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)
Be it enacted by the Legislature of the State of Arizona:

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

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

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

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

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

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

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

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

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

| FTE positions | 6,142.9 |
| Operating lump sum appropriation | $542,436,800 |
| Biomedical informatics | 2,746,600 |
| Downtown Phoenix campus | 126,739,200 |
| Total appropriation – Arizona state university – Tempe and downtown Phoenix campuses | $671,922,600 |
| Fund sources: |
| State general fund | $155,092,100 |
It is the intent of the legislature that the STATE general fund base funding for Arizona state university - Tempe and downtown Phoenix campuses is $229,852,500. This appropriation includes a deferral ONE-TIME STATE GENERAL FUND APPROPRIATION of $74,760,400 from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.

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

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

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

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

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

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

Sec. 104. ARIZONA STATE UNIVERSITY - EAST CAMPUS

<table>
<thead>
<tr>
<th>2015-16</th>
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<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>TRIF lease-purchase payment</td>
</tr>
<tr>
<td>Total appropriation - Arizona state university - East campus</td>
</tr>
<tr>
<td>Fund sources:</td>
</tr>
<tr>
<td>State general fund</td>
</tr>
<tr>
<td>University collections fund</td>
</tr>
<tr>
<td>Technology and research initiative fund</td>
</tr>
<tr>
<td>2,000,000</td>
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</tbody>
</table>

It is the intent of the legislature that the STATE general fund base funding for Arizona state university - East campus is $21,339,100. This appropriation includes a deferral ONE-TIME STATE GENERAL FUND APPROPRIATION
of $5,750,200 from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.

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

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

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

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

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

Sec. 105. ARIZONA STATE UNIVERSITY - WEST CAMPUS

<table>
<thead>
<tr>
<th>2015-16</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>562.9</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$59,801,400</td>
</tr>
<tr>
<td>TRIF lease-purchase payment</td>
<td>$69,866,200</td>
</tr>
<tr>
<td>Total appropriation - Arizona state university - West campus</td>
<td>$1,600,000</td>
</tr>
</tbody>
</table>

Fund sources:

<table>
<thead>
<tr>
<th>State general fund</th>
<th>University collections fund</th>
<th>Technology and research initiative fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,825,900</td>
<td>$28,890,700</td>
<td>$1,600,000</td>
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</tbody>
</table>

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

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

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

The appropriated monies may not be used for scholarships or any student newspaper.
Any unencumbered balances remaining in the collections account on June 30, 2015 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

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

Sec. 106. NORTHERN ARIZONA UNIVERSITY

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

Fund sources:

| State general fund | $61,491,400 |
| University collections fund | $132,857,500 |

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

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

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

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

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

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

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

Sec. 107. UNIVERSITY OF ARIZONA

<table>
<thead>
<tr>
<th><strong>Main campus</strong></th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>5,393.0</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$346,556,800</td>
</tr>
<tr>
<td>Agriculture</td>
<td>38,195,600</td>
</tr>
<tr>
<td>Arizona cooperative extension</td>
<td>16,360,200</td>
</tr>
<tr>
<td>Freedom center</td>
<td>500,000</td>
</tr>
<tr>
<td>Sierra Vista campus</td>
<td>7,601,500</td>
</tr>
<tr>
<td><strong>Total – Main campus</strong></td>
<td><strong>$409,214,100</strong></td>
</tr>
<tr>
<td><strong>Fund sources:</strong></td>
<td></td>
</tr>
<tr>
<td>State general fund</td>
<td><strong>$107,653,800</strong></td>
</tr>
<tr>
<td>University collections fund</td>
<td><strong>$169,806,900</strong></td>
</tr>
</tbody>
</table>

| **Health sciences center** |         |
| FTE positions             | 1,054.1 |
| Operating lump sum appropriation | $52,738,600 |
| Clinical rural rotation   | 353,400  |
| Clinical teaching support | 8,587,000 |
| Liver research institute  | 430,100  |
| Phoenix medical campus    | 31,778,700 |
| Telemedicine network      | 1,854,400 |
| **Total – health sciences center** | **$95,742,200** |
| **Fund sources:**         |         |
| State general fund        | $52,307,300 |
| University collections fund | $69,084,000 |

Total appropriation - university of Arizona $504,956,300 $583,886,100

| **Fund sources:** |         |
| State general fund | $159,961,100 |
| University collections fund | $238,890,900 |
| University collections fund | $344,995,200 |
It is the intent of the legislature that the STATE general fund base funding for university of Arizona – main campus is $169,806,900. This appropriation includes a deferral ONE-TIME STATE GENERAL FUND APPROPRIATION of $62,153,100 from fiscal year 2015-2016 to fiscal year 2016-2017. This deferral shall be paid as required in this act.

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

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

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

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

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

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

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

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

Sec. 9. Repeal

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

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

Sec. 11. ARIZONA STATE BOARD OF ACCOUNTANCY

<table>
<thead>
<tr>
<th>2016-17</th>
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<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>
Fund sources:
Board of accountancy fund $1,939,100

Sec. 12. ACUPUNCTURE BOARD OF EXAMINERS

2016-17

FTE positions 1.0
Operating lump sum appropriation $165,000
Annual leave payout 13,200
Total appropriation - acupuncture board of examiners $178,200

Fund sources:
Acupuncture board of examiners fund $178,200

Sec. 13. DEPARTMENT OF ADMINISTRATION

2016-17

FTE positions 535.1
Operating lump sum appropriation $91,827,100
Utilities 8,275,600
Arizona financial information system 9,406,300
Telecommunications infrastructure 175,000
Risk management administrative expenses 8,747,200
Risk management losses and premiums 45,372,700
Workers' compensation losses and premiums 31,159,200
Statewide information security and privacy office 872,200
State surplus property sales proceeds 1,810,000
Southwest defense contracts 25,000
Government transformation office 1,000,000
Total appropriation - department of administration $198,670,300

Fund sources:
State general fund $10,877,300
Air quality fund 927,300
Arizona financial information system collections fund 9,406,300
Automation operations fund 23,964,100
Capital outlay stabilization fund 18,082,800
Corrections fund 571,200
Federal surplus materials revolving fund 464,600
Information technology fund 2,942,100
Motor vehicle pool revolving fund 10,148,800
Personnel division fund 12,885,100
Risk management revolving fund 93,033,400
Special employee health insurance trust fund 5,262,300
Special services revolving fund 590,700
State surplus materials revolving fund 2,947,900
State web portal fund 4,543,000
Telecommunications fund 2,023,400

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

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

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

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

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

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

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

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

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

Sec. 14. OFFICE OF ADMINISTRATIVE HEARINGS

FTE positions 12.0
Lump sum appropriation $861,700

Fund sources:
State general fund $861,700

Sec. 15. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

FTE positions 3.0
Lump sum appropriation $125,000

Fund sources:
State general fund $125,000

Sec. 16. ARIZONA DEPARTMENT OF AGRICULTURE

FTE positions 194.4
Operating lump sum appropriation $10,221,000
Agricultural employment relations board 23,300
Animal damage control 65,000
Red imported fire ant control 23,200
Agricultural consulting and training 128,500
Total appropriation – Arizona department of agriculture $10,461,000

Fund sources:
State general fund $9,021,200
Air quality fund 1,439,800

Sec. 17. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

FTE positions 2,326.3
Operating lump sum appropriation $91,439,300
DES eligibility 54,874,500
Proposition 204 – acute care administration 6,832,800
Proposition 204 – behavioral health administration 5,832,000
Proposition 204 – DES eligibility 38,358,700
Medical services
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

**Behavioral health services**
6. Medicaid behavioral health - traditional services 960,228,100
7. Medicaid behavioral health - proposition 204 services 612,844,800
8. Medicaid behavioral health - adult expansion services 77,702,300
9. Medicaid behavioral health - comprehensive medical and dental program 208,027,400
10. Crisis services 16,391,300
11. Nonmedicaid seriously mentally ill services 78,846,900
12. Supported housing 5,324,800

**Hospital payments**
13. Disproportionate share payments 5,087,100
14. Disproportionate share payments - voluntary match 19,896,000
15. Rural hospitals 22,650,000
16. Graduate medical education 162,992,600
17. Safety net care pool 137,000,000

**Total appropriation and expenditure**
18. Total appropriation and expenditure - Arizona health care cost containment system $11,380,174,100

**Fund sources:**
19. State general fund $1,751,080,800
20. Budget neutrality compliance fund 3,563,300
21. Children's health insurance program fund 3,672,200
22. Prescription drug rebate fund - state 113,778,800
23. Substance abuse services fund 2,250,200
24. Tobacco products tax fund - emergency health services account 18,747,200
25. Tobacco tax and health care fund - medically needy account 72,998,200
26. Expenditure authority 9,414,083,400

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

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

Medical services and behavioral health services

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

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

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

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

Any federal monies that the Arizona health care cost containment system administration passes through to the department of economic security for use in long-term administration care for persons with developmental disabilities do not count against the long-term care expenditure authority above.
Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the county portion of the fiscal year 2016-2017 nonfederal costs of providing long-term care system services is $249,980,000. This amount is included in the expenditure authority fund source.

