000,000
Total appropriation - Arizona state university - East campus	$ 54,877,900
Fund sources:	
State general fund	$ 19,186,200
University collections fund	33,691,700
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 $24,936,400. This appropriation includes a deferral of $5,750,200 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

The increased state general fund appropriations may not be used for medical marijuana research.

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

Any unencumbered balances remaining in the collections account on June 30, 2014 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.

It is the intent of the legislature to appropriate funding to Arizona state university and northern Arizona university with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona board of regents no later than the beginning of fiscal year 2016-2017.

Sec. 97. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	2014-15
FTE positions	562.9
Operating lump sum appropriation	$ 62,643,600
TRIF lease-purchase payment	1,600,000
Total appropriation - Arizona state university - West campus	$ 64,243,600
Fund sources:	
State general fund	$ 23,263,300
University collections fund	39,380,300
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 $33,328,100. This appropriation includes a deferral of $10,064,800 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

The increased state general fund appropriations may not be used for medical marijuana research.

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

Any unencumbered balances remaining in the collections account on June 30, 2014 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. 98. NORTHERN ARIZONA UNIVERSITY

	2014-15
FTE positions	2,057.2
Operating lump sum appropriation	$182,289,000
Parity funding	12,549,900
NAU - Yuma	2,446,500
Teacher training	2,290,600
Total appropriation - Northern Arizona university	$199,576,000

Fund sources:

State general fund	$ 79,294,900
University collections fund	120,281,100

It is the intent of the legislature that the general fund base funding for northern Arizona university is $109,789,700. This appropriation includes a deferral of $30,494,800 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

The increased state general fund appropriations may not be used for medical marijuana research.

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

The appropriated amount for the teacher training line item must 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.

Any unencumbered balances remaining in the collections account on June 30, 2014 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.

It is the intent of the legislature to appropriate funding to Arizona state university and northern Arizona university with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona board of regents no later than the beginning of fiscal year 2016-2017.

The sum of $500,000 in fiscal year 2015-2016 and the sum of $500,000 in fiscal year 2016-2017 are appropriated from the state general fund to northern Arizona university for operating expenditures.

Sec. 99. UNIVERSITY OF ARIZONA

	2014-15
Main campus	
FTE positions	5,393.0
Operating lump sum appropriation	$348,443,900
Agriculture	37,189,100
Arizona cooperative extension	16,025,900

Freedom center	500,000
Sierra Vista campus	6,943,700
Total - Main campus	$409,102,600
Fund sources:	
State general fund	$137,594,900
University collections fund	271,507,700
Health sciences center	
FTE positions	1,054.1
Operating lump sum appropriation	$ 53,376,900
Clinical rural rotation	353,400
Clinical teaching support	8,587,000
Liver research institute	430,100
Phoenix medical campus	29,344,300
Telemedicine network	1,833,900
Total - health sciences center	$ 93,925,600
Fund sources:	
State general fund	$ 52,808,600
University collections fund	41,117,000
Total appropriation - university of Arizona	$503,028,200
Fund sources:	
State general fund	$190,403,500
University collections fund	312,624,700

It is the intent of the legislature that the general fund base funding for university of Arizona - main campus is $199,748,000. This appropriation includes a deferral of $62,153,100 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

It is the intent of the legislature that the general fund base funding for university of Arizona - health sciences center is $69,585,300. This appropriation includes a deferral of $16,776,700 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

The increased state general fund appropriations may not be used for medical marijuana research.

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

Any unencumbered balances remaining in the collections account on June 30, 2014 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 sum of $2,000,000 in fiscal year 2015-2016 and the sum of $2,000,000 in fiscal year 2016-2017 are appropriated from the state general fund to university of Arizona - main campus for operating expenditures.

