

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)

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

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

7 Sec. 2. ARIZONA STATE BOARD OF ACCOUNTANCY

8		<u>2014-15</u>
9	FTE positions	13.0
10	Lump sum appropriation	\$ 1,933,700
11	Fund sources:	
12	Board of accountancy fund	\$ 1,933,700

13 Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

14		<u>2014-15</u>
15	FTE positions	1.0
16	Lump sum appropriation	\$ 154,600
17	Fund sources:	
18	Acupuncture board of examiners	
19	fund	\$ 154,600

20 Sec. 4. DEPARTMENT OF ADMINISTRATION

21		<u>2014-15</u>
22	FTE positions	504.1
23	Operating lump sum appropriation	\$ 86,430,800
24	Utilities	8,275,600
25	County attorney immigration	
26	enforcement	1,213,200
27	Risk management administrative	
28	expenses	8,746,100
29	Risk management losses and	
30	premiums	44,362,200
31	Workers' compensation losses	
32	and premiums	31,159,200
33	Statewide information security	
34	and privacy office	871,700
35	State surplus property sales	
36	proceeds	<u>1,260,000</u>
37	Total appropriation - department of	
38	administration	\$182,318,800
39	Fund sources:	
40	State general fund	\$ 11,144,600
41	Air quality fund	927,100

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

16 Of the \$1,213,200 appropriated to the county attorney immigration
17 enforcement line item, \$200,000 must be distributed to the county attorney of
18 a county in this state having a population of two million or more persons for
19 the purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
20 Statutes, and \$500,000 must be distributed to the county sheriff of a county
21 in this state having a population of two million or more persons for the
22 purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
23 Statutes. Subject to the prior approval of the joint legislative budget
24 committee, the remaining monies may be distributed to county attorneys and
25 county sheriffs of counties with populations of less than two million persons
26 for the purpose of enforcing title 23, chapter 2, article 2, Arizona Revised
27 Statutes. This appropriation is exempt from the provisions of section
28 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. The
29 appropriated monies may be spent in the sole discretion of the county
30 attorney or county sheriff to whom the monies are distributed for the purpose
31 of enforcing title 23, chapter 2, article 2, Arizona Revised Statutes,
32 without any further approval or other action by the county board of
33 supervisors of the county. Each county shall submit an annual report to the
34 department of administration on or before October 1, 2014 on the actual use
35 of the monies in the previous fiscal year and the projected use of the monies
36 in the current fiscal year. The department of administration shall report to
37 the directors of the governor's office of strategic planning and budgeting
38 and the joint legislative budget committee on or before November 1, 2014 on
39 the use of these monies.

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

1 The appropriation for the automation operations fund established by
 2 section 41-711, Arizona Revised Statutes, is an estimate representing all
 3 monies, including balance forward, revenue and transfers during fiscal year
 4 2014-2015. These monies are appropriated to the department of administration
 5 for the purposes established in section 41-711, Arizona Revised Statutes.
 6 The appropriation is adjusted as necessary to reflect receipts credited to
 7 the automation operations fund for automation operation center projects.
 8 Before the expenditure of any automation operations fund revenues in excess
 9 of \$19,108,000 in fiscal year 2014-2015, the department of administration
 10 shall report the intended use of monies to the joint legislative budget
 11 committee.

12 The amounts appropriated for the state employee transportation service
 13 subsidy must be used for up to a fifty per cent subsidy of charges payable
 14 for transportation service expenses as provided in section 41-710.01, Arizona
 15 Revised Statutes, of nonuniversity state employees in a vehicle emissions
 16 control area as defined in section 49-541, Arizona Revised Statutes, of a
 17 county with a population of more than four hundred thousand persons.

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

20 All state surplus materials revolving fund revenues received by the
 21 department of administration in excess of \$2,399,600 in fiscal year 2014-2015
 22 are appropriated to the department. Before the expenditure of state surplus
 23 materials revolving fund receipts in excess of \$2,399,600 in fiscal year
 24 2014-2015, the department of administration shall report the intended use of
 25 monies to the joint legislative budget committee.

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

33 Sec. 5. OFFICE OF ADMINISTRATIVE HEARINGS

34		<u>2014-15</u>
35	FTE positions	12.0
36	Lump sum appropriation	\$ 874,500
37	Fund sources:	
38	State general fund	\$ 862,200
39	Healthcare group fund	12,300

40 Sec. 6. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

41		<u>2014-15</u>
42	FTE positions	3.0
43	Lump sum appropriation	\$ 125,000
44	Fund sources:	
45	State general fund	\$ 125,000

1	Sec. 7. ARIZONA DEPARTMENT OF AGRICULTURE	
2		<u>2014-15</u>
3	FTE positions	161.0
4	Operating lump sum appropriation	\$ 7,881,800
5	Agricultural employment relations	
6	board	23,300
7	Animal damage control	65,000
8	Red imported fire ant	23,200
9	Agricultural consulting and	
10	training pari-mutuel	<u>128,500</u>
11	Total appropriation - department of	
12	agriculture	\$ 8,121,800
13	Fund sources:	
14	State general fund	\$ 8,121,800
15	Sec. 8. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
16		<u>2014-15</u>
17	FTE positions	2,208.3
18	Operating lump sum appropriation	\$ 77,785,300
19	DES eligibility	54,867,700
20	Proposition 204 - AHCCCS	
21	administration	6,863,100
22	Proposition 204 - DES eligibility	38,354,100
23	Traditional medicaid services	3,896,186,400
24	Proposition 204 services	1,948,717,900
25	Adult expansion	227,369,700
26	Children's rehabilitative services	197,070,000
27	KidsCare services	6,223,000
28	ALTCS services	1,344,569,500
29	Disproportionate share payments	13,487,100
30	Disproportionate share payments -	
31	voluntary match	19,373,400
32	Rural hospitals	22,650,000
33	Graduate medical education	165,918,500
34	Safety net care pool	<u>68,500,000</u>
35	Total appropriation and expenditure	
36	authority - Arizona health	
37	care cost containment system	\$8,087,935,700
38	Appropriated fund sources:	
39	State general fund	\$1,274,393,500
40	Budget neutrality compliance fund	3,384,400
41	Children's health insurance	
42	program fund	6,649,300

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

9 Operating budget

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

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

21 Medical services

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

26 The Arizona health care cost containment system administration shall
27 report to the joint legislative budget committee on or before March 1 of each
28 year on preliminary actuarial estimates of the capitation rate changes for
29 the following fiscal year along with the reasons for the estimated changes.
30 For any actuarial estimates that include a range, the total range from
31 minimum to maximum may not be more than two per cent. Before implementation
32 of any changes in capitation rates, the Arizona health care cost containment
33 system administration shall report its expenditure plan for review by the
34 joint legislative budget committee. Before the administration implements any
35 changes in policy affecting the amount, sufficiency, duration and scope of
36 health care services and who may provide services, the administration shall
37 prepare a fiscal impact analysis on the potential effects of this change on
38 the following year's capitation rates. If the fiscal analysis demonstrates
39 that these changes will result in additional state costs of \$500,000 or more
40 for a given fiscal year, the administration shall submit the policy changes
41 for review by the joint legislative budget committee.

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

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

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

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

18 Any supplemental payments received in excess of \$53,918,700 for nursing
19 facilities that serve medicaid patients in fiscal year 2014-2015, including
20 any federal matching monies, by the Arizona health care cost containment
21 system administration are appropriated to the administration in fiscal year
22 2014-2015. Before the expenditure of these increased monies, the
23 administration shall notify the joint legislative budget committee and the
24 governor's office of strategic planning and budgeting of the amount of monies
25 that will be expended under this provision. These payments are included in
26 the expenditure authority fund source.

27 It is the intent of the legislature that the Arizona health care cost
28 containment system administration increase skilled nursing facility provider
29 rates by two per cent in fiscal year 2014-2015, in addition to rate
30 adjustments that would otherwise be actuarially determined for fiscal year
31 2014-2015.

32 The Arizona health care cost containment system administration shall
33 transfer up to \$1,200,000 from the traditional medicaid services line item
34 for fiscal year 2014-2015 to the attorney general for costs associated with
35 tobacco settlement litigation.

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

40 The Arizona health care cost containment system administration shall
41 transfer \$1,000,000 from the traditional medicaid services line item for
42 fiscal year 2014-2015 to the automation projects fund established by section
43 41-714, Arizona Revised Statutes, to implement a tobacco tax processing and
44 revenue accounting system at the department of revenue.

1 Payments to hospitals

2 The \$13,487,100 appropriation for disproportionate share payments for
3 fiscal year 2014-2015 made pursuant to section 36-2903.01, subsection 0,
4 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county health
5 care district and \$9,284,800 for private qualifying disproportionate share
6 hospitals.

7 Any monies received for disproportionate share payments from political
8 subdivisions of this state, tribal governments and any university under the
9 jurisdiction of the Arizona board of regents, and any federal monies used to
10 match those payments, that are received in fiscal year 2014-2015 by the
11 Arizona health care cost containment system administration in excess of
12 \$19,373,400 are appropriated to the administration in fiscal year 2014-2015.
13 Before the expenditure of these increased monies, the administration shall
14 notify the joint legislative budget committee and the governor's office of
15 strategic planning and budgeting of the amount of monies that will be
16 expended under this provision.

17 Any monies for graduate medical education received in fiscal year
18 2014-2015, including any federal matching monies, by the Arizona health care
19 cost containment system administration in excess of \$165,918,500 are
20 appropriated to the administration in fiscal year 2014-2015. Before the
21 expenditure of these increased monies, the administration shall notify the
22 joint legislative budget committee and the governor's office of strategic
23 planning and budgeting of the amount of monies that will be expended under
24 this provision.

25 Any monies received in excess of \$68,500,000 for the safety net care
26 pool by the Arizona health care cost containment system administration in
27 fiscal year 2014-2015, including any federal matching monies, are
28 appropriated to the administration in fiscal year 2014-2015. Before the
29 expenditure of these increased monies, the administration shall notify the
30 joint legislative budget committee and the governor's office of strategic
31 planning and budgeting of the amount of monies that will be expended under
32 this provision.

33 Other reports

34 On or before January 6, 2015, the Arizona health care cost containment
35 system administration shall report to the director of the joint legislative
36 budget committee the total amount of medicaid reconciliation payments and
37 penalties received on or before that date since July 1, 2014. On June 30,
38 2015, the administration shall report the same information for all of fiscal
39 year 2014-2015.

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

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

7 Sec. 9. STATE BOARD OF APPRAISAL

8			<u>2014-15</u>
9	FTE positions		9.0
10	Lump sum appropriation	\$	861,600
11	Fund sources:		
12	Board of appraisal fund	\$	861,600

13 Sec. 10. BOARD OF ATHLETIC TRAINING

14			<u>2014-15</u>
15	FTE positions		1.5
16	Lump sum appropriation	\$	118,200
17	Fund sources:		
18	Athletic training fund	\$	118,200

19 Sec. 11. ATTORNEY GENERAL - DEPARTMENT OF LAW

20			<u>2014-15</u>
21	FTE positions		570.9
22	Operating lump sum appropriation	\$	51,544,600
23	Capital postconviction prosecution		800,000
24	Child safety and family services		1,000,000
25	Northern Arizona law enforcement		500,000
26	State grand jury		181,100
27	Victims' rights		3,758,400
28	Risk management interagency		
29	service agreement		9,439,500
30	Military airport planning		<u>5,000</u>
31	Total appropriation - attorney general -		
32	department of law	\$	67,228,600
33	Fund sources:		
34	State general fund	\$	23,879,600
35	Antitrust enforcement revolving		
36	fund		244,200
37	Attorney general legal services		
38	cost allocation fund		2,087,500
39	Collection enforcement revolving		
40	fund		6,887,800
41	Consumer protection - consumer		
42	fraud revolving fund		5,306,200
43	Interagency service agreements		
44	fund		14,825,400
45	Risk management revolving fund		9,439,500

1	State aid to indigent defense fund	800,000
2	Victims' rights fund	3,758,400
3	The attorney general shall submit to the joint legislative budget	
4	committee for review the quarterly reports on legal settlements required by	
5	sections 41-192, 44-1531.01 and 44-1531.02, Arizona Revised Statutes.	
6	In addition to the \$14,825,400 appropriated from the interagency	
7	service agreements fund in fiscal year 2014-2015, an additional \$800,000 and	
8	11 FTE positions are appropriated from the interagency service agreements	
9	fund in fiscal year 2014-2015 for new or expanded interagency service	
10	agreements. The attorney general shall report to the joint legislative	
11	budget committee whenever an interagency service agreement is established	
12	that will require expenditures from the additional amount. The report must	
13	include the name of the agency or entity with which the agreement is made,	
14	the dollar amount of the contract by fiscal year and the number of associated	
15	FTE positions.	
16	Sec. 12. AUTOMOBILE THEFT AUTHORITY	
17		<u>2014-15</u>
18	FTE positions	6.0
19	Operating lump sum appropriation	\$ 639,900
20	Automobile theft authority grants	4,607,700
21	Reimbursable programs	<u>50,000</u>
22	Total appropriation - automobile theft	
23	authority	\$ 5,297,600
24	Fund sources:	
25	Automobile theft authority fund	\$ 5,297,600
26	The automobile theft authority shall submit a report to the joint	
27	legislative budget committee for review before expending any monies for the	
28	reimbursable programs line item. The agency shall also show sufficient	
29	monies collected to cover the expenses indicated in the report.	
30	Automobile theft authority grants must be awarded with consideration	
31	given to areas with greater automobile theft problems and be used to combat	
32	economic automobile theft operations.	
33	The automobile theft authority shall pay seventy-five per cent of the	
34	personal services and employee-related expenses for city and county sworn	
35	officers who participate in the Arizona vehicle theft task force.	
36	Sec. 13. BOARD OF BARBERS	
37		<u>2014-15</u>
38	FTE positions	4.0
39	Lump sum appropriation	\$ 333,800
40	Fund sources:	
41	Board of barbers fund	\$ 333,800
42	Sec. 14. BOARD OF BEHAVIORAL HEALTH EXAMINERS	
43		<u>2014-15</u>
44	FTE positions	17.0
45	Lump sum appropriation	\$ 1,758,100

