

**FY 2003 Legislative Changes
6th Special Session**

	Legislative Changes	Comments	Temp/ Perm
Lump Sum Reductions			
Governor's Proposal - modified	(106,204,300)		P
Discretionary Admin Savings - Travel, Equipment, Subscriptions	(6,176,900)	ADC, ASDB, DEMA, Executive Clemency, Insurance, Real Estate, & ADOT Vetoed	P
LUMP SUM REDUCTION - SUBTOTAL			
	(112,381,200)		
Fund Shifts			
AHCCCS Prop 303 Tobacco Tax	(50,000,000)		P
DEQ Indirect Cost Fund Shift	(1,500,000)		T
FUND SHIFTS - SUBTOTAL			
	(51,500,000)		
Fund Transfer Savings			
Dept. of Administration			
- Motor Vehicle Pool Revolving Fund	(2,400,000)		T
- DOA 911 Emerg Telecom Svcs Revolving Fund	(5,000,000)		T
- Risk Management Fund	(4,000,000)		T
AHCCCS			
- Intergovernmental Service Fund	(400,000)		T
AZ Commission on the Arts			
- Arizona Arts Endowment Expend Trust	(1,000,000)		T
Attorney General			
- Anti-Racketeering Fund (RICO)	(1,000,000)		T
Banking Department			
- Receivership Fund	(570,800)	Includes \$270.8 K Transfer instead of 10% Lump Sum Reduction	T
Dept. of Building & Fire Safety			
- Eliminate Prior Transfer of Mobile Home Relocation \$	3,000,000		T
Corporation Commission			
- Utility Regulation Revolving Fund	(750,000)		T
Dept. of Corrections			
- ACI Enterprises Revolving Fund	0	\$1 M Veto	T
- Drug Treatment and Education Fund	0	\$1 M Veto	T
- State Education Fund for Correctional Education	(500,000)		T
Arizona Commission for the Deaf & the Hard of Hearing			
- Telecommunications Fund for the Deaf	(1,000,000)		T
Department of Economic Security			
- Arizona Industries for the Blind Fund	(1,000,000)		T
- Public Assistance Collections Fund	(750,000)		T
Department of Education			
- Internal Services Fund	(500,000)		T
- Education Printing Fund	(500,000)		T
Department of Environmental Quality			

	Legislative Changes	Comments	Temp/ Perm
- ADEQ Air Quality Fee Fund	(2,000,000)		T
- Clean Air Fund	(2,000,000)		T
- Voluntary Vehicle Repair/Retrofit Fund	(2,600,000)		T
- Recycling Fund	(1,000,000)		T
- VEI Fund Transfer	(2,000,000)		T
Exposition and State Fair Board			
- State Fair Fund	(2,000,000)		T
Department of Health Services			
- Interagency Service Agreement Fund	(2,000,000)		T
- Serious Mental Illness Services Fund	(500,000)		T
- Building Renewal Fund (SAMHC)	(792,400)		T
- Indirect Cost Recovery Fund	(821,900)		T
- Internal Services Fund	(200,000)		T
- DSH Fund	(98,800)		T
- EMS Operating Fund	(1,000,000)		T
Industrial Commission			
- Industrial Commission Admin Fund	(1,000,000)		T
Judiciary			
- Drug Treatment and Education Fund	(800,000)	Part of Cts. \$7.2 M plan	T
- State Aid to Detention Fund	(400,000)	Part of Cts. \$7.2 M plan	T
Lottery			
- Lottery Fund	(1,000,000)		T
AZ Parents Comm. on Drug Education & Prevention			
- Drug Treatment and Education Fund	0	\$1 M Veto	T
State Parks Board			
- State Parks Enhancement Fund	(2,018,300)		T
- LCF Public Conservation Account	0	Interest Only - \$1,577,000 Veto	T
Dept. of Public Safety			
- Highway Patrol Fund	(1,000,000)		T
Residential Utility Consumer Office			
- Residential Utility Consumer Office Fund	(300,000)		T
Dept. of Transportation			
- Arizona Highways Magazine Fund	(500,000)		T
Dept of Veterans' Services			
- Veterans' Home Contingency Fund	(244,300)	Transfer instead of 10% Lump Sum Reduction	
Dept of Water Resources			
- Water Quality Fund	(181,500)		T
FUND TRANSFERS - SUBTOTAL		(40,828,000)	
Other			
Commerce - Reduce National Law Center by \$50 K		CEDC Fund	
DES - Increase Child Care Funding		\$3 M from one-time federal funds	
DES - No reductions to Adult DD HCBS, fingerprinting and independent living rehab			
ADE - Increase Teacher Certification Fund		\$421,600 to offset GF cut	
ADEQ - No more than 50% of Clean Air Transfer from 1 statutory distribution			

