

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 117
HOUSE BILL 2695

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)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Laws 2014, chapter 14, section 9, as amended by Laws 2015,
3 chapter 8, section 3, is amended to read:

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

6 Of the \$28,638,000 appropriated to the department of administration in
7 fiscal year 2013-2014 by Laws 2013, first special session, chapter 1, section
8 115, subsection A, the sum of \$4,132,000 is exempt from the provisions of
9 section 35-190, Arizona Revised Statutes, relating to lapsing of
10 appropriations for fiscal years 2014-2015, ~~and~~ 2015-2016 **AND 2016-2017** for
11 the purpose of paying contingency costs related to the replacement of the
12 Arizona financial information system. Of this amount, \$212,000 for rent and
13 \$817,000 for private third-party consultant oversight are not subject to
14 review by the joint legislative budget committee. **SUBJECT TO REVIEW BY THE**
15 **JOINT LEGISLATIVE BUDGET COMMITTEE, THE REMAINING \$3,103,000 SHALL BE USED**
16 **FOR THE REPLACEMENT OF THE STATE'S E-PROCUREMENT SYSTEM.**

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

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

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

30 B. The appropriation made in subsection A of this section is exempt
31 from the provisions of section 35-190, Arizona Revised Statutes, relating to
32 lapsing of appropriations until June 30, ~~2016~~ 2017.

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

34 Sec. 103. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES

	<u>2015-16</u>
FTE positions	6,142.9
Operating lump sum appropriation	\$542,436,800
	\$617,197,200
Biomedical informatics	2,746,600
Downtown Phoenix campus	<u>126,739,200</u>
Total appropriation - Arizona state	
university - Tempe and downtown	
Phoenix campuses	\$671,922,600
	\$746,683,000
Fund sources:	
State general fund	\$155,092,100

1 \$229,852,500
 2 University collections fund 516,830,500
 3 It is the intent of the legislature that the STATE general fund base
 4 funding for Arizona state university - Tempe and downtown Phoenix campuses is
 5 \$229,852,500. This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL
 6 FUND APPROPRIATION of \$74,760,400 ~~from fiscal year 2015-2016 to fiscal year~~
 7 ~~2016-2017. This deferral shall be paid as required in this act.~~

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

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

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

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

17 Any unencumbered balances remaining in the collections account on June
 18 30, 2015 and all collections received by the university during the fiscal
 19 year, when paid into the state treasury, are appropriated for operating
 20 expenditures, capital outlay and fixed charges. Earnings on state lands and
 21 interest on the investment of the permanent land funds are appropriated in
 22 compliance with the enabling act and the Constitution of Arizona. No part of
 23 this appropriation may be expended for supplemental life insurance or
 24 supplemental retirement. Receipts from summer session, when deposited in the
 25 state treasury, together with any unencumbered balance in the summer session
 26 account, are appropriated for the purpose of conducting summer sessions but
 27 are excluded from the amounts enumerated above.

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

29 Sec. 104. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	2015-16
FTE positions	425.6
Operating lump sum appropriation	\$ 45,098,400
	\$ 50,848,600
TRIF lease-purchase payment	2,000,000
Total appropriation - Arizona state	
university - East campus	\$ 47,098,400
	\$ 52,848,600
Fund sources:	
State general fund	\$ 15,588,900
	\$ 21,339,100
University collections fund	29,509,500
Technology and research initiative	
fund	2,000,000

44 It is the intent of the legislature that the STATE general fund base
 45 funding for Arizona state university - East campus is \$21,339,100. This
 46 appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION

1 of \$5,750,200 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This~~
2 ~~deferral shall be paid as required in this act.~~

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

5 The increased state general fund appropriations from Laws 2014, chapter
6 18 may not be used for medical marijuana research.

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

9 Any unencumbered balances remaining in the collections account on June
10 30, 2015 and all collections received by the university during the fiscal
11 year, when paid into the state treasury, are appropriated for operating
12 expenditures, capital outlay and fixed charges. Earnings on state lands and
13 interest on the investment of the permanent land funds are appropriated in
14 compliance with the enabling act and the Constitution of Arizona. No part of
15 this appropriation may be expended for supplemental life insurance or
16 supplemental retirement. Receipts from summer session, when deposited in the
17 state treasury, together with any unencumbered balance in the summer session
18 account, are appropriated for the purpose of conducting summer sessions but
19 are excluded from the amounts enumerated above.

20 Sec. 5. Laws 2015, chapter 8, section 105 is amended to read:
21 Sec. 105. ARIZONA STATE UNIVERSITY - WEST CAMPUS

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

36 It is the intent of the legislature that the STATE general fund base
37 funding for Arizona state university - West campus is \$28,890,700. This
38 appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND APPROPRIATION
39 of \$10,064,800 ~~from fiscal year 2015-2016 to fiscal year 2016-2017. This~~
40 ~~deferral shall be paid as required in this act.~~

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

43 The increased state general fund appropriations from Laws 2014, chapter
44 18 may not be used for medical marijuana research.

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

1 Any unencumbered balances remaining in the collections account on June
2 30, 2015 and all collections received by the university during the fiscal
3 year, when paid into the state treasury, are appropriated for operating
4 expenditures, capital outlay and fixed charges. Earnings on state lands and
5 interest on the investment of the permanent land funds are appropriated in
6 compliance with the enabling act and the Constitution of Arizona. No part of
7 this appropriation may be expended for supplemental life insurance or
8 supplemental retirement. Receipts from summer session, when deposited in the
9 state treasury, together with any unencumbered balance in the summer session
10 account, are appropriated for the purpose of conducting summer sessions but
11 are excluded from the amounts enumerated above.

12 Sec. 6. Laws 2015, chapter 8, section 106 is amended to read:
13 Sec. 106. NORTHERN ARIZONA UNIVERSITY

	<u>2015-16</u>
FTE positions	2,057.2
Operating lump sum appropriation	\$189,628,300
	\$220,123,100
NAU - Yuma	2,430,000
Teacher training	<u>2,290,600</u>
Total appropriation - Northern Arizona	
university	\$194,348,900
	\$224,843,700
Fund sources:	
State general fund	\$ 61,491,400
	\$ 91,986,200
University collections fund	132,857,500

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

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

34 The increased state general fund appropriations from Laws 2014, chapter
35 18 may not be used for medical marijuana research.

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

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

42 Any unencumbered balances remaining in the collections account on June
43 30, 2015 and all collections received by the university during the fiscal
44 year, when paid into the state treasury, are appropriated for operating
45 expenditures, capital outlay and fixed charges. Earnings on state lands and
46 interest on the investment of the permanent land funds are appropriated in

1 compliance with the enabling act and the Constitution of Arizona. No part of
 2 this appropriation may be expended for supplemental life insurance or
 3 supplemental retirement. Receipts from summer session, when deposited in the
 4 state treasury, together with any unencumbered balance in the summer session
 5 account, are appropriated for the purpose of conducting summer sessions but
 6 are excluded from the amounts enumerated above.

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

8 Sec. 107. UNIVERSITY OF ARIZONA

	<u>2015-16</u>
9	
10	<u>Main campus</u>
11	FTE positions 5,393.0
12	Operating lump sum appropriation \$346,556,800
13	\$408,709,900
14	Agriculture 38,195,600
15	Arizona cooperative extension 16,360,200
16	Freedom center 500,000
17	Sierra Vista campus <u>7,601,500</u>
18	Total - Main campus \$409,214,100
19	\$471,367,200
20	Fund sources:
21	State general fund \$107,653,800
22	\$169,806,900
23	University collections fund 301,560,300
24	<u>Health sciences center</u>
25	FTE positions 1,054.1
26	Operating lump sum appropriation \$ 52,738,600
27	\$ 69,515,300
28	Clinical rural rotation 353,400
29	Clinical teaching support 8,587,000
30	Liver research institute 430,100
31	Phoenix medical campus 31,778,700
32	Telemedicine network <u>1,854,400</u>
33	Total - health sciences center \$ 95,742,200
34	\$112,518,900
35	Fund sources:
36	State general fund \$ 52,307,300
37	\$ 69,084,000
38	University collections fund 43,434,900
39	Total appropriation - university of
40	Arizona \$504,956,300
41	\$583,886,100
42	Fund sources:
43	State general fund \$159,961,100
44	\$238,890,900
45	University collections fund 344,995,200

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

6 It is the intent of the legislature that the STATE general fund base
7 funding for university of Arizona - health sciences center is \$69,084,000.
8 This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND
9 APPROPRIATION of \$16,776,700 ~~from fiscal year 2015-2016 to fiscal year~~
10 ~~2016-2017. This deferral shall be paid as required in this act.~~

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

13 The increased state general fund appropriations from Laws 2014, chapter
14 18 may not be used for medical marijuana research.

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

17 Any unencumbered balances remaining in the collections account on June
18 30, 2015 and all collections received by the university during the fiscal
19 year, when paid into the state treasury, are appropriated for operating
20 expenditures, capital outlay and fixed charges. Earnings on state lands and
21 interest on the investment of the permanent land funds are appropriated in
22 compliance with the enabling act and the Constitution of Arizona. No part of
23 this appropriation may be expended for supplemental life insurance or
24 supplemental retirement. Receipts from summer session, when deposited in the
25 state treasury, together with any unencumbered balance in the summer session
26 account, are appropriated for the purpose of conducting summer sessions but
27 are excluded from the amounts enumerated above.

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

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

31 Notwithstanding any other law, after July 1, 2016 but on or before June
32 30, 2017, the amount of ~~\$100,000,000~~ \$78,900,000 is transferred from the
33 special employee health insurance trust fund established by section 38-654,
34 Arizona Revised Statutes, to the state general fund for the purpose of
35 providing adequate support and maintenance for agencies of this state.

36 Sec. 9. Repeal

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

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

43 Sec. 11. ARIZONA STATE BOARD OF ACCOUNTANCY

44		<u>2016-17</u>
45	FTE positions	13.0
46	Lump sum appropriation	\$ 1,939,100

1	Fund sources:	
2	Board of accountancy fund	\$ 1,939,100
3	Sec. 12. ACUPUNCTURE BOARD OF EXAMINERS	
4		<u>2016-17</u>
5	FTE positions	1.0
6	Operating lump sum appropriation	\$ 165,000
7	Annual leave payout	<u>13,200</u>
8	Total appropriation - acupuncture board	
9	of examiners	\$ 178,200
10	Fund sources:	
11	Acupuncture board of examiners	
12	fund	\$ 178,200
13	Sec. 13. DEPARTMENT OF ADMINISTRATION	
14		<u>2016-17</u>
15	FTE positions	535.1
16	Operating lump sum appropriation	\$ 91,827,100
17	Utilities	8,275,600
18	Arizona financial information	
19	system	9,406,300
20	Telecommunications infrastructure	175,000
21	Risk management administrative	
22	expenses	8,747,200
23	Risk management losses and	
24	premiums	45,372,700
25	Workers' compensation losses	
26	and premiums	31,159,200
27	Statewide information security	
28	and privacy office	872,200
29	State surplus property sales	
30	proceeds	1,810,000
31	Southwest defense contracts	25,000
32	Government transformation office	<u>1,000,000</u>
33	Total appropriation - department of	
34	administration	\$198,670,300
35	Fund sources:	
36	State general fund	\$ 10,877,300
37	Air quality fund	927,300
38	Arizona financial information	
39	system collections fund	9,406,300
40	Automation operations fund	23,964,100
41	Capital outlay stabilization fund	18,082,800
42	Corrections fund	571,200
43	Federal surplus materials revolving	
44	fund	464,600
45	Information technology fund	2,942,100
46	Motor vehicle pool revolving fund	10,148,800

1	Personnel division fund	12,885,100
2	Risk management revolving fund	93,033,400
3	Special employee health insurance	
4	trust fund	5,262,300
5	Special services revolving fund	590,700
6	State surplus materials revolving	
7	fund	2,947,900
8	State web portal fund	4,543,000
9	Telecommunications fund	2,023,400

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

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

16 The appropriation from the automation operations fund established by
17 section 41-711, Arizona Revised Statutes, is an estimate representing all
18 monies, including balance forward, revenues and transfers during fiscal year
19 2016-2017. These monies are appropriated to the department of administration
20 for the purposes established in section 41-711, Arizona Revised Statutes.
21 The appropriation is adjusted as necessary to reflect monies credited to the
22 automation operations fund for automation operation center projects. Before
23 the expenditure of any automation operations fund monies in excess of
24 \$23,964,100 in fiscal year 2016-2017, the department of administration shall
25 report the intended use of monies to the joint legislative budget committee.

26 The amounts appropriated for the state employee public transportation
27 service subsidy shall be used for up to a fifty percent subsidy of charges
28 payable for public transportation service expenses as provided in section
29 41-710.01, Arizona Revised Statutes, of nonuniversity state employees in a
30 vehicle emissions control area as defined in section 49-541, Arizona Revised
31 Statutes, of a county with a population of more than four hundred thousand
32 persons.

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

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

38 All state surplus materials revolving fund monies received by the
39 department of administration in excess of \$2,947,900 in fiscal year 2016-2017
40 are appropriated to the department. Before the expenditure of state surplus
41 materials revolving fund monies in excess of \$2,947,900 in fiscal year
42 2016-2017, the department of administration shall report the intended use of
43 monies to the joint legislative budget committee.

44 On or before October 1, 2016, the department shall submit a report for
45 review by the joint legislative budget committee of the expenditures to date
46 and progress of implementation for any monies received from the state and

1 local implementation grant program associated with the national public safety
 2 broadband network initiative. The joint legislative budget committee may
 3 require the department to submit more frequent reports as necessary for
 4 further review.

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

8 Sec. 14. OFFICE OF ADMINISTRATIVE HEARINGS

9			<u>2016-17</u>
10	FTE positions		12.0
11	Lump sum appropriation	\$	861,700
12	Fund sources:		
13	State general fund	\$	861,700

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

15			<u>2016-17</u>
16	FTE positions		3.0
17	Lump sum appropriation	\$	125,000
18	Fund sources:		
19	State general fund	\$	125,000

20 Sec. 16. ARIZONA DEPARTMENT OF AGRICULTURE

21			<u>2016-17</u>
22	FTE positions		194.4
23	Operating lump sum appropriation	\$	10,221,000
24	Agricultural employment relations		
25	board		23,300
26	Animal damage control		65,000
27	Red imported fire ant control		23,200
28	Agricultural consulting and		
29	training		<u>128,500</u>

30	Total appropriation - Arizona department		
31	of agriculture	\$	10,461,000
32	Fund sources:		
33	State general fund	\$	9,021,200
34	Air quality fund		1,439,800

35 Sec. 17. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

36			<u>2016-17</u>
37	FTE positions		2,326.3
38	Operating lump sum appropriation	\$	91,439,300
39	DES eligibility		54,874,500
40	Proposition 204 - acute care		
41	administration		<u>6,832,800</u>
42	Proposition 204 - behavioral		
43	health administration		5,832,000
44	Proposition 204 - DES eligibility		38,358,700
45	<u>Medical services</u>		
46	Traditional medicaid services		3,936,187,500

1	Proposition 204 services	2,777,688,100
2	Adult expansion services	462,284,600
3	Children's rehabilitative services	275,375,700
4	KidsCare services	1,955,000
5	ALTCS services	1,422,354,600
6	<u>Behavioral health services</u>	
7	Medicaid behavioral health -	
8	traditional services	960,228,100
9	Medicaid behavioral health -	
10	proposition 204 services	612,844,800
11	Medicaid behavioral health -	
12	adult expansion services	77,702,300
13	Medicaid behavioral health -	
14	comprehensive medical and	
15	dental program	208,027,400
16	Crisis services	16,391,300
17	Nonmedicaid seriously mentally	
18	ill services	78,846,900
19	Supported housing	5,324,800
20	<u>Hospital payments</u>	
21	Disproportionate share payments	5,087,100
22	Disproportionate share payments -	
23	voluntary match	19,896,000
24	Rural hospitals	22,650,000
25	Graduate medical education	162,992,600
26	Safety net care pool	<u>137,000,000</u>
27	Total appropriation and expenditure	
28	authority - Arizona health	
29	care cost containment system	\$11,380,174,100
30	Fund sources:	
31	State general fund	\$ 1,751,080,800
32	Budget neutrality compliance fund	3,563,300
33	Children's health insurance	
34	program fund	3,672,200
35	Prescription drug rebate	
36	fund - state	113,778,800
37	Substance abuse services fund	2,250,200
38	Tobacco products tax fund -	
39	emergency health services	
40	account	18,747,200
41	Tobacco tax and health care	
42	fund - medically needy account	72,998,200
43	Expenditure authority	9,414,083,400

44 Operating budget

45 The amounts appropriated for the department of economic security
 46 eligibility line item shall be used for intergovernmental agreements with the

1 department of economic security for the purpose of eligibility determination
2 and other functions. The state general fund share may be used for
3 eligibility determination for other programs administered by the division of
4 benefits and medical eligibility based on the results of the Arizona random
5 moment sampling survey.

