

REFERENCE TITLE: **general appropriations; 2016-2017**

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SB 1526

Introduced by
Senators Biggs, Yarbrough (with permission of Committee on Rules)

AN ACT

AMENDING LAWS 2014, CHAPTER 14, SECTION 9, AS AMENDED BY LAWS 2015, CHAPTER 8, SECTION 3; AMENDING LAWS 2014, CHAPTER 18, SECTION 118, AS AMENDED BY LAWS 2014, SECOND SPECIAL SESSION, CHAPTER 2, SECTION 3 AND LAWS 2015, CHAPTER 8, SECTION 4; AMENDING LAWS 2015, CHAPTER 8, SECTION 103; AMENDING LAWS 2015, CHAPTER 8, SECTION 104; AMENDING LAWS 2015, CHAPTER 8, SECTION 105; AMENDING LAWS 2015, CHAPTER 8, SECTION 106; AMENDING LAWS 2015, CHAPTER 8, SECTION 107; AMENDING LAWS 2015, CHAPTER 8, SECTION 136; REPEALING LAWS 2015, CHAPTER 8, SECTIONS 140, 141 AND 143; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Laws 2014, chapter 14, section 9, as amended by Laws 2015,
3 chapter 8, section 3, is amended to read:

4 Sec. 9. Department of administration; Arizona financial
5 information system; replacement; exemption

6 Of the \$28,638,000 appropriated to the department of administration in
7 fiscal year 2013-2014 by Laws 2013, first special session, chapter 1, section
8 115, subsection A, the sum of \$4,132,000 is exempt from the provisions of
9 section 35-190, Arizona Revised Statutes, relating to lapsing of
10 appropriations for fiscal years 2014-2015, ~~and~~ 2015-2016 **AND 2016-2017** for
11 the purpose of paying contingency costs related to the replacement of the
12 Arizona financial information system. Of this amount, \$212,000 for rent and
13 \$817,000 for private third-party consultant oversight are not subject to
14 review by the joint legislative budget committee. **SUBJECT TO REVIEW BY THE**
15 **JOINT LEGISLATIVE BUDGET COMMITTEE, THE REMAINING \$3,103,000 SHALL BE USED**
16 **FOR THE REPLACEMENT OF THE STATE'S E-PROCUREMENT SYSTEM.**

17 Sec. 2. Laws 2014, chapter 18, section 118, as amended by Laws 2014,
18 second special session, chapter 2, section 3 and Laws 2015, chapter 8,
19 section 4, is amended to read:

20 Sec. 118. Department of administration; department of child
21 safety; data center relocation; appropriation;
22 fiscal year 2014-2015; exemption

23 A. The sum of \$19,500,000 is appropriated in fiscal year 2014-2015
24 from the state general fund to the department of administration for costs
25 associated with the establishment of the department of child safety and the
26 relocation of the data center operated by the department of economic
27 security. Before any expenditure of this amount, the department of child
28 safety shall submit an expenditure plan for review by the joint legislative
29 budget committee.

30 B. The appropriation made in subsection A of this section is exempt
31 from the provisions of section 35-190, Arizona Revised Statutes, relating to
32 lapsing of appropriations until June 30, ~~2016~~ 2017.

33 Sec. 3. Laws 2015, chapter 8, section 103 is amended to read:

34 Sec. 103. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

	<u>2015-16</u>
FTE positions	6,142.9
Operating lump sum appropriation	\$542,436,800
	\$617,197,200
Biomedical informatics	2,746,600
Downtown Phoenix campus	<u>126,739,200</u>
Total appropriation - Arizona state	
university - Tempe and downtown	
Phoenix campuses	\$671,922,600
	\$746,683,000

Fund sources:

State general fund	\$155,092,100
	\$229,852,500
University collections fund	516,830,500

It is the intent of the legislature that the STATE general fund base funding for Arizona state university - Tempe and downtown Phoenix campuses is \$229,852,500. This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION of \$74,760,400 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.~~

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

The increased state general fund appropriations from Laws 2014, chapter 18 may not be used for medical marijuana research.

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

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

Any unencumbered balances remaining in the collections account on June 30, 2015 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. 4. Laws 2015, chapter 8, section 104 is amended to read:

Sec. 104. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2015-16</u>
FTE positions	425.6
Operating lump sum appropriation	\$ 45,098,400
	\$ 50,848,600
TRIF lease-purchase payment	<u>2,000,000</u>
Total appropriation - Arizona state	
university - East campus	\$ 47,098,400
	\$ 52,848,600

Fund sources:

State general fund	\$ 15,588,900
	\$ 21,339,100
University collections fund	29,509,500
Technology and research initiative	
fund	2,000,000

1 It is the intent of the legislature that the STATE general fund base
 2 funding for Arizona state university - East campus is \$21,339,100. This
 3 appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION
 4 of \$5,750,200 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This~~
 5 ~~deferral shall be paid as required in this act.~~

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

8 The increased state general fund appropriations from Laws 2014, chapter
 9 18 may not be used for medical marijuana research.

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

12 Any unencumbered balances remaining in the collections account on June
 13 30, 2015 and all collections received by the university during the fiscal
 14 year, when paid into the state treasury, are appropriated for operating
 15 expenditures, capital outlay and fixed charges. Earnings on state lands and
 16 interest on the investment of the permanent land funds are appropriated in
 17 compliance with the enabling act and the Constitution of Arizona. No part of
 18 this appropriation may be expended for supplemental life insurance or
 19 supplemental retirement. Receipts from summer session, when deposited in the
 20 state treasury, together with any unencumbered balance in the summer session
 21 account, are appropriated for the purpose of conducting summer sessions but
 22 are excluded from the amounts enumerated above.

23 Sec. 5. Laws 2015, chapter 8, section 105 is amended to read:

24 Sec. 105. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	<u>2015-16</u>
FTE positions	562.9
Operating lump sum appropriation	\$ 59,801,400
	\$ 69,866,200
TRIF lease-purchase payment	<u>1,600,000</u>
Total appropriation - Arizona state	
university - West campus	\$ 61,401,400
	\$ 71,466,200
Fund sources:	
State general fund	\$ 18,825,900
	\$ 28,890,700
University collections fund	40,975,500
Technology and research initiative	
fund	1,600,000

39 It is the intent of the legislature that the STATE general fund base
 40 funding for Arizona state university - West campus is \$28,890,700. This
 41 appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION
 42 of \$10,064,800 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This~~
 43 ~~deferral shall be paid as required in this act.~~

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

3 The increased state general fund appropriations from Laws 2014, chapter
4 18 may not be used for medical marijuana research.

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

7 Any unencumbered balances remaining in the collections account on June
8 30, 2015 and all collections received by the university during the fiscal
9 year, when paid into the state treasury, are appropriated for operating
10 expenditures, capital outlay and fixed charges. Earnings on state lands and
11 interest on the investment of the permanent land funds are appropriated in
12 compliance with the enabling act and the Constitution of Arizona. No part of
13 this appropriation may be expended for supplemental life insurance or
14 supplemental retirement. Receipts from summer session, when deposited in the
15 state treasury, together with any unencumbered balance in the summer session
16 account, are appropriated for the purpose of conducting summer sessions but
17 are excluded from the amounts enumerated above.

18 Sec. 6. Laws 2015, chapter 8, section 106 is amended to read:

19 Sec. 106. NORTHERN ARIZONA UNIVERSITY

		<u>2015-16</u>
21	FTE positions	2,057.2
22	Operating lump sum appropriation	\$189,628,300
23		\$220,123,100
24	NAU - Yuma	2,430,000
25	Teacher training	<u>2,290,600</u>
26	Total appropriation - Northern Arizona	
27	university	\$194,348,900
28		\$224,843,700
29	Fund sources:	
30	State general fund	\$ 61,491,400
31		\$ 91,986,200
32	University collections fund	132,857,500

33 It is the intent of the legislature that the STATE general fund base
34 funding for northern Arizona university is \$91,986,200. This appropriation
35 includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION of \$30,494,800
36 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be~~
37 ~~paid as required in this act.~~

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

40 The increased state general fund appropriations from Laws 2014, chapter
41 18 may not be used for medical marijuana research.

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

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

Any unencumbered balances remaining in the collections account on June 30, 2015 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. 7. Laws 2015, chapter 8, section 107 is amended to read:

Sec. 107. UNIVERSITY OF ARIZONA

	<u>2015-16</u>
<u>Main campus</u>	
FTE positions	5,393.0
Operating lump sum appropriation	\$346,556,800
	\$408,709,900
Agriculture	38,195,600
Arizona cooperative extension	16,360,200
Freedom center	500,000
Sierra Vista campus	<u>7,601,500</u>
Total - Main campus	\$409,214,100
	\$471,367,200
Fund sources:	
State general fund	\$107,653,800
	\$169,806,900
University collections fund	301,560,300
<u>Health sciences center</u>	
FTE positions	1,054.1
Operating lump sum appropriation	\$ 52,738,600
	\$ 69,515,300
Clinical rural rotation	353,400
Clinical teaching support	8,587,000
Liver research institute	430,100
Phoenix medical campus	31,778,700
Telemedicine network	<u>1,854,400</u>
Total - health sciences center	\$ 95,742,200
	\$112,518,900

1 Fund sources:
 2 State general fund ~~\$ 52,307,300~~
 3 \$ 69,084,000
 4 University collections fund 43,434,900
 5 Total appropriation - university of
 6 Arizona ~~\$504,956,300~~
 7 \$583,886,100

8 Fund sources:
 9 State general fund ~~\$159,961,100~~
 10 \$238,890,900
 11 University collections fund 344,995,200

12 It is the intent of the legislature that the STATE general fund base
 13 funding for university of Arizona - main campus is \$169,806,900. This
 14 appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION
 15 of \$62,153,100 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This~~
 16 ~~deferral shall be paid as required in this act.~~

17 It is the intent of the legislature that the STATE general fund base
 18 funding for university of Arizona - health sciences center is \$69,084,000.
 19 This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND
 20 APPROPRIATION of \$16,776,700 ~~from fiscal year 2015-2016 to fiscal year~~
 21 ~~2016-2017. This deferral shall be paid as required in this act.~~

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

24 The increased state general fund appropriations from Laws 2014, chapter
 25 18 may not be used for medical marijuana research.

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

28 Any unencumbered balances remaining in the collections account on June
 29 30, 2015 and all collections received by the university during the fiscal
 30 year, when paid into the state treasury, are appropriated for operating
 31 expenditures, capital outlay and fixed charges. Earnings on state lands and
 32 interest on the investment of the permanent land funds are appropriated in
 33 compliance with the enabling act and the Constitution of Arizona. No part of
 34 this appropriation may be expended for supplemental life insurance or
 35 supplemental retirement. Receipts from summer session, when deposited in the
 36 state treasury, together with any unencumbered balance in the summer session
 37 account, are appropriated for the purpose of conducting summer sessions but
 38 are excluded from the amounts enumerated above.

39 Sec. 8. Laws 2015, chapter 8, section 136 is amended to read:

40 Sec. 136. Fund balance transfer; special employee health
 41 insurance trust fund

42 Notwithstanding any other law, after July 1, 2016 but on or before June
 43 30, 2017, the amount of ~~\$100,000,000~~ \$50,000,000 is transferred from the
 44 special employee health insurance trust fund established by section 38-654,

1 Arizona Revised Statutes, to the state general fund for the purpose of
 2 providing adequate support and maintenance for agencies of this state.

3 Sec. 9. Repeal

4 Laws 2015, chapter 8, sections 140, 141 and 143 are repealed.

5 Sec. 10. Subject to applicable laws, the sums or sources of revenue
 6 set forth in this act are appropriated for the fiscal years indicated and
 7 only from the funding sources listed for the purposes and objects specified.
 8 If monies from funding sources in this act are unavailable, no other funding
 9 source may be used.

10 Sec. 11. ARIZONA STATE BOARD OF ACCOUNTANCY

	<u>2016-17</u>
FTE positions	13.0
Lump sum appropriation	\$ 1,939,100

14 Fund sources:

Board of accountancy fund	\$ 1,939,100
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16 Sec. 12. ACUPUNCTURE BOARD OF EXAMINERS

	<u>2016-17</u>
FTE positions	1.0
Operating lump sum appropriation	\$ 165,000
Annual leave payout	<u>13,200</u>

Total appropriation - acupuncture board of examiners	\$ 178,200
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23 Fund sources:

Acupuncture board of examiners fund	\$ 178,200
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26 Sec. 13. DEPARTMENT OF ADMINISTRATION

	<u>2016-17</u>
FTE positions	535.1
Operating lump sum appropriation	\$ 91,827,100
Utilities	8,275,600
Arizona financial information system	9,377,700
Telecommunications infrastructure	175,000
Risk management administrative expenses	8,747,200
Risk management losses and premiums	45,372,700
Workers' compensation losses and premiums	31,159,200
Statewide information security and privacy office	872,200
State surplus property sales proceeds	1,810,000

1	Southwest defense contracts	25,000
2	Government transformation office	<u>1,000,000</u>
3	Total appropriation - department of	
4	administration	\$198,641,700
5	Fund sources:	
6	State general fund	\$ 10,877,300
7	Air quality fund	927,300
8	Arizona financial information	
9	system collections fund	9,377,700
10	Automation operations fund	23,964,100
11	Capital outlay stabilization fund	18,082,800
12	Corrections fund	571,200
13	Federal surplus materials revolving	
14	fund	464,600
15	Information technology fund	2,942,100
16	Motor vehicle pool revolving fund	10,148,800
17	Personnel division fund	12,885,100
18	Risk management revolving fund	93,033,400
19	Special employee health insurance	
20	trust fund	5,262,300
21	Special services fund	590,700
22	State surplus materials revolving	
23	fund	2,947,900
24	State web portal fund	4,543,000
25	Telecommunications fund	2,023,400

26 The appropriation includes \$500,000 from the state general fund for
 27 additional resources at the state procurement office.

28 The amount appropriated for southwest defense contracts shall be
 29 distributed to a nonprofit organization that advocates for the preservation
 30 and enhancement of critical defense missions and assets in the southwest
 31 United States.

32 The appropriation from the automation operations fund established by
 33 section 41-711, Arizona Revised Statutes, is an estimate representing all
 34 monies, including balance forward, revenues and transfers during fiscal year
 35 2016-2017. These monies are appropriated to the department of administration
 36 for the purposes established in section 41-711, Arizona Revised Statutes.
 37 The appropriation is adjusted as necessary to reflect monies credited to the
 38 automation operations fund for automation operation center projects. Before
 39 the expenditure of any automation operations fund monies in excess of
 40 \$23,964,100 in fiscal year 2016-2017, the department of administration shall
 41 report the intended use of monies to the joint legislative budget committee.

The amounts appropriated for the state employee public transportation service subsidy shall be used for up to a fifty percent subsidy of charges payable for public 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 they have an average of 80,000 miles or more.

On or before August 1, 2017, the department shall submit a report for review by the joint legislative budget committee on the maintenance savings achieved by replacing vehicles with an average of 80,000 miles.

All state surplus materials revolving fund monies received by the department of administration in excess of \$2,947,900 in fiscal year 2016-2017 are appropriated to the department. Before the expenditure of state surplus materials revolving fund monies in excess of \$2,947,900 in fiscal year 2016-2017, the department of administration shall report the intended use of monies to the joint legislative budget committee.

On or before October 1, 2016, 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.

On or before October 1, 2016, the department shall submit a report on the structure, allocation and fund sources for all information technology and automation project oversight FTE positions within the department.

Sec. 14. OFFICE OF ADMINISTRATIVE HEARINGS

		<u>2016-17</u>
	FTE positions	12.0
	Lump sum appropriation	\$ 861,700
	Fund sources:	
	State general fund	\$ 861,700

Sec. 15. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

		<u>2016-17</u>
	FTE positions	3.0
	Lump sum appropriation	\$ 125,000
	Fund sources:	
	State general fund	\$ 125,000

1	Sec. 16.	ARIZONA DEPARTMENT OF AGRICULTURE	
2			<u>2016-17</u>
3		FTE positions	194.4
4		Operating lump sum appropriation	\$ 10,221,000
5		Agricultural employment relations	
6		board	23,300
7		Animal damage control	65,000
8		Red imported fire ant control	23,200
9		Agricultural consulting and	
10		training	<u>128,500</u>
11	Total appropriation - Arizona department		
12	of agriculture	\$	10,461,000
13	Fund sources:		
14	State general fund	\$	9,021,200
15	Air quality fund		1,439,800
16	Sec. 17.	ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
17			<u>2016-17</u>
18		FTE positions	2,326.3
19		Operating lump sum appropriation	\$ 91,439,300
20		DES eligibility	54,874,500
21		Proposition 204 - acute care	
22		administration	6,832,800
23		Proposition 204 - behavioral	
24		health administration	5,832,000
25		Proposition 204 - DES eligibility	38,358,700
26		<u>Medical services</u>	
27		Traditional medicaid services	3,936,187,500
28		Proposition 204 services	2,777,688,100
29		Adult expansion services	462,284,600
30		Children's rehabilitative services	275,375,700
31		KidsCare services	1,955,000
32		ALTCS services	1,422,354,600
33		<u>Behavioral health services</u>	
34		Medicaid behavioral health -	
35		traditional services	960,228,100
36		Medicaid behavioral health -	
37		proposition 204 services	612,844,800
38		Medicaid behavioral health -	
39		adult expansion services	77,702,300
40		Medicaid behavioral health -	
41		comprehensive medical and	
42		dental program	208,027,400

1	Crisis services	16,391,300
2	Nonmedicaid seriously mentally	
3	ill services	78,846,900
4	Supported housing	5,324,800
5	<u>Hospital payments</u>	
6	Disproportionate share payments	5,087,100
7	Disproportionate share payments -	
8	voluntary match	19,896,000
9	Rural hospitals	22,650,000
10	Graduate medical education	162,992,600
11	Safety net care pool	<u>137,000,000</u>
12	Total appropriation and expenditure	
13	authority - Arizona health	
14	care cost containment system	\$11,380,174,100
15	Fund sources:	
16	State general fund	\$ 1,751,080,800
17	Budget neutrality compliance fund	3,563,300
18	Children's health insurance	
19	program fund	3,672,200
20	Prescription drug rebate	
21	fund - state	113,778,800
22	Substance abuse services fund	2,250,200
23	Tobacco products tax fund -	
24	emergency health services	
25	account	18,747,200
26	Tobacco tax and health care	
27	fund - medically needy account	72,998,200
28	Expenditure authority	9,414,083,400

29 Operating budget

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

37 The amounts included in the proposition 204 - acute care
 38 administration, proposition 204 - behavioral health administration,
 39 proposition 204 - DES eligibility, proposition 204 services and Medicaid
 40 behavioral health - proposition 204 services line items include all available
 41 sources of funding consistent with section 36-2901.01, subsection B, Arizona
 42 Revised Statutes.

1 Medical services and behavioral health services

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

6 The Arizona health care cost containment system administration shall
7 report to the joint legislative budget committee on or before March 1, 2017
8 on preliminary actuarial estimates of the capitation rate changes for the
9 following fiscal year along with the reasons for the estimated changes. For
10 any actuarial estimates that include a range, the total range from minimum to
11 maximum may not be more than two percent. Before implementation of any
12 changes in capitation rates, the Arizona health care cost containment system
13 administration shall report its expenditure plan for review by the joint
14 legislative budget committee. Before the administration implements any
15 change in policy affecting the amount, sufficiency, duration and scope of
16 health care services and who may provide services, the administration shall
17 prepare a fiscal impact analysis on the potential effects of this change on
18 the following year's capitation rates. If the fiscal impact analysis
19 demonstrates that this change will result in additional state costs of
20 \$500,000 or more for any fiscal year, the administration shall submit the
21 policy change for review by the joint legislative budget committee.

22 On or before December 1, 2016, the Arizona health care cost containment
23 system administration shall report to the directors of the joint legislative
24 budget committee and the governor's office of strategic planning and
25 budgeting on estimates of retroactive capitation rate changes to calendar
26 year 2015 rates for reimbursement of the affordable care act health insurer
27 fee. These amendments to rates are not subject to joint legislative budget
28 committee review.

29 It is the intent of the Legislature that the percentage attributable to
30 administration and profit for the regional behavioral health authorities is
31 nine percent of the overall capitation rate.