Sec. 100. DEPARTMENT OF VETERANS' SERVICES

	2014-15
FTE positions	500.3
Operating lump sum appropriation	$ 3,218,900
Arizona state veterans' homes	31,086,600
Southern Arizona cemetery	275,600
Veterans' benefit counseling	2,848,100
Total appropriation - department of veterans' services	$ 37,429,200
Fund sources:	
State general fund	$ 5,436,300
State home for veterans' trust fund	31,086,600
State veterans' conservatorship fund	906,300

Sec. 101. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

	2014-15
FTE positions	6.0
Lump sum appropriation	$ 577,100
Fund sources:	
Veterinary medical examining board fund	$ 577,100

Sec. 102. DEPARTMENT OF WATER RESOURCES

	2014-15
FTE positions	96.0
Operating lump sum appropriation	$ 8,499,100
Adjudication support	1,256,700
Assured and adequate water supply administration	1,989,500
Rural water studies	1,167,700
Conservation and drought program	410,000
Automated groundwater monitoring	410,200
Lower Colorado river litigation expenses	500,000*
Total appropriation - department of water resources	$ 14,233,200

Fund sources:	
State general fund	$ 13,326,400
Water resources fund	640,400
Assured and adequate water supply administration fund	266,400

Monies in the assured and adequate water supply administration line item may 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 may not transfer any monies 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 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 may 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 may not transfer any monies into or out of the adjudication support line item.

The department of water resources may not transfer any monies from the lower Colorado river litigation expenses line item without the prior review by the joint legislative budget committee.

Sec. 103. DEPARTMENT OF WEIGHTS AND MEASURES

	2014-15
FTE positions	38.4
General services	$ 1,805,300
Vapor recovery	653,200
Oxygenated fuel	789,700
Total appropriation - department of weights and measures	$ 3,248,200
Fund sources:	
State general fund	$ 1,475,300
Air quality fund	1,442,900
Motor vehicle liability insurance enforcement fund	330,000

Sec. 104. Fiscal year 1998-1999 appropriations; revertments

Of the $450,000 appropriated in fiscal year 1998-1999 from the personnel division fund established pursuant to section 41-750, Arizona Revised Statutes, to the department of administration by Laws 1997, chapter 288, section 14, $273,000 reverts to the state general fund on the effective date of this act.

Fiscal Year 2013-2014 Appropriation Adjustments

Sec. 105. Department of administration; risk management revolving fund; supplemental appropriation; fiscal year 2013-2014

A. In addition to any other appropriations made in fiscal year 2013-2014, the sum of $10,742,000 from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, is appropriated to the department of administration in fiscal year 2013-2014 for the following purposes:

1. To reimburse the federal government for disallowed costs relating to attorney general legal services.

2. To reimburse the federal government for disallowed costs relating to the statewide information technology charges.

3. To reimburse the federal government for fund transfers in fiscal years 2011-2012 and 2012-2013.

B. It is the intent of the legislature that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, or interest payments made for the human resource information solution certificate of participation, unless the proposed agreements are reviewed by the joint legislative budget committee.

C. On or before November 1, 2014, the department of administration shall submit a plan to reduce the level of federal reimbursement regarding excess balances from funds other than the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, for review by the joint legislative budget committee.

Sec. 106. Arizona health care cost containment system; appropriation reduction; fiscal year 2013-2014

In addition to any other appropriation reductions made in fiscal year 2013-2014 and notwithstanding any other law, the appropriation to the Arizona health care cost containment system is reduced by $73,439,600 from the state general fund in fiscal year 2013-2014.

Sec. 107. Arizona health care cost containment system; supplemental appropriation; fiscal year 2013-2014

A. The Arizona health care cost containment system administration may transfer up to $12,984,900 from state general fund appropriations received in fiscal year 2013-2014 to the department of health services for expenditures associated with title XIX behavioral health services.

B. Before making any transfer pursuant to subsection A of this section, the Arizona health care cost containment system administration shall submit the proposed transfer for review by the joint legislative budget committee.

C. On or before November 1, 2014, the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting shall jointly submit a report to the governor and the joint legislative budget committee regarding the feasibility of adopting a common reporting format for the current financial status of the Arizona health care cost containment system and the department of health services.

Sec. 108. Board of athletic training; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $13,000 is appropriated from the athletic training fund established by section 32-4105, Arizona Revised Statutes, in fiscal year 2013-2014 to the board of athletic training for employee-related expenditures.

