REFERENCE TITLE: 2014-2015; general appropriations

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

# SB 1485

Introduced by
Senators Biggs, Driggs, McComish, Shooter: Griffin (with permission of Committee on Rules)

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

Sec. 2. ARIZONA STATE BOARD OF ACCOUNTANCY

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

Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

| | 2014-15 |
|---|---|
| FTE positions | 1.0 |
| Lump sum appropriation | $ 149,600 |
| Fund sources: | |
| Acupuncture board of examiners fund | $ 149,600 |

Sec. 4. DEPARTMENT OF ADMINISTRATION

| | 2014-15 |
|---|---|
| FTE positions | 504.1 |
| Operating lump sum appropriation | $ 86,430,800 |
| Utilities | 8,275,600 |
| County attorney immigration enforcement | 1,213,200 |
| Risk management administrative expenses | 8,746,100 |
| Risk management losses and premiums | 44,566,200 |
| Workers' compensation losses and premiums | 30,955,200 |
| Statewide information security and privacy office | 871,700 |
| State surplus property sales proceeds | 1,260,000 |
| Total appropriation - department of administration | $182,318,800 |
| Fund sources: | |
| State general fund | $ 11,144,600 |
| Air quality fund | 927,100 |

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

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

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

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

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

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

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

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

Sec. 5. OFFICE OF ADMINISTRATIVE HEARINGS

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

Sec. 6. ARIZONA DEPARTMENT OF AGRICULTURE

| | | 2014-15 |
|---|---|---|
| FTE positions | | 161.0 |
| Operating lump sum appropriation | $ | 7,881,800 |
| Agricultural employment relations board | | 23,300 |

| | |
|---|---|
| Animal damage control | 65,000 |
| Red imported fire ant | 23,200 |
| Agricultural consulting and training pari-mutuel | 128,500 |
| Total appropriation - department of agriculture | $ 8,121,800 |
| Fund sources: | |
| State general fund | $ 8,121,800 |

Sec. 7. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

| | 2014-15 |
|---|---|
| FTE positions | 2,208.3 |
| Operating lump sum appropriation | $ 75,699,000 |
| DES eligibility | 54,867,700 |
| Proposition 204 - AHCCCS administration | 6,863,100 |
| Proposition 204 - DES eligibility | 38,354,100 |
| Traditional medicaid services | 3,898,272,700 |
| Proposition 204 services | 1,948,717,900 |
| Adult expansion | 227,369,700 |
| Children's rehabilitative services | 197,070,000 |
| KidsCare services | 6,223,000 |
| ALTCS services | 1,344,569,500 |
| Disproportionate share payments | 13,487,100 |
| Disproportionate share payments - voluntary match | 19,373,400 |
| Rural hospitals | 22,650,000 |
| Graduate medical education | 165,918,500 |
| Safety net care pool | 68,500,000 |
| Total appropriation and expenditure authority - Arizona health care cost containment system | $8,087,935,700 |
| Appropriated fund sources: | |
| State general fund | $1,274,393,500 |
| Budget neutrality compliance fund | 3,384,400 |
| Children's health insurance program fund | 6,649,300 |
| Prescription drug rebate fund - state | 79,035,000 |
| Tobacco products tax fund - emergency health services account | 18,202,400 |
| Tobacco tax and health care fund - medically needy account | 34,178,800 |
| Expenditure authority | 6,672,092,300 |

Operating budget

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

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

Medical services

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

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

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

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

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

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

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

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

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

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

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

Payments to hospitals

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

Any monies received for disproportionate share payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, that are received in fiscal year 2014-2015 by the Arizona health care cost containment system administration in excess of

$19,373,400 are appropriated to the administration in fiscal year 2014-2015. Before the expenditure of these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be expended under this provision.

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

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

Other reports

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

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

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

Sec. 8. STATE BOARD OF APPRAISAL

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

Sec. 9. BOARD OF ATHLETIC TRAINING

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

Sec. 10. ATTORNEY GENERAL - DEPARTMENT OF LAW

| | 2014-15 |
|---|---|
| FTE positions | 558.9 |
| Operating lump sum appropriation | $ 51,544,600 |
| Capital postconviction prosecution | 800,000 |
| State grand jury | 181,100 |
| Victims' rights | 3,758,400 |
| Risk management interagency service agreement | 9,439,500 |
| Military airport planning | 5,000 |
| Total appropriation - attorney general - department of law | $ 65,728,600 |
| Fund sources: | |
| State general fund | $ 22,379,600 |
| Antitrust enforcement revolving fund | 244,200 |
| Attorney general legal services cost allocation fund | 2,087,500 |
| Collection enforcement revolving fund | 6,887,800 |
| Consumer protection - consumer fraud revolving fund | 5,306,200 |
| Interagency service agreements fund | 14,825,400 |
| Risk management revolving fund | 9,439,500 |
| State aid to indigent defense fund | 800,000 |
| Victims' rights fund | 3,758,400 |

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

In addition to the $14,825,400 appropriated from the interagency service agreements fund in fiscal year 2014-2015, an additional $800,000 and 11 FTE positions are appropriated from the interagency service agreements fund in fiscal year 2014-2015 for new or expanded interagency service agreements. The attorney general shall report to the joint legislative budget committee whenever an interagency service agreement is established that will require expenditures from the additional amount. The report must include the name of the agency or entity with which the agreement is made,

the dollar amount of the contract by fiscal year and the number of associated FTE positions.

Sec. 11. AUTOMOBILE THEFT AUTHORITY

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

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

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

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

Sec. 12. BOARD OF BARBERS

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

Sec. 13. BOARD OF BEHAVIORAL HEALTH EXAMINERS

| | 2014-15 |
|---|---|
| FTE positions | 17.0 |
| Lump sum appropriation | $ 1,758,100 |
| Fund sources: | |
| Board of behavioral health examiners fund | $ 1,758,100 |

Sec. 14. STATE BOARD FOR CHARTER SCHOOLS

| | 2014-15 |
|---|---|
| FTE positions | 9.0 |
| Lump sum appropriation | $ 822,400 |
| Fund sources: | |
| State general fund | $ 822,400 |

Sec. 15. STATE BOARD OF CHIROPRACTIC EXAMINERS

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

Sec. 16. ARIZONA COMMUNITY COLLEGES

| | 2014-15 |
|---|---|
| Equalization aid | |
| Cochise | $ 3,870,500 |
| Graham | 15,025,500 |
| Navajo | 5,283,300 |
| Total - equalization aid | $ 24,179,300 |
| Operating state aid | |
| Cochise | $ 5,343,400 |
| Coconino | 1,775,800 |
| Gila | 346,300 |
| Graham | 2,261,300 |
| Maricopa | 7,409,500 |
| Mohave | 1,543,300 |
| Navajo | 1,618,200 |
| Pima | 6,493,500 |
| Pinal | 2,023,900 |
| Santa Cruz | 47,900 |
| Yavapai | 887,000 |
| Yuma/La Paz | 2,726,600 |
| Total - operating state aid | $ 32,476,700 |
| STEM and workforce programs state aid | |
| Cochise | $ 401,800 |
| Coconino | 138,700 |
| Gila | 46,400 |
| Graham | 208,100 |
| Mohave | 192,900 |
| Navajo | 122,000 |
| Pinal | 327,900 |
| Santa Cruz | 14,700 |
| Yavapai | 260,800 |
| Yuma/La Paz | 286,700 |
| Total - STEM and workforce programs state aid | $ 2,000,000 |
| Rural county reimbursement subsidy | $ 848,800 |
| Total appropriation - Arizona community colleges | $ 59,504,800 |