32 Any federal monies that the Arizona health care cost containment system
33 administration passes through to the department of economic security for use
34 in long-term administration care for persons with developmental disabilities
35 do not count against the long-term care expenditure authority above.

36 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
37 county portion of the fiscal year 2016-2017 nonfederal costs of providing
38 long-term care system services is \$249,980,000. This amount is included in
39 the expenditure authority fund source.

40 The nonappropriated portion of the prescription drug rebate fund
41 established by section 36-2930, Arizona Revised Statutes, is included in the
42 federal portion of the expenditure authority fund source.

1 Any supplemental payments received in excess of \$71,950,100 for nursing
2 facilities that serve medicaid patients in fiscal year 2016-2017, including
3 any federal matching monies, by the Arizona health care cost containment
4 system administration are appropriated to the administration in fiscal year
5 2016-2017. Before the expenditure of these increased monies, the
6 administration shall notify the joint legislative budget committee and the
7 governor's office of strategic planning and budgeting of the amount of monies
8 that will be expended under this provision. These payments are included in
9 the expenditure authority fund source.

10 The Arizona health care cost containment system administration shall
11 transfer up to \$1,200,000 from the traditional medicaid services line item
12 for fiscal year 2016-2017 to the attorney general for costs associated with
13 tobacco settlement litigation.

14 The Arizona health care cost containment system administration shall
15 transfer \$436,000 from the traditional medicaid services line item for fiscal
16 year 2016-2017 to the department of revenue for enforcement costs associated
17 with the March 13, 2013 master settlement agreement with tobacco companies.

18 The Arizona health care cost containment system administration shall
19 transfer \$1,200,000 from the nonmedicaid seriously mentally ill services line
20 item for fiscal year 2016-2017 to the department of health services for the
21 costs of prescription medications for persons with a serious mental illness
22 at the Arizona state hospital.

23 On or before December 31, 2016, and June 30, 2017, the Arizona health
24 care cost containment system administration shall report to the joint
25 legislative budget committee on the progress in implementing the *Arnold v.*
26 *Sarn* lawsuit settlement. The report shall include at a minimum the
27 administration's progress toward meeting all criteria specified in the 2014
28 joint stipulation, including the development and estimated cost of additional
29 behavioral health service capacity in Maricopa county for supported housing
30 services for 1,200 class members, supported employment services for 750 class
31 members, eight assertive community treatment teams and consumer operated
32 services for 1,500 class members. The administration shall also report by
33 fund source the amounts it plans to use to pay for expanded services.

34 Payments to hospitals

35 The \$5,087,100 appropriation for disproportionate share payments for
36 fiscal year 2016-2017 made pursuant to section 36-2903.01, subsection 0,
37 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county health
38 care district and \$884,800 for private qualifying disproportionate share
39 hospitals.

40 Any monies received for disproportionate share payments from political
41 subdivisions of this state, tribal governments and any university under the
42 jurisdiction of the Arizona board of regents, and any federal monies used to
43 match those payments, in fiscal year 2016-2017 by the Arizona health care
44 cost containment system administration in excess of \$19,896,000 are
45 appropriated to the administration in fiscal year 2016-2017. Before the

1 expenditure of these increased monies, the administration shall notify the
 2 joint legislative budget committee and the governor's office of strategic
 3 planning and budgeting of the amount of monies that will be expended under
 4 this provision.

5 The expenditure authority fund source includes voluntary payments made
 6 from political subdivisions for payments to hospitals that operate a graduate
 7 medical education program or treat low-income patients. The political
 8 subdivision portions of the fiscal year 2016-2017 costs of graduate medical
 9 education, disproportionate share payments - voluntary match and safety net
 10 care pool line items are included in the expenditure authority fund source.

11 Any monies for graduate medical education received in fiscal year
 12 2016-2017, including any federal matching monies, by the Arizona health care
 13 cost containment system administration in excess of \$162,992,600 are
 14 appropriated to the administration in fiscal year 2016-2017. Before the
 15 expenditure of these increased monies, the administration shall notify the
 16 joint legislative budget committee and the governor's office of strategic
 17 planning and budgeting of the amount of monies that will be expended under
 18 this provision.

19 Any monies received in excess of \$137,000,000 for the safety net care
 20 pool by the Arizona health care cost containment system administration in
 21 fiscal year 2016-2017, including any federal matching monies, are
 22 appropriated to the administration in fiscal year 2016-2017. Before the
 23 expenditure of these increased monies, the administration shall notify the
 24 joint legislative budget committee and the governor's office of strategic
 25 planning and budgeting of the amount of monies that will be expended under
 26 this provision.

27 Other reports

28 On or before January 6, 2017, the Arizona health care cost containment
 29 system administration shall report to the director of the joint legislative
 30 budget committee the total amount of medicaid reconciliation payments and
 31 penalties received on or before that date since July 1, 2016. On June 30,
 32 2017, the administration shall report the same information for all of fiscal
 33 year 2016-2017.

34 Sec. 18. BOARD OF ATHLETIC TRAINING

		<u>2016-17</u>
FTE positions		1.5
Lump sum appropriation	\$	118,900
Fund sources:		
Athletic training fund	\$	118,900

40 Sec. 19. ATTORNEY GENERAL - DEPARTMENT OF LAW

		<u>2016-17</u>
FTE positions		574.7
Operating lump sum appropriation	\$	50,206,900
Capital postconviction prosecution		799,400

1	Internet crimes against children	
2	enforcement	1,250,000
3	Federalism unit	1,000,000
4	Risk management interagency	
5	service agreement	9,426,900
6	State grand jury	180,600
7	Southern Arizona law enforcement	1,200,000
8	Tobacco enforcement	819,500
9	Victims' rights	<u>3,759,400</u>
10	Total appropriation - attorney general -	
11	department of law	\$ 68,642,700
12	Fund sources:	
13	State general fund	\$ 24,688,100
14	Antitrust enforcement revolving	
15	fund	244,800
16	Attorney general legal services	
17	cost allocation fund	2,086,800
18	Collection enforcement revolving	
19	fund	6,869,700
20	Consumer protection - consumer	
21	fraud revolving fund	5,094,000
22	Interagency service agreements	
23	fund	15,573,000
24	Internet crimes against children	
25	enforcement fund	900,000
26	Risk management revolving fund	9,426,900
27	Victims' rights fund	3,759,400

28 In addition to the \$15,573,000 appropriated from the interagency
 29 service agreements fund in fiscal year 2016-2017, an additional \$800,000 and
 30 11 FTE positions are appropriated from the interagency service agreements
 31 fund in fiscal year 2016-2017 for new or expanded interagency service
 32 agreements. The attorney general shall report to the joint legislative
 33 budget committee whenever an interagency service agreement is established
 34 that will require expenditures from the additional amount. The report shall
 35 include the name of the agency or entity with which the agreement is made,
 36 the dollar amount of the contract by fiscal year and the number of associated
 37 FTE positions.

38 On or before June 1, 2016, the department shall submit an expenditure
 39 plan for the fiscal year 2016-2017 internet crimes against children
 40 enforcement line item for review by the joint legislative budget committee.

41 The \$900,000 appropriation from the internet crimes against children
 42 enforcement fund and the \$350,000 appropriation from the state general fund
 43 for the internet crimes against children enforcement line item are continuing
 44 appropriations and are exempt from the provisions of section 35-190, Arizona

1 Revised Statutes, relating to lapsing of appropriations, through June
2 30, 2018.

3 Sec. 20. AUTOMOBILE THEFT AUTHORITY

4		<u>2016-17</u>
5	FTE positions	6.0
6	Operating lump sum appropriation	\$ 639,800
7	Automobile theft authority grants	4,607,700
8	Reimbursable programs	<u>50,000</u>

9	Total appropriation - automobile theft	
10	authority	\$ 5,297,500

11 Fund sources:

12	Automobile theft authority fund	\$ 5,297,500
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13 The automobile theft authority shall submit a report to the joint
14 legislative budget committee before expending any monies for the reimbursable
15 programs line item. The agency shall show sufficient monies collected to
16 cover the expenses indicated in the report.

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

20 The automobile theft authority shall pay seventy-five percent of the
21 personal services and employee-related expenses for city, town and county
22 sworn officers who participate in the Arizona vehicle theft task force.

23 Sec. 21. BOARD OF BARBERS

24		<u>2016-17</u>
25	FTE positions	4.0
26	Lump sum appropriation	\$ 370,300

27 Fund sources:

28	Board of barbers fund	\$ 370,300
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29 The appropriation includes \$34,900 for online licensing software.
30 Before the expenditure of these monies, the board of barbers shall complete a
31 project investment justification that has been approved by the department of
32 administration. It is the intent of the legislature that the Arizona
33 strategic enterprise technology office determine whether the board's project
34 investment justification is consistent with statewide information technology
35 enterprise architecture strategy and whether one-time information technology
36 purchases can be consolidated with other appropriations in this act.

37 Sec. 22. BOARD OF BEHAVIORAL HEALTH EXAMINERS

38		<u>2016-17</u>
39	FTE positions	17.0
40	Lump sum appropriation	\$ 1,760,500

41 Fund sources:

42	Board of behavioral health	
43	examiners fund	\$ 1,760,500

1	Sec. 23. STATE BOARD FOR CHARTER SCHOOLS	
2		<u>2016-17</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 1,194,100
5	Fund sources:	
6	State general fund	\$ 1,194,100
7	Sec. 24. DEPARTMENT OF CHILD SAFETY	
8		<u>2016-17</u>
9	FTE positions	3,193.1
10	Operating lump sum appropriation	\$107,303,100
11	Caseworkers	110,000,000
12	Backlog privatization	2,700,000
13	New case aides	3,077,700
14	Overtime pay	8,400,000
15	Attorney general legal services	25,588,700
16	Records retention staff	595,600
17	Inspections bureau	2,486,500
18	General counsel	156,100
19	Office of child welfare	
20	investigations	10,706,700
21	Retention pay	1,707,000
22	Adoption services	225,698,100
23	Preventive services	15,148,300
24	Out-of-home support services	198,272,500
25	Emergency and residential	
26	placement	98,900,100
27	Foster care placement	65,595,500
28	Independent living maintenance	4,660,000
29	In-home mitigation	28,988,100
30	Permanent guardianship subsidy	12,516,900
31	Grandparent stipends	1,000,000
32	Training resources	5,150,000
33	DCS child care subsidy	<u>45,159,400</u>
34	Total appropriation and expenditure	
35	authority - department of	
36	child safety	\$973,810,300
37	Fund sources:	
38	State general fund	\$379,863,800
39	Federal child care and	
40	development fund block grant	27,000,000
41	Federal temporary assistance for	
42	needy families block grant	149,472,700

1	Child abuse prevention fund	1,459,300
2	Children and family services	
3	training program fund	207,900
4	Child safety expenditure authority	415,806,600

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

19 The department of child safety shall provide training to any new child
20 safety FTE positions before assigning to any of these employees any client
21 caseload duties.

22 It is the intent of the legislature that the department of child safety
23 use its funding to achieve a one hundred percent investigation rate.

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

28 On or before September 30, 2016, the department of child safety shall
29 report to the joint legislative budget committee on its progress in
30 implementing the auditor general's recommendations for risk assessment
31 procedures.

32 It is the intent of the legislature that the amount appropriated for
33 the preventive services and in-home mitigation line items be used for
34 families whose children are at risk of out-of-home placement due to abuse,
35 neglect or dependency and the amount appropriated for the out-of-home support
36 services line item be used for children in out-of-home placements.

37 The appropriation for the office of child welfare investigations is
38 solely for the costs of employees directly hired by the office of child
39 welfare investigations. At least thirty days before any transfer into or out
40 of the office of child welfare investigations line item, the department shall
41 report the proposed transfer to the director of the joint legislative budget
42 committee.

On or before June 1, 2016, the department of child safety shall submit a report of the number of filled central administrative staff positions as of April 1, 2016 for review by the joint legislative budget committee. The report shall delineate the filled central administrative staff position by division and position type.

This appropriation includes 60 new FTE positions for central administrative staff. Of these 60 FTE positions, it is the intent of the legislature that the department hire at least 16 FTE positions for the office of contracts, 10 FTE positions for finance and accounting and 10 FTE positions for the office of procurement. On or before September 30, 2016, the department shall submit a report of the proposed hiring plan for review by the joint legislative budget committee.

The department of child safety shall forward 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 a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals on or before the thirtieth of the following month. The report shall include a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

All expenditures made by the department of child safety for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in department of child safety line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure.

For the purposes of this section, "backlog case":

1. Means any nonactive case for which documentation has not been entered in the child welfare automated system for at least sixty days and for which services have not been authorized for at least sixty days and any case that has had an investigation, has been referred to another unit and has had no contact for at least sixty days.

2. Includes any case for which the investigation has been open without any documentation or contact for at least sixty days, any case involving in-home services for which there has been no contact or services authorized for at least sixty days and any case involving foster care in which there has been no contact or any documentation entered in the child welfare automated system for at least sixty days.

For the purposes of this section, "open report" means a report that is under investigation or awaiting closure by a supervisor.

On or before September 30, 2016, and on or before the last day of every calendar quarter through June 30, 2018, the department of child safety shall present a report for review by the joint legislative budget committee on the progress made in increasing the number of filled FTE positions, meeting the caseload standard and reducing the number of backlog cases and out-of-home children. The report shall include the number of backlog cases, the number

1 of open reports, the number of out-of-home children and the caseworker
2 workload on March 31, 2016 in comparison to the latest quarter. The report
3 shall provide the number of backlog cases by disposition, including the
4 number of backlog cases in the investigation phase, the number of backlog
5 cases associated with out-of-home placements and the number of backlog cases
6 associated with in-home cases.

7 To determine the caseworker workload, the department shall report the
8 number of case-carrying caseworkers at each field office and the number of
9 investigations, in-home cases, and out-of-home children assigned to each
10 field office.

11 The quarterly report shall provide the same information on the total
12 number of filled FTE positions as is required by the monthly hiring report.

13 For backlog cases, the department's quarterly benchmarks are as
14 follows: 10,000 cases as of September 30, 2016, 7,000 cases as of December
15 31, 2016, 4,000 cases as of March 31, 2017 and fewer than 1,000 cases as of
16 June 30, 2017 and thereafter.

17 For open reports, the department's benchmark is to have fewer than
18 13,000 open reports as of June 30, 2017 and thereafter.

19 For out-of-home children, the department's benchmark is to reduce the
20 number of children in out-of-home care as of June 30, 2016 by an additional
21 2.5 percent every quarter through June 30, 2018 so that the cumulative number
22 of out-of-home children is twenty percent below the June 30, 2016 level on or
23 before June 30, 2018.

24 If the department of child safety has not submitted the quarterly
25 report within thirty days after the last day of the calendar quarter, the
26 director of the joint legislative budget committee shall inform the general
27 accounting office of the department of administration, which shall withhold
28 two percent of the department's operating lump sum quarterly budget
29 allocation until the quarterly report is submitted.

30 The overtime pay appropriation includes a total of \$2,610,700 from the
31 state general fund, \$3,859,500 from the federal temporary assistance for
32 needy families block grant and \$1,929,800 from child safety expenditure
33 authority. The backlog privatization appropriation includes a total of
34 \$2,700,000 from the state general fund. The new case aides appropriation
35 includes \$2,500,000 from the state general fund and \$577,700 from child
36 safety expenditure authority to hire additional case aides. Of these
37 amounts, a total of \$652,700 from the state general fund, \$964,900 from the
38 federal temporary assistance for needy families block grant and \$482,500 from
39 the child safety expenditure authority in the overtime pay appropriation are
40 available to the department on July 1, 2016. Before expending any remaining
41 monies in the overtime pay appropriation or any monies in the backlog
42 privatization and new case aides appropriations, the department shall submit
43 for review by the joint legislative budget committee a report on private
44 contractor awards to address the backlog. After the report is reviewed by
45 the joint legislative budget committee, the remaining \$1,958,000 from the

1 state general fund, \$2,894,600 from the federal temporary assistance for
 2 needy families block grant and \$1,447,300 from the child safety expenditure
 3 authority in the overtime pay appropriation, along with \$2,700,000 from the
 4 state general fund in the backlog privatization appropriation and \$2,500,000
 5 from the state general fund and \$577,700 from child safety expenditure
 6 authority in the new case aides appropriation, are available to the
 7 department.

8 Beginning on the seventh day of the month following the effective date
 9 of this act and on the seventh day of each month thereafter through June 30,
 10 2017, the department of child safety shall issue to the governor, the
 11 chairpersons of the house of representatives appropriations and children and
 12 family affairs committees and the senate appropriations and health and human
 13 services committees and the directors of the joint legislative budget
 14 committee and the governor's office of strategic planning and budgeting a
 15 report on new hires and separations. The report shall include the total
 16 number of FTE positions funded and the total number of FTE positions filled
 17 on January 31, 2016 and on the last day of each month thereafter. The
 18 department shall also delineate new hires and separations by case-carrying
 19 caseworkers, hotline staff, caseworkers-in-training, assistant program
 20 managers, unit supervisors, case aides, office of child welfare
 21 investigations staff and administrative staff by function.

22 The amount appropriated for any line item may not be transferred to
 23 another line item or the operating budget unless the transfer is reviewed by
 24 the joint legislative budget committee.

25 Child safety expenditure authority includes all department funding
 26 sources excluding the state general fund, the federal child care and
 27 development fund block grant, the federal temporary assistance for needy
 28 families block grant, the child abuse prevention fund and the children and
 29 family services training program fund.

30 On or before July 1, 2016, the department of child safety shall provide
 31 a summary of the Moss-Adams audit for review by the joint legislative budget
 32 committee. The summary shall detail any deficiencies related to the
 33 department's financial processes.

34 Sec. 25. STATE BOARD OF CHIROPRACTIC EXAMINERS

35		<u>2016-17</u>
36	FTE positions	5.0
37	Lump sum appropriation	\$ 451,400
38	Fund sources:	
39	Board of chiropractic examiners	
40	fund	\$ 451,400

1	Sec. 26. ARIZONA COMMUNITY COLLEGES	
2		<u>2016-17</u>
3	<u>Equalization aid</u>	
4	Cochise	\$ 4,878,400
5	Graham	14,695,800
6	Navajo	<u>6,081,500</u>
7	Total - equalization aid	\$ 25,655,700
8	<u>Operating state aid</u>	
9	Cochise	\$ 4,670,000
10	Coconino	1,756,400
11	Gila	315,200
12	Graham	2,249,700
13	Mohave	1,315,000
14	Navajo	1,606,000
15	Pinal	1,724,700
16	Santa Cruz	81,200
17	Yavapai	800,200
18	Yuma/La Paz	<u>2,690,100</u>
19	Total - operating state aid	\$ 17,208,500
20	<u>STEM and workforce programs state aid</u>	
21	Cochise	\$ 1,008,200
22	Coconino	418,000
23	Gila	142,500
24	Graham	595,200
25	Mohave	505,200
26	Navajo	353,700
27	Pinal	96,500
28	Santa Cruz	61,400
29	Yavapai	774,400
30	Yuma/La Paz	<u>864,000</u>
31	Total - STEM and workforce programs	
32	state aid	\$ 4,819,100
33	Rural county reimbursement subsidy	<u>\$ 1,273,800</u>
34	Total appropriation - Arizona community	
35	colleges	\$ 48,957,100
36	Fund sources:	
37	State general fund	\$ 48,957,100
38	Of the \$1,273,800 appropriated to the rural county reimbursement	
39	subsidy line item, Apache county receives \$699,300 and Greenlee county	
40	receives \$574,500.	

1 Sec. 27. REGISTRAR OF CONTRACTORS

2 2016-17

3 FTE positions 105.6

4 Operating lump sum appropriation \$ 11,169,900

5 Office of administrative hearings

6 costs 1,017,600

7 Total appropriation - registrar of

8 contractors \$ 12,187,500

9 Fund sources:

10 Registrar of contractors fund \$ 12,187,500

11 Any transfer to or from the amount appropriated for the office of

12 administrative hearings costs line item requires review by the joint

13 legislative budget committee.