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

12 Medical services and behavioral health services

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

17 The Arizona health care cost containment system administration shall
18 report to the joint legislative budget committee on or before March 1, 2017
19 on preliminary actuarial estimates of the capitation rate changes for the
20 following fiscal year along with the reasons for the estimated changes. For
21 any actuarial estimates that include a range, the total range from minimum to
22 maximum may not be more than two percent. Before implementation of any
23 changes in capitation rates, the Arizona health care cost containment system
24 administration shall report its expenditure plan for review by the joint
25 legislative budget committee. Before the administration implements any
26 change in policy affecting the amount, sufficiency, duration and scope of
27 health care services and who may provide services, the administration shall
28 prepare a fiscal impact analysis on the potential effects of this change on
29 the following year's capitation rates. If the fiscal impact analysis
30 demonstrates that this change will result in additional state costs of
31 \$500,000 or more for any fiscal year, the administration shall submit the
32 policy change for review by the joint legislative budget committee.

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

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

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

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

5 The nonappropriated portion of the prescription drug rebate fund
6 established by section 36-2930, Arizona Revised Statutes, is included in the
7 federal portion of the expenditure authority fund source.

8 Any supplemental payments received in excess of \$71,950,100 for nursing
9 facilities that serve medicaid patients in fiscal year 2016-2017, including
10 any federal matching monies, by the Arizona health care cost containment
11 system administration are appropriated to the administration in fiscal year
12 2016-2017. Before the expenditure of these increased monies, the
13 administration shall notify the joint legislative budget committee and the
14 governor's office of strategic planning and budgeting of the amount of monies
15 that will be expended under this provision. These payments are included in
16 the expenditure authority fund source.

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

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

25 The Arizona health care cost containment system administration shall
26 transfer \$1,200,000 from the nonmedicaid seriously mentally ill services line
27 item for fiscal year 2016-2017 to the department of health services for the
28 costs of prescription medications for persons with a serious mental illness
29 at the Arizona state hospital.

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

1 Payments to hospitals

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

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

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

23 Any monies for graduate medical education received in fiscal year
24 2016-2017, including any federal matching monies, by the Arizona health care
25 cost containment system administration in excess of \$162,992,600 are
26 appropriated to the administration in fiscal year 2016-2017. Before the
27 expenditure of these increased monies, the administration shall notify the
28 joint legislative budget committee and the governor's office of strategic
29 planning and budgeting of the amount of monies that will be expended under
30 this provision.

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

39 Other reports

40 On or before January 6, 2017, the Arizona health care cost containment
41 system administration shall report to the director of the joint legislative
42 budget committee the total amount of medicaid reconciliation payments and
43 penalties received on or before that date since July 1, 2016. On June 30,
44 2017, the administration shall report the same information for all of fiscal
45 year 2016-2017.

46 Sec. 18. BOARD OF ATHLETIC TRAINING

1			<u>2016-17</u>
2	FTE positions		1.5
3	Lump sum appropriation	\$	118,900
4	Fund sources:		
5	Athletic training fund	\$	118,900
6	Sec. 19. ATTORNEY GENERAL - DEPARTMENT OF LAW		
7			<u>2016-17</u>
8	FTE positions		574.7
9	Operating lump sum appropriation	\$	50,206,900
10	Capital postconviction prosecution		799,400
11	Internet crimes against children		
12	enforcement		1,250,000
13	Federalism unit		1,000,000
14	Risk management interagency		
15	service agreement		9,426,900
16	State grand jury		180,600
17	Southern Arizona law enforcement		1,200,000
18	Tobacco enforcement		819,500
19	Victims' rights		<u>3,759,400</u>
20	Total appropriation - attorney general -		
21	department of law	\$	68,642,700
22	Fund sources:		
23	State general fund	\$	24,688,100
24	Antitrust enforcement revolving		
25	fund		244,800
26	Attorney general legal services		
27	cost allocation fund		2,086,800
28	Collection enforcement revolving		
29	fund		6,869,700
30	Consumer protection - consumer		
31	fraud revolving fund		5,094,000
32	Interagency service agreements		
33	fund		15,573,000
34	Internet crimes against children		
35	enforcement fund		900,000
36	Risk management revolving fund		9,426,900
37	Victims' rights fund		3,759,400

38 In addition to the \$15,573,000 appropriated from the interagency
39 service agreements fund in fiscal year 2016-2017, an additional \$800,000 and
40 11 FTE positions are appropriated from the interagency service agreements
41 fund in fiscal year 2016-2017 for new or expanded interagency service
42 agreements. The attorney general shall report to the joint legislative
43 budget committee whenever an interagency service agreement is established
44 that will require expenditures from the additional amount. The report shall
45 include the name of the agency or entity with which the agreement is made,

1 the dollar amount of the contract by fiscal year and the number of associated
2 FTE positions.

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

6 The \$900,000 appropriation from the internet crimes against children
7 enforcement fund and the \$350,000 appropriation from the state general fund
8 for the internet crimes against children enforcement line item are continuing
9 appropriations and are exempt from the provisions of section 35-190, Arizona
10 Revised Statutes, relating to lapsing of appropriations, through June
11 30, 2018.

12 Sec. 20. AUTOMOBILE THEFT AUTHORITY

	<u>2016-17</u>
13 FTE positions	6.0
14 Operating lump sum appropriation	\$ 639,800
15 Automobile theft authority grants	4,607,700
16 Reimbursable programs	<u>50,000</u>
17 Total appropriation - automobile theft	
18 authority	\$ 5,297,500

19 Fund sources:

20 Automobile theft authority fund	\$ 5,297,500
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21 The automobile theft authority shall submit a report to the joint
22 legislative budget committee before expending any monies for the reimbursable
23 programs line item. The agency shall show sufficient monies collected to
24 cover the expenses indicated in the report.

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

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

31 Sec. 21. BOARD OF BARBERS

	<u>2016-17</u>
32 FTE positions	4.0
33 Lump sum appropriation	\$ 370,300
34 Fund sources:	
35 Board of barbers fund	\$ 370,300

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

44 Sec. 22. BOARD OF BEHAVIORAL HEALTH EXAMINERS

1		<u>2016-17</u>
2	FTE positions	17.0
3	Lump sum appropriation	\$ 1,760,500
4	Fund sources:	
5	Board of behavioral health	
6	examiners fund	\$ 1,760,500
7	Sec. 23. STATE BOARD FOR CHARTER SCHOOLS	
8		<u>2016-17</u>
9	FTE positions	14.0
10	Lump sum appropriation	\$ 1,194,100
11	Fund sources:	
12	State general fund	\$ 1,194,100
13	Sec. 24. DEPARTMENT OF CHILD SAFETY	
14		<u>2016-17</u>
15	FTE positions	3,193.1
16	Operating lump sum appropriation	\$116,103,100
17	Caseworkers	101,200,000
18	Backlog privatization	2,700,000
19	New case aides	3,077,700
20	Overtime pay	8,400,000
21	Attorney general legal services	25,588,700
22	Records retention staff	595,600
23	Inspections bureau	2,486,500
24	General counsel	156,100
25	Office of child welfare	
26	investigations	10,706,700
27	Retention pay	1,707,000
28	Adoption services	225,698,100
29	Preventive services	15,148,300
30	Out-of-home support services	198,272,500
31	Emergency and residential	
32	placement	98,900,100
33	Foster care placement	65,595,500
34	Independent living maintenance	4,660,000
35	In-home mitigation	28,988,100
36	Permanent guardianship subsidy	12,516,900
37	Grandparent stipends	1,000,000
38	Training resources	5,150,000
39	DCS child care subsidy	<u>45,159,400</u>
40	Total appropriation and expenditure	
41	authority - department of	
42	child safety	\$973,810,300
43	Fund sources:	
44	State general fund	\$379,863,800
45	Federal child care and	
46	development fund block grant	27,000,000

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

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

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

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

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

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

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

39 The appropriation for the office of child welfare investigations is
40 solely for the costs of employees directly hired by the office of child
41 welfare investigations. At least thirty days before any transfer into or out
42 of the office of child welfare investigations line item, the department shall
43 report the proposed transfer to the director of the joint legislative budget
44 committee.

1 On or before June 1, 2016, the department of child safety shall submit
2 a report of the number of filled central administrative staff positions as of
3 April 1, 2016 for review by the joint legislative budget committee. The
4 report shall delineate the filled central administrative staff position by
5 division and position type.

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

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

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

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

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

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

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

40 On or before September 30, 2016, and on or before the last day of every
41 calendar quarter through June 30, 2018, the department of child safety shall
42 present a report for review by the joint legislative budget committee on the
43 progress made in increasing the number of filled FTE positions, meeting the
44 caseload standard and reducing the number of backlog cases and out-of-home
45 children. The report shall include the number of backlog cases, the number
46 of open reports, the number of out-of-home children and the caseworker

1 workload on March 31, 2016 in comparison to the latest quarter. The report
2 shall provide the number of backlog cases by disposition, including the
3 number of backlog cases in the investigation phase, the number of backlog
4 cases associated with out-of-home placements and the number of backlog cases
5 associated with in-home cases.

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

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

12 For backlog cases, the department's quarterly benchmarks are as
13 follows: 10,000 cases as of September 30, 2016, 7,000 cases as of December
14 31, 2016, 4,000 cases as of March 31, 2017 and fewer than 1,000 cases as of
15 June 30, 2017 and thereafter.

16 For open reports, the department's benchmark is to have fewer than
17 13,000 open reports as of June 30, 2017 and thereafter.

18 For out-of-home children, the department's benchmark is to reduce the
19 number of children in out-of-home care by an average of an additional 2.0
20 percent every quarter with respect to the out-of-home care population as of
21 December 31, 2016. It is the intent of the legislature that the out-of-home
22 care population be below 17,500 and that the cumulative reduction as compared
23 to the population as of December 31, 2016 be 11.4 percent on or before June
24 30, 2018.

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

31 The overtime pay appropriation includes a total of \$2,610,700 from the
32 state general fund, \$3,859,500 from the federal temporary assistance for
33 needy families block grant and \$1,929,800 from child safety expenditure
34 authority. The backlog privatization appropriation includes a total of
35 \$2,700,000 from the state general fund. The new case aides appropriation
36 includes \$2,500,000 from the state general fund and \$577,700 from child
37 safety expenditure authority to hire additional case aides. Of these
38 amounts, a total of \$652,700 from the state general fund, \$964,900 from the
39 federal temporary assistance for needy families block grant and \$482,500 from
40 the child safety expenditure authority in the overtime pay appropriation are
41 available to the department on July 1, 2016. Before expending any remaining
42 monies in the overtime pay appropriation or any monies in the backlog
43 privatization and new case aides appropriations, the department shall submit
44 for review by the joint legislative budget committee a report on private
45 contractor awards to address the backlog. After the report is reviewed by
46 the joint legislative budget committee, the remaining \$1,958,000 from the

1 state general fund, \$2,894,600 from the federal temporary assistance for
 2 needy families block grant and \$1,447,300 from the child safety expenditure
 3 authority in the overtime pay appropriation, along with \$2,700,000 from the
 4 state general fund in the backlog privatization appropriation and \$2,500,000
 5 from the state general fund and \$577,700 from child safety expenditure
 6 authority in the new case aides appropriation, are available to the
 7 department.

8 Beginning on the seventh day of the month following the effective date
 9 of this act and on the seventh day of each month thereafter through June 30,
 10 2017, the department of child safety shall issue to the governor, the
 11 chairpersons of the house of representatives appropriations and children and
 12 family affairs committees and the senate appropriations and health and human
 13 services committees and the directors of the joint legislative budget
 14 committee and the governor's office of strategic planning and budgeting a
 15 report on new hires and separations. The report shall include the total
 16 number of FTE positions funded and the total number of FTE positions filled
 17 on January 31, 2016 and on the last day of each month thereafter. The
 18 department shall also delineate new hires and separations by case-carrying
 19 caseworkers, hotline staff, caseworkers-in-training, assistant program
 20 managers, unit supervisors, case aides, office of child welfare
 21 investigations staff and administrative staff by function.

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

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

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

34 Sec. 25. STATE BOARD OF CHIROPRACTIC EXAMINERS

35			<u>2016-17</u>
36	FTE positions		5.0
37	Lump sum appropriation	\$	451,400
38	Fund sources:		
39	Board of chiropractic examiners		
40	fund	\$	451,400

1	Sec. 26. ARIZONA COMMUNITY COLLEGES	
2		<u>2016-17</u>
3	<u>Equalization aid</u>	
4	Cochise	\$ 4,878,400
5	Graham	14,695,800
6	Navajo	<u>6,081,500</u>
7	Total - equalization aid	\$ 25,655,700
8	<u>Operating state aid</u>	
9	Cochise	\$ 4,670,000
10	Coconino	1,756,400
11	Gila	315,200
12	Graham	2,249,700
13	Mohave	1,315,000
14	Navajo	1,606,000
15	Pinal	1,724,700
16	Santa Cruz	81,200
17	Yavapai	800,200
18	Yuma/La Paz	<u>2,690,100</u>
19	Total - operating state aid	\$ 17,208,500
20	<u>STEM and workforce programs state aid</u>	
21	Cochise	\$ 1,008,200
22	Coconino	418,000
23	Gila	142,500
24	Graham	595,200
25	Mohave	505,200
26	Navajo	353,700
27	Pinal	96,500
28	Santa Cruz	61,400
29	Yavapai	774,400
30	Yuma/La Paz	<u>864,000</u>
31	Total - STEM and workforce programs	
32	state aid	\$ 4,819,100
33	Rural county reimbursement subsidy	<u>\$ 1,273,800</u>
34	Total appropriation - Arizona community	
35	colleges	\$ 48,957,100
36	Fund sources:	
37	State general fund	\$ 48,957,100
38	Of the \$1,273,800 appropriated to the rural county reimbursement	
39	subsidy line item, Apache county receives \$699,300 and Greenlee county	
40	receives \$574,500.	

1	Sec. 27. REGISTRAR OF CONTRACTORS	
2		<u>2016-17</u>
3	FTE positions	105.6
4	Operating lump sum appropriation	\$ 11,169,900
5	Office of administrative hearings	
6	costs	<u>1,017,600</u>
7	Total appropriation - registrar of	
8	contractors	\$ 12,187,500
9	Fund sources:	
10	Registrar of contractors fund	\$ 12,187,500
11	Any transfer to or from the amount appropriated for the office of	
12	administrative hearings costs line item requires review by the joint	
13	legislative budget committee.	
14	Sec. 28. CORPORATION COMMISSION	
15		<u>2016-17</u>
16	FTE positions	300.9
17	Operating lump sum appropriation	\$ 26,276,800
18	Corporation filings, same-day	
19	service	398,500
20	Utilities audits, studies,	
21	investigations and hearings	<u>380,000*</u>
22	Total appropriation - corporation commission	\$ 27,055,300
23	Fund sources:	
24	State general fund	\$ 614,200
25	Arizona arts trust fund	50,100
26	Investment management regulatory	
27	and enforcement fund	712,600
28	Public access fund	6,586,400
29	Securities regulatory and	
30	enforcement fund	4,930,700
31	Utility regulation revolving fund	14,161,300
32	The \$398,500 appropriated from the public access fund for the	
33	corporation filings, same-day service line item reverts to the public access	
34	fund established by section 10-122.01, Arizona Revised Statutes, at the end	
35	of fiscal year 2016-2017 if the commission has not established a same-day	
36	service pursuant to section 10-122, Arizona Revised Statutes.	
37	Sec. 29. STATE DEPARTMENT OF CORRECTIONS	
38		<u>2016-17</u>
39	FTE positions	9,541.0
40	Operating lump sum appropriation	\$ 783,880,200
41	Radio equipment	2,800,000
42	Private prison per diem	168,617,100
43	Inmate health care contracted	
44	services	<u>147,137,100</u>
45	Total appropriation - state department	
46	of corrections	\$1,102,434,400

1	Fund sources:	
2	State general fund	\$1,052,558,200
3	State education fund for	
4	correctional education	673,400
5	Alcohol abuse treatment fund	555,300
6	Penitentiary land fund	979,200
7	State charitable, penal and	
8	reformatory institutions	
9	land fund	1,861,200
10	Corrections fund	30,317,800
11	Transition program fund	1,803,300
12	Prison construction and operations	
13	fund	13,686,000

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

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

28 The state department of corrections shall provide a report on bed
29 capacity to the joint legislative budget committee for its review on or
30 before August 1, 2016. The report shall reflect the bed capacity for each
31 security classification by gender at each state-run and private institution,
32 divided by rated and total beds. The report shall include bed capacity data
33 for June 30, 2015 and June 30, 2016 and the projected capacity for June 30,
34 2017, as well as the reasons for any change within that time period. Within
35 the total bed count, the department shall provide the number of temporary and
36 special use beds. If the department develops a plan subsequent to its August
37 1 report to close state-operated prison rated beds or cancel or not renew
38 contracts for privately operated prison beds, the state department of
39 corrections shall submit a bed plan detailing the proposed bed closures for
40 review by the joint legislative budget committee before implementing these
41 changes.

