

FY 2019 BUDGET RECONCILIATION BILL PROVISIONS

The budget includes the enactment of statutory changes associated with its funding amount. The following provisions would be grouped by subject into Budget Reconciliation Bills (BRBs). New provisions are noted with an asterisk (*).

BUDGET PROCEDURES

Statewide

1. As permanent law, require annual appropriations for all agencies. The existing permanent law requires biennial appropriations for smaller agencies, but has been annually suspended in session law for more than a decade. 9,11-17
2. As session law, set the FY 2019 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$16.08/square foot for rentable office space and \$5.79/square foot for rentable storage space. The current rate is \$13.08/square foot for rentable office space and \$4.74/square foot for rentable storage space. 39
3. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services. 38
4. As permanent law, increase the pro rata share for the information technology fund from .20 percent to .30 percent of total payroll. 2
5. As session law, change the A.R.S. § 35-112 deadline for OSPB to provide budget request forms to agencies from June 1 to July 1. 45

Arizona Department of Administration

6. As permanent law, create a new appropriated Capitol Mall Consolidation Fund. As session law, direct sale proceeds from the properties at 2910 N. 44th St. in Phoenix, 2163 N. Vickey St. in Flagstaff, and the northeast corner of South Horne Street and East Baseline Road in Mesa to be deposited in the newly created fund. 31,44
7. As permanent law, repeal the Capitol Mall Commission and delegate its authority to ADOA. 10, 33-37
8. As permanent law, require ADOA to report on the 3 salary tiers of state employees in the Public Safety and Correctional Officer Retirement systems. The report is due to JLBC by October 1 of each year. 27
9. As permanent law, allow the Personnel Division Fund to be used for the Governor's Office for Equal Opportunity. 29

Arizona Department of Administration - Automation Projects Fund (APF)

10. As permanent law, require ADOA to establish subaccounts for each agency that implement an information technology project through the APF and prohibits monies from being transferred between agency subaccounts. 28
11. As permanent law, requires ITAC to review information technology projects that involve more than one agency if the cost of the project across all agencies exceeds \$1,000,000. 1
12. As permanent law, require ADOA to include a report on the cost, timeline, and method of procurement when requesting JLBC review for an APF project expenditure plan. 28

Corporation Commission

13. As permanent law, amend A.R.S. § 40-443 to eliminate the inactive Pipeline Safety Revolving Fund and transfer any remaining balance to the General Fund. 26

Department of Insurance

14. As session law, allow the department to use monies from the Assessment Fund for Voluntary Plans Fund in FY 2019 and FY 2020 to pay for the arbitration process of surprise billings. 41

Joint Legislative Audit Committee

15. As permanent law, extend the Joint Legislative Audit Committee through FY 2026. 32

Retirement

16. As permanent law, implement December 1 rather than December 15 and 31 reporting dates for ASRS and PSPRS actuarial reports. 18-25

Department of Revenue

17. As session law, allow the Liability Setoff Program Revolving Fund to be used for general operating expenditures of the department. 42

Secretary of State

18. As session law, allow the Records Services Fund and Data Processing Acquisition Fund to fund election services. 40

Transportation

19. As permanent law, ADOT is required to provide only one special plate per vehicle. Also requires ADOT to set fee for a second plate. 3-8

Revenues

20. As session law, continue to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund through FY 2021. 43

Other

21. As permanent law, require JLBC approval of placement of light rail stations near the Capitol. 30

CRIMINAL JUSTICE**Attorney General**

22. As permanent law, remove the requirement that the Attorney General report on any setoffs of the costs of incarceration against monetary judgments awarded to inmates in the past 6 months. 2
23. As permanent law, remove the requirement that each agency report to the JLBC the fund sources used to pay the Legal Services Cost Allocation Fund charges. 3
24. As session law, allow the Attorney General to expend monies up to \$1,489,000 from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund for the Attorney General's Case Management Information Technology System Upgrade and Licensing Compliance. This allowance would be limited to FY 2019 and FY 2020. Allow \$1.4 million from this account to offset general operating expenses in FY 2021. 15, 16

State Department of Corrections

25. As session law, continue to require the department to report actual FY 2018, estimated FY 2019, and requested FY 2020 expenditures as delineated in the prior year when the department submits its FY 2020 budget request pursuant to A.R.S. § 35-113. 6
26. As session law, allow the Transition Program Fund to be used for inmate employment centers. 11

