

## House and Senate Engrossed Budget Plan

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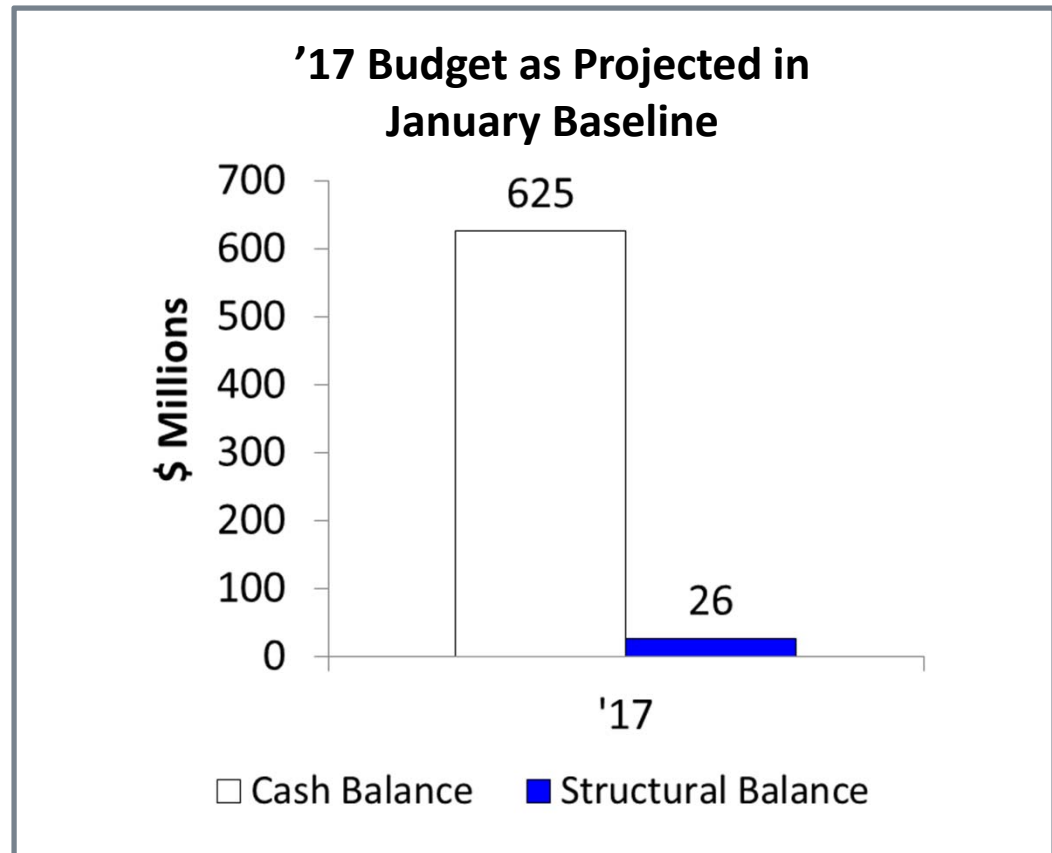
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# **FY 2017 Budget Plan**

# January Baseline: Large Cash, Small Structural Balance

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- Using cash balance for ongoing items creates structural gap
- Excludes \$460 M Rainy Day Fund Balance



# 5/4 Budget Includes \$499 M in 1-Time '16 & '17 Spending

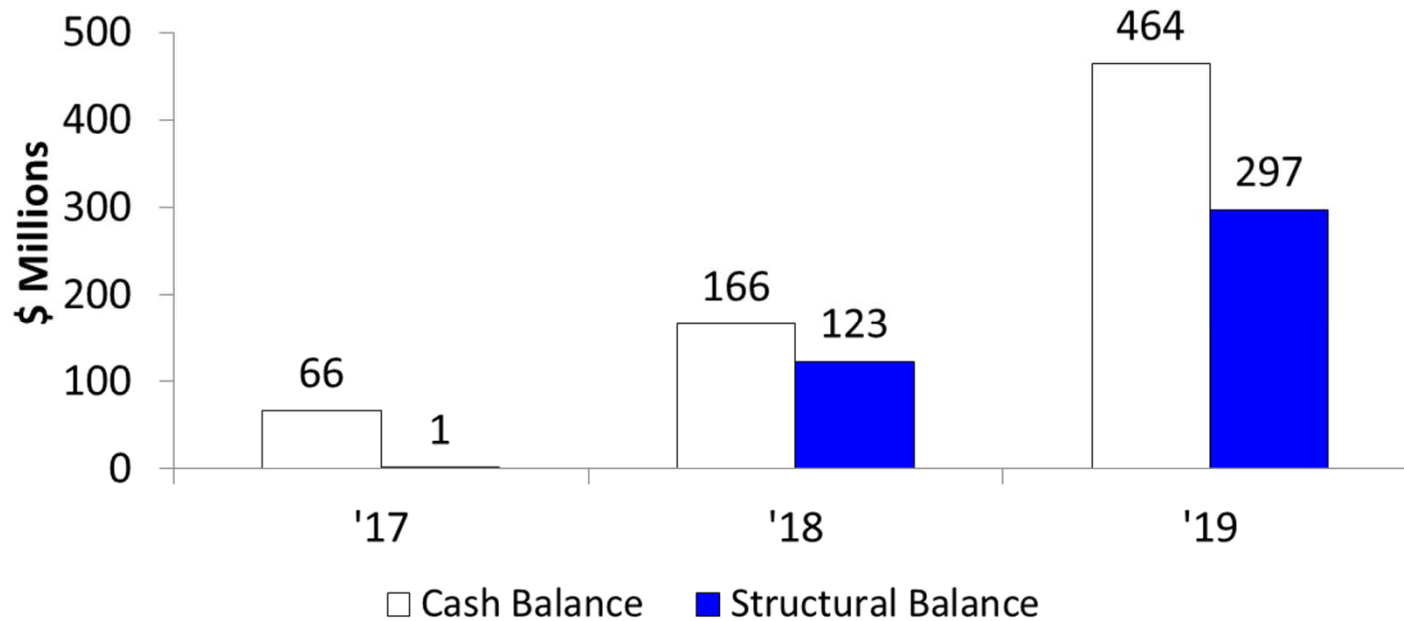
	GF \$ in M	
	<u>Ongoing</u>	<u>One-Time</u>
DCS (Plus \$35 M in '16)	24	
JTEDs	29	
Current Year Funding Backfill		31
Public School Credit Enhancement Program		SFB / use '16 \$
SFB Building Renewal (\$15 M in '16 & '17)		30
SFB New School Construction		23
Rollover Repayment (Universities/DES/DCS)		232
Universities	13	19
Border Strike Force	8	15
Transportation (State \$57 M/Local \$30 M)		87
IT Projects (ADE/DCS/ADOA/Corp Comm)		17
ADOA Capital & Flagstaff Veterans Home		18
Counties		8
ADE/AHCCCS Formula Baseline Savings	(76)	

# 5/4 Budget

<b>5/4 Budget</b>	'16	'17	'18	'19
Balance Forward	\$312 M	\$225 M	\$66 M	\$166 M
Revenues	\$9.43 B	\$9.45 B	\$9.73 B	\$10.12 B
Spending	\$9.52 B	\$9.61 B	\$9.63 B	\$9.82 B
<b>Ending Balance</b>	<b>\$225 M</b>	<b>\$66 M</b>	<b>\$166 M</b>	<b>\$464 M</b>
<b>Base Revenue Growth</b>	3.5%	4.0%	4.6%	4.6%
<b>Spending Growth</b>	2.7%	1.0%	0.2%	2.1%

# 5/4 Budget Cash and Structural Balance Forecasts

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- ❑ Improving balances could provide more flexibility, but...
- ❑ Based on highly unlikely assumption of no discretionary changes in next 2 years

# K-12 Changes for '17

- Assumes Passage of Prop 123

	GF \$ in M Above '16
	<u>'17</u>
Formula	132
“Current Year” Funding with 1-Time Offset	--
Freeze Multi-Site Charter Small School Weights at '16	--
District Sponsored Charter with 1-Time Offset	--
College Credit Incentive Program Pilot (starts in '18)	--
<b>Total</b>	<b><u>132</u></b>

# Department of Child Safety Changes for '17

- Plus \$5 M for DCS Automation & \$3 M for Judiciary

	<u>\$ in M Above Original '16</u>	
	<u>'16</u>	<u>'17</u>
Backlog Privatization	2.7	2.7
Investigations and Operations	-	13.8
Out-of-Home Placements	-	10.3
Permanency	-	6.1
Support Services	-	19.5
Deferral	11.0	-
Lump Sum	53.4	-
<b>Total</b>	<b><u>67.1</u></b>	<b><u>52.4</u></b>
<u>Sources</u>		
General Fund	46.0	23.4
Non-GF Offsets	21.1	29.0

JLBC line-item review, triggered funding, new targets for backlog and out-of-home caseload reduction, separate caseworker line-item, Auditor General reviews, JLBC review of administrative staffing



# Department of Corrections Changes for '17

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	GF \$ in M Above '16
	<u>'17</u>
1,000 New Private Beds (Authorized Last Year)	17
Health Care	5
Maricopa Community Corrections Center	--*
Capital Lease Refinancing	--
Additional 1,000 Bed Trigger	--
<ul style="list-style-type: none"> <li>- If 1,000 inmate growth by November</li> <li>- Otherwise readdress in '17 session</li> <li>- County right of first refusal for 1<sup>st</sup> 250 beds</li> </ul>	
<b>Total</b>	<u><b>22</b></u>

\* \$1.6 M funded from Capital Lease Refinancing Savings

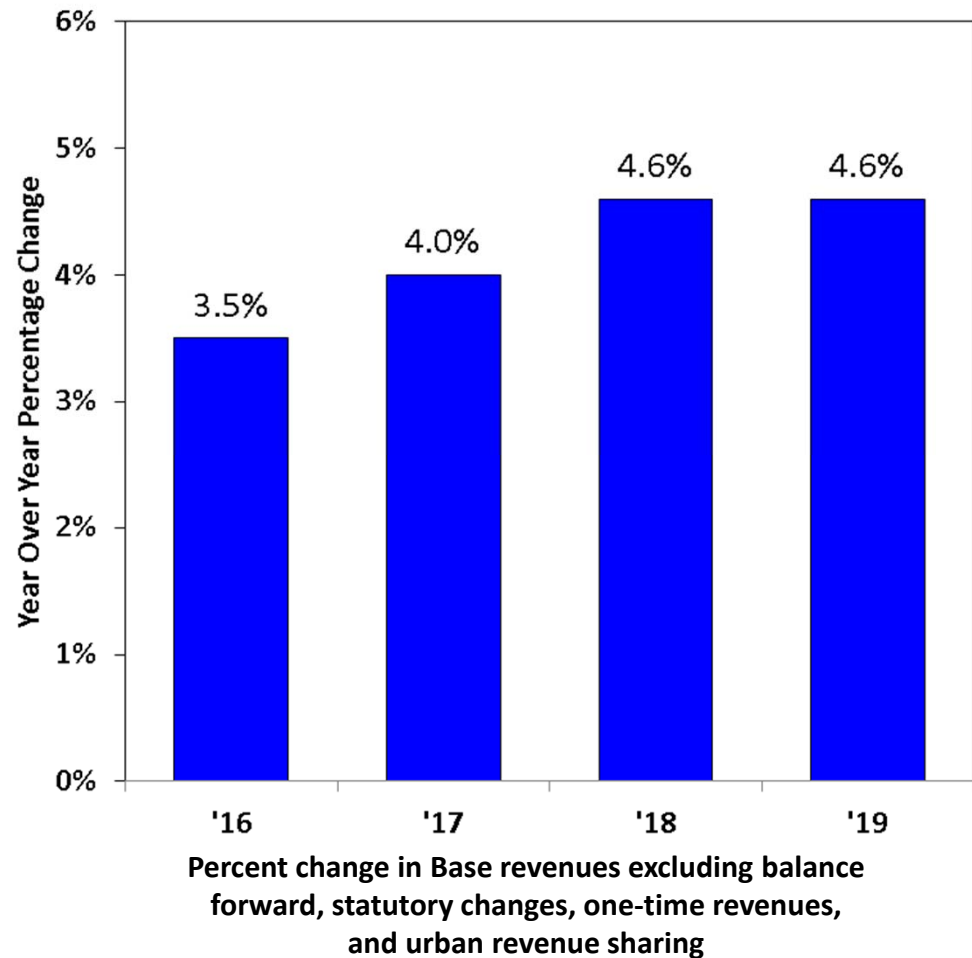
# Baseline Revenue Growth Improves Over Time

## January Consensus Forecast

- Finance Advisory Committee
- UA model – base
- UA model – low
- JLBC Staff

## Beyond Baseline

- 5/4 Budget sets aside \$26 M for tax reduction
- Reduces Health Insurance Transfer from \$100 M to \$79 M



## General Fund Changes From Introduced Bills

	(\$ in Millions)
	5/4
	<u>FY 2017</u>
<b><u>Introduced Bills</u></b>	
<b>Cash Balance</b>	<b>66.5</b>
<b>Structural Balance</b>	<b>1.5</b>
<b><u>Ongoing Costs</u></b>	
Judiciary - Reduce Fund Transfer From \$6 M to \$5 M (And \$3 M in FY 18)	1.0
Judiciary - Superior Court - Probation CORP Adjustment	0.9
Judiciary - Superior Court - Probation Salary Shortfall	0.6
<b><u>Ongoing Savings</u></b>	
ADC - Shift Northern Community Corrections Center to COP Savings	1.6
<b>Net Ongoing Changes</b>	<b>(0.9)</b>
<b><u>One-time Costs</u></b>	
ADE - Full Backfill Current Year Funding (vs \$15.5 M CSF Deposit)	15.5
ADE - Backfill DSCS Funding @ \$1.2 M (Introduced was \$0.6 M)	0.6
ADE - Multi-site Charter Hold Harmless (Introduced was \$1.2 M)	5.3
Judiciary - Supreme Court - Automation Funding	0.9
SFB - New Construction (Agua Fria/Chandler)	23.1
<b><u>One-time Savings</u></b>	
Revenue - Increase HITF Transfer From \$50 M to \$78.9 M	28.9
ADE - Move College Incentive Placement Funding to FY 18	5.0
ADOT - Reduce Transportation Funding From \$96.0 M to \$86.5 M	9.5
Capital - ADOA - Reduce Funding From \$10 M to \$8 M	2.0
<b>Net One-time Changes</b>	<b>0.0</b>
<b>Revised Cash Balance</b>	<b>65.6</b>
<b>Revised Structural Balance</b>	<b>0.6</b>

In addition, the Mines and Minerals Museum would shift from the AZ Historical Society to University of Arizona (Geological Survey).