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

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

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

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

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

15 Sec. 30. BOARD OF COSMETOLOGY

	<u>2016-17</u>
FTE positions	24.5
Lump sum appropriation	\$ 1,807,700
Fund sources:	
Board of cosmetology fund	\$ 1,807,700

21 Sec. 31. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2016-17</u>
FTE positions	9.0
Operating lump sum appropriation	\$ 1,253,700
State aid to county attorneys	973,600
Victim compensation and assistance	<u>4,220,500</u>
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

36 All victim compensation and assistance monies received by the Arizona
 37 criminal justice commission in excess of \$4,220,500 in fiscal year 2016-2017
 38 are appropriated to the crime victims program. Before the expenditure of any
 39 victim compensation and assistance monies in excess of \$4,220,500 in fiscal
 40 year 2016-2017, the Arizona criminal justice commission shall report the
 41 intended use of the monies to the joint legislative budget committee.

42 All monies received by the Arizona criminal justice commission in
 43 excess of \$973,600 in fiscal year 2016-2017 from the state aid to county
 44 attorneys fund established by section 11-539, Arizona Revised Statutes, are
 45 appropriated to the state aid to the county attorneys program. Before the
 46 expenditure of any state aid to county attorneys fund monies in excess of

1 \$973,600, the Arizona criminal justice commission shall report the intended
 2 use of the monies to the joint legislative budget committee.

3 On or before August 31, 2016, the Arizona criminal justice commission
 4 shall report to the joint legislative budget committee regarding
 5 noncompliance with the reporting requirements contained in section
 6 13-2314.01, subsection H and section 13-2314.03, subsection H, Arizona
 7 Revised Statutes.

8 Sec. 32. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND
 9 2016-17

10	FTE positions	541.2
11	Administration/statewide	\$ 4,152,100
12	Phoenix day school for the deaf	9,456,700
13	Tucson campus	13,755,600
14	Regional cooperatives	821,900
15	Preschool/outreach programs	4,233,500
16	School bus replacement	738,000
17	Voucher fund adjustment	<u>145,900</u>

18 Total appropriation - Arizona state schools
 19 for the deaf and the blind \$ 33,303,700

20 Fund sources:

21	State general fund	\$ 21,596,400
22	Schools for the deaf and the	
23	blind fund	11,707,300

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

28 Sec. 33. COMMISSION FOR THE DEAF AND THE HARD OF HEARING
 29 2016-17

30	FTE positions	15.0
31	Lump sum appropriation	\$ 4,312,800

32 Fund sources:

33	Telecommunication fund for	
34	the deaf	\$ 4,312,800

35 Sec. 34. STATE BOARD OF DENTAL EXAMINERS
 36 2016-17

37	FTE positions	11.0
38	Lump sum appropriation	\$ 1,215,500

39 Fund sources:

40	Dental board fund	\$ 1,215,500
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41 Sec. 35. DEPARTMENT OF ECONOMIC SECURITY
 42 2016-17

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

45 Administration

46	Attorney general legal services	11,067,600
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1	<u>Aging and adult services</u>	
2	Adult services	7,924,100
3	Community and emergency services	3,724,000
4	Coordinated homeless services	2,522,600
5	Domestic violence prevention	13,903,700
6	<u>Benefits and medical eligibility</u>	
7	Temporary assistance for needy	
8	families - cash benefits	27,736,400
9	Coordinated hunger services	1,754,600
10	Tribal pass-through funding	4,680,300
11	<u>Child support enforcement</u>	
12	County participation	8,740,200
13	<u>Developmental disabilities</u>	
14	DDD operating lump sum	49,590,200
15	Case management - medicaid	55,627,300
16	Home and community based	
17	services - medicaid	994,348,600
18	Institutional services -	
19	medicaid	22,632,900
20	Medical services - medicaid	165,542,400
21	Arizona training program at	
22	Coolidge - medicaid	15,822,100
23	Medicare clawback payments	3,370,600
24	Case management - state-only	3,912,700
25	Home and community based	
26	services - state-only	16,913,400
27	State-funded long-term care	
28	services	26,554,000
29	<u>Employment and rehabilitation services</u>	
30	JOBS	13,005,600
31	Child care subsidy	98,396,600
32	Independent living rehabilitation	
33	services	1,289,400
34	Rehabilitation services	7,249,100
35	Workforce investment act	
36	services	<u>51,654,600</u>
37	Total appropriation and expenditure	
38	authority - department of	
39	economic security	\$1,765,664,000
40	Fund sources:	
41	State general fund	\$ 530,204,500
42	Federal child care and	
43	development fund block grant	107,773,600
44	Federal temporary assistance for	
45	needy families block grant	72,964,700
46	Long-term care system fund	26,554,000

1	Public assistance collections	
2	fund	424,600
3	Special administration fund	2,939,700
4	Spinal and head injuries trust	
5	fund	2,324,800
6	Statewide cost allocation plan	
7	fund	1,000,000
8	Child support enforcement	
9	administration fund	16,719,600
10	Domestic violence shelter fund	4,000,000
11	Workforce investment act grant	56,050,500
12	Child support enforcement	
13	administration fund expenditure	
14	authority	42,479,100
15	Developmental disabilities medicaid	
16	expenditure authority	902,228,900

17 Aging and adult services

18 Of the \$4,000,000 in domestic violence shelter fund monies
19 appropriated, the department of economic security shall spend \$1,500,000 for
20 capital improvements or one-time projects for domestic violence facilities
21 that are receiving monies from the fund in fiscal year 2016-2017.

22 All domestic violence shelter fund monies in excess of \$4,000,000
23 received by the department of economic security are appropriated for the
24 domestic violence prevention line item. Before the expenditure of these
25 increased monies, the department of economic security shall report the
26 intended use of monies in excess of \$4,000,000 to the joint legislative
27 budget committee.

28 The department of economic security shall report to the joint
29 legislative budget committee on the amount of state and federal monies
30 available statewide for domestic violence funding on or before December
31 15, 2016. The report shall include, at a minimum, the amount of monies
32 available and the state fiscal agent receiving those monies.

33 Benefits and medical eligibility

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

37 Child support enforcement

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

1 Developmental disabilities

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

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

24 The department shall report to the joint legislative budget committee
25 on or before March 1 of each year on preliminary actuarial estimates of the
26 capitation rate changes for the following fiscal year along with the reasons
27 for the estimated changes. For any actuarial estimates that include a range,
28 the total range from minimum to maximum may not be more than two percent.
29 Before implementation of any changes in capitation rates for the long-term
30 care system, the department shall submit a report for review by the joint
31 legislative budget committee. Before the department implements any change in
32 policy affecting the amount, sufficiency, duration and scope of health care
33 services and who may provide services, the department shall prepare a fiscal
34 impact analysis on the potential effects of this change on the following
35 year's capitation rates. If the fiscal impact analysis demonstrates that
36 this change will result in additional state costs of \$500,000 or more for any
37 fiscal year, the department shall submit the policy change for review by the
38 joint legislative budget committee.

39 Before implementation of any developmental disabilities or long-term
40 care statewide provider rate adjustments that are not already specifically
41 authorized by the legislature, court mandates or changes to federal law, the
42 department shall submit a report for review by the joint legislative budget
43 committee that includes, at a minimum, the estimated cost of the provider
44 rate adjustment and the ongoing source of funding for the adjustment, if
45 applicable.

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

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

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

17 Employment and rehabilitation services

18 It is the intent of the legislature that the combined number of
19 children in child care assistance authorized pursuant to section 46-803,
20 subsections D and F, Arizona Revised Statutes, be maintained throughout the
21 year at a minimum of 8,500 children. The department shall prioritize child
22 care assistance for families who qualify for assistance pursuant to section
23 46-803, subsection F, Arizona Revised Statutes, on the waiting lists
24 established pursuant to section 46-803, subsection I, Arizona Revised
25 Statutes.

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

31 Departmentwide

32 The above appropriations are in addition to monies granted to the state
33 by the federal government for the same purposes but are deemed to include the
34 sums deposited in the state treasury to the credit of the department of
35 economic security pursuant to section 42-5029, Arizona Revised Statutes.

36 The department of economic security shall forward to the president of
37 the senate, the speaker of the house of representatives, the chairpersons of
38 the senate and house of representatives appropriations committees and the
39 director of the joint legislative budget committee a monthly report comparing
40 total expenditures for the month and year-to-date as compared to prior year
41 totals on or before the thirtieth of the following month. The report shall
42 include an estimate of potential shortfalls in entitlement programs and
43 potential federal and other monies, such as the statewide assessment for
44 indirect costs, and any projected surplus in state-supported programs that
45 may be available to offset these shortfalls and a plan, if necessary, for
46 eliminating any shortfall without a supplemental appropriation.

1	Sec. 36. STATE BOARD OF EDUCATION	
2		<u>2016-17</u>
3	FTE positions	11.0
4	Lump sum appropriation	\$ 1,705,000
5	Fund sources:	
6	State general fund	\$ 1,325,200
7	Teacher certification fund	379,800
8	Sec. 37. SUPERINTENDENT OF PUBLIC INSTRUCTION	
9		<u>2016-17</u>
10	FTE positions	164.9
11	Operating lump sum appropriation	\$ 12,375,700
12	Fund sources:	
13	State general fund	\$ 8,739,400
14	Teacher certification fund	137,300
15	Department of education empowerment	
16	scholarship account fund	799,000
17	Department of education professional	
18	development revolving fund	2,700,000

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

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

25 The amount appropriated for the department's operating budget includes
26 \$500,000 for technical assistance and state level administration of the K-3
27 reading program established pursuant to section 15-211, Arizona Revised
28 Statutes.

29	Basic state aid	\$2,793,140,500
30	Fund sources:	
31	State general fund	\$2,573,336,300
32	Permanent state school fund	219,804,200

33 The above appropriation provides basic state support to school
34 districts for maintenance and operations funding as provided by section
35 15-973, Arizona Revised Statutes, and includes an estimated \$219,804,200 in
36 expendable income derived from the permanent state school fund and from state
37 trust lands pursuant to section 37-521, subsection B, Arizona Revised
38 Statutes, for fiscal year 2016-2017, except that if Proposition 123 is not
39 approved by voters, the amount of expendable income derived from the
40 permanent state school fund and from state trust lands pursuant to section
41 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2016-2017 is
42 estimated to be \$47,359,500.

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

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

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

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

29 Former district-sponsored charter schools \$1,148,000

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

43 The department also shall increase the base support level of a school
44 district that operated a district-sponsored charter school in fiscal year
45 2015-2016 but that does not qualify for state aid in fiscal year 2016-2017 by
46 an amount equal to the average per pupil base support level increase provided

1 per former district-sponsored charter school pupil under this line item for a
2 school district that qualifies for state aid for fiscal year 2016-2017,
3 multiplied by the number of average daily membership pupils who attended
4 district-sponsored charter schools in the school district in fiscal year
5 2015-2016, and shall increase the school district's budget limits
6 accordingly.

7	Additional state aid -	
8	homeowner's rebate	\$391,456,100
9	Additional state aid -	
10	1 percent cap	7,380,300
11	Special education fund	32,242,100
12	Other state aid to districts	983,900
13	Accountability and achievement	
14	testing	\$ 16,422,400
15	Fund sources:	
16	State general fund	\$ 9,422,400
17	Proposition 301 fund	7,000,000

18 Before making any changes to the achievement testing program that will
19 increase program costs, the state board of education shall submit the
20 estimated fiscal impact of those changes to the joint legislative budget
21 committee for review.

22	Adult education	\$ 4,500,000
23	Alternative teacher development	
24	program	500,000
25	Arizona structured English	
26	immersion fund	4,960,400
27	English learner administration	6,507,900

28 The department of education shall use the appropriated amount to
29 provide English language acquisition services for the purposes of section
30 15-756.07, Arizona Revised Statutes, and for the costs of providing English
31 language proficiency assessments, scoring and ancillary materials as
32 prescribed by the department of education to school districts and charter
33 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
34 Statutes. The department of education may use a portion of the appropriated
35 amount to hire staff or contract with a third party to carry out the purposes
36 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
37 41-192, Arizona Revised Statutes, the superintendent of public instruction
38 also may use a portion of the appropriated amount to contract with one or
39 more private attorneys to provide legal services in connection with the case
40 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

41	Geographic literacy	\$ 100,000
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42 The department of education shall use the appropriated one-time amount
43 to issue a grant to a statewide geographic alliance for the purpose of
44 strengthening geographic literacy in this state. The appropriated amount is
45 exempt from the provisions of section 35-190, Arizona Revised Statutes,
46 relating to lapsing of appropriations.

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

5 Sec. 38. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

6		<u>2016-17</u>
7	FTE positions	63.1
8	<u>Administration</u>	\$ 1,819,200
9	<u>Emergency management</u>	727,300
10	<u>Military affairs</u>	3,024,400
11	Matching funds	<u>1,540,900</u>
12	Total appropriation - department of	
13	emergency and military affairs	\$ 7,111,800
14	Fund sources:	
15	State general fund	\$ 7,111,800

16 The department of emergency and military affairs appropriation includes
 17 \$1,700,000 for service contracts. This amount is exempt from the provisions
 18 of section 35-190, Arizona Revised Statutes, relating to lapsing of
 19 appropriations, except that all fiscal year 2016-2017 monies remaining
 20 unexpended and unencumbered on December 31, 2017 revert to the state general
 21 fund.

22 Sec. 39. DEPARTMENT OF ENVIRONMENTAL QUALITY

23		<u>2016-17</u>
24	FTE positions	322.0
25	Operating lump sum appropriation	\$ 46,353,800
26	Safe drinking water program	1,800,000
27	Emissions control contractor	
28	payment	<u>21,119,500</u>
29	Total appropriation - department of	
30	environmental quality	\$ 69,273,300
31	Fund sources:	
32	Air quality fund	\$ 5,369,300
33	Emergency response fund	132,800
34	Emissions inspection fund	28,381,700
35	Hazardous waste management fund	1,738,800
36	Indirect cost recovery fund	13,373,700
37	Permit administration fund	7,129,700
38	Recycling fund	1,356,300
39	Solid waste fee fund	1,241,000
40	Underground storage tank	
41	revolving fund	22,000
42	Water quality fee fund	10,528,000

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

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

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

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

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

36 Sec. 40. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

37			<u>2016-17</u>
38	FTE positions		4.0
39	Lump sum appropriation	\$	189,000
40	Fund sources:		
41	State general fund	\$	189,000

42 Sec. 41. STATE BOARD OF EQUALIZATION

43			<u>2016-17</u>
44	FTE positions		7.0
45	Lump sum appropriation	\$	642,800
46	Fund sources:		

1	State general fund	\$	642,800
2	Sec. 42. BOARD OF EXECUTIVE CLEMENCY		
3			<u>2016-17</u>
4	FTE positions		14.0
5	Lump sum appropriation	\$	956,000
6	Fund sources:		
7	State general fund	\$	956,000
8	The board of executive clemency shall report to the directors of the		
9	joint legislative budget committee and the governor's office of strategic		
10	planning and budgeting on or before November 1, 2016 on the total number and		
11	types of cases the board reviewed in fiscal year 2015-2016.		
12	Sec. 43. ARIZONA EXPOSITION AND STATE FAIR BOARD		
13			<u>2016-17</u>
14	FTE positions		184.0
15	Lump sum appropriation	\$	11,616,100
16	Fund sources:		
17	Arizona exposition and state		
18	fair fund	\$	11,616,100
19	Sec. 44. DEPARTMENT OF FINANCIAL INSTITUTIONS		
20			<u>2016-17</u>
21	FTE positions		69.1
22	Operating lump sum appropriation	\$	4,453,100
23	Real estate appraisal		<u>817,200</u>
24	Total appropriation - department of		
25	financial institutions	\$	5,270,300
26	Fund sources:		
27	State general fund	\$	3,812,600
28	Financial services fund		1,457,700
29	The department of financial institutions shall assess and set fees to		
30	ensure that monies deposited in the state general fund will equal or exceed		
31	the department's expenditure from the state general fund.		
32	Of the amount appropriated from the state general fund, the sum of		
33	\$817,200 reverts to the state general fund and the sum of \$817,200 is		
34	appropriated from the board of appraisal fund established by section 32-3608,		
35	Arizona Revised Statutes, if the board of appraisal fund is not repealed in		
36	the fifty-second legislature, second regular session.		
37	Sec. 45. STATE FORESTER		
38			<u>2016-17</u>
39	FTE positions		67.0
40	Operating lump sum appropriation	\$	2,953,000
41	Environmental county grants		250,000
42	Inmate fire crews		691,000
43	Fire suppression		1,000,000
44	One-time equipment		302,500
45	State fire marshal		747,300
46	State fire school		172,700