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

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

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

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

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

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

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

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

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

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

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

Other reports

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

Sec. 18. BOARD OF ATHLETIC TRAINING

- 13 -
1 FTE positions 2 2016-17
2 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 2016-17
8 FTE positions 574.7
9 Operating lump sum appropriation $ 50,206,900
10 Capital postconviction prosecution 799,400
11 Internet crimes against children enforcement 1,250,000
12 Federalism unit 1,000,000
13 Risk management interagency service agreement 9,426,900
14 State grand jury 180,600
15 Southern Arizona law enforcement 1,200,000
16 Tobacco enforcement 819,500
17 Victims’ rights 3,759,400
18 Total appropriation - attorney general - department of law $ 68,642,700
19 Fund sources:
20 State general fund $ 24,688,100
21 Antitrust enforcement revolving fund 244,800
22 Attorney general legal services cost allocation fund 2,086,800
23 Collection enforcement revolving fund 6,869,700
24 Consumer protection - consumer fraud revolving fund 5,094,000
25 Interagency service agreements fund 15,573,000
26 Internet crimes against children enforcement fund 900,000
27 Risk management revolving fund 9,426,900
28 Victims’ rights fund 3,759,400
29 In addition to the $15,573,000 appropriated from the interagency service agreements fund in fiscal year 2016-2017, an additional $800,000 and 11 FTE positions are appropriated from the interagency service agreements fund in fiscal year 2016-2017 for new or expanded interagency service agreements. The attorney general shall report to the joint legislative budget committee whenever an interagency service agreement is established that will require expenditures from the additional amount. The report shall include the name of the agency or entity with which the agreement is made,
the dollar amount of the contract by fiscal year and the number of associated 
FTE positions.

On or before June 1, 2016, the department shall submit an expenditure 
plan for the fiscal year 2016-2017 internet crimes against children 
enforcement line item for review by the joint legislative budget committee. 
The $900,000 appropriation from the internet crimes against children 
enforcement fund and the $350,000 appropriation from the state general fund 
for the internet crimes against children enforcement line item are continuing 
appropriations and are exempt from the provisions of section 35-190, Arizona 
Revised Statutes, relating to lapsing of appropriations, through June 
30, 2018.

Sec. 20. AUTOMOBILE THEFT AUTHORITY

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$639,800</td>
</tr>
<tr>
<td>Automobile theft authority grants</td>
<td>$4,607,700</td>
</tr>
<tr>
<td>Reimbursable programs</td>
<td>$50,000</td>
</tr>
<tr>
<td>Total appropriation - automobile theft authority</td>
<td>$5,297,500</td>
</tr>
</tbody>
</table>

Fund sources:
- Automobile theft authority fund $5,297,500

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

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

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

Sec. 21. BOARD OF BARBERS

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump sum appropriation</td>
<td>$370,300</td>
</tr>
</tbody>
</table>

Fund sources:
- Board of barbers fund $370,300

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

Sec. 22. BOARD OF BEHAVIORAL HEALTH EXAMINERS
<table>
<thead>
<tr>
<th>Section</th>
<th>Agency Name</th>
<th>Fiscal Year</th>
<th>FTE Positions</th>
<th>Lump Sum Appropriation</th>
<th>Fund Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 23</td>
<td>State Board for Charter Schools</td>
<td>2016-17</td>
<td>14.0</td>
<td>$1,194,100</td>
<td>State general fund $1,194,100</td>
</tr>
<tr>
<td>Sec. 24</td>
<td>Department of Child Safety</td>
<td>2016-17</td>
<td>3,193.1</td>
<td>$116,103,100</td>
<td>Caseworkers $101,200,000, Backlog privatization $2,700,000, New case aides $3,077,700, Overtime pay $8,400,000, Attorney general legal services $25,588,700, Records retention staff $595,600, Inspections bureau $2,486,500, General counsel $156,100, Office of child welfare investigations $10,706,700, Retention pay $1,707,000, Adoption services $225,698,100, Preventive services $15,148,300, Out-of-home support services $198,272,500, Emergency and Residential placement $98,900,100, Foster care placement $65,595,500, Independent living maintenance $4,660,000, In-home mitigation $28,988,100, Permanent guardianship subsidy $12,516,900, Grandparent stipends $1,000,000, Training resources $5,150,000, DCS child care subsidy $45,159,400</td>
</tr>
<tr>
<td></td>
<td>Total Appropriation and Expenditure</td>
<td></td>
<td></td>
<td></td>
<td>$973,810,300</td>
</tr>
<tr>
<td>Fund Sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>State general fund $379,863,800, Federal child care and development fund block grant $27,000,000</td>
</tr>
</tbody>
</table>
Federal temporary assistance for
needy families block grant 149,472,700
Child abuse prevention fund 1,459,300
Children and family services
training program fund 207,900
Child safety expenditure authority 415,806,600

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

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

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

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

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

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

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

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

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

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

For the purposes of this section, "backlog case":
1. Means any nonactive case for which documentation has not been entered in the child welfare automated system for at least sixty days and for which services have not been authorized for at least sixty days and any case that has had an investigation, has been referred to another unit and has had no contact for at least sixty days.
2. Includes any case for which the investigation has been open without any documentation or contact for at least sixty days, any case involving in-home services for which there has been no contact or services authorized for at least sixty days and any case involving foster care in which there has been no contact or any documentation entered in the child welfare automated system for at least sixty days.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 25. STATE BOARD OF CHIROPRACTIC EXAMINERS

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

**Fund sources:**

| Board of chiropractic examiners fund | $ 451,400 |
Sec. 26. ARIZONA COMMUNITY COLLEGES

2016-17

Equalization aid

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

Operating state aid

<table>
<thead>
<tr>
<th>College</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cochise</td>
<td>$4,670,000</td>
</tr>
<tr>
<td>Coconino</td>
<td>$1,756,400</td>
</tr>
<tr>
<td>Gila</td>
<td>$315,200</td>
</tr>
<tr>
<td>Graham</td>
<td>$2,249,700</td>
</tr>
<tr>
<td>Mohave</td>
<td>$1,315,000</td>
</tr>
<tr>
<td>Navajo</td>
<td>$1,606,000</td>
</tr>
<tr>
<td>Pinal</td>
<td>$1,724,700</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>$81,200</td>
</tr>
<tr>
<td>Yavapai</td>
<td>$800,200</td>
</tr>
<tr>
<td>Yuma/La Paz</td>
<td>$2,690,100</td>
</tr>
<tr>
<td>Total - operating state aid</td>
<td>$17,208,500</td>
</tr>
</tbody>
</table>

STEM and workforce programs state aid

<table>
<thead>
<tr>
<th>College</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cochise</td>
<td>$1,008,200</td>
</tr>
<tr>
<td>Coconino</td>
<td>$418,000</td>
</tr>
<tr>
<td>Gila</td>
<td>$142,500</td>
</tr>
<tr>
<td>Graham</td>
<td>$595,200</td>
</tr>
<tr>
<td>Mohave</td>
<td>$505,200</td>
</tr>
<tr>
<td>Navajo</td>
<td>$353,700</td>
</tr>
<tr>
<td>Pinal</td>
<td>$96,500</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>$61,400</td>
</tr>
<tr>
<td>Yavapai</td>
<td>$774,400</td>
</tr>
<tr>
<td>Yuma/La Paz</td>
<td>$864,000</td>
</tr>
<tr>
<td>Total - STEM and workforce programs state aid</td>
<td>$4,819,100</td>
</tr>
</tbody>
</table>

Rural county reimbursement subsidy

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,273,800</td>
</tr>
</tbody>
</table>

Total appropriation - Arizona community colleges

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48,957,100</td>
</tr>
</tbody>
</table>

Fund sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$48,957,100</td>
</tr>
</tbody>
</table>

Of the $1,273,800 appropriated to the rural county reimbursement subsidy line item, Apache county receives $699,300 and Greenlee county receives $574,500.
Sec. 27.  REGISTRAR OF CONTRACTORS
2016-17
FTE positions 105.6
Operating lump sum appropriation $11,169,900
Office of administrative hearings costs 1,017,600
Total appropriation - registrar of contractors $12,187,500
Fund sources:
Registrar of contractors fund $12,187,500
Any transfer to or from the amount appropriated for the office of administrative hearings costs line item requires review by the joint legislative budget committee.

Sec. 28.  CORPORATION COMMISSION
2016-17
FTE positions 300.9
Operating lump sum appropriation $26,276,800
Corporation filings, same-day service 398,500
Utilities audits, studies, investigations and hearings 380,000*
Total appropriation - corporation commission $27,055,300
Fund sources:
State general fund $614,200
Arizona arts trust fund 50,100
Investment management regulatory and enforcement fund 712,600
Public access fund 6,586,400
Securities regulatory and enforcement fund 4,930,700
Utility regulation revolving fund 14,161,300
The $398,500 appropriated from the public access fund for the corporation filings, same-day service line item reverts to the public access fund established by section 10-122.01, Arizona Revised Statutes, at the end of fiscal year 2016-2017 if the commission has not established a same-day service pursuant to section 10-122, Arizona Revised Statutes.

Sec. 29.  STATE DEPARTMENT OF CORRECTIONS
2016-17
FTE positions 9,541.0
Operating lump sum appropriation $783,880,200
Radio equipment 2,800,000
Private prison per diem 168,617,100
Inmate health care contracted services 147,137,100
Total appropriation - state department of corrections $1,102,434,400
Fund sources:

- State general fund $1,052,558,200
- State education fund for correctional education 673,400
- Alcohol abuse treatment fund 555,300
- Penitentiary land fund 979,200
- State charitable, penal and reformatory institutions land fund 1,861,200
- Corrections fund 30,317,800
- Transition program fund 1,803,300
- Prison construction and operations fund 13,686,000

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

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

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

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

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

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

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

Sec. 30. BOARD OF COSMETOLOGY

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>24.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump sum appropriation</td>
<td>$ 1,807,700</td>
</tr>
</tbody>
</table>

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

Sec. 31. ARIZONA CRIMINAL JUSTICE COMMISSION

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>9.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$ 1,253,700</td>
</tr>
<tr>
<td>State aid to county attorneys</td>
<td>973,600</td>
</tr>
<tr>
<td>Victim compensation and assistance</td>
<td>4,220,500</td>
</tr>
</tbody>
</table>

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

Fund sources:
- Criminal justice enhancement fund $ 648,800
- Drug and gang prevention resource center fund 604,900
- State aid to county attorneys fund 973,600
- Victim compensation and assistance fund 4,220,500