## Other Fund Changes From Introduced Bills

(\$ in Millions)  
5/4  
FY 2017

ADOA - AFIS Costs Technical Adjustment (\$28k)	0.0
Arts - Budget Stabilization Fund Interest	1.5
Attorney General - One-time Funding	0.5
DCS/DES - Permission to Each Borrow \$35 M From Budget Stabilization Fund	--
DES - Domestic Violence Fund One-time Increase	1.5
ADE - Empowerment Scholarship Account Administration	0.4
Game and Fish - PSPRS FY 16 Supplemental (\$1.75 M)	FY 16
Judiciary - Supreme Court - Felony Pre-Trial Intervention Program	0.3
Parks Board - Contingent Funding Increase to Offset Federal Reduction	1.5
DPS - Border Strike Force/Virtual Training Fund Source (\$2 M ATA for BSF and \$2.1 M CCW for Virtual Training)	0.0
Technical Registration - E-Licensing/Case Management System	0.8
Capital - State Fair Funding	1.0
Other - Agency Relocation Costs	0.5

	A	B
	FY 2016 5/4	FY 2017 5/4
1 <b>Beginning Balance</b>	\$ 312.3	\$ 225.0
<b>Ongoing Revenues</b>		
2 Ongoing Revenues - January Baseline	9,164.0	9,396.9
3 Tax Package		(26.0)
4 Judiciary - Reduce Ongoing Fund Transfer to \$5 M in '17/\$3 M in '18		(1.0)
5 <b>Subtotal - Ongoing Revenues</b>	\$ 9,164.0	\$ 9,369.9
<b>One-Time Revenues</b>		
6 Tax Amnesty	47.0	Payments-Pre 15
7 FY 2016 Transfers	217.0	
8 Fund Transfer - ADOA Health Insurance Trust Fund		78.9
9 Fund Transfer - Accounting System Costs		0.5
10 Building Sales		
11 <b>Subtotal - One-Time Revenues (Including Beginning Balance)</b>	\$ 576.3	\$ 304.4
12 <b>Total Revenues</b>	\$ 9,740.3	\$ 9,674.3
13 <b>JLBC Baseline - Ongoing Spending</b>	\$ 9,234.8	\$ 9,370.9
<b>Ongoing Changes to JLBC Baseline</b>		
14 ADOA/APF - CHILDS Funding @ \$4.6 M		(0.4)
15 ADOA - Procurement Funding		0.5
16 AHCCCS - Formula		(50.9)
17 AHCCCS - ALTCS Adult Dental		1.4
18 AHCCCS - BHS Admin Savings		(0.5)
19 Attorney General - Post Conviction Fund Shift		0.8
20 DCS - Preventative Services		5.0
21 DCS - Remove One-time Backlog Reduction Funding		8.4
22 DCS - Permanency Growth		6.4
23 DCS - Emergency and Residential Placement		8.0
24 DCS - Foster Care Growth		2.0
25 DCS - Out of Home Support Services Growth		12.5
26 DCS - Child Care Growth		2.0
27 DCS - Attorney General Shortfall		1.9

	<b>A</b>	<b>B</b>
	FY 2016 5/4	FY 2017 5/4
28 DCS - Attorneys		3.1
29 DCS - Central Administration		6.7
30 DCS - Case Aides		2.5
31 DCS - Backlog Privatization	2.7	2.7
32 DCS - Non-GF Solutions		(25.0)
33 DCS - Additional Funding	34.6	
34 Corrections - Northern Regional Community Corrections Center		COP Savings
35 Corrections - Inmate Healthcare		COP Savings
		250 Cty/1,000 trigger
		Calc 1k inmate gwth
		Expires Nov 16
		/JCCR approval
36 Corrections - Authorize 2,000 Male Medium Beds		
37 Corrections - Re-Entry Planner		0.1
38 Corrections - Expand Transition Program		Yes - DUI/AXS
39 DES - DD Capitation/Caseload Growth	4.5	
40 DES - DD 1% Provider Rate Increase		3.0
41 DES - ALTCS Adult Dental		1.2
42 DES - DD Room and Board Shortfall		One-time Below
43 DES - APS Caseload Growth		One-time Below
44 DES - Vocational Rehabilitation		2.0
45 DES - Area Agencies on Aging/Adult Services (Lottery Fund)		Other Fund - One time
46 ADE - Formula		(24.6)
47 ADE - Increased Testing Costs		Other Fund
48 ADE - Data System Support		Fund From ADE IT
49 ADE - JTED Funding/Reforms		29.0
50 ADE - Small School Weight		1.2
51 ADE - College Prep (Formula, 18 Pay on 17 Results)		
52 ADE - 1% Cap Language (HB 2480)		Sep. Bill o/s Budget
53 ADE - Tribal Dual Enrollment (\$160k to \$250k)		Other Fund - 90k
54 DEMA - State Match for Army/Air Guard Facilities	0.7	1.5
55 DEQ - WQARF Fund Shift		(4.2)
56 DEQ - Reduce VEI Fees (\$3 Reduction)		Yes
57 FBLS - Consolidate w/ Forester, Housing, Real Estate (\$448k Savings)		(2.2)
58 Forester - FBLS Consolidation (State Fire Marshal)		0.9
59 Forester - Risk Management Increase	0.1	0.1
60 Forester - Fire Management Software (One-time \$ Below)		0.1

	A	B
	FY 2016 5/4	FY 2017 5/4
61 Geological Survey - Consolidate Into UofA		(0.9)
62 DHS - BHS Caseload/Inflation	(21.4)	
63 DHS - Additional 29 Security Officers/Nurses ASH		1.5
64 DHS - Restoration to Competency 3-Year Program		Study Committee
65 Historical Society - Mines and Minerals Museum Transfer to UA		(0.4)
66 Housing - FBLS Consolidation (Manufactured Housing)		0.8
67 Judiciary - Dependency Caseload		3.0
68 Judiciary - Adult Standard Probation Growth		1.0
69 Judiciary - 2 New Justices Funding		0.5
70 Judiciary - 1.5% Judicial Pay Raise (In '17 and '18)		0.1
71 Judiciary - Probation Salary Shortfall		0.6
72 Judiciary - Probation CORP Adjustment		0.9
73 Judiciary - One-Time Extend Maricopa Drug Court Funding		Yes
74 DJC - Lower Population + \$700k County Savings		(1.5)
75 Land - Self Fund Agency		Repeal Referral
76 Land - CAP Fees		32k
77 Legislature - Senate - Additional Funding (\$1.25 M)		1.3
78 Liquor - Staff Funding		62k - PSPRS
79 DPS - Border Security (+ 1-time Below)		8.0
80 DPS - Moving Truck Transfer Savings		
81 DPS - Pay Raise (3% All Sworn and Highway Patrol Civilian)		4.6
82 DPS - Civil Air Patrol		0.2
83 Real Estate - FBLS Consolidation (HOA Dispute Process)		18k
84 SFB - Create Public School Credit Enhancement Program	Shift Existing Funds	(21.5)
85 SFB - Reduce 25% Locally Funded Space Exclusion to 10% for >7,500 Pupils		No
86 Universities - ASU/UA - Freedom Schools (\$3 M ASU/\$2 M UA)		5.0
87 Universities - UA - Mines and Minerals Museum Transfer to UA		0.4
88 Other - ADOA - Accounting System Operating Costs		0.5
89 Other - ADOA - Fleet Management Charge		80k Mileage/Report
90 Other - Annualize HITF Savings		(0.2)
91 Other - Revertments/Administrative Adjustments		(0.7)
92 <b>Subtotal - Ongoing Changes to JLBC Baseline</b>	<b>\$ 21.2</b>	<b>\$ (1.6)</b>
93 <b>Total Ongoing Spending</b>	<b>\$ 9,256.0</b>	<b>\$ 9,369.3</b>

	A	B
	FY 2016 5/4	FY 2017 5/4
94 <b>JLBC Baseline One-Time Spending</b>	\$ 6.2	\$ -
95 <b>One-Time Changes to JLBC Baseline</b>		
96 ADOA/APF - ADE IT		7.3
97 ADOA/APF - Procurement IT (Plus \$3 M AFIS Contingency)		3.0
98 ADOA - GTO Funding		Other Fund - \$500k
99 DCS - Litigation Costs	OF - Risk Mgmt.	
100 Corp Comm - IT Funding		2.0
101 Counties - DJC Offset		8.0
102 Counties - Flexibility Language		250k pop, \$1.25 M limit
103 DES - One-time DV Shelter \$50k Each (Maricopa/Yuma County)		0.1
104 DES - DD Room and Board Shortfall		Other Fund - 0.6
105 DES - APS Caseload Growth		Other Fund - 2.0
106 ADE - College Prep (Formula, 18 Pay on 17 Results)		Ongoing Above
107 ADE - District Sponsored Charters - One-time		1.2
108 ADE - Current Year Funding Backfill - One-time		31.0
109 ADE - Small School Weight Hold Harmless (One-time)		5.3
110 ADE - Code Writers Pilot		Other Fund - \$0.5 M
111 ADE - Geographic Literacy		0.1
112 DEQ - WQARF Funding		Other Fund - \$2.9 M
113 Forester - Inmate Fire Crew Carriers		0.2
114 Forester - Wildland Fire Engines		0.1
115 DHS - Alzheimer's Research		Other Fund - \$1.0 M
116 DHS - ASH Fund Shortfall	Other Fund - \$2.4 M	
117 Judiciary - IT Funding		0.9
118 Legislature - Auditor General		0.2
119 Parks - Arizona Trail (\$150k)		Other Fund - \$150k
120 DPS - Border Security (Plus Other Fund \$4 M)		14.6
121 DPS - Virtual Law Enforcement Training (CCW Fund)		Other Fund - \$2.1 M
122 DPS - Testing Sexual Assault Kits		0.5
123 DOR - Military Withholding Refunds		2.0
124 SOS - PPE Funding	6.1	
125 SFB - Building Renewal Grants	15.0	15.0
126 SFB - Public School Credit Enhancement Transaction Costs		0.5
127 SFB - New School Construction		23.1



	A	B
	FY 2016 5/4	FY 2017 5/4
128 WIFA - Small Water Systems Fund Deposit		0.5
129 DWR - Water Protection Fund Deposit (\$250k)		0.3
130 Universities - Eliminate Payment Deferral	200.0	
131 Universities - One-time Funding - ASU		7.0
132 Universities - One-time Funding - NAU		4.0
133 Universities - One-time Funding - UA		8.0
134 Other - DCS - Eliminate Payment Deferral	11.0	
135 Other - DES - Eliminate Payment Deferral	21.0	
136 Capital - ADOT - \$56.5 M State (Fastlane, 189, H60) / \$30 M Local		86.5
137 Capital - ADOA - Projects (General Fund)		8.0
138 Capital - ADOA - Projects (OF) (\$4 M DHS/\$120k State Fair Set Aside)		Other Fund - \$10 M
139 Capital - Vets - Veterans Home Flagstaff		10.0
<b>140 Subtotal - One-Time Changes to JLBC Baseline</b>	<b>\$ 253.1</b>	<b>\$ 239.4</b>
<b>141 Total One-Time Spending</b>	<b>\$ 259.3</b>	<b>\$ 239.4</b>
<b>142 Total Spending</b>	<b>\$ 9,515.3</b>	<b>\$ 9,608.7</b>
<b>143 Ending Cash Balance</b>	<b>\$ 225.0</b>	<b>\$ 65.6</b>
<b>144 Structural Balance</b>	<b>\$ (92.0)</b>	<b>\$ 0.6</b>

	C	D
	FY 2018 5/4	FY 2019 5/4
1 <b>Beginning Balance</b>	\$ 65.6	\$ 166.1
<b>Ongoing Revenues</b>		
2 Ongoing Revenues - January Baseline	9,754.6	10,150.2
3 Tax Package	(26.0)	(26.0)
4 Judiciary - Reduce Ongoing Fund Transfer to \$5 M in '17/\$3 M in '18	(3.0)	(3.0)
5 <b>Subtotal - Ongoing Revenues</b>	<b>\$ 9,725.6</b>	<b>\$ 10,121.2</b>
<b>One-Time Revenues</b>		
6 Tax Amnesty		
7 FY 2016 Transfers		
8 Fund Transfer - ADOA Health Insurance Trust Fund		
9 Fund Transfer - Accounting System Costs	0.5	0.5
10 Building Sales		
11 <b>Subtotal - One-Time Revenues (Including Beginning Balance)</b>	<b>\$ 66.1</b>	<b>\$ 166.6</b>
12 <b>Total Revenues</b>	<b>\$ 9,791.7</b>	<b>\$ 10,287.8</b>
13 <b>JLBC Baseline - Ongoing Spending</b>	<b>\$ 9,606.9</b>	<b>\$ 9,825.4</b>
<b>Ongoing Changes to JLBC Baseline</b>		
14 ADOA/APF - CHILDS Funding @ \$4.6 M		
15 ADOA - Procurement Funding	0.5	0.5
16 AHCCCS - Formula	(50.9)	(50.9)
17 AHCCCS - ALTCS Adult Dental	1.4	1.4
18 AHCCCS - BHS Admin Savings	(0.5)	(0.5)
19 Attorney General - Post Conviction Fund Shift	0.8	0.8
20 DCS - Preventative Services	5.0	5.0
21 DCS - Remove One-time Backlog Reduction Funding	8.4	8.4
22 DCS - Permanency Growth	6.4	6.4
23 DCS - Emergency and Residential Placement	8.0	8.0
24 DCS - Foster Care Growth	2.0	2.0
25 DCS - Out of Home Support Services Growth	12.5	12.5
26 DCS - Child Care Growth	2.0	2.0
27 DCS - Attorney General Shortfall	1.9	1.9

	<b>C</b>	<b>D</b>	
	FY 2018 5/4	FY 2019 5/4	
28	DCS - Attorneys	3.1	3.1
29	DCS - Central Administration	6.7	6.7
30	DCS - Case Aides	2.5	2.5
31	DCS - Backlog Privatization	2.7	2.7
32	DCS - Non-GF Solutions	(25.0)	(25.0)
33	DCS - Additional Funding		
34	Corrections - Northern Regional Community Corrections Center		
35	Corrections - Inmate Healthcare		
36	Corrections - Authorize 2,000 Male Medium Beds		
37	Corrections - Re-Entry Planner	0.1	0.1
38	Corrections - Expand Transition Program		
39	DES - DD Capitation/Caseload Growth		
40	DES - DD 1% Provider Rate Increase	3.0	3.0
41	DES - ALTCS Adult Dental	1.2	1.2
42	DES - DD Room and Board Shortfall		
43	DES - APS Caseload Growth		
44	DES - Vocational Rehabilitation	2.0	2.0
45	DES - Area Agencies on Aging/Adult Services (Lottery Fund)		
46	ADE - Formula	(42.6)	(38.3)
47	ADE - Increased Testing Costs		
48	ADE - Data System Support		
49	ADE - JTED Funding/Reforms	27.2	27.2
50	ADE - Small School Weight	2.4	2.4
51	ADE - College Prep (Formula, 18 Pay on 17 Results)	5.0	5.0
52	ADE - 1% Cap Language (HB 2480)		
53	ADE - Tribal Dual Enrollment (\$160k to \$250k)		
54	DEMA - State Match for Army/Air Guard Facilities	1.5	1.5
55	DEQ - WQARF Fund Shift	(4.2)	(4.2)
56	DEQ - Reduce VEI Fees (\$3 Reduction)		
57	FBLS - Consolidate w/ Forester, Housing, Real Estate (\$448k Savings)	(2.2)	(2.2)
58	Forester - FBLS Consolidation (State Fire Marshal)	0.9	0.9
59	Forester - Risk Management Increase	0.1	0.1
60	Forester - Fire Management Software (One-time \$ Below)	0.1	0.1

	<b>C</b>	<b>D</b>
	FY 2018 5/4	FY 2019 5/4
61 Geological Survey - Consolidate Into UofA	(0.9)	(0.9)
62 DHS - BHS Caseload/Inflation		
63 DHS - Additional 29 Security Officers/Nurses ASH	1.5	1.5
64 DHS - Restoration to Competency 3-Year Program		
65 Historical Society - Mines and Minerals Museum Transfer to UA	(0.4)	(0.4)
66 Housing - FBLS Consolidation (Manufactured Housing)	0.8	0.8
67 Judiciary - Dependency Caseload	3.0	3.0
68 Judiciary - Adult Standard Probation Growth	1.0	1.0
69 Judiciary - 2 New Justices Funding	0.5	0.5
70 Judiciary - 1.5% Judicial Pay Raise (In '17 and '18)	0.3	0.4
71 Judiciary - Probation Salary Shortfall	0.6	0.6
72 Judiciary - Probation CORP Adjustment	0.9	0.9
73 Judiciary - One-Time Extend Maricopa Drug Court Funding		
74 DJC - Lower Population + \$700k County Savings	(1.5)	(1.5)
75 Land - Self Fund Agency	12.5	12.5
76 Land - CAP Fees	32k	32k
77 Legislature - Senate - Additional Funding (\$1.25 M)	1.3	1.3
78 Liquor - Staff Funding	62k - PSPRS	62k - PSPRS
79 DPS - Border Security (+ 1-time Below)	8.0	8.0
80 DPS - Moving Truck Transfer Savings	(0.1)	(0.1)
81 DPS - Pay Raise (3% All Sworn and Highway Patrol Civilian)	4.6	4.6
82 DPS - Civil Air Patrol	0.2	0.2
83 Real Estate - FBLS Consolidation (HOA Dispute Process)	18k	18k
84 SFB - Create Public School Credit Enhancement Program	(21.5)	(21.5)
85 SFB - Reduce 25% Locally Funded Space Exclusion to 10% for >7,500 Pupils		
86 Universities - ASU/UA - Freedom Schools (\$3 M ASU/\$2 M UA)	5.0	5.0
87 Universities - UA - Mines and Minerals Museum Transfer to UA	0.4	0.4
88 Other - ADOA - Accounting System Operating Costs	0.5	0.5
89 Other - ADOA - Fleet Management Charge		
90 Other - Annualize HITF Savings	(0.2)	(0.2)
91 Other - Revertments/Administrative Adjustments	(2.9)	(4.3)
92 <b>Subtotal - Ongoing Changes to JLBC Baseline</b>	<b>\$ (4.4)</b>	<b>\$ (1.4)</b>
93 <b>Total Ongoing Spending</b>	<b>\$ 9,602.5</b>	<b>\$ 9,824.0</b>