1	Hazardous vegetation removal	<u>1,350,000</u>
2	Total appropriation - state forester	\$ 7,466,500
3	Fund sources:	
4	State general fund	\$ 7,466,500
5	Sec. 46. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
6		<u>2016-17</u>
7	FTE positions	4.0
8	Lump sum appropriation	\$ 376,200
9	Fund sources:	
10	Board of funeral directors' and	
11	embalmers' fund	\$ 376,200
12	The appropriation includes \$24,000 for data system updates and online	
13	renewals. Before the expenditure of these monies, the state board of funeral	
14	directors and embalmers shall complete a project investment justification	
15	that has been approved by the department of administration. It is the intent	
16	of the legislature that the Arizona strategic enterprise technology office	
17	determine whether the board's project investment justification is consistent	
18	with statewide information technology enterprise architecture strategy and	
19	whether one-time information technology purchases can be consolidated with	
20	other appropriations in this act.	
21	Sec. 47. ARIZONA GAME AND FISH DEPARTMENT	
22		<u>2016-17</u>
23	FTE positions	273.5
24	Operating lump sum appropriation	\$ 41,325,200
25	Watercraft grants	<u>1,000,000</u>
26	Total appropriation - game and fish	
27	department	\$ 42,325,200
28	Fund sources:	
29	Capital improvement fund	\$ 1,000,900
30	Game and fish fund	35,769,000
31	Wildlife endowment fund	16,200
32	Watercraft licensing fund	5,192,600
33	Game, non-game, fish and	
34	endangered species fund	346,500
35	The operating lump sum appropriation of \$41,325,200 includes \$795,000	
36	from the game and fish fund established by section 17-261, Arizona Revised	
37	Statutes, to increase the minimum salary for the wildlife manager, wildlife	
38	manager 2, wildlife manager 3, wildlife manager field supervisor, law	
39	enforcement specialist 2, law enforcement specialist 3 and law enforcement	
40	program manager positions for a full year by at least \$8,700.	
41	Sec. 48. DEPARTMENT OF GAMING	
42		<u>2016-17</u>
43	FTE positions	155.8
44	Operating lump sum appropriation	\$ 8,295,500
45	Additional operating expenses	800,400
46	Casino operations certification	2,089,900

1	County fairs livestock and	
2	agriculture promotion	1,779,500
3	Division of racing	2,894,200
4	Problem gambling	<u>2,287,000</u>
5	Total appropriation - department of gaming	\$ 18,146,500
6	Fund sources:	
7	State general fund	\$ 1,779,500
8	Tribal-state compact fund	2,089,900
9	Arizona benefits fund	11,082,900
10	State lottery fund	300,000
11	Racing regulation fund	2,894,200

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

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

22 Sec. 49. OFFICE OF THE GOVERNOR

23		<u>2016-17</u>
24	Lump sum appropriation	\$ 6,889,000*
25	Fund sources:	
26	State general fund	\$ 6,889,000

27 Included in the lump sum appropriation of \$6,889,000 for fiscal year
 28 2016-2017 is \$10,000 for the purchase of mementos and items for visiting
 29 officials.

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

31		<u>2016-17</u>
32	FTE positions	22.0
33	Lump sum appropriation	\$ 1,994,000*
34	Fund sources:	
35	State general fund	\$ 1,994,000

36 Sec. 51. DEPARTMENT OF HEALTH SERVICES

37		<u>2016-17</u>
38	FTE positions	1,065.5
39	Operating lump sum appropriation	\$ 49,200,000
40	<u>Public health/family health</u>	
41	Adult cystic fibrosis care	105,200
42	AIDS reporting and surveillance	1,000,000
43	Alzheimer's disease research	1,125,000
44	Breast and cervical cancer and	
45	bone density screening	1,369,400
46	County tuberculosis provider care	

1	and control	590,700
2	Emergency medical services local	
3	allocation	442,000
4	Folic acid program	400,000
5	High-risk perinatal services	2,543,400
6	Newborn screening program	6,697,300
7	Nonrenal disease management	198,000
8	Nursing care special projects	100,000
9	Poison control centers funding	990,000
10	Renal dental care and nutrition	
11	supplements	300,000
12	<u>Arizona state hospital</u>	
13	Arizona state hospital -	
14	operating	61,011,600
15	Arizona state hospital -	
16	restoration to competency	900,000
17	Arizona state hospital -	
18	sexually violent persons	<u>9,684,900</u>
19	Total appropriation - department of	
20	health services	\$ 136,657,500
21	Fund sources:	
22	State general fund	\$ 86,946,400
23	Arizona state hospital fund	9,575,300
24	Arizona state hospital land	
25	earnings fund	880,100
26	Capital outlay stabilization fund	1,559,900
27	Child fatality review fund	95,000
28	Emergency medical services	
29	operating fund	5,368,800
30	Environmental laboratory licensure	
31	revolving fund	926,400
32	Federal child care and development	
33	fund block grant	876,100
34	Health services licensing fund	9,264,200
35	Indirect cost fund	8,559,800
36	Newborn screening program fund	7,138,300
37	Nursing care institution resident	
38	protection revolving fund	138,200
39	Tobacco tax and health care fund -	
40	health research account	1,000,000
41	Tobacco tax and health care fund -	
42	medically needy account	700,000
43	Vital records electronic systems	
44	fund	3,629,000

1 Public health/family health

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

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

8 Arizona state hospital

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

13 Departmentwide

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

25 Sec. 52. ARIZONA HISTORICAL SOCIETY

26		<u>2016-17</u>
27	FTE positions	51.9
28	Operating lump sum appropriation	\$ 2,118,500
29	Arizona experience museum	428,300
30	Field services and grants	66,000
31	Papago park museum	<u>544,400</u>
32	Total appropriation - Arizona historical	
33	society	\$ 3,157,200
34	Fund sources:	
35	State general fund	\$ 3,157,200

36 Sec. 53. PRESCOTT HISTORICAL SOCIETY

37		<u>2016-17</u>
38	FTE positions	13.0
39	Lump sum appropriation	\$ 825,800
40	Fund sources:	
41	State general fund	\$ 825,800

1	Sec. 54. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS		
2			<u>2016-17</u>
3	FTE positions		1.0
4	Lump sum appropriation	\$	102,800
5	Fund sources:		
6	Board of homeopathic and		
7	integrated medicine		
8	examiners' fund	\$	102,800
9	Sec. 55. ARIZONA DEPARTMENT OF HOUSING		
10			<u>2016-17</u>
11	FTE positions		20.0
12	Lump sum appropriation	\$	1,133,300
13	Fund sources:		
14	State general fund	\$	814,800
15	Housing trust fund		318,500
16	Sec. 56. INDEPENDENT REDISTRICTING COMMISSION		
17			<u>2016-17</u>
18	Lump sum appropriation	\$	1,115,300
19	Fund sources:		
20	State general fund	\$	1,115,300
21	Sec. 57. ARIZONA COMMISSION OF INDIAN AFFAIRS		
22			<u>2016-17</u>
23	FTE positions		3.0
24	Lump sum appropriation	\$	57,400
25	Fund sources:		
26	State general fund	\$	57,400
27	Sec. 58. INDUSTRIAL COMMISSION OF ARIZONA		
28			<u>2016-17</u>
29	FTE positions		235.6
30	Lump sum appropriation	\$	19,940,300
31	Fund sources:		
32	Administrative fund	\$	19,940,300
33	Sec. 59. DEPARTMENT OF INSURANCE		
34			<u>2016-17</u>
35	FTE positions		72.3
36	Lump sum appropriation	\$	5,856,000
37	Fund sources:		
38	State general fund	\$	5,856,000
39	Sec. 60. ARIZONA JUDICIARY		
40			<u>2016-17</u>
41	<u>Supreme court</u>		
42	FTE positions		177.0
43	Operating lump sum appropriation	\$	13,512,600
44	Automation		20,013,100

1	WAAS upgrade	948,700
2	County reimbursements	187,900
3	Court appointed special advocate	2,862,500
4	Domestic relations	621,000
5	State foster care review board	3,212,300
6	Commission on judicial conduct	505,000
7	Judicial nominations and	
8	performance review	413,500
9	Model court	437,600
10	State aid	<u>5,648,400</u>
11	Total appropriation - supreme court	\$ 48,362,600
12	Fund sources:	
13	State general fund	\$ 19,410,400
14	Confidential intermediary and	
15	fiduciary fund	488,400
16	Court appointed special advocate	
17	fund	2,942,800
18	Criminal justice enhancement fund	4,363,800
19	Defensive driving school fund	4,197,300
20	Judicial collection enhancement	
21	fund	14,014,900
22	State aid to the courts fund	2,945,000

23 On or before September 1, 2016, the supreme court shall report to the
 24 joint legislative budget committee on current and future automation projects
 25 coordinated by the administrative office of the courts. The report shall
 26 include a list of court automation projects receiving or anticipated to
 27 receive state monies in the current or next two fiscal years as well as a
 28 description of each project, the number of FTE positions, the entities
 29 involved and the goals and anticipated results for each automation project.
 30 The report shall be submitted in one summary document. The report shall
 31 indicate each project's total multiyear cost by fund source and budget line
 32 item, including any prior year, current year and future year expenditures.

33 Included in the operating lump sum appropriation for the supreme court
 34 is \$1,000 for the purchase of mementos and items for visiting officials.

35 Of the \$187,900 appropriated for county reimbursements, state grand
 36 jury is limited to \$97,900 and capital postconviction relief is limited to
 37 \$90,000.

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

1 The operating lump sum appropriation includes \$500,000 and 2.0 FTE
 2 positions for the creation of two new supreme court justice positions.

3 The operating lump sum includes \$10,600 for the first of a two-year
 4 three percent pay increase phase-in for supreme court justices. Pursuant to
 5 section 41-1904, Arizona Revised Statutes, this pay raise is effective on the
 6 first Monday in January 2017.

7 Court of appeals

8	FTE positions	136.8
9	Division one	\$ 10,011,100
10	Division two	<u>\$ 4,336,300</u>
11	Total appropriation - court of appeals	\$ 14,347,400

12 Fund sources:

13	State general fund	\$ 14,347,400
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14 Of the 136.8 FTE positions for fiscal year 2016-2017, 98.3 FTE
 15 positions are for division one and 38.5 FTE positions are for division two.

16 The appropriated amounts include \$22,300 for division one and \$9,600
 17 for division two for the first of a two-year three percent pay increase
 18 phase-in for court of appeals judges. Pursuant to section 41-1904, Arizona
 19 Revised Statutes, this pay raise is effective on the first Monday in
 20 January 2017.

21 Superior court

22	FTE positions	137.5
23	Operating lump sum appropriation	\$ 4,325,700
24	Judges' compensation	8,288,500
25	Centralized service payments	3,458,000
26	Adult standard probation	16,864,200
27	Adult intensive probation	10,366,900
28	Community punishment	2,310,300
29	Interstate compact	427,500
30	Drug court	993,600
31	Juvenile standard probation	3,850,600
32	Juvenile intensive probation	5,612,400
33	Juvenile treatment services	19,960,900
34	Juvenile family counseling	500,000
35	Juvenile crime reduction	3,308,000
36	Juvenile diversion consequences	8,157,800
37	Special water master	160,000
38	Dependency surge funding	<u>3,000,000</u>
39	Total appropriation - superior court	\$ 91,584,400

40 Fund sources:

41	State general fund	\$ 79,517,800
42	Criminal justice enhancement fund	5,542,000
43	Drug treatment and education fund	502,400
44	Judicial collection enhancement	
45	fund	6,022,200

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

7 Monies appropriated to juvenile treatment services and juvenile
8 diversion consequences shall be deposited in the juvenile probation services
9 fund established by section 8-322, Arizona Revised Statutes.

10 Receipt of state probation monies by the counties is contingent on the
11 county maintenance of fiscal year 2003-2004 expenditure levels for each
12 probation program. State probation monies are not intended to supplant
13 county dollars for probation programs.

14 On or before November 1, 2016, the administrative office of the courts
15 shall report to the joint legislative budget committee the fiscal year
16 2015-2016 actual, fiscal year 2016-2017 estimated and fiscal year 2017-2018
17 requested amounts for each of the following:

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

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

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

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

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

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

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

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

30 On or before October 1, 2016, the administrative office of the courts
31 shall report to the joint legislative budget committee on overall salary
32 adjustments provided to county probation officers in fiscal year 2016-2017,
33 including total funding adjustments and percentage increases. The
34 administrative office of the courts shall compile the information provided by
35 each county for this report.

36 The judges' compensation line item includes \$57,500 for the first of a
37 two-year three percent pay increase phase-in for non-Maricopa county superior
38 court justices. Pursuant to section 41-1904, Arizona Revised Statutes, this
39 pay raise is effective on the first Monday in January 2017.

40 Sec. 61. DEPARTMENT OF JUVENILE CORRECTIONS

41		<u>2016-17</u>
42	FTE positions	738.5
43	Lump sum appropriation	\$ 39,876,700

1	Fund sources:	
2	State general fund	\$ 24,484,600
3	Department of juvenile corrections	
4	local cost sharing fund	11,260,000
5	State charitable, penal and	
6	reformatory institutions	
7	land fund	2,000,100
8	Criminal justice enhancement fund	531,300
9	State education fund for committed	
10	youth	1,600,700

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

16 Sec. 62. STATE LAND DEPARTMENT

17		<u>2016-17</u>
18	FTE positions	129.7
19	Operating lump sum appropriation	\$ 15,210,100
20	Natural resource conservation	
21	districts	650,000
22	CAP user fees	769,900
23	Due diligence fund	500,000
24	Streambed navigability litigation	<u>220,000</u>
25	Total appropriation - state land department	\$ 17,350,000

26	Fund sources:	
27	State general fund	\$ 12,552,600
28	Environmental special plate fund	260,500
29	Due diligence fund	500,000
30	Trust land management fund	4,036,900

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

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

40 Sec. 63. LEGISLATURE

41		<u>2016-17</u>
42	<u>Senate</u>	
43	Lump sum appropriation	\$ 9,473,900*
44	Fund sources:	
45	State general fund	\$ 9,473,900

1 Included in the lump sum appropriation of \$9,473,900 for fiscal year
 2 2016-2017 is \$1,000 for the purchase of mementos and items for visiting
 3 officials.

4 House of representatives
 5 Lump sum appropriation \$ 13,289,500*

6 Fund sources:
 7 State general fund \$ 13,289,500

8 Included in the lump sum appropriation of \$13,289,500 for fiscal year
 9 2016-2017 is \$1,000 for the purchase of mementos and items for visiting
 10 officials.

11 Legislative council
 12 FTE positions 49.0
 13 Operating lump sum appropriation \$ 7,407,700
 14 Ombudsman-citizens aide office 825,600
 15 Total appropriation - legislative
 16 council \$ 8,233,300*

17 Fund sources:
 18 State general fund \$ 8,233,300

19 Dues for the council of state governments may be expended only on an
 20 affirmative vote of the legislative council.

21 It is the intent of the legislature that the ombudsman-citizens aide
 22 prioritize the investigation and processing of complaints relating to the
 23 department of child safety.

24 Joint legislative budget committee
 25 FTE positions 29.0
 26 Lump sum appropriation \$ 2,490,900*
 27 Fund sources:
 28 State general fund \$ 2,490,900

29 Auditor general
 30 FTE positions 184.8
 31 Lump sum appropriation \$ 18,133,300*

32 Fund sources:
 33 State general fund \$ 18,133,300

34 Included in the lump sum appropriation is funding to pay state rent at
 35 the statewide rate.

36 Sec. 64. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

37 2016-17
 38 FTE positions 45.2

39 Lump sum appropriation \$ 3,017,600

40 Fund sources:
 41 Liquor licenses fund \$ 3,017,600

1 Sec. 65. ARIZONA STATE LOTTERY COMMISSION

2		<u>2016-17</u>
3	FTE positions	98.8
4	Operating lump sum appropriation	\$ 8,389,400
5	Advertising	<u>15,500,000</u>
6	Total appropriation - Arizona state	
7	lottery commission	\$ 23,889,400
8	Fund source:	
9	State lottery fund	\$ 23,889,400

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

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

17 An amount equal to a percentage of actual online game sales as
18 determined by contract is appropriated for payment of online vendor fees.
19 This amount is currently estimated to be \$8,062,600, or 4.16 percent of
20 actual online ticket sales in fiscal year 2016-2017.

21 An amount equal to 6.5 percent of gross lottery game sales, minus tab
22 tickets, is appropriated for payment of sales commissions to ticket
23 retailers. An additional amount not to exceed 0.5 percent of gross lottery
24 game sales is appropriated for payment of sales commissions to ticket
25 retailers. The combined amount is currently estimated to be 6.7 percent of
26 total ticket sales, or \$56,633,900, in fiscal year 2016-2017.

27 Sec. 66. BOARD OF MASSAGE THERAPY

28		<u>2016-17</u>
29	FTE positions	5.0
30	Lump sum appropriation	\$ 469,700
31	Fund sources:	
32	Board of massage therapy fund	\$ 469,700

33 The appropriation includes \$15,000 for online renewal applications.
34 Before the expenditure of these monies, the board of massage therapy shall
35 complete a project investment justification that has been approved by from
36 the department of administration. It is the intent of the legislature that
37 the Arizona strategic enterprise technology office determine whether the
38 board's project investment justification is consistent with statewide
39 information technology enterprise architecture strategy and whether one-time
40 information technology purchases can be consolidated with other
41 appropriations in this act.