Fund sources:

| | |
|---|---|
| State general fund | $ 59,504,800 |

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

Sec. 17. REGISTRAR OF CONTRACTORS

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

Fund sources:

| | |
|---|---|
| Registrar of contractors fund | $ 12,193,300 |

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

Sec. 18. CORPORATION COMMISSION

| | 2014-15 |
|---|---|
| FTE positions | 300.9 |
| Operating lump sum appropriation | $ 26,266,800 |
| Corporation filings, same day service | 400,400 |
| Securities division database upgrade | 750,000 |
| Utilities audits, studies, investigations and hearings | 380,000* |
| Total appropriation - corporation commission | $ 27,797,200 |

Fund sources:

| | |
|---|---|
| State general fund | $ 609,700 |
| Arizona arts trust fund | 50,100 |
| Investment management regulatory and enforcement fund | 715,400 |
| Public access fund | 6,623,800 |
| Securities regulatory and enforcement fund | 5,570,800 |
| Utility regulation revolving fund | 14,227,400 |

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

Sec. 19. STATE DEPARTMENT OF CORRECTIONS

| | 2014-15 |
|---|---|
| FTE positions | 9,534.0 |
| Operating lump sum appropriation | $ 772,227,800 |
| Private prison per diem | 144,321,300 |
| Inmate health care contracted services | 125,274,900 |
| Total appropriation - state department of corrections | $1,041,824,000 |
| Fund sources: | |
| State general fund | $996,912,200 |
| State education fund for correctional education | 516,200 |
| Alcohol abuse treatment fund | 554,400 |
| Penitentiary land fund | 979,200 |
| State charitable, penal and reformatory institutions land fund | 360,000 |
| Corrections fund | 27,517,600 |
| Transition program fund | 1,300,000 |
| Prison construction and operations fund | 13,684,400 |

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

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

The state department of corrections shall provide a report on bed capacity to the joint legislative budget committee for its review on or before August 1, 2014. The report must reflect the bed capacity for each security classification by gender at each state-run and private institution, divided by rated and total beds. The report must include bed capacity data for June 30 of the previous fiscal year, June 30 of the current fiscal year and June 30 of the subsequent fiscal year, as well as the reasons for any change within that time period. Within the total bed count, the department shall provide the number of temporary and special use beds. If the

department develops a plan subsequent to its August 1 report to close state-operated prison rated beds or cancel or not renew contracts for privately operated prison beds, the state department of corrections shall submit a bed plan detailing the proposed bed closures for review by the joint legislative budget committee before implementing these changes.

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

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

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

Sec. 20. BOARD OF COSMETOLOGY

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

Sec. 21. ARIZONA CRIMINAL JUSTICE COMMISSION

| | 2014-15 |
|---|---|
| FTE positions | 9.0 |
| Operating lump sum appropriation | $ 888,100 |
| State aid to county attorneys | 973,600 |
| Victim compensation and assistance | 4,092,500 |
| Total appropriation - Arizona criminal justice commission | $ 5,954,200 |
| Fund sources: | |
| Criminal justice enhancement fund | $ 649,200 |
| Drug and gang prevention resource center fund | 238,900 |
| State aid to county attorneys fund | 973,600 |
| Victim compensation and assistance fund | 4,092,500 |

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

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

Sec. 22. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

| | 2014-15 |
|---|---|
| FTE positions | 541.2 |
| Administration/statewide | $ 3,040,500 |
| Phoenix day school for the deaf | 9,336,100 |
| Tucson campus | 14,879,500 |
| Regional cooperatives | 832,400 |
| Preschool/outreach programs | 6,554,300 |
| School bus replacement | 738,000 |
| Replace network core infrastructure | 695,800 |
| Voucher fund adjustment | (1,000,000) |
| Total appropriation - Arizona state schools for the deaf and the blind | $ 35,076,600 |
| Fund sources: | |
| State general fund | $ 22,491,100 |
| Schools for the deaf and the blind fund | 12,585,500 |

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

Sec. 23. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

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

Sec. 24. STATE BOARD OF DENTAL EXAMINERS

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

Sec. 25. DEPARTMENT OF ECONOMIC SECURITY

| | 2014-15 |
|---|---|
| FTE positions | 6,648.5 |
| Operating lump sum appropriation | $207,401,600 |

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|---|---|
| Administration | |
| Attorney general legal services | 11,324,500 |
| Aging and adult services | |
| Adult services | 7,924,100 |
| Community and emergency services | 3,724,000 |
| Coordinated homeless | 2,522,600 |
| Domestic violence prevention | 12,123,700 |
| Benefits and medical eligibility | |
| Temporary assistance for needy families cash benefits | 44,999,400 |
| Coordinated hunger | 1,754,600 |
| Tribal pass-through funding | 4,680,300 |
| Child support enforcement | |
| County participation | 6,740,200 |
| Child safety and family services | |
| Division of child safety and family services operating lump sum appropriation | 206,474,300 |
| Division of child safety and family services attorney general legal services | 18,260,500 |
| Adoption services | 184,507,400 |
| In-home preventive support services | 28,432,100 |
| Out-of-home support services | 115,581,000 |
| CPS emergency and residential placement | 76,467,000 |
| Foster care placement | 46,328,400 |
| Independent living maintenance | 3,469,300 |
| Intensive family services | 7,000,000 |
| Permanent guardianship subsidy | 11,215,300 |
| Grandparent stipends | 1,000,000 |
| Developmental disabilities | |
| Case management - medicaid | 47,727,500 |
| Home and community based services - medicaid | 804,205,900 |
| Institutional services - medicaid | 18,964,400 |
| Medical services - medicaid | 138,600,200 |
| Arizona training program at Coolidge - medicaid | 15,903,500 |
| Medicare clawback payments | 2,902,400 |

| | |
|---|---|
| Case management - state-only | 3,926,600 |
| Home and community based services - state-only | 34,096,700 |
| State-funded long-term care services | 26,527,900 |
| Employment and rehabilitation services | |
| JOBS | 11,005,600 |
| Day care subsidy | 130,396,600 |
| Independent living rehabilitation services | 1,289,400 |
| Rehabilitation services | 3,799,100 |
| Workforce investment act services | 53,654,600 |
| Agencywide | |
| Contingency funding | 2,949,300 |
| Total appropriation – department of economic security | $2,297,880,000 |
| Fund sources: | |
| State general fund | 746,125,500 |
| Federal child care and development fund block grant | 130,769,700 |
| Federal temporary assistance for needy families block grant | 218,705,400 |
| Public assistance collections fund | 427,000 |
| Special administration fund | 2,829,900 |
| Spinal and head injuries trust fund | 1,874,700 |
| Statewide cost allocation plan fund | 1,000,000 |
| Child abuse prevention fund | 1,459,100 |
| Children and family services training program fund | 207,700 |
| Child support enforcement administration fund | 16,787,400 |
| Domestic violence shelter fund | 2,220,000 |
| Long-term care system fund | 31,198,500 |
| Workforce investment act grant | 56,060,000 |
| Child support enforcement administration fund expenditure authority | 40,397,800 |
| Developmental disabilities medicaid expenditure authority | 745,999,600 |
| Division of children, youth and families expenditure authority | 301,817,700 |

