AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

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

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

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

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

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

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

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

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

Sec. 103. **ARIZONA STATE UNIVERSITY – TEMPE AND DOWNTOWN PHOENIX CAMPUSES**

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>6,142.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$542,436,800</td>
</tr>
<tr>
<td>Biomedical informatics</td>
<td>2,746,600</td>
</tr>
<tr>
<td>Downtown Phoenix campus</td>
<td>126,739,200</td>
</tr>
<tr>
<td>Total appropriation – Arizona state university – Tempe and downtown Phoenix campuses</td>
<td>$671,922,600</td>
</tr>
<tr>
<td></td>
<td>$746,683,000</td>
</tr>
</tbody>
</table>
Fund sources:

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

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

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

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

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

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

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

Sec. 4. Laws 2015, chapter 8, section 104 is amended to read:

Sec. 104. ARIZONA STATE UNIVERSITY - EAST CAMPUS

FTE positions 425.6
Operating lump sum appropriation $45,098,400
TRIF lease-purchase payment 2,000,000
Total appropriation - Arizona state university - East campus $47,098,400

Fund sources:

State general fund $15,688,900
University collections fund 29,509,500
Technology and research initiative fund 2,000,000
It is the intent of the legislature that the STATE general fund base funding for Arizona state university - East campus is $21,339,100. This appropriation includes a deferral ONE-TIME STATE GENERAL FUND APPROPRIATION of $5,750,200 from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.

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

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

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

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

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

Sec. 105. ARIZONA STATE UNIVERSITY - WEST CAMPUS

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

It is the intent of the legislature that the STATE general fund base funding for Arizona state university - West campus is $28,890,700. This appropriation includes a deferral ONE-TIME STATE GENERAL FUND APPROPRIATION of $10,064,800 from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.
The state general fund appropriations may not be used for alumni association funding.

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

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

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

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

Sec. 106. NORTHERN ARIZONA UNIVERSITY

FTE positions 2,057.2
Operating lump sum appropriation $189,628,300
$220,123,100
NAU - Yuma 2,430,000
Teacher training 2,290,600
Total appropriation – Northern Arizona university $194,348,900

Fund sources:
State general fund $ 61,491,400
$ 91,986,200
University collections fund 132,857,500

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

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

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

The appropriated monies may not be used for scholarships or any student newspaper.
The appropriated amount for the teacher training line item shall be distributed to the Arizona K-12 center for program implementation and mentor training for the Arizona mentor teacher program prescribed by the state board of education.

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

Sec. 7. Laws 2015, chapter 8, section 107 is amended to read:

Sec. 107. UNIVERSITY OF ARIZONA

| 2015-16 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Main campus     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| FTE positions   | 5,393.0          |                 |                 |                 |                 |                 |                 |                 |                 |
| Operating lump sum appropriation | $346,556,800 | $408,709,900   |                 |                 |                 |                 |                 |                 |                 |
| Agriculture     |                 | 38,195,600      |                 |                 |                 |                 |                 |                 |                 |
| Arizona cooperative extension | 16,360,200 |                 |                 |                 |                 |                 |                 |                 |                 |
| Freedom center  |                 | 500,000         |                 |                 |                 |                 |                 |                 |                 |
| Sierra Vista campus | 7,601,500 |                |                 |                 |                 |                 |                 |                 |                 |
| Total - Main campus | $409,214,100 | $471,367,200   |                 |                 |                 |                 |                 |                 |                 |
| Fund sources:   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| State general fund | $107,653,800 | $169,806,900   |                 |                 |                 |                 |                 |                 |                 |
| University collections fund | 301,560,300 |                 |                 |                 |                 |                 |                 |                 |                 |
| Health sciences center |         |                 |                 |                 |                 |                 |                 |                 |                 |
| FTE positions   | 1,054.1          |                 |                 |                 |                 |                 |                 |                 |                 |
| Operating lump sum appropriation | $52,738,600 | $69,515,300    |                 |                 |                 |                 |                 |                 |                 |
| Clinical rural rotation | 353,400 |                 |                 |                 |                 |                 |                 |                 |                 |
| Clinical teaching support | 8,587,000 |                 |                 |                 |                 |                 |                 |                 |                 |
| Liver research institute | 430,100 |                 |                 |                 |                 |                 |                 |                 |                 |
| Phoenix medical campus | 31,778,700 |                 |                 |                 |                 |                 |                 |                 |                 |
| Telemedicine network | 1,854,400 |                 |                 |                 |                 |                 |                 |                 |                 |
| Total - health sciences center | $95,742,200 | $112,518,900   |                 |                 |                 |                 |                 |                 |                 |
SB 1526

Fund sources:

State general fund $ 52,307,300
University collections fund $ 69,084,000
Total appropriation - university of Arizona $504,956,300

Fund sources:

State general fund $159,961,100
University collections fund $238,890,900

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

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

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

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

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

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

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

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

Notwithstanding any other law, after July 1, 2016 but on or before June 30, 2017, the amount of $100,000,000 $50,000,000 is transferred from the special employee health insurance trust fund established by section 38-654,
Arizona Revised Statutes, to the state general fund for the purpose of providing adequate support and maintenance for agencies of this state.

Sec. 9. **Repeal**

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

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

Sec. 11. ARIZONA STATE BOARD OF ACCOUNTANCY

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:

Board of accountancy fund $ 1,939,100

Sec. 12. ACUPUNCTURE BOARD OF EXAMINERS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Annual leave payout</td>
</tr>
</tbody>
</table>

Total appropriation – acupuncture board of examiners $ 178,200

Fund sources:

Acupuncture board of examiners fund $ 178,200

Sec. 13. DEPARTMENT OF ADMINISTRATION

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Arizona financial information system</td>
</tr>
<tr>
<td>Telecommunications infrastructure</td>
</tr>
<tr>
<td>Risk management administrative expenses</td>
</tr>
<tr>
<td>Risk management losses and premiums</td>
</tr>
<tr>
<td>Workers' compensation losses and premiums</td>
</tr>
<tr>
<td>Statewide information security and privacy office</td>
</tr>
<tr>
<td>State surplus property sales proceeds</td>
</tr>
</tbody>
</table>
Southwest defense contracts 25,000
Government transformation office 1,000,000
Total appropriation – department of administration $198,641,700

Fund sources:
State general fund $ 10,877,300
Air quality fund 927,300
Arizona financial information system collections fund 9,377,700
Automation operations fund 23,964,100
Capital outlay stabilization fund 18,082,800
Corrections fund 571,200
Federal surplus materials revolving fund 464,600
Information technology fund 2,942,100
Motor vehicle pool revolving fund 10,148,800
Personnel division fund 12,885,100
Risk management revolving fund 93,033,400
Special employee health insurance trust fund 5,262,300
Special services fund 590,700
State surplus materials revolving fund 2,947,900
State web portal fund 4,543,000
Telecommunications fund 2,023,400

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

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

The appropriation from the automation operations fund established by section 41-711, Arizona Revised Statutes, is an estimate representing all monies, including balance forward, revenues and transfers during fiscal year 2016-2017. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation is adjusted as necessary to reflect monies credited to the automation operations fund for automation operation center projects. Before the expenditure of any automation operations fund monies in excess of $23,964,100 in fiscal year 2016-2017, the department of administration shall report the intended use of monies to the joint legislative budget committee.
The amounts appropriated for the state employee public transportation service subsidy shall be used for up to a fifty percent subsidy of charges payable for public transportation service expenses as provided in section 41-710.01, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

It is the intent of the legislature that the department not replace vehicles until they have an average of 80,000 miles or more.

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

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

On or before October 1, 2016, the department shall submit a report for review by the joint legislative budget committee of the expenditures to date and progress of implementation for any monies received from the state and local implementation grant program associated with the national public safety broadband network initiative. The joint legislative budget committee may require the department to submit more frequent reports as necessary for further review.

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

### Sec. 14. OFFICE OF ADMINISTRATIVE HEARINGS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
</tbody>
</table>

### Sec. 15. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
</tbody>
</table>
### Sec. 16. ARIZONA DEPARTMENT OF AGRICULTURE

**2016-17**

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>194.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$10,221,000</td>
</tr>
<tr>
<td>Agricultural employment relations board</td>
<td>23,300</td>
</tr>
<tr>
<td>Animal damage control</td>
<td>65,000</td>
</tr>
<tr>
<td>Red imported fire ant control</td>
<td>23,200</td>
</tr>
<tr>
<td>Agricultural consulting and training</td>
<td>128,500</td>
</tr>
<tr>
<td><strong>Total appropriation – Arizona department of agriculture</strong></td>
<td>$10,461,000</td>
</tr>
</tbody>
</table>

**Fund sources:**

- **State general fund**: $9,021,200
- **Air quality fund**: $1,439,800

### Sec. 17. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

**2016-17**

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>2,326.3</th>
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</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$91,439,300</td>
</tr>
<tr>
<td>DES eligibility</td>
<td>54,874,500</td>
</tr>
<tr>
<td>Proposition 204 – acute care administration</td>
<td>6,832,800</td>
</tr>
<tr>
<td>Proposition 204 – behavioral health administration</td>
<td>5,832,000</td>
</tr>
<tr>
<td>Proposition 204 – DES eligibility</td>
<td>38,358,700</td>
</tr>
</tbody>
</table>

**Medical services**

- Traditional medicaid services | $3,936,187,500 |
- Proposition 204 services | $2,777,688,100 |
- Adult expansion services | 462,284,600 |
- Children's rehabilitative services | 275,375,700 |
- KidsCare services | 1,955,000 |
- ALTCS services | 1,422,354,600 |

**Behavioral health services**

- Medicaid behavioral health - traditional services | 960,228,100 |
- Medicaid behavioral health - proposition 204 services | 612,844,800 |
- Medicaid behavioral health - adult expansion services | 77,702,300 |
- Medicaid behavioral health - comprehensive medical and dental program | 208,027,400 |
<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis services</td>
<td>16,391,300</td>
</tr>
<tr>
<td>Nonmedicaid seriously mentally ill services</td>
<td>78,846,900</td>
</tr>
<tr>
<td>Supported housing</td>
<td>5,324,800</td>
</tr>
</tbody>
</table>

**Hospital payments**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disproportionate share payments</td>
<td>5,087,100</td>
</tr>
<tr>
<td>Rural hospitals</td>
<td>22,650,000</td>
</tr>
<tr>
<td>Graduate medical education</td>
<td>162,992,600</td>
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<tr>
<td>Safety net care pool</td>
<td>137,000,000</td>
</tr>
</tbody>
</table>

**Total appropriation and expenditure**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona health care cost containment system</td>
<td>$11,380,174,100</td>
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</tbody>
</table>

**Fund sources:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$1,751,080,800</td>
</tr>
<tr>
<td>Budget neutrality compliance fund</td>
<td>3,563,300</td>
</tr>
<tr>
<td>Children’s health insurance program fund</td>
<td>3,672,200</td>
</tr>
<tr>
<td>Prescription drug rebate fund - state</td>
<td>113,778,800</td>
</tr>
<tr>
<td>Substance abuse services fund</td>
<td>2,250,200</td>
</tr>
<tr>
<td>Tobacco products tax fund - emergency health services account</td>
<td>18,747,200</td>
</tr>
<tr>
<td>Tobacco tax and health care fund - medically needy account</td>
<td>72,998,200</td>
</tr>
<tr>
<td>Expenditure authority</td>
<td>9,414,083,400</td>
</tr>
</tbody>
</table>

**Operating budget**

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

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

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

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

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

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

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

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

The nonappropriated portion of the prescription drug rebate fund
established by section 36-2930, Arizona Revised Statutes, is included in the
federal portion of the expenditure authority fund source.
Any supplemental payments received in excess of $71,950,100 for nursing facilities that serve Medicaid patients in fiscal year 2016-2017, including any federal matching monies, by the Arizona health care cost containment system administration are appropriated to the administration in fiscal year 2016-2017. Before the expenditure of these increased monies, the administration shall notify the joint legislative budget committee and the governor’s office of strategic planning and budgeting of the amount of monies that will be expended under this provision. These payments are included in the expenditure authority fund source.