1 Sec. 67. ARIZONA MEDICAL BOARD

2		<u>2016-17</u>
3	FTE positions	58.5
4	Lump sum appropriation	\$ 6,426,000
5	Fund sources:	
6	Arizona medical board fund	\$ 6,426,000

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

11 Sec. 68. STATE MINE INSPECTOR

12		<u>2016-17</u>
13	FTE positions	14.0
14	Operating lump sum appropriation	\$ 1,020,500
15	Abandoned mines	194,700
16	Aggregate mined land reclamation	<u>112,800</u>
17	Total appropriation - state mine inspector	\$ 1,328,000
18	Fund sources:	
19	State general fund	\$ 1,215,200
20	Aggregate mining reclamation fund	112,800

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

27 Sec. 69. NATUROPATHIC PHYSICIANS MEDICAL BOARD

28		<u>2016-17</u>
29	FTE positions	2.0
30	Lump sum appropriation	\$ 183,700
31	Fund sources:	
32	Naturopathic physicians medical	
33	board fund	\$ 183,700

34 The appropriation includes \$4,000 for technology updates. Before the
35 expenditure of these monies, the naturopathic physicians medical board shall
36 complete a project investment justification that has been approved by the
37 department of administration. It is the intent of the legislature that the
38 Arizona strategic enterprise technology office determine whether the board's
39 project investment justification is consistent with statewide information
40 technology enterprise architecture strategy and whether one-time information
41 technology purchases can be consolidated with other appropriations in this
42 act.

1	Sec. 70. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION		
2			<u>2016-17</u>
3	FTE positions		2.0
4	Lump sum appropriation	\$	326,600
5	Fund sources:		
6	State general fund	\$	126,600
7	Arizona water banking fund		200,000
8	Sec. 71. ARIZONA STATE BOARD OF NURSING		
9			<u>2016-17</u>
10	FTE positions		42.2
11	Operating lump sum appropriation	\$	4,265,900
12	Certified nursing assistant		
13	credentiaing program		<u>536,700</u>
14	Total appropriation - Arizona state		
15	board of nursing	\$	4,802,600
16	Fund sources:		
17	Board of nursing fund	\$	4,802,600
18	Sec. 72. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND		
19	ASSISTED LIVING FACILITY MANAGERS		
20			<u>2016-17</u>
21	FTE positions		6.0
22	Lump sum appropriation	\$	446,100
23	Fund sources:		
24	Nursing care institution		
25	administrators' licensing and		
26	assisted living facility		
27	managers' certification fund	\$	446,100
28	The appropriation includes \$24,000 for online application and license		
29	renewals. Before the expenditure of these monies, the board of examiners of		
30	nursing care institution administrators and assisted living facility managers		
31	shall complete a project investment justification that has been approved by		
32	the department of administration. It is the intent of the legislature that		
33	the Arizona strategic enterprise technology office determine whether the		
34	board's project investment justification is consistent with statewide		
35	information technology enterprise architecture strategy and whether one-time		
36	information technology purchases can be consolidated with other		
37	appropriations in this act.		
38	Sec. 73. BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
39			<u>2016-17</u>
40	FTE positions		1.5
41	Lump sum appropriation	\$	172,000
42	Fund sources:		
43	Occupational therapy fund	\$	172,000

1	Sec. 74. STATE BOARD OF DISPENSING OPTICIANS	
2		<u>2016-17</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 139,800
5	Fund sources:	
6	Board of dispensing opticians fund	\$ 139,800
7	Sec. 75. STATE BOARD OF OPTOMETRY	
8		<u>2016-17</u>
9	FTE positions	2.0
10	Lump sum appropriation	\$ 211,400
11	Fund sources:	
12	Board of optometry fund	\$ 211,400
13	Sec. 76. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY	
14		<u>2016-17</u>
15	FTE positions	7.2
16	Lump sum appropriation	\$ 941,700
17	Fund sources:	
18	Arizona board of osteopathic	
19	examiners in medicine	
20	and surgery fund	\$ 941,700
21	The appropriation includes \$58,100 for database licensing software and	
22	the replacement of information technology equipment. Before the expenditure	
23	of these monies, the Arizona board of osteopathic examiners in medicine and	
24	surgery shall complete a project investment justification that has been	
25	approved by the department of administration. It is the intent of the	
26	legislature that the Arizona strategic enterprise technology office determine	
27	whether the board's project investment justification is consistent with	
28	statewide information technology enterprise architecture strategy and whether	
29	one-time information technology purchases can be consolidated with other	
30	appropriations in this act.	
31	Sec. 77. ARIZONA STATE PARKS BOARD	
32		<u>2016-17</u>
33	FTE positions	163.0
34	Operating lump sum appropriation	\$ 10,622,800
35	Kartchner caverns state park	<u>2,232,000</u>
36	Total appropriation - Arizona state parks	
37	board	\$ 12,854,800
38	Fund sources:	
39	State parks revenue fund	\$ 12,854,800
40	All other operating expenditures include \$26,000 from the state parks	
41	revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool	
42	Hollow exceed \$260,000 in fiscal year 2016-2017, an additional ten percent of	
43	this increase of Fool Hollow receipts is appropriated from the state parks	
44	revenue fund established by section 41-511.21, Arizona Revised Statutes, to	
45	meet the revenue sharing agreement with the city of Show Low and the United	
46	States forest service.	

1	Sec. 78. STATE PERSONNEL BOARD	
2		<u>2016-17</u>
3	FTE positions	3.0
4	Lump sum appropriation	\$ 375,700
5	Fund sources:	
6	Personnel division fund -	
7	personnel board subaccount	\$ 375,700
8	Sec. 79. OFFICE OF PEST MANAGEMENT	
9		<u>2016-17</u>
10	FTE positions	30.0
11	Lump sum appropriation	\$ 1,699,500
12	Fund sources:	
13	Pest management fund	\$ 1,699,500
14	Sec. 80. ARIZONA STATE BOARD OF PHARMACY	
15		<u>2016-17</u>
16	FTE positions	18.0
17	Operating lump sum appropriation	\$ 2,120,500
18	Annual leave payout	<u>20,000</u>
19	Total appropriation - Arizona state	
20	board of pharmacy	\$ 2,140,500
21	Fund sources:	
22	Arizona state board of pharmacy	
23	fund	\$ 2,140,500

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

33	Sec. 81. BOARD OF PHYSICAL THERAPY	
34		<u>2016-17</u>
35	FTE positions	4.0
36	Lump sum appropriation	\$ 487,000
37	Fund sources:	
38	Board of physical therapy fund	\$ 487,000

39 The appropriation includes \$43,000 for laptop replacement and online
 40 licensing software. Before the expenditure of these monies, the board of
 41 physical therapy shall complete a project investment justification that has
 42 been approved by the department of administration. It is the intent of the
 43 legislature that the Arizona strategic enterprise technology office determine
 44 whether the board's project investment justification is consistent with
 45 statewide information technology enterprise architecture strategy and whether

1 one-time information technology purchases can be consolidated with other
 2 appropriations in this act.

3 Sec. 82. ARIZONA PIONEERS' HOME

4		<u>2016-17</u>
5	FTE positions	106.3
6	Operating lump sum appropriation	\$ 6,004,900
7	Prescription drugs	<u>200,000</u>
8	Total appropriation - pioneers' home	\$ 6,204,900

9 Fund sources:

10	Miners' hospital fund	\$ 2,040,000
11	State charitable fund	4,164,900

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

16 Sec. 83. STATE BOARD OF PODIATRY EXAMINERS

17		<u>2016-17</u>
18	FTE positions	1.0
19	Lump sum appropriation	\$ 148,200
20	Fund sources:	
21	Podiatry fund	\$ 148,200

22 Sec. 84. COMMISSION FOR POSTSECONDARY EDUCATION

23		<u>2016-17</u>
24	FTE positions	5.0
25	Operating lump sum appropriation	\$ 184,300
26	Leveraging educational assistance	
27	partnership (LEAP)	2,319,500
28	Arizona college and career guide	21,300
29	Math and science teacher	
30	initiative	176,000
31	Arizona minority educational	
32	policy analysis center	100,000
33	Twelve plus partnership	<u>130,500</u>
34	Total appropriation - commission for	
35	postsecondary education	\$ 2,931,600

36 Fund sources:

37	State general fund	\$ 1,396,800
38	Postsecondary education fund	1,534,800

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

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

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

14	Sec. 85. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
15		<u>2016-17</u>
16	FTE positions	4.0
17	Lump sum appropriation	\$ 396,300
18	Fund sources:	
19	Board for private postsecondary	
20	education fund	\$ 396,300
21	Sec. 86. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
22		<u>2016-17</u>
23	FTE positions	4.0
24	Lump sum appropriation	\$ 476,500
25	Fund sources:	
26	Board of psychologist examiners	
27	fund	\$ 476,500
28	Sec. 87. DEPARTMENT OF PUBLIC SAFETY	
29		<u>2016-17</u>
30	FTE positions	1,956.7
31	Operating lump sum appropriation	\$229,233,700
32	ACTIC	1,450,000
33	Border strike task force ongoing	6,778,800
34	Border strike task force one-time	18,600,000
35	Border strike task force	
36	local support	1,261,700
37	Civil air patrol	150,000
38	GIITEM	22,629,000
39	GIITEM subaccount	2,390,000
40	Law enforcement officer virtual	
41	training	2,100,000
42	Motor vehicle fuel	5,454,600
43	Public safety equipment	2,890,000
44	Sexual assault kit testing	<u>500,000</u>
45	Total appropriation - department of public	
46	safety	\$293,437,800

1	Fund sources:	
2	State general fund	\$121,397,900
3	Automobile theft authority fund	3,000,000
4	Arizona highway user revenue fund	96,409,200
5	State highway fund	7,331,300
6	Arizona highway patrol fund	24,198,200
7	State aid to indigent defense fund	700,000
8	Criminal justice enhancement fund	2,872,700
9	Safety enforcement and transportation	
10	infrastructure fund - department	
11	of public safety subaccount	1,559,100
12	Crime laboratory assessment fund	872,400
13	Crime laboratory operations fund	13,660,600
14	Arizona deoxyribonucleic acid	
15	identification system fund	4,997,300
16	Arizona automated fingerprint	
17	identification system fund	2,910,500
18	Gang and immigration intelligence	
19	team enforcement mission border	
20	security and law enforcement	
21	subaccount	2,527,700
22	Motorcycle safety fund	205,000
23	Risk management revolving fund	1,269,300
24	Parity compensation fund	2,139,700
25	Public safety equipment fund	2,893,000
26	Concealed weapons permit fund	3,493,900
27	Drug and gang prevention resource	
28	center fund	1,000,000

29 Of the \$22,629,000 appropriated to GIITEM, \$10,055,600 shall be used
30 for one hundred department of public safety GIITEM personnel. The additional
31 staff shall include at least fifty sworn department of public safety
32 positions to be used for immigration enforcement and border security and
33 fifty department of public safety positions to assist GIITEM in various
34 efforts, including:

35 1. Strict enforcement of all federal laws relating to illegal aliens
36 and arresting illegal aliens.

37 2. Responding to or assisting any county sheriff or attorney in
38 investigating complaints of employment of illegal aliens.

39 3. Enforcing Arizona's law known as the Legal Arizona Workers Act,
40 strict enforcement of Arizona's SB 1070, Arizona's "Support Our Law
41 Enforcement and Safe Neighborhoods Act", investigating crimes of identity
42 theft in the context of hiring illegal aliens and the unlawful entry into the
43 country.

44 4. Taking strict enforcement action.

45 Any change in the GIITEM mission or allocation of monies shall be
46 approved by the joint legislative budget committee. The department shall

1 submit an expenditure plan to the joint legislative budget committee for
2 review before expending any monies not identified in the department's
3 previous expenditure plans.

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

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

14 Before the expenditure of any monies appropriated in fiscal year
15 2016-2017 in the border strike task force ongoing, border strike task force
16 one-time and border strike task force local support line items, the
17 department shall submit an expenditure plan for these line items to the joint
18 legislative budget committee for review.

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

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

33 The law enforcement officer virtual training line item includes
34 \$2,100,000 for virtual training for law enforcement officers. This amount
35 shall be awarded to a contractor using a competitive bid process. The
36 virtual training shall include the use of a simulator that:

37 1. Has the ability to display, and for the trainee to engage with,
38 characters and scenario content simultaneously across at least a three
39 hundred degree screen environment.

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

42 3. Is equipped with transducers to recreate sound vibrations.

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

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

4 The operating lump sum appropriation and GIITEM line item include
 5 \$4,440,000 from the state general fund, \$215,800 from the Arizona highway
 6 patrol fund and \$30,900 from the risk management revolving fund for a three
 7 percent aggregate pay full-year pay adjustment for sworn officer positions.
 8 The appropriated amount also includes \$156,400 from the state general fund
 9 for a three percent aggregate pay full-year pay adjustment for civilian
 10 employees of the highway patrol division. On or before August 1, 2016, the
 11 department shall report its pay adjustment plan to the joint legislative
 12 budget committee.

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

23 Sec. 88. RADIATION REGULATORY AGENCY

24		<u>2016-17</u>
25	FTE positions	29.0
26	Lump sum appropriation	\$ 1,626,500
27	Fund sources:	
28	State general fund	\$ 775,300
29	State radiologic technologist	
30	certification fund	272,500
31	Radiation regulatory fee fund	578,700

32 Sec. 89. STATE REAL ESTATE DEPARTMENT

33		<u>2016-17</u>
34	FTE positions	37.0
35	Lump sum appropriation	\$ 3,004,000
36	Fund sources:	
37	State general fund	\$ 3,004,000

38 Sec. 90. RESIDENTIAL UTILITY CONSUMER OFFICE

39		<u>2016-17</u>
40	FTE positions	11.0
41	Operating lump sum appropriation	\$ 1,190,000
42	Professional witnesses	<u>145,000*</u>
43	Total appropriation - residential utility	
44	consumer office	\$ 1,335,000

45 Fund sources:
 46 Residential utility consumer

1	office revolving fund	\$ 1,335,000
2	Sec. 91. BOARD OF RESPIRATORY CARE EXAMINERS	
3		<u>2016-17</u>
4	FTE positions	4.0
5	Lump sum appropriation	\$ 300,100
6	Fund sources:	
7	Board of respiratory care	
8	examiners fund	\$ 300,100
9	Sec. 92. ARIZONA STATE RETIREMENT SYSTEM	
10		<u>2016-17</u>
11	FTE positions	250.9
12	Operating lump sum appropriation	\$ 25,495,000
13	Automation upgrades	<u>2,070,000*</u>
14	Total appropriation - state	
15	retirement system	\$ 27,565,000
16	Fund sources:	
17	Arizona state retirement system	
18	administration account	\$ 24,765,000
19	Long-term disability trust fund	
20	administration account	2,800,000
21	Sec. 93. DEPARTMENT OF REVENUE	
22		<u>2016-17</u>
23	FTE positions	880.8
24	Operating lump sum appropriation	\$ 63,694,300
25	BRITS operational support	7,538,900
26	Unclaimed property administration	
27	and audit	1,218,500
28	TPT simplification	990,600
29	Income tax fraud prevention	<u>3,150,000</u>
30	Total appropriation - department of revenue	\$ 76,592,300
31	Fund sources:	
32	State general fund	\$ 30,338,600
33	DOR administrative fund	45,176,800
34	Liability setoff program	
35	revolving fund	398,000
36	Tobacco tax and health care fund	678,900

37 If the total value of properties retained by unclaimed property
 38 contract auditors exceeds \$1,218,500, the excess amount is transferred from
 39 the state general fund to the DOR administrative fund established by section
 40 42-1116.01, Arizona Revised Statutes, and appropriated to the department for
 41 contract auditor fees.

42 The department shall report the department's general fund revenue
 43 enforcement goals for fiscal year 2016-2017 to the joint legislative budget
 44 committee on or before September 30, 2016. The department shall provide an
 45 annual progress report to the joint legislative budget committee as to the
 46 effectiveness of the department's overall enforcement and collections program

1 for fiscal year 2016-2017 on or before September 30, 2017. The reports shall
2 include a comparison of projected and actual general fund revenue enforcement
3 collections for fiscal year 2016-2017, including the amount of projected and
4 actual enforcement collections for all tax types.

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

8 On or before November 1, 2016, the department shall report the results
9 of private fraud prevention investigation services during fiscal year
10 2015-2016 to the joint legislative budget committee. The report shall
11 include the total number of fraudulent returns prevented and the total dollar
12 amount of fraudulent returns prevented during fiscal year 2015-2016.