Administration

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

Aging and adult services

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

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

Benefits and medical eligibility

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

Child support enforcement

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

Child safety and family services

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

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

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

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

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

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

The department of economic security or its successor agency must submit a report to the joint legislative budget committee on its progress in improving child safety hotline wait times and decreasing the abandoned call rate. The report must include the mean abandoned call rate along with the mean and median call wait times. The report must be submitted on or before February 1, 2015 for the prior year.

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

Developmental disabilities

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

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

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

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

It is the intent of the legislature that the department of economic security increase home and community based service provider rates by two per cent above the June 30, 2014 rate beginning on July 1, 2014.

Employment and rehabilitation services

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

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

Departmentwide

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

The department of economic security shall forward a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals must be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the

joint legislative budget committee on or before the thirtieth of the following month. The report must include an estimate of potential shortfalls in entitlement programs and potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

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

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

Sec. 26. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

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

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

Basic state aid $2,415,582,600
Fund sources:
State general fund $2,369,107,100
Permanent state school fund 46,475,500

The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated $46,475,500 in expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2014-2015.

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

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

K-3 reading 40,007,600

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

Student success funding $ 1,500,000
Fund sources:
Student success fund $ 1,500,000
Additional state aid 352,502,000
Special education fund 33,242,100
Other state aid to districts 983,900
Accountability and achievement testing $ 10,223,600
Fund sources:
State general fund $ 3,223,600
Proposition 301 fund 7,000,000

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

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|---|---|
| Adult education | 4,500,000 |
| Arizona structured English immersion fund | 4,960,400 |
| English learner administration | 6,516,200 |

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

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|---|---|
| Student success fund deposit | 2,400,000* |
| School safety program | 3,646,400 |
| State block grant for vocational education | 11,575,400 |
| Teacher certification | $ 1,841,900 |
| Fund sources: | |
| Teacher certification fund | $ 1,841,900 |
| State board of education | $ 1,614,400 |
| Fund sources: | |
| State general fund | $ 1,234,700 |
| Teacher certification fund | 379,700 |

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

| | |
|---|---|
| Total appropriation - state board of education and superintendent of public instruction | $2,899,695,600 |
| Fund sources: | |
| State general fund | $2,842,160,400 |
| Proposition 301 fund | 7,000,000 |
| Permanent state school fund | 46,475,500 |
| Teacher certification fund | 2,359,700 |
| Student success fund | 1,500,000 |
| Department of education empowerment scholarship account fund | 200,000 |

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

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

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

Sec. 27. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

| | 2014-15 |
|---|---|
| FTE positions | 61.1 |
| Administration | $ 1,805,700 |
| Emergency management | 861,900 |
| Military affairs | 2,427,700 |
| Total appropriation - department of emergency and military affairs | $ 5,095,300 |
| Fund sources: | |
| State general fund | $ 4,962,600 |
| Emergency response fund | 132,700 |

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

Sec. 28. DEPARTMENT OF ENVIRONMENTAL QUALITY

| | 2014-15 |
|---|---|
| FTE positions | 322.0 |
| Operating lump sum appropriation | $ 46,214,500 |

| | |
|---|---|
| Emissions control contractor payment | 21,119,500 |
| Total appropriation - department of environmental quality | $ 67,334,000 |
| Fund sources: | |
| Air permits administration fund | $ 7,143,900 |
| Air quality fund | 5,376,400 |
| Emissions inspection fund | 26,592,300 |
| Hazardous waste management fund | 1,742,700 |
| Indirect cost recovery fund | 13,308,500 |
| Recycling fund | 1,359,400 |
| Solid waste fee fund | 1,242,700 |
| Underground storage tank revolving fund | 22,000 |
| Water quality fee fund | 10,546,100 |

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

The department of environmental quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. This report must also include a budget for the WQARF program that is developed in consultation with the WQARF advisory board. The department shall submit the fiscal year 2014-2015 report to the joint legislative budget committee on or before September 1, 2014. This budget must specify the monies budgeted for each listed site during fiscal year 2014-2015. In addition, the department and the advisory board shall prepare and submit to the joint legislative budget committee, on or before October 2, 2014, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table must include the stage of remediation for each site at the end of fiscal year 2013-2014, indicate whether the current stage of remediation is anticipated to be completed in fiscal year 2014-2015 and indicate the anticipated stage of remediation at each listed site at the end of fiscal year 2014-2015, assuming fiscal year 2014-2015 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

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

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

Sec. 29. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

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

Sec. 30. STATE BOARD OF EQUALIZATION

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

Sec. 31. BOARD OF EXECUTIVE CLEMENCY

| | | 2014-15 |
|---|---|---|
| FTE positions | | 14.0 |
| Lump sum appropriation | $ | 838,400 |
| Fund sources: | | |
| State general fund | $ | 838,400 |

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

Sec. 32. ARIZONA EXPOSITION AND STATE FAIR BOARD

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

Sec. 33. DEPARTMENT OF FINANCIAL INSTITUTIONS

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

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

Sec. 34. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

| | 2014-15 |
|---|---|
| FTE positions | 47.0 |
| Lump sum appropriation | $ 2,026,000 |
| Fund sources: | |
| State general fund | $ 2,026,000 |

Sec. 35. STATE FORESTER

| | 2014-15 |
|---|---|
| FTE positions | 55.0 |
| Operating lump sum appropriation | $ 2,779,200 |
| Environmental county grants | 175,000 |
| Inmate fire crews | 695,700 |
| Fire suppression | 1,000,000 |
| Hazardous vegetation removal | 1,350,000 |
| Total appropriation - state forester | $ 5,999,900 |
| Fund sources: | |
| State general fund | $ 5,999,900 |

