

Appropriations

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[P 105] Proposition 105 Clause
[P 108] Proposition 108 Clause

Bill	Chapter	Short Title	Page
HB 2498	326	prepaid legal insurance; capital requirements	32
HB 2535	100	concurrent criminal jurisdiction; Goldwater range	32
HB 2540	303	criminal justice; budget reconciliation; 2017-2018	32
HB 2545	304	K-12 education; budget reconciliation; 2017-2018	32
HB 2547	328	university infrastructure capital financing; appropriations	33
SB 1091	43	nuclear emergency appropriations; assessments	33
SB 1161	300	improvement districts; retention; detention basins	33
SB 1179	17	appropriations; named claimants	33
SB 1278	286	felony pretrial intervention programs; appropriation	33
SB 1406	175	public accommodation; exemptions; enforcement; sanctions	34
SB 1522	305	general appropriations act; 2017-2018	34
SB 1523	306	capital outlay; appropriations; 2017-2018	44
SB 1524	307	budget procedures; budget reconciliation; 2017-2018	46
SB 1526	308	environment; budget reconciliation; 2017-2018	46
SB 1527	309	health; budget reconciliation; 2017-2018	47
SB 1528	310	higher education; budget reconciliation; 2017-2018	47
SB 1529	311	human services; budget reconciliation; 2017-2018	48
SB 1531	312	revenues; budget reconciliation; 2017-2018	48

HB 2498 (Chapter 326): prepaid legal insurance; capital requirements

Requires an applicant seeking to sell prepaid legal insurance contracts only relating to the use of firearms to possess at least \$50,000 of unimpaired capital. Effective: August 9, 2017.

Click [here](#) for the bill history.

HB 2535 (Chapter 100): concurrent criminal jurisdiction; Goldwater range

Removes the sunset date of December 1, 2017, for concurrent criminal jurisdiction of the Barry M. Goldwater Range. Effective: August 9, 2017.

Click [here](#) for the bill history.

HB 2540 (Chapter 303): criminal justice; budget reconciliation; 2017-2018.

Contains statutory and session law changes necessary to implement the FY 2018 budget. Specific to the Judiciary, HB 2540 adjusts the distribution of civil filing fees by increasing the share deposited into Judicial Collection Enhancement Fund (JCEF) and appropriates \$750,000 from JCEF to the Administrative Office of the Courts in FY 2018 to provide assistance, training and grants to courts to meet minimum standards of courthouse security adopted by the Arizona Supreme Court.

Specific to ADPS, beginning on July 1, 2018 HB 2540 consolidates several existing funds into the ADPS Forensics Fund (Fund) and outlines the use of the monies in the Fund. Changes the distribution formula for GIITEM Fund monies by prohibiting the use of these monies for agreements or contracts with the sheriff of a county with more than 3,000,000 persons (Maricopa). For FY 2018, after the first \$500,000 of GIITEM Fund monies is appropriated to a sheriff of a county with a population of less than 500,000 but more than 300,000 persons (Pinal), the next \$400,000 is appropriated to the sheriff in a county with a population less than 2,000,000 and more than 800,000 persons (Pima). HB 2540 also makes monies in the ADPS Fingerprint Clearance Card Fund subject to legislative appropriation and permits the use of legislatively appropriated FCC Fund monies for crime lab operations. HB 2540 raises the maximum salary cap for the Executive Director of the Automobile Theft Authority from \$75,000 to \$100,000 and continues several provisions from prior year budgets. Effective: August 9, 2017, however appropriations are effective on signature of the Governor, May 12, 2017.

Click [here](#) for the bill history.

HB 2545/SB 1530 (Chapter 304): K-12 education; budget reconciliation; 2017-2018.

Increases the Base Level, transportation per route mile formula and Charter Additional Assistance by 1.31%. Continues the suspension of Charter and District Additional Assistance and large JTED funding from the previous year. Continues the School Emergency Pilot Program and establishes a Pilot Program for Nationally Recognized College-Readiness Examinations. Establishes a Broadband Expansion Fund and delineates the distribution of monies in the Fund. Establishes an Early Literacy Grant Program and a Results-Based Funding program. Modifies the submission and approval dates to SFB for new school construction projects. Permits SFB to use \$200,000 in the Building Renewal Grant Fund for lead in school water system consultant services. Permits a school district that meets specified requirements to incur liabilities in excess of up to \$700,000 without meeting statutory requirements and use the funding for infrastructure repairs or

transportation vehicles. Increases the general budget limit of a school district that meets specified requirements by \$1.5 million in FY 2018. Effective: August 9, 2017.

Click [here](#) for the bill history.