13 Sec. 94. SCHOOL FACILITIES BOARD

	<u>2016-17</u>
14	
15 FTE positions	17.0
16 Operating lump sum appropriation	\$ 1,672,500
17 New school facilities debt service	170,006,600
18 Building renewal grants	31,667,900
19 New school facilities	<u>24,253,200</u>
20 Total appropriation - school facilities	
21 board	\$227,600,200
22 Fund sources:	
23 State general fund	\$227,600,200

24 Pursuant to section 35-142.01, Arizona Revised Statutes, any
25 reimbursement received by or allocated to the school facilities board under
26 the federal qualified school construction bond program in fiscal year
27 2016-2017 shall be deposited in or revert to the state general fund.

28 Pursuant to section 15-2041, Arizona Revised Statutes, the amount
29 appropriated for new school construction shall be used only for facilities
30 that are to be constructed for school districts that received final approval
31 from the school facilities board on or before March 1, 2016.

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

36 If, after reviewing revised enrollment projections for a union high
37 school district project approved on or before March 1, 2016, the school
38 facilities board determines the awarded project is no longer required
39 pursuant to section 15-2041, subsection E, Arizona Revised Statutes, the sum
40 of \$16,705,000 appropriated to the new school facilities line item in fiscal
41 year 2016-2017 shall revert to the state general fund. The school facilities
42 board may adjust the amount reverted to deduct any monies distributed to the
43 union high school district for architectural and engineering fees, project
44 management services and preconstruction services that were spent before the
45 school facilities board's determination that the awarded project is no longer
46 required.

1 Sec. 95. DEPARTMENT OF STATE - SECRETARY OF STATE

2 2016-17

3 FTE positions 141.1

4 Operating lump sum appropriation \$ 11,609,300

5 Election services 3,390,800

6 Help America vote act 2,941,500

7 Library grants-in-aid 651,400*

8 Statewide radio reading service

9 for the blind 97,000

10 Total appropriation - secretary of state \$ 18,690,000

11 Fund sources:

12 State general fund \$ 15,006,500

13 Election systems improvement fund 2,941,500

14 Records services fund 742,000

15 Any transfer to or from the amount appropriated for the election
16 services line item requires review by the joint legislative budget committee.

17 The secretary of state shall report to the joint legislative budget
18 committee and the governor's office of strategic planning and budgeting on or
19 before December 31, 2016 the actual amount and purpose of expenditures from
20 the election systems improvement fund established by section 41-129, Arizona
21 Revised Statutes, in fiscal year 2015-2016 and the expected amount and
22 purpose of expenditures from the fund for fiscal year 2016-2017.

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

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

31 All monies in the elections services line item shall be used only to
32 pay for the statewide election publicity pamphlet and as pass-through monies
33 to county election divisions for the reimbursement of the costs of elections.

34 Sec. 96. STATE BOARD OF TAX APPEALS

35 2016-17

36 FTE positions 4.0

37 Lump sum appropriation \$ 266,400

38 Fund sources:

39 State general fund \$ 266,400

40 Sec. 97. STATE BOARD OF TECHNICAL REGISTRATION

41 2016-17

42 FTE positions 25.0

43 Lump sum appropriation \$ 2,922,600

44 Fund sources:

45 Technical registration fund \$ 2,922,600

1 The appropriation includes \$800,000 for an e-licensing and case
 2 management system. Before the expenditure of these monies, the state board
 3 of technical registration shall complete a project investment justification
 4 that has been approved by the department of administration. It is the intent
 5 of the legislature that the Arizona strategic enterprise technology office
 6 determine whether the board's project investment justification is consistent
 7 with statewide information technology enterprise architecture strategy and
 8 whether one-time information technology purchases can be consolidated with
 9 other appropriations in this act.

10 Sec. 98. OFFICE OF TOURISM

11		<u>2016-17</u>
12	FTE positions	28.0
13	Tourism fund deposit	\$ 7,110,400
14	Fund sources:	
15	State general fund	\$ 7,110,400

16 Sec. 99. DEPARTMENT OF TRANSPORTATION

17		<u>2016-17</u>
18	FTE positions	4,552.0
19	Operating lump sum appropriation	\$205,331,600
20	Attorney general legal services	3,577,700
21	Highway maintenance	140,593,200
22	Vehicles and heavy equipment	18,545,500
23	Fraud investigation	767,000
24	New third-party funding	631,800
25	Statewide drainage structures	4,300,000
26	Phoenix area freeway lighting	<u>1,500,000</u>
27	Total appropriation - department of	
28	transportation	\$375,246,800
29	Fund sources:	
30	State general fund	\$ 50,400
31	Air quality fund	162,200
32	Driving under the influence	
33	abatement fund	153,200
34	Arizona highway user revenue fund	652,700
35	Motor vehicle liability	
36	insurance enforcement fund	1,316,100
37	Safety enforcement and	
38	transportation infrastructure	
39	fund - department of	
40	transportation subaccount	1,875,500
41	State aviation fund	1,622,900
42	State highway fund	349,410,200
43	Transportation department	
44	equipment fund	18,545,500
45	Vehicle inspection and title	
46	enforcement fund	1,458,100

1	FTE positions	30.4
2	Operating lump sum appropriation	\$ 2,848,100
3	Justice of the peace salaries	1,205,100
4	Law enforcement/boating safety	
5	fund grants	<u>2,183,800</u>
6	Total appropriation - state treasurer	\$ 6,237,000
7	Fund sources:	
8	State general fund	\$ 1,205,100
9	Law enforcement and boating	
10	safety fund	2,183,800
11	State treasurer empowerment	
12	scholarship account fund	79,700
13	State treasurer's operating fund	2,571,800
14	State treasurer's management fund	196,600
15	Sec. 101. ARIZONA BOARD OF REGENTS	
16		<u>2016-17</u>
17	FTE positions	25.9
18	Operating lump sum appropriation	\$ 2,352,500
19	Arizona teachers incentive program	90,000
20	Arizona transfer articulation	
21	support system	213,700
22	Performance funding	5,000,000
23	Student financial assistance	10,041,200
24	Western interstate commission	
25	office	141,000
26	WICHE student subsidies	<u>4,090,000</u>
27	Total appropriation - Arizona board of	
28	regents	\$ 21,928,400
29	Fund sources:	
30	State general fund	\$ 21,928,400

31 The Arizona board of regents shall allocate the \$5,000,000
 32 appropriation for performance funding to the three universities under its
 33 jurisdiction in accordance with a performance funding model to be adopted by
 34 the board that is substantially similar to what the board used in allocating
 35 the performance funding appropriation for fiscal year 2015-2016.

36 It is the intent of the legislature that the Arizona board of regents
 37 adopt a performance funding model and report to the joint legislative budget
 38 committee the final allocation of the \$5,000,000 performance funding lump sum
 39 appropriation on or before July 1, 2016. The formula shall be consistent
 40 with board objectives previously adopted in the board's enterprise plan. The
 41 performance funding model shall use select performance metrics that include,
 42 at a minimum, the increase in degrees awarded, the increase in completed
 43 student credit hours and the increase in externally generated research and
 44 public service funding. The formula may give added weight to degrees related
 45 to science, technology, engineering and mathematics, as well as other

1 high-value degrees that are in short supply or are essential to the state's
2 long-term economic development strategy.

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

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

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

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

21		<u>2016-17</u>
22	FTE positions	6,552.6
23	Operating lump sum appropriation	\$651,566,500
24	Biomedical informatics	2,791,900
25	School of civic and economic	
26	thought and leadership	3,000,000
27	Downtown Phoenix campus	<u>127,166,100</u>
28	Total appropriation - Arizona state	
29	university - Tempe and downtown	
30	Phoenix campuses	\$784,524,500
31	Fund sources:	
32	State general fund	\$233,303,600
33	University collections fund	551,220,900

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

36 The increased state general fund appropriation from Laws 2014, chapter
37 18 may not be used for medical marijuana research.

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

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

43 The appropriated amount for the school of civic and economic thought
44 and leadership shall be used by the president of Arizona state university to
45 establish a school of civic and economic thought and leadership consisting of
46 the former center for political thought and leadership and the center for the

1 study of economic liberty. The school shall operate as a single stand-alone
 2 academic entity within Arizona state university. The appropriated amount may
 3 not supplant any existing state funding or private or external donations to
 4 the former centers or to the school. The appropriated monies and all private
 5 and external donations to the school shall be used only for the direct
 6 operation of the school and may not be used for indirect costs of the
 7 university. The school shall submit a report to the president of the senate,
 8 the speaker of the house of representatives, the chairpersons of the senate
 9 education committee and the house of representatives government and higher
 10 education committee and the director of the joint legislative budget
 11 committee on or before October 3, 2016. The report shall include at least
 12 the following for the school:

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

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

21 Any unencumbered balances remaining in the collections account on June
 22 30, 2016 and all collections received by the university during the fiscal
 23 year, when paid into the state treasury, are appropriated for operating
 24 expenditures, capital outlay and fixed charges. Earnings on state lands and
 25 interest on the investment of the permanent land funds are appropriated in
 26 compliance with the enabling act and the Constitution of Arizona. No part of
 27 this appropriation may be expended for supplemental life insurance or
 28 supplemental retirement. Monies from summer session, when deposited in the
 29 state treasury, together with any unencumbered balance in the summer session
 30 account, are appropriated for the purpose of conducting summer sessions but
 31 are excluded from the amounts enumerated above.

32 Sec. 103. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2016-17</u>
34 FTE positions	416.2
35 Operating lump sum appropriation	\$ 57,297,300
36 TRIF lease-purchase payment	<u>2,000,000</u>
37 Total appropriation - Arizona state	
38 university - East campus	\$ 59,297,300
39 Fund sources:	
40 State general fund	\$ 21,574,400
41 University collections fund	35,722,900
42 Technology and research initiative	
43 fund	2,000,000

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

1 The increased state general fund appropriation from Laws 2014, chapter
2 18 may not be used for medical marijuana research.

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

5 Any unencumbered balances remaining in the collections account on June
6 30, 2016 and all collections received by the university during the fiscal
7 year, when paid into the state treasury, are appropriated for operating
8 expenditures, capital outlay and fixed charges. Earnings on state lands and
9 interest on the investment of the permanent land funds are appropriated in
10 compliance with the enabling act and the Constitution of Arizona. No part of
11 this appropriation may be expended for supplemental life insurance or
12 supplemental retirement. Monies from summer session, when deposited in the
13 state treasury, together with any unencumbered balance in the summer session
14 account, are appropriated for the purpose of conducting summer sessions but
15 are excluded from the amounts enumerated above.

16 Sec. 104. ARIZONA STATE UNIVERSITY - WEST CAMPUS

17		<u>2016-17</u>
18	FTE positions	521.1
19	Operating lump sum appropriation	\$ 73,417,700
20	TRIF lease-purchase payment	<u>1,600,000</u>
21	Total appropriation - Arizona state	
22	university - West campus	\$ 75,017,700
23	Fund sources:	
24	State general fund	\$ 29,176,300
25	University collections fund	44,241,400
26	Technology and research initiative	
27	fund	1,600,000

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

30 The increased state general fund appropriation from Laws 2014, chapter
31 18 may not be used for medical marijuana research.

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

34 Any unencumbered balances remaining in the collections account on June
35 30, 2016 and all collections received by the university during the fiscal
36 year, when paid into the state treasury, are appropriated for operating
37 expenditures, capital outlay and fixed charges. Earnings on state lands and
38 interest on the investment of the permanent land funds are appropriated in
39 compliance with the enabling act and the Constitution of Arizona. No part of
40 this appropriation may be expended for supplemental life insurance or
41 supplemental retirement. Monies from summer session, when deposited in the
42 state treasury, together with any unencumbered balance in the summer session
43 account, are appropriated for the purpose of conducting summer sessions but
44 are excluded from the amounts enumerated above.

45 Sec. 105. NORTHERN ARIZONA UNIVERSITY

46 2016-17

1	FTE positions	2,249.7
2	Operating lump sum appropriation	\$233,388,600
3	NAU - Yuma	3,066,600
4	Teacher training	<u>2,290,600</u>
5	Total appropriation - Northern Arizona	
6	university	\$238,745,800

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

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

12 The increased state general fund appropriation from Laws 2014, chapter
 13 18 may not be used for medical marijuana research.

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

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

20 Any unencumbered balances remaining in the collections account on June
 21 30, 2016 and all collections received by the university during the fiscal
 22 year, when paid into the state treasury, are appropriated for operating
 23 expenditures, capital outlay and fixed charges. Earnings on state lands and
 24 interest on the investment of the permanent land funds are appropriated in
 25 compliance with the enabling act and the Constitution of Arizona. No part of
 26 this appropriation may be expended for supplemental life insurance or
 27 supplemental retirement. Monies from summer session, when deposited in the
 28 state treasury, together with any unencumbered balance in the summer session
 29 account, are appropriated for the purpose of conducting summer sessions but
 30 are excluded from the amounts enumerated above.

31 Sec. 106. UNIVERSITY OF ARIZONA

32		<u>2016-17</u>
33	<u>Main campus</u>	
34	FTE positions	5,605.5
35	Operating lump sum appropriation	\$467,520,000
36	Agriculture	39,423,400
37	Arizona cooperative extension	16,017,700
38	Center for the philosophy	
39	of freedom	2,500,000
40	Sierra Vista campus	<u>7,649,600</u>
41	Total - Main campus	\$533,110,700
42	Fund sources:	
43	State general fund	\$171,961,100
44	University collections fund	361,149,600
45	<u>Health sciences center</u>	
46	FTE positions	1,375.9

1	Operating lump sum appropriation	\$ 69,113,200
2	Clinical rural rotation	350,500
3	Clinical teaching support	8,484,400
4	Liver research institute	450,600
5	Phoenix medical campus	32,445,800
6	Telemedicine network	<u>1,838,500</u>
7	Total - health sciences center	\$112,683,000
8	Fund sources:	
9	State general fund	\$ 68,629,200
10	University collections fund	44,053,800
11	Total appropriation - university of	
12	Arizona	<u>\$645,793,700</u>
13	Fund sources:	
14	State general fund	\$240,590,300
15	University collections fund	405,203,400

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

18 The increased state general fund appropriation from Laws 2014, chapter
19 18 may not be used for medical marijuana research.

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

22 The appropriated amount for the center for the philosophy of freedom
23 may not supplant any existing state funding or private or external donations
24 to the center or the philosophy department of the university of Arizona. The
25 appropriated monies and all private and external donations to the center
26 shall be used only for the direct operation of the center and may not be used
27 for indirect costs of the university. The center shall submit a report to
28 the president of the senate, the speaker of the house of representatives, the
29 chairpersons of the senate education committee and the house of
30 representatives government and higher education committee and the director of
31 the joint legislative budget committee on or before October 3, 2016. The
32 report shall include at least the following for the center:

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

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

41 Any unencumbered balances remaining in the collections account on June
42 30, 2016 and all collections received by the university during the fiscal
43 year, when paid into the state treasury, are appropriated for operating
44 expenditures, capital outlay and fixed charges. Earnings on state lands and
45 interest on the investment of the permanent land funds are appropriated in
46 compliance with the enabling act and the Constitution of Arizona. No part of

1 this appropriation may be expended for supplemental life insurance or
 2 supplemental retirement. Monies from summer session, when deposited in the
 3 state treasury, together with any unencumbered balance in the summer session
 4 account, are appropriated for the purpose of conducting summer sessions but
 5 are excluded from the amounts enumerated above.

6 Sec. 107. DEPARTMENT OF VETERANS' SERVICES

7		
8		<u>2016-17</u>
9	FTE positions	512.3
10	Operating lump sum appropriation	\$ 3,219,000
11	Arizona state veterans' homes	31,264,600
12	Arizona state veterans' cemeteries	928,000
13	Veterans' benefit counseling	<u>2,833,700</u>
14	Total appropriation - department of	
15	veterans' services	\$ 38,245,300
16	Fund sources:	
17	State general fund	\$ 6,077,800
18	State home for veterans trust	
19	fund	31,264,600
20	State veterans' conservatorship	
21	fund	902,900

22 Sec. 108. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

23		<u>2016-17</u>
24	FTE positions	6.0
25	Lump sum appropriation	\$ 655,100
26	Fund sources:	
27	Veterinary medical examining	
28	board fund	\$ 655,100

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

38 Sec. 109. DEPARTMENT OF WATER RESOURCES

39		<u>2016-17</u>
40	FTE positions	129.0
41	Operating lump sum appropriation	\$ 9,204,800
42	Adjudication support	1,251,800
43	Assured and adequate water supply	
44	administration	1,983,200
45	Rural water studies	1,164,500
46	Conservation and drought program	408,300

1	Automated groundwater monitoring	409,400
2	Lower Colorado river	
3	litigation expenses	<u>500,000*</u>
4	Total appropriation - department of water	
5	resources	\$ 14,922,000
6	Fund sources:	
7	State general fund	\$ 12,803,100
8	Water resources fund	641,200
9	Assured and adequate water	
10	supply administration fund	266,600
11	Arizona water banking fund	1,211,100

12 Monies in the assured and adequate water supply administration line
13 item may be used only for the exclusive purposes prescribed in sections
14 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department
15 of water resources may not transfer any monies into or out of the assured and
16 adequate water supply administration line item.