	Legislative Changes	Comments	Temp/ Perm
FTE Reduction (associated with lump sum reduction) - Require agencies to meet cut by end of fiscal year rather than average for the whole year		1,778 FTEs	P
DHS - Delay ASH Forensic Facility	(10,400,000)	Fund Transfer	T
Land - No Reduction to Fire Suppression Funding			
DPS - Restore Firearms Clearance Center	300,000	Monies added to DPS but responsibility remains w/ FBI	
ADOT - Cut Admin by 10%		\$27.7 M State Highway Fund - Vetoed	P
OTHER - SUBTOTAL	(10,100,000)		
TOTAL SAVINGS	(\$214,809,200)		

**AGENCY DETAIL OF LUMP SUM REDUCTION AND DISCRETIONARY ADMINISTRATIVE SAVINGS
GENERAL FUND - FY 2003**

	FY 2003 Approp Rpt Total	Lump Sum Reduction	Lump Sum % Reduction	Discretionary Admin. Savings	Lump Sum + Discretionary Admin.
			1/	2/	
<u>BUDGET UNITS</u>					
Administration, AZ Department of	\$25,347,900	\$1,981,900	7.8%	\$46,700	\$2,028,600
Administrative Hearings, Office of	1,190,300	119,000	10.0%	1,700	120,700
Agriculture, AZ Department of	11,633,600	1,163,400	10.0%	165,900	1,329,300
AHCCCS	687,434,200	6,486,500	0.9%	415,700	6,902,200
Arts, Arizona Commission on the	2,305,600	230,600	10.0%	1,700	232,300
Attorney General - Department of Law	25,725,200	2,572,500	10.0%	81,400	2,653,900
Banking Department, State	2,716,100	0	0.0%	0	0
Boxing Commission, AZ State	0	0	0.0%	0	0
Building and Fire Safety, Department of	3,533,900	353,400	10.0%	51,700	405,100
Charter Schools, State Board for	556,200	55,600	10.0%	2,500	58,100
Commerce, Department of	4,358,000	433,700	10.0%	15,200	448,900
Community Colleges, Arizona	134,285,200	6,714,300	5.0%	1,700	6,716,000
Corporation Commission	5,273,200	242,600	4.6%	23,300	265,900
Corrections, State Department of	579,765,400	0	0.0%	0	0
Criminal Justice Commission, Arizona	1,724,100	172,400	10.0%	0	172,400
Deaf and the Blind, Schools for the	16,122,300	0	0.0%	0	0
Economic Security, Department of	437,127,900	14,064,700	3.2%	957,900	15,022,600
Education, Department of	2,612,701,100	842,700	0.0%	13,300	856,000
Emergency & Military Affairs, Dept of	11,625,700	0	0.0%	0	0
Environmental Quality, Department of	25,872,400	1,587,200	6.1%	68,000	1,655,200
Equal Opportunity, Governor's Office of	237,700	23,800	10.0%	200	24,000
Equalization, State Board of	608,100	60,800	10.0%	3,900	64,700
Executive Clemency, Board of	915,700	0	0.0%	0	0
Geological Survey, Arizona	870,800	87,100	10.0%	8,800	95,900
Government Information Tech. Agency	0	0	0.0%	0	0
Governor, Office of the	5,987,800	598,800	10.0%	0	598,800
Gov's Ofc for Excellence in Government	1,508,100	150,800	10.0%	6,900	157,700
Gov's Ofc of Strategic Planning & Budgeting	1,850,000	185,000	10.0%	1,000	186,000
Health Services, Department of	294,780,000	5,218,500	1.8%	214,600	5,433,100
Historical Society, Arizona	4,519,500	323,600	7.2%	3,600	327,200
Historical Society, Prescott	744,300	74,400	10.0%	0	74,400
Housing, Department of	0	0	0.0%	0	0
Indian Affairs, AZ Commission of	224,600	22,600	10.1%	1,700	24,300
Insurance, Department of	6,094,400	0	0.0%	0	0
Judiciary					
Supreme Court	16,644,400	689,400	4.1%	39,100	728,500
Court of Appeals	10,601,100	438,900	4.1%	19,800	458,700
Superior Court	115,908,400	4,798,700	4.1%	14,100	4,812,800
SUBTOTAL - Judiciary	143,153,900	5,927,000	4.1%	73,000	6,000,000
Juvenile Corrections, Department of	63,943,500	0	0.0%	199,800	199,800
Land Department, State	18,215,400	426,500	2.3%	90,700	517,200
Law Enforcement Merit System Council	56,600	0	0.0%	200	200
Legislature					
Auditor General	12,444,200	1,244,400	10.0%	123,200	1,367,600
House of Representatives	12,388,100	1,238,800	10.0%	0	1,238,800
Joint Legislative Budget Committee	2,341,900	234,200	10.0%	1,600	235,800
Legislative Council	5,123,900	512,400	10.0%	163,800	676,200
Library, Archives & Public Records, AZ State	7,582,600	758,300	10.0%	18,600	776,900
Senate	6,783,300	678,300	10.0%	0	678,300
SUBTOTAL - Legislature	46,664,000	4,666,400	10.0%	307,200	4,973,600
Liquor Licenses & Control, Department of	2,480,200	248,000	10.0%	24,300	272,300
Lottery Commission, AZ State	0	0	0.0%	0	0
Medical Student Loans, Board of	283,400	0	0.0%	0	0
Mine Inspector, State	1,164,500	116,500	10.0%	14,400	130,900
Mines & Mineral Resources, Department of	719,600	72,000	10.0%	0	72,000
Navigable Stream Adjudication Commission	176,600	17,700	10.0%	1,200	18,900
Nursing, State Board of	130,900	0	0.0%	0	0
Occupational Safety & Health Review Board	4,800	0	0.0%	0	0
Parks Board, Arizona State	26,865,500	680,000	2.5%	12,100	692,100
Personnel Board	371,300	37,100	10.0%	200	37,300
Pioneers' Home, AZ	285,300	0	0.0%	0	0
Postsecondary Education, Commission for	1,545,900	154,600	10.0%	0	154,600
Public Safety, Department of	44,547,300	2,454,700	5.5%	100,700	2,555,400
Racing, Arizona Department of	2,686,200	265,000	9.9%	17,100	282,100
Radiation Regulatory Agency	1,663,700	166,400	10.0%	11,900	178,300
Rangers' Pensions, Arizona	12,000	0	0.0%	0	0
Real Estate Department, State	3,105,000	0	0.0%	0	0
Retirement System, Arizona State	0	0	0.0%	0	0
Revenue, Department of	59,172,800	5,082,200	8.6%	0	5,082,200
School Facilities Board	39,946,400	96,000	0.2%	4,900	100,900