1	Fund sources:	
2	Board of behavioral health	
3	examiners fund	\$ 1,758,100
4	Sec. 15. STATE BOARD FOR CHARTER SCHOOLS	
5		<u>2014-15</u>
6	FTE positions	11.0
7	Lump sum appropriation	\$ 994,400
8	Fund sources:	
9	State general fund	\$ 994,400
10	Sec. 16. STATE BOARD OF CHIROPRACTIC EXAMINERS	
11		<u>2014-15</u>
12	FTE positions	5.0
13	Lump sum appropriation	\$ 450,400
14	Fund sources:	
15	Board of chiropractic examiners	
16	fund	\$ 450,400
17	Sec. 17. ARIZONA COMMUNITY COLLEGES	
18		<u>2014-15</u>
19	<u>Equalization aid</u>	
20	Cochise	\$ 3,870,500
21	Graham	15,025,500
22	Navajo	<u>5,283,300</u>
23	Total - equalization aid	\$ 24,179,300
24	<u>Operating state aid</u>	
25	Cochise	\$ 5,343,400
26	Coconino	1,775,800
27	Gila	346,300
28	Graham	2,261,300
29	Maricopa	7,409,500
30	Mohave	1,543,300
31	Navajo	1,618,200
32	Pima	6,493,500
33	Pinal	2,023,900
34	Santa Cruz	47,900
35	Yavapai	887,000
36	Yuma/La Paz	<u>2,726,600</u>
37	Total - operating state aid	\$ 32,476,700
38	<u>STEM and workforce programs state aid</u>	
39	Cochise	\$ 1,236,700
40	Coconino	426,900
41	Gila	142,800
42	Graham	640,500
43	Maricopa	1,400,000
44	Mohave	593,700
45	Navajo	375,400

1	Pima	600,000
2	Pinal	1,009,300
3	Santa Cruz	45,400
4	Yavapai	802,900
5	Yuma/La Paz	<u>882,500</u>
6	Total - STEM and workforce programs	
7	state aid	\$ 8,156,100
8	Rural county reimbursement subsidy	<u>\$ 1,273,800</u>
9	Total appropriation - Arizona community	
10	colleges	\$ 66,085,900
11	Fund sources:	
12	State general fund	\$ 66,085,900
13	Of the \$1,273,800 appropriated to the rural county reimbursement	
14	subsidy line item, Apache county receives \$699,300 and Greenlee county	
15	\$574,500.	
16	Sec. 18. REGISTRAR OF CONTRACTORS	
17		<u>2014-15</u>
18	FTE positions	105.6
19	Operating lump sum appropriation	\$ 11,175,700
20	Office of administrative hearings	
21	costs	<u>1,017,600</u>
22	Total appropriation - registrar of	
23	contractors	\$ 12,193,300
24	Fund sources:	
25	Registrar of contractors fund	\$ 12,193,300
26	Any transfer to or from the amount appropriated for the office of	
27	administrative hearings costs line item requires review by the joint	
28	legislative budget committee.	
29	Sec. 19. CORPORATION COMMISSION	
30		<u>2014-15</u>
31	FTE positions	300.9
32	Operating lump sum appropriation	\$ 26,266,800
33	Corporation filings, same day	
34	service	400,400
35	Securities division database	
36	upgrade	750,000
37	Utilities audits, studies,	
38	investigations and hearings	<u>380,000*</u>
39	Total appropriation - corporation commission	\$ 27,797,200
40	Fund sources:	
41	State general fund	\$ 609,700
42	Arizona arts trust fund	50,100
43	Investment management regulatory	
44	and enforcement fund	715,400
45	Public access fund	6,623,800

1 The state department of corrections shall provide a report on bed
2 capacity to the joint legislative budget committee for its review on or
3 before August 1, 2014. The report must reflect the bed capacity for each
4 security classification by gender at each state-run and private institution,
5 divided by rated and total beds. The report must include bed capacity data
6 for June 30 of the previous fiscal year, June 30 of the current fiscal year
7 and June 30 of the subsequent fiscal year, as well as the reasons for any
8 change within that time period. Within the total bed count, the department
9 shall provide the number of temporary and special use beds. If the
10 department develops a plan subsequent to its August 1 report to close
11 state-operated prison rated beds or cancel or not renew contracts for
12 privately operated prison beds, the state department of corrections shall
13 submit a bed plan detailing the proposed bed closures for review by the joint
14 legislative budget committee before implementing these changes.

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

19 Twenty-five per cent of land earnings and interest from the state
20 charitable, penal and reformatory institutions land fund must be distributed
21 to the state department of corrections in compliance with the enabling act
22 and the Constitution of Arizona to be used for the support of state penal
23 institutions.

24 Before the expenditure of any state education fund for correctional
25 education receipts in excess of \$516,200, the state department of corrections
26 shall report the intended use of the monies to the director of the joint
27 legislative budget committee.

28 The department may spend a portion of its total appropriation on
29 capital projects in fiscal year 2014-2015. Before the expenditure, the
30 department shall submit the scope, purpose and estimated cost of the projects
31 to the joint committee on capital review for its review pursuant to section
32 41-1252, Arizona Revised Statutes.

33 Sec. 21. BOARD OF COSMETOLOGY

34		<u>2014-15</u>
35	FTE positions	24.5
36	Lump sum appropriation	\$ 1,784,500
37	Fund sources:	
38	Board of cosmetology fund	\$ 1,784,500

39 Sec. 22. ARIZONA CRIMINAL JUSTICE COMMISSION

40		<u>2014-15</u>
41	FTE positions	9.0
42	Operating lump sum appropriation	\$ 888,100

1	State aid to county attorneys	973,600
2	Victim compensation and assistance	<u>4,092,500</u>
3	Total appropriation - Arizona criminal	
4	justice commission	\$ 5,954,200
5	Fund sources:	
6	Criminal justice enhancement fund	\$ 649,200
7	Drug and gang prevention resource	
8	center fund	238,900
9	State aid to county attorneys fund	973,600
10	Victim compensation and assistance	
11	fund	4,092,500

12 All victim compensation and assistance receipts received by the Arizona
 13 criminal justice commission in excess of \$4,092,500 in fiscal year 2014-2015
 14 are appropriated to the crime victims program. Before the expenditure of any
 15 victim compensation and assistance receipts in excess of \$4,092,500 in fiscal
 16 year 2014-2015, the Arizona criminal justice commission shall report the
 17 intended use of the monies to the joint legislative budget committee.

18 All state aid to county attorneys fund receipts received by the Arizona
 19 criminal justice commission in excess of \$973,600 in fiscal year 2014-2015
 20 are appropriated to the state aid to the county attorneys program. Before
 21 the expenditure of any state aid to county attorneys fund receipts in excess
 22 of \$973,600, the Arizona criminal justice commission shall report the
 23 intended use of the monies to the joint legislative budget committee.

24 Sec. 23. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

25		<u>2014-15</u>
26	FTE positions	541.2
27	Administration/statewide	\$ 4,207,600
28	Phoenix day school for the deaf	9,999,200
29	Tucson campus	14,348,300
30	Regional cooperatives	832,400
31	Preschool/outreach programs	5,255,300
32	School bus replacement	738,000
33	Replace network core infrastructure	695,800
34	Voucher fund adjustment	<u>(1,000,000)</u>
35	Total appropriation - Arizona state schools	
36	for the deaf and the blind	\$ 35,076,600
37	Fund sources:	
38	State general fund	\$ 22,491,100
39	Schools for the deaf and the	
40	blind fund	12,585,500

41 Before the expenditure of any schools for the deaf and the blind fund
 42 monies in excess of \$12,585,500 in fiscal year 2014-2015, the Arizona state
 43 schools for the deaf and the blind shall report to the joint legislative
 44 budget committee the intended use of the funds.

1	Sec. 24. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
2		<u>2014-15</u>
3	FTE positions	15.0
4	Lump sum appropriation	\$ 4,015,400
5	Fund sources:	
6	Telecommunication fund for	
7	the deaf	\$ 4,015,400
8	Sec. 25. STATE BOARD OF DENTAL EXAMINERS	
9		<u>2014-15</u>
10	FTE positions	11.0
11	Lump sum appropriation	\$ 1,214,800
12	Fund sources:	
13	Dental board fund	\$ 1,214,800
14	Sec. 26. DEPARTMENT OF ECONOMIC SECURITY	
15		<u>2014-15</u>
16	FTE positions	6,722.5
17	Operating lump sum appropriation	\$208,901,600
18	<u>Administration</u>	
19	Attorney general legal services	11,324,500
20	<u>Aging and adult services</u>	
21	Adult services	7,924,100
22	Community and emergency services	3,724,000
23	Coordinated homeless	2,522,600
24	Domestic violence prevention	12,123,700
25	<u>Benefits and medical eligibility</u>	
26	Temporary assistance for needy	
27	families cash benefits	44,999,400
28	Coordinated hunger	1,754,600
29	Tribal pass-through funding	4,680,300
30	<u>Child support enforcement</u>	
31	County participation	6,740,200
32	<u>Child safety and family services</u>	
33	Division of child safety and	
34	family services operating	
35	lump sum appropriation	210,655,900
36	Division of child safety and	
37	family services attorney	
38	general legal services	18,260,500
39	Records retention staff	597,400
40	Adoption services	188,483,300
41	In-home preventive support	
42	services	28,432,100
43	Out-of-home support services	116,729,900

1	CPS emergency and residential	
2	placement	76,467,000
3	Foster care placement	46,328,400
4	Independent living maintenance	3,469,300
5	Intensive family services	8,500,000
6	Permanent guardianship subsidy	11,215,300
7	Grandparent stipends	1,000,000
8	<u>Developmental disabilities</u>	
9	Case management - medicaid	47,727,500
10	Home and community based	
11	services - medicaid	804,205,900
12	Institutional services -	
13	medicaid	18,964,400
14	Medical services - medicaid	138,600,200
15	Arizona training program at	
16	Coolidge - medicaid	15,903,500
17	Medicare clawback payments	2,902,400
18	Case management - state-only	3,926,600
19	Home and community based	
20	services - state-only	35,096,700
21	State-funded long-term care	
22	services	26,527,900
23	Autism parenting skills -	
24	rural areas	300,000
25	<u>Employment and rehabilitation services</u>	
26	JOBS	11,005,600
27	Day care subsidy	130,396,600
28	Independent living rehabilitation	
29	services	1,289,400
30	Rehabilitation services	3,799,100
31	Workforce investment act	
32	services	53,654,600
33	<u>Agencywide</u>	
34	Contingency funding	<u>1,449,300</u>
35	Total appropriation - department of	
36	economic security	\$2,310,583,800
37	Fund sources:	
38	State general fund	755,846,600
39	Federal child care and	
40	development fund block grant	130,769,700
41	Federal temporary assistance for	
42	needy families block grant	218,705,400
43	Public assistance collections	
44	fund	427,000

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

21 Administration

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

30 Aging and adult services

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

36 The department of economic security shall report to the joint
37 legislative budget committee on the amount of state and federal monies
38 available statewide for domestic violence funding on or before December
39 15, 2014. The report must include, at a minimum, the amount of monies
40 available and the state fiscal agent receiving those monies.

41 Benefits and medical eligibility

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

1 Child support enforcement

2 All state shares of retained earnings, fees and federal incentives
3 above \$16,787,400 received by the division of child support enforcement are
4 appropriated for operating expenditures. New full-time equivalent positions
5 may be authorized with the increased funding. Before the expenditure of
6 these increased monies, the department of economic security shall report the
7 intended use of the monies to the joint legislative budget committee.

8 Child safety and family services

9 Of the amounts appropriated for out-of-home support services, CPS
10 emergency and residential placement and foster care placement, the department
11 may transfer up to ten per cent of the total amount of federal temporary
12 assistance for needy families block grant monies appropriated to the
13 department of economic security to the social services block grant for use in
14 the following line items in the division of child safety and family services:
15 out-of-home support services, CPS emergency and residential placement and
16 foster care placement. Before transferring federal temporary assistance for
17 needy families block grant monies to the social services block grant, the
18 department shall report the proposed amount of the transfer to the director
19 of the joint legislative budget committee. This report may be in the form of
20 an expenditure plan that is submitted at the beginning of the fiscal year and
21 updated, if necessary, throughout the fiscal year.

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

25 It is the intent of the legislature that the department of economic
26 security use the funding in the division of child safety and family services
27 to achieve a one hundred per cent investigation rate.

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

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

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

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

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

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

8 It is the intent of the legislature that child protective services, or
9 its successor agency, on completion of separation from the department of
10 economic security shall provide information on the use of additional
11 resources appropriated in fiscal year 2014-2015. The agency shall inform the
12 legislature on staffing, automation, support services, placement, early
13 intervention services and other needs necessary to implement the creation of
14 the agency and to fulfill its mission of child safety. On receipt of this
15 information, the legislature will reexamine the budget to meet the needs of
16 the child protective services agency.