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

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

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

30 Fiscal Year 2015-2016 Appropriation Adjustments

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

35 A. In addition to any other appropriations made in fiscal year
36 2015-2016, the sum of \$3,614,100 is appropriated from the risk management
37 revolving fund established by section 41-622, Arizona Revised Statutes, in
38 fiscal year 2015-2016 to the department of administration for the following
39 purposes:

- 40 1. To pay disallowed costs relating to excess retained earnings.
- 41 2. To pay disallowed costs relating to the statewide information
42 technology charges.
- 43 3. For fund transfers in fiscal year 2014-2015.

1 B. In addition to any other appropriations made in fiscal year
2 2015-2016, the sum of \$6,167,600 is appropriated from the special employee
3 health insurance trust fund established by section 38-654, Arizona Revised
4 Statutes, in fiscal year 2015-2016 to the department of administration to
5 reimburse the federal government for fund transfers in fiscal year 2014-2015.

6 C. It is the intent of the legislature that the department of
7 administration not enter into any agreements to pay for any federal
8 reimbursements related to excess balances in the special employee health
9 insurance trust fund established by section 38-654, Arizona Revised Statutes,
10 or interest payments made for the human resource information solution
11 certificate of participation unless the proposed agreements have been
12 reviewed by the joint legislative budget committee.

13 Sec. 111. Office of administrative hearings; supplemental
14 appropriation; reduction; fiscal year 2015-2016

15 In addition to any other appropriations made in fiscal year 2015-2016,
16 the appropriation to the office of administrative hearings is reduced by
17 \$12,300 from the healthcare group fund in fiscal year 2015-2016.

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

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

26 B. In addition to any other appropriations made in fiscal year
27 2015-2016, the appropriation to the Arizona health care cost containment
28 system administration is increased by \$830,800 from the tobacco products tax
29 fund - emergency health services account, established by section 36-776,
30 Arizona Revised Statutes, in fiscal year 2015-2016.

31 C. In addition to any other appropriations made in fiscal year
32 2015-2016, the appropriation to the Arizona health care cost containment
33 system administration is increased by \$3,318,500 from the tobacco tax and
34 health care fund - medically needy account, described in section 36-774,
35 Arizona Revised Statutes, in fiscal year 2015-2016.

36 D. In addition to any other appropriations made in fiscal year
37 2015-2016, the sum of \$539,311,600 is increased from the Arizona health care
38 cost containment system administration appropriation from the expenditure
39 authority in fiscal year 2015-2016. The total includes the following
40 increases by fund:

- 41 1. \$421,394,400 from federal medicaid authority.
- 42 2. \$78,318,300 from the prescription drug rebate fund - federal
- 43 established by section 36-2930, Arizona Revised Statutes.

1 3. \$34,502,000 from the hospital assessment fund established by
2 section 36-2901.09, Arizona Revised Statutes.

3 4. \$5,096,900 from the tobacco products tax fund - proposition 204
4 protection account established by section 36-778, Arizona Revised Statutes.

5 E. Of the amount appropriated in subsection D, paragraph 4 of this
6 section, the Arizona health care cost containment system administration shall
7 transfer not more than \$3,352,200 to the department of health services in
8 fiscal year 2015-2016 for medicaid behavioral health capitation payments for
9 persons who are eligible for services pursuant to section 36-2901.01, Arizona
10 Revised Statutes.

11 Sec. 113. Department of child safety; supplemental
12 appropriations; exemptions; fiscal year 2015-2016

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

16 1. The sum of \$2,700,000 is appropriated from the state general fund
17 in fiscal year 2015-2016 to the department of child safety for backlog
18 privatization. This appropriation is exempt from the provisions of section
19 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until
20 June 30, 2017. The department of child safety shall request review by the
21 joint legislative budget committee before spending these monies.

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

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

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

32 5. The sum of \$32,264,600 is appropriated from the state general fund
33 in fiscal year 2015-2016 to the department of child safety. Of this amount,
34 \$1,906,900 shall be used to address the structural shortfall in the attorney
35 general legal services line item.

36 6. The sum of \$2,867,600 from the risk management revolving fund
37 established by section 41-622, Arizona Revised Statutes, is appropriated to
38 the department of child safety in fiscal year 2015-2016 for litigation
39 expenses. This appropriation is exempt from the provisions of section
40 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until
41 June 30, 2018.

42 Sec. 114. Department of child safety; department of economic
43 security; loans; reimbursement; fiscal year
44 2015-2016

45 A. The department of child safety may use up to \$35,000,000 from the
46 budget stabilization fund established by section 35-144, Arizona Revised

1 Statutes, for the purpose of providing funding for reimbursement grants.
2 Notwithstanding any other law, this appropriation shall be fully reimbursed
3 on or before September 1, 2016 and be reimbursed in full as part of the
4 closing process for fiscal year 2015-2016. The appropriation may not be used
5 for additional programmatic expenditures.

6 B. The department of economic security may use up to \$35,000,000 from
7 the budget stabilization fund established by section 35-144, Arizona Revised
8 Statutes, for the purpose of providing funding for reimbursement grants.
9 Notwithstanding any other law, this appropriation shall be fully reimbursed
10 on or before September 1, 2016 and be reimbursed in full as part of the
11 closing process for fiscal year 2015-2016. The appropriation may not be used
12 for additional programmatic expenditures.

13 C. The department of child safety, the department of economic security
14 and the department of administration shall provide a report to the joint
15 legislative budget committee staff and the governor's office of strategic
16 planning and budgeting on or before November 30, 2016 outlining the process
17 by which the agencies will improve the federal reimbursement claiming process
18 with the intent to eliminate the need for an appropriation in fiscal year
19 2016-2017 that is similar to those in subsections A and B of this section.

20 Sec. 115. State department of corrections; supplemental
21 appropriation; fiscal year 2015-2016

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

26 Sec. 116. Department of economic security; supplemental
27 appropriations; reduction; fiscal year 2015-2016

28 A. In addition to any other appropriations made in fiscal year
29 2015-2016, the sum of \$21,000,000 is appropriated from the state general fund
30 in fiscal year 2015-2016 to the department of economic security for payments
31 of fiscal year 2015-2016 claims:

32 1. \$20,000,000 for the home and community based services medicaid line
33 item.

34 2. \$1,000,000 for the rehabilitation services line item.

35 B. In addition to any other appropriations made in fiscal year
36 2015-2016, the sum of \$6,752,300 is appropriated from the state general fund
37 in fiscal year 2015-2016 to the department of economic security's home and
38 community based services medicaid line item. The department of economic
39 security shall use these monies to draw down federal matching funds in fiscal
40 year 2015-2016 for the division of developmental disabilities capitation
41 payments. The department of economic security shall request review by the
42 joint legislative budget committee before spending monies for any other
43 purpose.

44 C. In addition to any other appropriations made in fiscal year
45 2015-2016, the sum of \$14,893,200 is appropriated from the long-term care
46 fund expenditure authority in fiscal year 2015-2016 to the department of

1 economic security's home and community based services medicaid line item.
2 The department of economic security shall request review by the joint
3 legislative budget committee before spending monies for any other purpose.

4 D. In addition to any other appropriations made in fiscal year
5 2015-2016, the appropriation to the department of economic security's
6 temporary assistance for needy families cash benefits line is reduced by
7 \$9,905,000 from the temporary assistance for needy families block grant in
8 fiscal year 2015-2016.

9 Sec. 117. Superintendent of public instruction; supplemental
10 appropriations; fiscal year 2015-2016

11 A. In addition to any other appropriations made in fiscal year
12 2015-2016, the sum of \$2,700,000 is appropriated from the department of
13 education professional development revolving fund established by section
14 15-237.01, Arizona Revised Statutes, to the superintendent of public
15 instruction for professional development courses pursuant to section
16 15-237.01, Arizona Revised Statutes.

17 B. In addition to any other appropriations made in fiscal year
18 2015-2016, the sum of \$160,000 is appropriated from the tribal college dual
19 enrollment program fund established by section 15-244.01, Arizona Revised
20 Statutes, to the superintendent of public instruction for the purposes
21 provided in section 15-244.01, Arizona Revised Statutes.

22 Sec. 118. Department of emergency and military affairs;
23 supplemental appropriation; fiscal year 2015-2016;
24 exemption

25 A. In addition to any other appropriations made in fiscal year
26 2015-2016, the sum of \$746,700 is appropriated from the state general fund in
27 fiscal year 2015-2016 to the department of emergency and military affairs for
28 service contracts.

29 B. The appropriation made in subsection A of this section is exempt
30 from the provisions of section 35-190, Arizona Revised Statutes, relating to
31 lapsing of appropriations, except that all monies remaining unexpended and
32 unencumbered on December 31, 2016 revert to the state general fund.

33 Sec. 119. State forester; supplemental appropriation; fiscal
34 year 2015-2016

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

38 Sec. 120. Arizona game and fish department; supplemental
39 appropriation; fiscal year 2015-2016; exemption

40 A. The sum of \$1,752,000 is appropriated from the game and fish fund
41 established by section 17-261, Arizona Revised Statutes, in fiscal year
42 2015-2016 to the Arizona game and fish department for the increased
43 retirement contribution rate for public safety personnel.

44 B. The appropriation made in subsection A of this section is exempt
45 from the provisions of section 35-190, Arizona Revised Statutes, relating to
46 lapsing of appropriations, until June 30, 2017.

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

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

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

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

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

19 2. Maintenance of infrastructure, machinery and equipment.

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

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

27 F. The appropriation and reimbursement rates prescribed in this
28 section do not set a precedent that the costs of administration of any
29 process to select party nominees for a presidential election held after March
30 22, 2016 will be reimbursed by the state at any particular level. It is the
31 responsibility of future legislatures to determine the appropriate funding
32 levels for any future presidential nominee selection process.

33 Sec. 126. Universities; Arizona board of regents; supplemental
34 appropriations; fiscal year 2015-2016

35 In addition to any other appropriations made in fiscal year 2015-2016,
36 the sum of \$4,076,000 is appropriated from the state general fund in fiscal
37 year 2015-2016 to the Arizona board of regents for health care adjustments in
38 the following amounts:

39 1. Arizona state university • Tempe and	
40 downtown Phoenix campuses	\$1,895,000
41 2. Arizona state university • East campus	\$ 182,700
42 3. Arizona state university • West campus	\$ 205,500
43 4. Northern Arizona university	\$ 40,200
44 5. University of Arizona • main campus	\$1,330,700
45 6. University of Arizona • health	
46 sciences center	\$ 421,900

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

- 6 1. \$1,050,000 for enhancing enterprise architecture.
- 7 2. \$1,500,000 for project management of statewide automation and
8 information technology projects.
- 9 3. \$1,300,000 for projects related to e-government.
- 10 4. \$5,700,000 for improving and maintaining the network and security
11 infrastructure.
- 12 5. \$3,248,400 for enhancing statewide data security.

13 B. The sum of \$800,000 is appropriated to the department of
14 administration from the automation projects fund established by section
15 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for a third-party
16 information technology consolidation assessment that assesses the
17 implementation, transfer, coordination and modernization of state agencies'
18 information technology systems. On completion of the assessment, the
19 department of administration shall submit to the president of the senate, the
20 speaker of the house of representatives and the joint legislative budget
21 committee a report that summarizes the assessment. Any new information
22 technology project with an estimated total cost of greater than fifteen
23 million dollars may not begin until the completion of the assessment.

24 C. The sum of \$8,000,000 is appropriated to the department of
25 administration from the automation projects fund established by section
26 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
27 upgrades to the adult information management system operated by the state
28 department of corrections.

29 D. The sum of \$4,581,600 is appropriated to the department of
30 administration from the automation projects fund established by section
31 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
32 upgrades to the children's information library and data source operated by
33 the department of child safety.

34 E. The amount of \$7,300,000 is appropriated to the department of
35 administration from the automation projects fund established by section
36 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing,
37 upgrading and maintaining the student longitudinal data system and the
38 education learning and accountability system established pursuant to section
39 15-249, Arizona Revised Statutes.

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

1 G. It is the intent of the legislature that the appropriation made by
2 subsection E of this section be used first and foremost to complete a
3 significant portion of the replacement of the student accountability
4 information system established by section 15-1041, Arizona Revised Statutes.
5 The department of education shall provide quantifiable deliverables of the
6 legislature's intended progress to the information technology authorization
7 committee established by section 41-3521, Arizona Revised Statutes, and to
8 the joint legislative budget committee before seeking review of the
9 \$7,300,000 fiscal year 2016-2017 expenditure from the automation projects
10 fund, as required by section 41-714, Arizona Revised Statutes.

11 H. The sum of \$1,294,700 is appropriated to the department of
12 administration from the automation projects fund established by section
13 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
14 information technology projects that comply with state and federal security
15 information technology standards determined by the department of economic
16 security.

17 I. The sum of \$1,000,000 is appropriated from the automation projects
18 fund established by section 41-714, Arizona Revised Statutes, in fiscal year
19 2016-2017 to the department of administration for a feasibility study to
20 replace the tax accounting system at the department of revenue.

21 J. In addition to the initial review of expenditures from the
22 automation projects fund by the joint legislative budget committee, pursuant
23 to section 41-714, Arizona Revised Statutes, monies appropriated for projects
24 at each state agency from the automation projects fund established by section
25 41-714, Arizona Revised Statutes, may not be used for projects at any other
26 state agency without prior review by the joint legislative budget committee.
27 Quarterly Report

28 K. The department of administration shall submit to the joint
29 legislative budget committee, within thirty days after the last day of each
30 calendar quarter, a quarterly report on the implementation of projects
31 described in this section, including the projects' expenditures to date,
32 deliverables, timeline for completion and current status.

33 L. The funding for the department of education's automation project is
34 contingent on the use of a contracted independent third-party consultant to
35 evaluate and assess the project's feasibility, estimated expenditures,
36 technology approach and scope throughout the life of the project. The
37 department of administration and the department of education shall provide a
38 recent report by the third-party consultant to the information technology
39 authorization committee and the joint legislative budget committee before
40 seeking review of the \$7,300,000 fiscal year 2016-2017 expenditure from the
41 automation projects fund, as required by section 41-714, Arizona Revised
42 Statutes. Following the initial review of fiscal year 2016-2017
43 expenditures, the department of education shall provide ongoing reports from
44 the third-party consultant to the joint legislative budget committee on the
45 progress of the project, as determined by the joint legislative budget
46 committee.

1 M. The funding for the state department of corrections' replacement of
2 the adult inmate management system project is contingent on the use of a
3 contracted independent third-party consultant to evaluate and assess the
4 project's feasibility, estimated expenditures, technology approach and scope
5 throughout the life of the project. The department of administration and the
6 state department of corrections shall provide a recent report by the
7 third-party consultant to the information technology authorization committee
8 and the joint legislative budget committee before seeking review of the
9 \$8,000,000 fiscal year 2016-2017 expenditure from the automation projects
10 fund, as required by section 41-714, Arizona Revised Statutes. Following the
11 initial review of fiscal year 2016-2017 expenditures, the state department of
12 corrections shall provide ongoing reports from the third-party consultant to
13 the joint legislative budget committee on the progress of the project, as
14 determined by the joint legislative budget committee.

15 Non-lapsing

16 N. Any remaining balances on June 30, 2016 in the automation projects
17 fund established by section 41-714, Arizona Revised Statutes, from monies
18 appropriated in fiscal year 2015-2016 are appropriated to the department of
19 administration in fiscal year 2016-2017 for the same purposes specified in
20 fiscal year 2015-2016. The department of administration shall report any
21 fiscal year 2016-2017 expenditure of remaining balances from fiscal year
22 2015-2016 in the automation projects fund in the department's quarterly
23 report to the joint legislative budget committee.

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

36 P. For the funding for the state department of corrections'
37 replacement of the adult inmate management system project, any remaining
38 balances on June 30, 2016 in the automation projects fund established by
39 section 41-714, Arizona Revised Statutes, from monies appropriated in fiscal
40 year 2014-2015 for the replacement of the adult inmate management system at
41 the state department of corrections are appropriated to the department of
42 administration in fiscal year 2016-2017 for the same purposes specified in
43 fiscal year 2014-2015. The department of administration shall report any
44 fiscal year 2016-2017 expenditure of remaining balances from fiscal year
45 2014-2015 from the automation projects fund in the department's quarterly
46 report to the joint legislative budget committee.

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

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

23 Sec. 130. Automation projects fund; appropriations; fiscal year
24 2016-2017; allocation; e-procurement

25 A. The sum of \$12,000,000 is appropriated from the automation projects
26 fund established by section 41-714, Arizona Revised Statutes, in fiscal year
27 2016-2017 to the department of administration for the replacement of the
28 state's e-procurement system. It is the intent of the legislature that the
29 cost of replacing the state's e-procurement system be distributed
30 proportionately among other funds.

31 B. The amount of \$3,000,000 is appropriated from the state general
32 fund in fiscal year 2016-2017 for deposit into the automation projects fund
33 established by section 41-714, Arizona Revised Statutes.

