ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON APPROPRIATIONS

Report of Regular Meeting
Wednesday, February 11, 2015
House Hearing Room 1 -- 2:00 p.m.

Convened 2:54 p.m.
Recessed
Reconvened
Adjourned 4:52 p.m.

Members Present
Mr. Bowers
Mr. Cardenas
Mr. Clark
Mr. Gray
Ms. Mach
Mr. Meyer
Mr. Petersen
Mr. Sherwood
Mr. Stevens
Mrs. Ugenti
Mr. Leach, Vice-Chairman
Mr. Olson, Chairman

Members Absent
Mr. Allen J
Mr. Rivero

Request to Speak
Report – Attachment 1

Presentations

Name	Organization	Attachments (Handouts)
Arizona Health Care Cost Containment System (AHCCCS)	Joint Legislative Budget Committee	2
Department of Health Services	Joint Legislative Budget Committee	3

Committee Action

Bill	Action	Vote	Attachments (Summaries, Amendments, Roll Call)
HB2060	DP	6-5-0-3	4, 5
HB2380	DPA S/E	6-5-0-3	6, 7, 8
HB2517	DPA	12-0-0-2	9, 10, 11
HCR2022	DP	11-0-0-3	12, 13

Riley Weber, Chairman Assistant
February 11, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

Information Registered on the Request to Speak System

House Appropriations (2/11/2015)

HB2380, state budget; estimates; public notice

Support:

Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Scot Mussi, Arizona Free Enterprise Club; Scot Mussi, Arizona Free Enterprise Club; Kevin McCarthy, Arizona Tax Research Association; Krystal Slivinski, AMERICANS FOR PROSPERITY AZ; Tom Jenney, AMERICANS FOR PROSPERITY AZ; Karen Mackean, representing self; Joyce Hill, representing self; Terry Hill, representing self; Jered Skousen, representing self; Tyler DiGrazia, representing self; Leslie White, representing self

All Comments:

Krystal Slivinski, AMERICANS FOR PROSPERITY AZ: Americans for Prosperity supports this bill. It is common sense transparency and accountability.; Tom Jenney, AMERICANS FOR PROSPERITY AZ: HB 2380 is one of AFP-AZ's key bills for the 2015 legislative session. And we support the amendment from Olson.; Jered Skousen, Self: This is a common-sense approach to keeping spending from getting out of control

HB2517, internet crimes against children; fund

Testified in support:

Paul Jagosh, representing self; Bill Montgomery, representing self

Support:

Thomas Parker, FRATERNAL ORDER OF POLICE (AZ STATE LODGE); Don Isaacson, FRATERNAL ORDER OF POLICE (AZ STATE LODGE); Courtney McKinstry, AZ ATTORNEY GENERAL'S OFFICE; Traci Sawyer-Sinkbeil, representing self; James Mann, Arizona Fraternal Order Of Police; Josh Kredit, CENTER FOR ARIZONA POLICY; kathleen mayer, Pima County Attorney's Office; Shaun Rieve, Arizona Attorney General's Office; Attorney General Mark Brnovich, representing self; Ron Johnson, Arizona Catholic Conference; Trey Williams, AZ ASSOCIATION OF COUNTIES

All Comments:

Traci Sawyer-Sinkbeil, Self: As a parent, community and board member, I urge you to support this bill. Any protection for our children is critical. With Internet crimes increasing each day, your efforts are also needed in this area. Please vote YES!

HCR2022, auditor general; reappointment.

Support:

Debbie Davenport, representing self

HB2060, state budget; consensus forecast

Support:

Scot Mussi, Arizona Free Enterprise Club

AHCCCS and DHS Medicaid Estimates

February 10-11, 2015

Appropriations Committee Hearings

JLBC

Attachment 2

Medicaid: Managed Care Program

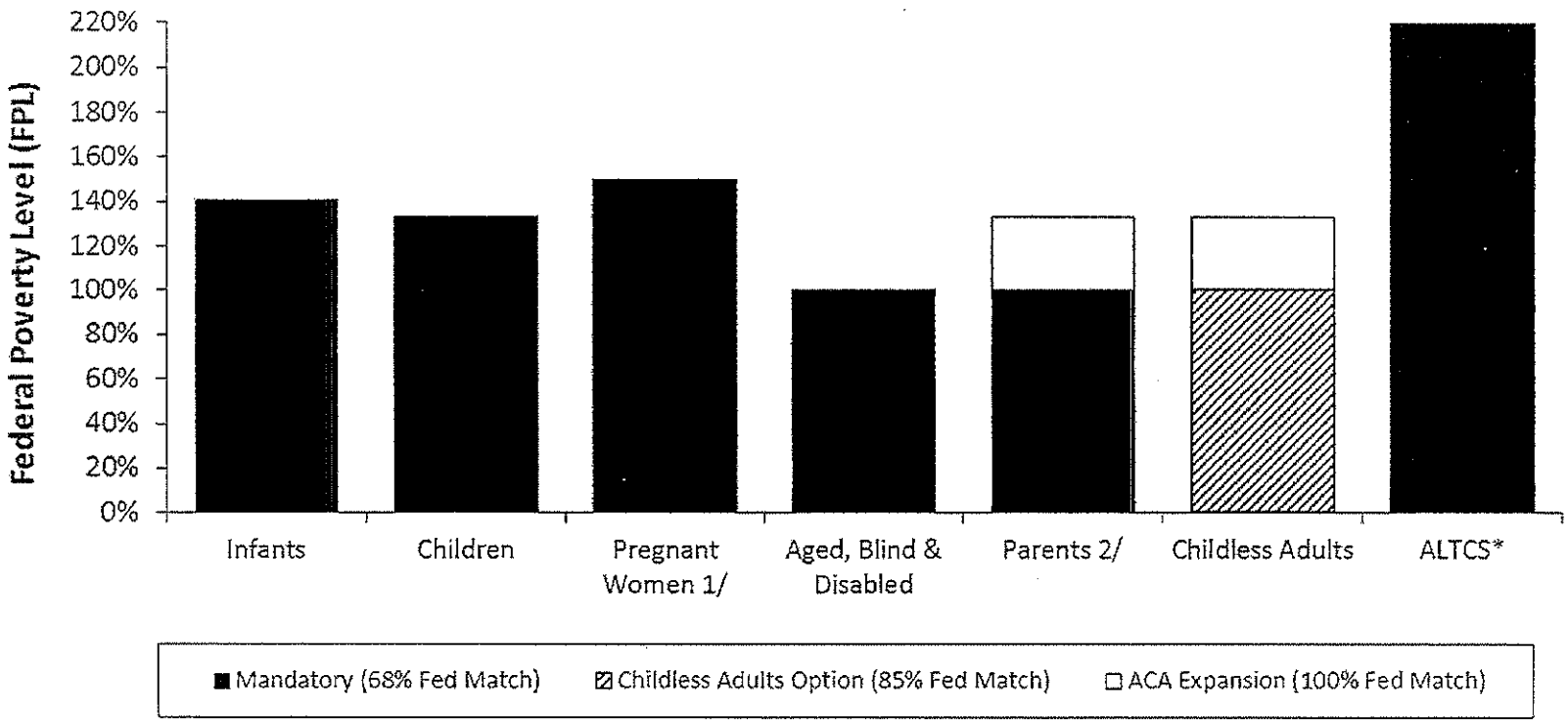
- AHCCCS Administers Most Acute Care Program

- DHS Administers Most Behavioral Health Services

- Traditional Medicaid population
  - Children up to 133%-140% FPL
  - Parents up to 22% FPL
  - Pregnant Women up to 150% FPL
  - Aged, blind & disabled up to 75% FPL
- Proposition 204 population (coverage to 100% FPL)
- Adult Expansion population (coverage to 133% FPL)
- KidsCare (coverage to 200% FPL for kids up to age 18)
- Elderly/Physically Disabled Long Term Care (coverage to 222% FPL)
- Payments to Hospitals

JLBC

Medicaid Eligibility



1/ Women diagnosed with breast or cervical cancer by a provider recognized by the Well Women Healthcheck program and those in the "Ticket to Work" program receive coverage to 250% FPL.

2/ As required by Proposition 204. Other states have lower eligibility thresholds.

* Federal minimum is 75% FPL

JLBC

AHCCCS/DHS Medicaid

- Total FY '16 Baseline Funding

	$ in millions		
	AHCCCS	DHS	Total
General Fund	$1,272	$434	$1,706
Other State Match	927	35	962
Federal Medicaid Authority	6,489	1,286	7,775
Other Funds	232	0	232
Total Resources	**$8,920**	**$1,755**	**$10,675**

JLBC

AHCCCS/DHS Medicaid

- General Fund Formula Costs in Baseline

	GF $ in M Above Prior Year		
	'16	'17	'18
AHCCCS	(2)	67	75
DHS	9	26	31
Total	**7**	**93**	**106**

- Savings from increasing the federal match rate from 68.2% to 68.8%
- Base enrollment growth of 2%
- 3% capitation rate increase
- Hospital Assessment funds $245 M of state cost in AHCCCS in '16

JLBC

AHCCCS/DHS Medicaid

- Enrollment Increasing to 1.67 M in FY '16

- Enrollment up 322,000 since January '14 Expansion
- Expansion phase-in completed by June '15
- June '16 enrollment projection is 439,000 above pre-Expansion level:
  - Childless Adults – up 232,000
  - Adult Expansion – up 41,000
  - Other Enrollees – up 166,000
- Proposition 204 Childless Adults above projections by 36,000
  - Other populations below projections

