

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 276
SENATE BILL 1520

AN ACT

AMENDING LAWS 2017, CHAPTER 305, SECTIONS 115 AND 141; APPROPRIATING
MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to applicable laws, the sums or sources of
3 revenue set forth in this act are appropriated for the fiscal years
4 indicated and only from the funding sources listed for the purposes and
5 objects specified. If monies from funding sources in this act are
6 unavailable, no other funding source may be used.

7 Sec. 2. Laws 2017, chapter 305, section 115 is amended to read:

8 Sec. 115. Automation projects fund; appropriations; fiscal
9 year 2017-2018; quarterly report

10 Appropriations

11 A. The following amounts and 15.0 FTE positions are appropriated
12 from the automation projects fund established by section 41-714, Arizona
13 Revised Statutes, in fiscal year 2017-2018 to the department of
14 administration for the following statewide automation and information
15 technology projects:

16 1. \$1,500,000 for project management of statewide automation and
17 information technology projects.

18 2. \$500,000 for a feasibility study to replace the human resource
19 information system. **THE DEPARTMENT MAY USE THE MONIES TO UPGRADE THE**
20 **CURRENT SYSTEM.**

21 3. \$3,405,100 for improving and maintaining network and security
22 infrastructure.

23 4. \$7,303,500 for enhancing statewide data security.

24 5. \$500,000 for projects related to e-government.

25 B. The following amounts are appropriated from the automation
26 projects fund established by section 41-714, Arizona Revised Statutes, in
27 fiscal year 2017-2018 to the department of administration for the
28 following automation and information technology projects:

29 1. \$595,500 to implement a statewide e-licensing system.

30 2. \$3,200,000 to implement e-licensing projects at the department
31 of environmental quality.

32 3. \$1,017,400 to implement upgrades to the claims processing system
33 operated by the industrial commission of Arizona.

34 4. \$3,497,400 to implement updates to the information technology
35 system operated by the Arizona state lottery commission.

36 5. \$2,500,000 to update the microwave backbone statewide
37 communication system at the department of public safety.

38 6. \$2,343,000 to implement updates to the criminal justice
39 information system operated by the department of public safety.

40 7. \$7,300,000 for implementing, upgrading and maintaining the
41 education learning and accountability system established pursuant to
42 section 15-249, Arizona Revised Statutes.

43 8. \$11,000,000 for implementing upgrades to the information
44 technology infrastructure at the department of revenue.

1 9. \$11,100,000 for implementing upgrades to the children's
2 information library and data source system at the department of child
3 safety.

4 C. Monies appropriated for projects at each state agency from the
5 automation projects fund established by section 41-714, Arizona Revised
6 Statutes, may not be used for projects at any other state agency. In
7 addition to the initial review of expenditures from the automation
8 projects fund by the joint legislative budget committee, pursuant to
9 section 41-714, Arizona Revised Statutes, a state agency may not
10 reallocate monies between projects within the agency without review by the
11 joint legislative budget committee.

12 Quarterly Report

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

18 Nonlapsing

19 E. THE AMOUNTS APPROPRIATED PURSUANT TO THIS SECTION FROM THE
20 AUTOMATION PROJECTS FUND ESTABLISHED BY SECTION 41-714, ARIZONA REVISED
21 STATUTES, IN FISCAL YEAR 2017-2018 ARE EXEMPT FROM THE PROVISIONS OF
22 SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING
23 APPROPRIATIONS, UNTIL JUNE 30, 2019.

24 ~~E.~~ F. For the funding for projects at the department of
25 administration, ~~the state department of corrections~~ EXCLUDING THE
26 E-PROCUREMENT SYSTEM REPLACEMENT PROJECT, the department of child safety,
27 the department of economic security and the department of education, any
28 remaining balances on June 30, 2017 in the automation projects fund
29 established by section 41-714, Arizona Revised Statutes, from monies
30 appropriated in fiscal year 2016-2017 are appropriated to the department
31 of administration in fiscal year 2017-2018 for the same purposes specified
32 in fiscal year 2016-2017. The department of administration shall report
33 in its quarterly report to the joint legislative budget committee any
34 fiscal year 2017-2018 expenditure of remaining balances from fiscal year
35 2016-2017 from the automation projects fund.

36 G. FOR THE FUNDING FOR THE DEPARTMENT OF ADMINISTRATION
37 E-PROCUREMENT SYSTEM REPLACEMENT PROJECT AND THE STATE DEPARTMENT OF
38 CORRECTIONS INMATE INFORMATION MANAGEMENT SYSTEM REPLACEMENT, ANY
39 REMAINING BALANCES ON JUNE 30, 2017 IN THE AUTOMATION PROJECTS FUND
40 ESTABLISHED BY SECTION 41-714, ARIZONA REVISED STATUTES, ARE APPROPRIATED
41 THROUGH FISCAL YEAR 2018-2019 FOR THE SAME PURPOSE AS SPECIFIED IN FISCAL
42 YEAR 2016-2017.

1 ~~F.~~ H. For the funding for the department of revenue enterprise tax
2 system replacement assessment, any remaining balances on June 30, 2017 in
3 the automation projects fund established by section 41-714, Arizona
4 Revised Statutes, from monies appropriated in fiscal year 2016-2017 for
5 the enterprise tax system replacement assessment revert to the liability
6 setoff program revolving fund established by section 42-1122, Arizona
7 Revised Statutes.

8 ~~G.~~ I. For the funding for the department of environmental
9 quality's e-licensing projects, any remaining balances on June 30, 2017 in
10 the automation projects fund established by section 41-714, Arizona
11 Revised Statutes, from monies appropriated in fiscal year 2015-2016 for
12 the e-licensing projects at the department of environmental quality are
13 appropriated to the department of administration in fiscal year 2017-2018
14 for the same purposes specified in fiscal year 2015-2016. The department
15 of administration shall report in its quarterly report to the joint
16 legislative budget committee any fiscal year 2017-2018 expenditure of
17 remaining balances from fiscal year 2015-2016 from the automation projects
18 fund.

19 ~~H.~~ J. For the funding for the department of economic security's
20 information technology security project, any remaining balances on June
21 30, 2017 in the automation projects fund established by section 41-714,
22 Arizona Revised Statutes, from monies appropriated in fiscal year
23 2015-2016 for the information technology security project at the
24 department of economic security are appropriated to the department of
25 administration in fiscal year 2017-2018 for the same purposes specified in
26 fiscal year 2015-2016. The department of administration shall report in
27 its quarterly report to the joint legislative budget committee any fiscal
28 year 2017-2018 expenditure of remaining balances from fiscal year
29 2015-2016 from the automation projects fund.

30 ~~I.~~ K. The amount appropriated for implementing projects that
31 comply with state and federal security information technology standards at
32 the department of economic security by Laws 2015, chapter 8, section 126
33 and Laws 2016, chapter 117, section 129 may not be used for an assessment
34 to replace any information technology system at the department. On or
35 before December 2, 2017, the department of economic security shall submit
36 a report for review to the joint legislative budget committee on the
37 status of the department's information technology security system.

38 ~~J.~~ L. For the funding for the department of child safety's
39 replacement of the children's information library and data source system
40 project, any remaining balances on June 30, 2017 in the automation
41 projects fund established by section 41-714, Arizona Revised Statutes,
42 from monies appropriated in fiscal year 2014-2015 for the replacement of
43 the children's information and data source system project at the
44 department of child safety are appropriated to the department of
45 administration in fiscal year 2017-2018 for the same purposes specified in

1 fiscal year 2014-2015. The department of administration shall report in
2 its quarterly report to the joint legislative budget committee any fiscal
3 year 2017-2018 expenditure of remaining balances from fiscal year
4 2014-2015 from the automation projects fund.

5 ~~K~~ M. The \$2,500,000 appropriated for an update of the microwave
6 backbone statewide communication system at the department of public safety
7 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
8 relating to lapsing of appropriations through June 30, 2019.

9 Sec. 3. Laws 2017, chapter 305, section 141 is amended to read:

10 Sec. 141. Appropriations: fund balance transfers: fiscal year
11 2017-2018; automation projects fund

12 A. The amount of \$7,300,000 is appropriated from the state general
13 fund in fiscal year 2017-2018 for deposit in the automation projects fund
14 established by section 41-714, Arizona Revised Statutes, for upgrading and
15 maintaining the education learning and accountability system at the
16 department of education.

17 B. The amount of \$5,000,000 is appropriated from the state general
18 fund in fiscal year 2017-2018 for deposit in the automation projects fund
19 established by section 41-714, Arizona Revised Statutes, for upgrading the
20 children's information library and data source system at the department of
21 child safety. It is the intent of the legislature that an additional
22 \$6,103,000 be available for the project as appropriated in this act.

23 C. Notwithstanding any other law, the following amounts are
24 transferred from the following sources in fiscal year 2017-2018 for
25 deposit in the automation projects fund established by section 41-714,
26 Arizona Revised Statutes:

27 1. \$1,500,000 from the automation operations fund established by
28 section 41-714, Arizona Revised Statutes, for project management of
29 statewide automation and information technology projects.

30 2. \$3,405,100 from the automation operations fund established by
31 section 41-714, Arizona Revised Statutes, for improving and maintaining
32 network and security infrastructure.

33 3. For enhancing statewide data security:

34 (a) \$1,797,900 from the automation operations fund established by
35 section 41-714, Arizona Revised Statutes.

36 (b) \$5,065,600 from the state web portal fund established by
37 section 18-421, Arizona Revised Statutes.

38 (c) \$440,000 from the risk management revolving fund established by
39 section 41-622, Arizona Revised Statutes.

40 4. \$500,000 from the state information technology fund established
41 by section 18-401, Arizona Revised Statutes, for projects related to
42 e-government.

- 1 5. For the development of a statewide e-licensing system:
2 (a) \$45,900 from the acupuncture board of examiners fund
3 established by section 32-3905, Arizona Revised Statutes.
4 (b) \$45,900 from the athletic training fund established by section
5 32-4105, Arizona Revised Statutes.
6 (c) \$40,000 from the board of barbers fund established by section
7 32-305, Arizona Revised Statutes.
8 (d) \$27,500 from the board of funeral directors' and embalmers'
9 fund established by section 32-1308, Arizona Revised Statutes.
10 (e) \$45,900 from the occupational therapy fund established by
11 section 32-3405, Arizona Revised Statutes.
12 (f) \$27,500 from the board of dispensing opticians fund established
13 by section 32-1686, Arizona Revised Statutes.
14 (g) \$45,900 from the board of optometry fund established by section
15 32-1705, Arizona Revised Statutes.
16 (h) \$27,500 from the nursing care institution administrators'
17 licensing and assisted living facility managers' certification fund
18 established by section 36-446.08, Arizona Revised Statutes.
19 (i) \$45,900 from the board of physical therapy fund established by
20 section 32-2004, Arizona Revised Statutes.
21 (j) \$27,500 from the podiatry fund established by section 32-806,
22 Arizona Revised Statutes.
23 (k) \$80,200 from the board for private postsecondary education fund
24 established by section 32-3004, Arizona Revised Statutes.
25 (l) \$91,700 from the board of psychologist examiners fund
26 established by section 32-2065, Arizona Revised Statutes.
27 (m) \$44,100 from the board of respiratory care examiners fund
28 established by section 32-3505, Arizona Revised Statutes.
29 6. \$3,200,000 from the underground storage tank revolving fund
30 established by section 49-1015, Arizona Revised Statutes, for e-licensing
31 projects at the department of environmental quality.
32 7. \$1,017,400 from the administrative fund established by section
33 23-1081, Arizona Revised Statutes, to implement updates to the claims
34 processing system operated by the industrial commission.
35 8. \$3,497,400 from the state lottery fund established by section
36 5-571, Arizona Revised Statutes, to implement updates to the information
37 technology system operated by the Arizona state lottery commission.
38 9. For information technology projects at the department of public
39 safety:
40 (a) \$1,000,000 from the public safety equipment fund established by
41 section 41-1723, Arizona Revised Statutes.
42 (b) \$2,500,000 from the concealed weapons permit fund established
43 by section 41-1722, Arizona Revised Statutes.
44 (c) \$1,343,000 from the fingerprint clearance card fund established
45 by section 41-1758.06, Arizona Revised Statutes.

1 10. For information technology infrastructure upgrades at the
2 department of revenue:

3 (a) \$4,000,000 from the liability setoff revolving fund established
4 by section 42-1122, Arizona Revised Statutes.

5 (b) \$4,000,000 from the department of revenue administrative fund
6 established by section 42-1116.01, Arizona Revised Statutes.

7 D. It is the intent of the legislature that \$3,000,000 be made
8 available from the balance of the automation projects fund, established by
9 section 41-714, Arizona Revised Statutes, for information technology
10 infrastructure projects at the department of revenue.

11 E. THE TRANSFERS INTO THE AUTOMATION PROJECTS FUND ESTABLISHED BY
12 SECTION 41-714, ARIZONA REVISED STATUTES, AS OUTLINED IN THIS SECTION, ARE
13 NOT APPROPRIATIONS OUT OF THE AUTOMATION PROJECTS FUND. ONLY DIRECT
14 APPROPRIATIONS OUT OF THE AUTOMATION PROJECTS FUND ARE APPROPRIATIONS.

15 Sec. 4. ARIZONA STATE BOARD OF ACCOUNTANCY

	<u>2018-19</u>
FTE positions	14.0
Lump sum appropriation	\$ 2,024,400
Fund sources:	
Board of accountancy fund	\$ 2,024,400

21 Sec. 5. ACUPUNCTURE BOARD OF EXAMINERS

	<u>2018-19</u>
FTE positions	1.0
Lump sum appropriation	\$ 169,600
Fund sources:	
Acupuncture board of examiners fund	\$ 169,600

28 Sec. 6. DEPARTMENT OF ADMINISTRATION

	<u>2018-19</u>
FTE positions	535.1
Operating lump sum appropriation	\$ 91,317,800
Utilities	7,649,900
Arizona financial information system	9,406,300
Risk management administrative expenses	8,747,200
Risk management losses and premiums	46,178,400
Workers' compensation losses and premiums	31,830,300
Statewide information security and privacy controls	3,470,900
Information technology project management and oversight	1,500,000

1	State surplus property sales	
2	agency proceeds	1,810,000
3	Southwest defense contracts	25,000
4	Government transformation office	1,000,000
5	Bolin plaza improvements	<u>25,300</u>
6	Total appropriation - department of	
7	administration	\$202,961,100
8	Fund sources:	
9	State general fund	\$ 8,093,800
10	Air quality fund	927,300
11	Arizona financial information	
12	system collections fund	9,406,300
13	Automation operations fund	25,437,600
14	Capital outlay stabilization fund	18,569,600
15	Corrections fund	570,400
16	Federal surplus materials revolving	
17	fund	464,500
18	Information technology fund	5,536,000
19	Motor vehicle pool revolving fund	10,151,300
20	Personnel division fund	12,668,800
21	Risk management revolving fund	94,523,100
22	Special employee health insurance	
23	trust fund	5,256,100
24	Special services revolving fund	996,500
25	State monument and memorial	
26	repair fund	25,300
27	State surplus materials revolving	
28	fund	2,947,000
29	State web portal fund	5,542,400
30	Telecommunications fund	1,845,100

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

35 The appropriation from the automation operations fund established by
36 section 41-711, Arizona Revised Statutes, is an estimate representing all
37 monies, including balance forward, revenues and transfers during fiscal
38 year 2018-2019. These monies are appropriated to the department of
39 administration for the purposes established in section 41-711, Arizona
40 Revised Statutes. The appropriation is adjusted as necessary to reflect
41 monies credited to the automation operations fund for automation operation
42 center projects. Before the expenditure of any automation operations fund
43 monies in excess of \$23,937,600 in fiscal year 2018-2019, the department
44 of administration shall report the intended use of monies to the joint
45 legislative budget committee.

1 The amounts appropriated for the state employee public
 2 transportation service subsidy shall be used for up to a fifty percent
 3 subsidy of charges payable for public transportation service expenses as
 4 provided in section 41-710.01, Arizona Revised Statutes, of nonuniversity
 5 state employees in a vehicle emissions control area as defined in section
 6 49-541, Arizona Revised Statutes, of a county with a population of more
 7 than four hundred thousand persons.

8 It is the intent of the legislature that the department not replace
 9 vehicles until they have an average of 80,000 miles or more. On or before
 10 August 1, 2018, the department shall submit a report to the joint
 11 legislative budget committee on the maintenance savings achieved by
 12 replacing vehicles that have an average of 80,000 miles or more.

13 All state surplus materials revolving fund monies received by the
 14 department of administration in excess of \$2,947,000 in fiscal year
 15 2018-2019 are appropriated to the department. Before the expenditure of
 16 state surplus materials revolving fund monies in excess of \$2,947,000 in
 17 fiscal year 2018-2019, the department of administration shall report the
 18 intended use of monies to the joint legislative budget committee.

19 On or before October 1, 2018, the department shall submit a report
 20 for review by the joint legislative budget committee of the expenditures
 21 to date and progress of implementation for any monies received from the
 22 state and local implementation grant program associated with the national
 23 public safety broadband network initiative. The joint legislative budget
 24 committee may require the department to submit more frequent reports as
 25 necessary for further review.