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

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

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

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

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

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

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

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

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

FTE positions 15.0
Lump sum appropriation $4,312,800

Fund sources:
Telecommunication fund for the deaf $4,312,800

Sec. 34. STATE BOARD OF DENTAL EXAMINERS

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

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

Sec. 35. DEPARTMENT OF ECONOMIC SECURITY

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

Administration
Attorney general legal services 11,067,600
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aging and adult services</strong></td>
<td></td>
</tr>
<tr>
<td>Adult services</td>
<td>7,924,100</td>
</tr>
<tr>
<td>Community and emergency services</td>
<td>3,724,000</td>
</tr>
<tr>
<td>Coordinated homeless services</td>
<td>2,522,600</td>
</tr>
<tr>
<td>Domestic violence prevention</td>
<td>13,903,700</td>
</tr>
<tr>
<td><strong>Benefits and medical eligibility</strong></td>
<td></td>
</tr>
<tr>
<td>Temporary assistance for needy families - cash benefits</td>
<td>27,736,400</td>
</tr>
<tr>
<td>Coordinated hunger services</td>
<td>1,754,600</td>
</tr>
<tr>
<td>Tribal pass-through funding</td>
<td>4,680,300</td>
</tr>
<tr>
<td><strong>Child support enforcement</strong></td>
<td></td>
</tr>
<tr>
<td>County participation</td>
<td>8,740,200</td>
</tr>
<tr>
<td><strong>Developmental disabilities</strong></td>
<td></td>
</tr>
<tr>
<td>DDD operating lump sum</td>
<td>49,590,200</td>
</tr>
<tr>
<td>Case management - medicaid</td>
<td>55,627,300</td>
</tr>
<tr>
<td>Home and community based</td>
<td></td>
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<tr>
<td>services - medicaid</td>
<td>994,348,600</td>
</tr>
<tr>
<td>Institutional services - medicaid</td>
<td>22,632,900</td>
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<tr>
<td>Medical services - medicaid</td>
<td>165,542,400</td>
</tr>
<tr>
<td>Arizona training program at Coolidge - medicaid</td>
<td>15,822,100</td>
</tr>
<tr>
<td>Medicare clawback payments</td>
<td>3,370,600</td>
</tr>
<tr>
<td>Case management - state-only</td>
<td>3,912,700</td>
</tr>
<tr>
<td>Home and community based</td>
<td></td>
</tr>
<tr>
<td>services - state-only</td>
<td>16,913,400</td>
</tr>
<tr>
<td>State-funded long-term care services</td>
<td>26,554,000</td>
</tr>
<tr>
<td><strong>Employment and rehabilitation services</strong></td>
<td></td>
</tr>
<tr>
<td>JOBS</td>
<td>13,005,600</td>
</tr>
<tr>
<td>Child care subsidy</td>
<td>98,396,600</td>
</tr>
<tr>
<td>Independent living rehabilitation services</td>
<td>1,289,400</td>
</tr>
<tr>
<td>Rehabilitation services</td>
<td>7,249,100</td>
</tr>
<tr>
<td>Workforce investment act services</td>
<td>51,654,600</td>
</tr>
<tr>
<td><strong>Total appropriation and expenditure</strong></td>
<td></td>
</tr>
<tr>
<td>authority - department of economic security</td>
<td>$1,765,664,000</td>
</tr>
<tr>
<td><strong>Fund sources</strong></td>
<td></td>
</tr>
<tr>
<td>State general fund</td>
<td>$530,204,500</td>
</tr>
<tr>
<td>Federal child care and development fund block grant</td>
<td>107,773,600</td>
</tr>
<tr>
<td>Federal temporary assistance for needy families block grant</td>
<td>72,964,700</td>
</tr>
<tr>
<td>Long-term care system fund</td>
<td>26,554,000</td>
</tr>
</tbody>
</table>
Public assistance collections
fund 424,600
Special administration fund 2,939,700
Spinal and head injuries trust fund 2,324,800
Statewide cost allocation plan fund 1,000,000
Child support enforcement administration fund 16,719,600
Domestic violence shelter fund 4,000,000
Workforce investment act grant 56,050,500
Child support enforcement administration fund expenditure authority 42,479,100
Developmental disabilities medicaid expenditure authority 902,228,900

Aging and adult services
Of the $4,000,000 in domestic violence shelter fund monies appropriated, the department of economic security shall spend $1,500,000 for capital improvements or one-time projects for domestic violence facilities that are receiving monies from the fund in fiscal year 2016-2017. All domestic violence shelter fund monies in excess of $4,000,000 received by the department of economic security are appropriated for the domestic violence prevention line item. Before the expenditure of these increased monies, the department of economic security shall report the intended use of monies in excess of $4,000,000 to the joint legislative budget committee.

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

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

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

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

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

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

Before implementation of any developmental disabilities or long-term care statewide provider rate adjustments that are not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee that includes, at a minimum, the estimated cost of the provider rate adjustment and the ongoing source of funding for the adjustment, if applicable.
Before transferring any monies in or out of the case management - medicaid, case management - state-only, and DDD operating lump sum line items, the department of economic security shall submit a report for review by the joint legislative budget committee.

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

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

Employment and rehabilitation services

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

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

Departmentwide

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

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

2016-17
FTE positions 11.0
Lump sum appropriation $ 1,705,000

Fund sources:
State general fund $ 1,325,200
Teacher certification fund 379,800

Sec. 37. SUPERINTENDENT OF PUBLIC INSTRUCTION

2016-17
FTE positions 164.9
Operating lump sum appropriation $ 12,375,700

Fund sources:
State general fund $ 8,739,400
Teacher certification fund 137,300
Department of education empowerment scholarship account fund 799,000
Department of education professional development revolving fund 2,700,000

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

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

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

Basic state aid $2,793,140,500

Fund sources:
State general fund $2,573,336,300
Permanent state school fund 219,804,200

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

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

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

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

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

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

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

Additional state aid -

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeowner's rebate</td>
<td>$391,456,100</td>
</tr>
<tr>
<td>1 percent cap</td>
<td>$7,380,300</td>
</tr>
<tr>
<td>Special education fund</td>
<td>$32,242,100</td>
</tr>
<tr>
<td>Other state aid to districts</td>
<td>$983,900</td>
</tr>
<tr>
<td>Accountability and achievement</td>
<td>$16,422,400</td>
</tr>
</tbody>
</table>

Fund sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State general fund</td>
<td>$9,422,400</td>
</tr>
<tr>
<td>Proposition 301 fund</td>
<td>$7,000,000</td>
</tr>
</tbody>
</table>

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

Adult education                      | $4,500,000   |
Alternative teacher development program | 500,000     |
Arizona structured English immersion fund | 4,960,400   |
English learner administration        | 6,507,900   |

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

Geographic literacy                  | $100,000     |

The department of education shall use the appropriated one-time amount to issue a grant to a statewide geographic alliance for the purpose of strengthening geographic literacy in this state. The appropriated amount is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.
The department of education shall distribute the appropriated amount to joint technical education districts with fewer than two thousand average daily membership pupils for soft capital and equipment expenses. The appropriated amount shall be allocated on a pro rata basis based on the average daily membership of eligible joint technical education districts.

School safety program $3,646,500

Teacher certification $1,834,500

Fund sources:

Teacher certification fund $1,834,500

Tribal college dual enrollment program fund $250,000

Fund sources:

Tribal college dual enrollment program fund $250,000

Total appropriation - superintendent of public instruction $3,290,009,200

Fund sources:

State general fund $3,057,484,200

Proposition 301 fund 7,000,000

Permanent state school fund 219,804,200

Teacher certification fund 1,971,800

Tribal college dual enrollment program fund 250,000

Department of education empowerment scholarship account fund 799,000

Department of education professional development revolving fund 2,700,000

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

The department shall provide an updated report on its budget status every three months for the first half of each fiscal year and every month thereafter to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees, the director of the joint legislative budget committee and the director of the governor’s office of strategic planning and budgeting. Each report shall include, at a minimum, the department’s current funding surplus or shortfall projections for basic state aid and other major formula-based programs and is due thirty days after the end of the applicable reporting period.
Within fifteen days after each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department shall post on its website the amount of state aid apportioned to each recipient and the underlying data.

Sec. 38. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>63.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$1,819,200</td>
</tr>
<tr>
<td>Emergency management</td>
<td>$727,300</td>
</tr>
<tr>
<td>Military affairs</td>
<td>$3,024,400</td>
</tr>
<tr>
<td>Matching funds</td>
<td>$1,540,900</td>
</tr>
</tbody>
</table>

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

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

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

Sec. 39. DEPARTMENT OF ENVIRONMENTAL QUALITY

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>322.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$46,353,800</td>
</tr>
<tr>
<td>Safe drinking water program</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Emissions control contractor payment</td>
<td>$21,119,500</td>
</tr>
</tbody>
</table>

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

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

Before the expenditure of any monies from the safe drinking water program line item, the department of environmental quality shall submit an expenditure plan for review by the joint legislative budget committee.
Pursuant to section 49-282, Arizona Revised Statutes, the department of environmental quality shall submit a fiscal year 2017-2018 budget for the water quality assurance revolving fund before September 1, 2016, for review by the senate and house of representatives appropriations committees.