17 Developmental disabilities

18 The department of economic security shall report all new placements
19 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
20 in fiscal year 2014-2015 to the president of the senate, the speaker of the
21 house of representatives, the chairpersons of the senate and house of
22 representatives appropriations committees and the director of the joint
23 legislative budget committee and the reason why this placement, rather than a
24 placement into a privately run facility for the developmentally disabled, was
25 deemed as the most appropriate placement. The department shall also report
26 if no new placements were made. The department shall make this report
27 available on or before July 15, 2015.

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

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

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

1 health care services and who may provide services, the department shall
2 prepare a fiscal impact analysis on the potential effects of this change on
3 the following year's capitation rates. If the fiscal analysis demonstrates
4 that these changes will result in additional state costs of \$500,000 or more
5 for a given fiscal year, the department shall submit the policy changes for
6 review by the joint legislative budget committee.

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

14 It is the intent of the legislature that the department of economic
15 security increase home and community based service provider rates by two per
16 cent above the June 30, 2014 rate beginning on July 1, 2014. The two per
17 cent provider rate increase for home and community based service provider
18 rates may not be used for any administrative costs of the department of
19 economic security. It is the intent of the legislature that the department
20 of economic security not reduce any developmentally disabled provider rates
21 in order to fund increases for other developmentally disabled provider
22 service rates.

23 Employment and rehabilitation services

24 Of the \$130,396,600 appropriated for day care subsidy, plus any funding
25 authorized to be deferred to fiscal year 2015-2016, \$115,199,900 is for a
26 program in which the upper income limit is no more than one hundred
27 sixty-five per cent of the federal poverty level.

28 All federal workforce investment act monies that are received by this
29 state in excess of \$56,060,000 are appropriated to the workforce investment
30 act services line item. Before the expenditure of these increased monies,
31 the department of economic security shall report the intended use of monies
32 above \$56,060,000 to the joint legislative budget committee.

33 Departmentwide

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

38 The department of economic security shall forward a monthly report
39 comparing total expenditures for the month and year-to-date as compared to
40 prior year totals must be forwarded to the president of the senate, the
41 speaker of the house of representatives, the chairpersons of the senate and
42 house of representatives appropriations committees and the director of the
43 joint legislative budget committee on or before the thirtieth of the
44 following month. The report must include an estimate of potential shortfalls
45 in entitlement programs and potential federal and other funds, such as the

1 statewide assessment for indirect costs, and any projected surplus in state
2 supported programs that may be available to offset these shortfalls and a
3 plan, if necessary, for eliminating any shortfall without a supplemental
4 appropriation.

5 Any federal temporary assistance for needy families block grant monies
6 received in fiscal year 2014-2015, including the beginning balance, by the
7 department of economic security in excess of \$218,705,400 is appropriated to
8 the department in fiscal year 2014-2015. For every dollar the department of
9 economic security receives in federal temporary assistance for needy families
10 block grant monies in fiscal year 2014-2015 in excess of the \$218,705,400
11 appropriated, minus any fiscal year 2013-2014 revertments expected to be
12 spent as administrative adjustments in fiscal year 2014-2015, the
13 department's state general fund appropriation is reduced by a corresponding
14 dollar amount. The department shall report to the joint legislative budget
15 committee and the governor's office of strategic planning and budgeting on or
16 before September 1, 2014 its estimate of how much of its fiscal year
17 2013-2014 revertment will be spent as administrative adjustments in fiscal
18 year 2014-2015 and excluded from the total amount of federal temporary
19 assistance for needy families block grant monies. On or before June 30,
20 2015, the department shall notify the joint legislative budget committee and
21 the governor's office of strategic planning and budgeting of the amount of
22 state general fund monies, if any, that will not be expended under this
23 provision.

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

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

	<u>2014-15</u>
30	
31 FTE positions	175.9
32 Operating lump sum appropriation	\$ 8,599,100
33 Fund sources:	
34 State general fund	\$ 8,261,000
35 Teacher certification fund	138,100
36 Department of education empowerment	
37 scholarship account fund	200,000

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

41 Basic state aid	\$2,395,582,600
42 Fund sources:	
43 State general fund	\$2,349,107,100
44 Permanent state school fund	46,475,500

1 2013-2014 received for fiscal year 2013-2014. In addition, it is the intent
2 of the legislature that incremental monies provided through local property
3 taxes for school district charter schools that converted to charter school
4 status or that began operating as new schools under charter school status for
5 fiscal year 2013-2014 in school districts that are not eligible to receive
6 basic state aid funding be reduced in fiscal year 2014-2015 by the same
7 proportion that incremental monies for state aid are reduced for school
8 districts that are eligible for basic state aid funding for fiscal year
9 2014-2015 and that school district budget limits be reduced accordingly.
10 "Incremental monies" means the additional funding that a school district
11 charter school receives under the state K-12 equalization funding formula
12 above what it would receive under that formula if the school was a district
13 noncharter school.

14	Student success funding	\$ 21,500,000
15	Fund sources:	
16	Student success fund	\$ 21,500,000
17	Additional state aid	352,502,000
18	Special education fund	33,242,100
19	Other state aid to districts	983,900
20	Accountability and achievement	
21	testing	\$ 18,223,600
22	Fund sources:	
23	State general fund	\$ 11,223,600
24	Proposition 301 fund	7,000,000

25 Before making any changes to the achievement testing program that will
26 increase program costs, the state board of education shall submit the
27 estimated fiscal impact of those changes to the joint legislative budget
28 committee for review.

29	Adult education	4,500,000
30	Alternative teacher development	
31	program	500,000

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

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

1 The department of education must use the appropriated amount to provide
 2 English language acquisition services for the purposes of section 15-756.07,
 3 Arizona Revised Statutes, and for the costs of providing English language
 4 proficiency assessments, scoring and ancillary materials as prescribed by the
 5 department of education to school districts and charter schools for the
 6 purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The
 7 department of education may use a portion of the appropriated amount to hire
 8 staff or contract with a third party to carry out the purposes of section
 9 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192, Arizona
 10 Revised Statutes, the superintendent of public instruction also may use a
 11 portion of the appropriated amount to contract with one or more private
 12 attorneys to provide legal services in connection with the case of Flores v.
 13 State of Arizona, No. CIV 92-596-TUC-RCC.

14 JTED performance pay 500,000

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

19 JTED soft capital and equipment 1,000,000

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

25 Student success fund deposit 22,400,000*

26 School safety program 3,646,400

27 State block grant for vocational
 28 education 11,575,400

29 Teacher certification \$ 1,841,900

30 Fund sources:

31 Teacher certification fund \$ 1,841,900

32 State board of education \$ 1,614,400

33 Fund sources:

34 State general fund \$ 1,234,700

35 Teacher certification fund 379,700

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

39 Total appropriation - state board of
 40 education and superintendent
 41 of public instruction

42 \$2,946,195,600

1	Fund sources:	
2	State general fund	\$2,868,660,400
3	Proposition 301 fund	7,000,000
4	Permanent state school fund	46,475,500
5	Teacher certification fund	2,359,700
6	Student success fund	21,500,000
7	Department of education empowerment	
8	scholarship account fund	200,000

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

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

23 For fiscal year 2014-2015, the state board of education, in
 24 collaboration with the department of education and the department of
 25 administration, shall report quarterly on or before the last day of each
 26 calendar quarter on its progress in implementing the education learning and
 27 accountability fund to the president of the senate, the speaker of the house
 28 of representatives, the chairpersons of the senate and house of
 29 representatives appropriations committees, the director of the joint
 30 legislative budget committee and the director of the governor's office of
 31 strategic planning and budgeting.

32 Sec. 28. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

33		<u>2014-15</u>
34	FTE positions	63.1
35	Administration	\$ 1,805,700
36	Emergency management	861,900
37	Military affairs	2,542,900
38	Military installation fund deposit	<u>2,500,000</u>
39	Total appropriation - department of	
40	emergency and military affairs	\$ 7,710,500
41	Fund sources:	
42	State general fund	\$ 7,577,800
43	Emergency response fund	132,700

1 The department of emergency and military affairs appropriation includes
 2 \$1,215,000 for service contracts. This amount is exempt from the provisions
 3 of section 35-190, Arizona Revised Statutes, relating to lapsing of
 4 appropriations, except that all fiscal year 2014-2015 monies remaining
 5 unexpended and unencumbered on October 31, 2015 revert to the state general
 6 fund.

7 Sec. 29. DEPARTMENT OF ENVIRONMENTAL QUALITY

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

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

30 Pursuant to section 49-282, Arizona Revised Statutes, the department of
 31 environmental quality shall submit a fiscal year 2015-2016 budget for the
 32 water quality assurance revolving fund before September 1, 2014, for review
 33 by the senate and house of representatives appropriations committees.

34 The department of environmental quality shall report annually on the
 35 progress of WQARF activities, including emergency response, priority site
 36 remediation, cost recovery activity, revenue and expenditure activity and
 37 other WQARF-funded program activity. This report must also include a budget
 38 for the WQARF program that is developed in consultation with the WQARF
 39 advisory board. The department shall submit the fiscal year 2014-2015 report
 40 to the joint legislative budget committee on or before September 1, 2014.
 41 This budget must specify the monies budgeted for each listed site during
 42 fiscal year 2014-2015. In addition, the department and the advisory board
 43 shall prepare and submit to the joint legislative budget committee, on or
 44 before October 2, 2014, a report in a table format summarizing the current
 45 progress on remediation of each listed site on the WQARF registry. The table

1 must include the stage of remediation for each site at the end of fiscal year
2 2013-2014, indicate whether the current stage of remediation is anticipated
3 to be completed in fiscal year 2014-2015 and indicate the anticipated stage
4 of remediation at each listed site at the end of fiscal year 2014-2015,
5 assuming fiscal year 2014-2015 funding levels. The department and advisory
6 board may include other relevant information about the listed sites in the
7 table.

8 All air permits administration revenues received by the department of
9 environmental quality in excess of \$7,143,900 in fiscal year 2014-2015 are
10 appropriated to the department. Before the expenditure of air permits
11 administration receipts in excess of \$7,143,900 in fiscal year 2014-2015, the
12 department of environmental quality shall report the intended use of the
13 monies to the joint legislative budget committee.

14 All indirect cost recovery fund revenues received by the department of
15 environmental quality in excess of \$13,308,500 in fiscal year 2014-2015 are
16 appropriated to the department. Before the expenditure of indirect cost
17 recovery fund receipts in excess of \$13,308,500 in fiscal year 2014-2015, the
18 department of environmental quality shall report the intended use of the
19 monies to the joint legislative budget committee.

20 Sec. 30. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

	<u>2014-15</u>
21	
22 FTE positions	4.0
23 Lump sum appropriation	\$ 188,500
24 Fund sources:	
25 State general fund	\$ 188,500

26 Sec. 31. STATE BOARD OF EQUALIZATION

	<u>2014-15</u>
27	
28 FTE positions	7.0
29 Lump sum appropriation	\$ 639,500
30 Fund sources:	
31 State general fund	\$ 639,500

32 Sec. 32. BOARD OF EXECUTIVE CLEMENCY

	<u>2014-15</u>
33	
34 FTE positions	14.0
35 Lump sum appropriation	\$ 958,400
36 Fund sources:	
37 State general fund	\$ 958,400

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

1	Sec. 33. ARIZONA EXPOSITION AND STATE FAIR BOARD	
2		<u>2014-15</u>
3	FTE positions	184.0
4	Lump sum appropriation	\$ 11,618,800
5	Fund sources:	
6	Arizona exposition and state	
7	fair fund	\$ 11,618,800
8	Sec. 34. DEPARTMENT OF FINANCIAL INSTITUTIONS	
9		<u>2014-15</u>
10	FTE positions	60.1
11	Lump sum appropriation	\$ 4,266,200
12	Fund sources:	
13	State general fund	\$ 3,019,100
14	Financial services fund	1,247,100
15	The department of financial institutions shall assess and set fees to	
16	ensure that monies deposited in the state general fund will equal or exceed	
17	its expenditure from the state general fund.	
18	Sec. 35. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY	
19		<u>2014-15</u>
20	FTE positions	48.0
21	Operating lump sum appropriation	\$ 2,026,000
22	Fire school	<u>175,000</u>
23	Total appropriation - department of fire,	
24	building and life safety	\$ 2,201,000
25	Fund sources:	
26	State general fund	\$ 2,201,000
27	Sec. 36. STATE FORESTER	
28		<u>2014-15</u>
29	FTE positions	55.0
30	Operating lump sum appropriation	\$ 2,779,200
31	Environmental county grants	275,000
32	Inmate fire crews	695,700
33	Fire suppression	1,000,000
34	Hazardous vegetation removal	<u>1,350,000</u>
35	Total appropriation - state forester	\$ 6,099,900
36	Fund sources:	
37	State general fund	\$ 6,099,900
38	Sec. 37. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
39		<u>2014-15</u>
40	FTE positions	4.0
41	Lump sum appropriation	\$ 353,600
42	Fund sources:	
43	Board of funeral directors' and	
44	embalmers' fund	\$ 353,600