Increase Since Jan. '14
Feb. '15
322,000
June '15
405,000
June '16
439,000

JLBC

AHCCCS/DHS Medicaid

- GF Comparison to Executive Budget

	GF $ in M Above Enacted '15 Budget		
	'16	'17	'18
Baseline	7	100	206
Executive Caseloads	(39)	33	107
Baseline Above Exec.	**46**	**67**	**99**

- Baseline assumes higher Traditional enrollment growth
  - Baseline - 7.9% in FY'15; 2% in FY'16 – '18
  - Executive - 5.1% in FY'15; 1.2%-1.6% in FY'16 – '18
- Executive assumes federal match rate will grow in '17 and '18
  - Accounts for $20 million of difference in '17 and $34 million in '18

JLBC

AHCCCS/DHS Medicaid

- Executive Budget '16 GF Policy Issues

- $(33) M for (3)% provider rate reduction
  - Would begin 4/15 for $(8) M in '15 savings
  - Not applied to all providers; AHCCCS would determine
- $(6) M to reduce ambulance reimbursement from 74% to 68.6% of DHS rates
  - Scheduled to increase from 74% to 80% in FY '16
  - Reimbursement had been 68.6% prior to FY '15
- Fraud Prevention Investigators
  - Recovery savings of $(1.5) M partially offset by $0.2 M staffing

JLBC

AHCCCS/DHS Medicaid
- Other Executive Budget Policy Issues

- Retain more federal Disproportionate Share Payments at State Level
  - Private hospitals expected to receive $42 M in '15 and $44 M in '16
  - Executive proposes to reduce payments to private hospitals by $(16) M in '15 and $(24) M in '16
  - Details not available
- Behavioral Health Consolidation in '17
  - Shift budget and management of behavioral health from DHS to AHCCCS
  - No consolidation savings estimate provided

JLBC

AHCCCS/DHS Medicaid

- Executive Proposal: FY '15 Supplementals

- Baseline
  - Ex-appropriate $33 M of GF from AHCCCS and provide $9 M GF supplemental to DHS

- Executive
  - Permit AHCCCS to transfer up to $15 M of FY '15 GF balance to fund projected DHS shortfall