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

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

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

Sec. 40. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

| 2016-17 |
|---|---|
| FTE positions | 4.0 |
| Lump sum appropriation | $189,000 |
| Fund sources: |
| State general fund | $189,000 |

Sec. 41. STATE BOARD OF EQUALIZATION

<p>| 2016-17 |
|---|---|
| FTE positions | 7.0 |
| Lump sum appropriation | $642,800 |
| Fund sources: |</p>
<table>
<thead>
<tr>
<th>Section</th>
<th>Agency</th>
<th>Positions</th>
<th>Appropriations</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>Board of Executive Clemency</td>
<td>14.0</td>
<td>Lump sum appropriation $956,000</td>
<td>Fund sources: State general fund $956,000</td>
</tr>
<tr>
<td>43</td>
<td>Arizona Exposition and State Fair Board</td>
<td>184.0</td>
<td>Lump sum appropriation $11,616,100</td>
<td>Fund sources: Arizona exposition and state fair fund $11,616,100</td>
</tr>
<tr>
<td>44</td>
<td>Department of Financial Institutions</td>
<td>69.1</td>
<td>Total appropriation – department of financial institutions $5,270,300</td>
<td>Fund sources: State general fund $3,812,600, Financial services fund 1,457,700</td>
</tr>
<tr>
<td>45</td>
<td>State Forester</td>
<td>67.0</td>
<td>Operating lump sum appropriation $2,953,000</td>
<td>Environmental county grants 250,000, Inmate fire crews 691,000, Fire suppression 1,000,000, One-time equipment 302,500, State fire marshal 747,300, State fire school 172,700</td>
</tr>
</tbody>
</table>

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

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

Of the amount appropriated from the state general fund, the sum of $817,200 reverts to the state general fund and the sum of $817,200 is appropriated from the board of appraisal fund established by section 32-3608, Arizona Revised Statutes, if the board of appraisal fund is not repealed in the fifty-second legislature, second regular session.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous vegetation removal</td>
<td>1,350,000</td>
</tr>
</tbody>
</table>

Total appropriation - state forester $ 7,466,500

Fund sources:
- State general fund $ 7,466,500

Sec. 46. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

FTE positions 4.0
Lump sum appropriation $ 376,200

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

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

Sec. 47. ARIZONA GAME AND FISH DEPARTMENT

FTE positions 273.5
Operating lump sum appropriation $ 41,325,200
Watercraft grants $ 1,000,000

Total appropriation - game and fish department $ 42,325,200

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

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

Sec. 48. DEPARTMENT OF GAMING

FTE positions 155.8
Operating lump sum appropriation $ 8,295,500
Additional operating expenses 800,400
Casino operations certification 2,089,900
County fairs livestock and agriculture promotion 1,779,500
Division of racing 2,894,200
Problem gambling 2,287,000
Total appropriation - department of gaming $18,146,500

Fund sources:
State general fund $1,779,500
Tribal-state compact fund 2,089,900
Arizona benefits fund 11,082,900
State lottery fund 300,000
Racing regulation fund 2,894,200

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

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

 Sec. 49. OFFICE OF THE GOVERNOR

Lump sum appropriation $6,889,000*

Fund sources:
State general fund $6,889,000

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

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

FTE positions 22.0
Lump sum appropriation $1,994,000*

Fund sources:
State general fund $1,994,000

Sec. 51. DEPARTMENT OF HEALTH SERVICES

FTE positions 1,065.5
Operating lump sum appropriation $49,200,000

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

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

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

Arizona state hospital

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

Departmentwide

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

Sec. 52. ARIZONA HISTORICAL SOCIETY

| 2016-17 |  
|----------|---------|
| FTE positions | 51.9 |
| Operating lump sum appropriation | $ 2,118,500 |
| Arizona experience museum | 428,300 |
| Field services and grants | 66,000 |
| Papago park museum | 544,400 |

Total appropriation - Arizona historical society $ 3,157,200

Fund sources:

|  |  
|-----------------|-------------|
| State general fund | $ 3,157,200 |

Sec. 53. PRESCOTT HISTORICAL SOCIETY

| 2016-17 |  
|----------|---------|
| FTE positions | 13.0 |
| Lump sum appropriation | $ 825,800 |

Fund sources:

|  |  
|-----------------|-------------|
| State general fund | $ 825,800 |
Sec. 54. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

FTE positions 1.0
Lump sum appropriation $ 102,800

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

Sec. 55. ARIZONA DEPARTMENT OF HOUSING

FTE positions 20.0
Lump sum appropriation $ 1,133,300

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

Sec. 56. INDEPENDENT REDISTRICTING COMMISSION

Lump sum appropriation $ 1,115,300

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

Sec. 57. ARIZONA COMMISSION OF INDIAN AFFAIRS

FTE positions 3.0
Lump sum appropriation $ 57,400

Fund sources:
State general fund $ 57,400

Sec. 58. INDUSTRIAL COMMISSION OF ARIZONA

FTE positions 235.6
Lump sum appropriation $ 19,940,300

Fund sources:
Administrative fund $ 19,940,300

Sec. 59. DEPARTMENT OF INSURANCE

FTE positions 72.3
Lump sum appropriation $ 5,856,000

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

Sec. 60. ARIZONA JUDICIARY

Supreme court
FTE positions 177.0
Operating lump sum appropriation $ 13,512,600
Automation 20,013,100
WAAS upgrade 948,700
County reimbursements 187,900
Court appointed special advocate 2,862,500
Domestic relations 621,000
State foster care review board 3,212,300
Commission on judicial conduct 505,000
Judicial nominations and performance review 413,500
Model court 437,600
State aid 5,648,400

Total appropriation - supreme court $ 48,362,600

Fund sources:
State general fund $ 19,410,400
Confidential intermediary and fiduciary fund 488,400
Court appointed special advocate fund 2,942,800
Criminal justice enhancement fund 4,363,800
Defensive driving school fund 4,197,300
Judicial collection enhancement fund 14,014,900
State aid to the courts fund 2,945,000

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

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

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

Automation expenses of the judiciary shall be funded only from the automation line item. Monies in the operating lump sum appropriation or other line items intended for automation purposes shall be transferred to the automation line item before expenditure.
The operating lump sum appropriation includes $500,000 and 2.0 FTE positions for the creation of two new supreme court justice positions. The operating lump sum includes $10,600 for the first of a two-year three percent pay increase phase-in for supreme court justices. Pursuant to section 41-1904, Arizona Revised Statutes, this pay raise is effective on the first Monday in January 2017.

**Court of appeals**

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>Division one</th>
<th>Division two</th>
<th>Total appropriation – court of appeals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 10,011,100</td>
<td>$ 4,336,300</td>
<td>$ 14,347,400</td>
</tr>
</tbody>
</table>

**Fund sources:**

- State general fund $ 14,347,400

Of the 136.8 FTE positions for fiscal year 2016-2017, 98.3 FTE positions are for division one and 38.5 FTE positions are for division two. The appropriated amounts include $22,300 for division one and $9,600 for division two for the first of a two-year three percent pay increase phase-in for court of appeals judges. Pursuant to section 41-1904, Arizona Revised Statutes, this pay raise is effective on the first Monday in January 2017.

**Superior court**

| FTE positions | Operating lump sum appropriation | Judges' compensation | Centralized service payments | Adult standard probation | Adult intensive probation | Community punishment | Interstate compact | Drug court | Juvenile standard probation | Juvenile intensive probation | Juvenile treatment services | Juvenile family counseling | Juvenile crime reduction | Juvenile diversion consequences | Special water master | Drug treatment and education fund | Judicial collection enhancement fund |
|---------------|---------------------------------|-----------------------|-----------------------------|--------------------------|--------------------------|----------------------|-------------------|----------|-----------------------------|-----------------------------|---------------------------|---------------------------|--------------------------|-------------------------------|---------------------------|
|               | $ 4,325,700                      | 8,288,500             | 3,458,000                   | 16,864,200               | 10,366,900               | 2,310,300            | 427,500          | 993,600  | 3,850,600                   | 5,612,400                   | 19,960,900                | 500,000                   | 3,308,000                | 8,157,800                   | 160,000                   | 502,400                  | 6,022,200                  |
|               |                                 |                      |                             |                          |                          |                      |                  |          |                             |                             |                           |                          |                          |                             |                               |                            |                          |                           |
|               |                                 |                      |                             |                          |                          |                      |                  |          |                             |                             |                           |                          |                          |                             |                               |                            |                          |                           |

**Fund sources:**

- State general fund $ 79,517,800
- Criminal justice enhancement fund 5,542,000
- Drug treatment and education fund 502,400
- Judicial collection enhancement fund 6,022,200
Of the 137.5 FTE positions, 82 FTE positions represent superior court judges in counties with a population of less than two million persons. One-half of those judges' salaries are provided by state general fund appropriations pursuant to section 12-128, Arizona Revised Statutes. This FTE position clarification does not limit the counties' ability to add judges pursuant to section 12-121, Arizona Revised Statutes.

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

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

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

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

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

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

All centralized service payments made by the administrative office of the courts on behalf of counties shall be funded only from the centralized service payments line item. Centralized service payments include only training, motor vehicle payments, CORP review board funding, LEARN funding, research, operational reviews and GPS vendor payments. This footnote does not apply to treatment or counseling services payments made from the juvenile treatment services and juvenile diversion consequences line items. Monies in the operating lump sum appropriation or other line items intended for centralized service payments shall be transferred to the centralized service payments line item before expenditure.
All monies in the adult standard probation, adult intensive probation, interstate compact, juvenile standard probation and juvenile intensive probation line items shall be used only as pass-through monies to county probation departments. Monies in the operating lump sum appropriation or other line items intended as pass-through for the purpose of administering a county probation program shall be transferred to the appropriate probation line item before expenditure.