HB 2547/SB 1532 (Chapter 328): university infrastructure capital financing; appropriations.

Establishes a University Capital Infrastructure Fund for each university under ABOR and appropriates specified amounts to each Fund to be used exclusively for the costs of capital projects or paying debt service on debt financing for capital projects beginning FY 2019. Prescribes a formula to calculate amounts appropriated to each Fund for FY 2020 through FY 2043. Requires JCCR to review any capital project not paid with debt financing and to approve any capital project paid with debt financing.

Specifies certain amounts each university that has a licensure or royalty agreement or agreement for the sale or transfer of intellectual property developed by a university entered into beginning May 1, 2017 must deposit in the GF. Clarifies amounts deposited into the GF regarding licensure or royalty agreements or sales of intellectual property cannot exceed amounts appropriated from the GF regarding lease-purchase capital financing and infrastructure capital financing. Effective: August 9, 2017.

Click [here](#) for bill history.

SB 1091 (Chapter 43): nuclear emergency appropriations; assessments

Appropriates \$2,503,140 in FY 2018 and \$2,526,277 in FY 2019 from the Nuclear Emergency Management Fund (NEMF) for distribution to state agencies for the state's off-site nuclear emergency response plan. Assesses respective amounts in FYs 2018 and 2019 for deposit into the NEMF from public service or municipal corporations engaged in constructing or operating a commercial nuclear generating station in Arizona. Effective: March 22, 2017.

Click [here](#) for the bill history.

SB 1161 (Chapter 300): improvement districts; retention; detention basins

Includes retention and detention basins in the purpose for the formation of an improvement district. Effective: August 9, 2017.

Click [here](#) for the bill history.

SB 1179 (Chapter 17): appropriations; named claimants

Appropriates \$19,551.85 from various funds to ADOA to pay claims against various state agencies. Effective: June 1, 2017.

Click [here](#) for the bill history.

SB 1278 (Chapter 286): felony pretrial intervention programs; appropriation

Appropriates a total of \$2,750,000 in FY 2018 to ACJC for distribution to county attorneys administering felony pretrial intervention programs. Requires the appropriation to be distributed proportionately to county attorneys in counties with populations of less than 3,000,000 persons (all counties excluding Maricopa). The appropriation is from the following funds: 1) \$1,000,000 from the Penitentiary Land Fund, 2) \$1,000,000 from the State Charitable, Penal and Reformatory

Institutions Land Fund, and 3) \$750,000 from the Inmate Store Proceeds Fund. Effective: August 9, 2017, however appropriations are effective on signature of the Governor, May 8, 2017.

Click [here](#) for the bill history.

SB 1406 (Chapter 175): public accommodation; exemptions; enforcement; sanctions

Specifies that only an aggrieved person who is subjected to discrimination may file a civil action for relief. Prohibits the filing of a civil action for a building, facility or parking lot violation before providing written notice to the private entity in order to allow the entity to identify and cure the violation or comply with the law. States that if the entity is required to obtain a building permit or similar form of government approval in order to make the changes necessary to comply or cure the violation, the entity must complete the following within 30 days of receiving the notice of violation:

1. Provide a corrective action plan to the aggrieved person or the person's attorney; and
2. Submit the completed application for the permit or other form of approval to the appropriate governmental entity.

Permits the filing of a civil action if the entity does not cure the violation or comply with the law within 30 days, however, SB 1406 prohibits the filing of a civil action for 60 days after the entity provides the corrective action plan to the aggrieved person or the person's attorney, if government approval is required to comply or cure the violation. The period of time is tolled after the submission of the completed application to the governmental entity until the final determination is provided to the private entity.

When filing a civil action, the aggrieved person must also file an affidavit with specific statements. The court is allowed to stay an action to determine if the filer is a vexatious litigant or if there are multiple civil actions involving the same filer that should be consolidated. The aggrieved person or the person's attorney is prohibited from demanding or collecting money from the entity prior to the end of the time periods outlined.

For claims brought by the AG, specifies relief options available and permits the court to additionally impose a sanction on a plaintiff or plaintiff's attorney if the court finds the action was brought for the primary purpose of obtaining a payment from the defendant due to the costs of defending the action in court. In these cases, the court can consider the totality of the abusive litigation-related practices in imposing the sanction and a portion of the sanction may be paid to the Governor's Office of Youth, Faith and Family for use as outlined. Exempts websites from the article outlining accessibility requirements. Effective: August 9, 2017.

Click [here](#) for the bill history.

SB 1522/HB 2537 (Chapter 305): general appropriations act; 2017-2018

Makes state GF and Other Fund (OF) appropriations and transfers for FY 2018 for the operation of state government and makes various budget revisions and supplemental appropriations for FY 2017.