14 Sec. 28. CORPORATION COMMISSION

15 2016-17

16 FTE positions 300.9

17 Operating lump sum appropriation \$ 26,276,800

18 Corporation filings, same-day

19 service 398,500

20 Utilities audits, studies,

21 investigations and hearings 380,000*

22 Total appropriation - corporation commission \$ 27,055,300

23 Fund sources:

24 State general fund \$ 614,200

25 Arizona arts trust fund 50,100

26 Investment management regulatory

27 and enforcement fund 712,600

28 Public access fund 6,586,400

29 Securities regulatory and

30 enforcement fund 4,930,700

31 Utility regulation revolving fund 14,161,300

32 The \$398,500 appropriated from the public access fund for the

33 corporation filings, same-day service line item reverts to the public access

34 fund established by section 10-122.01, Arizona Revised Statutes, at the end

35 of fiscal year 2016-2017 if the commission has not established a same-day

36 service pursuant to section 10-122, Arizona Revised Statutes.

37 Sec. 29. STATE DEPARTMENT OF CORRECTIONS

38 2016-17

39 FTE positions 9,564.4

40 Operating lump sum appropriation \$ 783,680,200

41 Radio equipment 2,800,000

1	Private prison per diem	168,617,100
2	Inmate health care contracted	
3	services	147,137,100
4	Northern region community	
5	corrections center	<u>1,778,000</u>
6	Total appropriation - state department	
7	of corrections	\$1,104,012,400
8	Fund sources:	
9	State general fund	\$1,054,136,200
10	State education fund for	
11	correctional education	673,400
12	Alcohol abuse treatment fund	555,300
13	Penitentiary land fund	979,200
14	State charitable, penal and	
15	reformatory institutions	
16	land fund	1,861,200
17	Corrections fund	30,317,800
18	Transition program fund	1,803,300
19	Prison construction and operations	
20	fund	13,686,000

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

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

35 The state department of corrections shall provide a report on bed
 36 capacity to the joint legislative budget committee for its review on or
 37 before August 1, 2016. The report shall reflect the bed capacity for each
 38 security classification by gender at each state-run and private institution,
 39 divided by rated and total beds. The report shall include bed capacity data
 40 for June 30, 2015 and June 30, 2016 and the projected capacity for June 30,
 41 2017, as well as the reasons for any change within that time period. Within
 42 the total bed count, the department shall provide the number of temporary and
 43 special use beds. If the department develops a plan subsequent to its August
 44 1 report to close state-operated prison rated beds or cancel or not renew
 45 contracts for privately operated prison beds, the state department of

1 corrections shall submit a bed plan detailing the proposed bed closures for
 2 review by the joint legislative budget committee before implementing these
 3 changes.

4 One hundred percent of land earnings and interest from the penitentiary
 5 land fund shall be distributed to the state department of corrections in
 6 compliance with the enabling act and the Constitution of Arizona to be used
 7 for the support of state penal institutions.

8 Twenty-five percent of land earnings and interest from the state
 9 charitable, penal and reformatory institutions land fund shall be distributed
 10 to the state department of corrections in compliance with the enabling act
 11 and the Constitution of Arizona to be used for the support of state penal
 12 institutions.

13 Before the expenditure of any state education fund for correctional
 14 education monies in excess of \$673,400, the state department of corrections
 15 shall report the intended use of the monies to the director of the joint
 16 legislative budget committee.

17 Before implementing any changes in per diem rates for inmate health
 18 care contracted services, the state department of corrections shall submit
 19 its expenditure plan for review by the joint legislative budget committee.

20 The amount appropriated for the department includes sufficient monies
 21 to fund a four percent adjustment for the fourth year of the contract.

22 Sec. 30. BOARD OF COSMETOLOGY

	<u>2016-17</u>
FTE positions	24.5
Lump sum appropriation	\$ 1,807,700
Fund sources:	
Board of cosmetology fund	\$ 1,807,700

28 Sec. 31. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2016-17</u>
FTE positions	9.0
Operating lump sum appropriation	\$ 1,253,700
State aid to county attorneys	973,600
Victim compensation and assistance	<u>4,220,500</u>
Total appropriation - Arizona criminal	
justice commission	\$ 6,447,800
Fund sources:	
Criminal justice enhancement fund	\$ 648,800
Drug and gang prevention resource	
center fund	604,900
State aid to county attorneys fund	973,600
Victim compensation and assistance	
fund	4,220,500

1 All victim compensation and assistance monies received by the Arizona
 2 criminal justice commission in excess of \$4,220,500 in fiscal year 2016-2017
 3 are appropriated to the crime victims program. Before the expenditure of any
 4 victim compensation and assistance monies in excess of \$4,220,500 in fiscal
 5 year 2016-2017, the Arizona criminal justice commission shall report the
 6 intended use of the monies to the joint legislative budget committee.

7 All monies received by the Arizona criminal justice commission in
 8 excess of \$973,600 in fiscal year 2016-2017 from the state aid to county
 9 attorneys fund established by section 11-539, Arizona Revised Statutes, are
 10 appropriated to the state aid to the county attorneys program. Before the
 11 expenditure of any state aid to county attorneys fund monies in excess of
 12 \$973,600, the Arizona criminal justice commission shall report the intended
 13 use of the monies to the joint legislative budget committee.

14 On or before August 31, 2016, the Arizona criminal justice commission
 15 shall report to the joint legislative budget committee regarding
 16 noncompliance with the reporting requirements contained in section
 17 13-2314.01, subsection H and section 13-2314.03, subsection H, Arizona
 18 Revised Statutes.

19 Sec. 32. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	<u>2016-17</u>
20 FTE positions	541.2
21 Administration/statewide	\$ 4,152,100
22 Phoenix day school for the deaf	9,456,700
23 Tucson campus	13,755,600
24 Regional cooperatives	821,900
25 Preschool/outreach programs	4,233,500
26 School bus replacement	738,000
27 Voucher fund adjustment	<u>145,900</u>
28 Total appropriation - Arizona state schools	
29 for the deaf and the blind	\$ 33,303,700
30 Fund sources:	
31 State general fund	\$ 21,596,400
32 Schools for the deaf and the	
33 blind fund	11,707,300

34 Before the expenditure of any schools for the deaf and the blind fund
 35 monies in excess of \$11,707,300 in fiscal year 2016-2017, the Arizona state
 36 schools for the deaf and the blind shall report to the joint legislative
 37 budget committee the intended use of the monies.

38 Sec. 33. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

	<u>2016-17</u>
39 FTE positions	15.0
40 Lump sum appropriation	\$ 4,312,800
41 Fund sources:	
42 Telecommunication fund for	
43 the deaf	\$ 4,312,800

1	Sec. 34. STATE BOARD OF DENTAL EXAMINERS	
2		<u>2016-17</u>
3	FTE positions	11.0
4	Lump sum appropriation	\$ 1,215,500
5	Fund sources:	
6	Dental board fund	\$ 1,215,500
7	Sec. 35. DEPARTMENT OF ECONOMIC SECURITY	
8		<u>2016-17</u>
9	FTE positions	4,218.0
10	Operating lump sum appropriation	\$157,701,000
11	<u>Administration</u>	
12	Attorney general legal services	11,067,600
13	<u>Aging and adult services</u>	
14	Adult services	7,924,100
15	Community and emergency services	3,724,000
16	Coordinated homeless services	2,522,600
17	Domestic violence prevention	12,403,700
18	<u>Benefits and medical eligibility</u>	
19	Temporary assistance for needy	
20	families - cash benefits	27,736,400
21	Coordinated hunger services	1,754,600
22	Tribal pass-through funding	4,680,300
23	<u>Child support enforcement</u>	
24	County participation	8,740,200
25	<u>Developmental disabilities</u>	
26	DDD operating lump sum	49,590,200
27	Case management - medicaid	55,627,300
28	Home and community based	
29	services - medicaid	994,348,600
30	Institutional services -	
31	medicaid	22,632,900
32	Medical services - medicaid	165,542,400
33	Arizona training program at	
34	Coolidge - medicaid	15,822,100
35	Medicare clawback payments	3,370,600
36	Case management - state-only	3,912,700
37	Home and community based	
38	services - state-only	16,913,400
39	State-funded long-term care	
40	services	26,554,000
41	<u>Employment and rehabilitation services</u>	
42	JOBS	13,005,600
43	Child care subsidy	98,396,600
44	Independent living rehabilitation	
45	services	1,289,400

1	Rehabilitation services	7,249,100
2	Workforce investment act	
3	services	<u>51,654,600</u>
4	Total appropriation and expenditure	
5	authority - department of	
6	economic security	\$1,764,164,000
7	Fund sources:	
8	State general fund	\$ 530,204,500
9	Federal child care and	
10	development fund block grant	107,773,600
11	Federal temporary assistance for	
12	needy families block grant	72,964,700
13	Long-term care system fund	26,554,000
14	Public assistance collections	
15	fund	424,600
16	Special administration fund	2,939,700
17	Spinal and head injuries trust	
18	fund	2,324,800
19	Statewide cost allocation plan	
20	fund	1,000,000
21	Child support enforcement	
22	administration fund	16,719,600
23	Domestic violence shelter fund	2,500,000
24	Workforce investment act grant	56,050,500
25	Child support enforcement	
26	administration fund expenditure	
27	authority	42,479,100
28	Developmental disabilities medicaid	
29	expenditure authority	902,228,900

30 Aging and adult services

31 All domestic violence shelter fund monies in excess of \$2,500,000
 32 received by the department of economic security are appropriated for the
 33 domestic violence prevention line item. Before the expenditure of these
 34 increased monies, the department of economic security shall report the
 35 intended use of monies in excess of \$2,500,000 to the joint legislative
 36 budget committee.

37 The department of economic security shall report to the joint
 38 legislative budget committee on the amount of state and federal monies
 39 available statewide for domestic violence funding on or before December
 40 15, 2016. The report shall include, at a minimum, the amount of monies
 41 available and the state fiscal agent receiving those monies.

42 Benefits and medical eligibility

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

Child support enforcement

All state shares of retained earnings, fees and federal incentives in excess of \$16,719,600 received by the division of child support enforcement are appropriated for operating expenditures. New FTE 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.

Developmental disabilities

The appropriated amount in the home and community based services - medicaid line item includes \$2,791,800 from the state general fund and \$6,260,600 in developmental disabilities medicaid expenditure authority for an across-the-board one percent full-year rate adjustment for home and community based services providers to individuals with developmental disabilities whose current rates are less than one hundred percent of the benchmark rates published in the 2014 rate rebase study, in addition to any adjustment as part of the aggregate 2.5 percent capitation rate increase. A provider rate may not increase to more than one hundred percent of the benchmark rates published in the 2014 rate rebase study as a result of the one percent adjustment. The department shall report its distribution plan to the joint legislative budget committee on or before August 1, 2016.

The department shall report 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 any new placement into a state-owned ICF-IID or the Arizona training program at the Coolidge campus in fiscal year 2016-2017 and the reason why this placement, rather than a placement into a privately run facility for persons with developmental disabilities, 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, 2017.

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 percent. Before implementation of any changes in capitation rates for the long-term care system, the department shall submit a report for review by the joint legislative budget committee. Before the department implements any change 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 impact analysis demonstrates that this change will result in additional state costs of \$500,000 or more for any fiscal year, the department shall submit the policy change for review by the joint legislative budget committee.

1 Before implementation of any developmental disabilities or long-term
2 care statewide provider rate adjustments that are not already specifically
3 authorized by the legislature, court mandates or changes to federal law, the
4 department shall submit a report for review by the joint legislative budget
5 committee that includes, at a minimum, the estimated cost of the provider
6 rate adjustment and the ongoing source of funding for the adjustment, if
7 applicable.

8 Before transferring any monies in or out of the case
9 management - medicaid, case management - state-only, and DDD operating lump
10 sum line items, the department of economic security shall submit a report for
11 review by the joint legislative budget committee.

12 The department shall submit an expenditure plan to the joint
13 legislative budget committee for review of any new division of developmental
14 disabilities salary adjustments not previously reviewed by the joint
15 legislative budget committee.

16 The department shall report to the joint legislative budget committee
17 on or before September 1, 2016 the number of filled positions for case
18 managers and non-case managers in the division of developmental disabilities
19 as of June 30, 2016. The department shall submit an expenditure plan of its
20 staffing levels for review by the joint legislative budget committee if the
21 department plans on hiring staff for non-case manager, non-case aide,
22 non-case unit supervisor and non-case section manager positions above the
23 staffing level indicated in the September 1, 2016 report.

24 Employment and rehabilitation services

25 It is the intent of the legislature that the combined number of
26 children in child care assistance authorized pursuant to section 46-803,
27 subsections D and F, Arizona Revised Statutes, be maintained throughout the
28 year at a minimum of 8,500 children. The department shall prioritize child
29 care assistance for families who qualify for assistance pursuant to section
30 46-803, subsection F, Arizona Revised Statutes, on the waiting lists
31 established pursuant to section 46-803, subsection I, Arizona Revised
32 Statutes.

33 All federal workforce investment act monies that are received by this
34 state in excess of \$56,060,500 are appropriated to the workforce investment
35 act services line item. Before the expenditure of these increased monies,
36 the department of economic security shall report the intended use of monies
37 in excess of \$56,060,500 to the joint legislative budget committee.

38 Departmentwide

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

The department of economic security shall forward 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 a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals on or before the thirtieth of the following month. The report shall include an estimate of potential shortfalls in entitlement programs and potential federal and other monies, 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.

Sec. 36. STATE BOARD OF EDUCATION

		<u>2016-17</u>
	FTE positions	11.0
	Lump sum appropriation	\$ 1,705,000
	Fund sources:	
	State general fund	\$ 1,325,200
	Teacher certification fund -	
	State board of education	
	subaccount	379,800

Sec. 37. SUPERINTENDENT OF PUBLIC INSTRUCTION

		<u>2016-17</u>
	FTE positions	164.9
	Operating lump sum appropriation	\$ 11,975,700
	Fund sources:	
	State general fund	\$ 8,739,400
	Teacher certification fund -	
	department of education subaccount	137,300
	Department of education empowerment	
	scholarship account fund	399,000
	Department of education professional	
	development revolving fund	2,700,000

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.

The appropriation from the department of education empowerment scholarship account fund includes \$100,000 in funding for one-time information technology changes.

The amount appropriated for the department's operating budget includes \$500,000 for technical assistance and state level administration of the K-3 reading program established pursuant to section 15-211, Arizona Revised Statutes.

1	Basic state aid	\$2,787,840,500
2	Fund sources:	
3	State general fund	\$2,568,036,300
4	Permanent state school fund	219,804,200

5 The above appropriation provides basic state support to school
6 districts for maintenance and operations funding as provided by section
7 15-973, Arizona Revised Statutes, and includes an estimated \$219,804,200 in
8 expendable income derived from the permanent state school fund and from state
9 trust lands pursuant to section 37-521, subsection B, Arizona Revised
10 Statutes, for fiscal year 2016-2017, except that if Proposition 123 is not
11 approved by voters, the amount of expendable income derived from the
12 permanent state school fund and from state trust lands pursuant to section
13 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2016-2017 is
14 estimated to be \$47,359,500.

15 Monies derived from the permanent state school fund and any other
16 nonstate general fund revenue source that is dedicated to fund basic state
17 aid shall be expended, whenever possible, before the expenditure of state
18 general fund monies.

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

29 The amount appropriated for basic state aid from the permanent state
30 school fund for fiscal year 2016-2017 is reduced by \$172,444,700 if
31 Proposition 123 is not approved by voters.

32 If Proposition 123 is not approved by voters, the department shall
33 allocate \$74,394,000 of the basic state aid appropriation for a separate
34 additional inflation adjustment apart from the basic state aid formula. The
35 additional inflation monies would be allocated to school districts and
36 charter schools in fiscal year 2016-2017 in the same manner that they would
37 be allocated if they were for an additional increase of \$54.31 in the base
38 level prescribed in section 15-901, subsection B, paragraph 2, Arizona
39 Revised Statutes, for fiscal year 2016-2017 and the department would increase
40 budget limits accordingly. The department also would increase the budget
41 limits of a school district that is not eligible to receive basic state aid
42 funding for fiscal year 2016-2017 by the amount that the district's budget
43 limits would be increased for additional inflation if the school district was
44 eligible to receive basic state aid funding for fiscal year 2016-2017. The

1 additional inflation amount is not an increase in the base level as defined
2 in section 15-901, Arizona Revised Statutes.

3 Former district-sponsored charter schools \$574,000

4 The appropriation for former district-sponsored charter schools for
5 fiscal year 2016-2017 consists of one-time monies to provide additional base
6 support level funding on a one-time basis to school districts that operated
7 district-sponsored charter schools in fiscal year 2015-2016 and that qualify
8 for state aid in fiscal year 2016-2017. The appropriated amount shall be
9 allocated to school districts that operated district-sponsored charter
10 schools in fiscal year 2015-2016 and that qualify for state aid in fiscal
11 year 2016-2017 on a pro rata basis based on the number of average daily
12 membership pupils who attended district-sponsored charter schools in each
13 school district for fiscal year 2015-2016. Monies that a school district
14 receives from this line item shall be added to the district's base support
15 level for fiscal year 2016-2017, and the department of education shall
16 increase its budget limits accordingly.

17 The department also shall increase the base support level of a school
18 district that operated a district-sponsored charter school in fiscal year
19 2015-2016 but that does not qualify for state aid in fiscal year 2016-2017 by
20 an amount equal to the average per pupil base support level increase provided
21 per former district-sponsored charter school pupil under this line item for a
22 school district that qualifies for state aid for fiscal year 2016-2017,
23 multiplied by the number of average daily membership pupils who attended
24 district-sponsored charter schools in the school district in fiscal year
25 2015-2016, and shall increase the school district's budget limits
26 accordingly.

27	Additional state aid -	
28	homeowner's rebate	\$391,456,100
29	Additional state aid -	
30	1 percent cap	7,380,300
31	Special education fund	32,242,100
32	Other state aid to districts	983,900
33	Accountability and achievement	
34	testing	\$ 16,422,400

35 Fund sources:

36	State general fund	\$ 9,422,400
37	Proposition 301 fund	7,000,000

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

1	Adult education	\$ 4,500,000
2	Alternative teacher development	
3	program	500,000
4	Arizona structured English	
5	immersion fund	4,960,400
6	English learner administration	6,507,900

7 The department of education shall use the appropriated amount to
 8 provide English language acquisition services for the purposes of section
 9 15-756.07, Arizona Revised Statutes, and for the costs of providing English
 10 language proficiency assessments, scoring and ancillary materials as
 11 prescribed by the department of education to school districts and charter
 12 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
 13 Statutes. The department of education may use a portion of the appropriated
 14 amount to hire staff or contract with a third party to carry out the purposes
 15 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
 16 41-192, Arizona Revised Statutes, the superintendent of public instruction
 17 also may use a portion of the appropriated amount to contract with one or
 18 more private attorneys to provide legal services in connection with the case
 19 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

20	Geographic literacy	\$ 100,000
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21 The department of education shall use the appropriated one-time amount
 22 to issue a grant to a statewide geographic alliance for the purpose of
 23 strengthening geographic literacy in this state. The appropriated amount is
 24 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 25 relating to lapsing of appropriations.

26	JTED soft capital and equipment	\$ 1,000,000
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27 The department of education shall distribute the appropriated amount to
 28 joint technical education districts with fewer than two thousand average
 29 daily membership pupils for soft capital and equipment expenses. The
 30 appropriated amount shall be allocated on a pro rata basis based on the
 31 average daily membership of eligible joint technical education districts.

32	School safety program	\$ 3,646,500
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33	State block grant for vocational	
34	education	11,560,900

35	Teacher certification	\$ 1,834,500
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36 Fund sources:

37	Teacher certification fund -	
38	department of education	
39	subaccount	\$ 1,834,500

40	Tribal college dual enrollment	
41	program fund	\$ 250,000

1	Fund sources:	
2	Tribal college dual enrollment	
3	program fund	\$ 250,000
4	Total appropriation - superintendent	
5	of public instruction	
6		<hr/>
		\$3,283,735,200

7	Fund sources:	
8	State general fund	\$3,051,610,200
9	Proposition 301 fund	7,000,000
10	Permanent state school fund	219,804,200
11	Teacher certification fund -	
12	department of education	
13	subaccount	1,971,800
14	Tribal college dual enrollment	
15	program fund	250,000
16	Department of education empowerment	
17	scholarship account fund	399,000
18	Department of education professional	
19	development revolving fund	2,700,000

20 After review by the joint legislative budget committee, in fiscal year
 21 2016-2017, the department may use a portion of its fiscal year 2016-2017
 22 state general fund appropriations for basic state aid or additional state aid
 23 to fund a shortfall in funding for basic state aid or additional state aid,
 24 if any, that occurred in fiscal year 2015-2016.