26 Sec. 7. OFFICE OF ADMINISTRATIVE HEARINGS

		<u>2018-19</u>
27		
28	FTE positions	12.0
29	Lump sum appropriation	\$ 873,800
30	Fund sources:	
31	State general fund	\$ 873,800

32 Sec. 8. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

		<u>2018-19</u>
33		
34	FTE positions	3.0
35	Lump sum appropriation	\$ 125,000
36	Fund sources:	
37	State general fund	\$ 125,000

38 Sec. 9. ARIZONA DEPARTMENT OF AGRICULTURE

		<u>2018-19</u>
39		
40	FTE positions	202.4
41	Operating lump sum appropriation	\$ 10,676,200
42	Agricultural employment relations	
43	board	23,300

1	Animal damage control	65,000
2	Red imported fire ant control	23,200
3	Agricultural consulting and	
4	training	<u>128,500</u>
5	Total appropriation - Arizona department	
6	of agriculture	\$ 10,916,200
7	Fund sources:	
8	State general fund	\$ 9,481,800
9	Air quality fund	1,434,400
10	Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
11		<u>2018-19</u>
12	FTE positions	2,339.3
13	Operating lump sum appropriation	\$ 90,774,900
14	DES eligibility	88,874,500
15	Proposition 204 - AHCCCS	
16	administration	13,042,400
17	Proposition 204 - DES eligibility	44,358,700
18	ADOA data center	19,325,800
19	<u>Medicaid services</u>	
20	Traditional medicaid services	5,347,303,600
21	Proposition 204 services	3,953,396,600
22	Adult expansion services	565,675,000
23	Comprehensive medical and	
24	dental program	199,914,500
25	KidsCare services	81,846,900
26	ALTCS services	1,605,757,300
27	Behavioral health services	
28	in schools	9,943,700
29	<u>Nonmedicaid behavioral health services</u>	
30	Crisis services	16,391,300
31	Nonmedicaid seriously mentally	
32	ill services	77,646,900
33	Supported housing	5,324,800
34	<u>Hospital payments</u>	
35	Disproportionate share payments	5,087,100
36	Disproportionate share payments -	
37	voluntary match	21,705,900
38	Rural hospitals	28,612,400
39	Graduate medical education	274,684,900
40	Safety net care pool	0
41	Targeted investments program	<u>70,000,000</u>
42	Total appropriation and expenditure	
43	authority - Arizona health	
44	care cost containment system	\$12,519,667,200

1	Fund sources:	
2	State general fund	\$ 1,776,815,700
3	Budget neutrality compliance fund	3,756,200
4	Children's health insurance	
5	program fund	87,566,800
6	Prescription drug rebate	
7	fund - state	148,457,900
8	Substance abuse services fund	2,250,200
9	Tobacco products tax fund -	
10	emergency health services	
11	account	17,966,100
12	Tobacco tax and health care	
13	fund - medically needy account	68,040,500
14	Expenditure authority	10,414,813,800

15 Operating budget

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

23 The amounts included in the proposition 204 - AHCCCS administration,
24 proposition 204 - DES eligibility and proposition 204 services line items
25 include all available sources of funding consistent with section
26 36-2901.01, subsection B, Arizona Revised Statutes.

27 Of the amount appropriated for the operating lump sum, \$100,000
28 shall be used for a suicide prevention coordinator to assist school
29 districts and charter schools in suicide prevention efforts. The Arizona
30 health care cost containment system, in consultation with the department
31 of education, shall report to the governor, the president of the senate,
32 the speaker of the house of representatives, the director of the joint
33 legislative budget committee and the director of the governor's office of
34 strategic planning and budgeting on or before September 1, 2019 on the
35 suicide prevention coordinator's accomplishments in fiscal year 2018-2019.

36 Medical services and behavioral health services

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

41 The Arizona health care cost containment system administration shall
42 report to the joint legislative budget committee on or before March 1,
43 2019 on preliminary actuarial estimates of the capitation rate changes for
44 the following fiscal year along with the reasons for the estimated
45 changes. For any actuarial estimates that include a range, the total

1 range from minimum to maximum may not be more than two percent. Before
2 implementing any changes in capitation rates, the Arizona health care cost
3 containment system administration shall report its expenditure plan for
4 review by the joint legislative budget committee. Before the
5 administration implements any change in policy affecting the amount,
6 sufficiency, duration and scope of health care services and who may
7 provide services, the administration shall prepare a fiscal impact
8 analysis on the potential effects of this change on the following year's
9 capitation rates. If the fiscal impact analysis demonstrates that this
10 change will result in additional state costs of \$500,000 or more for any
11 fiscal year, the administration shall submit the policy change for review
12 by the joint legislative budget committee.

13 It is the intent of the legislature that the percentage attributable
14 to administration and profit for the regional behavioral health
15 authorities be nine percent of the overall capitation rate.

16 The Arizona health care cost containment system administration shall
17 transfer up to \$1,200,000 from the traditional medicaid services line item
18 for fiscal year 2018-2019 to the attorney general for costs associated
19 with tobacco settlement litigation.

20 The Arizona health care cost containment system administration shall
21 transfer \$436,000 from the traditional medicaid services line item for
22 fiscal year 2018-2019 to the department of revenue for enforcement costs
23 associated with the March 13, 2013 master settlement agreement with
24 tobacco companies.

25 On or before June 30, 2019, the Arizona health care cost containment
26 system administration shall report to the joint legislative budget
27 committee on the progress in implementing the Arnold v. Sarn lawsuit
28 settlement. The report shall include at a minimum the administration's
29 progress toward meeting all criteria specified in the 2014 joint
30 stipulation, including the development and estimated cost of additional
31 behavioral health service capacity in Maricopa county for supported
32 housing services for 1,200 class members, supported employment services
33 for 750 class members, eight assertive community treatment teams and
34 consumer operated services for 1,500 class members. The administration
35 shall also report by fund source the amounts it plans to use to pay for
36 expanded services.

37 The above appropriation includes monies for the Arizona health care
38 cost containment system administration to increase inpatient and
39 outpatient hospital rates by 2.5 percent in fiscal year 2018-2019 based on
40 hospital performance on established quality measures. The appropriation
41 is in addition to rate adjustments that would otherwise be actuarially
42 determined for fiscal year 2018-2019.

1 Long-term care

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

7 Pursuant to section 11-292, subsection B, Arizona Revised Statutes,
8 the county portion of the fiscal year 2018-2019 nonfederal costs of
9 providing long-term care system services is \$268,554,800. This amount is
10 included in the expenditure authority fund source.

11 Any supplemental payments received in excess of \$109,345,000 for
12 nursing facilities that serve Arizona long-term care system medicaid
13 patients in fiscal year 2018-2019, including any federal matching monies,
14 by the Arizona health care cost containment system administration are
15 appropriated to the administration in fiscal year 2018-2019. Before the
16 expenditure of these increased monies, the administration shall notify the
17 joint legislative budget committee and the governor's office of strategic
18 planning and budgeting of the amount of monies that will be expended under
19 this provision. These payments are included in the expenditure authority
20 fund source.

21 The above appropriation includes monies for the Arizona health care
22 cost containment system administration to increase skilled nursing
23 facility and assisted living facility provider rates by three percent in
24 fiscal year 2018-2019 in addition to rate adjustments that would otherwise
25 be actuarially determined for fiscal year 2018-2019.

26 Payments to hospitals

27 The \$5,087,100 appropriation for disproportionate share payments for
28 fiscal year 2018-2019 made pursuant to section 36-2903.01, subsection 0,
29 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county
30 health care district and \$884,800 for private qualifying disproportionate
31 share hospitals.

32 Any monies received for disproportionate share hospital payments
33 from political subdivisions of this state, tribal governments and any
34 university under the jurisdiction of the Arizona board of regents, and any
35 federal monies used to match those payments, in fiscal year 2018-2019 by
36 the Arizona health care cost containment system administration in excess
37 of \$21,705,900 are appropriated to the administration in fiscal year
38 2018-2019. Before the expenditure of these increased monies, the
39 administration shall notify the joint legislative budget committee and the
40 governor's office of strategic planning and budgeting of the amount of
41 monies that will be expended under this provision.

1 The expenditure authority fund source includes voluntary payments
 2 made from political subdivisions for payments to hospitals that operate a
 3 graduate medical education program or treat low-income patients and for
 4 payments to qualifying providers affiliated with teaching hospitals. The
 5 political subdivision portions of the fiscal year 2018-2019 costs of
 6 graduate medical education, disproportionate share payments - voluntary
 7 match, safety net care pool, traditional medicaid services, proposition
 8 204 services, adult expansion services and children's rehabilitative
 9 services line items are included in the expenditure authority fund source.

10 Any monies for graduate medical education received in fiscal year
 11 2018-2019, including any federal matching monies, by the Arizona health
 12 care cost containment system administration in excess of \$274,684,900 are
 13 appropriated to the administration in fiscal year 2018-2019. Before the
 14 expenditure of these increased monies, the administration shall notify the
 15 joint legislative budget committee and the governor's office of strategic
 16 planning and budgeting of the amount of monies that will be expended under
 17 this provision.

18 Any monies received for the safety net care pool by the Arizona
 19 health care cost containment system administration in fiscal year
 20 2018-2019, including any federal matching monies, are appropriated to the
 21 administration in fiscal year 2018-2019. Before the expenditure of these
 22 monies, the administration shall notify the joint legislative budget
 23 committee and the governor's office of strategic planning and budgeting of
 24 the amount of monies that will be expended under this provision.

25 Other

26 On or before July 1, 2019, the Arizona health care cost containment
 27 system administration shall report to the director of the joint
 28 legislative budget committee the total amount of medicaid reconciliation
 29 payments and penalties received on or before that date since July 1, 2018.

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

33 Sec. 11. BOARD OF ATHLETIC TRAINING

		<u>2018-19</u>
	FTE positions	1.5
	Lump sum appropriation	\$ 122,100
	Fund sources:	
	Athletic training fund	\$ 122,100

39 Sec. 12. ATTORNEY GENERAL - DEPARTMENT OF LAW

		<u>2018-19</u>
	FTE positions	588.7
	Operating lump sum appropriation	\$ 51,022,700
	Capital postconviction prosecution	795,700
	Case management system upgrade	1,489,000
	Child and family advocacy centers	100,000

1	Internet crimes against children	
2	enforcement	1,250,000
3	Election litigation expenses	500,000
4	Federalism unit	995,600
5	Government accountability and	
6	special litigation	961,300
7	Risk management interagency	
8	service agreement	9,406,700
9	State grand jury	180,100
10	Southern Arizona law enforcement	1,193,000
11	Tobacco enforcement	816,000
12	Victims' rights	<u>3,758,700</u>
13	Total appropriation - attorney general -	
14	department of law	\$ 72,468,800
15	Fund sources:	
16	State general fund	\$ 23,945,200
17	Antitrust enforcement revolving	
18	fund	93,300
19	Attorney general legal services	
20	cost allocation fund	2,072,600
21	Collection enforcement revolving	
22	fund	6,837,700
23	Consumer protection-consumer	
24	fraud revolving fund	7,157,100
25	Consumer restitution and remediation	
26	revolving fund - consumer	
27	remediation subaccount	1,489,000
28	Interagency service agreements fund	16,308,500
29	Internet crimes against children	
30	enforcement fund	900,000
31	Risk management revolving fund	9,906,700
32	Victims' rights fund	3,758,700

33 All monies appropriated to the attorney general legal services line
34 item in the department of child safety budget do not count toward the
35 attorney general's interagency service agreements fund appropriation in
36 fiscal year 2018-2019.

37 The amount appropriated for the case management system upgrade line
38 item is exempt from the provisions of section 35-190, Arizona Revised
39 Statutes, relating to lapsing of appropriations, until June 30, 2020.

40 The amount appropriated for the child and family advocacy centers
41 line item is allocated to the child and family advocacy center fund
42 established by section 41-191.11, Arizona Revised Statutes.

1 On or before June 1, 2018, the department shall submit an
 2 expenditure plan for the fiscal year 2018-2019 internet crimes against
 3 children enforcement line item for review by the joint legislative budget
 4 committee.

5 The \$900,000 appropriation from the internet crimes against children
 6 enforcement fund and the \$350,000 appropriation from the state general
 7 fund for the internet crimes against children enforcement line item are
 8 continuing appropriations and are exempt from the provisions of section
 9 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
 10 through June 30, 2020.

11 Sec. 13. AUTOMOBILE THEFT AUTHORITY

	<u>2018-19</u>
12 FTE positions	6.0
13 Operating lump sum appropriation	\$ 637,800
14 Arizona vehicle theft task force	3,650,000
15 Local grants	957,700
16 Reimbursable programs	<u>50,000</u>
17 Total appropriation - automobile theft	
18 authority	\$ 5,295,500
19 Fund sources:	
20 Automobile theft authority fund	\$ 5,295,500

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

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

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

31 Sec. 14. BOARD OF BARBERS

	<u>2018-19</u>
32 FTE positions	4.0
33 Lump sum appropriation	\$ 387,500
34 Fund sources:	
35 Board of barbers fund	\$ 387,500

36 Sec. 15. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	<u>2018-19</u>
37 FTE positions	17.0
38 Lump sum appropriation	\$ 1,676,700
39 Fund sources:	
40 Board of behavioral health	
41 examiners fund	\$ 1,676,700

1	Sec. 16. STATE BOARD FOR CHARTER SCHOOLS	
2		<u>2018-19</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 1,185,200
5	Fund sources:	
6	State general fund	\$ 1,185,200
7	Sec. 17. DEPARTMENT OF CHILD SAFETY	
8		<u>2018-19</u>
9	FTE positions	3,193.1
10	Operating lump sum appropriation	\$109,892,700
11	<u>Additional operating resources</u>	
12	Caseworkers	99,617,700
13	Attorney general legal services	25,416,800
14	General counsel	155,500
15	Inspections bureau	2,470,100
16	Litigation expenses	3,770,000
17	New case aides	3,060,600
18	Office of child welfare	
19	investigations	9,611,100
20	Overtime pay	8,370,000
21	Records retention staff	592,900
22	Retention pay	1,707,000
23	Training resources	9,150,000
24	<u>Out-of-home placements</u>	
25	Congregate group care	98,900,100
26	Foster home placement	52,595,500
27	Foster home recruitment, study	
28	and supervision	32,753,600
29	Independent living maintenance	4,660,000
30	Kinship care	2,000,000
31	<u>Permanent placements</u>	
32	Adoption services	278,258,500
33	Permanent guardianship subsidy	12,516,900
34	<u>Support services</u>	
35	DCS child care subsidy	48,159,400
36	In-home mitigation	28,988,100
37	Out-of-home support services	154,518,900
38	Preventive services	<u>15,148,300</u>
39	Total appropriation and expenditure	
40	authority - department of	
41	child safety	\$1,002,313,700
42	Fund sources:	
43	State general fund	\$375,554,800
44	Federal child care and	
45	development fund block grant	27,000,000

1	Federal temporary assistance for	
2	needy families block grant	157,190,500
3	Child abuse prevention fund	1,459,300
4	Children and family services	
5	training program fund	207,100
6	Risk management revolving fund	3,770,000
7	Child safety expenditure authority	437,132,000

8 Additional operating resources

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

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

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

20 The amount appropriated for litigation expenses is exempt from the
21 provisions of section 35-190, Arizona Revised Statutes, relating to
22 lapsing of appropriations until June 30, 2020.

23 Out-of-home placements

24 The department of child safety may transfer up to ten percent of the
25 total amount of federal temporary assistance for needy families block
26 grant monies appropriated to the department of economic security and the
27 department of child safety to the social services block grant. Before
28 transferring federal temporary assistance for needy families block grant
29 monies to the social services block grant, the department of child safety
30 shall report the proposed amount of the transfer to the director of the
31 joint legislative budget committee. This report may be in the form of an
32 expenditure plan that is submitted at the beginning of the fiscal year and
33 updated, if necessary, throughout the fiscal year.

34 The state general fund amount appropriated for kinship care shall be
35 used for a stipend of seventy-five dollars per month for a relative
36 caretaker, including a grandparent, any level of great-grandparent or any
37 nongrandparent relative, or a caretaker of fictive kinship, if a dependent
38 child is placed in the care of a relative caretaker or caretaker of
39 fictive kinship pursuant to department guidelines. To be eligible for the
40 stipend, the caretaker's income may not exceed two hundred percent of the
41 federal poverty guidelines. Before changing the eligibility for the
42 program or the amount of the stipend, the department shall submit a report
43 for review by the joint legislative budget committee detailing the
44 proposed changes.

1 Departmentwide

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

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

10 Benchmarks

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

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

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

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

25 On or before September 30, 2018, and on or before the last day of
26 every calendar quarter through June 30, 2019, the department of child
27 safety shall present a report for review by the joint legislative budget
28 committee on the progress made in meeting the caseload standard and
29 reducing the number of backlog cases and out-of-home children. The report
30 shall include the number of backlog cases, the number of open reports, the
31 number of out-of-home children and the caseworker workload in comparison
32 to the previous quarter. The report shall provide the number of backlog
33 cases by disposition, including the number of backlog cases in the
34 investigation phase, the number of backlog cases associated with
35 out-of-home placements and the number of backlog cases associated with
36 in-home cases.

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

41 For backlog cases, the department's quarterly benchmark is 1,000
42 cases.

43 For open reports, the department's benchmark is to have fewer than
44 8,000 open reports.

1 For out-of-home children, the department's benchmark is to reduce
 2 the number of children in out-of-home care by an average of an additional
 3 2.0 percent every quarter with respect to the out-of-home care population
 4 as of January 31, 2018. It is the intent of the legislature that the
 5 cumulative reduction in the out-of-home care population as compared to the
 6 population as of January 31, 2018 be 7.8 percent, or at or below 13,964
 7 children, on or before June 30, 2019.