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

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

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

7 Sec. 138. Department of economic security; appropriation;
8 victim center; fiscal year 2016-2017

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

16 Sec. 139. Department of economic security; appropriation; area
17 agencies on aging; fiscal year 2016-2017

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

23 Sec. 140. Appropriation; special administration fund;
24 department of economic security; fiscal year
25 2016-2017

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

- 30 1. \$600,000 for room and board in state-funded long-term care
31 services.
- 32 2. \$2,000,000 for caseload growth in adult protective services.

33 Sec. 141. Superintendent of public instruction; appropriation;
34 current-year funding backfill; fiscal year
35 2016-2017

36 A. In addition to any other appropriation made to the superintendent
37 of public instruction in fiscal year 2016-2017, the sum of \$31,000,000 is
38 appropriated from the state general fund in fiscal year 2016-2017 to the
39 superintendent of public instruction for current-year funding backfill.

40 B. The appropriation made in subsection A of this section consists of
41 one-time monies to backfill the loss of base support level state aid for
42 fiscal year 2016-2017 that school districts with declining student counts
43 otherwise would experience in fiscal year 2016-2017 due to the implementation
44 of current-year base support level funding. The department of education
45 shall allocate the appropriated amount in a manner that backfills the loss of
46 base support level state aid that school districts with declining student

1 counts otherwise would experience in fiscal year 2016-2017 due to the
2 implementation of current-year base support level funding. The department
3 shall allocate current-year funding backfill monies for fiscal year 2016-2017
4 as if they were base support level monies for fiscal year 2016-2017 and shall
5 increase budget limits for fiscal year 2016-2017 accordingly. For a school
6 district with a declining student count that is not eligible to receive state
7 aid for fiscal year 2016-2017, the department shall increase the school
8 district's budget limits for fiscal year 2016-2017 by the amount that the
9 limits would be increased if the school district were eligible for
10 current-year funding backfill state aid for fiscal year 2016-2017.

11 C. If the appropriation made in subsection A of this section is
12 insufficient to fully fund current-year funding backfill costs for school
13 districts that are eligible to receive state aid for fiscal year 2016-2017,
14 the department of education shall use monies appropriated for basic state aid
15 for fiscal year 2016-2017 to make up the difference.

16 D. If the appropriation made in subsection A of this section exceeds
17 the amount needed to fully fund current-year funding backfill costs for
18 fiscal year 2016-2017 for school districts that are eligible to receive state
19 aid for fiscal year 2016-2017, the department of education shall revert the
20 difference to the state general fund.

21 Sec. 142. Department of health services; appropriation;
22 Alzheimer's disease research

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

27 Sec. 143. Judicial salary increase

28 Judicial salaries for supreme court justices, court of appeals judges
29 and superior court judges shall be increased by 1.5 percent effective
30 January 1, 2017, and increased an additional 1.5 percent effective
31 January 1, 2018. The salaries shall be increased only if the number of
32 supreme court justices is increased from five to seven justices in fiscal
33 year 2016-2017.

34 Sec. 144. Administrative office of the courts; appropriation;
35 felony pretrial intervention program; fiscal year
36 2016-2017

37 The sum of \$250,000 is appropriated from the health services lottery
38 monies fund established by section 36-108.01, Arizona Revised Statutes, in
39 fiscal year 2016-2017 to the administrative office of the courts for
40 distribution to a county attorney's office in a county with a population of
41 more than three million persons according to the 2010 United States decennial
42 census for the administration of a felony pretrial intervention program.

43 Sec. 145. Arizona state parks board; appropriation; fiscal year
44 2016-2017; review

45 In addition to any other appropriations made in fiscal year 2016-2017,
46 the sum of \$1,500,000 is appropriated from the state parks revenue fund

1 established by section 41-511.21, Arizona Revised Statutes, in fiscal year
2 2016-2017 to the Arizona state parks board for operating costs. This amount
3 may be spent only after the board submits a fiscal year 2016-2017 agency
4 expenditure plan for review by the joint legislative budget committee. The
5 plan must demonstrate that the actual amount of federal monies the board will
6 receive during fiscal year 2016-2017 is less than the actual amount of
7 federal monies the board received in fiscal year 2015-2016. The amount spent
8 by the board during fiscal year 2016-2017 may not exceed the estimated
9 decrease in federal monies between fiscal year 2015-2016 and fiscal year
10 2016-2017.

11 Sec. 146. Legislative council; appropriation; hearing aid
12 service systems; exemption

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

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

21 Sec. 147. Arizona parents commission on drug education and
22 prevention; middle and high schools; prevention
23 education program; appropriation; exemption; fiscal
24 year 2016-2017

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

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

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

- 41 (a) Substance abuse.
42 (b) Mental health.
43 (c) Violence.
44 (d) Other risky behaviors.

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

4 Sec. 148. Arizona trail fund; appropriation; fiscal year
5 2016-2017

6 The sum of \$150,000 is appropriated from the state parks revenue fund
7 established by section 41-511.21, Arizona Revised Statutes, in fiscal year
8 2016-2017 to the Arizona trail fund established by section 41-511.15, Arizona
9 Revised Statutes.

10 Sec. 149. Arizona board of regents; universities;
11 appropriation; fiscal year 2016-2017; report

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

- | | |
|-----------------------------------|-------------|
| 15 1. Arizona state university | \$7,000,000 |
| 16 2. Northern Arizona university | \$4,000,000 |
| 17 3. University of Arizona | \$8,000,000 |

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

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

25 Sec. 150. Small water systems fund; appropriation; exemption;
26 report

27 A. The sum of \$500,000 in one-time funding is appropriated from the
28 state general fund in fiscal year 2016-2017 to the small water systems fund
29 established by section 49-355, Arizona Revised Statutes, for emergency grants
30 to interim operators of small water systems. The emergency grants made
31 pursuant to this subsection are exempt from title 41, chapter 23, Arizona
32 Revised Statutes, until July 1, 2017.

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

36 C. On or before August 1, 2017, the corporation commission and the
37 water infrastructure finance authority shall jointly report the total amount
38 of expenditures from the small water systems fund established by section
39 49-355, Arizona Revised Statutes, for emergency grants to interim operators
40 of small water systems during fiscal year 2016-2017 to the director of the
41 joint legislative budget committee.

42 Sec. 151. Arizona water protection fund; appropriation; fiscal
43 year 2016-2017

44 The sum of \$250,000 is appropriated from the state general fund in
45 fiscal year 2016-2017 to the Arizona water protection fund established by
46 section 45-2111, Arizona Revised Statutes.

1 Sec. 152. Appropriation; debt service payments; state buildings

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

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

10 Sec. 153. Phoenix convention center; debt service payment

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

15 Sec. 154. Rio Nuevo multipurpose facility district; estimated
16 distribution; fiscal year 2016-2017

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

23 Fiscal Year 2017-2018 Appropriations

24 Sec. 155. New school facilities fund; appropriation; fiscal
25 year 2017-2018

26 A. The sum of \$23,078,600 is appropriated from the state general fund
27 in fiscal year 2017-2018 for a one-time deposit into the new school
28 facilities fund established by section 15-2041, Arizona Revised Statutes.
29 The school facilities board shall use the monies only for facilities that
30 will be constructed for school districts that received final approval from
31 the school facilities board on or before March 1, 2016.

32 B. If, after reviewing revised enrollment projections for a union high
33 school district project approved on or before March 1, 2016, the school
34 facilities board determines the awarded project is no longer required
35 pursuant to section 15-2041, subsection E, Arizona Revised Statutes, the sum
36 of \$16,705,000 appropriated to the new school facilities fund in subsection A
37 of this section shall revert to the state general fund.

38 Fund Balance Transfers

39 Sec. 156. Fund balance transfers; fiscal years 2016-2017 and
40 2017-2018

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

45 1. Judiciary - supreme court:

46 Alternative dispute resolution fund - \$300,000

- 1 Arizona lengthy trial fund - \$300,000
- 2 Court appointed special advocate fund - \$500,000
- 3 2. Judiciary - superior court:
- 4 Drug treatment and education fund - \$250,000
- 5 Juvenile probation services fund - \$3,650,000
- 6 3. Department of administration:
- 7 Automation operations fund - \$461,600

8 B. Notwithstanding any other law, on or before June 30, 2018, the
9 following amounts from the following sources are transferred to the state
10 general fund for the purposes of providing adequate support and maintenance
11 for agencies of this state:

- 12 1. Judiciary - supreme court:
- 13 Alternative dispute resolution fund - \$300,000
- 14 Arizona lengthy trial fund - \$200,000
- 15 Court appointed special advocate fund - \$400,000
- 16 2. Judiciary - superior court:
- 17 Drug treatment and education fund - \$250,000
- 18 Juvenile probation services fund - \$1,850,000

19 Sec. 157. Fund balance transfer; special employee health
20 insurance trust fund; fiscal year 2015-2016

21 Notwithstanding any other law, after July 1, 2015 but on or before June
22 30, 2016, the amount of \$4,076,000 is transferred from the special employee
23 health insurance trust fund established by section 38-654, Arizona Revised
24 Statutes, to the state general fund for the purpose of providing adequate
25 support and maintenance for agencies of this state.

26 Sec. 158. Appropriation; fund balance transfers; fiscal year
27 2016-2017; automation projects fund

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

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

- 35 1. In addition to the amount appropriated in subsection A of this
36 section, any remaining balances as of June 30, 2016 from fees collected from
37 universities and community college districts in the education learning and
38 accountability fund established by section 15-249.02, Arizona Revised
39 Statutes.
- 40 2. \$7,420,600 from the automation operations fund established by
41 section 41-711, Arizona Revised Statutes.
- 42 3. \$5,650,000 from the state web portal fund established by section
43 41-3506, Arizona Revised Statutes.
- 44 4. \$527,800 from the information technology fund established by
45 section 41-3505, Arizona Revised Statutes.

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

3 6. \$1,000,000 from the inmate store proceeds fund established by
4 section 41-1604.02, Arizona Revised Statutes.

5 7. \$4,000,000 from the special services fund established by section
6 41-1604.03, Arizona Revised Statutes.

7 8. \$1,000,000 from the state charitable, penal and reformatory
8 institutions land fund established by section 37-525, Arizona Revised
9 Statutes.

10 9. \$1,000,000 from the penitentiary land fund established by section
11 37-525, Arizona Revised Statutes.

12 10. \$1,294,700 from the special administration fund established by
13 section 23-705, Arizona Revised Statutes.

14 11. \$1,000,000 from the liability setoff program revolving fund
15 established by section 42-1122, Arizona Revised Statutes.

16 Sec. 159. Fund balance transfer; motor vehicle liability
17 insurance enforcement fund

18 Notwithstanding any other law, on or before June 30, 2017, the amount
19 of \$1,100,000 is transferred from the motor vehicle liability insurance
20 enforcement fund established by section 28-4151, Arizona Revised Statutes, to
21 the safety enforcement and transportation infrastructure fund established by
22 section 28-6547, Arizona Revised Statutes.

23 Sec. 160. Fund balance transfer; corrections fund

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

28 1. \$1,000,000 from the inmate store proceeds fund established by
29 section 41-1604.02, Arizona Revised Statutes.

30 2. \$500,000 from the state department of corrections revolving fund
31 established by section 42-3106, Arizona Revised Statutes.

32 3. \$500,000 from the state charitable, penal and reformatory
33 institutions land fund established by section 37-525, Arizona Revised
34 Statutes.

35 4. \$400,000 from the special services fund established by section
36 41-1604.03, Arizona Revised Statutes.

37 5. \$400,000 from the penitentiary land fund established by section
38 37-525, Arizona Revised Statutes.

39 Sec. 161. Fund balance transfer; health services lottery monies
40 fund; fiscal year 2015-2016

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

1 Payment Deferrals

2 Sec. 162. Reduction in school district state aid apportionment
3 in fiscal year 2016-2017; appropriations in fiscal
4 year 2017-2018

5 A. In addition to any other appropriation reductions made in fiscal
6 year 2016-2017, notwithstanding any other law, the department of education
7 shall defer until after July 1, 2017 but no later than July 12, 2017
8 \$930,727,700 of the basic state aid and additional state aid payment that
9 otherwise would be apportioned to school districts during fiscal year
10 2016-2017 pursuant to section 15-973, Arizona Revised Statutes. The funding
11 deferral required by this subsection does not apply to charter schools or to
12 school districts with a student count of less than six hundred pupils, and
13 the department of education shall make the deferral by reducing the
14 apportionment of state aid for each month in the fiscal year by the same
15 amount.

16 B. In addition to any other appropriations made in fiscal year
17 2017-2018, the sum of \$930,727,700 is appropriated from the state general
18 fund in fiscal year 2017-2018 to the department of education and the
19 superintendent of public instruction for basic state aid and additional state
20 aid entitlement for fiscal year 2017-2018. This appropriation shall be
21 disbursed after July 1, 2017 but no later than July 12, 2017 to the several
22 counties for the school districts in each county in amounts equal to the
23 reductions in apportionment of basic state aid and additional state aid that
24 are required pursuant to subsection A of this section for fiscal year
25 2016-2017.

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

29 Statewide Adjustments

30 Sec. 163. Appropriation; operating adjustments
31 2016-2017

32	Employer health insurance	
33	contribution reduction	\$(16,608,900)
34	Fund sources:	
35	State general fund	\$ (8,047,400)
36	Other funds	\$ (8,561,500)
37	Arizona financial information	
38	system collections	983,200
39	Fund sources:	
40	State general fund	461,600
41	Other funds	521,600
42	Agency relocation	\$ 576,800
43	Fund sources:	
44	Other funds	\$ 576,800

1 Employer health insurance contribution reduction

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

14 Arizona financial information system collections

15 The amount appropriated is for the operation of the Arizona financial
16 information system in fiscal year 2016-2017. The joint legislative budget
17 committee staff shall determine and the department of administration shall
18 allocate to each agency or department an amount for the Arizona financial
19 information system collection charge. When determining an allocation, the
20 joint legislative budget committee staff shall consider any amount previously
21 charged to an agency or department for the operation of the Arizona financial
22 information system. The joint legislative budget committee staff shall also
23 determine and the department of administration shall allocate adjustments, as
24 necessary, in expenditure authority to allow for the payment of Arizona
25 financial information system charges.

26 Agency relocation

27 The amount appropriated is for one-time relocation costs for state
28 agencies in fiscal year 2016-2017. The joint legislative budget committee
29 staff shall determine and the department of administration shall allocate to
30 each agency or department an amount for relocation costs. The joint
31 legislative budget committee staff shall also determine and the department of
32 administration shall allocate adjustments, as necessary, in expenditure
33 authority to allow for the costs of relocation.

34 Sec. 164. Department of law: general agency counsel charges:
35 fiscal year 2016-2017

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

40	1. Department of administration	\$127,700
41	2. Office of administrative hearings	\$ 3,000
42	3. Arizona department of agriculture	\$ 4,200
43	4. Arizona arts commission	\$ 3,100

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

37 Other Provisions

38 Sec. 165. Legislative intent; expenditure reporting

39 It is the intent of the legislature that all departments, agencies and
40 budget units receiving appropriations under the terms of this act continue to
41 report actual, estimated and requested expenditures by budget programs and
42 budget classes in a format that is similar to the budget programs and budget
43 classes used for budgetary purposes in prior years. A different format may
44 be used if deemed necessary to implement section 35-113, Arizona Revised
45 Statutes, agreed to by the director of the joint legislative budget committee
46 and incorporated into the budget preparation instructions adopted by the

1 governor's office of strategic planning and budgeting pursuant to section
2 35-112, Arizona Revised Statutes.

3 Sec. 166. FTE positions; reporting; definition

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

20 Sec. 167. Filled FTE positions; reporting

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

25 Sec. 168. Transfer of spending authority

26 The department of administration shall report monthly to the director
27 of the joint legislative budget committee on any transfers of spending
28 authority made pursuant to section 35-173, subsection C, Arizona Revised
29 Statutes, during the prior month.

30 Sec. 169. Interim reporting requirements

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

34 B. State general fund revenue for fiscal year 2016-2017, including
35 one-time revenues, is forecast to be \$9,674,000,000.

36 C. State general fund revenue for fiscal year 2017-2018, including
37 one-time revenues, is forecast to be \$9,793,000,000. State general fund
38 expenditures for fiscal year 2017-2018 are forecasted to be \$9,625,000,000.

39 D. State general fund revenue for fiscal year 2018-2019, including
40 one-time revenues, is forecast to be \$10,290,000,000. State general fund
41 expenditures for fiscal year 2018-2019 are forecasted to be \$9,823,000,000.

1 E. The executive branch shall provide to the joint legislative budget
2 committee a preliminary estimate of the fiscal year 2015-2016 state general
3 fund ending balance on or before September 15, 2016. The estimate shall
4 include projections of total revenues, total expenditures and ending balance.
5 The department of administration shall continue to provide the final report
6 for the fiscal year in its annual financial report pursuant to section
7 35-131, Arizona Revised Statutes.

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

17 Sec. 170. Definition

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

21 Sec. 171. Definition

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

25 Sec. 172. Definition

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

APPROVED BY THE GOVERNOR MAY 10, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2016.