1	Sec. 38. ARIZONA GAME AND FISH DEPARTMENT	
2		<u>2014-15</u>
3	FTE positions	273.5
4	Operating lump sum appropriation	\$ 34,347,800
5	Pittman - Robertson/Dingell -	
6	Johnson act	3,808,000
7	Performance incentive pay program	346,100*
8	Lower Colorado multispecies	
9	conservation	350,000
10	Watercraft grant program	1,000,000
11	Watercraft safety education program	<u>250,000</u>
12	Total appropriation - game and fish	
13	department	\$ 40,101,900
14	Fund sources:	
15	Capital improvement fund	\$ 999,700
16	Game and fish fund	34,184,100
17	Wildlife endowment fund	16,000
18	Watercraft licensing fund	4,555,800
19	Game, non-game, fish and	
20	endangered species fund	346,300
21	In addition to the \$3,808,000 for the Pittman - Robertson/Dingell -	
22	Johnson act line item, the lump sum appropriation includes \$50,000 for	
23	cooperative fish and wildlife research, which may be used for the purpose of	
24	matching federal and apportionment funds.	
25	The \$300,000 from the game and fish fund and \$46,100 from the	
26	watercraft licensing fund in fiscal year 2014-2015 for the performance	
27	incentive pay program line item must be used for personal services and	
28	employee-related expenditures associated with the department's performance	
29	incentive pay program. This appropriation is a continuing appropriation and	
30	is exempt from the provisions of section 35-190, Arizona Revised Statutes,	
31	relating to lapsing of appropriations.	
32	Sec. 39. DEPARTMENT OF GAMING	
33		<u>2014-15</u>
34	FTE positions	115.3
35	Operating lump sum appropriation	\$ 8,312,900
36	Additional operating expenses	800,400
37	Casino operations certification	2,104,000
38	Problem gambling	<u>2,279,700</u>
39	Total appropriation - department of gaming	\$ 13,497,000
40	Fund sources:	
41	Tribal-state compact fund	\$ 2,104,000
42	Arizona benefits fund	11,093,000
43	State lottery fund	300,000

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

7 Sec. 40. ARIZONA GEOLOGICAL SURVEY

8		<u>2014-15</u>
9	FTE positions	10.3
10	Lump sum appropriation	\$ 941,400
11	Fund sources:	
12	State general fund	\$ 941,400

13 Sec. 41. OFFICE OF THE GOVERNOR

14		<u>2014-15</u>
15	Lump sum appropriation	\$ 6,926,000*
16	Fund sources:	
17	State general fund	\$ 6,926,000

18 Included in the lump sum appropriation of \$6,926,000 for fiscal year
 19 2014-2015 is \$10,000 for the purchase of mementos and items for visiting
 20 officials.

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

22		<u>2014-15</u>
23	FTE positions	22.0
24	Lump sum appropriation	\$ 1,993,200*
25	Fund sources:	
26	State general fund	\$ 1,993,200

27 Sec. 43. DEPARTMENT OF HEALTH SERVICES

28		<u>2014-15</u>
29	FTE positions	1,176.7
30	Operating lump sum appropriation	\$ 66,389,200
31	<u>Public health/family health</u>	
32	Adult cystic fibrosis	105,200
33	AIDS reporting and surveillance	1,000,000
34	Alzheimer's disease research	2,375,000
35	Breast and cervical cancer and	
36	bone density screening	1,369,400
37	County tuberculosis provider care	
38	and control	590,700
39	Folic acid	400,000
40	High risk perinatal services	2,543,400
41	Newborn screening program	6,307,000
42	Nonrenal disease management	198,000

1	Nursing facility study	50,000
2	Poison control centers funding	990,000
3	Renal dental care and nutrition	
4	supplements	300,000
5	<u>Behavioral health</u>	
6	Arizona state hospital - operating	58,349,500
7	Arizona state hospital - restoration	
8	to competency	900,000
9	Arizona state hospital - sexually	
10	violent persons	9,728,700
11	Crisis services	16,391,100
12	Medicaid behavioral health -	
13	adult expansion	73,805,900
14	Medicaid behavioral health -	
15	comprehensive medical and	
16	dental program	182,521,300
17	Medicaid behavioral health -	
18	proposition 204	533,313,600
19	Medicaid behavioral health -	
20	traditional	819,169,600
21	Medicaid insurance premium	
22	payments	23,795,400
23	Medicare clawback payments	14,100,700
24	Mental health first aid	250,000
25	Non-medicaid seriously	
26	mentally ill services	78,846,900
27	Proposition 204 administration	6,446,700
28	Supported housing	<u>5,324,800</u>
29	Total appropriation and expenditure	
30	authority - department of	
31	health services	\$1,905,562,100
32	Fund sources:	
33	State general fund	\$ 613,163,100
34	Arizona state hospital fund	9,587,800
35	Arizona state hospital land	
36	earnings fund	650,000
37	Capital outlay stabilization fund	1,559,800
38	Child fatality review fund	94,800
39	Emergency medical services	
40	operating fund	5,121,400
41	Environmental laboratory licensure	
42	revolving fund	926,900
43	Federal child care and development	
44	fund block grant	879,400

1	Health services licensing fund	9,272,600
2	Indirect cost fund	8,940,400
3	Newborn screening program fund	6,738,900
4	Nursing care institution resident	
5	protection revolving fund	88,200
6	Substance abuse services fund	2,250,000
7	Tobacco tax and health care fund -	
8	health research account	1,000,000
9	Tobacco tax and health care fund -	
10	medically needy account	35,467,000
11	Vital records electronic systems	
12	fund	3,634,700
13	Federal medicaid authority	1,206,187,100

14 Public health/family health

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

18 Of the \$2,375,000 for Alzheimer's disease research, \$1,000,000 of that
19 amount is from the tobacco tax and health care fund - health research
20 account.

21 Behavioral health

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

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

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

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

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

17 On or before January 6, 2015, the department of health services shall
 18 report to the director of the joint legislative budget committee the total
 19 amount of medicaid reconciliation payments and penalties received on or
 20 before that date since July 1, 2014. On June 30, 2015, the department shall
 21 report the same information for all of fiscal year 2014-2015.

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

24 Departmentwide

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

37 Sec. 44. ARIZONA HISTORICAL SOCIETY

38		<u>2014-15</u>
39	FTE positions	51.9
40	Operating lump sum appropriation	\$ 2,116,500
41	Arizona experience museum	428,300
42	Field services and grants	66,000
43	Papago park museum	<u>544,200</u>
44	Total appropriation - Arizona historical	
45	society	\$ 3,155,000

1 Fund sources:
2 State general fund \$ 3,155,000
3 On or before November 28, 2014, the Arizona historical society and the
4 department of administration shall submit a joint report to the joint
5 legislative budget committee on the options for use of the now-vacant mining
6 and mineral museum at 1502 West Washington street. The options may include
7 reopening the space as a museum, converting the space into offices or selling
8 the facility. The report must address the costs of each option. The report
9 must also identify the option recommended by the society and the option
10 recommended by the department.

11 Sec. 45. PRESCOTT HISTORICAL SOCIETY

		<u>2014-15</u>
	FTE positions	13.0
	Lump sum appropriation	\$ 826,000

15 Fund sources:

	State general fund	\$ 826,000
--	--------------------	------------

17 Sec. 46. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

		<u>2014-15</u>
	FTE positions	1.0
	Lump sum appropriation	\$ 102,100

21 Fund sources:

	Board of homeopathic and integrated medicine examiners' fund	\$ 102,100
--	--	------------

25 Sec. 47. ARIZONA DEPARTMENT OF HOUSING

		<u>2014-15</u>
	FTE positions	3.0
	Lump sum appropriation	\$ 313,800

29 Fund sources:

	Housing trust fund	\$ 313,800
--	--------------------	------------

31 Sec. 48. ARIZONA COMMISSION OF INDIAN AFFAIRS

		<u>2014-15</u>
	FTE positions	3.0
	Lump sum appropriation	\$ 56,900

35 Fund sources:

	State general fund	\$ 56,900
--	--------------------	-----------

37 Sec. 49. INDUSTRIAL COMMISSION OF ARIZONA

		<u>2014-15</u>
	FTE positions	235.6
	Lump sum appropriation	\$ 19,989,500

41 Fund sources:

	Administrative fund	\$ 19,989,500
--	---------------------	---------------

1	Sec. 50. DEPARTMENT OF INSURANCE	
2		<u>2014-15</u>
3	FTE positions	90.5
4	Lump sum appropriation	\$ 5,364,900
5	Fund sources:	
6	State general fund	\$ 5,364,900
7	Sec. 51. ARIZONA JUDICIARY	
8		<u>2014-15</u>
9	<u>Supreme court</u>	
10	FTE positions	175.0
11	Operating lump sum appropriation	\$ 14,072,600
12	Automation	11,344,600
13	Case and cash management system	3,326,500
14	County reimbursements	187,900
15	Court appointed special advocate	3,042,900
16	Domestic relations	655,400
17	Foster care review board	3,617,100
18	Commission on judicial conduct	522,300
19	Judicial nominations and	
20	performance review	428,400
21	Model court	447,600
22	State aid	<u>5,949,100</u>
23	Total appropriation - supreme court	\$ 43,594,400
24	Fund sources:	
25	State general fund	\$ 16,020,000
26	Confidential intermediary and	
27	fiduciary fund	488,000
28	Court appointed special advocate	
29	fund	2,940,900
30	Criminal justice enhancement fund	3,004,500
31	Defensive driving school fund	4,194,400
32	Judicial collection enhancement	
33	fund	14,002,000
34	State aid to the courts fund	2,944,600

35 On or before September 1, 2014, the supreme court shall report to the
 36 joint legislative budget committee on current and future automation projects
 37 coordinated by the administrative office of the courts. The report must
 38 include a list of court automation projects receiving or anticipated to
 39 receive state monies in the current or next two fiscal years as well as a
 40 description of each project, the number of FTE positions, the entities
 41 involved and the goals and anticipated results for each automation project.
 42 The report must be submitted in one summary document. The report must
 43 indicate each project's total multiyear cost by fund source and budget line
 44 item, including any prior year, current year and future year expenditures.

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

3 Of the \$187,900 appropriated for county reimbursements, state grand
 4 jury is limited to \$97,900 and capital postconviction relief is limited to
 5 \$90,000.

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

10 Court of appeals

11	FTE positions	136.8
12	Division I	\$ 9,896,900
13	Division II	<u>\$ 4,289,800</u>
14	Total appropriation - court of appeals	\$ 14,186,700

15 Fund sources:

16	State general fund	\$ 14,186,700
----	--------------------	---------------

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

19 Superior court

20	FTE positions	137.5
21	Judges compensation	\$ 7,682,500
22	Adult standard probation	17,658,900
23	Adult intensive probation	12,417,500
24	Community punishment	2,310,100
25	Interstate compact	748,500
26	Drug court	1,013,600
27	Juvenile standard probation	4,756,200
28	Juvenile intensive probation	9,175,600
29	Juvenile treatment services	22,341,400
30	Juvenile family counseling	660,400
31	Juvenile crime reduction	5,192,100
32	Juvenile diversion consequences	9,024,900
33	Special water master	<u>220,000</u>
34	Total appropriation - superior court	\$ 93,201,700

35 Fund sources:

36	State general fund	\$ 79,670,300
37	Criminal justice enhancement fund	7,002,200
38	Drug treatment and education fund	500,000
39	Judicial collection enhancement	
40	fund	6,029,200

41 Of the 137.5 FTE positions, 82 FTE positions represent superior court
 42 judges in counties with a population of less than two million persons.
 43 One-half of their salaries are provided by state general fund appropriations
 44 pursuant to section 12-128, Arizona Revised Statutes. This is not meant to

1 limit the counties' ability to add judges pursuant to section 12-121, Arizona
2 Revised Statutes.

3 Up to 4.6 per cent of the amounts appropriated for juvenile treatment
4 services and juvenile diversion consequences may be retained and expended by
5 the supreme court to administer the programs established pursuant to section
6 8-322, Arizona Revised Statutes, and to conduct evaluations as needed. The
7 remaining portion of the juvenile treatment services and juvenile diversion
8 consequences appropriations must be deposited in the juvenile probation
9 services fund established by section 8-322, Arizona Revised Statutes.

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

14 On or before November 1, 2014, the administrative office of the courts
15 shall report to the joint legislative budget committee the fiscal year
16 2013-2014 actual, fiscal year 2014-2015 estimated and fiscal year 2015-2016
17 requested amounts for the following:

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

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

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

33 Sec. 52. DEPARTMENT OF JUVENILE CORRECTIONS

	<u>2014-15</u>
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

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

6 Sec. 53. STATE LAND DEPARTMENT

	<u>2014-15</u>
7	
8 FTE positions	130.7
9 Operating lump sum appropriation	\$ 15,104,600
10 Natural resource conservation	
11 districts	650,000
12 CAP user fees	673,600
13 Due diligence fund	500,000
14 Scanning and digitizing trust	
15 land records	1,200,000
16 Northern Arizona landing strip	<u>10,000</u>
17 Total appropriation - state land department	\$ 18,138,200
18 Fund sources:	
19 State general fund	\$ 12,515,700
20 Environmental special plate fund	260,000
21 Due diligence fund	500,000
22 Trust land management fund	4,862,500

23 The appropriation includes \$673,600 for central Arizona project user
 24 fees in fiscal year 2014-2015. For fiscal year 2014-2015, from
 25 municipalities that assume their allocation of central Arizona project water
 26 for every dollar received as reimbursement to the state for past central
 27 Arizona water conservation district payments, one dollar reverts to the state
 28 general fund in the year that the reimbursement is collected.