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

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

39 Sec. 38. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

40		<u>2016-17</u>
41	FTE positions	63.1
42	Administration	\$ 1,819,200
43	Emergency management	727,300

1	Military affairs	3,024,400
2	Matching funds	<u>1,540,900</u>

3	Total appropriation - department of	
4	emergency and military affairs	\$ 7,111,800

5 Fund sources:

6	State general fund	\$ 7,111,800
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7 The department of emergency and military affairs appropriation includes
 8 \$1,700,000 for service contracts. This amount is exempt from the provisions
 9 of section 35-190, Arizona Revised Statutes, relating to lapsing of
 10 appropriations, except that all fiscal year 2016-2017 monies remaining
 11 unexpended and unencumbered on December 31, 2017 revert to the state general
 12 fund.

13 Sec. 39. DEPARTMENT OF ENVIRONMENTAL QUALITY

14		<u>2016-17</u>
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15	FTE positions	322.0
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16	Operating lump sum appropriation	\$ 46,353,800
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17	Safe drinking water program	1,800,000
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18	Emissions control contractor	
19	payment	<u>21,119,500</u>

20	Total appropriation - department of	
21	environmental quality	\$ 69,273,300

22 Fund sources:

23	Air quality fund	\$ 5,369,300
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24	Emergency response fund	132,800
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25	Emissions inspection fund	28,381,700
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26	Hazardous waste management fund	1,738,800
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27	Indirect cost recovery fund	13,373,700
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28	Permit administration fund	7,129,700
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29	Recycling fund	1,356,300
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30	Solid waste fee fund	1,241,000
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31	Underground storage tank	
32	revolving fund	22,000

33	Water quality fee fund	10,528,000
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34 Before the expenditure of any monies from the safe drinking water
 35 program line item, the department of environmental quality shall submit an
 36 expenditure plan for review by the joint legislative budget committee.

37 Pursuant to section 49-282, Arizona Revised Statutes, the department of
 38 environmental quality shall submit a fiscal year 2017-2018 budget for the
 39 water quality assurance revolving fund before September 1, 2016, for review
 40 by the senate and house of representatives appropriations committees.

41 The department of environmental quality shall report annually on the
 42 progress of WQARF activities, including emergency response, priority site
 43 remediation, cost recovery activity, revenue and expenditure activity and
 44 other WQARF-funded program activity. The department shall submit the fiscal
 45 year 2016-2017 report to the joint legislative budget committee on or before

September 1, 2016. This report shall also include a budget for the WQARF program that is developed in consultation with the WQARF advisory board. This budget shall specify the monies budgeted for each listed site during fiscal year 2016-2017. In addition, the department and the advisory board shall prepare and submit to the joint legislative budget committee, on or before October 1, 2016, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of fiscal year 2015-2016, indicate whether the current stage of remediation is anticipated to be completed in fiscal year 2016-2017 and indicate the anticipated stage of remediation at each listed site at the end of fiscal year 2016-2017, assuming fiscal year 2016-2017 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

All permit administration monies received by the department of environmental quality in excess of \$7,129,700 in fiscal year 2016-2017 are appropriated to the department. Before the expenditure of permit administration monies in excess of \$7,129,700 in fiscal year 2016-2017, the department of environmental quality shall report the intended use of the monies to the joint legislative budget committee.

All indirect cost recovery fund monies received by the department of environmental quality in excess of \$13,373,700 in fiscal year 2016-2017 are appropriated to the department. Before the expenditure of indirect cost recovery fund monies in excess of \$13,373,700 in fiscal year 2016-2017, the department of environmental quality shall report the intended use of the monies to the joint legislative budget committee.

Sec. 40. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

		<u>2016-17</u>
	FTE positions	4.0
	Lump sum appropriation	\$ 189,000
	Fund sources:	
	State general fund	\$ 189,000

Sec. 41. STATE BOARD OF EQUALIZATION

		<u>2016-17</u>
	FTE positions	7.0
	Lump sum appropriation	\$ 642,800
	Fund sources:	
	State general fund	\$ 642,800

Sec. 42. BOARD OF EXECUTIVE CLEMENCY

		<u>2016-17</u>
	FTE positions	14.0
	Lump sum appropriation	\$ 956,000
	Fund sources:	
	State general fund	\$ 956,000

The board of executive clemency shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before November 1, 2016 on the total number and types of cases the board reviewed in fiscal year 2015-2016.

Sec. 43. ARIZONA EXPOSITION AND STATE FAIR BOARD

	<u>2016-17</u>
FTE positions	184.0
Lump sum appropriation	\$ 11,616,100
Fund sources:	
Arizona exposition and state fair fund	\$ 11,616,100

Sec. 44. DEPARTMENT OF FINANCIAL INSTITUTIONS

	<u>2016-17</u>
FTE positions	69.1
Operating lump sum appropriation	\$ 4,453,100
Real estate appraisal	<u>817,200</u>
Total appropriation - department of financial institutions	\$ 5,270,300
Fund sources:	
State general fund	\$ 3,812,600
Financial services fund	1,457,700

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

Of the amount appropriated from the state general fund, the sum of \$817,000 reverts to the state general fund if the board of appraisal fund established by section 32-3608, Arizona Revised Statutes, is not repealed in the fifty-second legislature, second regular session.

Sec. 45. STATE FORESTER

	<u>2016-17</u>
FTE positions	67.0
Operating lump sum appropriation	\$ 2,953,000
Environmental county grants	250,000
Inmate fire crews	691,000
Fire suppression	1,000,000
One-time equipment	302,500
State fire marshal	920,000
Hazardous vegetation removal	<u>1,350,000</u>
Total appropriation - state forester	\$ 7,466,500
Fund sources:	
State general fund	\$ 7,466,500

1 Sec. 46. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

2 2016-17

3 FTE positions 4.0

4 Lump sum appropriation \$ 376,200

5 Fund sources:

6 Board of funeral directors' and
7 embalmers' fund \$ 376,200

8 The appropriation includes \$24,000 for data system updates and online
9 renewals. Before the expenditure of these monies, the state board of funeral
10 directors and embalmers shall complete a project investment justification
11 that has been approved by the department of administration. It is the intent
12 of the legislature that the Arizona strategic enterprise technology office
13 determine whether the board's project investment justification is consistent
14 with statewide information technology enterprise architecture strategy and
15 whether one-time information technology purchases can be consolidated with
16 other appropriations in this act.

17 Sec. 47. ARIZONA GAME AND FISH DEPARTMENT

18 2016-17

19 FTE positions 273.5

20 Operating lump sum appropriation \$ 41,325,200

21 Watercraft grants 1,000,00022 Total appropriation - game and fish
23 department \$ 42,325,200

24 Fund sources:

25 Capital improvement fund \$ 1,000,900

26 Game and fish fund 35,769,000

27 Wildlife endowment fund 16,200

28 Watercraft licensing fund 5,192,600

29 Game, non-game, fish and
30 endangered species fund 346,500

31 The operating lump sum appropriation of \$41,325,200 includes \$795,000
32 from the game and fish fund established by section 17-261, Arizona Revised
33 Statutes, to increase the minimum salary for the wildlife manager, wildlife
34 manager 2, wildlife manager 3, wildlife manager field supervisor, law
35 enforcement specialist 2, law enforcement specialist 3 and law enforcement
36 program manager positions for a full year by at least \$8,700.

37 Sec. 48. DEPARTMENT OF GAMING

38 2016-17

39 FTE positions 155.8

40 Operating lump sum appropriation \$ 8,295,500

41 Additional operating expenses 800,400

42 Casino operations certification 2,089,900

1	County fairs livestock and	
2	agriculture promotion	1,779,500
3	Division of racing	2,894,200
4	Problem gambling	<u>2,287,000</u>
5	Total appropriation - department of gaming	\$ 18,146,500
6	Fund sources:	
7	State general fund	\$ 1,779,500
8	Tribal-state compact fund	2,089,900
9	Arizona benefits fund	11,082,900
10	State lottery fund	300,000
11	Racing regulation fund	2,894,200

12 The department of gaming shall report to the directors of the joint
 13 legislative budget committee and the governor's office of strategic planning
 14 and budgeting on or before December 1, 2016 on the expected amount and
 15 purpose of expenditures from the additional operating expenses line item for
 16 fiscal year 2016-2017. The report shall include the projected line item
 17 detail.

18 The amount appropriated to the county fairs livestock and agriculture
 19 promotion line item is for deposit in the county fairs livestock and
 20 agriculture promotion fund established by section 5-113, Arizona Revised
 21 Statutes, and to be administered by the office of the governor.

22 Sec. 49. OFFICE OF THE GOVERNOR

23		<u>2016-17</u>
24	Lump sum appropriation	\$ 6,889,000*
25	Fund sources:	
26	State general fund	\$ 6,889,000

27 Included in the lump sum appropriation of \$6,889,000 for fiscal year
 28 2016-2017 is \$10,000 for the purchase of mementos and items for visiting
 29 officials.

30 Sec. 50. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

31		<u>2016-17</u>
32	FTE positions	22.0
33	Lump sum appropriation	\$ 1,994,000*

34	Fund sources:	
35	State general fund	\$ 1,994,000

36 Sec. 51. DEPARTMENT OF HEALTH SERVICES

37		<u>2016-17</u>
38	FTE positions	1,065.5
39	Operating lump sum appropriation	\$ 49,200,000
40	<u>Public health/family health</u>	
41	Adult cystic fibrosis care	105,200
42	AIDS reporting and surveillance	1,000,000
43	Alzheimer's disease research	1,125,000

1	Breast and cervical cancer and	
2	bone density screening	1,369,400
3	County tuberculosis provider care	
4	and control	590,700
5	Emergency medical services local	
6	allocation	442,000
7	Folic acid program	400,000
8	High-risk perinatal services	2,543,400
9	Newborn screening program	6,697,300
10	Nonrenal disease management	198,000
11	Nursing care special projects	100,000
12	Poison control centers funding	990,000
13	Renal dental care and nutrition	
14	supplements	300,000
15	<u>Arizona state hospital</u>	
16	Arizona state hospital -	
17	operating	61,011,600
18	Arizona state hospital -	
19	restoration to competency	900,000
20	Arizona state hospital -	
21	sexually violent persons	<u>9,684,900</u>
22	Total appropriation - department of	
23	health services	\$ 136,657,500
24	Fund sources:	
25	State general fund	\$ 86,946,400
26	Arizona state hospital fund	9,575,300
27	Arizona state hospital land	
28	earnings fund	880,100
29	Capital outlay stabilization fund	1,559,900
30	Child fatality review fund	95,000
31	Emergency medical services	
32	operating fund	5,368,800
33	Environmental laboratory licensure	
34	revolving fund	926,400
35	Federal child care and development	
36	fund block grant	876,100
37	Health services licensing fund	9,264,200
38	Indirect cost fund	8,559,800
39	Newborn screening program fund	7,138,300
40	Nursing care institution resident	
41	protection revolving fund	138,200
42	Tobacco tax and health care fund -	
43	health research account	1,000,000

1	Tobacco tax and health care fund -	
2	medically needy account	700,000
3	Vital records electronic systems	
4	fund	3,629,000

5 Public health/family health

6 The department of health services may use up to four percent of the
7 amounts appropriated for nonrenal disease management for the administrative
8 costs to implement the program.

9 Of the \$1,125,000 for Alzheimer's disease research, \$1,000,000 is from
10 the tobacco tax and health care fund - health research account established by
11 section 36-773, Arizona Revised Statutes.

12 Arizona state hospital

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

17 Departmentwide

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

29 Sec. 52. ARIZONA HISTORICAL SOCIETY

30		<u>2016-17</u>
31	FTE positions	51.9
32	Operating lump sum appropriation	\$ 2,118,500
33	Arizona experience museum	428,300
34	Field services and grants	66,000
35	Papago park museum	<u>544,400</u>
36	Total appropriation - Arizona historical	
37	society	\$ 3,157,200
38	Fund sources:	
39	State general fund	\$ 3,157,200

40 Sec. 53. PRESCOTT HISTORICAL SOCIETY

41		<u>2016-17</u>
42	FTE positions	13.0
43	Lump sum appropriation	\$ 825,800
44	Fund sources:	
45	State general fund	\$ 825,800

1	Sec. 54. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
2		<u>2016-17</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 102,800
5	Fund sources:	
6	Board of homeopathic and	
7	integrated medicine	
8	examiners' fund	\$ 102,800
9	Sec. 55. ARIZONA DEPARTMENT OF HOUSING	
10		<u>2016-17</u>
11	FTE positions	20.0
12	Lump sum appropriation	\$ 1,133,300
13	Fund sources:	
14	State general fund	\$ 814,800
15	Housing trust fund	318,500
16	Sec. 56. INDEPENDENT REDISTRICTING COMMISSION	
17		<u>2016-17</u>
18	Lump sum appropriation	\$ 1,115,300
19	Fund sources:	
20	State general fund	\$ 1,115,300
21	Sec. 57. ARIZONA COMMISSION OF INDIAN AFFAIRS	
22		<u>2016-17</u>
23	FTE positions	3.0
24	Lump sum appropriation	\$ 57,400
25	Fund sources:	
26	State general fund	\$ 57,400
27	Sec. 58. INDUSTRIAL COMMISSION OF ARIZONA	
28		<u>2016-17</u>
29	FTE positions	235.6
30	Lump sum appropriation	\$ 19,940,300
31	Fund sources:	
32	Administrative fund	\$ 19,940,300
33	Sec. 59. DEPARTMENT OF INSURANCE	
34		<u>2016-17</u>
35	FTE positions	72.3
36	Lump sum appropriation	\$ 5,856,000
37	Fund sources:	
38	State general fund	\$ 5,856,000
39	Sec. 60. ARIZONA JUDICIARY	
40		<u>2016-17</u>
41	<u>Supreme court</u>	
42	FTE positions	177.0
43	Operating lump sum appropriation	\$ 13,512,600
44	Automation	20,013,100
45	County reimbursements	187,900

1	Court appointed special advocate	2,862,500
2	Domestic relations	621,000
3	State foster care review board	3,212,300
4	Commission on judicial conduct	505,000
5	Judicial nominations and	
6	performance review	413,500
7	Model court	437,600
8	State aid	<u>5,648,400</u>
9	Total appropriation - supreme court	\$ 47,413,900
10	Fund sources:	
11	State general fund	\$ 18,461,700
12	Confidential intermediary and	
13	fiduciary fund	488,400
14	Court appointed special advocate	
15	fund	2,942,800
16	Criminal justice enhancement fund	4,363,800
17	Defensive driving school fund	4,197,300
18	Judicial collection enhancement	
19	fund	14,014,900
20	State aid to the courts fund	2,945,000

21 On or before September 1, 2016, the supreme court shall report to the
 22 joint legislative budget committee on current and future automation projects
 23 coordinated by the administrative office of the courts. The report shall
 24 include a list of court automation projects receiving or anticipated to
 25 receive state monies in the current or next two fiscal years as well as a
 26 description of each project, the number of FTE positions, the entities
 27 involved and the goals and anticipated results for each automation project.
 28 The report shall be submitted in one summary document. The report shall
 29 indicate each project's total multiyear cost by fund source and budget line
 30 item, including any prior year, current year and future year expenditures.

31 Included in the operating lump sum appropriation for the supreme court
 32 is \$1,000 for the purchase of mementos and items for visiting officials.

33 Of the \$187,900 appropriated for county reimbursements, state grand
 34 jury is limited to \$97,900 and capital postconviction relief is limited to
 35 \$90,000.

36 Automation expenses of the judiciary shall be funded only from the
 37 automation line item. Monies in the operating lump sum appropriation or
 38 other line items intended for automation purposes shall be transferred to the
 39 automation line item before expenditure.

40 The operating lump sum appropriation includes \$500,000 and 2.0 FTE
 41 positions for the creation of two new supreme court justice positions. This
 42 amount may be spent only if the number of supreme court justices is increased
 43 from five justices to seven justices in fiscal year 2016-2017.

The operating lump sum includes \$10,600 for the first of a two-year three percent pay increase phase-in for supreme court justices. Pursuant to section 41-1904, Arizona Revised Statutes, this pay raise is effective on the first Monday in January 2017. This amount may be spent only if the number of supreme court justices is increased from five justices to seven justices in fiscal year 2016-2017.

Court of appeals

FTE positions	136.8
Division one	\$ 10,011,100
Division two	<u>\$ 4,336,300</u>
Total appropriation - court of appeals	\$ 14,347,400
Fund sources:	
State general fund	\$ 14,347,400

Of the 136.8 FTE positions for fiscal year 2016-2017, 98.3 FTE positions are for division one and 38.5 FTE positions are for division two.

The appropriated amounts include \$22,300 for division one and \$9,600 for division two for the first of a two-year three percent pay increase phase-in for court of appeals judges. Pursuant to section 41-1904, Arizona Revised Statutes, this pay raise is effective on the first Monday in January 2017. These amounts may be spent only if the number of supreme court justices is increased from five justices to seven justices in fiscal year 2016-2017.

Superior court

FTE positions	137.5
Operating lump sum appropriation	\$ 4,325,700
Judges' compensation	8,288,500
Centralized service payments	3,458,000
Adult standard probation	16,109,200
Adult intensive probation	9,910,000
Community punishment	2,310,300
Interstate compact	416,700
Drug court	993,600
Juvenile standard probation	3,745,700
Juvenile intensive probation	5,532,700
Juvenile treatment services	19,937,800
Juvenile family counseling	500,000
Juvenile crime reduction	3,308,000
Juvenile diversion consequences	8,039,300
Special water master	160,000
Dependency surge funding	<u>3,000,000</u>
Total appropriation - superior court	\$ 90,035,500

1 Fund sources:

2 State general fund	\$ 77,968,900
3 Criminal justice enhancement fund	5,542,000
4 Drug treatment and education fund	502,400
5 Judicial collection enhancement	
6 fund	6,022,200

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

13 Monies appropriated to juvenile treatment services and juvenile
 14 diversion consequences shall be deposited in the juvenile probation services
 15 fund established by section 8-322, Arizona Revised Statutes.

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

20 On or before November 1, 2016, the administrative office of the courts
 21 shall report to the joint legislative budget committee the fiscal year
 22 2015-2016 actual, fiscal year 2016-2017 estimated and fiscal year 2017-2018
 23 requested amounts for each of the following:

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

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

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

39 All centralized service payments made by the administrative office of
 40 the courts on behalf of counties shall be funded only from the centralized
 41 service payments line item. Centralized service payments include only
 42 training, motor vehicle payments, CORP review board funding, LEARN funding,
 43 research, operational reviews and GPS vendor payments. This footnote does
 44 not apply to treatment or counseling services payments made from the juvenile
 45 treatment services and juvenile diversion consequences line items. Monies in

1 the operating lump sum appropriation or other line items intended for
2 centralized service payments shall be transferred to the centralized service
3 payments line item before expenditure.

4 All monies in the adult standard probation, adult intensive probation,
5 interstate compact, juvenile standard probation and juvenile intensive
6 probation line items shall be used only as pass-through monies to county
7 probation departments. Monies in the operating lump sum appropriation or
8 other line items intended as pass-through for the purpose of administering a
9 county probation program shall be transferred to the appropriate probation
10 line item before expenditure.

11 All monies in the judges' compensation line item shall be used to pay
12 for the fifty percent state share of superior court judges' salaries, elected
13 officials' retirement plan costs and related state benefit costs for judges
14 in counties with a population of less than two million persons. Monies in
15 the operating lump sum appropriation or other line items intended for this
16 purpose shall be transferred to the judges' compensation line item before
17 expenditure.

18 All expenditures made by the administrative office of the courts for
19 the administration of superior court line items shall be funded only from the
20 superior court operating budget. Monies in superior court line items
21 intended for this purpose shall be transferred to the superior court
22 operating budget before expenditure.