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

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

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

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

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

Sec. 61. DEPARTMENT OF JUVENILE CORRECTIONS

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Lump sum appropriation</td>
</tr>
</tbody>
</table>
H.B. 2695

Fund sources:

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

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

Sec. 62. STATE LAND DEPARTMENT

2016-17

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

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

Fund sources:

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

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

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

Sec. 63. LEGISLATURE

2016-17

Senate

Lump sum appropriation $9,473,900

Fund sources:

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

House of representatives

Lump sum appropriation $13,289,500*

Fund sources:
State general fund $13,289,500

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

Legislative council

FTE positions 49.0
Operating lump sum appropriation $7,407,700
Ombudsman-citizens aide office 825,600
Total appropriation - legislative council $8,233,300*

Fund sources:
State general fund $8,233,300

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

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

Joint legislative budget committee

FTE positions 29.0
Lump sum appropriation $2,490,900*

Fund sources:
State general fund $2,490,900

Auditor general

FTE positions 184.8
Lump sum appropriation $18,133,300*

Fund sources:
State general fund $18,133,300

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

Sec. 64. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

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

Fund sources:
Liquor licenses fund $3,017,600
Sec. 65. ARIZONA STATE LOTTERY COMMISSION

FTE positions 98.8
Operating lump sum appropriation $ 8,389,400
Advertising 15,500,000
Total appropriation - Arizona state lottery commission $ 23,889,400

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

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

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

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

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

Sec. 66. BOARD OF MASSAGE THERAPY

FTE positions 5.0
Lump sum appropriation $ 469,700

Fund sources:
Board of massage therapy fund $ 469,700

The appropriation includes $15,000 for online renewal applications. Before the expenditure of these monies, the board of massage therapy shall complete a project investment justification that has been approved by from the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board's project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.
Sec. 67. ARIZONA MEDICAL BOARD

FTE positions: 58.5

Lump sum appropriation: $6,426,000

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

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

Sec. 68. STATE MINE INSPECTOR

FTE positions: 14.0

Operating lump sum appropriation: $1,020,500

Abandoned mines: 194,700

Aggregate mined land reclamation: 112,800

Total appropriation - state mine inspector: $1,328,000

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

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

Sec. 69. NATUROPATHIC PHYSICIANS MEDICAL BOARD

FTE positions: 2.0

Lump sum appropriation: $183,700

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

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

2016-17

FTE positions 2.0

Lump sum appropriation $ 326,600

Fund sources:

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

Sec. 71. ARIZONA STATE BOARD OF NURSING

2016-17

FTE positions 42.2

Operating lump sum appropriation $ 4,265,900

Certified nursing assistant credentialing program $ 536,700

Total appropriation - Arizona state board of nursing $ 4,802,600

Fund sources:

Board of nursing fund $ 4,802,600

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

2016-17

FTE positions 6.0

Lump sum appropriation $ 446,100

Fund sources:

Nursing care institution administrators' licensing and assisted living facility managers' certification fund $ 446,100

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

Sec. 73. BOARD OF OCCUPATIONAL THERAPY EXAMINERS

2016-17

FTE positions 1.5

Lump sum appropriation $ 172,000

Fund sources:

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

FTE positions 1.0  2016-17
Lump sum appropriation $139,800

Fund sources:
Board of dispensing opticians fund $139,800

Sec. 75. STATE BOARD OF OPTOMETRY

FTE positions 2.0  2016-17
Lump sum appropriation $211,400

Fund sources:
Board of optometry fund $211,400

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

FTE positions 7.2  2016-17
Lump sum appropriation $941,700

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

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

Sec. 77. ARIZONA STATE PARKS BOARD

FTE positions 163.0  2016-17
Operating lump sum appropriation $10,622,800
Kartchner caverns state park 2,232,000

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

Fund sources:
State parks revenue fund $12,854,800

All other operating expenditures include $26,000 from the state parks revenue fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2016-2017, an additional ten percent of this increase of Fool Hollow receipts is appropriated from the state parks revenue fund established by section 41-511.21, Arizona Revised Statutes, to meet the revenue sharing agreement with the city of Show Low and the United States forest service.
Sec. 78. STATE PERSONNEL BOARD

FTE positions 3.0
Lump sum appropriation $ 375,700

Fund sources:
Personnel division fund - personnel board subaccount $ 375,700

Sec. 79. OFFICE OF PEST MANAGEMENT

FTE positions 30.0
Lump sum appropriation $ 1,699,500

Fund sources:
Pest management fund $ 1,699,500

Sec. 80. ARIZONA STATE BOARD OF PHARMACY

FTE positions 18.0
Operating lump sum appropriation $ 2,120,500
Annual leave payout $ 20,000
Total appropriation - Arizona state board of pharmacy $ 2,140,500

Fund sources:
Arizona state board of pharmacy fund $ 2,140,500

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

Sec. 81. BOARD OF PHYSICAL THERAPY

FTE positions 4.0
Lump sum appropriation $ 487,000

Fund sources:
Board of physical therapy fund $ 487,000

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

Sec. 82. ARIZONA PIONEERS' HOME

2016-17

FTE positions 106.3
Operating lump sum appropriation $ 6,004,900
Prescription drugs 200,000
Total appropriation - pioneers' home $ 6,204,900

Fund sources:
Miners' hospital fund $ 2,040,000
State charitable fund 4,164,900

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

Sec. 83. STATE BOARD OF PODIATRY EXAMINERS

2016-17

FTE positions 1.0
Lump sum appropriation $ 148,200

Fund sources:
Podiatry fund $ 148,200

Sec. 84. COMMISSION FOR POSTSECONDARY EDUCATION

2016-17

FTE positions 5.0
Operating lump sum appropriation $ 184,300
Leveraging educational assistance partnership (LEAP) 2,319,500
Arizona college and career guide 21,300
Math and science teacher initiative 176,000
Arizona minority educational policy analysis center 100,000
Twelve plus partnership 130,500
Total appropriation - commission for postsecondary education $ 2,931,600

Fund sources:
State general fund $ 1,396,800
Postsecondary education fund 1,534,800

Each participating institution, public or private, in order to be eligible to receive state matching monies under the leveraging educational assistance partnership for grants to students, shall provide an amount of institutional matching monies that equals the amount of monies provided by the state to the institution for the leveraging educational assistance partnership. Administrative expenses incurred by the commission for postsecondary education shall be paid from institutional matching funds and may not exceed twelve percent of the monies in fiscal year 2016-2017.
Any unencumbered balance remaining in the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, on June 30, 2016, and all grant monies and other revenues received by the commission for postsecondary education, when paid into the state treasury, are appropriated for the specific purposes designated by line items and for additional responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised Statutes.

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

Sec. 85. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

FTE positions 4.0
Lump sum appropriation $396,300

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

Sec. 86. STATE BOARD OF PSYCHOLOGIST EXAMINERS

FTE positions 4.0
Lump sum appropriation $476,500

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

Sec. 87. DEPARTMENT OF PUBLIC SAFETY

FTE positions 1,956.7
Operating lump sum appropriation $229,233,700
ACTIC 1,450,000
Border strike task force ongoing 6,778,800
Border strike task force one-time 18,600,000
Border strike task force local support 1,261,700
Civil air patrol 150,000
GIITEM 22,629,000
GIITEM subaccount 2,390,000
Law enforcement officer virtual training 2,100,000
Motor vehicle fuel 5,454,600
Public safety equipment 2,890,000
Sexual assault kit testing 500,000

Total appropriation - department of public safety $293,437,800
Fund sources:

State general fund $121,397,900
Automobile theft authority fund 3,000,000
Arizona highway user revenue fund 96,409,200
State highway fund 7,331,300
Arizona highway patrol fund 24,198,200
State aid to indigent defense fund 700,000
Criminal justice enhancement fund 2,872,700

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

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

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

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

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

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

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

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

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

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

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

3. Is equipped with transducers to recreate sound vibrations.

4. Includes a stress component, including the use of a wireless device
capable of delivering an adjustable electric impulse, during training
engagements.
The department of public safety shall make the use of a virtual law enforcement simulator available for other law enforcement agencies in this state without a fee or charge.

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

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

Sec. 88. RADIATION REGULATORY AGENCY

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

Fund sources:

| State general fund | $775,300 |
| State radiologic technologist certification fund | 272,500 |
| Radiation regulatory fee fund | 578,700 |

Sec. 89. STATE REAL ESTATE DEPARTMENT

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

Fund sources:

| State general fund | $3,004,000 |

Sec. 90. RESIDENTIAL UTILITY CONSUMER OFFICE

| FTE positions | 11.0 |
| Operating lump sum appropriation | $1,190,000 |
| Professional witnesses | $145,000* |
| Total appropriation - residential utility consumer office | $1,335,000 |

Fund sources:

Residential utility consumer
Sec. 91. BOARD OF RESPIRATORY CARE EXAMINERS

FTE positions 4.0 2016-17
Lump sum appropriation $ 300,100

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

Sec. 92. ARIZONA STATE RETIREMENT SYSTEM

FTE positions 250.9 2016-17
Operating lump sum appropriation $ 25,495,000
Automation upgrades 2,070,000*

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

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

Sec. 93. DEPARTMENT OF REVENUE

FTE positions 880.8 2016-17
Operating lump sum appropriation $ 63,694,300
BRITS operational support 7,538,900
Unclaimed property administration and audit 1,218,500
TPT simplification 990,600
Income tax fraud prevention 3,150,000

Total appropriation – department of revenue $ 76,592,300

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

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

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

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

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

Sec. 94. SCHOOL FACILITIES BOARD

<table>
<thead>
<tr>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
</tr>
<tr>
<td>New school facilities debt service</td>
</tr>
<tr>
<td>Building renewal grants</td>
</tr>
<tr>
<td>New school facilities</td>
</tr>
</tbody>
</table>

Total appropriation - school facilities board: $227,600,200

Fund sources:

State general fund: $227,600,200

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

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

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

If, after reviewing revised enrollment projections for a union high school district project approved on or before March 1, 2016, the school facilities board determines the awarded project is no longer required pursuant to section 15-2041, subsection E, Arizona Revised Statutes, the sum of $16,705,000 appropriated to the new school facilities line item in fiscal year 2016-2017 shall revert to the state general fund. The school facilities board may adjust the amount reverted to deduct any monies distributed to the union high school district for architectural and engineering fees, project management services and preconstruction services that were spent before the school facilities board’s determination that the awarded project is no longer required.
Sec. 95. DEPARTMENT OF STATE - SECRETARY OF STATE

FTE positions 141.1
Operating lump sum appropriation $11,609,300
Election services 3,390,800
Help America vote act 2,941,500
Library grants-in-aid 651,400*
Statewide radio reading service for the blind 97,000
Total appropriation - secretary of state $18,690,000

Fund sources:
State general fund $15,006,500
Election systems improvement fund 2,941,500
Records services fund 742,000

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

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

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

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

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

Sec. 96. STATE BOARD OF TAX APPEALS

FTE positions 4.0
Lump sum appropriation $266,400

Fund sources:
State general fund $266,400

Sec. 97. STATE BOARD OF TECHNICAL REGISTRATION

FTE positions 25.0
Lump sum appropriation $2,922,600

Fund sources:
Technical registration fund $2,922,600
The appropriation includes $800,000 for an e-licensing and case management system. Before the expenditure of these monies, the state board of technical registration shall complete a project investment justification that has been approved by the department of administration. It is the intent of the legislature that the Arizona strategic enterprise technology office determine whether the board’s project investment justification is consistent with statewide information technology enterprise architecture strategy and whether one-time information technology purchases can be consolidated with other appropriations in this act.