Arizona Criminal Justice Commission

27. As permanent law, require the Arizona Criminal Justice Commission to submit its annual federal grant application for the Edward Byrne Memorial Justice Assistance Grant to the Legislature in compliance with federal law. The JLBC would review the report. 4

Department of Emergency and Military Affairs

28. As session law, allow the Department to expend \$1,250,000 from the Military Installation Fund for the construction of a new Readiness Center. 14

Judiciary

29. As permanent law, require 25 percent cost sharing for Maricopa Superior Court judges in FY 2020 and 50 percent sharing starting in FY 2021. 1

30. As session law, allow the Administrative Office of the Courts to use monies in the Juvenile Probation Reduction Fund, the Drug Treatment and Education Fund, the Arizona Lengthy Trial Fund, and the Alternative Dispute Resolution Fund for a new Appellate Case Management System up to a total of \$3,150,000 through FY 2020. 17

Department of Juvenile Corrections

31. As session law, continue to state that it is the intent of the Legislature that each county pays an assessed amount determined by the county's proportional share by population of \$11,260,000 10

Department of Public Safety

32. As session law, continue to require the Department of Public Safety (DPS) to receive Joint Legislative Budget Committee (JLBC) review of the expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount FY 2019 appropriation prior to its expenditure. 7
33. As session law, continue to notwithstanding the statutory spending cap of \$10,000,000 for HURF. 20
34. As session law, allow the use of the Concealed Weapons Permit Fund and continue to allow use of the State Aid to Indigent Defense Fund for DPS operating expenses. 9
35. As session law, continue to allow DPS to utilize \$148,700 from the FY 2019 GIITEM Subaccount appropriation for costs related to an increase in the PSPRS employer contribution rate. 8
36. As session law, continue to allocate \$400,000 from the GIITEM General Fund distribution to the Pima County Sheriff's Office. 5
37. As session law, allow the Concealed Weapons Permit Fund to be used for the Arizona Peace Officer Standards and Training Board. 18
38. As session law, allow the Arizona Highway Patrol Fund to be used for the criminal justice information system. 12
39. As session law, allow the Public Safety Equipment Fund to be used for the microwave system upgrade. 13
40. As session law, allow DPS to use the Arizona Drug and Gang Resource Center Fund for Pharmaceutical Diversion and Drug Theft Task Force. 19

ENVIRONMENT

Department of Environmental Quality

41. As session law, continue to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank (UST) Fund in FY 2019 for department administrative expenses and for sewage remediaton. 6
42. As session law, continue to suspend the requirement to appropriate \$15,000,000 from the state General Fund to the Water Quality Assurance Revolving Fund (WQARF). In FY 2019, appropriate \$6,500,000 from the Vehicle Emissions Inspection Fund, \$5,000,000 from the Air Quality Fund, and \$2,052,000 from the Recycling Fund to WQARF, for a total of \$13,552,000. With \$2,000,000 of non-appropriated funds, total WQARF funding would be \$15,552,000. 8
43. As session law, continue the FY 2018 level of vehicle emissions inspection fees in FY 2019 (FY 2018 fees are \$3 less than FY 2016 in Area A, which includes Maricopa County and portions of Pinal and Yavapai Counties.) 11
44. As session law, continue to include a legislative intent statement that the WQARF appropriations are being supplemented by \$2,000,000 of non-appropriated monies directly deposited into WQARF, which consists of other revenue generated from various license and registration fees. 8
45. As permanent law, allow Water Quality Fee Fund monies to be used to fund the Water Quality Monitoring Program and the costs of providing aquifer pollution information required by A.R.S. § 49-249 in FY 2019. Was previously a session law. 2
46. As permanent law, amend A.R.S. § 49-210 to include the issuance of reclaimed water permits as an allowable use of the Water Quality Fee Fund. Reclaimed water permit fees are already deposited to the Fund. 2
47. As session law, allow the department to use the Underground Storage Tank Fund for the cost of developing and implementing e-licensing. 10
48. As session law, allow the department to use the Permit Administration Fund for e-licensing. 10

49. As session law, eliminate language in Laws 2018, Chapter 225 that would erroneously repeal sections of statute. Repeals Chapter 225 if Dredge and Fill Permit Program is not approved by the EPA by August 1, 2023. (Technical correction). 3