JLBC

AHCCCS/DHS Medicaid

- Website links

- JLBC Baseline

  Arizona Health Care Cost Containment System

  Department of Health Services

- Executive Budget

  Arizona Health Care Cost Containment System

  Department of Health Services

JLBC

Department of Health Services

February 10-11, 2015

Appropriations Committee Hearings

JLBC

Attachment 3

Department of Health Services

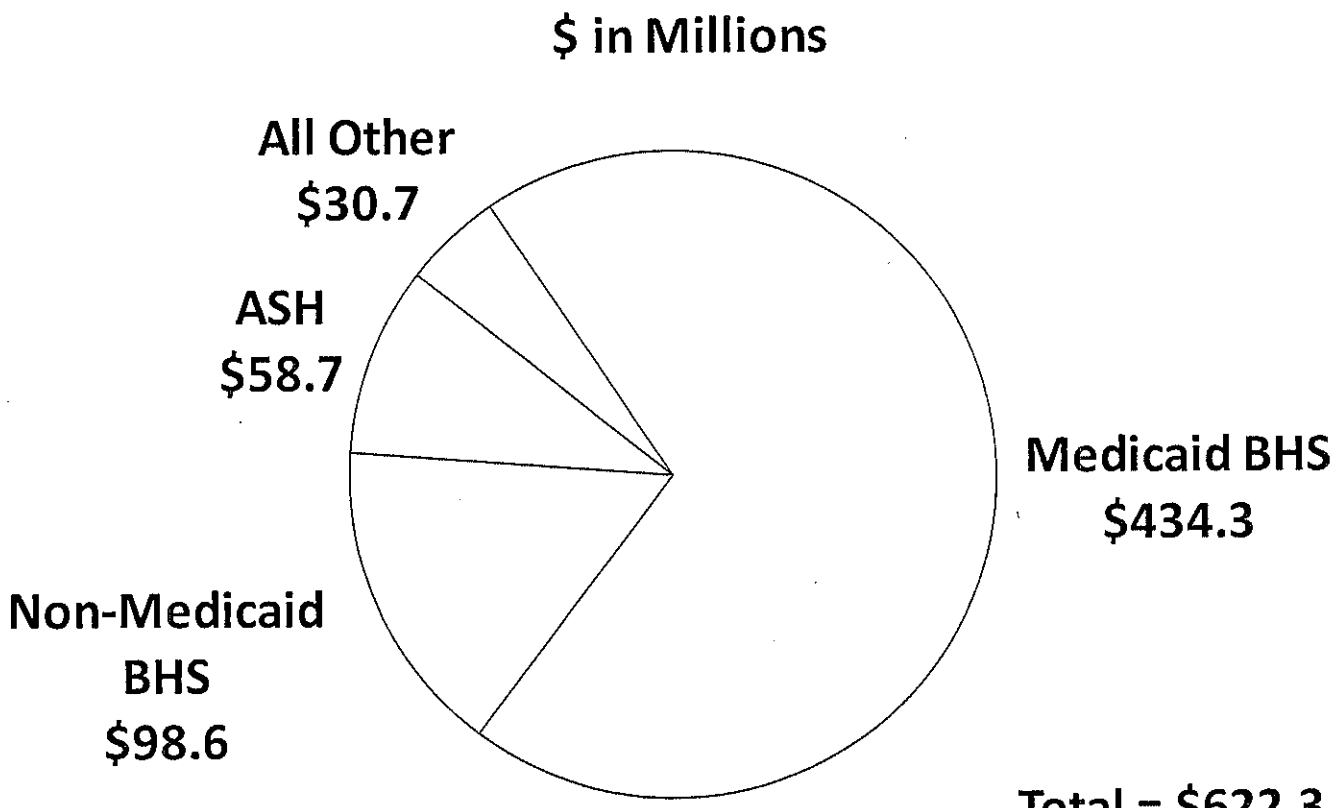
- 5 Principal Functions

- Oversees contracted behavioral health programs
  - Seriously Mentally Ill (SMI), General Mental Health and Substance Abuse, Children's Behavioral Health, and Comprehensive Medical and Dental Program
  - Integrated physical and behavioral health SMI contract for Maricopa County
- Operates the Arizona State Hospital
- Operates the State Health Laboratory
- Administers public and family health programs
- Licenses health care and child care facilities

JLBC

Department of Health Services

- General Fund by Agency Function



Total = $622.3 Million

JLBC

Department of Health Services

- Total FY 2016 Baseline Funding

	$ in M
General Fund	$ 622.3
Federal Medicaid Funds	1,285.9
Tobacco Tax and Health Care Fund Medically Needy Account	35.5
Arizona State Hospital Fund	9.6
Health Services Licensing Fund	9.3
Other Appropriated Funds	33.5
Other Federal Funds	301.8
Non-Appropriated Funds	128.9
Total Resources	$2,426.8

JLBC

Department of Health Services

- Executive Budget Non-Medicaid Changes

	$ in K above Baseline	
	GF	**OF**
• ASH Operating Backfill	$1,200	$0
– Replace one-time Non-Medicaid BHS monies		
• Continue One-Time Alzheimer's Funding	1,250	0
– In addition to $1.1M in Baseline		
• Emergency Medical Services Local Allocation	0	250
– Increase total funding to $442K		
Total	**$2,450**	**$250**

JLBC

Department of Health Services

- Total Behavioral Health Funding

	($ in Millions)	
	FY 2008	FY 2016
Service Population	Actual	JLBC Baseline
Medicaid	$918.9	$1,755.0
Non-Medicaid	231.1	191.8
Total	**$1,150.0**	**$1,946.8**

- Medicaid population grew by an annual average of 5.4% since FY 2008, which does not represent the number who utilized services
- Medical inflation rate grew by an annual average of 3.0% per year

JLBC

Department of Health Services

- Total Seriously Mentally Ill (SMI) Funding

($ in Millions)

Service Population	FY 2008 Actual	FY 2016 JLBC Baseline
Medicaid	$358.2	$769.0
Non-Medicaid	95.9	100.5
Total	**$454.1**	**$869.5**

JLBC

Department of Health Services

- Arnold v. Sarn Update

- Lawsuit settlement approved in February 2014 requires DHS:
  - To develop additional service capacity by FY 2017;
    - Family and peer support services for an additional 1,500 clients
    - Supported housing services for an additional 1,200 clients
    - Supported employment services for an additional 750 clients
    - An additional 8 Assertive Community Treatment teams
  - Establish a process for determining adequacy of SMI programs;
  - Assess whether service capacity beyond the initial targets is needed; and
  - Evaluate whether community service providers are complying with national standards
- Additional monies from Medicaid Expansion permit funding for these services
  - DHS estimates these services to cost $31.5 million in Total Funds

JLBC

Department of Health Services

- Website links

- JLBC Baseline –
  Department of Health Services

- Executive Budget –
  Department of Health Services

JLBC

HOUSE OF REPRESENTATIVES

HB 2060

state budget; consensus forecast
Sponsor: Representative Mesnard

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2060 mandates the directors of the Joint Legislative Budget Committee (JLBC) and the Governor's Office of Strategic Planning and Budgeting (OSPB) jointly compile a consensus revenue forecast (CRF) for the current and upcoming three Fiscal Years (FYs).