Sec. 98. OFFICE OF TOURISM

FTE positions 28.0
Tourism fund deposit $ 7,110,400
Fund sources:
State general fund $ 7,110,400

Sec. 99. DEPARTMENT OF TRANSPORTATION

FTE positions 4,552.0
Operating lump sum appropriation $205,331,600
Attorney general legal services 3,577,700
Highway maintenance 140,593,200
Vehicles and heavy equipment 18,545,500
Fraud investigation 767,000
New third-party funding 631,800
Statewide drainage structures 4,300,000
Phoenix area freeway lighting 1,500,000
Total appropriation – department of transportation $375,246,800
Fund sources:
State general fund $ 50,400
Air quality fund 162,200
Driving under the influence abatement fund 153,200
Arizona highway user revenue fund 652,700
Motor vehicle liability insurance enforcement fund 1,316,100
Safety enforcement and transportation infrastructure fund – department of transportation subaccount 1,875,500
State aviation fund 1,622,900
State highway fund 349,410,200
Transportation department equipment fund 18,545,500
Vehicle inspection and title enforcement fund 1,458,100
It is the intent of the legislature that the department not include any administrative overhead expenditures in duplicate driver license fees charged to the public.

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

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

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

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

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

On or before August 1, 2016, the department shall report to the director of the joint legislative budget committee on the state’s share of fees retained by the service Arizona vendor in the prior fiscal year. The report shall also include the amount spent by the service Arizona vendor on behalf of the state in the prior fiscal year, as well as a list of the projects funded with those monies.

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

Sec. 100.  STATE TREASURER

2016-17
FTE positions 30.4
Operating lump sum appropriation $ 2,848,100
Justice of the peace salaries 1,205,100
Law enforcement/boating safety fund grants 2,183,800
Total appropriation – state treasurer $ 6,237,000

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

Sec. 101. ARIZONA BOARD OF REGENTS 2016-17
FTE positions 25.9
Operating lump sum appropriation $ 2,352,500
Arizona teachers incentive program 90,000
Arizona transfer articulation support system 213,700
Performance funding 5,000,000
Student financial assistance 10,041,200
Western interstate commission office 141,000
WICHE student subsidies 4,090,000
Total appropriation - Arizona board of regents $ 21,928,400

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

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

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

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

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

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

2016-17

<table>
<thead>
<tr>
<th>FTE positions</th>
<th>6,552.6</th>
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<tbody>
<tr>
<td>Operating lump sum appropriation</td>
<td>$651,566,500</td>
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<tr>
<td>Biomedical informatics</td>
<td>2,791,900</td>
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<tr>
<td>School of civic and economic</td>
<td>3,000,000</td>
</tr>
<tr>
<td>thought and leadership</td>
<td></td>
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<tr>
<td>Downtown Phoenix campus</td>
<td>127,166,100</td>
</tr>
<tr>
<td>Total appropriation - Arizona state university - Tempe and downtown Phoenix campuses</td>
<td>$784,524,500</td>
</tr>
</tbody>
</table>

Fund sources:

| State general fund                | $233,303,600 |
| University collections fund       | 551,220,900 |

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

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

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

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

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

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

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

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

Sec. 103. ARIZONA STATE UNIVERSITY - EAST CAMPUS

| 2016-17 |
| FTE positions | 416.2 |
| Operating lump sum appropriation | $57,297,300 |
| TRIF lease-purchase payment | $2,000,000 |
| Total appropriation - Arizona state university - East campus | $59,297,300 |

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

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

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

Sec. 104. ARIZONA STATE UNIVERSITY - WEST CAMPUS

2016-17

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

Fund sources:
State general fund $ 29,176,300
University collections fund 44,241,400
Technology and research initiative fund 1,600,000

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

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

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

Sec. 105. NORTHERN ARIZONA UNIVERSITY

2016-17
### H.B. 2695

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>2,249.7</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$233,388,600</td>
</tr>
<tr>
<td>NAU - Yuma</td>
<td>3,066,600</td>
</tr>
<tr>
<td>Teacher training</td>
<td>2,290,600</td>
</tr>
<tr>
<td><strong>Total appropriation - Northern Arizona university</strong></td>
<td><strong>$238,745,800</strong></td>
</tr>
</tbody>
</table>

**Fund sources:**

- **State general fund** $93,459,200
- **University collections fund** 145,286,600

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

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

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

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

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

### Sec. 106. UNIVERSITY OF ARIZONA 2016-17

<table>
<thead>
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<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Main campus</td>
<td></td>
</tr>
<tr>
<td>FTE positions</td>
<td>5,605.5</td>
</tr>
<tr>
<td>Operating lump sum appropriation</td>
<td>$467,520,000</td>
</tr>
<tr>
<td>Agriculture</td>
<td>39,423,400</td>
</tr>
<tr>
<td>Arizona cooperative extension</td>
<td>16,017,700</td>
</tr>
<tr>
<td>Center for the philosophy of freedom</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Sierra Vista campus</td>
<td>7,649,600</td>
</tr>
<tr>
<td><strong>Total - Main campus</strong></td>
<td><strong>$533,110,700</strong></td>
</tr>
</tbody>
</table>

**Fund sources:**

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

**Health sciences center**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE positions</td>
<td>1,375.9</td>
</tr>
</tbody>
</table>
Operating lump sum appropriation  $ 69,113,200
Clinical rural rotation 350,500
Clinical teaching support 8,484,400
Liver research institute 450,600
Phoenix medical campus 32,445,800
Telemedicine network 1,838,500

Total - health sciences center $112,683,000

Fund sources:
State general fund $ 68,629,200
University collections fund 44,053,800

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

Fund sources:
State general fund $240,590,300
University collections fund 405,203,400

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

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

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

The appropriated amount for the center for the philosophy of freedom may not supplant any existing state funding or private or external donations to the center or the philosophy department of the university of Arizona. The appropriated monies and all private and external donations to the center shall be used only for the direct operation of the center and may not be used for indirect costs of the university. The center shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives government and higher education committee and the director of the joint legislative budget committee on or before October 3, 2016. The report shall include at least the following for the center:
1. The total amount of funding received from all sources.
2. A description of faculty positions and courses offered.
3. The total undergraduate and graduate student participation.
4. Significant community events, initiatives or publications.

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

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

Sec. 107. DEPARTMENT OF VETERANS' SERVICES

2016-17

FTE positions
512.3
Operating lump sum appropriation $ 3,219,000
Arizona state veterans' homes 31,264,600
Arizona state veterans' cemeteries 928,000
Veterans' benefit counseling 2,833,700

Total appropriation - department of veterans' services $ 38,245,300

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

Sec. 108. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

2016-17

FTE positions 6.0
Lump sum appropriation $ 655,100

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

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

Sec. 109. DEPARTMENT OF WATER RESOURCES

2016-17

FTE positions 129.0
Operating lump sum appropriation $ 9,204,800
Adjudication support 1,251,800
Assured and adequate water supply administration 1,983,200
Rural water studies 1,164,500
Conservation and drought program 408,300
Automated groundwater monitoring 409,400
Lower Colorado river litigation expenses 500,000*
Total appropriation - department of water resources $14,922,000
Fund sources:
State general fund $12,803,100
Water resources fund 641,200
Assured and adequate water supply administration fund 266,600
Arizona water banking fund 1,211,100
Monies in the assured and adequate water supply administration line item may be used only for the exclusive purposes prescribed in sections 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the assured and adequate water supply administration line item.
It is the intent of the legislature that monies in the rural water studies line item be spent only to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside the state's active management areas and not be made available for other department operating expenditures.
Monies in the adjudication support line item may be used only for the exclusive purposes prescribed in section 45-256 and section 45-257, subsection B, paragraph 4, Arizona Revised Statutes. The department of water resources may not transfer any monies into or out of the adjudication support line item.
The department of water resources may not transfer any monies from the lower Colorado river litigation expenses line item without prior review by the joint legislative budget committee.
Fiscal Year 2015-2016 Appropriation Adjustments
Sec. 110. Department of administration; risk management revolving fund; special employee health insurance trust fund; supplemental appropriations; fiscal year 2015-2016
A. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $3,614,100 is appropriated from the risk management revolving fund established by section 41-622, Arizona Revised Statutes, in fiscal year 2015-2016 to the department of administration for the following purposes:
1. To pay disallowed costs relating to excess retained earnings.
2. To pay disallowed costs relating to the statewide information technology charges.
B. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $6,167,600 is appropriated from the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, in fiscal year 2015-2016 to the department of administration to reimburse the federal government for fund transfers in fiscal year 2014-2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. The department of child safety may use up to $35,000,000 from the budget stabilization fund established by section 35-144, Arizona Revised Statutes.
Notwithstanding any other law, this appropriation shall be fully reimbursed on or before September 1, 2016 and be reimbursed in full as part of the closing process for fiscal year 2015-2016. The appropriation may not be used for additional programmatic expenditures.