The tables below indicate GF and OF changes for appropriated state agencies for FY 2018 along with major footnote changes.

Summary of Changes	Fund Source	Comments	FY 2018 Changes
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Department of Agriculture

Meat and Poultry Inspector	GF		85,000
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Arizona Health Care Cost Containment System

Prescription Drug Rebate Shift	GF		(30,000,000)
Prescription Drug Review Initiative	OF	Drug Rebate Fund	221,000
Adult Dental Services	OF	Drug Rebate Fund	1,500,000
Proposition 206 Costs	GF		9,700,000
Occupational Therapy	GF		130,000

Attorney General

Appropriates \$1,500,000 in FYs 2018 and 2019 from the GF to the AG for operating expenses of the criminal division.

Department of Child Safety

Adoption Services	GF		2,000,000
Removal of Ongoing Backlog Privatization	GF		(2,700,000)
Family Stipend (Kinship)	GF		1,000,000

Extends eligibility for the grandparent stipend to any non-grandparent relative or caretaker of fictive kinship.

Specifies that the out-of-home care population be at or below 15,191 children by June 30, 2018.

Arizona Community Colleges

Gila County Workforce	GF		250,000
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Arizona Department of Corrections

1,000 Beds Annualization	GF		(4,000,000)
Medicaid Savings	GF		(2,500,000)
Inmate Health Care Growth	GF		1,500,000
Kingman Prison Refinance Savings	GF		(2,100,000)
Recidivism Reduction Initiatives	GF		500,000
Retirement Adjustment	GF		8,400,000

Department of Economic Security

Proposition 206 Costs	GF		23,300,000
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Adult Protective Services Backfill/New Staff	OF	Health Lottery Fund	2,000,000
Developmental Disability (DD) Early Intervention Program	GF		2,000,000

State Board of Education			
AG Intergovernment Service Agreement (ISA) from the Department of Education	GF		50,000

Arizona Department of Education			
Formula	GF		(3,400,000)
Results-Based Funding	GF		37,600,000
1.06% Teacher Salary Increase	GF		34,000,000
Early Literacy	GF		8,000,000
ISA Funding to SBE	GF		(50,000)
Joint Technical Education District (JTED) Completion Grants	GF		1,000,000
School Resource Officers	GF		500,000
Geographic Literacy	GF	One-Time	100,000

Requires each school district or charter school to use its allocation from the additional teacher salary increase line item only to increase the salary of each teacher by 1.06% in FY 2018. The teacher must have taught at an Arizona district or charter school during the 2016-2017 school year and continue to teach at an Arizona district or charter school during the 2017-2018 school year. The increase is in addition to and supplements, not supplants, any other salary increase the district or charter would have provided. Contains legislative and executive intent to include funding for an additional 1.06% teacher salary increase in FY 2019. Directs appropriations for FY 2019 to be distributed in the same manner as the appropriations in FY 2018.

Stipulates that monies appropriated for JTED completion grants are intended to help fund program completion for students who complete at least 50% of a JTED program before graduating from high school and who successfully complete the program after high school graduation.

Department of Financial Institutions			
Fund Shift	GF		(1,500,000)

Arizona Department of Forestry and Fire Management			
Firefighter Safety Communications	GF		30,000
Deputy Fire Marshal	GF		100,000

Post-Release Firefighting Crew	GF		1,000,000
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Department of Health Services			
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Reduce Operating Budget	GF		(2,800,000)
Increase Arizona State Hospital (ASH) Funding	GF		2,800,000
Renal Transplant Drugs	GF		183,000

Independent Redistricting Commission			
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Work Completed	GF		(1,100,000)
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Judiciary			
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Court of Appeals Staff	GF		236,200
Full-Time Water Master	GF		31,000
Probation Caseload	GF		500,000
Court Ordered Removals	GF		75,000

Department of Juvenile Corrections			
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Spending Reduction	GF		(5,000,000)
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Legislature – Auditor General			
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Special Investigative Unit	GF		680,000
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Commission for Postsecondary Education			
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Math, Science and Special Education Teacher Loan Program	GF		250,000
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Department of Public Safety			
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Retirement Adjustment	GF		2,600,000
Camera IT Technology	OF	Public Safety Equipment Fund	500,000

State Treasurer			
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Empowerment Scholarship Account (ESA) Administration	OF	ESA Fund – 225,000 Management Fund – 100,000	325,000
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Universities – Arizona Board of Regents			
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Deletes footnote requiring ABOR to allocate \$5,000,000 to the universities using a performance funding model and instead adds to the base budget.

Prohibits GF appropriations to ASU, NAU and UA from being used for contracts with individuals or entities for lobbying services.