29 Of the amount appropriated for natural resource conservation districts
 30 in fiscal year 2014-2015, \$30,000 must be used to provide grants to natural
 31 resource conservation districts environmental education centers.

32 Sec. 54. LEGISLATURE

	<u>2014-15</u>
33	
34 <u>Senate</u>	
35 Lump sum appropriation	\$ 8,283,800*
36 Fund sources:	
37 State general fund	\$ 8,283,800
38 Included in the lump sum appropriation of \$8,283,800 for fiscal year 39 2014-2015 is \$1,000 for the purchase of mementos and items for visiting 40 officials.	
41 <u>House of representatives</u>	
42 Lump sum appropriation	\$ 13,372,200*
43 Fund sources:	
44 State general fund	\$ 13,372,200

1	Included in the lump sum appropriation of \$13,372,200 for fiscal year	
2	2014-2015 is \$1,000 for the purchase of mementos and items for visiting	
3	officials.	
4	<u>Legislative council</u>	
5	FTE positions	49.0
6	Operating lump sum appropriation	\$ 7,418,000
7	Ombudsman-citizens aide office	<u>828,500</u>
8	Total appropriation - legislative	
9	council	\$ 8,246,500*
10	Fund sources:	
11	State general fund	\$ 8,246,500
12	Dues for the council of state governments may be expended only on an	
13	affirmative vote of the legislative council.	
14	<u>Joint legislative budget committee</u>	
15	FTE positions	29.0
16	Lump sum appropriation	\$ 2,492,000*
17	Fund sources:	
18	State general fund	\$ 2,492,000
19	<u>Auditor general</u>	
20	FTE positions	184.8
21	Lump sum appropriation	\$ 17,989,700*
22	Fund sources:	
23	State general fund	\$ 17,989,700
24	Included in the lump sum appropriation is funding to pay state rent at	
25	the statewide rate.	
26	Sec. 55. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
27		<u>2014-15</u>
28	FTE positions	45.2
29	Operating lump sum appropriation	\$ 2,939,100
30	Licensing replacement system	<u>626,700</u>
31	Total appropriation - department of	
32	liquor licenses and control	\$ 3,565,800
33	Fund sources:	
34	Liquor licenses fund	\$ 3,565,800
35	Sec. 56. ARIZONA STATE LOTTERY COMMISSION	
36		<u>2014-15</u>
37	FTE positions	98.8
38	Operating lump sum appropriation	\$ 8,418,700
39	Advertising	<u>15,500,000</u>
40	Total appropriation - Arizona state	
41	lottery commission	\$ 23,918,700
42	Fund source:	
43	State lottery fund	\$ 23,918,700

1 An amount equal to twenty per cent of tab ticket sales is appropriated
 2 for payment of sales commissions to charitable organizations. This amount is
 3 currently estimated to be \$852,300 in fiscal year 2014-2015.

4 An amount equal to 3.6 per cent of actual instant ticket sales is
 5 appropriated for the printing of instant tickets or for contractual
 6 obligations concerning instant ticket distribution. This amount is currently
 7 estimated to be \$18,571,300 in fiscal year 2014-2015.

8 An amount equal to a percentage of actual online game sales as
 9 determined by contract is appropriated for payment of online vendor fees.
 10 This amount is currently estimated to be \$9,399,400, or 3.7 per cent of
 11 actual online ticket sales in fiscal year 2014-2015.

12 An amount equal to 6.5 per cent of gross lottery game sales, less tab
 13 tickets, is appropriated for payment of sales commissions to ticket
 14 retailers. An additional amount not to exceed 0.5 per cent of gross lottery
 15 game sales is appropriated for payment of sales commissions to ticket
 16 retailers. The combined amount is currently estimated to be 6.7 per cent of
 17 total ticket sales, or \$51,298,200 in fiscal year 2014-2015.

18 Sec. 57. BOARD OF MASSAGE THERAPY

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

24 Sec. 58. ARIZONA MEDICAL BOARD

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

30 The Arizona medical board may use up to seven per cent of the Arizona
 31 medical board fund balance remaining at the end of each fiscal year for a
 32 performance based incentive program the following fiscal year based on the
 33 program established by section 38-618, Arizona Revised Statutes.

34 Sec. 59. STATE MINE INSPECTOR

	<u>2014-15</u>
FTE positions	14.0
Operating lump sum appropriation	\$ 1,028,600
Abandoned mines	194,700
Aggregate mined land reclamation	<u>112,500</u>
Total appropriation - state mine inspector	\$ 1,335,800
Fund sources:	
State general fund	\$ 1,223,300
Aggregate mining reclamation fund	112,500

1 All aggregate mining reclamation fund receipts received by the state
 2 mine inspector in excess of \$112,500 in fiscal year 2014-2015 are
 3 appropriated to the aggregate mined land reclamation line item. Before the
 4 expenditure of any aggregate mining reclamation fund receipts in excess of
 5 \$112,500 in fiscal year 2014-2015, the state mine inspector shall report the
 6 intended use of the monies to the joint legislative budget committee.

7 Sec. 60. NATUROPATHIC PHYSICIANS MEDICAL BOARD
 8 2014-15
 9 FTE positions 2.0
 10 Lump sum appropriation \$ 158,900
 11 Fund sources:
 12 Naturopathic physicians medical
 13 board fund \$ 158,900

14 Sec. 61. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION
 15 2014-15
 16 FTE positions 2.0
 17 Lump sum appropriation \$ 129,200
 18 Fund sources:
 19 State general fund \$ 129,200

20 Sec. 62. ARIZONA STATE BOARD OF NURSING
 21 2014-15
 22 FTE positions 42.2
 23 Lump sum appropriation \$ 4,270,800
 24 Fund sources:
 25 Board of nursing fund \$ 4,270,800

26 Sec. 63. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND
 27 ASSISTED LIVING FACILITY MANAGERS
 28 2014-15
 29 FTE positions 6.0
 30 Lump sum appropriation \$ 420,200
 31 Fund sources:
 32 Nursing care institution
 33 administrators' licensing and
 34 assisted living facility
 35 managers' certification fund \$ 420,200

36 Sec. 64. BOARD OF OCCUPATIONAL THERAPY EXAMINERS
 37 2014-15
 38 FTE positions 1.5
 39 Lump sum appropriation \$ 184,100
 40 Fund sources:
 41 Occupational therapy fund \$ 184,100

1	Sec. 65. STATE BOARD OF DISPENSING OPTICIANS		
2			<u>2014-15</u>
3	FTE positions		1.0
4	Lump sum appropriation	\$	135,800
5	Fund sources:		
6	Board of dispensing opticians fund	\$	135,800
7	Sec. 66. STATE BOARD OF OPTOMETRY		
8			<u>2014-15</u>
9	FTE positions		2.0
10	Lump sum appropriation	\$	206,000
11	Fund sources:		
12	Board of optometry fund	\$	206,000
13	Sec. 67. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		
14			<u>2014-15</u>
15	FTE positions		6.7
16	Lump sum appropriation	\$	801,500
17	Fund sources:		
18	Board of osteopathic examiners fund	\$	801,500
19	Sec. 68. ARIZONA STATE PARKS BOARD		
20			<u>2014-15</u>
21	FTE positions		163.0
22	Operating lump sum appropriation	\$	10,592,400
23	Kartchner caverns state park		<u>2,228,700</u>
24	Total appropriation - Arizona state parks		
25	board	\$	12,821,100
26	Fund sources:		
27	State parks revenue fund	\$	12,821,100
28	All other operating expenditures include \$26,000 from the state parks		
29	revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool		
30	Hollow exceed \$260,000 in fiscal year 2014-2015, an additional ten per cent		
31	of this increase of Fool Hollow receipts is appropriated from the state parks		
32	revenue fund to meet the revenue sharing agreement with the city of Show Low		
33	and the United States forest service.		
34	Sec. 69. STATE PERSONNEL BOARD		
35			<u>2014-15</u>
36	FTE positions		3.0
37	Lump sum appropriation	\$	374,900
38	Fund sources:		
39	Personnel division fund -		
40	personnel board subaccount	\$	374,900

1	Sec. 70. OFFICE OF PEST MANAGEMENT	
2		<u>2014-15</u>
3	FTE positions	30.0
4	Lump sum appropriation	\$ 1,700,000
5	Fund sources:	
6	Pest management fund	\$ 1,700,000
7	Sec. 71. ARIZONA STATE BOARD OF PHARMACY	
8		<u>2014-15</u>
9	FTE positions	18.0
10	Operating lump sum appropriation	\$ 2,017,000
11	One-time funding leave payout	<u>36,300*</u>
12	Total appropriation - Arizona state board	
13	of pharmacy	\$ 2,053,300
14	Fund sources:	
15	Arizona state board of pharmacy	
16	fund	\$ 2,053,300
17	Sec. 72. BOARD OF PHYSICAL THERAPY	
18		<u>2014-15</u>
19	FTE positions	4.0
20	Lump sum appropriation	\$ 407,900
21	Fund sources:	
22	Board of physical therapy fund	\$ 407,900
23	Sec. 73. ARIZONA PIONEERS' HOME	
24		<u>2014-15</u>
25	FTE positions	106.3
26	Operating lump sum appropriation	\$ 6,059,400
27	Prescription drugs	<u>200,000</u>
28	Total appropriation - pioneers' home	\$ 6,259,400
29	Fund sources:	
30	State general fund	\$ 1,602,800
31	Miners' hospital fund	2,079,400
32	State charitable fund	2,577,200
33	Earnings on state lands and interest on the investment of the permanent	
34	land funds are appropriated for the Arizona pioneers' home and the state	
35	hospital for disabled miners in compliance with the enabling act and the	
36	Constitution of Arizona.	
37	Sec. 74. STATE BOARD OF PODIATRY EXAMINERS	
38		<u>2014-15</u>
39	FTE positions	1.0
40	Lump sum appropriation	\$ 147,300
41	Fund sources:	
42	Podiatry fund	\$ 147,300

1	Sec. 75. COMMISSION FOR POSTSECONDARY EDUCATION	
2		<u>2014-15</u>
3	FTE positions	5.0
4	Operating lump sum appropriation	\$ 184,800
5	Leveraging educational assistance	
6	partnership (LEAP)	2,319,500
7	Arizona college and career guide	21,300
8	Math and science teacher	
9	initiative	176,000
10	Arizona minority educational	
11	policy analysis center	100,000
12	Twelve plus partnership	<u>130,500</u>
13	Total appropriation - commission for	
14	postsecondary education	\$ 2,932,100
15	Fund sources:	
16	State general fund	\$ 1,396,800
17	Postsecondary education fund	1,535,300
18	Each participating institution, public or private, in order to be	
19	eligible to receive state matching funds under the leveraging educational	
20	assistance partnership for grants to students, shall provide an amount of	
21	institutional matching funds that equals the amount of funds provided by the	
22	state to the institution for the leveraging educational assistance	
23	partnership. Administrative expenses incurred by the commission for	
24	postsecondary education must be paid from institutional matching funds and	
25	may not exceed twelve per cent of the funds in fiscal year 2014-2015.	
26	Any unencumbered balance remaining in the postsecondary education fund	
27	on June 30, 2014, and all grant monies and other revenues received by the	
28	commission for postsecondary education, when paid into the state treasury,	
29	are appropriated for the explicit purposes designated by line items and for	
30	additional responsibilities prescribed in sections 15-1851 and 15-1852,	
31	Arizona Revised Statutes.	
32	The appropriations for the Arizona college and career guide, Arizona	
33	minority educational policy analysis center and twelve plus partnership are	
34	estimates representing all monies distributed to this fund, including balance	
35	forward, revenue and transfers, during fiscal year 2014-2015. The	
36	appropriations shall be adjusted as necessary to reflect actual final	
37	receipts credited to the postsecondary education fund.	
38	Sec. 76. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
39		<u>2014-15</u>
40	FTE positions	4.0
41	Lump sum appropriation	\$ 395,600
42	Fund sources:	
43	Board for private postsecondary	
44	education fund	\$ 395,600

1	Sec. 77. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
2		<u>2014-15</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 409,800
5	Fund sources:	
6	Board of psychologist examiners	
7	fund	\$ 409,800
8	Sec. 78. DEPARTMENT OF PUBLIC SAFETY	
9		<u>2014-15</u>
10	FTE positions	1,907.7
11	Operating lump sum appropriation	\$210,714,900
12	Two per cent pay adjustment	3,300,000
13	GIITEM	21,304,700
14	GIITEM subaccount	2,390,000
15	Motor vehicle fuel	3,935,500
16	Public safety equipment	<u>2,890,000</u>
17	Total appropriation - department of public	
18	safety	\$244,535,100
19	Fund sources:	
20	State general fund	\$ 89,321,400
21	Arizona highway user revenue fund	89,247,100
22	State highway fund	6,743,800
23	Arizona highway patrol fund	19,020,900
24	Automation operations fund	296,200
25	State aid to indigent defense fund	700,000
26	Criminal justice enhancement fund	2,872,500
27	Safety enforcement and transportation	
28	infrastructure fund	1,566,300
29	Crime laboratory assessment fund	871,100
30	Crime laboratory operations fund	14,719,800
31	Arizona deoxyribonucleic acid	
32	identification system fund	6,321,200
33	Arizona automated fingerprint	
34	identification system fund	2,909,700
35	Gang and immigration intelligence	
36	team enforcement mission border	
37	security and law enforcement	
38	subaccount	2,390,000
39	Motorcycle safety fund	205,000
40	Risk management revolving fund	1,233,700
41	Parity compensation fund	1,950,000
42	Public safety equipment fund	2,890,000
43	Concealed weapons permit fund	1,276,400

1 Of the \$21,304,700 appropriated to GIITEM, \$9,327,600 must be used for
2 one hundred department of public safety GIITEM personnel. The additional
3 staff must include at least fifty sworn department of public safety positions
4 to be used for immigration enforcement and border security and fifty
5 department of public safety positions to assist GIITEM in various efforts,
6 including:

7 1. Strict enforcement of all federal laws relating to illegal aliens
8 and arresting illegal aliens.