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

15 Sec. 18. STATE BOARD OF CHIROPRACTIC EXAMINERS

	<u>2018-19</u>
FTE positions	5.0
Lump sum appropriation	\$ 406,900
Fund sources:	
Board of chiropractic examiners	
fund	\$ 406,900

22 Sec. 19. ARIZONA COMMUNITY COLLEGES

	<u>2018-19</u>
<u>Equalization aid</u>	
Cochise	\$ 5,848,200
Graham	15,717,800
Navajo	<u>7,107,100</u>
Total - equalization aid	\$ 28,673,100
<u>Operating state aid</u>	
Cochise	\$ 4,677,300
Coconino	1,749,200
Gila	324,900
Graham	2,357,900
Mohave	1,152,700
Navajo	1,576,500
Pinal	1,507,800
Santa Cruz	84,100
Yavapai	589,900
Yuma/La Paz	<u>2,613,500</u>
Total - operating state aid	\$ 16,633,800
<u>STEM and workforce programs state aid</u>	
Cochise	\$ 1,010,800
Coconino	415,600
Gila	146,200
Graham	634,400

1	Mohave	446,900
2	Navajo	342,600
3	Pinal	96,500
4	Santa Cruz	62,400
5	Yavapai	699,000
6	Yuma/La Paz	<u>843,100</u>
7	Total - STEM and workforce programs	
8	state aid	\$ 4,697,500
9	Rural county reimbursement subsidy	\$ 1,273,800
10	Additional Gila workforce	
11	development aid	<u>200,000</u>
12	Total appropriation - Arizona community	
13	colleges	\$ 51,478,200
14	Fund sources:	
15	State general fund	\$ 51,478,200
16	Of the \$1,273,800 appropriated to the rural county reimbursement	
17	subsidy line item, Apache county receives \$699,300 and Greenlee county	
18	receives \$574,500.	
19	Sec. 20. REGISTRAR OF CONTRACTORS	
20		<u>2018-19</u>
21	FTE positions	105.6
22	Operating lump sum appropriation	\$ 11,147,800
23	Office of administrative hearings	
24	costs	<u>1,017,600</u>
25	Total appropriation - registrar of	
26	contractors	\$ 12,165,400
27	Fund sources:	
28	Registrar of contractors fund	\$ 12,165,400
29	Sec. 21. CORPORATION COMMISSION	
30		<u>2018-19</u>
31	FTE positions	300.9
32	Operating lump sum appropriation	\$ 26,159,900
33	Corporation filings, same-day	
34	service	397,300
35	Utilities audits, studies,	
36	investigations and hearings	<u>380,000*</u>
37	Total appropriation - corporation commission	\$ 26,937,200
38	Fund sources:	
39	State general fund	\$ 611,600
40	Arizona arts trust fund	49,900
41	Investment management regulatory	
42	and enforcement fund	708,900

1	Public access fund	6,558,800
2	Securities regulatory and	
3	enforcement fund	4,909,600
4	Utility regulation revolving fund	14,098,400

5 The \$397,300 appropriated from the public access fund for the
6 corporation filings, same-day service line item reverts to the public
7 access fund established by section 10-122.01, Arizona Revised Statutes, at
8 the end of fiscal year 2018-2019 if the commission has not established a
9 same-day service pursuant to section 10-122, Arizona Revised Statutes.

10 On or before August 1, 2018, the corporation commission shall report
11 to the joint legislative budget committee and the governor's office of
12 strategic planning and budgeting the total expenditures from the small
13 drinking water systems fund established by section 49-355, Arizona Revised
14 Statutes, in fiscal year 2017-2018 for grants to interim operators of
15 small drinking water systems.

16 Sec. 22. STATE DEPARTMENT OF CORRECTIONS

17		<u>2018-19</u>
18	FTE positions	9,556.0
19	Operating lump sum appropriation	\$ 798,285,800
20	Private prison per diem	166,409,800
21	Community corrections	19,453,200
22	Inmate health care contracted	
23	services	<u>163,811,700</u>
24	Total appropriation - state department	
25	of corrections	\$1,147,960,500
26	Fund sources:	
27	State general fund	\$1,094,001,200
28	State education fund for	
29	correctional education	724,100
30	Alcohol abuse treatment fund	555,500
31	Penitentiary land fund	2,507,400
32	State charitable, penal and	
33	reformatory institutions	
34	land fund	3,079,500
35	Corrections fund	30,312,300
36	Transition program fund	2,940,100
37	Prison construction and operations	
38	fund	12,500,000
39	Inmate store proceeds fund	1,340,400

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

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

12 On or before August 1, 2018, the state department of corrections
13 shall provide a report on bed capacity to the joint legislative budget
14 committee for its review. The report shall reflect the bed capacity for
15 each security classification by gender at each state-run and private
16 institution, divided by rated and total beds. The report shall include
17 bed capacity data for June 30, 2017 and June 30, 2018 and the projected
18 capacity for June 30, 2019, as well as the reasons for any change within
19 that time period. Within the total bed count, the department shall
20 provide the number of temporary and special use beds. If the department
21 develops a plan after its August 1 report to close state-operated prison
22 rated beds or cancel or not renew contracts for privately operated prison
23 beds, the state department of corrections shall submit a bed plan
24 detailing the proposed bed closures for review by the joint legislative
25 budget committee before implementing these changes.

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

30 Of the amount appropriated for the private prison per diem line
31 item, \$17,463,400 shall be used for the purpose of making a debt service
32 payment on the financing agreement authorized by Laws 2016, chapter 119,
33 section 24.

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

39 Before the expenditure of any state education fund for correctional
40 education monies in excess of \$724,100, the state department of
41 corrections shall report the intended use of the monies to the director of
42 the joint legislative budget committee.

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

4 On or before August 1, 2018, the state department of corrections
 5 shall transfer to the public safety personnel retirement system via the
 6 Arizona department of administration its estimated required annual
 7 contribution to the corrections officer retirement plan for fiscal year
 8 2018-2019.

9 Sec. 23. BOARD OF COSMETOLOGY

	<u>2018-19</u>
11 FTE positions	24.5
12 Operating lump sum appropriation	\$ 1,768,300
13 Annual leave payout	<u>34,200</u>
14 Total appropriation - board of cosmetology	\$ 1,802,500
15 Fund sources:	
16 Board of cosmetology fund	\$ 1,802,500

17 Sec. 24. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2018-19</u>
19 FTE positions	9.0
20 Operating lump sum appropriation	\$ 1,251,100
21 State aid to county attorneys	973,700
22 Victim compensation and	
23 assistance	<u>4,220,600</u>
24 Total appropriation - Arizona criminal	
25 justice commission	\$ 6,445,400
26 Fund sources:	
27 Criminal justice enhancement fund	\$ 646,600
28 Resource center fund	604,500
29 State aid to county attorneys fund	973,700
30 Victim compensation and assistance	
31 fund	4,220,600

32 All victim compensation and assistance monies received by the
 33 Arizona criminal justice commission in excess of \$4,220,600 in fiscal year
 34 2018-2019 are appropriated to the crime victims program. Before the
 35 expenditure of any victim compensation and assistance fund monies in
 36 excess of \$4,220,600 in fiscal year 2018-2019, the Arizona criminal
 37 justice commission shall report the intended use of the monies to the
 38 joint legislative budget committee.

39 All monies received by the Arizona criminal justice commission in
 40 excess of \$973,700 in fiscal year 2018-2019 from the state aid to county
 41 attorneys fund established by section 11-539, Arizona Revised Statutes,
 42 are appropriated to the state aid to county attorneys program. Before the
 43 expenditure of any state aid to county attorneys fund monies in excess of
 44 \$973,700, the Arizona criminal justice commission shall report the
 45 intended use of the monies to the joint legislative budget committee.

1	Sec. 25. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND	
2		<u>2018-19</u>
3	FTE positions	541.2
4	Administration/statewide	\$ 4,885,800
5	Phoenix day school for the deaf	9,103,700
6	Tucson campus	13,811,700
7	Regional cooperatives	39,500
8	Preschool/outreach programs	4,299,500
9	School bus replacement	<u>738,000</u>
10	Total appropriation - Arizona state schools	
11	for the deaf and the blind	\$ 32,878,200
12	Fund sources:	
13	State general fund	\$ 21,378,100
14	Schools for the deaf and the	
15	blind fund	11,500,100
16	Before the expenditure of any schools for the deaf and the blind	
17	fund monies in excess of \$11,500,100 in fiscal year 2018-2019, the Arizona	
18	state schools for the deaf and the blind shall report to the joint	
19	legislative budget committee the intended use of the monies.	
20	Sec. 26. COMMISSION FOR THE DEAF AND THE HARD OF HEARING	
21		<u>2018-19</u>
22	FTE positions	16.0
23	Operating lump sum appropriation	\$ 4,412,300
24	Support services for the	
25	deaf-blind	<u>192,000</u>
26	Total appropriation - commission for the	
27	deaf and the hard of hearing	\$ 4,604,300
28	Fund sources:	
29	Telecommunication fund for	
30	the deaf	\$ 4,604,300
31	Sec. 27. STATE BOARD OF DENTAL EXAMINERS	
32		<u>2018-19</u>
33	FTE positions	11.0
34	Lump sum appropriation	\$ 1,250,800
35	Fund sources:	
36	Dental board fund	\$ 1,250,800
37	Sec. 28. OFFICE OF ECONOMIC OPPORTUNITY	
38		<u>2018-19</u>
39	FTE positions	5.0
40	Lump sum appropriation	\$ 484,100
41	Fund sources:	
42	State general fund	\$ 484,100

1	Sec. 29. DEPARTMENT OF ECONOMIC SECURITY	
2		<u>2018-19</u>
3	FTE positions	4,323.8
4	Operating lump sum appropriation	\$157,440,200
5	<u>Administration</u>	
6	Attorney general legal services	10,996,600
7	<u>Aging and adult services</u>	
8	Adult services	9,902,900
9	Community and emergency services	3,724,000
10	Coordinated homeless services	2,522,600
11	Domestic violence prevention	14,003,700
12	<u>Benefits and medical eligibility</u>	
13	Temporary assistance for needy	
14	families - cash benefits	22,736,400
15	Coordinated hunger services	1,754,600
16	Onetime food bank funding	1,000,000
17	Tribal pass-through funding	4,680,300
18	<u>Child support enforcement</u>	
19	County participation	8,740,200
20	<u>Developmental disabilities</u>	
21	DDD administration	83,262,700
22	DDD premium tax payment	30,461,200
23	Case management - medicaid	69,767,300
24	Home and community based	
25	services - medicaid	1,160,480,300
26	Children's rehabilitative	
27	services - medicaid	50,390,100
28	Institutional services -	
29	medicaid	45,062,700
30	medical services - medicaid	197,128,600
31	Medicare clawback payments	4,185,100
32	Targeted case management-medicaid	6,598,300
33	Case management - state-only	4,303,000
34	Home and community based	
35	services - state-only	13,709,000
36	Arizona early intervention program	8,219,000
37	State-funded long-term care	
38	services	32,959,600
39	<u>Employment and rehabilitation services</u>	
40	JOBS	11,005,600
41	Child care subsidy	98,396,600
42	Independent living rehabilitation	
43	services	1,289,400

1	Rehabilitation services	7,249,100
2	Workforce investment act	
3	services	<u>53,654,600</u>
4	Total appropriation and expenditure	
5	authority - department of	
6	economic security	\$2,115,623,700
7	Fund sources:	
8	State general fund	\$ 636,687,900
9	Federal child care and	
10	development fund block grant	110,491,400
11	Federal temporary assistance for	
12	needy families block grant	65,246,900
13	Long-term care system fund	26,559,600
14	Public assistance collections	
15	fund	421,900
16	Special administration fund	4,563,700
17	Spinal and head injuries trust	
18	fund	4,223,700
19	Statewide cost allocation plan	
20	fund	1,000,000
21	Child support enforcement	
22	administration fund	16,632,600
23	Domestic violence services fund	4,000,000
24	Workforce investment act grant	56,040,200
25	Child support enforcement	
26	administration fund expenditure	
27	authority	42,299,500
28	Developmental disabilities	
29	medicaid expenditure authority	1,147,456,300

30 Aging and adult services

31 All domestic violence services fund monies in excess of \$4,000,000
 32 received by the department of economic security are appropriated for the
 33 domestic violence prevention line item. Before the expenditure of these
 34 increased monies, the department of economic security shall report the
 35 intended use of monies in excess of \$4,000,000 to the joint legislative
 36 budget committee.

37 The department of economic security shall report to the joint
 38 legislative budget committee the amount of state and federal monies
 39 available statewide for domestic violence funding on or before December
 40 15, 2018. The report shall include, at a minimum, the amount of monies
 41 available and the state fiscal agent receiving those monies.

1 Benefits and medical eligibility

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

5 Child support enforcement

6 All state shares of retained earnings, fees and federal incentives
7 in excess of \$16,632,600 received by the division of child support
8 enforcement are appropriated for operating expenditures. New FTE
9 positions may be authorized with the increased funding. Before the
10 expenditure of these increased monies, the department of economic security
11 shall report the intended use of the monies to the joint legislative
12 budget committee.

13 Developmental disabilities

14 The department shall report to the president of the senate, the
15 speaker of the house of representatives, the chairpersons of the senate
16 and house of representatives appropriations committees and the director of
17 the joint legislative budget committee any new placement into a
18 state-owned ICF-IID or the Arizona training program at the Coolidge campus
19 in fiscal year 2018-2019 and the reason this placement, rather than a
20 placement into a privately run facility for persons with developmental
21 disabilities, was deemed as the most appropriate placement. The
22 department shall also report if no new placements were made. The
23 department shall make this report available on or before September
24 1, 2019. On or before September 1, 2019, the department shall also report
25 to the director of the joint legislative budget committee the total costs
26 associated with the Arizona training program at Coolidge in fiscal year
27 2018-2019.

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

1 Before implementing any developmental disabilities or long-term care
2 statewide provider rate adjustments that are not already specifically
3 authorized by the legislature, court mandates or changes to federal law,
4 the department shall submit a report for review by the joint legislative
5 budget committee that includes, at a minimum, the estimated cost of the
6 provider rate adjustment and the ongoing source of funding for the
7 adjustment, if applicable.

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

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

16 The department shall report to the joint legislative budget
17 committee on or before August 1, 2018 the number of filled positions for
18 case managers and non-case managers in the division of developmental
19 disabilities as of June 30, 2018. The department shall submit an
20 expenditure plan of its staffing levels for review by the joint
21 legislative budget committee if the department plans on hiring staff for
22 non-case manager, non-case aide, non-case unit supervisor and non-case
23 section manager positions above the staffing level indicated in the
24 August 1, 2018 report.

25 The department shall report to the joint legislative budget
26 committee on or before December 1, 2018 its plans to reduce screening
27 costs associated with the Arizona early intervention program.

28 Employment and rehabilitation services

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

37 All workforce investment act grant monies that are received by this
38 state in excess of \$56,040,200 are appropriated to the workforce
39 investment act services line item. Before the expenditure of these
40 increased monies, the department of economic security shall report the
41 intended use of monies in excess of \$56,040,200 to the joint legislative
42 budget committee.

1 Departmentwide

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

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

19 Sec. 30. STATE BOARD OF EDUCATION

		<u>2018-19</u>
21	FTE positions	6.0
22	Lump sum appropriation	\$ 1,142,800
23	Fund sources:	

24	State general fund	\$ 1,142,800
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25 Sec. 31. SUPERINTENDENT OF PUBLIC INSTRUCTION

		<u>2018-19</u>
27	FTE positions	195.9
28	Operating lump sum appropriation	\$ 14,260,000
29	Fund sources:	
30	State general fund	\$ 8,660,600
31	Teacher certification fund	133,800
32	Department of education empowerment	
33	scholarship account fund	1,197,900
34	Department of education professional	
35	development revolving fund	2,567,700
36	Proposition 301 expenditure authority	1,700,000

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

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

1 Any monies available to the department of education pursuant to
2 section 42-5029, subsection E, paragraph 8, Arizona Revised Statutes, for
3 the failing schools tutoring fund established by section 15-241, Arizona
4 Revised Statutes, in excess of the expenditure authority amounts are
5 allocated for the purposes of section 42-5029, subsection E, paragraph 8,
6 Arizona Revised Statutes.

7 Any monies available to the department of education pursuant to
8 section 42-5029, subsection E, paragraph 6, Arizona Revised Statutes, for
9 character education matching grants pursuant to section 15-154.01, Arizona
10 Revised Statutes, in excess of the expenditure authority amounts are
11 allocated for the purposes of section 42-5029, subsection E, paragraph 6,
12 Arizona Revised Statutes.

13	Basic state aid	\$3,531,394,200
14	Fund sources:	
15	State general fund	\$3,167,998,400
16	Permanent state school fund	277,115,300
17	Proposition 301 expenditure	
18	authority	86,280,500

19 The above appropriation provides basic state support to school
20 districts for maintenance and operations funding as provided by section
21 15-973, Arizona Revised Statutes, and includes an estimated \$277,115,300
22 in expendable income derived from the permanent state school fund and from
23 state trust lands pursuant to section 37-521, subsection B, Arizona
24 Revised Statutes, for fiscal year 2018-2019.

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

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

39 Any monies available to the department of education pursuant to
40 section 42-5029, subsection E, paragraph 5, Arizona Revised Statutes, for
41 the increased cost of basic state aid due to added school days in excess
42 of the expenditure authority amounts are allocated for the purposes of
43 section 42-5029, subsection E, paragraph 5, Arizona Revised Statutes.

1 The basic state aid appropriation for fiscal year 2018-2019 includes
 2 a state general fund increase of \$273,706,100, which the legislature and
 3 governor intend to be used for teacher salary increase.