Sec. 109. Attorney general-department of law; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $600,000 is appropriated from the consumer protection - consumer fraud revolving fund established by section 44-1531.01, Arizona Revised Statutes, in fiscal year 2013-2014 to the attorney general - department of law for backfill of a federal grant.

Sec. 110. Department of education; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $47,000,000 is appropriated from the state general fund in fiscal year 2013-2014 to the department of education for basic state aid.

Sec. 111. Arizona exposition and state fair board; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $270,000 is appropriated from the Arizona exposition and state fair fund established by section 3-1005, Arizona Revised Statutes, in fiscal year 2013-2014 to the Arizona exposition and state fair board for a power meter.

Sec. 112. Department of health services; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014 and notwithstanding any other law, the appropriation to the department of health services is increased by $17,638,500 from the state general fund and $149,800,800 from federal title XIX expenditure authority in fiscal year 2013-2014.

Sec. 113. State land department; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $128,300 is appropriated from the state general fund in fiscal year 2013-2014 to the state land department for CAP user fee rate adjustment.

Sec. 114. Naturopathic physicians medical board; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $15,800 is appropriated from the naturopathic physicians medical board fund established by section 32-1505, Arizona Revised Statutes, in fiscal year 2013-2014 to the naturopathic physicians medical board for hearing expenses.

Sec. 115. State board of nursing; supplemental appropriation; fiscal year 2013-2014; appropriation; fiscal year 2014-2015; report

A. In addition to any other appropriations made in fiscal year 2013-2014, the sum of $150,000 is appropriated from the state general fund to the state board of nursing in fiscal year 2013-2014 for certified nursing assistant program costs.

B. The sum of $150,000 is appropriated from the state general fund to the state board of nursing in fiscal year 2014-2015 for certified nursing assistant program costs.

C. The state board of nursing shall submit a report to the directors of the governor's office of strategic planning and budgeting and the joint legislative budget committee on or before November 1, 2014 with the board's recommendations for ensuring the long-term financial stability of the certified nursing assistant program.

Sec. 116. School facilities board; supplemental appropriation; reduction; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the appropriation to the school facilities board new school facilities debt service line item is reduced by $1,445,200 from the state general fund in fiscal year 2013-2014 to the school facilities board as part of a refinancing agreement made in fiscal year 2013-2014.

Sec. 117. Department of veterans' services; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014, the sum of $2,436,800 is appropriated from the state home for veterans trust fund established by section 41-608.01, Arizona Revised Statutes, in fiscal year 2013-2014 to the department of veterans' services for operating expenditures.

Fiscal Year 2014-2015 Appropriations

Sec. 118. Department of administration; division of child safety and family services; data center relocation; appropriation; fiscal year 2014-2015

The sum of $20,000,000 is appropriated in fiscal year 2014-2015 from the state general fund to the department of administration for costs associated with the establishment of the division of child safety and family services pursuant to executive order 2014-01 and the relocation of the data center operated by the department of economic security. Before any

expenditure of this amount, the department of economic security shall submit an expenditure plan to the joint legislative budget committee for approval.

Sec. 119. Department of administration; information technology study; appropriation; fiscal year 2014-2015; report

A. The sum of $500,000 is appropriated in fiscal year 2014-2015 from the automation operations fund established by section 41-711, Arizona Revised Statutes, to the department of administration for costs associated with a study of the state's current use of, reliance on and costs of small-scale computing systems and the availability of public documents on the internet.

B. On or before October 1, 2016, the department of administration shall report its findings, recommendations and priorities to the governor, the president of the senate, the speaker of the house of representatives and the senate and house of representatives appropriations committees. The department shall provide a copy of the report to the secretary of state.

Sec. 120. Department of administration; southwest defense contracts; appropriation; fiscal year 2014-2015

The sum of $25,000 is appropriated in fiscal year 2014-2015 from the state general fund to the department of administration for distribution to a nonprofit organization that advocates for the preservation and enhancement of critical defense missions and assets in the southwest United States.