HISTORY

State agencies prepare budget requests within the guidelines set by the Governor and submit their requests to OSPB by September 1 for the following FY. OSPB provides copies of those budget requests to JLBC, which are reviewed in the fall of each year. (A.R.S. § 35-122) Along with reviewing budget requests, JLBC and OSPB staff also independently produce revenue estimates. (A.R.S. § 41-1273, A.R.S. § 35-114)

The JLBC staff consults with the Finance Advisory Committee (FAC), a 15-member committee of public and private sector economists that meet publicly three times yearly. Revenue estimates from the FAC, JLBC staff, and two University of Arizona (UA) econometric models are equally weighted to produce a four-sector consensus revenue estimate for the current and upcoming FY.

PROVISIONS

1. Requires the JLBC director and the OSPB director jointly compile a CRF for the current and next three FYs on March 1, September 1, and December 1 of each year.

2. Details the CRF as follows:
   a. The average of transaction privilege tax, individual income tax and corporate income tax forecasts as determined by:
      i. The JLBC director;
      ii. The OSPB director;
      iii. The FAC;
      iv. An UA econometric model that assumes the most probable economic conditions; and
      v. An UA econometric model that assumes less favorable economic conditions.
   b. The estimate of all other state revenue compiled by:
      i. The JLBC director;
      ii. The OSPB director; and
      iii. The FAC.

3. Directs the JLBC director and the OSPB director jointly transmit the CRF to the Governor, the Speaker of the House of Representatives and the President of the Senate.

Attachment 4

4. Requires the executive budget determine estimated revenues using the December 1 CRF, as adjusted for any proposed revenue changes contained in the budget.
5. Mandates the General Appropriation Act to base its revenue estimates on the most recent CRF, as adjusted for subsequent enacted revenue changes.
6. Makes technical changes.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HB 2060

DATE February 11, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J					✓
Mr. Bowers		✓			
Mr. Cardenas			✓		
Mr. Clark			✓		
Mr. Gray		✓			
Ms. Mach			✓		
Mr. Meyer			✓		
Mr. Petersen		✓			
Mr. Rivero					✓
Mr. Sherwood			✓		
Mr. Stevens		✓			
Mrs. Ugenti					✓
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		6	5	0	3

COMMITTEE SECRETARY

APPROVED:

JUSTIN OLSON, Chairman
VINCE LEACH, Vice-Chairman

ATTACHMENT 5

HOUSE OF REPRESENTATIVES

HB 2380

state budget; estimates; public notice
Sponsor: Representative Olson

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2380 requires public notice when a standing committee of the Legislature approves a budget bill that exceeds a truth in spending estimate.

Summary of the Proposed Strike-Everything Amendment to HB 2380

The proposed strike-everything amendment to HB 2380 requires a legislative hearing and public notice when a standing committee of the Legislature recommends the passage of a budget bill that exceeds a truth in spending estimate.

HISTORY

Article IX, Section 17 of the Arizona Constitution provides an appropriations limit for the Legislature. The current appropriations limitation is determined by the Economic Estimates Commission, and utilizes total personal income as the basis for determining the limitation. The Constitution prohibits the Legislature from appropriating revenues in excess of 7% of the total personal income of the state for that Fiscal Year (FY). This limitation may be exceeded by a two-thirds vote of the Legislature. Additionally, the Constitution allows the limitation to be adjusted if governmental functions are transferred between levels of government. The state has assumed various governmental functions over the years and consequently the current appropriations limit is 7.41% of personal income.

Arizona Revised Statutes § 41-1273 requires the Joint Legislative Budget Committee (JLBC) to determine how state spending compares to the appropriations limit. The report, due February 15, covers the spending for the prior, current and next FY.

PROVISIONS

1. Requires, beginning in 2016, the director of JLBC to calculate and transmit a truth in spending estimate for the following FY by February 15 of each year.
2. Directs the truth in spending estimate to be transmitted to the chairmen of the Senate and House of Representatives Appropriations Committees and to the chairmen of the Senate Finance Committee and House of Representatives Ways and Means Committee.
3. Specifies that the truth in spending estimate calculates the amount of state General Fund appropriations for the current FY plus the total amount of all appropriations from all other sources for the current FY, adjusted by the sum of the following percentages:
   a. The percentage change in population for the most recent available 12 month period;
   b. The positive or negative percentage change in the cost of living for the most recent available 12 month period.