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

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

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

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

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

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

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

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

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

C. In addition to any other appropriations made in fiscal year 2015-2016, the sum of $14,893,200 is appropriated from the long-term care fund expenditure authority in fiscal year 2015-2016 to the department of
economic security's home and community based services medicaid line item.  
The department of economic security shall request review by the joint  
legislative budget committee before spending monies for any other purpose.  
D. In addition to any other appropriations made in fiscal year  
2015-2016, the appropriation to the department of economic security's  
temporary assistance for needy families cash benefits line is reduced by  
$9,905,000 from the temporary assistance for needy families block grant in  
fiscal year 2015-2016.  
Sec. 117.  Superintendent of public instruction; supplemental  
appropriations; fiscal year 2015-2016  
A. In addition to any other appropriations made in fiscal year  
2015-2016, the sum of $2,700,000 is appropriated from the department of  
education professional development revolving fund established by section  
15-237.01, Arizona Revised Statutes, to the superintendent of public  
instruction for professional development courses pursuant to section  
15-237.01, Arizona Revised Statutes.  
B. In addition to any other appropriations made in fiscal year  
2015-2016, the sum of $160,000 is appropriated from the tribal college dual  
enrollment program fund established by section 15-244.01, Arizona Revised  
Statutes, to the superintendent of public instruction for the purposes  
provided in section 15-244.01, Arizona Revised Statutes.  
Sec. 118.  Department of emergency and military affairs;  
supplemental appropriation; fiscal year 2015-2016;  
exemption  
A. In addition to any other appropriations made in fiscal year  
2015-2016, the sum of $746,700 is appropriated from the state general fund in  
fiscal year 2015-2016 to the department of emergency and military affairs for  
service contracts.  
B. The appropriation made in subsection A of this section is exempt  
from the provisions of section 35-190, Arizona Revised Statutes, relating to  
lapsing of appropriations, except that all monies remaining unexpended and  
enuncumbered on December 31, 2016 revert to the state general fund.  
Sec. 119.  State forester; supplemental appropriation; fiscal  
year 2015-2016  
In addition to any other appropriations made in fiscal year 2015-2016,  
the sum of $146,700 is appropriated from the state general fund in fiscal  
year 2015-2016 to the state forester for risk management premium payment.  
Sec. 120.  Arizona game and fish department; supplemental  
appropriation; fiscal year 2015-2016; exemption  
A. The sum of $1,752,000 is appropriated from the game and fish fund  
established by section 17-261, Arizona Revised Statutes, in fiscal year  
2015-2016 to the Arizona game and fish department for the increased  
retirement contribution rate for public safety personnel.  
B. The appropriation made in subsection A of this section is exempt  
from the provisions of section 35-190, Arizona Revised Statutes, relating to  
lapsing of appropriations, until June 30, 2017.
Sec. 121. **Department of health services; supplemental appropriations; fiscal year 2015-2016**

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

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

Sec. 122. **Arizona state retirement system; information technology security costs; exemption; fiscal year 2015-2016**

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

Sec. 123. **School facilities board; supplemental appropriation; fiscal year 2015-2016**

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

Sec. 124. **School facilities board; supplemental appropriation; reduction; fiscal year 2015-2016**

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

Sec. 125. **Secretary of state; supplemental appropriation; presidential preference election; fiscal year 2015-2016; report**

A. In addition to monies appropriated pursuant to Laws 2015, chapter 8, section 95, the sum of $6,130,000 is appropriated from the state general fund in fiscal year 2015-2016 to the secretary of state for the purpose of reimbursing expenses incurred by counties for the administration of the 2016 presidential preference election.

B. The secretary of state shall reimburse counties based on the number of active registered voters in that county on January 1, 2016 as follows:

1. For counties with an official active voter registration total of four hundred fifty thousand persons or more, in the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the secretary of state on or before October 30, 2015 or $2.50 for each active registered voter in the county, whichever is less.
2. For counties with an official active voter registration total of thirty-five thousand persons or more and less than four hundred fifty thousand persons, in the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the secretary of state on or before October 30, 2015 or $3.00 for each active registered voter, whichever is less.

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

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

D. If reimbursing for actual expenses incurred as prescribed in subsection B of this section, the secretary of state shall not reimburse counties for the following:
   1. Regular pay and associated employer-related expenses for permanent county employees.
   2. Maintenance of infrastructure, machinery and equipment.
   3. Any expenditure that is not reimbursable as prescribed by the state of Arizona accounting manual issued by the department of administration general accounting office and in effect on January 1, 2016.

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

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

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

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

1. Arizona state university • Tempe and downtown Phoenix campuses $1,895,000
2. Arizona state university • East campus $182,700
3. Arizona state university • West campus $205,500
4. Northern Arizona university $40,200
5. University of Arizona • main campus $1,330,700
6. University of Arizona • health sciences center $421,900
Sec. 127. **Department of veterans' services; supplemental appropriation; fiscal year 2015-2016**

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

**Fiscal Year 2016-2017 Appropriations**

Sec. 128. **Department of administration; counties; appropriations; allocations**

A. The sum of $5,500,500 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for distribution to counties for maintenance of essential county services. The department of administration shall allocate the appropriation equally among all counties with a population of less than two hundred thousand persons according to the 2010 United States decennial census.

B. The sum of $500,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for distribution to a county with a population of more than thirty thousand persons and less than forty thousand persons according to the 2010 United States decennial census, for maintenance of essential county services.

C. The sum of $8,000,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for a one-time distribution to counties for maintenance of essential county services. The department of administration shall allocate this amount as follows:

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

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

Sec. 129. **Automation projects fund; appropriations; fiscal year 2016-2017; report**

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

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

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

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

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

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

F. In addition to the amounts appropriated in subsection A of this section, any remaining balances on June 30, 2016 in the university and community college fee subaccount in the education learning and accountability fund established by section 15-249.02, Arizona Revised Statutes, are appropriated for implementing, upgrading and maintaining the student longitudinal data system and the education learning and accountability system established pursuant to section 15-249, Arizona Revised Statutes.
G. It is the intent of the legislature that the appropriation made by subsection E of this section be used first and foremost to complete a significant portion of the replacement of the student accountability information system established by section 15-1041, Arizona Revised Statutes. The department of education shall provide quantifiable deliverables of the legislature's intended progress to the information technology authorization committee established by section 41-3521, Arizona Revised Statutes, and to the joint legislative budget committee before seeking review of the $7,300,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes.

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

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

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

Quarterly Report

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

L. The funding for the department of education's automation project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the department of education shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $7,300,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2016-2017 expenditures, the department of education shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.
M. The funding for the state department of corrections' replacement of the adult inmate management system project is contingent on the use of a contracted independent third-party consultant to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope throughout the life of the project. The department of administration and the state department of corrections shall provide a recent report by the third-party consultant to the information technology authorization committee and the joint legislative budget committee before seeking review of the $8,000,000 fiscal year 2016-2017 expenditure from the automation projects fund, as required by section 41-714, Arizona Revised Statutes. Following the initial review of fiscal year 2016-2017 expenditures, the state department of corrections shall provide ongoing reports from the third-party consultant to the joint legislative budget committee on the progress of the project, as determined by the joint legislative budget committee.

Non-lapsing

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

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

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

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

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

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

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

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

D. For all fund sources that are not the state general fund, the joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the cost of replacing the state's e-procurement system. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in appropriations and expenditure authority to allow for the cost of replacing the state's e-procurement system.
Sec. 131. Department of administration; appropriation; fiscal year 2016-2017
The sum of $500,000 is appropriated from the information technology fund established by section 41-3505, Arizona Revised Statutes, in fiscal year 2016-2017 to the department of administration for additional resources in the government transformation office.

Sec. 132. Arizona arts trust fund; appropriation; fiscal year 2016-2017
The sum of $1,500,000 is appropriated from the monies earned from investment of monies in the budget stabilization fund established by section 35-144, Arizona Revised Statutes, in fiscal year 2016-2017 to the Arizona arts trust fund established by section 41-983.01, Arizona Revised Statutes.

Sec. 133. Attorney general; appropriation; consumer fraud; fiscal year 2016-2017
The sum of $500,000 is appropriated from the consumer protection-consumer fraud revolving fund established by section 44-1531.01, Arizona Revised Statutes, in fiscal year 2016-2017 to the attorney general for general operating costs of the agency.

Sec. 134. Arizona commerce authority; allocation
Pursuant to section 43-409, Arizona Revised Statutes, $21,500,000 of the state general fund withholding tax revenues is allocated in fiscal year 2016-2017 to the Arizona commerce authority, of which $10,000,000 is credited to the Arizona commerce authority fund established by section 41-1506, Arizona Revised Statutes, and $11,500,000 is credited to the Arizona competes fund established by section 41-1545.01, Arizona Revised Statutes.

Sec. 135. Arizona commerce authority; appropriation; fiscal year 2016-2017; report
The sum of $300,000 is appropriated from the state general fund in fiscal year 2016-2017 to the Arizona commerce authority for the purpose of operating a trade office in Mexico City.
On or before August 31, 2016, the Arizona commerce authority shall submit a report on progress made in implementing the auditor general's recommendations included in the September 2015 audit of the authority for review by the joint legislative budget committee.

Sec. 136. Corporation commission; appropriation; exemption; fiscal year 2016-2017
A. The sum of $2,000,000 in one-time funding is appropriated from the state general fund in fiscal year 2016-2017 to the corporation commission for the purpose of replacing the corporations division database system.
B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until June 30, 2018.

Sec. 137. Department of economic security; appropriation; crisis response and transitional housing services; fiscal year 2016-2017
The sum of $50,000 is appropriated from the state general fund in fiscal year 2016-2017 to the department of economic security for a one-time allocation to a facility that has a capacity of at least 100 beds and that provides crisis response and transitional housing services to assist victims of domestic violence in a county with a population of more than one million persons according to the 2010 United States decennial census.