Sec. 121. Department of administration; counties; appropriations

A. The sum of $7,150,500 is appropriated from the state general fund in fiscal year 2014-2015 to the department of administration for distribution to counties for maintenance of essential county services. The department of administration shall allocate the appropriation equally among all counties with a population of less than nine hundred thousand persons according to the 2010 decennial census.

B. The sum of $500,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of administration for distribution to a county with a population of more than thirty thousand persons and less than forty thousand persons, according to the 2010 United States decennial census, for maintenance of essential county services.

Sec. 122. Department of administration; counties; exemption for electricity used in manufacturing or smelting operations; appropriation; fiscal year 2014-2015

The sum of $1,300,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of administration for distribution to counties to backfill revenue loss resulting from tax exemptions and exclusions enacted in the fifty-first legislature, second regular session, relating to electricity used in manufacturing or smelting operations. Before any distribution of this amount, the department of administration shall submit an expenditure plan for review by the joint legislative budget committee.

Sec. 123. Automation projects fund; fiscal year 2014-2015; appropriations

A. The following amounts including 75.0 FTE positions are appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for the following automation and information technology projects:

1. $3,125,000 for enhancing statewide data security.

2. $500,000 for enhancing enterprise architecture.

3. $2,150,000 for project management of statewide automation and information technology projects.

4. $325,000 for projects related to e-government.

5. $2,900,000 for improving and maintaining the department of administration state data center.

B. The sum of $1,700,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 to increase the accuracy and timeliness of reporting income tax credits and to determine the impact of the reduction in long-term capital gains subject to income tax, as required by Laws 2012, chapter 343.

C. The sum of $8,000,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing upgrades to the adult information management system operated by the state department of corrections.

D. The sum of $6,800,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing e-licensing projects by the department of environmental quality.

E. The following amounts are appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for the following automation and information technology projects:

1. $12,000,000 for implementing, upgrading and maintaining the student longitudinal data system and the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes.

2. In addition to the amount appropriated in paragraph 1 of this subsection, any remaining balances as of June 30, 2014 from fees collected from universities and community college districts in the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes, are appropriated for implementing, upgrading and maintaining the student longitudinal data system and the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes.

3. It is the intent of the legislature that the appropriations made by this subsection be used to complete a significant portion of the replacement of the student accountability information system established by section 15-1041, Arizona Revised Statutes, provide a majority of school districts and charter schools with dashboards and other technology tools to measure student achievement and continue to stabilize and align the department of education's internal technology systems with the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes. The department of education shall provide quantifiable deliverables of the legislature's intended progress to the information technology authorization committee established by section 41-3521, Arizona Revised Statutes, and to the joint legislative budget committee before seeking review of the $12,000,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes.

F. The sum of $1,000,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing a tobacco tax processing and revenue accounting system at the department of revenue.

G. The sum of $5,000,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing upgrades to the children's information library and data source operated by the department of economic security.

H. In addition to the initial review of expenditures from the automation projects fund by the joint legislative budget committee, pursuant to section 41-714, Arizona Revised Statutes, monies appropriated for projects at each state agency from the automation projects fund established by section 41-714, Arizona Revised Statutes, may not be used for projects at any other state agency without prior review by the joint legislative budget committee.

I. The department of administration shall submit to the joint legislative budget committee, within thirty days after the last day of each calendar quarter, a quarterly report on the implementation of projects described in this section, including the projects' expenditures to date, deliverables, timeline for completion and current status.

J. Any remaining balances on June 30, 2014 in the automation projects fund established by section 41-714, Arizona Revised Statutes, from monies appropriated in fiscal year 2013-2014 are appropriated to the department of administration in fiscal year 2014-2015 for the same purposes specified in fiscal year 2013-2014. The department of administration shall report any fiscal year 2014-2015 expenditure of remaining balances from fiscal year 2013-2014 in the automation projects fund in the department's quarterly report to the joint legislative budget committee.