Department of Water Resources			
Geographic Information System (GIS) Personnel	GF		100,000
General Streams Adjudication Personnel	GF		500,000
Legal Support for Adjudications and Colorado River	GF		100,000
Active Area Management Personnel	GF		200,000
Water Protection Fund Deposit	GF		300,000

FY 2017 SUPPLEMENTAL APPROPRIATIONS AND ADJUSTMENTS

FY 2017 GF and OF Changes		
ADOA – Federal Government Disallowed Costs – Risk Management Revolving Fund	OF	3,218,200
AHCCCS – Children's Health Insurance Program Fund	OF	63,225,800
ADE – Additional Formula Costs	GF	17,081,200
State Land Department – Central Arizona Project User Fee Rate Adjustment	GF	224,500
State Land Department – Legal Services – Trust Land Management Fund	OF	225,000

Repurposes \$6,100,000 of FY 2017 appropriations for the Children's Information Library and Data System (CHILDS) at DCS rather than the state's e-procurement system.

Deletes FY 2017 ADOA general agency counsel allocations for the Department of Agriculture (\$4,200) and the Arizona Geological Survey (\$6,800).

Increases the sum of \$66,454,800 from the AHCCCS appropriation from the expenditure authority in FY 2017.

Appropriates \$7,720,800 from the GF and \$17,739,200 from the Developmental Disabilities Medicaid Expenditure in FY 2017 to DES for Division of Developmental Disabilities (DDD) service provider rate cost increases resulting from enactment of Proposition 206.

Appropriates \$427,000 from the GF in FY 2017 to DES for DDD state-only home and community based services provider rate cost increases from enactment of Proposition 206.

Allows DES to use up to \$25,000,000 from the Budget Stabilization Fund (BSF) for the purpose of providing funding for reimbursement grants. Requires the appropriation to be fully reimbursed by September 1, 2017 and reimbursed in full as part of the closing process for FY 2017. Prohibits the appropriation from being used for additional programmatic expenditures.

ADDITIONAL FY 2018 APPROPRIATIONS AND ADJUSTMENTS

ADOA

Appropriates \$5,500,500 from the GF in FY 2018 to ADOA for distribution to counties for maintenance of essential county services. Requires ADOA to allocate the monies equally among all counties with a population of less than 200,000 persons (Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Navajo, Santa Cruz, Yuma).

Appropriates \$500,000 from the GF in FY 2018 to ADOA for distribution to a county with a population between 30,000 and 40,000 persons (Graham) for maintenance of essential county services.

Appropriates \$1,650,150 from the GF in FY 2018 to ADOA for a onetime distribution to counties for maintenance of essential county services. Requires ADOA to allocate the appropriation equally between counties with a population of more than 200,000 and less than 900,000 persons (Mohave, Pinal, Yavapai).

Appropriates \$8,000,000 from the GF in FY 2018 to ADOA for a onetime distribution to counties for maintenance of essential county services. Requires ADOA to allocate as follows:

County Proportional Share	
Apache	89,500
Cochise	164,400
Coconino	168,300
Gila	67,100
Graham	46,600
Greenlee	10,500
La Paz	25,700
Maricopa	4,777,300
Mohave	250,500
Navajo	134,500
Pima	1,226,900
Pinal	470,300
Santa Cruz	59,300
Yavapai	264,100
Yuma	245,000

AHCCCS

Requires AHCCCS to submit a report by February 1, 2018 to the Governor and Legislature on the impact of provider cost increases resulting from the enactment of Proposition 206 on the adequacy of the provider network for enrollees in ALTCS.

Appropriates \$200,000 from the Prescription Drug Rebate Fund in FY 2018 to AHCCCS to complete the provider network adequacy analysis.

Arizona Commission on the Arts

Appropriates \$1,500,000 from monies earned from investments in the BSF in FY 2018 to the Arizona Arts Trust Fund.

Automation Projects Fund (APF)

Appropriates the following amounts, including 15 FTEs, to ADOA in FY 2018 from the APF for the following automation and IT projects:

Project	Amount
Project management of statewide automation and IT projects	1,500,000
Feasibility study to replace the Human Resource Information System (HRIS)	500,000
Improving and maintaining network and security infrastructure	3,405,100
Enhancing statewide data security	7,303,500
Projects related to e-government	500,000

Makes the following appropriations to ADOA from the APF in FY 2018 for the following automation and IT projects:

Project	Amount
Implement a statewide e-licensing system	595,500
Implement e-licensing projects at DEQ	3,200,000
Implement upgrades to the claims processing system operated by the ICA	1,017,400
Implement updates to the IT system operated by the Arizona State Lottery Commission	3,497,400
Update microwave backbone statewide communication system at DPS	2,500,000
Implement updates to the Criminal Justice Information System operated by DPS	2,343,000
Implementing, upgrading and maintaining the Education Learning and Accountability System (ELAS)	7,300,000
Implementing upgrades to the IT infrastructure at DOR	11,000,000
Implementing upgrades to CHILDS at DCS	11,000,000

Arizona Commerce Authority

Allocates \$21,500,000 of GF withholding tax revenue in FY 2018 to the ACA, of which \$10,000,000 is credited to the ACA Fund and \$11,500,000 to the Arizona Competes Fund.