	FY 2003 Approp Rpt Total	Lump Sum Reduction	Lump Sum % Reduction	1/ Discretionary Admin. Savings	2/ Lump Sum + Discretionary Admin.
Secretary of State	5,851,800	301,800	5.2%	11,500	313,300
Tax Appeals, State Board of	298,500	29,900	10.0%	100	30,000
Tourism, Office of	10,018,400	1,001,900	10.0%	15,400	1,017,300
Transportation, Department of	63,500	0	0.0%	0	0
Treasurer, State	5,056,800	226,700	4.5%	900	227,600
Uniform State Laws, Commission on	38,800	3,900	10.1%	1,200	5,100
Universities					
Arizona State University - Main Campus	278,574,700	13,930,400	5.0%	1,350,600	15,281,000
Arizona State University - East Campus	13,131,000	655,700	5.0%	49,700	705,400
Arizona State University - West Campus	38,190,200	1,909,700	5.0%	164,000	2,073,700
Northern Arizona University	117,189,300	5,860,200	5.0%	348,800	6,209,000
Board of Regents	7,682,900	121,000	1.6%	0	121,000
University of Arizona - Main Campus	278,657,300	13,934,600	5.0%	1,034,800	14,969,400
University of Arizona - Health Sciences Center	55,762,700	2,788,400	5.0%	115,900	2,904,300
SUBTOTAL - Universities	789,188,100	39,200,000	5.0%	3,063,800	42,263,800
Veterans' Services, Department of	2,332,700	0	0.0%	0	0
Water Resources, Department of	15,152,400	1,115,900	7.4%	118,500	1,234,400
Weights and Measures, Department of	1,482,700	148,200	10.0%	20,400	168,600
OPERATING BUDGET TOTAL	6,194,317,800	106,204,300	1.7%	6,176,900	112,381,200
Unallocated Health Insurance - FY 03	6,100	0	0.0%	0	0
GRAND TOTAL	6,194,323,900	106,204,300	1.7%	6,176,900	112,381,200

1/ Calculated as a percentage of agency's entire General Fund budget. Most dollar reductions are same as Governor. The percentage reduction, however, may differ from those appearing in the Governor's letter. Their calculations excluded exempted spending before calculating the percent reduction.

2/ Discretionary administrative savings is a 16% reduction in an agency's original budget plan for Travel, Equipment and Subscription costs.