	C	D
	FY 2018 5/4	FY 2019 5/4
94 <b>JLBC Baseline One-Time Spending</b>	\$ -	\$ -
95 <b>One-Time Changes to JLBC Baseline</b>		
96 ADOA/APF - ADE IT		
97 ADOA/APF - Procurement IT (Plus \$3 M AFIS Contingency)		
98 ADOA - GTO Funding		
99 DCS - Litigation Costs		
100 Corp Comm - IT Funding		
101 Counties - DJC Offset		
102 Counties - Flexibility Language		
103 DES - One-time DV Shelter \$50k Each (Maricopa/Yuma County)		
104 DES - DD Room and Board Shortfall		
105 DES - APS Caseload Growth		
106 ADE - College Prep (Formula, 18 Pay on 17 Results)		
107 ADE - District Sponsored Charters - One-time		
108 ADE - Current Year Funding Backfill - One-time		
109 ADE - Small School Weight Hold Harmless (One-time)		
110 ADE - Code Writers Pilot		
111 ADE - Geographic Literacy		
112 DEQ - WQARF Funding		
113 Forester - Inmate Fire Crew Carriers		
114 Forester - Wildland Fire Engines		
115 DHS - Alzheimer's Research		
116 DHS - ASH Fund Shortfall		
117 Judiciary - IT Funding		
118 Legislature - Auditor General		
119 Parks - Arizona Trail (\$150k)		
120 DPS - Border Security (Plus Other Fund \$4 M)		
121 DPS - Virtual Law Enforcement Training (CCW Fund)		
122 DPS - Testing Sexual Assault Kits		
123 DOR - Military Withholding Refunds		
124 SOS - PPE Funding		
125 SFB - Building Renewal Grants		
126 SFB - Public School Credit Enhancement Transaction Costs		
127 SFB - New School Construction	23.1	

	C	D
	FY 2018 5/4	FY 2019 5/4
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140	<b>\$ 23.1</b>	<b>\$ -</b>
141	<b>\$ 23.1</b>	<b>\$ -</b>
142	<b>\$ 9,625.6</b>	<b>\$ 9,824.0</b>
143	<b>\$ 166.1</b>	<b>\$ 463.8</b>
144	<b>\$ 123.1</b>	<b>\$ 297.2</b>

**STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES 1/  
WITH ONE-TIME FINANCING SOURCES**

	<u>FY 2016</u> <u>5/4</u>	<u>FY 2017</u> <u>5/4</u>	<u>FY 2018</u> <u>5/4</u>	<u>FY 2019</u> <u>5/4</u>
<b>REVENUES</b>				
Ongoing Revenues	\$9,769,648,500	\$10,158,379,200	\$10,521,214,000	\$10,905,740,800
Previously Enacted Changes		(97,800,000)	(90,400,000)	(73,300,000)
Newly Enacted Changes		(26,000,000)	(26,000,000)	(26,000,000)
Reduce Ongoing Judiciary Transfers		(1,000,000)	(3,000,000)	(3,000,000)
Urban Revenue Sharing	(605,634,300)	(663,652,100)	(676,193,800)	(682,236,800)
Net On-going Revenues	\$9,164,014,200	\$9,369,927,100	\$9,725,620,200	\$10,121,204,000
One-time Financing Sources				
Balance Forward	312,276,000	224,997,200	65,712,200	166,222,000
Tax Amnesty	47,048,500			
Fund Transfers	217,017,700	79,361,600	461,600	461,600
Subtotal One-time Revenues	\$576,342,200	\$304,358,800	\$66,173,800	\$166,683,600
<b>Total Revenues</b>	<b>\$9,740,356,400</b>	<b>\$9,674,285,900</b>	<b>\$9,791,794,000</b>	<b>\$10,287,887,600</b>
<b>EXPENDITURES</b>				
Operating Budget Appropriations	\$9,230,421,600	\$9,409,928,400	\$9,645,361,700	\$9,868,250,000
Supplementals	50,607,600			
Administrative Adjustments	85,000,000	70,000,000	70,000,000	70,000,000
Revertments	(110,000,000)	(110,682,500)	(112,868,300)	(114,260,700)
Subtotal Ongoing Expenditures	\$9,256,029,200	\$9,369,245,900	\$9,602,493,400	\$9,823,989,300
One-time Expenditures				
Capital Outlay	\$6,200,000	\$18,000,000		
Eliminate DCS/DES/Univ. Rollover	\$232,000,000	0		
Transportation Funding		86,500,000		
Other One-Time Spending	\$21,130,000	134,827,800	\$23,078,600	
Subtotal One-time Expenditures	\$259,330,000	\$239,327,800	\$23,078,600	\$0
<b>Total Expenditures</b>	<b>\$9,515,359,200</b>	<b>\$9,608,573,700</b>	<b>\$9,625,572,000</b>	<b>\$9,823,989,300</b>
<b>Ending Balance <u>2/</u></b>	<b>\$224,997,200</b>	<b>\$65,712,200</b>	<b>\$166,222,000</b>	<b>\$463,898,300</b>
<b>Structural Balance <u>3/</u></b>	<b>(\$92,015,000)</b>	<b>\$681,200</b>	<b>\$123,126,800</b>	<b>\$297,214,700</b>

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

2/ This calculation reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.

3/ This calculation reflects the difference between ongoing revenues and expenditures and excludes one-time adjustments. Excludes any Budget Stabilization Fund balance.

## GENERAL FUND SPENDING ESTIMATES BY MAJOR BUDGET UNITS

EXPENDITURES	FY 2016 5/4	FY 2017 Change From Prior Year	FY 2017 5/4	FY 2018 Change From Prior Year	FY 2018 5/4	FY 2019 Change From Prior Year	FY 2019 5/4
Operating Budget							
-- Department of Administration	\$10,377,300	500,000	\$10,877,300		\$10,877,300		\$10,877,300
-- ADOA - Automation Projects Fund	7,783,000	(3,201,400)	4,581,600	418,400	5,000,000		5,000,000
-- ADOA - Dept. of Child Safety	0						
-- AHCCCS	1,205,162,300	545,918,500	1,751,080,800	77,193,500	1,828,274,300	97,513,900	1,925,788,200
-- Attorney General	23,623,700	1,149,400	24,773,100		24,773,100		24,773,100
-- Department of Child Safety	356,448,200	23,415,600	379,863,800		379,863,800		379,863,800
-- Commerce Authority	26,800,000	(5,000,000)	21,800,000		21,800,000		21,800,000
-- Community Colleges	54,373,200	(267,700)	54,105,500	256,600	54,362,100	388,600	54,750,700
-- Department of Corrections	1,029,900,600	22,657,600	1,052,558,200	7,090,800	1,059,649,000		1,059,649,000
-- County Funding	6,000,500		6,000,500		6,000,500		6,000,500
-- Department of Economic Security	496,181,900	34,022,600	530,204,500	25,462,900	555,667,400	28,690,800	584,358,200
-- Department of Education	3,941,873,900	89,790,000	4,031,663,900	123,937,600	4,155,601,500	127,823,300	4,283,424,800
-- Department of Environmental Quality	7,000,000	(4,176,400)	2,823,600		2,823,600		2,823,600
-- Department of Health Services	602,738,300	(515,791,900)	86,946,400		86,946,400		86,946,400
-- Judiciary	106,178,000	6,148,900	112,326,900	200,000	112,526,900	100,000	112,626,900
-- Department of Juvenile Corrections	26,984,600	(2,500,000)	24,484,600		24,484,600		24,484,600
-- State Land Department	12,520,500		12,552,600		12,552,600		12,552,600
-- Department of Public Safety	93,374,800	12,923,100	106,297,900	(53,500)	106,244,400		106,244,400
-- Public Safety Personnel Retirement System	6,000,000		6,000,000		6,000,000		6,000,000
-- Department of Revenue	30,338,600		30,338,600		30,338,600		30,338,600
-- School Facilities Board	216,878,100	(27,356,500)	189,521,600	(1,419,500)	188,102,100	(35,474,500)	152,627,600
-- Office of Tourism	7,110,400		7,110,400		7,110,400		7,110,400
-- Universities	660,845,100	17,482,800	678,327,900	3,698,800	682,026,700	(58,000)	681,968,700
-- Department of Water Resources	12,803,100		12,803,100		12,803,100		12,803,100
-- All Other Budgets	174,545,100	(8,640,100)	165,905,000	(3,400,000)	162,505,000	3,400,000	165,905,000
-- Civic Center Payment	20,449,000		20,449,000	2,050,000	22,499,000	497,300	22,996,300
-- Rio Nuevo Payment	10,000,000		10,000,000		10,000,000		10,000,000
-- Asset Sale/Lease-Back Debt Service	84,114,600	2,800	84,117,400	(2,300)	84,115,100	6,900	84,122,000
-- Hiring Freeze/Consolidations	0						
-- AFIS Rate Adjustment		461,600	461,600		461,600		461,600
-- HITF Employer Rate Reduction	0	(8,047,400)	(8,047,400)		(8,047,400)		(8,047,400)
-- Unallocated Adjustments	16,800	(16,800)					
<b>Total - Operating Budget</b>	<b>\$9,230,421,600</b>	<b>\$179,506,800</b>	<b>\$9,409,928,400</b>	<b>\$235,433,300</b>	<b>\$9,645,361,700</b>	<b>\$222,888,300</b>	<b>\$9,868,250,000</b>
-- FY 2016 Supplementals	50,607,600	(50,607,600)					
-- Capital Outlay	6,200,000	11,800,000	18,000,000	(18,000,000)			
-- Payment Deferrals	232,000,000	(232,000,000)					
-- Transportation Funding		86,500,000	86,500,000	(86,500,000)			
-- Other One-Time Spending	21,130,000	113,697,800	134,827,800	(111,749,200)	23,078,600	(23,078,600)	
-- Administrative Adjustments	85,000,000	(15,000,000)	70,000,000		70,000,000		70,000,000
-- Revertments	(110,000,000)	(682,500)	(110,682,500)	(2,185,800)	(112,868,300)	(1,392,400)	(114,260,700)
<b>Total Spending</b>	<b>\$9,515,359,200</b>	<b>\$93,214,500</b>	<b>\$9,608,573,700</b>	<b>\$16,998,300</b>	<b>\$9,625,572,000</b>	<b>\$198,417,300</b>	<b>\$9,823,989,300</b>



## DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY

	FY 2016 GF 5/4 <u>1/</u>	FY 17 Baseline <u>2/</u> Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
<b>OPERATING SPENDING CHANGES</b>				
<b>DOA - Arizona Department of Administration</b>	10,377,300			10,877,300
DOA - Procurement Funding			500,000	
<b>APF - Automation Projects Fund/ADOA</b>	7,783,000			14,881,600
APF - Remove ADOA Accounting Automation		(2,383,000)		
APF - ADE Automation (One-time)		(5,400,000)	7,300,000	
APF - DCS Automation		5,000,000	(418,400)	
APF - DOA Procurement (One-time)			3,000,000	
<b>OAH - Office of Administrative Hearings</b>	861,700			861,700
<b>AAM - Commission of African-American Affairs</b>	125,000			125,000
<b>AGR - Department of Agriculture</b>	8,287,400			9,219,600
AGR - Weights and Measures Transfer		1,262,800		
AGR - Weights and Measures Consolidation Savings		(330,600)		
<b>AXS - AHCCCS</b>	1,205,162,300			1,751,080,800
AXS - Acute Care Formula		50,511,800	(50,953,400)	
AXS - Behavioral Health Services Transfer		517,304,700		
AXS - Behavioral Health Services Caseload/Inflation		28,840,700		
AXS - Hiring Freeze BHS Admin Savings		(607,500)	(456,700)	
AXS - Other Adjustments		(80,400)		
AXS - ALTCS Adult Dental			1,359,300	
<b>ATT - Attorney General</b>	23,623,700			24,773,100
ATT - Internet Crimes Against Children Shift		350,000		
ATT - Post Conviction Relief Unit			799,400	
<b>CHA - State Board for Charter Schools</b>	1,200,900			1,194,100
CHA - Remove One-Time Equipment Funding		(6,800)		
<b>DCS - Department of Child Safety</b>	356,448,200			379,863,800
DCS - Remove One-Time Backlog Funding		(12,408,200)	12,408,200	
DCS - Preventative Services		4,000,000	1,000,000	
DCS - Internet Crimes Against Children Shift		(350,000)		
DCS - Backlog Privatization			2,700,000	
DCS - Central Administrative Staff			6,685,700	
DCS - Case Aides and Overtime			2,500,000	

	FY 2016 GF 5/4 <u>1/</u>		FY 17 Baseline <u>2/</u> Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
DCS - Attorney General				5,000,000	
DCS - Emergency and Residential Placement				8,000,000	
DCS - Foster Care				2,000,000	
DCS - Independent Living Subsidy				250,000	
DCS - Adoption Subsidy				6,000,000	
DCS - Permanent Guardianship				101,600	
DCS - Out-of-Home Support Services				12,500,000	
DCS - Child Care				2,000,000	
DCS - GF Savings				(25,000,000)	
DCS - TANF Swap (w/ DES)				(3,971,700)	
<b>ACA - Arizona Commerce Authority</b>	26,800,000				21,800,000
ACA - Reduce Competes Fund Deposit			(5,000,000)		
<b>CCO - Arizona Community Colleges</b>	54,373,200				54,105,500
CCO - Enrollment Decrease (Operating Aid)			(972,100)		
CCO - Enrollment Decrease (STEM Aid)			(230,300)		
CCO - Changes in NAV (Equalization Aid)			934,700		
<b>COR - Corporation Commission</b>	614,200				2,614,200
COR - Automation Funding (One-time)				2,000,000	
<b>ADC - Department of Corrections</b>	1,029,900,600				1,052,558,200
ADC - 1,000 New Medium Security Beds			17,098,500		
ADC - Health Care Inflation Adjustment			5,133,200		
ADC - Retirement Adjustment			723,500		
ADC - Remove Leap Year Funding			(929,100)		
ADC - Private Prison Monitoring			528,000		
ADC - Northern Community Corrections Center				COP Savings	
ADC - Re-Entry Planners				103,500	
<b>CF - County Funding</b>	6,000,500				14,000,500
CF - Additional County Distribution (One-time)				8,000,000	
<b>SDB - Arizona State Schools for the Deaf and the Blind</b>	21,596,400				21,596,400
<b>DES - Department of Economic Security</b>	496,181,900				530,304,500
DES - DD Caseload/Inflation Funding			27,829,900		
DES - DD 1% Provider Rate Increase				2,959,300	
DES - TANF Savings			(3,971,700)		
DES - ALTCS Adult Dental				1,233,400	
DES - DD Room and Board Shortfall				Other Fund	
DES - APS Caseload Growth				Other Fund	
DES - Vocational Rehabilitation				2,000,000	

	FY 2016 GF 5/4 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
DES - TANF Swap (w/ DCS)				3,971,700	
DES - Domestic Violence Shelter - Maricopa County (One-time)				50,000	
DES - Domestic Violence Shelter - Yuma County (One-time)				50,000	
<b>BOE - State Board of Education</b>	1,325,200				1,325,200
<b>ADE - Arizona Department of Education</b>	3,941,873,900				4,069,211,900
ADE - Base Adjustment			(2,400,000)		
ADE - Enrollment Growth			83,575,700	(10,000,000)	
ADE - Higher Average Cost Per Pupil			19,500,000		
ADE - Inflation			64,745,200	(8,775,400)	
ADE - New Construction			(43,194,700)	(6,956,500)	
ADE - Homeowner's Rebate			30,988,300	1,164,100	
ADE - Land Trust Distribution			(363,700)		
ADE - Multi-Site Charters Small School Weight			(6,500,000)		
ADE - District Sponsored Charter Phase-Out			(1,893,000)		
ADE - JTED Funding			(30,000,000)	29,000,000	
ADE - Current Year Funding			(31,000,000)		
ADE - Empowerment Scholarship Accounts			700,000		
ADE - Small School Weight for Multi-Site Charter				6,500,000	
ADE - Increased Assessment Costs				Other Fund	
ADE - Fund District Sponsered Charter Schools @ 100% (One-time)				1,148,000	
ADE - Backfill Current Year-Funding (One-time)				31,000,000	
ADE - Code Writers Pilot (One-time)				Other Fund	
ADE - Geographic Literacy (One-time)				100,000	
ADE - AP Testing Incentives (One-time)				FY 18	
<b>EMA - Department of Emergency &amp; Military Affairs</b>	11,102,700				12,626,200
EMA - NEMF Increase			38,500		
EMA - Restore State Match for Army/Air Guard Facilities				1,485,000	
<b>DEQ - Department of Environmental Quality</b>	7,000,000				2,823,600
DEQ - WQARF Fund Shift				(4,176,400)	
<b>OEO - Governor's Office of Equal Opportunity</b>	189,000				189,000
<b>EQU - State Board of Equalization</b>	642,800				642,800
<b>EXE - Board of Executive Clemency</b>	956,000				956,000
<b>DFI - Dept of Financial Institutions</b>	3,008,000				2,995,400
DFI - Appraisal Consolidation Savings			(12,600)		
DFI - Board of Appraisal Fund Source					Yes