Appropriates \$300,000 from the GF in FY 2018 to the ACA to operate a trade office in Mexico City.

DES

Appropriates the sums of \$10,000,000 from the GF and \$23,036,000 from the Developmental Disabilities Medicaid Expenditure Authority in FY 2018 to DES for onetime assistance to address developmental disabilities provider cost increases resulting from the enactment of Proposition 206.

Appropriates \$2,000,000 from the GF in FY 2018 to DES for a onetime increase for state-only room and board expenses funded by DDD.

ADE

Appropriates \$3,000,000 from the APF in FY 2018 to the Broadband Expansion Fund for broadband expansion projects.

Appropriates \$400,000 from the ADE ESA Fund in FY 2018 to ADE for costs in administering ESAs.

Appropriates \$200,000 in onetime funding from the GF in FY 2018 to the Governor for a computer science initiative.

Appropriates \$2,600,000 in onetime funding from monies earned from investments in the BSF in FY 2018 to ADE for rural assistance.

Appropriates \$100,000 from the GF in FY 2018 to ADE for distribution to a nonprofit organization for a jobs for Arizona graduates program.

Appropriates \$250,000 in onetime funding from the GF in FY 2018 to the Governor for school leadership training.

Department of Gaming

Appropriates \$250,000 from the Racing Regulation Fund in FY 2018 to the Department of Gaming for deposit in the Arizona Breeders' Award Fund.

DHS

Appropriates \$500,000 from the Emergency Medical Services Operating Fund in FY 2018 for a onetime deposit in the Public Health Emergencies Fund for the purpose of funding public health emergencies in this state.

AOC

Appropriates \$250,000 from the Health Services Lottery Monies Fund in FY 2018 to the AOC for distribution to a county with a population of more than 500,000 and less than 1,000,000 persons (Pima). Requires the county to use the monies for a drug treatment alternative to prison program.

OAG

Appropriates \$200,000 from the Arizona Water Banking Fund in FY 2018 to the OAG for a special audit of the CAWCD.

School Facilities Board (SFB)

Appropriates \$17,167,900 from the GF in FY 2018 to SFB for building renewal grants.

Universities

Appropriates \$15,000,000 from the GF in FY 2018 to the universities for capital improvements or operating expenditures in the following amounts: a) ASU - \$7,639,500, b) NAU - \$3,202,800, c) UA - \$4,157,700.

Allocates \$1,000,000 of ASU's appropriation for operating expenditures of the School of Civic Thought and Leadership and \$1,000,000 of UA's appropriation for operating expenditures of the Center for the Philosophy of Freedom.

DWR

Appropriates \$2,000,000 from the GF in FYs 2018, 2019 and 2020 to DWR to use for this state's financial contributions to efforts by Arizona's Colorado River water users to conserve water in Lake Mead to reduce the likelihood lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation.

FY 2019 APPROPRIATIONS

Appropriates \$12,000,000 from the GF in FY 2019 to ADE for early literacy.

Appropriates \$37,989,800 from the GF in FY 2019 for a onetime deposit in the New School Facilities Fund.

FUND TRANSFERS

Transfers by June 30, 2017 the following amounts from the following sources to the GF for the purposes of providing adequate support and maintenance for state agencies:

- a. \$30,000,000 from the Prescription Drug Rebate Fund. (AHCCCS)
- b. \$35,000,000 from the Behavioral Health Services Fund (DHS).

Requires DES to transfer \$24,052,425 from the Department Long-Term Care System Fund to the GF by June 30, 2017.

Transfers \$3,800,000 from the DHS Indirect Cost Fund to the ASH Fund by June 30, 2017.

Deletes the transfer of \$400,000 in the Court Appointed Special Advocate Fund to the GF in FY 2018.

Appropriates \$7,300,000 from the GF in FY 2018 for deposit in the APF for upgrading and maintaining the Education Learning and Accountability System at ADE.

Appropriates \$5,000,000 from the GF in FY 2018 for deposit in the APF for upgrading CHILDS at DCS. Contains intent that an additional \$6,103,000 be available for the project as appropriated.