4 A school district or other entity that receives additional funding
 5 in fiscal years 2018-2019, 2019-2020 and 2020-2021 as a result of this act
 6 may use the additional monies for increased teacher compensation in fiscal
 7 years 2018-2019, 2019-2020 and 2020-2021.

8	Results-based funding	\$ 38,600,000
9	Special education fund	25,529,200
10	Other state aid to districts	983,900
11	Classroom site fund	\$574,995,000

12 Fund sources:

13	Proposition 301 expenditure	
14	authority	\$435,277,400
15	Proposition 301/classroom site fund	
16	land trust expenditure authority	103,425,500
17	Proposition 301/classroom site fund	
18	carryforward balance expenditure	
19	authority	36,292,100

20 Any monies available to the department of education for the
 21 classroom site fund pursuant to section 37-521, subsection B, paragraph 4
 22 and section 42-5029, subsection E, paragraph 10, Arizona Revised Statutes,
 23 in excess of expenditure authority amounts are allocated for the purposes
 24 of section 37-521, subsection B, paragraph 4 and section 42-5029,
 25 subsection E, paragraph 10, Arizona Revised Statutes.

26	Instructional improvement fund	\$ 45,000,000
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27 Fund sources:

28	Tribal gaming expenditure	
29	authority	\$ 45,000,000

30 Any monies available to the department of education from the
 31 instructional improvement fund established by section 15-979, Arizona
 32 Revised Statutes, in excess of the expenditure authority amounts are
 33 allocated for the purposes of section 15-979, Arizona Revised Statutes.

34	Additional state aid	\$413,665,500
35	Accountability and achievement	
36	testing	\$ 16,420,800

37 Fund sources:

38	State general fund	\$ 9,420,800
39	Proposition 301 fund	7,000,000

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

1 Any monies available to the department of education for
 2 accountability purposes pursuant to section 42-5029, subsection E,
 3 paragraph 7, Arizona Revised Statutes, in excess of the expenditure
 4 authority amounts are allocated for the purposes of section 42-5029,
 5 subsection E, paragraph 7, Arizona Revised Statutes.

6 Adult education \$ 4,630,500

7 Fund sources:

8 State general fund \$ 4,498,200

9 Department of education professional
 10 development revolving fund 132,300

11 Alternative teacher development
 12 program \$ 500,000

13 Arizona structured English
 14 immersion fund 4,960,400

15 College credit by examination
 16 incentive program 5,000,000

17 Computer science pilot program 1,000,000

18 Education learning and
 19 accountability system 5,300,000

20 English learner administration 6,495,000

21 The department of education shall use the appropriated amount to
 22 provide English language acquisition services for the purposes of section
 23 15-756.07, Arizona Revised Statutes, and for the costs of providing
 24 English language proficiency assessments, scoring and ancillary materials
 25 as prescribed by the department of education to school districts and
 26 charter schools for the purposes of title 15, chapter 7, article 3.1,
 27 Arizona Revised Statutes. The department of education may use a portion
 28 of the appropriated amount to hire staff or contract with a third party to
 29 carry out the purposes of section 15-756.07, Arizona Revised Statutes.
 30 Notwithstanding section 41-192, Arizona Revised Statutes, the
 31 superintendent of public instruction also may use a portion of the
 32 appropriated amount to contract with one or more private attorneys to
 33 provide legal services in connection with the case of Flores v. State of
 34 Arizona, No. CIV 92-596-TUC-RCC.

35 Geographic literacy \$ 100,000

36 Jobs for Arizona graduates 100,000

37 JTED completion grants 1,000,000

38 Monies appropriated for joint technical education district
 39 completion grants are intended to help fund program completion for
 40 students who complete at least fifty percent of a joint technical
 41 education program before graduating from high school and who successfully
 42 complete the joint technical education district program after graduating
 43 from high school. The department of education shall develop application
 44 procedures for the joint technical education district completion grant
 45 program. The procedures shall award grant funding only after an eligible

1 student has successfully completed a joint technical education district
 2 program.

3 If the appropriated amount is insufficient to fund all grant
 4 requests from joint technical education districts, the department of
 5 education shall reduce grant amounts on a proportional basis in order to
 6 cap total statewide allocations at \$1,000,000.

7 The appropriated amount is exempt from the provisions of section
 8 35-190, Arizona Revised Statutes, relating to lapsing of appropriations
 9 through fiscal year 2019-2020.

10 JTED soft capital and equipment \$ 1,000,000

11 The department of education shall distribute the appropriated amount
 12 to joint technical education districts with fewer than two thousand
 13 average daily membership pupils for soft capital and equipment expenses.
 14 The appropriated amount shall be allocated on a pro rata basis based on
 15 the average daily membership of eligible joint technical education
 16 districts.

17 School safety program \$ 11,945,600

18 Fund sources:

19 State general fund \$ 4,145,600

20 Proposition 301 expenditure
 21 authority 7,800,000

22 Any monies available to the department of education for school
 23 safety pursuant to section 42-5029, subsection E, paragraph 6, Arizona
 24 Revised Statutes, in excess of the expenditure authority amounts are
 25 allocated for the purposes of section 42-5029, subsection E, paragraph 6,
 26 Arizona Revised Statutes.

27 State block grant for vocational
 28 education \$ 11,576,300

29 Teacher certification \$ 2,385,100

30 Fund sources:

31 State general fund \$ 176,200

32 Teacher certification fund 2,208,900

33 Tribal college dual enrollment
 34 program \$ 250,000

35 Fund sources:

36 Tribal college dual enrollment
 37 program fund \$ 250,000

38 Total appropriation and expenditure
 39 authority - superintendent
 40 of public instruction \$4,717,091,500
 41

1	Fund sources:	
2	State general fund	\$3,710,710,100
3	Proposition 301 fund	7,000,000
4	Permanent state school fund	277,115,300
5	Teacher certification fund	2,342,700
6	Tribal college dual enrollment	
7	program fund	250,000
8	Department of education empowerment	
9	scholarship account fund	1,197,900
10	Department of education professional	
11	development revolving fund	2,700,000
12	Expenditure authority	715,775,500

13 After review by the joint legislative budget committee, in fiscal
 14 year 2018-2019, the department may use a portion of its fiscal year
 15 2018-2019 state general fund appropriations for basic state aid or
 16 additional state aid to fund a shortfall in funding for basic state aid or
 17 additional state aid, if any, that occurred in fiscal year 2017-2018.

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

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

32 Sec. 32. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

33		<u>2018-19</u>
34	FTE positions	63.1
35	Administration	\$ 1,663,500
36	Emergency management	730,900
37	Military affairs	1,339,800
38	Emergency management matching funds	1,540,900
39	National guard matching funds	<u>1,700,000</u>
40	Total appropriation - department of	
41	emergency and military affairs	\$ 6,975,100
42	Fund sources:	
43	State general fund	\$ 6,975,100

1 The \$1,700,000 national guard matching funds appropriation is exempt
 2 from the provisions of section 35-190, Arizona Revised Statutes, relating
 3 to lapsing of appropriations, except that all fiscal year 2018-2019 monies
 4 remaining unexpended and unencumbered on December 31, 2019 revert to the
 5 state general fund.

6 Sec. 33. DEPARTMENT OF ENVIRONMENTAL QUALITY

	<u>2018-19</u>
7	
8 FTE positions	322.0
9 Operating lump sum appropriation	\$ 45,296,500
10 Safe drinking water program	1,800,000
11 Emissions control contractor	
12 payment	<u>21,119,500</u>
13 Total appropriation - department of	
14 environmental quality	\$ 68,216,000
15 Fund sources:	
16 Air quality fund	\$ 4,367,500
17 Emergency response fund	132,800
18 Emissions inspection fund	26,570,500
19 Hazardous waste management fund	1,734,600
20 Indirect cost recovery fund	13,375,200
21 Permit administration fund	7,114,100
22 Recycling fund	1,352,900
23 Safe drinking water program	
24 fund	1,800,000
25 Solid waste fee fund	1,239,000
26 Underground storage tank	
27 revolving fund	22,000
28 Water quality fee fund	10,507,400

29 Pursuant to section 49-282, Arizona Revised Statutes, the department
 30 of environmental quality shall submit a fiscal year 2019-2020 budget for
 31 the water quality assurance revolving fund before September 1, 2018, for
 32 review by the senate and house of representatives appropriations
 33 committees.

34 The department of environmental quality shall report annually on the
 35 progress of WQARF activities, including emergency response, priority site
 36 remediation, cost recovery activity, revenue and expenditure activity and
 37 other WQARF-funded program activity. The department shall submit the
 38 fiscal year 2018-2019 report to the joint legislative budget committee on
 39 or before September 1, 2018. This report shall also include a budget for
 40 the WQARF program that is developed in consultation with the WQARF
 41 advisory board. This budget shall specify the monies budgeted for each
 42 listed site during fiscal year 2018-2019. In addition, the department and
 43 the advisory board shall prepare and submit to the joint legislative
 44 budget committee, on or before October 1, 2018, a report in a table format
 45 summarizing the current progress on remediation of each listed site on the

1 WQARF registry. The table shall include the stage of remediation for each
 2 site at the end of fiscal year 2017-2018, indicate whether the current
 3 stage of remediation is anticipated to be completed in fiscal year
 4 2018-2019 and indicate the anticipated stage of remediation at each listed
 5 site at the end of fiscal year 2018-2019, assuming fiscal year 2018-2019
 6 funding levels. The department and advisory board may include other
 7 relevant information about the listed sites in the table.

8 All permit administration fund monies received by the department of
 9 environmental quality in excess of \$7,114,100 in fiscal year 2018-2019 are
 10 appropriated to the department. Before the expenditure of permit
 11 administration fund monies in excess of \$7,114,100 in fiscal year
 12 2018-2019, the department of environmental quality shall report the
 13 intended use of the monies to the joint legislative budget committee.

14 All indirect cost recovery fund monies received by the department of
 15 environmental quality in excess of \$13,375,200 in fiscal year 2018-2019
 16 are appropriated to the department. Before the expenditure of indirect
 17 cost recovery fund monies in excess of \$13,375,200 in fiscal year
 18 2018-2019, the department of environmental quality shall report the
 19 intended use of the monies to the joint legislative budget committee.

20 Sec. 34. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

21			<u>2018-19</u>
22	FTE positions		4.0
23	Lump sum appropriation	\$	189,100
24	Fund sources:		
25	Personnel division fund	\$	189,100

26 Sec. 35. STATE BOARD OF EQUALIZATION

27			<u>2018-19</u>
28	FTE positions		7.0
29	Lump sum appropriation	\$	643,000
30	Fund sources:		
31	State general fund	\$	643,000

32 Sec. 36. BOARD OF EXECUTIVE CLEMENCY

33			<u>2018-19</u>
34	FTE positions		14.5
35	Lump sum appropriation	\$	1,112,100
36	Fund sources:		
37	State general fund	\$	1,112,100

38 The board of executive clemency shall report to the directors of the
 39 joint legislative budget committee and the governor's office of strategic
 40 planning and budgeting on or before November 1, 2018 the total number and
 41 types of cases the board reviewed in fiscal year 2017-2018.

1	Sec. 37. ARIZONA EXPOSITION AND STATE FAIR BOARD	
2		<u>2018-19</u>
3	FTE positions	184.0
4	Lump sum appropriation	\$ 12,524,900
5	Fund sources:	
6	Arizona exposition and state	
7	fair fund	\$ 12,524,900

8	Sec. 38. DEPARTMENT OF FINANCIAL INSTITUTIONS	
9		<u>2018-19</u>
10	FTE positions	73.1
11	Lump sum appropriation	\$ 5,888,200
12	Fund sources:	
13	State general fund	\$ 1,903,200
14	Financial services fund	3,935,000
15	Revolving fund	50,000

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

19	Sec. 39. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	
20		<u>2018-19</u>
21	FTE positions	88.0
22	Operating lump sum appropriation	\$ 2,184,400
23	Environmental county grants	250,000
24	Inmate firefighting crews	686,200
25	Postrelease firefighting crews	1,000,000
26	Fire suppression	1,065,000
27	State fire marshal	742,600
28	State fire school	172,100
29	Hazardous vegetation removal	<u>2,000,000</u>

30	Total appropriation - Arizona department	
31	of forestry and fire management	\$ 8,100,300

32	Fund sources:	
33	State general fund	\$ 8,100,300

34 The appropriation for the hazardous vegetation removal line item is
 35 exempt from the provisions of section 35-190, Arizona Revised Statutes,
 36 relating to lapsing of appropriations, through June 30, 2020.

37 The department may use \$465,000 from the postrelease firefighting
 38 crews line item and \$210,000 from the hazardous vegetation removal line
 39 item appropriated to the department in fiscal year 2017-2018 for fire
 40 suppression costs incurred in fiscal years 2016-2017 and 2017-2018.

1	Sec. 40. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
2		<u>2018-19</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 441,700
5	Fund sources:	
6	Board of funeral directors' and	
7	embalmers' fund	\$ 441,700
8	Sec. 41. ARIZONA GAME AND FISH DEPARTMENT	
9		<u>2018-19</u>
10	FTE positions	273.5
11	Operating lump sum appropriation	\$ 38,430,300
12	Pittman-Robertson/Dingell-Johnson	
13	act	3,058,000
14	Watercraft grants	<u>1,000,000</u>
15	Total appropriation - Arizona game and fish	
16	department	\$ 42,488,300
17	Fund sources:	
18	Capital improvement fund	\$ 1,001,200
19	Game and fish fund	36,314,400
20	Wildlife endowment fund	16,200
21	Watercraft licensing fund	4,810,700
22	Game, non-game, fish and	
23	endangered species fund	345,800
24	The Arizona game and fish department may transfer \$1,000,000 from	
25	the watercraft grants line item to the operating budget. Before	
26	transferring monies from the watercraft grants line item to the operating	
27	budget, the department shall submit an expenditure plan for review by the	
28	joint legislative budget committee.	
29	Sec. 42. DEPARTMENT OF GAMING	
30		<u>2018-19</u>
31	FTE positions	155.8
32	Operating lump sum appropriation	\$ 9,049,700
33	Arizona breeders' award	250,000
34	Casino operations certification	2,081,800
35	County fairs livestock and	
36	agriculture promotion	1,779,500
37	Division of racing	1,886,000
38	Problem gambling	<u>2,287,000</u>
39	Total appropriation - department of gaming	\$ 17,334,000
40	Fund sources:	
41	State general fund	\$ 1,779,500
42	Tribal-state compact fund	2,081,800
43	Arizona benefits fund	11,036,700
44	State lottery fund	300,000
45	Racing regulation fund	2,136,000

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

6 Sec. 43. OFFICE OF THE GOVERNOR

7
 8 Lump sum appropriation 2018-19
 \$ 6,805,500*

9 Fund sources:

10 State general fund \$ 6,805,500

11 Included in the lump sum appropriation of \$6,805,500 for fiscal year
 12 2018-2019 is \$10,000 for the purchase of mementos and items for visiting
 13 officials.

14 Sec. 44. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

15
 16 FTE positions 2018-19
 22.0

17 Lump sum appropriation \$ 1,983,900*

18 Fund sources:

19 State general fund \$ 1,983,900

20 Sec. 45. DEPARTMENT OF HEALTH SERVICES

21
 22 FTE positions 2018-19
 1,100.0

23 Operating lump sum appropriation \$ 46,269,300

24 Public health/family health

25 Adult cystic fibrosis care 105,200

26 AIDS reporting and surveillance 1,000,000

27 Alzheimer's disease research 3,125,000

28 Breast and cervical cancer and
 29 bone density screening 1,369,400

30 County tuberculosis provider care
 31 and control 590,700

32 Emergency medical services local
 33 allocation 442,000

34 Folic acid program 400,000

35 High-risk perinatal services 2,543,400

36 Homeless pregnant women services 100,000

37 Newborn screening program 7,210,300

38 Nonrenal disease management 198,000

39 Nursing care special projects 100,000

40 Poison control centers funding 990,000

41 Radiation regulation 1,621,500

42 Renal dental care and nutrition
 43 supplements 300,000

44 Renal transplant drugs 183,000

45 State loan repayment program 1,000,000

1	<u>Arizona state hospital</u>	
2	Arizona state hospital -	
3	operating	60,485,600
4	Arizona state hospital -	
5	restoration to competency	900,000
6	Arizona state hospital -	
7	sexually violent persons	<u>9,639,100</u>
8	Total appropriation - department of	
9	health services	\$ 138,572,500
10	Fund sources:	
11	State general fund	\$ 89,596,400
12	Arizona state hospital fund	2,566,400
13	Arizona state hospital land fund	650,000
14	Capital outlay stabilization fund	1,559,900
15	Child fatality review fund	94,700
16	Disease control research fund	1,000,000
17	DHS indirect cost fund	9,546,100
18	Emergency medical services	
19	operating fund	5,707,900
20	Environmental laboratory licensure	
21	revolving fund	924,200
22	Federal child care and development	
23	fund block grant	872,300
24	Health services licensing fund	10,853,800
25	Health services lottery monies fund	100,000
26	Newborn screening program fund	7,643,100
27	Nursing care institution resident	
28	protection revolving fund	138,200
29	Tobacco tax and health care fund -	
30	health research account	3,000,000
31	Tobacco tax and health care fund -	
32	medically needy account	700,000
33	Vital records electronic systems	
34	fund	3,619,500

35 Public health/family health

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

39 Of the \$3,125,000 for Alzheimer's disease research, \$3,000,000 is
 40 from the tobacco tax and health care fund - health research account
 41 established by section 36-773, Arizona Revised Statutes.