Arizona Navigable Stream Adjudication Commission

50. As session law, continue to allow use of the Water Banking Fund for the commission’s unpaid legal obligations. 7

Arizona State Parks Board

51. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. 5

Department of Water Resources

52. As session law, continue to allow the department’s Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2019. 4
53. As session law, continue to allow the department non-municipality special fee authority, including an intent clause that limits additional revenue up to \$100,200, and exempt the department from rulemaking for this purpose. 12
54. As permanent law, establish water users advisory councils for La Paz and Mohave counties and require the councils to make a report to the department, the Speaker of the House, the President of the Senate, and Governor by Dec. 31, 2022. 1
55. As session law, appropriate \$200,000 in FY 2019 and \$300,000 in FY 2020 to ADWR for groundwater studies in La Paz and Mohave Counties. Require ADWR to report monies expended from the FY 2019 appropriation and provide a plan detailing proposed expenditures of the remaining FY 2019 monies and the FY 2020 appropriation; require that JLBC review the report prior to expenditure of the FY 2020 appropriation. 9

HEALTH

AHCCCS

Rates and Services

56. As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. 15
57. As permanent law, give AHCCCS the authority to require managed care organizations to pay up to 90% of the AHCCCS fee schedule for inpatient behavioral health visits at non-contracted providers, effective July 1, 2018. 6, 25

Counties

58. As session law, set the FY 2019 county Arizona Long Term Care System (ALTCS) contributions at \$268,554,800. 9
59. As session law, set the County Acute Care contribution at \$46,512,900. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. 13
60. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations. 14
61. As session law, continue to require AHCCCS to transfer any excess monies back to the counties by December 31, 2019 if the counties’ proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. 12

Hospitals

62. As session law, continue to establish FY 2019 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (MIHS), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. Increase the MIHS distribution to \$113,818,500 in FY 2018 and FY 2019. 11
63. As session law, continue to require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. Permit local jurisdictions to provide additional local match for Pool 5 distributions. 11

Erroneous Payments

- 64. As session law, continue to permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Any credits received may be used to pay for the AHCCCS program in the year they are received. 16

Available Funding

- 65. As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. 24
- 66. As permanent law, eliminate the inactive Hospital Loan Residency Fund. 7,8

Reports

- 67. As session law, continue to require AHCCCS and DHS to submit a joint report to the Legislature and the Governor by January 2, 2019 on hospital costs and charges. 17
- 68. As session law, continue to require AHCCCS to report to JLBC on or before January 2, 2019 on the availability of inpatient psychiatric treatment and "psychiatric boarding" in emergency rooms for children and adults enrolled in Arizona's Regional Behavioral Health Authorities. 18
- 69. As session law, require AHCCCS and DHS to jointly report by January 1, 2019 on how grant monies for states to address the opioid epidemic included in the federal Consolidated Appropriations Act of 2018 (P.L. 115-141) will supplement the monies appropriated to AHCCCS in the Arizona Opioid Epidemic Act (Laws 2018, 1st Special Session, Chapter 1). 23

Department of Health Services

- 70. As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2019. Allow counties to use any source of county revenue to make the transfers. 10
- 71. As session law, continue to notwithstanding A.R.S. § 36-773 to permit DHS to use Tobacco Tax and Health Care Fund - Health Research Account for Alzheimer's disease research. 22
- 72. As session law, continue to notwithstanding A.R.S. § 5-572 and A.R.S. § 36-108.01 to allow the Health Services Lottery monies to be used homeless pregnant women services. 21
- 73. As session law, continue fee raising authority and an exemption relating to establishing fees for the Bureau of Radiation Control in FY 2019 and continue an intent clause that limits additional revenues to \$561,000. 19
- 74. As session law, allow DHS to use the Disease Control Research Fund for AIDS reporting and surveillance. 20
- 75. As permanent law, divert 100% of the first \$300,000 of licensing fees for the Radiation Regulatory program into the General Fund; divert 90% of additional fees to the Health Services Licensing Fund and 10% into the General Fund. Eliminate the State Radiologic Technologist Certification Fund and the Radiation Regulatory Fee and transfer all unencumbered and unexpended monies into the Health Services Licensing Fund. 1,2,3,4,5

HIGHER EDUCATION

Community Colleges

- 76. As session law, continue to suspend the Operating State Aid funding formula in FY 2019 for Maricopa and Pima Counties. 10
- 77. As session law, continue to suspend Science, Technology, Engineering and Mathematics and Workforce Programs funding formula for FY 2019 and specify the funding in the General Appropriation Act, which for Pinal would again equal \$96,500. 9
- 78. As permanent law, allow Coconino Community College to increase its primary property tax levy, subject to approval by voters. 7