Sec. 36. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

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

Sec. 37. ARIZONA GAME AND FISH DEPARTMENT

| | 2014-15 |
|---|---|
| FTE positions | 273.5 |
| Operating lump sum appropriation | $ 34,347,800 |
| Pittman - Robertson/Dingell - Johnson act | 3,808,000 |
| Performance incentive pay program | 346,100* |
| Lower Colorado multispecies conservation | 350,000 |
| Watercraft grant program | 1,000,000 |
| Watercraft safety education program | 250,000 |
| Total appropriation - game and fish department | $ 40,101,900 |
| Fund sources: | |
| Capital improvement fund | $ 999,700 |
| Game and fish fund | 34,184,100 |
| Wildlife endowment fund | 16,000 |
| Watercraft licensing fund | 4,555,800 |
| Game, non-game, fish and endangered species fund | 346,300 |

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

The $300,000 from the game and fish fund and $46,100 from the watercraft licensing fund in fiscal year 2014-2015 for the performance incentive pay program line item must be used for personal services and employee-related expenditures associated with the department's performance incentive pay program. This appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 38. DEPARTMENT OF GAMING

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

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

Sec. 39. ARIZONA GEOLOGICAL SURVEY

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

Sec. 40. OFFICE OF THE GOVERNOR

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

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

Sec. 41. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

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

Sec. 42. DEPARTMENT OF HEALTH SERVICES

| | 2014-15 |
|---|---|
| FTE positions | 1,176.7 |
| Operating lump sum appropriation | $ 65,910,000 |
| Public health/family health | |
| Adult cystic fibrosis | 105,200 |
| AIDS reporting and surveillance | 1,000,000 |
| Alzheimer's disease research | 1,125,000 |
| Breast and cervical cancer and bone density screening | 1,369,400 |
| County tuberculosis provider care and control | 590,700 |
| Folic acid | 400,000 |
| High risk perinatal services | 2,543,400 |
| Newborn screening program | 6,307,000 |
| Nonrenal disease management | 198,000 |
| Nursing facility study | 50,000 |
| Poison control centers funding | 990,000 |
| Renal dental care and nutrition supplements | 300,000 |
| Behavioral health | |
| Arizona state hospital - operating | 58,349,500 |
| Arizona state hospital - restoration to competency | 900,000 |
| Arizona state hospital - sexually violent persons | 9,728,700 |
| Crisis services | 16,391,100 |
| Medicaid behavioral health - adult expansion | 73,805,900 |
| Medicaid behavioral health - comprehensive medical and dental program | 182,521,300 |
| Medicaid behavioral health - proposition 204 | 533,313,600 |
| Medicaid behavioral health - traditional | 819,169,600 |

| | |
|---|---|
| Medicaid insurance premium payments | 23,795,400 |
| Medicare clawback payments | 14,100,700 |
| Mental health first aid | 250,000 |
| Non-medicaid seriously mentally ill services | 78,846,900 |
| Proposition 204 administration | 6,446,700 |
| Supported housing | 5,324,800 |
| Total appropriation and expenditure authority - department of health services | $1,903,832,900 |
| Fund sources: | |
| State general fund | $ 611,913,100 |
| Arizona state hospital fund | 9,587,800 |
| Arizona state hospital land earnings fund | 650,000 |
| Capital outlay stabilization fund | 1,559,800 |
| Child fatality review fund | 94,800 |
| Emergency medical services operating fund | 5,121,400 |
| Environmental laboratory licensure revolving fund | 926,900 |
| Federal child care and development fund block grant | 830,400 |
| Health services licensing fund | 8,842,400 |
| Indirect cost fund | 8,940,400 |
| Newborn screening program fund | 6,738,900 |
| Nursing care institution resident protection revolving fund | 88,200 |
| Substance abuse services fund | 2,250,000 |
| Tobacco tax and health care fund - health research account | 1,000,000 |
| Tobacco tax and health care fund - medically needy account | 35,467,000 |
| Vital records electronic systems fund | 3,634,700 |
| Federal medicaid authority | 1,206,187,100 |

Public health/family health

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

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

Behavioral health

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

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

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

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

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

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

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

Departmentwide

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

Sec. 43. ARIZONA HISTORICAL SOCIETY

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

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

Sec. 44. PRESCOTT HISTORICAL SOCIETY

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

Sec. 45. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

| | | 2014-15 |
|---|---|---|
| FTE positions | | 1.0 |
| Lump sum appropriation | $ | 102,100 |

| | |
|---|---|
| Fund sources: | |
| Board of homeopathic and integrated medicine examiners' fund | $ 102,100 |

Sec. 46. ARIZONA DEPARTMENT OF HOUSING

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

Sec. 47. ARIZONA COMMISSION OF INDIAN AFFAIRS

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

Sec. 48. INDUSTRIAL COMMISSION OF ARIZONA

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

Sec. 49. DEPARTMENT OF INSURANCE

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

Sec. 50. ARIZONA JUDICIARY

| | 2014-15 |
|---|---|
| Supreme court | |
| FTE positions | 175.0 |
| Operating lump sum appropriation | $ 14,072,600 |
| Automation | 11,344,600 |
| Case and cash management system | 3,326,500 |
| County reimbursements | 187,900 |
| Court appointed special advocate | 3,042,900 |
| Domestic relations | 655,400 |
| Foster care review board | 3,617,100 |
| Commission on judicial conduct | 522,300 |
| Judicial nominations and performance review | 428,400 |
| Model court | 447,600 |
| State aid | 5,949,100 |
| Total appropriation - supreme court | $ 43,594,400 |

Fund sources:

| | |
|---|---|
| State general fund | $ 16,020,000 |
| Confidential intermediary and fiduciary fund | 488,000 |
| Court appointed special advocate fund | 2,940,900 |
| Criminal justice enhancement fund | 3,004,500 |
| Defensive driving school fund | 4,194,400 |
| Judicial collection enhancement fund | 14,002,000 |
| State aid to the courts fund | 2,944,600 |

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

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

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

Court of appeals

| | |
|---|---|
| FTE positions | 136.8 |
| Division I | $ 9,896,900 |
| Division II | $ 4,289,800 |
| Total appropriation - court of appeals | $ 14,186,700 |

Fund sources:

| | |
|---|---|
| State general fund | $ 14,186,700 |

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

Superior court

| | |
|---|---|
| FTE positions | 137.5 |
| Judges compensation | $ 7,682,500 |
| Adult standard probation | 17,658,900 |
| Adult intensive probation | 12,417,500 |
| Community punishment | 2,310,100 |
| Interstate compact | 748,500 |
| Drug court | 1,013,600 |

| | |
|---|---|
| Juvenile standard probation | 4,756,200 |
| Juvenile intensive probation | 9,175,600 |
| Juvenile treatment services | 22,341,400 |
| Juvenile family counseling | 660,400 |
| Juvenile crime reduction | 5,192,100 |
| Juvenile diversion consequences | 9,024,900 |
| Special water master | 220,000 |
| Total appropriation - superior court | $ 93,201,700 |
| Fund sources: | |
| State general fund | $ 79,670,300 |
| Criminal justice enhancement fund | 7,002,200 |
| Drug treatment and education fund | 500,000 |
| Judicial collection enhancement fund | 6,029,200 |

Of the 137.5 FTE positions, 82 FTE positions represent superior court judges in counties with a population of less than two million persons. One-half of their salaries are provided by state general fund appropriations pursuant to section 12-128, Arizona Revised Statutes. This is not meant to limit the counties' ability to add judges pursuant to section 12-121, Arizona Revised Statutes.