1 The department of health services shall distribute monies
 2 appropriated for homeless pregnant women services to nonprofit
 3 organizations that are located in a county with a population of more than
 4 three million persons and whose primary function is to provide shelter,
 5 food, clothing and transportation for health services and support to
 6 homeless pregnant women and their children who are under the age of one
 7 year. Monies may not be granted for abortion referral services or
 8 distributed to entities that promote, refer or perform abortions.

9 Arizona state hospital

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

14 Departmentwide

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

26 Sec. 46. ARIZONA HISTORICAL SOCIETY

27		<u>2018-19</u>
28	FTE positions	50.9
29	Operating lump sum appropriation	\$ 2,571,400
30	Field services and grants	65,700
31	Papago park museum	<u>535,400</u>
32	Total appropriation - Arizona historical	
33	society	\$ 3,172,500
34	Fund sources:	
35	State general fund	\$ 3,172,500

36 Sec. 47. PRESCOTT HISTORICAL SOCIETY

37		<u>2018-19</u>
38	FTE positions	13.0
39	Lump sum appropriation	\$ 824,500
40	Fund sources:	
41	State general fund	\$ 824,500

1	Sec. 48. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
2		<u>2018-19</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 88,300
5	Fund sources:	
6	Board of homeopathic and	
7	integrated medicine	
8	examiners' fund	\$ 88,300
9	Sec. 49. ARIZONA DEPARTMENT OF HOUSING	
10		<u>2018-19</u>
11	FTE positions	3.0
12	Lump sum appropriation	\$ 318,500
13	Fund sources:	
14	Housing trust fund	318,500
15	Sec. 50. INDUSTRIAL COMMISSION OF ARIZONA	
16		<u>2018-19</u>
17	FTE positions	235.6
18	Lump sum appropriation	\$ 19,881,300
19	Fund sources:	
20	Administrative fund	\$ 19,881,300
21	Sec. 51. DEPARTMENT OF INSURANCE	
22		<u>2018-19</u>
23	FTE positions	72.3
24	Lump sum appropriation	\$ 5,616,900
25	Fund sources:	
26	State general fund	\$ 5,616,900
27	Sec. 52. ARIZONA JUDICIARY	
28		<u>2018-19</u>
29	<u>Supreme court</u>	
30	FTE positions	183.0
31	Operating lump sum appropriation	\$ 13,800,800
32	Automation	19,977,700
33	County reimbursements	187,900
34	Court appointed special advocate	3,512,900
35	Courthouse security	750,000
36	Domestic relations	613,400
37	State foster care review board	3,151,800
38	Commission on judicial conduct	497,800
39	Judicial nominations and	
40	performance review	409,100
41	Model court	437,600
42	State aid	<u>5,648,500</u>
43	Total appropriation - supreme court	\$ 48,987,500

1	Fund sources:	
2	State general fund	\$ 18,628,700
3	Confidential intermediary and	
4	fiduciary fund	488,900
5	Court appointed special advocate	
6	fund	3,593,200
7	Criminal justice enhancement fund	4,365,200
8	Defensive driving school fund	4,198,500
9	Judicial collection enhancement	
10	fund	14,767,900
11	State aid to the courts fund	2,945,100

12 On or before September 1, 2018, the supreme court shall report to
 13 the joint legislative budget committee and the governor's office of
 14 strategic planning and budgeting on current and future automation projects
 15 coordinated by the administrative office of the courts. The report shall
 16 include a list of court automation projects receiving or anticipated to
 17 receive state monies in the current or next two fiscal years as well as a
 18 description of each project, the number of FTE positions, the entities
 19 involved and the goals and anticipated results for each automation
 20 project. The report shall be submitted in one summary document. The
 21 report shall indicate each project's total multiyear cost by fund source
 22 and budget line item, including any prior-year, current-year and
 23 future-year expenditures.

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

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

31 Of the \$187,900 appropriated for county reimbursements, state grand
 32 jury is limited to \$97,900 and capital postconviction relief is limited to
 33 \$90,000.

34	<u>Court of appeals</u>	
35	FTE positions	136.8
36	Division one	\$ 10,157,400
37	Division two	<u>\$ 4,424,000</u>
38	Total appropriation - court of appeals	\$ 14,581,400
39	Fund sources:	
40	State general fund	\$ 14,581,400

1 Of the 136.8 FTE positions for fiscal year 2018-2019, 98.3 FTE
 2 positions are for division one and 38.5 FTE positions are for
 3 division two.

4 Superior court

5	FTE positions	137.5
6	Operating lump sum appropriation	\$ 4,193,800
7	Judges' compensation	8,423,500
8	Centralized service payments	3,458,000
9	Adult standard probation	18,445,200
10	Adult intensive probation	10,981,200
11	Community punishment	2,310,300
12	Court-ordered removals	315,000
13	Interstate compact	444,500
14	Drug court	1,006,700
15	Juvenile standard probation	3,450,400
16	Juvenile intensive probation	5,301,000
17	Juvenile treatment services	19,960,900
18	Juvenile family counseling	500,000
19	Juvenile crime reduction	3,308,000
20	Juvenile diversion consequences	8,157,800
21	Special water master	<u>190,700</u>

22 Total appropriation - superior court \$ 90,447,000

23 Fund sources:

24	State general fund	\$ 78,493,700
25	Criminal justice enhancement fund	5,435,200
26	Drug treatment and education fund	502,900
27	Judicial collection enhancement	
28	fund	6,015,200

29 Operating budget

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

35 Judges

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

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

8 Probation

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

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

16 On or before November 1, 2018, the administrative office of the
17 courts shall report to the joint legislative budget committee and the
18 governor's office of strategic planning and budgeting the fiscal year
19 2017-2018 actual, fiscal year 2018-2019 estimated and fiscal year
20 2019-2020 requested amounts for each of the following:

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

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

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

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

1 transferred to the centralized service payments line item before
 2 expenditure.

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

10 On or before February 1, 2019, the administrative office of the
 11 courts shall report to the joint legislative budget committee and the
 12 governor's office of strategic planning and budgeting the county-approved
 13 salary adjustments provided to probation officers since the last report on
 14 February 1, 2018. The report shall include, for each county, the:

- 15 1. Approved percentage salary increase by year.
- 16 2. Net increase in the amount allocated to each probation
- 17 department by the administrative office of the courts for each applicable
- 18 year.
- 19 3. Average number of probation officers by applicable year.
- 20 4. Average salary of probation officers for each applicable year.

21 Sec. 53. DEPARTMENT OF JUVENILE CORRECTIONS

22		<u>2018-19</u>
23	FTE positions	738.5
24	Lump sum appropriation	\$ 40,069,900
25	Fund sources:	
26	State general fund	\$ 22,421,000
27	Department of juvenile corrections	
28	local cost sharing fund	11,260,000
29	State charitable, penal and	
30	reformatory institutions	
31	land fund	4,011,300
32	Criminal justice enhancement fund	531,300
33	State education fund for committed	
34	youth	1,846,300

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

40 Sec. 54. STATE LAND DEPARTMENT

41		<u>2018-19</u>
42	FTE positions	129.7
43	Operating lump sum appropriation	\$ 16,705,200
44	Natural resource conservation	
45	districts	650,000

1	CAP user fees	1,443,500
2	Due diligence fund	500,000
3	Streambed navigability litigation	<u>220,000</u>
4	Total appropriation - state land department	\$ 19,518,700
5	Fund sources:	
6	State general fund	\$ 11,471,600
7	Environmental special plate fund	260,600
8	Due diligence fund	500,000
9	Trust land management fund	7,286,500

10 The appropriation includes \$1,443,500 for central Arizona project
 11 user fees in fiscal year 2018-2019. For fiscal year 2018-2019, from
 12 municipalities that assume their allocation of central Arizona project
 13 water for every dollar received as reimbursement to the state for past
 14 central Arizona water conservation district payments, one dollar reverts
 15 to the state general fund in the year that the reimbursement is collected.

16 Of the amount appropriated for natural resource conservation
 17 districts in fiscal year 2018-2019, \$30,000 shall be used to provide
 18 grants to natural resource conservation district environmental education
 19 centers.

20 On or before November 15, 2018, the department shall provide a
 21 report to the joint legislative budget committee as to the effectiveness
 22 of innovation projects in fiscal year 2017-2018 and the department's
 23 planned projects for fiscal year 2018-2019. The report shall include an
 24 account of innovation project expenditures, the benefits of the projects
 25 to state trust lands, the status of the projects and the projected
 26 timeline for completion.

27 Innovation projects include the following projects, which were
 28 appropriated as separate line items in fiscal year 2017-2018 and are
 29 included in the operating lump sum in fiscal year 2018-2019: professional
 30 service contracts, reassessment of federal permits, right-of-way
 31 digitization, survey assets and workflow digitization.

32 Sec. 55. LEGISLATURE

33		<u>2018-19</u>
34	<u>Senate</u>	
35	Lump sum appropriation	\$ 9,408,500*
36	Fund sources:	
37	State general fund	\$ 9,408,500

38 Included in the lump sum appropriation of \$9,408,500 for fiscal year
 39 2018-2019 is \$1,000 for the purchase of mementos and items for visiting
 40 officials.

1	<u>House of representatives</u>	
2	Lump sum appropriation	\$ 13,201,500*
3	Fund sources:	
4	State general fund	\$ 13,201,500
5	Included in the lump sum appropriation of \$13,201,500 for fiscal	
6	year 2018-2019 is \$1,000 for the purchase of mementos and items for	
7	visiting officials.	
8	<u>Legislative council</u>	
9	FTE positions	55.0
10	Operating lump sum appropriation	\$ 7,392,500
11	Ombudsman-citizens aide office	<u>875,700</u>
12	Total appropriation - legislative	
13	council	\$ 8,268,200*
14	Fund sources:	
15	State general fund	\$ 8,268,200
16	Dues for the council of state governments may be expended only on an	
17	affirmative vote of the legislative council.	
18	It is the intent of the legislature that the ombudsman-citizens aide	
19	prioritize the investigation and processing of complaints relating to the	
20	department of child safety.	
21	<u>Joint legislative budget committee</u>	
22	FTE positions	29.0
23	Lump sum appropriation	\$ 2,488,300*
24	Fund sources:	
25	State general fund	\$ 2,488,300
26	<u>Auditor general</u>	
27	FTE positions	189.8
28	Lump sum appropriation	\$ 18,880,000*
29	Fund sources:	
30	State general fund	\$ 18,880,000
31	Included in the lump sum appropriation is funding to pay state rent	
32	at the statewide rate.	
33	The sum of \$1,083,000 and 10 FTE positions are appropriated from the	
34	state general fund in fiscal year 2019-2020 to the auditor general for	
35	operating expenditures.	
36	Sec. 56. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
37		<u>2018-19</u>
38	FTE positions	45.2
39	Lump sum appropriation	\$ 3,098,500
40	Fund sources:	
41	Liquor licenses fund	\$ 3,098,500

1	Sec. 57. ARIZONA STATE LOTTERY COMMISSION	
2		<u>2018-19</u>
3	FTE positions	98.8
4	Operating lump sum appropriation	\$ 9,143,700
5	Advertising	<u>15,500,000</u>
6	Total appropriation - Arizona state	
7	lottery commission	\$ 24,643,700
8	Fund source:	
9	State lottery fund	\$ 24,643,700
10	An amount equal to twenty percent of tab ticket sales is	
11	appropriated for payment of sales commissions to charitable organizations.	
12	This amount is currently estimated to be \$1,577,600 in fiscal year	
13	2018-2019.	
14	An amount equal to 3.6 percent of actual instant ticket sales is	
15	appropriated for the printing of instant tickets or for contractual	
16	obligations concerning instant ticket distribution. This amount is	
17	currently estimated to be \$25,687,500 in fiscal year 2018-2019.	
18	An amount equal to a percentage of actual online game sales as	
19	determined by contract is appropriated for payment of online vendor fees.	
20	This amount is currently estimated to be \$10,120,100, or 4.256 percent of	
21	actual online ticket sales, in fiscal year 2018-2019.	
22	An amount equal to 6.5 percent of gross lottery game sales, minus	
23	charitable tab tickets, is appropriated for payment of sales commissions	
24	to ticket retailers. An additional amount not to exceed 0.5 percent of	
25	gross lottery game sales is appropriated for payment of sales commissions	
26	to ticket retailers. The combined amount is currently estimated to be 6.7	
27	percent of total ticket sales, or \$63,210,600, in fiscal year 2018-2019.	
28	Sec. 58. BOARD OF MASSAGE THERAPY	
29		<u>2018-19</u>
30	FTE positions	5.0
31	Lump sum appropriation	\$ 464,800
32	Fund sources:	
33	Board of massage therapy fund	\$ 464,800
34	Sec. 59. ARIZONA MEDICAL BOARD	
35		<u>2018-19</u>
36	FTE positions	61.5
37	Operating lump sum appropriation	\$ 6,801,400
38	Employee performance incentive	
39	program	<u>165,000</u>
40	Total appropriation - Arizona medical	
41	board	\$ 6,966,400
42	Fund sources:	
43	Arizona medical board fund	\$ 6,966,400

1 Sec. 60. STATE MINE INSPECTOR

2		<u>2018-19</u>
3	FTE positions	14.0
4	Operating lump sum appropriation	\$ 1,017,800
5	Abandoned mines	194,700
6	Aggregate mining land reclamation	<u>112,900</u>
7	Total appropriation - state mine inspector	\$ 1,325,400

8 Fund sources:

9	State general fund	\$ 1,212,500
10	Aggregate mining reclamation fund	112,900

11 All aggregate mining reclamation fund monies received by the state
 12 mine inspector in excess of \$112,900 in fiscal year 2018-2019 are
 13 appropriated to the aggregate mining land reclamation line item. Before
 14 the expenditure of any aggregate mining reclamation fund monies in excess
 15 of \$112,900 in fiscal year 2018-2019, the state mine inspector shall
 16 report the intended use of the monies to the joint legislative budget
 17 committee and the governor's office of strategic planning and budgeting.

18 Sec. 61. NATUROPATHIC PHYSICIANS MEDICAL BOARD

19		<u>2018-19</u>
20	FTE positions	2.0
21	Lump sum appropriation	\$ 181,700

22 Fund sources:

23	Naturopathic physicians medical	
24	board fund	\$ 181,700

25 Sec. 62. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

26		<u>2018-19</u>
27	FTE positions	2.0
28	Lump sum appropriation	\$ 324,000

29 Fund sources:

30	State general fund	\$ 124,000
31	Arizona water banking fund	200,000

32 Sec. 63. ARIZONA STATE BOARD OF NURSING

33		<u>2018-19</u>
34	FTE positions	42.2
35	Operating lump sum appropriation	\$ 3,982,000
36	Certified nursing assistant	
37	credentialing program	<u>536,700</u>

38	Total appropriation - Arizona state	
39	board of nursing	\$ 4,518,700

40 Fund sources:

41	Board of nursing fund	\$ 4,518,700
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1	Sec. 64.	BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS		
2		AND ASSISTED LIVING FACILITY MANAGERS		
3				<u>2018-19</u>
4		FTE positions		6.0
5		Lump sum appropriation	\$	445,800
6		Fund sources:		
7		Nursing care institution		
8		administrators' licensing and		
9		assisted living facility		
10		managers' certification fund	\$	445,800
11	Sec. 65.	BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
12				<u>2018-19</u>
13		FTE positions		1.5
14		Lump sum appropriation	\$	177,300
15		Fund sources:		
16		Occupational therapy fund	\$	177,300
17	Sec. 66.	STATE BOARD OF DISPENSING OPTICIANS		
18				<u>2018-19</u>
19		FTE positions		1.0
20		Lump sum appropriation	\$	146,800
21		Fund sources:		
22		Board of dispensing opticians fund	\$	146,800
23	Sec. 67.	STATE BOARD OF OPTOMETRY		
24				<u>2018-19</u>
25		FTE positions		2.0
26		Lump sum appropriation	\$	242,600
27		Fund sources:		
28		Board of optometry fund	\$	242,600
29	Sec. 68.	ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		
30				<u>2018-19</u>
31		FTE positions		7.2
32		Lump sum appropriation	\$	905,500
33		Fund sources:		
34		Arizona board of osteopathic		
35		examiners in medicine		
36		and surgery fund	\$	905,500
37	Sec. 69.	ARIZONA STATE PARKS BOARD		
38				<u>2018-19</u>
39		FTE positions		163.0
40		Operating lump sum appropriation	\$	12,427,800
41		Kartchner caverns state park		<u>2,226,300</u>
42	Total appropriation - Arizona state parks	board	\$	14,654,100
43		Fund sources:		
44		State parks revenue fund	\$	14,654,100
45				

1 All other operating expenditures include \$26,000 from the state
 2 parks revenue fund for Fool Hollow state park revenue sharing. If
 3 receipts to Fool Hollow exceed \$260,000 in fiscal year 2018-2019, an
 4 additional ten percent of this increase of Fool Hollow receipts is
 5 appropriated from the state parks revenue fund established by section
 6 41-511.21, Arizona Revised Statutes, to meet the revenue sharing agreement
 7 with the city of Show Low and the United States forest service.