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

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

The Arizona health care cost containment system administration shall transfer $1,200,000 from the nontraditional Medicaid services line item to the department of health services for the costs of prescription medications for persons with a serious mental illness at the Arizona state hospital.

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

Payments to hospitals

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

Any monies received for disproportionate share payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, in fiscal year 2016-2017 by the Arizona health care cost containment system administration in excess of $19,896,000 are appropriated to the administration in fiscal year 2016-2017. Before the
expenditure of these increased monies, the administration shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the amount of monies that will be expended under this provision.

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

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

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

Other reports

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

Sec. 18. BOARD OF ATHLETIC TRAINING

| FTE positions | 1.5 |
| Lump sum appropriation | $118,900 |

Fund sources:

| Athletic training fund | $118,900 |

Sec. 19. ATTORNEY GENERAL - DEPARTMENT OF LAW

| FTE positions | 574.7 |
| Operating lump sum appropriation | $50,206,900 |
| Capital postconviction prosecution | 799,400 |
Internet crimes against children enforcement 1,250,000
Federalism unit 1,000,000
Risk management interagency service agreement 9,426,900
State grand jury 180,600
Southern Arizona law enforcement 1,200,000
Tobacco enforcement 819,500
Victims' rights 3,759,400

Total appropriation - attorney general - department of law $ 68,642,700

Fund sources:
State general fund $ 24,688,100
Antitrust enforcement revolving fund 244,800
Attorney general legal services cost allocation fund 2,086,800
Collection enforcement revolving fund 6,869,700
Consumer protection - consumer fraud revolving fund 5,094,000
Interagency service agreements fund 15,573,000
Internet crimes against children enforcement fund 900,000
Risk management revolving fund 9,426,900
Victims’ rights fund 3,759,400

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

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

The $900,000 appropriation from the internet crimes against children enforcement fund and the $350,000 appropriation from the state general fund for the internet crimes against children enforcement line item are continuing appropriations and are exempt from the provisions of section 35-190, Arizona
Revised Statutes, relating to lapsing of appropriations, through June 30, 2018.

Sec. 20. AUTOMOBILE THEFT AUTHORITY

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Automobile theft authority grants</td>
</tr>
<tr>
<td>Reimbursable programs</td>
</tr>
<tr>
<td>Total appropriation - automobile theft authority</td>
</tr>
</tbody>
</table>

Fund sources:

Automobile theft authority fund | $5,297,500

The automobile theft authority shall submit a report to the joint legislative budget committee before expending any monies for the reimbursable programs line item. The agency shall show sufficient monies collected to cover the expenses indicated in the report.

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

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

Sec. 21. BOARD OF BARBERS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:

Board of barbers fund | $370,300

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

Sec. 22. BOARD OF BEHAVIORAL HEALTH EXAMINERS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:

Board of behavioral health examiners fund | $1,760,500
Sec. 23. STATE BOARD FOR CHARTER SCHOOLS

2016-17

FTE positions 14.0

Lump sum appropriation $1,194,100

Fund sources:

State general fund $1,194,100

Sec. 24. DEPARTMENT OF CHILD SAFETY

2016-17

FTE positions 3,193.1

Operating lump sum appropriation $107,303,100

Caseworkers 110,000,000

Backlog privatization 2,700,000

New case aides 3,077,700

Overtime pay 8,400,000

Attorney general legal services 25,588,700

Records retention staff 595,600

Inspections bureau 2,486,500

General counsel 156,100

Office of child welfare investigations 10,706,700

Retention pay 1,707,000

Adoption services 225,698,100

Preventive services 15,148,300

Out-of-home support services 198,272,500

Emergency and residential placement 98,900,100

Foster care placement 65,595,500

Independent living maintenance 4,660,000

In-home mitigation 28,988,100

Permanent guardianship subsidy 12,516,900

Grandparent stipends 1,000,000

Training resources 5,150,000

DCS child care subsidy 45,159,400

Total appropriation and expenditure authority – department of child safety $973,810,300

Fund sources:

State general fund $379,863,800

Federal child care and development fund block grant 27,000,000

Federal temporary assistance for needy families block grant 149,472,700
Child abuse prevention fund 1,459,300
Children and family services training program fund 207,900
Child safety expenditure authority 415,806,600

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

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

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

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

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

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

The appropriation for the office of child welfare investigations is solely for the costs of employees directly hired by the office of child welfare investigations. At least thirty days before any transfer into or out of the office of child welfare investigations line item, the department shall report the proposed transfer to the director of the joint legislative budget committee.
On or before June 1, 2016, the department of child safety shall submit a report of the number of filled central administrative staff positions as of April 1, 2016 for review by the joint legislative budget committee. The report shall delineate the filled central administrative staff position by division and position type.

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

The department of child safety shall forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals on or before the thirtieth of the following month. The report shall include a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

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

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

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

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

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

On or before September 30, 2016, and on or before the last day of every calendar quarter through June 30, 2018, the department of child safety shall present a report for review by the joint legislative budget committee on the progress made in increasing the number of filled FTE positions, meeting the caseload standard and reducing the number of backlog cases and out-of-home children. The report shall include the number of backlog cases, the number...
of open reports, the number of out-of-home children and the caseworker workload on March 31, 2016 in comparison to the latest quarter. The report shall provide the number of backlog cases by disposition, including the number of backlog cases in the investigation phase, the number of backlog cases associated with out-of-home placements and the number of backlog cases associated with in-home cases.

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

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

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

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

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

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

The overtime pay appropriation includes a total of $2,610,700 from the state general fund, $3,859,500 from the federal temporary assistance for needy families block grant and $1,929,800 from child safety expenditure authority. The backlog privatization appropriation includes a total of $2,700,000 from the state general fund. The new case aides appropriation includes $2,500,000 from the state general fund and $577,700 from child safety expenditure authority to hire additional case aides. Of these amounts, a total of $652,700 from the state general fund, $964,900 from the federal temporary assistance for needy families block grant and $482,500 from the child safety expenditure authority in the overtime pay appropriation are available to the department on July 1, 2016. Before expending any remaining monies in the overtime pay appropriation or any monies in the backlog privatization and new case aides appropriations, the department shall submit for review by the joint legislative budget committee a report on private contractor awards to address the backlog. After the report is reviewed by the joint legislative budget committee, the remaining $1,958,000 from the
state general fund, $2,894,600 from the federal temporary assistance for
needy families block grant and $1,447,300 from the child safety expenditure
authority in the overtime pay appropriation, along with $2,700,000 from the
state general fund in the backlog privatization appropriation and $2,500,000
from the state general fund and $577,700 from child safety expenditure
authority in the new case aides appropriation, are available to the
department.

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

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

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

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

Sec. 25. STATE BOARD OF CHIROPRACTIC EXAMINERS

| FTE positions | 5.0 |
| Lump sum appropriation | $ 451,400 |

Fund sources:
Board of chiropractic examiners fund $ 451,400
Sec. 26. ARIZONA COMMUNITY COLLEGES

Equalization aid

<table>
<thead>
<tr>
<th>College</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Cochise</td>
<td>$4,878,400</td>
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<tr>
<td>Graham</td>
<td>$14,695,800</td>
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<td>Navajo</td>
<td>$6,081,500</td>
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<td><strong>Total - equalization aid</strong></td>
<td><strong>$25,655,700</strong></td>
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Operating state aid

<table>
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<tr>
<th>College</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Cochise</td>
<td>$4,670,000</td>
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<tr>
<td>Coconino</td>
<td>$1,756,400</td>
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<tr>
<td>Gila</td>
<td>$315,200</td>
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<tr>
<td>Graham</td>
<td>$2,249,700</td>
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<tr>
<td>Mohave</td>
<td>$1,315,000</td>
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<td>Navajo</td>
<td>$1,606,000</td>
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<tr>
<td>Pinal</td>
<td>$1,724,700</td>
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<td>Santa Cruz</td>
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<td>Yavapai</td>
<td>$800,200</td>
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<tr>
<td>Yuma/La Paz</td>
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<td><strong>Total - operating state aid</strong></td>
<td><strong>$17,208,500</strong></td>
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STEM and workforce programs state aid

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<tr>
<th>College</th>
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<tbody>
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<td>Cochise</td>
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<td>Yavapai</td>
<td>$774,400</td>
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<tr>
<td>Yuma/La Paz</td>
<td>$864,000</td>
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<tr>
<td><strong>Total - STEM and workforce programs state aid</strong></td>
<td><strong>$4,819,100</strong></td>
</tr>
</tbody>
</table>

Rural county reimbursement subsidy $1,273,800

Total appropriation – Arizona community colleges $48,957,100

Fund sources:

- State general fund $48,957,100

Of the $1,273,800 appropriated to the rural county reimbursement subsidy line item, Apache county receives $699,300 and Greenlee county receives $574,500.
Sec. 27. REGISTRAR OF CONTRACTORS 2016-17

FTE positions 105.6
Operating lump sum appropriation $ 11,169,900
Office of administrative hearings costs 1,017,600
Total appropriation - registrar of contractors $ 12,187,500

Fund sources:
Registrar of contractors fund $ 12,187,500
Any transfer to or from the amount appropriated for the office of administrative hearings costs line item requires review by the joint legislative budget committee.

Sec. 28. CORPORATION COMMISSION 2016-17

FTE positions 300.9
Operating lump sum appropriation $ 26,276,800
Corporation filings, same-day service 398,500
Utilities audits, studies, investigations and hearings 380,000*
Total appropriation - corporation commission $ 27,055,300

Fund sources:
State general fund $ 614,200
Arizona arts trust fund 50,100
Investment management regulatory and enforcement fund 712,600
Public access fund 6,586,400
Securities regulatory and enforcement fund 4,930,700
Utility regulation revolving fund 14,161,300

The $398,500 appropriated from the public access fund for the corporation filings, same-day service line item reverts to the public access fund established by section 10-122.01, Arizona Revised Statutes, at the end of fiscal year 2016-2017 if the commission has not established a same-day service pursuant to section 10-122, Arizona Revised Statutes.