STATE PERSONNEL SUMMARY - FTE REDUCTIONS

Fiscal Year 2003		
	Original General Fund FTE	Reduction Taken ^{1/2/}
<u>BUDGET UNITS</u>		
Administration, AZ Department of	380.2	41.0
Capital Outlay	3.0	0.0
Administrative Hearings, Office of	18.0	3.0
Agriculture, AZ Department of	248.7	25.0
AHCCCS	1,520.2	152.0
Arts, Arizona Commission on the	12.5	1.0
Attorney General - Department of Law	361.8	36.0
Banking Department, State	48.1	0.0
Building & Fire Safety, Department of	72.7	10.0
Charter Schools, State Board for	8.0	1.0
Commerce, Department of	71.9	7.0
Community Colleges, Arizona	5.0	0.0
Corporation Commission	108.3	11.0
Corrections, State Department of	10,090.4	0.0
Deaf and the Blind, AZ State Schools for the	312.7	0.0
Economic Security, Department of	2,526.5	202.0
Education, Department of	197.7	20.0
Emergency & Military Affairs, Department of	123.1	0.0
Environmental Quality, Department of	242.2	51.0
Equal Opportunity, Governor's Office of	4.0	0.0
Equalization, State Board of	8.0	1.0
Executive Clemency, Board of	16.0	0.0
Geological Survey, Arizona	13.3	1.0
Gov's Ofc. for Excellence in Government	19.0	2.0
Gov's Ofc. of Strategic Planning & Budgeting	24.0	2.0
Health Services, Department of	1,515.9	59.0
Historical Society, Arizona	66.9	7.0
Historical Society, Prescott	18.0	2.0
Indian Affairs, AZ Commission of	4.0	1.0
Insurance, Department of	114.9	0.0
Judiciary		
Supreme Court	175.5	
Court of Appeals	136.3	
Superior Court	196.3	
SUBTOTAL - Judiciary	508.1	13.0
Juvenile Corrections, Department of	1,164.4	0.0
Land Department, State	180.4	6.0
Law Enforcement Merit System Council	1.0	0.0
Legislature		
Auditor General	196.4	20.0
Joint Legislative Budget Committee	34.0	3.0
Legislative Council	52.8	5.0
Library, Archives and Public Records	118.8	12.0
SUBTOTAL - Legislature	402.0	40.0
Liquor Licenses & Control, Department of	44.2	10.0
Mine Inspector, State	19.0	2.0
Mines & Mineral Resources, Department of	8.0	1.0
Navigable Stream Adjudication Commission	2.0	0.0
Nursing, State Board of	1.0	0.0
Parks Board, Arizona State	157.3	0.0
Personnel Board	3.0	0.0
Pioneers' Home, AZ	63.1	0.0
Postsecondary Education, Commission for	1.0	0.0
Public Safety, Department of	703.7	18.0
Racing, Arizona Department of	47.5	9.0
Radiation Regulatory Agency	27.0	3.0
Real Estate Department, State	65.4	0.0
Revenue, Department of	1,017.1	50.0
School Facilities Board	19.0	1.0
Secretary of State	42.3	4.0

Tax Appeals, State Board of	5.0	1.0
Tourism, Office of	28.0	3.0
Transportation, Department of	2.0	0.0
Treasurer, State	35.4	4.0
Universities		
Arizona State University - Main Campus	4,265.1	213.0
Arizona State University - East Campus	198.5	10.0
Arizona State University - West Campus	585.4	29.0
Northern Arizona University	1,762.4	88.0
Board of Regents	28.9	1.0
University of Arizona - Main Campus	4,253.1	213.0
University of Arizona - Health Sciences Ctr.	569.1	28.0
SUBTOTAL - Universities	<u>11,662.5</u>	<u>582.0</u>
Veterans' Services, AZ Department of	69.3	0.0
Water Resources, Department of	207.2	15.0
Weights and Measures, Department of	<u>33.9</u>	<u>3.0</u>
TOTAL GENERAL FUND	34,674.8	1,400.0
ADOT -State Highway Fund		378.0
Total FTE Reduction - All Funds		1,778.0

1/ Reductions based on applying the lump sum percentage reduction specified in the Governor's proposal to the existing FTE count. If the Governor's proposal had a higher number of forced vacancies and layoffs, that number was used instead.

2/ FTE reductions represent amounts to be achieved by fiscal year end.