Attachment 6

4. Requires the director of JLBC to adjust the cost of living amount based on the GDP price deflator. Allows the consideration of minor technical adjustments to the GDP price deflator that are made by the US government.
5. Requires, beginning in FY 2017 and if a standing committee recommends the passage of a budget bill that exceeds the truth in spending estimate, the Senate and House of Representatives Appropriations Committees to:
   a. Hold a joint truth in spending hearing before the bill receives a full vote in either chamber;
   b. Issue a press release at least three days before the joint hearing to the chamber's normal media distribution list.
6. Details press release language.
7. Defines *budget bill* and *population.*

Fifty-second Legislature
First Regular Session

APPROP
H.B. 2380

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2380

(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 41, chapter 7, article 10, Arizona Revised Statutes, is amended by adding section 41-1275, to read:

41-1275. Truth in spending estimate; hearing; notice; definitions

A. BEGINNING IN 2016, ON OR BEFORE FEBRUARY 15 OF EACH YEAR, THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL CALCULATE AND TRANSMIT A TRUTH IN SPENDING ESTIMATE FOR THE FOLLOWING FISCAL YEAR TO THE FOLLOWING:

1. THE CHAIRMEN OF THE SENATE AND HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEES, OR THEIR SUCCESSOR COMMITTEES.

2. THE CHAIRMEN OF THE SENATE FINANCE COMMITTEE AND THE HOUSE OF REPRESENTATIVES WAYS AND MEANS COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.

B. THE TRUTH IN SPENDING ESTIMATE SHALL CALCULATE THE AMOUNT OF GENERAL FUND APPROPRIATIONS FOR THE CURRENT FISCAL YEAR PLUS THE TOTAL AMOUNT OF ALL APPROPRIATIONS FROM ALL OTHER SOURCES FOR THE CURRENT FISCAL YEAR, ADJUSTED BY THE SUM OF THE FOLLOWING PERCENTAGES:

1. THE PERCENTAGE CHANGE IN POPULATION FOR THE MOST RECENT AVAILABLE TWELVE-MONTH PERIOD.

2. THE POSITIVE OR NEGATIVE PERCENTAGE CHANGE IN THE COST OF LIVING FOR THE MOST RECENT AVAILABLE TWELVE-MONTH PERIOD. THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL ADJUST THE COST OF LIVING AMOUNT BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563 AND MAY CONSIDER MINOR TECHNICAL ADJUSTMENTS TO THE GDP PRICE DEFLATOR THAT ARE MADE BY THE UNITED STATES GOVERNMENT.

C. BEGINNING IN FISCAL YEAR 2016-2017, IF A STANDING COMMITTEE OF A CHAMBER OF THE LEGISLATURE RECOMMENDS THE PASSAGE OF A BUDGET BILL THAT EXCEEDS THE TRUTH IN SPENDING ESTIMATE, THE HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE AND THE SENATE APPROPRIATIONS COMMITTEE SHALL:

1. HOLD A JOINT TRUTH IN SPENDING HEARING BEFORE THE BILL RECEIVES A FULL VOTE OF EITHER CHAMBER.

Attachment 7

1 2. ISSUE TO THE CHAMBER'S NORMAL MEDIA DISTRIBUTION LIST AT LEAST
2 THREE DAYS BEFORE THE JOINT TRUTH IN SPENDING HEARING A PRESS RELEASE IN THE
3 FOLLOWING FORM:
4 NOTICE OF SPENDING INCREASE ABOVE TRUTH IN SPENDING ESTIMATE
5 IN COMPLIANCE WITH SECTION 41-1275, ARIZONA REVISED STATUTES, THE
6 STATE LEGISLATURE IS NOTIFYING TAXPAYERS THAT A BUDGET BILL THAT EXCEEDS THE
7 TRUTH IN SPENDING ESTIMATE, WHICH IS DEFINED AS THE AMOUNT OF GENERAL FUND
8 APPROPRIATIONS FOR THE CURRENT FISCAL YEAR PLUS THE TOTAL AMOUNT OF ALL
9 APPROPRIATIONS FROM ALL OTHER SOURCES FOR THE CURRENT FISCAL YEAR, ADJUSTED
10 BY POPULATION GROWTH PLUS INFLATION, PASSED THE (INSERT COMMITTEE NAME)
11 ON (INSERT DATE) . THE LEGISLATURE WILL HOLD A JOINT TRUTH IN SPENDING
12 HEARING ON (INSERT DATE) PURSUANT TO STATUTE.
13 D. FOR THE PURPOSES OF THIS SECTION:
14 1. "BUDGET BILL" MEANS THE GENERAL APPROPRIATION BILL FOR THE
15 DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS, FOR PUBLIC
16 SCHOOLS AND FOR INTEREST ON THE PUBLIC DEBT, AS PRESCRIBED BY ARTICLE IV,
17 PART 2, SECTION 20, CONSTITUTION OF ARIZONA.
18 2. "POPULATION" MEANS THE POPULATION ESTIMATE APPROVED BY THE OFFICE
19 OF EMPLOYMENT AND POPULATION STATISTICS."
20 Amend title to conform

JUSTIN OLSON

2380-se-olson
2/9/15
2:10 PM
H:ajs

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HB 2380

DATE February 11, 2015 MOTION: dpa S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J					✓
Mr. Bowers		✓			
Mr. Cardenas			✓		
Mr. Clark			✓		
Mr. Gray		✓			
Ms. Mach			✓		
Mr. Meyer			✓		
Mr. Petersen		✓			
Mr. Rivero					✓
Mr. Sherwood			✓		
Mr. Stevens		✓			
Mrs. Ugenti					✓
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		6	5	0	3

COMMITTEE SECRETARY

APPROVED:

JUSTIN OLSON, Chairman
VINCE LEACH, Vice-Chairman

ATTACHMENT 8

HOUSE OF REPRESENTATIVES

HB 2517

internet crimes against children; fund
Sponsors: Representatives Boyer, Allen J, Alston, et al.