K. The funding for the department of environmental quality automation project is contingent on the use of a contracted third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the department of environmental quality shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $6,800,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2014-2015 expenditures, the department of environmental quality shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

L. The funding for the state department of corrections automation project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the state department of corrections shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $8,000,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2014-2015 expenditures, the state department of corrections shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

M. The funding for the department of education's automation project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the department of education shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $12,000,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2014-2015 expenditures, the department of education shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

N. The funding for the department of economic security's automation project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the department of economic security shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $5,000,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. The department of administration and the department of economic security shall provide a list of specific performance measures to be tracked by the new automation system when seeking review of the $5,000,000 fiscal year 2014-2015 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2014-2015 expenditures, the department of economic security shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

Sec. 124. 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 2014-2015 to the Arizona commerce authority, of which $10,000,000 is credited to the Arizona commerce authority fund established by section 41-1506, Arizona Revised Statutes, and $21,500,000 is credited to the Arizona competes fund established by section 41-1545.01, Arizona Revised Statutes.

Sec. 125. Arizona commerce authority; appropriation

The sum of $300,000 is appropriated from the state general fund in fiscal year 2014-2015 to the Arizona commerce authority for the purpose of establishing a trade office in Mexico City.

Sec. 126. Department of economic security; long-term care assisted living; appropriation; fiscal year 2014-2015

The sum of $300,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of economic security for long-term care assisted living. The department shall provide the services in a county with a population of less than five hundred thousand persons according to the 2010 decennial census.

Sec. 127. Department of economic security; homeless capital grant; appropriation; fiscal year 2014-2015

The sum of $500,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of economic security for distribution as a homeless capital grant to a faith-based facility that provides services, including substance abuse treatment, behavioral medicine treatment and job training, to those facing hunger and homelessness in a city with a population

of more than one million persons according to the 2010 United States decennial census.

Sec. 128. Appropriation; department of health services; genomics-based medical research; audit; exemption

A. The sum of $2,000,000 is appropriated from the health research fund established by section 36-275, Arizona Revised Statutes, in fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 to the department of health services for allocation to a nonprofit medical research institute headquartered in this state that does all of the following:

1. Specializes in biomedical research focused on applying genomic technologies and sequencing to clinical care.

2. Has served as a resource to this state to conduct molecular epidemiologic analyses to assist with disease outbreak investigations.

3. Collaborates with universities, hospitals and health science research centers and other public and private bioscience and related industries in this state.

B. The recipient of the monies appropriated pursuant to subsection A of this section shall commission an annual audit of the expenditure of these monies and shall submit a copy of the audit to the department of health services on or before February 1 of each year.

C. 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.

Sec. 129. Department of health services; middle and high school prevention education program; appropriation; exemption; fiscal year 2014-2015

A. The sum of $300,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of health services for a middle and high school prevention education program. The department shall distribute monies appropriated pursuant to this section on a competitive grant basis to grant applicants who will implement a proactive prevention education program in all middle and high schools in this state. The program must:

1. Promote positive life choices by educating middle and high school students about the harms and consequences of destructive behaviors in order to reduce motivation to use drugs and be involved in harmful social environments.

2. Incorporate an educational prevention component focusing on the areas of:

(a) Substance abuse.

(b) Mental health.

(c) Violence.

(d) Other risky behaviors.

B. Before the expenditure of any monies appropriated in subsection A of this section, the department of health services shall present an expenditure plan to the joint legislative budget committee for its review.

C. 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.

Sec. 130. Independent redistricting commission; appropriation; fiscal year 2014-2015

The sum of $1,115,100 is appropriated from the state general fund in fiscal year 2014-2015 to the independent redistricting commission for the operating expenses of the commission.

Sec. 131. Administrative office of the courts; drug treatment; family drug court programming; appropriations; exemption; fiscal year 2014-2015

A. The sum of $250,000 is appropriated from the state general fund in fiscal year 2014-2015 to the administrative office of the courts for distribution to a county with a population of more than five hundred thousand persons and less than one million persons according to the 2010 United States decennial census. The county shall use the funding in a drug treatment alternative to prison program.