Transfers the following amounts in FY 2018 to the APF from the following sources:

Project	Amount and Fund Source
Project management of statewide automation and IT projects	1,500,000 - Automation Operations Fund
Improving and maintaining network and security infrastructure	3,405,100 - Automation Operations Fund
Enhancing statewide data security	1,797,000 - Automation Operations Fund State 5,065,600 - Web Portal Fund 440,000 - Risk Management Revolving Fund
Projects related to e-government	500,000 - State IT Fund
Development of a statewide e-licensing system	45,900 - Acupuncture Board of Examiners Fund 45,900 - Athletic Training Fund

	40,000 - Board of Barbers Fund 27,500 - Board of Funeral Directors' and Embalmers' Fund 45,900 - Occupational Therapy Fund 27,500 - Board of Dispensing Opticians Fund 45,900 - Board of Optometry Fund 27,500 - Nursing Care Institution Administrators' Licensing and Assisted Living Facility Managers' Certification Fund 45,900 - Board of Physical Therapy Fund 27,500 - Podiatry Fund 80,200 - Board for Private Postsecondary Education Fund 9,700 - Board of Psychologist Examiners Fund 44,100 - Board of Respiratory Care Examiners Fund
E-licensing projects at DEQ	3,200,000 - Underground Storage Tank Revolving Fund
Implement updates to the claims processing system operated by the ICA	1,017,400 - Administrative Fund
Implement updates to the IT system operated by the Arizona State Lottery Commission	3,497,400 - State Lottery Fund
IT projects at DPS	1,000,000 - Public Safety Equipment Fund 2,500,000 - Concealed Weapons Permit Fund 1,343,000 - Fingerprint Clearance Card Fund
IT infrastructure upgrades at DOR	4,000,000 - Liability Setoff Revolving Fund. 4,000,000 - DOR Administrative Fund

Contains legislative intent that \$3,000,000 be available from the balance of the APF for IT infrastructure projects at DOR.

Requires, by June 30, 2018, the AG to direct a total of \$8,172,728 received pursuant to the consent judgement in the Moody's Corporation, Moody's Investor Service, Inc. and Moody's Analytics, Inc. settlements to the GF to compensate this state for costs resulting from the alleged unlawful conduct of the defendants.

Transfers \$1,450,000 from the Arizona Correctional Industries Revolving Fund in FY 2018 to the ADC Building Renewal Fund.

Transfers \$1,300,000 from the Health Services Lottery Monies Fund in FY 2018 to the ASH Fund.

STATEWIDE OPERATING ADJUSTMENTS

Area of Adjustment	GF	OF	Total
Employer Health Insurance Contribution Rate	25,000,000	25,000,000	50,000,000

Appropriates the following amounts from the GF in FY 2018 to the following agencies for adjustments to risk management premiums:

Agency	Amount
DCS	(441,500)
ADC	106,200
DES	179,800
Arizona Historical Society	419,600
State Land Department	(493,400)
Supreme Court	(198,100)
Court of Appeals	(27,800)
Superior Court	(50,800)
ASU - Tempe	732,500
NAU	60,400
UA	(286,900)

Appropriates \$137,000 in onetime funding from the Legislative, Executive and Judicial Public Buildings Land Fund in FY 2018 to the Supreme Court for adjustments to risk management premiums.

Appropriates the following amounts from the GF in FY 2018 to the following agencies for adjustments to AFIS charges:

Agency	Amount
AG	(96,300)
AHCCCS	106,300
DCS	336,900
ADC	(270,600)
ADE	(19,500)
DES	(364,400)
DHS	(83,900)
Department of Insurance	(17,900)
DJC	(24,700)
Supreme Court	(37,000)
DOR	509,400
SOS	(21,500)
DWR	(16,800)

Effective: May 12, 2017.

Click [here](#) for the bill history. Click [here](#) for the JLBC summary of the budget package.

SB 1523/HB 2538 (Chapter 306): capital outlay; appropriations; 2017-2018

Appropriates funds to applicable state agencies for the maintenance, repair, building renewal, and preventative maintenance of state buildings for FY 2018.

ADOT Vehicle Wash Systems

Reallocates the appropriation of \$5,530,000 from the State Highway Fund to ADOT in FY 2017 for the construction of 10 vehicle wash systems, to instead include:

- \$2,344,800 for the construction of six vehicle wash systems; and
- \$3,185,200 for distribution as follows:

- a. 33.231 % to counties;
- b. 48.097% to incorporated cities and towns;
- c. 5.247% to incorporated cities with a population of 300,000 or more; and
- d. 13.425% to counties with a population of more than 800,000.