23 Monies appropriated in the dependency surge funding line item shall be
24 used only as pass-through monies to county superior courts for dependency
25 case processing. Monies in the dependency surge funding line item are exempt
26 from the provisions of section 35-190, Arizona Revised Statutes, relating to
27 lapsing of appropriations, except that all fiscal year 2016-2017 monies
28 remaining unexpended and unencumbered on June 30, 2018 revert to the state
29 general fund. On or before December 1, 2016, the administrative office of
30 the courts shall report to the joint legislative budget committee on the
31 amounts allocated from the dependency surge funding line item by court and
32 judicial function within these courts.

33 The judges' compensation line item includes \$57,500 for the first of a
34 two-year three percent pay increase phase-in for non-Maricopa county superior
35 court justices. Pursuant to section 41-1904, Arizona Revised Statutes, this
36 pay raise is effective on the first Monday in January 2017. This amount may
37 be spent only if the number of supreme court justices is increased from five
38 justices to seven justices in fiscal year 2016-2017.

39 Of the amount included in the adult standard probation line item, the
40 sum of \$1,000,000 may be spent only if the number of supreme court justices
41 is increased from five justices to seven justices in fiscal year 2016-2017.

1 Sec. 61. DEPARTMENT OF JUVENILE CORRECTIONS

2		<u>2016-17</u>
3	FTE positions	738.5
4	Lump sum appropriation	\$ 39,876,700
5	Fund sources:	
6	State general fund	\$ 24,484,600
7	Department of juvenile corrections	
8	local cost sharing fund	11,260,000
9	State charitable, penal and	
10	reformatory institutions	
11	land fund	2,000,100
12	Criminal justice enhancement fund	531,300
13	State education fund for committed	
14	youth	1,600,700

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

20 Sec. 62. STATE LAND DEPARTMENT

21		<u>2016-17</u>
22	FTE positions	129.7
23	Operating lump sum appropriation	\$ 15,210,100
24	Natural resource conservation	
25	districts	650,000
26	CAP user fees	769,900
27	Due diligence fund	500,000
28	Streambed navigability litigation	<u>220,000</u>
29	Total appropriation - state land department	\$ 17,350,000
30	Fund sources:	
31	State general fund	\$ 12,552,600
32	Environmental special plate fund	260,500
33	Due diligence fund	500,000
34	Trust land management fund	4,036,900

35 The appropriation includes \$769,900 for central Arizona project user
 36 fees in fiscal year 2016-2017. For fiscal year 2016-2017, from
 37 municipalities that assume their allocation of central Arizona project water
 38 for every dollar received as reimbursement to the state for past central
 39 Arizona water conservation district payments, one dollar reverts to the state
 40 general fund in the year that the reimbursement is collected.

41 Of the amount appropriated for natural resource conservation districts
 42 in fiscal year 2016-2017, \$30,000 shall be used to provide grants to natural
 43 resource conservation district environmental education centers.

1 Sec. 63. LEGISLATURE

2 2016-173 Senate

4 Lump sum appropriation \$ 9,473,900*

5 Fund sources:

6 State general fund \$ 9,473,900

7 Included in the lump sum appropriation of \$9,473,900 for fiscal year
 8 2016-2017 is \$1,000 for the purchase of mementos and items for visiting
 9 officials.

10 House of representatives

11 Lump sum appropriation \$ 13,289,500*

12 Fund sources:

13 State general fund \$ 13,289,500

14 Included in the lump sum appropriation of \$13,289,500 for fiscal year
 15 2016-2017 is \$1,000 for the purchase of mementos and items for visiting
 16 officials.

17 Legislative council

18 FTE positions 49.0

19 Operating lump sum appropriation \$ 7,407,700

20 Ombudsman-citizens aide office 825,600

21 Total appropriation - legislative

22 council \$ 8,233,300*

23 Fund sources:

24 State general fund \$ 8,233,300

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

27 It is the intent of the legislature that the ombudsman-citizens aide
 28 prioritize the investigation and processing of complaints relating to the
 29 department of child safety.

30 Joint legislative budget committee

31 FTE positions 29.0

32 Lump sum appropriation \$ 2,490,900*

33 Fund sources:

34 State general fund \$ 2,490,900

35 Auditor general

36 FTE positions 184.8

37 Lump sum appropriation \$ 18,133,300*

38 Fund sources:

39 State general fund \$ 18,133,300

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

1 Sec. 64. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

2		<u>2016-17</u>
3	FTE positions	45.2
4	Lump sum appropriation	\$ 3,017,600
5	Fund sources:	
6	Liquor licenses fund	\$ 3,017,600

7 Sec. 65. ARIZONA STATE LOTTERY COMMISSION

8		<u>2016-17</u>
9	FTE positions	98.8
10	Operating lump sum appropriation	\$ 8,389,400
11	Advertising	<u>15,500,000</u>
12	Total appropriation - Arizona state	
13	lottery commission	\$ 23,889,400
14	Fund source:	
15	State lottery fund	\$ 23,889,400

16 An amount equal to twenty percent of tab ticket sales is appropriated
 17 for payment of sales commissions to charitable organizations. This amount is
 18 currently estimated to be \$1,215,800 in fiscal year 2016-2017.

19 An amount equal to 3.6 percent of actual instant ticket sales is
 20 appropriated for the printing of instant tickets or for contractual
 21 obligations concerning instant ticket distribution. This amount is currently
 22 estimated to be \$23,671,800 in fiscal year 2016-2017.

23 An amount equal to a percentage of actual online game sales as
 24 determined by contract is appropriated for payment of online vendor fees.
 25 This amount is currently estimated to be \$8,062,600, or 4.16 percent of
 26 actual online ticket sales in fiscal year 2016-2017.

27 An amount equal to 6.5 percent of gross lottery game sales, minus tab
 28 tickets, is appropriated for payment of sales commissions to ticket
 29 retailers. An additional amount not to exceed 0.5 percent of gross lottery
 30 game sales is appropriated for payment of sales commissions to ticket
 31 retailers. The combined amount is currently estimated to be 6.7 percent of
 32 total ticket sales, or \$56,633,900, in fiscal year 2016-2017.

33 Sec. 66. BOARD OF MASSAGE THERAPY

34		<u>2016-17</u>
35	FTE positions	5.0
36	Lump sum appropriation	\$ 469,700
37	Fund sources:	
38	Board of massage therapy fund	\$ 469,700

39 The appropriation includes \$15,000 for online renewal applications.
 40 Before the expenditure of these monies, the board of massage therapy shall
 41 complete a project investment justification that has been approved by from
 42 the department of administration. It is the intent of the legislature that
 43 the Arizona strategic enterprise technology office determine whether the
 44 board's project investment justification is consistent with statewide
 45 information technology enterprise architecture strategy and whether one-time

information technology purchases can be consolidated with other appropriations in this act.

Sec. 67. ARIZONA MEDICAL BOARD

	<u>2016-17</u>
FTE positions	58.5
Lump sum appropriation	\$ 6,426,000

Fund sources:

Arizona medical board fund	\$ 6,426,000
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The Arizona medical board may use up to seven percent 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 pursuant to section 38-618, Arizona Revised Statutes.

Sec. 68. STATE MINE INSPECTOR

	<u>2016-17</u>
FTE positions	14.0
Operating lump sum appropriation	\$ 1,020,500
Abandoned mines	194,700
Aggregate mined land reclamation	<u>112,800</u>
Total appropriation - state mine inspector	\$ 1,328,000

Fund sources:

State general fund	\$ 1,215,200
Aggregate mining reclamation fund	112,800

All aggregate mining reclamation fund monies received by the state mine inspector in excess of \$112,800 in fiscal year 2016-2017 are appropriated to the aggregate mined land reclamation line item. Before the expenditure of any aggregate mining reclamation fund monies in excess of \$112,800 in fiscal year 2016-2017, the state mine inspector shall report the intended use of the monies to the joint legislative budget committee.

Sec. 69. NATUROPATHIC PHYSICIANS MEDICAL BOARD

	<u>2016-17</u>
FTE positions	2.0
Lump sum appropriation	\$ 183,700

Fund sources:

Naturopathic physicians medical board fund	\$ 183,700
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The appropriation includes \$4,000 for technology updates. Before the expenditure of these monies, the naturopathic physicians medical board shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

1	Sec. 70. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	
2		<u>2016-17</u>
3	FTE positions	2.0
4	Lump sum appropriation	\$ 326,600
5	Fund sources:	
6	State general fund	\$ 126,600
7	Arizona water banking fund	200,000
8	Sec. 71. ARIZONA STATE BOARD OF NURSING	
9		<u>2016-17</u>
10	FTE positions	42.2
11	Operating lump sum appropriation	\$ 4,265,900
12	Certified nursing assistant	
13	credentialing program	<u>536,700</u>
14	Total appropriation - Arizona state	
15	board of nursing	\$ 4,802,600
16	Fund sources:	
17	Board of nursing fund	\$ 4,802,600
18	Sec. 72. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND	
19	ASSISTED LIVING FACILITY MANAGERS	
20		<u>2016-17</u>
21	FTE positions	6.0
22	Lump sum appropriation	\$ 446,100
23	Fund sources:	
24	Nursing care institution	
25	administrators' licensing and	
26	assisted living facility	
27	managers' certification fund	\$ 446,100
28	The appropriation includes \$24,000 for online application and license	
29	renewals. Before the expenditure of these monies, the board of examiners of	
30	nursing care institution administrators and assisted living facility managers	
31	shall complete a project investment justification that has been approved by	
32	the department of administration. It is the intent of the legislature that	
33	the Arizona strategic enterprise technology office determine whether the	
34	board's project investment justification is consistent with statewide	
35	information technology enterprise architecture strategy and whether one-time	
36	information technology purchases can be consolidated with other	
37	appropriations in this act.	
38	Sec. 73. BOARD OF OCCUPATIONAL THERAPY EXAMINERS	
39		<u>2016-17</u>
40	FTE positions	1.5
41	Lump sum appropriation	\$ 172,000
42	Fund sources:	
43	Occupational therapy fund	\$ 172,000

1	Sec. 74. STATE BOARD OF DISPENSING OPTICIANS	
2		<u>2016-17</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 139,800
5	Fund sources:	
6	Board of dispensing opticians fund	\$ 139,800
7	Sec. 75. STATE BOARD OF OPTOMETRY	
8		<u>2016-17</u>
9	FTE positions	2.0
10	Lump sum appropriation	\$ 211,400
11	Fund sources:	
12	Board of optometry fund	\$ 211,400
13	Sec. 76. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY	
14		<u>2016-17</u>
15	FTE positions	7.2
16	Lump sum appropriation	\$ 941,700
17	Fund sources:	
18	Arizona board of osteopathic	
19	examiners in medicine	
20	and surgery fund	\$ 941,700
21	The appropriation includes \$58,100 for database licensing software and	
22	the replacement of information technology equipment. Before the expenditure	
23	of these monies, the Arizona board of osteopathic examiners in medicine and	
24	surgery shall complete a project investment justification that has been	
25	approved by the department of administration. It is the intent of the	
26	legislature that the Arizona strategic enterprise technology office determine	
27	whether the board's project investment justification is consistent with	
28	statewide information technology enterprise architecture strategy and whether	
29	one-time information technology purchases can be consolidated with other	
30	appropriations in this act.	
31	Sec. 77. ARIZONA STATE PARKS BOARD	
32		<u>2016-17</u>
33	FTE positions	163.0
34	Operating lump sum appropriation	\$ 10,622,800
35	Kartchner caverns state park	<u>2,232,000</u>
36	Total appropriation - Arizona state parks	
37	board	\$ 12,854,800
38	Fund sources:	
39	State parks revenue fund	\$ 12,854,800
40	All other operating expenditures include \$26,000 from the state parks	
41	revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool	
42	Hollow exceed \$260,000 in fiscal year 2016-2017, an additional ten percent of	
43	this increase of Fool Hollow receipts is appropriated from the state parks	
44	revenue fund established by section 41-511.21, Arizona Revised Statutes, to	

1 meet the revenue sharing agreement with the city of Show Low and the United
2 States forest service.

3 Sec. 78. STATE PERSONNEL BOARD

4		<u>2016-17</u>
5	FTE positions	3.0
6	Lump sum appropriation	\$ 375,700
7	Fund sources:	
8	Personnel division fund -	
9	personnel board subaccount	\$ 375,700

10 Sec. 79. OFFICE OF PEST MANAGEMENT

11		<u>2016-17</u>
12	FTE positions	30.0
13	Lump sum appropriation	\$ 1,699,500
14	Fund sources:	
15	Pest management fund	\$ 1,699,500

16 Sec. 80. ARIZONA STATE BOARD OF PHARMACY

17		<u>2016-17</u>
18	FTE positions	18.0
19	Operating lump sum appropriation	\$ 2,120,500
20	Annual leave payout	<u>20,000</u>
21	Total appropriation - Arizona state	
22	board of pharmacy	\$ 2,140,500
23	Fund sources:	
24	Arizona state board of pharmacy	
25	fund	\$ 2,140,500

26 The appropriation includes \$100,000 for software upgrades for licensing
27 and inspections. Before the expenditure of these monies, the Arizona state
28 board of pharmacy shall complete a project investment justification that has
29 been approved by the department of administration. It is the intent of the
30 legislature that the Arizona strategic enterprise technology office determine
31 whether the board's project investment justification is consistent with
32 statewide information technology enterprise architecture strategy and whether
33 one-time information technology purchases can be consolidated with other
34 appropriations in this act.

35 Sec. 81. BOARD OF PHYSICAL THERAPY

36		<u>2016-17</u>
37	FTE positions	4.0
38	Lump sum appropriation	\$ 487,000
39	Fund sources:	
40	Board of physical therapy fund	\$ 487,000

41 The appropriation includes \$43,000 for laptop replacement and online
42 licensing software. Before the expenditure of these monies, the board of
43 physical therapy shall complete a project investment justification that has
44 been approved by the department of administration. It is the intent of the
45 legislature that the Arizona strategic enterprise technology office determine

whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 82. ARIZONA PIONEERS' HOME

	<u>2016-17</u>
FTE positions	106.3
Operating lump sum appropriation	\$ 6,004,900
Prescription drugs	<u>200,000</u>
Total appropriation - pioneers' home	\$ 6,204,900
Fund sources:	
Miners' hospital fund	\$ 2,040,000
State charitable fund	4,164,900

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 miners with disabilities in compliance with the enabling act and the Constitution of Arizona.

Sec. 83. STATE BOARD OF PODIATRY EXAMINERS

	<u>2016-17</u>
FTE positions	1.0
Lump sum appropriation	\$ 148,200
Fund sources:	
Podiatry fund	\$ 148,200

Sec. 84. COMMISSION FOR POSTSECONDARY EDUCATION

	<u>2016-17</u>
FTE positions	5.0
Operating lump sum appropriation	\$ 184,300
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	<u>130,500</u>
Total appropriation - commission for postsecondary education	\$ 2,931,600
Fund sources:	
State general fund	\$ 1,396,800
Postsecondary education fund	1,534,800

Each participating institution, public or private, in order to be eligible to receive state matching monies under the leveraging educational assistance partnership for grants to students, shall provide an amount of institutional matching monies that equals the amount of monies provided by the state to the institution for the leveraging educational assistance

partnership. Administrative expenses incurred by the commission for postsecondary education shall be paid from institutional matching funds and may not exceed twelve percent of the monies in fiscal year 2016-2017.

Any unencumbered balance remaining in the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, on June 30, 2016, and all grant monies and other revenues received by the commission for postsecondary education, when paid into the state treasury, are appropriated for the specific 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 these funds, including balance forward, revenue and transfers, during fiscal year 2016-2017. The appropriations shall be adjusted as necessary to reflect actual final monies credited to the postsecondary education fund.

Sec. 85. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

		<u>2016-17</u>
FTE positions		4.0
Lump sum appropriation	\$	396,300
Fund sources:		
Board for private postsecondary education fund	\$	396,300

Sec. 86. STATE BOARD OF PSYCHOLOGIST EXAMINERS

		<u>2016-17</u>
FTE positions		4.0
Lump sum appropriation	\$	476,500
Fund sources:		
Board of psychologist examiners fund	\$	476,500

Sec. 87. DEPARTMENT OF PUBLIC SAFETY

		<u>2016-17</u>
FTE positions		1,956.7
Operating lump sum appropriation	\$	229,233,700
ACTIC		1,450,000
Border strike task force ongoing		6,778,800
Border strike task force one-time		18,600,000
Border strike task force local support		1,261,700
Civil air patrol		150,000
GIITEM		22,629,000
GIITEM subaccount		2,390,000
Law enforcement officer virtual training		2,100,000

1	Motor vehicle fuel	5,454,600
2	Public safety equipment	2,890,000
3	Sexual assault kit testing	<u>500,000</u>
4	Total appropriation - department of public	
5	safety	\$293,437,800
6	Fund sources:	
7	State general fund	\$121,397,900
8	Automobile theft authority fund	3,100,000
9	Arizona highway user revenue fund	96,409,200
10	State highway fund	7,331,300
11	Arizona highway patrol fund	24,198,200
12	State aid to indigent defense fund	700,000
13	Criminal justice enhancement fund	2,872,700
14	Safety enforcement and transportation	
15	infrastructure fund - department	
16	of public safety subaccount	1,559,100
17	Crime laboratory assessment fund	872,400
18	Crime laboratory operations fund	13,660,600
19	Arizona deoxyribonucleic acid	
20	identification system fund	4,997,300
21	Arizona automated fingerprint	
22	identification system fund	2,910,500
23	Gang and immigration intelligence	
24	team enforcement mission border	
25	security and law enforcement	
26	subaccount	2,527,700
27	Motorcycle safety fund	205,000
28	Risk management revolving fund	1,269,300
29	Parity compensation fund	2,139,700
30	Public safety equipment fund	2,893,000
31	Concealed weapons permit fund	3,393,900
32	Drug and gang prevention resource	
33	center fund	1,000,000

Of the \$22,629,000 appropriated to GIITEM, \$9,994,400 shall be used for one hundred department of public safety GIITEM personnel. The additional staff shall include at least fifty sworn department of public safety positions to be used for immigration enforcement and border security and fifty department of public safety positions to assist GIITEM in various efforts, including:

1. Strict enforcement of all federal 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 shall 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 \$22,629,000 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, 2017 revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

Before the expenditure of any monies appropriated in fiscal year 2016-2017 in the border strike task force ongoing, border strike task force one-time and border strike task force local support line items, the department shall submit an expenditure plan for these line items to the joint legislative budget committee for review.

Of the \$1,261,700 appropriated for border strike task force local support, \$761,700 shall be used to fund local law enforcement officer positions within the border strike task force. Any city, town, county or other entity that enters into an agreement with the department to participate in the border strike task force shall provide at least twenty-five percent of the cost of the services, and the department shall provide not more than seventy-five percent of personal services and employee-related expenditures for each agreement or contract. The department may fund all capital-related equipment.

Of the \$1,261,700 appropriated for border strike task force local support, \$500,000 shall be used for grants to cities, towns or counties for costs associated with the prosecution and imprisonment of individuals charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes.

The law enforcement officer virtual training line item includes \$2,100,000 for virtual training for law enforcement officers. This amount shall be awarded to a contractor using a competitive bid process. The virtual training shall include the use of a simulator that:

1 1. Has the ability to display, and for the trainee to engage with,
2 characters and scenario content simultaneously across at least a three
3 hundred degree screen environment.

4 2. Has the ability to accurately replicate real-world ballistic
5 characteristics of a projectile in flight.

6 3. Is equipped with transducers to recreate sound vibrations.

7 4. Includes a stress component, including the use of a wireless device
8 capable of delivering an adjustable electric impulse, during training
9 engagements.

10 The department of public safety shall make the use of a virtual law
11 enforcement simulator available for other law enforcement agencies in this
12 state without a fee or charge.

13 The operating lump sum appropriation and GIITEM line item include
14 \$4,440,000 from the state general fund, \$215,800 from the Arizona highway
15 patrol fund and \$30,900 from the risk management revolving fund for a three
16 percent aggregate pay full-year pay adjustment for sworn officer positions.
17 The appropriated amount also includes \$156,400 from the state general fund
18 for a three percent aggregate pay full-year pay adjustment for civilian
19 employees of the highway patrol division. On or before August 1, 2016, the
20 department shall report its pay adjustment plan to the joint legislative
21 budget committee.