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

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

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

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

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

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

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

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

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

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

B. The appropriation made in subsection A of this section consists of one-time monies to backfill the loss of base support level state aid for fiscal year 2016-2017 that school districts with declining student counts otherwise would experience in fiscal year 2016-2017 due to the implementation of current-year base support level funding. The department of education shall allocate the appropriated amount in a manner that backfills the loss of base support level state aid that school districts with declining student
counts otherwise would experience in fiscal year 2016-2017 due to the
implementation of current-year base support level funding. The department
shall allocate current-year funding backfill monies for fiscal year 2016-2017
as if they were base support level monies for fiscal year 2016-2017 and shall
increase budget limits for fiscal year 2016-2017 accordingly. For a school
district with a declining student count that is not eligible to receive state
aid for fiscal year 2016-2017, the department shall increase the school
district's budget limits for fiscal year 2016-2017 by the amount that the
limits would be increased if the school district were eligible for

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

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

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

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

Sec. 143. Judicial salary increase

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

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

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

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

In addition to any other appropriations made in fiscal year 2016-2017,
the sum of $1,500,000 is appropriated from the state parks revenue fund
established by section 41-511.21, Arizona Revised Statutes, in fiscal year 2016-2017 to the Arizona state parks board for operating costs. This amount may be spent only after the board submits a fiscal year 2016-2017 agency expenditure plan for review by the joint legislative budget committee. The plan must demonstrate that the actual amount of federal monies the board will receive during fiscal year 2016-2017 is less than the actual amount of federal monies the board received in fiscal year 2015-2016. The amount spent by the board during fiscal year 2016-2017 may not exceed the estimated decrease in federal monies between fiscal year 2015-2016 and fiscal year 2016-2017.

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

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

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

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

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

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

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

   (a) Substance abuse.
   (b) Mental health.
   (c) Violence.
   (d) Other risky behaviors.
B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

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

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

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

A. The sum of $19,000,000 is appropriated from the state general fund in fiscal year 2016-2017 to the Arizona board of regents for distribution for capital improvements or operating expenditures in the following amounts:
1. Arizona state university $7,000,000
2. Northern Arizona university $4,000,000
3. University of Arizona $8,000,000

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

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

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

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

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

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

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

The sum of $250,000 is appropriated from the state general fund in fiscal year 2016-2017 to the Arizona water protection fund established by section 45-2111, Arizona Revised Statutes.
Sec. 152. Appropriation; debt service payments; state buildings
A. The sum of $60,105,600 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for the purpose of making a debt service payment on the sale and leaseback of state buildings authorized by Laws 2009, third special session, chapter 6, section 32.
B. The sum of $24,011,800 is appropriated from the state general fund in fiscal year 2016-2017 to the department of administration for the purpose of making a debt service payment on the sale and leaseback of state buildings authorized by Laws 2010, sixth special session, chapter 4, section 2.

Sec. 153. Phoenix convention center; debt service payment
Pursuant to section 9-602, Arizona Revised Statutes, $20,449,000 of state general fund revenue is allocated in fiscal year 2016-2017 to the Arizona convention center development fund established by section 9-601, Arizona Revised Statutes.

Sec. 154. Rio Nuevo multipurpose facility district; estimated distribution; fiscal year 2016-2017
Pursuant to section 42-5031, Arizona Revised Statutes, a portion of the state transaction privilege tax revenues will be distributed to a multipurpose facility district. The Rio Nuevo multipurpose facility district is estimated to receive $10,000,000 in fiscal year 2016-2017. The actual amount of the distribution will be made pursuant to section 42-5031, Arizona Revised Statutes.

Fiscal Year 2017-2018 Appropriations

Sec. 155. New school facilities fund; appropriation; fiscal year 2017-2018
A. The sum of $23,078,600 is appropriated from the state general fund in fiscal year 2017-2018 for a one-time deposit into the new school facilities fund established by section 15-2041, Arizona Revised Statutes. The school facilities board shall use the monies only for facilities that will be constructed for school districts that received final approval from the school facilities board on or before March 1, 2016.
B. If, after reviewing revised enrollment projections for a union high school district project approved on or before March 1, 2016, the school facilities board determines the awarded project is no longer required pursuant to section 15-2041, subsection E, Arizona Revised Statutes, the sum of $16,705,000 appropriated to the new school facilities fund in subsection A of this section shall revert to the state general fund.

Fund Balance Transfers
Sec. 156. Fund balance transfers; fiscal years 2016-2017 and 2017-2018
A. Notwithstanding any other law, on or before June 30, 2017, the following amounts from the following sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:
1. Judiciary - supreme court:
   Alternative dispute resolution fund - $300,000
Notwithstanding any other law, on or before June 30, 2018, the following amounts from the following sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. Judiciary – supreme court:
   - Alternative dispute resolution fund - $300,000
   - Arizona lengthy trial fund - $200,000
   - Court appointed special advocate fund - $400,000

2. Judiciary – superior court:
   - Drug treatment and education fund - $250,000
   - Juvenile probation services fund - $1,850,000

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

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

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

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

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

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

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

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

   4. $527,800 from the information technology fund established by section 41-3505, Arizona Revised Statutes.
5. $1,000,000 from the Arizona correctional industries revolving fund established pursuant to section 41-1624, Arizona Revised Statutes.
6. $1,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.
7. $4,000,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.
8. $1,000,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.
9. $1,000,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.
10. $1,294,700 from the special administration fund established by section 23-705, Arizona Revised Statutes.
11. $1,000,000 from the liability setoff program revolving fund established by section 42-1122, Arizona Revised Statutes.

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

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

Sec. 160. Fund balance transfer; corrections fund

Notwithstanding any other law, the following amounts from the following sources are transferred in fiscal year 2016-2017 for deposit in the corrections fund established by section 41-1641, Arizona Revised Statutes, for the purpose of purchasing replacement radios:
1. $1,000,000 from the inmate store proceeds fund established by section 41-1604.02, Arizona Revised Statutes.
2. $500,000 from the state department of corrections revolving fund established by section 42-3106, Arizona Revised Statutes.
3. $500,000 from the state charitable, penal and reformatory institutions land fund established by section 37-525, Arizona Revised Statutes.
4. $400,000 from the special services fund established by section 41-1604.03, Arizona Revised Statutes.
5. $400,000 from the penitentiary land fund established by section 37-525, Arizona Revised Statutes.

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

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

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

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

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

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

Statewide Adjustments

Sec. 163. Appropriation; operating adjustments

2016-2017

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

Fund sources:
State general fund $ (8,047,400)
Other funds $ (8,561,500)

Arizona financial information system collections 983,200

Fund sources:
State general fund 461,600
Other funds 521,600

Agency relocation $ 576,800

Fund sources:
Other funds $ 576,800
Employer health insurance contribution reduction

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

Arizona financial information system collections

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

Agency relocation

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

Sec. 164. Department of law; general agency counsel charges; fiscal year 2016-2017

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

1. Department of administration $127,700
2. Office of administrative hearings $3,000
3. Arizona department of agriculture $4,200
4. Arizona arts commission $3,100
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<th>No.</th>
<th>Agency Name</th>
<th>Amount</th>
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<tr>
<td>5</td>
<td>Automobile theft authority</td>
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<td>6</td>
<td>Citizens clean elections commission</td>
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<td>7</td>
<td>State department of corrections</td>
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<td>8</td>
<td>Arizona criminal justice commission</td>
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<td>9</td>
<td>Arizona state schools for the deaf and the blind</td>
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<td>10</td>
<td>Commission for the deaf and the hard of hearing</td>
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<td>Arizona early childhood development and health board</td>
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<td>Department of education</td>
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<td>Department of emergency and military affairs</td>
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<td>State land department</td>
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<td>State personnel board</td>
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<td>Department of veterans' services</td>
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**Other Provisions**

Sec. 165. **Legislative intent; expenditure reporting**

It is the intent of the legislature that all departments, agencies and budget units receiving appropriations under the terms of this act continue to report actual, estimated and requested expenditures by budget programs and budget classes in a format that is similar to the budget programs and budget classes used for budgetary purposes in prior years. A different format may be used if deemed necessary to implement section 35-113, Arizona Revised Statutes, agreed to by the director of the joint legislative budget committee and incorporated into the budget preparation instructions adopted by the
Full-time equivalent (FTE) positions contained in this act are subject to appropriation. The director of the department of administration shall account for the use of all appropriated and nonappropriated FTE positions, excluding those in the universities. The director of the department of administration shall submit the fiscal year 2016-2017 report on or before October 1, 2017 to the director of the joint legislative budget committee. The reports shall compare the level of appropriated FTE usage in each fiscal year to the appropriated level. For the purposes of this section, "FTE positions" means the total number of hours worked, including both regular and overtime hours as well as hours taken as leave, divided by the number of hours in a work year. The director of the department of administration shall notify the director of a budget unit if the budget unit's appropriated FTE usage has exceeded its number of appropriated FTE positions. The universities shall each report to the director of the joint legislative budget committee in a manner comparable to the department of administration reporting.

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

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

A. State general fund revenue for fiscal year 2015-2016, including a beginning balance of $312,000,000 and other one-time revenues, is forecast to be $9,740,000,000.
B. State general fund revenue for fiscal year 2016-2017, including one-time revenues, is forecast to be $9,674,000,000.
C. State general fund revenue for fiscal year 2017-2018, including one-time revenues, is forecast to be $9,793,000,000. State general fund expenditures for fiscal year 2017-2018 are forecasted to be $9,625,000,000.
D. State general fund revenue for fiscal year 2018-2019, including one-time revenues, is forecast to be $10,290,000,000. State general fund expenditures for fiscal year 2018-2019 are forecasted to be $9,823,000,000.
E. The executive branch shall provide to the joint legislative budget committee a preliminary estimate of the fiscal year 2015-2016 state general fund ending balance on or before September 15, 2016. The estimate shall include projections of total revenues, total expenditures and ending balance. The department of administration shall continue to provide the final report for the fiscal year in its annual financial report pursuant to section 35-131, Arizona Revised Statutes.

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

Sec. 170. Definition
For the purposes of this act, "*" means this appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 171. Definition
For the purposes of this act, "expenditure authority" means that the fund sources are continuously appropriated monies that are included in the individual line items of appropriations.

Sec. 172. Definition
For the purposes of this act, "review by the joint legislative budget committee" means a review by a vote of a majority of a quorum of the members.

APPROVED BY THE GOVERNOR MAY 10, 2016.