Universities

- 79. As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). 8
- 80. As permanent law, modify A.R.S. § 15-1655 to clarify that the Arizona Teacher Academy is established for the 2017-2018 academic year and subsequent years. 2
- 81. As permanent law, clarify the definition of university "commercial projects" to include projects that benefit the university financially; require the universities to report on commercial projects on non-

university land (currently only projects on university-owned land are reported); expand the contents of required university reports on commercial projects; require the universities to include any property leases in which a component unit (e.g. university foundation) is a lessee or lessor (currently the universities exclude leases by their component units) in their annual Capital Improvement Plan lease reports; require the universities to annually report on the status of all projects that have been reviewed, approved by, or reported to JCCR that are not yet completed.

- 82. As permanent law, revise the universities' annual cost-containment reporting requirements: modifies reporting requirement on tuition and fee charges compared to historical levels; clarifies reporting requirement on the growth of faculty and administration; requires information on increases in credit hours required for degree programs. 1
- 83. As permanent law, continue and expand tuition waiver for foster students. The current foster care waiver pilot program is scheduled to expire at the end of FY 2018. 5, 11

HUMAN SERVICES

Department of Child Safety

- 84. As session law, continue to require the department to report with the Early Childhood Development and Health Board on collaborative efforts on child welfare issues. 5

Department of Economic Security

- 85. As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if DES has reasonable cause to believe that the recipient uses illegal drugs. 4
- 86. As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to the JLBC within 15 days of any change in levels. 1
- 87. As session law, allow the Spinal and Head Injury Trust Fund to be used to fund \$1,900,000 for costs of the Arizona Early Intervention Program in FY 2019. 3
- 88. As session law, allow the Special Administration Fund to be used for adult services and domestic violence prevention. 2

K-12 EDUCATION

Arizona School for the Deaf and Blind

- 89. As session law, allow Arizona Schools for the Deaf and Blind to use monies in the Telecommunications Fund for the Deaf to Support the expansion of the Birth to Three program. 24

Department of Education

Formula Requirements

- 90. As permanent law, increase the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school "Additional Assistance" amounts (A.R.S. § 15-185B4) by 1.80% for standard inflation. 2,8,10
- 91. As permanent law, increase the base level by an additional \$210.50 (5.72%) for FY 2019 to incorporate 1) \$65,419,100 for the 1.06% Additional Teacher Salary Increases for FY 2018 and FY 2019 combined (2.12% total) already funded in the FY 2019 Baseline, 2) an additional \$176,200,000 for teacher pay raises in FY 2019, and 3) an additional \$64,100,000 for teacher pay raises in FY 2019 as a bridge to higher Proposition 301 funding that will be available to schools in FY 2022 due to expiring SFB debt service. 8

Funding Formula Changes

- 92. As session law, reduce the \$352,442,700 District Additional Assistance suspension and \$18,656,000 Charter Additional Assistance suspension to \$257,469,900 and \$13,628,800, respectively, in FY 2019, and phase out the remaining suspensions by FY 2023. 27,28