Sec. 29. STATE DEPARTMENT OF CORRECTIONS 2016-17

FTE positions 9,564.4
Operating lump sum appropriation $ 783,680,200
Radio equipment 2,800,000
Private prison per diem  168,617,100
Inmate health care contracted services  147,137,100
Northern region community corrections center  1,778,000
Total appropriation - state department of corrections $1,104,012,400

Fund sources:
State general fund $1,054,136,200
State education fund for correctional education  673,400
Alcohol abuse treatment fund  555,300
Penitentiary land fund  979,200
State charitable, penal and reformatory institutions land fund  1,861,200
Corrections fund  30,317,800
Transition program fund  1,803,300
Prison construction and operations fund  13,686,000

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

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

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

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

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

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

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

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

Sec. 30. BOARD OF COSMETOLOGY

FTE positions 24.5
Lump sum appropriation $ 1,807,700

Fund sources:
Board of cosmetology fund $ 1,807,700

Sec. 31. ARIZONA CRIMINAL JUSTICE COMMISSION

FTE positions 9.0
Operating lump sum appropriation $ 1,253,700
State aid to county attorneys 973,600
Victim compensation and assistance 4,220,500

Total appropriation - Arizona criminal justice commission $ 6,447,800

Fund sources:
Criminal justice enhancement fund $ 648,800
Drug and gang prevention resource center fund 604,900
State aid to county attorneys fund 973,600
Victim compensation and assistance fund 4,220,500
All victim compensation and assistance monies received by the Arizona criminal justice commission in excess of $4,220,500 in fiscal year 2016-2017 are appropriated to the crime victims program. Before the expenditure of any victim compensation and assistance monies in excess of $4,220,500 in fiscal year 2016-2017, the Arizona criminal justice commission shall report the intended use of the monies to the joint legislative budget committee.

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

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

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

FTE positions  541.2
Administration/statewide $  4,152,100
Phoenix day school for the deaf  9,456,700
Tucson campus  13,755,600
Regional cooperatives  821,900
Preschool/outreach programs  4,233,500
School bus replacement  738,000
Voucher fund adjustment  145,900
Total appropriation – Arizona state schools for the deaf and the blind $ 33,303,700

Fund sources:
State general fund $ 21,596,400
Schools for the deaf and the blind fund  11,707,300

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

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

2016-17
FTE positions  15.0
Lump sum appropriation $  4,312,800

Fund sources:
Telecommunication fund for the deaf $  4,312,800
Sec. 34. STATE BOARD OF DENTAL EXAMINERS

2016-17

FTE positions 11.0
Lump sum appropriation $ 1,215,500

Fund sources:
Dental board fund $ 1,215,500

Sec. 35. DEPARTMENT OF ECONOMIC SECURITY

2016-17

FTE positions 4,218.0
Operating lump sum appropriation $157,701,000

Administration
Attorney general legal services 11,067,600

Aging and adult services
Adult services 7,924,100
Community and emergency services 3,724,000
Coordinated homeless services 2,522,600
Domestic violence prevention 12,403,700

Benefits and medical eligibility
Temporary assistance for needy families - cash benefits 27,736,400
Coordinated hunger services 1,754,600
Tribal pass-through funding 4,680,300

Child support enforcement
County participation 8,740,200

Developmental disabilities
DDD operating lump sum 49,590,200
Case management - medicaid 55,627,300
Home and community based services - medicaid 994,348,600
Institutional services - medicaid 22,632,900
Medical services - medicaid 165,542,400
Arizona training program at Coolidge - medicaid 15,822,100
Medicare clawback payments 3,370,600
Case management - state-only 3,912,700
Home and community based services - state-only 16,913,400
State-funded long-term care services 26,554,000

Employment and rehabilitation services
JOBS 13,005,600
Child care subsidy 98,396,600
Independent living rehabilitation services 1,289,400
<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation services</td>
<td>7,249,100</td>
</tr>
<tr>
<td>Workforce investment act services</td>
<td>51,654,600</td>
</tr>
</tbody>
</table>

**Total appropriation and expenditure authority – department of economic security**

$1,764,164,000

**Fund sources:**

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$530,204,500</td>
</tr>
<tr>
<td>Federal child care and development fund block grant</td>
<td>107,773,600</td>
</tr>
<tr>
<td>Federal temporary assistance for needy families block grant</td>
<td>72,964,700</td>
</tr>
<tr>
<td>Long-term care system fund</td>
<td>26,554,000</td>
</tr>
<tr>
<td>Public assistance collections fund</td>
<td>424,600</td>
</tr>
<tr>
<td>Special administration fund</td>
<td>2,939,700</td>
</tr>
<tr>
<td>Spinal and head injuries trust fund</td>
<td>2,324,800</td>
</tr>
<tr>
<td>Statewide cost allocation plan fund</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Child support enforcement administration fund</td>
<td>16,719,600</td>
</tr>
<tr>
<td>Domestic violence shelter fund</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Workforce investment act grant</td>
<td>56,050,500</td>
</tr>
<tr>
<td>Child support enforcement administration fund expenditure authority</td>
<td>42,479,100</td>
</tr>
<tr>
<td>Developmental disabilities medicaid expenditure authority</td>
<td>902,228,900</td>
</tr>
</tbody>
</table>

**Aging and adult services**

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

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

**Benefits and medical eligibility**

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

All state shares of retained earnings, fees and federal incentives in excess of $16,719,600 received by the division of child support enforcement are appropriated for operating expenditures. New FTE positions may be authorized with the increased funding. Before the expenditure of these increased monies, the department of economic security shall report the intended use of the monies to the joint legislative budget committee.

Developmental disabilities

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

The department shall report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee any new placement into a state-owned ICF-IID or the Arizona training program at the Coolidge campus in fiscal year 2016-2017 and the reason why this placement, rather than a placement into a privately run facility for persons with developmental disabilities, was deemed as the most appropriate placement. The department shall also report if no new placements were made. The department shall make this report available on or before July 15, 2017.

The department shall report to the joint legislative budget committee on or before March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum may not be more than two percent. Before implementation of any changes in capitation rates for the long-term care system, the department shall submit a report for review by the joint legislative budget committee. Before the department implements any change in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal impact analysis demonstrates that this change will result in additional state costs of $500,000 or more for any fiscal year, the department shall submit the policy change for review by the joint legislative budget committee.
Before implementation of any developmental disabilities or long-term care statewide provider rate adjustments that are not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee that includes, at a minimum, the estimated cost of the provider rate adjustment and the ongoing source of funding for the adjustment, if applicable.

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

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

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

**Employment and rehabilitation services**

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

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

**Departmentwide**

The above appropriations are in addition to monies granted to the state by the federal government for the same purposes but are deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.
The department of economic security shall forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals on or before the thirtieth of the following month. The report shall include an estimate of potential shortfalls in entitlement programs and potential federal and other monies, such as the statewide assessment for indirect costs, and any projected surplus in state-supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Sec. 36. STATE BOARD OF EDUCATION

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
<tr>
<td>Teacher certification fund - State board of education subaccount</td>
</tr>
</tbody>
</table>

Sec. 37. SUPERINTENDENT OF PUBLIC INSTRUCTION

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
<tr>
<td>Teacher certification fund - department of education subaccount</td>
</tr>
<tr>
<td>Department of education empowerment scholarship account fund</td>
</tr>
<tr>
<td>Department of education professional development revolving fund</td>
</tr>
</tbody>
</table>

The operating lump sum appropriation includes $683,900 and 8.5 FTE positions for average daily membership auditing and $200,000 and 2 FTE positions for information technology security services.

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

The amount appropriated for the department's operating budget includes $500,000 for technical assistance and state level administration of the K-3 reading program established pursuant to section 15-211, Arizona Revised Statutes.
The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated $219,804,200 in expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2016-2017, except that if Proposition 123 is not approved by voters, the amount of expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2016-2017 is estimated to be $47,359,500.

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

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

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

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

Former district-sponsored charter schools $574,000

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

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

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

Fund sources:
  State general fund $ 9,422,400
  Proposition 301 fund 7,000,000

Before making any changes to the achievement testing program that will increase program costs, the state board of education shall submit the estimated fiscal impact of those changes to the joint legislative budget committee for review.
<table>
<thead>
<tr>
<th>Program</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult education</td>
<td>$ 4,500,000</td>
</tr>
<tr>
<td>Alternative teacher development program</td>
<td>500,000</td>
</tr>
<tr>
<td>Arizona structured English immersion fund</td>
<td>$ 4,960,400</td>
</tr>
<tr>
<td>English learner administration</td>
<td>$ 6,507,900</td>
</tr>
<tr>
<td>The department of education shall use the appropriated amount to</td>
<td></td>
</tr>
<tr>
<td>provide English language acquisition services for the purposes of</td>
<td></td>
</tr>
<tr>
<td>section 15-756.07, Arizona Revised Statutes, and for the costs of</td>
<td></td>
</tr>
<tr>
<td>providing English language proficiency assessments, scoring and</td>
<td></td>
</tr>
<tr>
<td>ancillary materials as prescribed by the department of education to</td>
<td></td>
</tr>
<tr>
<td>school districts and charter schools for the purposes of title 15,</td>
<td></td>
</tr>
<tr>
<td>chapter 7, article 3.1, Arizona Revised Statutes. The department of</td>
<td></td>
</tr>
<tr>
<td>education may use a portion of the appropriated amount to hire staff</td>
<td></td>
</tr>
<tr>
<td>or contract with a third party to carry out the purposes of section</td>
<td></td>
</tr>
<tr>
<td>15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192,</td>
<td></td>
</tr>
<tr>
<td>Arizona Revised Statutes, the superintendent of public instruction</td>
<td></td>
</tr>
<tr>
<td>also may use a portion of the appropriated amount to contract with one</td>
<td></td>
</tr>
<tr>
<td>or more private attorneys to provide legal services in connection with</td>
<td></td>
</tr>
<tr>
<td>the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.</td>
<td></td>
</tr>
<tr>
<td>Geographic literacy</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>The department of education shall use the appropriated one-time amount</td>
<td></td>
</tr>
<tr>
<td>to issue a grant to a statewide geographic alliance for the purpose of</td>
<td></td>
</tr>
<tr>
<td>strengthening geographic literacy in this state. The appropriated</td>
<td></td>
</tr>
<tr>
<td>amount is exempt from the provisions of section 35-190, Arizona Revised</td>
<td></td>
</tr>
<tr>
<td>Statutes, relating to lapsing of appropriations.</td>
<td></td>
</tr>
<tr>
<td>JTED soft capital and equipment</td>
<td>$ 1,000,000</td>
</tr>
<tr>
<td>The department of education shall distribute the appropriated amount</td>
<td></td>
</tr>
<tr>
<td>to joint technical education districts with fewer than two thousand</td>
<td></td>
</tr>
<tr>
<td>average daily membership pupils for soft capital and equipment</td>
<td></td>
</tr>
<tr>
<td>expenses. The appropriated amount shall be allocated on a pro rata</td>
<td></td>
</tr>
<tr>
<td>basis based on the average daily membership of eligible joint</td>
<td></td>
</tr>
<tr>
<td>technical education districts.</td>
<td></td>
</tr>
<tr>
<td>School safety program</td>
<td>$ 3,646,500</td>
</tr>
<tr>
<td>State block grant for vocational education</td>
<td>$ 11,560,900</td>
</tr>
<tr>
<td>Teacher certification</td>
<td>$ 1,834,500</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Teacher certification fund - department of education</td>
<td></td>
</tr>
<tr>
<td>subaccount</td>
<td>$ 1,834,500</td>
</tr>
<tr>
<td>Tribal college dual enrollment program fund</td>
<td>$ 250,000</td>
</tr>
</tbody>
</table>
Fund sources:
Tribal college dual enrollment program fund $ 250,000
Total appropriation - superintendent of public instruction $3,283,735,200