B. The sum of $250,000 is appropriated from the state general fund in fiscal year 2014-2015 to the administrative office of the courts for distribution to a county with a population of more than three million persons according to the 2010 United States decennial census. The county shall use the funding to contract with a provider offering integrated delivery of services from testing to treatment, as needed, using evidence-based treatment standards, and providing the option of an online case management system to report client progress to the court.

C. The appropriations made in subsections A and B of this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through June 30, 2016.

Sec. 132. Northern Arizona university; nonprofit medical research foundation; biotechnology; appropriations; report; fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019

A. The sum of $3,000,000 is appropriated annually from the state general fund in fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 to Northern Arizona university for distribution to a nonprofit medical research foundation in this state that specializes in biotechnology and that collaborates with universities, hospitals, biotechnology and health science research centers.

B. A nonprofit foundation that receives monies pursuant to subsection A of this section shall annually submit an expenditure and performance report to Northern Arizona university. The university shall transmit the report to the joint legislative budget committee for its review on or before February 1 of each year. The report must include at least the following:

1. The type and amount of expenditures from all state sources of monies, including the amount leveraged for local, state, federal and private grants.

2. A description of each grant received as well as the percentage and locations of positions funded solely or partly by state monies and the nonprofit foundation's projects with which those positions are associated.

3. Performance measures, including:

(a) Outcomes that are specifically related to the use of state monies.

(b) Progress that has been made toward the achievement of each outcome, including activities, resources and other evidence of the progress.

(c) Reportable inventions or discoveries related to each outcome.

(d) Publications, presentations and narratives related to each outcome and how the expenditures from all state sources of monies that the nonprofit foundation receives have benefited Arizona.

Sec. 133. Appropriations; PSPRS; fiscal years 2014-2015 through 2018-2019; pension liability; city of Prescott

The sum of $1,000,000 is appropriated from the state general fund in each of fiscal years 2014-2015 through 2018-2019 to the public safety personnel retirement system to be deposited in the employer account of the Prescott fire department group to offset increased pension liability.

Sec. 134. Universities; appropriations; reduction; fiscal years 2014-2015, 2015-2016 and 2016-2017

A. Notwithstanding any other law, the following amounts are reduced from the state general fund appropriation made to Arizona state university pursuant to section 15-1670, subsection A, Arizona Revised Statutes:

1. In fiscal year 2014-2015, $522,600.

2. In fiscal year 2015-2016, $3,045,900.

3. In fiscal year 2016-2017, $2,329,800.

B. Notwithstanding any other law, the following amounts are reduced from the state general fund appropriation made to the university of Arizona pursuant to section 15-1670, subsection A, Arizona Revised Statutes:

1. In fiscal year 2014-2015, $4,659,800.

2. In fiscal year 2015-2016, $4,659,400.

3. In fiscal year 2016-2017, $274,600.

C. Notwithstanding any other law, the following amounts are reduced from the state general fund appropriation made to northern Arizona university pursuant to section 15-1670, subsection A, Arizona Revised Statutes:

1. In fiscal year 2014-2015, $408,500.

2. In fiscal year 2015-2016, $406,800.

3. In fiscal year 2016-2017, $1,653,200.

Sec. 135. Appropriation; water supply development revolving fund; exemption

A. The sum of $1,000,000 is appropriated from the state general fund in fiscal year 2014-2015 to the water supply development revolving fund established by section 49-1271, Arizona Revised Statutes.

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.

Sec. 136. Appropriation; debt service payments; state buildings

A. The sum of $60,108,600 is appropriated from the state general fund in fiscal year 2014-2015 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 $24,015,100 is appropriated from the state general fund in fiscal year 2014-2015 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. 137. Phoenix convention center; debt service payment

In accordance with section 9-602, Arizona Revised Statutes, $20,449,000 of state general fund revenue is allocated in fiscal year 2014-2015 to the Arizona convention center development fund established by section 9-601, Arizona Revised Statutes.

Fund Balance Transfers

Sec. 138. Appropriation; fund balance transfers; fiscal year 2014-2015; automation projects fund

A. The amount of $17,100,000 is appropriated from the state general fund in fiscal year 2014-2015 for deposit in the automation projects fund established by section 41-714, Arizona Revised Statutes.