Capital Outlay Appropriations

Appropriates the following amounts for major maintenance and repair activities for state buildings in FY 2018:

- a. **ADOA**
 - \$5,700,000 from the state GF.
 - \$2,600,000 from the Capital Outlay Stabilization Fund.
- b. **ADC**
 - \$5,464,300 from the [Department of Corrections Building Renewal Fund](#).
- c. **AGFD**
 - \$530,000 from the [Game and Fish Fund](#).
- d. **Arizona State Lottery Commission**
 - \$122,200 from the [State Lottery Fund](#).
- e. **ADOT**
 - \$4,500,000 from the [State Highway Fund](#).
 - \$232,300 from the [State Aviation Fund](#).

FY 2018 Capital Improvement Projects

Department	Project	Fund Source	Amount
Arizona Exposition and State Fair Board	Capital Improvements	Arizona Exposition and State Fair Fund	\$1,000,000
TOTAL:			\$1,000,000
Arizona Department of Transportation	Construction of Two Deicer Buildings	State Highway Fund	\$1,100,000
	Construction of Safford Equipment Service Shop	State Highway Fund	\$4,000,000
	Capital Improvements to Tempe Impound Storage Yard	State Highway Fund	\$240,000
TOTAL:			\$345,181,300
Arizona State Parks Board	Rockin' River Ranch State Park Project	State Parks Revenue Fund	\$4,000,000
	Capital Improvements	State Parks Revenue Fund	\$1,300,000
TOTAL:			\$5,300,000
Arizona Department of Corrections	Replacement of Locking Systems at State Prison Facilities	Department of Corrections Building Renewal Fund	\$1,450,000

TOTAL:

\$1,450,000

Appropriates \$1,500,000 from the State Parks Revenue Fund to the ASPB in FY 2017 for major maintenance and repairs, in addition to any other appropriations made in FY 2017. Appropriates \$5,700,000 from the GF in FY 2019 to ADOA for major maintenance and repair activities of state buildings. Appropriates \$315,286,000 from the State Highway Fund in FY 2018 for the planning and construction of state highways, including specified projects. Appropriates \$24,555,3000 from the State Aviation Fund in FY 2018 for the planning, construction, development and improvement of airports within the state, as determined by the State Transportation Board. Effective: May 12, 2017.

Click [here](#) for the bill history.

SB 1524/HB 2539 (Chapter 307): budget procedures; budget reconciliation; 2017-2018

Requires DEMA to submit a report of the proposed Military Installation Fund grants to JCCR for review.

Establishes the Highway Damage Recovery Account (Account) as a separate account in the State Highway Fund. Requires ADOT to deposit all monies received for damages caused to state highways and other state property in the right-of-way into the Account. Requires the monies in the Account to be used for the maintenance of state highways, subject to legislative appropriation.

Excludes the Mining, Mineral and Natural Resources Educational Museum from the list of state buildings under the responsibility of ADOA.

Reestablishes the Arizona Job Training Fund.

Sets the FY 2017 Capital Outlay Stabilization Fund (COSF) rental rates for state-owned buildings at \$13.08 per square foot for office space and \$4.74 per square foot for storage space.

Exempts ADOA from rulemaking requirements until July 1, 2018 for the purpose of changing the risk management agency deductible.

Suspends the requirement that the Legislature appropriate monies to and transfer monies from the Budget Stabilization Fund through FY 2019. Effective: August 9, 2017.

Click [here](#) for the bill history.

SB 1526/HB 2541 (Chapter 308): environment; budget reconciliation; 2017-2018

Establishes the Safe Drinking Water Program Fund consisting of the first \$1,800,000 of net revenues from the Public Water System Tax with remaining net revenues deposited into WQARF. Suspends the \$15,000,000 annual transfer from corporate income tax revenues to WQARF and instead appropriates the following amounts:

Fund Source	Amount
GF	Up to \$2,823,600
Emissions Inspection Fund	\$4,000,000
Air Quality Fund	\$2,000,000
Permit Administration Fund	\$3,713,300

Recycling Fund	\$1,000,000
Non-appropriated	\$1,500,000
Total Appropriated to WQARF	\$15,036,900

Allows ADEQ to transfer up to \$6,531,000 from the UST Revolving Fund for administrative costs and requires the ADEQ Director to charge the FY 2017 VEI testing fees in Maricopa County and portions of Pinal and Yavapai County:

Test	Testing Fees (FY 2017)
Onboard Diagnostic (OBD)	\$17
Steady State and Idle	\$16
Heavy-duty Diesel	\$25

Continues the following provisions from the FY 2017 budget: 1) permits the ADWR Director to increase fees for services for deposit into the Water Resources Fund, up to \$100,200; 2) allows the Arizona Water Protection Commission to grant ADWR up to \$336,000 of the unobligated balance in the Arizona Water Protection Fund for administrative costs; 3) appropriates \$200,000 from the Arizona Water Banking Fund to ANSAC for legal fees; and 4) authorizes ASPB to spend up to \$692,100 from its portion of the Off-Highway Vehicle Recreation Fund for operating expenses. Effective: August 9, 2017, however appropriations are effective on signature of the Governor, May 12, 2017.