Fund sources:
State general fund $3,051,610,200
Proposition 301 fund 7,000,000
Permanent state school fund 219,804,200
Teacher certification fund - department of education subaccount 1,971,800
Tribal college dual enrollment program fund 250,000
Department of education empowerment scholarship account fund 399,000
Department of education professional development revolving fund 2,700,000

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

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

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

Sec. 38. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS 2016-17
FTE positions 63.1
Administration $1,819,200
Emergency management 727,300
Military affairs 3,024,400
Matching funds 1,540,900

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

Fund sources:
State general fund $ 7,111,800

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

Sec. 39. DEPARTMENT OF ENVIRONMENTAL QUALITY

2016-17

FTE positions 322.0

Operating lump sum appropriation $ 46,353,800
Safe drinking water program 1,800,000
Emissions control contractor payment 21,119,500

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

Fund sources:
Air quality fund $ 5,369,300
Emergency response fund 132,800
Emissions inspection fund 28,381,700
Hazardous waste management fund 1,738,800
Indirect cost recovery fund 13,373,700
Permit administration fund 7,129,700
Recycling fund 1,356,300
Solid waste fee fund 1,241,000
Underground storage tank revolving fund 22,000
Water quality fee fund 10,528,000

Before the expenditure of any monies from the safe drinking water program line item, the department of environmental quality shall submit an expenditure plan for review by the joint legislative budget committee.

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

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

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

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

Sec. 40. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

| FTE positions | 4.0 |
| Lump sum appropriation | $ 189,000 |

Fund sources:
- State general fund | $ 189,000 |

Sec. 41. STATE BOARD OF EQUALIZATION

| FTE positions | 7.0 |
| Lump sum appropriation | $ 642,800 |

Fund sources:
- State general fund | $ 642,800 |

Sec. 42. BOARD OF EXECUTIVE CLEMENCY

| FTE positions | 14.0 |
| Lump sum appropriation | $ 956,000 |

Fund sources:
- State general fund | $ 956,000 |
The board of executive clemency shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before November 1, 2016 on the total number and types of cases the board reviewed in fiscal year 2015-2016.

Sec. 43. ARIZONA EXPOSITION AND STATE FAIR BOARD

FTE positions 184.0
Lump sum appropriation $11,616,100

Fund sources:
Arizona exposition and state fair fund $11,616,100

Sec. 44. DEPARTMENT OF FINANCIAL INSTITUTIONS

FTE positions 69.1
Operating lump sum appropriation $4,453,100
Real estate appraisal 817,200

Total appropriation - department of financial institutions $5,270,300

Fund sources:
State general fund $3,812,600
Financial services fund 1,457,700

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

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

Sec. 45. STATE FORESTER

FTE positions 67.0
Operating lump sum appropriation $2,953,000
Environmental county grants 250,000
Inmate fire crews 691,000
Fire suppression 1,000,000
One-time equipment 302,500
State fire marshal 920,000
Hazardous vegetation removal 1,350,000

Total appropriation - state forester $7,466,500

Fund sources:
State general fund $7,466,500
Sec. 46. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>4.0</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
<td>$376,200</td>
</tr>
</tbody>
</table>

Fund sources:
- Board of funeral directors' and embalmers' fund $376,200

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

Sec. 47. ARIZONA GAME AND FISH DEPARTMENT

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>273.5</td>
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<tr>
<td>Operating lump sum appropriation</td>
<td>$41,325,200</td>
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<tr>
<td>Watercraft grants</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Total appropriation - game and fish department</td>
<td>$42,325,200</td>
</tr>
</tbody>
</table>

Fund sources:
- Capital improvement fund $1,000,900
- Game and fish fund 35,769,000
- Wildlife endowment fund 16,200
- Watercraft licensing fund 5,192,600
- Game, non-game, fish and endangered species fund 346,500

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

Sec. 48. DEPARTMENT OF GAMING

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>155.8</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$8,295,500</td>
</tr>
<tr>
<td>Additional operating expenses</td>
<td>$800,400</td>
</tr>
<tr>
<td>Casino operations certification</td>
<td>2,089,900</td>
</tr>
<tr>
<td>Line</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>1</td>
<td>County fairs livestock and agricultural promotion</td>
</tr>
<tr>
<td>2</td>
<td>Division of racing</td>
</tr>
<tr>
<td>3</td>
<td>Problem gambling</td>
</tr>
<tr>
<td>4</td>
<td><strong>Total appropriation - department of gaming</strong></td>
</tr>
<tr>
<td>5</td>
<td>Fund sources:</td>
</tr>
<tr>
<td>6</td>
<td>State general fund</td>
</tr>
<tr>
<td>7</td>
<td>Tribal-state compact fund</td>
</tr>
<tr>
<td>8</td>
<td>Arizona benefits fund</td>
</tr>
<tr>
<td>9</td>
<td>State lottery fund</td>
</tr>
<tr>
<td>10</td>
<td>Racing regulation fund</td>
</tr>
</tbody>
</table>

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

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

Sec. 49. OFFICE OF THE GOVERNOR

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lump sum appropriation</td>
<td>$ 6,889,000*</td>
</tr>
<tr>
<td>2</td>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>State general fund</td>
<td>$ 6,889,000</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lump sum appropriation</td>
<td>$ 1,994,000*</td>
</tr>
<tr>
<td>2</td>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>State general fund</td>
<td>$ 1,994,000</td>
</tr>
</tbody>
</table>

Sec. 51. DEPARTMENT OF HEALTH SERVICES

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Operating lump sum appropriation</td>
<td>$ 49,200,000</td>
</tr>
</tbody>
</table>

Public health/family health

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adult cystic fibrosis care</td>
<td>105,200</td>
</tr>
<tr>
<td>2</td>
<td>AIDS reporting and surveillance</td>
<td>1,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Alzheimer's disease research</td>
<td>1,125,000</td>
</tr>
<tr>
<td>Service Description</td>
<td>Funding Amount</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Breast and cervical cancer and bone density screening</td>
<td>1,369,400</td>
<td></td>
</tr>
<tr>
<td>County tuberculosis provider care and control</td>
<td>590,700</td>
<td></td>
</tr>
<tr>
<td>Emergency medical services local allocation</td>
<td>442,000</td>
<td></td>
</tr>
<tr>
<td>Folic acid program</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>High-risk perinatal services</td>
<td>2,543,400</td>
<td></td>
</tr>
<tr>
<td>Newborn screening program</td>
<td>6,697,300</td>
<td></td>
</tr>
<tr>
<td>Nonrenal disease management</td>
<td>198,000</td>
<td></td>
</tr>
<tr>
<td>Nursing care special projects</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Poison control centers funding</td>
<td>990,000</td>
<td></td>
</tr>
<tr>
<td>Renal dental care and nutrition supplements</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td><strong>Arizona state hospital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arizona state hospital - operating</td>
<td>61,011,600</td>
<td></td>
</tr>
<tr>
<td>Arizona state hospital - restoration to competency</td>
<td>900,000</td>
<td></td>
</tr>
<tr>
<td>Arizona state hospital - sexually violent persons</td>
<td>9,684,900</td>
<td></td>
</tr>
<tr>
<td><strong>Total appropriation - department of health services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$ 136,657,500</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund sources:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State general fund</td>
<td>$ 86,946,400</td>
<td></td>
</tr>
<tr>
<td>Arizona state hospital fund</td>
<td>9,575,300</td>
<td></td>
</tr>
<tr>
<td>Arizona state hospital land earnings fund</td>
<td>880,100</td>
<td></td>
</tr>
<tr>
<td>Capital outlay stabilization fund</td>
<td>1,559,900</td>
<td></td>
</tr>
<tr>
<td>Child fatality review fund</td>
<td>95,000</td>
<td></td>
</tr>
<tr>
<td>Emergency medical services operating fund</td>
<td>5,368,800</td>
<td></td>
</tr>
<tr>
<td>Environmental laboratory licensure revolving fund</td>
<td>926,400</td>
<td></td>
</tr>
<tr>
<td>Federal child care and development fund block grant</td>
<td>876,100</td>
<td></td>
</tr>
<tr>
<td>Health services licensing fund</td>
<td>9,264,200</td>
<td></td>
</tr>
<tr>
<td>Indirect cost fund</td>
<td>8,559,800</td>
<td></td>
</tr>
<tr>
<td>Newborn screening program fund block grant</td>
<td>7,138,300</td>
<td></td>
</tr>
<tr>
<td>Nursing care institution resident protection revolving fund</td>
<td>138,200</td>
<td></td>
</tr>
<tr>
<td>Tobacco tax and health care fund health research account</td>
<td>1,000,000</td>
<td></td>
</tr>
</tbody>
</table>
Tobacco tax and health care fund -
medically needy account 700,000
Vital records electronic systems fund 3,629,000

Public health/family health

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

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

Arizona state hospital

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

Departmentwide

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

Sec. 52. ARIZONA HISTORICAL SOCIETY 2016-17

FTE positions 51.9
Operating lump sum appropriation $ 2,118,500
Arizona experience museum 428,300
Field services and grants 66,000
Papago park museum 544,400
Total appropriation - Arizona historical society $ 3,157,200

Fund sources:
State general fund $ 3,157,200

Sec. 53. PRESCOTT HISTORICAL SOCIETY 2016-17

FTE positions 13.0
Lump sum appropriation $ 825,800

Fund sources:
State general fund $ 825,800
### Sec. 54. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS 2016-17

- **FTE positions**: 1.0
- **Lump sum appropriation**: $102,800

**Fund sources:**
- Board of homeopathic and integrated medicine examiners' fund: $102,800

### Sec. 55. ARIZONA DEPARTMENT OF HOUSING 2016-17

- **FTE positions**: 20.0
- **Lump sum appropriation**: $1,133,300

**Fund sources:**
- State general fund: $814,800
- Housing trust fund: $318,500

### Sec. 56. INDEPENDENT REDISTRICTING COMMISSION 2016-17

- **Lump sum appropriation**: $1,115,300

**Fund sources:**
- State general fund: $1,115,300

### Sec. 57. ARIZONA COMMISSION OF INDIAN AFFAIRS 2016-17

- **FTE positions**: 3.0
- **Lump sum appropriation**: $57,400

**Fund sources:**
- State general fund: $57,400

### Sec. 58. INDUSTRIAL COMMISSION OF ARIZONA 2016-17

- **FTE positions**: 235.6
- **Lump sum appropriation**: $19,940,300

**Fund sources:**
- Administrative fund: $19,940,300

### Sec. 59. DEPARTMENT OF INSURANCE 2016-17

- **FTE positions**: 72.3
- **Lump sum appropriation**: $5,856,000

**Fund sources:**
- State general fund: $5,856,000

### Sec. 60. ARIZONA JUDICIARY 2016-17

**Supreme court**
- **FTE positions**: 177.0
- **Operating lump sum appropriation**: $13,512,600
- **Automation**: $20,013,100
- **County reimbursements**: $187,900
Court appointed special advocate  2,862,500
Domestic relations  621,000
State foster care review board  3,212,300
Commission on judicial conduct  505,000
Judicial nominations and performance review  413,500
Model court  437,600
State aid  5,648,400
Total appropriation - supreme court  $ 47,413,900

Fund sources:
State general fund  $ 18,461,700
Confidential intermediary and fiduciary fund  488,400
Court appointed special advocate fund  2,942,800
Criminal justice enhancement fund  4,363,800
Defensive driving school fund  4,197,300
Judicial collection enhancement fund  14,014,900
State aid to the courts fund  2,945,000

On or before September 1, 2016, the supreme court shall report to the joint legislative budget committee on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects receiving or anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, the number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project’s total multiyear cost by fund source and budget line item, including any prior year, current year and future year expenditures. Included in the operating lump sum appropriation for the supreme court is $1,000 for the purchase of mementos and items for visiting officials.