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

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

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

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

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

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

Sec. 51. DEPARTMENT OF JUVENILE CORRECTIONS

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

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

Sec. 52. STATE LAND DEPARTMENT

| | 2014-15 |
|---|---|
| FTE positions | 130.7 |
| Operating lump sum appropriation | $ 15,104,600 |
| Natural resource conservation districts | 650,000 |
| CAP user fees | 673,600 |
| Due diligence fund | 500,000 |
| Scanning and digitizing trust land records | 1,200,000 |
| Total appropriation - state land department | $ 18,128,200 |
| Fund sources: | |
| State general fund | $ 12,505,700 |
| Environmental special plate fund | 260,000 |
| Due diligence fund | 500,000 |
| Trust land management fund | 4,862,500 |

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

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

Sec. 53. LEGISLATURE

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

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

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

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

| | |
|---|---|
| Legislative council | |
| FTE positions | 47.0 |
| Operating lump sum appropriation | $ 7,418,000 |
| Ombudsman-citizens aide office | 628,500 |
| Total appropriation - legislative council | $ 8,046,500* |
| Fund sources: | |
| State general fund | $ 8,046,500 |

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

| | |
|---|---|
| Joint legislative budget committee | |
| FTE positions | 29.0 |
| Lump sum appropriation | $ 2,492,000* |
| Fund sources: | |
| State general fund | $ 2,492,000 |
| Auditor general | |
| FTE positions | 184.8 |
| Lump sum appropriation | $ 17,989,700* |
| Fund sources: | |
| State general fund | $ 17,989,700 |

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

Sec. 54. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

| | 2014-15 |
|---|---|
| FTE positions | 45.2 |
| Lump sum appropriation | $ 2,932,300 |
| Fund sources: | |
| Liquor licenses fund | $ 2,932,300 |

Sec. 55. ARIZONA STATE LOTTERY COMMISSION

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

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

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

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

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

Sec. 56. BOARD OF MASSAGE THERAPY

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

Sec. 57. ARIZONA MEDICAL BOARD

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

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

Sec. 58. STATE MINE INSPECTOR

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

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

Sec. 59. NATUROPATHIC PHYSICIANS MEDICAL BOARD

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

Sec. 60. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

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

Sec. 61. ARIZONA STATE BOARD OF NURSING

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

Sec. 62. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

| | 2014-15 |
|---|---|
| FTE positions | 6.0 |
| Lump sum appropriation | $ 420,200 |

Fund sources:
Nursing care institution administrators' licensing and assisted living facility managers' certification fund $ 420,200

Sec. 63. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

| | 2014-15 |
|---|---|
| FTE positions | 1.5 |
| Lump sum appropriation $ | 184,100 |

Fund sources:
Occupational therapy fund $ 184,100

Sec. 64. STATE BOARD OF DISPENSING OPTICIANS

| | 2014-15 |
|---|---|
| FTE positions | 1.0 |
| Lump sum appropriation $ | 135,800 |

Fund sources:
Board of dispensing opticians fund $ 135,800

Sec. 65. STATE BOARD OF OPTOMETRY

| | 2014-15 |
|---|---|
| FTE positions | 2.0 |
| Lump sum appropriation $ | 206,000 |

Fund sources:
Board of optometry fund $ 206,000

Sec. 66. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

| | 2014-15 |
|---|---|
| FTE positions | 6.7 |
| Lump sum appropriation $ | 801,500 |

Fund sources:
Board of osteopathic examiners fund $ 801,500

Sec. 67. ARIZONA STATE PARKS BOARD

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

Fund sources:
State parks revenue fund $ 12,821,100

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

Sec. 68. STATE PERSONNEL BOARD

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

Sec. 69. OFFICE OF PEST MANAGEMENT

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

Sec. 70. ARIZONA STATE BOARD OF PHARMACY

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

Sec. 71. BOARD OF PHYSICAL THERAPY

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

Sec. 72. ARIZONA PIONEERS' HOME

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

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

Sec. 73. STATE BOARD OF PODIATRY EXAMINERS

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

Sec. 74. COMMISSION FOR POSTSECONDARY EDUCATION

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

Each participating institution, public or private, in order to be eligible to receive state matching funds under the leveraging educational assistance partnership for grants to students, shall provide an amount of institutional matching funds that equals the amount of funds provided by the state to the institution for the leveraging educational assistance partnership. Administrative expenses incurred by the commission for postsecondary education must be paid from institutional matching funds and may not exceed twelve per cent of the funds in fiscal year 2014-2015.

Any unencumbered balance remaining in the postsecondary education fund on June 30, 2014, and all grant monies and other revenues received by the commission for postsecondary education, when paid into the state treasury, are appropriated for the explicit purposes designated by line items and for additional responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised Statutes.

The appropriations for the Arizona college and career guide, Arizona minority educational policy analysis center and twelve plus partnership are estimates representing all monies distributed to this fund, including balance forward, revenue and transfers, during fiscal year 2014-2015. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the postsecondary education fund.

Sec. 75. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

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

Sec. 76. STATE BOARD OF PSYCHOLOGIST EXAMINERS

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

Sec. 77. DEPARTMENT OF PUBLIC SAFETY

| | 2014-15 |
|---|---|
| FTE positions | 1,907.7 |
| Operating lump sum appropriation | $209,264,900 |
| GIITEM | 21,304,700 |
| GIITEM subaccount | 2,390,000 |
| Motor vehicle fuel | 3,935,500 |
| Public safety equipment | 2,890,000 |
| Total appropriation - department of public safety | $239,785,100 |
| Fund sources: | |
| State general fund | $ 85,271,400 |
| Arizona highway user revenue fund | 89,247,100 |
| State highway fund | 6,743,800 |
| Arizona highway patrol fund | 19,020,900 |
| Automation operations fund | 296,200 |
| Criminal justice enhancement fund | 2,872,500 |
| Safety enforcement and transportation infrastructure fund | 1,566,300 |
| Crime laboratory assessment fund | 871,100 |
| Crime laboratory operations fund | 14,719,800 |
| Arizona deoxyribonucleic acid identification system fund | 6,321,200 |
| Arizona automated fingerprint identification system fund | 2,909,700 |
| Gang and immigration intelligence team enforcement mission border security and law enforcement subaccount | 2,390,000 |

| | |
|---|---|
| Motorcycle safety fund | 205,000 |
| Risk management revolving fund | 1,233,700 |
| Parity compensation fund | 1,950,000 |
| Public safety equipment fund | 2,890,000 |
| Concealed weapons permit fund | 1,276,400 |