Public Finances ORB - Not Enacted

	<u>Section #</u>
Arizona Department of Administration	
<i>Delay Implementation of Self-Insurance</i>	3, 5
<ul style="list-style-type: none">As permanent law, delays the date in A.R.S. § 38-651 requiring ADOA to implement a state employee self-insurance health plan from October 2003 to October 2004.	
AHCCCS	
<i>Tobacco Tax Medically Needy Account</i>	6
<ul style="list-style-type: none">As session law, amends prior session law (Laws 2002, Chapter 329, Section 30) to increase the FY 2003 allocation from the Tobacco Tax Medically Needy Account for state matching monies for the AHCCCS Acute Care Program from \$31,445,300 to \$43,543,900. This provision is part of the \$50 million Tobacco Tax Transfer.	
<i>Emergency Services</i>	18
<ul style="list-style-type: none">As session law, appropriates \$450,000 effective December 15, 2002 from the Emergency Health Services Account (Proposition 303) for kidney dialysis and other emergency services. (Senate only)	
Community Colleges	
<i>State Aid/Suspend Formulas</i>	9
<ul style="list-style-type: none">As session law, suspend funding formulas in A.R.S. § 15-1464, 15-1466 and 15-1468, and set Capital Outlay State Aid, Operating State Aid and Equalization Aid at levels appropriated in the General Appropriations Act.	
Commission for the Deaf and Hard of Hearing	
<i>Technical Correction</i>	2
<ul style="list-style-type: none">As permanent law, corrects technical reference in A.R.S. § 36-1947 relating to the deposit of a portion of the telecommunications excise tax into the Telecommunication Fund for the Deaf.	
Department of Education	
<i>Cap Excess Utilities Funding</i>	7
<ul style="list-style-type: none">As session law, changes, in effect, the date of prior session law (Laws 2002, Chapter 330, Section 56) to cap school district excess utility spending from May 15, 2002 to January 1, 2002. The underlying session law extends the cap through FY 2004.	
Government Information Technology Agency/Arizona Department of Administration	
<i>Telecommunications Services Request for Proposals</i>	16
<ul style="list-style-type: none">As session law, requires GITA with input from ADOA to develop an RFP within 60 days to solicit bids on the privatization of voice and data communication services and equipment to all state agencies. Other agencies are provided an opportunity to comment. The RFP is subject to JLBC review.	
Office of the Governor	
<i>Federal Grant Administrative Costs</i>	17
<ul style="list-style-type: none">As session law, places a 10% limit on the amount of any federal grant that the Office of Governor may use for administrative costs.	
Department of Health Services/Arizona Department of Administration	
<i>ASH Forensic Renovation</i>	10
<ul style="list-style-type: none">As session law, prohibits the use of unexpended or unencumbered monies in the ASH Capital Construction Fund for renovation of forensic facilities.	

	<u>Section #</u>
Judiciary	
<i>Adult Probation Ratios</i>	15
<ul style="list-style-type: none"> • As session law, suspend statutory adult probation ratios in FY 2003. 	
State Parks	
<i>Off-Highway Vehicle Recreation Fund</i>	11
<ul style="list-style-type: none"> • As session law, allows the expenditure of \$680,000 from the Off-highway Vehicle Recreation Fund for Parks Board operating expenses in FY 2003. 	
Department of Public Safety	
<i>Firearm Background Check</i>	1, 4
<ul style="list-style-type: none"> • As permanent law, re-establishes A.R.S. § 13-3114 requiring DPS to conduct firearms background checks. 	
<i>State Highway Fund Reimbursement</i>	8
<ul style="list-style-type: none"> • As session law, reimburses the General Fund from the State Highway Fund for DPS Highway Patrol expenditures of \$13,863,900 in FY 2001 and \$13,840,200 in FY 2000. 	
Arizona Department of Transportation	
<i>State Highway Fund Reimbursement</i>	8
<ul style="list-style-type: none"> • As session law, reimburses the General Fund from the State Highway Fund for DPS Highway Patrol expenditures of \$13,863,900 in FY 2001 and \$13,840,200 in FY 2000. 	
Department of Water Resources	
<i>Arizona Water Banking Fund Offset</i>	13
<ul style="list-style-type: none"> • As session law, allows the use of monies from the Arizona Water Quality Fund and \$1,115,900 from the Arizona Water Banking Fund for DWR FY 2003 operating expenses. 	
Other	
<i>Unclaimed Property/Lawsuit Settlement Fund</i>	12
<ul style="list-style-type: none"> • As session law, deposits proceeds from unclaimed property in excess of FY 2002 proceeds into the newly established Lawsuit Settlement Fund. 	
<i>Filled FTE Positions Report</i>	14
<ul style="list-style-type: none"> • As session law, requires agencies to report on number of appropriated Full-Time Equivalent Positions that are filled as of December 31, 2002. 	