B. Notwithstanding any other law, the following amounts from the following sources are transferred in fiscal year 2014-2015 for deposit in the automation projects fund established by section 41-714, Arizona Revised Statutes:

1. $1,600,000 from the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes.

2. In addition to the amount appropriated in paragraph 1 of this subsection, any remaining balances as of June 30, 2014 from fees collected from universities and community college districts in the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes.

3. $9,057,300 from the automation operations fund established by section 41-711, Arizona Revised Statutes. This amount includes $2,900,000 for improving and maintaining the department of administration state data center.

4. Notwithstanding section 41-1651, Arizona Revised Statutes, $5,500,000 from the prison construction and operations fund established by section 41-1651, Arizona Revised Statutes.

5. Notwithstanding section 41-1641, Arizona Revised Statutes, $2,500,000 from the corrections fund established by section 41-1641, Arizona Revised Statutes.

6. $6,800,000 from the emissions inspection fund established by section 49-544, Arizona Revised Statutes.

Sec. 139. Fund balance transfer; special employee health insurance trust

Notwithstanding any other law, on or before June 30, 2015, the amount of $53,900,000 is transferred from the special employee health insurance trust to the state general fund for the purpose of providing adequate support and maintenance for agencies of this state.

Payment Deferrals

Sec. 140. Department of economic security; payment deferral; appropriation; fiscal year 2015-2016

A. In addition to any other appropriation reductions made in fiscal year 2014-2015, notwithstanding any other law, the department of economic security shall defer $35,000,000 in payments for services provided in May and June 2015 until after July 1, 2015.

B. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $35,000,000 is appropriated from the state general fund in fiscal year 2015-2016 to the department of economic security for the purpose of paying bills for services provided in May and June 2015.

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

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

Sec. 141. Reduction in school district state aid apportionment in fiscal year 2014-2015; appropriations in fiscal year 2015-2016

A. In addition to any other appropriation reductions made in fiscal year 2014-2015, notwithstanding any other law, the state board of education shall defer until after July 1, 2015 but no later than July 12, 2015 $930,727,700 of the basic state aid and additional state aid payment that otherwise would be apportioned to school districts during fiscal year 2014-2015 pursuant to section 15-973, Arizona Revised Statutes. The funding deferral required by this subsection does not apply to charter schools or to school districts with a student count of less than six hundred pupils, and the state board of education shall make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.

B. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $930,727,700 is appropriated from the state general fund in fiscal year 2015-2016 to the state board of education and the superintendent of public instruction for basic state aid and additional state

aid entitlement for fiscal year 2015-2016. This appropriation shall be disbursed after July 1, 2015 but no later than July 12, 2015 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 2014-2015.

C. School districts shall include in the revenue estimates they use for computing their tax rates for fiscal year 2014-2015 the monies they will receive pursuant to subsection B of this section.

Sec. 142. Arizona board of regents; deferral; support and maintenance; appropriation in fiscal year 2015-2016

A. In addition to any other appropriation reductions made in fiscal year 2014-2015, the Arizona board of regents shall defer until after July 1, 2015 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 2015-2016, 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 2014-2015. The department of administration shall distribute these monies to the board no later than October 1, 2015.

Sec. 143. Appropriation; department of health services; exemption

The appropriation of $3,850,000 made to the department of health services by Laws 2013, first special session, chapter 1, section 44 for one-time electronic medical records start-up is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2015.

Statewide Adjustments

Sec. 144. Appropriation; operating adjustments

	2014-2015
State lease-purchase and rental rate adjustments	$ (370,300)
Fund sources:	
State general fund	$ (192,500)
Other appropriated funds	$ (177,800)
Annual retirement contribution rate adjustments	$ 1,440,000
Fund sources:	
State general fund	$ 409,100
Other appropriated funds	$ 1,030,900

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 is for fiscal year 2014-2015 adjustments in agency or department lease-purchase and rental rate charges in agencies. These adjustments reflect the rentable square foot rental rate for state-owned space as prescribed in the fiscal year 2014-2015 budget procedures budget reconciliation bill. 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 charge adjustments.