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

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

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

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

4. Taking strict enforcement action.

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

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

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

Sec. 78. ARIZONA DEPARTMENT OF RACING

| | 2014-15 |
|---|---|
| FTE positions | 40.5 |
| Operating lump sum appropriation | $ 2,895,900 |
| Arizona breeders' award | 250,000 |
| County fairs livestock and agricultural promotion | 1,779,500 |
| Total appropriation - department of racing | $ 4,925,400 |

Fund sources:

| | |
|---|---|
| State general fund | $ 2,029,500 |
| Racing regulation fund | 2,895,900 |

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

Sec. 79. RADIATION REGULATORY AGENCY

| | 2014-15 |
|---|---|
| FTE positions | 29.0 |
| Lump sum appropriation | $ 1,626,200 |

Fund sources:

| | |
|---|---|
| State general fund | $ 773,300 |
| State radiologic technologist certification fund | 273,300 |
| Radiation regulatory fee fund | 579,600 |

Sec. 80. STATE REAL ESTATE DEPARTMENT

| | 2014-15 |
|---|---|
| FTE positions | 37.0 |
| Lump sum appropriation | $ 2,988,700 |

Fund sources:

| | |
|---|---|
| State general fund | $ 2,988,700 |

Sec. 81. RESIDENTIAL UTILITY CONSUMER OFFICE

| | 2014-15 |
|---|---|
| FTE positions | 11.0 |
| Operating lump sum appropriation | $ 1,189,400 |
| Professional witnesses | 145,000* |
| Total appropriation - residential utility consumer office | $ 1,334,400 |

Fund sources:

| | |
|---|---|
| Residential utility consumer office revolving fund | $ 1,334,400 |

Sec. 82. BOARD OF RESPIRATORY CARE EXAMINERS

| | 2014-15 |
|---|---|
| FTE positions | 4.0 |
| Lump sum appropriation | $ 297,100 |

Fund sources:

| | |
|---|---|
| Board of respiratory care examiners fund | $ 297,100 |

Sec. 83. ARIZONA STATE RETIREMENT SYSTEM

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

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

Sec. 84. DEPARTMENT OF REVENUE

| | 2014-15 |
|---|---|
| FTE positions | 861.8 |
| Operating lump sum appropriation | $ 63,809,500 |
| BRITS operational support | 7,602,500 |
| Unclaimed property administration and audit | 1,218,500 |
| Total appropriation - department of revenue | $ 72,630,500 |
| Fund sources: | |
| State general fund | $ 47,125,300 |
| DOR administrative fund | 24,428,700 |
| Liability setoff revolving fund | 397,200 |
| Tobacco tax and health care fund | 679,300 |

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

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

Sec. 85. SCHOOL FACILITIES BOARD

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

Pursuant to section 35-142.01, Arizona Revised Statutes, any reimbursement received by or allocated to the school facilities board under the federal qualified school construction bond program in fiscal year 2014-2015 must be deposited in or revert to the state general fund.

Sec. 86. DEPARTMENT OF STATE - SECRETARY OF STATE

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

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

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

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

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

Sec. 87. STATE BOARDS' OFFICE

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

Sec. 88. STATE BOARD OF TAX APPEALS

| | 2014-15 |
|---|---|
| FTE positions | 4.0 |
| Lump sum appropriation | $ 264,700 |
| Fund sources: | |
| State general fund | $ 264,700 |

Sec. 89. STATE BOARD OF TECHNICAL REGISTRATION

| | 2014-15 |
|---|---|
| FTE positions | 25.0 |
| Lump sum appropriation | $ 2,119,500 |
| Fund sources: | |
| Technical registration fund | $ 2,119,500 |

Sec. 90. OFFICE OF TOURISM

| | 2014-15 |
|---|---|
| FTE positions | 28.0 |
| Tourism fund deposit | $ 7,102,600 |
| Fund sources: | |
| State general fund | $ 7,102,600 |

Sec. 91. DEPARTMENT OF TRANSPORTATION

| | 2014-15 |
|---|---|
| FTE positions | 4,548.0 |
| Operating lump sum appropriation | $206,952,600 |
| Attorney general legal services | 2,895,600 |
| Highway maintenance | 136,178,400 |
| Vehicles and heavy equipment | 18,501,500 |
| Fraud investigation | 773,300 |
| New third party funding | 971,100 |
| Total appropriation - department of transportation | $366,272,500 |
| Fund sources: | |
| State general fund | $ 50,400 |
| Air quality fund | 74,500 |
| Driving under the influence abatement fund | 153,800 |
| Arizona highway user revenue fund | 651,500 |
| Motor vehicle liability insurance enforcement fund | 1,086,700 |
| Safety enforcement and transportation infrastructure fund | 1,880,500 |
| State aviation fund | 1,624,400 |
| State highway fund | 340,785,100 |
| Transportation department equipment fund | 18,501,500 |
| Vehicle inspection and title enforcement fund | 1,464,100 |

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

Of the total amount appropriated, $136,178,400 in fiscal year 2014-2015 for highway maintenance is exempt from the provisions of section 35-190,

Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to their fund of origin, either the state highway fund or the safety enforcement and transportation infrastructure fund, on August 31, 2015.

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

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

Sec. 92. STATE TREASURER

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

Sec. 93. ARIZONA BOARD OF REGENTS

| | 2014-15 |
|---|---|
| FTE positions | 25.9 |
| Operating lump sum appropriation | $ 2,349,600 |
| Arizona teachers incentive program | 90,000 |
| Arizona transfer articulation support system | 213,700 |
| Student financial assistance | 10,041,200 |
| Western interstate commission office | 131,000 |
| Performance funding | 5,000,000 |
| WICHE student subsidies | 4,100,000 |
| Total appropriation - Arizona board of regents | $ 21,925,500 |
| Fund sources: | |
| State general fund | $ 21,925,500 |

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

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

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

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

Sec. 94. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

| | 2014-15 |
|---|---|
| FTE positions | 6,142.9 |
| Operating lump sum appropriation | $501,798,100 |
| Biomedical informatics | 1,955,200 |
| Parity funding | 38,843,100 |
| Downtown Phoenix campus | 110,783,800 |
| Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses | $653,380,200 |
| Fund sources: | |
| State general fund | $200,311,500 |
| University collections fund | 453,068,700 |

It is the intent of the legislature that the general fund base funding for Arizona state university - Tempe and downtown Phoenix campuses is $275,071,900. This appropriation includes a deferral of $74,760,400 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

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

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

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

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

Sec. 95. ARIZONA STATE UNIVERSITY - EAST CAMPUS

| | 2014-15 |
|---|---|
| FTE positions | 425.6 |
| Operating lump sum appropriation | $ 46,230,900 |
| Parity funding | 6,647,000 |
| TRIF lease-purchase payment | 2,000,000 |
| Total appropriation - Arizona state university - East campus | $ 54,877,900 |
| Fund sources: | |
| State general fund | $ 19,186,200 |
| University collections fund | 33,691,700 |
| Technology and research initiative fund | 2,000,000 |