DPA	Committee on Judiciary
X	Committee on Appropriations
	Caucus and COW
	House Engrossed

OVERVIEW

HB 2517 directs $4.5 million of unencumbered remaining lottery funds to be deposited in the newly established Internet Crimes Against Children Enforcement Fund and $500,000 to be deposited in the Victims' Rights Enforcement Fund.

HISTORY

The Arizona State Lottery Commission (Commission) and the State Lottery Fund (Fund) were originally established in 1980 through an initiative petition in the general election. These provisions were repealed pursuant to the sunset process and were replaced by the current legislatively enacted provisions.

The Commission consists of five members who must be citizens and residents of this state and are appointed by the governor and confirmed by the Arizona State Senate. The Commission is required to oversee a state lottery to produce the *"maximum amount of net revenue consonant with the dignity of the state."*

The Fund consists of all revenues received from the sale of lottery tickets or shares, including revenues from drawing games (Powerball, Mega Millions, The Pick, Cash 4) and instant ticket "scratcher" games. Arizona Revised Statutes § 5-572 specifies how monies in the Fund will be used and delineates the distribution process which combines the proceeds from the various games and distributes them through a hierarchy of tiers.

Generally, each tier of the hierarchy receives funds only if the statutory provisions for funding the tiers above it are met. The first monies are paid to the State Lottery Revenue Bond Debt Service Fund. After those payments, there are four general categories of beneficiaries: Health/Welfare (25%), Economic/Business Development (33%), Education (29%) and Environment (13%).

The Victims' Rights Enforcement Fund is administered by the Department of Public Safety (DPS). Statute requires DPS to distribute the monies to nonprofit organizations and entities that can demonstrate a five-year history of providing legal representation and social services to crime victims free of charge. Statute allows DPS to use up to five percent of the monies deposited in the fund for administrative costs.

PROVISIONS

1. Directs $4.5 million of unencumbered remaining lottery funds to be deposited in the newly established Internet Crimes Against Children Enforcement Fund.

Attachment 9

Analyst Initials _____
January 28, 2015

2. Directs $500,000 of unencumbered remaining lottery funds to be deposited in the Victims' Rights Enforcement Fund.
3. Requires all foster parents and adult residents living in a foster home to consent in writing to a search of their computers by the Department of Child Safety (DCS) prior to the department issuing a foster home license.
4. Requires written consent by an applicant for kinship foster care for all adult residents living in kinship foster care home to a search of their computers by DCS and requires the submission of a full set of fingerprints to DCS.
5. Requires law enforcement agencies to notice the statutory agent of a service provider if the provider is hosting a website that contains an alleged sexual exploitation of children violation.
6. Prohibits the defendant, the defendant's attorney or any person employed by or assisting the defendant from removing any visual depiction or any computer or other device that contains a visual depiction that is a violation of this chapter and that is in the possession of a law enforcement agency or prosecutor.
7. Allows the prosecutor's office to examine the visual depiction evidence at reasonable times at the law enforcement agency.
8. Requires appointment of a guardian ad litem for a minor victim in a visual depiction to protect the minor's rights as a crime victim.
9. Establishes the Internet Crimes Against Children Enforcement Fund (appropriated) and requires the attorney general (AG) to administer the fund.
10. Allows the AG to enter into intergovernmental agreements to continue the operation of the Internet Crimes Against Children Task Force Program in investigations, forensic examinations and prosecutions relating to technology-facilitated sexual exploitation of children.
11. Provides consideration for entities that hire and equip veterans who are wounded, ill or injured as digital forensic analysts or investigators to support child exploitation.
12. Requires the AG to submit an expenditure plan to the Joint Legislative Budget Committee (JLBC) before spending any money that was not in a previous expenditure plan.
13. Requires the AG to provide a summary of quarterly and year-to-date expenditures and progress to the JLBC, including any prior year appropriations that were nonlapsing 30 days after the last day of each calendar quarter.
14. Contains an emergency clause.
15. Makes technical and conforming changes.