	FY 2016 GF 5/4 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
<b>BFS - Department of Fire, Building &amp; Life Safety</b>	2,202,000				0
BFS - Agency Consolidation				(2,202,000)	
<b>FOR - State Forester</b>	9,012,300				10,466,500
FOR - Risk Management Increase				146,700	
FOR - Fire Management Software				85,000	
FOR - Inmate Fire Crew Carriers (One-time)				190,000	
FOR - Wildland Fire Engines (One-time)				112,500	
FOR - Fire, Building & Life Safety Consolidation				920,000	
<b>GAM - Department of Gaming</b>	1,779,500				1,779,500
<b>GEO - Arizona Geological Survey</b>	941,000				0
GEO - Consolidation into UA				(941,000)	
<b>GOV - Office of the Governor</b>	6,889,000				6,889,000
<b>OSP - Gov's Office of Strategic Planning &amp; Budgeting</b>	1,994,000				1,994,000
<b>DHS - Department of Health Services</b>	602,738,300				86,946,400
DHS - Behavioral Health Services Transfer			(517,304,700)		
DHS - Non-Medicaid Funds for ASH				AHCCCS Footnote	
DHS - Additional 29 Security Officers/Nurses ASH				1,512,800	
DHS - Restoration to Competency Program				Study Committee	
<b>AZH - Arizona Historical Society</b>	3,157,200				2,728,900
AZH - Transfer Mines and Minerals Museum to UA				(428,300)	
<b>PAZ - Prescott Historical Society</b>	825,800				825,800
<b>DOH - Department of Housing</b>	0				814,800
DOH - Fire, Building & Life Safety Consolidation				814,800	
<b>IND - Independent Redistricting Commission</b>	1,115,300				1,115,300
<b>CIA - Arizona Commission of Indian Affairs</b>	57,400				57,400
<b>INS - Department of Insurance</b>	5,867,400				5,856,000
INS - Remove One-Time Equipment Funding				(11,400)	
<b>SPA - Judiciary - Supreme Court</b>	17,951,100				19,410,400
SPA - 2 New Supreme Court Justices				500,000	
SPA - 1.5% Judicial Pay Raise (In '17 and '18)				10,600	

	FY 2016 GF 5/4 <u>1</u> /		FY 17 Baseline <u>2</u> / Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
SPA - IT Funding (One-time)				948,700	
<b>COA - Judiciary - Court of Appeals</b>	14,315,500				14,347,400
COA - 1.5% Judicial Pay Raise (In '17 and '18)				31,900	
<b>SUP - Judiciary - Superior Court</b>	73,911,400				79,517,800
SUP - Dependency Surge				3,000,000	
SUP - Adult Standard Probation Growth				1,000,000	
SUP - Probation Salary Shortfall				601,200	
SUP - Probation CORP Adjustment				947,700	
SUP - 1.5% Judicial Pay Raise (In '17 and '18)				57,500	
<b>DJC - Department of Juvenile Corrections</b>	26,984,600				24,484,600
DJC - Admission/Population Changes			(1,000,000)	(1,500,000)	
<b>LAN - State Land Department</b>	12,520,500				12,552,600
LAN - CAP Fees				32,100	
<b>Legislature</b>					
<b>AUD - Auditor General</b>	17,933,300				18,133,300
AUD - Audit Funding (One-time)				200,000	
<b>HOU - House of Representatives</b>	13,289,500				13,289,500
<b>JLBC - Joint Legislative Budget Committee</b>	2,490,900				2,490,900
<b>LEG - Legislative Council</b>	8,233,300				8,233,300
<b>SEN - Senate</b>	8,223,900				9,473,900
SEN - Additional Funding				1,250,000	
<b>MIN - State Mine Inspector</b>	1,215,200				1,215,200
<b>NAV - Arizona Navigable Steam Adjudication Comm.</b>	126,600				126,600
<b>POS - Commission for Postsecondary Education</b>	1,396,800				1,396,800
<b>DPS - Department of Public Safety</b>	93,374,800				121,397,900
DPS - Moving Program From Weights and Measures			136,200		
DPS - Testing Sexual Assault Kits (One-time)				500,000	
DPS - Border Strike Task Force				6,778,800	
DPS - Border Strike Task Force Local Support				1,261,700	
DPS - Border Strike Task Force (One-time)				14,600,000	
DPS - 3% Salary Increase Sworn Officers + Highway Patrol Civilian				4,596,400	

	FY 2016 GF 5/4 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
DPS - Civil Air Patrol				150,000	
<b>PSP - Public Safety Personnel Retirement System</b>	6,000,000				6,000,000
<b>RAD - Radiation Regulatory Agency</b>	1,595,000				1,565,000
RAD - NEMF Decrease			(30,000)		
<b>REA - State Real Estate Department</b>	2,985,200				3,004,000
REA - Fire, Building & Life Safety Consolidation				18,800	
<b>REV - Department of Revenue</b>	30,338,600				32,338,600
REV - Military Withholding Refunds (One-time)				2,000,000	
<b>SFB - School Facilities Board</b>	216,878,100				228,100,200
SFB - New School Construction			(1,075,000)	23,078,600	
SFB - Lease-Purchase Changes			(128,500)		
SFB - Access Our Best Public Schools Fund Deposit			(2,400,000)	(21,500,000)	
SFB - Credit Enhancement Transaction Costs (One-time)				500,000	
SFB - Building Renewal Grants (One-time FY 16/ FY 17)				15,000,000	
SFB - Refinancing Agreement			(2,253,000)		
<b>SOS - Secretary of State</b>	24,306,500				15,006,500
SOS - Remove One-Time Special Election Funding			(9,300,000)		
<b>TAX - State Board of Tax Appeals</b>	266,400				266,400
<b>TOU - Office of Tourism</b>	7,110,400				7,110,400
<b>DOT - Department of Transportation</b>	50,400				50,400
<b>TRE - State Treasurer</b>	1,205,100				1,205,100
<b>UNI - Universities</b>					
<b>UNI - Arizona Board of Regents</b>	21,928,400				21,928,400
<b>UNI - ASU - Tempe/DPC</b>	239,189,400				253,528,800
UNI - Refinance Adjustment			716,100		
UNI - Additional Resources (Baseline Adjustment)			3,745,500	(122,200)	
UNI - Additional Resources (Budget - One-time)				7,000,000	
UNI - School of Civic and Economic Thought and Leadership				3,000,000	
<b>UNI - ASU - East Campus</b>	22,162,700				22,491,400
UNI - Additional Resources (Baseline)			298,000	30,700	

	FY 2016 GF 5/4 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
<b>UNI - ASU - West Campus</b>	28,754,100				29,176,300
UNI - Additional Resources (Baseline)			367,500	54,700	
<b>UNI - Northern Arizona University</b>	100,917,600				105,206,000
UNI - Refinance Adjustment			(1,246,400)		
UNI - Additional Resources (Baseline)			1,433,200	101,600	
UNI - Additional Resources (Budget - One-time)				4,000,000	
<b>UNI - UA - Main Campus</b>	179,499,400				196,367,800
UNI - Refinance Adjustment			4,384,800		
UNI - Additional Resources (Baseline)			2,314,300	(259,000)	
UNI - Additional Resources (Budget - One-time)				8,000,000	
UNI - Center for the Philosophy of Freedom				2,000,000	
UNI - Transfer Mines and Minerals Museum to UA				428,300	
<b>UNI - UA - Health Sciences Center</b>	68,393,500				68,629,200
UNI - Additional Resources (Baseline)			41,500	194,200	
<b>VSC - Department of Veterans' Services</b>	6,077,800				6,077,800
<b>WIFA - Water Infrastructure Finance Authority</b>	0				500,000
WIFA - Small Water Systems Fund Deposit (One-time)				500,000	
<b>WAT - Department of Water Resources</b>	12,803,100				13,053,100
WAT - Water Protection Fund Deposit (One-time)				250,000	
<b>WEI - Department of Weights &amp; Measures</b>	1,399,000				0
WEI - Agency Consolidation (To Dept. of Agriculture)			(1,262,800)		
WEI - Agency Consolidation (To Dept. of Public Safety)			(136,200)		
<b>OTH - Other</b>					
OTH - FY 16 Supplemental/Ex-Appropriation	71,737,600		(29,409,300)		0
OTH - Debt Service Payments	84,114,600		2,800		84,117,400
OTH - Civic Center Debt Service	20,449,000				20,449,000
OTH - AFIS Charges	0			461,600	461,600
OTH - FY 2017 HITF Rate Reduction	0		(7,800,000)	(247,400)	(8,047,400)
OTH - Unallocated HITF Rate Reduction	(600)		600		0
OTH - Unallocated AFIS Cost Charges	17,400		(17,400)		0
OTH - Rio Nuevo Distribution	10,000,000				10,000,000
OTH - Transportation Funding (One-time)	0			86,500,000	86,500,000
OTH - Universities Eliminate Deferral (One-time)	200,000,000				0
OTH - DCS Eliminate Deferral (One-time)	11,000,000				0
OTH - DES Eliminate Deferral (One-time)	21,000,000				0

	FY 2016 GF 5/4 <u>1/</u>		FY 17 Baseline <u>2/</u> Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 5/4
OTH - Administrative Adjustments	85,000,000		(15,000,000)		70,000,000
OTH - Revertments	(110,000,000)			(682,500)	(110,682,500)
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>9,509,159,200</b>		<b>136,097,600</b>	<b>219,645,200</b>	<b>9,590,573,700</b>
<b>CAPITAL SPENDING</b>					
ADOA Building Renewal	5,000,000		(5,000,000)	8,000,000	8,000,000
Veterans Home - Flagstaff	0			10,000,000	10,000,000
Navajo Nation Highway Construction	1,200,000		(1,200,000)		0
<b>TOTAL - CAPITAL SPENDING</b>	<b>6,200,000</b>		<b>(6,200,000)</b>	<b>18,000,000</b>	<b>18,000,000</b>
<b>TOTAL - ALL SPENDING</b>	<b>9,515,359,200</b>		<b>129,897,600</b>	<b>237,645,200</b>	<b>9,608,573,700</b>
<b>REVENUE CHANGES</b>					
<b>Ongoing Revenue</b>					
REV - Ongoing Revenue	9,164,014,200		232,912,900		9,396,927,100
REV - Tax Package	0			(26,000,000)	(26,000,000)
REV - Reduce Judiciary Transfers From \$6 M to \$5 M	0			(1,000,000)	(1,000,000)
<b>One-Time Revenue</b>					
REV - Beginning Balance	312,276,000		187,049,500	(274,328,300)	224,997,200
REV - Enacted FY 2016 Tax Amnesty	47,048,500		(47,048,500)		0
REV - Enacted FY 2016 Fund Transfers	212,941,700		(212,941,700)		0
REV - ADOA - Supplemental FY 2016 Health Insurance Trust Fund	4,076,000		(4,076,000)		0
REV - ADOA - Enacted FY 2017 Health Insurance Trust Fund	0		100,000,000	(21,100,000)	78,900,000
REV - ADOA - Automation Operations Fund	0			461,600	461,600
<b>TOTAL - REVENUE CHANGES <u>3/</u></b>	<b>9,740,356,400</b>		<b>255,896,200</b>	<b>(321,966,700)</b>	<b>9,674,285,900</b>
<b>ENDING BALANCE</b>	<b>224,997,200</b>		<b>125,998,600</b>	<b>(559,611,900)</b>	<b>65,712,200</b>

1/ Represents original FY 2016 agency appropriations adjusted for revisions in Community Colleges, Arizona Department of Education, and Secretary of State.

2/ Represents FY 2017 Baseline cost above FY 2016 estimate.

3/ Represents all revenue changes, including fund transfers.



## DETAILED LIST OF OTHER FUND CHANGES BY AGENCY

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
<b>OPERATING SPENDING CHANGES</b>				
<b>SBA - State Board of Accountancy</b>	1,939,100			1,939,100
<b>ACU - Acupuncture Board of Examiners</b>	159,100			178,200
ACU - Remove One-Time Rulemaking Funding		(3,000)	0	
ACU - Annual Leave Payout for Retiring Executive Director			13,200	
ACU - Board Member Training			5,900	
ACU - Rulemaking			3,000	
<b>DOA - Arizona Department of Administration</b>	183,628,300			188,293,000
DOA - State Surplus Materials Fund Revenue Adjustment		550,000		
DOA - State Boards' Office and CSB Consolidation			540,700	
DOA - State Boards' Office and CSB Support to Additional Agencies			50,000	
DOA - AFIS Maintenance and Upgrade Charges			1,838,500	
DOA - Adjust Insurance Claims Related Expenditures			1,010,500	
DOA - Analog Communication Services Maintenance (One-Time)			100,000	
DOA - Capitol Mall Repair and Expansion (One-Time)			75,000	
DOA - State Information Security and Privacy Office (Fund in APF)			In APF	
DOA - Government Transformation Office Funding (One-time)			500,000	
<b>APF - Automation Projects Fund/ADOA</b>	24,794,400			47,774,700
APF - ADE Automation		(5,400,000)	5,700,000	
APF - Remove ADOA Accounting Automation		(2,383,000)		
APF - ADOA ASET Funding		(7,975,000)	12,098,400	
APF - Remove One-Time DEQ Automation		(5,000,000)		
APF - DES IT Security Projects		(936,400)	1,294,700	
APF - DCS Automation		5,000,000	(418,400)	
APF - ADC Automation		8,000,000		
APF - DOR Automation - Enterprise Tax System Assessment			1,000,000	
APF - DOA Procurement			12,000,000	
<b>OAH - Office of Administrative Hearings</b>	12,300			0
OAH - Remove Healthcare Group Fund Monies		(12,300)	0	
<b>AGR - Department of Agriculture</b>	0			1,439,800
AGR - Weights and Measures Transfer		1,439,800	0	
<b>AXS - AHCCCS</b>	143,447,500			215,009,900
AXS - Acute Care Caseload/Inflation		28,715,400	4,950,600	
AXS - Behavioral Health Services Transfer		37,017,200	798,800	
AXS - Other Adjustments		80,400		
<b>ART - Arizona Commission on the Arts</b>	0			1,500,000
ART - One-Time Funding (BSF)			1,500,000	

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
<b>BAT - Board of Athletic Training</b>	118,900			118,900
<b>ATT - Attorney General</b>	43,854,000			44,454,600
ATT - Internet Crimes Against Children Enforcement		900,000		
ATT - Post Conviction Relief Funding Shift			(799,400)	
ATT - One-time Funding			500,000	
<b>ATA - Automobile Theft Authority</b>	5,297,500			5,297,500
<b>BAR - Board of Barbers</b>	335,400			370,300
BAR - Online Licensing Software (IT Footnote)			34,900	
<b>BHE - Board of Behavioral Health Examiners</b>	1,760,500			1,760,500
<b>DCS - Department of Child Safety</b>	160,667,600			178,139,900
DCS - General Fund Offset			13,500,600	
DCS - TANF Swap (w/ DES)			3,971,700	
<b>BCE - State Board of Chiropractic Examiners</b>	451,400			451,400
<b>ROC - Registrar of Contractors</b>	12,187,500			12,187,500
<b>COR - Corporation Commission</b>	26,364,100			26,441,100
COR - Baseline Increased Risk Management Funding			77,000	
<b>ADC - Department of Corrections</b>	46,876,200			49,876,200
ADC - Radio Replacement			2,800,000	
ADC - Northern Region Community Corrections Center			200,000	
<b>COS - Board of Cosmetology</b>	1,807,700			1,807,700
<b>JUS - Arizona Criminal Justice Commission</b>	5,956,200			6,447,800
JUS - Crime Victim Compensation and Assistance Fund			125,800	
JUS - Funding for Statistical Analysis Center			365,800	
<b>SDB - AZ State Schools for the Deaf and the Blind</b>	11,561,400			11,707,300
SDB - Base Level Increase (Prop 123)		554,100		
SDB - Enrollment Decrease		(408,200)		
<b>HEA - Comm for the Deaf &amp; the Hard of Hearing</b>	4,312,800			4,312,800
<b>DEN - Board of Dental Examiners</b>	1,215,500			1,215,500
<b>DES - Department of Economic Security</b>	306,981,800			294,051,500
DES - Long Term Care System Fund Adjustment		(4,697,300)		
DES - DERS RSA Vocational Rehabilitation			450,000	
DES - Domestic Violence Fund Increase			1,780,000	