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

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

The operating lump sum appropriation includes $500,000 and 2.0 FTE positions for the creation of two new supreme court justice positions. This amount may be spent only if the number of supreme court justices is increased from five justices to seven justices in fiscal year 2016-2017.
The operating lump sum includes $10,600 for the first of a two-year three percent pay increase phase-in for supreme court justices. Pursuant to section 41-1904, Arizona Revised Statutes, this pay raise is effective on the first Monday in January 2017. This amount may be spent only if the number of supreme court justices is increased from five justices to seven justices in fiscal year 2016-2017.

**Court of appeals**
- FTE positions: 136.8
- Division one: $10,011,100
- Division two: $4,336,300
- Total appropriation - court of appeals: $14,347,400

**Fund sources:**
- State general fund: $14,347,400

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

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

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

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

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

Monies appropriated to juvenile treatment services and juvenile diversion consequences shall be deposited in the juvenile probation services fund established by section 8-322, Arizona Revised Statutes. Receipt of state probation monies by the counties is contingent on the county maintenance of fiscal year 2003-2004 expenditure levels for each probation program. State probation monies are not intended to supplant county dollars for probation programs.

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

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

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

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

All centralized service payments made by the administrative office of the courts on behalf of counties shall be funded only from the centralized service payments line item. Centralized service payments include only training, motor vehicle payments, CORP review board funding, LEARN funding, research, operational reviews and GPS vendor payments. This footnote does not apply to treatment or counseling services payments made from the juvenile treatment services and juvenile diversion consequences line items. Monies in
the operating lump sum appropriation or other line items intended for
centralized service payments shall be transferred to the centralized service
payments line item before expenditure.

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

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

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

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

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

Of the amount included in the adult standard probation line item, the
sum of $1,000,000 may be spent only if the number of supreme court justices
is increased from five justices to seven justices in fiscal year 2016-2017.
Sec. 61. DEPARTMENT OF JUVENILE CORRECTIONS

2016-17

FTE positions 738.5
Lump sum appropriation $39,876,700

Fund sources:

State general fund $24,484,600
Department of juvenile corrections 11,260,000
State charitable, penal and reformatory institutions
land fund 2,000,100
Criminal justice enhancement fund 531,300
State education fund for committed youth 1,600,700

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

Sec. 62. STATE LAND DEPARTMENT

2016-17

FTE positions 129.7
Operating lump sum appropriation $15,210,100
Natural resource conservation districts 650,000
CAP user fees 769,900
Due diligence fund 500,000
Streambed navigability litigation 220,000

Total appropriation - state land department $17,350,000

Fund sources:

State general fund $12,552,600
Environmental special plate fund 260,500
Due diligence fund 500,000
Trust land management fund 4,036,900

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

Of the amount appropriated for natural resource conservation districts in fiscal year 2016-2017, $30,000 shall be used to provide grants to natural resource conservation district environmental education centers.
Sec. 63. LEGISLATURE

Senate  
Lump sum appropriation $9,473,900*  
Fund sources:  
State general fund $9,473,900  
Included in the lump sum appropriation of $9,473,900 for fiscal year 2016-2017 is $1,000 for the purchase of mementos and items for visiting officials.

House of representatives  
Lump sum appropriation $13,289,500*  
Fund sources:  
State general fund $13,289,500  
Included in the lump sum appropriation of $13,289,500 for fiscal year 2016-2017 is $1,000 for the purchase of mementos and items for visiting officials.

Legislative council  
FTE positions 49.0  
Operating lump sum appropriation $7,407,700  
Ombudsman-citizens aide office 825,600  
Total appropriation - legislative council $8,233,300*  
Fund sources:  
State general fund $8,233,300  
Dues for the council of state governments may be expended only on an affirmative vote of the legislative council.  
It is the intent of the legislature that the ombudsman-citizens aide prioritize the investigation and processing of complaints relating to the department of child safety.

Joint legislative budget committee  
FTE positions 29.0  
Lump sum appropriation $2,490,900*  
Fund sources:  
State general fund $2,490,900  
Auditor general  
FTE positions 184.8  
Lump sum appropriation $18,133,300*  
Fund sources:  
State general fund $18,133,300  
Included in the lump sum appropriation is funding to pay state rent at the statewide rate.
Sec. 64. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

FTE positions 45.2
Lump sum appropriation $ 3,017,600

Fund sources:
Liquor licenses fund $ 3,017,600

Sec. 65. ARIZONA STATE LOTTERY COMMISSION

FTE positions 98.8
Operating lump sum appropriation $ 8,389,400
Advertising 15,500,000

Total appropriation - Arizona state lottery commission $ 23,889,400

Fund source:
State lottery fund $ 23,889,400

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

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

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

Before the expenditure of these monies, the board of massage therapy shall complete a project investment justification that has been approved by from the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time...
information technology purchases can be consolidated with other appropriations in this act.

Sec. 67. ARIZONA MEDICAL BOARD

FTE positions 58.5
Lump sum appropriation $ 6,426,000

Fund sources:
Arizona medical board fund $ 6,426,000

The Arizona medical board may use up to seven percent of the Arizona medical board fund balance remaining at the end of each fiscal year for a performance based incentive program the following fiscal year based on the program established pursuant to section 38-618, Arizona Revised Statutes.

Sec. 68. STATE MINE INSPECTOR

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

Fund sources:
State general fund $ 1,215,200
Aggregate mining reclamation fund 112,800

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

Sec. 69. NATUROPATHIC PHYSICIANS MEDICAL BOARD

FTE positions 2.0
Lump sum appropriation $ 183,700

Fund sources:
Naturopathic physicians medical board fund $ 183,700

The appropriation includes $4,000 for technology updates. Before the expenditure of these monies, the naturopathic physicians medical board shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.
Sec. 70. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

2016-17
FTE positions 2.0
Lump sum appropriation $ 326,600

Fund sources:
State general fund $ 126,600
Arizona water banking fund 200,000

Sec. 71. ARIZONA STATE BOARD OF NURSING

2016-17
FTE positions 42.2
Operating lump sum appropriation $ 4,265,900
Certified nursing assistant credentialing program 536,700
Total appropriation – Arizona state board of nursing $ 4,802,600

Fund sources:
Board of nursing fund $ 4,802,600

Sec. 72. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ASSISTED LIVING FACILITY MANAGERS

2016-17
FTE positions 6.0
Lump sum appropriation $ 446,100

Fund sources:
Nursing care institution administrators' licensing and assisted living facility managers' certification fund $ 446,100
The appropriation includes $24,000 for online application and license renewals. Before the expenditure of these monies, the board of examiners of nursing care institution administrators and assisted living facility managers shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 73. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

2016-17
FTE positions 1.5
Lump sum appropriation $ 172,000

Fund sources:
Occupational therapy fund $ 172,000
Sec. 74.  STATE BOARD OF DISPENSING OPTICIANS  

FTE positions  

Lump sum appropriation $139,800  

Fund sources:  

Board of dispensing opticians fund $139,800

Sec. 75.  STATE BOARD OF OPTOMETRY

FTE positions  

Lump sum appropriation $211,400  

Fund sources:  

Board of optometry fund $211,400

Sec. 76.  ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

FTE positions

Lump sum appropriation $941,700  

Fund sources:  

Arizona board of osteopathic examiners in medicine and surgery fund $941,700

The appropriation includes $58,100 for database licensing software and the replacement of information technology equipment. Before the expenditure of these monies, the Arizona board of osteopathic examiners in medicine and surgery shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 77.  ARIZONA STATE PARKS BOARD

FTE positions

Operating lump sum appropriation $10,622,800

Kartchner caverns state park $2,232,000

Total appropriation - Arizona state parks board $12,854,800

Fund sources:  

State parks revenue fund $12,854,800

All other operating expenditures include $26,000 from the state parks revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2016-2017, an additional ten percent of this increase of Fool Hollow receipts is appropriated from the state parks revenue fund established by section 41-511.21, Arizona Revised Statutes, to
meet the revenue sharing agreement with the city of Show Low and the United States forest service.

Sec. 78. STATE PERSONNEL BOARD

<table>
<thead>
<tr>
<th>2016-17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>3.0</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
<td>$375,700</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Personnel division fund - personnel board subaccount</td>
<td>$375,700</td>
</tr>
</tbody>
</table>

Sec. 79. OFFICE OF PEST MANAGEMENT

<table>
<thead>
<tr>
<th>2016-17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>30.0</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
<td>$1,699,500</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Pest management fund</td>
<td>$1,699,500</td>
</tr>
</tbody>
</table>

Sec. 80. ARIZONA STATE BOARD OF PHARMACY

<table>
<thead>
<tr>
<th>2016-17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>18.0</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$2,120,500</td>
</tr>
<tr>
<td>Annual leave payout</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total appropriation - Arizona state board of pharmacy</td>
<td>$2,140,500</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Arizona state board of pharmacy fund</td>
<td>$2,140,500</td>
</tr>
</tbody>
</table>

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

Sec. 81. BOARD OF PHYSICAL THERAPY

<table>
<thead>
<tr>
<th>2016-17</th>
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</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>4.0</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
<td>$487,000</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Board of physical therapy fund</td>
<td>$487,000</td>
</tr>
</tbody>
</table>

The appropriation includes $43,000 for laptop replacement and online licensing software. Before the expenditure of these monies, the board of physical therapy shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine
whether the board's project investment justification is consistent with state
wide information technology enterprise architecture strategy and whether
one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 82. ARIZONA PIONEERS' HOME

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

Earnings on state lands and interest on the investment of the permanent land funds are appropriated for the Arizona pioneers' home and the state hospital for miners with disabilities in compliance with the enabling act and the Constitution of Arizona.