8 Sec. 70. STATE PERSONNEL BOARD

9		<u>2018-19</u>
10	FTE positions	3.0
11	Lump sum appropriation	\$ 375,900
12	Fund sources:	
13	Personnel division fund -	
14	personnel board subaccount	\$ 375,900

15 Sec. 71. ARIZONA STATE BOARD OF PHARMACY

16		<u>2018-19</u>
17	FTE positions	19.0
18	Operating lump sum appropriation	\$ 2,098,200
19	Prescriber report card	<u>50,000</u>
20	Total appropriation - Arizona state	
21	board of pharmacy	\$ 2,148,200
22	Fund sources:	
23	Arizona state board of pharmacy	
24	fund	\$ 2,148,200

25 Sec. 72. BOARD OF PHYSICAL THERAPY

26		<u>2018-19</u>
27	FTE positions	4.0
28	Lump sum appropriation	\$ 479,600
29	Fund sources:	
30	Board of physical therapy fund	\$ 479,600

31 Sec. 73. ARIZONA PIONEERS' HOME

32		<u>2018-19</u>
33	FTE positions	106.3
34	Operating lump sum appropriation	\$ 6,424,400
35	Prescription drugs	<u>200,000</u>
36	Total appropriation - Arizona pioneers' home	\$ 6,624,400
37	Fund sources:	
38	Miners' hospital for miners with	
39	disabilities land fund	\$ 2,160,700
40	State charitable fund	4,463,700

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

1	Sec. 74. STATE BOARD OF PODIATRY EXAMINERS		
2			<u>2018-19</u>
3	FTE positions		1.0
4	Lump sum appropriation	\$	158,800
5	Fund sources:		
6	Podiatry fund	\$	158,800
7	Sec. 75. COMMISSION FOR POSTSECONDARY EDUCATION		
8			<u>2018-19</u>
9	FTE positions		5.0
10	Operating lump sum appropriation	\$	183,600
11	Leveraging educational assistance		
12	partnership (LEAP)		2,319,500
13	Arizona college and career guide		21,300
14	Arizona teacher student loan		
15	program		426,000
16	Arizona minority educational		
17	policy analysis center		100,000
18	Twelve plus partnership		<u>130,500</u>
19	Total appropriation - commission for		
20	postsecondary education	\$	3,180,900
21	Fund sources:		
22	State general fund	\$	1,646,800
23	Postsecondary education fund		1,534,100

24 In order to be eligible to receive state matching monies under the
 25 leveraging educational assistance partnership for grants to students, each
 26 participating institution, public or private, shall provide an amount of
 27 institutional matching monies that equals the amount of monies provided by
 28 the state to the institution for the leveraging educational assistance
 29 partnership. Administrative expenses incurred by the commission for
 30 postsecondary education shall be paid from institutional matching monies
 31 and may not exceed twelve percent of the monies in fiscal year 2018-2019.

32 Any unencumbered balance remaining in the postsecondary education
 33 fund established by section 15-1853, Arizona Revised Statutes, on June 30,
 34 2018, and all grant monies and other revenues received by the commission
 35 for postsecondary education, when paid into the state treasury, are
 36 appropriated for the specific purposes designated by line items and for
 37 additional responsibilities prescribed in sections 15-1851 and 15-1852,
 38 Arizona Revised Statutes.

39 The appropriations for the Arizona college and career guide, Arizona
 40 minority educational policy analysis center and twelve plus partnership
 41 are estimates representing all monies distributed to these programs,
 42 including balance forward, revenue and transfers, during fiscal year
 43 2018-2019. The appropriations shall be adjusted as necessary to reflect
 44 actual final monies credited to the postsecondary education fund.

1	Sec. 76. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
2		<u>2018-19</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 409,500
5	Fund sources:	
6	Board for private postsecondary	
7	education fund	\$ 409,500
8	Sec. 77. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
9		<u>2018-19</u>
10	FTE positions	4.0
11	Lump sum appropriation	\$ 492,700
12	Fund sources:	
13	Board of psychologist examiners	
14	fund	\$ 492,700
15	Sec. 78. DEPARTMENT OF PUBLIC SAFETY	
16		<u>2018-19</u>
17	FTE positions	1,966.7
18	Operating lump sum appropriation	\$244,639,600
19	ACTIC	1,450,000
20	Border strike task force ongoing	7,077,000
21	Border strike task force	
22	local support	1,261,700
23	Civil air patrol	150,000
24	GIITEM	22,323,100
25	GIITEM subaccount	2,395,800
26	Motor vehicle fuel	5,454,600
27	Pharmaceutical diversion and	
28	drug theft task force	758,100
29	Public safety equipment	<u>2,890,000</u>
30	Total appropriation - department of public	
31	safety	\$288,399,900
32	Fund sources:	
33	State general fund	\$103,893,900
34	State highway fund	7,713,900
35	Arizona highway patrol fund	116,136,600
36	Arizona highway user revenue fund	15,508,700
37	State aid to indigent defense fund	700,000
38	Criminal justice enhancement fund	2,914,800
39	Drug and gang prevention resource	
40	center fund	758,100
41	Safety enforcement and transportation	
42	infrastructure fund - department	
43	of public safety subaccount	1,643,500

1	Department of public safety	
2	forensics fund	22,415,100
3	Gang and immigration intelligence	
4	team enforcement mission border	
5	security and law enforcement	
6	subaccount	2,538,700
7	Motorcycle safety fund	205,000
8	Motor vehicle liability insurance	
9	enforcement fund	1,250,000
10	Risk management revolving fund	1,337,100
11	Parity compensation fund	3,442,200
12	Public safety equipment fund	2,893,700
13	Concealed weapons permit fund	3,548,600
14	Fingerprint clearance card fund	1,500,000

15 Of the \$22,323,100 appropriated to the GIITEM line item, \$10,356,900
16 shall be used for one hundred department of public safety GIITEM
17 personnel. The additional staff shall include at least fifty sworn
18 department of public safety positions to be used for immigration
19 enforcement and border security and fifty department of public safety
20 positions to assist GIITEM in various efforts, including:

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

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

36 Of the \$22,323,100 appropriated to the GIITEM line item, only
37 \$1,403,400 is deposited in the GIITEM fund established by section 41-1724,
38 Arizona Revised Statutes, and is appropriated for the purposes of that
39 section. The \$1,403,400 is exempt from the provisions of section 35-190,
40 Arizona Revised Statutes, relating to the lapsing of appropriations. This
41 state recognizes that states have inherent authority to arrest a person
42 for any immigration violation.

1 Any monies remaining in the department of public safety joint
 2 account on June 30, 2019 revert to the funds from which they were
 3 appropriated. The reverted monies shall be returned in direct proportion
 4 to the amounts appropriated.

5 On or before September 1, 2018, the department of public safety
 6 shall submit an expenditure plan for the border strike task force local
 7 support line item to the joint legislature budget committee and the
 8 governor's office of strategic planning and budgeting.

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

18 Of the \$1,261,700 appropriated for the border strike task force
 19 local support line item, \$500,000 shall be used for grants to cities,
 20 towns or counties for costs associated with prosecuting and imprisoning
 21 individuals charged with drug trafficking, human smuggling, illegal
 22 immigration and other border-related crimes.

23 Sec. 79. STATE REAL ESTATE DEPARTMENT

24		<u>2018-19</u>
25	FTE positions	37.0
26	Lump sum appropriation	\$ 2,904,400
27	Fund sources:	
28	State general fund	\$ 2,904,400

29 Sec. 80. RESIDENTIAL UTILITY CONSUMER OFFICE

30		<u>2018-19</u>
31	FTE positions	11.0
32	Operating lump sum appropriation	\$ 1,186,400
33	Professional witnesses	<u>145,000*</u>
34	Total appropriation - residential utility	
35	consumer office	\$ 1,331,400
36	Fund sources:	
37	Residential utility consumer	
38	office revolving fund	\$ 1,331,400

39 Sec. 81. BOARD OF RESPIRATORY CARE EXAMINERS

40		<u>2018-19</u>
41	FTE positions	4.0
42	Lump sum appropriation	\$ 320,000
43	Fund sources:	
44	Board of respiratory care	
45	examiners fund	\$ 320,000

1	Sec. 82. ARIZONA STATE RETIREMENT SYSTEM	
2		<u>2018-19</u>
3	FTE positions	245.9
4	Operating lump sum appropriation	\$ 24,359,200
5	Onetime IT expenses	<u>500,000</u>
6	Total appropriation - Arizona state	
7	retirement system	\$ 24,859,200
8	Fund sources:	
9	Arizona state retirement system	
10	administration account	\$ 22,659,200
11	Long-term disability trust fund	
12	administration account	2,200,000
13	Sec. 83. DEPARTMENT OF REVENUE	
14		<u>2018-19</u>
15	FTE positions	880.8
16	Operating lump sum appropriation	\$ 64,531,200
17	BRITS operational support	7,497,500
18	Unclaimed property administration	
19	and audit	1,218,500
20	TPT simplification	970,400
21	Tax fraud prevention	<u>3,150,000</u>
22	Total appropriation - department of revenue	\$ 77,367,600
23	Fund sources:	
24	State general fund	\$ 30,682,700
25	Department of revenue	
26	administrative fund	45,158,700
27	Department of revenue empowerment	
28	scholarship account fund	50,000
29	Liability setoff program	
30	revolving fund	797,900
31	Tobacco tax and health care fund	678,300

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

37 The department shall report the department's general fund revenue
 38 enforcement goals for fiscal year 2018-2019 to the joint legislative
 39 budget committee on or before September 30, 2018. On or before September
 40 30, 2018, the department shall provide an annual progress report to the
 41 joint legislative budget committee as to the effectiveness of the
 42 department's overall enforcement and collections program for fiscal year
 43 2017-2018, and on or before September 30, 2019, the department shall
 44 provide an annual progress report to the joint legislative budget
 45 committee as to the effectiveness of the department's overall enforcement

1 and collections program for fiscal year 2018-2019. The reports shall
 2 include a comparison of projected and actual state general fund, total
 3 state tax, total county tax and total municipal tax revenue enforcement
 4 collections for fiscal year 2017-2018 and fiscal year 2018-2019, including
 5 the amount of projected and actual enforcement collections for all tax
 6 types. The reports shall also include the total number of transaction
 7 privilege tax delinquent accounts, the total dollar value of those
 8 accounts classified by age of account and the total dollar amount of
 9 delinquent account write-offs determined to be uncollectible for fiscal
 10 year 2017-2018.

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

14 The operating lump sum appropriation includes \$2,000,000 and 25 FTE
 15 positions for additional audit and collections staff.

16 On or before November 1, 2018, the department shall report the
 17 results of private fraud prevention investigation services during fiscal
 18 year 2017-2018 to the joint legislative budget committee. The report
 19 shall include the total number of fraudulent returns prevented and the
 20 total dollar amount of fraudulent returns prevented during fiscal year
 21 2017-2018.

22 Sec. 84. SCHOOL FACILITIES BOARD

23		<u>2018-19</u>
24	FTE positions	17.0
25	Operating lump sum appropriation	\$ 1,666,700
26	New school facilities debt service	134,287,300
27	Building renewal grants	51,085,800
28	New school facilities	<u>49,636,700</u>
29	Total appropriation - school facilities	
30	board	\$236,676,500
31	Fund sources:	
32	State general fund	\$236,676,500

33 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 34 reimbursement received by or allocated to the school facilities board
 35 under the federal qualified school construction bond program in fiscal
 36 year 2018-2019 shall be deposited in or revert to the state general fund.

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

41 Pursuant to section 15-2041, Arizona Revised Statutes, the amount
 42 appropriated for new school facilities shall be used only for facilities
 43 and land costs for school districts that received final approval from the
 44 school facilities board in November 2017.

1	Sec. 85. DEPARTMENT OF STATE - SECRETARY OF STATE	
2		<u>2018-19</u>
3	FTE positions	141.1
4	Operating lump sum appropriation	\$ 11,555,200
5	Election services	4,000,000
6	Library grants-in-aid	651,400*
7	Other help America vote act projects	5,400,400
8	Statewide radio reading service	
9	for the blind	97,000
10	Statewide voter registration	
11	system	<u>2,063,300</u>
12	Total appropriation - department of	
13	state - secretary of state	\$ 23,767,300
14	Fund sources:	
15	State general fund	\$ 14,947,700
16	Data processing acquisition fund	115,500
17	Election systems improvement fund	7,463,700
18	Records services fund	1,240,400
19	Any transfer to or from the amount appropriated for the election	
20	services line item requires review by the joint legislative budget	
21	committee.	
22	In expending the monies appropriated in this section for the	
23	statewide voter registration system, the secretary of state shall	
24	prescribe the manner in which counties must submit data as required by	
25	section 16-168, Arizona Revised Statutes.	
26	The amount appropriated for the other help America vote acts	
27	projects line item is exempt from the provisions of section 35-190,	
28	Arizona Revised Statutes, relating to lapsing of appropriations until June	
29	30, 2020. Before expending the monies, the secretary of state shall	
30	submit an expenditure plan for review by the joint legislative budget	
31	committee that includes, at a minimum, the planned expenditures and	
32	timeline for the expenditures by year.	
33	Included in the operating lump sum appropriation of \$11,555,200 for	
34	fiscal year 2018-2019 is \$5,000 for the purchase of mementos and items for	
35	visiting officials.	
36	Sec. 86. STATE BOARD OF TAX APPEALS	
37		<u>2018-19</u>
38	FTE positions	4.0
39	Lump sum appropriation	\$ 277,700
40	Fund sources:	
41	State general fund	\$ 277,700

1	Sec. 87. STATE BOARD OF TECHNICAL REGISTRATION	
2		<u>2018-19</u>
3	FTE positions	25.0
4	Lump sum appropriation	\$ 2,269,400
5	Fund sources:	
6	Technical registration fund	\$ 2,269,400
7	Sec. 88. OFFICE OF TOURISM	
8		<u>2018-19</u>
9	FTE positions	28.0
10	Tourism fund deposit	\$ 7,112,000
11	Fund sources:	
12	State general fund	\$ 7,112,000
13	Sec. 89. DEPARTMENT OF TRANSPORTATION	
14		<u>2018-19</u>
15	FTE positions	4,552.0
16	Operating lump sum appropriation	\$205,196,400
17	Attorney general legal services	3,623,700
18	Highway maintenance	162,754,100
19	Vehicles and heavy equipment	18,474,600
20	Driver safety and livestock control	800,000
21	Vehicle replacement	15,300,000
22	Highway damage recovery account	4,000,000
23	Authorized third parties	<u>2,000,000</u>
24	Total appropriation - department of	
25	transportation	\$412,148,800
26	Fund sources:	
27	Air quality fund	324,100
28	Driving under the influence	
29	abatement fund	152,200
30	Arizona highway user revenue fund	649,700
31	Highway damage recovery account	4,000,000
32	Ignition interlock device fund	150,000
33	Motor vehicle liability	
34	insurance enforcement fund	1,708,600
35	Safety enforcement and	
36	transportation infrastructure	
37	fund - department of	
38	transportation subaccount	1,468,400
39	State aviation fund	1,816,800
40	State highway fund	381,954,200
41	Transportation department	
42	equipment fund	18,474,600
43	Vehicle inspection and certificate	
44	of title enforcement fund	1,450,200

1 Motor vehicle division

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

5 The department of transportation shall submit an annual report to
6 the joint legislative budget committee on progress in improving motor
7 vehicle division wait times and vehicle registration renewal by mail
8 turnaround times in a format similar to prior years. The report is due on
9 or before July 31, 2019 for fiscal year 2018-2019.

10 The department of transportation shall contract with an independent
11 third-party consultant for the duration of the motor vehicle division
12 legacy system replacement project. On or before February 1, 2019, the
13 independent third-party consultant shall submit an annual progress report
14 for review by the joint legislative budget committee. The annual report
15 shall evaluate and assess the project's success in meeting and
16 incorporating the tenets of the project investment justification,
17 including the goals and objectives, technology approach, deliverables and
18 outcomes, project scope and timeline. The report shall also address any
19 potential project deficiencies as well as the incorporation of the auditor
20 general's April 2015 recommendations.

21 On or before August 1, 2018, the department shall report to the
22 director of the joint legislative budget committee the state's share of
23 fees retained by the service Arizona vendor in the prior fiscal year. The
24 report shall also include the amount spent by the service Arizona vendor
25 on behalf of this state in the prior fiscal year, as well as a list of the
26 projects funded with those monies.

27 Other

28 Of the total amount appropriated, \$162,754,100 in fiscal year
29 2018-2019 for highway maintenance is exempt from the provisions of section
30 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
31 except that all unexpended and unencumbered monies of the appropriation
32 revert to their fund of origin, either the state highway fund established
33 by section 28-6991, Arizona Revised Statutes, or the safety enforcement
34 and transportation infrastructure fund - department of transportation
35 subaccount established by section 28-6547, Arizona Revised Statutes, on
36 August 31, 2019.

37 Of the total amount appropriated, the department of transportation
38 shall pay \$15,981,300 in fiscal year 2018-2019 from all funds to the
39 department of administration for its risk management payment.

40 All expenditures made by the department of transportation for
41 attorney general legal services shall be funded only from the attorney
42 general legal services line item. Monies in the operating lump sum
43 appropriation or other line items intended for this purpose shall be
44 transferred to the attorney general legal services line item before
45 expenditure.

1 In accordance with section 35-142.01, Arizona Revised Statutes,
 2 reimbursements for monies expended from the highway maintenance line item
 3 may not be credited to the account out of which the expenditure was
 4 incurred. The department shall deposit all reimbursements for monies
 5 expended from the highway maintenance line item in the highway damage
 6 recovery account established by section 28-6994, Arizona Revised Statutes.

7 Expenditures made by the department of transportation for vehicle
 8 and heavy equipment replacement shall be funded only from the vehicle
 9 replacement line item. Monies in the operating lump sum appropriation or
 10 other line items intended for this purpose shall be transferred to the
 11 vehicle replacement line item before expenditure.