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
DES - TANF Swap (w/ DCS)			(13,763,000)	
DES - DD Room and Board Shortfall (One-time)			600,000	
DES - APS Caseload Growth (One-time)			2,000,000	
DES - Area Agencies on Aging/Adult Services			700,000	
<b>BOE - State Board of Education</b>	379,800			379,800
<b>ADE - Arizona Department of Education</b>	229,058,100			233,025,000
ADE - Professional Development		2,700,000		
ADE - Land Trust Distribution		363,700		
ADE - Language Pilot Technical Change		(246,800)		
ADE - Tribal College Dual Enrollment		160,000	90,000	
ADE - Empowerment Scholarship Account Administration			400,000	
ADE - Code Writers Pilot			500,000	
<b>DEQ - Department of Environmental Quality</b>	69,273,300			76,398,300
DEQ - WQARF Program Funding Shift			4,176,400	
DEQ - WQARF Funding Increase (One-time)			2,948,600	
<b>COL - Arizona Exposition and State Fair Board</b>	11,616,100			11,616,100
<b>DFI - Dept of Financial Institutions</b>	2,279,100			2,274,900
DFI - Board of Appraisal Consolidation Savings			(4,200)	
<b>EMB - Board of Funeral Directors and Embalmers</b>	352,200			376,200
EMB - Data System Update and On-Line Renewals (IT Footnote)			24,000	
<b>FIS - Arizona Game and Fish Department</b>	41,845,400			42,325,200
FIS - Remove One-Time Equipment Funding		(936,200)		
FIS - Curtailing the Spread of Aquatic Invasive Species (One-Time)			375,000	
FIS - Watercraft Law Enforcement Resources (One-Time)			246,000	
FIS - Wildlife Ranger Salary Increase			795,000	
<b>GAM - Department of Gaming</b>	16,367,000			16,367,000
<b>DHS - Department of Health Services</b>	88,098,200			52,711,100
DHS - Behavioral Health Services Transfer		(37,017,200)		
DHS - Newborn Screening Proram Contract Increase			400,000	
DHS - Arizona State Hospital Equipment (One-Time)			230,100	
DHS - Alzheimer's Research (One-time)			1,000,000	
<b>HOM - Board of Homeopathic &amp; Integrated Medicine Examiners</b>	102,800			102,800
<b>DOH - Department of Housing</b>	318,500			318,500
<b>IND - Industrial Commission</b>	19,940,300			19,940,300
<b>SPA - Judiciary - Supreme Court</b>	28,952,200			29,202,200

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
SPA - Felony Pre-Trial Intervention Program (One-time)			250,000	
<b>SUP - Judiciary - Superior Court</b>	12,066,600			12,066,600
<b>DJC - Department of Juvenile Corrections</b>	16,132,100			15,392,100
DJC - Admission/Population Changes (County Savings)			(740,000)	
<b>LAN - State Land Department</b>	4,525,400			4,797,400
LAN - Risk Management Premium			52,000	
LAN - Streambed Navigability Litigation			220,000	
<b>Legislature</b>				
<b>LEG - Legislative Council</b>	0			250,000
LEG - Hearing Loop Installation (One-time)			250,000	
<b>LIQ - Department of Liquor Licenses &amp; Control</b>	3,355,300			3,017,600
LIQ - Remove One-Time Automation Funding		(400,000)		
LIQ - PSPRS Increase			62,300	
<b>LOT - Arizona State Lottery Commission</b>	108,373,000			113,473,500
LOT - Sales Adjustment		5,100,500		
<b>MAS - Board of Massage Therapy</b>	455,800			469,700
MAS - Remove One-Time On-Line Licensing Funding		(15,000)		
MAS - Attorney General Representation			13,900	
MAS - On-Line Renewal Application (IT Footnote)			15,000	
<b>MED - Arizona Medical Board</b>	6,426,000			6,426,000
<b>MIN - State Mine Inspector</b>	112,800			112,800
<b>NAT - Naturopathic Physicians Medical Board</b>	179,700			183,700
NAT - Technology Update (IT Footnote)			4,000	
<b>NAV - Navigable Stream Adjudication Commission</b>	200,000			200,000
<b>NUR - State Board of Nursing</b>	4,802,600			4,802,600
<b>NCI - Nursing Care Inst. Administrators Board</b>	422,100			446,100
NCI - On-Line Application and License Renewal (IT Footnote)			24,000	
<b>OCC - Board of Occupational Therapy Examiners</b>	172,000			172,000
<b>DIS - State Board of Dispensing Opticians</b>	136,800			139,800
DIS - Travel			3,000	
<b>OPT - State Board of Optometry</b>	230,200			211,400
OPT - Board Member Training			5,000	

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
OPT - Remove One-Time Database Upgrade Funding		(23,800)		
<b>OST - Arizona Board of Osteopathic Examiners</b>	803,700			941,700
OST - Expedited Licensure Process			32,900	
OST - Database and Licensing System Expenses (IT Footnote)			25,100	
OST - Replacement of IT Equipment (One-Time/IT Footnote)			33,000	
OST - Formal Hearing Expenses			47,000	
<b>APC - Arizona Parents Comm. On Drug Education and Prevention</b>	0			300,000
APC - Middle/High School Prevention Programs (One-time)			300,000	
<b>SPB - Arizona State Parks Board</b>	12,854,800			14,504,800
SPB - Funding Increase to Offset Fed. Reduction (JLBC Review)			1,500,000	
SPB - Arizona Trail (One-time)			150,000	
<b>PER - Personnel Board</b>	375,700			375,700
<b>PES - Office of Pest Management</b>	1,699,500			1,699,500
<b>PHA - Arizona State Board of Pharmacy</b>	2,020,500			2,140,500
PHA - Software Upgrade for Licensing and Inspections (IT Footnote)			100,000	
PHA - Leave Payout Funding (One-Time)			20,000	
<b>PHY - Board of Physical Therapy Examiners</b>	480,400			487,000
PHY - Remove One-Time Funding		(71,400)		
PHY - Attorney General Representation			35,000	
PHY - Laptop Replacement (IT Footnote)			10,000	
PHY - Online Licensing Software (IT Footnote)			33,000	
<b>PIO - Arizona Pioneers' Home</b>	6,204,900			6,204,900
<b>POD - State Board of Podiatry Examiners</b>	148,200			148,200
<b>POS - Commission for Postsecondary Education</b>	1,534,800			1,534,800
<b>PRI - Board for Private Postsecondary Education</b>	996,300			396,300
PRI - Eliminate One-Time Transfer		(600,000)		
<b>PSY - State Board of Psychologist Examiners</b>	448,500			476,500
PSY - Remove One-Time Funding		(12,000)	4,000	
PSY - Attorney General Services			20,000	
PSY - Treatment and Rehabilitation			16,000	
<b>DPS - Department of Public Safety</b>	164,164,700			172,039,900
DPS - \$2.3 M Patrol Shift to CJEF Funds			Yes	
DPS - PSPRS Employer Rate Increase			1,528,500	
DPS - Border Strike Task Force (One-time)			4,000,000	
DPS - Virtual Law Enforcement Training (One-time - CCW Fund)			2,100,000	

	5/4 FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
DPS - 3% Salary Increase Sworn Officers + Highway Patrol Civilian				246,700	
<b>RAD - Radiation Regulatory Agency</b>	851,200				851,200
<b>RUC - Residential Utility Consumer Office</b>	1,335,000				1,335,000
<b>RES - Board of Respiratory Care Examiners</b>	300,100				300,100
<b>RET - Arizona State Retirement System</b>	27,981,600				27,565,000
RET - Remove One-Time Automation Funding			(200,000)		
RET - Remove One-Time IT Security Funding			(216,600)		
<b>REV - Department of Revenue</b>	47,484,400				46,253,700
REV - Remove One-Time TPT IT Changes			(1,230,700)		
REV - Enterprise Tax System Assessment				APF	
<b>SFB - School Facilities Board</b>	23,900,000				0
SFB - Access Our Best Public Schools Fund			(2,400,000)	(21,500,000)	
SFB - Reallocate \$23.9 M to School Credit Enhancement Program	Yes				
<b>SOS - Secretary of State</b>	3,683,500				3,683,500
<b>SBO - State Boards' Office</b>	215,800				0
SBO - State Boards' Office and CSB Consolidation (IT Footnote)				(215,800)	
<b>TEC - State Board of Technical Registration</b>	2,122,600				2,922,600
TEC - E-Licensing and Case Management System				800,000	
<b>DOT - Department of Transportation</b>	367,364,400				375,196,400
DOT - Vehicle for Hire Program Shift			233,500		
DOT - Highway Maintenance Workload				1,710,500	
DOT - Statewide Drainage Structures				4,300,000	
DOT - Phoenix Area Freeway Lighting				1,500,000	
DOT - Rail Transit State Safety Oversight Grant Match (Air Quality)				88,000	
<b>TRE - State Treasurer</b>	5,044,000				5,031,900
TRE - Remove One-Time Border Security Funding			(12,100)		
<b>UNI - Universities</b>					
<b>UNI - ASU - Tempe/DPC</b>	551,220,900				551,220,900
<b>UNI - ASU - East Campus</b>	37,722,900				37,722,900
<b>UNI - ASU - West Campus</b>	45,841,400				45,841,400
<b>UNI - Northern Arizona University</b>	145,286,600				145,286,600
<b>UNI - UA - Main Campus</b>	361,149,600				361,149,600

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
<b>UNI - UA - Health Sciences Center</b>	44,053,800			44,053,800
<b>VSC - Department of Veterans' Services</b>	31,889,500			32,167,500
VSC - State Home for Veterans' Contract Increase			278,000	
<b>VME - Veterinary Medical Examining Board</b>	545,200			655,100
VME - Expert Witness Fees			8,000	
VME - On-Line Licensing Software & Database Revisions (IT Footnote)			68,300	
VME - Position Reclassifications			33,600	
<b>WAT - Department of Water Resources</b>	2,356,300			2,118,900
WAT - Eliminate One-Time Water Banking Funding		(237,400)		
<b>WEI - Department of Weights &amp; Measures</b>	1,769,200			0
WEI - Agency Consolidation (To Dept. of Agriculture)		(1,439,800)		
WEI - Agency Consolidation (To Dept. of Transportation)		(329,400)		
<b>OTH - Other</b>				
OTH - FY 16 Supplemental/Ex-Appropriation	71,054,700	(30,909,300)		0
OTH - Agency Relocation (Agency Allocations)	0		576,800	576,800
OTH - AFIS Cost Charges (Agency Allocations)	4,484,100	(4,484,100)	521,600	521,600
OTH - Unallocated HITF Rate Reduction	(2,952,200)	2,952,200		0
OTH - FY 2017 HITF Rate Reduction	0	(8,561,500)		(8,561,500)
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>\$3,616,339,200</b>	<b>(\$22,391,700)</b>	<b>65,314,600</b>	<b>\$3,619,116,700</b>
<b>CAPITAL SPENDING CHANGES</b>				
<b>Building Renewal</b>				
Arizona Department of Administration	9,000,000		10,000,000	19,000,000
ADC Building Renewal	5,464,300			5,464,300
Game & Fish Department	530,000			530,000
Juvenile Corrections	0		1,100,000	1,100,000
Arizona Lottery Commission	103,600	14,500		118,100
Arizona Department of Transportation	3,396,800		835,500	4,232,300
<b>New Projects</b>				
ADOT Statewide Highway Construction	30,452,000	19,640,000		50,092,000
ADOT Controlled Access	88,663,000	5,719,000		94,382,000
ADOT Debt Service	115,356,000	10,785,000		126,141,000
ADOT Airport Planning	21,791,800	(2,711,900)		19,079,900
ADOT De-Icer Storage	2,280,000	(2,280,000)		0
ADOT Vehicle Wash Systems	2,910,000	(2,910,000)	5,530,000	5,530,000
Game and Fish Radio Towers	0		306,000	306,000
Game and Fish Boat Structures	0		874,900	874,900
Game and Fish Capital Projects	0		3,867,000	3,867,000
Arizona Exposition and State Fair	1,000,000	(1,000,000)	1,000,000	1,000,000

	5/4 FY 2016 OF 1/	FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	5/4 FY 2017 OF
State Parks Board	1,500,000	(1,500,000)	1,500,000	1,500,000
<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>\$282,447,500</b>	<b>\$25,756,600</b>	<b>25,013,400</b>	<b>\$333,217,500</b>
<b>TOTAL - OPERATING &amp; CAPITAL SPENDING</b>	<b>\$3,898,786,700</b>	<b>\$3,364,900</b>	<b>90,328,000</b>	<b>\$3,952,334,200</b>
<b>FUND TRANSFERS</b>				
<b>APF/DOA - Automation Projects Fund/ Arizona Department of Administration</b>				
APF/DOA - Automation Operations from ADOA	5,700,000	(4,200,000)	5,920,600	7,420,600
APF/DOA - State Web Portal from ADOA	3,775,000	(3,775,000)	5,650,000	5,650,000
APF/DOA - IT Fund from DOA	0	0	527,800	527,800
APF/DOA - Statewide Transfers for ADOA Procurement	0		9,000,000	9,000,000
APF/DOA - ELAS Fund from ADE	1,600,000			1,600,000
APF/DOA - Emissions Inspection Fund from DEQ	5,000,000	(5,000,000)		0
APF/DOA - ACI Fund from ADC	0	1,000,000		1,000,000
APF/DOA - Inmate Store Proceeds from ADC	0	1,000,000		1,000,000
APF/DOA - Penitentiary Land Earnings Fund from ADC	0	1,000,000		1,000,000
APF/DOA - Charitable, Penal & Reformatory Land Fund from ADC	0	1,000,000		1,000,000
APF/DOA - Special Services Fund from ADC	0	4,000,000		4,000,000
APF/DOA - Special Admin Fund from DES	936,400	(936,400)	1,294,700	1,294,700
APF/DOA - Liability Setoff Program Revolving Fund from DOR	0		1,000,000	1,000,000
ADC - Radio Replacement - Corrections Fund from Inmate Store Proceeds	0		1,000,000	1,000,000
ADC - Radio Replacement - Corrections Fund from DOC Revolving Fund	0		500,000	500,000
ADC - Radio Replacement - Corrections Fund from Penitentiary Land	0		400,000	400,000
ADC - Radio Replacement - Corrections Fund from Special Services Fund	0		400,000	400,000
ADC - Radio Replacement - Corrections Fund from Char., Penal & Ref. Fund	0		500,000	500,000
GAM - Racing Regulation Fund from Racing Admin Fund	0		23,700	23,700
<u>Other Transfers</u>				0
ADOT - Motor Vehicle to SETIF	710,000	(710,000)	1,100,000	1,100,000
<b>TOTAL - FUND TRANSFERS</b>	<b>\$17,721,400</b>	<b>(\$6,621,400)</b>	<b>27,316,800</b>	<b>\$38,416,800</b>

1/ Represents original FY 2016 agency appropriations adjusted for revisions in Attorney General, Arizona Department of Education, Lottery Commission, and the Universities.

2/ Represents FY 2017 Baseline cost above FY 2016 estimate.



## FY 2016 SUPPLEMENTALS

	JLBC Change to '16	5/4 Change to '16
<b>General Fund</b>		
Child Safety, Department of - Additional Services and Staffing		\$32,264,600
Child Safety, Department of - Cover Litigation Costs		Non GF
Child Safety, Department of - Backlog Privatization		2,700,000
Corrections, State Department of - Health Contract	\$5,200,000	5,200,000
Economic Security, Department of - Developmental Disabilities Formula		6,752,300
Emergency and Military Affairs, Department of - State Match		746,700
Forester, State - Risk Management Premium		146,700
Health Services, Department of - Caseload	21,412,000	Non GF
School Facilities Board - Refinancing Savings	(1,278,700)	(1,278,700)
School Facilities Board - Building Renewal Grants		15,000,000
Secretary of State - FY 16 Presidential Preference Election		6,130,000
Universities - Health Insurance	4,076,000	4,076,000
<b>General Fund - Subtotal Excluding Deferral Elimination</b>	<b>\$29,409,300</b>	<b>\$71,737,600</b>
Arizona State University - Tempe/DPC - Eliminate Payment Deferral		74,760,400
Arizona State University - East Campus - Eliminate Payment Deferral		5,750,200
Arizona State University - West Campus - Eliminate Payment Deferral		10,064,800
Northern Arizona University - Eliminate Payment Deferral		30,494,800
University of Arizona - Main Campus - Eliminate Payment Deferral		62,153,100
University of Arizona - Health Sciences Center - Eliminate Payment Deferral		16,776,700
<b>General Fund - Universities Eliminate Payment Deferral</b>	<b>\$0</b>	<b>\$200,000,000</b>
Child Safety, Department of - Eliminate Payment Deferral		11,000,000
Economic Security, Department of - Eliminate Payment Deferral		21,000,000
<b>General Fund - Total</b>	<b>\$29,409,300</b>	<b>\$303,737,600</b>

## FY 2016 SUPPLEMENTALS

	JLBC Change to '16	5/4 Change to '16
<b>Other Funds</b>		
Administration, Arizona Department of - Federal Reimbursement for FY 15 and FY 16		\$9,781,700
Administrative Hearings, Office of - Healthcare Group Fund Elimination		(12,300)
AHCCCS - Prescription Drug Rebate/Other	\$26,249,300	26,249,300
Attorney General - Department of Law - Internet Crimes Against Children (Enacted)	1,800,000	1,800,000
Child Safety, Department of - TANF		17,323,600
Child Safety, Department of - Litigation Expenses - Risk Management Revolving Fund		2,867,600
Child Safety, Department of/Economic Security, Department of - Permission to Each Borrow \$35 M From Budget Stabilization Fund		--
Economic Security, Department of - Cash Benefits Line - TANF		(9,905,000)
Education, Department of - Professional Development Revolving Fund and the Tribal College Dual Enrollment Program Fund	2,860,000	2,860,000
Game and Fish Department, Arizona - Public Safety Retirement		1,752,000
Health Services, Department of - Caseload - Tobacco Tax/Prescription Drug Rebate		18,059,800
Veterans' Services, Department of - State Home for Veterans' Contract increase		278,000
<b>Other Funds - Total</b>	<b>\$30,909,300</b>	<b>\$71,054,700</b>
<b>Expenditure Authority</b>		
AHCCCS - Caseload	\$535,959,400	\$539,311,600
Child Safety, Department of - Child Safety Expenditure Authority		21,418,500
Economic Security, Department of - Caseload	14,893,200	14,893,200
Health Services, Department of - Caseload	112,373,300	112,373,300
<b>Expenditure Authority - Total</b>	<b>\$663,225,900</b>	<b>\$687,996,600</b>

## FY 2017 BUDGET RECONCILIATION BILL PROVISIONS

The following provisions would be grouped by subject into Budget Reconciliation Bills (BRBs). New provisions are noted with an asterisk (\*).