22 The department of public safety shall submit a report for review by the
23 joint legislative budget committee before spending any monies from the sexual
24 assault kit testing line item. The report shall include a plan for the
25 allocation of the line item monies, the number of sexual assault kits in
26 backlog by jurisdiction and the amounts and recipients of federal monies for
27 the testing of sexual assault kits received directly by jurisdiction or
28 distributed by the department. It is the intent of the legislature that the
29 department account for federal grant monies received by individual counties
30 and municipalities when determining an allocation plan for the sexual assault
31 kit testing line item.

32 Sec. 88. RADIATION REGULATORY AGENCY

	<u>2016-17</u>
FTE positions	29.0
Lump sum appropriation	\$ 1,626,500
Fund sources:	
State general fund	\$ 775,300
State radiologic technologist	
certification fund	272,500
Radiation regulatory fee fund	578,700

1	Sec. 89. STATE REAL ESTATE DEPARTMENT	
2		<u>2016-17</u>
3	FTE positions	37.0
4	Lump sum appropriation	\$ 3,004,000
5	Fund sources:	
6	State general fund	\$ 3,004,000
7	Sec. 90. RESIDENTIAL UTILITY CONSUMER OFFICE	
8		<u>2016-17</u>
9	FTE positions	11.0
10	Operating lump sum appropriation	\$ 1,190,000
11	Professional witnesses	<u>145,000*</u>
12	Total appropriation - residential utility	
13	consumer office	\$ 1,335,000
14	Fund sources:	
15	Residential utility consumer	
16	office revolving fund	\$ 1,335,000
17	Sec. 91. BOARD OF RESPIRATORY CARE EXAMINERS	
18		<u>2016-17</u>
19	FTE positions	4.0
20	Lump sum appropriation	\$ 300,100
21	Fund sources:	
22	Board of respiratory care	
23	examiners fund	\$ 300,100
24	Sec. 92. ARIZONA STATE RETIREMENT SYSTEM	
25		<u>2016-17</u>
26	FTE positions	250.9
27	Operating lump sum appropriation	\$ 25,495,000
28	Automation upgrades	<u>2,070,000*</u>
29	Total appropriation - state	
30	retirement system	\$ 27,565,000
31	Fund sources:	
32	Arizona state retirement system	
33	administration account	\$ 24,765,000
34	Long-term disability trust fund	
35	administration account	2,800,000
36	Sec. 93. DEPARTMENT OF REVENUE	
37		<u>2016-17</u>
38	FTE positions	880.8
39	Operating lump sum appropriation	\$ 63,694,300
40	BRITS operational support	7,538,900
41	Unclaimed property administration	
42	and audit	1,218,500
43	TPT simplification	990,600
44	Income tax fraud prevention	<u>3,150,000</u>
45	Total appropriation - department of revenue	\$ 76,592,300

1 Fund sources:

2	State general fund	\$ 30,338,600
3	DOR administrative fund	45,176,800
4	Liability setoff program	
5	revolving fund	398,000
6	Tobacco tax and health care fund	678,900

7 If the total value of properties retained by unclaimed property
 8 contract auditors exceeds \$1,218,500, the excess amount is transferred from
 9 the state general fund to the DOR administrative fund established by section
 10 42-1116.01, Arizona Revised Statutes, and appropriated to the department for
 11 contract auditor fees.

12 The department shall report the department's general fund revenue
 13 enforcement goals for fiscal year 2016-2017 to the joint legislative budget
 14 committee on or before September 30, 2016. The department shall provide an
 15 annual progress report to the joint legislative budget committee as to the
 16 effectiveness of the department's overall enforcement and collections program
 17 for fiscal year 2016-2017 on or before September 30, 2017. The reports shall
 18 include a comparison of projected and actual general fund revenue enforcement
 19 collections for fiscal year 2016-2017, including the amount of projected and
 20 actual enforcement collections for all tax types.

21 The department may not transfer any monies to or from the income tax
 22 fraud prevention line item without prior review by the joint legislative
 23 budget committee.

24 On or before November 1, 2016, the department shall report the results
 25 of private fraud prevention investigation services during fiscal year
 26 2015-2016 to the joint legislative budget committee. The report shall
 27 include the total number of fraudulent returns prevented and the total dollar
 28 amount of fraudulent returns prevented during fiscal year 2015-2016.

29 Sec. 94. SCHOOL FACILITIES BOARD

30		<u>2016-17</u>
31	FTE positions	17.0
32	Operating lump sum appropriation	\$ 1,672,500
33	New school facilities debt service	170,006,600
34	Building renewal grants	31,667,900
35	New school facilities	<u>1,174,600</u>
36	Total appropriation - school facilities	
37	board	\$204,521,600

38 Fund sources:

39	State general fund	\$204,521,600
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40 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 41 reimbursement received by or allocated to the school facilities board under
 42 the federal qualified school construction bond program in fiscal year
 43 2016-2017 shall be deposited in or revert to the state general fund.

Pursuant to section 15-2041, Arizona Revised Statutes, the amount appropriated for new school construction shall be used only for a facility that is to be constructed for a school district that received final approval from the school facilities board on or before March 1, 2015.

At least thirty days before any monies are transferred out of the new school facilities debt service line item, the school facilities board shall report the proposed transfer to the director of the joint legislative budget committee.

Sec. 95. DEPARTMENT OF STATE - SECRETARY OF STATE

	<u>2016-17</u>
FTE positions	141.1
Operating lump sum appropriation	\$ 11,609,300
Election services	3,390,800
Help America vote act	2,941,500
Library grants-in-aid	651,400*
Statewide radio reading service for the blind	<u>97,000</u>
Total appropriation - secretary of state	\$ 18,690,000
Fund sources:	
State general fund	\$ 15,006,500
Election systems improvement fund	2,941,500
Records services fund	742,000

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

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, 2016 the actual amount and purpose of expenditures from the election systems improvement fund established by section 41-129, Arizona Revised Statutes, in fiscal year 2015-2016 and the expected amount and purpose of expenditures from the fund for fiscal year 2016-2017.

The fiscal year 2016-2017 appropriation from the election systems improvement fund for the help America vote act 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, 2018.

Included in the operating lump sum appropriation of \$11,609,300 for fiscal year 2016-2017 is \$5,000 for the purchase of mementos and items for visiting officials.

All monies in the elections services line item shall be used only to pay for the statewide election publicity pamphlet and as pass-through monies to county election divisions for the reimbursement of the costs of elections.

1	Sec. 96. STATE BOARD OF TAX APPEALS	
2		<u>2016-17</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 266,400
5	Fund sources:	
6	State general fund	\$ 266,400
7	Sec. 97. STATE BOARD OF TECHNICAL REGISTRATION	
8		<u>2016-17</u>
9	FTE positions	25.0
10	Lump sum appropriation	\$ 2,122,600
11	Fund sources:	
12	Technical registration fund	\$ 2,122,600
13	Sec. 98. OFFICE OF TOURISM	
14		<u>2016-17</u>
15	FTE positions	28.0
16	Tourism fund deposit	\$ 7,110,400
17	Fund sources:	
18	State general fund	\$ 7,110,400
19	Sec. 99. DEPARTMENT OF TRANSPORTATION	
20		<u>2016-17</u>
21	FTE positions	4,552.0
22	Operating lump sum appropriation	\$205,331,600
23	Attorney general legal services	3,577,700
24	Highway maintenance	140,593,200
25	Vehicles and heavy equipment	18,545,500
26	Fraud investigation	767,000
27	New third-party funding	631,800
28	Statewide drainage structures	4,300,000
29	Phoenix area freeway lighting	<u>1,500,000</u>
30	Total appropriation - department of	
31	transportation	\$375,246,800
32	Fund sources:	
33	State general fund	\$ 50,400
34	Air quality fund	162,200
35	Driving under the influence	
36	abatement fund	153,200
37	Arizona highway user revenue fund	652,700
38	Motor vehicle liability	
39	insurance enforcement fund	1,316,100
40	Safety enforcement and	
41	transportation infrastructure	
42	fund - department of	
43	transportation subaccount	1,875,500

1	State aviation fund	1,622,900
2	State highway fund	349,410,200
3	Transportation department	
4	equipment fund	18,545,500
5	Vehicle inspection and title	
6	enforcement fund	1,458,100

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

10 Of the total amount appropriated, \$140,593,200 in fiscal year 2016-2017
11 for highway maintenance is exempt from the provisions of section 35-190,
12 Arizona Revised Statutes, relating to lapsing of appropriations, except that
13 all unexpended and unencumbered monies of the appropriation revert to their
14 fund of origin, either the state highway fund established by section 28-6991,
15 Arizona Revised Statutes, or the safety enforcement and transportation
16 infrastructure fund established by section 28-6547, Arizona Revised Statutes,
17 on August 31, 2017.

18 The department of transportation shall submit an annual report to the
19 joint legislative budget committee on progress in improving motor vehicle
20 division wait times and vehicle registration renewal by mail turnaround times
21 in a format similar to prior years. The report is due on or before July 31,
22 2017 for fiscal year 2016-2017.

23 Of the total amount appropriated, the department of transportation
24 shall pay \$16,773,800 in fiscal year 2016-2017 from all funds to the
25 department of administration for its risk management payment.

26 The department of transportation shall contract with an independent
27 third-party consultant for the duration of the motor vehicle division legacy
28 system replacement project. On or before February 1, 2017, the independent
29 third-party consultant shall submit an annual progress report for review by
30 the joint legislative budget committee. The annual report shall evaluate and
31 assess the project's success in meeting and incorporating the tenets of the
32 project investment justification, including the goals and objectives,
33 technology approach, deliverables and outcomes, project scope and timeline.
34 The report shall also address any potential project deficiencies as well as
35 the incorporation of the auditor general's April 2015 recommendations.

36 On or before July 31, 2017, the department shall report to the director
37 of the joint legislative budget committee on the cost to link local
38 governments, state agencies and other users with the new motor vehicle
39 division automated system.

40 On or before August 1, 2016, the department shall report to the
41 director of the joint legislative budget committee on the state's share of
42 fees retained by the service Arizona vendor in the prior fiscal year. The
43 report shall also include the amount spent by the service Arizona vendor on
44 behalf of the state in the prior fiscal year, as well as a list of the
45 projects funded with those monies.

All expenditures made by the department of transportation for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in department of transportation line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure.

Sec. 100. STATE TREASURER

	<u>2016-17</u>
FTE positions	30.4
Operating lump sum appropriation	\$ 2,848,100
Justice of the peace salaries	1,205,100
Law enforcement/boating safety	
fund grants	<u>2,183,800</u>
Total appropriation - state treasurer	\$ 6,237,000
Fund sources:	
State general fund	\$ 1,205,100
Law enforcement and boating	
safety fund	2,183,800
State treasurer empowerment	
scholarship account fund	79,700
State treasurer's operating fund	2,571,800
State treasurer's management fund	196,600

Sec. 101. ARIZONA BOARD OF REGENTS

	<u>2016-17</u>
FTE positions	25.9
Operating lump sum appropriation	\$ 2,352,500
Arizona teachers incentive program	90,000
Arizona transfer articulation	
support system	213,700
Performance funding	5,000,000
Student financial assistance	10,041,200
Western interstate commission	
office	141,000
WICHE student subsidies	<u>4,090,000</u>
Total appropriation - Arizona board of	
regents	\$ 21,928,400
Fund sources:	
State general fund	\$ 21,928,400

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 2015-2016.

1 It is the intent of the legislature that the Arizona board of regents
 2 adopt a performance funding model and report to the joint legislative budget
 3 committee the final allocation of the \$5,000,000 performance funding lump sum
 4 appropriation on or before July 1, 2016. The formula shall be consistent
 5 with board objectives previously adopted in the board's enterprise plan. The
 6 performance funding model shall use select performance metrics that include,
 7 at a minimum, the increase in degrees awarded, the increase in completed
 8 student credit hours and the increase in externally generated research and
 9 public service funding. The formula may give added weight to degrees related
 10 to science, technology, engineering and mathematics, as well as other
 11 high-value degrees that are in short supply or are essential to the state's
 12 long-term economic development strategy.

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

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

26 When determining any statewide adjustments, the joint legislative
 27 budget committee staff shall use the overall allocation of state general fund
 28 and appropriated tuition monies for each university in determining that
 29 university's specific adjustment.

30 Sec. 102. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

31		<u>2016-17</u>
32	FTE positions	6,552.6
33	Operating lump sum appropriation	\$651,566,500
34	Biomedical informatics	2,791,900
35	School of civic and economic	
36	thought and leadership	3,000,000
37	Downtown Phoenix campus	<u>127,166,100</u>
38	Total appropriation - Arizona state	
39	university - Tempe and downtown	
40	Phoenix campuses	\$784,524,500
41	Fund sources:	
42	State general fund	\$233,303,600
43	University collections fund	551,220,900

1 The state general fund appropriation may not be used for alumni
2 association funding.

3 The increased state general fund appropriation from Laws 2014, chapter
4 18 may not be used for medical marijuana research.

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

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

10 The appropriated amount for the school of civic and economic thought
11 and leadership shall be used by the president of Arizona state university to
12 establish a school of civic and economic thought and leadership consisting of
13 the former center for political thought and leadership and the center for the
14 study of economic liberty. The school shall operate as a single stand-alone
15 academic entity within Arizona state university. The appropriated amount may
16 not supplant any existing state funding or private or external donations to
17 the former centers or to the school. The appropriated monies and all private
18 and external donations to the school shall be used only for the direct
19 operation of the school and may not be used for indirect costs of the
20 university. The school shall submit a report to the president of the senate,
21 the speaker of the house of representatives, the chairpersons of the senate
22 education committee and the house of representatives government and higher
23 education committee and the director of the joint legislative budget
24 committee on or before October 3, 2016. The report shall include at least
25 the following for the school:

- 26 1. The total amount of funding received from all sources.
- 27 2. A description of faculty positions and courses offered.
- 28 3. The total undergraduate and graduate student enrollment.
- 29 4. Significant community events, initiatives or publications.

30 The chairpersons of the senate education committee and the house of
31 representatives government and higher education committee may request the
32 director of the school to appear before the committees to report on the
33 school's annual achievements.

34 Any unencumbered balances remaining in the collections account on June
35 30, 2016 and all collections received by the university during the fiscal
36 year, when paid into the state treasury, are appropriated for operating
37 expenditures, capital outlay and fixed charges. Earnings on state lands and
38 interest on the investment of the permanent land funds are appropriated in
39 compliance with the enabling act and the Constitution of Arizona. No part of
40 this appropriation may be expended for supplemental life insurance or
41 supplemental retirement. Monies from summer session, when deposited in the
42 state treasury, together with any unencumbered balance in the summer session
43 account, are appropriated for the purpose of conducting summer sessions but
44 are excluded from the amounts enumerated above.

1 Sec. 103. ARIZONA STATE UNIVERSITY - EAST CAMPUS

2		<u>2016-17</u>
3	FTE positions	416.2
4	Operating lump sum appropriation	\$ 57,297,300
5	TRIF lease-purchase payment	<u>2,000,000</u>
6	Total appropriation - Arizona state	
7	university - East campus	\$ 59,297,300
8	Fund sources:	
9	State general fund	\$ 21,574,400
10	University collections fund	35,722,900
11	Technology and research initiative	
12	fund	2,000,000

13 The state general fund appropriation may not be used for alumni
14 association funding.

15 The increased state general fund appropriation from Laws 2014, chapter
16 18 may not be used for medical marijuana research.

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

19 Any unencumbered balances remaining in the collections account on June
20 30, 2016 and all collections received by the university during the fiscal
21 year, when paid into the state treasury, are appropriated for operating
22 expenditures, capital outlay and fixed charges. Earnings on state lands and
23 interest on the investment of the permanent land funds are appropriated in
24 compliance with the enabling act and the Constitution of Arizona. No part of
25 this appropriation may be expended for supplemental life insurance or
26 supplemental retirement. Monies from summer session, when deposited in the
27 state treasury, together with any unencumbered balance in the summer session
28 account, are appropriated for the purpose of conducting summer sessions but
29 are excluded from the amounts enumerated above.

30 Sec. 104. ARIZONA STATE UNIVERSITY - WEST CAMPUS

31		<u>2016-17</u>
32	FTE positions	521.1
33	Operating lump sum appropriation	\$ 73,417,700
34	TRIF lease-purchase payment	<u>1,600,000</u>
35	Total appropriation - Arizona state	
36	university - West campus	\$ 75,017,700
37	Fund sources:	
38	State general fund	\$ 29,176,300
39	University collections fund	44,241,400
40	Technology and research initiative	
41	fund	1,600,000

1 The state general fund appropriation may not be used for alumni
2 association funding.

3 The increased state general fund appropriation from Laws 2014, chapter
4 18 may not be used for medical marijuana research.

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

7 Any unencumbered balances remaining in the collections account on June
8 30, 2016 and all collections received by the university during the fiscal
9 year, when paid into the state treasury, are appropriated for operating
10 expenditures, capital outlay and fixed charges. Earnings on state lands and
11 interest on the investment of the permanent land funds are appropriated in
12 compliance with the enabling act and the Constitution of Arizona. No part of
13 this appropriation may be expended for supplemental life insurance or
14 supplemental retirement. Monies from summer session, when deposited in the
15 state treasury, together with any unencumbered balance in the summer session
16 account, are appropriated for the purpose of conducting summer sessions but
17 are excluded from the amounts enumerated above.

18 Sec. 105. NORTHERN ARIZONA UNIVERSITY

19		<u>2016-17</u>
20	FTE positions	2,249.7
21	Operating lump sum appropriation	\$233,388,600
22	NAU - Yuma	3,066,600
23	Teacher training	<u>2,290,600</u>
24	Total appropriation - Northern Arizona	
25	university	\$238,745,800
26	Fund sources:	
27	State general fund	\$ 93,459,200
28	University collections fund	145,286,600

29 The state general fund appropriation may not be used for alumni
30 association funding.

31 The increased state general fund appropriation from Laws 2014, chapter
32 18 may not be used for medical marijuana research.

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

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

39 Any unencumbered balances remaining in the collections account on June
40 30, 2016 and all collections received by the university during the fiscal
41 year, when paid into the state treasury, are appropriated for operating
42 expenditures, capital outlay and fixed charges. Earnings on state lands and
43 interest on the investment of the permanent land funds are appropriated in
44 compliance with the enabling act and the Constitution of Arizona. No part of
45 this appropriation may be expended for supplemental life insurance or

supplemental retirement. Monies 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. 106. UNIVERSITY OF ARIZONA

2016-17

Main campus

FTE positions	5,605.5
Operating lump sum appropriation	\$467,520,000
Agriculture	39,423,400
Arizona cooperative extension	16,017,700
Center for the philosophy of freedom	2,500,000
Sierra Vista campus	<u>7,649,600</u>

Total - Main campus	\$533,110,700
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Fund sources:

State general fund	\$171,961,100
University collections fund	361,149,600

Health sciences center

FTE positions	1,375.9
Operating lump sum appropriation	\$ 69,113,200
Clinical rural rotation	350,500
Clinical teaching support	8,484,400
Liver research institute	450,600
Phoenix medical campus	32,445,800
Telemedicine network	<u>1,838,500</u>

Total - health sciences center	\$112,683,000
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Fund sources:

State general fund	\$ 68,629,200
University collections fund	44,053,800

Total appropriation - university of Arizona	<u>\$645,793,700</u>
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Fund sources:

State general fund	\$240,590,300
University collections fund	405,203,400

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

The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.

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

The appropriated amount for the center for the philosophy of freedom may not supplant any existing state funding or private or external donations to the center or the philosophy department of the university of Arizona. The appropriated monies and all private and external donations to the center shall be used only for the direct operation of the center and may not be used for indirect costs of the university. The center shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives government and higher education committee and the director of the joint legislative budget committee on or before October 3, 2016. The report shall include at least the following for the center:

1. The total amount of funding received from all sources.
2. A description of faculty positions and courses offered.
3. The total undergraduate and graduate student participation.
4. Significant community events, initiatives or publications.

The chairpersons of the senate education committee and the house of representatives government and higher education committee may request the director of the center to appear before the committees to report on the center's annual achievements.