12 Sec. 90. STATE TREASURER

	<u>2018-19</u>
13	
14	31.4
15	FTE positions
16	\$ 3,159,300
17	Operating lump sum appropriation
18	1,205,100
19	Justice of the peace salaries
20	2,183,800
21	Law enforcement/boating safety
22	fund grants
23	<u>2,183,800</u>
24	Total appropriation - state treasurer
25	\$ 6,548,200
26	Fund sources:
27	\$ 1,205,100
28	State general fund
29	2,183,800
30	Law enforcement and boating
31	safety fund
32	304,400
33	State treasurer empowerment
34	2,559,300
35	scholarship account fund
36	295,600
37	State treasurer's operating fund
38	295,600
39	State treasurer's management fund

40 Sec. 91. GOVERNOR'S OFFICE ON TRIBAL RELATIONS

	<u>2018-19</u>
1	
2	3.0
3	FTE positions
4	\$ 57,500
5	Lump sum appropriation
6	57,500
7	Fund sources:
8	\$ 57,500
9	State general fund

10 Sec. 92. ARIZONA BOARD OF REGENTS

	<u>2018-19</u>
11	
12	25.9
13	FTE positions
14	\$ 2,352,500
15	Operating lump sum appropriation
16	90,000
17	Arizona teachers incentive program
18	213,700
19	Arizona transfer articulation
20	support system

1	Western interstate commission	
2	office	153,000
3	WICHE student subsidies	<u>4,078,000</u>
4	Total appropriation - Arizona board of	
5	regents	\$ 6,887,200
6	Fund sources:	
7	State general fund	\$ 6,887,200

8 Within ten days after the acceptance of the universities' semiannual
9 all funds budget reports, the Arizona board of regents shall submit a
10 current year expenditure plan to the joint legislative budget committee
11 for review. The expenditure plan shall include the use of all projected
12 tuition and fee revenues by expenditure category, including operating
13 expenses, plant fund, debt service and financial aid. The plan shall
14 include the amount by which each expenditure category is projected to
15 increase over the prior year and shall provide as much detail as the
16 university budget requests. The plan shall include the total revenue and
17 expenditure amounts from all tuition and student fee revenues, including
18 base tuition, differential tuition, program fees, course fees, summer
19 session fees and other miscellaneous and mandatory student fee revenues.

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

24 Sec. 93. ARIZONA STATE UNIVERSITY

25		<u>2018-19</u>
26	FTE positions	8,123.1
27	Operating lump sum appropriation	\$820,193,800
28	Biomedical informatics	3,746,100
29	Economic development	250,000
30	TRIF lease-purchase payment	3,600,000
31	School of civic and economic	
32	thought and leadership	3,000,000
33	Arizona financial aid trust	5,985,800
34	Downtown Phoenix campus	<u>145,337,500</u>
35	Total appropriation - Arizona state	
36	university	\$982,113,200
37	Fund sources:	
38	State general fund	\$296,880,600
39	University collections fund	681,632,600
40	Technology and research	
41	initiative fund	3,600,000

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

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

5 Other than scholarships awarded through the Arizona financial aid
6 trust, the appropriated monies may not be used for scholarships or any
7 student newspaper.

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

12 The appropriated amount for the school of civic and economic thought
13 and leadership line item shall be used to operate a single stand-alone
14 academic entity within Arizona state university. The appropriated amount
15 may not supplant any existing state funding or private or external
16 donations to the existing centers or to the school. The appropriated
17 monies and all private and external donations to the school, including any
18 remaining balances from prior fiscal years, shall be deposited in a
19 separate account, shall be used only for the direct operation of the
20 school and may not be used for indirect costs of the university. The
21 school shall submit a report to the president of the senate, the speaker
22 of the house of representatives, the chairpersons of the senate education
23 committee and the house of representatives education committee and the
24 director of the joint legislative budget committee on or before October 1,
25 2018. The report shall include at least the following information for the
26 school:

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

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

35 The appropriated amount for the economic development line item shall
36 be used to establish, in cooperation with a public university located in
37 Guanajuato, Mexico, an office in Guanajuato, Mexico, to develop
38 collaborative efforts between the states of Arizona and Guanajuato,
39 including stimulating bilateral trade and economic development, enhancing
40 cultural exchange opportunities, expanding public service capacity,
41 enhancing innovation and improving public policy development.

1 Any unencumbered balances remaining in the university collections
 2 fund on June 30, 2018 and all collections received by the university
 3 during the fiscal year are appropriated for operating expenditures,
 4 capital outlay and fixed charges. Earnings on state lands and interest on
 5 the investment of the permanent land funds are appropriated in compliance
 6 with the enabling act and the Constitution of Arizona. No part of this
 7 appropriation may be expended for supplemental life insurance or
 8 supplemental retirement.

9 Sec. 94. NORTHERN ARIZONA UNIVERSITY

	<u>2018-19</u>
11 FTE positions	2,316.5
12 Operating lump sum appropriation	\$247,203,800
13 NAU - Yuma	3,067,300
14 Arizona financial aid trust	1,326,000
15 Teacher training	<u>2,290,600</u>
16 Total appropriation - Northern Arizona	
17 university	\$253,887,700
18 Fund sources:	
19 State general fund	\$ 96,456,600
20 University collections fund	157,431,100

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

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

25 Other than scholarships awarded through the Arizona financial aid
 26 trust, the appropriated monies may not be used for scholarships or any
 27 student newspaper.

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

32 Any unencumbered balances remaining in the university collections
 33 fund on June 30, 2018 and all collections received by the university
 34 during the fiscal year are appropriated for operating expenditures,
 35 capital outlay and fixed charges. Earnings on state lands and interest on
 36 the investment of the permanent land funds are appropriated in compliance
 37 with the enabling act and the Constitution of Arizona. No part of this
 38 appropriation may be expended for supplemental life insurance or
 39 supplemental retirement.

40 Sec. 95. UNIVERSITY OF ARIZONA

	<u>2018-19</u>
42 <u>Main campus</u>	
43 FTE positions	6,064.5
44 Operating lump sum appropriation	\$515,298,700
45 Agriculture	42,376,000

1	Arizona cooperative extension	16,358,100
2	Center for the philosophy	
3	of freedom	2,500,000
4	Sierra Vista campus	9,132,900
5	Arizona financial aid trust	2,729,400
6	Mining, mineral and natural	
7	resources educational museum	428,300
8	Arizona geological survey	<u>941,000</u>
9	Total - main campus	\$589,764,400
10	Fund sources:	
11	State general fund	\$179,669,700
12	University collections fund	410,094,700
13	<u>Health sciences center</u>	
14	FTE positions	1,176.3
15	Operating lump sum appropriation	\$ 75,093,100
16	Clinical rural rotation	353,400
17	Clinical teaching support	8,587,000
18	Liver research institute	440,100
19	Phoenix medical campus	32,466,200
20	Telemedicine network	<u>1,669,000</u>
21	Total - health sciences center	\$118,608,800
22	Fund sources:	
23	State general fund	\$ 68,859,800
24	University collections fund	<u>49,749,000</u>
25	Total appropriation - university of	
26	Arizona	\$708,373,200
27	Fund sources:	
28	State general fund	\$248,529,500
29	University collections fund	459,843,700

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

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

34 Other than scholarships awarded through the Arizona financial aid
35 trust, the appropriated monies may not be used for scholarships or any
36 student newspaper.

37 The appropriated amount for the center for the philosophy of freedom
38 line item may not supplant any existing state funding or private or
39 external donations to the center or the philosophy department of the
40 university of Arizona. The appropriated monies and all private and
41 external donations to the center, including any remaining balances from
42 prior fiscal years, shall be deposited in a separate account, shall be
43 used only for the direct operation of the center and may not be used for
44 indirect costs of the university. The center shall submit a report to the
45 president of the senate, the speaker of the house of representatives, the

1 chairpersons of the senate education committee and the house of
 2 representatives education committee and the director of the joint
 3 legislative budget committee on or before October 1, 2018. The report
 4 shall include at least the following information for the center:

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

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

13 Any unencumbered balances remaining in the university collections
 14 fund on June 30, 2018 and all collections received by the university
 15 during the fiscal year are appropriated for operating expenditures,
 16 capital outlay and fixed charges. Earnings on state lands and interest on
 17 the investment of the permanent land funds are appropriated in compliance
 18 with the enabling act and the Constitution of Arizona. No part of this
 19 appropriation may be expended for supplemental life insurance or
 20 supplemental retirement.

21 Sec. 96. DEPARTMENT OF VETERANS' SERVICES

22		<u>2018-19</u>
23	FTE positions	497.3
24	Operating lump sum appropriation	\$ 2,308,800
25	Arizona state veterans' homes	35,218,700
26	Arizona state veterans' cemeteries	924,200
27	Veterans' benefit counseling	<u>2,821,100</u>
28	Total appropriation - department of	
29	veterans' services	\$ 41,272,800
30	Fund sources:	
31	State general fund	\$ 6,054,100
32	State home for veterans trust	
33	fund	35,218,700

34 Sec. 97. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

35		<u>2018-19</u>
36	FTE positions	6.0
37	Lump sum appropriation	\$ 599,200
38	Fund sources:	
39	Veterinary medical examining	
40	board fund	\$ 599,200

1	Sec. 98. DEPARTMENT OF WATER RESOURCES	
2		<u>2018-19</u>
3	FTE positions	139.0
4	Operating lump sum appropriation	\$ 9,551,800
5	Adjudication support	1,724,800
6	Arizona water protection fund	
7	deposit	250,000
8	Assured and adequate water supply	
9	administration	1,977,000
10	Rural water studies	1,154,100
11	Conservation and drought program	406,900
12	Automated groundwater monitoring	408,700
13	Colorado river legal expenses	<u>500,000*</u>
14	Total appropriation - department of water	
15	resources	\$ 15,973,300
16	Fund sources:	
17	State general fund	\$ 13,554,200
18	Water resources fund	941,400
19	Assured and adequate water	
20	supply administration fund	266,300
21	Arizona water banking fund	1,211,400

22 Monies in the assured and adequate water supply administration line
 23 item may be used only for the exclusive purposes prescribed in sections
 24 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The
 25 department of water resources may not transfer any monies into or out of
 26 the assured and adequate water supply administration line item.

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

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

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

40 Fiscal Years 2016-2017 and 2017-2018 Appropriation Adjustments

41 Sec. 99. Department of administration; risk management
 42 revolving fund; supplemental appropriation; fiscal
 43 year 2017-2018; review

44 A. In addition to any other appropriations made in fiscal year
 45 2017-2018, the sum of \$15,802,500 is appropriated from the risk management

1 revolving fund established by section 41-622, Arizona Revised Statutes, in
2 fiscal year 2017-2018 to the department of administration for the
3 following purposes:

4 1. To pay disallowed costs relating to excess retained earnings.

5 2. To pay disallowed costs relating to the statewide information
6 technology charges.

7 3. For fund transfers in fiscal year 2016-2017.

8 B. It is the intent of the legislature that the department of
9 administration not enter into any agreements to pay for any federal
10 reimbursements related to excess balances in the special employee health
11 insurance trust fund established by section 38-654, Arizona Revised
12 Statutes, unless the proposed agreements have been reviewed by the joint
13 legislative budget committee.

14 Sec. 100. Arizona department of agriculture; supplemental
15 appropriation; fiscal year 2017-2018

16 In addition to any other appropriations made in fiscal year
17 2017-2018, the sum of \$40,300 is appropriated from the state general fund
18 in fiscal year 2017-2018 to the Arizona department of agriculture for
19 management of the Salt river horses.

20 Sec. 101. Arizona health care cost containment system
21 administration; supplemental appropriation;
22 fiscal year 2017-2018

23 In addition to any other appropriations made in fiscal year
24 2017-2018, the sum of \$36,973,200 is increased from the Arizona health
25 care cost containment system administration appropriation from the
26 expenditure authority in fiscal year 2017-2018.

27 Sec. 102. Attorney general-department of law; supplemental
28 appropriation; election litigation expenses;
29 fiscal year 2017-2018

30 In addition to any other appropriations made in fiscal year
31 2017-2018, the sum of \$500,000 is appropriated from the risk management
32 revolving fund established by section 41-622, Arizona Revised Statutes, in
33 fiscal year 2017-2018 to the attorney general for election litigation
34 expenses concerning the secretary of state.

35 Sec. 103. Department of child safety; litigation expenses;
36 exemption; fiscal year 2017-2018

37 The sum of \$2,471,200 appropriated to the department of child safety
38 in fiscal year 2017-2018 by Laws 2017, chapter 305, section 19 for
39 litigation expenses is exempt from the provisions of section 35-190,
40 Arizona Revised Statutes, relating to lapsing of appropriations until June
41 30, 2019.

1 B. The sum of \$500,000 is appropriated from the state general fund
2 in fiscal year 2018-2019 to the department of administration for
3 distribution to a county with a population of more than thirty thousand
4 persons but less than forty thousand persons according to the 2010 United
5 States decennial census for maintenance of essential county services.

6 Sec. 116. Appropriations; department of administration;
7 allocation; counties; fiscal year 2018-2019

8 A. The sum of \$11,260,000 is appropriated from the state general
9 fund in fiscal year 2018-2019 to the department of administration for a
10 onetime distribution to counties to maintain essential county services.
11 The department of administration shall allocate this amount as follows:

12	Apache	\$ 126,000
13	Cochise	\$ 231,400
14	Coconino	\$ 236,900
15	Gila	\$ 94,400
16	Graham	\$ 65,600
17	Greenlee	\$ 14,800
18	La Paz	\$ 36,200
19	Maricopa	\$6,724,000
20	Mohave	\$ 352,600
21	Navajo	\$ 189,300
22	Pima	\$1,726,900
23	Pinal	\$ 661,900
24	Santa Cruz	\$ 83,500
25	Yavapai	\$ 371,700
26	Yuma	\$ 344,800

27 B. The sum of \$1,655,500 is appropriated from the state general
28 fund in fiscal year 2018-2019 to the department of administration for a
29 onetime distribution to counties for elected officials retirement plan
30 liabilities. The department of administration shall allocate this amount
31 as follows:

32	Apache	\$ 141,900
33	Cochise	\$ 195,900
34	Gila	\$ 110,400
35	Graham	\$ 212,600
36	Greenlee	\$ 297,600
37	La Paz	\$ 243,500
38	Navajo	\$ 217,600
39	Santa Cruz	\$ 236,000

40 Sec. 117. Arizona arts trust fund; appropriation; fiscal year
41 2018-2019

42 The sum of \$2,000,000 is appropriated from the monies earned from
43 investments of monies in the budget stabilization fund established by
44 section 35-144, Arizona Revised Statutes, in fiscal year 2018-2019 to the

1 Arizona arts trust fund established by section 41-983.01, Arizona Revised
2 Statutes.

3 Sec. 118. Automation projects fund; appropriations; fiscal
4 year 2018-2019; quarterly report

5 Appropriations

6 A. The following amounts and 15.0 FTE positions are appropriated
7 from the department of administration subaccount in the automation
8 projects fund established by section 41-714, Arizona Revised Statutes, in
9 fiscal year 2018-2019 to the department of administration for the
10 following statewide automation and information technology projects:

11 1. \$4,697,000 to relocate the state data center.

12 2. \$821,900 to update the state's human resource information
13 system.

14 3. \$500,000 for projects related to e-government.

15 4. \$3,000,000 to replace the state's e-procurement system.

16 B. The sum of \$450,000 is appropriated from the statewide board
17 e-licensing subaccount in the automation projects fund established by
18 section 41-714, Arizona Revised Statutes, in fiscal year 2018-2019 to the
19 department of administration to include the board of behavioral health
20 examiners in the statewide e-licensing project. The department must
21 receive approval for the statewide e-licensing project from the
22 information technology authorization committee pursuant to section 18-121,
23 Arizona Revised Statutes, before requesting review from the joint
24 legislative budget committee pursuant to section 41-714, Arizona Revised
25 Statutes.

26 C. The sum of \$5,000,000 is appropriated from the department of
27 child safety subaccount in the automation projects fund established by
28 section 41-714, Arizona Revised Statutes, in fiscal year 2018-2019 to the
29 department of administration to implement upgrades to the children's
30 information library and data source system at the department of child
31 safety.

32 D. The sum of \$3,200,000 is appropriated from the department of
33 environmental quality subaccount in the automation projects fund
34 established by section 41-714, Arizona Revised Statutes, in fiscal year
35 2018-2019 to the department of administration to implement e-licensing
36 projects at the department of environmental quality.

37 E. The sum of \$1,400,000 is appropriated from the department of
38 financial institutions subaccount in the automation projects fund
39 established by section 41-714, Arizona Revised Statutes, in fiscal year
40 2018-2019 to the department of administration for e-licensing development
41 at the department of financial institutions.

1 F. The following amounts are appropriated from the department of
2 public safety subaccount in the automation projects fund established by
3 section 41-714, Arizona Revised Statutes, in fiscal year 2018-2019 to the
4 department of administration for the following statewide automation and
5 information technology projects at the department of public safety:

6 1. \$1,250,000 to update the microwave backbone statewide
7 communication system.

8 2. \$2,806,200 to implement updates to the criminal justice
9 information system.

10 Quarterly Report

11 G. The department of administration shall submit to the joint
12 legislative budget committee, within thirty days after the last day of
13 each calendar quarter, a quarterly report on implementing projects
14 approved by the information technology authorization committee established
15 by section 18-121, Arizona Revised Statutes, including the projects'
16 expenditures to date, deliverables, timeline for completion and current
17 status.