9 2. Responding to or assisting any county sheriff or attorney in
10 investigating complaints of employment of illegal aliens.

11 3. Enforcing Arizona's law known as the Legal Arizona Workers Act,
12 strict enforcement of Arizona's SB 1070, Arizona's "Support Our Law
13 Enforcement and Safe Neighborhoods Act", investigating crimes of identity
14 theft in the context of hiring illegal aliens and the unlawful entry into the
15 country.

16 4. Taking strict enforcement action.

17 Any change in the GIITEM mission or allocation of monies must be
18 approved by the joint legislative budget committee. The department shall
19 submit an expenditure plan to the joint legislative budget committee for
20 review before expending any monies not identified in the department's
21 previous expenditure plans.

22 Of the \$21,304,700 appropriated to GIITEM, only \$2,603,400 is deposited
23 in the GIITEM fund established by section 41-1724, Arizona Revised Statutes,
24 and is appropriated for the purposes of that section. The \$2,603,400 is
25 exempt from the provisions of section 35-190, Arizona Revised Statutes,
26 relating to the lapsing of appropriations. This state recognizes that states
27 have inherent authority to arrest a person for any immigration violation.

28 Any monies remaining in the department of public safety joint account
29 on June 30, 2015 revert to the funds from which they were appropriated. The
30 reverted monies must be returned in direct proportion to the amounts
31 appropriated.

32 Sec. 79. ARIZONA DEPARTMENT OF RACING

	<u>2014-15</u>
33 FTE positions	40.5
34 Operating lump sum appropriation	\$ 2,895,900
35 Arizona breeders' award	250,000
36 County fairs livestock and	
37 agricultural promotion	<u>1,779,500</u>
38 Total appropriation - department of	
39 racing	\$ 4,925,400
40 Fund sources:	
41 State general fund	\$ 2,029,500
42 Racing regulation fund	2,895,900
43	

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

4	Sec. 80. RADIATION REGULATORY AGENCY	
5		<u>2014-15</u>
6	FTE positions	29.0
7	Lump sum appropriation	\$ 1,626,200
8	Fund sources:	
9	State general fund	\$ 773,300
10	State radiologic technologist	
11	certification fund	273,300
12	Radiation regulatory fee fund	579,600
13	Sec. 81. STATE REAL ESTATE DEPARTMENT	
14		<u>2014-15</u>
15	FTE positions	37.0
16	Lump sum appropriation	\$ 2,988,700
17	Fund sources:	
18	State general fund	\$ 2,988,700
19	Sec. 82. RESIDENTIAL UTILITY CONSUMER OFFICE	
20		<u>2014-15</u>
21	FTE positions	11.0
22	Operating lump sum appropriation	\$ 1,189,400
23	Professional witnesses	<u>145,000*</u>
24	Total appropriation - residential utility	
25	consumer office	\$ 1,334,400
26	Fund sources:	
27	Residential utility consumer	
28	office revolving fund	\$ 1,334,400
29	Sec. 83. BOARD OF RESPIRATORY CARE EXAMINERS	
30		<u>2014-15</u>
31	FTE positions	4.0
32	Lump sum appropriation	\$ 297,100
33	Fund sources:	
34	Board of respiratory care	
35	examiners fund	\$ 297,100
36	Sec. 84. ARIZONA STATE RETIREMENT SYSTEM	
37		<u>2014-15</u>
38	FTE positions	246.9
39	Operating lump sum appropriation	\$ 24,802,500
40	Automation upgrades	<u>4,484,500*</u>
41	Total appropriation - state	
42	retirement system	\$ 29,287,000

1	Fund sources:	
2	Arizona state retirement system	
3	administration account	\$ 26,487,000
4	Long-term disability trust fund	
5	administration account	2,800,000
6	Sec. 85. DEPARTMENT OF REVENUE	
7		<u>2014-15</u>
8	FTE positions	880.8
9	Operating lump sum appropriation	\$ 64,809,500
10	BRITS operational support	7,602,500
11	Unclaimed property administration	
12	and audit	<u>1,218,500</u>
13	Total appropriation - department of revenue	\$ 73,630,500

14	Fund sources:	
15	State general fund	\$ 48,125,300
16	DOR administrative fund	24,428,700
17	Liability setoff revolving fund	397,200
18	Tobacco tax and health care fund	679,300

19 If the total dollar value of properties retained by unclaimed property
 20 contract auditors exceeds \$1,218,500, the excess amount is transferred from
 21 the state general fund to the DOR administrative fund and appropriated to the
 22 department for contract auditor fees.

23 The department shall report the department's general fund revenue
 24 enforcement goals for fiscal year 2014-2015 to the joint legislative budget
 25 committee on or before September 30, 2014. The department shall provide an
 26 annual progress report to the joint legislative budget committee as to the
 27 effectiveness of the department's overall enforcement and collections program
 28 for fiscal year 2014-2015 on or before September 30, 2015. The reports must
 29 include a comparison of projected and actual general fund revenue enforcement
 30 collections for fiscal year 2014-2015.

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

35	Sec. 86. SCHOOL FACILITIES BOARD	
36		<u>2014-15</u>
37	FTE positions	17.0
38	Operating lump sum appropriation	\$ 1,676,500
39	New school facilities debt service	170,155,200
40	Building renewal grants	16,667,900
41	New school facilities	<u>858,200</u>
42	Total appropriation - school facilities	
43	board	\$189,357,800
44	Fund sources:	
45	State general fund	\$189,357,800

1 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 2 reimbursement received by or allocated to the school facilities board under
 3 the federal qualified school construction bond program in fiscal year
 4 2014-2015 must be deposited in or revert to the state general fund.
 5 Sec. 87. DEPARTMENT OF STATE - SECRETARY OF STATE

	<u>2014-15</u>
6	
7 FTE positions	141.1
8 Operating lump sum appropriation	\$ 10,596,500
9 Election services	4,431,600
10 Help America vote act	2,941,000
11 Library grants-in-aid	651,400*
12 Statewide radio reading service	
13 for the blind	<u>97,000</u>
14 Total appropriation - secretary of state	\$ 18,717,500
15 Fund sources:	
16 State general fund	\$ 15,035,500
17 Election systems improvement fund	2,941,000
18 Records services fund	741,000

19 The secretary of state shall report to the joint legislative budget
 20 committee and the governor's office of strategic planning and budgeting on or
 21 before December 31, 2014 the actual amount and purpose of expenditures from
 22 the election systems improvement fund in fiscal year 2013-2014 and the
 23 expected amount and purpose of expenditures from the fund for fiscal year
 24 2014-2015.

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

27 The fiscal year 2014-2015 appropriation from the election systems
 28 improvement fund for HAVA is available for use pursuant to section 35-143.01,
 29 subsection C, Arizona Revised Statutes, and is exempt from the provisions of
 30 section 35-190, Arizona Revised Statutes, relating to lapsing of
 31 appropriations, until June 30, 2016.

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

35 Sec. 88. STATE BOARDS' OFFICE

	<u>2014-15</u>
36	
37 FTE positions	3.0
38 Lump sum appropriation	\$ 231,000
39 Fund sources:	
40 Special services revolving fund	\$ 231,000

1	Sec. 89. STATE BOARD OF TAX APPEALS	
2		<u>2014-15</u>
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		<u>2014-15</u>
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		<u>2014-15</u>
15	FTE positions	28.0
16	Tourism fund deposit	\$ 7,102,600
17	Arizona promotion	<u>2,000,000</u>
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		<u>2014-15</u>
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	<u>971,100</u>
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

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

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

10 Of the total amount appropriated, \$136,178,400 in fiscal year 2014-2015
 11 for highway maintenance is exempt from the provisions of section 35-190,
 12 Arizona Revised Statutes, relating to lapsing of appropriations, except that
 13 all unexpended and unencumbered monies of the appropriation revert to their
 14 fund of origin, either the state highway fund or the safety enforcement and
 15 transportation infrastructure fund, on August 31, 2015.

16 The department of transportation shall submit an annual report to the
 17 joint legislative budget committee on progress in improving motor vehicle
 18 division wait times and vehicle registration renewal by mail turnaround times
 19 in a format similar to prior years. The report is due on July 31, 2015 for
 20 fiscal year 2014-2015.

21 Of the \$366,272,500 appropriation to the department of transportation,
 22 the department of transportation shall pay \$16,773,800 in fiscal year
 23 2014-2015 from all funds to the department of administration for its risk
 24 management payment.

25 Sec. 93. STATE TREASURER

26		<u>2014-15</u>
27	FTE positions	30.4
28	Operating lump sum appropriation	\$ 2,820,900
29	Justice of the peace salaries	1,205,100
30	Law enforcement/boating safety	
31	fund grants	<u>2,183,800</u>
32	Total appropriation - state treasurer	\$ 6,209,800
33	Fund sources:	
34	State general fund	\$ 1,205,100
35	Law enforcement and boating	
36	safety fund	2,183,800
37	State treasurer empowerment	
38	scholarship account fund	40,000
39	State treasurer's operating fund	2,583,400
40	State treasurer's management fund	197,500

41 Sec. 94. ARIZONA BOARD OF REGENTS

42		<u>2014-15</u>
43	FTE positions	25.9
44	Operating lump sum appropriation	\$ 2,349,600
45	Arizona teachers incentive program	90,000

1	Arizona transfer articulation	
2	support system	213,700
3	Student financial assistance	10,041,200
4	Western interstate commission	
5	office	131,000
6	Performance funding	5,000,000
7	WICHE student subsidies	<u>4,100,000</u>
8	Total appropriation - Arizona board of	
9	regents	\$ 21,925,500
10	Fund sources:	
11	State general fund	\$ 21,925,500

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

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

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

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

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

2 2014-15

3 FTE positions	6,142.9
4 Operating lump sum appropriation	\$503,048,100
5 Biomedical informatics	1,955,200
6 Parity funding	38,843,100
7 Downtown Phoenix campus	<u>110,783,800</u>
8 Total appropriation - Arizona state	
9 university - Tempe and downtown	
10 Phoenix campuses	\$654,630,200
11 Fund sources:	
12 State general fund	\$201,561,500
13 University collections fund	453,068,700

14 It is the intent of the legislature that the general fund base funding
15 for Arizona state university - Tempe and downtown Phoenix campuses is
16 \$276,321,900. This appropriation includes a deferral of \$74,760,400 from
17 fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid
18 as required in this act.

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

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

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

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

28 Any unencumbered balances remaining in the collections account on June
29 30, 2014 and all collections received by the university during the fiscal
30 year, when paid into the state treasury, are appropriated for operating
31 expenditures, capital outlay and fixed charges. Earnings on state lands and
32 interest on the investment of the permanent land funds are appropriated in
33 compliance with the enabling act and the Constitution of Arizona. No part of
34 this appropriation may be expended for supplemental life insurance or
35 supplemental retirement. Receipts from summer session, when deposited in the
36 state treasury, together with any unencumbered balance in the summer session
37 account, are appropriated for the purpose of conducting summer sessions but
38 are excluded from the amounts enumerated above.

39 It is the intent of the legislature to appropriate funding to Arizona
40 state university and northern Arizona university with the goal of achieving
41 per student funding parity between the universities under the jurisdiction of
42 the Arizona board of regents no later than the beginning of fiscal year
43 2016-2017.

1 The sum of \$1,250,000 in fiscal year 2015-2016 and the sum of
2 \$1,250,000 in fiscal year 2016-2017 are appropriated from the state general
3 fund to Arizona state university - Tempe and downtown Phoenix campuses for
4 operating expenditures.

5 Sec. 96. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2014-15</u>
6	
7 FTE positions	425.6
8 Operating lump sum appropriation	\$ 46,230,900
9 Parity funding	6,647,000
10 TRIF lease-purchase payment	<u>2,000,000</u>
11 Total appropriation - Arizona state	
12 university - East campus	\$ 54,877,900
13 Fund sources:	
14 State general fund	\$ 19,186,200
15 University collections fund	33,691,700
16 Technology and research initiative	
17 fund	2,000,000

18 It is the intent of the legislature that the general fund base funding
19 for Arizona state university - East campus is \$24,936,400. This
20 appropriation includes a deferral of \$5,750,200 from fiscal year 2014-2015 to
21 fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

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

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

28 Any unencumbered balances remaining in the collections account on June
29 30, 2014 and all collections received by the university during the fiscal
30 year, when paid into the state treasury, are appropriated for operating
31 expenditures, capital outlay and fixed charges. Earnings on state lands and
32 interest on the investment of the permanent land funds are appropriated in
33 compliance with the enabling act and the Constitution of Arizona. No part of
34 this appropriation may be expended for supplemental life insurance or
35 supplemental retirement. Receipts from summer session, when deposited in the
36 state treasury, together with any unencumbered balance in the summer session
37 account, are appropriated for the purpose of conducting summer sessions but
38 are excluded from the amounts enumerated above.