### Bonus Depreciation - SB 1528/HB 2697

- |  | <u>Section</u> |
|--|----------------|
| 1. * As permanent law, increase the first-year bonus depreciation allowance that individual income taxpayers may deduct for purchases of qualified new property, from 10% of the federal allowance in tax year (TY) 2015 to 55% in TY 2016 and 100% in TY 2017 and later years. Federal law permits taxpayers a first-year bonus depreciation deduction on their federal income taxes equal to 50% of an investment. | 1              |

### Budget Procedures - SB 1529/HB 2698

- |  | <u>Section</u> |
|--|----------------|
| <b>Statewide</b>   |                |
| 2. As session law, notwithstanding A.R.S. § 35-111 to permit the Governor to submit an annual budget for FY 2018.  | 8              |
| 3. As session law, notwithstanding A.R.S. § 35-113 to permit the head of each department to submit an annual budget for FY 2018.   | 8              |
| 4. As session law, notwithstanding A.R.S. § 35-121 to permit annual appropriations for all agencies for FY 2019. (Laws 2015, Chapter 11 permitted annual appropriations for all agencies through FY 2018.)   | 8              |
| 5. As session law, continue to set the FY 2017 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$13.08/square foot for rentable office space and \$4.74/square foot for rentable storage space. | 6              |
| 6. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.  | 5              |
| 7. * As permanent law, require agencies with information technology projects above \$5,000,000 to submit quarterly third-party reports to JLBC.  | 3              |
| <b>Arizona Department of Administration</b>  |                |
| 8. * As permanent law, require the department to report to the JLBC Staff by November 1 annually any exemptions granted under A.R.S. § 35-191A for orders for goods and/or services made in one fiscal year and received beyond August 30 of the following year.   | 1              |
| 9. * As session law, require ADOA to report to JLBC within 30 days of the sale of the state property located at Doubletree Road regarding the terms and final sale price.  | 7              |
| <b>Legislative Council</b>   |                |
| 10. *As permanent law, the Council may pay legal fees jointly incurred by the House and Senate on the authorization of the Speaker and President.  | 2              |
| <b>Arizona State Lottery Commission</b>  |                |
| 11. * As session law, require that \$27,227,600 in Lottery ticket sales commissions earned during the second half of FY 2015 be paid from the State Lottery Fund's FY 2015 ending balance.   | 4              |

**Revenues**

12. As session law, continue to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund through FY 2019. 9

**Agency Consolidation - SB 1530/HB 2699**

**Arizona Department of Administration**

13. \* As permanent law, merge the State Boards' Office with the Department of Administration by combining the Central Services Bureau and the State Boards' Office funding in the appropriated portion of the Special Services Revolving Fund. Section  
52

**Department of Fire, Building and Life Safety**

14. \* As permanent law, eliminate the department and transfer its functions as follows: Office of the State Fire Marshal to the State Forester; the Office of Manufactured Housing to the Department of Housing; and the Homeowners Association dispute process to the Department of Real Estate. 1-2,4,  
18-21,  
24-27, 30-  
51,53-80,  
86-128,  
131,138

**Arizona Geological Survey**

15. \* As permanent law, transfer the statutory responsibilities of the Geological Survey to the University of Arizona, except transfer the Oil and Gas Commission (as described in A.R.S. § 27-515) to the Department of Environmental Quality. 5-14,16-  
17,28,29  
130,137,138

**Arizona Historical Society**

16. \* As permanent law, transfer the Mines and Minerals Museum to the University of Arizona. 8,9,10,11,15,22-  
23,81-85,132-  
136,138,139

**Industrial Commission of Arizona**

17. \* As permanent law, transfer the OSHA Review Board, along with its statutory authority and appropriation, to the Industrial Commission. 3,129,138

**Credit Enhancement Program - SB 1531/HB 2700**

**School Facilities Board**

18. \* As permanent law, create the Arizona Public School Credit Enhancement Program. The program is established to assist achievement district schools in obtaining financing by guaranteeing the payment of principal and interest. Establishes definitions of achievement district school, including traditional and charter schools with an "A" letter grade and verifiable enrollment demand. Section  
2
19. \* As permanent law, create the Credit Enhancement Eligibility Board to determine the allocation of monies. Board consists of the Governor, the Treasurer and the ADOA Director. 2,6,7

- |     |  |       |
|-----|--|-------|
| 20. | * As permanent law, creates the Arizona Public School Credit Enhancement Fund and allows it to be used to make payments of principal and interest on guaranteed financing of achievement district schools.                           | 2     |
| 21. | * As session law, transfer \$23,900,000 from the Access Our Best Public Schools Fund to the Arizona Public School Credit Enhancement Fund in FY 2017 and repeal the Access Our Best Public Schools Fund effective September 1, 2017. | 1,9   |
| 22. | * As permanent law, allows the Credit Enhancement Board to use \$80,000,000 of program funding obligations from the Treasurer's operating fund balance.  | 2,3,4 |

### **Criminal Justice - SB 1532/HB 2701**

#### **Attorney General - Department of Law**

- |     |  |                     |
|-----|--|---------------------|
| 23. | * As permanent law, eliminate JLBC review of funding sources that agencies have selected to pay their Attorney General Legal Services charges. | <u>Section</u><br>6 |
|-----|--|---------------------|

#### **State Department of Corrections**

- |     |   |          |
|-----|---|----------|
| 24. | As session law, continue to require the department to report actual FY 2016, estimated FY 2017, and requested FY 2018 expenditures as delineated in the prior year when the department submits its FY 2018 budget request pursuant to A.R.S. § 35-113.  | 14       |
| 25. | * As session law, permit the department to transfer and use monies from the Special Services Fund for the replacement of the Adult Inmate Management System.  | 13       |
| 26. | * As permanent law, establish the Department of Corrections as the administrator of the Corrections Fund.   | 8        |
| 27. | * As permanent law, expand eligibility of the transition program to include DUI convictions. Also specifies the behavior standards inmates need to meet to be considered a candidate for the program.   | 3,4      |
| 28. | * As session law, if the male inmate state daily population exceeds the April 2016 level by 1,000 prisoners by the end of November 2016, ADC is authorized to add 1,000 male medium beds, subject to Joint Committee on Capital Review approval. With the awarding of any contract from this RFP, counties would have the first right of refusal for no more than 250 beds if they are able to meet the needs of the RFP and they offer a per diem at the same rate or less than other non-county bidders. Counties may be awarded more than the 250 beds. Authority to issue the 1,000 bed RFP expires at the end of December 2016. As session law, amend Laws 2015, Chapter 17 to eliminate the option for the state legislature to authorize the remaining 1,000 beds of the RFP issued in May 2015. | 11,12,26 |
| 29. | * As session law, allow the ADOA with the participation of the ADC to enter into a financing agreement in FY 2017 for an existing prison capital lease. The financing agreement should generate a combined total of savings of at least \$25 million dollars. Before entering the agreement, ADC and ADOA will submit the proposed terms to the JCCR for review and shall report the total cost savings and the allocate of such savings to the JCCR.   | 24       |
| 30. | * As permanent law, would allow the Arizona Department of Corrections (ADC) to order certain prisoners as a condition of supervision to apply to the Arizona Health Care Cost Containment System (AHCCCS) for health insurance coverage and requires AHCCCS and ADC to have an agreement to reinstate coverage for those prisoners that previously had AHCCCS coverage and are serving a sentence of less than 12 months upon release. Would permit ADC to coordinate with Regional Behavioral Health Authorities and AHCCCS, especially for those in need of mental health assistance.   | 7        |

#### **Arizona Criminal Justice Commission**

- |     |   |        |
|-----|---|--------|
| 31. | * As permanent law, convert the Drug Enforcement Account within the Criminal Justice Enhancement Fund into its own separate fund. | 2,9,10 |
| 32. | * As permanent law, clarify references to the Resource Center Fund to match existing language in A.R.S. § 41-2402.                | 1,5,9  |

**Department of Health Services**

33. \* As session law, establish a study committee to examine long-term treatment and supervision for dangerous and non-restorable defendants. 25  
The committee would include 2 members of the Legislature, as well as other officials from state and local government, and would be staffed by the Legislature. On or before December 15, 2016, the committee would submit a report of its findings and recommendations to the Governor, Speaker of the House, and the President of the Senate.

**Judiciary**

34. As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case 18  
processing, and alternative dispute resolution programs and require the Supreme Court to report on reductions in county funding as a result of the elimination of the non-supplanting provisions.

**Department of Juvenile Corrections**

35. As session law, continue to state that it is the intent of the Legislature that each county pay an assessed amount determined by the county's 21  
proportional share by population of \$11,260,000 (down from \$12,000,000 in FY 2016).

**Department of Public Safety**

36. As session law, continue to require the Department of Public Safety (DPS) to receive JLBC review of the expenditure plan for the Gang and 16  
Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount FY 2017 appropriation prior to its expenditure.
37. As session law, continue to notwithstanding the statutory spending cap of \$10,000,000 for HURF. 15
38. As session law, continue to allow use of the State Aid to Indigent Defense Fund for DPS operating expenses. 19
39. \* As session law, permit use of Automobile Theft Authority Fund for the Border Strike Force. 20
40. \* As session law, allow DPS to utilize monies in the Concealed Weapons Permit Fund for virtual training of law enforcement officers. 22
41. \* As session law, allow DPS to utilize monies in the Drug and Gang Prevention Resource Center Fund for Border Strike Task Force expenses. 23
42. \* As session law, allow DPS to utilize \$137,700 from the FY 2017 GIITEM Subaccount appropriation for costs related to an increase in the PSPRS 17  
employer contribution rate

**Environment - SB 1533/HB 2702**

**Corporation Commission**

43. \* As permanent law, amend Laws 2016, Chapter 56 to allow persons with a distributed generation system, such as a solar panel, to connect to 1  
their utility's power grid using their utility effective interconnection requirements. Laws 2016, Chapter 56 previously required users of distributed generation systems to connect to their utility's power grid using standards established by the Corporation Commission.

**Department of Environmental Quality**

44. As session law, continue to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank (UST) Fund in FY 2017 for 6  
department administrative expenses.

- 45. \* 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. In prior years, the General Fund appropriation was reduced to \$7,000,000. In FY 2017, reduce the General Fund appropriation to \$2,823,600 and appropriate \$4,250,000 from the Vehicle Emissions Inspection Fund and \$2,875,000 from the Air Quality Fund for a total of \$9,948,600. 8
- 46. As session law, continue to allow \$1,800,000 of the department's Emission Inspection Fund monies to be spent on the Safe Drinking Water Program. 9
- 47. \* Revise 2015 Underground Storage Tank statutory changes to continue to allow the UST Fund to retain its interest earnings rather than deposit them in the General Fund. 2
- 48. \* As session law, reduce vehicle emissions inspection fees by \$3 in Area A, which includes Maricopa County and portions of Pinal and Yavapai Counties. 10

**State Land Department**

- 49. \* Repeal provisions in the FY 2016 Environment Budget Reconciliation Bill to establish a new Trust Land Administration Fund associated with the November 2016 Ballot measure. 3

**Arizona Navigable Stream Adjudication Commission**

- 50. As session law, continue to allow use of 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 2017. 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 department from rulemaking for this purpose. 11

**Government - SB 1534/HB 2703**

**Department of Emergency and Military Affairs**

- 54. \* As permanent law, create a revolving contingency fund to enable the Department of Emergency and Military Affairs to incur expenses and receive reimbursement for assistance provided to Emergency Management Assistance Compact members. The creation of the fund would be retroactive to May 1, 2016. Also deposits \$300,000 of the Governor's Emergency Fund authorization to the Emergency Management Assistance Compact Revolving Fund in FY 2016. Section  
1,8,10

**Arizona Medical Board**

- 55. \* As session law, authorize the agency to continue spending credentials verification monies in FY 2016, but prohibit the board from spending such monies after FY 2016. 7,10

**Department of Public Safety**

- 56. \* As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. 2

**Retirement Systems**

- 57. \* As permanent law, require Arizona State Retirement System and Public Safety Personnel Retirement System annual reports to include information on aggregate private equity fees. 5,6

**Department of Transportation**

- 58. \* As permanent law, allow ADOT to review, approve, oversee and enforce federal light rail requirements. 3
- 59. \* As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. 2

**State Treasurer**

- 60. \* As permanent law, require the State Treasurer and State Board of Investment to make necessary distributions from the Permanent Fund associated with Proposition 123. 4,9

**Health - SB 1535/HB 2704**

**AHCCCS**

**Section**

*Rates and Services*

- 61. 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. 24
- 62. \* As permanent law, provide dental coverage capped at \$1,000 per member per year for elderly and physically disabled adults enrolled in the Arizona Long Term Care System (ALTCS). 12
- 63. \* As permanent law, provide coverage for podiatry services performed by a licensed podiatrist for adults enrolled in AHCCCS. 9,10
- 64. \* As permanent law, require AHCCCS and AHCCCS contractors to reimburse providers participating in the federal 340B drug discount program at the lesser of the 340B discount price or the actual acquisition cost for drug claims submitted on behalf of AHCCCS enrollees. Hospitals and certain outpatient facilities would be exempt. AHCCCS is required to report by November 2016 on the feasibility of expanding this requirement to additional entities. 11,33
- 65. As session law, repeal the FY 2016 Health BRB session law provision limiting AHCCCS capitation rate increases to no more than 1.5% in FY 2017 and FY 2018. 14

*Counties*

- 66. As session law, set FY 2017 county Arizona Long Term Care System (ALTCS) contributions at \$249,980,000. 15
- 67. As session law, set the County Acute Care contribution at \$47,041,500. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. 20