Annual retirement contribution rate adjustments

The amount appropriated for annual contribution rate adjustments is for fiscal year 2014-2015 adjustments in agency or department contributions rates 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. The amount does not include funding for adjustments in the state department of corrections and the department of public safety as additional funding for the adjustments in those agencies are incorporated in the individual appropriations for those agencies in this act.

Sec. 145. Department of law; general agency counsel charges; fiscal year 2014-2015

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	$ 30,000
13.	Department of environmental quality	$135,600
14.	Arizona exposition and state fair board	$ 20,900
15.	Department of financial institutions	$ 1,900
16.	Department of fire, building and life safety	$ 2,500
17.	State forester	$ 12,100
18.	Department of gaming	$ 35,000
19.	Arizona geological survey	$ 6,800
20.	Department of health services	$170,000
21.	Arizona historical society	$ 700
22.	Arizona department of housing	$ 18,100
23.	Department of insurance	$ 10,500
24.	Department of juvenile corrections	$ 9,400
25.	State land department	$ 2,100
26.	Department of liquor licenses and control	$ 11,400
27.	Arizona state lottery commission	$ 24,800
28.	Arizona state parks board	$ 45,800
29.	State personnel board	$ 600
30.	Arizona pioneers' home	$ 12,100
31.	Commission for postsecondary education	$ 1,800
32.	Department of public safety	$677,400
33.	Arizona department of racing	$ 2,300
34.	Radiation regulatory agency	$ 3,800
35.	Arizona state retirement system	$ 69,100
36.	Department of revenue	$ 4,900
37.	Department of state - secretary of state	$ 1,800
38.	State treasurer	$ 9,200
39.	Department of veterans' services	$ 52,700
40.	Department of weights and measures	$ 4,200

Other Provisions

Sec. 146. Legislative intent; expenditure reporting

It is the intent of the legislature that all departments, agencies and budget units receiving appropriations under the terms of this act 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. 147. 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 and nonappropriated FTE positions, excluding those in the department of economic security, the universities and the department of environmental quality. The director of the department of administration shall submit the fiscal year 2014-2015 report on or before October 1, 2015 to the director of the joint legislative budget committee. The reports must compare the level of appropriated FTE usage in each fiscal year to the appropriated level. For the purposes of this section, "FTE positions" means 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's appropriated FTE usage 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. 148. Filled FTE positions; reporting

On or before October 1, 2014, 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 and nonappropriated FTE positions, by fund source, as of September 1, 2014.

Sec. 149. 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. 150. Interim reporting requirements

A. State general fund revenue for fiscal year 2013-2014, including a beginning balance of $895,000,000 and other one-time revenues, is forecasted to be $9,457,000,000.

B. State general fund revenue for fiscal year 2014-2015, including a beginning balance of $601,000,000 and other one-time revenues, is forecasted to be $9,363,000,000.

C. State general fund revenue for fiscal year 2015-2016, including a beginning balance of $135,000,000 and other one-time revenues, is forecasted to be $9,196,000,000. State general fund expenditures for fiscal year 2015-2016 are forecasted to be $9,417,000,000.

D. State general fund revenue for fiscal year 2016-2017, including one-time revenues, is forecasted to be $9,244,000,000. State general fund expenditures for fiscal year 2016-2017 are forecasted to be $9,721,000,000.

E. The executive branch shall provide to the joint legislative budget committee a preliminary estimate of the fiscal year 2013-2014 state general fund ending balance on or before September 15, 2014. The estimate must 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.

F. 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 on or before October 15, 2014 as to whether the fiscal year 2014-2015 revenues and ending balance are expected to change by more than $50,000,000 from the budgeted projections. The joint legislative budget committee staff may make technical adjustments to the revenue and expenditure estimates in this section to reflect other bills enacted into law. The executive branch may also provide its own estimates to the joint legislative budget committee on or before October 15, 2014.

Sec. 151. 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. 152. 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. 153. 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.