39 It is the intent of the legislature to appropriate funding to Arizona
40 state university and northern Arizona university with the goal of achieving
41 per student funding parity between the universities under the jurisdiction of
42 the Arizona board of regents no later than the beginning of fiscal year
43 2016-2017.

1	Sec. 97. ARIZONA STATE UNIVERSITY - WEST CAMPUS	
2		<u>2014-15</u>
3	FTE positions	562.9
4	Operating lump sum appropriation	\$ 62,643,600
5	TRIF lease-purchase payment	<u>1,600,000</u>
6	Total appropriation - Arizona state	
7	university - West campus	\$ 64,243,600
8	Fund sources:	
9	State general fund	\$ 23,263,300
10	University collections fund	39,380,300
11	Technology and research initiative	
12	fund	1,600,000

13 It is the intent of the legislature that the general fund base funding
 14 for Arizona state university - West campus is \$33,328,100. This
 15 appropriation includes a deferral of \$10,064,800 from fiscal year 2014-2015
 16 to fiscal year 2015-2016. This deferral shall be paid as required in this
 17 act.

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

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

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

24 Any unencumbered balances remaining in the collections account on June
 25 30, 2014 and all collections received by the university during the fiscal
 26 year, when paid into the state treasury, are appropriated for operating
 27 expenditures, capital outlay and fixed charges. Earnings on state lands and
 28 interest on the investment of the permanent land funds are appropriated in
 29 compliance with the enabling act and the Constitution of Arizona. No part of
 30 this appropriation may be expended for supplemental life insurance or
 31 supplemental retirement. Receipts from summer session, when deposited in the
 32 state treasury, together with any unencumbered balance in the summer session
 33 account, are appropriated for the purpose of conducting summer sessions but
 34 are excluded from the amounts enumerated above.

35	Sec. 98. NORTHERN ARIZONA UNIVERSITY	
36		<u>2014-15</u>
37	FTE positions	2,057.2
38	Operating lump sum appropriation	\$182,039,000
39	Parity funding	12,549,900
40	NAU - Yuma	2,446,500
41	Teacher training	<u>2,290,600</u>
42	Total appropriation - Northern Arizona	
43	university	\$199,326,000

1 Fund sources:

2	State general fund	\$ 79,044,900
3	University collections fund	120,281,100

4 It is the intent of the legislature that the general fund base funding
5 for northern Arizona university is \$109,539,700. This appropriation includes
6 a deferral of \$30,494,800 from fiscal year 2014-2015 to fiscal year
7 2015-2016. This deferral shall be paid as required in this act.

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

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

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

14 The appropriated amount for the teacher training line item must be
15 distributed to the Arizona K-12 center for program implementation and mentor
16 training for the Arizona mentor teacher program prescribed by the state board
17 of education.

18 Any unencumbered balances remaining in the collections account on June
19 30, 2014 and all collections received by the university during the fiscal
20 year, when paid into the state treasury, are appropriated for operating
21 expenditures, capital outlay and fixed charges. Earnings on state lands and
22 interest on the investment of the permanent land funds are appropriated in
23 compliance with the enabling act and the Constitution of Arizona. No part of
24 this appropriation may be expended for supplemental life insurance or
25 supplemental retirement. Receipts from summer session, when deposited in the
26 state treasury, together with any unencumbered balance in the summer session
27 account, are appropriated for the purpose of conducting summer sessions but
28 are excluded from the amounts enumerated above.

29 It is the intent of the legislature to appropriate funding to Arizona
30 state university and northern Arizona university with the goal of achieving
31 per student funding parity between the universities under the jurisdiction of
32 the Arizona board of regents no later than the beginning of fiscal year
33 2016-2017.

34 The sum of \$250,000 in fiscal year 2015-2016 and the sum of \$250,000 in
35 fiscal year 2016-2017 are appropriated from the state general fund to
36 northern Arizona university for operating expenditures.

37 Sec. 99. UNIVERSITY OF ARIZONA

38		<u>2014-15</u>
39	<u>Main campus</u>	
40	FTE positions	5,393.0
41	Operating lump sum appropriation	\$347,693,900
42	Agriculture	37,189,100
43	Arizona cooperative extension	16,025,900

1	Freedom center	500,000
2	Sierra Vista campus	<u>6,943,700</u>
3	Total - Main campus	\$408,352,600
4	Fund sources:	
5	State general fund	\$136,844,900
6	University collections fund	271,507,700
7	<u>Health sciences center</u>	
8	FTE positions	1,054.1
9	Operating lump sum appropriation	\$ 53,376,900
10	Clinical rural rotation	353,400
11	Clinical teaching support	8,587,000
12	Liver research institute	430,100
13	Phoenix medical campus	29,344,300
14	Telemedicine network	<u>1,833,900</u>
15	Total - health sciences center	\$ 93,925,600
16	Fund sources:	
17	State general fund	\$ 52,808,600
18	University collections fund	41,117,000
19	Total appropriation - university of	
20	Arizona	<u>\$502,278,200</u>
21	Fund sources:	
22	State general fund	\$189,653,500
23	University collections fund	312,624,700

24 It is the intent of the legislature that the general fund base funding
 25 for university of Arizona - main campus is \$198,998,000. This appropriation
 26 includes a deferral of \$62,153,100 from fiscal year 2014-2015 to fiscal year
 27 2015-2016. This deferral shall be paid as required in this act.

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

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

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

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

39 Any unencumbered balances remaining in the collections account on June
 40 30, 2014 and all collections received by the university during the fiscal
 41 year, when paid into the state treasury, are appropriated for operating
 42 expenditures, capital outlay and fixed charges. Earnings on state lands and
 43 interest on the investment of the permanent land funds are appropriated in
 44 compliance with the enabling act and the Constitution of Arizona. No part of
 45 this appropriation may be expended for supplemental life insurance or

1 supplemental retirement. Receipts from summer session, when deposited in the
 2 state treasury, together with any unencumbered balance in the summer session
 3 account, are appropriated for the purpose of conducting summer sessions but
 4 are excluded from the amounts enumerated above.

5 The sum of \$1,250,000 in fiscal year 2015-2016 and the sum of
 6 \$1,250,000 in fiscal year 2016-2017 are appropriated from the state general
 7 fund to university of Arizona - main campus for operating expenditures.

8	Sec. 100. DEPARTMENT OF VETERANS' SERVICES	
9		<u>2014-15</u>
10	FTE positions	500.3
11	Operating lump sum appropriation	\$ 3,218,900
12	Arizona state veterans' homes	31,086,600
13	Southern Arizona cemetery	275,600
14	Veterans' benefit counseling	<u>2,848,100</u>
15	Total appropriation - department of	
16	veterans' services	\$ 37,429,200
17	Fund sources:	
18	State general fund	\$ 5,436,300
19	State home for veterans' trust	
20	fund	31,086,600
21	State veterans' conservatorship	
22	fund	906,300
23	Sec. 101. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD	
24		<u>2014-15</u>
25	FTE positions	6.0
26	Lump sum appropriation	\$ 577,100
27	Fund sources:	
28	Veterinary medical examining	
29	board fund	\$ 577,100
30	Sec. 102. DEPARTMENT OF WATER RESOURCES	
31		<u>2014-15</u>
32	FTE positions	96.0
33	Operating lump sum appropriation	\$ 8,499,100
34	Adjudication support	1,256,700
35	Assured and adequate water supply	
36	administration	1,989,500
37	Rural water studies	1,167,700
38	Conservation and drought program	410,000
39	Automated groundwater monitoring	410,200
40	Lower Colorado river	
41	litigation expenses	<u>500,000*</u>
42	Total appropriation - department of water	
43	resources	\$ 14,233,200

1 Fund sources:
2 State general fund \$ 13,326,400
3 Water resources fund 640,400
4 Assured and adequate water
5 supply administration fund 266,400

6 Monies in the assured and adequate water supply administration line
7 item may be used only for the exclusive purposes prescribed in sections
8 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department
9 of water resources may not transfer any monies into or out of the assured and
10 adequate water supply administration line item.

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

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

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

24 Sec. 103. DEPARTMENT OF WEIGHTS AND MEASURES

25 2014-15
26 FTE positions 38.4
27 General services \$ 1,805,300
28 Vapor recovery 653,200
29 Oxygenated fuel 789,700
30 Total appropriation - department
31 of weights and measures \$ 3,248,200

32 Fund sources:
33 State general fund \$ 1,475,300
34 Air quality fund 1,442,900
35 Motor vehicle liability insurance
36 enforcement fund 330,000

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

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

1 Fiscal Year 2013-2014 Appropriation Adjustments

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

5 A. In addition to any other appropriations made in fiscal year
6 2013-2014, the sum of \$10,742,000 from the risk management revolving fund
7 established by section 41-622, Arizona Revised Statutes, is appropriated to
8 the department of administration in fiscal year 2013-2014 for the following
9 purposes:

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

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

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

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

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

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

30 In addition to any other appropriation reductions made in fiscal year
31 2013-2014 and notwithstanding any other law, the appropriation to the Arizona
32 health care cost containment system is reduced by \$73,439,600 from the state
33 general fund in fiscal year 2013-2014.

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

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

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

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

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

9 In addition to any other appropriations made in fiscal year 2013-2014,
10 the sum of \$13,000 is appropriated from the athletic training fund
11 established by section 32-4105, Arizona Revised Statutes, in fiscal year
12 2013-2014 to the board of athletic training for employee-related
13 expenditures.

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

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

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

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

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

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

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

35 In addition to any other appropriations made in fiscal year 2013-2014
36 and notwithstanding any other law, the appropriation to the department of
37 health services is increased by \$17,638,500 from the state general fund and
38 \$149,800,800 from federal title XIX expenditure authority in fiscal year
39 2013-2014.

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

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

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

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

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

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

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

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

21 Sec. 121. Department of administration; counties;
22 appropriations

23 A. The sum of \$7,150,500 is appropriated from the state general fund
24 in fiscal year 2014-2015 to the department of administration for distribution
25 to counties for maintenance of essential county services. The department of
26 administration shall allocate the appropriation equally among all counties
27 with a population of less than nine hundred thousand persons according to the
28 2010 decennial census.

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

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

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

1 Sec. 123. Automation projects fund: fiscal year 2014-2015:
2 appropriations

3 A. The following amounts including 75.0 FTE positions are appropriated
4 to the department of administration from the automation projects fund
5 established by section 41-714, Arizona Revised Statutes, in fiscal year
6 2014-2015 for the following automation and information technology projects:

7 1. \$3,125,000 for enhancing statewide data security.

8 2. \$500,000 for enhancing enterprise architecture.

9 3. \$2,150,000 for project management of statewide automation and
10 information technology projects.

11 4. \$325,000 for projects related to e-government.

12 5. \$2,900,000 for improving and maintaining the department of
13 administration state data center.

14 B. The sum of \$1,700,000 is appropriated to the department of
15 administration from the automation projects fund established by section
16 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 to increase the
17 accuracy and timeliness of reporting income tax credits and to determine the
18 impact of the reduction in long-term capital gains subject to income tax, as
19 required by Laws 2012, chapter 343.

20 C. The sum of \$8,000,000 is appropriated to the department of
21 administration from the automation projects fund established by section
22 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing
23 upgrades to the adult information management system operated by the state
24 department of corrections.

25 D. The sum of \$6,800,000 is appropriated to the department of
26 administration from the automation projects fund established by section
27 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing
28 e-licensing projects by the department of environmental quality.

29 E. The following amounts are appropriated to the department of
30 administration from the automation projects fund established by section
31 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for the following
32 automation and information technology projects:

33 1. \$12,000,000 for implementing, upgrading and maintaining the student
34 longitudinal data system and the education learning and accountability system
35 established pursuant to section 15-249, Arizona Revised Statutes.

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

1 3. It is the intent of the legislature that the appropriations made by
2 this subsection be used to complete a significant portion of the replacement
3 of the student accountability information system established by section
4 15-1041, Arizona Revised Statutes, provide a majority of school districts and
5 charter schools with dashboards and other technology tools to measure student
6 achievement and continue to stabilize and align the department of education's
7 internal technology systems with the education learning and accountability
8 system established pursuant to section 15-249, Arizona Revised Statutes. The
9 department of education shall provide quantifiable deliverables of the
10 legislature's intended progress to the information technology authorization
11 committee established by section 41-3521, Arizona Revised Statutes, and to
12 the joint legislative budget committee before seeking review of the
13 \$12,000,000 fiscal year 2014-2015 expenditure from the automation projects
14 fund, as required by section 41-714, Arizona Revised Statutes.

15 F. The sum of \$1,000,000 is appropriated to the department of
16 administration from the automation projects fund established by section
17 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing a
18 tobacco tax processing and revenue accounting system at the department of
19 revenue.

20 G. The sum of \$5,000,000 is appropriated to the department of
21 administration from the automation projects fund established by section
22 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 for implementing
23 upgrades to the children's information library and data source operated by
24 the department of economic security.

25 H. In addition to the initial review of expenditures from the
26 automation projects fund by the joint legislative budget committee, pursuant
27 to section 41-714, Arizona Revised Statutes, monies appropriated for projects
28 at each state agency from the automation projects fund established by section
29 41-714, Arizona Revised Statutes, may not be used for projects at any other
30 state agency without prior review by the joint legislative budget committee.