93.	As session law, eliminate all District Additional Assistance reductions for school districts with fewer than 1,100 students in FY 2019.	27
94.	As session law, allocate Results-Based Funding using the same formula that was used in FY 2018, but based on spring 2017 AzMERIT test results. Under permanent law, the Results-Based Funding would be distributed to schools with a letter grade A under the A-F performance rating developed by the State Board of Education.	26
<i>Other</i>		
95.	As session law, continue to stipulate that \$100,000 of the \$3,646,500 School Safety Program appropriation for FY 2019 is to be used for a pilot program on school emergency readiness and establish requirements for the pilot program.	20
96.	As session law, continue to require the department to report to the Governor, President of the Senate and Speaker of the House of Representatives results of the pilot program on school emergency readiness by November 1 of the fiscal year.	20
97.	As session law, continue stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General.	27
98.	As session law, require the Corporation Commission to make all monies collected for K-12 broadband expansion that remain after the 2018 E-Rate cycle available in subsequent years to eligible applicants.	22
99.	As permanent law, establish the Computer Science Program Fund to accept gifts, donations and grants to fund computer science training for district and charter school teachers; require matching private monies-	6
100.	As permanent law, require each school district to display on the homepage of its website in a prominent way its individual profile published in the Auditor General's Annual District Spending Report.	17
101.	As permanent law, require each school district and charter school to post in a prominent way on the homepage of its website and on its budget forms the amount of its average teacher salary in the current and prior fiscal year and include the increase in dollar and percentage terms. Require ADE to submit a report on the information from districts and charter schools statewide to JLBC and OSPB by November 30.	3,9
102.	As permanent law, provide the Charter Schools Board authority to close charter schools based on failure to meet financial performance expectations.	1
103.	As permanent law, specify a state definition of "rural" for the purposes of aligning eligibility for federal grants for K-12.	6
104.	As permanent law, add social studies to the exam subject areas that can generate bonuses for school districts and charter schools under the College Credit By Examination Incentive Program.	5
105.	As session law, allow Cave Creek Unified School District to increase its general budget limit by \$1,500,000 in FY 2019.	29
School Facilities Board		
106.	As session law, notwithstanding the statutory per-square-foot construction standards for the Benson school approved in the FY 2016 budget.	23
107.	As permanent law, clarify that the per pupil square footage requirements in A.R.S. § 15-2011 should be calculated based on 40 th day ADM. (The FY 2018 K-12 BRB set the calculation at the 40 th day, but Laws 2017, Chapter 320 subsequently changed it back to the 100 th day.)	14,31
108.	As session law, continues the SFB for 4 years through FY 2022.	18,19,21
109.	As permanent law, modifies board membership to include a member with experience in public procurement and a member who owns a private construction firm that does not conduct business with schools.	11,25
110.	As permanent law, requires SFB to submit a report for review to the JCCR on the fiscal impact of any changes made to the minimum adequacy guidelines.	13
111.	As permanent law, makes changes to building renewal grant program, including to require projects to be classified as critical and non-critical and to limit grant fund awards to available funds, with priority given to critical projects.	7,11,12,15
112.	As session law, require a special financial audit to examine SFB building renewal project expenditures.	30
113.	As permanent Law, requires the SBE to adopt rules for school district and charter school procurement of any materials, services, goods, construction or construction services that ensure maximum practicable competition. Allows the Attorney General to investigate allegations of procurement compliance.	4, 16

- 114. As permanent law, bans school and district employees from accepting gifts from vendors if the employee is involved in procurement or financial transactions on behalf of the school district. 4
- 115. As permanent law, requires school districts to contract with a new audit firm every 3 years and prohibits the district from using the same vendor for consulting services 5

REVENUES

Department of Agriculture

- 116. As session law, continue fee changing authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2019. The bill continues an intent clause that limits additional revenues to \$357,000. 10

Arizona Commerce Authority

- 117. As permanent law, reduces the annual deposit into the Arizona Competes Fund from \$11,500,000 to \$5,500,000 in FY 2020 and thereafter. 3

Counties and Cities & Towns

- 118. As session law, continue to allow counties with a population below 250,000 in the 2010 decennial census to use any source of county revenue to meet a county fiscal obligation for FY 2019, up to \$1,250,000 of county revenue for each county. Requires counties using this authority to report to the Director of JLBC on the intended amount and sources of funds by October 1, 2018. 11

Department of Education

- 119. As permanent law, shift desegregation programs from primary to secondary property tax levy without loss of funding to school districts. Provision is retroactive to July 1, 2018. Require the county treasurer to determine the descriptor of the desegregation levy as a separate item on tax bills. 2,14
- 120. Increase additional state aid to Maricopa Unified School District by \$602,600 in FY 2019. 13

Department of Financial Institutions

- 121. As permanent law, allow the Department of Financial Institutions to use the Financial Services Fund for general operating expenditures of the department. Was previously a session law. 1

Department of Gaming

- 122. As session law, continue to set the Racing Wagering Assessment at 0.5% in FY 2019 only. 5,14
- 123. As session law, change the fund in which boxing and mixed martial arts-related revenues (except license fees) are deposited in FY 2019 from the General Fund to the Unarmed Combat Subaccount of the Racing Regulation Fund. 8,14

Department of Insurance

- 124. As session law, continue to suspend the requirement that fees collected by the department be between 95% and 110% of the department's appropriation. 9

Department of Revenue

- 125. As session law, continue legislative intent statement that local fees to fund the Department of Revenue (DOR) are not to exceed \$20,755,835 and are to be allocated between cities and towns, counties, the Maricopa Association of Governments and the Pima Association of Governments based on the prorated share of all revenues distributed to them (excluding Highway User Revenue Fund money). 12
- 126. As permanent law, increase the amount of tax exempt federal retirement or retainer pay of U.S. military retirees, from \$2,500 to \$3,500 in tax year 2019 and later years. 4

Transportation

- 127. As session law, eliminate the FY 2019 appropriation of Highway Expansion and Extension Loan Program Fund monies to local HURF in lieu of the Highway Safety fee. 6,14
- 128. As session law, eliminate the extra \$30 million distribution to local HURF in FY 2020 in lieu of the Highway Safety Fee. 7

FY 2019 GENERAL APPROPRIATION ACT PROVISIONS

The Baseline includes the following provisions in the General Appropriation Act. These provisions are in addition to the individual agency appropriations, but exclude supplemental appropriations, ex-appropriations, and fund transfers.