Any unencumbered balances remaining in the collections account on June 30, 2016 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. Monies 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. 107. DEPARTMENT OF VETERANS' SERVICES

	<u>2016-17</u>
FTE positions	512.3
Operating lump sum appropriation	\$ 3,219,000
Arizona state veterans' homes	31,264,600
Arizona state veterans' cemeteries	928,000
Veterans' benefit counseling	<u>2,833,700</u>
Total appropriation - department of veterans' services	\$ 38,245,300

1	Fund sources:	
2	State general fund	\$ 6,077,800
3	State home for veterans trust	
4	fund	31,264,600
5	State veterans' conservatorship	
6	fund	902,900
7	Sec. 108. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD	
8		<u>2016-17</u>
9	FTE positions	6.0
10	Lump sum appropriation	\$ 655,100
11	Fund sources:	
12	Veterinary medical examining	
13	board fund	\$ 655,100
14	The appropriation includes \$68,300 for online licensing software and	
15	database revisions. Before the expenditure of these monies, the Arizona	
16	state veterinary medical examining board shall complete a project investment	
17	justification that has been approved by the department of administration. It	
18	is the intent of the legislature that the Arizona strategic enterprise	
19	technology office determine whether the board's project investment	
20	justification is consistent with statewide information technology enterprise	
21	architecture strategy and whether one-time information technology purchases	
22	can be consolidated with other appropriations in this act.	
23	Sec. 109. DEPARTMENT OF WATER RESOURCES	
24		<u>2016-17</u>
25	FTE positions	129.0
26	Operating lump sum appropriation	\$ 9,204,800
27	Adjudication support	1,251,800
28	Assured and adequate water supply	
29	administration	1,983,200
30	Rural water studies	1,164,500
31	Conservation and drought program	408,300
32	Automated groundwater monitoring	409,400
33	Lower Colorado river	
34	litigation expenses	<u>500,000*</u>
35	Total appropriation - department of water	
36	resources	\$ 14,922,000
37	Fund sources:	
38	State general fund	\$ 12,803,100
39	Water resources fund	641,200
40	Assured and adequate water	
41	supply administration fund	266,600
42	Arizona water banking fund	1,211,100

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 active management areas 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 prior review by the joint legislative budget committee.

Fiscal Year 2015-2016 Appropriation Adjustments

Sec. 110. Department of administration; risk management revolving fund; special employee health insurance trust fund; supplemental appropriations; fiscal year 2015-2016

A. In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$3,614,100 is appropriated from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, in fiscal year 2015-2016 to the department of administration for the following purposes:

1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.
3. For fund transfers in fiscal year 2014-2015.

B. In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$6,167,600 is appropriated from the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, in fiscal year 2015-2016 to the department of administration to reimburse the federal government for fund transfers in fiscal year 2014-2015.

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

Sec. 111. Office of administrative hearings: supplemental appropriation: reduction: fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the appropriation to the office of administrative hearings is reduced by \$12,300 from the healthcare group fund in fiscal year 2015-2016.

Sec. 112. Arizona health care cost containment system administration: supplemental appropriations: fiscal year 2015-2016

A. In addition to any other appropriations made in fiscal year 2015-2016, the appropriation to the Arizona health care cost containment system administration is increased by \$22,100,000 from the prescription drug rebate fund - state established by section 36-2930, Arizona Revised Statutes, in fiscal year 2015-2016.

B. In addition to any other appropriations made in fiscal year 2015-2016, the appropriation to the Arizona health care cost containment system administration is increased by \$830,800 from the tobacco products tax fund - emergency health services account, established by section 36-776, Arizona Revised Statutes, in fiscal year 2015-2016.

C. In addition to any other appropriations made in fiscal year 2015-2016, the appropriation to the Arizona health care cost containment system administration is increased by \$3,318,500 from the tobacco tax and health care fund - medically needy account, described in section 36-774, Arizona Revised Statutes, in fiscal year 2015-2016.

D. In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$539,311,600 is increased from the Arizona health care cost containment system administration appropriation from the expenditure authority in fiscal year 2015-2016. The total includes the following increases by fund:

1. \$421,394,400 from federal medicaid authority.
2. \$78,318,300 from the prescription drug rebate fund - federal established by section 36-2930, Arizona Revised Statutes.
3. \$34,502,000 from the hospital assessment fund established by section 36-2901.09, Arizona Revised Statutes.
4. \$5,096,900 from the tobacco products tax fund - proposition 204 protection account established by section 36-778, Arizona Revised Statutes.

E. Of the amount appropriated in subsection D, paragraph 4 of this section, the Arizona health care cost containment system administration shall transfer not more than \$3,352,200 to the department of health services in fiscal year 2015-2016 for medicaid behavioral health capitation payments for persons who are eligible for services pursuant to section 36-2901.01, Arizona Revised Statutes.

Sec. 113. Department of child safety: supplemental appropriations; exemptions; fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the following sums from the following sources are appropriated to the department of child safety in fiscal year 2015-2016:

1. The sum of \$2,700,000 is appropriated from the state general fund in fiscal year 2015-2016 to the department of child safety for backlog privatization. This appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2017. The department of child safety shall request review by the joint legislative budget committee before spending these monies.

2. The sum of \$17,323,600 is appropriated from the federal temporary assistance for needy families block grant in fiscal year 2015-2016 to the department of child safety for general operations of the department or contracted services.

3. The sum of \$11,000,000 is appropriated from the state general fund in fiscal year 2015-2016 to the department of child safety for making payments in fiscal year 2015-2016 for services provided in May and June 2016.

4. The sum of \$21,418,500 is appropriated from the child safety expenditure authority in fiscal year 2015-2016 to the department of child safety.

5. The sum of \$32,264,600 is appropriated from the state general fund in fiscal year 2015-2016 to the department of child safety.

6. The sum of \$2,867,600 from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, is appropriated to the department of child safety in fiscal year 2015-2016 for litigation expenses. This appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2018.

Sec. 114. State department of corrections: supplemental appropriation; fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$5,200,000 is appropriated from the state general fund in fiscal year 2015-2016 to the state department of corrections inmate health care contracted services line item.

Sec. 115. Department of economic security: supplemental appropriations; reduction; fiscal year 2015-2016

A. In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$21,000,000 is appropriated from the state general fund in fiscal year 2015-2016 to the department of economic security for payments of fiscal year 2015-2016 claims:

1. \$20,000,000 for the home and community based services medicaid line item.

2. \$1,000,000 for the rehabilitation services line item.

1 B. In addition to any other appropriations made in fiscal year
2 2015-2016, the sum of \$6,752,300 is appropriated from the state general fund
3 in fiscal year 2015-2016 to the department of economic security's home and
4 community based services medicaid line item. The department of economic
5 security shall use these monies to draw down federal matching funds in fiscal
6 year 2015-2016 for the division of developmental disabilities capitation
7 payments. The department of economic security shall request review by the
8 joint legislative budget committee before spending monies for any other
9 purpose.

10 C. In addition to any other appropriations made in fiscal year
11 2015-2016, the sum of \$14,893,200 is appropriated from the long-term care
12 fund expenditure authority in fiscal year 2015-2016 to the department of
13 economic security's home and community based services medicaid line item.
14 The department of economic security shall request review by the joint
15 legislative budget committee before spending monies for any other purpose.

16 D. In addition to any other appropriations made in fiscal year
17 2015-2016, the appropriation to the department of economic security's
18 temporary assistance for needy families cash benefits line is reduced by
19 \$9,905,000 from the temporary assistance for needy families block grant in
20 fiscal year 2015-2016.

21 Sec. 116. Superintendent of public instruction; supplemental
22 appropriations; fiscal year 2015-2016

23 A. In addition to any other appropriations made in fiscal year
24 2015-2016, the sum of \$2,700,000 is appropriated from the department of
25 education professional development revolving fund established by section
26 15-237.01, Arizona Revised Statutes, to the superintendent of public
27 instruction for professional development courses pursuant to section
28 15-237.01, Arizona Revised Statutes.

29 B. In addition to any other appropriations made in fiscal year
30 2015-2016, the sum of \$160,000 is appropriated from the tribal college dual
31 enrollment program fund established by section 15-244.01, Arizona Revised
32 Statutes, to the superintendent of public instruction for the purposes
33 provided in section 15-244.01, Arizona Revised Statutes.

34 Sec. 117. Department of emergency and military affairs;
35 supplemental appropriation; fiscal year 2015-2016;
36 exemption

37 A. In addition to any other appropriations made in fiscal year
38 2015-2016, the sum of \$746,700 is appropriated from the state general fund in
39 fiscal year 2015-2016 to the department of emergency and military affairs for
40 service contracts.

41 B. The appropriation made in subsection A of this section is exempt
42 from the provisions of section 35-190, Arizona Revised Statutes, relating to
43 lapsing of appropriations, except that all monies remaining unexpended and
44 unencumbered on December 31, 2016 revert to the state general fund.

Sec. 118. State forester; supplemental appropriation; fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$146,700 is appropriated from the state general fund in fiscal year 2015-2016 to the state forester for risk management premium payment.

Sec. 119. Department of health services: supplemental appropriations: fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the following sums from the following sources are appropriated to the department of health services for medicaid behavioral health capitation payments in fiscal year 2015-2016:

1. \$9,235,300 from the tobacco tax and health care fund - medically needy account established by section 36-774, Arizona Revised Statutes.

2. \$8,824,500 from the prescription drug rebate fund established by section 36-2930, Arizona Revised Statutes.

3. \$112,373,300 from federal medicaid authority.

Sec. 120. Arizona state retirement system; information technology security costs; exemption; fiscal year 2015-2016

Of the \$25,181,600 appropriated to the Arizona state retirement system from the Arizona state retirement system administration account in fiscal year 2015-2016 by Laws 2015, chapter 8, the sum of \$870,800 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2017 for the purpose of paying information technology security costs.

Sec. 121. School facilities board: supplemental appropriation:
fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$15,000,000 is appropriated from the state general fund in fiscal year 2015-2016 to the school facilities board for building renewal grants.

Sec. 122. School facilities board; supplemental appropriation; reduction; fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the appropriation to the school facilities board is reduced by \$1,278,700 from the state general fund in fiscal year 2015-2016 for the new school facilities debt service line item.

Sec. 123. Secretary of state; supplemental appropriation; presidential preference election; fiscal year 2015-2016; report

A. In addition to monies appropriated pursuant to Laws 2015, chapter 8, section 95, the sum of \$6,130,000 is appropriated from the state general fund in fiscal year 2015-2016 to the secretary of state for the purpose of reimbursing expenses incurred by counties for the administration of the 2016 presidential preference election.

B. The secretary of state shall reimburse counties based on the number of active registered voters in that county on January 1, 2016 as follows:

1. For counties with an official active voter registration total of four hundred fifty thousand persons or more, in the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the secretary of state on or before October 30, 2015 or \$2.50 for each active registered voter in the county, whichever is less.

2. For counties with an official active voter registration total of thirty-five thousand persons or more and less than four hundred fifty thousand persons, in the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the secretary of state on or before October 30, 2015 or \$3.00 for each active registered voter, whichever is less.

3. For counties with an official active voter registration total of less than thirty-five thousand persons, in the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the secretary of state on or before October 30, 2015 or \$3.50 for each active registered voter, whichever is less.

C. A county shall submit its certified claims to the secretary of state not later than June 1, 2016.

D. If reimbursing for actual expenses incurred as prescribed in subsection B of this section, the secretary of state shall not reimburse counties for the following:

1. Regular pay and associated employer-related expenses for permanent county employees.

2. Maintenance of infrastructure, machinery and equipment.

3. Any expenditure that is not reimbursable as prescribed by the state of Arizona accounting manual issued by the department of administration general accounting office and in effect on January 1, 2016.

E. On or before October 1, 2016, the secretary of state shall submit a report to the joint legislative budget committee and the governor's office of strategic planning and budgeting regarding reimbursements made pursuant to this section.

F. The appropriation and reimbursement rates prescribed in this section do not set a precedent that the costs of administration of any process to select party nominees for a presidential election held after March 22, 2016 will be reimbursed by the state at any particular level. It is the responsibility of future legislatures to determine the appropriate funding levels for any future presidential nominee selection process.

Sec. 124. Universities; Arizona board of regents; supplemental appropriations; fiscal year 2015-2016

In addition to any other appropriations made in fiscal year 2015-2016, the sum of \$4,076,000 is appropriated from the state general fund in fiscal year 2015-2016 to the Arizona board of regents for health care adjustments in the following amounts:

1	1. Arizona state university • Tempe and	
2	downtown Phoenix campuses	\$1,895,000
3	2. Arizona state university • East campus	\$ 182,700
4	3. Arizona state university • West campus	\$ 205,500
5	4. Northern Arizona university	\$ 40,200
6	5. University of Arizona • main campus	\$1,330,700
7	6. University of Arizona • health	
8	sciences center	\$ 421,900

9 Sec. 125. Department of veterans' services; supplemental
10 appropriation; fiscal year 2015-2016

11 In addition to any other appropriations made in fiscal year 2015-2016,
12 the sum of \$278,000 is appropriated from the state home for veterans trust
13 fund established by section 41-608.01, Arizona Revised Statutes, in fiscal
14 year 2015-2016 to the department of veterans' services for increased dietary
15 service costs.

16 Fiscal Year 2016-2017 Appropriations

17 Sec. 126. Department of administration; counties;
18 appropriations; allocations

19 A. The sum of \$5,500,500 is appropriated from the state general fund
20 in fiscal year 2016-2017 to the department of administration for distribution
21 to counties for maintenance of essential county services. The department of
22 administration shall allocate the appropriation equally among all counties
23 with a population of less than two hundred thousand persons according to the
24 2010 United States decennial census.

25 B. The sum of \$500,000 is appropriated from the state general fund in
26 fiscal year 2016-2017 to the department of administration for distribution to
27 a county with a population of more than thirty thousand persons and less than
28 forty thousand persons according to the 2010 United States decennial census,
29 for maintenance of essential county services.

30 C. The sum of \$8,000,000 is appropriated from the state general fund
31 in fiscal year 2016-2017 to the department of administration for a one-time
32 distribution to counties for maintenance of essential county services. The
33 department of administration shall allocate this amount as follows:

34	Apache	\$ 89,500
35	Cochise	\$ 164,400
36	Coconino	\$ 168,300
37	Gila	\$ 67,100
38	Graham	\$ 46,600
39	Greenlee	\$ 10,500
40	La Paz	\$ 25,700
41	Maricopa	\$ 4,777,300
42	Mohave	\$ 250,500

1	Navajo	\$ 134,500
2	Pima	\$ 1,226,900
3	Pinal	\$ 470,300
4	Santa Cruz	\$ 59,300
5	Yavapai	\$ 264,100
6	Yuma	\$ 245,000

7 D. The allocations made in subsection C of this section are based on
 8 each county's proportional share of the aggregate state population according
 9 to the 2010 United States decennial census.

10 Sec. 127. Automation projects fund; appropriations; fiscal year
 11 2016-2017; report

12 Appropriations

13 A. The following amounts, including 15.0 FTE positions, are
 14 appropriated from the automation projects fund established by section 41-714,
 15 Arizona Revised Statutes, in fiscal year 2016-2017 to the department of
 16 administration for the following automation and information technology
 17 projects:

- 18 1. \$1,050,000 for enhancing enterprise architecture.
- 19 2. \$1,500,000 for project management of statewide automation and
 20 information technology projects.
- 21 3. \$1,300,000 for projects related to e-government.
- 22 4. \$5,700,000 for improving and maintaining the network and security
 23 infrastructure.
- 24 5. \$3,248,400 for enhancing statewide data security.

25 B. The sum of \$800,000 is appropriated to the department of
 26 administration from the automation projects fund established by section
 27 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for a third-party
 28 information technology consolidation assessment that assesses the
 29 implementation, transfer, coordination and modernization of state agencies'
 30 information technology systems. On completion of the assessment, the
 31 department of administration shall submit to the president of the senate, the
 32 speaker of the house of representatives and the joint legislative budget
 33 committee a report that summarizes the assessment.

34 C. The sum of \$8,000,000 is appropriated to the department of
 35 administration from the automation projects fund established by section
 36 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
 37 upgrades to the adult information management system operated by the state
 38 department of corrections.

39 D. The sum of \$4,581,600 is appropriated to the department of
 40 administration from the automation projects fund established by section
 41 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
 42 upgrades to the children's information library and data source operated by
 43 the department of child safety.

E. The amount of \$7,300,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 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.

F. In addition to the amounts appropriated in subsection A of this section, any remaining balances on June 30, 2016 in the university and community college fee subaccount 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.

G. It is the intent of the legislature that the appropriation made by subsection E of this section be used first and foremost to complete a significant portion of the replacement of the student accountability information system established by section 15-1041, 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 \$7,300,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes.

H. The sum of \$1,294,700 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing information technology projects that comply with state and federal security information technology standards determined by the department of economic security.

I. The sum of \$1,000,000 is appropriated from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 to the department of administration for a feasibility study to replace the tax accounting system at the department of revenue.

J. 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.

Quarterly Report

K. 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.

1 L. The funding for the department of education's automation project is
2 contingent on the use of a contracted independent third-party consultant to
3 evaluate and assess the project's feasibility, estimated expenditures,
4 technology approach and scope throughout the life of the project. The
5 department of administration and the department of education shall provide a
6 recent report by the third-party consultant to the information technology
7 authorization committee and the joint legislative budget committee before
8 seeking review of the \$7,300,000 fiscal year 2016-2017 expenditure from the
9 automation projects fund, as required by section 41-714, Arizona Revised
10 Statutes. Following the initial review of fiscal year 2016-2017
11 expenditures, the department of education shall provide ongoing reports from
12 the third-party consultant to the joint legislative budget committee on the
13 progress of the project, as determined by the joint legislative budget
14 committee.

15 M. The funding for the state department of corrections' replacement of
16 the adult inmate management system project is contingent on the use of a
17 contracted independent third-party consultant to evaluate and assess the
18 project's feasibility, estimated expenditures, technology approach and scope
19 throughout the life of the project. The department of administration and the
20 state department of corrections shall provide a recent report by the
21 third-party consultant to the information technology authorization committee
22 and the joint legislative budget committee before seeking review of the
23 \$8,000,000 fiscal year 2016-2017 expenditure from the automation projects
24 fund, as required by section 41-714, Arizona Revised Statutes. Following the
25 initial review of fiscal year 2016-2017 expenditures, the state department of
26 corrections shall provide ongoing reports from the third-party consultant to
27 the joint legislative budget committee on the progress of the project, as
28 determined by the joint legislative budget committee.

29 Non-lapsing

30 N. Any remaining balances on June 30, 2016 in the automation projects
31 fund established by section 41-714, Arizona Revised Statutes, from monies
32 appropriated in fiscal year 2015-2016 are appropriated to the department of
33 administration in fiscal year 2016-2017 for the same purposes specified in
34 fiscal year 2015-2016. The department of administration shall report any
35 fiscal year 2016-2017 expenditure of remaining balances from fiscal year
36 2015-2016 in the automation projects fund in the department's quarterly
37 report to the joint legislative budget committee.

38 O. For the funding for the department of child safety's replacement of
39 the children's information library and data source system project, any
40 remaining balances on June 30, 2016 in the automation projects fund
41 established by section 41-714, Arizona Revised Statutes, from monies
42 appropriated in fiscal year 2014-2015 for the replacement of the children's
43 information library and data source system at the department of child safety
44 are appropriated to the department of administration in fiscal year 2016-2017
45 for the same purposes specified in fiscal year 2014-2015. The department of

1 administration shall report any fiscal year 2016-2017 expenditure of
2 remaining balances from fiscal year 2014-2015 from the automation projects
3 fund in the department's quarterly report to the joint legislative budget
4 committee.

5 P. For the funding for the state department of corrections'
6 replacement of the adult inmate management system project, any remaining
7 balances on June 30, 2016 in the automation projects fund established by
8 section 41-714, Arizona Revised Statutes, from monies appropriated in fiscal
9 year 2014-2015 for the replacement of the adult inmate management system at
10 the state department of corrections are appropriated to the department of
11 administration in fiscal year 2016-2017 for the same purposes specified in
12 fiscal year 2014-2015. The department of administration shall report any
13 fiscal year 2016-2017 expenditure of remaining balances from fiscal year
14 2014-2015 from the automation projects fund in the department's quarterly
15 report to the joint legislative budget committee.