18 Nonlapsing

19 H. The amounts appropriated pursuant to this section from the
20 automation projects fund established by section 41-714, Arizona Revised
21 Statutes, in fiscal year 2018-2019 are exempt from the provisions of
22 section 35-190, Arizona Revised Statutes, relating to lapsing of
23 appropriations until June 30, 2020.

24 I. The transfers into the automation projects fund established by
25 section 41-714, Arizona Revised Statutes, as outlined in this section are
26 not appropriations out of the automation project fund. Only direct
27 appropriations out of the automation projects fund are appropriations.

28 Sec. 119. Arizona commerce authority; allocation

29 Pursuant to section 43-409, Arizona Revised Statutes, \$21,500,000 of
30 the state general fund withholding tax revenues is allocated in fiscal
31 year 2018-2019 to the Arizona commerce authority, of which \$10,000,000 is
32 credited to the Arizona commerce authority fund established by section
33 41-1506, Arizona Revised Statutes, and \$11,500,000 is credited to the
34 Arizona competes fund established by section 41-1545.01, Arizona Revised
35 Statutes.

36 Sec. 120. Arizona commerce authority; appropriation; fiscal
37 year 2018-2019

38 The sum of \$300,000 is appropriated from the state general fund in
39 fiscal year 2018-2019 to the Arizona commerce authority for the purpose of
40 operating a trade office in Mexico City.

1 B. The superintendent of public instruction shall increase by
2 \$300,000 for fiscal year 2017-2018 the base support level of a school
3 district that meets all of the following:

4 1. Is located in a county with a population of two hundred thousand
5 persons or more but less than three hundred thousand persons.

6 2. Had total attending average daily membership of more than five
7 hundred ten but less than five hundred twenty for fiscal year 2016-2017,
8 according to the annual report of the superintendent of public instruction
9 for fiscal year 2016-2017.

10 3. Had a year-end teacher FTE count of 36 for fiscal year 2016-
11 2017, according to the annual report of the superintendent of public
12 instruction for fiscal year 2016-2017.

13 Sec. 126. Appropriations; office of the governor; foster
14 youth education success fund; matching monies;
15 exemption

16 A. The sum of \$1,000,000 is appropriated from the state general
17 fund in fiscal year 2018-2019 to the office of the governor for deposit in
18 the foster youth education success fund established by section 41-108,
19 Arizona Revised Statutes.

20 B. In addition to the monies appropriated in subsection A of this
21 section, the sum of \$500,000 is appropriated from the state general fund
22 in fiscal year 2018-2019 to the office of the governor for deposit in the
23 foster youth education success fund established by section 41-108, Arizona
24 Revised Statutes, to be spent when matching monies, including matching
25 monies of less than \$500,000, from sources other than this state of other
26 public monies, gifts, grants and donations are collected by the office of
27 the governor and deposited in the fund.

28 C. Monies from public sources other than this state, gifts, grants
29 and donations may be spent by the office of the governor as they are
30 collected, but an accounting shall be made by the office of the governor
31 to the joint legislative budget committee to determine qualification for
32 the state match under subsection B of this section.

33 D. The appropriations made in subsections A and B of this section
34 are exempt from the provisions of section 35-190, Arizona Revised
35 Statutes, relating to lapsing of appropriations.

36 Sec. 127. Department of public safety; loan; reimbursement;
37 fiscal year 2018-2019

38 The department of public safety may use up to \$23,300,000 from the
39 budget stabilization fund established by section 35-144, Arizona Revised
40 Statutes, in fiscal year 2018-2019 to provide temporary operating funding
41 for cashflow purposes. Notwithstanding any other law, this appropriation
42 must be fully reimbursed on or before September 1, 2019 as part of the
43 closing process for fiscal year 2018-2019. The appropriation may not be
44 used for additional programmatic expenditures.

1 41-714, Arizona Revised Statutes, to upgrade the children's information
2 library and data source system at the department of child safety.

3 B. Notwithstanding any other law, the following amounts are
4 transferred from the following funds in fiscal year 2018-2019 for deposit
5 in the department of administration subaccount in the automation projects
6 fund established by section 41-714, Arizona Revised Statutes:

7 1. \$5,330,000 from the automation operations fund established by
8 section 41-714, Arizona Revised Statutes, to manage statewide automation
9 and information technology projects.

10 2. \$3,517,000 from the state web portal fund established by section
11 18-421, Arizona Revised Statutes, for information technology projects at
12 the department of administration.

13 3. \$171,900 from the personnel division fund established pursuant
14 to section 41-750, Arizona Revised Statutes, to upgrade the state's human
15 resource information system.

16 C. Notwithstanding any other law, the amount of \$450,000 is
17 transferred from the board of behavioral health examiners fund established
18 by section 32-3254, Arizona Revised Statutes, in fiscal year 2018-2019 for
19 deposit in the statewide board e-licensing subaccount in the automation
20 projects fund established by section 41-714, Arizona Revised Statutes, for
21 e-licensing projects.

22 D. Notwithstanding any other law, the following amounts are
23 transferred from the following funds in fiscal year 2018-2019 for deposit
24 in the department of environmental quality subaccount in the automation
25 projects fund established by section 41-714, Arizona Revised Statutes, for
26 e-licensing projects:

27 1. \$1,400,000 from the underground storage tank revolving fund
28 established by section 49-1015, Arizona Revised Statutes.

29 2. \$1,800,000 from the permit administration fund established by
30 section 49-455, Arizona Revised Statutes.

31 E. Notwithstanding any other law, the amount of \$1,400,000 is
32 transferred from the department receivership revolving fund established by
33 section 6-135.01, Arizona Revised Statutes, in fiscal year 2018-2019 for
34 deposit in the department of financial institutions subaccount in the
35 automation projects fund established by section 41-714, Arizona Revised
36 Statutes, for e-licensing projects.

37 F. Notwithstanding any other law, the following amounts are
38 transferred from the following funds in fiscal year 2018-2019 for deposit
39 in the department of public safety subaccount in the automation projects
40 fund established by section 41-714, Arizona Revised Statutes:

41 1. \$1,250,000 from the public safety equipment fund established by
42 section 41-1723, Arizona Revised Statutes, to update the microwave
43 backbone statewide communication system.

1 B. In addition to any other appropriations made in fiscal year
 2 2019-2020, the sum of \$930,727,700 is appropriated from the state general
 3 fund in fiscal year 2019-2020 to the department of education and the
 4 superintendent of public instruction for basic state aid and additional
 5 state aid entitlement for fiscal year 2019-2020. This appropriation shall
 6 be disbursed after June 30, 2019 but not later than July 12, 2019 to the
 7 several counties for the school districts in each county in amounts equal
 8 to the reductions in apportionment of basic state aid and additional state
 9 aid that are required pursuant to subsection A of this section for fiscal
 10 year 2018-2019.

11 C. School districts shall include in the revenue estimates they use
 12 for computing their tax rates for fiscal year 2018-2019 the monies they
 13 will receive pursuant to subsection B of this section.

14 Statewide Adjustments

15 Sec. 145. Appropriations; operating adjustments

	<u>2018-19</u>
16 Employer health insurance contributions	\$ 20,000,000
17 Fund sources:	
18 State general fund	\$ 10,000,000
19 Other funds	\$ 10,000,000
20 Information technology pro rata	
21 adjustments	\$ 1,186,300
22 Fund sources:	
23 State general fund	\$ 686,300
24 Other appropriated funds	500,000
25 Agency rent adjustments	\$(1,482,500)
26 Fund sources:	
27 State general fund	\$ (501,000)
28 Other appropriated funds	(981,500)
29 State building rent increases	\$ 4,965,500
30 Fund sources:	
31 State general fund	\$ 3,265,500
32 Other appropriated funds	1,700,000
33 Retirement adjustments	\$ 4,732,500
34 Fund sources:	
35 State general fund	\$ 1,732,500
36 Other appropriated funds	3,000,000
37 Elected officials retirement	
38 adjustments	\$ 4,927,200
39 Fund sources:	
40 State general fund	\$ 4,727,200
41 Other appropriated funds	200,000

1 Information technology pro rata adjustments

2 The amount appropriated is for information technology pro rata
3 adjustments in fiscal year 2018-2019. These adjustments reflect an
4 increase in the information technology prorated amount from .20 percent to
5 .30 percent as prescribed in the fiscal year 2018-2019 budget procedures
6 budget reconciliation bill. The joint legislative budget committee staff
7 shall determine and the department of administration shall allocate to
8 each agency or department an amount for the pro rata adjustment. The
9 joint legislative budget committee staff shall also determine and the
10 department of administration shall allocate adjustments, as necessary, in
11 expenditure authority to allow implementation of the information
12 technology pro rata adjustments.

13 Agency rent adjustments

14 The amount appropriated is for agency rent adjustments for agencies
15 relocating to and within state-owned and lease-purchase buildings in
16 fiscal year 2018-2019. The joint legislative budget committee staff shall
17 determine and the department of administration shall allocate to each
18 agency or department an amount for the rent adjustment. The joint
19 legislative budget committee staff shall also determine and the department
20 of administration shall allocate adjustments, as necessary, in expenditure
21 authority to allow implementation of the agency rent adjustments.

22 State building rent increases

23 The amount appropriated for state building rent increases is for
24 rental rate increases at state owned buildings in fiscal year 2018-2019.
25 These adjustments reflect an increase in the rentable square foot rental
26 rate for state-owned space as prescribed in the fiscal year 2018-2019
27 budget procedures budget reconciliation bill. The rate increases from
28 \$13.08 to \$16.08 per square foot for office space and from \$4.74 to \$5.79
29 per square foot for storage space. The joint legislative budget committee
30 staff shall determine and the department of administration shall allocate
31 to each agency or department an amount for the rent increase. The joint
32 legislative budget committee staff shall also determine and the department
33 of administration shall allocate adjustments, as necessary, in expenditure
34 authority to allow implementation of the state building rent increase.

35 Retirement adjustments

36 The amount appropriated is for retirement contribution rate
37 adjustments in fiscal year 2018-2019. The joint legislative budget
38 committee staff shall determine and the department of administration shall
39 allocate to each agency or department an amount for the retirement
40 adjustment. The joint legislative budget committee staff shall also
41 determine and the department of administration shall allocate adjustments,
42 as necessary, in expenditure authority to allow implementation of the
43 retirement adjustment. The amount does not include funding for
44 adjustments for the state department of corrections, department of public
45 safety and department of juvenile corrections because additional funding

1 for the adjustments for those agencies is incorporated in the individual
2 appropriations for those agencies in this act.

3 Elected officials retirement adjustments

4 The amount appropriated is for elected officials retirement
5 contribution rate adjustments in fiscal year 2018-2019. The joint
6 legislative budget committee staff shall determine and the department of
7 administration shall allocate to each agency or department an amount for
8 the retirement adjustment. The joint legislative budget committee staff
9 shall also determine and the department of administration shall allocate
10 adjustments, as necessary, in expenditure authority to allow
11 implementation of the elected officials retirement adjustment. The amount
12 includes state funding for elected officials retirement adjustments for
13 the portion of superior court judges' salaries paid by the state.

14 Employer health insurance contributions

15 The amount appropriated is for a onetime employer contribution rate
16 adjustment for employee health insurance in fiscal year 2018-2019. The
17 joint legislative budget committee staff shall determine and the
18 department of administration shall allocate to each agency or department
19 an amount for the health insurance contribution adjustment. The joint
20 legislative budget committee staff shall also determine and the department
21 of administration shall allocate adjustments, as necessary, in expenditure
22 authority to implement the increase in employer health insurance
23 contribution rates. The joint legislative budget committee staff shall
24 use the overall allocation of state general fund and appropriated tuition
25 monies for each university in determining that university's specific
26 adjustment.

27 Sec. 146. Department of law; general agency counsel charges;
28 fiscal year 2018-2019

29 Pursuant to section 41-191.09, Arizona Revised Statutes, the
30 following state agencies and departments are charged the following amounts
31 in fiscal year 2018-2019 for general agency counsel provided by the
32 department of law:

33	1. Department of administration	\$127,700
34	2. Office of administrative hearings	\$ 3,000
35	3. Arizona arts commission	\$ 3,100
36	4. Automobile theft authority	\$ 1,400
37	5. Citizens clean elections commission	\$ 2,700
38	6. State department of corrections	\$ 2,000
39	7. Arizona criminal justice commission	\$ 8,700
40	8. Arizona state schools for the deaf	
41	and the blind	\$100,200

1	9. Commission for the deaf and the hard of hearing	\$ 4,100
2	10. Arizona early childhood development and	
3	health board	\$ 47,100
4	11. Department of education	\$132,000
5	12. Department of emergency and military affairs	\$ 30,000
6	13. Department of environmental quality	\$135,600
7	14. Arizona exposition and state fair board	\$ 20,900
8	15. Arizona department of financial institutions	\$ 1,900
9	16. Department of forestry and fire management	\$ 13,400
10	17. Department of gaming	\$ 37,300
11	18. Department of health services	\$173,800
12	19. Arizona historical society	\$ 700
13	20. Arizona department of housing	\$ 19,300
14	21. Department of insurance	\$ 10,500
15	22. Department of juvenile corrections	\$ 9,400
16	23. State land department	\$ 2,100
17	24. Department of liquor licenses and control	\$ 11,400
18	25. Arizona state lottery commission	\$ 24,800
19	26. Arizona state parks board	\$ 45,800
20	27. State personnel board	\$ 600
21	28. Arizona pioneers' home	\$ 12,100
22	29. Commission for postsecondary education	\$ 1,800
23	30. Department of public safety	\$677,400
24	31. Arizona state retirement system	\$ 69,100
25	32. Department of revenue	\$ 4,900
26	33. Department of state - secretary of state	\$ 1,800
27	34. State treasurer	\$ 9,200
28	35. Department of veterans' services	\$ 52,700

29 Other Provisions

30 Sec. 147. Legislative intent; expenditure reporting

31 It is the intent of the legislature that all departments, agencies
32 and budget units receiving appropriations under the terms of this act
33 continue to report actual, estimated and requested expenditures by budget
34 programs and budget classes in a format that is similar to the budget
35 programs and budget classes used for budgetary purposes in prior years. A
36 different format may be used if deemed necessary to implement section
37 35-113, Arizona Revised Statutes, agreed to by the director of the joint
38 legislative budget committee and incorporated into the budget preparation
39 instructions adopted by the governor's office of strategic planning and
40 budgeting pursuant to section 35-112, Arizona Revised Statutes.

41 Sec. 148. FTE positions; reporting; definition

42 Full-time equivalent (FTE) positions contained in this act are
43 subject to appropriation. The director of the department of
44 administration shall account for the use of all appropriated and
45 nonappropriated FTE positions, excluding those in the universities. The

1 director of the department of administration shall submit the fiscal year
2 2018-2019 report on or before October 1, 2019 to the director of the joint
3 legislative budget committee. The reports shall compare the level of
4 appropriated FTE usage in each fiscal year to the appropriated level. For
5 the purposes of this section, "FTE positions" means the total number of
6 hours worked, including both regular and overtime hours as well as hours
7 taken as leave, divided by the number of hours in a work year. The
8 director of the department of administration shall notify the director of
9 a budget unit if the budget unit's appropriated FTE usage has exceeded its
10 number of appropriated FTE positions. The universities shall each report
11 to the director of the joint legislative budget committee in a manner
12 comparable to the department of administration reporting.

13 Sec. 149. Filled FTE positions; reporting

14 On or before October 1, 2018, each agency, including the judiciary
15 and universities, shall submit a report to the director of the joint
16 legislative budget committee on the number of filled appropriated and
17 nonappropriated FTE positions, by fund source, as of September 1, 2018.

18 Sec. 150. Transfer of spending authority

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

23 Sec. 151. Interim reporting requirements

24 A. State general fund revenue for fiscal year 2017-2018, including
25 a beginning balance of \$150,871,000 and other onetime revenues, is
26 forecasted to be \$10,025,800,000.

27 B. State general fund revenue for fiscal year 2018-2019, including
28 onetime revenues, is forecasted to be \$10,625,300,000.

29 C. State general fund revenue for fiscal year 2019-2020, including
30 onetime revenues, is forecasted to be \$10,979,400,000. State general fund
31 expenditures for fiscal year 2019-2020 are forecasted to be
32 \$10,791,100,000.

33 D. State general fund revenue for fiscal year 2020-2021, including
34 onetime revenues, is forecasted to be \$11,409,100,000. State general fund
35 expenditures for fiscal year 2020-2021 are forecasted to be
36 \$11,306,000,000.

37 E. The executive branch shall provide to the joint legislative
38 budget committee a preliminary estimate of the fiscal year 2017-2018 state
39 general fund ending balance on or before September 15, 2018. The estimate
40 shall include projections of total revenues, total expenditures and ending
41 balance. The department of administration shall continue to provide the
42 final report for the fiscal year in its annual financial report pursuant
43 to section 35-131, Arizona Revised Statutes.

1 F. Based on the information provided by the executive branch, the
2 staff of the joint legislative budget committee shall report to the joint
3 legislative budget committee on or before October 15, 2018 as to whether
4 the fiscal year 2018-2019 revenues and ending balance are expected to
5 change by more than \$50,000,000 from the budgeted projections. The joint
6 legislative budget committee staff may make technical adjustments to the
7 revenue and expenditure estimates in this section to reflect other bills
8 enacted into law. The executive branch may also provide its own estimates
9 to the joint legislative budget committee on or before October 15, 2018.

10 Sec. 152. Definition

11 For the purposes of this act, "*" means this appropriation is a
12 continuing appropriation and is exempt from the provisions of section
13 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

14 Sec. 153. Definition

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

18 Sec. 154. Definition

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

APPROVED BY THE GOVERNOR MAY 3, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 3, 2018.