Arizona Commerce Authority

129. As session law, in accordance with statute (A.R.S. § 43-409), continue to allocate \$21,500,000 of General Fund withholding tax revenue to the Authority in FY 2019. The allocation will be reduced to \$15,500,000 starting in FY 2020. 119

Counties and Cities & Towns

130. As session law, continue to appropriate \$550,050 to all counties with populations under 200,000 people according to the 2010 Census. As session law, continue to appropriate additional \$500,000 to Graham County. 115
131. As session law, appropriate \$550,050 in FY 2019 to all counties with populations over 200,000 people and under 900,000 according to the 2010 Census. Was previously a one-time appropriation. 115
132. As session law, in accordance with A.R.S. § 9-601, appropriate \$22,996,250 from the General Fund in FY 2019 for the Phoenix Convention Center. 132
133. As session law, appropriate \$11,260,000 to all counties in an amount proportionate to their relative population in the 2010 census to offset county cost-sharing for the Department of Juvenile Corrections. Was \$8,000,000 in FY 2018. 116
134. As session law, in accordance with A.R.S. § 42-5031, continue to provide sales tax revenues, estimated at \$14,000,000 in FY 2019, to the Rio Nuevo Multipurpose Facility District. 133

Department of Education

135. As session law, continue to defer \$930,727,700 in Basic State Aid payments from FY 2019 to FY 2020. Appropriate \$930,727,700 in FY 2020 for these deferred payments. Continue to exempt school districts with less than 600 students from the K-12 rollover. Allow the Department of Education to make the rollover payment no later than July 12, 2019. 142
136. As session law, continue to require school districts to include in the FY 2019 revenue estimates that they use for computing their FY 2019 tax rates the rollover monies that they will receive for FY 2019 in July 2019. 142

Debt Service

137. As session law, continue to appropriate \$84,112,000 from the General Fund to the Arizona Department of Administration in FY 2019 for a debt service payment on the 2010 sale and leaseback of state buildings. 131

Revenues

138. As session law, continue to specify revenue and expenditure estimates for FY 2018, FY 2019, FY 2020, and FY 2021. 149
139. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2018 ending balances by September 15, 2018. Require JLBC Staff to report to JLBC by October 15, 2018 as to whether FY 2019 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections. 149

Statewide

140. As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years. 145
141. As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2019 in all agencies and provide it to the JLBC Director by October 1, 2019. The Universities are exempt from the report but are required to report separately. 146
142. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2018 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2018. 147

143.	As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	148
General		
144.	As session law, continue to define "*" as designating an appropriation exempt from lapsing.	150
145.	As session law, continue to define "expenditure authority" as continuously appropriated monies included in individual line items of appropriations.	151
146.	As session law, continue to define "review by the Joint Legislative Budget Committee" as a review by a vote of a majority of a quorum of the members.	152

FY 2019 MAJOR FOOTNOTE CHANGES

The Baseline includes the following major additions, deletions or modifications of footnotes. This list does not include footnotes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy.

Arizona Department of Administration

147.	Modify the existing footnote to move ADOA's semi-annual Building Renewal Report from July to May. (Capital)	CO 3
148.	Add annual report on building renewal expenditures to ADOT and Game and Fish on the status of all capital projects reviewed by JCCR. (Capital)	CO 3
149.	Modifies footnote requiring ADOA to report to the JLBC by August 1, 2018 on its vehicle replacement maintenance savings and eliminates the review requirement.	6
150.	Modifies footnote from FY 2017 Capital Outlay bill to extend the lapsing date for a \$120,000 building renewal appropriation for the repair of the Works Progress Administration building at the State Fairgrounds through FY 2020. (Capital)	CO 23
151.	Adds footnote requiring ADOA to report to the Joint Committee on Capital Review by November 15, 2018 for review of its plan for the relocation of state agencies and the renovation of Capitol Mall buildings. (Capital).	CO 3