Click [here](#) for the bill history.

SB 1527/HB 2542 (Chapter 309): health; budget reconciliation; 2017-2018

Establishes the Public Health Emergencies Fund consisting of appropriated monies to be used for Public Health Emergency Responses when the Governor declares a state of emergency. Requires ADHS to submit a grant application to HHS for monies necessary to provide family services and distribute grant monies pursuant to statutory parameters. Allows ADHS to use Health Research Account Monies in an amount specified in the Feed Bill for Alzheimer's disease research. Requires AHCCCS to annually report to JLBC and OSPB on non-emergency use of ERs by enrollees. Includes occupational therapy as an outpatient service covered by AHCCCS. Includes emergency dental care and extractions for people 21 and older as a service covered by AHCCCS. Caps the benefit at \$1,000. Requires AHCCCS to annually report on the technological feasibility and cost of applying 340B drug pricing to specified individuals. States that if CHIP's federal match is less than 100%, AHCCCS must notify certain individuals and stop processing new applications. Extends the Safety Net Care Pool until December 31, 2020. Prohibits ADES from using any transferred monies from capitated payments in ALTCS to pay non-Medicaid claims incurred by DDD. Effective: August 9, 2017.

Click [here](#) for bill history.

SB 1528/HB 2543 (Chapter 310): higher education; budget reconciliation; 2017-2018

Eliminates the prohibition on community college districts located in Maricopa or Pima County from receiving STEM and operating state aid. Requires ABOR to complete a cost study by December 15, 2017, and every five years thereafter that includes a detailed breakdown of the costs

associated with educating full-time resident undergraduate students. Requires ABOR to submit a university cost containment report by July 1, 2018, and every year thereafter that demonstrates university actions to contain the increased cost of attendance for full-time resident undergraduate students. Directs each public university by the 2018 academic year to implement an Arizona Teacher Academy and outlines programmatic and reporting requirements. Continues to suspend the 2:1 registration fee match. Effective: August 9, 2017.

Click [here](#) for bill history.

SB 1529/HB 2544 (Chapter 311): human services; budget reconciliation; 2017-2018

Continues session law requirements that: 1) permit ADES to reduce maximum income eligibility levels for child care assistance for FY 2018; 2) require ADES to notify JLBC within 15 days of implementing any changes to the maximum income eligibility levels for child care assistance; 3) require ADES to screen and test each adult recipient of TANF cash benefits who ADES has reasonable cause to believe engages in the illegal use of controlled substances; 4) prohibit any recipient of TANF cash benefits who tests positive for the use of a controlled substance without a valid prescription from receiving benefits for one year, and 5) require a joint report from DCS and First Things First on their collaborative efforts to address child welfare issues of common concern.

Instructs the OAG to complete audits on DCS' caseworker caseload standards and DCS' practices for recruiting, licensing, using and retaining foster parents. The reports must be submitted to the Governor, Legislature, JLBC and OSPB. Effective: August 9, 2017.

Click [here](#) for bill history.

SB 1531/HB 2546 (Chapter 312): revenues; budget reconciliation; 2017-2018

Allows a county with a population of less than 250,000 to use any source of county revenue to meet fiscal obligations. Stipulates that the county may not use more than \$1.25 million for purposes other than the purposes of the revenue source and requires a county to report the specific source and amount of revenues the county intends to use to JLBC. Requires, prior to HURF distribution, ADOT to allocate and the State Treasurer to distribute \$30 million in FY 2019 and \$60 million in FY 2020, to be used only for the direct costs of construction and maintenance of roads and bridges and acquisitions of rights-of-way. Appropriates \$30 million on a one-time basis from the Highway Expansion and Extension Loan Program Fund in both FY 2018 and FY 2019 to ADOT for distribution to counties and municipalities. Sets the Regulatory Wagering Assessment at a rate of 0.5% in FY 2018. Directs all jet fuel excise tax revenues to the State Aviation Fund. Modifies the distribution of the aircraft license tax and aircraft registration fee revenues. Effective: August 9, 2017, however appropriations are effective on signature of the Governor, May 12, 2017.

Click [here](#) for the bill history.