68.	As session law, continue to require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations.	21
69.	As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations.	23
70.	As session law, continue to require AHCCCS to transfer any excess monies back to the counties by December 31, 2017 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act.	19
71.	* As permanent law, transfer the Intergovernmental Agreement (IGA) for County Behavioral Health Services Fund to AHCCCS following the behavioral health services transfer.	11
<i>Hospitals</i>		
72.	As session law, establish FY 2017 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. Require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. As session law, permit local jurisdictions to provide additional local match for Pool 5 distributions.	18
73.	As session law, continue to require AHCCCS to report to JLBC and OSPB on any supplemental hospital payments paid to Critical Access Hospitals (CAH) in FY 2017.	25
<i>Erroneous Payments</i>		
74.	As session law, continue to permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Subject to legislative appropriation, any credits received may be used to pay for the AHCCCS program in the year they are received.	26
<i>Available Funding</i>		
75.	As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation.	34
76.	* As permanent law, allow use of Tobacco Tax Medically Needy Account for the Traditional population and for behavioral health services.	3
77.	* As permanent law, establish a Delivery System Reform Incentive Payment (DSRIP) Fund within AHCCCS. DSRIP is a federal program to make incentive payments to providers to improve the delivery of health care. Would require that AHCCCS submit a DSRIP expenditure plan for review by the JLBC before any monies are deposited in the DSRIP Fund.	11
<i>Transfer of Substance Abuse Services Fund from DHS to AHCCCS</i>		
78.	* As permanent law, require AHCCCS to establish services for alcohol and drug abuse pursuant to A.R.S. § 36-2001.	4
79.	* As permanent law, grant AHCCCS all powers and duties associated with administering substance abuse services, including the authority to accept grants, matching funds, or direct payments from public or private agencies for substance abuse programs pursuant to A.R.S. § 36-2003.	6
80.	* As permanent law, designate AHCCCS as the single state agency responsible for developing and implementing the state plan to address alcohol and drug abuse pursuant to A.R.S. § 36-2004.	7
81.	* As permanent law, provide AHCCCS with the authority to administer the Substance Abuse Services Fund pursuant to A.R.S. § 36-2005.	8
82.	* As permanent law, repeal the Interagency Coordinating Council established in A.R.S. § 36-2002. The Council assisted in implementation of drug abuse control policies in this state, but expired in July 1973.	5
<i>Reports</i>		
83.	As session law, continue to require AHCCCS to submit a report by December 1, 2016 on utilization of emergency departments for non-emergency use by AHCCCS enrollees.	30
84.	As session law, continue to require AHCCCS and DHS to submit a joint report by January 1, 2017 on hospital costs and charges.	31
85.	As session law, continue to require AHCCCS to report by December 31, 2016 on efforts to increase third-party liability payments for behavioral health services. This report was previously required to be prepared by DHS.	13

86.	* As session law, require AHCCCS to report on or before January 2, 2017 on the availability of inpatient psychiatric treatment for children and adults enrolled in Arizona’s Regional Behavioral Health Authorities.	32
87.	* As session law, require AHCCCS to submit a report for review by JLBC on or before December 1, 2016 that includes an analysis of the state fiscal implications of recent federal policy guidance that expanded the scope of Medicaid services furnished to Native Americans that may qualify for a 100% federal matching assistance percentage.	29
<b>Department of Economic Security</b>		
88.	* As permanent law, provide dental coverage capped at \$1,000 per member per year for adults with a developmental disability enrolled in the Arizona Long Term Care System (ALTCS).	12
<b>Department of Health Services</b>		
89.	As session law, continue to require all counties to pay 31% of their total Sexually Violent Person (SVP) costs throughout the entire commitment process, including pre-adjudication proceedings, in FY 2017.	16
90.	As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2017. Allow counties to use any source of county revenue to make the transfers.	17
91.	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.	28
92.	* As session law, retain the Interagency Service Agreement (ISA) for Behavioral Health Services Fund in DHS until the fund is repealed on September 1, 2020. Prohibit DHS from spending the monies for any purpose except to pay for behavioral health services claims incurred June 30, 2016 or earlier. Allow any unexpended or unencumbered monies in the fund to revert to the General Fund on July 1 of FY 2018, FY 2019, and FY 2020 after any adjustments are approved by AHCCCS and reviewed by JLBC.	1,2,22,35
93.	* As session law, notwithstanding A.R.S. §36-108.01C and A.R.S. § 5-572C to appropriate monies from the Health Services Lottery Monies Fund for purposes specified in the FY 2017 General Appropriation Act, including the reduction of a projected shortfall in the ASH Fund, and additional funding for Area Agencies on Aging in the Department of Economic Security budget.	27

## Higher Education - SB 1537/HB 2706

<b>Arizona Community Colleges</b>		<b><u>Section</u></b>
94.	As session law, continue to suspend Science, Technology, Engineering and Mathematics (STEM) and Workforce Programs funding formula for FY 2017 and specify the funding in the General Appropriation Act.	5
<b>Universities</b>		
95.	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).	4
96.	* As permanent law, separate existing appropriated and non-appropriated tuition funds into 2 subaccounts, effective in FY 2019. Appropriated tuition no longer deposited with Treasurer.	1,3
97.	* As permanent law, modify statute to reflect long-term debt service savings from refinance of research infrastructure projects and specify appropriations through the end of debt service in FY 2031.	2

## Human Services - SB 1536/HB2705

	<u>Section</u>
<b>Department of Child Safety</b>	
98. 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.	8
99. As session law, require the Auditor General to evaluate the department's performance in central administration (2/17), staff retention and utilization (9/17), including the use of supportive practices and Arizona Families First program (3/18).	7
100. * As session law, allow the Department of Child Safety (DCS) to shift the use of Lottery monies for the Healthy Families program to other programs.	6
101. * As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to the Department of Economic Security and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation	5
102. * As session law, require DCS to review foster home licensing rules and solicit input from foster families. Require the department to report its findings to legislative leadership by December 31, 2016. Makes the provision retroactive to July 1, 2016.	9
<b>Department of Economic Security</b>	
103. 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 the Department of Economic Security (DES) has reasonable cause to believe that the recipient uses illegal drugs.	4
104. 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.	3
105. * As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to DES and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation	5
106. * As permanent law, require DES to report annually by November 1 a plan and estimated budget to the JLBC for review for the closure of the Arizona Training Program at Coolidge and associated group homes. Require DES to notify and meet all clients and guardians impacted by the transition and provide a list of alternative residential and in-home service options.	1
<b>Legislative Council</b>	
107. * As session law, delays the repeal of an Ombudsman-Citizens Aide Office (OCAO) provision from June 2016 to June 2018. The provision continues to allow OCAO, upon investigation, to refer any complaint concerning the Department of Child Safety directly to a Superior Court judge.	2

## K-12 Education - SB 1538/HB 2707

	<u>Section</u>
<b>Arizona Community Colleges</b>	
108. * As permanent law, increase the maximum amount of unclaimed lottery prize monies that may be deposited annually into the Tribal College Dual Enrollment Program Fund to \$250,000 versus \$160,000 under current law.	1
<b>Department of Education</b>	
<i>JTEDs</i>	
109. As session law, continue to fund state aid for Joint Technical Education Districts (JTEDs) with more than 2,000 Average Daily Membership (ADM) students at 95.5% of the formula requirement and reduce budget limits accordingly.	38

110.	* As permanent law, delete language allowing students enrolled in JTED programs on January 1, 2016 to continue to participate, as this language is being replaced with corrected session law language (see section 39). Retroactive to July 1, 2015.	9
111.	* As session law, clarify for FY 2016 that any student under age 21, including a high school graduate, who is enrolled in a JTED program in FY 2016 may continue to participate in the program and remain in its ADM count through the end of FY 2016.	39
112.	* As session law, for FY 2017 allow any student under age 21, including a high school graduate, who is enrolled in a JTED program on February 1, 2016 to continue to participate in the program and remain in its ADM count until the student completes the program or through the end of FY 2017, whichever occurs first.	39
113.	* As permanent law, require JTEDs to report information on student retention and program completion.	10
<i>Formula Requirements</i>		
114.	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 0.99% for standard inflation.	5,14,19,44
115.	* As permanent law, re-establish the original FY 2016 base level of \$3,426.74 (rather than \$3,600.00) for FY 2016 and \$3,460.66 (rather than \$3,635.64) for FY 2017 if Proposition 123 does not pass.	13
<i>Funding Formula Changes</i>		
116.	As session law, continue to reduce school districts’ Additional Assistance state aid by \$352,442,700 and reduce budget limits accordingly. As session law, continue to reduce District Additional Assistance funding to school districts that do not receive state aid in FY 2017 by the amount that would be reduced if they did qualify for state aid for FY 2017 and reduce budget limits accordingly.	35
117.	As session law, continue to reduce Charter Additional Assistance by \$18,656,000.	37
118.	* As permanent law, reduce small school weights for multi-site charter schools by 33% in FY 2017 versus 67% under current law. Retains the current law reduction of 100% in FY 2018.	5
119.	As session law, continue to cap total District Additional Assistance reductions for school districts with fewer than 1,100 students at \$5,000,000.	36
<i>District-Sponsored Charter Schools</i>		
120.	As permanent law, repeal statutes authorizing district-sponsored charter schools starting in FY 2017.	2,3,4,5, 6,22,27,28, 29,43
121.	As permanent law, repeal A.R.S. § 15-185A7, which otherwise would require school districts that convert district-sponsored charter schools back to non-charter status for FY 2017 to repay to the state all cumulative charter additional assistance funding that it received for the charter school for all years that the charter school was in operation. The repeal would take effect prior to the start of FY 2017.	5,43
122.	* As session law, amend Laws 2014, Chapter 16, Section 5 in order to clarify that eliminating district-sponsored charter schools does not make affected districts eligible for District Additional Assistance growth funding pursuant to A.R.S. § 15-961B3, which was the original policy intent.	30,43
123.	As session law, also amend the language in Laws 2014, Chapter 16, Section 5 to make that section of law apply to FY 2017 in order to address school districts that still operate district-sponsored charters in FY 2016.	30
124.	As session law, repeal, for after FY 2016, language in Laws 2014, Chapter 16, Section 6 that caps ADM in district-sponsored charters schools at 120% of their FY 2013-district sponsored charter school ADM, since authority for district-sponsored charter schools will be repealed after FY 2016.	31,43
125.	As session law, indicate that it is the intent of the Legislature that school districts that operated district-sponsored charter schools in FY 2016 receive approximately the same amount of incremental charter school funding in FY 2017 that they received in FY 2016.	41

*Current Year Funding*

126. \* As permanent law, make “current year funding” apply only to the calculation of Base Support Level (BSL) funding. Continue to use prior year student counts for small school budget exemptions, budget overrides, the K-12 rollover, Classroom Site Fund, Instructional Improvement Fund, lump sum reductions, high school tuition calculations and District Additional Assistance funding. 13,14,17, 18
127. \* As permanent law, repeal the BSL “sudden growth” statute, since all districts will receive current Base Support Level funding. 9,11,12,15, 16,20,21, 23,24,25, 26

*Other*

128. \* As permanent law, establish a program in the Department of Education that would provide bonus funding starting in FY 2018 to school districts and charter schools for each test passed by one of their students in the prior school year that qualifies the student for college credit. As permanent law, require at least 50% of the funding to be used for salary bonuses for associated teachers with the remainder for teacher professional development, student instructional support or materials. 8
129. \* As session law, establish a code writers initiative pilot program and appropriate \$500,000 in non-lapsing funding to it from the state Web Portal Fund. 40
130. As session law, continue to stipulate that \$100,000 of the \$3,646,400 School Safety Program appropriation for FY 2017 is to be used for a pilot program on school emergency readiness and establish requirements for the pilot program. 34
131. As session law, continue to require the department to report results of the pilot program by November 1 of the fiscal year. 34
132. \* As session law, amend Laws 2014, Chapter 17, Section 19 to make monies appropriated for the Technology-Based Language Development and Literacy Intervention Pilot Program for FY 2015 non-lapsing through FY 2017 and FY 2016 monies non-lapsing through FY 2018. 33
133. \* As permanent law, change the reporting dates for the Technology-Based Language Development and Literacy Intervention Pilot Program in A.R.S. § 15-217G to reflect the extended schedule. 7
134. \* As session law, change the date for repealing statute pertaining to the Technology-Based Language Development and Literacy Intervention Pilot Program to reflect the extended schedule. 32
135. \* As session law, continue the provision in the FY 2016 budget 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. 35

**School Facilities Board**

136. \* As session law, allow a school district to use SFB new school facilities funding to reimburse itself for SFB-approved new construction that the district funded initially with non-SFB monies. Applies only to monies appropriated to the SFB for new school facilities during FY 2017 and FY 2018. 27,43

**Land Trust Administration Referral Retraction - SCR 1025/HCR 2051**

**State Land Department**

137. \* As session law, retract November 2016 ballot measure to fund Land Department administrative expenses from Permanent Trust Fund.

**Section**

1

## Revenue - SB 1539/HB 2708

### Arizona Department of Agriculture

138. As session law, continue fee raising authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2017. 11  
The bill continues an intent clause that limits additional revenues to \$357,000.

### State Department of Corrections

139. \* As permanent law, extend the allocation of luxury tax revenues to the Corrections Fund, retroactive to July 1, 2015. 1,2,29

### Counties and Cities & Towns

140. \* 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 14  
to meet a county fiscal obligation for FY 2017, up to \$1,250,000 of county revenue for each county. No longer permit use of this provision by  
counties with a population greater than 250,000. Requires counties using this authority to report to the Director of JLBC on the intended amount  
and sources of funds by October 1, 2016.
141. \* As session law, waive any penalties to La Paz County for exceeding county expenditure limitations in FY 2014, FY 2015, and FY 2016. Only 16  
penalties associated with expenditures from operating the county's landfill are waived.
142. \* As permanent law, require the board of supervisors to spend any unspent monies that remain in the Elderly Assistance Fund after December 31, 4,29  
2015 and any subsequent appropriations to the Elderly Assistance Fund solely on the Elderly Assistance Program.

### Department of Financial Institutions

143. As session law, continue to allow the Department of Financial Institutions to use the Financial Services Fund for general operating expenditures of 13  
the department.
144. As session law, allow the Department of Financial Institutions to continue to spend up to a total of \$850,000 from the Receivership Revolving 6  
Fund to develop and implement a new licensing system through FY 2017.

### Department of Gaming

145. \* As session law, transfer the balance of \$23,700 in the Racing Administration Fund to the Racing Regulation Fund on or before October 1, 2016. 15

### Department of Insurance

146. As session law, continue to suspend the requirement that fees collected by the department be between 95% and 110% of the department's 7  
appropriation.

### Department of Liquor Licenses and Control

147. As session law, extend the permission for the agency to spend \$626,700 of its FY 2015 appropriation and \$400,000 of its FY 2016 appropriation 12  
for its licensing and imaging system upgrade through FY 2017.

### Department of Public Safety

148. As session law, continue the previously-approved \$30,000,000 shift of Highway Patrol costs from HURF to the General Fund in FY 2018. 8  
149. \* As session law, deposit \$30,000,000 of General Fund monies to local HURF for a one-time distribution. 9

**Radiation Regulatory Agency**

150. As session law, continue fee raising authority and an exemption relating to establishing fees for the Radiation Regulatory Agency in FY 2017. The bill continues an intent clause that limits additional revenues to \$561,000. 10

**Department of Revenue**

151. \* As permanent law, continue to require the department to report to the Directors of JLBC and the Governor’s Office of Strategic Planning and Budgeting on the amount of individual income tax credits claimed for a given fiscal year within 3 months of the end of a fiscal year. Also adds corporate income tax credits to the reporting requirement. 5
152. As session law, continue legislative intent statement that local fees to fund 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). 18
153. \* As session law, implement a tax amnesty program for unpaid individual income, corporate income, and transaction privilege tax liabilities that are not under audit by the Department of Revenue. This applies to annual taxpayers’ tax years ending before January 1, 2014 and February 1, 2015 for all others. Taxpayers may choose to pay off tax liabilities at once or over three years. 17
154. \* As session law, establish the Veterans’ Income Tax Settlement Fund and appropriate \$2,000,000 of General Fund money to the fund in FY 2017. Permit Native American veterans to file claims with the Department of Revenue and Department of Veterans’ Services by December 31, 2017 for settlement payments of any state individual income tax withheld from military pay received from September 1, 1999 through December 31, 2005 while they were domiciled on a reservation. Require the Department of Revenue to report on settlement payments to the Legislature on or before October 1 of 2017 through 2019. Any money remaining in the fund on June 30, 2019 will revert to the General Fund. 19-28
155. \* As permanent law, amends the discount rate on the purchase of tobacco tax stamps from 96.0% of the face value of the stamps to 96.48%, grants an administrative allowance of 3.52 cents on tobacco tax stamps with a \$0 tax rate, grants an administrative allowance of 3.52 cents for tobacco tax stamps sold on tribal lands with a tax rate greater than \$0 if the tax payment is not precollected, and specifies that rebates on precollected payments for tax stamps sold on tribal lands shall be equal to the full face value of the stamps. 3

**General Appropriation Act Provisions - SB 1526/HB 2695**

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

**Arizona Department of Administration**

156. As session law, continue to provide ADOA the FY 2017 appropriation authority to spend certain Automation Projects Fund remaining balances as of June 30, 2016 for the same respective purposes specified in FY 2016 after a report to JLBC. Section 129

**Department of Child Safety**

157. \* As session law, extend availability of the \$19.5 million DCS transition appropriation through the end of FY 2017. 2
158. \* As session law, eliminate the \$11,000,000 payment deferral to providers in FY 2016. Appropriate \$11,000,000 in FY 2016 for these deferred payments. 9,113

159. \* As session law, permit the department to use up to \$35,000,000 from the Budget Stabilization Fund for the purpose of providing funding for reimbursement grants. Requires the appropriation to be fully reimbursed by September 1, 2016 and prohibits the use of the appropriation for additional programmatic expenditures. Requires DCS, DES, and ADOA to report to JLBC by November 30, 2016 on how agencies will improve the federal reimbursement claiming process in FY 2017.