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

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

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

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

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

Sec. 96. ARIZONA STATE UNIVERSITY - WEST CAMPUS

| | 2014-15 |
|---|---|
| FTE positions | 562.9 |
| Operating lump sum appropriation | $ 62,643,600 |
| TRIF lease-purchase payment | 1,600,000 |
| Total appropriation - Arizona state university - West campus | $ 64,243,600 |
| Fund sources: | |
| State general fund | $ 23,263,300 |
| University collections fund | 39,380,300 |
| Technology and research initiative fund | 1,600,000 |

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

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

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

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

Sec. 97. NORTHERN ARIZONA UNIVERSITY

| | 2014-15 |
|---|---|
| FTE positions | 2,057.2 |
| Operating lump sum appropriation | $181,789,000 |
| Parity funding | 12,549,900 |
| NAU - Yuma | 2,446,500 |
| Teacher training | 2,290,600 |
| Total appropriation – Northern Arizona university | $199,076,000 |
| Fund sources: | |
| State general fund | $ 78,794,900 |
| University collections fund | 120,281,100 |

It is the intent of the legislature that the general fund base funding for northern Arizona university is $109,289,700. This appropriation includes a deferral of $30,494,800 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

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

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

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

state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

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

Sec. 98. UNIVERSITY OF ARIZONA

| | 2014-15 |
|---|---|
| Main campus | |
| FTE positions | 5,384.0 |
| Operating lump sum appropriation | $346,443,900 |
| Agriculture | 37,189,100 |
| Arizona cooperative extension | 15,025,900 |
| Freedom center | 500,000 |
| Sierra Vista campus | 6,943,700 |
| Total - Main campus | $406,102,600 |
| Fund sources: | |
| State general fund | $134,594,900 |
| University collections fund | 271,507,700 |
| Health sciences center | |
| FTE positions | 1,054.1 |
| Operating lump sum appropriation | $ 53,376,900 |
| Clinical rural rotation | 353,400 |
| Clinical teaching support | 8,587,000 |
| Liver research institute | 430,100 |
| Phoenix medical campus | 29,344,300 |
| Telemedicine network | 1,833,900 |
| Total - health sciences center | $ 93,925,600 |
| Fund sources: | |
| State general fund | $ 52,808,600 |
| University collections fund | 41,117,000 |
| Total appropriation - university of Arizona | $500,028,200 |
| Fund sources: | |
| State general fund | $187,403,500 |
| University collections fund | 312,624,700 |

It is the intent of the legislature that the general fund base funding for university of Arizona - main campus is $196,748,000. This appropriation includes a deferral of $62,153,100 from fiscal year 2014-2015 to fiscal year 2015-2016. This deferral shall be paid as required in this act.

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

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

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

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

Sec. 99. DEPARTMENT OF VETERANS' SERVICES

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

Sec. 100. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

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

Sec. 101. DEPARTMENT OF WATER RESOURCES

| | 2014-15 |
|---|---|
| FTE positions | 90.0 |
| Operating lump sum appropriation | $ 7,499,100 |
| Adjudication support | 1,256,700 |
| Assured and adequate water supply administration | 1,989,500 |
| Rural water studies | 1,167,700 |
| Conservation and drought program | 410,000 |
| Automated groundwater monitoring | 410,200 |
| Lower Colorado river litigation expenses | 500,000* |
| Total appropriation - department of water resources | $ 13,233,200 |
| Fund sources: | |
| State general fund | $ 12,326,400 |
| Water resources fund | 640,400 |
| Assured and adequate water supply administration fund | 266,400 |

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

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

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

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

Sec. 102. DEPARTMENT OF WEIGHTS AND MEASURES

| | 2014-15 |
|---|---|
| FTE positions | 36.4 |
| General services | $ 1,569,300 |
| Vapor recovery | 653,200 |
| Oxygenated fuel | 789,700 |
| Total appropriation - department of weights and measures | $ 3,012,200 |

Fund sources:

| | |
|---|---|
| State general fund | $ 1,239,300 |
| Air quality fund | 1,442,900 |
| Motor vehicle liability insurance enforcement fund | 330,000 |

Sec. 103. Fiscal year 1998-1999 appropriations; revertments

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

Fiscal Year 2013-2014 Appropriation Adjustments

Sec. 104. Arizona health care cost containment system; appropriation reduction; fiscal year 2013-2014

In addition to any other appropriation reductions made in fiscal year 2013-2014 and notwithstanding any other law, the appropriation to the Arizona health care cost containment system is reduced by $73,439,600 from the state general fund and $115,372,800 from federal title XIX expenditure authority in fiscal year 2013-2014.

Sec. 105. Board of athletic training; supplemental appropriation; fiscal year 2013-2014

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

Sec. 106. Attorney general-department of law; supplemental appropriation; fiscal year 2013-2014

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

Sec. 107. Department of education; supplemental appropriation; fiscal year 2013-2014

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

Sec. 108. Arizona exposition and state fair board; supplemental appropriation; fiscal year 2013-2014

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

Sec. 109. Department of health services; supplemental appropriation; fiscal year 2013-2014

In addition to any other appropriations made in fiscal year 2013-2014 and notwithstanding any other law, the appropriation to the department of health services is increased by $17,638,500 from the state general fund and $39,321,200 from federal title XIX expenditure authority in fiscal year 2013-2014.

Sec. 110. State land department; supplemental appropriation; fiscal year 2013-2014

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

Sec. 111. Naturopathic physicians medical board; supplemental appropriation; fiscal year 2013-2014

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

Sec. 112. School facilities board; supplemental appropriation; reduction; fiscal year 2013-2014

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

Sec. 113. Department of veterans' services; supplemental appropriation; fiscal year 2013-2014

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

Fiscal Year 2014-2015 Appropriations

Sec. 114. Department of administration; division of child safety and family services; appropriation; fiscal year 2014-2015

The sum of $5,000,000 is appropriated in fiscal year 2014-2015 from the state general fund to the department of administration for costs associated with the establishment of the division of child safety and family services pursuant to executive order 2014-01. Before any expenditure of this amount, the department of economic security shall submit an expenditure plan to the joint legislative budget committee for approval.

Sec. 115. Department of administration; southwest defense contracts; appropriation; fiscal year 2014-2015

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

Sec. 116. Department of administration; counties; appropriations

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

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

Sec. 117. Automation projects fund; fiscal year 2014-2015; appropriations

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

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

2. $500,000 for enhancing enterprise architecture.

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

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

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

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

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

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

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

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

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

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

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

H. The sum of $4,000,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2014-2015 to relocate the data center operated by the department of economic security.