Sec. 83. STATE BOARD OF PODIATRY EXAMINERS

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>1.0</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
<td>$ 148,200</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>Podiatry fund</td>
<td>$ 148,200</td>
</tr>
</tbody>
</table>

Sec. 84. COMMISSION FOR POSTSECONDARY EDUCATION

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>5.0</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$ 184,300</td>
</tr>
<tr>
<td>Leveraging educational assistance partnership (LEAP)</td>
<td>2,319,500</td>
</tr>
<tr>
<td>Arizona college and career guide</td>
<td>21,300</td>
</tr>
<tr>
<td>Math and science teacher initiative</td>
<td>176,000</td>
</tr>
<tr>
<td>Arizona minority educational policy analysis center</td>
<td>100,000</td>
</tr>
<tr>
<td>Twelve plus partnership</td>
<td>130,500</td>
</tr>
<tr>
<td>Total appropriation - commission for postsecondary education</td>
<td>$ 2,931,600</td>
</tr>
<tr>
<td>Fund sources:</td>
<td></td>
</tr>
<tr>
<td>State general fund</td>
<td>$ 1,396,800</td>
</tr>
<tr>
<td>Postsecondary education fund</td>
<td>1,534,800</td>
</tr>
</tbody>
</table>

Each participating institution, public or private, in order to be eligible to receive state matching monies under the leveraging educational assistance partnership for grants to students, shall provide an amount of institutional matching monies that equals the amount of monies provided by the state to the institution for the leveraging educational assistance
partnership. Administrative expenses incurred by the commission for postsecondary education shall be paid from institutional matching funds and may not exceed twelve percent of the monies in fiscal year 2016-2017.

Any unencumbered balance remaining in the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, on June 30, 2016, and all grant monies and other revenues received by the commission for postsecondary education, when paid into the state treasury, are appropriated for the specific purposes designated by line items and for additional responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised Statutes.

The appropriations for the Arizona college and career guide, Arizona minority educational policy analysis center and twelve plus partnership are estimates representing all monies distributed to these funds, including balance forward, revenue and transfers, during fiscal year 2016-2017. The appropriations shall be adjusted as necessary to reflect actual final monies credited to the postsecondary education fund.

Sec. 85. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:
- Board for private postsecondary education fund | $ 396,300 |

Sec. 86. STATE BOARD OF PSYCHOLOGIST EXAMINERS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>

Fund sources:
- Board of psychologist examiners fund | $ 476,500 |

Sec. 87. DEPARTMENT OF PUBLIC SAFETY

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>ACTIC</td>
</tr>
<tr>
<td>Border strike task force ongoing</td>
</tr>
<tr>
<td>Border strike task force one-time</td>
</tr>
<tr>
<td>Border strike task force local support</td>
</tr>
<tr>
<td>Civil air patrol</td>
</tr>
<tr>
<td>GIITEM</td>
</tr>
<tr>
<td>GIITEM subaccount</td>
</tr>
<tr>
<td>Law enforcement officer virtual training</td>
</tr>
</tbody>
</table>
Motor vehicle fuel & 5,454,600 
Public safety equipment & 2,890,000 
Sexual assault kit testing & 500,000 

Total appropriation - department of public safety & $293,437,800 

Fund sources: 
State general fund & $121,397,900 
Automobile theft authority fund & 3,100,000 
Arizona highway user revenue fund & 96,409,200 
State highway fund & 7,331,300 
Arizona highway patrol fund & 24,198,200 
State aid to indigent defense fund & 700,000 
Criminal justice enhancement fund & 2,872,700 
Safety enforcement and transportation infrastructure fund - department of public safety subaccount & 1,559,100 
Crime laboratory assessment fund & 872,400 
Crime laboratory operations fund & 13,660,600 
Arizona deoxyribonucleic acid identification system fund & 4,997,300 
Arizona automated fingerprint identification system fund & 2,910,500 
Gang and immigration intelligence team enforcement mission border security and law enforcement subaccount & 2,527,700 
Motorcycle safety fund & 205,000 
Risk management revolving fund & 1,269,300 
Parity compensation fund & 2,139,700 
Public safety equipment fund & 2,893,000 
Concealed weapons permit fund & 3,393,900 
Drug and gang prevention resource center fund & 1,000,000 

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

1. Strict enforcement of all federal laws relating to illegal aliens and arresting illegal aliens.
2. Responding to or assisting any county sheriff or attorney in investigating complaints of employment of illegal aliens.
3. Enforcing Arizona's law known as the Legal Arizona Workers Act, strict enforcement of Arizona's SB 1070, Arizona's "Support Our Law Enforcement and Safe Neighborhoods Act", investigating crimes of identity theft in the context of hiring illegal aliens and the unlawful entry into the country.

4. Taking strict enforcement action.

Any change in the GIITEM mission or allocation of monies shall be approved by the joint legislative budget committee. The department shall submit an expenditure plan to the joint legislative budget committee for review before expending any monies not identified in the department's previous expenditure plans.

Of the $22,629,000 appropriated to GIITEM, only $2,603,400 is deposited in the GIITEM fund established by section 41-1724, Arizona Revised Statutes, and is appropriated for the purposes of that section. The $2,603,400 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations. This state recognizes that states have inherent authority to arrest a person for any immigration violation.

Any monies remaining in the department of public safety joint account on June 30, 2017 revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

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

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

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

The law enforcement officer virtual training line item includes $2,100,000 for virtual training for law enforcement officers. This amount shall be awarded to a contractor using a competitive bid process. The virtual training shall include the use of a simulator that:
1. Has the ability to display, and for the trainee to engage with, characters and scenario content simultaneously across at least a three hundred degree screen environment.

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

3. Is equipped with transducers to recreate sound vibrations.

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

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

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

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

Sec. 88. RADIATION REGULATORY AGENCY

| FTE positions | 29.0 |
| Lump sum appropriation | $1,626,500 |

Fund sources:

| State general fund | $775,300 |
| State radiologic technologist certification fund | $272,500 |
| Radiation regulatory fee fund | $578,700 |
Sec. 89.  STATE REAL ESTATE DEPARTMENT

FTE positions 37.0  
Lump sum appropriation $ 3,004,000

Fund sources:
State general fund $ 3,004,000

Sec. 90.  RESIDENTIAL UTILITY CONSUMER OFFICE

FTE positions 11.0  
Operating lump sum appropriation $ 1,190,000
Professional witnesses $ 145,000*

Total appropriation - residential utility consumer office $ 1,335,000

Fund sources:
Residential utility consumer office revolving fund $ 1,335,000

Sec. 91.  BOARD OF RESPIRATORY CARE EXAMINERS

FTE positions 4.0  
Lump sum appropriation $ 300,100

Fund sources:
Board of respiratory care examiners fund $ 300,100

Sec. 92.  ARIZONA STATE RETIREMENT SYSTEM

FTE positions 250.9  
Operating lump sum appropriation $ 25,495,000
Automation upgrades $ 2,070,000*

Total appropriation – state retirement system $ 27,565,000

Fund sources:
Arizona state retirement system administration account $ 24,765,000
Long-term disability trust fund administration account $ 2,800,000

Sec. 93.  DEPARTMENT OF REVENUE

FTE positions 880.8  
Operating lump sum appropriation $ 63,694,300
BRITS operational support $ 7,538,900
Unclaimed property administration and audit $ 1,218,500
TPT simplification $ 990,600
Income tax fraud prevention $ 3,150,000

Total appropriation – department of revenue $ 76,592,300
Fund sources:

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

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

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

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

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

Sec. 94. SCHOOL FACILITIES BOARD

FTE positions 17.0
Operating lump sum appropriation $1,672,500
New school facilities debt service 170,006,600
Building renewal grants 31,667,900
New school facilities 1,174,600
Total appropriation - school facilities board $204,521,600

Fund sources:
State general fund $204,521,600

Pursuant to section 35-142.01, Arizona Revised Statutes, any reimbursement received by or allocated to the school facilities board under the federal qualified school construction bond program in fiscal year 2016-2017 shall be deposited in or revert to the state general fund.
Pursuant to section 15-2041, Arizona Revised Statutes, the amount appropriated for new school construction shall be used only for a facility that is to be constructed for a school district that received final approval from the school facilities board on or before March 1, 2015.

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

Sec. 95. DEPARTMENT OF STATE - SECRETARY OF STATE

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Election services</td>
</tr>
<tr>
<td>Help America vote act</td>
</tr>
<tr>
<td>Library grants-in-aid</td>
</tr>
<tr>
<td>Statewide radio reading service for the blind</td>
</tr>
<tr>
<td>Total appropriation - secretary of state</td>
</tr>
</tbody>
</table>

Fund sources:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$15,006,500</td>
</tr>
<tr>
<td>Election systems improvement fund</td>
<td>2,941,500</td>
</tr>
<tr>
<td>Records services fund</td>
<td>742,000</td>
</tr>
</tbody>
</table>

Any transfer to or from the amount appropriated for the election services line item requires review by the joint legislative budget committee. The secretary of state shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before December 31, 2016 the actual amount and purpose of expenditures from the election systems improvement fund established by section 41-129, Arizona Revised Statutes, in fiscal year 2015-2016 and the expected amount and purpose of expenditures from the fund for fiscal year 2016-2017.

The fiscal year 2016-2017 appropriation from the election systems improvement fund for the help America vote act is available for use pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2018.

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

All monies in the elections services line item shall be used only to pay for the statewide election publicity pamphlet and as pass-through monies to county election divisions for the reimbursement of the costs of elections.
Sec. 96. STATE BOARD OF TAX APPEALS

2016-17

FTE positions 4.0
Lump sum appropriation $ 266,400

Fund sources:
State general fund $ 266,400

Sec. 97. STATE BOARD OF TECHNICAL REGISTRATION

2016-17

FTE positions 25.0
Lump sum appropriation $ 2,122,600

Fund sources:
Technical registration fund $ 2,122,600

Sec. 98. OFFICE OF TOURISM

2016-17

FTE positions 28.0
Tourism fund deposit $ 7,110,400

Fund sources:
State general fund $ 7,110,400

Sec. 99. DEPARTMENT OF TRANSPORTATION

2016-17

FTE positions 4,552.0
Operating lump sum appropriation $205,331,600
Attorney general legal services 3,577,700
Highway maintenance 140,593,200
Vehicles and heavy equipment 18,545,500
Fraud investigation 767,000
New third-party funding 631,800
Statewide drainage structures 4,300,000
Phoenix area freeway lighting 1,500,000

Total appropriation – department of transportation $375,246,800

Fund sources:
State general fund $ 50,400
Air quality fund 162,200
Driving under the influence abatement fund 153,200
Arizona highway user revenue fund 652,700
Motor vehicle liability insurance enforcement fund 1,316,100
Safety enforcement and transportation infrastructure fund – department of transportation subaccount 1,875,500
SB 1526

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

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

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

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

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

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

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

On or before August 1, 2016, the department shall report to the director of the joint legislative budget committee on the state's share of fees retained by the service Arizona vendor in the prior fiscal year. The report shall also include the amount spent by the service Arizona vendor on behalf of the state in the prior fiscal year, as well as a list of the projects funded with those monies.
All expenditures made by the department of transportation for attorney general legal services shall be funded only from the attorney general legal services line item. Monies in department of transportation line items intended for this purpose shall be transferred to the attorney general legal services line item before expenditure.