**Arizona Commerce Authority**

160. As session law, in accordance with statute (A.R.S. § 43-409), allocate \$21,500,000 of General Fund withholding tax revenue to the Authority in FY 2017. 134

**Counties and Cities & Towns**

161. As session law, continue to appropriate \$550,000 to all counties with populations under 200,000 people according to the 2010 Census. As session law, continue to appropriate \$500,000 to Graham County. 128
162. \* As session law, appropriate \$8,000,000 to all counties in an amount proportionate to their relative population in the 2010 census. 128
163. As session law, in accordance with statute (A.R.S. § 9-601), continue to appropriate \$20,449,000 from the General Fund for the Phoenix Convention Center. 153
164. As session law, continue to provide an estimate of \$10,000,000 for the amount of sales tax revenues that will be distributed to the Rio Nuevo Multipurpose Facility District-in accordance with statute (A.R.S. § 42-5031). 154

**Department of Economic Security**

165. \* As session law, eliminate the \$21,000,000 payment deferral to providers in FY 2016 by appropriating \$21,000,000 in FY 2016 for these deferred payments. 9,116
166. \* As session law, permit the department to use up to \$35,000,000 from the Budget Stabilization Fund for the purpose of providing funding for reimbursement grants. Requires the appropriation to be fully reimbursed by September 1, 2016 and prohibits the use of the appropriation for additional programmatic expenditures. Requires DCS, DES, and ADOA to report to JLBC by November 30, 2016 on how agencies will improve the federal reimbursement claiming process in FY 2017.

**Department of Education**

167. As session law, continue to defer \$930,727,700 in Basic State Aid payments from FY 2017 to FY 2018. Appropriate \$930,727,700 in FY 2018 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, 2017. 162
168. \* As session law, appropriate \$31,000,000 in one-time monies from the state General Fund in FY 2017 to backfill school district state aid losses that otherwise would occur in FY 2017 due to the implementation of current year Base Support Level (BSL) funding and increase budget limits accordingly, including budget limits of school districts that do not qualify for state aid. Stipulate that if \$31,000,000 is insufficient, Basic State Aid monies will be used to fund the difference and that surplus monies, if any, will be reverted to the state General Fund.
169. As session law, continue to require school districts to include in the FY 2017 revenue estimates that they use for computing their FY 2017 tax rates the rollover monies that they will receive for FY 2017 in July 2017. 162

**Judiciary**

170. \* As session law, states that judicial salaries shall be increased by 1.5% on January 1, 2017 and another 1.5% on January 1, 2018.



**Universities**

171. \* As session law, eliminate the \$200,000,000 universitywide payment deferral in FY 2016. Appropriate \$200,000,000 in FY 2016 for these deferred payments. 9,3-7

**Debt Service**

172. As session law, appropriate \$84,117,400 from the General Fund to the Arizona Department of Administration in FY 2017 for a debt service payment on the 2010 sale and leaseback of state buildings. 152

**Revenues**

173. As session law, continue to specify revenue and expenditure estimates for FY 2016, FY 2017, FY 2018, and FY 2019. 169
174. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2016 ending balances by September 15, 2016. Require JLBC Staff to report to JLBC by October 15, 2016 as to whether FY 2017 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections. 169

**Statewide**

175. \* As session law, ex-appropriate \$(8,047,400) from the General Fund and \$(8,561,500) from Other Appropriated Funds in FY 2017 to annualize an employer health insurance contribution reduction implemented on January 1, 2016. The JLBC Staff shall determine and ADOA shall allocate these adjustments to individual agencies to reflect the reduced contribution amount. Require JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments. 163
176. As session law, continue to specify FY 2017 individual agency charges totaling \$1,809,500 for general agency counsel provided by the Attorney General. 164
177. 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. 165
178. As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2016 in all agencies and provide it to the JLBC Director by October 1, 2016. The Universities are exempt from the report but are required to report separately. 166
179. As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2016 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2016. 167
180. 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. 168

**General**

181. As session law, continue to define "\*" as designating an appropriation exempt from lapsing. 170
182. As session law, continue to define "expenditure authority" as continuously appropriated monies included in individual line items of appropriations. 171
183. 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. 172

## MAJOR FOOTNOTE CHANGES

The Plan would include 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

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|--|--|
| 184. Adds footnote requiring the department to report to JLBC on information technology and automation project oversight positions in the department by October 1, 2016.   | 13   |
| 185. Adds footnote requiring certain agencies with one-time IT appropriations in FY 2017 to complete a Project Investment Justification (PIJ) approved by ADOA's Arizona Strategic Enterprise Technology (ASET) Office (Barbers, Funeral Board, Massage Therapy, Naturopathic Physicians, Nursing Care Administrators, Osteopathic Examiners, Pharmacy, Physical Therapy, Technical Registration, and Veterinary Medical Examiners). | 21,46,66,<br>69,72,76,<br>80,81,97,<br>108 |
| 186. Revises footnote allowing the department to replace vehicles after an average of 80,000 miles instead of 120,000 miles. Adds footnote requiring the department to report to the JLBC by August 1, 2017 on any maintenance savings achieved by replacing vehicles with an average of 80,000 miles.   | 13   |

### Arizona Department of Administration - Automation Projects Fund

- |   |     |
|---|-----|
| 187. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Child Safety Children's Information Library and Data Source system project through the end of FY 2017.  | 129 |
| 188. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Corrections' Adult Inmate Management System project through the end of FY 2017.   | 129 |
| 189. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Environmental Quality's e-licensing project through the end of FY 2017.   | 129 |
| 190. Adds footnote for the \$800,000 appropriation from the APF regarding the third-party statewide comprehensive information technology audit. Requires any new information technology project over \$15 million to be delayed until the completion of the audit.  | 129 |
| 191. As session law, appropriates \$12,000,000 from the APF to replace the state's e-procurement system. Appropriate \$3,000,000 from the General Fund in FY 2017 for deposit into the APF. Appropriate \$9,000,000 from other fund sources in FY 2017 for deposit into the APF. The JLBC Staff shall determine and ADOA shall allocate the other fund adjustments to individual agencies to permit them to pay the transfer. | 130 |
| 192. As session law, allows the department to use \$3,103,000 from the FY 2014 APF appropriation through FY 2017 for the replacement of the state's e-procurement system.   | 1   |

### AHCCCS

- |  |    |
|--|----|
| 193. Adds footnote requiring the agency to transfer \$1,200,000 to the Department of Health Services in FY 2017 for the costs of prescription medications for seriously mentally ill patients at the Arizona State Hospital. | 17 |
| 194. Adds footnote requiring the agency to report changes in capitation rates for reimbursement of the Affordable Care Act health insurer fee. The agency was previously required to submit these changes for JLBC review.   | 17 |

**Attorney General - Department of Law**

195. Adds footnote requiring the agency to submit for review by JLBC an expenditure plan for its FY 2017 Internet Crimes Against Children appropriation by June 1, 2016. 19

**Department of Child Safety**

196. Adds footnote requiring that the amounts appropriated for any line item shall not be transferred to another line item unless such a transfer of monies is reviewed by the Joint Legislative Budget Committee. 24
197. Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item. 24
198. Deletes footnote concerning backlog Request for Proposals.
199. Revise quarterly benchmark report to include: a) caseload standard, b) new backlog benchmarks (under 1,000 cases by June 2017), and c) out-of-home caseload (11.4% reduction between December 2016 and June 2018.) If report is not timely, require 2% operating budget reduction until report is submitted. 24
200. Adds footnote that make all case aide and backlog privatization funding (and 75% of overtime funding) contingent upon JLBC review of DCS' proposed contractor awards to address the backlog. 24
201. Adds footnote restoring FY 2015 monthly hiring report (now quarterly in FY 2016). 24
202. Adds footnote requiring the agency to submit for review by JLBC the number of hired administrative staff by June 1, 2016. 24
203. Adds footnote specifying the type of administrative staff to be hired and requiring the agency to submit for review by JLBC a hiring plan for the new administrative staff by September 30, 2016. 24
204. Adds footnote requiring DCS to submit a summary of an internal financial process audit to the JLBC by July 2016. 24
205. Adds a footnote detailing the components of child safety expenditure authority. 24

**Arizona Commerce Authority**

206. Adds footnote requiring the agency to submit for JLBC review a report on progress made in implementing recommendations in the 2015 Auditor General report. 135

**Corporation Commission**

207. Adds footnote requiring the Corporation Commission and WIFA to jointly report on the expenditures from the Small Water Systems Fund in FY 2017 by August 1, 2017. Adds footnote stating that emergency grants from the Small Water System Fund are exempt from procurement requirements. 150

**Arizona Department of Corrections**

208. Adds footnote that sets aside funding for the annualized cost of a 4% adjustment for the fourth year of inmate health care services contract. 29

**Arizona Criminal Justice Commission**

209. Adds footnote requiring the commission to report to JLBC by August 31, 2016 on noncompliance with Anti-Racketeering Revolving Fund statutory reporting requirements. 31

**Department of Economic Security**

- 210. Deletes FY 2016 footnote requiring any federal TANF block grant monies in excess of the original FY 2016 combined DCS and DES TANF appropriation to be reverted to the General Fund. This footnote was already deleted in the FY 2017 Baseline.
- 211. Deletes footnote concerning the proportional reduction of General Fund dollars to DES and DCS for every Federal TANF Block Grant dollar received in excess of their appropriation.
- 212. Adds footnote requiring DES to submit an expenditure plan to JLBC for review of any new Division of Developmental Disabilities salary adjustments not previously reviewed by JLBC. 35
- 213. Adds footnote requiring DES to report on the number of filled positions in the Division of Developmental Disabilities. Requires DES to submit an expenditure plan for a review of its staffing levels. 35
- 214. Adds footnote that the appropriated amount includes \$2,791,800 from the General Fund and \$6,260,600 in total expenditure authority for an across the board 1% full year rate adjustment for providers of services to the developmentally disabled population whose current rates are below 100% of the benchmark rate, in addition to any adjustment as part of the aggregate 2.5% capitation rate increase. The department shall report to the JLBC by August 1, 2016 on its distribution plan. 35

**Arizona Department of Education**

- 215. Adds footnote indicating that the amount appropriated for Basic State Aid from the Permanent State School Fund for FY 2017 shall be reduced by \$(172,444,700) if Proposition 123 is not approved by voters. 37
- 216. Adds footnote indicating that, if Proposition 123 is not approved by voters, \$74,394,000 of the FY 2017 Basic State appropriation shall be used as an Additional Inflation payment as authorized in the original FY 2016 General Appropriation Act. 37
- 217. Adds footnote indicating that the department’s operating budget includes \$500,000 for technical assistance and state level administration of the K-3 Reading program established by A.R.S. § 15-211. 37
- 218. Deletes footnote concerning the intended use of monies appropriated to the K-3 Reading line item, as the Baseline would incorporate funding for that line item into other programs. 37
- 219. Adds footnote allowing ADE to use its FY 2017 appropriation for any FY 2016 Basic State Aid shortfall, subject to JLBC review. 37
- 220. Adds footnote indicating that the \$1,148,000 appropriated for former District-Sponsored Charter Schools (DSCS) for FY 2017 is one-time funding to provide additional Base Support Level (BSL) funding on a one-time basis for FY 2017 for school districts that operated DSCS in FY 2016. Requires ADE to allocate the monies on a pro rata basis to school districts that qualify for state aid in FY 2017 based on the number of Average Daily Membership pupils they had in DSCS in FY 2016 and increase their budget limits accordingly. Requires ADE to make corresponding BSL and budget limit increases for school districts that operated DSCS in FY 2016, but do not qualify for state aid in FY 2017. 37
- 221. Adds footnote indicating that the amount appropriated for Geographic Literacy is one-time, non-lapsing funding to be used to issue a grant to a statewide geographic alliance. 37

**Arizona Game and Fish Department**

- 222. Adds footnote that the appropriated amount includes \$795,000 for a full year \$8,700 pay adjustment for certain Game and Fish position classifications. 47

**Arizona Judiciary**

223. Adds footnote requiring monies in the Dependency Surge Funding line item to be passed through to county superior courts for dependency case processing, makes the appropriation non-lapsing for 2 years, and requires the Administrative Office of the Courts to report to JLBC on funding allocations. 60
224. Adds footnote for Supreme, Court of Appeals, and Superior Court outlining the amounts allocated to the first year of a 2 year phase-in for a 3% pay raise. 60
225. Adds footnote clarifying the inclusion of \$500,000 General Fund in the Supreme Court operating lump sum appropriation for the establishment of 2 new Supreme Court Justice positions. 60
226. Adds footnote requiring the Administrative Office of the Courts to report to the JLBC on overall probation officer salary adjustments in FY 2017. 60
227. As session law, establishes a salary increase of 1.5% on January 1, 2017 and an additional 1.5% on January 1, 2018 for all supreme court justices, court of appeals judges, and superior court judges. 143

**Arizona Parents Commission on Drug Education and Prevention**

228. Adds footnote delineating the provisions of the school prevention education program. The program would be required to promote positive life choices by middle school and high school students, and would incorporate an educational prevention component focusing on substance abuse, mental health, violence, and other risky behaviors. 147

**Arizona State Parks Board**

229. Adds footnote requiring the State Parks Board to receive JLBC review of the agency expenditure plan for the \$1,500,000 State Parks Revenue Fund FY 2017 appropriation prior to expenditure. States that the agency expenditure plan must demonstrate that the estimated amount of federal funds the Board will receive during FY 2017 is less than the actual amount of federal funds received in FY 2016 and the amount spent by the Board in FY 2017 may not exceed the decrease in federal funds between FY 2016 and FY 2017. 145

**Department of Public Safety**

230. Adds footnote requiring JLBC review of Border Strike Force expenditure plans. 87
231. Adds footnotes specifying funding available for local governments from Border Strike Force appropriation. 87
232. Adds footnote requiring DPS to submit an expenditure plan for monies in the Sexual Assault Kit Testing line item. 87
233. Adds footnote requiring DPS to procure virtual law enforcement training equipment through a competitive bid process. 87
234. Adds footnote indicating amounts allocated to a salary increase and requires DPS to report to JLBC by August 1, 2016 on its pay adjustment plan. 87

**Arizona State Retirement System**

235. Adds footnote extending permission to spend FY 2016 appropriations for IT security through the end of FY 2017. 122

**Department of Revenue**

236. Adds footnote requiring JLBC review of any transfers to or from the Income Tax Fraud Prevention line item. 93
237. Adds footnote requiring the department to report the results of private fraud prevention investigation services during FY 2016 to JLBC by November 1, 2016. 93

**School Facilities Board**

238. Deletes footnote requiring the agency to transfer \$1,000,000 from the Building Renewal Grants line item to the Emergency Deficiencies Correction Fund in FY 2015.
239. Adds footnote requiring SFB to report transfers of funds out of the Debt Service line item 30 days prior to implementation. 94
240. Adds footnote reverting \$16,705,000 to the General Fund in FY 2017 and in FY 2018 if SFB determines tha the Agua Fria School District project no longer qualifies for new school construction funding based on revised enrollment projections. 94,155

**Secretary of State**

241. Adds footnote requiring that the monies in the Election Services line item be used only to pay for the statewide election publicity pamphlet and as pass-through to county elections divisions to reimburse for the costs of elections. 95
242. As session law, appropriates supplemental funding to the Secretary of State for reimbursements to counties for the administration of the 2016 presidential preference election. Requires the Secretary of State to reimburse counties with an active voter registration of over 450,000 at a rate of \$2.50 per voter; 35,000 to 450,000 at a rate of \$3.00 per voter; and less than 35,000 at a rate of \$3.50 per voter; or the amount included in a cost estimate submitted to the Secretary of State before October 30, 2015, whichever is less. States that this appropriation does not set a precedent for any future Presidential Preference Election reimbursement levels. Requires Secretary of State to report to JLBC and OSPB on reimbursements made pursuant to this section. 125

**Arizona Department of Transportation**

243. Adds footnote requiring an annual third-party review of the Motor Vehicle Division (MVD) legacy automation system replacement project. Requires JLBC review of the February 1, 2017 report. 99
244. Adds footnote requiring the department to report by July 31, 2017 on the cost to link local governments, state agencies, and other users to the new Motor Vehicle Division automation system. 99
245. Adds footnote requiring ADOT to report by August 1, 2016 on the use of state's share of fees retained by the Service Arizona vendor. 99
246. Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item. 99

**Universities**

247. Adds footnote requiring JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments. 101
248. Adds footnotes for the new ASU School of Civic and Economic Thought and Leadership line and the existing UA Freedom Center line item. General Fund support is to not supplant private resources and the line items are not to be charged for indirect costs. 102,106