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

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

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

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

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

legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

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

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

Sec. 118. Arizona commerce authority; allocation

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

Sec. 119. Department of economic security; homeless capital grant; appropriation; fiscal year 2014-2015

The sum of $500,000 is appropriated from the state general fund in fiscal year 2014-2015 to the department of economic security for distribution as a homeless capital grant to a faith-based facility that provides services, including substance abuse treatment, behavioral medicine treatment and job training, to those facing hunger and homelessness in a city with a population of more than one million persons according to the 2010 United States decennial census.

Sec. 120. Department of health services; nonprofit medical research foundation; biotechnology; appropriations; report; fiscal year 2014-2015; fiscal year 2015-2016; fiscal year 2016-2017; fiscal year 2017-2018; fiscal year 2018-2019

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

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

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

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

3. Performance measures, including:

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

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

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

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

Sec. 121. Independent redistricting commission; appropriation; fiscal year 2014-2015

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

Sec. 122. Administrative office of the courts; drug treatment; family drug court programming; appropriations; exemption; fiscal year 2014-2015

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

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

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

Sec. 123. Universities; appropriations; reduction; fiscal years 2014-2015, 2015-2016 and 2016-2017

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

1. In fiscal year 2014-2015, $522,600.
2. In fiscal year 2015-2016, $3,045,900.
3. In fiscal year 2016-2017, $2,329,800.

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

1. In fiscal year 2014-2015, $4,659,800.
2. In fiscal year 2015-2016, $4,659,400.
3. In fiscal year 2016-2017, $274,600.

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

1. In fiscal year 2014-2015, $657,000.
2. In fiscal year 2015-2016, $651,200.
3. In fiscal year 2016-2017, $1,903,100.

Sec. 124. Appropriation; debt service payments; state buildings

A. The sum of $60,108,600 is appropriated from the state general fund in fiscal year 2014-2015 to the department of administration for the purpose of making a debt service payment on the sale and lease-back of state

buildings authorized by Laws 2009, third special session, chapter 6, section 32.

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

Sec. 125. Phoenix convention center; debt service payment

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

Fund Balance Transfers

Sec. 126. Appropriation; fund balance transfers; fiscal year 2014-2015; automation projects fund

A. The amount of $21,100,000 is appropriated from the state general fund in fiscal year 2014-2015 for deposit in the automation projects fund established by section 41-714, Arizona Revised Statutes.

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

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

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

3. $6,157,300 from the automation operations fund established by section 41-711, Arizona Revised Statutes.

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

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

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

Payment Deferrals

Sec. 127. Department of economic security; payment deferral; appropriation; fiscal year 2015-2016

A. In addition to any other appropriation reductions made in fiscal year 2014-2015, notwithstanding any other law, the department of economic

security shall defer $35,000,000 in payments for services provided in May and June 2015 until after July 1, 2015.

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

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

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

Sec. 128. Reduction in school district state aid apportionment in fiscal year 2014-2015; appropriations in fiscal year 2015-2016

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

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

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

Sec. 129. Arizona board of regents; deferral; support and maintenance; appropriation in fiscal year 2015-2016

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

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

Statewide Adjustments

Sec. 130. Appropriation: operating adjustments

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

The other appropriated funds may be allocated from any funds listed in this act.

State lease-purchase and rental rate adjustments

The amount appropriated for state lease-purchase adjustments is for fiscal year 2014-2015 adjustments in agency or department lease-purchase and rental rate charges in agencies. These adjustments reflect the rentable square foot rental rate for state-owned space as prescribed in the fiscal year 2014-2015 budget procedures budget reconciliation bill. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution adjustment. These adjustments may include reallocation of state general fund appropriations between state agency units. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state lease-purchase and rental rate charge adjustments.

Annual retirement contribution rate adjustments

The amount appropriated for annual contribution rate adjustments is for fiscal year 2014-2015 adjustments in agency or department contributions rates due to the annual contribution rate change process. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the annual contribution rate adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow the

implementation of retirement rate adjustments. The amount does not include funding for adjustments in the state department of corrections and the department of public safety as additional funding for the adjustments in those agencies are incorporated in the individual appropriations for those agencies in this act.

Sec. 131. Department of law; general agency counsel charges; fiscal year 2014-2015

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

| | | |
|---|---|---|
| 1. | Department of administration | $127,700 |
| 2. | Office of administrative hearings | $ 3,000 |
| 3. | Arizona arts commission | $ 3,100 |
| 4. | Automobile theft authority | $ 1,400 |
| 5. | Citizens clean elections commission | $ 2,700 |
| 6. | State department of corrections | $ 2,000 |
| 7. | Arizona criminal justice commission | $ 8,700 |
| 8. | Arizona state schools for the deaf and the blind | $100,200 |
| 9. | Commission for the deaf and hard of hearing | $ 4,100 |
| 10. | Arizona early childhood development and health board | $ 47,100 |
| 11. | Department of education | $132,000 |
| 12. | Department of emergency and military affairs | $ 30,000 |
| 13. | Department of environmental quality | $135,600 |
| 14. | Arizona exposition and state fair board | $ 20,900 |
| 15. | Department of financial institutions | $ 1,900 |
| 16. | Department of fire, building and life safety | $ 2,500 |
| 17. | State forester | $ 12,100 |
| 18. | Department of gaming | $ 35,000 |
| 19. | Arizona geological survey | $ 6,800 |
| 20. | Department of health services | $170,000 |
| 21. | Arizona historical society | $ 700 |
| 22. | Arizona department of housing | $ 18,100 |
| 23. | Department of insurance | $ 10,500 |
| 24. | Department of juvenile corrections | $ 9,400 |
| 25. | State land department | $ 2,100 |
| 26. | Department of liquor licenses and control | $ 11,400 |
| 27. | Arizona state lottery commission | $ 24,800 |
| 28. | Arizona state parks board | $ 45,800 |
| 29. | State personnel board | $ 600 |
| 30. | Arizona pioneers' home | $ 12,100 |
| 31. | Commission for postsecondary education | $ 1,800 |
| 32. | Department of public safety | $677,400 |
| 33. | Arizona department of racing | $ 2,300 |

| | | |
|---|---|---|
| 34. | Radiation regulatory agency | $ 3,800 |
| 35. | Arizona state retirement system | $ 69,100 |
| 36. | Department of revenue | $ 4,900 |
| 37. | Department of state - secretary of state | $ 1,800 |
| 38. | State treasurer | $ 9,200 |
| 39. | Department of veterans' services | $ 52,700 |
| 40. | Department of weights and measures | $ 4,200 |

Other Provisions

Sec. 132. Legislative intent; expenditure reporting

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

Sec. 133. FTE positions; reporting; definition

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

Sec. 134. Filled FTE positions; reporting

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

Sec. 135. Transfer of spending authority

The department of administration shall report monthly to the director of the joint legislative budget committee on any transfers of spending

authority made pursuant to section 35-173, subsection C, Arizona Revised Statutes, during the prior month.

Sec. 136. Interim reporting requirements

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

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

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

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

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

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

Sec. 137. Definition

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

Sec. 138. Definition

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

Sec. 139. Definition

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