Sec. 100. STATE TREASURER

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>30.4</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$2,848,100</td>
</tr>
<tr>
<td>Justice of the peace salaries</td>
<td>$1,205,100</td>
</tr>
<tr>
<td>Law enforcement/boating safety fund grants</td>
<td>$2,183,800</td>
</tr>
<tr>
<td><strong>Total appropriation - state treasurer</strong></td>
<td><strong>$6,237,000</strong></td>
</tr>
</tbody>
</table>

Fund sources:
- State general fund: $1,205,100
- Law enforcement and boating safety fund: $2,183,800
- State treasurer empowerment scholarship account fund: $79,700
- State treasurer's operating fund: $2,571,800
- State treasurer's management fund: $196,600

Sec. 101. ARIZONA BOARD OF REGENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>25.9</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$2,352,500</td>
</tr>
<tr>
<td>Arizona teachers incentive program</td>
<td>$90,000</td>
</tr>
<tr>
<td>Arizona transfer articulation support system</td>
<td>$213,700</td>
</tr>
<tr>
<td>Performance funding</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Student financial assistance</td>
<td>$10,041,200</td>
</tr>
<tr>
<td>Western interstate commission office</td>
<td>$141,000</td>
</tr>
<tr>
<td>WICHE student subsidies</td>
<td>$4,090,000</td>
</tr>
<tr>
<td><strong>Total appropriation - Arizona board of regents</strong></td>
<td><strong>$21,928,400</strong></td>
</tr>
</tbody>
</table>

Fund sources:
- State general fund: $21,928,400

The Arizona board of regents shall allocate the $5,000,000 appropriation for performance funding to the three universities under its jurisdiction in accordance with a performance funding model to be adopted by the board that is substantially similar to what the board used in allocating the performance funding appropriation for fiscal year 2015-2016.
It is the intent of the legislature that the Arizona board of regents adopt a performance funding model and report to the joint legislative budget committee the final allocation of the $5,000,000 performance funding lump sum appropriation on or before July 1, 2016. The formula shall be consistent with board objectives previously adopted in the board's enterprise plan. The performance funding model shall use select performance metrics that include, at a minimum, the increase in degrees awarded, the increase in completed student credit hours and the increase in externally generated research and public service funding. The formula may give added weight to degrees related to science, technology, engineering and mathematics, as well as other high-value degrees that are in short supply or are essential to the state's long-term economic development strategy.

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

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

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

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

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>Biomedical informatics</td>
</tr>
<tr>
<td>School of civic and economic thought and leadership</td>
</tr>
<tr>
<td>Downtown Phoenix campus</td>
</tr>
<tr>
<td>Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
<tr>
<td>University collections fund</td>
</tr>
</tbody>
</table>
The state general fund appropriation may not be used for alumni association funding.

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

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

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

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

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

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

Any unencumbered balances remaining in the collections account on June 30, 2016 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Monies from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.
Sec. 103. ARIZONA STATE UNIVERSITY - EAST CAMPUS

FTE positions 416.2
Operating lump sum appropriation $57,297,300
TRIF lease-purchase payment 2,000,000
Total appropriation - Arizona state university - East campus $59,297,300

Fund sources:
State general fund $21,574,400
University collections fund 35,722,900
Technology and research initiative fund 2,000,000

The state general fund appropriation may not be used for alumni association funding.
The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.
The appropriated monies may not be used for scholarships or any student newspaper.

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

Sec. 104. ARIZONA STATE UNIVERSITY - WEST CAMPUS

FTE positions 521.1
Operating lump sum appropriation $73,417,700
TRIF lease-purchase payment 1,600,000
Total appropriation - Arizona state university - West campus $75,017,700

Fund sources:
State general fund $29,176,300
University collections fund 44,241,400
Technology and research initiative fund 1,600,000
The state general fund appropriation may not be used for alumni association funding.

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

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

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

Sec. 105. NORTHERN ARIZONA UNIVERSITY

FTE positions 2,249.7
Operating lump sum appropriation $233,388,600
NAU - Yuma 3,066,600
Teacher training 2,290,600
Total appropriation – Northern Arizona university $238,745,800

Fund sources:
State general fund $ 93,459,200
University collections fund 145,286,600

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

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

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

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

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

Sec. 106. UNIVERSITY OF ARIZONA

Main campus

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>Operating lump sum appropriation $467,520,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>39,423,400</td>
</tr>
<tr>
<td>Arizona cooperative extension</td>
<td>16,017,700</td>
</tr>
<tr>
<td>Center for the philosophy of freedom</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Sierra Vista campus</td>
<td>7,649,600</td>
</tr>
</tbody>
</table>

Total - Main campus $533,110,700

Fund sources:

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

Health sciences center

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

Total - health sciences center $112,683,000

Fund sources:

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

Total appropriation - university of Arizona $645,793,700

Fund sources:

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

The state general fund appropriation may not be used for alumni association funding.
The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research.
The appropriated monies may not be used for scholarships or any student newspaper.
The appropriated amount for the center for the philosophy of freedom may not supplant any existing state funding or private or external donations to the center or the philosophy department of the university of Arizona. The appropriated monies and all private and external donations to the center shall be used only for the direct operation of the center and may not be used for indirect costs of the university. The center shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives government and higher education committee and the director of the joint legislative budget committee on or before October 3, 2016. The report shall include at least the following for the center:

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

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

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

Sec. 107. DEPARTMENT OF VETERANS' SERVICES

<table>
<thead>
<tr>
<th>2016-17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>512.3</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$ 3,219,000</td>
</tr>
<tr>
<td>Arizona state veterans' homes</td>
<td>31,264,600</td>
</tr>
<tr>
<td>Arizona state veterans' cemeteries</td>
<td>928,000</td>
</tr>
<tr>
<td>Veterans' benefit counseling</td>
<td>2,833,700</td>
</tr>
<tr>
<td>Total appropriation - department of veterans' services</td>
<td>$ 38,245,300</td>
</tr>
</tbody>
</table>
Fund sources:

State general fund $ 6,077,800
State home for veterans trust fund 31,264,600
State veterans' conservatorship fund 902,900

Sec. 108. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD 2016-17

FTE positions 6.0
Lump sum appropriation $ 655,100

Fund sources:
Veterinary medical examining board fund $ 655,100

The appropriation includes $68,300 for online licensing software and database revisions. Before the expenditure of these monies, the Arizona state veterinary medical examining board shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 109. DEPARTMENT OF WATER RESOURCES 2016-17

FTE positions 129.0
Operating lump sum appropriation $ 9,204,800
Adjudication support 1,251,800
Assured and adequate water supply administration 1,983,200
Rural water studies 1,164,500
Conservation and drought program 408,300
Automated groundwater monitoring 409,400
Lower Colorado river litigation expenses 500,000*

Total appropriation - department of water resources $ 14,922,000

Fund sources:
State general fund $ 12,803,100
Water resources fund 641,200
Assured and adequate water supply administration fund 266,600
Arizona water banking fund 1,211,100
Monies in the assured and adequate water supply administration line item may be used only for the exclusive purposes prescribed in sections 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the assured and adequate water supply administration line item.

It is the intent of the legislature that monies in the rural water studies line item be spent only to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside the state’s active management areas and not be made available for other department operating expenditures.

Monies in the adjudication support line item may be used only for the exclusive purposes prescribed in section 45-256 and section 45-257, subsection B, paragraph 4, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the adjudication support line item.

The department of water resources may not transfer any monies from the lower Colorado river litigation expenses line item without prior review by the joint legislative budget committee.

Fiscal Year 2015-2016 Appropriation Adjustments

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

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

1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.

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

C. It is the intent of the legislature that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, or interest payments made for the human resource information solution certificate of participation unless the proposed agreements have been reviewed by the joint legislative budget committee.
Sec. 111. Office of administrative hearings; supplemental appropriation; reduction; fiscal year 2015-2016

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

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

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

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

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

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

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

E. Of the amount appropriated in subsection D, paragraph 4 of this section, the Arizona health care cost containment system administration shall transfer not more than $3,352,200 to the department of health services in fiscal year 2015-2016 for medicaid behavioral health capitation payments for persons who are eligible for services pursuant to section 36-2901.01, Arizona Revised Statutes.
Sec. 113. **Department of child safety; supplemental appropriations; exemptions; fiscal year 2015-2016**

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

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

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

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

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

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

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

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

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

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

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

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

2. $1,000,000 for the rehabilitation services line item.
B. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $6,752,300 is appropriated from the state general fund in fiscal year 2015-2016 to the department of economic security's home and community based services medicaid line item. The department of economic security shall use these monies to draw down federal matching funds in fiscal year 2015-2016 for the division of developmental disabilities capitation payments. The department of economic security shall request review by the joint legislative budget committee before spending monies for any other purpose.

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

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

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

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

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

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

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

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all monies remaining unexpended and unencumbered on December 31, 2016 revert to the state general fund.
Sec. 118. **State forester; supplemental appropriation; fiscal year 2015-2016**

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

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

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

1. $9,235,300 from the tobacco tax and health care fund – medically needy account established by section 36-774, Arizona Revised Statutes.
2. $8,824,500 from the prescription drug rebate fund established by section 36-2930, Arizona Revised Statutes.
3. $112,373,300 from federal medicaid authority.

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

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

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

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

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

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

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

A. In addition to monies appropriated pursuant to Laws 2015, chapter 8, section 95, the sum of $6,130,000 is appropriated from the state general fund in fiscal year 2015-2016 to the secretary of state for the purpose of reimbursing expenses incurred by counties for the administration of the 2016 presidential preference election.
B. The secretary of state shall reimburse counties based on the number of active registered voters in that county on January 1, 2016 as follows:

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

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

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

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

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

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

2. Maintenance of infrastructure, machinery and equipment.

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

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

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

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

In addition to any other appropriations made in fiscal year 2015-2016, the sum of $4,076,000 is appropriated from the state general fund in fiscal year 2015-2016 to the Arizona board of regents for health care adjustments in the following amounts:
1. Arizona state university • Tempe and downtown Phoenix campuses $1,895,000
2. Arizona state university • East campus $ 182,700
3. Arizona state university • West campus $ 205,500
4. Northern Arizona university $ 40,200
5. University of Arizona • main campus $1,330,700
6. University of Arizona • health sciences center $ 421,900

Sec. 125. Department of veterans' services; supplemental appropriation; fiscal year 2015-2016
In addition to any other appropriations made in fiscal year 2015-2016, the sum of $278,000 is appropriated from the state home for veterans trust fund established by section 41-608.01, Arizona Revised Statutes, in fiscal year 2015-2016 to the department of veterans' services for increased dietary service costs.

Fiscal Year 2016-2017 Appropriations
Sec. 126. Department of administration; counties; appropriations; allocations
A. The sum of $5,500,500 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for distribution to counties for maintenance of essential county services. The department of administration shall allocate the appropriation equally among all counties with a population of less than two hundred thousand persons according to the 2010 United States decennial census.
B. The sum of $500,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for distribution to a county with a population of more than thirty thousand persons and less than forty thousand persons according to the 2010 United States decennial census, for maintenance of essential county services.
C. The sum of $8,000,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for a one-time distribution to counties for maintenance of essential county services. The department of administration shall allocate this amount as follows:

Apache $ 89,500
Cochise $ 164,400
Coconino $ 168,300
Gila $ 67,100
Graham $ 46,600
Greenlee $ 10,500
La Paz $ 25,700
Maricopa $ 4,777,300
Mohave $ 250,500
<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navajo</td>
<td>$134,500</td>
</tr>
<tr>
<td>Pima</td>
<td>$1,226,900</td>
</tr>
<tr>
<td>Pinal</td>
<td>$470,300</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>$59,300</td>
</tr>
<tr>
<td>Yavapai</td>
<td>$264,100</td>
</tr>
<tr>
<td>Yuma</td>
<td>$245,000</td>
</tr>
</tbody>
</table>

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

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

Appropriations

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

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

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

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

D. The sum of $4,581,600 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing upgrades to the children's information library and data source operated by the department of child safety.
E. The amount of $7,300,000 is appropriated to the department of administration from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing, upgrading and maintaining the student longitudinal data system and the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes.