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

36 J. Any remaining balances on June 30, 2014 in the automation projects
37 fund established by section 41-714, Arizona Revised Statutes, from monies
38 appropriated in fiscal year 2013-2014 are appropriated to the department of
39 administration in fiscal year 2014-2015 for the same purposes specified in
40 fiscal year 2013-2014. The department of administration shall report any
41 fiscal year 2014-2015 expenditure of remaining balances from fiscal year
42 2013-2014 in the automation projects fund in the department's quarterly
43 report to the joint legislative budget committee.

1 K. The funding for the department of environmental quality automation
2 project is contingent on the use of a contracted third-party consultant
3 to evaluate and assess the project's feasibility, estimated expenditures,
4 technology approach and scope throughout the life of the project. The
5 department of administration and the department of environmental quality
6 shall provide a recent report by the third-party consultant to the
7 information technology authorization committee and the joint legislative
8 budget committee before seeking review of the \$6,800,000 fiscal year
9 2014-2015 expenditure from the automation projects fund, as required by
10 section 41-714, Arizona Revised Statutes. Following the initial review of
11 fiscal year 2014-2015 expenditures, the department of environmental quality
12 shall provide ongoing reports from the third-party consultant to the joint
13 legislative budget committee on the progress of the project, as determined by
14 the joint legislative budget committee.

15 L. The funding for the state department of corrections automation
16 project is contingent on the use of a contracted independent third-party
17 consultant to evaluate and assess the project's feasibility, estimated
18 expenditures, technology approach and scope throughout the life of the
19 project. The department of administration and the state department of
20 corrections shall provide a recent report by the third-party consultant to
21 the information technology authorization committee and the joint legislative
22 budget committee before seeking review of the \$8,000,000 fiscal year
23 2014-2015 expenditure from the automation projects fund, as required by
24 section 41-714, Arizona Revised Statutes. Following the initial review of
25 fiscal year 2014-2015 expenditures, the state department of corrections shall
26 provide ongoing reports from the third-party consultant to the joint
27 legislative budget committee on the progress of the project, as determined by
28 the joint legislative budget committee.

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

1 N. The funding for the department of economic security's automation
2 project is contingent on the use of a contracted independent third-party
3 consultant to evaluate and assess the project's feasibility, estimated
4 expenditures, technology approach and scope throughout the life of the
5 project. The department of administration and the department of economic
6 security shall provide a recent report by the third-party consultant to the
7 information technology authorization committee and the joint legislative
8 budget committee before seeking review of the \$5,000,000 fiscal year
9 2014-2015 expenditure from the automation projects fund, as required by
10 section 41-714, Arizona Revised Statutes. The department of administration
11 and the department of economic security shall provide a list of specific
12 performance measures to be tracked by the new automation system when seeking
13 review of the \$5,000,000 fiscal year 2014-2015 expenditure from the
14 automation projects fund, as required by section 41-714, Arizona Revised
15 Statutes. Following the initial review of fiscal year 2014-2015
16 expenditures, the department of economic security shall provide ongoing
17 reports from the third-party consultant to the joint legislative budget
18 committee on the progress of the project, as determined by the joint
19 legislative budget committee.

20 Sec. 124. Arizona commerce authority; allocation

21 In accordance with section 43-409, Arizona Revised Statutes,
22 \$31,500,000 of state general fund withholding tax revenue is allocated in
23 fiscal year 2014-2015 to the Arizona commerce authority, of which \$10,000,000
24 is credited to the Arizona commerce authority fund established by section
25 41-1506, Arizona Revised Statutes, and \$21,500,000 is credited to the Arizona
26 competes fund established by section 41-1545.01, Arizona Revised Statutes.

27 Sec. 125. Arizona commerce authority; appropriation

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

31 Sec. 126. Department of economic security; long-term care
32 assisted living; appropriation; fiscal year
33 2014-2015

34 The sum of \$300,000 is appropriated from the state general fund in
35 fiscal year 2014-2015 to the department of economic security for long-term
36 care assisted living. The department shall provide the services in a county
37 with a population of less than five hundred thousand persons according to the
38 2010 decennial census.

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

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

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

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

5 A. The sum of \$2,000,000 is appropriated from the health research fund
6 established by section 36-275, Arizona Revised Statutes, in fiscal years
7 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 to the department of
8 health services for allocation to a nonprofit medical research institute
9 headquartered in this state that does all of the following:

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

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

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

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

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

24 Sec. 129. Independent redistricting commission; appropriation;
25 fiscal year 2014-2015

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

29 Sec. 130. Administrative office of the courts; drug treatment;
30 family drug court programming; appropriations;
31 exemption; fiscal year 2014-2015

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

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

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

4 Sec. 131. Northern Arizona university; nonprofit medical
5 research foundation; biotechnology; appropriations;
6 report; fiscal years 2014-2015, 2015-2016,
7 2016-2017, 2017-2018 and 2018-2019

8 A. The sum of \$3,000,000 is appropriated annually from the state
9 general fund in fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and
10 2018-2019 to Northern Arizona university for distribution to a nonprofit
11 medical research foundation in this state that specializes in biotechnology
12 and that collaborates with universities, hospitals, biotechnology and health
13 science research centers.

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

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

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

25 3. Performance measures, including:

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

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

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

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

33 Sec. 132. Universities; appropriations; reduction; fiscal years
34 2014-2015, 2015-2016 and 2016-2017

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

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

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

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

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

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

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

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

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

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

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

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

8 Sec. 133. Appropriation; water supply development revolving
9 fund; exemption

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

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

16 Sec. 134. Appropriation; debt service payments; state buildings

17 A. The sum of \$60,108,600 is appropriated from the state general fund
18 in fiscal year 2014-2015 to the department of administration for the purpose
19 of making a debt service payment on the sale and lease-back of state
20 buildings authorized by Laws 2009, third special session, chapter 6,
21 section 32.

22 B. The sum of \$24,015,100 is appropriated from the state general fund
23 in fiscal year 2014-2015 to the department of administration for the purpose
24 of making a debt service payment on the sale and lease-back of state
25 buildings authorized by Laws 2010, sixth special session, chapter 4,
26 section 2.

27 Sec. 135. Phoenix convention center; debt service payment

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

32 Fund Balance Transfers

33 Sec. 136. Appropriation; fund balance transfers; fiscal year
34 2014-2015; automation projects fund

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

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

42 1. \$1,600,000 from the education learning and accountability fund
43 established by section 15-249.02, Arizona Revised Statutes.

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

6 3. \$9,057,300 from the automation operations fund established by
7 section 41-711, Arizona Revised Statutes. This amount includes \$2,900,000
8 for improving and maintaining the department of administration state data
9 center.

10 4. Notwithstanding section 41-1651, Arizona Revised Statutes,
11 \$5,500,000 from the prison construction and operations fund established by
12 section 41-1651, Arizona Revised Statutes.

13 5. Notwithstanding section 41-1641, Arizona Revised Statutes,
14 \$2,500,000 from the corrections fund established by section 41-1641, Arizona
15 Revised Statutes.

16 6. \$6,800,000 from the emissions inspection fund established by
17 section 49-544, Arizona Revised Statutes.

18 Sec. 137. Fund balance transfer; special employee health
19 insurance trust

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

24 Payment Deferrals

25 Sec. 138. Department of economic security; payment deferral;
26 appropriation; fiscal year 2015-2016

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

31 B. In addition to any other appropriations made in fiscal year
32 2015-2016, the sum of \$35,000,000 is appropriated from the state general fund
33 in fiscal year 2015-2016 to the department of economic security for the
34 purpose of paying bills for services provided in May and June 2015.

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

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

40 Sec. 139. Reduction in school district state aid apportionment
41 in fiscal year 2014-2015; appropriations in fiscal
42 year 2015-2016

43 A. In addition to any other appropriation reductions made in fiscal
44 year 2014-2015, notwithstanding any other law, the state board of education
45 shall defer until after July 1, 2015 but no later than July 12, 2015

1 \$930,727,700 of the basic state aid and additional state aid payment that
2 otherwise would be apportioned to school districts during fiscal year
3 2014-2015 pursuant to section 15-973, Arizona Revised Statutes. The funding
4 deferral required by this subsection does not apply to charter schools or to
5 school districts with a student count of less than six hundred pupils, and
6 the state board of education shall make the deferral by reducing the
7 apportionment of state aid for each month in the fiscal year by the same
8 amount.

9 B. In addition to any other appropriations made in fiscal year
10 2015-2016, the sum of \$930,727,700 is appropriated from the state general
11 fund in fiscal year 2015-2016 to the state board of education and the
12 superintendent of public instruction for basic state aid and additional state
13 aid entitlement for fiscal year 2015-2016. This appropriation shall be
14 disbursed after July 1, 2015 but no later than July 12, 2015 to the several
15 counties for the school districts in each county in amounts equal to the
16 reductions in apportionment of basic state aid and additional state aid that
17 are required pursuant to subsection A of this section for fiscal year
18 2014-2015.

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

22 Sec. 140. Arizona board of regents; deferral; support and
23 maintenance; appropriation in fiscal year 2015-2016

24 A. In addition to any other appropriation reductions made in fiscal
25 year 2014-2015, the Arizona board of regents shall defer until after July 1,
26 2015 the sum of \$200,000,000, which is allocated to the universities in the
27 individual campus appropriations.

28 B. In addition to any other amounts appropriated to the Arizona board
29 of regents for fiscal year 2015-2016, the sum of \$200,000,000 is appropriated
30 from the state general fund to the Arizona board of regents to be distributed
31 for the support and maintenance of institutions under its jurisdiction for
32 payments deferred from fiscal year 2014-2015. The department of
33 administration shall distribute these monies to the board no later than
34 October 1, 2015.

35 Sec. 141. Appropriation; department of health services;
36 exemption

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

1	37. Department of state - secretary of state	\$ 1,800
2	38. State treasurer	\$ 9,200
3	39. Department of veterans' services	\$ 52,700
4	40. Department of weights and measures	\$ 4,200

5 Other Provisions

6 Sec. 144. Legislative intent; expenditure reporting

7 It is the intent of the legislature that all departments, agencies and
8 budget units receiving appropriations under the terms of this act continue to
9 report actual, estimated and requested expenditures by budget programs and
10 budget classes in a format that is similar to the budget programs and budget
11 classes used for budgetary purposes in prior years. A different format may
12 be used if deemed necessary to implement section 35-113, Arizona Revised
13 Statutes, agreed to by the director of the joint legislative budget committee
14 and incorporated into the budget preparation instructions adopted by the
15 governor's office of strategic planning and budgeting pursuant to section
16 35-112, Arizona Revised Statutes.

17 Sec. 145. FTE positions; reporting; definition

18 Full-time equivalent (FTE) positions contained in this act are subject
19 to appropriation. The director of the department of administration shall
20 account for the use of all appropriated and nonappropriated FTE positions,
21 excluding those in the department of economic security, the universities and
22 the department of environmental quality. The director of the department of
23 administration shall submit the fiscal year 2014-2015 report on or before
24 October 1, 2015 to the director of the joint legislative budget committee.
25 The reports must compare the level of appropriated FTE usage in each fiscal
26 year to the appropriated level. For the purposes of this section, "FTE
27 positions" means the total number of hours worked, including both regular and
28 overtime hours as well as hours taken as leave, divided by the number of
29 hours in a work year. The director of the department of administration shall
30 notify the director of each budget unit if the budget unit's appropriated FTE
31 usage has exceeded its number of appropriated FTE positions. The
32 above-excluded agencies shall each report to the director of the joint
33 legislative budget committee in a manner comparable to the department of
34 administration reporting.

35 Sec. 146. Filled FTE positions; reporting

36 On or before October 1, 2014, each agency, including the judiciary and
37 universities, shall submit a report to the director of the joint legislative
38 budget committee on the number of filled appropriated and nonappropriated FTE
39 positions, by fund source, as of September 1, 2014.

40 Sec. 147. Transfer of spending authority

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

1 Sec. 148. Interim reporting requirements

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

5 B. State general fund revenue for fiscal year 2014-2015, including a
6 beginning balance of \$601,000,000 and other one-time revenues, is forecasted
7 to be \$9,314,000,000.

8 C. State general fund revenue for fiscal year 2015-2016, including a
9 beginning balance of \$180,000,000 and other one-time revenues, is forecasted
10 to be \$9,246,000,000. State general fund expenditures for fiscal year
11 2015-2016 are forecasted to be \$9,375,000,000.

12 D. State general fund revenue for fiscal year 2016-2017, including
13 one-time revenues, is forecasted to be \$9,342,000,000. State general fund
14 expenditures for fiscal year 2016-2017 are forecasted to be \$9,679,000,000.

15 E. The executive branch shall provide to the joint legislative budget
16 committee a preliminary estimate of the fiscal year 2013-2014 state general
17 fund ending balance on or before September 15, 2014. The estimate must
18 include projections of total revenues, total expenditures and ending balance.
19 The department of administration shall continue to provide the final report
20 for the fiscal year in its annual financial report pursuant to section
21 35-131, Arizona Revised Statutes.

22 F. Based on the information provided by the executive branch, the
23 staff of the joint legislative budget committee shall report to the joint
24 legislative budget committee on or before October 15, 2014 as to whether the
25 fiscal year 2014-2015 revenues and ending balance are expected to change by
26 more than \$50,000,000 from the budgeted projections. The joint legislative
27 budget committee staff may make technical adjustments to the revenue and
28 expenditure estimates in this section to reflect other bills enacted into
29 law. The executive branch may also provide its own estimates to the joint
30 legislative budget committee on or before October 15, 2014.

31 Sec. 149. Definition

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

35 Sec. 150. Definition

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

39 Sec. 151. Definition

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