Arizona Department of Administration - Automation Projects Fund (APF)

152.	Modifies footnote requiring ADOA to submit a quarterly report on project expenditures, deliverables, and timeline for completion for all projects approved by ITAC, not just those funded in ADOA's budget.	118
153.	Adds footnote stipulating that FY 2018 APF appropriations are non-lapsing through FY 2019 and that FY 2019 APF appropriations are non-lapsing through FY 2020.	2, 118
154.	Adds footnote allowing ADOA to repurpose HRIS replacement feasibility study to upgrade the system.	2
155.	Adds footnote clarifying that transfers into the APF are not considered appropriations. Only direct appropriations out of the APF shall be considered appropriations.	3, 140

AHCCCS

156.	Modifies footnote requiring AHCCCS to report to JLBC on the the progress of implementing the <i>Arnold v. Sarn</i> lawsuit from semi-annually to annually.	10
157.	Modifies footnote requiring AHCCCS to report to JLBC on Medicaid reconciliation payments from semi-annually to annually.	10
158.	Adds footnote stating that AHCCCS' appropriation includes funding for a 3% provider rate increase for skilled nursing facilities and assisted living facilities in FY 2019, in addition to any actuarially determined rate adjustments.	10
159.	Adds footnote stating that AHCCCS' appropriation includes funding to increase inpatient and outpatient hospital rates by 2.5% in FY 2019, in addition to any actuarially determined rate adjustments.	10
160.	Adds footnote that \$100,000 of AHCCCS' operating budget shall be used for a suicide prevention coordinator to assist school districts and charter schools. Requires that AHCCCS, in consultation with ADE, report on the coordinator's accomplishments by September 1, 2019.	10

Registrar of Contractors

161. Deletes footnote requiring JLBC review of any transfer to or from the Office of Administrative Hearings Costs line item. 20

Corporation Commission

162. Adds footnote requiring the Commission to report to the JLBC by August 1, 2018 on total expenditures from the Small Drinking Water Systems Fund in FY 2018 (continuation of an earlier Budget Reconciliation Bill provision). 21

Department of Corrections

163. Adds footnote requiring the Department of Corrections to transfer an amount to the PSPRS for CORP liabilities 22

Department of Child Safety

164. Removes footnote requiring JLBC review of progress in meeting Moss-Adams audit requirements. 17
165. Removes footnote requiring JLBC review of the expenditure plan for the retention pay line item. 17
166. Adds footnote stipulating that DCS' FY 2018 litigation expenses appropriation is non-lapsing through FY 2019 and that DCS' FY 2019 litigation expenses appropriation is non-lapsing through FY 2020. 17, 103
167. Modifies footnote establishing benchmarks to require DCS to reduce the out-of-home population to 13,964 by June 30, 2019. Represents (2)% reduction each quarter in FY 2019 relative to the January 2018 population of 15,139. 17
168. Remove footnotes requiring reports on monthly financial, staffing, and hiring information; SB 1518 made these requirements permanent. 17
169. Adds footnote requiring DCS to revert its \$2,700,000 appropriation for backlog privatization from FY 2017 to the General Fund on June 30, 2018. 104

Department of Economic Security

170. Adds footnote requiring the department to report to JLBC by September 1, 2019 on the costs of operating the Arizona Training Program at Coolidge in FY 2019. 29
171. Adds footnote requiring DES to report to JLBC on or before December 1, 2018 on its plans to reduce screening costs associated with the Arizona Early Intervention Program. 29

Department of Education

172. Adds footnotes stipulating that any monies received by the Department of Education for Proposition 301 purposes in excess of the budgeted amounts are available for expenditure. 31
173. Adds footnote stipulating that any monies received by the department for the Instructional Improvement Fund in excess of the budgeted amounts are available for expenditure. 31
174. Add footnote stipulating that it is the intent of the Legislature and Governor that the additional increase to the Base Level be used for teacher salary increases. 31
175. Adds footnote allowing ADE to transfer up to \$1,600,000 from Basic State Aid to Results-Based Funding to cover its FY 2018 shortfall without requiring JLBC review. 106

Forestry and Fire Management

176. Adds footnote allowing \$210,000 and \$465,000, respectively, of the department's FY 2018 Hazardous Vegetation and Post-Release Firefighting Crews Special Line appropriations to be used for FY 2017 and FY 2018 fire-suppression expenses. 39