F. In addition to the amounts appropriated in subsection A of this section, any remaining balances on June 30, 2016 in the university and community college fee subaccount in the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes, are appropriated for implementing, upgrading and maintaining the student longitudinal data system and the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes.

G. It is the intent of the legislature that the appropriation made by subsection E of this section be used first and foremost to complete a significant portion of the replacement of the student accountability information system established by section 15-1041, Arizona Revised Statutes. The department of education shall provide quantifiable deliverables of the legislature's intended progress to the information technology authorization committee established by section 41-3521, Arizona Revised Statutes, and to the joint legislative budget committee before seeking review of the $7,300,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes.

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

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

J. In addition to the initial review of expenditures from the automation projects fund by the joint legislative budget committee, pursuant to section 41-714, Arizona Revised Statutes, monies appropriated for projects at each state agency from the automation projects fund established by section 41-714, Arizona Revised Statutes, may not be used for projects at any other state agency without prior review by the joint legislative budget committee.

Quarterly Report

K. The department of administration shall submit to the joint legislative budget committee, within thirty days after the last day of each calendar quarter, a quarterly report on the implementation of projects described in this section, including the projects' expenditures to date, deliverables, timeline for completion and current status.
L. The funding for the department of education's automation project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the department of education shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $7,300,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2016-2017 expenditures, the department of education shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

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

Non-lapsing

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

O. For the funding for the department of child safety's replacement of the children's information library and data source system project, any remaining balances on June 30, 2016 in the automation projects fund established by section 41-714, Arizona Revised Statutes, from monies appropriated in fiscal year 2014-2015 for the replacement of the children's information library and data source system at the department of child safety are appropriated to the department of administration in fiscal year 2016-2017 for the same purposes specified in fiscal year 2014-2015. The department of
administration shall report any fiscal year 2016-2017 expenditure of
remaining balances from fiscal year 2014-2015 from the automation projects
fund in the department's quarterly report to the joint legislative budget
committee.

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

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

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

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

A. The sum of $12,000,000 is appropriated from the automation projects fund established by section 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 to the department of administration for the replacement of the state's e-procurement system. It is the intent of the legislature that the cost of replacing the state's e-procurement system be distributed proportionately among other funds.
B. The amount of $3,000,000 is appropriated from the state general fund in fiscal year 2016-2017 for deposit into the automation projects fund established by section 41-714, Arizona Revised Statutes.

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

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

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

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

Sec. 130. Arizona commerce authority; allocation

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

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

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

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

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

A. The sum of $2,000,000 in one-time funding is appropriated from the state general fund in fiscal year 2016-2017 to the corporation commission for the purpose of replacing the corporations division database system.
B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2018.

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

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

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

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

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

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

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

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

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

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

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

The sum of $15,500,000 in one-time funding is appropriated from the state general fund in fiscal year 2016-2017 to the classroom site fund established by section 15-977, Arizona Revised Statutes.
Sec. 138. Department of health services; appropriation; Alzheimer’s disease research

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

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

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

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

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

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

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

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

(a) Substance abuse.
(b) Mental health.
(c) Violence.
(d) Other risky behaviors.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.
Sec. 141. Arizona trail fund; appropriation; fiscal year 2016-2017

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

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

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

1. Arizona state university $7,000,000
2. Northern Arizona university $4,000,000
3. University of Arizona $8,000,000

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

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

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

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

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

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

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

The sum of $250,000 is appropriated from the state general fund in fiscal year 2016-2017 to the Arizona water protection fund established by section 45-2111, Arizona Revised Statutes.
Sec. 145. Appropriation; debt service payments; state buildings

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

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

Sec. 146. Phoenix convention center; debt service payment

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

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

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

Fund Balance Transfers

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

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

1. Judiciary - supreme court:
   - Alternative dispute resolution fund - $300,000
   - Arizona lengthy trial fund - $300,000
   - Court appointed special advocate fund - $500,000

2. Judiciary - superior court:
   - Drug treatment and education fund - $250,000
   - Juvenile probation services fund - $4,650,000

3. Department of administration:
   - Automation operations fund - $461,600

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

Notwithstanding any other law, after July 1, 2015 but on or before June 30, 2016, the amount of $4,076,000 is transferred from the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, to the state general fund for the purpose of providing adequate support and maintenance for agencies of this state.
Sec. 150. Appropriation; fund balance transfers; fiscal year 2016-2017; automation projects fund

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

B. Notwithstanding any other law, the following amounts from the following sources are transferred in fiscal year 2016-2017 for deposit in the automation projects fund established by section 41-714, Arizona Revised Statutes:

1. In addition to the amount appropriated in paragraph 1 of this subsection, any remaining balances as of June 30, 2016 from fees collected from universities and community college districts in the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes.

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

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

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

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

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

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

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

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

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

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

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

Notwithstanding any other law, on or before June 30, 2017, the amount of $1,100,000 is transferred from the motor vehicle liability insurance enforcement fund established by section 28-4151, Arizona Revised Statutes, to the safety enforcement and transportation infrastructure fund established by section 28-6547, Arizona Revised Statutes.
Sec. 152. **Fund balance transfer; corrections fund**

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

1. $1,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.
2. $500,000 from the state department of corrections revolving fund established by section 42-3106, Arizona Revised Statutes.
3. $500,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.
4. $400,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.
5. $400,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.

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

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

Payment Deferrals

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

A. In addition to any other appropriation reductions made in fiscal year 2016-2017, notwithstanding any other law, the department of education shall defer until after July 1, 2017 but no later than July 12, 2017 $930,727,700 of the basic state aid and additional state aid payment that otherwise would be apportioned to school districts during fiscal year 2016-2017 pursuant to section 15-973, Arizona Revised Statutes. The funding deferral required by this subsection does not apply to charter schools or to school districts with a student count of less than six hundred pupils, and the department of education shall make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.

B. In addition to any other appropriations made in fiscal year 2017-2018, the sum of $930,727,700 is appropriated from the state general fund in fiscal year 2017-2018 to the department of education and the superintendent of public instruction for basic state aid and additional state aid entitlement for fiscal year 2017-2018. This appropriation shall be disbursed after July 1, 2017 but no later than July 12, 2017 to the several counties for the school districts in each county in amounts equal to the reductions in apportionment of basic state aid and additional state aid that
are required pursuant to subsection A of this section for fiscal year 2016-2017.

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

Statewide Adjustments

Sec. 155. Appropriation; operating adjustments

Employer health insurance contribution reduction $(16,608,900)

Fund sources:

- State general fund $(8,047,400)
- Other funds $(8,561,500)

Arizona financial information system collections 983,200

Fund sources:

- State general fund 461,600
- Other funds 521,600

Employer health insurance contribution reduction

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

Arizona financial information system collections

The amount appropriated is for the operation of the Arizona financial information system in fiscal year 2016-2017. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the Arizona financial information system collection charge. When determining an allocation, the joint legislative budget committee staff shall consider any amount previously charged to an agency or department for the operation of the Arizona financial information system. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow for the payment of Arizona financial information system charges.
Sec. 156. **Department of law; general agency counsel charges:**

**Fiscal year 2016-2017**

The department of administration shall allocate to each agency or department not exempt pursuant to section 41-191.09, Arizona Revised Statutes, the following amounts for general agency counsel provided by the department of law:

1. Department of administration $127,700
2. Office of administrative hearings $3,000
3. Arizona department of agriculture $4,200
4. Arizona arts commission $3,100
5. Automobile theft authority $1,400
6. Citizens clean elections commission $2,700
7. State department of corrections $2,000
8. Arizona criminal justice commission $8,700
9. Arizona state schools for the deaf and the blind $100,200
10. Commission for the deaf and the hard of hearing $4,100
11. Arizona early childhood development and health board $47,100
12. Department of education $132,000
13. Department of emergency and military affairs $30,000
14. Department of environmental quality $135,600
15. Arizona exposition and state fair board $20,900
16. Department of financial institutions $1,900
17. State forester $13,400
18. Department of gaming $37,300
19. Arizona geological survey $6,800
20. Department of health services $170,000
21. Arizona historical society $700
22. Arizona department of housing $19,300
23. Department of insurance $10,500
24. Department of juvenile corrections $9,400
25. State land department $2,100
26. Department of liquor licenses and control $11,400
27. Arizona state lottery commission $24,800
28. Arizona state parks board $45,800
29. State personnel board $600
30. Arizona pioneers' home $12,100
31. Commission for postsecondary education $1,800
32. Department of public safety $677,400
33. Radiation regulatory agency $3,800
34. Arizona state retirement system $69,100
35. Department of revenue  $ 4,900
36. Department of state - secretary of state  $ 1,800
37. State treasurer  $ 9,200
38. Department of veterans' services  $ 52,700

Other Provisions

Sec. 157. Legislative intent; expenditure reporting
It is the intent of the legislature that all departments, agencies and budget units receiving appropriations under the terms of this act continue to report actual, estimated and requested expenditures by budget programs and budget classes in a format that is similar to the budget programs and budget classes used for budgetary purposes in prior years. A different format may be used if deemed necessary to implement section 35-113, Arizona Revised Statutes, agreed to by the director of the joint legislative budget committee and incorporated into the budget preparation instructions adopted by the governor's office of strategic planning and budgeting pursuant to section 35-112, Arizona Revised Statutes.

Sec. 158. FTE positions; reporting; definition
Full-time equivalent (FTE) positions contained in this act are subject to appropriation. The director of the department of administration shall account for the use of all appropriated and nonappropriated FTE positions, excluding those in the universities. The director of the department of administration shall submit the fiscal year 2016-2017 report on or before October 1, 2017 to the director of the joint legislative budget committee. The reports shall compare the level of appropriated FTE usage in each fiscal year to the appropriated level. For the purposes of this section, "FTE positions" means the total number of hours worked, including both regular and overtime hours as well as hours taken as leave, divided by the number of hours in a work year. The director of the department of administration shall notify the director of a budget unit if the budget unit's appropriated FTE usage has exceeded its number of appropriated FTE positions. The universities shall each report to the director of the joint legislative budget committee in a manner comparable to the department of administration reporting.

Sec. 159. Filled FTE positions; reporting
On or before October 1, 2016, each agency, including the judiciary and universities, shall submit a report to the director of the joint legislative budget committee on the number of filled appropriated and nonappropriated FTE positions, by fund source, as of September 1, 2016.

Sec. 160. Transfer of spending authority
The department of administration shall report monthly to the director of the joint legislative budget committee on any transfers of spending authority made pursuant to section 35-173, subsection C, Arizona Revised Statutes, during the prior month.
Sec. 161. **Interim reporting requirements**

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

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

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

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

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

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

Sec. 162. **Definition**

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

Sec. 163. **Definition**

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

Sec. 164. **Definition**

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