16 Q. For the funding for the department of environmental quality's
17 e-licensing projects, any remaining balances on June 30, 2016 in the
18 automation projects fund established by section 41-714, Arizona Revised
19 Statutes, from monies appropriated in fiscal year 2014-2015 for the
20 e-licensing projects at the department of environmental quality are
21 appropriated to the department of administration in fiscal year 2016-2017 for
22 the same purposes specified in fiscal year 2014-2015. The department of
23 administration shall report any fiscal year 2016-2017 expenditure of
24 remaining balances from fiscal year 2014-2015 from the automation projects
25 fund in the department's quarterly report to the joint legislative budget
26 committee.

27 R. For the funding for the replacement of the Arizona financial
28 information system, any remaining balances on June 30, 2016 in the automation
29 projects fund established by section 41-714, Arizona Revised Statutes, from
30 monies appropriated in fiscal year 2014-2015 for the Arizona financial
31 information replacement project at the department of administration are
32 appropriated to the department of administration in fiscal year 2016-2017 for
33 the same purposes specified in fiscal year 2014-2015. The department of
34 administration shall report any fiscal year 2016-2017 expenditure of
35 remaining balances from fiscal year 2014-2015 from the automation projects
36 fund in the department's quarterly report to the joint legislative budget
37 committee.

38 Sec. 128. Automation projects fund; appropriations; fiscal year
39 2016-2017; allocation; e-procurement

40 A. The sum of \$12,000,000 is appropriated from the automation projects
41 fund established by section 41-714, Arizona Revised Statutes, in fiscal year
42 2016-2017 to the department of administration for the replacement of the
43 state's e-procurement system. It is the intent of the legislature that the
44 cost of replacing the state's e-procurement system be distributed
45 proportionately among other funds.

1 B. The amount of \$3,000,000 is appropriated from the state general
2 fund in fiscal year 2016-2017 for deposit into the automation projects fund
3 established by section 41-714, Arizona Revised Statutes.

4 C. The amount of \$9,000,000 is appropriated from other funds in fiscal
5 year 2016-2017 for deposit into the automation projects fund established by
6 section 41-714, Arizona Revised Statutes. The joint legislative budget
7 committee staff shall determine the proportional amount to be transferred
8 from each appropriated and nonappropriated fund source.

9 D. For all fund sources that are not the state general fund, the joint
10 legislative budget committee staff shall determine and the department of
11 administration shall allocate to each agency or department an amount for the
12 cost of replacing the state's e-procurement system. The joint legislative
13 budget committee staff shall also determine and the department of
14 administration shall allocate adjustments, as necessary, in appropriations
15 and expenditure authority to allow for the cost of replacing the state's
16 e-procurement system.

17 Sec. 129. Department of administration; appropriation; fiscal
18 year 2016-2017

19 The sum of \$500,000 is appropriated from the information technology
20 fund established by section 41-3505, Arizona Revised Statutes, in fiscal year
21 2016-2017 to the department of administration for additional resources in the
22 government transformation office.

23 Sec. 130. Arizona commerce authority; allocation

24 Pursuant to section 43-409, Arizona Revised Statutes, \$21,500,000 of
25 the state general fund withholding tax revenues is allocated in fiscal year
26 2016-2017 to the Arizona commerce authority, of which \$10,000,000 is credited
27 to the Arizona commerce authority fund established by section 41-1506,
28 Arizona Revised Statutes, and \$11,500,000 is credited to the Arizona competes
29 fund established by section 41-1545.01, Arizona Revised Statutes.

30 Sec. 131. Arizona commerce authority; appropriation; fiscal
31 year 2016-2017; report

32 The sum of \$300,000 is appropriated from the state general fund in
33 fiscal year 2016-2017 to the Arizona commerce authority for the purpose of
34 operating a trade office in Mexico City.

35 On or before August 31, 2016, the Arizona commerce authority shall
36 submit a report on progress made in implementing the auditor general's
37 recommendations included in the September 2015 audit of the authority for
38 review by the joint legislative budget committee.

39 Sec. 132. Corporation commission; appropriation; exemption;
40 fiscal year 2016-2017

41 A. The sum of \$2,000,000 in one-time funding is appropriated from the
42 state general fund in fiscal year 2016-2017 to the corporation commission for
43 the purpose of replacing the corporations division database system.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2018.

Sec. 133. Department of economic security; appropriation; crisis response and transitional housing services; fiscal year 2016-2017

The sum of \$50,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of economic security for a one-time allocation to a facility that has a capacity of at least 100 beds and that provides crisis response and transitional housing services to assist victims of domestic violence in a county with a population of more than one million persons according to the 2010 United States decennial census.

Sec. 134. Department of economic security; appropriation; victim center; fiscal year 2016-2017

The sum of \$50,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of economic security for a one-time allocation to a victim center that provides a crisis response team to assist victims of domestic violence, child abuse, adult sexual assault and elder abuse and that is in a county with a population of more than one hundred fifty thousand persons and less than two hundred thousand persons according to the 2010 United States decennial census.

Sec. 135. Department of economic security; appropriation; area agencies on aging; fiscal year 2016-2017

In addition to any other appropriation made in fiscal year 2016-2017, the sum of \$700,000 in one-time funding is appropriated from the health services lottery monies fund established by section 36-108.01, subsection C, Arizona Revised Statutes, in fiscal year 2016-2017 to the department of economic security for area agencies on aging.

Sec. 136. Appropriation; special administration fund; department of economic security; fiscal year 2016-2017

The following sums are appropriated one time from the special administration fund established by section 23-705, Arizona Revised Statutes, in fiscal year 2016-2017 to the department of economic security for the following purposes:

1. \$600,000 for room and board in state-funded long-term care services.

2. \$2,000,000 for caseload growth in adult protective services.

Sec. 137. Superintendent of public instruction; appropriation; classroom site fund; fiscal year 2016-2017

The sum of \$15,500,000 in one-time funding is appropriated from the state general fund in fiscal year 2016-2017 to the classroom site fund established by section 15-977, Arizona Revised Statutes.

1 Sec. 138. Department of health services; appropriation;
2 Alzheimer's disease research

3 The sum of \$1,000,000 is appropriated from the tobacco tax and health
4 care fund - health research account established by section 36-773, Arizona
5 Revised Statutes, in fiscal year 2016-2017 to the department of health
6 services for a one-time allocation for Alzheimer's disease research.

7 Sec. 139. Legislative council; appropriation; hearing aid
8 service systems; exemption

9 A. The sum of \$250,000 is appropriated from the telecommunication fund
10 for the deaf established by section 36-1947, Arizona Revised Statutes, in
11 fiscal year 2016-2017 to legislative council for the purpose of installing
12 looping hearing aid service systems in the house of representatives and
13 senate buildings.

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

17 Sec. 140. Arizona parents commission on drug education and
18 prevention; middle and high schools; prevention
19 education program; appropriation; exemption; fiscal
20 year 2016-2017

21 A. Notwithstanding sections 13-901.02 and 41.1604.17, Arizona Revised
22 Statutes, the sum of \$300,000 is appropriated from the drug treatment and
23 education fund established by section 13-901.02, Arizona Revised Statutes, in
24 fiscal year 2016-2017 to the Arizona parents commission on drug education and
25 prevention established by section 41-1604.17, Arizona Revised Statutes, for a
26 prevention education program for middle and high school students. The
27 commission shall distribute monies appropriated pursuant to this section on a
28 competitive grant basis to grant applicants to implement a proactive
29 prevention education program in all middle and high schools in this state.
30 The program shall:

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

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

- 37 (a) Substance abuse.
- 38 (b) Mental health.
- 39 (c) Violence.
- 40 (d) Other risky behaviors.

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

1 Sec. 141. Arizona trail fund; appropriation; fiscal year
2 2016-2017

3 The sum of \$150,000 is appropriated from the state parks revenue fund
4 established by section 41-511.21, Arizona Revised Statutes, in fiscal year
5 2016-2017 to the Arizona trail fund established by section 41-511.15, Arizona
6 Revised Statutes.

7 Sec. 142. Arizona board of regents; universities;
8 appropriation; fiscal year 2016-2017; report

9 A. The sum of \$19,000,000 is appropriated from the state general fund
10 in fiscal year 2016-2017 to the Arizona board of regents for distribution for
11 capital improvements or operating expenditures in the following amounts:

- | | |
|---|-------------|
| 12 1. Arizona state university | \$7,000,000 |
| 13 2. Northern Arizona university | \$4,000,000 |
| 14 3. University of Arizona | \$8,000,000 |

15 B. On or before August 1, 2016, the universities shall report the
16 intended use of the monies to the joint legislative budget committee.

17 C. Before any expenditure of the monies appropriated in subsection A
18 of this section for capital improvements, the universities shall submit the
19 scope, purpose and estimated cost of the capital improvements for review by
20 the joint committee on capital review pursuant to section 41-1252, Arizona
21 Revised Statutes.

22 Sec. 143. Small water systems fund; appropriation; exemption;
23 report

24 A. The sum of \$500,000 in one-time funding is appropriated from the
25 state general fund in fiscal year 2016-2017 to the small water systems fund
26 established by section 49-355, Arizona Revised Statutes, for emergency grants
27 to interim operators of small water systems.

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

31 C. On or before August 1, 2017, the corporation commission and the
32 water infrastructure finance authority shall jointly report the total amount
33 of expenditures from the small water systems fund established by section
34 49-355, Arizona Revised Statutes, for emergency grants to interim operators
35 of small water systems during fiscal year 2016-2017 to the director of the
36 joint legislative budget committee.

37 Sec. 144. Arizona water protection fund; appropriation; fiscal
38 year 2016-2017

39 The sum of \$250,000 is appropriated from the state general fund in
40 fiscal year 2016-2017 to the Arizona water protection fund established by
41 section 45-2111, Arizona Revised Statutes.

Sec. 145. Appropriation: debt service payments: state buildings

A. The sum of \$60,105,600 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for the purpose of making a debt service payment on the sale and leaseback of state buildings authorized by Laws 2009, third special session, chapter 6, section 32.

B. The sum of \$24,011,800 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for the purpose of making a debt service payment on the sale and leaseback of state buildings authorized by Laws 2010, sixth special session, chapter 4, section 2.

Sec. 146. Phoenix convention center: debt service payment

Pursuant to section 9-602, Arizona Revised Statutes, \$20,449,000 of state general fund revenue is allocated in fiscal year 2016-2017 to the Arizona convention center development fund established by section 9-601, Arizona Revised Statutes.

Sec. 147. Rio Nuevo multipurpose facility district; estimated distribution; fiscal year 2016-2017

Pursuant to section 42-5031, Arizona Revised Statutes, a portion of the state transaction privilege tax revenues will be distributed to a multipurpose facility district. The Rio Nuevo multipurpose facility district is estimated to receive \$10,000,000 in fiscal year 2016-2017. The actual amount of the distribution will be made pursuant to section 42-5031, Arizona Revised Statutes.

Fund Balance Transfers

Sec. 148. Fund balance transfers; fiscal year 2016-2017

Notwithstanding any other law, on or before June 30, 2017, the following amounts from the following sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. Judiciary - supreme court:

Alternative dispute resolution fund - \$300,000

Arizona lengthy trial fund - \$300,000

Court appointed special advocate fund - \$500,000

2. Judiciary - superior court:

Drug treatment and education fund - \$250,000

Juvenile probation services fund - \$4,650,000

3. Department of administration:

Automation operations fund - \$461,600

Sec. 149. Fund balance transfer; special employee health insurance trust fund; fiscal year 2015-2016

Notwithstanding any other law, after July 1, 2015 but on or before June 30, 2016, the amount of \$4,076,000 is transferred from the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, to the state general fund for the purpose of providing adequate support and maintenance for agencies of this state.

Sec. 150. Appropriation: fund balance transfers: fiscal year 2016-2017: automation projects fund

A. The amount of \$11,881,600 is appropriated from the state general fund in fiscal year 2016-2017 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 2016-2017 for deposit in the automation projects fund established by section 41-714, Arizona Revised Statutes:

1. In addition to the amount appropriated in paragraph 1 of this subsection, any remaining balances as of June 30, 2016 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.

2. \$7,420,600 from the automation operations fund established by section 41-711, Arizona Revised Statutes.

3. \$5,650,000 from the state web portal fund established by section 41-3506, Arizona Revised Statutes.

4. \$527,800 from the information technology fund established by section 41-3505, Arizona Revised Statutes.

5. \$1,000,000 from the Arizona correctional industries revolving fund established pursuant to section 41-1624, Arizona Revised Statutes.

6. \$1,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.

7. \$4,000,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.

8. \$1,000,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.

9. \$1,000,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.

10. \$1,294,700 from the special administration fund established by section 23-705, Arizona Revised Statutes.

11. \$1,000,000 from the liability setoff program revolving fund established by section 42-1122, Arizona Revised Statutes.

Sec. 151. Fund balance transfer: motor vehicle liability insurance enforcement fund

Notwithstanding any other law, on or before June 30, 2017, the amount of \$1,100,000 is transferred from the motor vehicle liability insurance enforcement fund established by section 28-4151, Arizona Revised Statutes, to the safety enforcement and transportation infrastructure fund established by section 28-6547, Arizona Revised Statutes.

Sec. 152. Fund balance transfer; corrections fund

Notwithstanding any other law, the following amounts from the following sources are transferred in fiscal year 2016-2017 for deposit in the corrections fund established by section 41-1641, Arizona Revised Statutes, for the purpose of purchasing replacement radios:

1. \$1,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.

2. \$500,000 from the state department of corrections revolving fund established by section 42-3106, Arizona Revised Statutes.

3. \$500,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.

4. \$400,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.

5. \$400,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.

Sec. 153. Fund balance transfer; health services lottery monies fund; fiscal year 2015-2016

On or before June 30, 2016, the sum of \$2,400,000 is transferred from the health services lottery monies fund established by section 36-108.01, subsection C, Arizona Revised Statutes, to the Arizona state hospital fund established by section 36-545.08, Arizona Revised Statutes.

Payment Deferrals

Sec. 154. Reduction in school district state aid apportionment in fiscal year 2016-2017; appropriations in fiscal year 2017-2018

A. In addition to any other appropriation reductions made in fiscal year 2016-2017, notwithstanding any other law, the department of education shall defer until after July 1, 2017 but no later than July 12, 2017 \$930,727,700 of the basic state aid and additional state aid payment that otherwise would be apportioned to school districts during fiscal year 2016-2017 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 department 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 2017-2018, the sum of \$930,727,700 is appropriated from the state general fund in fiscal year 2017-2018 to the department of education and the superintendent of public instruction for basic state aid and additional state aid entitlement for fiscal year 2017-2018. This appropriation shall be disbursed after July 1, 2017 but no later than July 12, 2017 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 2016-2017.

C. School districts shall include in the revenue estimates they use for computing their tax rates for fiscal year 2016-2017 the monies they will receive pursuant to subsection B of this section.

Statewide Adjustments

Sec. 155. Appropriation: operating adjustments

2015-2016

Employer health insurance

contribution reduction \$(16,608,900)

Fund sources:

State general fund \$ (8,047,400)

Other funds \$ (8,561,500)

Arizona financial information

system collections 983,200

Fund sources:

State general fund 461,600

Other funds 521,600

Employer health insurance contribution reduction

The amount appropriated is for the annualization of savings from a reduction in the employer contribution rate for employee health insurance in fiscal year 2015-2016. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the health insurance contribution reduction adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to implement the reduction in health insurance employer contribution rates. The joint legislative budget committee staff shall use the overall allocation of state general fund and appropriated tuition monies for each university in determining that university's specific adjustment.

Arizona financial information system collections

The amount appropriated is for the operation of the Arizona financial information system in fiscal year 2016-2017. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the Arizona financial information system collection charge. When determining an allocation, the joint legislative budget committee staff shall consider any amount previously charged to an agency or department for the operation of the Arizona financial information system. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow for the payment of Arizona financial information system charges.

Sec. 156. Department of law: general agency counsel charges:
fiscal year 2016-2017

The department of administration shall allocate to each agency or department not exempt pursuant to section 41-191.09, Arizona Revised Statutes, 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 department of agriculture	\$ 4,200
4. Arizona arts commission	\$ 3,100
5. Automobile theft authority	\$ 1,400
6. Citizens clean elections commission	\$ 2,700
7. State department of corrections	\$ 2,000
8. Arizona criminal justice commission	\$ 8,700
9. Arizona state schools for the deaf and the blind	\$100,200
10. Commission for the deaf and the hard of hearing	\$ 4,100
11. Arizona early childhood development and health board	\$ 47,100
12. Department of education	\$132,000
13. Department of emergency and military affairs	\$ 30,000
14. Department of environmental quality	\$135,600
15. Arizona exposition and state fair board	\$ 20,900
16. Department of financial institutions	\$ 1,900
17. State forester	\$ 13,400
18. Department of gaming	\$ 37,300
19. Arizona geological survey	\$ 6,800
20. Department of health services	\$170,000
21. Arizona historical society	\$ 700
22. Arizona department of housing	\$ 19,300
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. Radiation regulatory agency	\$ 3,800
34. Arizona state retirement system	\$ 69,100

1	35. Department of revenue	\$ 4,900
2	36. Department of state - secretary of state	\$ 1,800
3	37. State treasurer	\$ 9,200
4	38. Department of veterans' services	\$ 52,700

5 Other Provisions

6 Sec. 157. Legislative intent: expenditure reporting

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

17 Sec. 158. FTE positions; reporting; definition

18 Full-time equivalent (FTE) positions contained in this act are subject
19 to appropriation. The director of the department of administration shall
20 account for the use of all appropriated and nonappropriated FTE positions,
21 excluding those in the universities. The director of the department of
22 administration shall submit the fiscal year 2016-2017 report on or before
23 October 1, 2017 to the director of the joint legislative budget committee.
24 The reports shall compare the level of appropriated FTE usage in each fiscal
25 year to the appropriated level. For the purposes of this section, "FTE
26 positions" means the total number of hours worked, including both regular and
27 overtime hours as well as hours taken as leave, divided by the number of
28 hours in a work year. The director of the department of administration shall
29 notify the director of a budget unit if the budget unit's appropriated FTE
30 usage has exceeded its number of appropriated FTE positions. The
31 universities shall each report to the director of the joint legislative
32 budget committee in a manner comparable to the department of administration
33 reporting.

34 Sec. 159. Filled FTE positions; reporting

35 On or before October 1, 2016, each agency, including the judiciary and
36 universities, shall submit a report to the director of the joint legislative
37 budget committee on the number of filled appropriated and nonappropriated FTE
38 positions, by fund source, as of September 1, 2016.

39 Sec. 160. Transfer of spending authority

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

1 Sec. 161. Interim reporting requirements

2 A. State general fund revenue for fiscal year 2015-2016, including a
3 beginning balance of \$312,000,000 and other one-time revenues, is forecast to
4 be \$9,740,000,000.

5 B. State general fund revenue for fiscal year 2016-2017, including
6 one-time revenues, is forecast to be \$9,646,000,000.

7 C. State general fund revenue for fiscal year 2017-2018, including
8 one-time revenues, is forecast to be \$9,796,000,000. State general fund
9 expenditures for fiscal year 2017-2018 are forecasted to be \$9,596,000,000.

10 D. State general fund revenue for fiscal year 2018-2019, including
11 one-time revenues, is forecast to be \$10,324,000,000. State general fund
12 expenditures for fiscal year 2018-2019 are forecasted to be \$9,818,000,000.

13 E. The executive branch shall provide to the joint legislative budget
14 committee a preliminary estimate of the fiscal year 2015-2016 state general
15 fund ending balance on or before September 15, 2016. The estimate shall
16 include projections of total revenues, total expenditures and ending balance.
17 The department of administration shall continue to provide the final report
18 for the fiscal year in its annual financial report pursuant to section
19 35-131, Arizona Revised Statutes.

20 F. Based on the information provided by the executive branch, the
21 staff of the joint legislative budget committee shall report to the joint
22 legislative budget committee on or before October 15, 2016 as to whether the
23 fiscal year 2016-2017 revenues and ending balance are expected to change by
24 more than \$50,000,000 from the budgeted projections. The joint legislative
25 budget committee staff may make technical adjustments to the revenue and
26 expenditure estimates in this section to reflect other bills enacted into
27 law. The executive branch may also provide its own estimates to the joint
28 legislative budget committee on or before October 15, 2016.

29 Sec. 162. Definition

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

33 Sec. 163. Definition

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

37 Sec. 164. Definition

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