Game and Fish

177. Adds footnote stipulating that monies appropriated for the Sterling Springs Hatchery Renovation in FY 2017 are made nonlapsing through FY 2019. (Capital). CO 23
178. Adds a footnote that allows Game and Fish to transfer the \$1 million to the operating budget upon JLBC's review of an expenditure plan for these monies. 41

Office of the Governor

179. Adds footnote stipulating that \$500,000 of the \$1,500,000 General Fund appropriation for deposit in the Foster Youth Education Success Fund may be spent upon receipt of an equivalent amount of matching 125

funds from gifts, grants and donations. The Office of the Governor shall make an accounting of the matching monies received to JLBC to determine the qualification for state match. The General Fund appropriation would be non-lapsing.

Office of the Governor – Office of Strategic Planning and Budgeting

180. Adds OSPB as a recipient of any report submitted by elected officials and the Judiciary to the JLBC.

Department of Health Services

181. Adds footnote requiring DHS to distribute monies appropriated for homeless pregnant women services to non-profit organizations located in a county with more than 3 million persons and whose primary function is to provide shelter, food, clothing, and transportation services to homeless pregnant women. 45

Industrial Commission

182. As session law, revert all monies remaining from the FY 2012 non-lapsing OSHA Review Board appropriation to the General Fund at the end of FY 2018. 109

Land Department

183. Adds footnote requiring the Land Department to provide a report to the JLBC by November 15, 2018 on the effectiveness of its FY 2018 innovation projects (professional service contracts, reassessment of federal permits, right-of-way-digitization, survey assets, workflow digitization) and its planned FY 2019 projects. 54

Legislature

184. Adds footnote allowing all remaining funds deposited to the Border Security Trust Fund in FY 2014 and FY 2017 to be disbursed to Cochise County as directed by the Joint Border Security Advisory Committee. This will allow an additional \$432.10 to go to Cochise County. 114

Arizona Medical Board

185. Deletes footnote permitting the board to use up to 7% of the Medical Board Fund balance remaining at the end of each fiscal year for a performance based incentive program. The program would continue to be funded through a line item. 59

Department of Public Safety

186. Modifies footnote to require DPS to report to the JLBC and OSPB by September 1, 2018 on its expenditure plan for the Border Strike Task Force Local Support line item and eliminates the review requirement. 78

187. Adds footnote requiring DPS to report to JCCR for review on its procurement process for modular units. (Capital) CO 14

Department of Revenue

188. Expand existing enforcement report to include Transaction Privilege Tax delinquencies. 83

Secretary of State

189. Restores FY 2017 footnote requiring any transfer to or from the amount appropriated to the Election Services line item to be reviewed by JLBC. (No election funding in original FY 2018 budget). 85

190. Adds footnote that makes new non-voter registration HAVA monies non-lapsing through FY 2020. 85

191. Adds footnote requiring JLBC review of use of new HAVA funds not used for the development of voter registration system. 85

Department of Transportation

192. Adds footnote requiring all expenditures for vehicle and heavy equipment replacement to be funded only from the Vehicle Replacement line item. 89

193. As session law, make non-lapsing through FY 2019 an FY 2018 appropriation to equip and furnish a new Flagstaff office building. 128

Universities

- 194. Eliminates footnote prohibiting the universities from expending their General Fund appropriations for contracted lobbyists. (Laws 2017, Chapter 315 replaced this footnote language with permanent law in A.R.S. § 15-1650.04.) 93-95
- 195. Modifies footnote on the Universities' report on tuition revenues expenditure plan to JLBC for its review to specify that the plan shall include the use of all projected tuition and fee revenues by expenditure category. 92
- 196. Adds footnote for the new ASU Economic Development line item requiring that the monies be used to establish an office in Guanajato, Mexico to promote trade and economic development. 93
- 197. Adds footnote requiring that at least \$100,000 of the appropriation to the School of Civic and Economic Thought and Leadership at ASU be used to support research on the Arizona state constitution and the development of a civics and constitutionalism curriculum for K-12 and postsecondary education institutions. 130

Department of Veterans Services

- 198. As session law, notwithstanding the requirement that the Department of Veteran Services receive a 65% match of the total cost to build a veterans home. Allow the department to use Veterans' Home Trust Fund monies for the construction of veterans' homes in Yuma and Flagstaff. CO 18-20

Department of Water Resources

- 199. Modifies footnote to expand uses of Lower Colorado Litigation Line Item to include all Colorado River litigation. 98