AMENDMENTS

Committee on Judiciary

1. Removes the following provisions:
   a. Requires all foster parents and adult residents living in a foster home to consent in writing to a search of their computers by the Department of Child Safety (DCS) prior to the department issuing a foster home license.

   b. Requires written consent by an applicant for kinship foster care for all adult residents

living in kinship foster care home to a search of their computers by DCS and requires the submission of a full set of fingerprints to DCS.

c. Prohibits the defendant, the defendant's attorney or any person employed by or assisting the defendant from removing any visual depiction or any computer or other device that contains a visual depiction that is a violation of this chapter and that is in the possession of a law enforcement agency or prosecutor.

d. Allows the prosecutor's office to examine the visual depiction evidence at reasonable times at the law enforcement agency.

b. Requires appointment of a guardian ad litem for a minor victim in a visual depiction to protect the minor's rights as a crime victim.

Fifty-second Legislature
First Regular Session

APPROP
H.B. 2517

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2517

(Reference to printed bill)

Page 1, strike lines 2 through 46
Page 2, strike lines 1 through 37, insert:

"Section 1. Section 5-568, Arizona Revised Statutes, is amended to read:

5-568. Disposition of unclaimed prize money

Unclaimed prize money for the prize on a winning ticket or share shall be retained for the person entitled to the prize for one hundred eighty days after the drawing in which the prize was won in the case of a drawing prize and for one hundred eighty days after the announced end of the game in question in the case of a prize determined in any manner other than by means of a drawing. If a claim is not made for the money within the applicable period, THE MONEY SHALL BE TRANSFERRED IN THE FOLLOWING AMOUNTS:

1. Seventy ~~per cent~~ PERCENT of the prize money shall be held in the state lottery prize fund for use as additional prizes in future games ~~and~~ EXCEPT THAT FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS SHALL BE DEPOSITED IN THE INTERNET CRIMES AGAINST CHILDREN ENFORCEMENT FUND ESTABLISHED BY SECTION 41-199 AND FIVE HUNDRED THOUSAND DOLLARS SHALL BE DEPOSITED IN THE VICTIMS' RIGHTS ENFORCEMENT FUND ESTABLISHED BY SECTION 41-1727.

2. Thirty ~~per cent~~ PERCENT shall be transferred monthly to the court appointed special advocate fund established by section 8-524."

Page 6, lines 14 and 38, strike "5-572" insert "5-568"
Amend title to conform

JUSTIN OLSON

2517jo
01/30/2015
1:33 PM
C: sp

Attachment 10

Adopted ✓ # of Verbals ____
Failed ____ Withdrawn ____
Not Offered ____ Analysts Initials ____

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HB 2517

DATE February 11, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J					✓
Mr. Bowers		✓			
Mr. Cardenas		✓			
Mr. Clark		✓			
Mr. Gray		✓			
Ms. Mach		✓			
Mr. Meyer		✓			
Mr. Petersen		✓			
Mr. Rivero					✓
Mr. Sherwood		✓			
Mr. Stevens		✓			
Mrs. Ugenti		✓			
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		12	0	0	2

COMMITTEE SECRETARY

APPROVED:

JUSTIN OLSON, Chairman
VINCE LEACH, Vice-Chairman

ATTACHMENT 11

HOUSE OF REPRESENTATIVES

HCR 2022

auditor general; reappointment.

Sponsors: Representatives Allen J, Boyer, Senator Barto, et al.

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HCR 2022 approves the reappointment of Debra K. Davenport as the Auditor General of the State of Arizona.

HISTORY

The Office of the Auditor General (OAG) is established by Arizona Revised Statutes (A.R.S.) § 41-1279 to make recommendations to improve operations of state and local governmental entities and as an independent source of impartial information.

The Joint Legislative Audit Committee (JLAC) gives direction to the OAG and oversees auditing functions of the Legislature. JLAC also appoints the Auditor General to a five year renewable term through a majority vote in both legislative chambers. To be appointed as Auditor General an individual must be a Certified Public Accountant licensed to practice in Arizona, subject to the standards and ethics of the Arizona State Board of Accountancy. (A.R.S. § 41-1279.01)

Debra K. Davenport was appointed as the Auditor General on October 12, 1999 and has since been reappointed for three terms.

PROVISIONS

1. Approves the reappointment of Debra K. Davenport as Auditor General.
2. States that Debra K. Davenport fulfills the statutory requirements of Auditor General and is eligible for reappointment.

Attachment 12

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HCR 2022

DATE February 11, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J					✓
Mr. Bowers		✓			
Mr. Cardenas		✓			
Mr. Clark		✓			
Mr. Gray		✓			
Ms. Mach		✓			
Mr. Meyer		✓			
Mr. Petersen		✓			
Mr. Rivero					✓
Mr. Sherwood		✓			
Mr. Stevens		✓			
Mrs. Ugenti					✓
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		11	0	0	3

COMMITTEE SECRETARY

APPROVED:

JUSTIN OLSON, Chairman
VINCE LEACH, Vice-Chairman

ATTACHMENT 13